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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, SECOND SESSION

SENATE—*Thursday, February 28, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Reverend Joseph F. Lupo, O.SS.T., The Holy Trinity Monastery, Garrison, Md., offered the following prayer:

This day instead of me praying, I am taking the liberty of placing words in your heart—and make it your prayer.

A SENATOR'S PRAYER

Lord, You have called me.

The voice of the people is Your voice.

You have chosen me to serve my people, my country, my world.

You have entrusted me with the power to affect every human being on Earth, yet with this awesome trust You left me the same fragile vessel of clay I was. Please, Lord, show me the goodness You see in me, and help me to be wise and just. Stand by me in every decision I make, every vote I cast.

Dear Lord, I pray for all our Senators. Help make us worthy of the people we represent. Guide us by Thy light to find the path of justice and peace for them and for all the generations yet to come.

Help us make our laws a mirror of Your laws.

With Your help, O Lord, we will make this Chamber a sacred temple of hope for a better world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 28, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

CIVIL RIGHTS OF THE INSTITUTIONALIZED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

The Senate resumed the consideration of the bill.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the two leaders have 3 minutes each without impinging on the time of the bill.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the remainder of my time to the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. HARRY F. BYRD, JR. I thank the Senator from West Virginia.

CUTTING THE BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, something strange is happening.

I like what is happening—but it is something so unusual that all of us in the Congress might be wise to evaluate—if not emulate.

All in a period of 4 days the following has occurred:

First. Sunday, in its lead editorial, the Washington Post stated that:

> If President Carter wants to move fast on inflation, he has only one lever that will make much difference. He will have to start cutting his budget, rapidly and severely—

Yes, said the Post—

> Rapidly and severely.

Second. Monday, the New York Times reported that:

> The Carter budget plans ($68 billion increase in spending) have stirred an extraordinary outpouring of opposition . . . which contends that excessive spending would intensify worsening inflation.

Third. Joseph Pechman, perhaps the most liberal of all the liberal economists, told the New York Times that the Carter spending proposals are "fiscally irresponsible."

Fourth. Arthur Okum, another liberal and longtime advocate of deficit spending, said the same thing in a different way.

Fifth. Wednesday, press reports assert that the White House is considering spending cuts in the budget which President Carter submitted January 28, only a month ago.

Sixth. Yesterday, the New York Times in its lead editorial called for "a substantial reduction in Federal spending."

I have been reading the New York Times since I was a student at the University of Virginia and I never recall the New York Times making such a statement as that before.

All of this leaves me breathless. None of those quoted above, needless to say, is a voice of the conservative Senator from Virginia.

All, however, are the voices of the liberal establishment; all have been long-time advocates of deficit spending by the Federal Government.

I do not expect my liberal colleagues in the Congress to follow the recommendations of the conservative Senator from Virginia who believes that President Carter's $68 billion increase in Federal spending is a blueprint for even greater inflation.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

But perhaps my liberal colleagues—especially those seeking reelection—might ponder whether the liberal establishment outside Congress might not have a better grasp on realities than those in the Congress.

In any case, this somewhat conservative Virginian is convinced that, one, inflation is the greatest threat to the average American citizen and, two, that the fight against inflation must start in Washington, D.C.—by getting under control spending which is totally out of control.

In ending, I might say that in 2 years the Federal Government has taken from the American people an additional $134 billion—but still has a combined deficit of $56 billion.

Mr. President, I thank the leader and I yield back the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The acting minority leader is recognized for 3 minutes.

Mr. STEVENS. Does the Senator from Virginia need any additional time?

Mr. HARRY F. BYRD, JR. No.

Mr. STEVENS. Does my good friend, the majority leader, need time?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I yield my time to the majority leader.

Mr. ROBERT C. BYRD. I thank my friend.

"A SENATOR'S PRAYER" DELIVERED BY REV. JOSEPH F. LUPO

Mr. ROBERT C. BYRD. Mr. President, I compliment the visiting chaplain on rendering "A Senator's Prayer."

I hope that every Member will keep this prayer. I personally want to refer to it from time to time.

I am grateful for the thoughtfulness of the visiting chaplain in expressing these words.

WEST BANK SETTLEMENTS

Mr. ROBERT C. BYRD. Mr. President, the Israeli Government has stated that there is no impediment to Israeli settlers moving into cities on the occupied West Bank, such as the Arab city of Hebron.

Although at this point this new policy has not yet been implemented, I fear that if such a policy is implemented, it could have serious and damaging consequences to the prospects for peace in the Middle East.

Further, the Finance Committee of the Israeli Knesset has approved $1.3 million for the purchase of lands on the West Bank that would become new settlements. Recently, a new West Bank settlement at Malleh Shomron was dedicated.

It is not my intention to comment on the internal affairs or politics of Israel. But decisions and actions such as this do not fall in the category of just internal affairs. They also have international ramifications, which bear directly on the interests of the United States and our efforts to help achieve a comprehensive peace in the Middle East.

I have previously expressed my opposition to the establishment of additional Israeli settlements on the West Bank. I believe these settlements are contrary to the interests of peace in the region.

I fear that the recent decision by Israel—if implemented—could prove to be both counterproductive and provocative.

Prime Minister Begin has stated that the settlements are part of Israel's national security. I fully understand and share Israel's concern about its security. I support our continuing commitment to Israel's security. But I do not believe that the settlements are consistent with the long-term security interests of Israel.

Not only would further settlements—particularly in urban areas—undercut the prospects for peace, but they would inevitably harden sentiments on the West Bank and could increase the likelihood of further terrorist incidents.

If Israel proceeds with the settlements policy, it not only would hurt the prospects for successful negotiations on the future of the West Bank and the Gaza Strip, but also would undermine Egypt's already difficult position in the Arab world. Both Israel and Egypt have shown considerable courage in pursuit of Middle East peace.

Earlier, this week, Egypt and Israel officially exchanged ambassadors, a highly significant step—particularly when viewed against the background of conflict and distrust which characterized relations between the two countries for 30 years.

However, the Israeli settlements policy—if implemented—could jeopardize the progress that has been made and deal a serious blow to the hopes for further progress.

The Washington Star commented editorially:

> Indeed, the settlements policy especially as now amended, visibly impedes the "autonomy" discussions by undercutting its basic premise—which is that it must ultimately attract the consent and participation of the West Bank Arabs.

The killing of a Jewish student in Hebron was a tragic occurrence. But an effort to respond to that event by establishing Jewish settlements in Hebron is not an appropriate or wise response.

Already there is a large and extremely controversial settlement at Kiryat Arba on the outskirts of Hebron. The establishment of settlements within Hebron would undoubtedly exacerbate tensions in the area.

As the New York Times recently editorialized:

> American diplomacy cannot escape the taint of Israel's conduct. If Arabs deeply resent the perceived injustices to Palestinians, then colonizing the West Bank further is bound to injure American interests.

As I have stated before, I believe that the American people will be reluctant to provide the continuing high level of assistance to Israel if the Government of Israel is spending funds for additional settlements.

I hope that the Government of Israel will reconsider its decision.

ABSCAM—THE ROLE OF THE PRESS, THE JUSTICE DEPARTMENT, AND THE CONGRESS

Mr. ROBERT C. BYRD. Mr. President, on February 23, 1980, Senator David Pryor delivered a most thoughtful, balanced, and courageous address to the members of the Arkansas Press Association entitled "ABSCAM—The Role of the Press, the Justice Department and Congress."

Senator Pryor's speech is well thought out and balanced because it examines carefully and equally the role of each with respect to ABSCAM, and it is courageous because it asks those addressed, the press, to look carefully at its own institutional powers and the way in which they are used.

I commend Senator Pryor's address to my colleagues' attention and ask unanimous consent that it be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

ABSCAM—The Role of the Press, the Justice Department and the Congress

(Speech by Senator David Pryor)

I would like to share a few thoughts with you today about the great scavenger hunt of 1980. I'd like to visit with you about the rules we're using for that hunt and I'd like to attempt, if I might, to share some of the concerns that I'm having: corruption in high places, the alleged bribery of public officials, the respective roles of Congress, the press, the Senate Ethics Committee, the House Ethics Committee, the Department of Justice and investigators.

I really want to say something to you this afternoon very badly. I appreciate the opportunity you've given me to do it. Frankly, I don't know quite how to say it.

Someone said that Pryor sometimes makes the right speech but he always chooses the wrong place to make it so maybe that's what I've done today, but I'm going to say it anyway.

Possibly you've had the same experience sitting at your typewriter with a feeling of frustration struggling to sychronize your present and heartfelt emotions and making them somehow coincide with the ultimate words that you choose.

If my message comes off this afternoon in a spirit of castigation, I will have failed to convey what I deeply feel. Mine is not an indictment of the press because there's enough blame for all of us:

Yes, your brethren—or some of your brethren—in the fourth estate, me and my colleagues in the Congress, public officialdom everywhere and those charged with seeing "justice is done." In cases like this, all must share in a great deal of the blame.

If you will permit, I would like to remove my Senatorial hat for the next few moments. I would like to shed my Ethics Committee cloak and maybe I can approach this whole subject as "a friend of the court."

Abscam (and I'm sure that some Washington-based consulting firm drew a very tidy sum for that name) may lack the glitter and charisma of Watergate, the international intrigue of Koreagate, the sexual overtones of the "Wayne Hays—She couldn't even type episode", or the racial overtones of the scandals of Charles Diggs of Michigan or the late Adam Clayton Powell of New York.

But where Watergate finished in a blazing crescendo, Abscam may in fact take much longer to resolve and could become very fuzzy before it finally, if it ever, goes away.

What has occurred with the so-called "leaks" will certainly, I feel, postpone a final deliverance of justice for what will ultimately seem an interminable and exhausting period of time.

First, let's look at those "leaks".

Referring to them as "leaks" is about the same thing as referring to the militants in Tehran who hold our hostages today as "students". They're not "students" any more than these are "leaks".

To have cameras set up in front yards and driveways of the accused for the entire national press corps to be privy to and to report the most intricate details of the investigation—before trial, before a grand jury is called, before charges are filed or subpoenas are served—is not a leak. It is a torrential downpour.

It is I'm beginning to fear—and I hope I'm not a victim of paranoia—the orchestration of information which gives me nightmares about the basic machinery of dispensing justice in America and about that machinery being out of control.

In Watergate we witnessed some of the most brilliant and dedicated investigative reporting in the history of American journalism. The first amendment of the Constitution allowed us to survive and permitted us to prevail as a free people under a constitution when we were truly on the brink of constitutional holocaust.

Today I would like to distinguish between Abscam and Watergate. The present scandal is very different from Watergate.

Unlike Watergate, where the press rooted out corruption and exposed it courageously, today the press has become an unthinking conduit in a subversion of the orderly process of our system of justice which could become one of the great travesties of our era.

Three weeks ago today when Abscam broke, the prey was stalked, cornered and convicted in the minds of the American people.

All that was left to decide the next day was where to build the scaffold, how many tickets do we sell to the hanging and who gets the front row seats.

Townsend Hoopes, president of the Association of American Publishers, said (he said this last year before Abscam ever came about), "In every historical instance where the government has owned the press, the government has ultimately modified the press for its own purposes."

I believe strongly in what Mr. Hoopes said. In addition to a situation where the press might be owned by the government is also the possibility of the independent press being *used* by the government.

If one ever asks a question about due process of law, as I did the other day in the Senate Ethics Committee, suddenly you come down on the side of bribery and corruption. I looked almost like Al Capone's brother-in-law the next day in the press. One columnist implied that Pryor was angered that his colleagues would even be investigated. I don't believe that you believe that.

Even Paul Harvey put me on the side of the Philistines last week for even having the audacity of mentioning due process of law. (A little bit of irony: he called me Richard Pryor.)

I come here today before all you powerful folks and friends feeling a little bit ridiculous having to appear and say that I'm opposed to bribery or that I don't believe public officials should be purchased. That sounds kind of silly.

Of course, political corruption cannot be tolerated. But a concern of equal magnitude is: Is the Justice Department out of control?

This is the story.

Why are these mountains of classified information being spewed out to the right papers or the right people at just the right time?

Who is doing it?

How is it being done?

But the gravest of all questions: Why is it being done?

Why doesn't the press report this story? If we ever needed in this country another Woodward and Bernstein to come to the surface, that time is now. The pre-trial, pre-grand jury stories are not only at this moment unexplainable, they're also inexcusable.

Not only do these leaks have a devastating effect upon the individuals who may never be officially charged with a crime or not even subject to a criminal investigation, but this condition could also allow some individuals who may have actually committed a crime to go scot-free because of a technicality.

In this specific area I think that the press must find there is a higher degree of responsibility.

In Watergate the press investigated and reported. In Abscam the press is not engaged in the traditional investigative role but merely is taking a handout from some unnamed person or persons for some bizarre reason. Now we must know that reason.

If the Justice Department is in fact embarrassed by this situation, it should be—because Justice has perpetrated an injustice.

If there's any silver lining in this very sordid episode, it is that these conditions always have a way in our system of bringing about a great outflowing of self-evaluation and personal scrutiny.

The Washington Post and The New York Times have recently engaged in a great deal of self-analysis and self-evaluation. They are asking, "Have we done the right thing?"

The Congress, of which I am a part, is now launching its own self-evaluation program to see what it can do to clean up its act. We need that.

The Justice Department is attempting to revamp and challenge itself to prevent future humiliation of this nature.

But I fear the approach the Department is taking at the outset of its self-analysis. For example, just last week the Department assigned a man named Blumenthal to head up the investigation of the Abscam affair.

I'm sure Mr. Blumenthal is a fine man. He's bound to be a brilliant lawyer. His credentials, as far as I know, are impeccable.

But you know one of the first things he said was that he may have to subpoena the records and the notes of the reporters in the Abscam case.

Here is my response to that: Baloney!

The press did not cause or create the so-called "leaks". Someone, for some bizarre reason, in the bowels of the Justice Department did.

That is where the information was gathered and that is where the premature stories came from.

Those premature stories are today annihilating the most basic of all cornerstones in our judicial system—the presumption of innocence.

If selfish or greedy men or women have sold their souls in the Congress for a few pieces of silver, that is one thing and we must deal with it.

We will deal with it and we can survive that.

But we cannot survive if we are willing on the spur of the moment, at any given whim, to demolish the very foundations of our system: freedom of the press, a government of laws and not of men, and due process under those laws.

Freedom of the Press—I'm sad when I think of the possibility of unthinking media in Washington, New York, wherever, that may in itself unknowingly be a part of destroying the First Amendment if it allows itself to be used in the future.

You know there's a strange sort of hunger in this country today. It's a hunger that says we can't be outdone by anyone else. The Post is not going to be outdone by the Times. NBC is not going to be outdone by ABC or CBS. Congress is not going to be outdone by the Justice Department.

So we find ourselves today in some sort of a strange syndrome. Finally, it becomes almost cannibalistic until our frenzy produces a "shoot first, ask questions later" philosophy.

Let me tell you about the case of Birch Bayh, the Senator from Indiana.

To get into the act, the Wall Street Journal (not the National Enquirer!) but the Wall Street Journal, one of the most reputable newspapers in the country on Tuesday after the Abscam story broke on Saturday published on page 2 a story that stated that Senator Birch Bayh was under investigation by the FBI because of an illegal loan that he had taken from either the Teamsters or Mobsters.

That was Tuesday.

Tuesday night Senator Howell Heflin, chairman of the Senate Ethics Committee, received a call from the Department of Justice. The Department told Senator Heflin that Senator Bayh was not under investigation and that it knew nothing about the accusation raised in the Wall Street Journal. The Department gave Senator Heflin the authority to advise the press of these facts. Senator Heflin did exactly that.

Next day buried in another Journal article was one mere submerged paragraph reporting that Senator Bayh was not being investigated by the Federal Bureau of Investigation.

In the meantime because of our instantaneous media sophistication you can see what's happening to Senator Bayh in his home state. I could have brought several pounds of these.

This one is an eight column headline "Paper: Bayh Took Interest Free Loan."

"Indiana Senator Birch Bayh accepted an interest free $100,000 loan from an insurance executive with close ties to the Teamsters Union and organized crime, the Wall Street Journal reported today."

Many newspapers in Indiana carried basically that same message even though hours after the original Journal story had been printed, Senator Bayh received total exoneration.

Yet the suspicion has been created and a deep scar placed on Senator Bayh's character.

Take the case of John White. He used to be Secretary of Agriculture of the State of Texas. I've known him for 10 years. He's now the Chairman of the Democratic National Committee.

John White picked up the paper several months ago and discovered that for over eight months he had been followed by the Federal Bureau of Investigation.

Evidently someone had called the Bureau and said you'd better watch that John White.

Where are we going?

What are we doing to ourselves?

What happens Monday if I go back and call the FBI and say, "Listen, we've got people with some strange names in the Arkansas Press Association. One is named Schexnayder. One is named Walfekuhler. Also, there's a guy that wrote some off-the-wall editorial for the Warren Eagle Democrat named Newton. You'd better tail those birds."

Where does it stop?

Who is next?

Is there a loose cannon roaming the deck and where will it be pointing tomorrow?

Has the orderly process of government been actually subverted?

Is the press compounding the mistakes of the Justice Department?

Is the press being used for a purpose not yet known to us?

Where is that delicate balance between the people's right to know and due process?

And has the press helped or hurt the FBI cases in this particular matter?

There are no clear-cut yes or no answers to these questions. But if we ask the question: Does the Congress police itself adequately? The American public is going to answer, 90 percent no.

We have seen scandal after scandal in the Congress and if I have a basic criticism of how we have handled our business, it is that we are generally too slow, too clumsy and ultimately too lenient.

We are not without our own "leaks".

The recent Talmadge case before the Senate Ethics Committee was a prime example where we were haunted daily in the United States Senate by "leaks" allegedly coming from the Ethics Committee staff itself.

So all of us to a degree share in the blame.

On the House side the recent Diggs case gave the public another reason to have grave doubts about Congress' ability to police its own.

Although the federal framers of our Constitution gave Congress original and exclusive power to decide upon the qualifications of our members, today Americans have little faith in our ability to do it.

The Congress is not altogether unique in this dilemma.

The doctors and lawyers of our country don't have a lot to write home about in their own attempts to police their own colleagues.

No one today wants to be on the Ethics Committee. If there is any one committee in the Congress of the United States that you don't sign up for, it's the Ethics Committee.

When I was asked to serve on the Ethics Committee, I was told that 1980 should be a calm and quiet year for the committee!

Regardless of whether 1980 or any year for that matter is quiet or calm, I think there must be a better method. For example, I have recently proposed that retired federal judges serve the function of policing Congress.

However, as long as I am a member of the Senate Ethics Committee, I want you to know something:

Until Hell freezes over, I am not only going to be fighting for the rights you have under the First Amendment to publish the news, but I'm also going to be fighting for some other rights.

I'm going to be on the side of due process.

I'm going to be on the side of trying to preserve a system where there is a presumption of innocence and a system where people can and must receive a fair trial.

My final observation is that after Watergate we emerged as a much stronger people. We had been through a lot—the pain was excruciating—but our system was stronger from the experience.

I hope our system will be stronger after Abscam.

Finally, I have some bits of advice to give:

To the Department of Justice: Please know what you're about and recognize the enormous raw power you possess over the lives of all 230 million of us.

To the Press: I pray you also think about the power you have in your hands and that fine balance that only you can bring about between the people's right to know and the orderly process of the judicial system.

And to the Congress: Once the facts are in, let us act quickly with the knowledge that the guilty must be punished and that the innocent must be exonerated.

In conclusion, let me say that Meg Greenfield, the editor of the Washington Post's editorial page, stated all of this so much more eloquently than I have been able to do here today:

"All I'm asking for is time and due process. Let's not hang these guys in the papers on the basis of nameless, faceless 'sources'. Let's hang them later—after we actually know what they did. It's not a whole lot to ask and the rights you save may be your own."

Thank you.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 10 minutes and that Senators may speak therein up to 5 minutes each and at the close of the period for routine morning business the Senate then proceed to votes in accordance with the order entered earlier.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wisconsin is recognized.

A LIVING MEMORIAL TO THE HOLOCAUST

Mr. PROXMIRE. Mr. President, today I wish again to call attention to the mission of the joint task force of the Simon Wiesenthal Center for Holocaust Studies and the Jewish Federation Council of Los Angeles. This forward-looking mission seeks to understand and memorialize the tragedy of the holocaust with an eye toward the future.

It is fitting that we look back upon the holocaust. In doing so we cannot only express our sadness, but broaden our understanding of the lethal chemistry that allowed the holocaust to occur. The joint task force came to Washington to remind us that the inspiration we receive from our empathy for the millions who died can indeed push us ahead toward the goal of preventing future holocausts. A two-faceted approach can help us protect future generations from the scourge of genocide.

First, people must educate themselves about the holocaust. Increased public awareness of the circumstances that led up to the holocaust can aid us all in our efforts to fashion a stable and civilized society. Although there will forever be some degree of mystery shrouding the holocaust, we can learn a lot about the tragedy by studying history. While we cannot grasp the enormity of the event, that should not stop us from trying. Because if we stop trying to understand we will lose sight of history until it repeats itself.

This raising of consciousness takes many forms. It can be seen in the founding of the Simon Wiesenthal Center for Holocaust Studies. It can be found in educational institutions around the world where the holocaust is a central event in world history. Unlike many other tragedies, such as the black plague, the holocaust was the heinous expression of the philosophy of a public figure. It is this deliberate evil, this warp of intention upon which we must focus our efforts to keep genocide in history, and in history alone.

The second course we must take is to use what we know about the Holocaust to keep the future as pure as the future is today, that is, to prevent a holocaust from happening in the future. There has been no genocide tomorrow. There has been no holocaust in the 21st century. No one has been killed on account of race or religion in the coming decade. The future is a clean slate. The past is a lesson. And our best memorial to the past is to listen to it. The best dressing for the undelivered wounds of the future is to heed our scarred past. It is the medicine of prevention.

The application of our knowledge also is expressed several ways. We see it in the movements to protect the civil rights and liberties of groups which have traditionally been discriminated against. We see it in legislation to protect the life and limb of the forsaken, such as Senate bill 10, to protect the rights of the institutionalized. We see concerns expressed by the joint task force to Kurt Waldheim, the Secretary General of the United Nations. And we see the past used to protect the future with international treaties such as the Genocide Convention. The Genocide Convention is a living memorial to the Holocaust—if not for the United States, which neglected its ratification—at least for the 83 countries that have endorsed this vital treaty.

If it is the intent of the Senate only to mourn the past, then we should settle for monuments and services. If it is the intent of this distinguished body only to weep at history, then we should bury the Genocide Convention along with the dead for whom we weep. But if the Senate wishes to apply its wisdom to the future—in order to prevent future holocausts—then let us ratify the Genocide Convention.

CIVIL RIGHTS OF THE INSTITUTIONALIZED

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of S. 10.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a quorum call and that the time be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. EXON. Mr. President, I ask unanimous consent that before the votes are taken, that the "Dear Colleague" letters signed by myself and others of the last 2 days be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

February 27, 1980.

Dear Colleague: I am writing to request your support of my enclosed amendment to S. 10.

The amendment is simple and sound. It says that before suit can be brought against a state, the Secretary of Health, Education, and Welfare must certify that the proposed lawsuit will not interfere with that agency's standards for institutional care.

Let me emphasize that this amendment is a very watered down version of similar amendments offered in committee. My amendment does not require an exhaustion of administrative remedies. In fact, it doesn't even require the filing of a compliance action against the institution by HEW. It simply requires the Attorney General to consult with the Secretary of HEW and for the Secretary to determine that the proposed lawsuit will not interfere with HEW's standards enforcement program.

The problem of conflict between the lawsuits of the Justice Department and the programs of HEW are well known to those states who have been subjected to Justice Department litigation. Unfortunately, the detrimental effects of this conflict falls ultimately on the institutionalized persons themselves.

My amendment provides the only genuine check on what will otherwise be unlimited authority of the Justice Department, as limited as that check may be.

Since I have had experience with heavy-handed Justice Department activities in lawsuits against the states, I submit that at least some checks and balances are in order, at least within the federal bureaucracy. While I oppose the basic thrust of S. 10 and what I consider its unwarranted invasion of states' rights and the responsibilities of state elected officials in the executive, legislative, and judicial branches of state government, the entirely reasonable amendment that I have offered makes the proposed bill somewhat more compatible with fairness and does not grant the Attorney General with nearly complete czar status with regard to state institutions.

Sincerely,

J. James Exon,
U.S. Senator.

U.S. Senate,
Washington, D.C., February 22, 1980.

Dear Colleague: It is likely that S. 10, a bill to authorize the U.S. Justice Department to initiate suits against state and local governments on behalf of institutionalized persons, will be called up early next week. We are writing to express our opposition to the passage of this bill.

Our position is simple: the Justice Department bureaucracy has misused and abused its existing authority to intervene in lawsuits against states and local governments, and the Congress should not reward this abuse by expanding the Justice Department's authority.

Each of us, signing this letter, has witnessed in our own state the heavy-handed, confrontational tactics assumed by the Justice Department in addressing a difficult and sensitive question: the care and treatment of persons residing in state institutions. Our objections to the heavy-handed tactics of the Justice Department have been met, however, with blandishments that such excesses are things of the past. Not so.

You may recall that in the middle of August 1979, the Civil Rights Division of the Justice Department held a massive news conference at which they announced the filing of a comprehensive lawsuit against the mayor and city officials of Philadelphia to correct alleged abuses of the Philadelphia Police Department. We certainly cannot and do not make any judgments regarding the practices of the Philadelphia Police Department because we simply do not have the information or evidence upon which to make such a judgment. But it is obvious from a review of the Federal District Court's opinion dismissing the lawsuit, that the Justice Department did not have such evidence either. The Federal District Court Judge, Judge Ditter, on October 29, 1979, dismissed the lawsuit on the grounds that the Attorney General and the Justice Department had no authority to bring this type of lawsuit against city officials. But, as can be seen from the enclosed excerpt from the opinion, Judge Ditter went on to outline the shocking, heavy-handed tactics used by the Justice Department and concluded that *"what occurred in this case is a most regrettable example of the abuse that might result if the Attorney General were empowered to bring lawsuits of this kind."* (emphasis added) We strongly urge the Senate to heed these words of warning and not expand the authority of the Justice Department to initiate suits against state and local governments.

We do not lightly reach the conclusion that it would be wrong to give the Justice Department authority to initiate lawsuits against state and local governments on behalf of institutionalized persons. We are aware of the political consequences of opposing this legislation. But we refuse to concede, as the proponents of this legislation charge, that the states lack concern for the welfare of persons entrusted to their care, and we refuse to believe, as the proponents of this legislation would have us believe, that the Justice Department is the last, best hope of the people who are the intended beneficiaries of this legislation. Our experience is that the Justice Department is never so concerned about the welfare of the people it is supposedly seeking to protect as it is with the expansion of its own power. Several avenues already exist for persons seeking to bring lawsuits in federal court against state and local institutions. Even under current law, there is nothing to prevent the federal government from appearing in such lawsuits. The only power the Justice Department lacks is the power to initiate suits against state and local governments. We do not think Congress should give that power to the Justice Department.

None of us is indifferent to the need for good quality care for our institutionalized citizens. We just do not feel that S. 10 is the proper way to achieve that goal. The states have made tremendous commitments to improved care over the last decade. These efforts should be rewarded with cooperation, not confrontation by the federal government.

Particularly in mental retardation cases, the Justice Department attempts to dictate programmatic and treatment philosophy rather than pursuing the constitutional issues of "chainings," "beatings," etc. relied on by the supporters of S. 10. From our experience it is clear the Justice Department is the champion of the concept of "deinstitutionalization." We do not quarrel with deinstitutionalization as it certainly can be sound policy when appropriately applied. We strenuously object, however, to the Justice Department's crusade to apply this policy on a comprehensive basis nationwide. Rather than supporting a federal preemption of these policy decisions by the Justice Department the Senate should reject S. 10 and reaffirm the rights of the states to decide these policy decisions on their own without federal bureaucratic interference.

We hope that you will join us in opposing this bill which we believe is not in the best interests of states, the federal government, or most importantly, the institutionalized citizens of our states. If you have any questions about our comments or concerns about this legislation, please contact Dennis Shedd of Senator Thurmond's staff at 45257 or Bill Hoppner of Senator Exon's staff at 44224. Thank you for your time and interest.

Sincerely,

J. J. Exon,
David L. Boren,
Strom Thurmond,
John Danforth,
U.S. Senate.

Excerpt From Opinion

VI. ABUSE OF POWER IN THIS LAWSUIT

In the preceding sections, I have discussed the reasons why I believe that the power to maintain this lawsuit does not and should not rest with the Attorney General of the United States. The ways in which such a power might be abused have been demonstrated at length. Nevertheless, one more example of this abuse should be examined. Indeed, this example warrants special consideration, because it is to be found in the very facts and circumstances of the present lawsuit.

The complaint in this case was filed on August 13, 1979. As discussed earlier, it charges the individual defendants, including Mayor Rizzo and Police Commissioner O'Neill, with personal wrongdoing in devising and perpetuating policies which result in police brutality. Since November of 1978, however, it has been well-known that the present administration will leave office on January 6, 1980.[22]

From its inception, this lawsuit has been attended by a carefully cultivated public image. Repeatedly, plaintiff's counsel made sensational public statements which created the clear impression that the investigation was completed, the evidence was all in, and the defendants' guilt had been established beyond doubt. Thus, the public has been enlightened with the knowledge that "[t]he suit is the result of an eight month investigation," and that "months of investigation were needed to gather evidence." [23] With plaintiff's senior counsel cited as the source, it has been reported that plaintiff's "attorneys combed the files of the police department," and are "prepared to produce evidence supporting the allegations." [24]

As early as August 14, 1979, the Deputy Attorney General in charge of the Civil Rights Division of the Justice Department was quoted as saying: "We have found widespread abuse of federal law and that's why we are bringing this lawsuit . . . We think we have *ample evidence* of intimidation of people by Philadelphia policemen and the coverup of this intimidation by their superiors." [25] Similarly, this same official stated that "we have a well-thought-out and well-documented lawsuit." [26]

The public was further told that "[t]o underline the importance of the suit, Attorney General Griffin B. Bell personally signed the complaint Friday in one of his last major acts before retiring. An attorney general rarely signs individual complaints." [27]

Not to be left out is the present Attorney General, Benjamin R. Civiletti, who said that "the Justice Department had been careful in preparing its police abuse suit against Philadelphia officials." He went on to describe the case as a "rather simple suit to obtain systemic relief from the top down in the [police] department.[28]

In a summary of his remarks at a press conference, Mr. Civiletti was said to have stated flatly that "some officers on the city's police force repeatedly violate the civil rights of individuals, but that the city has done very little to remedy the situation. Police officers are seldom given adequate training or subjected to proper discipline for their abuses he said. There has been a near 'total failure' to deal effectively with allegations of brutality, the Attorney General stressed." 26 Crim. L. Rep. 2065 (BNA) (October 17, 1979).

Thus, the Justice Department adopted a public posture of complete readiness to prove what it had alleged. The government's counsel publicly treated their charges as established facts, and created a distinct impression that the necessary supporting evidence was already prepared. Eight days after the complaint was filed, however, I met with counsel and suggested a pre-trial schedule which would have brought this matter to

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Footnotes at end of article.

trial on October 15. I was immediately told by government counsel that my schedule was not reasonable, that no testimony under oath had been taken, that no documents had been copied, and that an unknown number of witnesses would have to be located, interviewed, and prepared for court.[29]

These protests were raised despite the much-heralded "eight month investigation" and the "ample evidence" it had produced. Since the government objected so vigorously to the timetable I had announced, I asked each side to submit a proposed pre-trial schedule. The plaintiff's response stated that the earliest possible date by which it could complete discovery was December 9, 1979. This date, of course was only an optimum deadline, and it did not allow for delays of any type of duration.

Moreover, the schedule was qualified by the statement that "[p]laintiff anticipates further discovery will be necessary concerning the actions of individual officers. . . ." Thereafter, the plaintiff vigorously opposed a motion by defendants to expedite discovery and list the case for trial before November 20, 1979. The stated ground for this opposition was that a November trial date would still not give the plaintiff enough time to satisfy its discovery needs.

It is quite clear, therefore, that at the same time the plaintiff's lawyers were making their pitches to the press, they knew they would be unprepared to bring the case to trial while the Rizzo administration remained in office. In other words, it was the plaintiff's plan from the beginning that the principal, individual defendants would never be afforded the opportunity to defend themselves in the courtroom against the serious charges made in the complaint. The obvious injustice of this situation neither stayed the lawsuit nor tempered the outpourings to the media.

Indeed, plaintiff's counsel have steadfastly maintained that the impending change in city administration is of no significance to this case at all. Repeatedly, plaintiff has offered the cavalier suggestion that when the new mayor and his associates take office,[30] they can simply be substituted for the present defendants "as provided in the Federal Rules of Civil Procedure." Plaintiff's Memorandum in Opposition to Defendant's Motion to Set Trial Date, at 2. See also Pre-Trial Conference No. 1, N.T. at 21; United States Memorandum Concerning Standing, Mootness, and the Proposed Future Course of this Litigation, at 38. The plaintiff refers here to Fed. R. Civ. P. 25(d) (1) which provides in relevant part that "[w]hen a public officer is a party to an action in his official capacity and during its pendency dies, resigns, or otherwise ceases to hold office, the action does not abate and his successor is automatically substituted as a party." Plaintiff has made much of its "deliberate decision to name no one in their personal capacity." Rather, each of the individual defendants "are named only in their official capacity." Pre-Trial Conference No. 1, N.T. at 21. Thus, as plaintiff sees it, the substitution procedure of Rule 25 can be invoked in this case as a matter of mere routine.

It is not difficult to see why plaintiff's position disturbs the defendants. By its terms, Rule 25(d) (1) appears applicable in the technical sense, as Mayor Rizzo will obviously be succeeded in office. Nevertheless, it is clear that neither the Mayor, nor the Commissioner, nor any of their subordinates, are named in this case as nominal defendants.

Rather, this complaint charges, as indeed it must, that they are personally responsible for initiating and carrying out policies which are calculated to brutalize the population of Philadelphia.[31] Yet these people will never have an opportunity to defend themselves against the complaint's accusations if new defendants are substituted when the Rizzo administration leaves office.

Thus, while Frank Rizzo and Joseph O'Neill are charged with willfully orchestrating a campaign of brutality and lawlessness, the government's timing precludes Rizzo and O'Neill from presenting a defense. The government's deliberate plan was that by the time the case was ready for trial, the principal defendants, the present mayor and police commissioner, would have been removed from the suit, and their successors in office would have been substituted in their place. While the new mayor might be capable of defending the City of Philadelphia, he would have no interest in clearing Frank Rizzo's name.

Similarly, the new police commissioner would not be likely to champion the personal interests of Joseph O'Neill. Obviously, there would also be a change of counsel when the new defendants are substituted, thus further ensuring that those accused of wrongdoing would have no representation at the time of trial.[32]

In fact, it does not take much imagination to realize that it might well serve the political interests of the new administration to simply blame everything on its predecessors. It is entirely possible that the new mayor and his appointees would have no reason to proceed with the trial at all. The obvious course for them would be to settle this case, agreeing to change certain operating procedures in the police department and publicly accepting the principle that police brutality is wrong.[33] The new mayor could thereby share the credit for ending the systematic police abuse which the Justice Department says exists. At the same time, the Justice Department would have avoided the responsibility of proving that this abuse existed at all.[34]

To put it bluntly, the government's timetable, in combination with its press releases, amounted to a stacked deck, the effect of which was to deny the individual defendants their day in court. Certainly, I do not question the plaintiff's right to engage in pre-trial discovery. The Federal Rules of Civil Procedure do not discriminate against the Justice Department in securing that right. At the same time, I do not deny plaintiff's lawyers the right to talk to the press. The media has an important duty to inform the people, and it is incumbent upon government officials to cooperate in the discharge of that duty.

Nevertheless, the combination of these two rights in this case illustrates how power may be misused. The Justice Department attorneys publicly vilified the individual defendants, accusing them of outrageous, conscience-shocking misconduct, while simultaneously planning a schedule for the lawsuit that would prevent these same defendants from ever answering the charges. Through some of its highest ranking officials, the Justice Department created the public impression that the defendants' guilt was already documented and established. Yet, when the individual defendants demanded a speedy trial, as the only means by which they would have the chance to prove their innocence, the government objected on the ground that it needed a minimum of three to four months to discover evidence and prepare its case.

Whether the motivation here was righteous indignation or something less noble is not important. Suffice it to say that what occurred in this case is a most regrettable example of the abuse that might result if the Attorney General were empowered to bring lawsuits of this kind.

VII. CONCLUSION

For the reasons expressed at length above, I shall dismiss this complaint in its entirety, except for the limitation discussed in Part II, supra.[35]

FOOTNOTES

[22] In November of 1978, the voters of Philadelphia defeated a referendum that would have permitted Mayor Rizzo to run for a third term.

[23] The Philadelphia Inquirer, August 14, 1979, at 6-A, col. 3-4.

[24] The Philadelphia Inquirer, August 14, 1979, at 6-A, col. 4.

[25] The Bulletin (Philadelphia), August 14, 1979, at 7a, col. 1 (emphasis added).

[26] Philadelphia Daily News, August 14, 1979, at 17, col. 3.

[27] N.Y. Times, August 13, 1979, p. A 1.

[28] The Bulletin (Philadelphia), August 20, 1979, at 7a, col. 4.

[29] See Pre-Trial Conference No. 1, Tr. at 16, 18.

[30] Some of the police department officials who were named as defendants in this case are protected by the civil service status of their positions and cannot be replaced simply because a new administration comes to power. This protection, however, does not extend to Commissioner O'Neill, nor does it apply to defendants Harry G. Fox and Morton B. Solomon, both of whom are Deputy Police Commissioners. All three mayoral candidates have said that they will appoint a new Commissioner, who in turn would have the power to name new Deputy Commissioners.

[31] Among other things, the individual defendants are charged with illegal practices which are arbitrary, unreasonable, and "shocking to the conscience." It is alleged that they acquiesce in and condone cover-ups, physical abuse, inadequate investigations, and the use of excessive force which results in death or serious bodily injury. Mayor Rizzo is charged with having actually initiated and perpetuated many of the practices which plaintiff seeks to enjoin. By no means, therefore, is this a case where individual city officials are charged merely with failing to prevent police brutality.

[32] It seems doubtful that Rizzo and O'Neill could intervene as individuals after they leave office. As noted earlier, the government was careful to sue the individual defendants only in their official capacities. After they leave office, they will have no official capacity.

[33] The likelihood of settlement has already been suggested by at least one major mayoral candidate, as well as by plaintiff's counsel. The review (Roxborough), October 25, 1979, at 1; Philadelphia Daily News, August 14, 1979, at 17, col. 3. See also Philadelphia Inquirer, August 14, 1979, at 6-A, col. 2; id., August 19, 1979, at 1-E, col. 6; Time, August 27, 1979, at 21, col. 2.

[34] In any event, the substitution of defendants might have prevented the case from proceeding any further for legal reasons. The case could well have been rendered moot unless there was "some indication that the successor would . . . continue the unconstitutional practices alleged in the complaint." *Sarteschi* v. *Burlein*, 508 F. 2d 110, 114 (3d Cir. 1975); See also *Spomer* v. *Littleton*, 414 U.S. 514, 94 S. Ct. 685, 38 L. Ed. 2d 694 (1974); *Hirsch* v. *Green*, 382 F. Supp. 187 (D. Md. 1974). This issue, of course, cannot be addressed at the present time since Mayor Rizzo's successor has not yet been chosen.

[35] On October 17, 1979, I received a letter from plaintiff's counsel requesting oral argument on the standing issue. This occurred more than a month after briefs on standing were submitted by counsel for all parties. If the request for oral argument had been made at or about the time that the briefs were filed, I most certainly would have granted it. By October 17, however, I had considered counsels' briefs at great length and had done a great deal of research of my own. In fact, at the time plaintiff's request arrived, the first draft of this opinion was virtually completed.

Obviously, therefore, oral argument would have been pointless, unless counsel intended to offer some information or point of law that had not been previously raised. Since no representation to this effect was made, I declined the request for argument.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 1672

Under the previous order, the Senate will now commence voting on the amendments which were previously ordered yesterday in regard to the yeas and nays. The first vote will be on amendment No. 1672 by the Senator from Oklahoma (Mr. BOREN), and it will be a 15-minute vote. The subsequent votes will be 10-minute votes.

The question is on agreeing to the amendment of the Senator from Oklahoma.

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Michigan (Mr. LEVIN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "nay".

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The PRESIDING OFFICER (Mr. PRYOR). Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 43, nays 47, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—43

Armstrong
Baker
Boren
Bumpers
Byrd,
 Harry F., Jr.
Cochran
Cohen
Danforth
Dole
Domenici
Exon
Garn
Goldwater
Hayakawa
Heinz
Helms
Hollings
Humphrey
Jepsen
Johnston
Laxalt
Leahy
Long
Lugar
McClure
Morgan
Nunn
Pell
Pryor
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—47

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cranston
Culver
DeConcini
Durenberger
Durkin
Gravel
Hart
Hatch
Hatfield
Heflin
Huddleston
Jackson
Javits
Kassebaum
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Percy
Pressler
Proxmire
Randolph
Riegle
Stafford
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams

NOT VOTING—10

Bellmon
Chiles
Eagleton
Ford
Glenn
Inouye
Kennedy
Levin
Ribicoff
Sarbanes

So Mr. BOREN's amendment (No. 1672) was rejected.

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, may I just say that the Senate is not in order?

The PRESIDING OFFICER. The Senator's point is well-taken. The Senate is not in order. Will Members clear the aisle? The Senate will not proceed until the Senate is in order. Will Members please clear the aisle?

The Senate will not proceed until the Senate is in order.

AMENDMENT NO. 1676

The Senate will now consider amendment No. 1676. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Michigan (Mr. LEVIN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Massachusetts (Mr. KENNEDY) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The PRESIDING OFFICER. Are there other Senators desiring to vote?

The result was announced—yeas 34, nays 56, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—34

Armstrong
Boren
Byrd,
 Harry F., Jr.
Cochran
Danforth
Exon
Garn
Goldwater
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Johnston
Laxalt
Long
Lugar
McClure
Morgan
Nunn
Pell
Roth
Schmitt
Simpson
Stafford
Stennis
Stevens
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—56

Baker
Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cohen
Cranston
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Huddleston
Jackson
Javits
Kassebaum
Leahy
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Sasser
Schweiker
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams

NOT VOTING—10

Bellmon
Chiles
Eagleton
Ford
Glenn
Inouye
Kennedy
Levin
Ribicoff
Sarbanes

So Mr. BOREN's amendment (No. 1676) was rejected.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1667, now pending before the Senate. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF), would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The PRESIDING OFFICER. Are there other Senators desiring to vote?

The result was announced—yeas 45, nays 46, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—45

Armstrong
Baker
Boren
Bumpers
Burdick
Byrd,
 Harry F., Jr.
Cochran
Cohen
Danforth
Domenici
Exon
Garn
Goldwater
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jackson
Jepsen
Johnston
Laxalt
Long
Lugar
Magnuson
McClure
McGovern
Melcher
Morgan
Nunn
Pell
Pryor
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—46

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Byrd, Robert C.
Chafee
Church
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Gravel
Hart
Hatch
Hatfield
Huddleston
Javits
Kassebaum
Leahy
Levin
Mathias
Matsunaga
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Percy
Pressler
Proxmire
Randolph
Riegle
Roth
Sarbanes
Sasser
Stafford
Stevenson
Stone
Talmadge
Tsongas
Weicker
Williams

NOT VOTING—9

Bellmon
Cannon
Chiles
Eagleton
Ford
Glenn
Inouye
Kennedy
Ribicoff

So Mr. EXON's amendment (No. 1667) was rejected.

AMENDMENT NO. 1671

The PRESIDING OFFICER. The question is now on agreeing to amendment No. 1671. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Florida (Mr. Chiles), the Senator from Missouri (Mr. Eagleton), the Senator from Kentucky (Mr. Ford), the Senator from Ohio (Mr. Glenn), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from North Carolina (Mr. Morgan), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Ribicoff) would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

The PRESIDING OFFICER (Mr. Zorinsky). Are there any Senators in the Chamber who have not voted and who wish to vote?

The result was announced—yeas 42, nays 48, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—42

Armstrong
Baker
Bentsen
Boren
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cochran
Cohen
Danforth
Domenici
Exon
Garn
Goldwater
Hayakawa
Heflin
Helms
Hollings
Humphrey
Jepsen
Laxalt
Long
Lugar
McClure
Muskie
Nunn
Packwood
Pressler
Pryor
Roth
Sasser
Schmitt
Simpson
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Warner
Young
Zorinsky

NAYS—48

Baucus
Bayh
Biden
Boschwitz
Bradley
Bumpers
Chafee
Church
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Gravel
Hart
Hatch
Hatfield
Heinz
Huddleston
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Pell
Percy
Proxmire
Randolph
Riegle
Sarbanes
Schweiker
Stafford
Stevenson
Stone
Tsongas
Wallop
Weicker
Williams

NOT VOTING—10

Bellmon
Cannon
Chiles
Eagleton
Ford
Glenn
Inouye
Kennedy
Morgan
Ribicoff

So Mr. Danforth's amendment (No. 1671) was rejected.

AMENDMENT NO. 1673

The PRESIDING OFFICER. The question is on agreeing to Mr. Danforth's amendment No. 1673. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Florida (Mr. Chiles), the Senator from Missouri (Mr. Eagleton), the Senator from Kentucky (Mr. Ford), the Senator from Ohio (Mr. Glenn), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Connecticut (Mr. Ribicoff), are necesarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. Kennedy), the Senator from Nevada (Mr. Cannon), and the Senator from Connecticut (Mr. Ribicoff) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

The PRESIDING OFFICER. Have all the Senators voted who wish to vote?

The result was announced—yeas 33, nays 58, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—33

Armstrong
Baker
Boren
Bumpers
Byrd, Harry F., Jr.
Cochran
Cohen
Danforth
Domenici
Exon
Garn
Goldwater
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Laxalt
Long
McClure
Morgan
Nunn
Pressler
Roth
Schmitt
Simpson
Stennis
Stevens
Talmadge
Thurmond
Tower
Warner
Young

NAYS—58

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Chafee
Church
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Huddleston
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Stewart
Stone
Tsongas
Wallop
Weicker
Williams
Zorinsky

NOT VOTING—9

Bellmon
Cannon
Chiles
Eagleton
Ford
Glenn
Inouye
Kennedy
Ribicoff

So Mr. Danforth's amendment (No. 1673), was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote on amendment No. 1667 offered by the distinguished Senator from Nebraska (Mr. Exon).

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

Mr. President, I withdraw that request.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

The motion to reconsider was agreed to.

AMENDMENT NO. 1667

The PRESIDING OFFICER. The question recurs on amendment No. 1667. The yeas and nays were ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Florida (Mr. Chiles), the Senator from Missouri (Mr. Eagleton), the Senator from Kentucky (Mr. Ford), the Senator from Ohio (Mr. Glenn), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Ribicoff) would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. Bellmon) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote who have not voted?

The result was announced—yeas 48, nays 43, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—48

Armstrong
Baker
Boren
Bumpers
Burdick
Byrd, Harry F., Jr.
Cochran
Cohen
Danforth
Dole
Domenici
Exon
Garn
Goldwater
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jackson
Jepsen
Johnston
Laxalt
Long
Lugar
Magnuson
McClure
McGovern
Melcher
Morgan
Nunn
Pell
Pressler
Pryor
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—43

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Byrd, Robert C.
Chafee
Church
Cranston
Culver
DeConcini
Durenberger
Durkin
Gravel
Hart
Hatch
Hatfield
Huddleston
Javits
Kassebaum
Leahy
Levin
Mathias
Matsunaga
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Percy
Proxmire
Randolph
Riegle
Roth
Sarbanes
Sasser
Stafford
Stevenson
Stone
Tsongas
Weicker
Williams

NOT VOTING—9

Bellmon
Cannon
Chiles
Eagleton
Ford
Glenn
Inouye
Kennedy
Ribicoff

So Mr. Exon's amendment (No. 1667), upon reconsideration, was agreed to.

Mr. THURMOND. Mr. President, I yield myself 4 minutes of the 10 minutes allotted to each side. I would like to be notified 1 minute before the time is up.

MOTION TO RECOMMIT

Mr. President, I move at this time to recommit the bill to the committee. This is a matter of such great importance to the State and local institutions that I feel the committee should consider this bill further. I cannot help but feel that local officials and our State officials are more interested in the inmates of these institutions than some Federal bureaucrat in Washington. Our State officials are elected by the people and, in my judgment, are more concerned than anybody here in Washington would be.

Also, I think the Federal Government had better clean up its own institutions before they go calling upon the States and try to control the institutions in the States. I read one sentence from a report by the Permanent Subcommittee on Investigations, which conducted a yearlong investigation into the U.S. penitentiary in Atlanta. They found that the Atlanta penitentiary "has become the setting for violent inmate murders, extensive narcotics trafficking," and various other criminal activities.

Mr. President, if we have murders and narcotics trafficking and other criminal activities in Federal institutions, why should not the Federal Government clean up those first, before they tell the States what to do? That is what Senator NUNN and Senator PERCY, in their report to the Senate, showed.

Mr. President, in my judgment, this bill means Federal-State confrontation and not cooperation. I feel it is a great mistake to be pitting Federal lawyers against State lawyers and having a fight between one government and the other. We feel this matter should be worked out. Maybe if we recommit this bill, we could do something to accomplish that. Certainly, no harm can be done if we recommit it.

Mr. President, the Justice Department has been unnecessarily intrusive in State institutions. If any Senator has any question about that, talk to the Senators from Missouri, talk to the Senators from New Hampshire, talk to the Senators from Nebraska, talk to the Senators from South Carolina, and you will see the tactics used by the Department of Justice in those cases.

I remind the Senate that, under the present law, the Department of Justice can come in if a suit is brought. Any inmate can bring a suit. The Department can intervene in behalf of the plaintiff or as amicus curiae in that suit. This bill goes much farther. It allows a suit to be initiated by the Federal Government.

The PRESIDING OFFICER. The Senator has used 3 of his 4 minutes.

Mr. THURMOND. Mr. President, we think that is important. I say further that this bill has been estimated by the State attorneys general to cost several billion dollars. Further, I want to say that I think the people of this country are sick and tired of Federal control. They want the Federal Government off their backs. I cannot help but feel that our State and local officials are just as interested in these inmates—more so—as people here in Washington. This bill means more Federal regulation; it means more Federal direction and more Federal control. That is the very thing that people in this country do not want.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum by the National Association of Attorneys General. It brings out a lot of important points.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

To All Senators.

Re S. 10, Civil Rights of Institutionalized Persons.

I am writing to bring to your attention the Association's views on S. 10 which we understand has been scheduled this week for Senate debate and final vote. This bill would authorize the Attorney General of the United States to commence, or intervene in, actions alleging deprivation of the constitutional rights of persons institutionalized in state prisons, juvenile detention centers, nursing homes, and facilities for the mentally ill, retarded, and handicapped.

Throughout the debate on the merits of S. 10, this Association has opposed the bill in the belief that its underlying concept is unsound. Every Attorney General supports the goal of improving the conditions of persons confined to institutions. But the perceived litigation/confrontation approach taken in S. 10 would simply delay improvement. Solutions to these problems are urgently needed but the quick-fix "let the feds sue them" answer at the heart of S. 10 is unrealistic, unworkable, and unfair.

S. 10 would authorize the Department of Justice to commence a program of litigation against state and local governments. We believe that the adversary approach of pitting federal and state lawyers against each other is counterproductive and serves only to further strain the delicate balance of federalism. The tools of legal combat—exhaustive discovery techniques, protracted trials and lengthy appeals—make any benefits which may result far from immediate for institutionalized persons. Defending these actions would result in even more work for already thin state legal staffs and even higher legal costs for the taxpayers. In addition to the strain on scarce state resources in defending these suits, the Justice Department resources would be diverted from other important civil rights work to do these cases, cases which could be avoided with serious intergovernmental cooperation.

We believe that there is a serious question of the appropriateness of Congress throwing its responsibility for formulating social policy to the Attorney General and the Justice Department which was not established, nor does it have the expertise, to handle this task. Litigation is a hit and miss way to develop a sensible national policy in this area and trial lawyers who are always anxious for a real trial, are a risky choice for ensuring dispassionate decisions in the national interest.

We urge the Senate to reject the adversarial, litigation approach envisioned in S. 10 and to examine more constructive and effective long-term solutions for the problems of institutionalized persons. Litigation as an exclusive remedy can assure no real change in this area and should be used only as a last resort, rather than as a primary tool. Two years ago we proposed that a National Commission in Institutions be established which would involve state, local and federal governments working together, not suing each other, to assess the adequacy of legal representation for institutionalized individuals and to recommend specific improvements and methods of financing them. This was not a delaying tactic; we proposed a Presidential Commission along the lines of the President's Three Mile Island or Antitrust Review Commission.

A study of both federal and state institutions would provide an updated factual framework as a basis for real reform, a more constructive proposal than the hit or miss theory suggested in S. 10. State officials including governors, attorneys general, mental health administrators, and legislators, should be consulted and actively involved in the development of any legislation which would affect the operation and financing of their state institutions. The Commission approach which would stimulate positive state responses is infinitely preferable to a federal government litigation gun pointed at the states.

Although significant improvements in S. 10 were adopted by the Constitution Subcommittee and by the Judiciary Committee, the shortcomings already described are further dramatized by the fact that S. 10 does not authorize any dollars to help finance improvements. Further, it is disturbing that there has been no assessment of the economic impact upon the states of the changes envisioned under S. 10 nor has attention been paid as to how the states will pay for these changes. Federal, as well as state institutions, need money to buy more physicians, more psychiatrists, more beds, more janitors, more renovations of existing facilities and more construction of new ones. It is not an exaggeration to say that this bill carries a multi-billion dollar price tax.

Final consideration of a bill which will have a very significant cost impact upon the states, before a complete assessment of the fiscal facts has been made is unwise and unsound. In our view, the approach taken in S. 10 is equivalent to putting a bandaid over a blister; it simply patches over the problems rather than cures long-term ills. However, if it is the will of the Senate to adopt S. 10, then there are other amendments which are necessary and desirable, including:

(1) A requirement that the Attorney General show "substantial evidence" prior to filing suit. As now drafted, S. 10 provides that the Attorney General may file suit whenever he has "reasonable cause". When the national sovereign sues a component of the union, there ought to be a substantial case at stake.

(2) At least seven-days notice to the state by the Attorney General of his intent to commence an investigation. As now drafted, no notice of a federal investigation of state institutions is required.

(3) A requirement that the Attorney General state with specificity the details of his consultation with state officials, including names of the participants, dates, length of meetings, and projected costs and fiscal impact of the minimum remedial measures which the Attorney General believes would resolve the conflict. As now drafted, no such specificity is required.

(4) An authorization that in instances when other federal agencies such as HEW have an interest in the institution through federal funding, coordination and consultation with the Attorney General of the United States and exhaustion of administrative remedies be required prior to filing suit. As now drafted, neither exhaustion nor coordination and consultation are required.

These amendments would help to improve S. 10, but would not change its fundamental weakness. Please call on us if we can provide further details on the Association's views.

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Chicago Tribune of January 6 opposing this bill. It is entitled "How Best Protect Inmates?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW BEST PROTECT INMATES?

Congress has before it a bill giving the Department of Justice authority to initiate law suits when the attorney general finds that conditions in state penal or mental institutions violate the rights of inmates. The bill has cleared the House and is now pending in the Senate.

The measure is a controversial one, supported by the Carter administration and the American Bar Association and opposed by the National Association of Attorneys General. Its principal sponsors are Rep. Robert W. Kastenmeier [D., Wis.] in the House and Sen. Birch Bayh [D., Ind.] in the Senate. Prominent congressional critics of the measure include Rep. Thomas N. Kindness [R., Ohio] and Sen. Strom Thurmond [R., S.C.].

Strong arguments have been made on both sides of the issue. Proponents of the bill are convincing when they say there is only too ample evidence of atrocious mismanagement of state institutions. One House report asserted that "execrable institutional conditions and practices belie any suggestion that state and local officials are independently capable of protecting their institutionalized residents from unconstitutional abuses." Whether or not state officials could if they would, sometimes they don't. There are times when someone needs to intervene in behalf of both inmates and elementary justice.

But need that someone be the attorney general of the United States? State attorneys general say that existing law protects inmates. Former New York Atty. Gen. Louis J. Lefkowitz has said, "The federal constitutional rights of institutionalized persons are well protected now . . . by various legal groups which are specifically designed to advocate their interests." And former Rep. Robert Morgan [D., N.C.] called the pending bill "an arrogant grab for power on the part of the attorney general" and "a complete usurpation of the rights of the states."

One argument against the bill deserves more attention than it has had and probably deserves to be decisive. If federal law establishes the Department of Justice as a routinc, institutional defender of inmates' rights, will not state officials be tempted to leave the job to the feds and fail to do what they should themselves? Not only what they should but what in many instances will not be done unless it is done at the state level?

If the attorney general were empowered to intervene anywhere, that would not mean that he would intervene everywhere that intervention was needed. Yet if state authorities are superseded as normal guarantors of humane conditions in prisons and mental hospitals, is it not virtually inevitable that their already inadequate vigilance may relax still further? The proposed law provides for consultation among federal and state personnel and "reasonable time" for the state to act, before litigation, so that under this law state officials could both leave too much to the feds and still avert public embarrassment by belated action.

Some of us who oppose the new grant of power to the Department of Justice do so not only out of a desire to defend federalism but also because the contemplated change might leave inmates worse off than they were before. Certainly the best safeguard of decent conditions in state institutions is for state authorities with original jurisdiction to discharge their duties responsibly and well. They must be subject to review on occassion in the federal courts, but it is not clear that the consequences of empowering the Department of Justice to initiate law suits in behalf of inmates would have desirable consequences.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Missouri.

Mr. DANFORTH. Mr. President, I am absolutely convinced that the Congress of the United States is on the verge of doing a terrible thing, that we are on the verge of doing something that is needlessly disruptive of the Federal system and which is destructive of the morale and the whole institutional fabric of those institutions which are caring for people who are in them at the State and local levels.

No one could quarrel with the objective of this bill, which is to provide an adequate standard of care for those in State hospitals, State mental institutions, State prisons, local jails, and so on. The objective is beyond reproach. The question is whether or not that objective is best served by dispatching into State institutions trial lawyers from the Department of Justice and FBI agents with litigation in mind.

There have been other proposals, I think belatedly made, to address the problem without the threat of litigation and without FBI agents moving through State institutions. I believe that we need some time to work on these. One of them was in the substitute amendment that I offered. It did not get anywhere, but it was only an idea of about 48 hours' duration.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. DANFORTH. May I have 1 more minute?

Mr. THURMOND. Mr. President, I do not have any more time. I thank the able Senator.

I yield 1 minute to the able Senator from Louisiana.

Mr. LONG. Mr. President, I agree with the Senator from South Carolina. It seems to me the Federal Government has enough potential to sue the States and harass the States the way it is now. They can intervene in a lawsuit, the way the law stands now. It seems to me that, with all the harassment that the Federal Government is capable of imposing on the States now, now to pass a law to say if they cannot find anybody to sue the States so they can intervene and participate, they can just sue them anyway—Mr. President, that is going pretty far afield, when you cannot even find somebody to complain, to send the Attorney General down to sue the State anyway. I must say, Mr. President, the committee ought to be able to give us a better answer to the problem than that, and I hope the bill is recommitted.

Mr. THURMOND. Mr. President, I yield 2 minutes to the distinguished Senator from Nebraska.

Mr. EXON. Mr. President, I support recommitting S. 10 for the basic reason that I am not sure that Senators are really aware of what will be done by the passage of this legislation. The close votes on some of the amendments indicate a deep division of thinking on this issue, despite the statements that have been made and despite the fact that many attempts, made legitimately have been made to insure fairness and place restrictions on the Attorney General. Certainly, I think the testimony indicated that they have used heavy handedness, time and time again, in the past. The fact remains, as later events will prove if S. 10 becomes law, it will, in effect, make the Attorney General a virtual czar over the State institutions. I certainly support recommittal of this legislation.

Mr. THURMOND. Mr. President, I yield the balance of the time to the able Senator from Oklahoma.

Mr. BOREN. I thank the Senator from South Carolina.

Mr. President, I join my colleagues who have already spoken urging recommital of this piece of legislation to the committee. As we have gone along, more and more people, more and more Members of the Senate, have been expressing concern about what it is we are doing. I have never seen a piece of legislation that will do more damage to the Federal system than this piece of legislation will. Already, the Federal Government can intervene in any suit brought by any inmate of any institution. This will give them the right to initiate it, to let Federal bureaucrats in Washington decide, by going on a head-hunting expedition, what they want to pick out.

As a practical matter, if you listen to those who have spoken who have been State and local officials, they can tell you that once you get under order in one function of Government, since you only have limited funds, that means you have to take funds from other functions of Government. The irony of this bill is if you get under order on prisons, you may have to take money from your mental institutions, juvenile institutions, programs for handicapped children, and others, to meet a set of priorities established by Federal bureaucrats in Washington. You may have to take from the functions of Government serving the most unfortunate of your citizens to give to other functions of Government just because the Federal bureaucrats, not the people and not their elected representatives, decide that should be the priority.

I urge the Members of the Senate to send this bill to committee to give us more time to look at all of its ramifications before we take this precipitate action.

Mr. BAYH. Mr. President, I will state to my colleagues that this measure has been the product of about 3½ to 4 years of study in the Judiciary Committee. We have accepted 35 amendments, many of them offered by those who now oppose the bill, in an effort to make it a better bill.

I think we have done just that, as far as States rights are concerned.

The cost was just stated by our distinguished ranking minority member of the Judiciary Committee as several billion dollars. The fact is that the Congressional Budget Office has suggested it would cost $54,000 the first year and, by the time of the fifth year, $120,000—hardly billions of dollars, I would say.

I want my colleagues to know what we are talking about as far as the type of abuse. I read from the language:

> Egregious or flagrant conditions, which are willful or wanton, or conditions of gross neglect, which deprive such persons of any rights, privileges or immunity secured under the Constitution, such deprivation must be pursuant to a practice or pattern.

This is not an isolated instance. It is not just a matter of inconvenience. We are talking about basic rights. Sometimes, in fact, we are talking about matters of life and death.

There has been a lot of talk about damaging States rights. The Senator from Indiana, frankly, has great respect for States rights. I think when I look at the way the bill was drafted 4 years ago, we probably got involved in State business when we should not have.

But I suggest that we better compare where this bill puts us now, where we are right now, if we are concerned about States rights.

All these grievances in Missouri, Nebraska, and Oklahoma, and elsewhere, are still going on. There is nothing to keep the Attorney General from doing that. I think there has been some abuse.

But in this bill, before the Attorney General can do this kind of thing, we have put certain definite restrictions on him.

He has to give notice to the Governor and the Attorney General. He has to file a specific complaint in which he details the specifics of the complaint. He has to say who is involved, where it happened, when it happened, and, most importantly, before he can intervene, he has to swear he has tried to consult with, talk with, counsel with, the State authorities, and only when voluntary compliance could not be achieved did he intervene.

He does not have to do any of that right now. He can bring in the FBI in the dark of night. We say that is wrong and we do not want the Attorney Genaral to do that.

In addition, we are giving him the right to initiate suits in certain circumstances. Basically, I think most of this initiation is going to involve mental inmates. Prisoners can walk and talk. Most are walking institutional reference books. They can bring the complaints now and, once they have, under present law, the Attorney General can intervene. Nothing can stop him. No restrictions, no requirements at all.

The people we really have trouble with, as far as initiating suits, are those in mental institutions, the children tied to their beds, the children who have been choked to death because some other inmate feeds them and they stuff the food down faster than they can eat it. We are talking about adults wrapped up in restraints, straitjackets, for months at a time. Those people do not have anybody to bring a suit for them. We say that the Attorney General ought to have a chance to bring those suits.

But before he does, he has to give the Governor at least 2 months' notice, provide the detailed complaints to say who is involved, where, when, and what, and he has to have made a major effort to see if it could not be done voluntarily.

If that fails, we give him the right to bring suit.

I get a little tired of people talking about States' rights and using specific examples. The best example, in the hard place we are between as Members of the U.S. Senate who swear to uphold the Constitution of the United States, is the question presented us in New Hampshire.

We had the attorney general of the State of New Hampshire a few years ago come down and tell us they did not have notice of what was going on, and how we violated States' rights.

The fact is that in New Hampshire we had a superintendent of the institution telling the legislature, telling the then-Governor, that things were wrong and, if they did not straighten up their own act, they would get sued. They did not, and the Government of the United States intervened to protect the rights of those people in the mental institution who needed this—State citizens, but they were also U.S. citizens.

I think we have a responsibility to care for the rights, the constitutional rights, of citizens.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. BAYH. Mr. President, on behalf of the majority leader, who is at a meeting right now, I ask unanimous consent that the rollcall on this measure be changed from 15 to 10 minutes on the motion to recommit.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. STONE. Will the Senator yield?

Mr. BAYH. I yield to the Senator from Florida.

Mr. STONE. Does not the Senator from Indiana believe, with the Senator from Florida, that this bill is an answer to those who think Congress represents only those who are likely to vote, as opposed to Americans who need help; and is not this bill a chance for us all to show we care about people, whether or not they are going to vote?

Mr. BAYH. I think the Senator from Florida states a premise I have not given a lot of thought to. He is certainly right.

None of these people will have a chance to vote for us for helping them, for those in real need.

We are not talking about just incidental abuse, not talking about adequate nutrition, and this kind of thing. We are talking about wanton, grievous violation of basic rights.

I think we have a responsibility if the State will not act.

Another thing we really put in this bill, which I think was important, is that they cannot descend in the dark of night, like they did. They have to give advance notice and try everything in the book to see if it cannot be done voluntarily, and, if not, I do not know how we escape it.

I yield to the Senator from Utah.

Mr. HATCH. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. HATCH. I yield 1 minute to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I want to reemphasize the comment made by the Senator from Indiana, that there is a need for this legislation.

Mr. President, the Senator from Kansas is pleased to participate in the debate on S. 10 today. As a cosponsor of the bill and an ardent advocate of the rights of the handicapped and the institutionalized, this Senator sees a need for some statutory authority to be given to the Attorney General to initiate and intervene in suits brought against State institutions on behalf of institutionalized persons.

S. 10 is based on the assumption that there is a need for the Attorney General to become involved on behalf of the institutionalized because the States themselves are unwilling or unable to do so themselves, and because the Attorney General possesses the resources and skills necessary to protect those citizens in court.

Mr. President, there are some who question this fundamental assumption. They question the need for this legislation because they believe the States themselves can protect their institutionalized citizens. The Senator from Kansas does not intend to impugn the integrity or intentions of the State governments, but is compelled to point out that the fundamental reason why State attorneys general will not initiate or intervene in a suit on behalf of their institutionalized is that they would have to sue the State itself. It is highly unlikely that one branch of the State would sue the other. State resources are scarce. Political factors would militate against such action.

Yet we are faced with testimony before the Constitution Subcommittee which indicates that abuses take place against inmates of State institutions and that nothing is being done about it. Faced with this fact, the question is, What are we in the Congress obligated to do?

Congress has recognized the need to enact legislation supporting the institutionalized. The Developmentally Disabled Assistance and Bill of Rights Act, the Rehabilitation Act of 1973, and the Education of All Handicapped Children Act of 1975 are but some examples of this national commitment. Because of the unique inability of the institutionalized to assert their own rights, it is only fitting that we enact S. 10 at this time.

The institutionalized often lack financial resources to assert their rights. Many are unaware of their legal rights. Privately funded public interest groups and legal services are inadequate to provide assistance. Thus there is need for the Justice Department's resources and skill.

While there is clearly a need for some legislation, the Senator from Kansas feels it is necessary to reach a middleground, cooperative framework which would elicit the active cooperation of States in rectifying the problems at State institutions. We must be careful not to trample over States' rights, or to bring about an antagonistic relationship between the Federal Attorney General and the States.

In this light, the Senator from Kansas offered an amendment to S. 10 in the Judiciary Committee, which strikes a middleground in authorizing Attorney General intervention, by requiring that reasonable notice be given to the States, while protecting against unreasonable delays.

Similarly, since the bill was introduced, numerous amendments have been accepted in committee and subcommittee which make the bill more satisfactory to all parties concerned. These amendments require the Attorney General to make a good faith, reasonable effort to work out problems in cooperation with the States, through conciliation and persuasion. As the entire Senate considers the bill, this Senator hopes that such a reasonable approach will continue to prevail, and urges his colleagues to participate in the debate accordingly.

Finally, Mr. President, the Senator from Kansas would like to urge his colleagues to consider the necessity for imposing both a "carrot" and a "stick" in addressing the problems of the institutionalized. S. 10 offers a "stick" to the

States by authorizing Federal intervention and raising the possibility of court orders. However, court orders will not necessarily produce actual reforms unless adequate funds exist to implement such reforms.

Poor conditions often exist in State institutions because funds are lacking. Accordingly, Mr. President, the Senator from Kansas feels that there is a need for a companion piece of legislation which would make grants to States for the construction and modernization of criminal justice facilities. Such legislation as I intend to propose would create a "criminal justice construction administration" within the Justice Department, and would appropriate $6.5 billion over 7 years, for this purpose.

As we consider S. 10, the Senator from Kansas hopes that his colleagues will appreciate its limitations as a practical means of effecting reform, and that they will consider the need for such companion legislations as I have suggested, and that they will vote for S. 10 and against the motion to recommit.

Mr. President, I suggest that we are talking about people who are institutionalized. They do not have the resources. They do not have the finances. Sometimes they do not know how to proceed to protect themselves.

There are handicapped and other institutionalized people who will benefit from this legislation.

I strongly oppose the motion to recommit.

Mr. HATCH. I thank my colleague.

Mr. President, I strongly oppose the motion to recommit. I do not think anybody in this body is ahead of me in my reverence for States rights and my reference for the cause of keeping the Federal Government out of the States.

I remember when I voted for pregnancy disability benefits for working women, a bill that would cost $3 billion extra a year to business.

I thought that when men were getting hair transplants and vasectomies, there was not too much wrong with helping the poor working woman who has to work and wants to have her baby.

I find the same analogy here because we are talking about people who cannot help themselves. We are talking about a pattern in some States where they have allowed these people, who cannot help themselves, to sit like vegetables and to be treated like inanimate objects.

I think it is wrong and that the only way we can change it is through legislation such as this.

Frankly, I wish there were some additional amendments to this bill. But this is the best compromise with which we could come up. It requires State action to be egregious or flagrant, conditions which are willful or wanton, or conditions of gross neglect which deprive such persons of any rights, privileges, or immunities secured or protected by the Constitution of the United States of America. That is all we are asking for—the rights that should be protected by our Constitution.

The equitable relief which is provided here is relief consistent with the rights under the Constitution—the rights, privileges, and immunities secured or protected by the Constitution of the United States.

It is not easy for me to support this bill, but it was not easy for me to support the pregnancy disability bill, either. But it is right. It is right to support this bill.

I believe this is the only way to solve some of these problems that have gone on for years, to the detriment of people who cannot help themselves, people who are weak or disabled—and, I might add, minority people who do not have a chance in this society.

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, debate is terminated.

The question is on agreeing to the motion to recommit, which has been offered by the Senator from South Carolina.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Conecticut (Mr. RIBICOFF, and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The PRESIDING OFFICER (Mr. BAUCUS). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 35, nays 55, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—35

Armstrong
Baker
Boren
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cochran
Cohen
Danforth
Domenici
Exon
Garn
Goldwater
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Johnston
Laxalt
Long
McClure
Morgan
Nunn
Roth
Schmitt
Simpson
Stennis
Stevens
Stevenson
Talmadge
Thurmond
Tower
Warner
Young

NAYS—55

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Burdick
Chafee
Church
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Huddleston
Jackson
Javits
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Schweiker
Stafford
Stewart
Stone
Tsongas
Wallop
Weicker
Williams
Zorinsky

NOT VOTING—10

Bellmon
Cannon
Chiles
Eagleton
Ford
Glenn
Inouye
Kennedy
Ribicoff
Sasser

So the motion to recommit was rejected.

Mr. McCLURE. Mr. President, I strongly oppose this legislation.

We have watched over the years as the notion of federalism has been progressively eroded. There is very little that the Federal Government cannot do to the exclusion of the States.

But even with federalism's current low ebb, it is a novel principle that the Federal Government should be encouraged to commandeer State institutions which are not run to its satisfaction.

This premise is doubly insulting because it assumes both that the States are incapable of managing their own affairs, and that the Federal Government is.

The Constitution clearly and explicitly vests in the Federal Government the power to conduct foreign policy. Yet, our foreign policy is in shambles. Our military preparedness is woefully inadequate. If the Federal Government is not capable of handling those tasks which it is supposed to perform, what makes us think that it is capable of telling the States how to exercise their powers?

In the area of State custodial institutions, the role of the Federal Government has been particularly aggressive. An Alabama Federal court literally took over the day-to-day management of that State's correctional institutions.

The State of South Carolina has spent over $100,000 in response to Federal Government intimidation. In that case, the Federal Bureau of Investigation was sent in, without notice, to demand inspection of the entire State's patient records. As in other cases, the FBI went directly to the State hospital, ignoring ethical requirements that demands for documents be communicated through a party's attorneys. I presume the Department felt that hospital personnel would not have the legal sophistication to question the legality of the demand.

In the State of Missouri, high-handed tactics such as were used in South Carolina won the Department a stinging rebuke from that State's Attorney General, now its junior Senator. Said Attorney General Danforth:

> The Department of Mental Health is, as you can imagine, quite accustomed to investigations of various sorts. As one state hospital superintendent has put it recently, "(W)e are continually and perennially investigated by persons representing medicare and medicaid and we have our own internal investigations such as by the Utilization Review Board, Medical Records Committee, and the State Committee on Hospital Accreditation—all of which are an effort to monitor and improve functions."
>
> However, in the present instance, the possibility of disruption is especially great. Dr. Harold Robb, the Director of the Department of Mental Health, has told me that the earlier visits of Mrs. Lentz and her team

> caused numerous alarmed phone calls from superintendents at the state schools expressing their concern about the demoralizing effect of the procedures in this investigation. I have asked Dr. Robb and Dr. Hensley how much effort it would take to compile the information called for in the memorandum to the FBI. They have informed me that in each of the five institutions it would take approximately five key people six months. Dr. Robb and Dr. Hensley are both especially concerned with the effect on the morale of the staff and parents of patients of sending ten FBI agents into each of the state schools and into the state hospital at St. Louis for periods of several weeks.
>
> It is my present position that our state officials have been more than cooperative with the Office of Special Litigation. Unfortunately, cooperation has not been a two way street. I have advised our Department of Mental Health not to furnish further aid to the Office of Special Litigation until you can convince me of the good will of your Department.

In the case of New Hampshire, the Federal Government intervened in litigation with virtually no notion of the factual bases on which its claims were predicated. It was continually unable to state what types of relief would be appropriate, claiming instead:

> (D) iscovery will be in process shortly, and more detailed information concerning these deprivations will be available to defendants as it becomes known to the United States.

In other words, the Justice Department was going on a fishing expedition.

Aside from an obviously strong interest in becoming involved in yet another area of State jurisdiction, and a willingness to see the States make almost unlimited expenditures in order to satisfy its curiosity, it is not clear that the record of the Justice Department represents the compelling case which we should require before extending the Department's jurisdiction.

Sure, there are instances in which abuses occur in State institutions. In many cases, alleged "abuses" result from lack of adequate funding.

But these abuses can be cured like other societal wrongs—through litigation. And in many cases, I fear that litigation will be federally financed whether or not the Justice Department is given this extended authority. Specifically, they will be financed through the Legal Services Act, through the protection and advocacy mechanisms enacted as part of the Vocational Rehabilitation Act, and possibly through mechanisms funded by section 1103 of the Higher Education Act.

What case can be made that the courts have been reluctant to adequately respond with respect to private litigation? I have seen no convincing case.

As I have indicated, the inadequacy of State institutions springs, in many cases, from the lack of adequate funding. State budgets are severely pressed, just as our Federal budget is.

I fear that S. 10 is intended to open the way for the Justice Department to litigate over the adequacy of State expenditures and the wisdom of State laws relating to institutions. If this is the case, this Federal attempt to take over the State legislative process represents the most egregious effort so far to deprive the States of their little remaining jurisdiction.

In closing I would like to read from a resolution adopted by the National Association of Attorneys General:

> Whereas the 96th Congress will again consider legislation which would allow the Attorney General of the United States to institute and intervene in civil actions in certain cases against state governments alleging deprivation of the constitutional rights of institutionalized persons in jails, mental hospitals, facilities for the handicapped and mentally retarded, juvenile detention centers and nursing homes; and
>
> Whereas persons complaining of unconstitutional conditions of confinement in institutions have legal remedies under 42 U.S.C. 1983; and thousands of such cases staffed by public interest legal organizations and by private counsel are awaiting resolution in the courts; and
>
> Whereas there are now in place at the state level federally funded advocacy units and agencies to deal with the special problems and rights of many institutionalized persons by means of litigation and otherwise and the efforts of such units and agencies should not be duplicated; and
>
> Whereas formulation of a national policy to define and protect the constitutional rights of inmates of federal, state and local institutions should be undertaken in formal consultation with state government before legislation is enacted; and
>
> Whereas any federal legislation such as the institutions bills of the 95th Congress which fails to provide for the financing of the changes it seeks is unrealistic, unfair and unworkable;
>
> *Therefore, be it resolved that,* (1) The National Associations of Attorneys General supports establishment of a Presidential Commission to study the issues involved in the care of institutionalized persons in local, state and federal institutions and to recommend improvements in the operation of the institutions, including the drafting of proposed minimum standards of care; and
>
> (2) That a national policy concerning adequate care for institutionalized persons in local, state and federal institutions should develop from a shared commitment of local, state and federal government working together to define the causes and solutions to these problems; and
>
> (3) A study of the fiscal aspects of institutional operations must be included in the work of the Commission to determine what financing methods are available and practicable to assure the improvement of care to at least a constitutional minimum; and
>
> (4) The Washington Counsel of this Association is authorized to present these views to the appropriate Congressional committees and to the Administration.

● Mr. STENNIS. Mr. President, I express my strong opposition to the pending legislation. In my opinion, it is neither necessary nor desirable. Its purpose is to confer upon the U.S. Department of Justice statutory power and authority to institute and intervene in civil actions to redress alleged deprivations of constitutional and Federal statutory rights of persons residing in State institutions, including prisons, correctional facilities, pretrial detention facilities, mental hospitals, and care of custodial care facilities for the chronically ill or handicapped.

Since 1971, the Attorney General of the United States has participated in a series of civil rights actions seeking to redress alleged violations of constitutional and Federal statutory rights of such institutionalized persons. However, in United States against Solomon, a Maryland case, and in United States against Mattson, a Montana case, the Federal district courts expressly held that the Attorney General lacked statutory authority to initiate such actions. The Solomon case was affirmed by the Fourth Circuit Court of Appeals in October 1977, and the Mattson decision was approved by the Ninth Circuit Court of Appeals in July 1979. Those who support this bill assert that its enactment is needed and necessary to provide the U.S. Attorney General with statutory authority to bring and maintain such actions to redress alleged deprivations of the rights of institutionalized persons. I strongly and whole-heartedly disagree. The opinions that I have referred to are not only good law and sound public policy, but they represent plain common sense. I do not believe that these decisions should be overruled or superseded by congressional action.

The long arm and heavy hand of Federal power, control, and authority already intrude excessively in matters which were not too long ago almost universally believed to be the sole province of the State. This was before the doctrine of States rights was almost obliterated by the decisions of the Supreme Court of the United States. The U.S. Department of Justice has already been excessively obtrusive and has misused and abused its existing authority to intervene in law suits against State and local governments. The Congress should not reward such abuse and such excesses by granting the Department of Justice the additional authority which is proposed by S. 10.

One of the basic and unfounded assumptions underlying this bill is that the States are either incapable, or unwilling to, or both, of protecting the constitutional rights of their institutionalized citizens. The committee report on S. 10 specifically speaks of "the need for active Federal involvement which is especially crucial in light of the demonstrated inability of State and local governments to insure adequate protection of their institutionalized citizens." I believe that this assumption is both incorrect and unwarranted. It wholly ignores the great strides which have been made by the States in the area of institutionalized treatment. It is an example of the paternalistic view that the Federal Government is all powerful in this area. Americans already feel that the Federal Government is too powerful, too pervasive, and too obtrusive. I do not see how the Congress of the United States can increase the power of one of the Federal agencies which is most criticized for its actions in interfering with State institutions and State procedures.

Finally, Mr. President, let me point out that this bill does not create any additional or new rights for institutionalized persons. Its sole purpose is to increase the power of the Department of Justice. Under existing law, all institutionalized persons can seek judicial relief from unconstitutional conditions in private civil actions, and the Attorney General can intervene in these actions. Therefore, this bill is unnecessary and has no purpose except to give the Attorney General new power over State institutions.

I know of no groundswell of support for this legislation. None of my constituents have approached me with a request that I support it. I know of no support for it except from the civil libertarians who believe that any problem can be solved simply by the application of Federal power and Federal funds. The fallacy of this philosophy has been long since established.

Morever, Mr. President, both the Congress and the Federal courts are actually overloaded with numerous matters to the extent that the work of these two bodies is not at their best in those extraneous fields. The load should not be increased, especially in fields, as is the case here, where remedies can be supplied by our State agencies. For all those reasons, the proposed bill should be defeated.●

● Mr. CULVER. Mr. President, I want to express my strong and enthusiastic support of S. 10, civil rights of the institutionalized, and urge the Senate to adopt this important measure.

S. 10 is both a limited bill and balanced approach which assures the protection of important constitutional rights of our citizens while respecting the principal role of the States for the management of their various institutions. It is limited in scope because the bill creates no new substantive rights. It establishes no new programs. It calls for no major outlays of tax money.

S. 10 merely grants the U.S. Attorney General legal standing to challenge pervasive, systematic patterns of gross abuse and neglect of persons confined to State institutions which violate constitutional or Federal rights.

The bill is not designed to allow the Federal Government to interfere with the legitimate activities of States through the filing of frivolous lawsuits. On the contrary, before the Justice Department may file suit under the provisions of S. 10, the Attorney General must pursue and exhaust every conceivable remedy short of litigation. Then, only if the pattern of abuse or neglect is so severe that it is depriving persons of the minimal levels of decent and humane treatment guaranteed by the Constitution and Federal laws, may the Justice Department seek formal, court imposed remedial action.

S. 10 is clearly a modest, limited bill. It has been carefully crafted after eight days of hearings and many hours of Judiciary Committee consideration over the past 3 years. Senator BAYH has included more limitations and safeguards in S. 10 than in any other civil rights enforcement statute enacted by Congress into law.

Despite this limited scope and effect, S. 10 is vitally important legislation of profound significance. As the former chairman of the Senate Subcommittee on Juvenile Delinquency, I am deeply concerned about the abuse of children in correctional institutions and in those for the mentally ill and retarded. Unfortunately, hearings before that subcommittee and Senator BAYH's Subcommittee on the Constitution have documented numerous instances of serious institutional abuse.

During my work in this area, I have been strongly impressed by the fact that juveniles, the elderly, the mentally ill, the disabled and others confined to State institutions are often unable to assert their own rights to minimally decent living conditions and treatment. Many institutionalized are unaware of their rights because of intellectual or emotional impairments and the lack of education. These barriers are compounded by physical isolation, lack of money and the fear of retaliation.

Unfortunately, the resources of the legal services and privately funded public interest bars are woefully inadequate to represent the needs of all of the Nation's institutionalized population. Limitations of resources, manpower and continuity among these advocacy groups mean that institutionalized persons must look elsewhere for legal representation.

Mr. President, the Justice Department is the appropriate place for such persons to turn for vindication of their fundamental rights. In the past, Congress has not hesitated to give such authority to the Attorney General where evidence has shown a widespread denial of such rights. In the context of discrimination in voting, education, employment, housing, and public services, Congress has enacted legislation similar to S. 10, authorizing the Attorney General to redress "patterns or practices" of widespread abuse. The authority proposed in S. 10, therefore, is neither novel in concept nor unprecedented in application.

Mr. President, it is also clear that the arguments against this measure are neither novel nor compelling. The Congress has heard the appeal to States' rights many times in the past during the great debates over civil rights bills in the 1960's and 1970's, and the Congress rejected them. Because of the high threshold for Federal involvement under this legislation and the appropriate role which is awarded to the States, I do not believe those arguments are valid here. I sincerely hope we will reject them now.

I cannot believe it is within the authority of the States, through abuse or gross neglect, to deprive citizens of this Nation housed in State institutions of the minimal necessities of life and remain free from legal challenge by the Federal Government. I cannot believe it is right for persons in institutions to be denied access to the expertise and resources of the Justice Department for gross violations of their rights merely because they happen to reside in a State operated institution.

Mr. President, S. 10 will remedy this inequity by allowing the Justice Department access to the Federal courts in the worst cases of systematic abuse. At the same time, the bill contains very strong notice and consultation requirements which will promote voluntary cooperation and settlement of disputes without resort to court litigation.

Mr. President, I strongly urge my colleagues to give their prompt approval to this important bill.●

● Mr. NELSON. I rise in support of S. 10, of which I am a cosponsor.

This legislation would give standing to the Attorney General to initiate and intervene in lawsuits against State institutions which subject persons residing therein to a "pattern or practice of egregious or flagrant conditions (conditions which are willful or wanton or conditions of gross neglect) which deprive such persons of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States."

Mr. President, consideration of this legislation is long overdue. During the past 10 years, court records, newspaper stories, and legislative hearings have revealed time and again horrifying instances of egregious mistreatment of institutionalized persons. State mental institutions, schools for retarded children, prisons, and juvenile detention facilities have all too often been responsible for shocking violations of long-established constitutional and statutory rights.

The committee report contains an excellent summary of the findings on such violations which have been made by Federal judges in every part of the country.

It discloses heartbreaking instances of brutality, including massive overdrugging of retarded children by the staff of State schools for the mentally retarded, inadequate supervision of retarded children resulting in countless injuries, widespread brutality by staff against prisoners in juvenile correction facilities, and overcrowding in State prisons amounting to an intolerable threat to the welfare of inmates.

Mr. President, the Justice Department has a valuable contribution to make toward the resolution of these problems. In *Wyatt* v. *Stickney*, 325 F. Supp. 781 (M.D. Alabama 1971), U.S. District Judge Frank Johnson ordered the Justice Department to appear as amicus curiae to assist the court in gathering evidence of constitutional violations in the Alabama State Mental Hospital. At the conclusion of the trial in this landmark case, which resulted in the first Federal court order remedying constitutional violations in a State institution, Judge Johnson praised the Department's "exemplary service."

Since then, as intervenor or amicus, the Justice Department has participated in many lawsuits where egregious constitutional violations have been plausibly alleged. This legislation would enable the Department to file suits on its own, rather than having to depend on Federal judges allowing intervention in lawsuits already filed by institutional inmates. Further, there may be instances where violations cry out for a remedy but where inmates may be too cowed or terrified to file suit. The Federal Government must, in my judgment, step in in these circumstances.

Mr. President, this legislation is fair and reasonable to the States.

The Attorney General must notify State officials 56 days prior to filing suit of the specific violations alleged, including as much supporting detail as possible. The Attorney General and his subordinates in the Justice Department must engage in informal discussions and negotiations with such officials in an effort to remedy the alleged violations. These negotiations must include notification to the State of the "minimum" conditions that must be met which would cause the institution not to be in violation of the law, an explicit recognition of the financial impact involved in the achievement of such conditions, notification by the Government to the State of available Federal assistance programs and the affording by the Government to the State of a reasonable time for the institution to reform itself.

Mr. President, I am fully cognizant of the widespread public discontent with what is perceived to be and often is an overweening and unreasonable Federal Government. This Congress has been rightly skeptical about most attempts to increase Federal power. However, in my judgment, S. 10 is exceptional. I cannot imagine a more proper role for the Federal Government than serving as a voice for the most helpless and vulnerable members of our society who may be denied constitutional or other legal rights simply because no practical remedy is available.●

● Mr. RIEGLE. Mr. President, I strongly support this legislation. I have been a cosponsor of this bill to protect the civil rights of the institutionalized in both the 95th and 96th Congresses, and I believe enactment of this civil rights bill is long overdue.

S. 10 creates no new rights for institutionalized Americans, but merely establishes a procedure to enforce rights that have been guaranteed under the Constitution. Moreover, I believe that the bill provides impressive safeguards that will prohibit Federal involvement except as a last resort where State action has not only not protected, but has positively violated, these rights.

During the last 95th and 96th Congresses, more than 50 witnesses have testified on this bill. I believe the record is clear that many hundreds of handicapped, elderly, youthful, and other institutionalized Americans are subject to inhuman neglect or abuse because of the lack of remedies to enforce constitutional rights. These cases are but a small minority of all our institutionalized citizens, but every single American should know that he or she will not be subject to this sort of abuse.

In essence, this bill simply authorizes the Attorney General to sue to enforce these rights. As always, the courts will decide whether the Constitution has been violated in any particular case. I believe this procedure is essential to assure that the Constitution, and particularly the Bill of Rights, remains an effective curb on governmental abuse at both the State and Federal levels.●

● Mr. TALMADGE. Mr. President, I, like everyone in this Chamber, support efforts to improve the quality of care provided individuals confined to mental or correctional institutions. Certainly, we must continue to improve efforts to eliminate abuses befalling these individuals, particularly those confined to mental institutions.

I find, however, that I must oppose S. 10 because it affords no new rights to institutionalized individuals but, instead, increases the power of a Federal bureaucracy whose attitudes and efforts will probably be counterproductive to the interest of these citizens. Additionally, S. 10 would intrude into an area, the obligation to care for the institutionalized, that has historically been the province of each individual State. I have strong concerns regarding any legislation which allows the Federal Government to interfere further into the activities of the individual States.

Supporters of S. 10 have stated that many States are unwilling and incapable of protecting their institutionalized citizens. This argument was contradicted, however, by various officials who testified to the important strides forward made by the States in the area of institutionalized treatment.

My home State of Georgia has taken important steps to protect the rights of the institutionalized. I ask that a letter I received from Gov. George Busbee outlining these steps and his concerns regarding S. 10 be printed in the RECORD.

I hope all States will take this needed action as Georgia has done. I do not, however, believe it is appropriate to allow the Federal Government to intrude further into jurisdiction of our sovereign States as S. 10 would do.

The letter follows:

OFFICE OF THE GOVERNOR,
Atlanta, Ga., February 28, 1980.

Hon. HERMAN E. TALMADGE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TALMADGE: This letter is submitted for the purpose of sharing with you some of my concerns regarding Senate Bill 10, which addresses the rights of institutionalized persons. It is my understanding that this bill has passed the House and is now being considered on the floor of the Senate.

I am in agreement that the mentally disabled must be assisted in obtaining legal services, and I am confident that Georgia's current statutes make adequate provision to provide these services. In 1977, I appointed a committee to rewrite our statutes regarding rights of the mentally ill, mentally retarded, alcoholics and drug abusers who may need involuntary commitment and treatment in order to protect themselves as well as others. This committee included attorney advocates for the mentally ill and mentally retarded, citizen interest groups, members of the General Assembly and others. The resulting amendments were enacted in 1978 and received additional "fine tuning" in the 1979 session of the Georgia General Assembly.

In regard to state correctional facilities, I am strongly opposed to giving the United States Department of Justice opportunities for direct intervention into the state correctional system without a formal process addressing specific complaints, and I am opposed to federally established minimum standards for state correctional facilities without input from the states and without benefit of state legislative action.

A national policy to define and protect the constitutional rights of inmates of state and local institutions should only be established in formal consultation with state government.

With kindest regards, I am
Sincerely,

GEORGE BUSBEE.●

Mr. CHAFEE. Mr. President, I have been a cosponsor of S. 10 for some time and rise today in support of its passage. This legislation would grant the U.S. Attorney General statutory authority to initiate and intervene in civil actions brought to redress systematic deprivations of the constitutional rights of institutionalized persons.

Some of the arguments expressed by my colleagues, regarding the appropriateness of Federal participation in this area, have concerned me as well.

Are we allowing unnecessary Federal intervention in an area being effectively handled at the State level?

Why not let publicly funded legal services and privately funded public interest advocacy groups handle the problem?

In short, do we need S. 10?

My response to that question is an unqualified "yes."

The distinguished Senator from Indiana, among others, has articulated a litany of abuses suffered by the institutionalized. My own familiarity with past incidents in Rhode Island (one, in which a dentist routinely pulled the teeth of retarded persons without administering novocaine) indicates to me that these stories neither misrepresent nor exaggerate the circumstances which S. 10 is intended to redress.

We do have a serious and ongoing problem.

Mr. President, the mentally disabled have a particular inability to assert their own rights. Many persons, intellectually and emotionally incapable of even understanding their rights, have come to accept inadequate institutional treatment as the norm. Traditionally, mental institutions have been located in highly inaccessible places, removed from the assistance of friends or legal counsel.

Consider these inherent constraints placed on the institutionalized in the context of present-day legal costs. Most institutionalized persons are poor and completely incapable of hiring experts to perform the investigation and documentation necessary for litigation.

The inability of State and local governments to adequately protect their institutionalized citizens is well demonstrated. State attorneys general, responsible for defending the same facilities in which deplorable conditions exist, have been reluctant to serve as advocates for the institutionalized. Similarly, State agencies which periodically review institutional conditions in compliance with title 19 of the Social Security Act have had a recognizable interest in securing continued Federal funding.

The burden of advocacy, then, has fallen to publically funded legal services and privately funded public interest groups. In my judgment, it is clear:

First, that the financial and personnel resources of private advocacy groups are wholly inadequate to deal with the scope of the problem;

Second, that the mandates of publically financed legal services groups, such as the Legal Services Corporation and the Protection and Advocacy System, are broad, and, therefore, allow only minimal participation with the institutionalized; and

Third, that moneys and manpower, available to publically financed groups, are, in any case, extremely limited.

The mental health law project is the country's most substantial privately funded public interest group engaged in mental health law. It employs a total of six attorneys—six—throughout the Nation. The National Center for Law and the Handicapped and the Philadelphia Public Interest Law Center are equally strapped.

State offices of organizations like the Association for Retarded Citizens (ARC) receive both public and private money. No public financing, however, is directed toward advocacy of any kind. In my own State of Rhode Island, the ARC through private donations, has been able to spend just $25,000 a year in legal action on behalf of all retarded persons, not simply those in institutions.

Publicly funded legal service groups have an even broader mandate. The Legal Services Corporation, which has only recently reordered its priorities to include the institutionalized, is tasked with the job of representing nearly 30 million poor people. In Rhode Island, the local LSC office, operating on a budget of about $850,000 a year is responsible for 100,000 persons. A tiny fraction of these are institutionalized. Before 1979, the LSC, in Rhode Island, had almost no involvement in this area.

The protection and advocacy system (PAS) established by the Developmentally Disabled Assistance Act in 1975, has been effectively operable for only 2 years. Again, the mandate of the PAS is enormous, it is not exclusively involved in litigation. The focus of the PAS advocacy work is restricted to the developmentally disabled and is statewide. It includes educational and training systems which, in no way, affect institutional care.

When public interest law firms do attempt to represent the institutionalized, they are limited by yearly funding and a high turnover rate among attorneys. This severely diminishes their involvement.

Mr. President, enormous resources are required to mount and sustain protracted litigation to secure institutional relief. The Justice Department, with the help of the FBI, can best initiate such action. Privately and publicly funded public interest advocacy groups have neither the money, the manpower, nor the mandate to protect the rights of the institutionalized.

In the absence of such resources, and in accordance with our national commitment to institutionalized persons, I wholeheartedly support S. 10 and urge my colleagues to do the same.

Mr. BAYH. Mr. President, I request the yeas and nays on final passage.

The PRESIDING OFFICER. Does the Senator from Indiana specify the yeas and nays on final passage of the House bill?

Mr. BAYH. Yes.

The PRESIDING OFFICER. Without objection, it is in order to order the yeas and nays on final passage.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Will the Senator please suspend until the Senate is in order.

The Senate is not in order. Members wishing to converse, please clear the aisle.

The Senate is not in order.

The Senator from Indiana.

Mr. BAYH. Mr. President, a point of information to the Chair if I might ask a parliamentary point here.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Under the time agreement it was agreed, at least the Senator from Indiana thought it was agreed, that after the motion to recommit the language of the Senate bill as amended would be substituted into the House bill, H.R. 10, and that H.R. 10 would be the vehicle on which we now vote.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAYH. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the matter of a substitute, as amended.

The committee amendment, as amended, is agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The clerk will state the House bill by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

The PRESIDING OFFICER. Under the previous order, the Senate will proceed immediately to the consideration of the bill.

Under the previous order, all after the enacting clause of H.R. 10 is stricken and the text of S. 10 is substituted therefor, as reported by the Committee on the Judiciary with an amendment in the nature of a substitute, as amended.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that this be a 10-minute rocall vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Hawaii (Mr. INOUYE) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The PRESIDING OFFICER. Are there other Senators wishing to vote?

The result was announced—yeas 55, nays 36, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—55

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Chafee
Church
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Huddleston
Jackson
Javits
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schweiker
Stafford
Stewart
Stone
Tsongas
Wallop
Weicker
Williams

NAYS—36

Armstrong
Baker
Boren
Bumpers
Byrd,
Harry F., Jr.
Cochran
Cohen
Danforth
Domenici
Exon
Garn
Goldwater
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Johnston
Laxalt
Long
McClure
Morgan
Muskie
Nunn
Roth
Schmitt
Simpson
Stennis
Stevens
Stevenson
Talmadge
Thurmond
Tower
Warner
Young
Zorinsky

NOT VOTING—9

Bellmon
Cannon
Chiles
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Glenn
Inouye
Kennedy
Ribicoff

So the bill (H.R. 10) as amended was passed as follows:

S. 10

SECTION 1. Whenever the Attorney General has reasonable cause to believe that any State or political subdivision, official, employee, or agent thereof, or other person acting on behalf of a State or political subdivision of a State is subjecting persons residing in an institution, as defined in section 8, to egregious or flagrant conditions (conditions which are willful or wanton or conditions of gross neglect) which deprive such persons of any rights, priveleges, or immunities secured or protected by the Constitution or laws of the United States causing such persons to suffer grievous harm, and that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States may institute a civil action in any appropriate United States district court against such party for such equitable relief as may be appropriate to insure the minimum corrective measures necessary to insure the full enjoyment of such rights, privileges, or immunities, except that such equitable relief shall be available under this act to persons residing in an institution as defined in section 8(a)(2)(B) only insofar as such persons are subjected to conditions which deprive them of rights, privileges, or immunities secured or protected by the Constitution of the United States. In any action commenced under this section, the court may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs. The Attorney General shall personally sign the complaint in such action.

SEC. 2. (a) At the time of the commencement of an action under section 1, the Attorney General shall certify to the court—

(1) that at least fifty-six days previously he has notified in writing the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution of—

(A) the alleged conditions which deprive rights, privileges, or immunities secured or protected by the Constitution or laws of the United States and the alleged pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities;

(B) the supporting facts giving rise to the alleged conditions and the alleged pattern or practice, including the dates and time period during which the alleged conditions and pattern or practice of resistance occurred, the identity of all persons reasonably suspected of being involved in causing the alleged conditions and pattern or practice at the time of the certification, and the date(s) on which the alleged conditions and pattern or practice were first brought to the attention of the Attorney General;

(C) the minimum measures which he believes may remedy the alleged conditions and the alleged pattern or practice of resistance;

(2) that he has notified in writing the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution of his intention to commence an investigation of said institution(s), that such notice was delivered at least seven days prior to the commencement of such investigation, and that from the time of such notice—

(A) he or his designee has made a reasonable good faith effort to consult with the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution, or their designees, regarding financial, technical, or other assistance which may be available from the United States and which he believes may assist in the correction of such conditions and pattern or practice of resistance;

(B) he has endeavored to eliminate the alleged conditions and pattern or practice of resistance by informal methods of conference, conciliation, and persuasion, including discussion with appropriate State officials of the possible costs and fiscal impacts of the alternative minimum remedial measures, and it is his opinion that all efforts at voluntary compliance have failed; and

(C) he is satisfied that the appropriate officials have had a reasonable time to take appropriate action to correct such conditions and pattern or practice, taking into consideration the time required to remodel or make necessary changes in physical facilities or relocate residents, reasonable legal or procedural requirements, and any other extenuating circumstances involved in correcting such conditions;

(3) that he believe that such an action by the United States is of general public importance and will materially further the vindication of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States.

(b) Any certification made by the Attorney General pursuant to this section shall be personally signed by him.

SEC. 3. (a)(1) Whenever an action has been commenced in any court of the United States seeking relief from egregious or flagrant (conditions which are willful or wanton or conditions of gross neglect) conditions which deprive persons residing in institutions of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States causing them to suffer grievous harm and the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States, may intevene in such action upon motion by the Attorney General in accordance with the Federal Rules of Civil Procedures.

(2) The Attorney General shall not file a motion to intervene under paragraph (1) before one hundred and eighty days after the commencement of the action, except that if the court determines it would be in the best interests of all parties to the litigation, the court may shorten or waive the time period.

(b)(1) The Attorney General shall certify to the court in the motion to intervene filed under subsection (a)—

(A) that he has notified in writing, at least fifteen days previously, the Governor or chief executive officer, attorney general or chief legal officer of the appropriate State or political subdivision, and the director of the institution of—

(i) the alleged conditions which deprive rights, privileges, or immunities secured or protected by the Constitution or laws of the United States and the alleged pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities;

(ii) the supporting facts giving rise to the alleged conditions, including the dates and time period during which the alleged conditions and pattern or practice of resistance occurred; and

(iii) the minimum measures which he believes may remedy the alleged conditions and the alleged pattern or practice of resistance; and

(B) that he believes that such intervention by the United States is of general public importance and will materially further the vindication of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States.

(2) Any certification made by the Attorney General pursuant to this subsection shall be personally signed by him.

(c) Any motion to intervene made by the Attorney General pursuant to this section shall be personally signed by him.

(d) In any action in which the United States joins as an intervenor under this section, the court may allow the prevailing party other than the United States a reasonable attorney's fee as part of the costs: *Provided*, That nothing in this subsection precludes the award of attorney's fees available under any other provisions under the United States Code.

SEC. 4. No person reporting conditions which may constitute a violation under this Act shall be subjected to retaliation in any manner for so reporting.

SEC. 5. (a)(1) Subject to the provisions of paragraph (2), in any action brought pursuant to section 1979 of the Revised Statutes of the United States (42 U.S.C. 1983) by an adult convicted of a crime confined in any jail, prison, or other correctional facility, or pretrial detention facility, the court may, if the court believes that such a requirement would be appropriate and in the interests of justice, continue such case for a period of not to exceed ninety days in order to require exhaustion of such plain, speedy, and effective administrative remedies as are available.

(2) The exhaustion of administrative remedies under paragraph (1) may not be required unless the Attorney General has certified or the court has determined that such administrative remedies are in substantial compliance with the minimum acceptable standards promulgated under subsection (b).

(b)(1) No later than one hundred and eighty days after the date of enactment of this Act, the Attorney General shall, after consultation with persons, State and local agencies, and organizations with background and expertise in the area of corrections, promulgate minimum standards for the development and implementation of a plain, speedy, and effective system for the resolution of grievances of adults confined in any jail, prison, or other correctional facility, or pretrial detention facility. Such standards shall take effect thirty legislative days after publication unless, within such period, either House of Congress adopts a resolution of disapproval of such standards.

(2) The minimum standards shall provide—

(A) for an advisory role for employees and inmates of any jail, prison, or other correctional institution, or pretrial detention facility (at the most decentralized level as is reasonably possible) in the formulation, implementation, and operation of the system;

(B) specific maximum time liimts for written replies to grievances with reasons thereto at each decision level within the system;

(C) for priority processing of grievances which are of an emergency nature, including matters in which delay would subject the grievant to substantial risk of personal injury or other damages;

(D) for safeguards to avoid reprisals against any grievant or participant in the resolution of a grievance; and

(E) for independent review of the disposition of grievances, including alleged reprisals, by a person or other entity not under the direct supervision or direct control of the institution.

(c)(1) The Attorney General shall develop a procedure for the prompt review and certification of systems for the resolution of grievances of adults confined in any jail, prison, or other correctional facility, or pretrial detention facility, to determine if such systems, as voluntarily submitted by the various States and political subdivisions, are in substantial compliance with the minimum standards promulgated under subsection (b).

(2) The Attorney General may suspend or withdraw the certification under paragraph (1) at any time that he has reasonable cause to believe that the grievance procedure is no longer in substantial compliance with the minimum standards promulgated under subsection (b).

(d) Noncompliance by an institution with the minimum standards promulgated under subsection (b) shall not constitute the deprivation of rights, privileges, or immunities secured or protected by the Constitution.

SEC. 6. The Attorney General shall include in his report to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, United States Code: (a) a statement of the number, variety, and outcome of all actions instituted pursuant to this Act including the history of, precise reasons for, and procedures followed in initiation or intervention in each case in which action was commenced; (b) a detailed explanation of the procedures by which the Department has received, reviewed, and evaluated petitions or complaints regarding conditions in institutions; (c) an analysis of the impact of actions instituted pursuant to this Act, including an estimate of the costs incurred by States and other political subdivision; (d) a statement of the financial, technical, or other assistance which has been made available from the United States to the State in order to assist in the correction of the conditions which are alleged to have deprived a person of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States; and (e) the progress made in each Federal institution toward meeting existing promulgated standards for such institutions or constitutionally guaranteed minima.

SEC. 7. The Comptroller General of the United States shall evaluate the adequacy of programs of financial, technical, or other assistance which are currently available to the States from the United States to assist in the correction of the conditions which are alleged to deprive a person of the rights, privileges, or immunities secured or protected by the Constitution or laws of the United States, including but not limited to the application procedures used, the coordination between different Federal agencies, and the level of funding.

SEC. 8. As used in this Act—

(a) The term "institution" means any facility or institution—

(1) which is owned, operated, or managed by, or provides services on behalf of any State or political subdivision of a State; and

(2) which is—

(A) for persons who are mentally ill, disabled, or retarded;

(B) a jail, prison, or other correctional facility;

(C) a pretrial detention facility;

(D) for juveniles—

(i) held awaiting trial;

(ii) residing in such facility or institution for purposes of receiving care or treatment; or

(iii) residing in such facility or institution for any State purpose, other than a facility or institution for juveniles who have not been adjudicated delinquents or are not neglected juveniles or are not mentally ill, disabled, or retarded who are residing in such facility or institution for the sole purpose of receiving elementary or secondary educational training or services; or

(E) for the chronically ill or handicapped, including any State-supported intermediate or long-term care or custodial care facilities.

(b) Privately owned and operated facilities shall not be deemed "institutions" under this Act if—

(1) the licensing of such facility by the State constitutes the sole nexus between such facility and such State; or

(2) the receipt by such facility, on behalf of persons residing in such facility, of payments under title XVI, XVIII, or under a State plan approved under title XIX, of the Social Security Act, constitutes the sole nexus between such facility and such State; or

(3) the licensing of such facility by the State, and the receipt by such facility, on behalf of persons residing in such facility, of payments under title XVI, XVIII, or under a State plan approved under title XIX, of the Social Security Act, constitutes the sole nexus between such facility and such State.

(c) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any of the territories and possessions of the United States.

SEC. 9. (a) It is the desire and intent of Congress that deplorable conditions in institutions covered by this law amounting to constitutional deprivations be corrected and eliminated, not only by litigation, as contemplated herein, but by the volunteer good faith efforts of the State and local governments. It is the sense of the Congress that where Federal programs contain purposes and provisions for funds which are designated or designed to assist a given State in improving or upgrading institutions against which the Attorney General has commenced or intervened in litigation under the provisions of this Act or related treatment or rehabilitation programs, then priority should be given to the correction or elimination of such unconstitutional conditions from that portion of such Federal programs so designated or designed. It is not the intent of this provision to cause the redirection of funds for one program to another or from one State to another.

(b) When the Attorney General is contemplating actions under section 1 or 3 of this Act, he shall notify any Federal department, agency, or entity with an interest in such institution, of the alleged unconstitutional conditions.

SEC. 10. If an institution receives Federal financial assistance or benefits under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6010 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 794), or the Education of the Handicapped Act (20 U.S.C. 1401 et seq.), the Attorney General may not commence any action under section 1, or intervene in any action under section 3, in which such an institution is the defendant unless he has received a certification from the Secretary of Health, Education, and Welfare that such commencement or intervention is consistent with the policies and goals of the Department of Health, Education, and Welfare under such provisions and will not interfere with the efforts of the Secretary to secure compliance by the institution with such provisions.

SEC. 11. Provisions of this Act shall not authorize promulgation of regulations defining standards of care.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAYH. Mr. President, this has been a long and difficult battle involving several of our colleagues in the discussion of their most sincere beliefs. I appreciate the fact that, despite the depth of feelings, we have been able to handle this debate, I think, in the finest tradition of the Senate.

I wish to thank our distinguished majority leader, who has been very helpful in clearing the way procedurally. In the past, this has been what has kept this bill from moving. But he has persevered and has been very helpful, as has the acting minority leader.

I also wish to thank my distinguished colleague from Utah (Mr. HATCH), the ranking member of the Subcommittee on the Constitution of the Judiciary Committee. Without his cooperation and help, we would not be where we are today.

I would like to thank some of the outstanding staff members that literally spent hour after hour on this bill. Kevin Faley, Louise Milone, Steve Markman, Tom Parry, of the committee staff; Christie Johnson, and Brian Fitzgerald. Others have been helpful as well.

I think we have a better bill now than we had when we introduced it here 3 or 4 years ago.

I say to our colleagues, who have made such a strong case about the importance of States rights, that as we approach this in conference, they can count on their Senate conferees to do everything we can to keep some of that language in there that I feel made this bill a better bill, more sensitive to the responsibilities and rights of the States, and yet gives us the opportunity, as members of the national legislative body, to give to the Attorney General the opportunity to protect the U.S. constitutional rights of citizens that are confined in the institutions.

So I say to my colleagues that I appreciate the cooperation we have received.

Mr. HATCH. Mr. President, I also want to thank my senior colleague from Indiana for the work that he has done on S. 10. He has been very, very good to try and accept all of the amendments that we have made through the ensuing last 3 years. I think he has bent over backwards to try to make this bill one which will not be oppressive to the States or be oppressive to the institutions within the States, but merely one which is for the purpose of correcting those abuses which otherwise will not be corrected. And that has been the purpose of my support of this particular bill.

As we go to conference on this bill, I know that Senator BAYH and I will work very hard to see that this bill is kept intact. If we can improve it so that the States are not abused, we will certainly do that. There is no way, the way this bill is presently written, that the Attorney General or anybody in the Justice Department, or anybody, for that matter, can abuse the States or can be purposely abusive or oppressive to the States of this Nation.

If that ever does become the case, I will be the first to do everything I can to stop any type of oppressive use of this legislation. I would lead any fight to amend or repeal this bill if that were the case.

But I believe that we have kept this within the confines of pure constitutional matters involving abuses and violations of civil rights and violations of constitutional rights. I think it is a very important bill. I think it is a landmark piece of legislation.

I am sorry that many of my colleagues have felt otherwise. Many of them are very close to me. But I feel very strongly that this bill is long overdue; that it is needed; that we have abuses in society which must be corrected; that we have certain minorities within some of these institutions that are not treated as well as other citizens, even though they are in institutions; that we have certain States which, as good as most all of the States are—and I believe the vast majority are—certain States which have refused to remedy some of these that I call egregious, willful, and wanton acts within the States.

We hope this bill will never be used oppressively but only justly; that this bill will never be used to abuse State officials, but only to correct injustices and violations of constitutional rights. That is why I support it.

And I am going to support it right through conference and try to do everything I can to remedy these ills that have been so detrimental to our society and so detrimental to the people living in the freest of all nations, where people should be treated as human beings and not as animals.

I thank the majority leader and I thank him for his kind remarks. I thank my distinguished colleague from Indiana for his kind remarks. He is a great leader on the Senate floor for the things he believes in. I have nothing but admiration and respect for his leadership.

Mr. ROBERT C. BYRD. Mr. President, I thank both Mr. BAYH and Mr. HATCH. There will be other rollcall votes this afternoon.

Mr. BAYH. Mr. President, I ask unanimous consent to indefinitely postpone S. 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, will the Chair lay down the next item?

ECONOMIC OPPORTUNITY AMENDMENTS OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 1725, which the clerk will state.

The second assistant legislative clerk read as follows:

> A bill (S. 1725) to amend the Economic Opportunity Act of 1964 to establish a comprehensive energy conservation services program designed to enable low-income and near-poor individuals and families to participate in energy assistance programs.

Mr. ROBERT C. BYRD. Mr. President, is this bill under a time agreement?

The PRESIDING OFFICER. The Senator is correct.

The Senate proceeded to consider the bill.

ORDER FOR ROUTINE MORNING BUSINESS; RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for transaction of routine morning business; that the period not extend beyond 10 minutes; that Senators may speak up to 2 minutes therein; and that the Chair then recess the Senate until 2 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection, it so ordered.

ORDER FOR RECESS FROM TODAY UNTIL 2 P.M. MONDAY, MARCH 3, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand recess until the hour of 2 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RETIREMENT OF HAROLD G. AST

Mr. BOREN. Mr. President, it was my pleasure to join with the rest of my colleagues yesterday as the Senate adopted unanimously a resolution of appreciation for Harold G. (Bud) Ast.

After 33 years of dedicated service to the Senate, Bud is now preparing to enter his very well-earned retirement. As a new Member, I have come to have a deep, personal appreciation for Bud's generous spirit and courteous attention to the needs of the Senate. He has always been willing to help when called upon, and his selflessness has earned him the respect of every Member of this body.

Bud's career in the Senate has included service in all facets of its organization: from the library to the document room to the Senate rostrum itself. As he leaves his responsibilities as legislative clerk, we wish him the very best. We shall miss him very much.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 6 p.m. today to include in the RECORD statements expressing appreciation and good wishes to Bud Ast upon his retirement.

The PRESIDING OFFICER. Without objection, it is so ordered.

FURTHER ROLLCALL VOTES TODAY

Mr. ROBERT C. BYRD. Mr. President, there seems to be some confusion as to whether I said there will be rollcall votes. I said there would be. I guess I sounded as though I had my mouth full of turnips.

But the leadership fully expects further rollcall votes this afternoon. I hope that Senators will not get away too early. There is another bill that is before the Senate now and there are some amendments that are going to be offered to it. It is the low-income energy conservation bill. There will be rollcall votes.

ABSCAM

Mr. THURMOND. Mr. President, since the initial news reports of "Abscam" appeared several weeks ago, I have become increasingly concerned about attempts by some Members of Congress and other persons, both in and out of Government, to make the Federal Bureau of Investigation and the Justice Department the villains in this scenario. There have been suggestions that the FBI went too far in their scheme and "entrapped" innocent lawmakers who were simply trying to help their constituents. Some have stated that it is inappropriate and wasteful to use taxpayer dollars to finance "sting" operations and offer bribes to public officials. There have been calls for "congressional investigations," not only of the alleged illegal activities of the Congressmen and Senators implicated in the recent news leaks, but also of the methods employed by the FBI and the Justice Department in this undercover operation.

Mr. President, with regard to all of this, I take a different view. I share the deep concern, shock, and sadness felt by my colleagues when we learned of the allegations of corruption in the halls of Congress. Congress, as an institution, is already near the bottom of the ranks as far as respect from the public, and these latest revelations can only cause a further loss of confidence in the Federal legislative branch. I differ sharply, however, with those who demand that the Justice Department immediately turn over all its evidence to the House and Senate Ethics Committees and/or who demand that Congress immediately "investigate" the methodology employed by the FBI in this and other law enforcement operations aimed at white collar crime.

In my view, it is more important and better serves the public interest to allow the FBI and the Justice Department Criminal Division to go forward with their jobs, unimpeded and undisturbed by congressional investigations. I can understand the desire of many in key congressional leadership positions to promptly "clean house." I am all for putting our own house in order, but I believe the best way to proceed is to let proper law enforcement authorities do their job without any interference from the legislative branch, some of whose Members are under investigation.

Mr. President, in this regard, I was pleased to see an excellent "op-ed" article by former Assistant Attorney General for Civil Rights, Stanley Pottinger, in a recent issue of the Washington Post. Mr. Pottinger places Abscam in the proper perspective, I feel, and I commend his excellent article to the attention of my colleagues in the Senate and the House. I fully agree with Mr. Pottinger that: First, Congress should take no action that might thwart the Justice Department's investigation and any subsequent prosecution of offenders; and second, Congress should also refrain, until these cases have been concluded, from questioning FBI methods of ferreting out white collar crime.

I fully understand that the price of forbearance will be some additional criticism from constituents who feel that Congress simply cannot effectively police its own Members. My office has received its fair share of letters from concerned, disgusted, and often cynical citizens who demand an immediate and thorough "congressional investigation." Nevertheless, in my opinion, the public interest is not best served by putting on a good show of a tough congressional inquiry. Rather, as Mr. Pottinger so effectively stated in his article, "it is in everybody's interest, including those who are publicly accused, to see the (Justice Department) investigation go forward to indictment or exoneration as quietly and quickly as possible."

Once the Justice Department investigations and any warranted prosecutions are completed, there will be ample opportunity for follow-up congressional inquiries. In fact, evidence developed by the Department and any subsequent court findings may aid later congressional Ethics Committee inquiries into possible wrongdoing by Members of Congress. The converse is not necessarily true, however. Forcing the Justice Department to turn over all its evidence to Congress may indeed help the Ethics Committees, but it could seriously prejudice any criminal prosecutions by the Department.

The irony of all ironies would be for Congress, with the television cameras glaring, to grab the headlines with a seemingly vigorous, thorough probe of possible illegal actions by some of its Members, only to have the massive publicity generated from the congressional inquiries so prejudice potential jurors that those indicted go unpunished because of the inability to receive a fair trial. It would be the height of folly and irresponsibility to cause this possible subversion of justice and the public interest to happen in the name of protecting the image of Congress.

Mr. President, I also strongly disagree with those who have been quick to criticize the FBI and the Justice Department for the methods used in Abscam. I commend FBI Director William Webster, Attorney General Benjamin Civiletti, and Assistant Attorney General (Criminal Division) Philip Heymann for having the courage to, as Mr. Pottinger wrote, "go wherever the evidence seemed to lead, even to one or more Members of Congress."

If, in fact, the FBI has overstepped the bounds of the law and the Constitution, there are adequate, well-recognized legal defenses and rules of evidence to protect those who may be brought to trial. Additionally, once any legal actions have been concluded, there will be ample opportunity for appropriate congressional oversight of the FBI.

Mr. President, I am aware that the Senate Ethics Committee has had several discussions of these matters and made a number of decisions. I am pleased that the committee decided not to press the Justice Department to turn over evidence of its investigations for at least 90 days. I hope the Senate and the House will insist that these investigations be allowed to go forward as expeditiously as possible, in a manner warranted by the evidence. Our obligation is to protect the public interest by promoting justice. In my opinion, we should let the criminal justice system, with its many built-in safeguards, work as it is intended, and "let the chips fall where they may." After all is said and done, Congress can then conduct its own further investigations and also act to correct any FBI excesses.

Mr. President, I ask unanimous consent that Mr. Pottinger's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

In Defense of Abscam

In the country at large, Abscam is raising questions about Congress and the relationship of some of its members to organized crime. But in Washington, Congress and some of the press are raising questions about Abscam and the FBI. They seem already to have concluded that the government is as guilty as any target of its investigation.

On the basis of past investigations and disclosures of FBI abuses of individual rights, it is certainly fair to watch the FBI's methods of law-enforcement and to demand strict adherence to constitutional guarantees. It is not fair, however, to hold congressional hearings into the bureau's handling of the cases before the pertinent facts are disclosed in an appropriate judicial forum, or to quickly condemn the FBI for "entrapment" or for conducting a "corrupt . . . campaign of pretrial character assassination" before investigation of the leaks has occurred.

Let's look for a moment at what is supposed to have happened.

According to the news stories (and this is all any of us has to go on), the FBI did not initially focus on members of Congress, but on an interstate organized crime operation involving the fencing of stolen securities and works of art. This part of the investigation appears to have been unobjectionable. In fact, the FBI has been under some pressure, including pressure from Congress, to focus its attention more directly on organized crime and illegality in the "corporate suite."

But the FBI did not stop there. Criminal suspects bragged about having politicians in their pockets. Knowing that organized crime flourishes only where it has the cooperation and protection of government officials, and that cooperation is developed and maintained through bribes, payoffs and exchanges of favors, the FBI rightly persisted. It is this part of the investigation, or at least its having reached some congressmen, that has drawn the fire.

Perhaps instant condemnation of the FBI would be more understandable if Abscam had been headed by J. Edgar Hoover, holder of "confidential" files on congressmen, or former attorney general John Mitchell, co-author of the famed congressional "enemies list." But that is not the case here. FBI Director William Webster, Attorney General Benjamin Civiletti and Assistant Attorney General Philip B. Heymann have reputations for being honorable and cautious, and they surely knew that a high-visibility operation like Abscam would put their reputations on the line. Moreover, there must have been some degree of courage on their parts in continuing to go wherever the evidence seemed to lead, even to members of the administration's own party.

But the ultimate test of Abscam need not rest only upon their reputations. To preserve the evidence of its own methods, as well as any evidence of corruption, the FBI put its investigation on film and tape (as well as on the usual reams of paper). It is a matter of record. If their investigative techniques are constitutionally sound and corruption occurred, cases will be made. If entrapment occurred or if (as in the case of Sen. Larry Pressler) there was no violation, cases will not be made. Instead, the bureau may have produced, directed and starred in a documentary of its own mistakes. In time—if we will just give it some—the FBI's approach will be tested.

One also has to wonder if the instant criticism would be as loud if the targets of the probe were not members of Congress. No less than other citizens, they are entitled to a presumption of innocence and the benefit of the doubt. But other citizens do not have the machinery and opportunity to launch a retaliatory investigation of the investigators. And that is how any but the most carefully circumscribed immediate congressional hearings will be perceived.

By comparison, the last time the FBI pulled a "sting" of this kind—a mock fencing operation here in Washington—it was the most celebrated law-enforcement effort since Dillinger was tracked down and shot in Chicago. The Law Enforcement Assistance Administration was praised for funding it. Hollywood bought the movie rights. Yet when the same operation snares a few members of Congress, it is said that the Constitution is in jeopardy. What is the essential difference? An obvious one is that "street dudes" are black, poor and sell stolen TV sets, while congressmen are white, privileged and sell protection (perhaps to the same people trying to fence the TV sets?).

Whether the Bill of Rights has been abused here is a critically important question, but it cannot be answered on the basis of leaks, and leaks amplified by comment on leaks.

It would be too simplistic and conspiratorial to suggest that organized crime has finally learned how to use public opinion to stop an effective Justice Department effort. At the same time, it would be a shame if premature criticism, resulting primarily from learned responses to past events, had the unintended effect of dulling a sound law-enforcement mission.

Asking for some forbearance of criticism here is not the same as saying that no mistakes were made. On the whole, however, Abscam (as well as Brilab and Miporn, the FBI's large pornography sting) indicates that the bureau is practicing what everyone has been preaching at it to do for years: stop spying on domestic political groups, stop making "easy cases that produce good statistics and start cracking down harder on serious white-collar crime.

Indeed, had the bureau not followed up the leads to public officials, one can imagine the holocaust of criticism that would have erupted. Headlines conjure irresistibly in the mind's eye: "Confidential Memo Shows FBI Refused to Pursue Clear Evidence of Official Corruption" and "Fear of Investigating Democratic Congressmen in Election Year Raises Questions of Administration Cover Up." And of course, "Why Did the FBI Fail to Follow Clear Links Between Organized Crime and Political Officeholders, Unless the FBI Itself Is . . .?"

Leaks of the operation are the most damaging aspect of this whole affair. Should it turn out that the government deliebrately leaked or contenanced a leak, there is no question that the consequences should be severe. Now that leaks have occurred, however, it is in everybody's interest, including those who are publicly accused, to see the investigation go forward to indictment or exoneration as quietly and quickly as possible.

In helping to achieve that objective, is it being too critical to remind ourselves that a "leaker cannot exist without a "leakee"? Isn't it a little ironic for one hand of the press to condemn so quickly what the other hand solicits, presses for and publishes? While the press must always be vigorous in disclosing what it knows about public dishonesty, it has some choices on the timing of disclosure as we learned recently from its wise decision to refrain from prematurely disclosing the leak that Americans were hiding in the Canadian Embassy in Tehran.

In short all of us including those of us who feel special concern about individual liberty ought to stop firing in all directions at the first sign of old ghosts. If the FBI really has returned to the bad old days, there will be adequate opportunity to deal with it. In the meantime, the bureau ought to get at least as much justice as Judge Roy Bean gave train robbers and rustlers. To hang it without even trying it, particularly in the name of protecting civil liberties, serves no legitimate principle or cause.

THE NATION'S ECONOMIC PROBLEMS

Mr. THURMOND. Mr. President, I rise to express my most serious concern, as I have on several occasions over the last 2 years, about the increasingly critical nature of this Nation's economic problems. While the current administration and we of the 95th and 96th Congresses have continued to talk much about the problems of inflation, recession, trade deficits, and the decline in value of the dollar, this talk has largely been mere rhetoric directed toward short-term or temporary measures while our national economy has moved alarmingly fast toward ever deeper economic chaos.

Mr. President, it is my nature to be optimistic. I believe that we Americans can successfully combat any problem that confronts us. I feel a willingness of desire and strength of purpose by the vast majority of our American people to make whatever sacrifices are necessary to maintain this Nation's greatness, compassion, and leadership at home and abroad. I still have that optimism, Mr. President, but it is being tested much more often now and with ever greater intensity as we experience indecisiveness and faltering economic actions that are leading us downward into an econnomic quagmire from which we seem to be unable to extricate ourselves.

Mr. President, this very condition was the subject of the recent remarks by Mr. Henry Kaufman to the American Bankers Association conference in Los Angeles last week. Mr. Kaufman is a widely respected partner of the Salomon Broths. investment firm and he is an influential and responsible economist in analyzing and dealing with major economic and financial problems. He stated:

> As an American, I am aghast at how much our country has faltered. The United States is now beseiged by domestic and international challenges that threaten to weaken further our institutions and undermine our our economic performance even more.

Mr. Kaufman was highly critical of the Federal Reserve's monetary policy and he spoke sharply against the 1980 and 1981 budgets proposed last month by President Carter. He strongly urged the administration to deal directly with inflation and energy problems by declaring "a national emergency."

This noted economist pointed out, Mr. President, that the declaration of a national emergency "should spell out our dilemma, a series of emergency measures to limit the drift toward economic disarray and a set of fundamental measures that will keep us on a stable track in the longer run."

Some of Mr. Kaufman's preferred emergency measures included: First, a sharp slowing in the growth of nondefense expenditures, second, direct limitation of the creation of domestic credit, third, limiting the role of the dollar in international finance, fourth, tighter and more clearly defined standards for private short-term open market financing, and fifth, a series of steps by the United States to enhance technological growth, improved cooperation among business, labor and government groups, improvement in our Nation's trade position, decreased regulatory burdens, and other measures that will be positive contributions in moving our current productivity upward.

Mr. President, the remarks by Mr. Kaufman deserve our most careful attention and, hopefully, will prompt us to take the strong and positive actions that are long overdue. He calls for strong medicine because we need these type remedies to break the inflationary pressures that are already rampant in our American economy.

Mr. President, in order to share with my colleagues the entire contents of Mr. Kaufman's excellent statement, I ask unanimous consent that his statement be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

America's Economic and Financial Dilemma

(By Henry Kaufman)

While I welcome the opportunity to address you today, I find the task of speaking to you about the American economic and financial situation both difficult and disturbing. As an economist, I have concluded that we are in a quagmire from which it will be hard to extricate ourselves without substantial risks and pain. As an American, I am aghast at how much our country has faltered. The United States is now besieged by domestic and international challenges that threaten to weaken further our institutions and undermine our economic performance even more.

Consider the U.S. economic scene today.

The American economy is in a zone of ambivalence, suspended between achieving little growth and the risk of falling into either a small or deep recession. The path to substantial economic growth seems lost to us.

Inflation is roaring ahead. Last year, consumer prices rose by 13.3 percent, the highest annual rate of increase in the postwar period. No letup is in sight.

The U.S. dollar, in its role as the world's key reserve currency, is weighed down by the sharp oil price increases, our own inflationary problem, and the hesitancy of other industrial nations to assume more responsibility in world finance.

This international burden as well as our domestic problems will now be compounded by demands for a tougher U.S. defense posture and all its attendant financial requirements around the world.

Finally, I find nothing in the present policies of our Government to suggest that any of these problems will be dealt with decisively. On the contrary. Today's three main policy approaches utilized—limited incomes, fiscal, and monetary policy—all indicate efforts to muddle along.

Living With the Prolonged Economic Expansion: Our economic recovery is now nearly five years old. To the surprise of more than a few, it has defied typical cyclical behavior. Based on the average cyclical duration of previous postwar business expansions, the current recovery should have ended two years ago There are many reasons why it did not. But the main ones, I believe, are due to the weakening of American attitudes in handling their own finances and changes in the structure of our credit markets.

At the focal point of it all has been the atypical behavior of the American consumer. As inflation rose in this business recovery, the consumer, instead of maintaining his savings rate and lowering his spending, did just the opposite. He maintained his spending and lowered his savings rate. Only when viewed in historical perspective can one realize how devastating a change this is for our economy. The ratio of savings to disposable income was 3.3 percent in the last quarter of 1979. During the 1950's, this quarterly ratio averaged 6.3 percent. During the 1960s, it averaged 5.9 percent. During the 1970s, the average was 6.4 percent.

Moreover, a new form of wealth building is now playing an important role. In place of the traditional habit of savings accumulation, the consumer has been steadily substituting borrowing as a means of wealth building and maintaining living standards. This is quite noticeable in the ratio of personal savings to household borrowings which declined to .45 last year from a cyclical high of 1.9 in 1975. These borrowings have been financing consumption and the acquisition of capital assets, such as housing. Both types of borrowings have intensified inflation. Borrowing to finance the purchase of capital assets is now viewed as a way to accumulate future wealth and as a hedge against inflation.

Our high inflation has also abetted the flourishing subterranean society. The reasons for its growth are straightforward—to cope with rising prices and higher costs and to minimize tax payments. The magnitude of this society is statistically unquantified and therefore not included in national income statistics. But it would be foolish to minimize its importance, however, when we know of its expanding role in countries where inflation is endemic. The subterranean society gains validity when inflation surges. It undercuts our institutional structure and increasingly confuses official economic statistics.

Another major factor in the scene today is the way in which the financial markets are being restructured to accommodate inflation. This has helped to prolong the business recovery and has fed inflation itself. Many of the new credit instruments, ranging from the floating prime rate to the variable interest rate mortgage, have diminished the effectiveness of interest rates in curbing excessive economic activity. Interest rates no longer prompt financial intermediaries to restrain credit availability. Instead they encourage final credit demanders to persist with their excessive borrowing. For much of the postwar years, the structure of our financial institutions shielded economic participants from indulging in excesses. In recent years, institutional changes have tried to enhance the viability of our financial institutions in an inflationary setting. The pass-through effects of these changes, however, have contributed to the vulnerability of the real generators of economic activity.

The economy can continue in this zone of ambivalence, hovering between expansion and contraction. For 1980, there may be a small contraction in real economic growth but a continued large flow of nominal income. Such a path for the economy might at first glance seem rather satisfactory, until we identify the forces that are propelling us along and the implicit limitations on the future.

Inflation will probably accelerate this year with the broadest measure of inflation—the GNP deflator—rising to 10 percent to 11 percent with 9 percent in 1979, with the rise in oil prices continuing as one of the important contributing factors. Against the backdrop of recent large price increases and relatively tight labor markets in key sectors, annual wages will rise by double digit percentages in 1980 and perhaps even in 1981. To assume that productivity will improve this year ignores recent economic history. Productivity does not improve at the tail end of a boom or at the start of a business slowdown. Consequently, roaring inflation together with substantial payroll boosts will drive the consumer to persist with his new habit of saving less and maintaining a high level of spending. In addition, auto sales may soon reverse their slide, and higher defense spending may give added life to outlays for plant and equipment, which even without the larger defense spending impact, continue to be strong.

The Challenge From the Foreign Exchange Markets: This economic path, however, has no real future. High inflation and no real growth do not cushion the dollar in the foreign exchange markets but instead may invite an attack, against which the most likely response by the Federal Reserve would be to raise money rates. Ultimately, uncertainty in the financial markets would then be sufficient to check credit creation and to trigger a real economic recession. The warning flags of impending international monetary difficulties are now flying. The only debatable matter is whether or not they will be heeded.

Our inflation will be high relative to most industrial nations. Our oil import bill will jump from an estimated $57 billion in 1979 to $90 billion this year. A large volume of global transactions will continue to be financed with American dollars, especially since the current account deficit of the non-oil LDCs will rise dramatically over the next few years. The desire by foreign holders of dollars to diversify into other currencies will surface again, once the fear of a hot war subsides. At best, progress is slow to ease the pressure on the dollar through the establishment of the Substitution Account. At present, industrial nations are expanding their role in international finance because of substantial market pressures and not because of an officially agreed upon transition to an improved international monetary system.

Eventually, a new cold war would also spell more trouble for the dollar. To be sure, the dollar was steady to stronger against most currencies during the initial flare-up that may have sparked the new cold war—the invasion of Afghanistan by the Soviet Union. To a degree, this response may have arisen from fears of a hot war in which many key countries would be caught in a cross-fire. A heating up of the cold war, however, is likely to place greater demands on us than on other industrial nations. The apparent inclination of continental Europe to stay neutral until the U.S. has shown its own assertiveness and resolve versus the Soviet Union suggests a substantial American commitment of financial and economic resources to help others.

The implications for the American dollar go beyond the increase in defense expenditures. Let us ask this question. "In a cold war setting, can we deal with the mounting debt problems of allies, located strategically around the world, on purely objective economic grounds?" Of course not. We will have to give our allies not just military support but also economic aid, if they are to remain viable and free from internal subversion. In essence, the dollar umbrella may have to cover some of the global debt, which is now viewed as precarious and marginal.

The Financial Handicaps: When the likely economic and inflation path for 1980 is translated into financial terms, our difficulties come into even clearer focus. Let us look at the financial implications of nearly a 10 percent increase in nominal gross national product (the Administration projects 8.3 percent), during a period of no real growth this year. This 10 percent increase in nominal GNP (consisting entirely of inflation) is in sharp contrast to business recessions of the past, in which nominal GNP rose at an annual rate of 5.5 percent in 1973–75, by 4.9 percent in 1969–70, and by only 0.1 percent in 1960–61. In the 1957–58 business contraction, nominal GNP actually fell by 2.8 percent. The broad economic and inflation backdrop this year has at least five foreboding implications for the future.

First, the total credit demands to be financed this year will be extraordinarily high. They will be only slightly below the record $415 billion net financed in 1979. In particular, the private credit demands of business and households will not decline by anything like the proportions of earlier periods of economic slowdowns. For example, the increase in these demands in 1975 was 57 percent of the 1974 increase. This year, the increase over last year will slip at best by only 15 percent.

Second, the balance sheets of key demanders of credit will continue to deteriorate. They can only marginally begin, if at all, to recoup liquidity. This is because the economic requirements and their attendant credit needs will be too large and therefore prevent the funding of liabilities. Households, strained by the high inflation, will not be able to curtail sharply their new habit of borrowing more and saving less. Business corporations are likely to be confronted by external financing needs of $112 billion, only slightly below the record $124 billion financed in 1979. When business corporations rebuilt liquidity in 1975, their external financing dropped from $85 billion in 1974 to $40 billion in 1975. The falloff permitted corporations to concentrate their financing in the long-term sector and to pay off short-term debt. There are no such prospects for 1980.

Third, the mirror image of this continued problem of large credit demands and liquidity problems will be reflected in the pressures on our major financial institutions. They, too, pressed by continued demands for funds, will not be able to reestablish liquidity significantly. Savings deposit institutions confronted with the task of meeting mortgage commitments, will struggle for most of the year to gain some new savings in their competitive battle with money market mutual funds. Life insurance companies will again be faced with demands for policy loans. Nor will commercial banks have the opportunity to build up liquidity in view of the large borrowing by business and foreigners this year.

Fourth, a shadow is falling over the breadth and depth of the long-term bond market for non-governmental finance this year. This sector is not growing; it may actually be diminishing. The U.S. Treasury is now issuing about $14 billion of bonds a year net into the long market. Five years ago, this issuance totaled only $3.3 billion; and ten years ago, it was restricted by the 4¼ percent interest rate fiinancing ceiling on long bonds. In the meantime policy loans and mortgage commitments are reducing the availability of long funds at contractual savings institutions. Key institutional investors are also changing their perception about the appropriate portfolio mix. With the persistence of a high rate of inflation, they are reducing the proportional commitment to long bonds and increasing the allocation for equities.

This means that a massive effort to fund liabilities and to revamp business liquidity significantly can only be accomplished if household investors will again invest directly in corporate or mortgage-related securities. Households were large direct buyers of corporate bonds in 1970, 1974 and 1975—previous periods of cyclically high interest rates. In those years, however, individuals surely did not have the opportunity to invest in money market certificates, and money market mutual funds were not yet flourishing. Thus, attracting individual investors as buyers of long bonds now will be difficult, in light of the inflationary spiral, investment alternatives in the money market, and the inducements offered by the bubbling equity and commodity markets.

The minimum requirement would be a sharply positively sloped yield curve. Of the different variations that can bring this about, the most likely is a continued gapping up in long yields. A drastic decline in short rates is clearly less likely if we consider the inflation problem and the threats to the dollar. But if long yields continue to rise (as I believe they will) a further loss of liquidity is likely because some long-term issuers will hesitate or will be unable to finance long at the higher rates. Others will be denied funds in the long markets as the preference for high quality intensifies. Our commercial banks may at first welcome these newfound captive borrowers. When banks realize, however, that another source of liquidity is shrinking, this welcome mat may not be out for long.

Fifth, the partial shutting down or restructuring of the American bond market will hinder and contribute to the problem of financing the cash needs of the LDCs. This is not because the U.S. bond market finances these countries directly. The linkage is through the American commercial banks which are so important in international finance. As noted earlier, the shrinkage of the bond market will enlarge the loan demand on banks from domestic borrowers and decrease the ability and willingness of banks to lend abroad.

The sum and substance of these developments in 1980 is that the financial pre-conditioning that will allow us to launch a meaningful economic recovery in 1981 is not being put in place. With high inflation and in the absence of any real economic growth, the private sector will begin the next business recovery under massive handicaps; huge short term debts for business, a highy strained borrowing situation for the consumer, and financial institutions whose main source of liquidity depends on vast new debt creation.

All previous economic recoveries were launched only afer new liquidity and an improved balance sheet for major participants were put into place. The last time around, in 1974 and 1975, the financial position of the consumer was unimpaired because consumer spending slowed early and savings as a percent of income rose when inflation heated up. This created a strong consumer spending recovery at the beginning of the subsequent business expansion. Business corporations, however, having seriously impaired their financial position, were immobilized then. The consequence was an unprecedented absence of a recovery in real capital outlays during 1975, the first year of the current expansion.

A National Policy of Muddling Along: My dismay is that our Government's policies fully support this foreboding outlook. There is nothing in income, fiscal, or monetary policies to suggest a way out. To admit that a high rate of inflation is likely over the next two years, as the Administration has done in its official reports, is laudable for veracity—but veracity alone cannot cure inflation. The lifting of the admissible wage settlements under the new guidelines into the 7½ percent to 9½ percent range is mainly an admission of the actual trend this year. The restrictive force of these guidelines is marginal, indeed.

Nor is fiscal policy serving notice on inflation. One need not look far to sense the compromises with inflation. Overall, our Government stresses the unified budget approach in explaining fiscal policy, but this budget concept, which shows deficits of $40 billion for 1980 and $16 billion for 1981, understates the actual deficits. This is because Federal entities that are classified "off-budget," but are still directly financed by the U.S. Treasury, are excluded from this budget concept. When they are included, the deficit is officially estimated at $57 billion instead of $40 billion for 1980, and at $34 billion instead of $16 billion for fiscal 1981. For the fiscal year ending September 1980, a period in which inflation will be unacceptably high, total Federal outlays will increase by 15 percent, a rate of increase surpassed only once (in 1967) in the past 25 years.

For fiscal 1981, a series of tenuous assumptions underlie the official projections. These include a solid economic bounce back limiting income security payments; holding the line on foreign economic, military and financial assistance despite the new cold war; a willingness by Congress not to repeal the legislated $11 billion increase in Social Security payments beginning calendar 1981; and curbing the increase in defense expenditures to 12 percent in nominal dollars. No tax reduction is officially proposed, but there is still a distinct possibility that some tax cut will be legislated before the November polling day. Thus, a budget deficit for the next fiscal year, estimated officially at $34 billion, may actually turn out to be twice as large.

This leaves much of the task of fighting inflation to the Federal Reserve. Our monetary authorities, however, are reluctant gladiators. At first blush, it seemed that the counterattack launched by the Federal Reserve last October 6th was the start of a new offensive. The initial onslaught by the Fed raised interest rates sharply and briefly created sufficient uncertainty to slow the growth of credit—but only temporarily. When the attack on the dollar eased, the Fed relaxed again. The discount rate, which was to become more flexible according to the Fed announcement, has been raised only once in four months and is still well below major money market rates. Excesses in the commodity markets, which the tougher Fed stance was supposed to curb, have been far greater in the past two months than in those weeks that led up to October 6th. It seems to me that the Fed will come out fighting when there is an attack on our currency but otherwise will tend to move hesitantly.

If the Fed hides once more behind its money supply targets, inflation has nothing to fear for the time being. Achieving the official target for the growth of money and making a meaningful contribution toward rolling back inflation are not the same thing. The definition of money is not clearcut in a world in which credit serves as money substitutes. Just a few weeks ago, the Fed announced a new series of money supply definitions. Perhaps many of these new money concepts will become obsolete because of financial technology and further substitutability of money and credit, which will be recognized by the central bank as in the past only with a lag.

Even if we look at what actually is accomplished by hitting the official target for money growth, the record is hardly encouraging. The accompanying table shows the results for the past four years. In two of the four years, the growth of M1 stayed within the targeted range, while in two other years the targets were exceeded by 1.7 and 0.7 percentage points. M2 also stayed within the officially targeted bands in two years and grew slightly more in two others. From a technical viewpoint, this was a fair performance, particularly since excessive growth in both Ms did not occur in the same year. Nevertheless, spiralling inflation persisted.

FED TARGET VERSUS ACTUAL GROWTH OF THE MONEY SUPPLY AND THE RATE OF INFLATION

[In percent]

Years (4Q to 4Q)	Actual growth rate less upper range of Fed target		Inflation rate (GNP deflator)
	M1	M2	
1976	−1.7	0.4	4.8
1977	1.4	−.2	6.2
1978	.7	−.6	8.2
1979	−.5	.3	9.0

Now let us examine the implications for inflation of the Fed's money supply targets for 1980. They are increases of 4½ percent for M1 and 7½ percent for M2. I am using the targets for the old Ms instead of the new ones because the targets for the new Ms were not available when I was preparing this address. I doubt that the conclusion would differ very much had the new targets been available. If one follows the theoretical route to find the growth in nominal gross national product that the Fed is willing to finance through these monetary inputs this year, the answer is a GNP increase of between 10 percent and 11 percent. Assuming no real growth, this means an inflation rate of 10 percent is acceptable to the Fed this year. To arrive at this answer, one need only add to the growth in the stock of money, the likely increase in velocity for which I have made a conservative assumption. Thus a 4½ percent growth in the M1 level together with an increase in velocity of 6.5 percent totals to a nominal GNP of 10 percent; 7½ percent growth in the stock of M2 plus 2.7 percent increase in velocity equals nominal GNP of around 10 percent.

A National Economic Emergency: While a national policy of muddling along is no solution to our dilemma, let us also recognize that the path back to stability is fraught with pain and unquantifiable risks. We now have built into our system structures that accommodate inflation. These range from cost of living adjustment clauses, to automatic price increases in response to wage demand, and to financial instruments adjustable to inflation. Even at the current high rates of inflation, how deep is the suffering? Most Americans are still coping reasonably well, although at a price, to be sure. Most employers must provide some form of COLA, even without a contractual agreement, if they wish to retain skilled help. Successful young entrants into the labor force try to use financial leverage very early in their careers by buying homes. Others, who have built up sizable equities in homes bought years ago, have acquired precious metals, or have benefited from the spectacular price rise in the non-institutional equity market.

Of more fundamental importance in assessing how to deal with our inflation are the problems associated with the extraordinary overhang of debt, which has ballooned within the last decade. In 1960, credit market debt totaled $750 billion. It rose to $1.5 trillion in 1970 and to an estimated $4.2 trillion last year. A high proportion of this debt has not financed real growth but inflation—and, thherefore, inefficiencies. As a consequence, the group today with a vested interest in perpetuating inflation is larger than in the past. Moreover, it must be an inescapable conclusion that in the aggregate the quality of debt has deteriorated. Credit terms have been liberalized and the creditor to debtor relationships have been modified. For example, a goodly portion of outstanding commercial paper and short-term bank loans today is financing permanent business needs. They are legally classified short term but, operationally, it just isn't so. Thus, deflating as well as inflating the credit balloon, considering the fragility of the credit system, is risky.

Muddling along is, of course, my terminology for the present national policy approach Others would be more charitable. They would say that we are pursuing policies of gradual disengagement from inflation or of monetary steadfastness. These more dignified definitions are not new. The fact is that the widening gap between the promises and accomplishments of policies of gradualism have induced many Americans to incorporate expectations of rising inflation into their decisions and, in so doing, the money illusion has been exposed. To believe that a small recession is all that is necessary to bring us out of our dilemma is contrary to all the powerful inflation forces in place today. A deeper recession, to be sure, is an alternative but, if it does come, it is likely to be triggered by either an external challenge or from some unforeseen domestic malfunctioning.

America's economic and financial dilemma is with us now. We are lurching towards a national economic emergency. We must begin to resolve this dilemma if we want to avoid an increasingly harmful fallout leading to castastrophe. Let me be candid. There is no easy and painless way out of this dilemma. At best, I can only offer some barebone suggestions. Whether they will work or be effectively implemented will depend on the shedding of complacency toward inflation by us as individual citizens and by our Government. The real question is "Do we have the will and the wisdom to face down inflation?" My seven points are:

First, the Government should declare a national emergency to deal with inflation and energy. The declaration should spell out our dilemma, a series of emergency measures to limit the drift toward economic disarray, and a set of fundamental measures that will keep us on a stable track in the longer run.

Second, one of the emergency measures should include an immediate sharp slowing in the growth of non-defense expenditures. Currently, non-defense expenditures are officially projected to increase by $62 billion or 16 percent in this fiscal year, and by $38 billion or 8.4 percent in the next. I would suggest that these expenditures grow by about 6–7 percent annually for the time being. This would require the repeal of some prior legislation and a reduction in current entitlements programs.

Third, the Federal Reserve should buttress its present monetary targets by limiting the creation of domestic credit. In this connection, it would be appropriate to cut the growth of bank credit and to impose capital-to-asset or liability ratios for all major financial institutions.

Fourth, tighter and more definitive standards should be set for private short-term open market financing. We should also control and limit more closely the issuance of debt by the various Federal credit agencies.

Fifth, if the U.S. is to step up its global military commitment, it is time to alleviate the role of the dollar in international finance; otherwise, we are heading for a particularly nasty and acute monetary problem. We must press this point home with our allies in the industrial world. We should clearly define each other's roles in light of the new U.S. military requirements, the huge deficits of the developing nations, and the huge foreign dollar holdings. The burden is too great on the U.S. dollar. It would be better to act in concert to ease it, but if this is not possible, one way or another, access abroad to the U.S. dollar will probably have to be restricted.

Sixth, a National Commission for the Revitalization of America should be established by the Government. The Commission should consist of a small group of full-time individuals representing key economic sectors. They should be charged, among other things, with formulating a series of urgent steps needed to enhance technological growth improve cooperation between business, labor, and government, find a way to enhance the international trade position of the U.S., making specific proposals for lifting the regulatory burden, and recommending other measures that will get us out of our current productivity entrapment. Their most important charge should be to resurrect the marketplace as an effective mechanism for achieving economic progress.

Seventh, only if the gist of most of these six proposals is implemented do I believe that a temporary wage and price freeze or a simple mandatory controls program would be of some marginal transitional help toward a better economy.

I fear, however, that the official recognition of an emergency will be delayed. While our economic and financial dilemma will be intensifying, governmental attention will be mainly focused on the politicking nature of 1980 and not on such thorny and vexing issues as inflation, productivity, energy, and the increasing distortion of American economic and financial values. Unfortunately, too, political leadership prefers to initiate measures when a crisis is in full bloom rather than when the warning flags have been hoisted.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:37 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 3756) to authorize appropriations for certain insular areas of the United States, and for other purposes, with amendments in which it requests the concurrence of the Senate.

At 2:10 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the amendment of the Senate to the bill (H.R. 4337) to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes.

The message also announced that the House agrees to the amendments of the Senate numbered 1 through 66 and 68 through 94 to the bill (H.R. 2797) to make technical corrections related to the Revenue Act of 1978, and that the House disagrees to the amendment of the Senate numbered 67 to the bill.

At 3:33 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6081. An Act to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

HOUSE BILL ORDERED PLACED ON CALENDAR

The following bill was read by title and ordered to be placed on the calendar:

H.R. 6081. An Act to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

EXECUTIVE AND OTHER COMMUNICATIONS

The following comunications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3092. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on rangeland renewable resources planning; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3093. A communication from the General Counsel, Department of Energy, transmitting a draft of proposed legislation, to authorize appropriations for the Department of Energy for national security programs for fiscal year 1981 and fiscal year 1982, and for other purposes; to the Committee on Armed Services.

EC-3094. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Slow Productivity Growth in the U.S. Footwear Industry—Can the Federal Government Help?" February 25, 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC-3095. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the protection of the employees of the Rock Island Railroad, and for the financing of the costs of such protection; to the Committee on Commerce, Science, and Transportation.

EC-3096. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, its annual report for 1979; to the Committee on Commerce, Science, and Transportation.

EC-3097. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled "A Report on the Relevance of the Second Law of Thermodynamics to Energy Conservation Programs," January 1980; to the Committee on Energy and Natural Resources.

EC-3098. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend Sections 4 and 10 of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978, as amended, to extend the appropriations authorization to carry out the provisions of such Act for fiscal years 1981 and 1982, and for other purposes; to the Committee on Environment and Public Works.

EC-3099. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a general design memorandum containing a final environmental impact statement on Strube Lake and Cougar Additional Unit, Oregon, project; to the Committee on Environment and Public Works.

EC-3100. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for the fiscal year 1981, and for other purposes; to the Committee on Foreign Relations.

EC-3101. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting, pursuant to law, a report regarding activities on the Sahel Development Program; to the Committee on Foreign Relations.

EC-3102. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, its quarterly report on full-time permanent employees hired or promoted for the quarter ending September 30, 1979; to the Committee on Governmental Affairs.

EC-3103. A communication from the Deputy Director for Information, Department of Agriculture, transmitting, pursuant to law, a report relating to the Freedom of Information Act; to the Committee on the Judiciary.

EC-3104. A communication from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes; to the Committee on the Judiciary.

EC-3105. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) for fiscal years 1978 and 1979; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table, as indicated:

POM-572. A resolution adopted by the House of Representatives of the State of Oklahoma; to the Committee on Armed Services:

"RESOLUTION

"Whereas, in the long history of this nation, it has never been necessary to impose a military draft upon female citizens; and

"Whereas, in past conflicts of this nation, we have had many brave and loyal women volunteer to serve in the armed forces of this nation and fulfill all the military needs of this nation; and

"Whereas, if this nation ever again endures the scourge of war, this House is confident that women will once again volunteer for services in the armed forces; and

"Whereas, under the present international situation, and for the foreseeable future, there is no need to register or draft women.

"Now, therefore, be it resolved by the House of Representatives of the 2nd session of the 37th Oklahoma Legislature:

"SECTION 1. The House of Representatives of the State of Oklahoma hereby memorializes the Congress of the United States, and strongly urges that no law be enacted requiring the registration or drafting of women, for the foreseeable future.

"SEC. 2. Copies of this Resolution shall be dispatched to the President of the United States, the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, and the Oklahoma Congressional Delegation."

POM-573. A resolution adopted by the Legislature of the State of Utah; to the Committee on Energy and Natural Resources:

"UTAH STATE LEGISLATURE RESOLUTION

"Whereas, equality of constitutional right and power is the condition of all the States of the Union, old and new;

"Whereas, every new State admitted into the Union is entitled to exercise all of the powers of government which belong to the original States of the Union;

"Whereas, the citizens of each State are entitled to all of the privileges and immunities of citizens in the several States;

"Whereas, the power of Congress to admit new States into the Union under article IV, section 3 of the Constitution of the United States was not designed to impair the equal power, dignity, and authority of the States;

"Whereas, as a condition of admission into the Union, Congress has, on occasion, imposed burdens upon new States that are not shared by the States equally;

"Whereas, the original thirteen States, and States formed from the territories thereof, owned all public lands within their borders;

"Whereas, title in the Federal Government to public lands within the borders of the thirteen States, and States formed from the territories thereof, rest only on deeds of cession voluntarily consented to by the legislatures of these States;

"Whereas, as a condition of admission into the Union, Congress retained in the Federal Government ownership over substantial amounts of territory located within the borders of States west of the one-hundredth meridian, this occurring despite the Treaty of Guadalupe Hidalgo which specified that the lands which eventually became all or part of seven Western States of the union were to be formed into "free, sovereign, and independent" States;

"Whereas, in the absence of such conditions of admission the legislative authority of the states would have extended over federally owned lands within these States to the same extent as over similar property held by private owners;

"Whereas, during the course of the deliberations that resulted in the drafting of the Constitution of the United States, Founding Fathers, such as James Madison, recognized that the Western States neither would nor ought to submit to a Union which degraded them from an equal rank with the other States;

"Whereas, article I, section 8, clause 17 of the Constitution of the United States authorizes the Federal government to exercise dominion over public lands only to the extent necessary to create a seat of government, and to administer places, purchased by the consent of the State legislatures, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings, and in the absence of some express or implied legislative authority to perform some further function, Congress is limited by, and the rights of the States are protected by, the tenth amendment to the Constitution of the United States;

"Whereas, the enabling Acts admitting the Western States into the Union expressly recognize that the Federal Government may some day choose to extinguish title to public lands held by it within the borders of these States;

"Whereas, article IV, section 3 of the Constitution expressly provides Congress with the power to "dispose of and make all needful Rules and Regulations respecting the territory or other Property belonging to the United States," and this provision has been interpreted to invest in Congress plenary authority to dispose of lands held in Federal ownership, through sale, grant, or any other means of disposition;

"Whereas, there is precedent for large transfers of federally owned public lands designed to place new States on par with the original thirteen States of the Union; and

"Whereas, the States of the Union and their citizens are at least as well equipped as the central government to make the often difficult policy decisions that are necessary with respect to the use to which lands within their States shall be put.

"Now, therefore, be it resolved by the Budget Session of the 43rd Legislature that the bill S. 1680, heretofore introduced in the Senate of the United States, which provides for the cession and conveyance to the States of federally owned unreserved, unappropriated lands, and the establishment of policy, methods, procedures, schedules, and criteria for such transfers, is hereby endorsed, and passage into law of S. 1680 is hereby urged.

"Be it further resolved, that the state legislative bodies of the States of Hawaii, Washington, Montana, New Mexico, Colorado, California, Arizona, Wyoming, Oregon, Idaho, Nevada, and Alaska, which states are affected by the bill S. 1680, are hereby urged likewise to endorse S. 1680 and urge its passage into law.

"Be it further resolved, that the Secretary of State forward copies of this resolution to each member of the Congressional delegation from the State of Utah, the Speaker of the United States House of Representatives, President pro tempore of the United States Senate, the Secretary of the Interior, and the President of the United States.

"Be it further resolved, that the Secretary of State forward copies of this resolution to each member of the legislative bodies of the States of Hawaii, Washington, Montana, New Mexico, Colorado, California, Arizona, Wyoming, Oregon, Idaho, Nevada, and Alaska."

POM-574. A resolution adopted by the House of Representatives of the State of Kentucky; to the Committee on Foreign Relations:

"A RESOLUTION

"Whereas, the rights of United States citizens, as well as all international laws with regard to diplomatic relations, have been blatantly violated by the Iranian seizure of the American Embassy in Tehran and the subsequent holding of hostages; and

"Whereas, hostile attacks upon the United States Embassy in Pakistan and other countries around the world have become a popular means for militants to express internal discontent; and

"Whereas, the appearance of Soviet troops in Cuba represents an immediate threat to the United States; and

"Whereas, there exists a growing concern over the rumors of Americans being held against their will in Cuba; and

"Whereas, the Soviet Union's invasion of Afghanistan could serve as the catalyst to ignite an already unstable area of the world;

"Now, therefore, *be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:*

"SECTION 1. That this honorable body extends to President Carter its support during this difficult world-wide battle against dictatorial aggression.

"SEC. 2. That the House of Representatives supports President Carter in any action he may deem necessary to protect American interests, whether the action involves instituting economic sanctions against Iran; a naval blockage of the Persian Gulf; urging U.S. athletes to boycott the summer Olympics in Moscow; instituting an embargo on grain, as well as, various industrial and technological products to the Soviet Union; or supplying economic and military support to Pakistan.

"SEC. 3. That the Clerk of the House be directed to forward a copy of this resolution to the Office of the President of the United States, the Clerk of the United States Senate, and the Clerk of the United States House of Representatives."

POM-575. A petition from a private citizen, relating to national security; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI (for Mr. CHILES), from the Special Committee on Aging:

Special Report entitled "Developments in Aging: 1979" (Rept. No. 96-613).

Mr. DOMENICI. Mr. President, in accordance with the requirement of Senate Resolution 65, agreed to by the Senate on March 7, 1979, that the Senate Special Committee on Aging submit its findings to the Senate no later than February 29, 1980, I submit, on behalf of Mr. CHILES for the RECORD, Developments in Aging: 1979.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS:

S. 2356. A bill to help stabilize farm prices whenever a suspension of commercial export sales of agricultural commodities for reasons of national security or foreign policy adversely affects the prices which producers receive for the commodities involved, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry. (On February 27, 1980)

By Mr. METZENBAUM (for himself and Mr. KENNEDY):

S. 2357. A bill to eliminate the amount in controversy requirement for Federal question jurisdiction; to the Committee on the Judiciary.

By Mr. HART (for himself and Mr. RANDOLPH) (by request):

S. 2358. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Environment and Public Works.

By Mr. WEICKER:

S. 2359. A bill to provide for fair commercial credit reporting; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HELMS (for himself, Mr. HAYAKAWA, Mr. MCCLURE, Mr. ARMSTRONG, and Mr. HATCH):

S. 2360. A bill to reduce overlap between the Food Stamp and School Lunch Programs; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PRESSLER:

S. 2361. A bill to amend title 38, United States Code, to provide for a program of career development, advancement, and training and for outreach and supportive services for Vietnam era veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HEINZ (for himself and Mr. SCHWEIKER):

S. 2362. A bill to provide for the construction of a project for flood control and other purposes for Pottstown and vicinity, Schuylkill River basin, Pennsylvania; to the Committee on Environment and Public Works.

By Mr. DOMENICI (for himself, Mr. SCHMITT, and Mr. JAVITS):

S. 2363. A bill to authorize the establishment of the Georgia O'Keeffe National Historic Site, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI:

S. 2364. A bill to establish the Langmuir National Research Area in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 2365. A bill to authorize the construction of navigation improvements in the Mississippi River at Memphis, Tennessee; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself and Mr. HEINZ):

S. 2366. A bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs; to the Committee on Governmental Affairs.

By Mr. BOREN:

S. 2367. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gain on the sale or exchange of foreign investment company stock; to the Committee on Finance.

By Mr. DECONCINI:

S. 2368. A bill to authorize the Secretary of the Interior to engage in a feasibility study of a Solar-Hydro Integration Investigation in Arizona and Nevada; to the Committee on Energy and Natural Resources.

By Mr. HEINZ (for himself, Mr. ROBERT C. BYRD, Mr. RANDOLPH, and Mr. SCHWEIKER):

S. 2369. A bill to authorize construction of certain locks on the Monongahela River, Pennsylvania, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS:

S. 2356. A bill to help stabilize farm prices whenever a suspension of commercial export sales of agricultural commodities for reasons of national security or foreign policy adversely affects the prices which producers receive for the commodities involved, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry. (On February 27, 1980)

AGRICULTURAL TRADE SUSPENSION MITIGATION ACT OF 1980

● Mr. HELMS. Mr. President, the Carter administration's decision to suspend shipments of agricultural commodities to the Soviet Union was a precedent-shattering course of action, the full effects of which will not be known for some time to come. I believe that the President's decision to employ food as a weapon against the Soviets has opened the door to future use of our agricultural production system for the maintenance of national security and the attainment of foreign policy objectives.

While I recognize and appreciate the need to challenge those aggressors who seek to force their will and political philosophy on others, I am also sensitive to the sacrifices that American citizens will have to make in order to lend substance to those challenges. Particularly, I am concerned that the American farmer may have been singled out to shoulder an unduly heavy burden if policymakers decide to rely on our agricultural largesse as a foreign policy tool.

The American farmer depends upon agricultural exports for almost one-third of his income. The threat of restricted or suspended international sales of U.S. agricultural commodities, therefore, jeopardizes the immediate economic well-being of rural America. Moreover, the specter of potential trade embargoes contributes to America's image as an unreliable supplier thereby undercutting the farmer's efforts to secure a stable future through the development of longstanding markets for his products.

If the Federal Government is to use food as part of its arsenal for doing battle with its enemies, it must be prepared to mitigate the effects of such economic warfare on the American farmer. Measures taken to mitigate the impacts of agricultural trade embargoes must not be subject to ad hoc decisionmaking. They are best exercised in a consistent fashion according to comprehensive rules that have been laid down in advance. Otherwise the farmer will be ill prepared to cope with a future of uncertainty and unpredictability.

The bill I introduce today is premised on the notion that certainty with respect to the rules of the game provides all parties with the opportunity to make the adjustments needed for the most efficient exercise of their responsibilities. The certain knowledge that the Federal Government will take specific steps to alleviate the effects of its interference in the market will allow the farmer to make planting and marketing decisions without having to divine the intentions of those in the State Department. Similarly, such certainty will enable those charged with making foreign policy to confront international emergencies head on without concern that domestic politics will compromise our national security, or that we may end up doing more harm to our own good selves than to our enemies. Certainty and predictability are essential insofar as agricultural trade suspensions are concerned. My bill seeks to provide such certainty and predictability so that neither the farmer nor the Government official will have to operate at a significant disadvantage in carrying out his obligations to himself and to his country.

My bill would: First, give the Secretary of Agriculture the authority to establish a gasohol feedstock reserve and/or a food security reserve whenever the President suspends the commercial export sales of U.S. agricultural commodities in a fashion which adversely affects the prices producers receive for such commodities.

Second, require the Secretary, if he chooses to exercise the above authority, to place in the gasohol feedstock and food security reserves that portion of the suspended commercial export sales of the commodity that should be removed from the market to maintain producer prices at preembargo levels.

Third, require the Secretary to sell stocks from the gasohol feedstock reserve at the fuel conversion price—a price that will permit gasoline-alcohol mixtures using alcohol produced from an agricultural commodity to be competitive with the wholesale price of nonlead gasoline, adjusted for differences in octane rating.

Fourth, require the Secretary to release stocks from the food security reserve only for purposes of providing emergency food assistance and urgent humanitarian relief to developing countries.

Fifth, permit the Secretary to open up the existing price-support loan program, emergency loan program, and the farmer-held storage program to ineligible producers whenever the President suspends the commercial export sales of U.S. agricultural commodities in a fashion which adversely affects the prices producers receive for such commodities.

Sixth, allow the Secretary without regard to any prior announcement made by him to the contrary, to announce a cropland set-aside program or paid land diversion program for an agricultural commodity if he deems such action to be in the public interest as a result of a suspension of commercial export sales of such commodity.

Seventh, mandate an increase in the maximum CCC loan for farm storage facilities from $50,000 to $100,000.

Eighth, require the Secretary to study the potential for expansion of U.S. agricultural export markets and the use of agricultural experts in obtaining needed natural resources and other materials.

Ninth, create over a 3-year period a $6 billion revolving fund for purposes of financing commerical export sales of U.S. agricultural commodities and financing the construction or acquisition of facilities in foreign countries for handling, marketing, processing, storing, or distributing agricultural commodities produced in and exported from the United States.

None of these proposals, taken individually, is a new idea. Each has already been proposed in one form or another by my colleagues, Senators TALMADGE, HUDDLESTON, and JEPSEN and others, whose opinions and thinking with respect to agricultural issues are of inestimable value.

What is different about my approach is that I combine these various proposals into one comprehensive package of legislation that would be applicable in all instances where a trade suspension of agricultural commodities was ordered.

It is important to note that the proposed gasohol feedstock and food security reserves would not be permanent reserves that would overhang the market. The kind and amount of commodities placed in such reserves would be determined by the suitability of the commodities for use in alcohol production and food assistance programs and by the commodities required to be isolated from the market so as to return produce prices to preembargo levels. Once the acquired stocks had been disposed of they could not be replaced until another trade suspension was imposed. Clearly, these reserves are designed to help the farmer, not to hurt him.

Another positive feature of my bill is that it avoids involving the Federal Government in an unreasonable subsidy program for gasohol producers. The sale of commodities from the gasohol feedstock reserve at the fuel conversion price would provide an incentive for new alcohol production facilities to be brought on line without fostering a long-term dependence on artificially low-priced grains. The fuel conversion price would insure that the Federal subsidy provided to gasohol producers would be based upon the economic relationships between gasohol and gasoline rather than an arbitrary decision to maintain commodity prices at preembargo prices. The fuel conversion price also provides for an automatic phaseout of the Federal subsidy. As the price of gasoline increases, less subsidy will be required to make gasohol competitive with gasoline. The fuel conversion price system has sufficient flexibility to take such economic realities into account and to translate them into a reasonable subsidy level. The able Senator from Kentucky (Mr. HUDDLESTON) originated the fuel price conversion concept.

Of paramount importance in any agricultural trade embargo is the farmer's short-term financial condition. Depending upon the time of year during which an embargo is announced, a farmer may be faced with serious cash flow problems that prevent him from waiting for the reserves to help prop up prices. The farmer who has not signed up for the Federal crop programs does not have access to the loans and other marketing tools that such programs offer. It is crucial, therefore, that the Secretary have the authority to open the Federal crop programs to all producers, whether they are eligible or not, so that they may keep their heads above water until the gasohol feedstock and food security reserves isolate sufficient quantities of commodities from the market to strengthen prices. In January, Senator JEPSEN and I introduced a bill embodying this concept as its single feature.

The United States also needs to be giving much more emphasis to developing new and permanent markets for our agricultural exports. This need becomes even more pressing to the extent that we jeopardize current markets through the use of trade embargoes. As a result, I have included in my bill a provision first introduced by Senator TALMADGE which calls for a long-term assessment of the potential for new markets for our agricultural exports as well as the feasibility of using food as a bargaining chip for materials we need such as oil and natural gas.

Studies, by themselves, however, are not enough. Further steps must be taken to encourage the development of new markets for our agricultural exports, so that the farmer can get his profit in the marketplace rather than from the Federal Treasury. The Federal Government can provide such incentives by creating a revolving fund to finance commercial export sales of U.S. agricultural commodities and improvements in the agricultural handling, transportation and processing infrastructures of foreign countries. Senator MORGAN and I introduced such a proposal during the last session of Congress.

At present, the administration announces an annual limit for CCC financial exports. This fund which has fluctuated from $300 million to $2 billion over the last 5 years is then allocated on a country-by-country basis as an annual line of credit. In most cases, decisions as to the amount of the annual appropriations are dictated by budgetary concerns which have very little relationship to marketplace realities. As a result, the United States has lost a number of opportunities to expand its agricultural exports.

The Agricultural Council of America, an organization comprised of the major agricultural commodity groups, has stated that U.S. farm exports could double over the next 5 years if certain adjustments are made in Government programs. One of the adjustments that they recommend is to place CCC export financing on a revolving fund basis, that is, Congress would create over a period of 3-successive years a $6 billion capital fund from which export credits would be made available free of artificial annual lending constraints of the current program.

This is precisely what my bill proposes to do. In addition, my proposal contains a sunset provision that would terminate the authority for a revolving fund after 4 years. In addition, it requires annual reports to Congress detailing the disposition of these credits. These provisions should give Congress sufficient oversight of CCC's operation of the program.

Given the projections that farm income may very well decrease by 25 percent next year, there will be a great deal of pressure exerted on Congress to increase price supports. The need to do so might be counteracted somewhat by increased farm exports. Therefore, we should do all we can to facilitate our commercial sales abroad in dependable markets.

But the most important feature of my bill is the certainty that it provides to all parties involved in or affected by an agricultural trade suspension. The Honorable Arthur A. Link, Governor of North Dakota and chairman of the National Governors' Association Committee on Agriculture, stated in testimony before the Senate Agriculture Committee that—

> Further legislation would be desirable to clarify what actions should be taken if another sales suspension, based on national security concerns, were to occur. We need such a statute so that market disruption, which would depress farm prices, will be kept to an absolute minimum.

I believe that my proposed measures and procedures, if codified into law, would provide the clarification and certainty which Governor Link advocates.

My legislation is designed to work with market fundamentals, that is, the isolation from the market of an amount of a commodity equal to the supply embargoed. I am not proposing a bail-out for the American farmer; our farmers do not want such special treatment. What I am proposing is a mechanism, governed by the laws of supply and demand, that will mitigate the effects of Government intervention in agricultural export markets. The American farmer deserves that much in return for the sacrifices which Government demands that he makes.●

By Mr. METZENBAUM (for himself and Mr. KENNEDY):

S. 2357. A bill to eliminate the amount in controversy requirement for Federal question jurisdiction; to the Committee on the Judiciary.

FEDERAL QUESTION JURISDICTIONAL AMENDMENTS ACT OF 1979

● Mr. METZENBAUM. Mr. President, I am pleased to offer today a bill which would eliminate the $10,000 amount in controversy requirement from 28 U.S.C. 1331, the general Federal question jurisdictional statute.

This bill will insure that the Federal courts will be open to hear all Federal law questions regardless of the financial amount at issue. In so doing, it will complete the work of the 94th Congress which, in Public Law 94-574, repealed the amount in controversy requirement in Federal question cases "brought against the United States, any agency thereof, or any officer or employee thereof in his official capacity." It will also bring section 1331 into conformity with the specialized Federal court jurisdictional grants which do not require an amount in controversy. These include, among others, admiralty cases, commerce and antitrust cases, patent, copyright and unfair competition cases, and civil rights cases.

Under our American system of federalism, it ought to be axiomatic that all litigants with legitimate claims under Federal law should have the option of bringing their cases before a Federal court. Unfortunately, the amount in controversy requirement has kept important Federal claims out of the Federal courts for the sole reason that they involve amounts less than $10,000.

Prof. Charles Alan Wright has identified several classes of cases which are most often excluded from the Federal courts as a result of this requirement. They are:

First. Suits arising under Federal common law;

Second. Suits challenging State laws and practices which do not fall under 28 U.S.C. section 1343; and

Third. Minor miscellaneous cases.

A fourth category is civil rights statutory suits against muncipalities. The impact of the Federal question amount in controversy requirement as described by Professor Wright is particularly troubling in that it falls disproportionately on the poor. Not only do they bring most of the above-described cases, their claims tend to be small in absolute dollar terms.

However, apart from the technicalities of section 1331, there is no reason at all why these cases should not be brought in Federal court. They involve complex questions of Federal law, which the Federal courts are best suited to decide. In addition, although the amount in controversy for each plaintiff may be small, these cases usually involve many people and the total amount in issue is often millions of dollars. These plaintiffs may not have any remedy in State courts to enforce their Federal statutory claims because of procedural and other barriers.

Authorities in the field believe that the caseload implications of abolishing the $10,000 amount in controversy would be minimal because only a relatively few cases would be involved. Both Professor Wright and Joseph F. Spaniol, Jr., testifying on behalf of the Judicial Conference of the United States, told a House subcommittee that the impact on district court caseloads would not be appreciable. Further, the elimination of the amount in controversy requirement will eliminate many time-consuming and complex procedural and jurisdictional court battles over whether a party states a $10,000 cause of action or whether there is some alternate jurisdictional base which they can rely on.

The elimination of the $10,000 amount in controversy requirement will guarantee that all persons stating Federal claims will have equal access to the Federal court system. As such, it represents an important step toward making the concept of justice for all a reality.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2357

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Question Jurisdictional Amendments Act of 1979."

SEC. 2. (a) Section 1331 of title 28, United States Code, is amended to read as follows:

"§ 1331. Federal question

"The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States.".

(b) The item relating to section 1331 in the table of sections for chapter 85 of title 28, United States Code, is amended by striking out "; amount in controversy; costs.".

SEC. 3. This Act shall apply to any civil action pending on the date of enactment of this Act.●

By Mr. WEICKER:

S. 2359. A bill to provide for fair commercial credit reporting; to the Committee on Banking, Housing, and Urban Affairs.

FAIR COMMERCIAL REPORTING PRACTICES ACT OF 1980

● Mr. WEICKER. Mr. President, today I am introducing legislation entitled the Fair Commercial Reporting Practices Act of 1980. This legislation, which is long overdue, is designed to give to businesses that are the subject of commercial credit reports the same basic rights that are enjoyed by consumers who are the subject of consumer credit reports.

Louis D. Brandeis, as early as 1980, recognized the need to protect and preserve the right to privacy. He noted that:

> Gossip is no longer the resource of the idle and of the vicious, but has become a trade, which is pursued with industry as well as effrontery . . . Even gossip apparently harmless, when widely and persistently circulated, is potent for evil. It both belittles and perverts.

These words, in a free society such as ours, ring as true today as they did in 1890.

The right to privacy, which has been recognized as an inalienable right by the courts and buttressed by Congress through legislation, is not forfeited once a person goes into business. Unauthorized intrusions into the financial affairs of businesses by either government or private enterprise are not only morally repugnant but also place businesses—particularly small businesses—at a disadvantage, in dealing with competitors, suppliers and customers.

In 1977, the Privacy Protection Study Commission, after devoting 2 years to examining individual privacy rights and recordkeeping practices in many environments, concluded that "the impact of commercial credit decisions on individuals is particularly acute when the business seeking credit is a partnership, sole proprietorship, or closely held corporation." The Commission recommended that since commercial reporting practices have a significant impact on business entities with which individuals are associated, further investigation and study in this area should be conducted. Accordingly, I cochaired 2 days of hearings before the Senate Small Business Committee to review the impact of commercial reporting practices on small business.

These hearings closely examined existing commercial reporting practices, the rights of small businesses which are the subject of commercial reports, and the remedies available to businesses injured by erroneous or incomplete reports. In addition, these hearings examined the Privacy Commission's recommendation to enact legislation to insure the accuracy of information gathered and disseminated by commercial reporting agencies.

Mr. President, it is recognized that commercial reporting agencies perform an important function in our economy and assume a vital role in assembling and evaluating commercial credit and other information on businesses and representatives of businesses. For businesses of all sizes to survive and prosper, they must have access to credit. The decision to extend business credit frequently hinges on the reports prepared by commercial reporting agencies. The free and competitive marketplace is dependent upon fair and accurate commercial reporting. Inaccurate commercial reports directly impair the efficiency of the free marketplace, and unfair commercial reporting practices undermine the confidence of businesses in the continued effective functioning of the free enterprise system. However, despite the importance of commercial reports, there are presently no safeguards to insure their accuracy.

Unlike an individual, the small businessperson has no statutory protection against erroneous credit reports. The Fair Credit Reporting Act, which provides statutory protections and a judicial remedy for the consumer who has been victimized by an inaccurate credit report, does not apply to businesses.

Thus, a business that is harmed by a false credit report must resort to a common law defamation action to recover damages for injury it has suffered. However, all but two States have afforded the commercial reporting agency a "qualified privilege," thereby making it necessary for a plaintiff to prove malice in order to recover damages. Since this privilege imposes a higher standard for recovery, small businesses may in fact have no real judicial recourse even if seriously harmed by an inaccurate credit report.

Mr. President, a number of witnesses testified before the Small Business Committee, addressing themselves to the problems confronted by small businesspersons whose businesses are the subject of commercial reporting practices and the actual and potential for abuse and misuse of credit information.

Witnesses included experts in this area such as Prof. David F. Linowes, the former Chairman of the Privacy Protection Study Commission, Congressman BARRY M. GOLDWATER, JR., and Commissioner Patricia P. Bailey of the FTC. In addition, representatives of two large trade associations testified, together with five small businesspersons who were injured by erroneous commercial reporting practices. Representatives of three commercial reporting agencies also testified.

The trade association representatives and businesspersons—the ones directly affected by commercial reporting practices—all strongly recommended the need for remedial legislation to correct existing abuses and to insure the reporting of accurate, current credit information.

One of the more serious complaints related to the committee was that some commercial reporting agencies provide recommendations over the telephone to subscribers that they not enter into a credit transaction with a business simply because the business has not cooperated with the commercial reporting agency by providing financial information. That is, a credit transaction is recommended against simply because the reporting agency has not been supplied with complete financial information by a particular business because the business has chosen, as is its right, not to provide information to the agency for indiscriminate dissemination.

Other complaints concerned the overall inaccuracies of credit reports; the use of outdated and obsolete information; the delay and unresponsiveness of reporting agencies in resolving complaints; the inability of businesses to discover the sources of erroneous information; and the penalizing of businesses who refuse to cooperate with one commercial reporting agency, through the use of a blank rating system, which bears strong connotations of business failure since it is a rating that the reporting agency gives not only to businesses on which the reporting agency has been unable to obtain sufficient information but also businesses that are in bankruptcy or receivership, businesses where there is a serious question of moral risk, businesses that have incurred serious losses, businesses in critical financial condition, and businesses where failure appears imminent.

The Chairman of the Privacy Commission, Prof. David Linowes, pointed out clearly during his testimony before the Committee that:

> For small business, in particular, the information is quite personal. As set forth by the Privacy Commission throughout our report covering personal privacy, potential for misuse and abuse of personal information does exist. This is true whether the report originates with a consumer reporting agency, or a commercial reporting service. Yet, the commercial reporting service is not subject to the Fair Credit Reporting Act.

Professor Linowes expressed grave concern over the seemingly indiscriminate disclosure by banks of credit information concerning their customers. A recent study conducted by the University of Illinois, under Linowes' direction, revealed that while all banks disclose information about depositors and borrowers to credit grantors, only one in four obtains authorization from its customer before disclosing this information and over four out of five never tell their customers that such disclosures have been made. Linowes referred to these activities as "secret practices" and concluded that they:

> Could be intimidating to any enterprise, and in particular to a vulnerable small entrepreneur. What all this adds up to is the small business organization apparently needs the same information privacy protections as the Privacy Commission recommended for the individual.

In other testimony, Gale Metzger, president of Statistical Research, Inc., Westfield, N.J., condemned in no uncertain terms one commercial reporting agency in particular for its attitude and policy toward resolving reporting errors. He testified that the "arrogance and platitudes" contained in their responses to problems "are laughable." As he put it:

> Information is dynamic, yet they were never able to respond to our problem with anything but a static, standard, preprogrammed series of responses. Certainly, as a firm which trades in the vital free flow of credit information, they ought to be mightily concerned about accuracy, truth and responsibility.

Mr. Metzger summed up his experience with this reporting agency by noting that for a sophisticated data firm that publishes and disseminates information there is no rational explanation, "for their practice of publishing unchecked information"; "for a company such as this operating without sufficient checks that automatically flag inconsistent data fed into the system"; for "their policy of telling the business world whatever they learn, true or not".

Another witness, Martin Zanger, president of Bookland, Inc., Holyoke, Mass., reported a similar experience with the same commercial reporting agency and, like all other witnesses who testified, heralded the cry for remedial legislation. He noted that the commercial reporting agency's policy:

> Of not checking or verifying any trade clearances permits the system to be abused. In our case, our competitor deliberately put through a blatantly false report in a successful attempt to interfere with our ability to purchase goods for resale. When we called their attention to the fact that the report was a lie, nothing was done for a very long time. It would certainly seem that we ought to have such legislation as would preclude credit agencies from using unverified data and would preclude business firms from furnishing false data to credit agencies.

Mr. President, testimony given during these hearings leaves no doubt that an acceptable level of accuracy to protect the interest of small businesses is not insured under present commercial reporting practices and procedures.

Abuses depicted in the testimony demonstrates that legislation is needed to insure that commercial reporting agencies exercise their responsibilities with fairness, accuracy, and a respect for the business' right to privacy. It is needed to insure that commercial reporting agencies minimize the extent to which recorded information about a business is a source of error or unfairness in any credit decision made on the basis of that information.

The legislation I am offering today will provide businesses with the same legal safeguards currently enjoyed by consumers in credit transactions. This legislation will create and define obligations with respect to the uses that will be made of recorded information about a business or its representatives. In addition, it will require that commercial reporting agencies adopt reasonable procedures with respect to commercial reporting practices by gathering information in a manner that is fair and equitable to insure the confidentiality, accuracy, and proper utilization of such information.

It is important to note that this legislation is a freestanding act and not an amendment to the Fair Credit Reporting Act. The FTC will have no role to play in administering the law. No new bureaucracy will be necessary to insure that the interest of small businesses are properly protected.

In the event that these legal safeguards are violated, this legislation would allow businesses to present their grievances and enforce their legitimate rights in any appropriate U.S. district court without regard to the amount in controversy.

The Fair Commercial Reporting Practices Act would provide in substance that:

First. When a business is denied credit because of information in a commercial credit report, the user of the report must notify the subject of the report in writing that credit has been denied based on the report, provide the name, address, and telephone number of the commercial reporting agency supplying the report and notify the business of its right to obtain a copy of and correct the report.

Second. Upon request and proper identification, the commercial reporting agency must:

Clearly and accurately disclose to the business all information in its files on the business at the time of the request;

Permit the business to examine and copy any such information;

Clearly and accurately disclose to the business the sources of the information; and

Disclose to the business the names of all recipients of the commercial report which the agency has furnished for any purpose within the 6-month period preceding the request;

Third. When the completeness or accuracy of any item of information in a business' file is questioned, the commercial reporting agency must reinvestigate the accuracy of the information within a reasonable time and if the reinvestigation does not resolve the dispute, the business is entitled to file a brief statement of disagreement;

Fourth. If inaccurate information has been deleted, or, when a brief statement of disagreement has been filed, the business may require that a corrected copy of the report be furnished to any person who received a copy of the erroneous report within the preceding 6 months;

Fifth. Each commercial reporting agency must maintain reasonable procedures to insure the maximum possible accuracy of the information it reports, and further, no commercial reporting agency shall:

Obtain information by implying that failure to do so will result in adverse consequences;

Furnish negative information or recommend that credit not be extended because of a business' failure or refusal to cooperate with the reporting agency; or

Lower a business' credit rating unless a business is notified in writing within 30 days of such action, accompanied by a statement of reasons for such action.

Mr. President, it is clear that under present commercial reporting practices an acceptable level of accuracy in commercial credit reports is not assured. The legislation I am introducing today will protect the interests of not only small businesses, but all businesses. It will insure that the same basic legal rights enjoyed by consumers are enjoyed by businesses and that commercial reporting agencies exercise their responsibilities with fairness, accuracy, and respect for the business' right to privacy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

§ 1. Short title.

This Act may be cited as the "Fair Commercial Reporting Practices Act of 1980".

§ 2. Findings and purposes.

(a) The Congress finds that—

(1) the free and competitive marketplace is dependent upon fair and accurate commercial reporting;

(2) inaccurate commercial reports directly impair the efficiency of the free marketplace and unfair commercial reporting practices undermine the confidence of businesses in the continued effective functioning of the free enterprise system;

(3) an elaborate mechanism has been developed for investigating and evaluating the credit worthiness, credit standing, credit capacity, charter, and general reputation of businesses and the representatives of those businesses;

(4) commercial reporting agencies have assumed a vital role in assembling and evaluating commercial credit and other information on businesses and representatives of those businesses; and

(5) there is a need to ensure that commercial reporting agencies exercise their responsibilities with fairness, accuracy and a respect for the business' right to privacy.

(b) The purposes of this Act are to—

(1) ensure that commercial reporting agencies minimize the extent to which recorded information about a business is a source of error or unfairness in any decision made on the basis of such recorded information;

(2) create and define obligations with respect to the uses that will be made of recorded information about a business or its representatives; and

(3) require that commercial reporting agencies adopt reasonable procedures for meeting the needs of commerce for commercial credit, commercial insurance and other purposes by gathering information in a manner that is fair and equitable to the business with regard to the confidentiality, accuracy and proper utilization of such information in accordance with the requirements of this Act.

§ 3. Definitions and exclusions

(a) For the purpose of this Act, the term—

(1) "person" means any individual, company, corporation, trust, association, firm, partnership, cooperative, organization, or other entity;

(2) "commercial reporting agency" means any person which for compensation or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating financial information or other information on businesses for the purpose of furnishing commercial reports to third parties and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing commercial reports; and

(3) "commercial report" means any written, oral or other communication of any information by a commercial reporting agency bearing on a business' credit worthiness, credit standing, credit capacity, general reputation, debts, or insurability, including information gathered on individuals who are owners, officers or employees of the business, which is used or expected to be used in whole or in part for the purpose of serving as a factor in establishing the business' eligibility for—

(A) credit;

(B) insurance or otherwise in connection with an insurance transaction involving the business, including the underwriting of insurance on either the business or on an individual if the business is the beneficiary of the policy; or

(C) other purposes in connection with a commercial transaction involving the business.

Such term does not include—

(i) any report containing information solely as to transactions or experiences between the business or its owners, officers or employees and the person making the report;

(ii) the transfer of information to a guarantor, insurer or joint creditor participating in the same transaction if the transmitting party advises the business of the name and address of the guarantor, insurer, or joint creditor;

(iii) any compilation of consumer complaints or information collected or used for the primary purpose of responding to inquiries by consumers concerning the general reputation of a business; or

(iv) stock reports or other financial reports on a business made available by stock brokers or financial analysts.

(b) Nothing in this Act applies to any consumer reporting agency, consumer report, or user of information which is governed by the Fair Credit Reporting Act.

§ 4. Permissible purposes of reports

(a) A commercial reporting agency may furnish a commercial report under the following circumstances and no other:

(1) In response to the order of a court having jurisdiction to issue such an order.

(2) In accordance with the written instructions of the person to whom it relates.

(3) To a person which it has reason to believe—

(A) intends to use the information in connection with a commercial credit transaction involving the person on whom the information is to be furnished and involving the extension of commercial credit to, or review or collection of an account of, the person;

(B) intends to use the information in connection with the underwriting of commercial insurance involving the person;

(C) intends to use the information in connection with a determination of the person's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider a business' financial responsibility or status;

(D) otherwise has a legitimate business need for the information in connection with a business transaction involving the person; or

(E) as expressly authorized pursuant to any other State or Federal law.

(b) Notwithstanding the provisions of subsection (a), a commercial reporting agency may furnish identifying information respecting any business, limited to the business' name and address or former addresses, to a governmental agency.

§ 5. Disclosure required

(a) Whenever credit or insurance or other benefit is denied or the charge for such credit, insurance, or other benefit is increased either wholly or partly because of information about a person contained in a commercial report from a commercial reporting agency, the user of the commercial report shall notify the person in writing that the credit, insurance, or other benefit has been denied based on a commercial report, provide the name, street address, and telephone number of the commercial reporting agency supplying the report, and notify the person of its right to request a copy of the report and to correct an erroneous report by contacting the commercial reporting agency.

(b) Every commercial reporting agency, upon request and proper identification of any person, shall—

(1) inform the person whether the agency has any information in its files pertaining to the person; and

(2) if the agency has any information in its files pertaining to the person, it shall—

(A) clearly and accurately disclose to the person all information in its files on the person at the time of the request;

(B) permit the person to examine and copy all such information;

(C) clearly and accurately disclose to the person the sources of all information; and

(D) clearly and accurately disclose to the person the names of all recipients of any commercial report on the person which the agency has furnished for any purpose within the six-month period preceding the request.

(c) The requirements of subsection (b) respecting the disclosure of sources of information and the recipients of reports do not apply to information received or reports furnished prior to the effective date of this Act except to the extent that the matter involved is contained in the files of the commercial reporting agency on that date.

§ 6. Compliance procedures

(a) The disclosures required under section 5 (b) shall be made to a person—

(1) in person if the person appears in person and furnishes proper identification; or

(2) by telephone if the person has made a prior written request, with proper identification, for telephone disclosure and the toll charge, if any, for the telephone call is prepaid by or charged directly to the person; or

(3) by mailing a copy of all information to the person within a reasonable time after receipt of a written request from the person for disclosure of the information.

(b) Each commercial reporting agency shall provide trained personnel to explain to any person any information furnished pursuant to section 5 (b).

§ 7. Disputes

(a) If the completeness, accuracy, or timeliness of any item of information contained in a person's file is disputed by the person, and such dispute is directly conveyed to the commercial reporting agency by the person, the commercial reporting agency shall within a reasonable period of time reinvestigate and record the current status of that information unless it has reasonable grounds to believe that the dispute by the person is frivolous or irrelevant. If after such reinvestigation such information is found to be inaccurate or can no longer be verified, the commercial reporting agency shall promptly delete such information. The presence of contradictory information in the person's file does not in and of itself constitute reasonable grounds for believing the dispute is frivolous or irrelevant.

(b) If the reinvestigation does not resolve the dispute, the person may file a brief statement setting forth the nature of the dispute. The commercial reporting agency may limit such statements to not more than one hundred words.

(c) Whenever a statement of a dispute is filed, unless there is reasonable grounds to believe that it is frivolous or irrelevant, the commercial reporting agency shall, in any subsequent commercial report containing the information in question, clearly note that the information is disputed by the person and provide either the person's statement or a clear and accurate codification or summary thereof.

(d) Following any delegation of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the commercial reporting agency shall, at the request of the person, furnish notification that the item has been deleted or the statement, codification, or summary pursuant to subsection (b) or (c) to any person specifically designated by the person who has within six months prior thereto received a report which contained the deleted or disputed information. The commercial reporting agency shall clearly and conspicuously disclose to the person his rights to make such a request. Such disclosure shall be made at or prior to the time the information is deleted or the person's statement regarding the disputed information is received.

§ 8. Charges for certain disclosures

A commercial reporting agency shall make all disclosures pursuant to section 5(b) and furnish all commercial reports pursuant to section 7(d) without charge to the person if, within thirty days after receipt of a notification sent pursuant to section 5(a), the person makes a request under section 5(b) or 7(d). Otherwise, the commercial reporting agency may impose a reasonable charge on the person for making disclosure to such person pursuant to section 5(b), the charge for which shall be indicated to the person prior to making disclosure; and for furnishing notifications, statements, summaries, or codifications to the person designated pursuant to section 7(d), the charge for which shall be indicated to the person prior to furnishing such information and shall not exceed the charge that the commercial reporting agency would impose on each designated recipient for a report, except that no charge may be made for notifying such persons of the deletion of information which is found to be inaccurate or which can no longer be verified. A commercial reporting agency may charge a reasonable copying fee for furnishing copies of information pursuant to section 5(b).

§ 9. Procedures to ensure accuracy

Each commercial reporting agency shall maintain reasonable procedures to assure the maximum possible accuracy of the information it reports.

§ 10. Prohibited practices

A commercial reporting agency may not—

(1) furnish any commercial report containing any adverse item of information which antedates the report by more than ten years, except in the case of any commercial report to be used in connection with a credit transaction, or underwriting of life insurance, involving a principal amount of $500,000 or more;

(2) obtain information or seek to obtain information from any source by means of any threat, direct or implied, that the failure to furnish information may result in any adverse consequences for the person from whom the information is sought;

(3) furnish negative information or recommend that credit not be extended or make any other adverse recommendation to a third party in whole or in part on the basis of a business' failure or refusal to cooperate with the inquiry of the commercial reporting agency;

(4) furnish a commercial report which indicates that a business has been denied credit, if the sole reason for such denial is lack of sufficient information to grant credit, unless the report states that the denial was for that reason; or

(5) take any action to lower the credit rating of a business on which information is maintained or furnished to third parties, unless that business is notified of such action in writing within 30 days of such action, such notification to be accompanied by a statement of the reasons for such action.

§ 11. Civil liability for willful noncompliance

Any commercial reporting agency or user of information which willfully fails to comply with any requirement imposed by this Act with respect to any person is liable to that person in an amount equal to the sum of—

(1) any actual damages sustained by the person as a result of the failure;

(2) such amount of punitive damages as the courts may allow; and

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

§ 12. Civil liability for negligent noncompliance

Any commercial reporting agency or user of information which is negligent in failing to comply with any requirement imposed by this Act with respect to any person is liable to that person in an amount equal to the sum of—

(1) any actual damages sustained by the person as a result of the failure; and

(2) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

§ 13. Jurisdiction of courts; limitation of actions

An action to enforce any liability created under this Act may be brought in any appropriate United States district court without regard to the amount in controversy, or in any court of competent jurisdiction, within two years from the date on which the liability arises, except that where a defendant has materially and willfully misrepresented any information required under this Act to be disclosed to any person and the information so misrepresented is material to the establishment of the defendant's liability to that person under this Act, the action may be brought at any time within two years after discovery by the person of the misrepresentation.

§ 14. Obtaining information under false pretenses

Any person who knowingly and willfully obtains information on a person from a commercial reporting agency under false pretenses shall be fined not more than $5,000 or imprisoned not more than one year, or both.

§ 15. Unauthorized disclosures by officers or employees

Any officer or employee of a commercial reporting agency who knowingly and willfully provides information concerning a person from the agency's files to a person not authorized to receive that information shall be fined not more than $5,000 or imprisoned not more than one year, or both.

§ 16. Relation to State laws

This Act does not annul, alter, affect, or exempt any person subject to the provisions of this Act from complying with the laws of any State with respect to the collection, distribution, or use of any information, except to the extent that those laws are inconsistent with any provision of this Act, and then only to the extent of the inconsistency.

§ 17. Effective date

This Act shall take effect upon the expiration of one hundred and eighty days following the date of its enactment.●

By Mr. HELMS (for himself, Mr. HAYAKAWA, Mr. MCCLURE, Mr. ARMSTRONG, and Mr. HATCH):

S. 2360. A bill to reduce overlap between the food stamp and school lunch programs; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP SPENDING CAN BE REDUCED

● Mr. HELMS. Mr. President, every Senator surely is aware that the food stamp program is one of the most costly and fast growing welfare programs ever enacted by Congress. There is widespread public sentiment that the waste and extravagance in the program must be eliminated, and that its enormous and ever-increasing cost must be brought under control.

At the risk of sounding self-serving, I have made repeated attempts to do just that. So have other Senators. Nevertheless, Congress has consistently refused to take the necessary action to stabilize the food stamp program, and thereby assure a measure of commonsense to its operation.

Quite the contrary, instead of facing the reality that the American taxpayers cannot afford for Congress to continue to appropriate ever-increasing sums for more and more recipients eligible for food stamps. Moreover, Congress has voted to increase the amounts recipients receive.

The cost of the program for 1980 has increased by more than 60 percent over what the Congress specified in 1977. And the end is nowhere in sight. We are at a level of over $10 billion for a program that cost $5.7 billion in fiscal year 1978. Total costs for food stamps for 1981 will be up almost 80 percent in 3 years alone.

We hear a great deal of talk about the need to balance budgets—and thereby put an end to spiraling inflation. Such talk comes from Senators of all parties and all persuasions. But we see very little action. It is a bipartisan folly.

It is not particularly pleasant for me, or any other Senator, to declare that we have got to face the music and bring these Federal out-of-control programs under control. It may not be pleasant, but it is necessary if the United States is to survive.

For that reason, Mr. President, today I am introducing a bill that addresses one aspect of costly and unnecessary duplication which exists in the welfare feeding programs administered by the Department of Agriculture.

This bill amends the Food Stamp Act of 1977 by directing the Food and Nutrition Service to adjust food stamp benefits in a manner that takes into account benefits households receive through the free school lunch program.

Quite simply, this bill eliminates the situation in which a household receives food stamps for feeding a child lunch at home when the child is acutally receiving free lunches at school. Admittedly, it is modest in its approach but it is at least a start.

This bill has been very carefully drafted so as to do nothing more than prevent that one duplication. And, this duplication would be eliminated in a manner not ungenerous to the recipient. Food stamp program benefits are adjusted—rather than the larger subsidy provided by the taxpayers through the free school lunch program.

As Senators know, the food stamp benefits are based upon the value of the "thrifty food plan"—a calculation of the monthly food costs for a family of given size. Of course, the cost of the thrifty food plan increases as the family size increases, reflecting the higher cost of feeding more people. This bill utilizes the per person meal value of the thrifty food plan. That is, it is based upon the cost of feeding one member of the household one meal under the thrifty food plan. That figure is based on a large household size so the economies of scale assumed in the thrifty food plan will not distort the adjustment amount for large households.

This calculation is then figured into a formula which also considers average school attendance, the number of school days in the respective month, and the number of family members who are given free meals under the school lunch program.

The benefit adjustment—the elimination of unnecessary duplication in Federal feeding programs—can be accomplished without placing an undue administrative burden on State and local administrators. Under the provisions of this bill standard benefit adjustment schedules can be developed. Local officials could refer to such schedules to determine benefit allotment adjustments. There can be no dispute that any slight increase in the administrative tasks involved would be dwarfed by the savings that would be realized by not paying recipients twice for eating the same meal. Preliminary estimates made by the Congressional Budget Office indicate that in fiscal year 1981 alone this program change would account for savings of approximately $700 million.

It should be made clear that implementation of this program change will not adversely affect participation levels in the school lunch program.

Mr. President, I offer this bill for the purpose of illustrating that there are responsible and reasonable actions open to Congress which would eliminate waste and duplication in the food stamp program. There are literally scores of other changes that could be made in this same fashion, and I intend to pursue such changes in 1981 when the Congress is scheduled to consider reauthorization of the food stamp program. There are other Senators who share my convictions on this subject, and who have amendments of their own to accomplish similar objectives. I commend them and pledge my support of their efforts.

But, for my part, I do not care to wait until 1981 to take up this amendment because it can be implemented with little, if any, administrative burden; it will save a tremendous amount of money by eliminating obvious duplicaton; it is clear-cut and easily understood.

Senators who say they favor eliminating unnecessary and wasteful Federal spending will have an opportunity to vote their convictions by supporting my bill.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the Food Stamp Act of 1977 is amended by—

(1) striking out in the first sentence of section 8(a) "The" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, the ";

(2) adding at the end of section 8(a) a new paragraph as follows:

"(2) The value of the allotment which State agencies shall be authorized to issue to any households containing members who have meals provided under the National School Lunch Program available to them shall be determined by reducing that household's allotment determined under paragraph (1) of this subsection by the product obtained by multiplying (A) a monthly amount equal to the per person per meal value of the thrifty food plan for a household consisting of eight persons by (B) the number of such meals per month available to household members by (C) the number of household members eligible for free or reduced-price meals under the National School Lunch Program by (D) a national average attendance per month factor prescribed by the Secretary. In carrying out the provisions of this paragraph, the Secretary shall prescribe an average attendance per month factor, based on the best available data."; and●

By Mr. HEINZ (for himself and Mr. SCHWEIKER):

S. 2362. A bill to provide for the construction of a project for flood control and other purposes for Pottstown and vicinity, Schuylkill River basin, Pennsylvania; to the Committee on Environment and Public Works.

POTTSTOWN FLOOD CONTROL PROJECT

● Mr. HEINZ. Mr. President, I rise today to offer legislation to authorize a flood control project for the Borough of Pottstown in Montgomery County, Pa. Passage of this legislation, a companion bill to which has already passed the House of Representatives, is critical before the economic and structural underpinnings of this community of 25,000 are literally washed away by periodic floods.

One of the latest blows to the economy of this area has been the recent closing of a Bethlehem steel plant. Without a flood control project, the economy of the region will continue to decline and revitalization of the Pottstown region will be impeded. In fact, an estimated $8 million in new industrial development has been lost to Pottstown because of its location on the Schuylkill River flood plain.

Compounding the economic hardship caused by this inability to attract new business, over the past 5 years five industries have relocated—representing a loss of 1,475 jobs. By the end of this year, two more local industries are scheduled to leave, eliminating 300 additional jobs. This job loss can only increase the 10.3-percent unemployment rate in the area. In contrast, the unemployment rate in Montgomery County is 6.6 percent.

Three times in the last 8 years, the residents of Pottstown have suffered the economic and personal dislocation of a major flood. In February 1971, Pottstown was hit by a flood measuring 17.2 feet above flood stage. Again, in June 1972, industrial and residential sections of Pottstown were devastated by a flood reaching 27 feet above the flood stage. In January 1976, yet another flood, with waters at 17.8 feet above flood stage, struck Pottstown.

The costs of these floods have been truly staggering. Between 1972 and 1976, Pottstown lost approximately $25 million due to flooding. Flood damage in the last 5 years cost the commercial and industrial segments of the community $14 million; emergency cleanup cost another $4.75 million. Although the constant threat of flooding has prevented Pottstown from attracting new industry and keeping existing industry, flood restraints could easily transform this town into a vital industrial center.

The people who live along the Schuylkill River in Pottstown have made every effort at the local level to improve protection for their homes and businesses. It is time Congress does its part by helping these people to accomplish what they are unable to do by themselves.

Clearly, this community meets the criteria outlined in section 209 of the Flood Control Act of 1970 in that a flood control project would enhance regional economic development and improve the quality of the environment for those living in Pottstown and vicinity. The cost of this project—$3½ million—represents a sound investment which should restore the vitality of this community. Thus, for a relatively small cost we have an opportunity to eliminate the substantial costs of periodic flooding and the economic decline which this flooding induces.

I ask my distinguished colleagues on the Environment and Public Works Committee to give careful, expeditious consideration to this measure so that Pottstown can have an opportunity to revitalize its faltering economy.●

By Mr. DOMENICI (for himself, Mr. SCHMITT, and Mr. JAVITS):

S. 2363. A bill to authorize the establishment of the Georgia O'Keeffe National Historic Site, and for other purposes; to the Committee on Energy and National Resources.

● Mr. DOMENICI. Mr. President, one of the criteria for measuring the worth of areas proposed as units of the National Park System is the significance of the resource. The current management policies of the National Park Service describe significance for cultural resources as being, in part, "properties associated importantly with the lives of persons nationally significant in the history of the United States."

Mr. President, the Georgia O'Keeffe home and studio clearly possess such significance. One of the leading artists of the 20th century America, Georgia O'Keeffe has practices both abstraction and representation and has experimented with many of the variations in between. During the 60 years since her first exhibition in 1916, she has made significant contributions to the "art of our time." The buildings, their immediate surroundings, and the view they command of the Chama River Valley, all combine to provide dramatic insight into the physical environment of the artist.

The primary historical theme associated with the O'Keeffe home and studio is "The Contemplative Society," a theme only minimally represented in the National Park System. In addition, the subtheme "8b1-Painting" is wholly unrepresented. The addition of the O'Keeffe complex at Abiquiu would not only fill this void but would also complement Saint-Gaudens National Historical Site in Vermont.

The Abiquiu home, having been extensively restored by Miss O'Keeffe between 1946 and 1949, reflects her spirit and life style. Both the home and the studio possess a high degree of structural and associative integrity. The entire 3-acre complex was fashioned and has maintained to Miss O'Keeffe's exacting specifications. With its high adobe walls and thick hedges, the small plot is essentially an entity unto itself, a fact that greatly facilitates protection of the site.

The existing boundaries of the property appear to be adequate for the continuance of the site's integrity.

Georgia O'Keeffe, who is now 92 years of age, is an important and incomparable living American artist whose contributions in the field of art have been acclaimed throughout the world. In an effort to foster recognition of Miss O'Keeffe, the 95th Congress directed the National Park Service to study the feasibility of establishing a national historic site at Abiquiu, N. Mex., at the artist's home and studio. While her summer home at Ghost Ranch may be equally significant, it was not considered in the study in accordance with Miss O'Keeffe's wishes. Nor is it included in this bill.

In response to the congressional mandate, the present report describes and analyzes the resource in a regional and environmental context, including the significance of the resource, and it identifies management alternatives for the preservation and use of the resource. In addition, the report assesses the impact of each management option, including concepts for resource management and maintenance and operation costs.

The alternatives study was initiated in November 1978 immediately following enactment of the Department of the Interior's fiscal 1979 Appropriations Act which authorized the study. Consultation and coordination was an integral part of the study from the beginning, and continued throughout the planning process. Numerous agencies and individuals provided data or leads to information for the study, and the study alternatives were considered by me prior to the introduction of this legislation.

I chose the alternative in which the property would be preserved, developed, interpreted, and managed as a unit of the National Park System, and would automatically be listed on the National Register of Historic Places. This option offers the broadest possible protection for the site. The resource would be donated to the Federal Government, subject to a life estate. Some adaptive uses may be utilized.

Management and operation costs under this alternative would range from $160,000 the first year to approximately $170,000 the fifth year and each year thereafter.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve for the benefit and enjoyment of present and future generations significant properties associated with the life and cultural achievements of Georgia O'Keeffe, the Secretary of the Interior may acquire, by donation or purchase with donated or appropriated funds the site and structures comprising the home and studio situated at Abiquiu, New Mexico, and by donation or purchase with donated or appropriated funds not to exceed one acre of detached land for off-site support facilities which the Secretary of Interior deems necessary for the purposes of this Act, together with any improvements and furnishings which would be donated, subject to life estate.

SEC. 2. When the site, structures, and other properties authorized for acquisition under the first section of this Act have been transferred to the United States, the Secretary of the Interior shall establish the Georgia O'Keeffe National Historic Site by publication of notice thereof in the Federal Register.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.●

By Mr. DOMENICI:

S. 2364. A bill to establish the Langmuir National Research Area in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. DOMENICI. Mr. President, the legislation I introduced today will create a scientific preserve in the Magdalena Mountains near Socorro, N. Mex.

There is now a great deal of research work in the atmospheric and astronomical sciences carried out in New Mexico. This includes two national observatories, the Sacramento Peak Solar Observatory and the very large array of the National Radio Astronomy Observatory. Additionally, there are small optical observatories operated by the University of New Mexico, New Mexico State University, and New Mexico Tech. Both Tech and UNM have active atmospheric science programs—one of these, the Langmuir Laboratory, has been in operation for many years on South Baldy Mountain.

But this bill concerns more than just the protection and support of current research programs. New Mexico has a national resource of particular value to the astronomical sciences. South Baldy is part of that resource. Our State has several high mountains suitable as future sites for major astronomical facilities. Also, these sites hold the promise of remaining relatively free of light pollution from nearby towns. As you perhaps know, this is one of the major problems plaguing many of the Nation's observatories. With major new observing facilities now in the early stages of planning, we here in New Mexico offer a unique opportunity to major scientific efforts to make use of the impressive list of facilities here. Not only do such projects bring scientific talent to our State, but they add to our national scientific prestige.

Since the spring of 1978, researchers from the Langmuir Laboratory and members of the Wilderness Study Committee have explored a number of alternatives for the preserve. The proposal contains carefully worded provisions which meet both the needs of the scientists and the concerns of the conservationists. The scientific preserve will foster high altitude research, while protecting the natural qualities of the national forest lands.●

By Mr. SASSER:

S. 2365. A bill to authorize the construction of navigation improvements in the Mississippi River at Memphis, Tenn.; to the Committee on Environment and Public Works.

MEMPHIS HARBOR

● Mr. SASSER. Mr. President, today I am introducing a bill to authorize construction of certain navigation improvements at Memphis, Tenn.

My bill would authorize this project substantially along the lines of the recommendations made by the Mississippi River Commission in the commission report dated May 24, 1977.

Mr. President, maritime commerce has historically played a vital role in the economic growth of the Nation. River navigation has long been a key to the stimulus of commercial, agricultural, and industrial development in the region.

The Memphis area is generally recognized as a leading port on the inland waterway system. Indeed, Memphis is the golden gateway to the heartland of mid-America.

Presently, the Port of Memphis handles over 12 million tons of freight traffic each year. In 20 years projected tonnage will increase to 27 million tons and to 60 million tons by the year 2030. Existing facilities must be expanded to meet this projected increase in traffic.

Unless needed improvements are made, the Memphis Port will soon be placed at a competitive disadvantage with the other ports along the Mississippi. Continued growth of harbor based development will cease unless a new harbor channel is developed to serve waterfront lands.

The Mississippi River Commission recommended a project which consists of constructing a new channel into President's Island along with the strategic placement of dredged material to provide a landfill for waterfront development. The project, which the commission recommended almost 3 years ago, represents the optimum plan to achieve national economic benefits. It has a most favorable benefit to cost ratio of 3.5 to 1.

The project recommended by the commission is the most feasible approach for continuing the development of the Memphis area harbor. It is consistent with the hopes of local officials to expand additional waterfront access into the President's Island area.

The recommended project was approved by the commission only after all alternatives were considered in detail. It will not disrupt present trends and values and will not result in significant adverse environmental effects.

The bill I have introduced provides for realistic local financial contributions and local interests will provide approximately 50 percent of the project costs.

In summary, Mr. President, the additional harbor facilities at Memphis which have been recommended by the Mississippi River Commission should be completed. My bill authorizes the construction of this project. I hope this project can be included in the omnibus water resources legislation now being considered by the Congress.

The Memphis harbor project is a national resource. It will be an investment in a sound economic future for the region and the Nation.

I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2365

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Mississippi River and Tributaries Project authorized by the Flood Control Act of May 15, 1928, as amended, is further amended to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct navigation improvements at Memphis, Tennessee, substantially in accordance with the report of the Mississippi River Commission dated May 24, 1977, at an estimated Federal cost of $53,350,000. The Federal share of the cost of such navigation improvements shall include (1) the cost of construction of required fleeting areas (at no cost to local interests), (2) the cost of a 12 foot channel (which shall thereafter be maintained by the United States), (3) 50 percent of the cost of overdepth dredging required to provide the full 1,000 acre landfill addition, and (4) 50 percent of the cost allocated to land enhancement. The State of Tennessee shall not be required to make any contribution, in addition to local contributions, toward the cost of such navigation improvements.●

By Mr. HUDDLESTON (for himself and Mr. HEINZ):

S. 2366. A bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs; to the Committee on Governmental Affairs.

● Mr. HUDDLESTON. Mr. President, I am introducing a bill today with Senator HEINZ as cosponsor, which will prevent a gross constitutional inequity by the U.S. Bureau of the Census. The Bureau intends to make a concerted effort to include all illegal aliens in the United States in the 1980 census. The impact of this will be twofold. First, it will distort the reapportionment base and result in some States receiving more congressional Representatives than they would be entitled to, absent the large illegal alien population. Since the number of Representatives is now fixed at 435, other States will lose Representatives they would otherwise retain. Second, approximately $50 billion in Federal funds are distributed partially or completely on the basis of population figures. The concentration of illegal aliens in a few States will channel limited Federal funds away from States with few illegal aliens.

From all indications, the 1980 census will be the most thorough count of people in the United States ever undertaken. As part of this effort to count everyone, the Census Bureau intends to make a special effort to count illegal aliens. The Bureau has undertaken substantial advertising and public relations campaigns to encourage illegal aliens to cooperate in the 1980 census. Illegal aliens are, in effect, being promised temporary immunity from our immigration laws and are being coached on the benefits that will accrue to their communities in the form of Federal funds if they come forward to be counted. In cooperation with this effort, the Immigration and Naturalization Service has supended searches of residential neighborhoods with known concentrations of illegal aliens so that they will not be frightened off when the census takers arrive. Government moneys have been spent for the placement of newspaper ads and TV spots directed toward educating illegal aliens on the 1980 census and the importance of their response to it.

The Bureau bases its decision to count illegal aliens upon an extremely narrow interpretation of the Constitution. Basically, the Bureau argues that article 1, section 2 of the Constitution requires that the Bureau count the "whole number of persons" in the States for the purposes of determining representation. Unfortunately, this interpretation does not correspond to the intent of the article. The Supreme Court, in its series of "one person-one vote" decisions, has clearly defined the purpose and intent of the article.

In the case of *Gray* v. *Sanders,* 372 U.S. 368 (1963) the court held that—

> The concept of "we the people" under the Constitution visualizes no preferred classes of voters but equality among those who meet the basic qualifications.

In later cases the court refined the principle and in the case of *Wesberry* v. *Sanders,* 376 U.S. 1 (1964), found that—

> Construed in its historical context, the command of Article 1, Section 2, that Representatives be chosen "by the People of the several States" means that as nearly as is practicable one man's vote in a congressional election is to be worth as much as another's.

The Court later summarized the "one person-one vote" principle in *Whitcomb* v. *Chavis,* 403 U.S. 124 (1971):

> The (reapportionment) line of cases . . . recognizes that "representative government is in essence self-government through the medium of elected representatives of the people, and each and every citizen has an inalienable right to full and effective participation in the political bodies." . . . Since most citizens find it possible to participate only as qualified voters in electing their representatives, "full and effective participation by all citizens in state government requires, therefore, that each citizen have an equally effective voice in the election of members of his state legislature." . . . Hence, apportionment schemes "which give the same number of representatives to unequal numbers of constituents," . . . unconstitutionally dilutes the value of the votes in the larger district.

If the Bureau proceeds with its plans to include millions of individuals in the 1980 census who have no legal right to be in the United States, we will be authorizing apportionment schemes which give the same number of representatives to unequal numbers of constituents. In effect, constituents in the States with large concentrations of illegal aliens will have more representatives in Congress than a similar number of constituents in other States with few illegal aliens.

There is no constitutional requirement that illegal aliens be counted in the census. The concept of "illegal alien" did not exist at the time the Constitution was written. The doors of the United States were completely open to anyone who wanted to immigrate during the first 150 years of our existence as a nation. It was not until 1875 that the United States first adopted a statute which specifically excluded certain classes of people from immigrating. Thus, it was only since 1875 that an individual could have been an "illegal alien."

Further, the concept of not including illegal aliens in the reapportionment base corresponds perfectly with the longstanding policy of the Bureau not to include foreign tourists, diplomatic personnel, of foreign students. If we were to carry the argument of the Bureau that it should count everyone in the United States to its logical extreme, an invading foreign army which happened to be occupying a portion of the United States on April 1, 1980 would have to be counted for reapportionment purposes.

Over 100 Federal assistance programs are funded completely or partially on the basis of census figures. If we count the millions of illegal aliens, the citizens of some States will receive a windfall in benefits at the expense of qualified recipients in States having few illegal aliens. Numerous Federal programs now contain prohibitions against using Federal funds to assist individuals who are not legal residents. If illegals are used to increase the amount of funds a State may be entitled to but the benefits are not distributed to them, the other residents will receive more than their fair share. Since we are dealing with limited resources, this means that needy citizens and legal residents will suffer in other States. However, if illegals manage to somehow participate in these Federal assistance programs, additional citizens and legal residents will lose benefits as a result. Given the fact that there is strong evidence from the IRS that many illegal aliens are avoiding paying taxes, they would then be given a free ride at the expense of the overburdened American taxpayer.

Congress has full authority to distinguish among aliens, including illegal ones, in the granting of Federal benefits. In the case of *Mathew* v. *Diaz,* 426 U.S. 67 1976) the court stated that:

> The fact that Congress has provided some welfare benefits for citizens does not require it to provide like benefits for *all aliens.* Neither the overnight visitor, the unfriendly agent of a hostile foreign power, the resident diplomat, nor the illegal entrant, can ad-

> vance even a colorable constitutional claim to a share in the country that a conscientious sovereign makes available to its own citizens and some of its guests.

There is no doubt that the escalating flow of illegal aliens is reaching crisis proportions. Reliable estimates place the number of illegal aliens in the United States at somewhere between 6 to 12 million. The Border Patrol apprehended over 1 million illegal entrants last year and reliable sources within the Patrol estimate that for every illegal alien caught, two or three slipped through.

Even though we do not know exactly how many illegal aliens are in the United States, we do know that small differences in the apportionment populations can alter the number of congressional seats given to a State. For example, a difference of only 250 persons in 1970 apportionment populations of Oregon caused the residents there to lose one congressional seat.

We have known for a long time that the massive number of illegal aliens are robbing our unemployed of millions of jobs. Secretary of Labor Ray Marshall stated in a recent interview that our high unemployment rate could be reduced to below 4 percent if the flow of illegal aliens were curtailed. However, if the Bureau of the Census succeeds in its plan to count and include illegal aliens in the 1980 census, illegal aliens will also rob millions of American citizens of the right to equal governmental representation and their right to a fair share of Federal assistance funds. This will have the effect of institutionalizing the unimpeded flow of millions of illegal aliens into the United States and will compound the already substantial economic and social costs attributable to this mass migration.

The full impact of this self-destructive cycle we are engaged in can be seen in the Department of Justice's argument that States have the authority to give illegal aliens the right to vote. This is not as farfetched as it may seem if you consider that the result of the census as now proposed will be to give illegal aliens representation within Congress.

I believe that the Bureau of the Census has the ability to resolve this issue by excluding illegal aliens from the reapportionment base and the population base for distributing Federal funds. The Bureau can accomplish this in one of two different ways. First, it could use whatever methodologies it chooses to assure that illegal aliens are not only counted but that they are identified as such in order to deduct them from the base figures. My bill would give them complete freedom to decide how this can be done. Acting Director of the Bureau of the Census Robert L. Hagan wrote to me on May 4, 1979, about the difficulties of developing a methodology to count illegal aliens. However, in this letter he stated:

> The results of the research already completed, in progress, or now planned, considered in combination should permit the development of some useful estimates of illegal alien residents. . . . Although the resulting estimates would probably not be definitive, practical bounds of error should be available.

In other words, the Acting Director of the Bureau believed almost a year ago that the Bureau could develop a methodology for counting illegal aliens which would be statistically sound. Admittedly, it would not provide a means for assuring a completely accurate head count. However, the census itself is merely an estimate of our population. It will not be a perfect head count as we are asked to believe. Adjustments have been made in past censuses and will also have to be made in the one this year.

If it is clearly proven that there is no possible way to count illegal aliens before the reapportionment base is finalized, then the Bureau could take immediate action to assure that illegal aliens do not participate in the census. This could be accomplished by reversing the highly promoted and publicized efforts to assure illegals that they should participate in the census. Discouraging illegals from coming forward would reduce the gross distortion that would otherwise result.

The most useful and beneficial procedure that could be followed would be a serious effort to actually count illegal aliens. For too long we have hidden our unwillingness to tackle the illegal alien issue behind the excuse that we do not know how serious the problem is. Last year the House Select Population Committee called for such a count. Now is the time to make that determination.

Many experts believe that it can be done and even the Bureau has stated in writing that it can be accomplished within "practical bounds of error."

A lawsuit was filed against the U.S. Bureau of the Census on this issue by the Federation for American Immigration Reform. I am an original coplaintiff in this suit which now has 26 coplaintiffs, most of whom are Members of Congress. One State has petitioned to file an amicus curiae brief and seven other States have indicated a willingness to take similar action. This action was taken in the belief that the courts could settle this issue rapidly due to the fast approaching census deadline.

On February 26 the district court handed down a decision dismissing the suit for lack of standing by the plaintiffs. The decision was not on the merits of the suit. As the court pointed out, "standing is a complex issue, embodying both constitutional and prudential limitations on the exercise of the power of the Federal court."

The question of standing is not only extremely complex, but is also highly technical in nature. There have been instances where a plaintiff had the merits on his or her side but could not get over the difficult hurdle of "standing." In essence, it requires that there be concrete personal injury suffered by the parties seeking relief and that the relief they request benefit them personally.

Although the court virtually conceded that there will be some effect on apportionment by the inclusion of illegal aliens in the apportionment base, it was unable to determine which citizens would be damaged and how much they would be damaged. In effect, the court placed the plaintiffs in a "Catch 22" position. A favorable ruling by the court would have required the Bureau to obtain solid information on the number and distribution of illegal aliens, thereby demonstrating concrete injury. However, because we don't have this information now, the plaintiffs lack standing to correct that injury.

The court did suggest a way out of this dilemma by stating that Congress has the authority to solve these issues. The court said that:

> Congress may request figures on illegal aliens at any time, and the bureau would then be obliged to use its best efforts to develop accurate figures. We note that the individual plaintiffs who include members of Congress are not without political power and legislative authority; a large number of states and congressional districts are potentially adversely affected by the inclusion of illegal aliens in the apportionment bases. The individual legislators thus have a ready-made forum in which to express their views and seek resolution of the issues involved in this suit.

Therefore, in compliance with the court's assertion that Congress has the authority to solve the issues involved in this suit, I am today introducing corrective legislation. My bill would require the Secretary of Commerce to adjust the total population figures so that illegal aliens would not be counted in tabulating population for reapportionment purposes or for distributing Federal funds. The Secretary would be given complete freedom to use such methods and procedures as he determines appropriate to accomplish this.

Mr. President, the basic underpinning of our system of government is a compromise which assured fair and equal representation for the citizens of all States. If we permit the presence of millions of illegal aliens to distort this system by malapportioning congressional representatives, it will be a major blow to our democratic form of government. Where there are now a few States trying to deal with the problem by discouraging the influx of illegals, it will be to their political benefit to either permit or encourage their entry. This will produce a substratum of second class citizens who are exploited for both political and economic reasons. I do not believe that this was the intent of the constitutional framers and I am confident that my colleagues will agree.

I had the Library of Congress do a series of computations projecting congressional apportionment figures, given various assumptions about the number and location of illegal aliens. It should be noted that these were assumptions which I supplied. The final reapportionment figures could vary since we do not have definite information on the numbers or distribution of illegal aliens in the United States.

One of the assumptions was that illegal aliens number 8 million and are distributed among the States the same as legal aliens. Under this assumption, Indiana, Kansas, Iowa, Mississippi, North Carolina, Ohio, Oklahoma, South Carolina, West Virginia, and Pennsylvania would lose congressional representation they probably would otherwise retain if illegal aliens were not counted. Needless to say, other States would pick up these lost representative seats. Of course the number of illegal aliens could be larger, in which case the resulting number of lost seats would be larger and affect more States.

I ask unanimous consent that a summary of these computations be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

A. Reapportionment Gains or Losses Without Counting Illegal Aliens.—

These are U.S. Census Bureau projections based upon their computation of the U.S. population in 1978. This projection serves as the base line to which numbers of illegal aliens were added.

B. Illegal Aliens Distributed the Same as Legal Resident Aliens.—

These projections assume six different population levels of illegal aliens between three and 12 million. They assume that the distribution of illegal aliens is the same as the distribution of legal resident aliens in this country, based upon Immigration and Naturalization Service information.

C. Illegal Aliens Distributed in Four States.—

This projection assumes a distribution of all significant numbers of illegal aliens in the four states with recognized large illegal alien populations. These states are California (1,000,000 estimated illegal aliens), Illinois (500,000 estimated), New York (500,000 estimated) and Texas (750,000 estimated). The distribution in other states is assumed to be either balanced or insignificant for purposes of apportionment. This projection assumes the smallest number of illegal aliens.

NUMBERS OF SEATS ADDED OR LOST WITH VARIOUS ILLEGAL ALIEN POPULATIONS

[In millions]

State	Present	(A) Without illegal aliens	(B) Distribution the same as legal aliens						(C) Distribution in 4 States (California, Illinois, New York, Texas)
			3	4.3	6	8	10	12	2.75
Alabama	7							−1	
Alaska	1								
Arizona	4	+1	+1	+1	+1	+1	+1	+1	+1
Arkansas	4								
California	43	+2	+2	+4	+5	+8	+10	+13	+3
Colorado	5								
Connecticut	6							+1	
Delaware	1								
Florida	15	+2	+2	+3	+3	+4	+4	+5	+2
Georgia	10						−1	−1	
Hiawaii	2							+1	
Idaho	2								
Illinois	29	−2	−2	−1	−2	−1	−1	−1	−1
Indiana	11			−1	−1	−1	−1	−1	
Iowa	6					−1	−1	−1	
Kansas	5				−1	−1	−1	−1	
Kentucky	7						−1	−1	
Louisiana	8						−1	−1	
Maine	2								
Maryland	8								
Massachusetts	12								−1
Michigan	19	−1	−1	−1	−1	−1	−1	−1	−1
Minnesota	8						−1	−1	
Mississippi	5					−1	−1	−1	
Missouri	10			−1	−1	−1	−1	−1	
Montana	2								
Nebraska	3								
Nevada	1								
New Hampshire	2								
New Jersey	15					+1	+1	+1	−1
New Mexico	2								
New York	39	−4	−3	−3	−2	−1	+1	+2	−3
North Carolina	11					−1	−1	−1	
North Dakota	1								
Ohio	23	−2	−2	−2	−2	−3	−3	−4	−2
Oklahoma	6					−1	−1	−1	
Oregon	4	+1	+1	+1	+1	+1	+1	+1	+1
Pennsylvania	25	−1	−2	−2	−2	−3	−3	−4	−2
Rhode Island	2								
South Carolina	6					−1	−1	−1	
South Dakota	2	−1	−1	−1	−1	−1	−1	−1	−1
Tennessee	8	+1	+1						+1
Texas	24	+2	+2	+2	+2	+3	+3	+3	+3
Utah	2	+1	+1	+1	+1	+1	+1		+1
Vermont	1								
Virginia	10							−1	
Washington	7	+1	+1						
West Virginia	4					−1	−1	−1	
Wisconsin	9							−1	
Wyoming	1								

●

By Mr. DECONCINI:

S. 2368. A bill to authorize the Secretary of the Interior to engage in a feasibility study of a solar-hydro integration investigation in Arizona and Nevada; to the Committee on Energy and Natural Resources.

Mr. DECONCINI. Mr. President, I am pleased to introduce today legislation which will authorize a feasibility grade study of the integration of solar and hydroelectric power in the lower Colorado River basin.

The Department of Energy and the Water and Power Resources Service have jointly funded a preliminary assessment to determine to what extent solar thermal electric plants could augment existing WPRS hydroelectric facilities. This approach is similar to the wind power investigation conducted jointly by two agencies.

The initial findings are quite encouraging. It has been determined that the hydro facilities under consideration could support at least 750 MWe of solar electric facilities. The specific recommendation for further study involves the technical and economic viability of integrating a 100 MWe solar thermal powerplant into the Federal southwest grid system.

The proposed 3 year study would focus on: Site selection; power system integration; hydrology integration; solar powerplant performance, and solar power-plant economics.

The estimated cost of the total study is $2,000,000.

The conceptualized powerplant is an advanced central receiver system. This type of system uses a central tower receiver surrounded by a field of heliostats. The heat created from the reflected solar energy is used to produce steam which is then used to drive a conventional steam turbine to generate electrical energy. The solar energy receiver would have a capacity of 140 MWe along with the conventional steam turbine generator to allow marketing of energy at 100 MWe. Annual production would be about 350,000 MWh of electricity.

Mr. President, during the preliminary study, the two agencies considered over 60 possible sites in three States. All of these sites were in the southwestern climatic region of the United States where solar energy availability is the greatest on an annual mean daily basis.

This area also includes the hydroelectric system of Hoover, Davis, and Parker Dams, which has the potential for energy storage needed to successfully use solar energy systems. The two most likely sites are Mormon Mesa, near Las Vegas, Nev., and Yuma, Ariz.

The performance of a solar powerplant is coupled with local meteorological events. Typically, there are only 700 hours of cloudy weather during the year at Yuma. Most of the cloudy periods correspond to the winter months when peak loads at Hoover Dam are minimal. During the test year of 1978, the downtime from cloudy days would not have exceeded 2 consecutive days.

Mr. President, there are three major considerations that must be the basis of any project involving the hydroelectric system:

The requirements of the downstream water users cannot be modified;

The operation of reservoirs cannot be modified to exceed legal or environmental specified limits; and

The hydroelectric system must be able to provide the back-up required to firm the intermittent solar power generation.

The integration of a powerplant into a hydro system allows using the water control capability as a "battery." When excess solar power is generated, water is stored in the hydro system, and when cloudy days occur, the excess water is released to make up the deficiency. Integration of a 10 MW solar powerplant into the hydroelectric grid would not change the water releases that are required to meet the needs of water users in downstream areas. The hydrologic impacts of integration would be increased fluctuations in the levels of Lake Mead and Lake Mohave. The fluctuations could require a maximum of 10 inches of additional drawdown in Lake Mohave which fluctuates about 15 feet annually.

The operation of Hoover Dam would be modified to act as a "battery" to store water during brief periods when solar energy production is above 100 MW and release water to produce hydroenergy during cloudy and below average solar generation. The effects of integration on present and future operations of power users and the benefits derived by producing power from the solar powerplant will be carefully evaluated.

The proposed plan of study indicates that outside agencies will be included on the study planning team to cover the environmental aspects of siting a solar powerplant. Also, close coordination will be maintained with utility companies and other interested parties within the area through public involvement programs. The WPRS has been informed, on an informal basis, that DOE/solar thermal will support any project by providing technical assistance from a lead laboratory and by training WPRS personnel as necessary to effectively determine and manage the design, construction, and operation of solar plants.

Mr. President, the Department of Energy solar thermal projects, which I support, are directed at commercialization through non-Federal users. The proposed integration of solar and hydro powerplants will not hinder that effort, and should, in fact, accelerate commercialization. The anticipated decrease in installment costs of future powerplants will result mainly from the mass production of heliostats.

Mr. President, the domestic production of energy has become the most important issue in the United States today—and it will be tomorrow, and it will still be in the years to come. The frightening cost projections, resulting from uncertain energy resources, demand an advance in large-scale solar applications. In the area of the United States that has the greatest potential for solar energy, the lower Colorado area, over half of the power generated is fueled by gas and oil: an incredible 51.2 percent.

Mr. President, my only regret is that this study will take up to 3 years. I wish we had made a greater effort in the past, but our only choice now is to go forward as expeditiously as possible.

I urge early consideration of this bill by the committee and its speedy enactment by the Senate.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to conduct a feasibility study of a Solar/Hydro Integration Investigation in Arizona and Nevada.

Sec. 2. There is authorized to be appropriated such sum as may be necessary to carry out the provisions of this Act.

By Mr. HEINZ (for himself, Mr. Robert C. Byrd, Mr. Randolph, and Mr. Schweiker):

S. 2369. A bill to authorize construction of certain locks on the Monongahela River, Pennsylvania, and for other purposes; to the Committee on Environment and Public Works.

MONONGAHELA RIVER WATERWAYS IMPROVEMENT ACT OF 1980

Mr. HEINZ. Mr. President, I rise today to introduce legislation essential to the continued economic vitality of Pennsylvania, West Virginia, Ohio, and surrounding States and to attainment of national energy goals including increased coal utilization and synthetic fuels development. Joining me in introducing this bill, the Monongahela River Waterways Improvement Act, are my distinguished colleagues, the Senators from West Virginia (Mr. Robert C. Byrd and Mr. Jennings Randolph) and also my colleague from Pennsylvania (Mr. Schweiker). Let me say, because they are here on the floor, that I am deeply grateful for their support.

It is our hope that our distinguished colleagues on the Water Resources Subcommittee of the Environment and Public Works Committee will include the improvements authorized by this legislation as part of S. 703, the omnibus water projects authorization bill.

Specifically, this legislation would authorize replacement of the aging and undersized lock and dam Nos. 7 and 8 on the Monongahela River in Pennsylvania with facilities adequate to meet existing and projected navigation needs. As you may know, the Monongahela River is a vital link in the Ohio River navigation system upon which the economies of Pennsylvania, West Virginia, Ohio, Kentucky, Virginia, and other States are vitally dependent for the transport of coal for use in the electric power and steel industries, other raw materials, and finished products.

The facilities at lock and dam Nos. 7 and 8 are the oldest and most undersized on the entire Ohio River navigation system. Their replacement with facilities adequate to meet existing and projected navigation needs is essential to the continued economic vitality of the entire region. Of the traffic on the Monongahela River, 99 percent is coal used in either steel production or electric power generation.

Thus, slowdowns and breakdowns in these lock structures affect the steel mills and electric power installations upon which thousands of jobs and the economic vitality of communities in the river valley directly depend. More than 100 communities in the area have steel as their economic base; in addition to those in the steel industry, there are over 12,000 jobs in companies whose existence depend upon the rivers for transportation of raw materials and finished products.

Currently, 5.7 million tons of coal from Ohio, Kentucky, and southwest Virginia are transported on the Monongahela River each year. Similarly, the river carries 5.5 million tons of West Virginia coal annually. River transport is a particularly efficient means of transport because to carry 8 million tons of coal requires 666 barges; by contrast, an equivalent amount carried by rail requires 79.000 cars and, by highway, 319,680 trucks.

Replacement of lock and dam Nos. 7 and 8 is necessary because these facilities are increasingly costly to repair or rebuild, inefficient for present waterway traffic, and inadequate for future commerce. Built in 1925, lock and dam Nos. 7 and 8 are increasingly subject to breakdowns and maintenance problems, thus resulting in costly delays along the Monongahela and Ohio River navigation systems.

In contrast, nearby locks and dams in Ohio and West Virginia are of relatively recent construction. For example, along the Ohio River in Ohio the lock at New Cumberland was constructed in 1959, Pike Island in 1963, and Hannibal in 1972. Similarly, on the Monongahela River in West Virginia the lock at Morgantown was constructed in 1950, Hildebrand in 1960, and Opekiska in 1964. The efficiency of the entire navigation system is impaired by these aging and obsolete structures in Pennsylvania.

Replacement of lock and dam Nos. 7 and 8 with larger structures is also necessary because the current facilities are strained to the limits of their economic and physical capacities. Freight traffic through these locks has increased from 627,000 tons in 1925 when they were opened to 8 million tons in 1968, and is projected to be over 14 million tons in 1990—existing capacity: 15 million tons. In fact, replacement of lock and dam Nos. 7 and 8 was part of an overall improvement plan for the Monongahela River. During the 1950's and 1960's, some $80 million was spent to modernize three facilities above these locks and dams—Morgantown, Hildebrand, and Opekiska—and one below, at Maxwell. Despite this expenditure of $80 million, the flow of traffic on the Monongahela has not improved—because of the bottleneck in the middle caused by the aging and inadequately sized structures of Nos. 7 and 8.

Finally, replacement of lock and dam Nos. 7 and 8 is vital to meet projected navigation needs. Traffic on the waterways over and above the 14 million tons projected by 1990 can be expected to increase dramatically as coal mining increases and synthetic fuels development proceeds as part of the national program of energy independence. In fact, the SRC-2 (solvent refined coal) liquefaction plant is now slated for the Monongahela River in West Virginia. This facility alone will use an estimated 11 million tons of coal per year, at least half of which is projected to arrive by barge. Again, this volume is not included in the corps traffic projections.

Authorizing these projects would allow the Corps of Engineers to proceed with advanced design work, economic analysis, and environmental impact analysis for these projects. Both replacement projects would still be subject to the scrutiny of the appropriations process. Providing the necessary congressional authorization this year would allow completion of these projects, assuming funds were appropriated, in 1989 at the earliest. It is important to note that Congress previously appropriated funds for these projects in 1975, 1976, and 1977, before work was suspended as a result of a Federal court opinion rendered in litigation concerning lock No. 26 on the Mississippi River.

In short, these transportation improvement projects—estimated to cost roughly $135 million—are essential for regional economic development and national energy independence. I ask that their consideration be expedited and that they be included in S. 703, the omnibus water projects authorization bill.

ADDITIONAL COSPONSORS

S. 425

At the request of Mr. WILLIAMS, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 425, a bill to end the use of steel-jaw, leghold traps.

S. 1038

At the request of Mr. BAUCUS, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 1038, a bill to require that imported meat and meat food products made in whole or in part of imported meat must be subjected to certain tests and that such meat or products be labeled "imported" at all stages of distribution until delivery to the final consumer; to require that the cost of conducting such tests, and the cost of conducting certain inspections and identification procedures on imported meat and meat food products, be borne by the exporters of such articles; to require certain eating establishments, which serve imported meat, to inform customers of that fact; and for other purposes.

S. 1444

At the request of Mr. BAUCUS, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 1444, a bill to amend the Internal Revenue Code of 1954 and title 28 of the United States Code to provide for the award of reasonable court costs, including attorney's fees, to prevailing parties in civil tax actions, and for other purposes.

S. 1705

At the request of Mr. PACKWOOD, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1705, a bill to amend the Internal Revenue Code of 1954 with respect to the deduction of charitable contributions to organizations from which the taxpayer or a member of his family receives services.

S. 1725

At the request of Mr. JAVITS, his name was added as a cosponsor of S. 1725, a bill to amend the Economic Opportunity Act of 1964 to establish a Comprehensive Energy Conservation Services Program designed to enable low-income and near-poor individuals and families to participate in energy assistance programs.

At the request of Mr. NELSON, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 1725, supra.

S. 1867

At the request of Mr. DURENBERGER, the Senator from Maryland (Mr. MATHIAS) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1867, a bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business.

S. 1981

At the request of Mr. DECONCINI, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1981, a bill to improve judicial machinery by amending the jurisdiction and venue requirements and damage provisions in all suits involving the False Claims Act, and for other purposes.

S. 2064

At the request of Mr. WILLIAMS, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 2064, a bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on certain mortgage revenue bonds will not be exempt from Federal income tax.

S. 2080

At the request of Mr. RANDOLPH, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 2080, a bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Services in the General Services Administration, and for other purposes.

S. 2177

At the request of Mr. WILLIAMS, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 2177, a bill to amend the mortgage amount, sales price and interest rate limitations under the Government National Mortgage Association emergency purchase assistance authority, and for other purposes.

S. 2247

At the request of Mr. MCCLURE, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 2247, a bill entitled "Small and Rural Laboratory Protection Act".

S. 2257

At the request of Mr. HEINZ, the Senator from New Mexico (Mr. DOMENICI), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 2257, a bill authorizing continuing appropriations for the Lithuania legation.

S. 2270

At the request of Mr. DOMENICI, the Senator from Hawaii (Mr. INOUYE), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 2270, a bill to reorganize, simplify, deregulate, and consolidate certain elementary and secondary education programs in order to provide improved State and local administration of the programs, and for other purposes.

SENATE JOINT RESOLUTION 123

At the request of Mr. HEINZ, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Joint Resolution 123, a joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with the first Sunday in June of each year as "National Garden Week."

SENATE JOINT RESOLUTION 136

At the request of Mr. SASSER, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of Senate Joint Resolution 136, a joint resolution to designate the month of March 1980 as Gospel Music Month.

AMENDMENTS SUBMITTED FOR PRINTING

DOMESTIC VIOLENCE PREVENTION AND SERVICES ACT—S. 1843

AMENDMENT NO. 1678

(Ordered to be printed and referred to the Committee on Labor and Human Resources.)

Mr. DURENBERGER submitted an amendment intended to be proposed by him to S. 1843, a bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and provide immediate shelter and other assistance to victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

NATIONAL COMMISSION ON VOLUNTEERISM

Mr. DURENBERGER. Mr. President, today I am submitting an amendment to S. 1843, the Domestic Violence Act, to establish a National Commission on Volunteerism. This amendment is similar in concept to the amendment I proposed to the Action authorization bill last summer. That bill was passed by the Senate, but did not survive a House-Senate conference. In the 6 or 7 months since I first proposed a National Commission on Volunteerism, I have become more firmly convinced that such a Commission is necessary if we are to have a balanced, healthy partnership between Government and nonprofit organizations of volunteers.

Volunteers and volunteer organizations have helped make our Nation great. This country was built by individuals and groups who took time from their personal endeavors to contribute to others, in a variety of ways: counseling wayward youth, delivering meals to housebound elderly persons, rehabilitating the disabled and the handicapped, giving aid during times of disaster, and monitoring governmental programs to insure that the public interest was being met. These few examples illustrate the diversity of needs met by volunteers.

It is important—to Government and to volunteer organizations—that this rich heritage of giving and volunteering be continued. As we all know well, the Federal Government, and State and local governments spend billions of dollars each year providing social services. There is no way that volunteer organizations could give the same services on such a massive scale. But volunteer organizations supplement these Government programs through their own initiatives, and when the services are provided by volunteer groups, the attention is more individualized, the care more sensitive, the approach more innovative. There are many programs and services which the Government should not be involved in, and volunteer organizations have been supporting these needs for quite some time. We should encourage them to continue to do so.

I proposed a National Commission on Volunteerism because today, the volunteer sector is facing enormous challenges.

Inflation is eating away the extra resources individuals can devote to volunteering; inflation and the decision of an increasing number of women to pursue careers outside the home are eroding the volunteer pool of many traditionally female organizations; the aging of our population has increased the number of older persons who are recipients of many volunteer services; the aging of the population, and the preference for earlier retirement have meant that there are more older adults with free time on their hands. All of these factors and more are influencing the ability and willingness of individuals to volunteer.

Unfortunately, the volunteer organizations and we in Government do not understand how these trends will influence volunteering. We do not have a picture of what volunteering will be like 10 years from now, because the studies have not been undertaken, the facts have not been compiled, and the conclusions have not been drawn. We know that one out of every four Americans considers him or herself a volunteer. We know how much money is contributed to charities. We do not know who will be volunteering 10 years from now, or what type of volunteer work they will be doing. It is important that these issues be addressed, so the volunteer organizations can respond to them, and so that the Government can develop an appropriate response as well.

The National Commission on Volunteerism outlined in my bill will be composed of 25 persons appointed by the President, who represents a cross-section of volunteer organizations, business, organized labor and Government. Over a 2-year span, the National Commission will study the influence of pertinent socioeconomic trends on the future of volunteering, and recommend appropriate actions for the Federal Government and for the States. The first 18 months of its 24-month life will be spent on research and in developing a picture of the factors volunteer organizations will be contending with over the next 10 years. I envision that this research will be undertaken in consultation with the organizations to be served. This consultation should come about naturally, because the Commission itself will be comprised primarily of persons who represent volunteer organizations. But to insure the dialog with a board of volunteer organizations, the Commission will hold a series of public hearings. These hearings will permit all interested persons and representatives of organizations an opportunity to review the progress of the Commission and help shape its continued work.

The great potential pitfall for all commissions is that their fine research will not be read or acted upon. I believe the work of the National Commission on Volunteerism will be far too important to go unnoticed. Both the governmental sector—State and local, as well as Federal—and the volunteer sector have too great a stake in the future of volunteering to let the work of this Commission be shelved and forgotten. Therefore, during the second phase of its operations, the Commission will hold a series of public hearings throughout the country. At these meetings, which might be cosponsored by volunteer organizations and/or State and local governments, all interested members of the public will have an opportunity to review the Commission's report, to comment on its recommendations for future action, and to revise them. The final product of the Commission will be a report that has been widely disseminated and discussed by volunteer organizations, other interested members of the public and Government officials at all levels. Perhaps more important than the report will be a series of recommendations for Federal Government action, and where appropriate, for State action. These recommendations, as I envision them, will be for ways governments at the Federal and State levels can supplement and assist volunteer organizations in carrying out their goals.

The National Commission on Volunteerism will be future oriented. Its goal will be to strengthen the organizations of individual volunteers so that in the years ahead the volunteer sector can continue in its rich tradition of giving service. The goal is not to unearth new ways to regulate or to undermine innovation by having the Government assume responsibility for more programs. Volunteer organizations are fully capable of holding themselves accountable and of delivering services. Government and volunteer organizations have worked well together in the past; the future of both sectors depends on strengthening that partnership. It is appropriate, as we enter a new decade to take a hard look at ways to achieve a better public-nonprofit partnership. The decade of the 1980's promises to offer new challenges to the old ways of defining problems and work ing out solutions. Government and volunteer organizations, together, will have responsibilities for facing these challenges and formulating innovative solutions which each sector can pursue in a spirit of cooperation, but not interference.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ANTITRUST, MONOPOLY AND BUSINESS RIGHTS AND THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. METZENBAUM. Mr. President, the Subcommittee on Antitrust, Monopoly and Business Rights and the Senate Select Committee on Small Business will hold a joint hearing on S. 2251, the Gasohol Competition Act. The hearing will begin at 2 p.m. on Wednesday, March 5, 1980, in room 2228 of the Dirksen Senate Office Building.

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, the hearings previously scheduled for April 15 and April 17 by the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources on the Department of Energy budget authorization requests are being rescheduled as follows:

On April 15 the proposed authorizations for the Federal Energy Regulatory Commission and for the Office of Hearings and Appeals will be reviewed. This hearing will commence at 10 a.m. in room 6226 of the Dirksen Senate Office Building.

On April 17 the subcommittee will receive testimony on the proposed authorization for the Economic Regulatory Administration and the Energy Information Administration. This hearing will begin at 10 a.m. in room 5110 of the Dirksen Senate Office Building.

Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

● Mr. SASSER. Mr. President, as chairman of the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs, I would like to announce 4 days of hearings for March.

On March 11, 1980, a morning and afternoon session will be held jointly with the Senate Budget Committee to examine the intergovernmental fiscal aid section of the Carter administration's fiscal year 1981 budget proposal and the administration's youth employment initiative, respectively. Another joint hearing will occur on the morning of March 12 to examine the impact of tax and expenditure limitations on State and local governments. All three sessions will take place in room 6202 of the Dirksen Building. The morning sessions will commence at 9:30 a.m. while the afternoon session will commence at 1:30 p.m.

In addition, we will hold 2 days of oversight hearings on the general revenue sharing program on March 20, and March 25, at 9:30 a.m. in room 3302 of the Dirksen Building.

For further information on the March 11 and 12 hearings, contact Paul Clark at (202) 224–0848.

For further information on the March 20 and 26 hearings, contact John Callahan or Andrew Conlin at (202) 224–4718.●

SUBCOMMITTEE ON FOREIGN AGRICULTURAL AFFAIRS

● Mr. WILLIAMS. Mr. President, the Subcommittee on Housing and Urban Affairs, which I chair, will hold a hearing on Thursday, March 6, 1980, at 9:30 a.m. in room 5302 Dirksen Senate Office Building. The hearing will concern reauthorization of the Federal public transportation program, and proposed revisions to the Urban Mass Transportation Act of 1964.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, the hearing which the Committee on Energy and Natural Resources had scheduled for 10 a.m. Friday, February 29, on the recent study of the National Academy of Sciences, entitled "Energy in Transition: 1985–2010," is being rescheduled for 10 a.m., Friday, April 18, 1980, in room 3110 of the Dirksen Senate Office Building. Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the committee staff at 224–9894.●

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

● Mr. STONE. Mr. President, the announcement which I made on February 26, regarding the date of the Foreign Agricultural Policy Subcommittee hearing on Public Law 480 and the displaced commodities as a result of the Soviet grain embargo, has been changed.

The subcommittee hearing will now be held on Tuesday, March 4, 1980, at 9:30 a.m. in room 324 Russell Senate Office Building. I expect witnesses from the U.S. Department of Agriculture, the Department of State, and the Agency for International Development.●

AUTHORITY FOR COMMITTEE TO MEET

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BAYH. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate today to hold a hearing on S. 2223, a bill to permit any Indian to transfer by will restricted lands to his or her heirs or lineal descendants, and to mark up pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

Mr. BAYH. Mr. President, I ask unanimous consent that the Energy Conservation and Supply Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a hearing on urban waste.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WAGE AND PRICE CONTROLS THROUGH THE BACK DOOR?

● Mr. JEPSEN. Mr. President, in recent days there have been many stories in the newspapers about "radical" solutions to the inflation crisis. In general, these radical proposals are not radical at all, merely extreme. A radical proposal would be something entirely new, something which has not been tried before. Unfortunately, the "radical" proposals usually discussed nearly always come back to the same discredited call for wage and price controls. It constantly amazes me how anyone can seriously consider this as a solution to our problems.

Not only can controls not work in practice—as we discovered just a few years ago—but they cannot even work in theory. Nevertheless, there is a predictable group of people who trot this out as a solution at every opportunity—Prof. John Kenneth Galbraith is a name which comes to mind. Yet these same people nearly always fight any proposal which would usefully deal with the inflation problem, such as balancing the budget, cutting back on regulations, and stimulating productivity by reducing taxes.

In the past, controls have appeared to reduce inflation. In fact, they merely postponed it. A recent study by Prof. Alan Blinder and William Newton for the National Bureau of Economic Research makes quite clear that the price explosion in 1974 is directly attributable to President Nixon's controls. By preventing prices and wages from rising for 2 years prices had to accelerate at an even faster rate once controls were lifted, in order to "catch up." This is inevitable because controls cannot be kept in force for more than a very short period of time without breaking down under the strain of the inequities they foster. Eventually, there are so many special cases and hardship exemptions which must be granted that the controls no longer function and require increasing amounts of staff just to keep going. Furthermore, there are vast numbers of prices which are beyond the power of the Government to control. There is no way, for example, to control the price of imports, including oil.

In any case, those who advocate controls must realize that they can no longer be imposed by Executive fiat, as President Nixon was able to do. They would require legislation passed by Congress. As soon as Congress began debate on the issue, economic chaos would result, as everyone maneuvered to increase prices and wages before the deadline. Making the deadline retroactive would not even help, because this would only mean that every affected group will be forced to work frantically to get exemptions for itself written into the law. Thus, in a purely practical sense, controls are unfeasible.

However, Government does have one potential source of control authority, which stems from the Credit Control Act of 1969. Under this legislation the President may exercise total control over interest rates, loan requirements, down payments, and virtually any other factor related to credit. Since credit is so important to our economy, the power to control it gives the President de facto control over the economy. I have cosponsored legislation introduced by Senator HELMS to repeal the Credit Control Act, but as of now it remains on the books.

In recent days the papers have carried stories about credit controls, and Alfred Kahn has endorsed their use. Moreover, Chairman Volker has told many people that he will be making an important announcement soon regarding inflation. Since the Federal Reserve would administer the credit control program, I am fearful that his announcement will be an imposition of credit controls.

If credit controls are imposed, it would be a disaster for the economy. I fear that the Government may set requirements that loans may only be made to individuals and businesses complying with Presidential inflation guidelines, forcing bankers into being the enforcers for a mandatory wage and price control program. The flow of credit will no longer be made according to market conditions but according to Government fiat.

Inevitably, this will deny credit to those who deserve it and channel it towards those better adept at winning favor from the Government. Moreover, I assume that new credit instruments will quickly arise to get around the control regulations, leading to vast inefficiencies. And lastly, I would expect that loan sharks will see a big increase in business, and that credit transactions in the "underground economy" will multiply greatly.

If President Carter were serious about inflation he would have submitted a balanced budget. Apparently, inflation was not as much of a problem as winning reelection when he put the budget together. He decided that it was more important to buy off some important interest groups with spending increases than to fulfill his often-repeated campaign promise to balance the budget by the end of his first term.

If President Carter were serious about inflation, he would do something about Government regulations, which increase business costs and push up prices. He could order a 6-month freeze on all new regulations and insist that his political appointees spend the 6 months reexamining existing regulations and eliminating as many as possible. But he will not do so.

If President Carter were serious about inflation, he would stop opposing tax reductions aimed at increasing productivity. The 1980 Joint Economic Report makes quite clear that a tax cut aimed at increasing business investment and productivity will be anti-inflationary. Yet President Carter remains steadfast in his belief that high taxes will stop inflation. Unfortunately, high taxes do not reduce inflation because the amount of money in circulation remains the same. And insofar as high taxes reduce the incentive to work, invest and produce, it makes inflation worse.

If President Carter were serious about inflation, he would do something to restore faith in the dollar. He could do so by using the vast quantity of gold held by the Federal Government to restore convertibility and make the dollar "as good as gold."

Mr. President, I sincerely believe that come this November the American people will express their concern about inflation by throwing out of office the individuals and the party which is responsible. They do not have to be reminded that when President Ford left office the inflation rate was less than 5 percent. They do not have to be reminded that the Congress which has run budget deficits in 19 of the last 20 years is controlled by the Democrats. But we cannot wait until next year to start to deal with inflation. By then it will be too late. We must start now. And we must do so by supporting Senator ROTH's resolution, cutting the budget, and showing the people we are serious about inflation.●

THE PLIGHT OF SMALL BANKS

● **Mr. BUMPERS.** Mr. President, an article appeared in the Wall Street Journal yesterday pointing out the plight of small banks in rural communities in the present economic situation.

Senator PRYOR and I have introduced legislation (S. 1988) to correct an inequity that exists among lending institutions, and is especially critical to small, rural financial institutions.

S. 1988 would permit State-chartered insured banks, Federal- and State-chartered insured savings and loan associations, small business investment corporations, and Federal- and State-chartered insured credit unions to charge 1 percent over the Federal Reserve discount rate—or the rate permitted by State law if that is higher—on all loans, notwithstanding State usury statutes. In addition, it would permit any State to reimpose its State usury limits by enacting overriding legislation.

The provisions of S. 1988 are similar to section 85 of title 12 of the United States Code, which governs the rate of interest that national banks may charge on loans. Since 1933, national banks have been permitted a choice in the interest rates they may charge under section 85—that option is not available to other lenders.

An imbalance has been created in the economy of Arkansas and other States. Funds flow from the State-chartered institutions to the national bank system, and national banks become the primary source of loans. This leads to the concentration of capital in urban areas. Although this is normally the case, the trend is worsened, and the capital-poor rural areas become poorer.

Competitive equity dictates that financial institutions offering similar products should be subject to similar rules. Federally chartered institutions enjoy an unfair competitive advantage over State-chartered institutions by virtue of the 1 percent differential.

Congress needs to act immediately to pass this legislation. Current economic conditions have placed many rural financial institutions in impossible positions.

I ask that the article from the Wall Street Journal be printed in the RECORD.

The article follows:

MANY SMALL BANKS ARE SHORT OF MONEY, LONG ON WORRIED CUSTOMERS

(By Carol Hymowitz)

MEADVILLE, PA.—John Tracy, a banker in this town of 16,200, sees a big change ahead. Soon, he says, "the friendly country banker won't be around."

Mr. Tracy doesn't want to become unfriendly. Rather, the vice president and manager of a Pennsylvania Bank & Trust Co. branch here is simply citing a problem little noticed outside rural America. Ever since the Federal Reserve Board moved to restrict monetary growth last October, many small-town banks have been caught in a profit squeeze that is making it harder and harder to provide the credit needed by their communities.

In fact, the prospect of a genuine credit shortage is looming in many rural areas—particularly in the wake of the Fed's most-recent increase in its discount rate. Like many big-city institutions, so-called country banks have had to raise interest rates sharply in the past few months. But while most urban banks still have plenty of money to lend, money is scarce at many country banks "and likely to remain that way for some time," says Martin Duncan, an economist at the Federal Reserve Bank of Kansas City.

GRIM OUTLOOK

This outlook doesn't bode well for rural economies. Credit-tightening moves by the relatively few local banks typically move quickly through a rural community and "are felt more sharply" than in an urban area, explains Juan de Torres, an economist at the Conference Board, a business-research organization based in New York. And because farmers are heavy seasonal borrowers often operating on thin profit margins, they are particularly sensitive to tight and costly credit.

"Everything farmers need is costing more," says Phillip Allen, an Agriculture Department economist, "and when they add in the extra (money) they'll be paying for loans, their profits are going to decline sharply." Indeed, the department expects net farm income to drop as much as 20 percent this year.

The threat of a rural credit squeeze is rooted in country-bank lending methods. While most big-city banks have long been making business loans at interest rates that float up or down over a loan's term with their own cost of funds, few small-town banks had adopted the practice—until recently. Instead, they had continued to make business loans at fixed rates of interest, partly because their customers demanded it and partly because their own costs of money remained relatively stable.

All that changed last fall, when the Fed moved to fight inflation by restricting growth in the money supply. To continue to maintain a reserve of lendable funds, big banks began selling certificates of deposit at yields more than double the 5¼ percent paid on regular bank savings accounts. Country banks had to follow suit—offering the same high yields to keep their own large depositors from switching to city institutions—particularly because rural residents have become more sophisticated than in the past about seeking out the highest returns.

TIGHT SQUEEZE

However, small-town banks with portfolios of fixed-interest loans yielding say, 9 percent annually can't easily absorb deposit costs suddenly approaching 10 percent to 11 percent. Thus, country banks stuck with fixed-rate loans are "being squeezed tight," says Edwin Demoney, manager of financial institutions at the Federal Reserve Board in Washington. While the Fed is concerned about these banks, he adds, "we can't help them out with their earnings." In fact, the Fed can't even lend many of them funds because few such banks are members of the Federal Reserve System.

Nor can country banks easily turn to big-city banks for help. Although most small banks have at least one so-called correspondent relationship with a large bank, most rely on their correspondents simply for administrative services such as check processing and for help with an occasional big loan. But few small banks can afford, as a constant mode of operation, the high interest rates involved in loans from big banks. And for the same reason, they can't afford to buy so-called federal funds, the overnight loans that banks make to one another.

Caught in this predicament, many country banks are abandoning the fixed-rate policy in favor of floating rates. Many are also trying to deal with the problem by sharply restricting loans to only the most creditworthy customers able to pay today's high interest rates.

A REGIONAL CENTER

These problems are being felt in Meadville, a pretty town of stately homes and tree-lined streets in northwestern Pennsylvania. As in many such areas, the local work force is fairly evenly divided between farming (23 percent)—mostly dairy and grain farms—and manufacturing (27 percent)—mostly small machine shops making tools and dies. In addition, Meadville serves as the seat of Crawford County and also as a sort of rural financial center: Four regional banks have branches here. The branches, along with two locally owned banks elsewhere in the county, are grass-roots institutions, deriving most of the funds from local depositors and making most of their loans to local farmers, businesses and consumers.

Only two of the banks here are Federal Reserve members, and only one has traditionally attached floating interest rates to commercial loans. The others burdened with many fixed-rate loans, are finding it hard to recover the sudden increases in their own interest costs.

"It's getting difficult to show a profit," says Mr. Tracy at the Pennsylvania Bank & Trust branch here. Pennbank, as it is known, is one of the area's largest banks; based in nearby Titusville, it has 24 offices and assets of about $500 million. Ever since the Fed pushed up interest rates, Mr. Tracy says, Pennbank's Meadville customers have been transferring their money from checking and regular savings accounts to high-yielding certificates of deposit.

Today, these certificates represent about 25 percent of the Meadville branch's deposits, up from 6 percent a year ago, and they are costing the bank an average annual interest rate of about 11 percent. But with more than 75 percent of its business loans out of fixed-interest rates, the branch is earning only 9 percent on its loan portfolio. As a result, the branch's net income in the 1979 fourth quarter fell to $82,464 from $108,249 a year earlier. (Pennbank as a whole did better, however, with quarterly earnings rising to $1.8 million from $1.3 million. Officers at the Meadville branch explain that there was more switching of deposits into high-paying certificates at their unit than at some other branches. Earlier, however, in the bank's third quarter report, William F. Roemer, president, noted that Pennbank as a whole was being hurt by the surge in its interest expense on time deposits.)

Seeking to bolster the branch's profits, Pennbank has raised its interest rates on new loans to a minimum of 14 percent, and, Mr. Tracy says, "as much as possible we're trying to switch to floating rates" pegged to the prime rate charged by big-city banks to their best customers.

With profits down and competition for deposits fierce, Pennbank has little money to lend at any price, of course. But so far, high interest rates have curbed loan demand. Since the Fed's moves last October, the Meadville branch hasn't made more than one commitment a month to finance farm and manufacturing equipment; previously, the branch had been making about four such loan commitments monthly. However, one loan officer says, "If demand picks up, we'll have to restrict lending because we don't have the funds."

A RIVAL TIGHTENS UP

Credit is already being tightened by the First National Bank of Cochrantan, a small bank north of Meadville with assets of $12 million. Loans for "anything nonessential" and to anyone not a steady customer are out, C. M. Mead, president, says. Moroever, borrowers are being told "not to take loans they can't afford," says Mr. Mead, a sixth-generation descendant of Meadville's founder.

Like other local banks, however, Mr. Mead's institution hasn't stopped lending altogether. "If we do that," he says, "we'll strangle the community." And Pennbank's Mr. Tracy adds that farmers are getting top priority. "They can't put seed into the ground unless they borrow, and we'd have to be out of funds completely before we wouldn't lend to them," he explains.

But some local farmers grumble that at today's high interest rates they can't afford even what bank credit is available. A typical example is Daniel Jablonski, a dairy farmer who has had to abandon his plans to borrow to finance a new silo and a doubling of his 20-cow herd. With his other operating costs already up sharply, he says "there's no way I can afford a 14 percent loan on top of everything else."

ALTERNATIVE LENDER

Other farmers are turning to farm credit production associations—a kind of cooperative that raises money through public debt offerings and, in the case of the Meadville Production Credit Association, can offer loans today at rates of about 12¾ percent. But even this bargain rate is up from 9 percent last summer and seems too steep for farmers such as Bernard Tobin. He recently got a loan of only half the $21,000 that he had sought because, he says, the Meadville association "figured it would be too much of a burden for me to handle" the full request.

Although a bit unhappy about the cutback, Mr. Tobin says he also has taken the association's "advice" to cut another request, for a fertilizer loan, to $6,000 from $10,000. "I'll have to get that amount just to stay in business," he says.

Mr. Tobin is better off than many others, however. "A lot of marginal farmers won't be able to afford loans and will go under," warns Blair McCurdy, assistant director of the Meadville association.

Like the farmers, Meadville's tool and die makers are being hurt by costly and scarce bank credit—without being able to turn to credit associations or, like small manufacturers in metropolitan areas, to a variety of banks.

FRUSTRATED BUSINESSMAN

Alden Hills, owner of A. C. Machine Co., says he can't get a loan for new machinery even though his business is "bursting at the seams." He says all four bank branches here turned down his request to borrow $100,000 and told him to "sit still" until the economy picks up. But Mr. Hills, who recently doubled the size of his machine shop and wants to increase his work force to 45 from 30, complains that if he doesn't expand, he won't be able to fill all his orders.

With both farm and manufacturing output slowing, the credit squeeze is filtering through the rest of Meadville's economy. Retailers, for example, are saddled with loans taken out for merchandise that they now can't sell because consumers are getting ready for hard times.

"Buying has come to a screeching halt," says David Mattocks, owner of Feed 'N' Gro supply store, whose sales have dropped 40 percent from a year ago. With farmers delaying purchases of fertilizer, Mr. Mattocks says, he is "stuck with high inventories" and with the costly loans financing them.

Mr. Mattocks says he is only one of many Meadville residents being pinched by the credit squeeze. "Banks are essential to this community," he says, "and credit squeezes have a domino effect." But he isn't blaming the local bankers. "They're doing what they can to keep us alive," he says, "but they've got their hands tied" by the federal banking authorities.●

SIXTY-SECOND ANNIVERSARY OF THE MODERN REPUBLIC OF LITHUANIA

● Mr. WEICKER. Mr. President, this month marks the 62d anniversary of the establishment of the modern Republic of Lithuania. A proud nation of 3 million people, Lithuania has lived under the yoke of Soviet oppression since 1940. This anniversary should serve as a reminder of the great injustices the people of Eastern Europe have endured at the hands of the Soviet Union. While every day Lithuanians are being arrested and persecuted for "crimes against the state," their age-old spirit of independence cannot be squelched.

The peoples of the Baltic States share the commitment of the United States to the ideals of freedom and equality. The subjugation of human rights in Eastern Europe has been consistently denounced by the United States, and the right of these peoples to be free, defended.

The commemoration of Lithuania's freedom is of particular importance as the world witnesses further Soviet expansion into Afghanistan. In our reevaluation of relations with the Soviet Union, the United States can look to Lithuania as an example of the Soviets' blatant disregard for the sovereignty of other nations. The Soviet Union has disregarded treaties in this area for almost 35 years, as well as, ignoring basic principles of trust and cooperation among nations.

The basis of U.S. foreign policy is, and always has been, human rights. We remain committed to the basic values of human life and continue to support and defend these ideals around the world. The Soviet Union's actions in Lithuania are a challenge to these principles and should not be tolerated.

Mr. President, the oppressed peoples of the world must not be forgotten, nor should their struggle be allowed to die. The United States should maintain its dedication to human rights and freedom for all nations of the world.●

RETIREMENT OF NATHANIEL STETSON

● Mr. HOLLINGS. Mr. President, this month an able and dedicated public servant is retiring. He is Nathaniel Stetson, manager of the Savannah River Plant (SRP) in Aiken, S.C. Mr. Stetson has directed the operation of one of the Nation's largest Federal installations for the past 14 years. The Savannah River Plant began operations in the early 1950's and is currently the Nation's primary source of reactor-produced defense materials. The SRP operations also produce liquid high-level radioactive waste from the chemical processing of fuel and target materials after irradiation in the SRP nuclear reactors.

Mr. Stetson was born in New Bedford, Mass., and is a graduate of New Bedford Textile Institute, majoring in chemistry, and North Carolina State College with a bachelor's degree in chemical engineering. He took postgraduate work in chemical engineering at the Illinois Institute of Technology and was awarded an honorary doctor of science degree from the Southeastern Massachusetts University in June 1968.

He has been working in the U.S. nuclear program since 1944, first at Oak Ridge, Tenn., with Tennessee Eastman and Union Carbide Corp., and, since 1952, with the Atomic Energy Commission, Energy Research and Development Administration, and the Department of Energy offices at Savannah River and in Washington.

He has been associated with international nuclear energy programs involving the heavy water power reactor systems, and, most recently by serving as vice chairman of the Fuel Cycle Committee of the Nuclear Energy Agency which is headquartered in Paris.

Mr. Stetson is a member of the American Chemical Society, the American Nuclear Society, and the American Association for the Advancement of Science. He is included in "Who's Who in Government."

Mr. President, it is a real pleasure for me to bring this to the attention of the Senate and to join Mr. Stetson's family and many friends in saluting his final month at Savannah River Plant.

The Aiken Standard contained a very fine editorial on Mr. Nathaniel Stetson and I ask that the editorial be printed in the RECORD.

The editorial follows:

WELL DONE, NAT STETSON!

For 14 years Nathaniel Stetson has presided over one of the nation's biggest Federal installations and one of its greatest national assets—the Savannah River Plant. Aiken Countians may cite with pride also the fact that SRP has a budget of some $250 million and one of the biggest payrolls in South Carolina.

Now, at age 63, Mr. Stetson is electing to retire from Federal service. Fortunately, he and his wife Helen will remain residents of our city and will continue to contribute to the cultural life of the community.

Nat Stetson was one of the bright young engineers brought into the Savannah River Operations Office during the early years of that organization—well before the start-up of nuclear operations. It was a time of world crisis—not unlike conditions today—and Russia was challenging U.S. leadership in nuclear armament. The decision was made to build the Savannah River Plant to produce materials for thermonuclear weapons. The staffing of SROO was not left to chance; it was a top priority matter, and those in charge were given free rein in choosing the best people from throughout government and industry.

A chemical engineer then employed at the Atomic Energy Commission's Oak Ridge, Tenn., site, Mr. Stetson was tapped for a job at Savannah River. He rose rapidly in the SROO organization and in 1962 was transferred to AEC headquarters in Washington as deputy director of the Production Division.

Four years later he was back at SROO as manager.

Compared with the salad days of the atomic energy program when funding was the least of worries, his tenure as SROO manager has not been free of problems. By the mid-60s, the space program had captured America's imagination and its main financial support. Budgeting was not an easy matter.

Other problems also came to the forefront. New environmental standards made it necessary to spend substantial sums of money for facilities that had been adequate in past years. The anti-nuclear movement, which had flourished in some parts of the land for many years, spread into the Southeast, and for the first time the Savannah River Plant itself was the object of demonstrations by activists.

Meanwhile, SRP suddenly, it seemed, reached the ripe age of 25, and the matter of obsolescence reared its head—to be dealt with by more money for modernization.

Noted for his quick wit and keen sense of humor, Mr. Stetson took the problems in stride and was able to achieve solutions that worked to the betterment of the Savannah River Plant.

Mr. Stetson also found time to play an active part in community life. He has served since 1969 as a member of the Aiken County Commission on Higher Education and is now its vice chairman. He has seen the University of South Carolina Aiken Campus grow from community college status to an enrollment of more than 1,500 and a four-year degree program in a variety of subjects.

He has also served on the board of directors for the Red Cross, the Salvation Army and United Way and is now on the board of the Georgia-Carolina Boy Scout Council and the Augusta Radiation Therapy Center.

In leaving SROO, he has left that organization and the plant itself in a strong position for the considerable tasks that lie ahead. We wish Mr. Stetson great happiness in his retirement, and we salute him for an outstanding career of accomplishment.●

S. 1680—CONVEYANCE OF FEDERAL LANDS

● Mr. GARN. Mr. President, in August 1979 my colleague from Utah, Senator ORRIN G. HATCH, introduced S. 1680, a bill to convey federally owned, unreserved, and unappropriated land west of the 100th meridian to the States in which it is located. I was pleased to join 16 other Senators in cosponsoring that bill.

The current Utah State Legislature, in its 43d budget session, recently passed a joint resolution endorsing S. 1680 and encouraging the State legislatures of 12 other Western States to officially do so. The text of this resolution persuasively and logically states the constitutional and practical reasons for passage of this bill. I urge its serious consideration by my colleagues in the Senate, and hereby submit the resolution for the RECORD.

The joint resolution follows:

HOUSE JOINT RESOLUTION NO. 4

Be it resolved by the Legislature of the State of Utah:

Whereas, equality of constitutional right and power is the condition of all the States of the Union, old and new;

Whereas, every new State admitted into the Union is entitled to exercise all of the powers of government which belong to the original States of the Union;

Whereas, the citizens of each State are entitled to all of the privileges and immunities of citizens in the several States;

Whereas, the power of Congress to admit new States into the Union under article IV, section 3 of the Constitution of the United States was not designed to impair the equal power, dignity, and authority of the States;

Whereas, as a condition of admission into the Union, Congress has, on occasion, imposed burdens upon new States that are not shared by the States equally;

Whereas, the original thirteen States, and States formed from the territories thereof, owned all public lands within their borders;

Whereas, title in the Federal Government to public lands within the borders of the thirteen States, and States formed from the territories thereof, rest only on deeds of cession voluntarily consented to by the legislatures of these States;

Whereas, as a condition of admission into the Union, Congress retained in the Federal Government ownership over substantial amounts of territory located within the borders of States west of the one-hundredth meridian, this occurring despite the Treaty of Guadalupe Hidalgo which specified that the lands which eventually became all or part of seven Western States of the Union were to be formed into "free, sovereign, and independent" States;

Whereas, in the absence of such conditions of admission the legislative authority of the states would have extended over federally owned lands within these States to the same extent as over similar property held by private owners;

Whereas, during the course of the deliberations that resulted in the drafting of the Constitution of the United States, Founding Fathers, such as James Madison, recognized that the Western States neither would nor ought to submit to a Union which degraded them from an equal rank with the other States;

Whereas, article I, section 8, clause 17 of the Constitution of the United States authorizes the Federal government to exercise dominion over public lands only to the extent necessary to create a seat of government, and to administer places, purchased by the consent of the State legislatures, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings, and in the absence of some express or implied legislative authority to perform some further function, Congress is limited by, and the rights of the States are protected by, the tenth amendment to the Constitution of the United States;

Whereas, the enabling Acts admitting the Western States into the Union expressly recognize that the Federal Government may some day choose to extinguish title to public lands held by it within the borders of these States;

Whereas, article IV, section 3 of the Constitution expressly provides Congress with the power to "dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States," and this provision has been interpreted to invest in Congress plenary authority to dispose of lands held in Federal ownership, through sale, grant, or any other means of disposition;

Whereas, there is precedent for large transfers of federally owned public lands designed to place new States on par with the original thirteen States of the Union; and

Whereas, the States of the Union and their citizens are at least as well equipped as the central government to make the often difficult policy decisions that are necessary with respect to the use to which lands within their States shall be put.

Now, therefore, be it resolved by the Budget Session of the 43rd Legislature that the bill S. 1680, heretofore introduced in the Senate of the United States, which provides for the cession and conveyance to the States of federally owned unreserved, unappropriated lands, and the establishment of policy, methods, procedures, schedules, and criteria for such transfers, is hereby endorsed, and passage into law of S. 1680 is hereby urged.

Be it further resolved, that the state legislative bodies of the States of Hawaii, Washington, Montana, New Mexico, Colorado, California, Arizona, Wyoming, Oregon, Idaho, Nevada, and Alaska, which states are affected by the bill S. 1680, are hereby urged likewise to endorse S. 1680 and urge its passage into law.

Be it further resolved, that the Secretary of State forward copies of this resolution to each member of the Congressional delegation from the State of Utah, the Speaker of the United States House of Representatives, President pro tempore of the United States Senate, the Secretary of the Interior, and the President of the United States.

Be it further resolved, that the Secretary of State forward copies of this resolution to each member of the legislative bodies of the States of Hawaii, Washington, Montana, New Mexico, Colorado, California, Arizona, Wyoming, Oregon, Idaho, Nevada, and Alaska.●

ECONOMY FROM DUAL HEATING

● Mr. BURDICK. Mr. President, during the past 34 months, the Congress and the administration have sought Federal policy that would lead the United States toward a lessened dependence on oil. The current and future interests of this country, both here and around the world, require it.

The Nation's attention is focused on Washington as the deliberations on this extremely complex issue continue. However, all too often private sector initiatives that are in advance of Federal policy go unnoticed.

I recommend to my colleagues one such effort initiated by a rural electric cooperative in my State. It has already diluted its members' need for oil. I submit for the RECORD a letter I received lately from the manager explaining the service and savings.

The letter follows:

CASS COUNTY ELECTRIC
COOPERATIVE, INC.,
Kindred, N. Dak., February 7, 1980.

Hon. QUENTIN BURDICK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: With everyone's concern over the problem of energy, you may well be interested in hearing of an innovative program which has been developed in our Cooperative.

Cass County Electric is a cooperative operating under the Rural Electrification Administration Program. We have lines in all or parts of nine counties in the east central part of North Dakota. The system is comprised of 5,100 miles of line bringing service to nearly 10,000 farm, residential, commercial and industrial users.

The electric energy is supplied by Minnkota Power Cooperative, via water power generation and low cost lignite coal minemouth generation plants.

Because of the scarcity of oil, its cost and the impact on our national economy, we have embarked on a unique program to displace the commodity of oil with electricity generated via North Dakota lignite and/or water. Lignite coal is in great abundance in North Dakota.

The program provides that the user must install a combination electric and gas or oil system; the purpose being that they would use electric energy for all heating, except at those hours when the electric load exceeded the capacity of the electric generation plants. At that time, a signal is sent out over our electric system and with a receiver installed in the members premises, the heating is switched to either energy source required. This is done without any attention or activity on the part of the user. When it is prudent to return to the original energy supported heat, another signal is sent out and the system returns to normal.

The largest participant in this program with us is the West Acres Shopping Center of Fargo, North Dakota. Presently 398,000 square feet of the center are being heated via this system. Mr. Schlossman, managing partner of the West Acres Development Corporation, has advised us that for the year 1979, they would have used 221,000 gallons of Number 2 fuel oil to heat the area, had oil been the source of heat energy. As it was, they used only 6,000 gallons of fuel oil with the balance of energy generated via lignite coal. This past year another 150,000 square feet of merchandising area was added to the center with a similar heating arrangement. The ultimate displacement of oil at this installation could well increase by 50 percent.

Similar installations have been made in about 900 residences. We find that on an average, 1,000 gallons of oil is saved at each home. In another 5 years the oil displaced annually on our system may well reach 10 million gallons.

Because of the uniqueness of this arrangement, our wholesale cost of the off-peak energy is presently less than ¾¢ per KWH. We sell this to our members for 1.3¢ per KWH. This equates to an average cost of fuel oil of 25 or 26 cents per gallon.

This program is not only beneficial to the savings of oil, but is also a benefit in our fight against inflation by offering to our members a lower cost method of heating energy. It would be well to consider such a program on a national basis.

Sincerely yours,

WILLARD GRAGER,
General Manager.●

BROTHERHOOD WEEK

● Mr. JEPSEN. Mr. President, February 17–24 was designated Brotherhood Week by the National Conference of Christians and Jews. Following a meeting with the National Conference on Soviet Jewry last month, the National Conference of Christians and Jews agreed to emphasize the plight of Soviet Prisoners of Conscience during this time.

This is a time when we should take a serious look at the plight of these Prisoners of Conscience, and examine our efforts to assure that basic human rights are protected throughout the world. It is a time when we should rededicate ourselves to the cause of international justice for all peoples, respecting their basic right to worship freely.

The Jewish prisoners sentenced in the first group trials in Leningrad in 1970 are free except for three. Yosef Mendelovitch, and two Christian colleagues, Uri Federov and Aleksei Murzhenko who cast their fate with the Refuseniks. These three, who have suffered the longest, deserve a special effort because they live under even more terrible conditions than other Prisoners of Conscience. As their friends were released, and their relatives emigrated to Israel, they have become almost totally isolated. We must not forget their cause.

In addition to the three above mentioned prisoners, the Soviets have refused to allow four Refuseniks who have already completed their prison sentences to leave for Israel many months after their release. Lev Roitburd of Odessa, Grigory Goldstein of Tiblisi, Isaac Shkolnik of Kharkov, and Mark Nashpitz of Moscow are all currently being held against their will, and without just cause.

The cases that I have just mentioned are only a few of those of which we are specifically aware. There are many more cases such as these. They wait in hopeful silence for their cause to be known.

We know that there are some 20,000 Russian Christians who have decided to risk the worst by sending their names, ages, and addresses to the Supreme Soviet asking for permission to emigrate. But to date, the attitude of our Government has been one of near silence, even passive acquiesence. That is why Senator BOREN and myself, along with many of our colleagues, have joined together in cosponsoring Senate Concurrent Resolutions 60 and 61, which focus on establishing a national effort to work for the release of these Christian dissidents. We are anxious to see action taken this year to correct this tragic situation.

Mr. President, I submit that we can no longer afford to ignore this tragedy. Brotherhood Week reminds us of an unpleasant situation, yet it also presents us with the opportunity to take determined steps toward assuring basic human rights throughout the world. Let us be aware of their painful situation and persecution at this time, and rededicate ourselves to alleviating this type of degradation.●

IMPROVING GASOHOL

● Mr. CULVER. Mr. President, it is now well known that alcohol can stretch our gasoline supply by 10 percent when used in gasohol and will also raise the octane of the gasoline it is mixed with. Most people also know the present blend uses unleaded gasoline. What some people may not know is that unleaded gasoline requires about 2 percent more crude oil per gallon to make than regular leaded gas. This information leads to the question, "Why not use alcohol rather than lead to raise the octane of regular gas?"

The Iowa Development Commission and the Land O'Lakes Cooperative of Fort Dodge, Iowa, are trying to answer just this question. Using a special run of low octane gasoline from the Land O' Lakes refinery at McPhearson, a special gasohol blend will be made for comparison with the present type of gasohol and straight unleaded.

If this series of tests is successful, use of the new blend could save 2 percent of the crude oil needed per gallon and reduce the cost. Mr. President, I believe that this may be another way for this country to maximize the potential of alcohol, our most readily available renewable resource, and I ask that the following article from the Waterloo Courrier containing the details of this important development be printed in the RECORD.

The article follows:

NEW ALCOHOL FUEL BLEND BEING TESTED

(By Steve Salato)

If tests come back positive, a new blend of alcohol fuel will enable refineries to produce more gasoline per barrel of crude oil, and at a lower cost, says an official of the Iowa Development Commission.

The IDC and Land O'Lakes Cooperative are sponsoring a six-month road test of the special blend fuel. The test, being conducted with the cooperation of the city of Des Moines and the Northwestern Bell Telephone Co., will begin March 17 and end Sept. 17.

"The new fuel is a blend of 10 percent ethanol and 90 percent gasoline, like gasohol," said Clint Fodge, a Land O'Lakes official. "It is the base gasoline that is different. The gasoline in the new blend will have less octane, but the ethanol added to it will make up the difference. The special blend fuel will still have a higher octane rating than unleaded gasoline, but not as high as gasohol."

Current octane ratings list unleaded gasoline at 87 and gasohol at above 90. The special blend fuel will have an octane rating of 88.

Twelve six-cylinder cars and trucks and 12 four-cylinder vehicles, owned by Northwestern Bell, and 12 eight-cylinder police cars owned by the city of Des Moines will be involved in the road test.

Cars from each group will burn one of three fuels—unleaded, gasohol or the special blend. Drivers will not know which fuel they are using so results will be as objective as possible, officials said. Overall engine performance will be evaluated.

"The test will be good since several variables come into play," said John Butterfield, director of the IDC's Resource and Support Division. "The telephone company averages about 9,000 miles per year on their vehicles, and the police cars are in nearly constant use.

"Humidity is one of the major factors influencing engine performance, and there will be a good range of humidity during the test period. The only drawback we can see is that there won't be any cold weather testing, due to the timing of the test, but we don't foresee any problems in that area." ●

THE FTC ONLY-TALK SHOW

● Mr. McCLURE. Mr. President, the Wall Street Journal had a splendid editorial in its February 14 edition entitled "The FTC Only-Talk Show," the article states:

> (I)f anything like the phony Senate FTC bill emerges (from House-Senate conference), the FTC will have demonstrated that all the noise about reducing government regulation is only talk.

This is exactly right. S. 1991 raises a whole series of problems with the Federal Trade Commission. But, with the exception of the voluntary standards and insurance amendments, it does not solve any of them.

It attacks "fishing expedition" subpenas, but explicitly allows these subpenas once a complaint has been issued.

S. 1991 requires the FTC to analyze the impact of its major rules, but specifically excludes any judicial guarantee that this analysis be in good faith or nonfrivolous, or even that preparation will be in accordance with the Constitution.

The bill grants legal fees to successful defendants, but allows the FTC to withhold them if it determines that it was justified in its actions. How often is the FTC going to determine that it is unjustified in bringing an action?

No doubt there are some Members of this body who, in supporting S. 1991 but opposing strengthening amendments, felt they could diffuse the issue of regulatory reform without really embracing its premises. In my opinion, those Members will prove to be sadly mistaken.

I ask that the article from the Wall Street Journal be printed in the Record.

The article follows:

The FTC Only-Talk Show

There has been a lot of talk about the need to curb excesses of government regulation, and widespread agreement that the most excessive regulator of all has been the Federal Trade Commission. The U.S. Senate has just finished emasculating the efforts to bring the FTC under control.

Complaints grew as the FTC attacked trademarks, children's TV advertising and funeral parlors. States were upset that the FTC was getting into their regulatory acts, leaping in even where HEW and the Justice Department feared to tread. Business worried about the need to tighten standards governing the disclosure of confidential information the FTC required them to supply. The FTC's new habit of issuing blanket subpoenas demanding reams of documents prior to issuing a complaint was likened to a policeman coming to your door determined to arrest you and demanding your life story in hopes of discovering an offense.

Soon the Congress, pummeled by the kind of broad, small town constituencies who get attention, was roaring, and the FTC was on the carpet. The House was tough, voting a one-house veto of FTC regulations and overriding the FTC's challenge to trademarks and investigations of agricultural cooperatives and funeral parlors. But then Senator Wendell Ford (D., Ky.) took charge and the Senate edited the bill down to a cosmetic fixup.

The legislative veto is retained in name, for example but in practice it requires both houses and signature by the President. In other words, Congress can police the FTC by passing a bill.

The Senate went through the motions of tightening disclosure without dealing with the objection that the FTC is giving state enforcement agencies evidence they cannot legally obtain on their own. The effort to prevent the FTC from taking over state-regulated professions also failed. And the FTC can resume its fishing expeditions if it first issues a complaint.

The FTC will have to award legal fees to successful defendants against its actions, except in cases where the FTC itself rules it was justified in bringing the action. The FTC must prepare a regulatory analysis before promulgating a major regulation, but the merits of it are not subject to review by the courts.

Perhaps the most questionable aspect of the FTC's activities in recent years has been its habit of paying Washington lobbyists to stir up opportunities for FTC investigations and regulations. A spate of private bureaucracies like Americans for Democratic Action, Sierra Club, and Ralph Nader's Center for Automobile Safety now earn a living by representing "the public interest" in FTC proceedings. Senator Alan Simpson (R., Wyo.), tried to do something about the use of the taxpayers' money to fund private interest groups, but succeeded only in limiting them to $50,000 each per rule-making.

The Ford bill now goes to conference with the House, and perhaps something can be salvaged. But if anything like the phony Senate bill emerges, the FTC will have demonstrated that all the noise about reducing government regulation is only talk.●

THE CIA: WE NEED IT NOW

● Mr. JOHNSTON. Mr. President, on January 19, the Times in Shreveport published an editorial entitled "The CIA: We Need It Now."

This editorial presents an excellent assessment of the state of the Central Intelligence Agency and the need for improvements in America's intelligence capability.

I commend the editorial to the attention of my colleagues and ask that it be printed in the Record.

The editorial follows:

The CIA: We Need It Now

Oh, yeah, we know the CIA: they "destabilize" democracies and defend dictators. They are spies, amoral and answering to nobody, and they don't ever deserve to come in from the cold condemnation heaped upon them in the guilt-edged decade of the American '70s.

That is only the darkest, very outer edge of the American intelligence operation in total, but it was a razor's edge that existed in CIA drug experiments on unwitting victims, plots to topple constitutionally elected governments and even assassination schemes.

The larger, more substantial picture of the American intelligence community is that of various organizations that mainly collect information and observe—that provide the eyes and ears of superpower America in an increasingly dangerous, predatory world.

We need the eyes and ears of the CIA more than ever, and recent events fairly scream as much. We stumbled blindfolded and deaf, evidently, into the Iranian crisis. The Soviet invasion of Afghanistan shocked President Carter. The presence of a Soviet combat brigade in Cuba was a surprise.

Had Washington received more information from Tehran or Kabul or Havana, we wouldn't be hopelessly trying to corral two crisis horses that long since bolted the barn door. Yet, the intelligence community has been demoralized and crippled and stripped naked by excessive scrutiny. The CIA must have the ability to intervene quietly in delicate situations.

Our democratic forebears, the British, have engaged in what they call "special means"—covert intelligence operations—for 500 years. Most observers agree that without the "special means" so deplored and denounced when practiced by American intelligence, the Allies could not have defeated Hitler.

As the Soviet brutalization of Afghanistan proves once again, there is still a war in the world, and the forces of freedom must face force with force, special means with special means, if our side is to survive.

We are not proposing an American version of the Nazi SS or the Soviet KGB. Never. For a year now Senate staff members and Carter administration officials have been trying to draft a new charter for the U.S. intelligence community.

This charter should eliminate some of the self-defeating competition between the intelligence agencies and strike a proper balance between intelligence-gathering and covert action. And while such a charter should provide controls for the CIA, it should not compromise its ability to function.

Whatever happens, that dark edge of "special means" will and must remain—even in a democracy. In the superb book "Body Guard of Lies," author Anthony Cave Brown cites "the Machiavellian principle" that:

"Where the very safety of the country depends upon the resolution to be taken, no consideration of justice or injustice, humanity or cruelty, nor of glory or of shame, should be allowed to prevail. But putting aside all other considerations, the only question should be, What course will save the life and liberty of the country?"

Sometimes it comes down to survival, and that's why we need the CIA—even the dark edge.●

SOIL CONSERVATION FOR FUTURE PROSPERITY

● Mr. CULVER. Mr. President, the erosion of topsoil and the loss of farmland to non-farm uses have long been recognized by farm state citizens as among the greatest threats to the future security of this Nation.

Unfortunately, relatively few see first hand this increasingly ominous destruction of our most vital natural resource. The vast majority continue to consume the most abundant and least expensive food in the world, oblivious to the fact that the source of that food is being rapidly depleted.

In recent years the evidence of this threat to our food production has been mounting. Still, the response from public policymakers has been grossly inadequate. Inflation has largely undermined the value of our soil conservation cost-sharing programs, yet the Congress and the administration continue to provide constant appropriations levels for these critical programs. Obtaining even these modest appropriations has more often than not been like pulling teeth.

Earlier this month efforts to enhance farmland protection suffered a setback. Opponents in the House of Representatives defeated a modest measure to assist local governments in their efforts to develop new farmland preservation plans.

A recent editorial in Farmland News provides an outstanding commentary on the status of our agricultural resources and the consequences of our continued failure to give adequate attention to their protection. I ask that Jim Tucker's February 15, 1980 editorial "Future Prosperity Hinges on Waking to Soil 'Crisis'" be entered in the RECORD and urge my colleagues in the Senate to heed its warning as we enter a new round of legislation and appropriations for our soil conservation programs.

The editorial follows:

FUTURE PROSPERITY HINGES ON WAKING TO SOIL "CRISIS"

(By Jim Tucker)

What if we put the torch to our libraries? How would our society pass on the customs and traditions needed to advance our civilization?

Of course, we would not think of destroying our libraries, but as a society we are for the most part unaware of the current destruction of the most basic foundation of any civilization—our topsoil.

Even though most people are ignorant of the facts or do not care, farmers and soil scientists realize that the world's top soils are eroding from wind or water at an alarming rate.

The decline of agricultural land in America is cause for alarm. This topic must be discussed frankly and openly among both urban and agricultural leaders if we are to head off a crisis.

People in our cities need to know that what happens down on the farm affects them very much. In a way the topsoil can be likened to crude oil. Both were created over eons of time and both can be mined and used up. We can't replenish our crude oil supplies, but we can protect and replenish our topsoils if proper soil and water conservation practices are applied.

In order to do this, the urban folk must realize the costs of maintaining the soil cannot be borne entirely by the farmer. Consumers of farm production will have to pay a little more for food and fiber to make it economical for the farmer to maintain the soil on his farm. Soil loss statistics are tricky, and measurements tend to be guesses, but the USDA estimates that we are losing an average of nine tons of soil per arable acre a year. In the worst cases, the loss may be 200 tons an acre.

Erosion has been attacking our topsoil since the first crude plow broke the soil on this continent. The first settlers found a nation with an average 3-foot layer of topsoil. That average has diminished to six inches today. Each year about four billion tons of soil are washed into the nation's rivers and another billion is lost to wind erosion.

Competing with erosion as a soil destroyer is a more modern enemy—land urbanization in the form of airports, shopping centers, highways, housing developments, industrial parks . . .

In this battle for land the plow is losing one million acres of America's prime farm lands to the bulldozer; a loss of four square miles of our best agricultural land every day. A million acres equals a half mile strip from New York to California.

In addition to the prime farm land loss, we are losing another two million acres of lesser quality agricultural land to non-agricultural conversion each year. Losing three million acres is the equivalent of 320 acres of farm land per hour.

With harvest this year in the U.S. at near record levels in all commodities, the tendency may be to shrug off the soil survey findings made by the USDA's soil scientists.

Even though crop production levels have been rising at a steady rate over the past decades, knowledgeable people in and out of government believe that our harvests have just about peaked out unless new breakthroughs in research come forth with a panacea.

Science can only go so far to increase yields. What happens below the earth's surface, down where the soil organisms interact with plant roots, is still not completely understood. But it is known that soil is a living, breathing biosphere that requires careful nurturing if it is to produce abundant crops. Farmers know this but the general population does not. And this situation must change if we are to check the flow of topsoil off the farms.

Educating the public for any worthwhile cause is a long and tedious process. During the 1930s the government originated various programs to alert the public of the consequences of poor conservation methods. Of course, many farmers throughout the Midwest didn't need any agency to tell them their farms were blowing away. These Dust Bowl graduates learned the hard way.

Even though the topsoil was going down we didn't develop shortages during the 1940s, '50s or '60s. We developed crop surpluses in response to new technology. Many people in positions of power still thought of our soil and water resources as inexhaustible. And who could refute them. As new problems arose through those decades new solutions were developed in our research stations and the surpluses went up as the topsoil table went down.

Farmers and scientists have known all along that the continual loss of topsoil would someday put this country in a crisis situation. The Soil Conservation Service recently issued reports at a symposium in Washington that indicated the impending soil crisis would search a cataclysmic point in the 1980s.

One report by a National Agricultural Lands Study projects for the year 2000 if farm land losses continue: 1. All food produced in the United States will be consumed here. 2. Consumer food prices will be pushed sharply upward. This will be a "real" price increase, not just an "inflation" increase. 3. Food exports no longer will be available to help offset massive trade deficits. 4. The hungry people of other nations will be on their own for food supplies.

With predictions like these and the cost-price squeeze that today's farmers are caught in, the situation seems to call for some new leaders with the evangelistic fervor of Hugh Hammond Bennett. First chief of the Soil Conservation Service, Bennett's vision helped lead the way out of the Dust Bowl era. Bennett was a soil scientist, a farmer and a pioneer in soil surveys. He spent more than 30 years walking the land, sleeping under the stars and camping near waterholes in making an inventory of land conditions.

There is another conservation pioneer whom present day leaders might emulate—Aldo Leopold, an Iowa native whose death in 1948 cut short an assignment as an adviser on conservation to the United Nations.

Leopold coined the phrase "ecological conscience." He believed that the practice of conservation must come from a conviction of what is ethically and esthetically right, as well as what is economically expedient. A thing is right only when it tends to preserve the integrity, stability and beauty of the community. The community includes the soil, waters, fauna and flora, as well as the people.

But most people have not assumed any real responsibility for their communities as a whole. We have been told that if we vote, obey the law, join some worthwhile organization and practice what conservation is profitable on our own land, then everything will be lovely; the government will do the rest.

But the people are supposed to be the government, and if anything worthwhile is to occur, the people will have to do it.

Leopold said more than 30 years ago that "decent land-use should be accorded social rewards proportionate to its social importance." What kinds of rewards and how they are to be administered are topics being considered at all levels of management in and out of government. The federal government "will give guidance on various alternative land-use techniques that state and local communities can adopt to assure the continuing use of farm lands for farming," says Bob Bergland, secretary of Agriculture.

As cropland becomes more scarce "it can be protected from competing non-farm demands only through land-use planning," says Lester Brown, president of Worldwatch Institute. He bases this on evidence that most governments take their cropland for granted and that political leaders seem oblivious to the pressures on the land.

Land-use planning of some kind is coming. If the people now on the land want a say in their future on the land, now is the time to organize at the grassroots level.

An example of city and state agencies addressing the land ethic situation can be found with the citizens of Missouri and the Department of Conservation. Soon after a one-eighth-cent sales tax was approved by the voters, 13 town meetings were conducted around the state to gather citizen input on how the new funds should be spent. The people responded by endorsing increased conservation education programs over all other single objectives, such as wildlife management and fishing and hunting programs.

Missouri now has the only program of its kind which involves a state conservation agency and the public school systems. There are now more than 7,000 school teachers who are trying to build an environmental conservation ethic in their students.

Developing an ecological conscience is no more just the responsibility of the science teacher; now the business instructor, the social studies teacher and the kindergarten teacher all are stressing our dependency on sound soil and water husbandry.

The world will belong to those children one day. Its condition will depend on how we treat it today and tomorrow.●

THE SUPREME COURT AND THE RIGHTS OF WORKERS UNDER THE OCCUPATIONAL SAFETY AND HEALTH ACT

● Mr. WILLIAMS. Mr. President, I have always believed that an informed and educated work force is our first line of attack in our effort to eradicate workplace safety and health hazards. Our workers must be able to recognize safety and health hazards, and they must know what they can do to make sure that hazardous conditions receive the appropriate attention of their employer and, if necessary, of the Occupational Safety and Health Administration.

Just as workers have the right to work in safe workplaces, and to invoke the assistance of the Occupational Safety and Health Administration to secure hazard-free workplaces, they must also have the right to know that they are secure from discrimination at the hands of their employer if they invoke these fundamental rights.

That important protection, to be secure from discrimination, is guaranteed by section 11(c) of the Occupational Safety and Health Act, and was reaffirmed by a unanimous decision of the U.S. Supreme Court on February 26, 1980. In the case of Whirlpool Corp. against Marshall, Secretary of Labor, the Court ruled that the act contemplates an active role for workers in identifying and seeking the correction of workplace hazards, and that the act protects employees who exercise that right. The Court also found that the Secretary of Labor properly exercised his authority under the Occupational Safety and Health Act, in promulgating regulations prohibiting discrimination against employees who exercise their rights.

Mr. President, the importance of this decision by the Court cannot be underestimated. When the Congress enacted that law, we knew that the Occupational Safety and Health Administration could not maintain a constant presence in millions of American workplaces. We knew that the effectiveness of this statutory program also depended on an alert and educated work force, able to identify hazards, and take lawful steps necessary to secure their elimination without fear of retribution.

The Supreme Court's decision safeguards that freedom for workers and reaffirms their fundamental right to safe and healthful workplaces.

America's workers now have additional encouragement to understand the dangers in their working environment, and to learn what they can do to seek the elimination of hazards. The result will be safer and more healthful workplaces for all workers, fewer accidents and diseases on the job, and increased productivity for our Nation.●

THE PROTECTION RACKET IN EDUCATION

● Mr. McCLURE. Mr. President, I recently ran across an article, written by Dr. Max Rafferty, that I would like to share with my colleagues in the Senate. The article relates an outrageous situation that, unfortunately, reflects on our entire society.

Dr. Rafferty tells of a teacher in California who wrote pornographic, homosexual love letters to one of his high school students. When the situation was discovered and investigated the teacher was dismissed, as he should have been. However, when the California Commission on Teacher Preparation and Licensing met to decide on whether to revoke the teacher's credentials, they decided to chide him gently for exercising "poor judgment" and using "inappropriate words."

Poor judgment? I would call that an understatement. Here we have a man, in a responsible position, who writes pornographic letters to a 17-student-old student and he is told by a group of his peers he will not lose his teaching credential because all he did was use inappropriate language. I wonder how this teacher could have phrased his love letters so they would have been more appropriate?

The teacher is now suing the school officials for $4 million.

Although this situation certainly should not condemn all teachers, it does show us how great peer pressure can be and should serve to remind us that we are in danger of becoming a Nation of backpatters. We allow incidents like this to happen, and if that is not tragic enough, we pat the offender on the back and ask him nicely to please not do it again. I believe this kind of action is totally inexcusable. There can be no justification for excusing this type of behavior simply because the offender happens to be a member of your professional peer group.

Because I think this article holds a lesson for all of us, I ask that it be printed in the RECORD.

The article follows:

CALIFORNIA EDUCATOR SUFFERING LIGHTLY IN SEXUAL ESCAPADE

(By Dr. Max Rafferty)

You're not going to believe this. Unless you're from California, that is.

The San Francisco Chronicle blew the lid off this can of worms last summer. It seems that a small town mom in the Golden State came unexpectedly upon a fetid collection of pornographic love letters written to her 17-year-old son by one of his male high school teachers. Most of the language was obscene, and the overall effect was downright emetic.

The so-called teacher threatened repeatedly to kill himself if the boy turned him down. He offered to perform various homosexual acts with his student, and was vilely explicit in describing the details. Here is one of the few passages reprintable in a family publication:

"Come back, please! I want to have some more 'good times' with you. I need you. I love you. And I am asking you to come back. Please!"

The appalled mother turned the verbal garbage collection over to the school superintendent, who did his duty—suspending the perverted pedagog and telling him to stay off the school grounds. He then appointed a three-man hearing panel, who spent several wretched days listening to testimony describing "wrestling matches" in the teacher's apartment, room-sharing in Las Vegas and fondling contests; I'll spare you the rest. The panel recommended unanimously that this sinister sodomite be fired forthwith, and so he was.

End of sordid story? Welcome excision of a putrescent cancer from the body of education?

Guess again.

When the California Commission on Teacher Preparation and Licensing met to decide whether to yank the nance's teaching credential, it considered the evidence, read the letters, and decided—are you ready for this?—to chide him gently for "extremely poor judgment in using inappropriate words and terms."

No further action. No credential cancelling. Nothing.

Except, of course, for this eerie conclusion to its letter to the teacher: "If you are reinstated to your teaching position, you will provide excellent service. You have learned from experience and will therefore exercise prudence, restraint and good judgment in your relations with your students. Lots of luck to you."

And no. I'm not putting you on.

The teacher promptly submitted the commissions billet-doux as Item No. 1 of his evidence in a $4 million suit he had filed against the school officials who had dared to discharge this pillar of the profession. The case is still crawling through the courts.

"How," you are now asking incredulously, "can such a thing be?"

It's easy, once you understand the makeup of the licensing commissioner: all educators. And educators for 30 years and more have been brainwashed since their days in teachers' college.

Once—a long time ago—educators knew the difference between right and wrong. The California case shows only too well that today's educational establishment no longer does. Don't you see? Conduct may be "inappropriate under a given set of circumstances" or "immature" or "reflecting an inadequate self-image" or some other simpering sludge. But wrong? Dead wrong? Wrong as hell? Perish the thought!

What said establishment needs so badly these days are a new backbone and a new set of guts, plus a large infusion of no-nonsense Judeo-Christian morality. Until it gets them, better keep an eye on your kids.●

CONGRESSIONAL LEADERSHIP AND LOUISIANA'S RUSSELL LONG

● Mr. JOHNSTON. Mr. President, recently the U.S. News & World Report published the results of an in-depth and exclusive survey on "What Congress Really Thinks of Itself."

This article represents an objective, candid self-examination of Congress as an institution and, in my opinion, will prove highly useful in assessing the strengths and weaknesses of the legislative process.

I commend the article to the attention of my colleagues, and at this time would like to briefly note some of the highlights of the January 14 U.S. News & World Report survey.

In response to the question: "How would you rate Congress in terms of being responsive to the Nation's needs?" a majority of the Members surveyed—50.8 percent—gave Congress a fair rating. Twenty-six percent gave Congress a poor rating and 23.2 percent said Congress is doing a good job of responding to the Nation's needs.

When asked to identify Congress most pressing need, the Members, by a wide margin, cited a need for stronger internal leadership.

Mr. President, I am particularly pleased to note the findings of the survey on two other questions regarding congressional leadership.

Members were asked to name the committee chairmen who "are most effective in getting legislation through Congress." Ranking No. 1, in the view of the Senate, is my senior colleague from Louisiana, RUSSELL LONG.

The survey measured the leadership ability of Members in another way, asking which Congressmen and Senators "are most persuasive in debate." Again, my friend and colleague Russell Long was rated No. 1.

The survey concludes:

> If any one of the lawmakers emerged as a Senate powerhouse, he is Russell B. Long (D-La.), chairman of the Finance Committee.
>
> Long was the runaway choice of his colleagues for the most effective committee chairman and he edged out Byrd and Javits as most persuasive in debate. Commented a Republican adversary of Long: "He's fairly reasonable. He compromises a lot and that makes him highly successful. He may get the biggest bite of the apple, but at least you end up with the core."

In summary, Members of the House and Senate believe Congress is doing a fair job of responding to the Nation's needs. However, they acknowledge that there is room for improvement, and believe that internal leadership is the single most important key to improving the performance of Congress.

Mr. President, it comes as no surprise to me that the survey also identified my colleague, Senator Russell Long, as one of those we can count on to provide the leadership that is so essential to the legislative process.

We in Louisiana are familiar with the unique qualities which have distinguished Russell Long's career in public service. His contributions to Louisiana are unparalleled in the history of our State, and to us, the name Russell Long is synonymous with "leadership." We are grateful to be represented by him, and gratified that his dedicated service has not gone unnoticed by his colleagues here in the Senate.●

ADDRESS BY SENATOR BENTSEN ON U.S. TRADE COMPETITIVENESS

● Mr. STEVENSON. Mr. President, my distinguished colleague from Texas, Senator Bentsen, recently led a congressional delegation on a mission to East Asia to study U.S. trade competitiveness in that region. He and his colleagues on the Joint Economic Committee observed that U.S. businessmen seeking to export to East Asian markets are handicapped by U.S. Government policies.

Senator Bentsen recently described to the U.S. Chamber of Commerce the ways in which Government-imposed trade disincentives discourage U.S. exports and recommended measures to improve U.S. exports and recommended measures to improve U.S. competitiveness. I commend his speech to my collegues.

Mr. President, I ask that Senator Bensten's address be printed in the Record.

The address follows:

Toward a More Competitive America

Like many of you here today, I have become increasingly concerned about the ability of the United States to compete effectively for vitally important international markets.

I have seen other countries where business and government cooperate to pursue a drive for export opportunities. I have seen our friends succeed where we have failed. And in the process I have become convinced that the United States of America must either organize to meet the terms of trade worldwide or accept the consequences of failure to compete: Chronic, massive balance-of-trade deficits; constant pressure on the dollar; higher domestic inflation; a diminished ability to pay for imported energy, and—eventually—the status of a second class world economic power.

Tough, high stakes competition for world markets is a fact of life as we enter the decade of the eighties. Export performance is an essential element of domestic prosperity and a cardinal consideration of foreign policy. Alone among the major industrialized democracies, the United States struggles to compete in this difficult environment without a coherent, consistent, and effective policy for trade promotion.

Long accustomed to being the preeminent economic power in the world, we still tend to view foreign trade as a luxury rather than a necessity. We have been slow to adjust to the realities of the marketplace. Despite the existence of a balance-of-trade deficit that has totaled over $60 billion during the past 2 years, we still approach the challenge of trade with the misty idealism, unilateral, self-imposed restraints, and lack of commitment that have gradually diminished our competitive position for most of the past decade.

The ongoing adversary relationship between business, Government, and labor—unique to America—places our exporters at a competitive disadvantage frequently impossible to overcome.

Last month, at the suggestion of the U.S. Chamber of Commerce, and with the support of the State Department, I led a delegation of Joint Economic Committee members on a mission to East Asia.

The purpose of our trip was to meet with American business representatives abroad, hear first-hand about the problems and constraints they encountered, and determine what can be done to increase our competitiveness in the vast markets of East Asia. To the best of my knowledge, this was the first time a congressional committee had set off on such a mission—which is one indication of the priority traditionally accorded to trade in this country.

During our 10 days in the region we held 9 days of hearings and meetings with the American business community. I can tell you that it was an enlightening—and frequently disturbing—experience.

We were shocked by the extent to which Government policy has handicapped our export potential. It is almost as if we had painstakingly bred a world class racehorse and then sent him off to his toughest test with Orson Wells as the jockey.

We returned to this country completely and totally convinced that America can compete effectively for international markets if we can get Government behind the effort to provide the sort of support and encouragement enjoyed by our competitors. No American business, no matter how efficient or aggressive, can be expected to prevail against roadblocks erected by its own Government and against the combined resources of a major trading nation.

I did not come here today to ply you with false promises about how quickly or easily we are going to wipe away the disincentives to American exports and solve our problems of competitiveness.

America will not become truly export competitive until we set our economic house in order. We need less spending by Government and more spending by business.

We must attack our fundamental problems of inflation and productivity with more rapid depreciation schedules and more incentives for savings and investment. We have got to break away from our fascination with demand stimulation and focus on the long-neglected supply side of our economy—the side that does the work.

For too many years we have had economic policies that have led to boom and bust cycles in the economy. The country moves into a recession and Government responds by priming the pump. Inflation follows and we have to pump the prime. At the end of the cycle we have ratcheted up inflation and unemployment. Then we are told these must be the new norms. I don't believe it!

For years the Monetarists have been saying the Keynesians were wrong and the Keynesians have been saying the Monetarists were wrong. I have decided they are both right—about each other. It is time we try some new ideas to encourage the supply side of our economy.

It is difficult to compete effectively for international markets when worker productivity is declining in America and increasing rapidly elsewhere in the world . . . when we save at the rate of 4 percent and the Japanese save at the rate of 25 percent.

But that is another speech. For today, let us acknowledge that we have important, long-term work to do here at home. We know it and the world knows it.

But our concern about domestic economic problems should not stand in the way of a concerted effort to eliminate export disincentives that cripple our ability to compete and handicap American firms in the competition for markets.

During our mission to East Asia I met personally with hundreds of talented, dedicated U.S. businessmen who are our front line troops in the global competition for trade.

In their efforts to promote American exports, our people abroad have all the advantages of an Afghani partisan facing a Soviet armored brigade. We are asking them to take on the world's most efficient and aggressive trading nations without the weapons or the support to do the job. It is a small wonder that we have problems in trade.

I was invited here today to brief you on the results of our trip in which the U.S. Chamber of Commerce played a key role. Shortly after our return from East Asia I addressed the Senate on some of our preliminary findings and recommendations.

Many of the issues I identified—sections 911 and 913 of the Tax Code, the Foreign Corrupt Practices Act, restraints on the formation of U.S. trading companies, antitrust problems, and inadequate Exim-Bank resources—are a familiar litany to trade professionals like yourselves. They stand high on any list of disincentives to exports and create unique problems for the American business community.

In a few weeks the Joint Economic Committee will publish an official report on our trip, and I can tell you that we are going to come out foursquare in favor of measures to inprove our competitive position abroad. We will recommend action to dismantle many of the self-imposed limitations that hinder our export potential and cost us billions of dollars in lost trade opportunities.

I think you will agree with that. With last year's annual report, the JEC has become a significant voice in economic policy making. As chairman of that committee, I am pleased to inform you that it is about to become a leading advocate for a more competitive America.

That may be the most significant result of our trip to East Asia. Many members of the JEC are committee chairmen and ranking minority members in their own right; they represent a significant concentration of power in the House and Senate. Their influence extends far beyond the committee. As a result of what we learned in East Asia, the JEC will become and will remain a major force in the drive for export competitiveness. The committee understands the problems involved and is prepared to help resolve them.

Members of our delegation, for example, returned to this country convinced that it makes no sense to inflict discriminatory tax punishment on our businessmen overseas.

The United States is the only major trading nation in the world to tax the income of our businessmen abroad . . . to tax their schooling and housing allowances as income . . . to tax incentive bonuses and cost of living allowances.

In our rush to generate perhaps $300 million in tax revenue, we are literally driving our commercial representatives from the marketplace at precisely the time we most need their services. In a broader sense we are throwing open the doors of the world's largest market to foreign competition while denying our own people the tools to compete effectively abroad. That is the sort of policy America can no longer afford.

I can also assure you that export competitiveness will be high on my list of personal priorities during this session of Congress.

Exporting is a complicated business. It involves the search for markets and financing, packaging, shipping, insurance, and a host of forms. That is one reason why 85 percent of our exports are controlled by 5 percent of our exporting firms. There are tens of thousands of smaller firms that shy away from exports because it is just too much trouble. Effective U.S. trading companies would be one way to get them involved, and it would not cost the taxpayer a cent.

I have been working with John Danforth and others to amend the Webb Pomerene Act so that it will actively encourage the formation of large-scale U.S. trading companies, limit the application of regulation K, and eliminate phony antitrust considerations when American firms form joint ventures to bid on major international projects.

Senator Stevenson and the Banking Committee are also into this problem and have proposed similar legislation.

There are hearings scheduled for March, and I am confident that, working together, we will produce positive, and long-overdue action on Webb-Pomerene during this session of Congress.

After our trip to East Asia I am also convinced that we must provide more resources for predesign and feasibility studies. We have seen that the country that writes the specs for a major project has a leg up when it comes to the bidding; they are in on the ground floor. Our competitors have ready access to cheap money for such studies. American business does not. AID has only $1.8 million to finance feasibility studies worldwide.

That is clearly not enough and I will attempt to increase AID funding in this area. I will also introduce an amendment to the OPIC bill that will make $5 million available for such studies.

In the weeks ahead I will also be working closely with my good friend Bill Verrity and members of the export caucus to develop the National Export Policy Act of 1980. I want to help write the legislation, and I want to get out and work for it.

Financing is an obvious and critical element in export performance. It is also an area in which U.S. firms are frequently disadvantaged. The Exim-Bank supports a much smaller percentage of U.S. exports than comparable institutions in other trading nations. Increased resources for Exim must be an essential part of any coherent trade strategy for the future. The Exim-Bank does not consume tax dollars. It makes money for America. The exports it sustains also create employment, generate capital flows, and help ease pressure on the dollar.

Higher budget authority for the Bank represents a sound investment in our economic future and will help make U.S. products more competitive abroad. Later this week Senators Stevenson, Heinz and I will introduce two bills to strengthen Exim financing, enabling this country to compete more effectively against subsidized credits and to expand export opportunities in nations that do not fully meet Exim lending criteria.

We now have an export caucus in Congress, and that is progress. But what we need is an export consensus, and I want to help develop it.

We are not going to win these battles by all marching off in different directions. We have got to work together. I am more than prepared to work with John Chafee and Abe Ribicoff on the problem of 911 and 913; I am more than prepared to work with Bill Proxmire to see what can be done on the Foreign Corrupt Practices Act. And hopefully we can develop positions that can attract the support of the entire export caucus.

But this new export consensus must extend beyond Congress and into the corporate boardroom. We can legislate our antiexport policy into oblivion and it would not do any good unless American business and industry awaken to the vital importance and opportunity of exports.

Time after time in East Asia we heard complaints from American management abroad about the lack of home office support in pursuing business abroad. We heard about a reluctance to use market entry pricing . . . to adapt products for local market conditions. We heard about an unwillingness to take a long-range view of foreign market potential.

As we tackle our problems with trade we are going to need your help to insure that the American business community appreciates the iron link between export performance and domestic prosperity.

I am enthusiastic about the challenge of trade because I think export awareness is a great issue for America. It goes to the very heart of our future strength and prosperity. It has bipartisan appeal. It is something we can do together to build a stronger, more prosperous Nation.

The measures I have outlined do not constitute an adequate or comprehensive response to the crisis of trade facing our country. We all recognize that America will continue to have trade problems and deficits until we control inflation, reduce Government spending, encourage savings and investment, and strengthen the supply side of our economy.

However, I think you will agree that if we can move forward with specific remedies to the specific problems I have mentioned we shall improve our competitive position substantially—and in the process we will break down the adversary relationship between business, Government, and labor that cripples our ability to compete abroad.

We can signal American business—and our competition—that this Nation fully recognizes the importance of international trade, the realities of the marketplace, and is prepared to meet the terms of competition.

We can demonstrate, as we stand at the door of a new decade, that when it comes to trade, the United States of America means business.●

MR. HARRY H. ALMOND, JR.

● Mr. HUMPHREY. Mr. President, late last year some serious charges were raised by the Department of Defense against Mr. Harry H. Almond, Jr., attorney-advisor in the Department's General Counsel Office. I am pleased to inform my distinguished colleagues that Mr. Almond, a highly respected lawyer with a distinguished career with DOD, has been cleared of all wrong doing.

In this regard, I would like to quote from a letter dated February 4 to Mr. Almond from Mr. Togo West, General Counsel of the Department of Defense. In this letter, Mr. West states:

> I have concluded that your actions violated no federal statute, departmental regulation or ethical code applicable to your position. Accordingly, you have not been charged with any such violation, and are hereby, removed from administrative leave status effective 11 February 1980. You are free to resume your position and responsibilities as attorney-advisor in the Office of the General Counsel on that date.

Mr. President, several Senators have expressed concern about the validity of the charges raised against Mr. Almond by the Department of Defense, and I request that the full text of Mr. West's letter to Mr. Almond be inserted in the Record. I submit for the Record my letter of February 22, 1980, to Mr. Almond.

General Counsel of the
Department of Defense,
Washington, D.C., February 4, 1980.

Mr. Harry H. Almond, Jr.,
Arlington, Va.

Dear Mr. Almond: This letter is to inform you that I have considered the circumstances relating to your handling of comments on a draft letter intended to be sent, and ultimately sent, by Lt. Gen. Edward Rowny, USA (Ret.), to Senator Frank Church in connection with testimony he gave before the Senate Foreign Relations Committee on SALT II.

I have concluded that your actions violated no federal statute, departmental regulation or ethical code applicable to your position. Accordingly, you have not been charged with any such violation and are hereby removed from administrative leave status effective 11 February 1980. You are free to resume your position and responsibilities as Attorney-Advisor in the General Counsel's Office on that date.

Alternatively, I understand an offer of the Department of Defense of reassignment to the position of Attorney-Advisor (International), GS-905-15, Agency Position No. 1946NZ, has been discussed with you by D. O. Cooke, Deputy Assistant Secretary of Defense for Administration. I hereby confirm that offer.

In my opinion, at the National Defense University Support Group, you will be in a better position to apply your widely recognized expertise in international law to the greater advantage of the government. I recommend you accept this offer of reassignment. Should you choose to do so, your new position will be at the same grade, step and level of dignity as your present position and you will continue to be eligible for promotions and within-grade increases.

You are free to make the contents of this letter publicly available at your discretion.

Sincerely,

Togo D. West, Jr.

U.S. Senate,
Washington, D.C., February 22, 1980.

Harry Havens Almond, Jr., Esq.,
Arlington, Va.

Dear Mr. Almond: It was with great pleasure that I received your letter of February 18, 1980.

I received Mr. Togo's letter to you of February 4, 1980, and was pleased with his recognition that "your actions violated no federal statute, departmental regulation or ethical code applicable to your position."

Quite the contrary, you are to be congratulated for your forthrightness and courage during this entire unfortunate episode. I share your belief that the final outcome will serve as a deterrent to similar conduct by the DOD in the future.

I wish you all the best in your new position at the War College. I look forward to reading your article in the Marquette Law Review.

Sincerely yours,
Gordon J. Humphrey,
U.S. Senator.●

RULES OF THE SPECIAL COMMITTEE ON AGING

● Mr. DOMENICI. Mr. President, in accordance with the requirement to publish the rules of each Senate committee in the Congressional Record not later than March 1 of each year, I submit for the Record the rules of the Special Committee on Aging.

The rules follow:

Rules of the U.S. Senate Special Committee on Aging

(As originally adopted June 12, 1963, as amended February 28, 1973, and as amended further February 28 and March 11, 1977)

RULE 1.—CONVENING OF MEETINGS

The Committee shall meet at the call of the Chairman, to the extent practicable, at least four times a year to (1) plan future activities, (2) evaluate progress on projects already under way, and (3) discuss use of Committee funds. Special meetings may be called by a majority of Committee (or any subcommittee designated by the Committee)[1] members upon written notice to the Clerk of the Committee. The Clerk shall, to the extent practicable, give at least 24 hours notice to every member of the meeting, time, and place.

RULE 2.—PRESIDING OFFICER

The Chairman of the Committee (or any subcommittee designated by the Committee),[1] or, if the Chairman is not present, the ranking Majority member present shall preside at all meetings.

RULE 3.—QUORUM

A majority of the Committee (or any subcommittee designated by the Committee)[1] shall constitute a quorum sufficient for the conduct of business at executive sessions. One member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony at hearings.

RULE 4.—SUBCOMMITTEES

Subcommittees may be established and their size determined by vote of a majority of all members of the Committee. The Chairman of the full Committee and the Ranking Minority Member shall be ex officio members of all subcommittees. Party membership of each subcommittee shall be proportionate to Party membership on the full Committee. Each subcommittee is subject to these rules and any limitations imposed by the full Committee and is authorized a) to hold and report hearings; b) to conduct business within its jurisdiction; and c) to require by subpoena or otherwise the attendance of witnesses and the production of documentary evidence.

RULE 5.—AGENDA AND VOTING AT MEETINGS

The business to be considered at any meeting of the Committee (or any subcommittee designated by the Committee)[1] shall be determined by its Chairman and any other measure, motion, or matter substantive or procedural within the jurisdiction of the Committee (or any subcommittee designated by the Committee)[1] shall be considered at such meeting and in such order as a majority of the members of such Committee indicate by their votes or by presentation of written notice filed with the Clerk. Voting by proxy shall be permitted in the full Committee (or any subcommittees designated by the Committee).[1]

RULE 6.—RIGHT TO COUNSEL

Any witness subpoenaed to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying, to advise him of his legal rights.

RULE 7.—AMENDMENT OF RULES

The rules of the Committee may be changed, modified, amended, or suspended at any time, provided, however, that not less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose.

RULE 8.—REPORTS

Committee (or any subcommittee designated by the Committee)[1] reports offering Committee (or any subcommittee designated by the Committee)[1] findings and recommendations shall be printed only with the prior approval of a majority of the full Committee (or any subcommittee designated by the Committee)[1]. The printing, as Committee (or any subcommittee designated by the Committee)[1] documents, of materials prepared by staff for informational purposes or the printing of materials not originating with the Committee (or any subcommittee designated by the Committee)[1] or staff shall require consultation with Minority staff; these publications shall have the following language on the cover of the document: "Note: This document has been printed for information purposes. It does not offer findings or recommendations by this Committee" (or any subcommittee designated by the Committee).[1]

Wherever feasible, staff reports shall be coordinated and produced in cooperation with appropriate Congressional units.●

TECHNOLOGY TRANSFER

● Mr. SASSER. Mr. President, I commend Senators Jackson and Nunn for holding hearings recently in the Permanent Investigations Subcommittee to examine the transfer of security-sensitive technology to the Soviet Union.

We only need to glance at the front page of the newspapers to see that the international turmoil created by Russia's invasion of Afghanistan has seriously damaged détente between our country and the Soviet Union. It is evident, Mr. President, that we now have to reassess our relationship with the Soviet Union on a wide variety of fronts, one of the most important being our trade policy.

This country has long been an advocate of free and fair trade policies. The fruits of our industrial innovation have been spread far and wide in the last few decades.

Indeed, Mr. President, we have been so successful in exporting our products and technology that we are falling behind in economic competition with other parts of the world. And, to fall behind in economic competition is something to be taken seriously. But, to unwittingly aid a military adversary through our trade policy is sheer folly and is a policy that must be stopped, and stopped now.

The various witnesses at the recent Permanent Subcommittee on Investigations hearing portrayed an alarming inability of this country to adequately police its high-technology exports to the Soviet Union. And I might mention that this lack of control is not a new phenomenon—but something that has been taking place over the last three administrations.

Whether this technology be in the form of computers, precision guidance systems, or truck assembly plants, it appears that we have inadvertently permitted the Soviet Union to use these imports as a direct aid to its military efforts throughout the world, culminating with the brutal invasion of Afghanistan.

What is particularly disturbing to me is the export of our most sophisticated computer systems to the Soviets. My concern predates Afghanistan and the reasons are obvious. Computer technology is one of the few areas where this country is still the world's innovative leader. Computers, unlike any other piece of hardware for export, enable the purchaser to develop and test new weapons systems. As the technology of warfare has become more sophisticated, the computer has been transformed from a piece of laboratory equipment to a battlefield necessity.

Furthermore, Mr. President, it has come to my attention that the United States stands to benefit only minimally from computer exports, unlike the Soviet Union which not only has the use of the products, but also does a fine job of copying the technology.

Witnesses testifying before the Senate Armed Services Subcommittee on General Procurement concluded that "an entire series of Soviet computers is based on IBM 360 and 370 computers that were illegally diverted into the U.S.S.R. in 1971 and 1977." This is madness—sheer madness. We must never again assist our adversaries in this manner.

As I mentioned earlier, Mr. President, this situation did not arise overnight. Over the past decade, we have been approving a growing volume of export exceptions to Soviet bloc countries—approving these export exceptions while at the same time urging restraint on trading policies of many of our allied countries.

However, Mr. President, I am optimistic that this situation will soon start to be brought under control because the Carter administration has taken several actions to address many of the abuses I mention.

First, and most important, the President has suspended all outstanding validated export licenses heretofore issued for exports to the Soviet Union and suspended the issuance of any new licenses for such exports.

Second, the administration is considering more restrictive guidelines limiting high technology exports—including a more rigorous interpretation of what constitutes an embargoed item as well as an expansion of the embargo list.

Finally, the administration is seeking the cooperation of our allies in not asking for exceptions to export guidelines, and in addition is asking them to use the 1976 guidelines for computers, which tend to be more restrictive than the 1979 proposed guidelines. I hope that the level of cooperation will be high.

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[1] Committee members on March 11, 1977, decided to conduct business and hearings as a Committee as a whole, without subcommittees. However, the option to establish temporary subcommittees at any time for special purposes remains.

Mr. President, freedom is a very fragile thing. We must be ever vigilant to guard against those who would use freedom, in this case freedom of trade, to deny it to others.●

CHARLENE S. LUGAR PERINATAL GRANT FUND

● Mr. LUGAR. Mr. President, my wife, Charlene, has been very active for many years in the leadership of the March of Dimes in central Indiana. She and many others have been working diligently to expand the work of the Charlene S. Lugar Perinatal Grant Fund for the prevention of birth defects.

Last month, Mr. Thomas A. Murphy, chairman of the Board of General Motors Corp., was gracious enough to come to Indianapolis to help increase the endowment of this fund. The thoughts he offered on the value of humanitarian voluntarism merit a wider audience than those who were fortunate enough to be present in Indianapolis, and I would like to share with my colleagues a transcript of his speech as delivered on January 16, 1980.

I ask that the transcript be printed in the RECORD.

The transcript follows:

REMARKS BY THOMAS A. MURPHY

Thank you very much, Senator Lugar. That was one of the most gracious introductions I have ever received.

I'm flattered to be here today because I know how important this luncheon is to everyone here. But more than anything else, I am thinking of those children yet unborn who will undoubtedly benefit more than anyone else from what you are trying to accomplish. I wish you Godspeed—all of you—the March of Dimes, which operates everywhere and the Charlene S. Lugar Perinatal Grant Fund, which is special to Central Indiana.

To start off on the right foot, let me say that these may not seem to be the best of times to raise money—but there's more to the economic picture than meets the eye. So, take heart. The national economy is full of underlying strength and that strength should become stronger and more visible in a matter of weeks or months. What you have to worry about are those people who are so busy preaching doom and gloom. There is a psychological factor to be considered and overcome.

And on the positive side, the prevention of birth defects; and—if they can't be prevented then their treatment, their alleviation, and hopefully their cure—such a cause compels the attention of everyone in the community. Your case could hardly be stronger.

I'm sure you're going to be successful, but at the same time I'm equally sure that you're going to have to work very hard for that success. And particularly in your solicitation efforts in the business community. I have come here to be candid with you, because in that way I think I can be most helpful to this fund-raising effort.

Difficult as it is to raise money—even for a cause as worthy as yours—it is equally difficult—perhaps even more difficult—to make contributions intelligently. I speak from experience on both sides for currently I am heading two fund raising campaigns—one for the University of Illinois and another for the United Negro College Fund. And, in General Motors, we consider corporate philanthropy a major management responsibility to be addressed as carefully as any aspect of our business. As stewards for the owners of the business, we are accountable for all contributions made.

At one time, you may recall, there was a question regarding the legality of corporate contributions, but that was settled in favor of philanthropy many years ago. Still, many stockholders today refuse to accept the practice—their viewpoint is simply that corporate funds belong to the stockholders and rather than being used for philanthropy, any amounts available for such purposes should be distributed to stockholders as dividends and, if they so desire, then given to such charitable purposes as the individual stockholders determine. On the other hand, there are those who feel corporations should distribute amounts to charities by some arbitrary formula, based on sales or earnings and regardless of any other consideration.

So, a corporation in meeting its responsibilities in this area must be prudent, must be selective, must be mindful of the needs of the business, of its employees, of the communities in which it lives, and of the stockholders as well. No easy matter. Simply because an institution or agency is performing a valuable service in the community or to the nation as a whole—as you do—doesn't mean that it automatically qualifies for corporate support and that every responsible company must necessarily support it. Each company must set its own policy and assign its own priorities, in keeping with its particular situation after careful consideration of all of the above and of its ability to contribute. This system works eminently well. There is sufficient variety of corporate preference in this area of philanthropy to assure some degree of support for virtually every cause of demonstrated merit—and that certainly includes yours.

As far as the reasons for giving are concerned—what you might call the philosophy of corporate philanthropy—we at General Motors have settled upon a quotation from Albert Schweitzer. In fact, we used this quotation on the inside-front cover of a report we published last year concerning our various 1978 contributions. What the renowned and saintly doctor said was this:

"Reverence for life . . . does not allow the scholar to live for his science alone, even if he is very useful to the community in so doing. It does not permit the artist to exist only for his art, even if he gives inspiration to many by its means. It refuses to let the businessman imagine that he fulfills all legitimate demands in the course of his business activities. It demands from all that they should sacrifice a portion of their own lives for others . . ."

This emphasis on the individual is one reason why we at General Motors place so much emphasis on volunteer work among our employees—starting with our top management. It's an organized program, on a local basis—wherever we have operations, as in Indianapolis. And the results have been remarkable—astounding in some cases. Corporations can give funds, and funds are sorely needed, I grant. But no less needed is the human hand, and we have found at General Motors that a company can successfully encourage this form of giving as well.

And Dr. Schweitzer's "reverence for life" applies just as aptly to the dollars and cents of philanthropy. As I said a moment ago, a well-managed corporate giving program is a part of the responsibility which management owes to its stockholders. I will add that there is no conflict here between this responsibility and its responsibility to the community. In fact the discharge of one tends to further the meeting of the other, since a sound company must have a sound community in which to operate. At General Motors we have this added consideration: that reverence for life demands that the quality of life be enhanced wherever possible—and that this demand is just as binding upon a profitable business enterprise as it is upon an individual.

I think my presence here suggests that we at General Motors are very proud of our record in corporate giving and in other areas of general social involvement. For example, in 1978 General Motors and our General Motors Foundation made combined contributions of $22 million nationally, and more than a third of that amount went directly to organizations and activities related to human health and welfare. But we are not unique. We make no claim to the title of "Number One" in the field of corporate giving. The truth is that scores of other corporations, large and small, also have outstanding records.

To put the whole matter in perspective, and to suggest the potential open to you in this appeal, let me tell you that in the same year that General Motors contributed $22 million to various philanthropies, a total of $5.5 billion was contributed by all Americans combined—much of it by private industry. So your requests for contributions to this Perinatal Grant Fund—if presented in a proper and acceptable form—should fall upon many receptive ears within the business community.

You'll find some companies more receptive than others, of course—you've undoubtedly already learned that from experience. But even in this variety of response, I think you will find that GM's pattern of giving in the health and welfare field is fairly typical for the business community. In 1978 we gave to capital fund campaigns conducted by 30 different hospitals for modernization, expansion, and specialization purposes, and we also give for research in such fields as genetics, schizophrenia, alcoholism, hypertension, hermatology, criminal behavior, and child-rearing—all directly or indirectly affecting the welfare of our employes and stockholders. The United Way, of course, is on our list. We supported it in 115 cities in the United States and Canada—including Indianapolis. And, in addition to what we give, our GM employees contributed more than $36 million.

But probably the one project in the health area that has received the most emphasis in our giving in General Motors recently is medicine's continuing research into the detection, cure, and prevention of cancer. This dread disease is rapidly rising in its toll of human lives so we have been elevating our emphasis accordingly. We have been supporting the Memorial Sloan-Kettering Cancer Center in New York City since 1958. In 1978 we increased that support in order to create the General Motors Surgical Research Laboratory at the Center, and I'm proud to tell you that our General Motors dealers throughout the country, including many here in Indiana, joined us by pledging a total of $700,000.

This laboratory is busy in six areas that hold promise for major gains in the fight against cancer. Among them is the study of "bloodless surgery" through the use of laser beams and plasma knives. The laboratory is also preparing to begin work in such areas as organ transplant research, the development of new surgical instruments, and the study of the metabolic effects of major cancer operations.

This past May, our newly established GM Cancer Foundation awarded $100,000 each and medals named for three former GM greats, to three internationally recognized scientists who have made major contributions to the prevention, detection, and treatment of cancer. In the conviction that such awards help inspire individual performance through worldwide recognition and respect, we plan to make further awards of this magnitude on an annual basis.

I tell you this for a very practical purpose—because in your quest for financial aid, you will undoubtedly encounter similar special programs among the corporations you solicit. And because of these prior commitments, they may feel they are unable to respond to your approach. My advice is not to be too hard on them. They are helping to meet a special and urgent need they have identified in the community just as you have, and it is your job to persuade other corporations to make a similar commitment to your own worthy and compelling cause.

One very important credential you will carry with you will be your status as a privately supported activity, and I think most business people here this afternoon will agree with me. I think it is of tremendous importance that we in America preserve some degree of balance between private and public endeavor in the field of health and welfare. Excessive reliance on government could seriously dilute the beneficial effects which competition from the private sector creates.

At one time in our history, virtually every effort to help people who were suffering or otherwise in need was organized, operated, and financed privately, sometimes by a single person. It was a highly personal, face-to-face form of philanthropy—an expression of one person's human compassion for another. Here and there today you can still find that kind of brotherhood being practiced.

But on the whole, things have changed—as they had to change. Growing populations, a more mobile society, expanding knowledge, the development of sophisticated and expensive technologies, the growth of professionalism and specialization—all such factors forced a gradual depersonalization of health and welfare services. The government, with its greater resources, had to step in—but usually only when a vacuum was created in a particular area by the lack of adequate private financing and volunteer help. But even so, the private sector remains today a major and necessary part of our national health and welfare system.

It is of tremendous importance that we keep it that way.

Make no mistake—the people of this country have been benefitted greatly from increased government intervention in this humanitarian area. It's safe to say that we couldn't function as a society today without such resources as government-financed medical research, public hospitals, and tax-supported social-welfare programs. But at the same time, we have paid a heavy price for allowing many worthwhile private agencies to close down their operations in a community for lack of voluntary support.

For all of the benefits it introduced, government intervention in the health and welfare area often results in one bureaucracy being piled upon another. It often produces wasteful duplications of effort, unnecessary paperwork, and infuriating delays. And you frequently find a highly-paid professional doing work that a concerned volunteer, motivated by a sense of personal commitment, could probably do as well or better—and certainly at less cost.

What concerns me, and what concerns many people in business, is not so much that we are tending to substitute forced taxation for freely given, voluntary contributions—it is that an essentially human part of our lives is being institutionalized. The human spirit that was once all-pervasive in private efforts to improve health and welfare is being driven out—and I don't think that is necessary. I don't think that is what we want. And I think most business people think that way. If I were you, I would bring this concern to their attention whenever I speak or write to them about this Fund.

Now, please understand what I am saying here. Neither I nor anyone else in business is calling for a retrenchment of government funding in the health and welfare area. But most of us recognize a need to preserve a better balance between public and private endeavor in the field. Obviously, we need government's contributions. Obviously, we need professionals. Obviously, we need public funding. But we also have a desperate need for the warmth that private agencies especially can offer, and for the human compassion that a properly motivated volunteer can bring more surely than anyone else to a person in need.

So, I encourage you in this humanitarian work you are doing. As I indicated earlier, it is my personal opinion that economic conditions in this state and in the nation as a whole will improve noticeably in the near future, which should enrich your prospects. You will find many corporations which, for one reason or another, will not be able to contribute—but it will not be for lack of interest or moral support. On the other hand, many—hopefully most—will respond. Their financial position and other commitments will be such that they can respond. And they will say yes for the best of all business reasons—because the health of a community's children is the hope of a community's future, and if "reverence for life" means anything at all, it surely means reverence for life at its most vulnerable stage, at its very beginning.

Thank you very much—and, once again, Godspeed!●

CAMBODIA MARCH FOR SURVIVAL

● Mr. DANFORTH. Mr. President, on February 6 of this year, more than 150 distinguished people from all over the world participated in an unprecedented March for Survival for the people of Cambodia. Jointly organized by a French voluntary medical group, Medecins Sans Frontiers—Doctors Without Borders—and the International Rescue Committee, the purpose of the march was to refocus world attention on the continuing tragedy inside Cambodia today. The participants covered the political spectrum from far left to far right, and included university professors, writers, philosophers, artists, politicians, lawyers, business executives, and more than 50 doctors and nurses.

The group sought to enter Cambodia across the border from Thailand with 20 trucks full of medical supplies and food. The trained medical personnel were there to call particular attention to the fact that there are very few doctors and nurses inside Cambodia today, yet international volunteers have continually been denied entry by the Vietnamese-supported government of Heng Samrin.

The march was stopped at the border. Entry was denied, and the food and medicine were turned over to the Thai Red Cross. But I believe the march was a success. If only for a few days, it served to recapture a degree of world attention.

At one point before the march, its organizers were subject to some criticism for sponsoring a "celebrity march." Responding to the criticism at a press conference, writer/actress Liv Ullmann made a remarkable and moving statement about why she had come.

It can serve as a reminder to all of us regarding our own responsibilities, so I ask that it be printed in the Record.

The statement follows:

Statement by Liv Ullmann on Cambodia March for Survival

I left the celebrity behind me and I'm here as a human being, a woman in her forties, a mother. I am here because I don't believe what my heart and my conscience are telling me: Something is very wrong and unfair in our world.

A number of people in Cambodia are getting help; and I have been asked to stay away from this march because I might violate the help they are now getting by making Hanoi or whoever is in charge angry at our commitment. But do I have the right to close my eyes and my ears to the rest of the people in Cambodia who at this moment are not getting help? Do I have the right to condemn them to death just so that a few will go free?

Haven't there been other marches for freedom where the marchers were asked to be silent because things would eventually be worked out if one at the moment were only a little careful and diplomatic? Thank you, Martin Luther King, for not listening to those warnings. Has there not been a smell from the pipes of certain ovens in Poland that some people wondered about, and did not those who "knew" and even inspected the camps of these ovens, for some diplomatic reason, keep quiet about them? Was not our great excuse, when we finally found out, that we did not know, we did not see? Don't we have an obligation to those who entered the gas chambers with a lifted head because they felt in their hearts that maybe there was a why to this, that the world would get to know and never let it happen again?

And I remember the Russians walking into Czechoslovakia, and will never forget my surprise when I saw the world's politicians' reactions on television. They were busy discussing not what had happened, but their wording of their petitions so that the Russians would understand they were against this; but by no means must the words in their petitions destroy the diplomatic talks and ties they had with the Russians on other levels. But I also remember the citizens who silently sat down on the streets in a non-violent resistance, a resistance that I'm sure will live in them forever, as the knowledge of it will in me, and as the lesson learned then: Because they showed they had a reason to resist, a why to their living, although they had no how.

I owe them as well to make this march for freedom, as I owe it to all the pictures of dying children in Africa implanted in my mind, whom most of us helped for a while with money in our shock and then trusted everything was better now. I want to ask, is it better? How many thousands of children are still suffering from malnutrition in Africa? And how many refugees are scattered around the world from there, although we don't read about it any more?

And I owe it to the people of Afghanistan, who soon are forgotten in all the political petitions written carefully to make the Russians angry, but not too angry. Afghanistan, which in many people's minds is now just a question of whether or not we should play games in Moscow during the Olympics. In 1936, most people did not even know there was talk about a withdrawal from the German Olympics, although Hitler the year before enacted the Nuremberg laws that deprived Jews of German citizenship. And, of course, the Olympics happened, with Hitler, and the world, applauding.

Everything is all right, or will be, as long as we are quiet. I will be quiet no more. I want to do this march. I want to go to the border and see myself if it is really true that they will not let us in with food and medicine. I want to go that road tomorrow because it is the same road as the road to the gas chambers; and I will not be the one later to say I did not know, I did not see, I did not hear. And no one is going to stop me by saying it's not diplomatic or by just making fun of my march and calling it a celebrity march. I join it because I feel that is what life expects from me today. It is not my meaning of life, but it is I who am questioned by life. And my answer must consist not of talks or statements, but of the obligation to take a non-violent action.

Life is something very real and concrete, just as life's tasks are very real and concrete. They form man's destiny, which is unique and different for each individual. I'm here as a human being today with no answers; but when I go back, wherever I'm going, I will perhaps be a celebrity again. And I tell you, I will use my celebrity status after these days to raise new questions, and maybe, hopefully, I will have learned a few answers.

"No man is an island."

BANGKOK, THAILAND, *February 4, 1980*.●

PRESIDENT CARTER'S PROPOSED 1981 BUDGET

● Mr. LUGAR. Mr. President, on February 22, a letter was sent to each Member of Congress from Citizen's Choice, a national grassroots taxpayers' organization affiliated with the U.S. Chamber of Commerce, outlining their view of President Carter's proposed 1981 budget.

In the past 4 years, Federal spending has increased 54 percent. Taxes have increased 68 percent. These are simply astonishing increases. Yet there is no significant measure which indicates that our economy is better off than it was 4 years ago or that these increases in spending and taxes in the past 4 years have achieved positive results. Productivity is down, savings are down, unemployment is up, the Federal debt is up, and inflation—as we all know—is raging virtually out of control.

Ironically, in describing the growing inflation rate earlier this week, President Carter said, "It would be misleading for me to tell any of you there is a solution to it," and he went on to say his administration's economic policies "suit me fine." These so-called policies have pushed inflation to an annual rate of over 18 percent—a 5-percent jump in 1 month.

Mr. President, I do not buy the thought that nothing can be done to curb inflation. Citizen's Choice does not buy that answer either. In fact, they have come up with a comprehensive program of reduced Federal spending and income tax cuts to combat our economic ills. I support the thrust of that program and urge my colleagues in the Senate to study these proposals, and to act in the best interests of the American taxpayer.

Mr. President, I ask that a copy of the letter I received from Citizen's Choice be printed in the RECORD.

The letter follows:

CITIZEN'S CHOICE,
February 22, 1980.

Hon. RICHARD G. LUGAR,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LUGAR: As an American businessman, a taxpayer, and chairman of Citizen's Choice, I am greatly concerned with the fiscal 1981 budget proposed by the President on January 28, 1980.

Citizen's Choice is a national grass roots taxpayers' organization affiliated with the Chamber of Commerce of the United States. Our members are concerned primarily with tax policy, controlling the growth of government spending, and the maintenance of a healthy private market economy. Founded in 1977, we already have over 45,000 members with representation in all 50 states.

Citizen's Choice members are concerned with the $616 billion fiscal year 1981 budget which carries a deficit of $16 billion and which the President has called "prudent and responsible." We do not agree with that description. On the contrary, the proposed budget fails to address the nation's real economic needs, and once again it depends on higher tax revenues to cover increased federal outlays. And this particular approach, combined with the Administration's approach to domestic spending proposals, can only lead to a further deterioration of our economy.

Two things must be kept in mind about the budget deficit. First, the budget deficit projection of $16 billion for fiscal year 1981 is based on uncertain legislative assumptions. For example, the Administration assumes the 96th Congress will mandate an acceleration of estimated individual and corporate income tax payments, limit pay increases of military and civilian federal employees, and impose mandatory price controls on hospital costs, which was rejected by Congress last year. Second, the Administration estimates the budget deficit will increase from $28 billion in fiscal year 1979 to $40 billion in fiscal year 1980. When "off-budget outlays" are included, however, the Administration estimates the total deficit for fiscal 1980 will climb from $40 to $57 billion. When more realistic estimates are made of both outlays and receipts, this deficit climbs to an incredible $64 billion.

In the fiscal year 1981 budget, the President proposes increasing federal taxes by $76.2 billion or 14.5 percent. This is equivalent to $1,000 per household. This estimate may prove to be low because inflation will probably run at a higher level than the Administration has predicted. But even if the President's estimates are accurate, the federal tax burden on the average household in the United States will double, from $4,000 in fiscal year 1976 to $8,000 for fiscal year 1981.

It is hard to believe that the President would choose to follow a course which will increase the tax burden on individuals at a time when high taxes, government spending, and inflation have already crippled their purchasing power.

These are compelling figures, and they are unacceptable to Citizen's Choice members. Because we have been troubled for some time with the direction of fiscal policy in this country, I call your attention to the Citizen's Choice program of tax and spending cuts. On October 31, 1979, at a news conference in the United States Capitol, Founding Chairman Jay VanAndel and I unveiled the Citizen's Choice plan to reduce taxes and spending. This is a plan which proposes cuts of $25 to $30 billion in federal spending and federal taxes in an effort to provide relief for the individual taxpayer.

Citizen's Choice also proposes that Congress take the following steps to achieve this end:

(1) Reduce personal income taxes by lowering tax rates and setting the maximum rate on all income below 50 percent.

(2) Adopt an exclusion from taxable income for interest from savings.

(3) Eliminate the double taxation which occurs when individuals are taxed on corporate dividends for which taxes have already been paid by the corporation.

(4) Provide more equitable depreciation allowances, through passage of the Capital Cost Recovery Act. This would create a simple, equitable, and efficient cost recovery system to permit business to replace, improve, and add new plants and equipment.

(5) Retain the "independent contractor" tax classification for those part-time and full-time business people who depend so heavily on this tax status. Resist IRS attempts to reclassify many independent contractors as employees, which would force many companies to pay additional taxes, retain only their most successful independent contrators, and put thousands of people out of work.

Citizen's Choice also urges that a $25 to $30 billion reduction in federal spending accompany these tax cuts. Specifically, we suggest: (1) restricting future budget increases to less than the rate of inflation; (2) eliminating the practice of raising budget spending levels; (3) changing the Rules of the House of Representatives to make proportionate, across-the-board tax cuts easier to achieve; and (4) encouraging cuts in unnecessary government spending at the congressional committee level.

I urge that Congress respond to citizen outcries across the country and make tax and spending cuts such as those proposed in the Citizen's Choice program a reality. Members of Congress cannot fail to recognize that in 1980 every possible step must be taken to reduce taxes, encourage increased productivity by stimulating investment and savings, and reduce the burdens of government regulation on American enterprise. The burden on the individual American taxpayer must be eased.

It is now up to Congress to take statutory action. Citizen's Choice members stand ready to work with you in the realization of this goal.

Sincerely,
J. WILLARD MARRIOTT, Jr.,
Chairman.●

CONDOMINIUM CONVERSIONS AND RECREATION LEASES

● Mr. WILLIAMS. Mr. President, as chairman of the Subcommittee on Housing and Urban Affairs, I have been deeply concerned about the crisis afflicting America's rental housing sector; about the continuing upswing in the conversion of rental units to condominiums and cooperatives, which is both a symptom and an aggravating factor of this crisis; and about the abuses which have been perpetrated against consumers in some condominium developments.

In June of 1979, my subcommittee held the first congressional inquiry into the conversion phenomena. In addition, the administration's statutory plan for providing minimum disclosure and protection standards for all purchasers of condominiums, and for providing access to judicial relief to the tens of thousands of unit owners burdened by unconscionable, escalating recreation leases, S. 612, was examined in detail.

As a result of that hearing, I proposed two amendments, which were accepted on the Senate floor and have been incorporated in the Housing and Community Development Amendments of 1979. One requires that localities consider the impact of conversions on their need for federally assisted housing, and the second mandates that HUD present a comprehensive report to Congress regarding the incidence and impact of conversions within 6 months after enactment.

I am pleased to note, Mr. President, that HUD is well along to compiling that report, and it should be available to the Congress this spring. However, while that analysis will certainly be useful in assessing the exact dimensions of the conversion trend, and in suggesting additional areas for policy discussion, I have become convinced that immediate Federal action is required to provide minimum rights to tenants in conversion situations, and to provide relief to those unit owners—particularly in the State of Florida—who are saddled with unconscionable recreation leases.

In my view, it would be most appropriate for these closely related consumer issues to be addressed simultaneously. The administration shares my concern about the need for action on the recreational lease problem. It is my hope that they will also recognize the importance of a strong package of rights and protections for tenants of properties undergoing conversion.

Discussions with the administration about this legislative package are proceeding at this time. If we reach agreement, I certainly intend to seek Banking Committee action on the package in connection with consideration of the fiscal year 1981 housing authorization legislation to be marked up in May.

At this point, I want to commend the administration for its leadership in trying to resolve the troublesome recreation lease problem, which it has demonstrated through its continuing active interest in the enactment of remedial legislation. My distinguished colleagues in the Senate (Messrs. CHILES and STONE), should also be applauded for their long-time dedication to the resolution of this problem, which is particularly acute in Florida.

Let me explain briefly, Mr. President, why I believe such legislation is necessary.

In the instance of escalating long-term recreation leases, their inherent moral and economic unfairness, their devastating economic impact upon retirees struggling to live on fixed incomes, and their potential for rendering tens of thousands of units economically unsalable and uninhabitable were forcefully articulated in testimony presented by the Carter administration, and other witnesses, at our June 1979 hearing. Further, despite the long-standing efforts of the Florida legislature to provide a means of judicial relief to the victims of these unconscionable contracts, all such efforts have been negated by the State's judiciary, and a right of action in Federal court represents the last best hope for release from this financial bondage.

As for conversions, with each passing week their impact is felt more keenly in America's residential centers.

On February 27, 1980, Secretary Landrieu appeared before the subcommittee to impart the doleful news that the construction of private market rental units was going from bad to worse. In 1979, fewer than 130,000 unsubsidized, uninsured multifamily units were started. In 1980, HUD expects those numbers to decline by more than half, to fewer than 50,000.

HUD also anticipates that up to 75,000 multifamily units will be started in 1980 for condominium or cooperative ownership. When we compare this to recent projections of the Brookings Institution, which estimate a conversion level of up to 250,000 units annually for the 1980–90 period, we can see that new construction is satisfying only a fraction of the demand for ownership in the multifamily context. Or, to put it another way, the desire of some households for affordable homeownership is being met through the increased denial of choice to those who would or must rent.

Mr. President, I am attaching a number of news articles focusing on the conversion issue to this statement. The first, from the New York Times, provides an excellent survey of the nationwide scope of this problem. A series of articles concerning New Jersey describes its evolution in my home State; where one community, Fort Lee, witnessed the incredible spectacle of one-quarter of its rental housing stock undergoing conversion within a single year.

Unfortunately, local efforts to stem the trauma and panic accompanying this conversion explosion have so far proven unsuccessful. Finally, several items from the Fort Lauderdale News make clear that the conversion tide can be "hell for the elderly renters or young families lacking the financial resources to buy into the game," and that a large portion of conversions are carried out by corporations operating across State lines and lured by profit potentials exceeding 100 percent.

Mr. President, I do not believe that a Federal moratorium on conversions would be an effective or appropriate means of responding to this situation. If landlords wish to dispose of rental properties and are prevented from doing so, they will simply disinvest in them with correspondingly harmful results. Further, regulation of the pace of conversions is best left to knowledgeable State and local officials. However, I do feel that many basic protections set out for tenants of buildings undergoing conversion by S. 612, buttressed by an additional provision providing those tenants with a collective power to compete for the purchase of their building, would be most desirable.

At the very least, it would provide them with substantial bargaining leverage vis-a-vis the converter. Or, if they chose to purchase the property, they could enjoy the same advantages of ownership without providing profits of more than 100 percent to a third party. Finally, under accelerated processing procedures being developed by HUD, they could choose the route of converting to a low-equity cooperative; which would permanently preserve the housing stock for persons of limited means.

Mr. President, while relief for the victims of recreation leases and protections and rights for the tenants of converted buildings require a broad legislative response, the Federal reaction to the crisis-stricken multifamily market cannot hold with just the measures I have outlined. I intend to introduce simultaneously with this legislation a package of tax code revisions which will make permanent most of the existing Federal incentives for rental construction and rehabilitation, and which will also provide substantially more attractive tax treatment of new rental construction.

Clearly, the stimulation of increased production levels of new multifamily units, for both rental and ownership, must be combined with basic protections for tenants faced with conversion if we are to surmount adequately the severe housing challenge which faces America today.

Mr. President, I ask that the news articles to which I have referred be printed in the RECORD.

The articles follow:

[From the New York Times, Oct. 21, 1979]

TENANTS VOICE ANGER OVER A GROWING TREND TO CONDOMINIUM USE

(By Ben A. Franklin)

WASHINGTON, October 20.—A "right to rent" movement is gaining momentum among urban dwellers around the country as more and more rental housing is converted to occupant-owned condominium or cooperative status, bringing profits to financially troubled landlords and grief to displaced renters.

At a demonstration here today, Kathryn Eager, who heads this city's Emergency Committee to Save Rental Housing, described elderly victims of what she called the real estate industry's "greed" as "just two waves ahead of the Vietnamese boat people—uncertain of where they will spend Christmas."

The march from the White House to the Capitol was poorly organized and sparsely attended, drawing at the most 50 participants amid a swarm of noonday tourists. But those who appeared said they represented millions of Americans who have been forced to move or to pay steep prices for apartments that they had planned to continue renting.

The trend away from rental housing to tenant-owned units, which are more profitable for the real estate industry and more expensive for householders, has swept from Boston to Atlanta and from Houston to Seattle. Across the country, rental housing is disappearing at a rate that confounds planners and local governments.

Most major cities do not collate records on conversions, making credible statistics harder to come by than apartment leases. But one leading expert, Philip Kozloff, president of Citicorp Real Estate Inc. in New York, estimated last June that in the last five years Washington and its suburbs had lost up to 10 percent of their rental stock to condominiums. A mayoral commission set the figure at 12 percent.

The city imposed a moratorium on conversions last May, but yesterday Judge George H. Revercomb of the District of Columbia Superior Court overturned the 180-day freeze. The ruling may be appealed, staying its effect for a time, but it almost certainly means that the conversion of apartment buildings to high-priced, tenant-owned units can resume its rapid pace.

MORE WIDESPREAD EFFECTS

Critics say that the effects of conversions could be widely disruptive, involving more than the collective personal troubles of the thousands who have been displaced from rental housing.

One result is that thousands of normally apolitical middle-class people have been inspired to organize, first in building-by-building tenants' associations, then in citywide coalitions with blacks and the poor and then, regionally, in public protests like the one here today.

Evidence is emerging, as well, that the rising cost of shelter and loss of rental housing has begun to cause labor shortages in some areas. In Santa Barbara, Calif., for example, where the average single-family house now costs $100,000 and apartments are scarce, electronics manufacturers, hospitals, banks and even the police department have been having trouble hiring or keeping middle-income, skilled workers.

Lower-income families are affected first, however. And according to a report nearing completion by the National Council of Senior Citizens, the elderly have been "disproportionately" uprooted because many of them live in the old, substantial, centrally located buildings that have been the prime targets for conversion.

DISPLACED "SUFFER A TRAUMA"

"Older, low- and moderate-income tenants displaced by condominium conversion suffer a trauma—loss of friends, loss of a feeling that they control their lives—from which they may never fully recover," the council's report said.

The displaced families, however, are seen by many experts as merely the most poignant and immediate effect of complex economic and demographic forces that are pushing the cost of shelter, rented or owned, beyond the means of many Americans and driving real estate investors to abandon the ownership and construction of rental properties.

As even the generally anticondominium council report points out, condominiums are meeting a brisk demand for home ownership among the more affluent young. The conversions—"the hottest sector" in housing, according to Mr. Kozloff—are eagerly sought by many young people, products of the so-called baby boom of the 1950's, who do not want or cannot afford their parents' style of single-family dwelling.

According to Mr. Kozloff, they are exhausting the inner-city supply of condominiums and cooperatives, often as a hedge against inflation through price appreciation. Some buildings sell out before developers can place ads.

BEGAN A DECADE AGO

More than 90 percent of the nation's 2 million condominium units, housing 4 million people, did not exist in 1970, when what Senator Harrison A. Williams Jr. of New Jersey calls "the galloping pace" of conversion and new condominium construction began.

Last year alone, 10,000 condominium units were created, according to available figures, up from 50,000 in 1977. And Mr. Kozloff's more conservative projection for this year is for 130,000 additional units—more in 12 months than in the first five years of this decade.

Some of the passion evoked by the condominium trend arises from the belief that converters are garnering enormous profits.

Allen J. Backman, a lawyer for a tenants' group fighting condominium conversion in his own Philadelphia apartment building, Park Towne Place, described the decision fared by a hypothetical elderly center paying $500 a month:

"The converter notifies her that the building is going condo in 60 days. The apartment where she's lived for 30 years will be $90,000. That is 20 percent down, or 18,000, plus $2,000 in settlement and closing fees—$20,000 in cash. "Assuming she can take $20,000 from savings—and remember, she is losing the interest there—she's still got a $70,000 mortgage.

MAYBE $1,000 A MONTH

"How many 65-year-olds have the income to pay nearly $700 a month for what used to be $500 in rent? But wait. She's got a $450-a-year maintenance fee to pay, too, plus taxes. So she ends up having to pay maybe $1,000 a month.

"It's really a calamity," he said.

Mr. Beckman and some others who have denounced the converters acknowledge that many tenants, too, are motivated by the prospect of big profits.

Converters usually offer substantial purchase-price discounts to rental occupants. An apartment bought for $90,000 may be salable the next day for $120,000. This instant profit tends to divide those tenants who can pay, even if reluctantly, from those who cannot.

"That's called 'stampeding,'" Mr. Beckman said. "There's an awful lot of money—people are convinced that there's big money for everybody. So it's not very edifying."

In New York, cooperative arrangements, in which residents purchase shares in their building rather than owning an apartment outright, are more common than condominiums. But the process of conversion, and the laws that govern it, are effectively no different.

"The private housing market is not working for the people who are the renters", says Neil Mayer of the Urban Institute here. And other critics say Federal rent subsidies are not working, either.

According to Daniel Lauber, a Chicago area planner, "communities are receiving millions of Federal dollars to preserve local moderate-income housing, and yet they are permitting condominium conversions to remove units from the rental housing stock faster than any Federal subsidies could ever replace them."

Further, the critics say, the competitive scramble of those displaced by conversions for the units that remain drives up rents, contributing to a rate of inflation in housing that almost everywhere far exceeds every other inflationary increase.

At the march here today, Representative Michael D. Barnes, a freshman Democrat from suburban Maryland, declared that "today's rental tenants are becoming tomorrow's housing statistics in a losing fight against the loss of the housing supply."

NATIONAL FREEZE PROPOSED

Some congressmen with large constituencies of renters, like Representative Benjamin S. Rosenthal, Democrat of Queens, have proposed a national freeeze on conversions. But the progress of such proposals through Congress is problematical at best.

And increasingly, housing experts are agreeing that such moratoriums are only a stopgap "act of desperation," as Mayor Marion S. Barry of Washington has described the freeze here.

When the freeze took effect last spring, the average price per unit was nearly $100,000, and the rental vacancy rate is still nowhere close to the 5 to 6 percent that the housing industry regards as healthy.

The Washington area is considered to have the most severe condominium-conversion problem of any urban center in the country. Only in Seattle and Philadelphia have other city leaders resorted to flat moratoriums.

But regulation is spreading. New York was first in requiring the consent of 35 percent of rental tenants to evict non-purchasers, and a law passed this summer protects some elderly tenants from eviction. New Jersey requires a three-year notice.

PROTECT RIGHT OF REFUSAL

Washington, Boston and Denver require 120 days' notice and protect the tenants' right of first refusal to buy the building. Philadelphia adopted an ordinance last month that requires a year's notice and invokes an 18-month conversion moratorium, the longest imposed anywhere so far. And two weeks ago Los Angeles adopted a measure that allows the city to reject condominium conversion applications when the rental vacancy rates fall below 5 percent.

After a 1975 survey, the Department of Housing and Urban Development concluded that by 1995 half the United States population might be living in condominiums.

That prospect alarms such critics as David Marlin, director of the National Council of Senior Citizens' legal research office, who testified recently before Senator William's housing subcommittee that "we may be creating a monster" in the trend to conversion.

Mr. Marlin was a member of the Mayor's emergency condominium commission here, which just published recommendations urging a complex regulatory system to curb conversions and expand public housing.

Mr. Marlin, like many experts, believes that new Federal tax policies are required to meet the pressures in the marketplace that encourage conversions.

The tax deductions granted for home ownership have been a spur to condominium ownership and a factor that makes the recent increases in interest rates less daunting to potential condominium buyers.

The laws also have the effect of penalizing landlords: Once a landlord's tax depreciation on rental property has been used up, sale to a condominium converter becomes attractive, especially in those cities that have some form of rent control.

"The political sex appeal of such tax reforms is very low," Mr. Marlin noted ruefully.

[From the New York Times, Sept. 23, 1979]

APARTMENTS: ENDANGERED SPECIES?

(By Ellen Rand)

With the construction of new apartment houses at a virtual standstill, affordable rental housing is considered by many to be an endangered species.

And since the conversion of rental apartments to condominiums is diminishing that housing supply still more, at least one municipality has responded to this problem by calling a one-year halt on all such activity. The town is Verona, in Essex County.

"Many of the tenants here are older people, and without means, and it would be devastating for them to be uprooted if their buildings were converted to condominiums," Mayor Jerome Greco said in explaining why Verona had approved a moratorium on conversions.

The ordinance was enacted following a sparsely attended public hearing on August 13. Since there has been only one conversion in the borough—it took place three years ago at 284 Claremont Avenue—and, by Mayor Greco's account, rental housing in the borough numbers fewer than 1,500 units, one might wonder about the efficacy of such an action.

In fact, the people most likely to be affected by the moratorium are the residents of two luxury high-rise buildings, Claridge

House I and Claridge House II, which scarcely cater to those of modest means.

"We had heard rumors that the buildings were going to convert," said Mayor Greco. "There have been rumors ever since Claridge House II opened as a condominium and was subsequently changed to a rental when the apartments didn't sell. But so far, we haven't been able to substantiate anything, and we haven't had any dealings with the building owners."

Perhaps not, but a spokesman for American Inysco, the Chicago concern that bought the 275-unit Claridge House I last December, said that a conversion plan had been submitted to the state's Division of Housing on August 10.

As to the impact of the moratorium on the plan, the spokesman would only say that it would impede the owner's plans for refurbishing the building and that some tenants already had expressed the feeling that the the moratorium was infringing on their rights to become homeowners.

But what about the rights of those who do not wish to buy?

"New Jersey has such strong legislation that tenants are pretty well protected in the event of a conversion, so I personally don't understand the need for a moratorium," said Milton Schmidt, supervisor, Planned Real-Estate Development, a unit of the Division of Housing.

If a building is converted, tenants have 90 days in which to decide whether or not they wish to buy an apartment. And in the event that they choose not to purchase, they can remain as tenants for three years without fear of eviction. But, attorneys say, that three-year period often stretches out far longer.

Considering this statute, isn't the Verona moratorium superfluous?

"We're aware of the conversion law," Mayor Greco said, "but we think it's important to express a sense of home rule. We are trying to protect the rental apartment units that are available."

Mayor Richard Nest of Fort Lee also is concerned about the impact of a dwindling supply of rental housing. Six months ago, he formed a committee of landlords and tenant representatives to study the effect of conversions there. But in Fort Lee, which has a far greater number of rental buildings with conversion possibilities than Verona, officials have thus far shied away from enacting a similar ordinance.

"We have two buildings, or 400 units, converting now, and we could have 3,000 units converting by the end of the year," Mayor Nest said. "That's one-third of the apartments in Fort Lee. It's important that tenants be protected. That three-year protection does not preclude harassment by landlords."

Still, Mayor Nest feels that a moratorium in Fort Lee would be inappropriate, precisely because such a municipal ordinance could be pre-empted by the state legislation.

"It would be ridiculous," Mr. Nest asserted. "Legally, we could be knocked out of the box."

Asked whether Verona was acting within its rights in enacting the moratorium in the first place, Mr. Greco replied that he supposed the borough "could become involved in litigation," but that he did not see any thing like that cropping up in the immediate future.

Matthew Shapiro, president of the Fort Lee Tenants Association and first vice president of the New Jersey Tenants Organization, pointed out that it was not just apartment-building tenants who needed protection, but also those who, by desire or necessity, were in the market for rental apartments.

"New Jersey has a terrible problem because of the lack of availability of rental housing," he said. "The wanton tendency by landlords to convert rental buildings to condominiums for tremendous financial gain worsens the problem.

"We have to meet the housing needs of the entire population, so the moratorium is a good idea because it gives some 'breathing time'."

A moratorium would not be needed, Mr. Shapiro contends, if the state enacted legislation requiring that, before conversion to a condominium went through, two-thirds of a building's tenants agreed to purchase their apartments.

Some real-estate men called the Verona moratorium little more than a "smoke screen," and the motives behind it rooted in the fact that "tenants have more votes than landlords."

"If Verona was so concerned about having sufficient rental housing for those with moderate incomes, it would change its zoning to accommodate more garden apartments," said Alexander Summer Jr., head of the Teaneck-based Alexander Summer Companies, which owns 2,000 apartment units throughout the state.

According to Mr. Summer, who serves on the study committee in Fort Lee, "a moratorium would deny a housing choice to tenants. Many tenants would be interested in the advantages of ownership, including tax benefits, but not everyone wants to own a home. The problem is, tenants who do want conversions aren't organized."

Mr. Summer also charged that tenant organizations, in their opposition to conversions, were "acting in their own self-interest."

"If more and more buildings convert, they would lose part of their constituency, as well as income from dues-paying members," he said. "They would also find that former allies would become adversaries."

Lawful or otherwise, a moratorium would be effective in stopping conversions because as Norman Tanenbaum of the Paterson law firm of Stern, Steiger, Croland and Bornstein, put it: "By the time a developer would get finished with litigation challenging a moratorium, he could go bankrupt."

Mr. Tanenbaum, who has counseled owners converting buildings in Hackensack and New York City, observed that "an owner who decides to convert really crosses the Rubicon. He's got high front-end costs for refurbishing, refinancing and the like. There is no turning back. It would be particularly unconscionable to apply a conversion ban to an owner who has already begun the process. That would surely wipe him out."

So far, the Division of Housing has registered 14 condominium developments. Six represent conversions from rentals and amount to 1,074 units, according to Mr. Schmidt. In addition, 31 projects are under review; of those, 10 are conversions amounting to 1,314 units.

The fate of Claridge House I in Verona has yet to be resolved. So far, American Invsco is said to be doing nothing more than "assessing the situation."

"If we got sufficient evidence from the owner that the tenants would be protected or that there is a large portion of tenants who really want the conversion, then I could see the possibility of a repeal of the ordinance," Mayor Greco said.

[From the Bergen County Record, Oct. 26, 1979]

FORT LEE HALTS APARTMENT CONVERSIONS

(By Joseph Palenchar)

The Fort Lee Council Borough fearing a further decline in the borough's rental housing, last night banned the conversion of apartments to cooperatives and condominiums.

The ban, which is temporary, was expected to be challenged immediately by landlords. Borough Attorney Joel Ellis last night said that a suit would be filed early this morning on behalf of the owners of Mediterranean Towers to convert Mediterranean Towers West into a cooperative.

"We're especially concerned about senior citizens who may not have the cash outflow to make a cash purchase" and find themselves without a place to live, Mayor Richard A. Nest said last night the council's action.

Other communities that have recently invoked conversion moratoriums include the Essex County borough of Verona, Seattle, Philadelphia, and Washington, D.C., where landlords last week overturned the ban in court. Landlords are challening Verona's moratorium.

350 AT MEETING

More than 350 persons, most favoring the ban, attended last night's meeting, at which the measure passed 6-1. The ban runs six to 14 months.

"Landlords are converting not because of rent control but because of greed," said Matthew Shaipiro, president of the Fort Lee Tenants Association. "There are more conversions in non-rent-controlled communities than in rent-controlled communities." Fort Lee has a rent control law.

David Goldstein of Horizon House spoke against the moratorium, saying, "I'm tired of writing rent checks." He expressed annoyance over what he termed the council's discovery of an emergency a week before election.

Nest and Councilman Scott Weiner are seeking reelection next month.

The council does not intend to permanently ban conversions, said Weiner, "but they have sprung upon us at a rate that surprised us all." He said a balance could be struck between the interests for those tenants who want the change to buy their apartment as a cooperative or condominium and those who do not.

"Both points of view have some merit," added Councilman Jeffrey Kleiner. "There's a place for condominium and co-ops," he said.

Councilman Chris Nicholas, however, said he felt the moratorium would be declared unconstitutional. "Tenants under present law are adequately protected," he said, the crowd jeered him.

AUTOMATIC EXPIRATION

The council also empowered the mayor to establish a committee to assess problems associated with conversions and make recommendations to the council in six months. The moratorium will expire automatically under certain conditions—such as the council's adoption of an ordinance controlling conversions or the passage of state or federal regulations.

The moratorium does not apply to non-rent-controlled buildings and does not stop conversion in cases where a notice of intent to covert has been given to tenants more than 45 days before the ordinance's adoption last night.

But the moratorium covers apartment buildings where conversions are in progress, including Northbridge, Deauville, Horizon House, and Imperial House, Ellis said. Hampshire House would not be covered, he said, since cooperatives have been on the market there for several months.

The moratorium also will apply to Mediterranean Towers West, Ellis said, because the landlords have not registered their conversion request with the state. Approval by the Department of Community Affairs is needed before landlords may issue notices of intent to convert.

Fort Lee has a population of 32,000 and has 9,000 rental units.

Martin Lewy, a member of the Northbridge Tenants Association board of directors also said that his organization supported the moratorium.

"For the great majority of all tenants in Fort Lee. the moratorium is almost a question of life and death," he said. "They need problem.

[From the New York Times, Dec. 21, 1979]

Ban on Change to Cooperatives in Fort Lee Voided—Judge Says the Legislature Has Sole Power in Case

(By Robert Hanley)

Hackensack, N.J., December 20.—A 14-month ban by Fort Lee on the conversion of rental apartments to owner-occupied condominiums and cooperatives was overturned today by a state judge.

He ruled that only the New Jersey Legislature, and not town councils, had the authority to impose such moratoriums.

The action was viewed as another setback for tenant organizations and housing officials across the country who are eager to stem the rapidly growing number of such conversions by landlords and to stop the erosion of rental housing stock and the displacement of tenants. Similar moratoriums imposed by Chicago and Washington have been successfully challenged in court this year by landlords.

In New Jersey, a one-year conversion moratorium has been enacted by Verona and by Atlantic City, where thousands of poor and elderly tenants have been displaced by gambling casinos. The moratoriums are currently under attack by apartment owners in Federal courts and in State Superior Court.

TENANTS ASSAIL DECISION

Today's ruling, in Superior Court by Judge Harvey Smith, was denounced by the Fort Lee Tenants Association, which has battled persistently with landlords since high-rise luxury apartments sprouted on the Palisades on the west bank of the Hudson between 1960 and 1972.

"This is a decision which does untold injury to tenants and prospective tenants," said Matthew Shapiro, president of the association. "It disregards their right to have housing available."

John Inganamort, a Fort Lee landlord who is chairman of the Bergen County Republican Committee, was elated at Judge Smith's action.

"I'm delighted we can get into the business at hand," he said. "We're not going to allow to happen in Bergen County what happened in New York City. We're going to convert before the buildings become unmanageable."

Fort Lee's attorney, Joel Ellis, declined comment, saying he was uncertain about an appeal until he had discussed the decision with town officials.

BAN ENACTED IN CAMPAIGN

Fort Lee's Council enacted the 14-month ban on Nov. 1, at the height of the fall election campaign, after the owners of eight buildings containing 2,377 apartments had started conversion proceedings during the year. These units, nearly all in luxury, high-rise buildings, represent about 25 percent of the rental-housing stock in Fort Lee, a community of 37,000 people in two and a half square miles, about two-thirds of whom live in apartments.

The tenants' association fears that this year's rapid conversion rate—only 276 units in two buildings were converted in 1978—will dry up the rental inventory. Landlords counter that they are being forced to sell the apartments because of escalating costs and a strict rent control law, approved by the State Supreme Court in October 1978, which limits annual rent increases to less than 3 percent in many buildings. The rent control law, the landlords say, was the primary cause of this year's sharp increase in conversion proceedings.

Judge Smith seemed sympathetic to the argument of the tenants and the town. "Suddenly," he wrote, "the Fort Lee tenant has become an endangered species.

SAYS FIELD IS "PRE-EMPTED"

However, he said, municipalities have no authority to enact local laws in areas where the State Legislature has "pre-empted the field" by enacting "pervasive and comprehensive" legislation. "Reform, if needed, must come from the State Legislature," he said.

As yet, the New Jersey Legislature has not approved a conversion moratorium. The New Jersey Tenants Organization has been seeking a two-year statewide ban. "We will continue to lobby for it," Phyllis Salowe-Kaye, president of the organization, said today.

The Legislature, however, passed a law in 1976 that prohibits landlords from dispossessing tenants in apartments facing conversion for at least three years, and for up to eight years if owners do not offer the tenant "comparable" rental housing.

Judge Smith said this was the law that blocked localities from enacting conversion-related measures.

The Atlantic City moratorium was adopted one week after Fort Lee's and is almost identical to it. A decision on it is pending in State Superior Court.

The Verona ban, involving a 275-unit luxury high-rise, is before Judge Frederick B. Lacey, in Federal District Court in Newark. The owner, citing a Federal court decision that overturned Chicago's moratorium, contends the moratorium unconstitutionally violates his right under the 14th Amendment to sell his property.

[From the Fort Lauderdale News/Sun-Sentinel, Feb. 24, 1980]

Condo Conversion: The Cruelest Game in Town

(By Edwin Speizer and Glen Macnow)

The elderly woman tugged at the governor's jacket as he strode through the Hallmark Towers Apartments in Hollywood.

"If they convert this place into condominiums," she said, "I'll kill myself, I don't have the money or the strength to move. I'll just take too many sleeping pills."

Before Gov. Bob Graham could respond, the crying woman, disappeared into the crowd surrounding him. Five minutes later, a shaken Graham told 700 conversion-fearing Hallmark residents, "You are the victims on the cutting edge of a serious problem. Action must be taken."

But what action? In a state that traditionally places high value on property rights, state and local lawmakers are squirming under the issue of free enterprise versus tenant protection.

Unheard of a few years ago, conversion of rental apartments to condominiums is now a big, booming business. Affluent investors from around the world are cashing in on South Florida's real estate market, buying prime rental property and selling the units as condominiums. Often the converter profits $1 million or more in a few months.

In the past two years, 10,000 rental units—almost 10 percent of the apartment supply—have "gone condo" in Broward and Palm Beach counties.

If the trend is a gold mine for investors, it is hell for the elderly renters or young families lacking the financial resources to buy into the game.

"We're at the mercy of the people who have a great deal of money," says Macy Stein, 75, a Hallandale resident soon to lose his apartment to conversion.

Doug and Judy Lester, both 26, considered buying in when their 16-unit Boca Raton apartment building went condo early last year. But, says Doug, "we couldn't even scrape together the ridiculous amount they wanted for a downpayment.

"The developer said this would be a great bargain for us," he says, "but it's no bargain when you just don't have $10,000 to put down. We ended up spending three months looking for a comparable apartment and never found one. Now we pay $50 more for a smaller place in Pompano Beach."

Even using the standard estimate that 30 percent of renters buy their converted apartments, conversions in Broward and Palm Beach counties in the past two years forced 17,000 people out of their homes and into one of the nation's tightest rental markets.

This year promises more of the same. Advance Mortgage Corp., a national consulting firm, cites the Gold Coast as "America's hot spot" for conversions. The company estimated that investors have their eyes on 16,000 rental units for conversion in South Florida during 1980.

Even now, more than a half-dozen complexes containing several thousand apartments are in the process of conversion.

Currently, sales are pending on several area rental projects. Usually the last to find out are tenants who are told—bluntly or gently—to buy or get out.

"We're bewildered, confused and unable to believe what's happening," says Max Porster, 71, tenant leader at Hallmark Towers, "Our elderly residents have lived here for as long as seven years and now they're going to be homeless. This is the cruelest game in town."

Irate renters—and some government officials—are calling for a complete ban on conversions. Lauderhill city commissioners will vote tomorrow on a six-month conversion moratorium.

"We've got elderly and working people being uprooted from their homes and friends," says Lauderhill Councilman David Kaminsky. "For the elderly, this is a trauma. Many don't have the strength to move or relatives to help them out."

Several other Gold Coast cities have passed laws controlling the trend, and next month the Broward County Commission will debate a plan to extend the notice time a converter must give apartment-dwellers.

Most local officials agree current state laws are inadequate.

Florida law leaves tenants no recourse to fight conversions, nor does it guarantee them first chance to buy their units.

It does stipulate they be allowed to stay in their apartments for 180 days or the full term of their leases, whichever is longer, and requires that any purchase discount offered to renters must remain in effect for at least 60 days.

That law may soon change. When the Legislature convenes in April, it will face more than a dozen measures seeking to control or restrict future conversions.

Even federal lawmakers are getting into the act, U.S. Rep. Benjamin Rosenthal, D-N.Y., has called for a national ban on conversions carrying a $50,000 fine for promoting conversions over interstate telephone lines. The Senate Housing Subcommittee is studying legislation guaranteeing tenants the first chance to buy converted units.

Florida this month completed a three-month study of its own, with the state Division of Land Sales and Condominiums concluding:

"The conversion process produces an often severe, adverse economic and psychological impact on the tenant, who must either purchase the apartment or seek other housing in a market offering few alternatives."

The study, now in the hands of Gov. Graham, falls short of proposing conversion limits. Says author James S. Roth, director of the Division of Land Sales and Condominiums:

"I don't want to sell the future off by overreacting to the present problem. Banning conversions will further discourage apartment investments, which will keep the housing shortage with us for a long, long time."

What's needed, Roth concludes, is incentives to builders to promote new rental construction, such as tax breaks or a state housing finance agency.

As for the plight of renters, his report recommends extending the grace period from 180 days to 270 days and allowing tenants of converted units to break their leases with 30-days notice.

The proposals have proved controversial. Lauderhill Councilman Kaminsky says Roth's suggestions "are like trying to cure a broken leg with a Band-aid." State Sen. Ken Jenne, D-Hollywood, says the report fails "to see the human problems that exist in the real world."

But Florida's real estate industry, leery of government controls, seems less upset.

"We shouldn't put the burden of social problems on investors," says Kinney Harley, executive director of the Florida Home Builders Association. "How do you tell someone he can't sell his property to whomever he desires"

Others in real estate worry that continued conversions might hurt the industry's image.

"A person concerned with our industry should be concerned with what the flak conversions bring," says Fort Lauderdale real estate consultant Lewis M. Goodkin. "A lot of people are hurt by conversions. We can't ignore that."

Indeed, the crunch of conversions is being felt nationwide, as the apartment supply has fallen to a 35-year low.

In Chicago, conversions have averaged 10,000 per year since 1973. In New York City, 25,000 rentals go condo every year. And in Washington, conversions soared from 4,000 in 1977 to 12,000 in 1979.

Such numbers have spurred those cities to enact anti-conversion legislation, but those laws may have been passed too late for renters. According to Advance Mortgage Corp., rental property in those cities is "virtually non-existent."

So, with the supply of apartments running thin up north, condo converters have turned their attention to a new vein of gold: South Florida.

"Right now, Dade County is the most active spot for conversions," says Goodkin. "Then comes Broward and Palm Beach."

Chicago investors recently converted the Galt Towers in Fort Lauderdale. A California developer recently bought the Diplomat Towers in Hollywood for conversion. And other investors from as far away as Canada or South America are cashing in on the craze.

The result is inflated housing prices. Condo converters, eager to buy and envisioning huge profits, often are willing to pay above-market prices for property. That, in turn, jacks up prices throughout the real estate market.

In 1978 the 260-unit Galt Towers on Fort Lauderdale's oceanfront sold to converters for $9.75 million. Within a year, they sold 253 of those units for $16.27 million.

One year later, the 268-unit Diplomat Towers in Hollywood sold to converters for more than double the Galt price—$22.75 million.

"The conversions are no longer affordable to tenants," notes Goodkin. "The typical apartment building should sell for 100 times the monthly rent. Now we're seeing prices 130 times the monthly rent."

Those who convert, however, say everyone wins in the process: the apartment building owners who get inflated pricees for their buildings; the converters who make large profits; local governments who find their tax bases expanding because of high sales prices; the neighborhoods, which get permanent, rather than transient, residents; and the tenants, who get a new chance to buy.

But to the tenants—young and old—who lack the financial clout to buy their units, that argument makes little sense.

"A lot of developers took the attitude they were doing a community service by converting renters into owners," says Goodkin, "and maybe they were when that was occurring." But with prices now, most pople are just displaced.

Many retirees, especially those on fixed incomes, see little rationale in home ownership. Some pay no income tax, so they lose the tax advantages of owning a home. Others followed the advise of financial wizards who a few years ago said it was wiser to sell their houses, rent and live off the income from their home sales.

Says Sam Dorf, a New York City retiree now living in Hallmark: "I'm 79 years old. What do I want with a 29-year mortgage?"

Often, just the threat of conversion is enough to induce a buying panic among renters. Nellie Pollinger, who paid $360 a month rent at International Village in Lauderhill, paid $63,000 cash when that 832-unit complex went condo last year.

"I looked for other places to rent, but coudn't find anything," she sáys. "I had no intention to buy, but what can you do?"

Those who resist and move to other apartments must live under the threat of being condoed-out again. S. L. Birnbaum, 79, left International Village last year for a neighboring apartment complex, but the worries followed him.

"There are rumors all the time they'll go condo here," he says. "You live in fear. I can't take the aggravation of having to move around like a nomad everytime somebody converts."

And as the apartment supply dwindles and the Gold Coast's population continues to rise, people like Birnbaum may live in far for a long time to come.

Many experts remain reluctant to predict how far the conversion trend will go. "It's all happening so fast that it's hard to keep track," says Jim Taylor of the Broward Property Appraiser's Office.

Others, however, offer a frightening prognosis.

"Converters are buying anything that makes sense," says real state consultant Douglas Wiles. "I think we'll see every decent rental in South Florida converted to condo."

"It won't stop until we do something to make it stop," says state Rep. Hal Spaet, D-Miami. "If conversions remain legal and profitable they'll continue, even if we have homeless people sleeping in the streets."

RENTAL OUTLOOK IS BLEAK: FEWER UNITS, HIGH PRICES

(By Irwin Speizer)

It was to be Broward's biggest new rental project in years. With 107 units completed and leased last year, Holland Builders Inc. was ready to start the second phase of the planned 800-unit Village Lake and Racquet Club in Margate.

That's when the rental crisis caught up with Holland.

"Construction costs have been going up 1.5 to 2 percent per month," says Holland Vice President Steve Gravett. "We can't charge enough rent to build anymore. We had to put the project on the back burner."

At a time when builders and investors have all but abandoned the rental market, the fact that Holland was able to start the project is something of an achievement. Holland is now reviewing its plans to see if costs can be cut enough to allow the project to proceed.

Holland's experience in Margate typifies the probems facing the rental industry today. High construction costs, expensive financing, stiff tax laws and the recurrent threat of rent control have driven most investors and builders out of the field.

At the same time, the high demand for condominiums has inflated the price of apartment buildings suitable for conversion, making it profitable for apartment owners to sell to converters.

The end result is a shrinking rental stock which, matched against rapid population growth, creates an extremely tight market. In Broward, the population has increased by 120,000 since 1976, but there are 3,072 fewer rental apartments. In Palm Beach County, 117,000 more people are competing for 636 fewer apartments.

"The rental industry today is like the agriculture business: It's a necessity that doesn't pay," says Harry Miller, Broward County Planning Council director. "To get rentals will take one of two things: Either let government do the whole job or let government subsidize more rentals."

Adds Noel J. DeRoodenbeke, director of the Apartment Association of the Florida Gold Coast," The figures just don't compute any more. Instead of getting a return on investment, you have apartment builders subsidizing renters."

That is exactly what Lazarus Communities Inc. faces with its 432-unit rental project presently under construction in Plantation.

"Initially, we're going to have a negative cash flow," says Lazarus Vice President Lew Lantin. "But we think of this as a long-term investment."

Lazarus is able to build and manage the project at a loss because of its financial stability, Lantin says. The company did $35 million in gross sales last year, making it the largest privately-owned building company in the state.

But even operating at a loss, the projected rents seem staggering. The first phase of 136 units is expected to open this fall, with estimated rents on one bedroom units pegged at $390 and two bedrooms at $480 per month.

Down the street from the Lazarus project, another new rental development recently opened, offering equally high rents.

The Kings Harbor complex rents one bedroom units for $375 to $425 and two-bedroom apartments for $375 to $525.

The trickle of new rental construction is having little effect on the apartment shortage, with vacancy rates in the two-county area at a record low of .5 percent.

As a result, South Florida is creating pent-up demand for rental apartments that will result in a rental construction boom in the next few years, according to analyst Ken Kreizinger, president of Realistat Inc.

"The way the market works, what's depressed at one time always comes back," Kreizinger says. "Real estate is a very cyclical industry."

[From the Fort Lauderdale News and Sun-Sentinel, Feb. 24, 1980]

LAWS GIVE RENTERS LITTLE PROTECTION AGAINST CONVERSION

(By Glen Macnow)

If the owners of your apartment decide to "go condo," Florida law leaves you two options:

1. Buy in.
2. Move out.

"There's really nothing a tenant can do to fight the process," says James Roth, director of the state division of land sales and condominiums. "Our laws are designed to give the tenant reasonable time to find a new home. They're not designed to halt the conversion."

Florida law requires the condo converter to prepare a detailed report on the building's condition. He must honor all leases or give tenants 180 days to find new homes. And, if that converter offers tenants a discount toward buying their apartments, that deal must remain in effect for at least 60 days.

"It's a weak, inadequate law," says state Rep. Larry Smith, D-Hollywood. "The renter has no recourse. He has no way to fight the conversion."

Other laws passed outside Florida give tenants a say in the conversion process:

In San Francisco, where 8,000 apartments were converted in the past five years, a new city law requires that 40 percent of the tenants in a complex approve any conversion. The law also grants life tenancy to anyone over 65 affected by a conversion and sets a citywide conversion cap of 1,000 units a year.

"We've slowed the trend," says City Administrator Roger Boas. "Before we passed the law, our renters lived in a constant state of fear. Now they know they have a say in the matter."

In New Jersey, condo converters must now give three years notice to renters. In Los Angeles, a conversion moratorium goes into effect whenever the apartment vacancy rate falls below 2 percent. And in Seattle, converters must pay each tenant $350 to defray the cost of moving.

None of those measures, however, seems likely to gain support among Florida's lawmakers.

"Our Legislature is reluctant to do anything that might infringe on the rights of private industry," says state Rep. Hal Spaet, D-Miami, a lawmaker seeking controls on conversions, "The problem is convincing state leadership that we have an emergency situation. Even then, I don't know how far the state will go on this issue."

Spaet is one of about a half-dozen lawmakers pushing more than a dozen bills regulating conversions. The proposals range from a complete moratorium to adding another three months to the waiting time required for changeovers.

But only the last bill, which appears to have the support of Gov. Bob Graham, seems likely to pass.

Several Broward cities, considering the state law too weak, have placed their own controls on conversions. Hollywood, Sunrise and North Lauderdale have extended the waiting time for conversions. Lauderhill councilmen are to vote tomorrow on a six-month conversion ban. And next month, the County Commission will debate extending notification time to tenants from 180 days to one year.

Perhaps the Gold Coast's most restrictive law is in Hallandale, where converters are required to help tenants find new apartments and pay up to $1,600 per tenant for "relocation assistance."

Hallandale also requires prospective converters to have owned the complex before February 1978. That requirement recently sparked a law suit by B.O.P. Inc., which bought the Chelsea Apartments with the intention of converting.

"Finding a law that pleases all sides—converters, renters, government—may be impossible," says state Rep. Barry Kutun, D-Miami, who has sponsored one of the bills to regulate conversions. "But clearly something has to be done. It's a case of hammering out the best possible compromise."

Transition to Condo Was Smooth and Slow

(By Glen Macnow)

When real estate salesman Anthony Tarantino decided to convert the Olivewood Apartments in Fort Lauderdale, he reasoned that happy tenants would be his best advertising for eventual purchasers.

So Tarantino acted as many investors wouldn't. He gave tenants 12 months notice of the conversion (twice what is required by law), renovated early so that tenants would get the benefits, and agreed to release tenants from their leases if they could find new homes.

The policy worked. Within days, six of the renters bought their units. Others talked friends into buying and renting to the old tenants.

"I've seen too many conversions handled in ways that outrage the people renting," says Tarantino. "We figured if we treated tenants with respect and retained their best interests, they would be more understanding about what we're doing."

The Olivewood, at 2450 NE 15th Ave., was originally built as a condominium, but became an apartment building in 1975 when Broward County was badly overdeveloped.

As part of Tarantino's conversion policy, he gave each tenant a financial breakdown on whether it would be economically advantageous to buy or rent.

"For me it made sense to buy," says Ken Stevenson, a former tenant who now owns his unit. "What was nice was that there was no pressure put on. People who didn't want to buy had plenty of time before moving—some are still here."

Elaine Fiedler couldn't afford to buy at Olivewood, but talked a friend into buying and renting the unit back to her.

"The converters gave us plenty of time to make up our minds," she says. "We really had a year to decide if we would stay or not.

"I've heard so many other places where renters are treated like dirt. That didn't happen here."

Tarantino argues that insensitive converters might turn public opinion against the real estate industry and lead to strong measures against condo conversion. He supports a change in state law to require a year's notice of conversion.

"I don't think conversions are regarded well in the eyes of the public," he says, "even though in many cases, we are providing some of the only affordable housing in today's market. If others who convert would treat renters with more dignity, we might have a better public image."

Conversion Profit Potential Lures Out-of-State Investors

(By Irwin Speizer)

Boca Raton.—When Hunter Moss built the Spanish Oaks apartment complex in 1970 he had every intention of holding the property as a long-term rental investment.

Then came the rough recession years of 1974 and 1975, followed by the condominium conversion craze.

"They offered us a price we couldn't afford to turn down." Moss says of the converters who bought the complex two years ago.

In many ways, Spanish Oaks is a typical South Florida conversion, engineered by out-of-state investors with local real estate experts and attorneys handling the specifics. At 462 units, it is the largest conversion to date in south Palm Beach County.

Compson Development Corp., the successful Rochester, N.Y., real estate company run by the Comparato family, bought Spanish Oaks for $9.3 million from Moss and his partner, Berkshire Life Insurance Co.

Moss has recently completed several major renovations to the project, and Compson undertook several more. The Urban Co. in Boca Raton was hired as the converting agent and sales kicked off in February 1979.

Within four months, Urban reported a sellout.

"The economics of this are very simple," says Urban Co. President Dave Smith. "The guy sitting with a rental building is able to mark up the price of his building in excess of what he could sell it for as a rental. The converter, meanwhile, even with the expense of rehabilitation, can offer a unit at below the cost of new construction."

In addition, Smith points out the converter buys a building that is often fully occupied, which provides an immediate source of income. The rent tends to offset the converter's interest payments on money borrowed to purchase the project, Smith says.

Smith estimates 20 to 25 percent of the Spanish Oaks renters bought their units upon conversion to condominum.

"Let's face it, when you're talking about buying, a lot of renters can't afford it."

Spanish Oaks units sold at an average price of $40,000 which Smith estimates was a full $10,000 below the prices of comparable new condo units.

But even at that price, the strain was too much on many renters. Preconversion rents averaged $275 for two-bedroom apartments, and Smith says mortgage payments for buying tenants required 25 to 50 percent more per month.

For the converter, however, the numbers are all positive.

In 1979, Spanish Oaks recorded 292 completed sales at a total volume of $11.6 million—already $2.3 million more than the original purchase price of the complex. Thanks to a state law that allows non-purchasing tenants to live out their leases in their units, another 170 contracted sales are still awaiting finalization.

At the $40,000 average price per unit, the estimated Spanish Oaks sellout price of $18.5 million is double the original purchase price.

It is that kind of profit potential that has lured investors from around the country to South Florida, all anxious to cash in on the conversion craze.

With the successful Spanish Oaks conversion under his belt, Smith is on the lookout for new prospects as well.

"We have several conversions proposed," he says. "One in Broward and one in Palm Beach county."

Smith sees the controversy generated by conversions as an overreaction to the trend, which he feels has more good points than bad.

"There is a desperate need for housing of all kinds," Smith says. "This is a way of creating affordable for-sale housing. The reason there are fewer and fewer rental projects around is because you can't economically justify building or holding rentals. There would be a shortage anyway."

As for the displaced renters, Smith points out that small-scale investors are very active in conversions, buying units and immediately renting them back to tenants. The number of displaced tenants, he says, is probably far less than estimated.

But even if apartments remain rentals after conversion, monthly rents rise substantially as a result of conversion. The problem there, Smith says, is not that conversions cause rents to rise unnecessarily but rather that rents are too low to start with.

"There are people who have had the luxury of below market rents for years," he says. "Now that's changing."

The bottom line for Smith is that the converter is simply responding to a demand for housing in the free market.

"We live in an economic world and this happens to be a capitalistic society," Smith concludes.●

S. 1878—GENERAL ACCOUNTING ACT OF 1980

● Mr. PERCY. Mr. President, the proposals contained in this omnibus GAO bill have been pending before Congress for several years. As a result, the initial objections raised by the executive branch have been adequately addressed while the substance of the bill remains intact. I commend Senator Glenn for his enduring efforts to devise a balanced solution to the problems faced by GAO in responding to Congress needs. Many hours have gone into delicate negotiations between the Governmental Affairs Committee, OMB, various Federal departments and agencies including DOD and Justice, and GAO to insure that constitutional principles and sensitive investigative records are protected.

With American taxpayers demanding Government to cut waste, GAO access to unvouchered accounts is absolutely essential to insure that funds made available on a confidential basis are in fact used for authorized purposes. But because of the sensitive nature of these accounts, S. 1878 restricts GAO's audit findings to the President and the head executive branch agency concerned and, in the case of unresolved discrepancies, to the appropriate congressional committees. Further, the President may exempt from GAO review unvouchered expenditures for sensitive law enforcement investigations as well as foreign intelligence and foreign counterintelligence activities when these investigations may be undermined or the safety of undercover agents and informants may be endangered. I emphasize that GAO is highly regarded throughout the Government for its handling of highly confidential Federal records and documents.

The second troublesome issue the bill addresses is the occasional problem of Federal agencies failing to cooperate with the Comptroller General in supplying documents necessary for audits. Although the 1921 Budget and Accounting Act gives GAO the right of access to all records unless specifically exempted by law, the Comptroller General currently lacks a mechanism to enforce this right. Providing GAO with court-enforceable subpena power will lessen the chance of unnecessary delay in obtaining records which in turn will improve GAO's responsiveness to Congress. However, the use of subpenas and lawsuits against executive branch agencies should be the exception rather than the norm. S. 1878 accordingly sets up a series of procedural steps which GAO must take before instituting judicial enforcement actions to compel the production of documents. In this manner, the current informal consultation and cooperation between GAO and executive branch agencies will be encouraged to continue.

Finally, the bill contains provisions to establish a commission to present to the President a list of three possible nominees for Comptroller General and Deputy Comptroller General, to make draft GAO reports available to Congress, and to require the Inspectors General of the Departments of Energy and HEW to conform with GAO audit standards.

Mr. President, I strongly support S. 1878 and urge that the bill be enacted.●

EXCESSIVE GOVERNMENT TRAVEL

● Mr. SASSER. Mr. President, yesterday the Senate Appropriations Committee, under the leadership of the distinguished and able chairman, Mr. MAGNUSON and the equally distinguished ranking minority member, Mr. YOUNG, received testimony on fraud, abuse, waste, and error in the Federal Government. The principal witnesses were Comptroller General Elmer Staats and the Deputy Director of the Office of Management and Budget, John P. White.

During the hearing, I questioned Mr. White closely about excessive Government travel.

$500 MILLION TRAVEL CUTBACK

Mr. White testified that the $500 million travel cutback legislation which I sponsored and which was solidly supported by Chairman MAGNUSON and Senator YOUNG, is being implemented successfully.

A MATTER OF CONCERN

Excessive travel is a matter that is of concern to both the Congress and the administration. Unfortunately, it seems that some Federal Departments and Agencies are still paying insufficient attention to curbing excessive travel despite the efforts of the Congress and the Office of Management and Budget.

EXCESSIVE MEETINGS AND CONFERENCES

Mr. President, I will cite a couple of examples of what we in Congress are faced with.

Congress has enacted a $500 million travel cutback.

The President has signed it into law.

The OMB has implemented the law.

Despite all this, we still find that the Department of Agriculture continues to holding meetings and conferences outside Washington—meetings that are attended primarily by Washington employees.

For example, the Agriculture Department hosted a meeting in Frederick, Md., from January 15 to 18, 1980, for 44 employees. All but two employees were from the Washington area.

In another case, the Agriculture Department hosted a meeting, again in Frederick, Md., from January 20 to 25, 1980, for 28 employees. All but four employees were from the Washington area.

In both cases, holding these meetings in the Washington area would have resulted in substantial savings to the Government and the taxpayer by eliminating the cost of lodging and transportation for the Washington employees.

Well over $7,000 could have been saved.

That is disturbing enough, Mr. President, but in addition, the lodging costs for these meetings—some $8,500—are not being reported as travel costs because the rooms were purchased under contract and therefore charged against "Other Services" rather than "Travel."

So here we are, trying to curb excessive and unnecessary travel and some people are finding a way around it.

TWO MORE CASES OF "QUESTIONABLE" AND EXPENSIVE TRAVEL AT U.S. FOREST SERVICE

I will cite two more cases of "questionable" and expensive travel that took place in fiscal year 1979, a year in which the administration had ordered a 20-percent cut in travel.

In one case, a U.S. Forest Service geologist from Bend, Oreg., attended a "field study of volcanoes of Hawaii to provide upper division students with some training in geology."

In another case a geneticist attended training at the "International Maize and Wheat Improvement Workshop in Mexico City, Mexico."

I, and many of my colleagues, question whether trips such as these were necessary to meet the mission objectives of the U.S. Forest Service.

If the agencies persist in engaging in "questionable" and excessive travel, then it seems to me that we have only two choices—throw up our hands in despair or persevere and enact tough controls such as the $500 million travel cut.

GENERAL SERVICES ADMINISTRATION EXAMPLE

Mr. President, the GAO staff found that in 1979, a year in which the administration had ordered a 20-percent reduction of administrative travel, the National Archives and Records Service of GSA approved the attendance, at Government expense, of 33 Washington-area employees at the Society of American Archivists conference in Chicago. Rather than a reduction, this represented an increase of eight people over the number of employees who attended the same conference in 1978. They also noted that although most of the attendees spoke at only one session at the conference, the majority stayed for the entire conference, thus incurring additional costs to the Government.

This is just one more example of the bureaucracy failing to police itself—and which leads us here in Congress to be persuaded that travel controls such as the $50 million cutback are necessary.

CONCLUSION

Mr. President, I hope that the various departments and agencies will take note of the concerns raised by the Appropriations Committee, the Comptroller General, and the staff of the Office of Management and Budget. I believe both the Congress and the administration are concerned about excessive Government travel. But, it will take the active and thoughtful cooperation of Federal program managers acting individually to curb travel excesses. If these managers do not act responsibly and further examples of questionable travel continue to come to our attention, then I believe Congress will have no other choice than to enact even harsher controls on travel expenditures.●

ESTONIANS' CONCERN OVER 1980 OLYMPICS

● Mr. HEINZ. Mr. President, there are some who say that the United States' proposal to boycott the upcoming Olympic games in Moscow is a regrettable politicization of an international event that should be kept entirely free of politics.

The fact of the matter, however, is that these games have been politicized from the start by the nation in which they are to be held, the Soviet Union. One glaring example is the locating of the Olympic yachting regatta in Tallinn. For Tallinn is the capital of Estonia, a once-independent nation invaded and annexed by the Soviet Union in 1940. And the Olympic regatta is scheduled to start on July 21, the very day on which, 40 years ago, Estonia and the other Baltic States were officially declared to be "Socialist Republics" and incorporated into the Soviet Union. There can be no doubt that the holding of the yachting regatta in Tallinn is a deliberate attempt to confer symbolic legitimacy upon the Soviet Union's annexation of Estonia.

The consternation of Estonians everywhere about this matter is easily understood and fully justified. I believe the depth of their feeling is well expressed by the strong tone of a statement issued by the Estonian American National Council. I ask that this statement be printed in the RECORD. And I call to the attention of my colleagues the 62d anniversary of the independence of the Republic of Estonia on February 24.

The statement follows:

OLYMPIC GAMES 1980

It should be noted that the Russians themselves have declared that "sport is not separable from politics" (AP Moscow, New York Daily News, July 16, 1979). This blunt statement is quite in keeping with Hitler's aims in connection with the Olympic Games of 1936 in Berlin. The outside world was made to believe that the Nazi regime desired only friendship and cultural exchange with other nations. It has no intentions to annex neighboring countries or make preparations for war.

Dictatorships are in need of outside support for their lawless regimes, and here the Olympic Games offer a ready-made opportunity to serve their political objectives.

Against the background of recent events, the free world has to consider whether by participating in the Games it would not lend a hand to the Soviets in covering up their various international and internal crimes during the entire existence of their ruthless rule.

The Estonian community in the free world is particularly concerned because the Olympic Regatta is scheduled to take place in Tallinn, the capital of the Republic of Estonia occupied by Soviet Russia.

The occupation of Estonia as well as Latvia and Lithuania was the result of the notorious pact between Stalin and Hitler of August 23, 1939. The Soviet rule has brought innumerable sufferings to these nations and the hardships of foreign subjugation are continuing to present day.

Most countries of the free world have never recognized the forcible annexation of the three Baltic States. It is, therefore, of great importance to the Estonian people that the Yachting Regatta on their territory should not be interpreted as tacit acceptance of the incorporation of their country into the Soviet Union, thereby damaging their justified claims for freedom and international status of the Republic of Estonia.

In case the Olympic Games should be removed from the Soviet Union, there may be some disappointment among the athletes who have trained for their respective competitions. At the same time the conscience and noble attitude of all men and women of the sportsdom should guide them in understanding the feelings and the dilemma of the captive people living under Soviet rule.

As a commendable example of understanding of the Estonian problem, we quote in translation the following passage of an article in the Norwegian yachting magazine "Seilsport" (No. 2–1977):

"Should or ought Norwegian yachtsmen or those from the free countries take part in a sporting contest with the Russians on occupied Estonia territory in 1980? If Germany had won the last war, what would the Norwegians have said and thought when German-arranged winter Olympics had been held in Oslo? Would not a participation in Tallinn be a mockery against a freedom-loving people over the whole world, and especially against the occupied Estonian?" Should not the Norwegian yachtsmen and organizations show a straightforward adherence to leading principles of life among free people and abstain from participating in Tallinn, and preferably take the initiative in promoting a similar attitude among yachtsmen of other countries?"

If, however, the 1980 Olympic Games should be carried out as scheduled, then we can only hope that the olympic officials of all nations as well as the athletes and spectators should have enough common sense to see through the political aims of the Russian dictatorship and not make any miscalculations that occurred, in too great a number, in connection with Hitler's display in 1936 in Berlin.●

ENERGY TRANSPORTATION IMPROVEMENT ACT OF 1980

● Mr. ZORINSKY. Mr. President, any one who has traveled through the American Plains States knows that thousands of miles of rail lines crisscross the countryside. Historically the railroad has been a vital artery for this part of the country, transporting grain, coal and other commodities, and bringing economic prosperity to many communities. Nevertheless, the recent dramatic upsurge in rail traffic has had an unfortunate impact on many towns.

As railroads carry more and more coal to our Nation's energy-starved cities, hundreds of communities face a mounting problem of inadequate protection of rail/highway intersections.

In Nebraska, as in Montana, North Daktoa, Minnesota, and several other States, scores of towns and cities are bisected by the railroad. The increased traffic on these lines means that several times an hour communities are cut in half for periods of up to 5 minutes by the impassable steel barrier of a 100-car unit train. All too often police are unable to arrive at the scene of a crime in time, ambulances lose life-saving minutes in reaching emergency patients, and firefighting equipment stands idly by on one side of the tracks, while buildings burn on the other.

But the problems caused by rail/highway intersections are not all of such a dramatic character. Others are more subtle, and yet equally troublesome to the communities affected. Pedestrians and highway vehicles are endangered by the lack of adequate grade crossing protection. Neighborhoods are isolated from community facilities such as schools and libraries. And community growth and development may be stunted by the artificial division of the rail line.

The costs of alleviating the problems associated with rail/highway intersections are high, and most communities find them prohibitive. In a recent study, the Nebraska Department of Roads estimated that the installation of flashing lights would cost $40,000 of lights and gates, an average of $105,000, and the cost of viaducts would average $2.5 million. Clearly few rural communities could afford to undertake such a project on their own. Similarly, most States do not have sufficient resources to wholly fund a program to eliminate grade crossing hazards.

There are more than 1,000 rail and highway intersections along Nebraska's two main railroads. At 240 of these intersections the present protection is inadequate. The cost of correcting these hazards? More than $207 million.

The recent increase in coal production and transportation has aggravated the rail/highway crossing problem. The trend toward higher coal movements by rail is likely. Both the railroads themselves and the Department of Transportation estimate that coal traffic will jump significantly during the next decade. Scores of communities now suffering through the passage of approximately 60 trains a day will find that number even higher as the demand for coal continues to soar.

The windfall profits tax offers us an appropriate and available source of funding for a Federal program to assist States in alleviating this problem. Yesterday, I joined Senator HUDDLESTON in intorducing S. 2353, the Energy Transportation Improvement Act. This bill provides for up to $3 billion in each of the next 10 fiscal years for improvements for the Nation's energy transportation system.

Of the $3 billion, 60 percent is to be used for upgrading and repairing energy-impacted highways. The other 40 percent will be made available to States on a 75–25 percent matching grant basis for the correction of grade crossing hazards.

For the past 3 years I have tried to win recognition of the importance of the grade-crossing problem. In 1978 I proposed an amendment to the Federal Highway Aid Act to designate funds for grade-crossing improvements, but I was persuaded to simply authorize a Department of Transportation study of the problem. That study was due nearly a year ago, but it still has not appeared, and we still have no clear idea of the magnitude of this problem.

Nevertheless, members of communities in my State, and in other Western and Plains States, can tell you it is a problem, and a large one. During those past 3 years, coal trains have become more and more frequent. Normal highway traffic is disrupted nearly 60 times a day in some Nebraska towns. Everyday, lives are threatened by these interruptions, and by the lack of adequate crossing protection.

We cannot wait any longer. We should recognize the problem now, and set about finding a means of correcting it. I urge my colleagues to seize the windfall profits tax as an appropriate means of funding such a program, and to support this legislation.●

THE SUCCESSES OF JASPER RUBBER PRODUCTS

● Mr. LUGAR. Mr. President, I would like to take this opportunity to publicly acknowledge the successes of Jasper Rubber Products in Jasper, Ind.

This small Hoosier company has proven that increased benefits to employees can be fully consistent with substantial increases in a company's productivity. JARCO has demonstrated that sensitivity to employee concerns, favorable response to employee preferences, and management ingenuity leads directly to greater productivity and growth. Responses to the desires of JARCO's 225 employees have resulted in a 44-hour work week with a paid lunch hour, Friday afternoons off, no time clocks, bonuses of 12 percent of gross pay for weekly perfect attendance records, and floating holiday benefits. These changes have resulted in an amazing record—each week more than 95 percent of their employees attain perfect attendance, and total time taken off for illness is less than 2 percent each year.

The accomplishments of this progressive small company merit national attention as each accomplishment is the result of the dedication and hard work of each employee. I ask to have printed in the RECORD an article which appeared in JARCO's last newsletter which elaborates upon the company's philosophy.

The article follows:

THE 80'S—THE DECADE OF AMERICANS

As we bid farewell to the 70's and move ever quicker to the 80's, let's take a look into what's happened and then a peek into the future and see what we need to do or undo to make better the world we live in.

The 70's saw an end to Vietnam, that was good. The 70's gave us Watergate, that was bad. The 70's were jam-packed with political activity with underdogs winning and old established political ties torn to shreds. That's either good or bad according to how you personally view it. In the 70's we lost idols like Elvis, Bing and the "Duke." The 70's gave great technological advances but this was accompanied by a flat productivity rate. The 70's generally were basically good, that is, until we came to the end of the decade and "The Iranian Confrontation."

That confrontation, together with the oil embargo of 1974 and the overall energy problems from 1975 to 1980, plus an ever increasing inflation rate, makes the 70's marginal at best. Many other things happened in the 70's and I am sure each of us will harbor memories of personal triumphs and distress. The ones that we will remember are the ones that affected us personally or weakened our nation or threatened our way of life.

When we look to the 1980's we cannot help but to reflect on the 70's and ask why? The problems, then, must be solved if we are to remain the strongest and best nation in the world. They must be solved in a way that will not deter us from seeking our part of the American dream.

As we look to the 80's, first of all, let's place the blame for the 70's. Here they are—take the pick.

Big Business, Big Government, Big Unions, The Doctors, The Lawyers, The City Council, The Governor, The President, The Congress, The Republicans, The Democrats, The Working Man, The Mayor.

The Rich, The Poor, Teenagers, College Students, The Professors, The Universities, The Foreman, The Boss, The Banks, The Arabs, Big Oil, Minorities, Majorities.

CERTAINLY NOT ME

Now that we have placed the blame, doesn't it seem just a little ridiculous. No matter how you cut it, we must place the blame directly on ourselves.

As long as we, as individuals, can get satisfaction from placing the blame on some person, place or thing, we probably will continue to see problems face us that seem impossible to cope with.

In the 80's let's start off by blaming no one but ourselves. here is an old saying, "When you reach for the pie in the sky you probably will get mud on your face." We have become a pie in the sky society and we ourselves must change it.

Let's take a good look at ourselves, individually and as a nation.

We are presently at the mercy of the oil-producing entities. We are dependent and totally without recourse. We must just pay and pay and continue to take our lumps as they raise prices higher and higher. They really have us in a corner. We are dead. There is nothing we can do and we are this way because our leadership and big oil and . . . Hey! Wait a minute. There we go blaming everybody else for our problems. Why don't we quit blaming and start Reacting. We must start and start right now. If the President and the Congress can't give us an energy program then let's start an energy program of our own.

If you are reading this article then you are probably gainfully employed. You are a part of that 90 percent plus of our working force that will have to pay the biggest price for a government program. They will take it away from us and give it to whoever screams the loudest. And like most government programs, it just won't work. The only thing that will work and the only thing that ever works in this country, is the American people, threatened and in danger, united in the single purpose to defeat the enemy, whoever or whatever it is.

The enemy in this case is oil, gas, inflation, foreign competition, Russia, and whatever or whomever. They are all interrelated and they are all manageable if we unite and fight with the greatest resource of all. The resource that is the legacy and heredity of every American and the resource that we and only we have in abundance. That resource is the "Human Resource." It's a free people who are stronger, better educated, better morally and better religiously, and with greater wealth and desire than any other nation on earth. All we have to do is reach our potential and then move forward.

Here is a statistic that will make you think a little. (Wall Street Journal, December 31, 1979).

"In 1960, the typical American worker in manufacturing annually produced as much as four Japanese workers or two French or German workers. Today, the American's output is matched by 1½ Japanese and by 1¼ Germans or Frenchmen. If the trend continues, all three will be outproducing us by the end of the new decade."

The article also contained this little tidbit of information.

"A central hope, though, would lie in restoring the old American stride in productivity, so that output can rise enough to permit pay increases without offsetting price increases."

So, there it is. The answer is obvious. We must use our "Human Resources" and that means all of us must put our nose to it and get going.

How? Well, try this on for size.

ENERGY: Simple. Quit being a glutton. Use it but use it productively. Utilize it to the fullest advantage. Don't waste it.

PRODUCTIVITY. Be Productive. Make everything count. Do it right and in the quickest way possible. Make an American product mean something again. Save Materials. Productivity doesn't only mean be productive at your job. It means be productive in everything you do. Be ever conscious of the "enemy" whatever you do. Live productively, drive productively and play productively. You'll be surprised what you can do and you will earn more and save more.

SPENDING. Buy locally. Local merchants pay local taxes and hire local people. If local merchants aren't competitive, then tell them about it. Tell them you want to shop here but you want the best prices. Buying locally helps you.

2. Compare shop. Sometimes the "bargains" aren't the best buys in the long run.

3. Buy American products. American products made by American workers ultimately provide jobs for all of us. A good example of this is the products Jarco sells. We sell almost every major manufacturer of consumer hard goods in the United States. We don't sell one piece of rubber to overseas manufacturers. If you buy American hard goods you probably help Jarco. If you buy overseas hard goods you help some foreign rubber company. That doesn't make good sense, does it?

SAVINGS. Save something every day and put some money away every week.

LEADERSHIP. In the matters of personal economic well-being, don't wait for someone to legislate it, or order it. Do it yourself and don't make excuses. Like in the case of oil, what difference does it make now, whose fault it is. Gas is over a dollar a gallon and heading for two. Blaming someone won't reduce the price and government action and windfall profit taxes certainly won't reduce prices. Prices will be controlled.by supply and demand. If we cut the demand the prices will come tumbling down. The time is now.

We could go on and on but by now you probably have the message. "It is you, the individual American, who will ultimately play the trump ace in the game of the American Dream."

Now we begin the decade of the 80's and like every new decade it promises to be the most challenging and exciting of all decades. It will truly be the decade of the American.

In the next 10 years we most likely will harness the power of the wind. We probably will capture the energy of the sun. We will take the roaring waves and turbulence of the oceans and sea and turn them into productive tools for a better life. From Mother Earth will come new and exciting energy alternatives that will put us on the road to energy independence.

The 80's will bring us new jobs, new products, new pleasure and an all around better life. It will be exciting and challenging and the ultimate reward will be a stronger America with greater freedom and an abundance of opportunities. The technology advances in all fields will stagger the imagination.

The 80's, the decade of the American. Start your part today.●

LIMITING FEDERAL SPENDING

● Mr. ROTH. Mr. President, inflation is out of control. Immediate action is needed by Congress to send a signal to the world that the Federal Government is willing to take the tough steps necessary to slash Federal spending and stop inflation.

Therefore, I along with 43 of my colleagues, have announced our intention to introduce legislation directing the Senate Budget Committee to report a First Budget Resolution limiting Federal spending to 21 percent of the gross national product in fiscal 1981. Limiting Federal spending to 21 percent of GNP will hold spending to approximately $590 billion—a $25-to-$30 billion cut in growth of spending proposed by President Carter.

Over the past 25 years, spending as a percent of GNP has average 20 percent. Over the past 10 years, spending has averaged 21 percent of GNP. Yet under the President's budget, spending is projected to exceed 22 percent of GNP in fiscal 1981—one of the highest levels in this country's history. No wonder inflation is out of control.

President Carter has repeatedly pledged to limit Federal spending to under 21 percent of GNP. The Humphrey-Hawkins bill requires spending to be reduced as a percent of GNP and the Revenue Act of 1978 established as a matter of national policy that spending be reduced to less than 21 percent of GNP.

There will be those who argue the Federal Government's budget needs are so great that we cannot limit Federal spending. But instead of worrying so much about the demands for more Federal spending, we must redirect our thinking and start worrying about the needs of the American economy.

There is a growing consensus among both liberal and conservative economists that Federal spending must be reduced. A $25-to-$30 million cut in nondefense spending can and must be accomplished. A $590 billion budget would still allow Federal spending to increase $58 billion over the Carter 1980 budget proposal and $42 billion over the 1980 Second Budget Resolution.

The best way to restrain inflation is to increase the productive capacity of our economy by slowing the growth of Federal spending and reducing the tax drag on the economy. Restraining Federal spending and returning the savings to the American people in the form of a tax cut will restrain inflation by reducing the pressures for wage increases, increasing the savings and investments needed to increase productivity, and promoting real economic growth.

Nondefense spending can be reduced, the budget can be balanced, and taxes can be cut. Firm limits must be imposed on the growth of nondefense spending programs, nonessential programs must be reduced or eliminated, waste and mismanagement must be eliminated, and no new initiatives can be allowed. I intend to submit a list of $30 billion in nondefense spending cuts to the Senate Budget Committee. The Congressional Budget Office has compiled a list of $24 billion in fiscal 1981 spending cuts. And the Senate Budget Committee minority staff has recommended $23 billion in spending cuts. In addition, a Congressional Budget Office study states that a 1-percent reduction in unemployment could reduce the budget deficit by between $25 to $29 billion.

Mr. President, we intend to meet with the leadership in an attempt to reach agreement on an immediate vote on this resolution. I submit for the RECORD a list of the cosponsors of the resolution.

The list follows:

Armstrong (R-Colo.), Baker (R-Tenn.), Boren (D-Okla.), Boschwitz (R-Minn.), Chafee (R-R.I.), Cochran (R-Miss.), Cohen (R-Maine), Danforth (R-Mo.), Dole (R-Kans.), and Domenici (R-N. Mex.).

Durenberger (R-Minn.), Garn (R-Utah), Goldwater (R-Ariz.), Hatch (R-Utah), Hatfield (R-Oreg.), Hayakawa (R-Calif.), Heflin (D-Ala.), Heinz (R-Pa.), Helms (R-N.C.), Humphrey (R-N.H.), Jepsen (R-Iowa), Kassebaum (R-Kans.), Laxalt (R-Nev.), Lugar (R-Ind.), Mathias (R-Md.), McClure (R-Idaho), Nelson (D-Wis.), Nunn (D-Ga.), Percy (R-Ill.), Pressler (R-S. Dak.), Proxmire (D-Wis.), Roth (R-Del.), Schmitt (R-N. Mex.), Schweiker (R-Pa.), Simpson (R-Wyo.), Stone (D-Fla.), Talmadge (D-Ga.), Thurmond (R-S.C.), Tower (R-Tex.), Wallop (R-Wyo.), Warner (R-Va.), Young (R-N. Dak.), Zorinsky (D-Nebr.), and DeConcini (D-Ariz.).

Total: 44 co-sponsors.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2 o'clock this afternoon.

Thereupon, the Senate, at 12:40 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BAUCUS).

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, it is so ordered.

Mr. STEVENS. I ask unanimous consent that the time I use be charged against the time allotted to my side on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

HAROLD G. (BUD) AST

Mr. STEVENS. Mr. President, yesterday the Senate passed a resolution honoring one of the most popular and competent members of the staff of the Secretary of the Senate, our good friend, Harold G. Ast.

Bud, as he is more commonly known, is retiring from his position as principal clerk in the Office of the Secretary of the Senate, effective at the end of this week. Those of us who have had the pleasure of working with Bud through the years will really miss him.

Bud first joined the staff of the Secretary in 1946 as a research assistant in the Senate library. He quickly advanced and, after only 3 years, he became the first assistant librarian. From there he was promoted to the position of assistant enrolling clerk and assistant bill clerk and served in those capacities from 1950 until 1959. In 1959, he was again promoted, this time to chief bill clerk, and he continued in that position until 1968.

Bud began serving at the desk in the Senate Chamber in 1967 and served progressively as assistant clerk and chief legislative clerk, holding the latter position for nearly 6 years and serving at the desk in both capacities for almost 13 years. Since July of last year, Bud has served as the principal clerk in the Office of the Secretary of the Senate.

Few persons, including Members in this body, can match the depth of Bud's legislative experience. For almost 34 years, he has served the Members of the Senate and provided us with his first-rate knowledge of the legislative process. He is a professional in every sense of the word and his pleasant personality has made him a pleasure to work with.

Bud published a pamphlet entitled Senate Legislative Procedural Flow (and related House action) which he prepared after long and extensive research on the subject. It is today used as a handy source book for learning the legislative process in the Senate.

Bud's knowledge and experience, as well as his warmth and sense of humor, will be missed by this Senator and all of those on this side of the aisle—as a matter of fact, by all Members of the Senate.

I extend to him, his wife MaryAnn, and his son Steve, my best wishes and thank him, in behalf of our minority leader and myself, for his many years of service to the Senate.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESSES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 20 minutes.

There being no objection, the Senate, at 2:13 p.m., recessed until 2:33 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TSONGAS).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2:45 p.m.

There being no objection, the Senate at 2:33.07 p.m., recessed until 2:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TSONGAS).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 3:15 p.m. today.

There being no objection, the Senate, at 2:46 p.m. recessed until 3:15 p.m. at which time the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be charged equally against both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, so that Senators will know that there will be a rollcall vote on final passage of this bill, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

SENATE SCHEDULE

Mr. ROBERT C. BYRD. Mr. President, the Senate will not be in session tomorrow.

It is the intention of the leadership to finish action on this bill today. There will be a rollcall vote on final passage. There may be rollcall votes on amendments, or motions, in relation to the bill—I cannot say. So I hope Senators will govern themselves accordingly.

I do not know how long it will take to finish action on the bill. Senators have been working on an amendment for the last little while and, apparently, they are coming to some resolution of the problem in connection with the amendment, so that the way will be paved to act rather expeditiously on that amendment, once it has been modified as per the understanding of the Senators.

Now, we will not be in session tomorrow because of various good reasons, one of which is that there is nothing on the calendar that I can call up on tomorrow.

It is hoped committees will take advantage of the opportunity to meet, that conferences also will take advantage of the opportunity to meet, and without interruptions from the floor.

ORDER FOR PRO FORMA SESSION ON MONDAY, MARCH 3, 1980, FOR CONVENING OF THE SENATE ON TUESDAY, MARCH 4, 1980, AT 11 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on Monday at 2 p.m., it be for a pro forma session only, and that immediately, without any business being transacted, it go over until Tuesday, 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, that would give committees tomorrow and Monday, an opportunity to get their work done, and it would give conferences an opportunity to work without interruptions from the floor by way of rollcalls and quorum calls.

Incidentally, there have been eight rollcalls already today and it is anticipated that at least one more rollcall will occur today.

I have written to the chairmen of committees urging that committees act expeditiously to report out the authorization bills.

The Senate will not be in session for the most part of July to accommodate the Republican Convention, and a good part of August it will not be in session to accommodate the Democratic Convention.

So it is important that the authorization bills, as necessary as they are, be reported from committees as soon as possible so that action can be taken on the floor.

The leadership will cooperate with the committee chairmen and the ranking members in every way possible to expedite floor action on the authorization bills.

The appropriation bills will be coming rapidly from the Senate Appropriations Committee as soon as the House of Representatives moves the appropriation bills over.

It is my understanding the House will begin moving appropriation bills over to the Senate fairly early in June. But, in the meantime, the Senate Appropriation Subcommittees are conducting their hearings and will be prepared to mark up the bills and bring them before the full committee and to the floor expeditiously once the House appropriation bills come over.

In the meantime, we ought to be making hay while the Sun shines because, when we get down to July and August, the time is going to be very, very limited.

In September, under the Budget Reform Act, the Second Concurrent Budget Resolution needs to be law by September 15.

It is hoped—h-o-p-e-d—that the Senate and the House can adjourn sine die in early October. But all these hopes will be crushed and our wishful thinking will be in vain if we do not take advantage of the present day, of tomorrow and Monday, and every opportunity, for committees to work to mark up their authorization bills and report them out so the Senate can, indeed, begin completing the legislative process on the floor.

So that by way of friendly reminder to our colleagues that they take advantage of the opportunity and make hay, as I say, while the sun shines, figuratively speaking, get the bills out of committees so we can have them on the floor.

The fact we have a lot of bills on the calendar does not mean much because the Senate worked hard last year, cleared the decks for the three major energy bills and the SALT treaty, and for the most part, what is left on the calendar will be there when the Senate adjourns sine die this year.

The snow falls in December and Santa Claus comes once again.

So there we are. That is the explanation of why we have a calendar with a number of bills on it and the Senate is not in session tomorrow.

There are a half-dozen bills on the calendar that are energy bills, but they are merely backup bills for the three major energy bills that are in conference. One of the two, the windfall profit bill, now having been agreed upon by conferees, that conference report will be acted upon in the House first, and then it will come to the Senate. The Senate will be ready to embrace it with open arms and will be ready to act on the conference report, it is hoped, about the middle of the week after next.

However, once those conferences have completed their work and the conference reports go back to the houses, these five or six energy bills on the Senate Calendar will be taken off, because they will be needed no longer. They are there as backups, as a safety valve, if we have to go to conference with a new bill.

There are six or eight other bills on the calendar that are under the jurisdiction of the Energy Committee and the Finance Committee, and both those committees have been tied up in conferences on the major energy bills in conference. Consequently, it would not have been beneficial to the conferees for them to have to break up their conferences and come to the floor and manage the bills on the calendar under the jurisdictions of those committees. For good reasons, those bills await action. They will be coming up soon; but in the meantime, I want to do everything I can to leave as much time as possible for the committees and subcommittees to do their work on the necessary authorization bills for this year.

That being the explanation for the fact that there will be no session tomorrow and only a pro forma session on Monday, I close by urging again that all Senators cooperate with the leadership, have the meetings of their subcommittees and committees, and make progress, without interruption by rollcalls and quorum calls on the floor.

With my apologies to the distinguished manager of the bill, Mr. Nelson, who has been patiently awaiting the end of this monolog, I yield the floor.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1979

The Senate continued with the consideration of S. 1725, which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Economic Opportunity Amendments of 1979."

STATEMENT OF PURPOSE

Sec. 2. It is the purpose of this Act to establish a comprehensive energy conservation services program designed to enable low-income and near-poor individuals and families, particularly elderly and severely handicapped individuals, to participate in energy conservation and energy assistance programs which will lessen the impact of high energy costs on such individuals and families and reduce individual and family energy consumption.

COMPREHENSIVE ENERGY CONSERVATION SERVICES PROGRAM

Sec. 3. The Economic Opportunity Act of 1964 (hereinafter referred to as "the Act") (42 U.S.C. 2711 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XI—COMPREHENSIVE ENERGY CONSERVATION SERVICES

"SHORT TITLE

"Sec. 1101. This title may be cited as the 'Comprehensive Energy Conservation Services Act of 1979'.

"FINDINGS AND DECLARATION OF POLICY

"Sec. 1102. (a) The Congress finds and declares that—

"(1) rising energy costs have significantly reduced the real purchasing power of low-income and near-poor individuals and families, particularly elderly and severely handicapped individuals, in the United States to levels at which they are unable to acquire the necessities of life;

"(2) the real incomes of households receiving Government assistance payments as a primary income source have diminished in proportion to the real incomes of other households in the United States.

(3) throughout the country the cost of essential residential energy supplies imposes a disproportionately larger burden on the incomes of low-income and near-poor individuals and families than on the incomes of individuals and families, and in some parts of the United States this energy expenditure differential between income groups is extreme;

"(4) low-income Americans generally use less energy per capita than other Americans and have reduced their energy usage to the extent the conditions of their dwellings and equipment will allow, and further energy savings can be made primarily through improvements to their dwellings;

"(5) the housing occupied by the low-income and near-poor is generally not energy efficient, is usually older, and frequently in need of home repair;

"(6) high energy costs contribute to landlord abandonment and the deterioration of housing in low-income and near-poor neighborhoods; and

"(7) low-income households need a variety of forms of assistance to reduce energy costs including financial support, energy conservation education, weatherization services, and access to alternate energy sources.

"(b) It is, therefore, the policy of the United States that energy conservation services and energy assistance should be available to low-income and near-poor individuals and families in order to lessen the impact of high energy costs on such individuals and families, reduce individual and family energy consumption, and provide such individuals and families with the opportunity to become more self-reliant and less dependent on increasingly scarce nonrenewable sources of energy.

"STATEMENT OF PURPOSE

"SEC. 1103. (a) This title establishes a comprehensive energy conservation services program to provide low-income and near-poor individuals and families with weatherization services, crisis intervention assistance, energy conservation education, and outreach services; prescribes the functions and structure of the administrative mechanisms responsible for administering the various components of the comprehensive energy conservation services program; and authorizes comprehensive energy-related research, demonstration and pilot projects designed to enhance the ability of the Federal Government to respond to the energy needs of low-income and near-poor individuals and families. The title also requires the coordination of all energy programs throughout the Federal Government which serve the low-income and near-poor.

"(b) It is the basic purpose of this title to stimulate and encourage the development and implementation of programs for low-income and near-poor individuals and families that will lessen the impact of high energy costs, reduce individual and family energy consumption, reduce dependence on nonrenewable sources of energy, and focus all available local, State, and Federal resources in such a way as to maximize the potential for achieving the objectives of this title. The specific purposes of this title are to—

"(1) encourage a partnership of Federal, State, and local resources to reduce the dependence of low-income and near-poor individuals and families on increasingly scarce nonrenewable sources of energy and thereby lessen American dependence on scarce energy resources, especially resources which are derived from the importation of foreign energy supplies;

"(2) lessen the consumption of foreign and domestic energy supplies by undertaking a comprehensive initiative to weatherize and make energy-efficient the dwellings of low-income and near-poor individuals and families by improving the energy efficiency of their dwelling places and providing access to low-cost, alternative energy sources;

"(3) provide crisis intervention assistance to alleviate the threat to the health and well-being of low-income and near-poor individuals and families created by a shortage of energy supplies or by severe weather conditions;

"(4) promote and encourage employment and enterprise development opportunities for low-income and near-poor individuals and families and communities in the fields of energy conservation and alternative energy development; and

"(5) carry out education programs that will assist low-income and near-poor individuals and families in adopting sound conservation practices that will maximize the benefits achieved through conservation and the use of alternative energy.

"DEFINITIONS

"SEC. 1104. As used in this title—

"(1) the term 'council' means each State weatherization council established pursuant to section 1117;

"(2) the term 'lower living standard income level' means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor based upon the most recent 'lower living family budget' issued by the Secretary of Labor;

"(3) the term 'severely handicapped individual with a disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer, cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal cord conditions, renal failure, respiratory or pulmonary dysfunction, and any other disability specified by the Secretary of Health and Human Services in regulations the Secretary shall prescribe; and

"(4) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"PART A—WEATHERIZATION PROGRAM

"ESTABLISHMENT OF A WEATHERIZATION PROGRAM

"SEC. 1111. (a) The Director shall develop and conduct, in accordance with the purposes and provisions of this part, a weatherization program. In developing and conducting such program the Director is authorized to make grants to States, Indian tribal organizations, and migrant and seasonal farmworker organizations. Such grants shall be made for the purpose of furnishing financial assistance to projects designed to provide for the weatherization of dwellings occupied by low-income or near-poor individuals or families.

"(b) (1) The Director, after consultation with the Secretary of Labor, the Secretary of Energy, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the heads of such other Federal departments and agencies as the Director appropriate, shall develop and publish in the Federal Register for public comment proposed regulations to carry out the provisions of this part not later than 60 days after the date of enactment of this title. The Director shall promulgate and publish final regulations for such purposes not later than 60 days after the date on which proposed regulations are published. Not later than May 15, the Director shall promulgate and publish such regulations or modifications of existing regulations, as may be necessary, in each fiscal year beginning after September 30, 1980.

"(2) The regulations promulgated pursuant to this part shall include provisions—

"(A) prescribing standards for weatherization materials, energy conservation techniques, and balanced combinations thereof, which are designed to achieve a healthful living environment and maximum practicable energy conservation taking into account variations in climatic and structural settings and other relevant factors;

"(B) prescribing wages and allowances, maximum wage limitations, procedures for securing individuals to perform work, and other labor provisions in accordance with the requirements of section 1118; and

"(C) prescribing the maximum financial assistance available under this part for specific cateories of dwellings.

"(c) If a State does not, within 120 days after the date on which final regulations are promulgated under this section, submit a plan, or elects not to submit an application, to the Director which meets the requirements set forth in section 1116, any community action agency carrying out programs under title II of this Act or any political subdivision of a State or combination of such political subdivisions may, in lieu of such State, submit a plan for carrying out projects under this part within the geographical area which is served by such agency or is subject to the jurisdiction of such political subdivision or combination of such subdivisions. If any such political subdivision or combination of political subdivisions submits an application which proposes that the priority requirement with respect to community action agencies set forth under section 1115(c) is no longer applicable, the Director, as part of the notice and public hearing procedure carried out under section 1115(b)(1) with respect to such application, shall be responsible for making the necessary determination under section 1115(c).

"FINANCIAL ASSISTANCE FOR WEATHERIZATION PROGRAMS

"SEC. 1112. The Director shall provide financial assistance to each State or area which has met the requirements of section 1116 for the purpose of carrying out the activities authorized under this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1113. (a) There are authorized to be appropriated for carrying out the provisions of this part $500,000,000 for fiscal year 1981, $750,000,000 for fiscal year 1982, and $950,000,000 for fiscal year 1983. Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

"(b) (1) Unless the Congress in the regular session which ends prior to the beginning of the terminal fiscal year of the authorization of appropriations for the program authorized by this Act either—

"(A) has passed or has formally rejected legislation which would have the effect of extending the authorization of that program; or

"(B) by action of either the House of Representatives or the Senate, approves a resolution stating that the provisions of this subsection shall no longer apply to such program;

such authorization is hereby automatically extended for one additional fiscal year. The amount appropriated for such additional year shall not exceed the amount which the Congress could, under the terms of the law for which the appropriation is made, have appropriated for such program during such terminal year.

"(2)(A) For the purposes of clause (A) of paragraph (1) of this subsection, the Congress shall not have been deemed to have passed legislation unless such legislation becomes law.

"(B) In any case in which the Director is required under this Act to carry out certain acts or make certain determinations which are necessary for the continuation of the program authorized by this Act, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which that part of paragraph (1) of this subsection which follows clause (B) thereof is in operation.

"ALLOTMENTS TO STATES

"SEC. 1114. (a) The Director shall allot the sums appropriated pursuant to section 1113 for any fiscal year in accordance with subsections (b) through (f) of this section.

"(b)(1) From 95 per centum of the sums appropriated pursuant to section 1113(a) for the fiscal year 1981 and for each fiscal year thereafter, the Director shall allot to each State an amount which bears the same ratio to one-half of such 95 per centum as the aggregate residential energy expenditure in such State bears to the aggregate residential energy expenditure for all States.

"(2) From 95 per centum of such sums, the Director shall allot to each State an amount which bears the same ratio to one-half of such 95 per centum as the total number of heating degree days in such State squared, multiplied by the number of households in such State having incomes equal to or less than the lower living standard income level, bears to the sum of such products for all States.

"(3)(A) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $17,000,000, the allotment of such State shall be the greater of its allotment as so determined under such paragraphs or the product of the total amount available for allotment under this subsection and the alternative allotment percentage of such State.

"(B) The alternative allotment percentage for any State shall be equal to the alternative allotment percentage for that State determined under paragraphs (3) through (8) of section 326(a) of H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1979, as agreed to by the Senate on November 16, 1979.

"(4) Notwithstanding any other provision of this subsection, the aggregate amount available to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands for any fiscal years shall not exceed three-tenths of 1 per centum of the amount appropriated for that fiscal year.

"(5) The allotments under this subsection shall be made on the basis of the latest reliable data available to the Director.

"(c)(1) The Director shall reserve the remainder of the sums so appropriated for each fiscal year for use for—

"(A) national and regional office administrative costs;

"(B) training and technical assistance activities pursuant to section 1125 which, at a minimum, are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities;

"(C) evaluation activities carried out pursuant to section 1126;

"(D) demonstration, research, and pilot projects carried out pursuant to section 1151 (4); and

"(E) incentive grants carried out pursuant to paragraph (3) of this subsection.

"(2) From the funds appropriated pursuant to section 1113 for any fiscal year, not to exceed $2,000,000 in each fiscal year shall be available for administrative costs under clause (A) of this paragraph. The funds reserved pursuant to such clause (A) shall be in addition to any funds otherwise available for administrative costs to the Community Services Administration.

"(3)(A) From funds available under clause (E) or paragraph (1) of this subsection, the Director shall make incentive grants to States to pay the Federal share of incentive weatherization programs established by any State to serve the same population as the population eligible under this Act.

"(B) No grant may be made under this paragraph unless the State makes an application to the Director containing such provisions as the Director deems necessary and which describes the State program for which assistance is sought under this paragraph.

"(C) The Federal share for any fiscal year for Federal assistance under this paragraph shall not exceed 25 percent centum.

"(d) From a State's allotment not to exceed 1 per centum, but not less than $75,000, under this subsection shall be allocated for purposes of carrying out the provisions of section 1117 relating to State weatherization councils.

"(e)(1) Any portion of a State's allotment under subsection (b) for a fiscal year, which the Director determines will not be expended for the period such allotment is available for carrying out the provisions of this part, shall be made available for reallotment from time to time, on such dates during such period as the Director determines necessary, to other States based on relative need and ability to expend such funds. Such reallotments shall be in proportion to the original allotments under subsection (b).

"(2) Any allotments to a State may be reallotted only if the Director has provided 30 days advance notice to the chief executive and to the general public. During such period comments may be submitted to the Director.

"(3) After considering any comments submitted during such period, the Director shall notify the chief executive of any decision to reallot funds, and shall publish such decision in the Federal Register.

"(f)(1) Notwithstanding any other provision of this part, in any State in which the Director determines (after having taken into account the amount of funds made available to the State to carry out the provisions of this part) that (A) the low-income and near-poor members of an Indian tribe or low-income and near-poor migrant and seasonal farmworkers are not receiving benefits under this part that are equivalent to the assistance provided to other low-income and near-poor individuals and families in such State under this part, and (B) that such migrant and seasonal farmworkers or the members of such tribe would be better served by means of a grant made directly to provide such assistance, the Director shall reserve from sums that would otherwise be allotted to such State not less than 100 per centum of an amount which bears the same ratio to the State's allotment for the fiscal year involved as the population of all eligible Indians and migrant and seasonal farmworkers for whom a determination under this paragraph has been made bears to the population of all eligible households in such State.

"(2) The sums reserved by the Director on the basis of the Director's determination under this subsection shall be granted to an organization serving the individuals for whom such a determination has been made, or where there is no such organization, to such other entity as the Director determines has the capacity to provide services pursuant to this part.

"(3) In order for an organization or other entity to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Director plans meeting the requirements set forth in section 1116.

"LIMITATIONS; WITHIN STATE DISTRIBUTION

"SEC. 1115. (a)(1) Not more than 25 per centum of any grant made under this part may be used for program support. The remainder of such grant shall be used for the purchase of weatherization materials and for labor costs. The Director may prescribe regulations to further limit the percentage of a grant available for program support under the first sentence of this subsection. The Director may prescribe regulations to prescribe the percentage of such a grant available for weatherization materials and for labor costs.

"(2) Program support shall include activities which enable an agency, organization, or other entity designated as a local weatherization project to carry out the provisions of this part, including but not limited to project management, audit, and direction; coordination and mobilization of resources; purchase of needed tools and equipment; transportation of workers and materials; storage of materials and equipment; outreach activities for, and eligibility determinations of, eligible individuals and families; inspection and quality control; insurance; preparation of required reports, and other similar activities which encourage the safe and effective operation of weatherization projects.

"(b) The Director shall insure that financial assistance provided under this part will—

"(1) be allocated within the State or area in accordance with a published State or area plan, which is adopted by such State or area after notice and a public hearing, describing the proposed funding distributions and recipients;

"(2) be allocated, pursuant to such State or area plan, to community action agencies carrying out programs under title II of this Act, Indian tribal organizations, migrant and seasonal farmworker organizations, community development corporations, community-based organizations, or to other public or private nonprofit agencies or organizations that have demonstrated effectiveness in supervising or carrying out weatherization services so that funds will be allocated on the basis of the relative need for weatherization assistance among the low-income and near-poor individuals within such State or area, taking into account—

"(A) the climatic conditions,

"(B) the condition of dwelling places with respect to the energy efficiency,

"(C) energy usage and cost,

"(D) the type of weatherization work to be performed, and

"(E) such other factors as the Director may determine;

"(3) be terminated or discontinued during the application period only in accordance with the policies and procedures set forth in section 1124.

"(c) In allocating funds for carrying out weatherization projects within the State under subsection (b) the Director shall give priority to community action agencies within each State for so much of the geographical area as is served by each such agency; except that the requirement of this subsection shall not apply if the chief executive officer of the State determines, in cooperation with the State weatherization council, or if the Director determines, that—

"(1) a community action agency has a pattern of ineffective administration of programs under this Act, or

"(2) a community action agency is not of sufficient size and cannot in timely fashion develop the capacity to support the scope of the project to be carried out in such area with financial assistance under this part.

In carrying out the provisions of this subsection the Director shall give due consideration to the results of periodic evaluations of the projects carried out under this part in light of available information regarding the current and anticipated energy and weatherization needs of the low-income and near-poor individuals within the State.

"STATE PLANS AND REQUIREMENTS

"SEC. 1116. (a)(1) In order to receive financial assistance under this part, a State or, if the conditions of section 1111(c) are met, an area applicant shall submit to the Director a weatherization plan. Each such plan shall be submitted for a three-year period, together with such annual revisions as the Director may prescribe.

"(2) The chief executive officer of the State shall, in consultation with the State weatherization council, develop the State weatherization plan.

"(b) The plan shall—

"(1) include an analysis of the area to be served, including climate, energy usage and cost, energy efficiency of dwellings, the number of dwellings in need of weatherization services, the estimated number and characteristics of dwellings to be assisted, and the type of weatherization services to be performed;

"(2) include a statement of the long-term goals of the plan for the improvement of the energy efficiency of the dwellings in the area to be served;

"(3) describe in detail—

"(A) administrative arrangements for carrying out the plan, including the procedures to be used to designate local projects (including criteria for determining that a local project applicant has demonstrated effectiveness), to approve local projects, to evaluate and audit the operation of local projects, and to process complaints and grievances;

"(B) the methods to be used to identify and the criteria to be used for selecting dwellings to receive weatherization services, and the priorities to govern the provision of weatherization assistance to low-income and near-poor individuals and families, including methods to provide priority to elderly and severely handicapped low-income and near-poor individuals;

"(C) the procedures for consultation with the local project policy advisory councils;

"(D) the policies and procedures designed to assure that financial assistance provided under this part will be used to supplement, and not to supplant State or local funds, and to the extent practicable, to increase the amounts of such funds that would be made available in the absence of Federal funds for carrying out the purposes of this part, including plans and procedures (i) for securing, to the maximum extent practicable, the services of volunteers, including volunteers from volunteer programs carried out under the Domestic Volunteer Service Act of 1973, and training participants and public service employment workers under title II and title VI of the Comprehensive Employment and Training Act to work under the supervision of qualified supervisors, (ii) for securing housing and rehabilitation funds from the Farmers Home Administration and the Department of Housing and Urban Development, and (iii) for complying with the limitations set forth in section 1115;

"(E)(i) policies and procedures designed to assure that owners, renters, and owners of rental property will be treated equitably in carrying out the purposes of this part, including the establishment of goals and timetables with respect to the number of rental properties to be weatherized, and (ii) criteria for avoiding undue enhancement of the market value of rental property;

"(F) a proposed budget for each year; and

"(G) the procedures to be used to obtain weatherization materials;

"(4) describe in detail arrangements to insure that—

"(A) nondiscrimination and equal employment opportunities are provided; and

"(B) procedures are developed which will lead to skill development and job opportunities for workers under this part in occupations traditionally limited to individuals of the opposite sex;

"(5) describe in detail the procedures to be used to distribute funds within areas of the State or area to be served pursuant to section 1115(b);

"(6) describe in detail procedures for compliance with section 1118, relating to special provisions on wages, allowances, and referral of individuals;

"(7) a description of the outreach activities consistent with section 1144 to be conducted to inform eligible low-income and near-poor individuals and families of weatherization assistance under this part, and to refer such individuals and families to the program of assistance under this title;

"(8) describe (A) plans and activities to coordinate, strengthen, and expand employment and training activities under this part with employment and training activiitse in the private sector; (B) the relationship between job development and placement under this part and other employment and training programs, and the efforts made or planned to coordinate programs under this part with such other programs; and (C) the efforts to be undertaken to involve the private sector in activities assisted under this part;

"(9) describe in detail the recordkeeping procedures for the expenditure of funds received under this part, including procedures for property acquisition, inventory control, and maintenance of payroll records, which will enable the Director to audit and monitor State and area programs, and will assure adequate supervision and monitoring of local projects by the State and area applicant, particularly with respect to the eligibility of participants, the propriety of participant selection procedures and practices, and the purchase and disposition of materials; and

"(10) include adequate assurances of compliance with all provisions of this part and regulations promulgated pursuant to this part.

"(c) The Director shall approve any State plan which the Director finds meets the requirements of subsection (b).

"(d) The Director shall establish, within 120 days after the date of enactment of this title, (1) criteria and standards for the plan requirements under this section, and (2) procedures for submittal, approval, and implementation of changes in the weatherization plan, together with any reports required under this part.

"(e) Whenever the Director, after reasonable notice and opportunity for a hearing, finds that—

"(1) the State plan has been so changed that it no longer complies substantially with the provisions of subsection (b), or

"(2) in the administration of the plan there is a failure to comply substantially with any provision of subsection (b),

the Director shall notify the chief executive officer of such State that no further payments from its allotments under section 1114 will be made to the State (or, in the Director's discretion, that further payments to the State will be limited to projects under or portions of the State plan not affected by such failure), until the Director is satisfied that there will no longer be any failure to comply.

"STATE WEATHERIZATION COUNCIL

"SEC. 1117. (a)(1) Any State which desires to receive financial assistance under this part shall establish a State weatherization policy council. Funding for the council shall be provided pursuant to section 1114(c).

"(2) The council shall be appointed by the chief executive officer of the State. The chief executive officer of the State shall furnish staff to provide professional, technical, and clerical assistance to the council.

"(3) The council shall be composed of—

"(A) representatives of the eligible population (including significant segments thereof), who together shall constitute one-third of the membership of the council;

"(B) representatives of organized labor, business, agricultural employers and workers, energy providers, and members of the general public, who together shall constitute one-third of the membership of the council; and

"(C) representatives of the political subdivisions or combinations of the political subdivisions of the State (including local elected officials currently holding office), and agencies serving the eligible population, who together shall constitute one-third of the membership of the council, including at least—

"(i) a representative of the area agencies on aging within the State pursuant to the Older Americans Act of 1965;

"(ii) a representative of the State Vocational Rehabilitation Agency designated under the Rehabilitation Act of 1973;

"(iii) a representative of the State agency responsible for energy matters;

"(iv) a representative of the State office of the ACTION agency;

"(v) a representative of the State office of economic opportunity established under section 231 of this Act;

"(vi) a representative of the State Employment and Training Council; and

"(vii) two representatives of the leadership of the State legislature.

"(4) The council shall meet at such times, but at least three times per year, and in such places within the State as it deems appropriate. The meetings shall be publicly announced and, except when inappropriate, open and accessible to the general public.

"(b) The council shall—

"(1) elect a chairperson from among the council membership;

"(2) advise the chief executive officer of the State in the preparation of the plans required by section 1116, after reasonable notice and a public hearing has been held;

"(3) review local projects, especially with respect to the goals, priorities and performance of the local projects, and nonutilization or duplication of the assistance available under this part;

"(4) carry out continuing review of the operation of local weatherization projects, and the availability, responsiveness, and adequacy of the State program, and make recommendations to the local projects, to the chief executive officer of the State, and to the general public with respect to ways to improve the effectiveness of such programs; and

"(5) make an annual report to the chief executive officer of the State which shall be a public document, and issue other studies, reports, or documents as it deems advisable to assist local projects or to otherwise help carry out the purposes of this part.

"(c) Whenever the conditions of section 1111(c) are met and the plans required by section 1116 are submitted by an area applicant the area applicant shall, to the maximum extent practicable consistent with regulations prescribed by the Director, comply with the provisions of this section.

"SPECIAL PROVISIONS

"SEC. 1118. (a) Wages and allowances shall be paid under this part in accordance with sections 124 and 442 of the Comprehensive Employment and Training Act.

"(b) The Director shall establish procedures, after consultation with the Secretary of Labor, to secure individuals to perform work (other than supervisory work) on local weatherization projects, under which agencies, organizations, or other entities assisted under this part shall—

"(1) utilize, to the extent feasible, individuals in employment and training programs whose wages are paid in whole or in part under the Comprehensive Employment and Training Act;

"(2) make arrangements, in the case of individuals whose wages will be paid under this part, for obtaining referrals of individuals from prime sponsors designated under the Comprehensive Employment and Training Act and from the State employment security agencies;

"(3) employ individuals, 90 per centum of whom meet the eligibility requirements of section 236(a), 435, or 607 of the Comprehensive Employment and Training Act, but in no event employ individuals who are described in sections 443(f) (1) and (2) of such Act;

"(4) pay wages to such individuals at wage rates which do not exceed the maximum allowable total wages payable to a participant under section 122(1)(1) and section 609(2) of the Comprehensive Employment and Training Act;

"(5) give priority to (A) youths aged 16 to 24, (B) individuals who have completed a course of training under the Comprehensive Employment and Training Act for work in weatherization activities, and (C) other individuals identified in section 122(b)(1)(A) of the Comprehensive Employment and Training Act; and

"(6) make arrangements, to the extent feasible, with prime sponsors designated under the Comprehensive Employment and Training Act and with State or local apprenticeship boards or other apprenticeship programs for providing work and training opportunities, including on-the-job training, for eligible participants in projects carried out under this part.

Whenever the Director determines that an agency, organization, or other entity conducting local weatherization projects cannot comply with the provisions of clause (3) of this subsection because there are not enough individuals in the area being served who meet the requirements described in that clause, the Director may waive the provisions of that clause (but only to the extent such individuals are not available) and may permit such agency, organization, or entity to employ other unemployed individuals.

"(c) The Director shall determine that local weatherization projects assisted under this part—

"(1) will result in an increase in employment opportunities over those opportunities which would otherwise be available;

"(2) will not result in the displacement of currently employed workers (including partial displacement such as reduction in the hours of nonovertime work, wages, or employment benefits); and

"(3) will not impair existing contracts for services.

"(d) Notwithstanding any other provision of law, participants performing work on weatherization projects assisted under this part, who receive wages from funds provided under the Comprehensive Employment and Training Act at wage rates that are not less than the wage rates required under section 124(b)(1) of such Act, may have such wages supplemented by additional wage payments from funds made available under this part and such payments shall not be considered supplemental wages for the purpose of section 609(1) of such Act. The total wages supplemented for any such participant under any title of the Comprehensive Employment and Training Act shall not exceed the allowable combined total of the maximum federally supported wage and supplemental wages applicable with respect to such area under section 609(2) of such Act. The term 'federally supported wage rates' under section 122(1)(2) of the Comprehensive Employment and Training Act shall not be construed to include supplemental wages from any source allowable by this title or any other provision of Federal law.

"(e) Each agency, organization, or other entity receiving funds under this part shall assure an adequate number of supervisory personnel for weatherization projects, who shall be adequately trained in skills needed to carry out a weatherization project and to instruct participants in skills needed to carry out such a project.

"DESIGNATION OF LOCAL WEATHERIZATION PROJECTS

"SEC. 1119. (a) Upon approval of financial assistance under this part, a State or area is authorized to designate as a local weatherization project, subject to the limitations set forth in section 1115, a community action agency carrying out programs under title II of this Act, an Indian tribal organization, a migrant and seasonal farmworker organization, a community development corporation, a community based organization, a public or private nonprofit agency, a political subdivision or combination of political subdivision of a State, or any combination thereof, which (1) has the authority to carry out the provisions of this part and perform the functions set forth in section 1121 within the area to be served, and (2) is determined by the State to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a weatherization project.

"(b) For the purposes of this part, an area to be served may be a city, county, or multicity or multicountry unit within a State, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed to operate a weatherization project.

"(c) The State shall give priority in the designation of local weatherization projects to any local public or private nonprofit agency which is receiving funds under any weatherization program on the date of the enactment of this title, except that the State shall, before giving such priority, determine that the agency involved meets program and fiscal requirements established by the State and the Director.

"FINANCIAL ASSISTANCE FOR LOCAL WEATHERIZATION PROJECTS

"SEC. 1120. Upon approval of financial assistance under this part, a State may, upon application by an agency, organization, or other entity which is eligible for designation as a local weatherization project pursuant to section 1119, provide financial assistance to such agency, organization, or other entity for the planning, conduct, administration, and evaluation of a weatherization project to provide low-income and near-poor individuals and families in the area with weatherization assistance which will (1) result in the reduction of energy usage and cost, and (2) provide for direct participation of the low-income and near-poor population of the area to be served in the development, conduct, and overall program direction at the local level.

"FUNCTIONS OF LOCAL WEATHERIZATION PROJECTS

"SEC. 1121. (a) In order to be designated as a local weatherization project under this part, an agency, organization or other entity must have authority under its charter or applicable law to (1) receive and administer funds under this part, funds and contributions from private or local public sources which may be used in support of a weatherization program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency organized in accordance with this part, may act as a grantee, contractor, or sponsor of projects appropriate for inclusion within a weatherization program, (2) transfer funds so received, and (3) delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. The power to transfer funds and delegate powers must include the power to make transfers and delegations covering component parts in any case in which the transfer or delegation would contribute to efficiency and effectiveness or otherwise further the objectives of this part.

"(b) In order to be so designated, an agency, organization, or other entity desiring to conduct a local weatherization project shall—

"(1) establish a local project advisory committee in accordance with such regulations as the Director may prescribe;

"(2) provide for the regular participation of the population to be served or their representatives in the implementation of such weatherization project; and

"(3) provide technical and other support needed to enable low-income and near-poor individuals and families in the area to secure on their own behalf available assistance from public and private sources.

"ELIGIBILITY FOR PARTICIPATION IN WEATHERIZATION PROGRAMS

"SEC. 1122. (a) Except as provided in subsection (b), low-income and near-poor individuals and families shall be eligible for participation in programs assisted under this part if—

"(1) such individuals or families have incomes equal to or less than 85 per centum of the lower living standard income level, and

"(2) the residences of such individuals are determined to need weatherization as determined by the agency, organization, or other entity conducting the local weatherization project pursuant to criteria established by the Director.

"(b) The Director shall issue regulations setting forth conditions under which agencies, organizations, or other entities assisted under this part may provide work for eligible employees under section 1118 on weatherization of housing for lower income families as defined in section 8(f)(1) of the United States Housing Act of 1937 as part of community revitalization or stabilization projects.

"ADMINISTRATIVE PROVISIONS

"SEC. 1123. (a) Each agency, organization, or other entity carrying out a weatherization project shall observe standards of organization, management, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this part and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each such agency, organization, or entity shall establish or adopt rules to carry out this setcion, which shall include rules to assure full staff accountability in matters governed by law, regulatory or agency policy. Each such agency, organization, or entity shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate area groups and reasonable public access to books and records of the program. Each such agency, organization, or entity shall adopt rules designed to establish specific standards governing employee benefits; to assure that only personnel capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency efficiency, performance, and effectiveness; to guard against personal or financial conflicts of interest; and to define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protect, or other direct action which is in violation of law.

"(b) No financial assistance may be provided under this part in any case in which the Director determines that—

"(1) the costs of administering a program assisted under this part exceed 15 per centum of the total costs of such program; or

"(2) the cost of administration for the State or area exceed 5 per centum of such total costs.

The Director shall establish by regulation, criteria for determining the costs of administering such program, and the total costs of such program.

"(c) The Director, by general or special orders, may require any recipient of financial assistance under this part to provide, in such form as the Director may prescribe, such reports or answers in writing to specific questions, surveys, or questionnaires as may be necessary to enable the Director to carry out the Director's functions under this part.

"(d) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, information, and records of any project receiving financial assistance under this part that are pertinent to the financial assistance received under this part.

"(e) Payments under this part may be made in installments and in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"APPEALS, NOTICE, AND HEARINGS

"SEC. 1124. (a) The Director shall prescribe procedures to assure that special notice of and an opportunity for a timely and expeditious appeal will be provided to any applicant to the Director, State or area agency, as the case may be, whose plan has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Director, in accordance with regulations which the Director shall prescribe.

"(b) Whenever the Director, after notice and an opportunity for appeal, finds that there is a failure to comply substantially with the provisions of this part, the Director shall notify the State or agency involved and other interested parties that such State or agency is not or will no longer be eligible to participate in the program under this part until the Director is satisfied that there is no longer any such failure to comply.

"(c) Reasonable notice under this section shall include a written notice of intention to act adversely, including a statement of the reasons therefor, and an opportunity to show cause why such action should not be taken or to propose corrective action.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 1125. The Director may, directly or through grants or contracts, provide (1) technical assistance to State agencies, area agencies and local project agencies, organizations, and entities in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel needed in connection with weatherization programs. Pursuant to the provisions of section 1114(c), the Director may reserve funds to carry out activities under this section.

"MONITORING AND EVALUATION

"SEC. 1126. (a) The Director shall, directly or through grants or contracts, provide for the continuing evaluation of programs under this part, including evaluations that measure the impact of assistance under this part, in order to determine its effectiveness in achieving stated goals, its impact on related programs and their structure and mechanism for delivering services, including where appropriate, comparisons with appropriate control groups composed of dwellings which did not receive weatherization assistance and analyses of the period over which reduced energy consumption repays the cost of weatherization assistance.

"(b) In carrying out evaluations under this part, the Director shall, whenever feasible, arrange to obtain the specific views of individuals and families participating in and served by programs and projects assisted under this part about such programs and projects.

"(c) The Director shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than 90 days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"ANNUAL REPORT

"SEC. 1127. The Director shall submit, within 120 days of the close of each fiscal year, a report to the Congress and the President describing the weatherization assistance program carried out under this part, including the progress which has been made in weatherizing dwellings and the effectiveness of the program in achieving its stated goals, or any other appropritae provision of law, and including the results of the periodic evaluations and monitoring activities required by section 1126.

"PART B—CRISIS INTERVENTION PROGRAM AND OUTREACH

"ESTABLISHMENT OF CRISIS INTERVENTION PROGRAM

"SEC. 1141. (a)(1) The Director shall develop and conduct, in accordance with the provisions of this part, a crisis intervention program. In developing and conducting such program, the Director is authorized to make grants to States. Such grants shall be made for the purpose of supporting a crisis intervention program to provide short-term assistance and counseling to low-income and near-poor individuals and families threatened with severe hardship or danger to health or life from lack of fuel, utility shutoff, or other energy-related crisis. Criteria for assistance under a crisis intervention program shall not be based solely on delinquency in payment of fuel bills.

"(2) Crisis intervention activities may include, but are not limited to, provision of blankets or warm clothing, temporary loan of space heaters, emergency repairs of heating systems, emergency delivery of fuel or firewood, provision of temporary shelter, temporary emergency repairs to housing, mediation with utility companies or fuel suppliers, financial counseling, and other similar services which will assist in removing low-income individuals and families from an immediate crisis situation, including all necessary outreach and program support activities.

"(b) No financial assistance may be provided under this part unless the State submits an application to the Director at such time, in such manner, and containing or accompanied by such information as the Director deems necessary.

"(c) The Director, after consultation with the Secretary of Health and Human Services and the heads of such other Federal departments and agencies as the Director deems appropriate, shall develop and publish in the Federal Register for public comment, not later than 45 days after the enactment of the Economic Opportunity Amendments of 1979, proposed regulations to carry out the provisions of this part. The Director shall take into consideration the public comments submitted regarding such proposed regulations and shall promulgate and publish final regulations for such purposes not later than 90 days after the date of the enactment of the Economic Opportunity Amendments of 1979.

"(d) Upon approval of financial assistance under this part, a State is authorized to provide financial assistance to community action agencies carrying out programs under title II of this Act or other public agencies and private nonprofit organizations that have demonstrated effectiveness in carrying out crisis intervention services which (1) have the authority to carry out the purposes of this part, and (2) are determined by the State to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a crisis intervention program.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1142. (a) There are authorized to be appropriated for carrying out the provisions of this part such sums as may be necessary for fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1983.

"(b) For the purpose of affording adequate notice of assistance available under this part, appropriations under this part are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"ALLOTMENT TO STATES

"SEC. 1143. (a) Of the sums appropriated pursuant to section 1142 for any fiscal year the Director shall allot such sums in accordance with subsections (b) and (c).

"(b)(1) The Director shall allot 80 per centum of the sums appropriated pursuant to section 1142 in each fiscal year so that the percentage of the amount alloted under this paragraph and available for use to each State shall be the same percentage as the percentage allotted to such State under section 1114(b).

"(2) The allotments under this subsection shall be made on the basis of the latest satisfactory data available to the Director.

"(c) The Director shall reserve the remainder of the sums so appropriated for each fiscal year for expenditure among the States in cases of weather related disasters of sufficient severity and magnitude to warrant supplemental crisis intervention activities described in this part as the Director determines will best carry out the purposes of this title.

"OUTREACH ACTIVITIES

"SEC. 1144. (a) The Director and a State or area receiving assistance under part A of this title or under this part shall conduct outreach activities to inform and enroll all eligible low-income and near-poor individuals and famlies in (1) programs providing energy-related assistance authorized under this title, and (2) other Federal, State, or local energy or energy-related assistance for which they qualify including, but not limited to, energy audits, counseling, educational services, energy assistance for help in paying high energy costs, alternate energy technologies, consumer information and legal assistance, and weatherization. Such outreach activities shall focus particularly on elderly and severely handicapped individuals, individuals and familes residing in remote areas, the homebound, migrant and seasonal farm-workers, individuals and families with limited English speaking proficiency, the working poor, and individuals and families with children.

"(b) In carrying out outreach activities under this part, the Director and a State or area shall utilize community action agencies carrying out programs authorized by title II of this Act, Indian tribal organizations, migrant and seasonal farmworker organizations, area agencies on aging, community based organizations, State welfare agencies, agencies receiving financial assistance under part A of this title, volunteer programs carried out under the Domestic Volunteer Service Act of 1973, and other appropriate agencies as determined by the Director.

"ANNUAL REPORT

"Sec. 1145. The Director shall submit, within 120 days of the close of each fiscal year, a report to the Congress and the President describing the crisis intervention program carried out under this part.

"PART C—ENERGY CONSERVATION SERVICES AND PROGRAM COORDINATION

"SUPPLEMENTAL ENERGY CONSERVATION SERVICES

"Sec. 1151. The Director is authorized to provide financial assistance to public agencies and nonprofit private organizations for—

"(1) educational and counseling activities for low-income and near-poor energy consumers in energy-conserving practices and sound residential energy management, self-help activities in energy conservation and alternative energy applications, and the care and maintenance of weatherization and alternative energy improvements to assure maximum efficiency and long life, as well as projects which support the carrying out of such care and maintenance activities;

"(2) assistance in the development, application, and support of alternative energy sources, including, but not limited to solar, wind, small-scale hydropower biomass conversion, and other technologies that capitalize on nonfossil fuels and renewable energy sources or that make conventional fuels available to the low-income and near-poor at substantially decreased cost or increased efficiency;

"(3) assistance in the development and support of community planning and coordination capability in energy audit, energy conservation and alternative resource development activities so as to insure the participation of low-income and near-poor persons and communities in such activities; and

"(4) assistance for research, demonstration, or pilot projects designed to test or assist in the development of new approaches or methods that will enable low-income and near-poor individuals and families to participate in energy conservation programs which lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption, including, but not limited to (A) energy conservation and education; (B) weatherization of old or substandard dwellings, improved space conditioning, insulation and energy audits; (C) emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis; (D) alternative fuel supplies; (E) special fuel voucher or stamp programs; (F) alternative transportaton activities designed to save fuel and assure continued access to training, education, and employment; (G) appropriate outreach efforts; (H) furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of the poor in efforts relating to the energy crisis; (I) nutrition, health, and other supportive services in emergency cases; and (J) evaluation of programs and activities under this title.

"PROGRAM COORDINATION

"Sec. 1152. The President shall establish procedures to assure the coordination of all energy conservation and energy assistance programs that affect low-income and near-poor individuals and families carried out by any department or agency of the Federal Government.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 1153. There are authorized to be appropriated for carrying out the provisions of this part $10,000,000 for the fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1983.

"PART D—GENERAL PROVISIONS

"INCOME DISREGARD

"Sec. 1161. Notwithstanding any other provision of law, the value of any assistance provided to any eligible individual or family under this title shall not be considered income or resources for any purpose, including but not limited to, the determination of eligibility or benefit levels, under any Federal, State, or local law, including any law relating to taxation, or public assistance program.".

Sec. 4. Effective October 1, 1980, section 222(a)(5) of the Act (42 U.S.C. 2809(a)(5)) is repealed. Any reference in any provision of law to section 222(a)(5) or section 222(a)(12) of the Act shall be construed to mean title XI of the Act, as added by this Act.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, an hour ago, a group of Senators—Senator JAVITS, Senator JACKSON, Senator HATFIELD, and I—agreed in principle upon an amendment to be offered to S. 1725. That amendment has been drafted and is in the process of being prepared for submission. First, it will have to be checked by the respective Senators for the correct wording. If it is agreed to, I think that will resolve the only serious controversy in this bill.

Other amendments will be offered by Senator JAVITS, perhaps by Senator WALLOP and Senator DURENBERGER, and one or two more. However, I do not believe they are controversial amendments.

Mr. President, I ask unanimous consent that Mr. Ken Cahill, of the Library of Congress, have the privilege of the floor during the consideration of S. 1725, to serve as a technical resource to the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, the proposed legislation before the Senate today, S. 1725, revises the authority which exists within section 222(a)(5) of the Economic Opportunity Act for the Community Services Administration (CSA) to carry out energy conservation services on behalf of low-income and near-poor individuals and families. This bill does not create any new authority. Rather, the bill would clarify and make more explicit the existing authority. The bill is based on the experience of the many energy conservation activities that CSA has funded and community action agencies have carried out in thousands of low-income communities all across the country.

S. 1725 would establish a new title XI entitled "Comprehensive Energy Conservation Services" within the Economic Opportunity Act. This new title would have three major energy conservation components: A weatherization program under part A; a crisis intervention program and outreach services under part B; and a supplemental energy conservation services program, including energy conservation education, alternative energy development, energy audit activities, community planning and coordination in energy conservation, and energy conservation research, demonstration, and pilot projects under part C. The existing section 222(a)(5) of the Economic Opportunity Act, which currently provides authority for all of these activities, would be repealed.

ENERGY CONSERVATION

In recent months, the American public has become very conscious of our Nation's energy situation, and its far-ranging impact on all of our lives. The events in Iran and the threat posed by the Soviet invasion of Afghanistan to our country's ability to secure oil supplies from the oil-rich countries in the Middle East have made Americans even more aware of the possible dire consequences associated with America's energy dilemma and our dependence on foreign oil. Now, more than ever, the citizens of this Nation desire a strong and effective national energy policy.

Mr. President, I am convinced that energy conservation is an essential component of a comprehensive, achievable, and forward-thinking energy policy. Although much valuable time has already passed by, both the Congress and the Carter administration have finally recognized that energy conservation must be a primary element of our national energy policy.

The Federal Government has recognized that in a world of limited energy resources, it is more economically prudent for this country to conserve a unit of energy now being consumed than to domestically produce or import a new unit of energy. The mere recognition of this fact, however, does not result in energy savings. Specific actions must be taken in order to actually reduce the Nation's energy consumption.

Government must lead the way and play an exemplary part in making energy conservation happen. The Federal Government can set an example by doing everything it can to save energy within its own operations, it can provide energy conservation assistance and information to citizens who need it, and it can provide real incentives that will serve to induce the necessary behavioral and structural changes which must take place.

Energy conservation offers every American the chance to participate in a national effort to make our country energy independent. Every American can make his or her own contribution to this effort—by conserving energy. Many Americans are already taking steps to save energy. And, with encouragement, guidance, and direction they are willing to do much more. It is, therefore, incumbent upon the Congress and the President to insure that everything that can be done is being done to save energy in all sectors of our society.

AMERICA HAS NOT RECOGNIZED THE MOST APPARENT POTENTIAL SOURCE OF ENERGY—OUR HOMES

Unfortunately, we are "missing the boat" when it comes to recognizing the sensible ways to find energy. In my judgment, we have overlooked and ignored the potential for recovering significant amounts of energy through conservation. Significant energy savings can be made by improving the energy efficiency of American homes. This largely untapped potential for energy savings can be realized by way of practical and proven effective actions to achieve energy conservation. Conservation, to many of us, implies sacrifice, the giving up of pleasures. But, much energy conservation can be achieved by Americans without undue hardship simply by eliminating waste. Conservation will, however, take commitment and effort.

It is clear that by making American homes more energy efficient, very significant energy savings would occur. There are some 75 million residential units in the United States. Most of them are energy guzzlers. If these residences were treated and cured for their energy addiction, it is estimated that 2.2 million barrels of oil a day could be saved. This potential for energy savings represents over one-quarter of the maximum daily oil import limit President Carter has established for the United States.

Put another way, the Nation could realize an estimated savings of 730 million barrels of imported oil annually and some $22 billion that will otherwise be transferred each year out of the pockets of American consumers to foreign oil suppliers. In my judgment, there is no quicker, cheaper, or more painless way for us to find more than 2 million barrels of oil per day than right in the houses in which we live.

The knowledge, the techniques, and the capacity all exist for the country to recover this wasted energy. Government can provide a comprehensive program of tax incentives and low-interest loans to make energy-saving investments more attractive to homeowners. Private industry and the Government working together can provide the technical experts and information to assist most Americans in making these energy-saving adjustments to their homes.

However, for low-income and near-poor citizens who lack the resources necessary to achieve energy conservation, the potential for energy savings is beyond their grasp and the limits of their resources. In these situations, the Government must provide much more direct assistance. The potential for energy savings in low-income and near-poor residences is significant. The realization of these potential energy savings could mean that all of our society would benefit from reduced energy consumption and expenditures. The benefits to low-income and near-poor citizens of having their living circumstances improved would be an additional national accomplishment which would occur as a result of improving the energy efficiency of low-income dwellings.

The Federal Government actually began some of its first energy conservation efforts in low-income residences. This was done through community action agencies, which on their own initiative and with their own resources, began to weatherize—make more energy efficient—low-income houses. These locally based efforts were so successful that a national low-income weatherization program began under the Community Services Administration. The legislative authority for this low-income weatherization program was the first such Federal authority. This authority originated in an amendment to the Economic Opportunity Act, which I authored in 1974. The authority was enacted that same year.

The weatherization program was quite successful while under the authority of CSA. Over 405,000 low-income houses were weatherized during slightly more than a 3-year period. Although we were a long way from having weatherized all the low-income housing in need of energy efficiency improvements, the CSA weatherization program was at a point where it could have been substantially expanded.

Unfortunately, the next step which was taken with the weatherization program provides a classic example of "throwing the baby out with the bath water"—effective with the fiscal year 1979 budget, the Carter administration proposed to transfer the weatherization program from CSA to the new Department of Energy. The stated reason for the transfer was that all energy programs should be consolidated in the Department of Energy.

In the name of "efficiency" and "organizational" tidiness the Federal Government fell flat on its face with respect to the weatherization program. The program has been seriously handicapped as a result of DOE administration and has literally withered away while millions of low-income persons—especially older and handicapped Americans—are having great financial difficulty in maintaining their homes because of high utility costs. This series of events, in my judgment, is indefensible.

The country has lost millions of dollars that could have been saved as a result of the reduction in energy consumption which accrues to weatherized houses. One of the country's better and most needed programs—a program that produces a great return on the investment made—has developed a serious sickness. DOE must bear the responsibility for its failure. The whole country, and particularly the poor, are now paying a high price for DOE blunders.

S. 1725 PROVIDES FOR AN EXPANDED AND REVAMPED WEATHERIZATION PROGRAM

Mr. President, in my judgment we as a nation can no longer afford to overlook the problems and limitations associated with the DOE weatherization program. We had a weatherization program that worked when it was under CSA administration. Once this weatherization program was transferred to DOE, the program and local program operators experienced nothing but problems. At times the program has virtually shut down in various parts of the country due to DOE's overly restrictive regulations—regulations that went far beyond the limitations imposed by the authorizing statute. As of October 30, 1979, DOE testified before the Labor and Human Resources Committee that over $200 million in fiscal years 1977, 1978, and 1979 weatherization funds remained unspent. These problems are well documented and I will discuss them in more detail at a later point in my remarks today.

The essential point is this: without a revamped and expanded Federal weatherization program designed to improve the energy efficiency of low-income housing, there will be a never-ending and ever-increasing need on the part of the elderly and low-income households for energy assistance to help pay high energy costs. The Congress appropriated $1.6 billion for energy assistance purposes this winter. In future years, $3 to $5 billion from the windfall profits will be reserved from low-income energy assistance. The weatherization of low-income housing could substantially reduce the need—a need that will continue to escalate as oil prices increase—for energy assistance.

However, unless the present weatherization program is revamped and expanded, the opportunity to substantially reduce oil imports and our Nation's foreign oil bill will pass by. We simply cannot afford to miss out on this opportunity to conserve energy through the weatherization of low-income housing.

S. 1725 provides Congress with the opportunity to revamp and expand current weatherization activities. The weatherization provisions in S. 1725 clarify the current authority under the Economic Opportunity Act. These clarifications eliminate the documented program problems community action agencies experienced in the implementation of the DOE weatherization program. S. 1725 also aims to bring the weatherization program back under the administration of CSA, where it originally was located and more appropriately belongs.

The weatherization provisions of S. 1725 essentially codify the regulations under which CSA operated the weatherization program from 1976 through 1978 and also reflect the experience of the DOE weatherization program during the past 2 years. The bill does not strike the DOE weatherization authorization, but it is the intent of the bill that, in the future, the Appropriations Committees fund the CSA program rather than the DOE program.

S. 1725 would also authorize under CSA the expansion of current weatherization activities. The bill authorizes $500 million for fiscal year 1981, $750 million for fiscal year 1982, and $950 million for fiscal year 1983. These authorized appropriations levels compare with the current $200 million appropriated for the DOE weatherization program in fiscal year 1980.

In my judgment, the prudent course of action would be for the Nation to make a commitment to weatherize all low-income housing in need of weatherization within a 10-year period. We could not only reduce energy consumption, save on our foreign oil bill, and improve the living conditions for millions of low-income Americans, but also, at the same time, provide meaningful employment and training opportunities for the unemployed in the installation of weatherization materials—a field with great potential for private sector employment.

PROJECTED REDUCTIONS IN ENERGY CONSUMPTION AND ENERGY COSTS WHICH CAN BE ACHIEVED THROUGH A WORKABLE AND EXPANDED WEATHERIZATION PROGRAM

Data from both the CSA and DOE weatherization programs and the National Bureau of Standards indicate that the possible range of fuel savings which can be achieved through weatherization is 20 to 60 percent of preweatherization energy consumption and costs. The level of energy savings achieved for each dwelling depends on the condition of the dwelling before being weatherized and the extent of weatherization services performed.

Based on an average heating degree normal of 5,000 for a residence and a sample of fuel usage as a function of heating degree days, fuel use for residential space heating is estimated at an average of 702 gallons per year fuel oil equivalent.[1] A conservative estimate of an average 25 percent savings in fuel costs would yield a total savings of 3 million barrels of oil consumed and $96 million in reduced oil costs annually for each 1 million dwellings weatherized. At current average costs per dwelling, 1 million dwellings could be weatherized at a cost of approximately $1 billion. If all 10 million dwellings estimated to be in need of weatherization services were weatherized, a reduction in consumption of 30 million barrels of oil and $960 million in reduced oil costs is projected at $30 per barrel. The maximum projected payback period for the household would be 4 years and the Federal Government would have its investment returned through reduced consumption in less than 10 years. These projections are based on very conservative average energy savings assumptions and on current market prices for a barrel of oil.

EMPLOYMENT OPPORTUNITIES IN WEATHERIZATION

Mr. President, in a world of limited energy resources, it makes much more economic sense for this Nation to conserve a unit of energy now being consumed in residential dwellings than it does to domestically produce or import a new unit of energy. In this same vein then, residential energy conservation is a particularly attractive goal to pursue because jobs in energy conservation are distributed on a relatively broad basis as compared to jobs in the production of energy supplies which tend to be concentrated in only a few areas. In addition, the skills required to work in energy conservation jobs can be acquired without extensive training and, consequently, the wages associated with such work would not have to be excessively high before people would be willing and able to work in these jobs.

Employment opportunities can be increased through residential energy conservation in, at least, the following ways: First, domestic labor can be substituted for foreign energy supplies; second, labor-intensive goods and services can be substituted for capital-intensive, domestically produced energy; and third, the savings realized through conservation measures can increase real expendable income beyond what it would be if the same level of energy consumption were maintained.

The Committee on Labor and Human Resources estimated that a weatherization program funded at nearly a $1 billion level would result in the direct creation of at least 50,000 jobs and require a work force of the same number of workers. Employment in the installation of weatherization materials provides an excellent opportunity to train and employ low-income unemployed persons in a job area where demand in the private sector for trained workers will be great.

Given the current unemployment rates, the structural unemployment problem in the country, and the persistent threat of a recession and rising unemployment, the low-income weatherization program should, for the most part, employ low-income and unemployed workers. For the same program dollar, then, the program would have two goals—the conservation of energy and employment and training opportunities for low-income persons in residential energy conservation work. I believe these two goals can be achieved simultaneously. Under the CSA weatherization program for example, low-income persons were employed on weatherization crews. And, many of these people were trained in weatherization work, established good employment records, and then were transitioned into private sector employment in a similar field.

S. 1725 would facilitate the accomplishment of these two goals: Energy conservation and employment and training opportunities for low-income persons. The labor-related provisions in S. 1725 were developed after a thorough assessment was done of the employment opportunities and labor restrictions under the CSA and the DOE programs. Many of the problems experienced by local program operators were due to DOE restrictions on labor. S. 1725 specifically addresses these problems and would resolve them in a weatherization program under CSA. For instance, although the use of CETA labor is encouraged and contemplated under S. 1725, weatherization funds may be used to pay labor costs. This aspect of the bill helps to assure program continuity and simplify program complexity.

The weatherization program can also provide an excellent employment and training opportunity for unemployed youths. For this reason, under S. 1725, priority for weatherization jobs is given to youths aged 16 to 24, to individuals who have completed a course of CETA training in weatherization activities, and to those persons who are the most severely disadvantaged in terms of their length of unemployment and their prospects for finding employment.

Mr. President, S. 1725 addresses two of this Nation's most pressing problems: Energy conservation and unemployment among youth. The bill would enable the Federal Government to get a maximum return on each dollar it invests in the weatherization program.

ENERGY CONSERVATION AND LOW-INCOME AMERICANS

The impact of the energy crisis and its devasting potential was felt by low-income and older Americans long before the rest of us had to face up to it. For the poor and elderly, the energy crisis did not begin in recent months when oil decontrol took effect, although this recent action made a bad situation even more unbearable. Instead, the crisis for low-income and older Americans began in 1973, at the time of the OPEC oil embargo which sent oil prices in an upward spiral, and it has become more serious with every price increase since then.

Over the past 7 years, energy costs have increased dramatically and the most recent round of energy price increases have exacerbated an already critical situation. From August 1972 until August 1979, the Consumer Price Index increased 76 percent. In this same period of time, the price of electricity increased 92 percent, gasoline 169 percent, natural gas 155 percent, and fuel oil 293 percent. These price increases have placed a devasting and disproportionate burden on low-income and near-poor Americans—particularly elderly and handicapped individuals.

As the cost of the basic necessities of life—food, shelter, health care, utilities, and clothing—have increased, those with the lowest incomes, particularly those on fixed-incomes, have been forced to choose between the basic life necessities. In so doing, the health and well-being of these Americans has been jeopardized.

The disproportionate burden that low-income and near-poor Americans bear becomes more evident when the proportion which energy costs represent of their income is examined for the average low-income household. The data available indicates that, nationally, poor households spend an average minimum of 20 percent of their income on energy, with many households spending 27 to 40 percent of their income on energy. During the coldest winter months in many of the northern-tier States, energy costs this year may represent as much as 80 to 110 percent of a low-income household's monthly income. Throughout the country, low-income and near-poor individuals and families are experiencing the devastating impact of being forced to spend increasing proportions of their incomes on residential energy.

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[1] This data is taken from the National Bureau of Standards Weatherization Research Project funded by CSA.

As the Nation begins to come to terms with the energy realities the country must face, it is instructive to note that poor and older Americans already are very aware of the actions which must be taken. Studies of energy consumption patterns reveal that low-income households generally consume less energy per capita than other households and that low-income households have reduced their energy usage to the extent the conditions of their dwellings will allow. The housing occupied by the low-income and near-poor is generally not energy efficient, is usually older, and frequently in need of repair.

A recent report, entitled "Residential Energy Conservation," issued in July 1979 by the Congressional Office of Technology Assessment illustrates what conservation measures the low-income have already taken in response to the energy situation:

> The poor and the elderly are usually not in a position to lower fuel bills by reducing consumption. Available data show that the average low-income household in 1975 used 55.4 percent less electricity and 24.1 percent less natural gas than the average middle-income U.S. households. In the aggregate, low-income households used only 11 percent of total U.S. residential energy, although they accounted for 17 percent of population. These figures are especially significant because at least 43 percent of low-income households have no insulation, and 58 percent have no storm doors or storm windows—factors that drive up the amount of home fuel use required to maintain minimum conditions of health and comfort. Moreover, 39 percent of low-income households have no thermostat or valve with which to control their heat, and among low-income renters 49 percent lack such control. Given these circumstances, recent increases in utility and fuel bills severely penalize poor people who cannot significantly cut consumption without enduring health hazards in their drafty, uninsulated homes.

Low-income and near-poor Americans have had no other choice but to conserve energy in order to cope with today's high energy prices. Further conservation and reduction of consumption is certainly possible for this segment of our society, but they alone do not have the financial resources required to make further progress. This is why a long-term commitment by the Federal Government is necessary to pursue the goal of further conservation. By doing so the disproportionate energy price burden now borne by the low-income and near-poor can be relieved and the Nation's energy consumption and foreign oil bills can be reduced.

LOW-INCOME HOUSING WEATHERIZATION NEEDS

There are nearly 14 million low-income and near-poor households whose incomes are below 85 percent of the Bureau of Labor statistics lower living standard level—85 percent is equivalent to a national average of $9,814 for a family of four. Fifty-five percent of these households are renters, 60 percent live in single-family dwellings, 6 percent live in mobile homes, 22 percent live in apartments of eight units or less, and 11 percent live in apartments of nine units or more.

Almost half—49 percent—of all low-income households live in the Northeast and North Central regions, where the winter months are long and very cold, and energy costs are high.

Approximately 42 percent of all low-income households live in rural areas or in small towns. For these 6 million households, home is usually an old, substandard, either poorly insulated or uninsulated, single-family house. Only 51 percent of these dwellings have central heating and 28 percent use supplementary room heaters.

The large majority of the 14 million low-income households live in dwellings which have little or no insulation and are in need of improvements to stop air infiltration. For example, 71 percent of low-income dwellings have no weatherstripping, less than 43 percent have any insulation, 56 percent have no storm doors, 60 percent have no storm windows, 39 percent have no thermostat or valve with which to control heat, and one-third do not have a central heating system.

Many low-income dwellings also have broken windows and doors, holes in the floor or siding, and heating sources which are operating at very low efficiency levels due to lack of adequate maintenance.

The Committee on Labor and Human Resources estimated that there are approximately 10,000,000 low-income dwellings. The total number of low-income dwellings can be divided into the following categories: 5,098,000 single family owner-occupied dwellings, 1,585,000 single family renter occupied dwellings, 2,217,000 multi-family dwellings of eight units or less, and 1,100,000 multi-family dwellings of 9 units or more. Approximately 6 percent—590,000 dwellings—of the eligible dwellings have been weatherized under the Community Services Administration or Department of Energy weatherization programs. The committee estimated, therefore, that approximately 9,410,000 low-income dwellings are yet to be weatherized.

HISTORY OF THE FEDERAL RESPONSE TO LOW-INCOME ENERGY-RELATED NEEDS

In certain areas of the country, the cold winter months have always been difficult ones for individuals and families with the lowest incomes, particularly those on fixed incomes, to withstand. The oil embargo of some 7 years ago, however, placed a sustained and unrelenting burden on low-income households. Agencies serving the poor, particularly community action agencies, were compelled to find some means by which to assist the poor in helping themselves cope with and respond to the energy crisis. It was through Federal assistance to community action agencies at the local community level that the Federal Government first responded to the energy crisis confronting low-income and older Americans. A local response was feasible because there was sufficient flexibility in the Federal assistance made available to community action agencies to enable local communities to design a response which would meet the needs of the community.

During the winter of 1973, community action agencies in Wisconsin and Maine independently initiated the first weatherization efforts in the country. At the same time, the first energy assistance program to provide financial assistance for help in paying fuel bills was developed and operated by the Milwaukee, Wis., community action agency. Project FUEL in Maine successfully combined weatherization, crisis intervention, and energy assistance activities into one energy program for low-income persons in that State. In each of these instances, community action local initiative or Community Services Administration—formerly the Office of Economic Opportunity—research and development funds were used to carry out these activities.

In response to the energy crisis confronting low-income Americans and based on the experience and success of the Maine and Wisconsin efforts in this regard, the Senate Subcommittee on Employment, Poverty, and Migratory Labor, which I chair, developed legislation through which energy-related services to low-income individuals and families have since been carried out. The legislative authority for such services has its origins in legislation I authored and introduced in 1974, in the 93d Congress, along with Senators BAYH, CRANSTON, MONDALE, and RANDOLPH. This bill (S. 3870) amended the Economic Opportunity Act to provide for an emergency energy conservation services program to assist the poor. The language in the bill was adopted by the subcommittee—incorporated in an original bill, S. 4178—the Labor and Human Resources Committee, and the Senate. Although the companion House bill contained no energy provision, the House accepted the Senate language. This amendment to the Economic Opportunity Act was the first legislation in either House of Congress to establish such a program for the poor.

Mr. President, I ask unanimous consent that the text of this statutory language be inserted at this point in the RECORD.

This section of the Economic Opportunity Act, as amended in 1978, follows:

> Section 222(a) In order to stimulate actions to meet or deal with particularly critical needs of problems of the poor which are common to a number of communities, the Director may develop and carry out * * *
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> (5) A program to be known as "Emergency Energy Conservation Services" designed to enable low-income individuals and families, including the elderly and the near poor, to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption. The Director is authorized to provide financial and other assistance for programs and activities, including, but not limited to, an energy conservation and education program; winterization of old or substandard dwellings, improved space conditioning, and insulation; emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis; alternative fuel supplies, special fuel voucher or stamp programs; alternative transportation activities designed to save fuel and assure continued access to training, education, and employment; appropriate outreach efforts; furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of other supportive services in emergency cases; and evaluation of programs and activities under this paragraph. Such assist-

> ance may be provided as a supplement to any other assistance extended under the provisions of this Act or under other provisions of Federal law. The Director, after consultation with the Administrator of the Federal Energy Office and appropriate Federal departments and agencies, shall establish procedures and take other appropriate action necessary to insure that the effects of the energy crisis on low-income persons, the elderly, and the near poor are taken into account in the formulation and administration of programs relating to the energy crisis. In carrying out programs to lessen the impact of the high cost of energy to migrants, other seasonally employed farm workers, and Native Americans, the Director shall utilize local public or private non-profit organizations or agencies where feasible. Eligibility for any of the programs authorized under this section shall not be based solely on delinquency in payment of fuel bills.

Mr. President, section 222(a)(5) of the Economic Opportunity Act, which authorizes the emergency energy conservation services program, is and has been the authority under which various energy-related activities for low-income Americans—including weatherization, energy assistance, and crisis intervention—have been carried out.

Prior to the addition in 1974 of the emergency energy conservation services program the Community Services Administration was actively concerned with the energy problems of the poor and the elderly, and the agency made use of its demonstration authority (under title I and section 232 of the Economic Opportuntiy Act) to find ways to respond to these problems. For example, in late 1973 and early 1974, CSA provided the first Federal grants specifically for weatherization and emergency energy assistance projects. The success of these projects resulted in the specific legislative authority (section 222(a)(5) of the Economic Opportunity Act) for these activities, the actual implementation of a national weatherization program, which received over $200 million in funding while under CSA administration, and a national emergency energy assistance program, which made available some $600 million over the past 3 years (1976–79) to low-income persons for assistance in paying high energy costs.

The record shows that the Community Services Administration and its network of over 800 community action agencies have been instrumental in the identification of the energy-related needs of the poor and the elderly and have pioneered in the development and provision of energy-related services to the poor. CSA has often been the only Federal agency engaged in testing various methods of delivering energy-related services to the low-income population and in the development of alternative energy technologies such as solar power, biomass conversion, small-scale hydropower, and windpower, which can be adapted to meet the energy-related needs of the poor.

The Emergency Energy Conservation Services program under section 222(a)(5) of the Economic Opportunity Act has made significant contributions to the health and well-being of many low-income and older Americans. Although limited in scope and size, this program has enabled many low-income households to maintain at least a minimum level of health and safety. The program has demonstrated that energy-conserving weatherization activities benefit not only those residing in assisted housing, but also benefit the Nation as energy consumption and foreign oil bills are reduced.

COMMUNITY SERVICES ADMINISTRATION WEATHERIZATION PROGRAM

As mentioned previously, the Community Services Administration (CSA) was first provided explicit statutory authority to operate and receive direct appropriations for a weatherization program in the Economic Opportunity Act Amendments of 1974. This legislation established the first low income weatherization grant program of its type to be authorized in law section 222(a)(5) of the Economic Opportunity Act).

Under this authority, CSA was appropriated funds to operate a national weatherization program in fiscal years 1975 through 1978. The CSA weatherization program made grants directly to local weatherization project grantees. Over 90 percent of the local weatherization projects were community action agencies.

During its 3 years of actual operation, the CSA weatherization program weatherized 372,911 dwellings with funds of $192.2 million. The Agency's grantees also weatherized 32,089 dwellings prior to July 1, 1975, by using their local initiative funds or CSA research and demonstration funds. When these two figures are combined, CSA weatherized a total of 405,211 dwellings in over a 3-year period. Since fiscal year 1978, CSA has not received a specific appropriation for weatherization activities and the Office of Management and Budget (OMB) has not permitted the Agency to use any of its energy conservation services funds for weatherization purposes.

In the development and implementation of the CSA weatherization program, CSA placed much emphasis on autonomy, decisionmaking, and the establishment of priorities at the local level, within broad Federal guidelines. The CSA weatherization program was, therefore, able to be fairly flexible in responding to local needs and problems. For example, CSA encouraged the use of labor provided under the Comprehensive Employment and Training Act (CETA) to install weatherization materials and, in fact, required the use of CETA labor when it was available. However, when CETA labor was not available to a weatherization project or was available only on a limited basis, CSA weatherization funds could be used to employ individuals or purchase labor to install weatherization materials. This flexibility in the national program design, and the local autonomy and decisionmaking aspects of the CSA weatherization program, were key and essential elements which enabled the program to weatherize so many dwellings.

The CSA weatherization program was, however, criticized as having management deficiencies. As part of its oversight activities, the Committee on Labor and Human Resources examined these criticisms and determined that the limited number of CSA staff responsible for the weatherization program, both in the national and regional offices, was inadequate. The limit on the number of staff to administer and manage this program was the major contributing factor to whatever management problems the program experienced. These staffing limitations were not of CSA's own making, but, instead, were imposed by the Office of Management and Budget. To prevent program management deficiencies from occurring again, S. 1725 includes specific statutory administration and management requirements.

DEPARTMENT OF ENERGY WEATHERIZATION PROGRAM

The Energy Conservation and Production Act (ECPA) enacted in 1976 provided the Department of Energy (DOE) with the authority to conduct a low-income weatherization program. In fiscal year 1977, DOE received its first appropriation for this program of $27.5 million. The regulations implementing the DOE weatherization program were published several months after the enactment of the program authority and therefore, no dwellings were weatherized by the DOE program in fiscal year 1977. In fiscal year 1978, $65 million was appropriated under the DOE authority. DOE was able to weatherize 72,519 dwellings in fiscal year 1978.

It is important to note that in the fiscal years 1977 and 1978, both the DOE weatherization program and the CSA weatherization activities be deleted funded concurrently. Each program operated under its own set of regulations and each agency's regulations were different from those of the other program.

Effective with the fiscal year 1979, the administration proposed that funds for the purposes of low-income weatherization be appropriated under the DOE authority and that the authority for CSA weatherization activities be deleted from the Economic Opportunity Act. The stated reason for this transfer was to maintain all energy-related programs within DOE and because weatherization involves energy conservation it was logical, in terms of organization, to put the program solely within DOE. However, both the House and Senate authorizing committees strongly supported the continuation of the CSA weatherization authority. The Congress concurred, and the CSA weatherization program currently exists in section 222(a)(5) of the Economic Opportunity Act.

I, along with other Members of Congress, opposed the transfer of funds and complete takeover by DOE of low-income weatherization activities. We opposed the transfer because DOE had little, if any, experience in administering a program to serve low-income individuals and families; DOE had no local administrative units of its own to operate weatherization projects and would, therefore, have to rely on community action agencies to operate weatherization projects; and, CSA had established a much better record in the same length of time than DOE in successfully performing weatherization activities and meeting program goals.

With respect to the proposed funding of only the DOE program, in fiscal year 1979, the Senate did not agree to this proposal, but instead, proposed to provide $100 million each to both CSA and DOE. The Senate provision did not prevail in conference, however, and the entire appropriation was made to the DOE program.

In fiscal year 1979, DOE was appropriated $200 million and as of June 30, 1979, had weatherized 111,732 dwellings. The total number of dwellings weatherized under the DOE program from October 1, 1976 through June 30, 1979 was 184,255 dwellings.

The performance of the DOE in weatherizing low-income dwellings was vigorously criticized during the Labor and Human Resources Committee review of low-income weatherization. It was noted that while CSA weatherized 372.911 dwellings in a 3-year period, DOE had weatherized only 185,255 dwellings—a weatherization rate for CSA of twice that of DOE. The committee reviewed the average costs per house under each program, and found that the average cost per dwelling was very nearly the same in both programs. Average costs per dwelling do not account for the DOE weatherization rate being half that of CSA.

The evidence gathered by the Labor and Human Resources Committee in its hearings in Washington and in various States around the country indicate that the DOE program is not working well at the local level and that DOE has not been able to meet even its own internal goals.

For example, Mr. Allen Coleman, director of the Commission on Economic Opportunity for Rensellau County, Troy, N.Y., testified at the committee's hearing on October 30, 1979, that during the period from 1976 to 1978, his agency weatherized 2,579 low-income homes under the CSA program. From 1977 until the present time, his New York agency was able to weatherize only 824 homes under the DOE weatherization program. The key difference, according to Mr. Coleman, was directly related to the "effects of the DOE weatherization rules and regulations."

During the Department of Energy's testimony at the same hearing, I indicated that an Employment, Poverty, and Migratory Labor Subcommittee staff report stated that DOE had over $154 million in unspent fiscal year 1977, 1978, and 1979 weatherization funds. However, the DOE witness—Dr. Maxine Savitz, acting Assistant Secretary for Conservation and Solar Application—revealed that there were $200 million in unspent fiscal year 1977, 1978, and 1979 funds. These unspent funds are not concentrated in any one or two particular areas of the country, but are, instead, spread throughout the country. Local weatherization project operators also indicated that hundreds of thousands of dollars in weatherization materials were stockpiled in warehouses around the country because the DOE program regulations were "inflexible." I have since learned that some States have sold these materials back to their suppliers at the original price.

The Department of Energy's own Inspector General has cited numerous problems in the DOE weatherization program and has criticized the program for not meeting even its own internal goals. The Inspector General's report entitled "Report on Conditions Adversely Affecting the Weatherization Program for Low-Income Persons" was issued on June 12, 1979, and it stated:

> The program has not met its goals. As of September 30, 1978, only 69,000 homes were reported as weatherized compared to an intended goal of 393,500. Even this relatively modest achievement is doubtful because of inaccurate reporting. Also, no method has been developed as yet for measuring and reporting on the cost and energy savings that result from program expenditures; nor is the data needed to do so being collected.
>
> By December 31, 1978, a reported 96,315 homes were completed against a goal of 395,000 (24 percent). On that date about $25 million had been disbursed against the $91 million budgeted (27 percent).

The General Accounting Office (GAO) also is conducting an investigation of the DOE weatherization program. Based on a briefing made to committee staff regarding its report, criticisms similar to those which have already been published are anticipating to be made by GAO in their report.

The factors cited by local project operators (primarily community action agencies) as the reasons why the States and the local projects have not been able to spend DOE weatherization funds are that: DOE regulations are overly restrictive; DOE limitations on costs are inflexible and do not respond to local or special needs; the DOE requirement that CETA labor be used to carry out the program and that weatherization funds may not be used for labor costs makes the program inoperable in areas where CETA labor cannot be secured; reporting and paperwork requirements, including the completion of a 15 page "retrofit" form on every house weatherized, are overly burdensome and consume too much administrative time and drive up administrative costs; DOE regional office staff have no experience in administering a program to serve low-income people; and local grantees (90 percent of which are community action agencies) must deal with three different Federal agencies and all of their respective regulations to operate the weatherization program—DOE for weatherization funds, DOL for labor to install materials, and CSA to secure administrative funds. These factors, collectively, have brought the DOE program to a near standstill at various times throughout the country.

Mr. President, the current DOE weatherization program has fallen far short of even the most reasonable goals with respect to the number of low-income houses to be weatherized. Many low-income households have suffered because of the Federal bureaucracy's inability to recognize that problems exist within its program and to promptly find solutions to these problems. It is important to note as well that even before the entire weatherization appropriation was made to DOE only, there were many problems being experienced in the field in operating a much smaller DOE program.

In addition to the unnecessary hardship inflicted upon many low-income households whose homes might otherwise have been weatherized and fuel bills lowered as a result, the Nation as a whole has suffered as well. Foreign oil imports, energy consumption, and energy costs have not been reduced as a direct result of the shortcomings of the DOE weatherization program.

S. 1725 SHOULD BE PASSED BY THE SENATE

Mr. President, the energy price increases of the past several months have helped to focus attention on the legitimate energy-related needs and problems that low-income and older Americans must face. These needs and problems have for too long been overlocked or have appeared to be minor ones when the energy crisis and the problems it presents for the whole Nation are examined.

Under the legislation before the Senate today, low-income energy-related needs and problems would be identified, given appropriate recognition in the law, and responded to. In addition, the bill would mandate the coordination of any and all energy-related programs, funds, or assistance provided to low-income and senior citizens by the Federal Government.

S. 1725 provides Congress with the opportunity to recognize and correct the problems which exist in the current weatherization program. At the same time, the bill will enable the Nation to embark on a serious and concerted effort to weatherize the country's low-income housing and, thereby, save energy, reduce our foreign oil bill, and provide worthwhile employment and training opportunities for unemployed youth.

I urge my colleagues to join me in supporting S. 1725.

Mr. President, for the convenience of those who wish a brief review of the legislation, I ask unanimous consent that a summary of the provisions in S. 1725 be printed in the Record. Although it covers the same material contained in my statement, it is in much shorter form and is for the convenience of those who wish to read a shorter statement.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY OF PROVISIONS IN S. 1725

TITLE XI—COMPREHENSIVE ENERGY CONSERVATION SERVICES

The current CSA Energy Conservation Services Program (authorized by section 222(a) (5) of the Economic Opportunity Act) is embodied in a section entitled "Special Programs and Assistance" (section 222 of such Act). When the energy conservation services authority was added in 1974 to this section as a specific program to be conducted, it was appropriately placed in the special emphasis program section. At that time, it appeared that energy-related problems experienced by low-income persons would be limited to certain communities or areas of the country, all of the energy-related problems had not been identified nor had means by which to address these problems been developed, and energy-related problems were not as serious as other problems the poor were experiencing at the time.

The impact of and the level that energy prices would reach some six years later could not be predicted in 1974. However, the ensuing six-year experience made it clear that the energy-related problems which confront the low-income are as serious and as pervasive as any other problem low-income persons must face. Energy for heating purposes, and in some cases for cooling purposes, is as essential to health and safety as is food or health care. Because the Nation's economy is so energy dependent, the low-income are impacted in many ways by the energy crisis and are forced to bear a disproportionate burden in this crisis.

It is clear that some of the most serious problems which will continue to confront the poor in the foreseeable future will be energy-related. The energy activities carried out by CSA under the current special program authority no longer provide an appropriate indication of the pervasiveness of the energy-related problems experienced by low-income households. In order to recognize the seriousness and extent of these energy-related needs and problems, and to assure that CSA—the Federal agency charged with the mission of serving low-income people, identifying their needs and problems, and finding ways to respond to these needs and problems—places significant emphasis on energy activities, the authority to provide energy conservation services to the low-income should be given appropriate recognition with the Economic Opportunity Act. S. 1725, therefore, would establish a new title XI entitled "Comprehensive Energy Conservation Services" within the Act. This title would have three major components: a weatherization program under part A; a crisis intervention program and outreach services under part B; and a supplemental energy conservation services program, including energy conservation education, alternative energy development, energy audit activities, and energy conservation research, demonstration and pilot projects, under part C. Existing section 222(a)(5) would be repealed.

The addition of this new title to the Act does not expand the authority which CSA currently has to conduct energy conservation services on behalf of low-income and near-poor individuals and families. The existing authority is, however, clarified and made more explicit within the new title. The provisions in this new title are based on the experience of the past six years and are intended to prescribe specific program design and operation requirements—rather than permitting program design and operation parameters to be determined solely by regulations—and to clarify Congressional intent regarding low-income energy conservation services.

WEATHERIZATION PROGRAM

The weatherization provisions in S. 1725 clarify the current weatherization authority under the Economic Opportunity Act; these clarifications eliminate the documented program problems community action agencies experienced in the implementation of the DOE weatherization program. S. 1725 aims to bringing the weatherization program back under the administration of CSA, where it originally was located and where the Labor and Human Resources Committee always maintained it belonged.

The weatherization provisions of S. 1725 essentially codify the regulations under which CSA operated the weatherization program from 1975 through 1978, and also reflect the experience of the past two years. The bill does not strike the DOE weatherization authorization, but it is the intent of the bill that, in the future, the appropriation committees fund the CSA program rather than the DOE program.

Administration

The problems which have been experienced under the DOE weatherization program are well documented and indicate that it was a mistake to have transferred all funding for low-income weatherization activities to DOE. In addition, because the local delivery mechanism is community action agencies (they currently operate ninety percent of local weatherization projects) and these agencies are grantees of the Community Services Administration, it would be much more sensible, from both the national and local perspectives, to have CSA as the agency administering the low-income weatherization program.

CSA is the only Federal agency with direct links, through its community action agencies, to the low-income communities across the country and is the Federal agency best equipped to identify and respond to low-income weatherization needs. Because community action agencies are actually located in low-income communities and work with and are known by the low-income citizens in such communities, CSA and its network of community action agencies are the best means by which to reach low-income persons and provide weatherization services. Forcing most of the local delivery units to deal with three Federal agencies—DOE, DOL, and CSA, as is currently the case in the DOE program—is a sure way to make a program disfunction.

Under the provisions of S. 1725, CSA would administer the weatherization program. However, since the bill does not strike the DOE weatherization program authority, current law in this regard would stand, and therefore, DOE would continue to have the authority to conduct a low-income weatherization program. It is the intent of the Labor and Human Resources Committee in S. 1725 to establish a statutory weatherization program mechanism under which weatherization funding can be provided to one Federal agency and, thereby, make it clear that funds appropriated under this mechanism are all that are necessary to carry out a weatherization program at the local level.

Authorization of appropriations

S. 1725 authorizes appropriations of $500 million for fiscal year 1981; $750 million for fiscal year 1982; and $950 million for fiscal year 1983. A three year authorization period with provision for increasing appropriation levels was included to ensure that the reauthorization process would occur at a point in time when the program should be evaluated as to whether an increased sizeable contribution of national resources should be committed to the goal of weatherizing all low-income housing within a specified time period.

Weatherization work force

Under the DOE program, no funds have been made available for labor to install weatherization materials. The DOE weatherization program has been reliant upon CETA labor for its material installation work force. As has been documented, the failure of CETA to meet the needs of the weatherization program has been one of the most serious and widespread problems in the weatherization program. S. 1725 includes authority to pay for a weatherization work force if labor needs cannot be met through CETA. The legislation provides that individuals who perform work on weatherization projects (other than supervisors) are to be CETA employees where possible; if CETA-funded employees are not available, then funds authorized under S. 1725 will be available to pay for labor. Priority for these weatherization jobs is to be given to youths aged 16 to 24. If youthful employees are not available, persons who are eligible for CETA Title II or VI jobs would be eligible to be hired for weatherization jobs.

Wages for weatherization work force

Under the CETA Title II and VI Public Service Employment programs, an average wage of $7200—indexed upward and downward in various areas of the country and over time with inflation—was established in 1978. The National Association of Counties, community action agencies, and others have documented that the average wage level is too low to, in many instances, support weatherization jobs. Under S. 1725, this problem would be remedied by not imposing an average wage rate on jobs supported by the authority provided in the bill. A maximum wage rate, however, identical to that imposed on participants in the CETA program would be applicable ($10,000 indexed upward to $12,000 in high wage areas) to persons employed in weatherization jobs (other than supervisors).

Matching resources—Materials and labor

Under the DOE weatherization program, weatherization materials are provided by DOE, labor funds must be supplied by CETA under the auspices of the Department of Labor, and administrative funds are provided by CSA and DOE. Often CETA labor is not available in cold climate states for weatherization activities because CETA funds are allocated on the basis of unemployment, and these cold weather states do not have excessive rates of unemployment upon which CETA positions are allocated. In summary, the result of having various funding sources to support any given local weatherization project has been confusion, delay, and often no weatherization work actually being accomplished at the local level.

S. 1725 provides for full coordination between CSA, DOE and CETA, but provides for only one funding source and one administrative agency—CSA.

Limitations on materials

Under the DOE program, total materials and support costs for each dwelling unit are limited to $800. From this sum of money, no more than $100 may be spent on incidental repairs to the houses being weatherized and not more than $240 may be spent on tools and equipment, transportation and on-site supervisory personnel. (DOE has recently made waivers of these limitations available to States that can document sufficient need for higher limitations. Under the limitation waiver, the maximum per unit cost is increased to $1000.) These limitations have been cited, especially in colder climates, as significant impediments to the Federal government's weatherization efforts. S. 1725 leaves flexibility to the Director of the Community Service Administration to establish expenditure limits per dwelling, depending on climate and housing type. Such costs will vary depending upon material, labor and support costs in various areas of the country.

Grants to States

S. 1725 provides for weatherization grants to be made to States. In order to be eligible to participate in the program a State must submit a three year plan which meets program requirements. The State plan is to be developed by the governor of the State in consultation with the State Weatherization Council established pursuant to the legislation. This plan should serve as the long-term guide for the weatherization program. The three year planning cycle with annual updates is intended to facilitate the accomplishment of the program's objectives and reduce paperwork.

Eligibility

Low-income and near-poor individuals and families are eligible for weatherization assistance if (1) their incomes are equal to or less than 85 percent of the Bureau of Labor Statistics lower living standard income level (currently, the national average for a family of four is $9,814), and (2) their residence is determined to need weatherization services pursuant to criteria to be established by the Director of CSA.

The Labor and Human Resources Committee estimates that there are approximately fourteen million low-income and near-poor households which will be income eligible for weatherization assistance under S. 1725. The Committee also estimates that there are 9.4 million low-income houses in need of weatherization.

CRISIS INTERVENTION PROGRAM

Under the authority in section 222(a)(5) of the Economic Opportunity Act, CSA has conducted an energy crisis assistance program for the past three years. The program design has varied from year to year because the statutory authorization for energy crisis assistance did not prescribe program design. In part B of S. 1725, the energy crisis assistance provisions in section 222(a)(5) are revised by establishing the authority for energy crisis intervention in the new comprehensive energy conservation services title and by specifying the contours of the crisis intervention program.

Crisis intervention activities are defined to include, but are not limited to, the provision of blankets or warm clothing, temporary loan of space heaters, emergency repairs of heating systems, emergency delivery of fuel or firewood, provision of temporary shelter, temporary emergency repairs to housing, mediation with utility companies or fuel suppliers, financial counseling, and other similar services which will assist in removing low-income individuals and families from an immediate crisis situation.

S. 1725 requires CSA to conduct a crisis intervention program which will make grants to the States. Crisis intervention activities are to be determined by the States within broad Federal guidelines. The States may provide financial assistance for the purpose of carrying out crisis intervention activities to community action agencies or other public and private nonprofit agencies that have demonstrated effectiveness in carrying out crisis intervention activities.

An authorization for appropriations of such sums as may be necessary for fiscal years 1981 through 1983 is provided. Forward funding is also authorized under S. 1725 to ensure that States will be able to plan their crisis intervention activities and have funds available when the crises occur.

Crisis intervention is intended to supplement and complement energy assistance payments. Even when energy assistance payments are available, there will always be some need for crisis intervention when energy crises occur as a result of either weather or supply problems. In the energy assistance legislation passed by the Senate last November (S. 1724), a transfer of funds for energy crisis purposes was authorized from funds appropriated under that legislation. The transfer of funds provided for in the energy assistance legislation is based on the total appropriations authorized in the same bill. It is necessary to separately authorize appropriations in S. 1725 for crisis intervention purposes so that an adequate level of funding can always be available on a timely basis. A specific amount is not established in S. 1725 because there is no way to estimate the level of need relative to weather conditions or an unforeseen energy problem or situation. In addition, crisis intervention funding needs are closely related to the level of funding for energy assistance payments—the more available through energy assistance payments, the less that will be needed for crisis intervention purposes.

The allocation formula for distributing crisis intervention funds to States is the same formula used to distribute weatherization funds under part A of S. 1725 and is the same State allocation formula that the Senate adopted on November 16, 1979, during consideration of energy assistance legislation. From the funds appropriated, the Director may reserve up to twenty percent for expenditure among the States in cases of weather related disasters of sufficient severity and magnitude to warrant supplemental crisis intervention activities.

OUTREACH

S. 1725 requires CSA and a State receiving financial assistance for weatherization or crisis intervention purposes to conduct outreach activities to inform all eligible low-income and near-poor individuals and families of programs which provide energy-related assistance including, but not limited to energy audits, counseling, educational services, energy assistance for help in paying high energy costs, alternate energy technologies, consumer information and legal assistance, and weatherization. Outreach activities are to focus particularly on elderly and severely handicapped individuals, individuals and families residing in remote areas, migrant and seasonal farmworkers, individuals and families with limited English speaking proficiency, the working poor, and individuals and families with children.

SUPPLEMENTAL ENERGY CONSERVATION SERVICES

Mr. President, in addition to weatherization, crisis intervention, and outreach activities provided for in S. 1725, there are at least four other identifiable activities which should be conducted as part of a comprehensive energy conservation services program for the low-income and near-poor: energy conservation education; alternative energy technology development; community planning and coordination activities in energy audit; energy conservation and alternative resource development; energy conservation research, demonstration and pilot projects. All of these activities are authorized under part C of S. 1725.

CSA has often been the only Federal agency to commit its limited resources to the energy-related problems of the low-income and near-poor population. Through the commitment of its limited research and demonstration funds to low-income energy-related problems, CSA has developed experience and various methods in the areas of weatherization; solar applications; alternative technologies, such as small-scale hydro, bio-mass conversion, solar, wind power, and fuel alcohol. CSA has also focused on the energy-related problems of rural and urban areas, low-income farmers, small communities, and employment opportunities in energy resource recovery. These activities would continue under the authority in part C of S. 1725. However, energy conservation education and many alternative technology development activities, such as solar, CSA has developed to a point where they are not just research and development activities any longer, but are, instead, activities which warrant appropriations specifically for these purposes.

A three-year authorization of $10 million for fiscal years 1982 through 1983 is, therefore, provided in S. 1725 to carry out supplemental energy conservation services.

PROGRAM COORDINATION

S. 1725 requires the President to establish procedures to assure the coordination of all energy conservation and energy assistance programs, carried out by any department or any agency of the Federal Government, that affect low-income and near-poor individuals and families. There are many energy conservation and energy assistance resources, technical experts, program authorities and funds within the auspices of the Federal Government which must be coordinated in order to maximize their potential. The Committee on Labor and Human Resources believes that these Federal resources can and should be better coordinated and targeted toward a national goal of improving the energy conservation and energy independence of low-income and near-poor individuals and families. This coordination and targeting can best be accomplished through the executive office of the President.

The executive office of the President is best suited to bring together energy programs which are located within various Federal agencies and departments, cut across agency and departmental lines, cut through redtape, and facilitate the coordination and complementing of the various energy programs. It is the intent of S. 1725 that all Federal energy-related, weatherization, energy assistance, housing repair, energy audit, energy conservation, alternative energy, energy research and development, community revitalization and development, energy education, and employment programs, activities and funds be thoroughly assessed as to how these resources might best be coordinated and complement, not duplicate, one another. This coordination is essential and has, unfortunately, not occurred to date. S. 1725 mandates such coordination.

Mr. NELSON. Mr. President, I think it is important to bring to the attention of my colleagues here in the Senate the legislative history established in the Senate when the legislation authorizing the DOE weatherization program was established.

It has been said that the "CSA weatherization authority duplicates the DOE weatherization program." This is simply not true. In fact, quite the opposite is true: When the DOE weatherization authority was established by the Congress in 1976, it was based on the CSA weatherization program, and most importantly, it was intended only to supplement the CSA weatherization authority.

The DOE authority originated in the Senate in title I of the Energy Conservation and Insulation in Buildings Act of 1975. The bill was reported from the Committee on Banking, Housing, and Urban Affairs. Both the committee report and floor statements made during Senate consideration of the bill are absolutely clear about congressional intent with respect to the new DOE authority.

The crucial point about the legislative history and the provisions of the original DOE (then the FEA) law is that they were both largely ignored when the DOE bureaucrats set up their program. That this was the situation at the time explains to a great extent why the DOE weatherization program has been such a failure.

I shall quote Senator CRANSTON, the author of the DOE weatherization language, when he described the provisions of the Senate bill and the intent of this legislation with respect to the DOE weatherization program.

On March 9, 1976, it was stated, by the author of the new DOE weatherization language, during consideration of H.R. 8650, the Energy Conservation and Insulation in Buildings Act of 1975:

> Mr. CRANSTON. Mr. President, as the author and principal sponsor of the Residential Insulation Assistance Act of 1975, title I of the

> Energy Conservation and Insulation in Buildings Act of 1975, as reported from the Committee on Banking, Housing, and Urban Affairs, I believe it is important to enunciate clearly our intent regarding the operation of the program authorized by this title.
>
> In reporting title I of this bill, the committee has acted to address directly the residential energy needs of the poor. In doing so, the committee has built upon the existing framework provided by the emergency energy conservation services—EECS—program carried out under section 222(a) (12) of the Economic Opportunity Act of 1974—EOA—as added by the Community Services Act of 1974. . . . this title is based upon the premise that continuation of the EECS weatherization program is fundamental to dealing with the energy-related problems of the poor.
>
> In order to insure that effective programs now in place remain the fundamental delivery mechanism for residential insulation services, the committee bill requires that if funds are allocated to a geographical area served by a weatherization program carried out by a community action agency under EOA section 222(a) (12), those funds must generally be allocated to that community action agency."
>
> Mr. President, I want to stress, in the strongest possible terms, the importance of the concurrent role of the CSA Director with respect to the program's regulations prepared by FEA. The rationale for requiring CSA concurrence is as follows:
>
> First, CSA has for 3 years been running a weatherization program of the scope proposed by this title. It has developed standards and guidlines—based on the work done by the NBS—and has published and widely disseminated those guidelines. It has already had an opportunity to reevaluate and revise those guidelines, based on day-to-day experience in administering a weatherization program for low-income persons.
>
> Second. The statutory purpose of the program is a dual one—both to achieve a safe and healthful living environment for the low-income persons served by it as well as to aid in national efforts to conserve energy. CSA has long experience in dealing with the totality of the needs of poor persons. That is its sole mission. The committee believes that awareness of, and responsiveness to, the related problems encountered by poor persons is a critical aspect of this program. For example, the home of an elderly person with a health problem, such as arthritis, may well have to be warmer than that of a younger, healthier person. CSA's regulations are sufficiently flexible to meet these special circumstances.
>
> Third. Since this is a supplemental program to an already functioning $64 million program, it should be well-coordinated with the existing program. CSA's concurrence in the regulations should provide for a coordinated Federal effort by the two lead agencies.
>
> Fourth. CSA's concurrent role will enhance the credibility and effectiveness of the new supplementary program with poverty and minority groups.
>
> Fifth. The regulations must be issued within 45 days after enactment, so the requirement for CSA concurrence will not cause delays in the issuance of the regulations.
>
> Sixth. Concurrence in regulations is particularly appropriate, when the program being carried out by one agency seeks to benefit a particular constituency group generally served by another agency. This is exactly the situation here. A parallel situation is the veterans' cost-of-instruction program run by the Office of Education in the Department of Health, Education, and Welfare by making grants to colleges to establish veterans affairs offices. The regulations for that program, by law, must be jointly prescribed by HEW and the VA, although HEW administers the program. Thus, just as the VA jointly issues regulations for a program directly affecting veterans, but administered by HEW, in the same way CSA should concur in the regulations for a program administered by FEA, to serve CSA's constituency—low-income people. In addition, in the energy and environmental field there are numerous laws and regulations providing for concurrent action or veto by one agency over another agency's action.
>
> As directed in the committee report, the committee placed real importance on CSA's concurrence and thus expects the CSA Director to exercise judgment on the regulations so as to bring about the greatest possible consistency between the new program and the existing program carried out by CSA.

When this legislation came back from conference to the Senate, both the conference report and statements made on the floor were very specific and clear about the supplementary nature of the DOE program and the role that CSA was to play in the development and implementation of the DOE weatherization program.

On August 10, 1976, the following statements were made describing the provisions and intent of the legislation:

> Mr. CRANSTON. Consequently, through title VI–A, of this bill, the Congress has acted to address directly the residential energy needs of the poor. In doing so, Congress has built upon the existing framework provided by the Emergency Energy Conservation Services—EECS—program carried out under section 222(a) (12) of the Economic Opportunity Act of 1964, as amended. This legislation in the conference report is based both upon the premise that continuation of the EECS weatherization program is fundamental to dealing with the energy-related problems of the poor, as well as the conclusion that a supplemental program focusing solely on residential insulation is also necessary.
>
> Mr. President, I want to emphasize in the strongest possible terms that I originally introduced this measure in the Senate in order to increase the financial resources available to meet the energy-related needs of low-income persons.
>
> In developing this measure it has been my firm belief that both the community action agencies throughout the country and the Community Services Administration should have a major role in this program. In fact, throughout the long development of this legislation I have been committed to reporting no bill at all rather than short-selling the interests of poor people and community action agencies.
>
> Mr. President, I am satisfied that the conference report is a strong one in terms of fully protecting these concerns. Under the conference report, as I indicated earlier, if a State allocates funds to a geographical area served by a weatherization program carried out by a community action agency, those funds must generally be allocated to that agency. Second, the conference report retains the provision that allows the transfer of the entire program to CSA. I am hopeful, Mr. President, that we will have in January a President who will be inclined to utilize that transfer provision.
>
> The conference report includes the provision that the development of the program regulations be fully coordinated with the Director of CSA.

The explanation in the conference report stated that the House and Senate agreement:

> Provides for full coordination between the FEA Administrator and the Director of CSA in the development of the regulations. The conferees intend that the process of full coordination with the Director of CSA in the development and promulgation of the regulations will include full involvement of CSA staff in developing the regulations, and the submission of proposed interim and final regulations to the CSA Director, in such a way as to give the Director adequate time to submit pre-publication comments to the FEA Administrator.

The Department of Energy (then the Federal Energy Administration—FEA) failed to comply with congressional intent when the agency established its program. Specifically, DOE did not set up a program that was supplementary to the CSA program, as was clearly the intent of the new legislation. Instead, DOE established a very different and duplicative program which resulted in nothing but inefficiency, waste and confusion at the local level.

In addition, DOE failed to heed the technical and policy expertise and advice of the CSA. In April of 1977, CSA identified and predicted what problems were inherent in the DOE program. These problems were very clearly spelled out to DOE, but DOE ignored them.

The essential points from all of this are these: First, contrary to what the Congress has prescribed, the DOE set up a very different and duplicative weatherization program that did not "supplement" the CSA program; and second, DOE's refusal to heed the advice of CSA has resulted in the failure of the DOE program.

A letter written by Robert Chase of CSA to John O'Leary, the Administrator of the Federal Energy Administration, which is dated April 27, 1977, best describes the DOE failures and predicts the DOE disaster which has become a reality.

Mr. President, I ask unanimous consent that a letter dated April 27, 1977, to Mr. John F. O'Leary, Administrator of the Federal Energy Administration, signed by Mr. Robert C. Chase, Acting Director of the Community Services Administration, together with comments attached to Mr. Chase's letter, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMUNITY SERVICES ADMINISTRATION,
Washington, D.C. April 27, 1977.

MR. JOHN F. O'LEARY,
Administrator,
Federal Energy Administration,
Washington, D.C.

DEAR MR. O'LEARY: I am pleased to forward my comments on the published proposed regulations for Weatherization Assistance for Low-Income Persons, 10 CFR part 440, pursuant to the Notice of Proposed Rule Making in the Federal Register.

Some of the minor suggestions made by CSA staff have been incorporated into the draft regulations. However, our basic concerns as expresed in previous meetings, in Director Martinez' letter of December 22, 1976, to Mr. Zarb, and in my comments of March 22, to John Seal of the Office of Management and Budget, have not been addressed sufficiently to permit the implementation of weatherization activities supported by our two agencies without inefficiency, waste, and confusion at the local level.

FEA has published lengthy and complicated regulations which propose weatherization standards in conflict with those of the National Bureau of Standards incorporated into the CSA program and which do not avoid duplication or assure consistency in reporting requirements. In short, the proposed FEA Regulations would not establish a "supplementary" program which will simply provide additional material to CSA's ongoing weatherization program of two years' standing now being carried out by some 900 local projects serving more than 90% of the counties in the United States. The proposed regulations establish a different, duplicative program which will require local projects to keep two sets of books, fill out two sets of reporting forms, and carry out separate activities in accordance with the restrictions on the different sources of funds.

I urge that these critical conflicts be resolved before final approval of the proposed regulations. To facilitate resolution of these issues and to ensure that the weatherization program "supplements" and does "not . . . supplant or in any way or conflict with . . . the emergency energy conservation programs carried out by community action agencies pursuant to Section 222(a)(12) of the Economic Opportunity Act of 1964" as mandated by Section 402 of the Energy Conservation and Production Act, please consider the attached comments.

Sincerely,

ROBERT C. CHASE, *Acting Director*.

CSA COMMENTS ON PROPOSED REGULATIONS FOR WEATHERIZATION ASSISTANCE TO LOW INCOME PERSONS AS PUBLISHED BY THE FEDERAL ENERGY ADMINISTRATION IN ITS NOTICE OF PROPOSED RULEMAKING, 10 CFR PART 440

These comments are provided into (a) general and overriding (b) specific and/or technical.

A. General and Overriding Concerns.

1. It is of the upmost importance that grantees at the state and local levels not be faced with different standards and different forms depending upon the sources of funds. Ideally, there should be one Federal program and our mutual goal should be to devise regulations that would create one program, whatever the funding sources. However, except for a modest requirement in Section 15(a), the regulations in their present form are silent as to any requirements for effective integration of the state or local level.

2. In the published Supplementary Information, in the 3rd paragraph under D. L. Allowable Expenditures, the Congressional intent as expressed in the act that the FEA Program be "supplementary" to the existing CSA Weatherization Program is cited as justification for limiting allowable expenditures under the FEA program to weatherization materials, rather narrowly defined. CSA agrees that this is indeed the congressional intent, and has no problem with this rationale for a strict definition of allowable expenditures under the FEA legislation; but CSA believes that this rationale should be carried through to the rest of the proposed regulations in such a way that this program would indeed be a supplemental program to the existing weatherization program.

Under these circumstances, only minimal regulations should be needed, and except where provisions of the act are specific as to program criteria, such as limitation of $50 on mechanical equipment, and the income eligibility standards, the FEA regulations should simply incorporate by reference existing CSA Instruction governing its program. This would make possible the smooth integration of available FEA funds into existing programs, and would avoid needless duplication and confusion at the local level. Of particular concern, for example, are the provisions of Section 440.17, Standards and Techniques for Weatherization, which call for application of the approaches to weatherization contained in project Retrotech, FEA Conservation Paper No. 28, while the CSA Weatherization Program is based on the work of the National Bureau of Standards, which in some aspects conflicts with the FEA work. Similarly, Section 440.21, Record Keeping, makes no provision for consistency of forms with the CSA program, and would cause local projects to keep duplicate records and file two sets of reports.

B. Specific and/or Technical Concerns.

1. Section 440.3 Definitions.

"Annual Degree-Days"—it is suggested that, as indicated in the supplementary information, NOAA determine the annual degree days, rather than FEA.

"Cosmestic Items"—inclusion of elevation materials, such as aluminum siding, board and bat, clapboard, brick, shakes or asphalt siding, as cosmestic items expenditure for which is prohibited in the regulations, could be interpreted to mean that needed repairing of holes in the siding of a dwelling as part of stopping infiltration might not be permitted.

"Family Unit"—as the basic filing unit "family unit" is no longer preferred for most social programs; "Households and unrelated individuals is now the more accepted and more widely used unit.

"Number of Low Income owner-occupied dwelling units in a state"—in this and the succeeding paragraph it is suggested that determination of these figures not be made by FEA but by either HEW or by the Bureau of the Census.

2. Section 440.12 State Applications.

Subsection (a) requires submission of a state application within 90 days after the date of publication of this part. This is suitable for the first year's program, but does not take into account the need for filing of state applications in succeeding years.

Subsection (d)(13)—seems to leave prospective applicants without definitive information about what is required in an application and therefore may be of questionable legality.

3. Section 440.14 Administrative Requirements.

Again, under Subparagraph (a) it is strongly urged that actual notice of state hearing and copies of proposed state plan be given to all existing operators of CSA Section 222(a)(2) weatherization projects within the state.

Under Subsection (b)(1)(a)—which calls for an analysis of effectiveness of existing weatherization projects should set forth criteria for such an analysis, including weather establishment of a new and different program would create duplication in capital cost.

Subsection (d)—should at a minimum require that there be written findings based on the above criteria and on field investigation and review to support a determination that a CAA program is not sufficient to support the priority in subparagraph (c)(2).

Subparagraph (e) seems to give the right to any "eligible local applicant" to challenge, through the Regional Administrator, a Governor's allocation based on the priority set forth in para. (c)(2). It is not clear whether this gives any local government unit or other private agency the right to challenge the state plan, or whether it only is operable in those cases where a state plan has been disapproved or no state plan has been filed as provided in Section 440.13(a).

Furthermore if it does give the right to any local applicant to challenge the state plan's priority to a CAA, it proceeds to give such an applicant a number of rights to review and hearing under Section 440.30 should that challenge be denied; whereas no such rights are given to local CAAs should a determination be made against their interest.

Section 440.15—Minimum Program Requirements.

It is noted that under subsection (a)(6) "supplementary" has been taken out as a modifier of "weatherization assistance" within the second line.

Section 440.16—Allowable Expenditures.

It should be noted under subparagraph (b) that the inclusion of supervisors and foremen as administrative expenses is inconsistent with CSA instructions defining administrative cost.

We still question the prohibition under subsections (c)(1) and (2) of weatherization of public housing units or of dwelling units previously weatherized.

440.17—Standards and Techniques for Weatherization.

Again, as previously noted, we questioned the use of Project Retrotech.

Section 440.21—Bookkeeping.

We again, as previously noted, raise the consistency of forms.

Section 440.30—Administrative Review.

As previously noted, it is not clear whether this section, taken together with Section 440.14(e) gives a local applicant the right to challenge the priorities in a state plan, and if so, whether in fact it gives far greater right to hearing and review of an adverse determination to such a local applicant than it does to a CAA in cases where a determination has been made against their interest.

Mr. NELSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator KENNEDY in support of S. 1725.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. KENNEDY

As a long-time advocate of low-income weatherization programs and as an original cosponsor of the Economic Opportunity Amendments of 1979, I want to give my fullest support for its adoption.

This year, soaring energy prices have led Congress and the President to devote considerable time and attention to passing energy cash assistance legislation for low-income consumers. Our neediest families, already strapped by inflation and by the failure of other programs to offset real declines in their meager income, have received a one-two knockout this year from oil decontrol and OPEC. As a result of congressional concern, it now appears that the Home Energy Assistance Act, providing $3.1 billion in cash assistance in 1981, will receive approval.

However, this aid is insufficient in amount and substance. Most poor families will receive only about $2 back from the government for every $4 taken away by the higher-is-better oil price strategy of the Carter Administration. Worse, it is money being spent for energy to heat old, uninsulated, inefficient dwellings. As a result, half of these tax dollars are being spent on energy that would never have had to be purchased in a weatherized dwelling. An effective weatherization program would provide critical assistance today that would continue day after day, year after year, without further intrusion from the government, and would reduce the gap we are now trying to fill with cash assistance.

Despite the importance of this program, it continues to be treated as an unwanted stepchild at the Department of Energy. The fiscal year 1980 budget includes no increase in funding for this vital program—the second year in a row it has not even received an inflation adjustment. One reason this has occurred stems from the complete failure of DOE to administer this program efficiently and competently. Huge surpluses of unexpended funds occurred over three years—reaching $190 million or more. After receiving much criticism and publicity for allowing this critical program to be crippled, the Department of Energy has recently made belated attempts to halt the steady rise of unexpended funds by stepping up its weatherization efforts. Nevertheless, DOE is still proceeding at a rate that will take 30 years to weatherize all eligible homes.

This is an intolerable situation that must be remedied. In my opinion, the worst basic problem plaguing the weatherization program is that it is primarily a poverty program being run by an agency whose primary mission is to reduce our energy dependence. Weatherization targeted on our neediest families is not now, and never will be, a critical element in DOE's attempts to reduce our dependence on foreign oil. As a result, it gets little attention from the energy establishment. Synthetic fuels, coal conversion, oil and natural gas regulation, nuclear power—these are the programs that dominate DOE thinking and concern. It is not surprising that the low-income weatherization program has languished in this atmosphere.

This bill does not alter the concurrent authority of DOE to continue ruuning a low-income weatherization program. What it will do, however, is put the Senate on record as favoring an expended program at the only government agency equipped to deliver comprehensive services to the poor—the Community Services Administration. It will permit this agency to make weatherization decisions in conjunction with programs on energy education, outreach, crisis intervention, solar and renewable energy retrofits, and research all designed to enable poor families to move toward energy self-sufficiency.

In my opinion, this program is so important that it must be run by an agency that will give it the attention it deserves. CSA is such an agency; DOE is not. Moreover, DOE has no local delivery mechanisms of its own. Instead, it has been relying on the CSA's local agents, the community action agencies. This simply adds to the confusion and bureaucracy that has held this program back. It is now costing DOE more than three times as much money per unit to weatherize homes as when CSA ran the program. As a result, tens of thousands of families are not being reached.

In 1978, I helped lead Senate efforts to prevent the transfer of this program out of CSA into DOE. The Senate went on record at that time as favoring retention of authority by CSA. Events since then have shown that it was a mistake to place this critical poverty program in the hands of DOE. Last year Congress decided that synthetic fuels were too important to be entrusted to DOE, transfering authority for their commercialization to an Energy Security Corporation.

In my opinion, the low-income weatherization program is more important and critical to the health and welfare of American families. CSA has the experience and the administrative network to get this program moving in a sustained and consistent manner.

S. 1725 has received support from the AFL–CIO, the National Governors' Association, the National Community Action Agency Executive Directors Association, Common Cause, the National Low-Income Housing Coalition, AFSCME, the Consumer Energy Council of America, Rural America, the National Association of Farmworkers Organizations, and the National Congress for Community Economic Development.

These groups are on the front line of delivery services to the poor. I urge my colleagues to join in supporting this important legislation.

Mr. NELSON. Mr. President, we have some technical amendments, but I think that the distinguished ranking minority member of the committee, Mr. Javits, should be here before we take them up, so I shall call attention to the absence of a quorum in the hope that we can get Mr. Javits to the floor momentarily.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself such time as I may consume.

Mr. President, the problems which we have in energy are too well known to be repeated here, and they have hit the low-income households very hard. The figures are horrendous. At least 43 percent of low-income households have no insulation at all. Fifty-eight percent have no storm windows or doors. Thirty-nine percent have no thermostat or valve to control heat. And 33 percent have no central heat at all.

Mr. President, while middle income U.S. households spend 8.5 percent of their income on home energy costs; low income households spend 25 to 30 percent of their annual budgets on heat and light, or three times as large a share of income as does the average American middle-income family. And those low income households that use fuel oil average even more, 30 to 40 percent of their income.

So. Mr. President, S. 1725 is dealing with a very critical problem for low-income Americans.

We have drafted and presented this bill as a result of our investigation into the program both as administered by CSA and DOE when they were doing it together and as administered by DOE by itself in the past 3 years.

We are satisfied that it is necessary to fix administration of this program in one agency with one funding source and one program.

We do not wish to set ourselves up as the determining factor because it is an operational question.

There is opinion among our committee that the CSA has done the better job. Rather than decide this question ourselves in view of the fact that it is contested, notwithstanding figures which would seem to weight it in one direction, we are going to leave that question to be decided at the executive level, and always, of course, the appropriations committees can decide a question of this kind. We are going to seek a full annual report on program developments and how they are working out as the executive does carry them through.

Mr. President, a great deal has been done in this field but not nearly enough. We are very hopeful with the additional facilitation which we are giving to the program by these amendments we may now utilize the full potential which the program has which is so critically important both for the conservation of fuel and for relief to low-income families.

Mr. President, I ask unanimous consent that certain tables and other documents be printed in the Record, dealing with these questions and also showing what has been the achievement on weatherization in particular States, as well as various letters from different sources urging action upon this matter of a favorable character, including the AFL–CIO and other prominent agencies, together with an editorial from the Baltimore Sun on this particular question.

There being no objection, the material was ordered to be printed in the Record, as follows:

DOE Weatherization Program

Appropriation and dwellings weatherized:

Fiscal year 1977, $27.5 million, none, regulations published too late.

Fiscal year 1978, $65 million, 96,000.

Fiscal year 1979, $200 million, 144,000.

Total, 240,000.

CSA Weatherization Program

Fiscal year 1975, $16.5 million, received too late to spend.

Fiscal year 1976, $27.5 million (total $44 m), spent $36 million to weatherize 98,036.

Fiscal year 1977, $110 million.

Fiscal year 1978, $65 million, for 1977 and 1978—274,875.

Total, 372,911.

SUMMARY

Average cost/dwelling same for both programs.

For three year period of operation, CSA weatherized 132,911 more dwellings than DOE.

DOE WEATHERIZATION

State	Fiscal year— 1977	1978	1979
Alabama	$307,000	$654,700	$1,904,200
Alaska	318,000	516,400	1,247,200
Arizona	170,000	287,600	734,700
Arkansas	296,000	625,700	1,809,800
California	647,000	1,566,800	4,872,900
Colorado	548,000	1,303,400	4,015,500
Connecticut	394,000	889,500	2,668,500
Delaware	147,000	227,000	537,500
District of Columbia	156,000	290,600	744,400
Florida	156,000	251,200	616,100
Georgia	333,000	724,400	2,131,100
Hawaii	0	0	0
Idaho	280,000	583,500	1,672,600
Illinois	1,585,000	4,088,800	13,080,600
Indiana	735,000	1,804,800	5,647,300
Iowa	655,000	1,589,300	4,945,900
Kansas	321,000	693,200	2,029,700
Kentucky	603,000	1,451,400	4,497,200
Louisiana	187,000	334,800	888,300
Maine	433,000	994,800	3,011,000
Maryland	377,000	843,200	2,517,700
Massachusetts	726,000	1,782,000	5,573,100
Michigan	1,695,000	4,381,800	14,034,300
Minnesota	1,200,000	3,055,400	9,717,400
Mississippi	241,000	478,500	1,343,600
Missouri	794,000	1,962,500	6,160,400
Montana	359,000	794,700	2,360,000
Nebraska	384,000	863,400	2,583,400
Nevada	138,000	202,900	458,900
New Hampshire	252,000	508,900	1,436,000
New Jersey	721,000	1,769,600	5,532,800
New Mexico	280,000	584,100	1,674,400
New York	2,199,000	5,736,200	18,442,400
North Carolina	475,000	1,108,100	3,379,800
North Dakota	372,000	831,000	2,478,000
Ohio	1,384,000	3,546,800	11,316,900
Oklahoma	334,000	729,600	2,147,900
Oregon	362,000	802,600	2,385,800
Pennsylvania	1,706,000	4,412,700	14,134,900

DOE WEATHERIZATION—Continued

State	Fiscal year— 1977	1978	1979
Rhode Island	228, 000	442, 600	1, 234, 400
South Carolina	222, 000	428, 400	1, 191, 100
South Dakota	337, 000	735, 800	2, 168, 200
Tennessee	486, 000	1, 135, 900	3, 470, 300
Texas	423, 000	966, 600	2, 913, 700
Utah	293, 000	619, 600	1, 790, 100
Vermont	261, 000	531, 800	1, 505, 400
Virginia	482, 000	1, 124, 700	3, 433, 800
Washington	498, 000	1, 169, 700	3, 580, 500
West Virginia	418, 000	955, 000	2, 881, 600
Wisconsin	887, 000	2, 329, 500	7, 354, 600
Wyoming	195, 000	354, 600	952, 600
Total	27, 000, 000	64, 066, 000	197, 208, 500

CONSUMER ENERGY COUNCIL
OF AMERICA,
Washington, D.C., February 11, 1980.

Re S. 1725, the Economic Opportunity Amendments of 1979.

DEAR SENATOR: The Consumer Energy Council of America, a broad-based coalition of consumer, labor, farm, public power, rural electric cooperative, senior citizen, and urban organizations, urges you to support S. 1725, the Economic Opportunity Amendments of 1979, when it reaches the Senate floor next week. This legislation, establishing a low income weatherization program, will provide much-needed relief to millions of low income energy consumers.

The burden of runaway energy price increases bears heavily on all Americans, but the weight that low income consumers must shoulder is particularly acute, as it frequently results in the tragic choice between heating and eating. Low income families spend on the average one-third of their incomes on energy, and in some regions, energy costs eat up more than one-half of their incomes.

The huge bite that energy costs have taken out of the low income family's budget has forced low income consumers already to cut back on consumption as much as they can. Generally, the poor quality of low income housing precludes further conservation: low income residences tend to be older, in poorer repair, and less insulated than housing occupied by higher income individuals.

Further investment is needed if low income consumers are to achieve additional energy conservation. Widespread weatherization of poorly-insulated low income housing would both provide low income energy consumers with relief from unaffordable energy costs and significantly reduce the nation's energy consumption, thus reducing the dependence on foreign oil producers which threatens our national security.

S. 1725 addresses the problem of energy and the poor in a rational and responsible fashion. The expansion of the existing low income weatherization aid program is vital to relieving the poor of their exorbitant energy burden. With adequately weatherized homes, the need for emergency low income energy assistance may be diminished, as increased energy efficiency will reduce energy costs. Without such a weatherization program, low income Americans will remain in dire straits year after year, forced to make the tragic choice between food and heat.

The Consumer Energy Council of America urges you to support S. 1725 when it comes before the Senate next week.

Sincerely,

ELLEN BERMAN,
Executive Director.

NATIONAL COMMUNITY ACTION
AGENCY EXECUTIVE DIRECTORS
ASSOCIATION,
February 8, 1980.

DEAR SENATOR JAVITS: The National Community Action Agency Executive Directors Association is' the professional membership association for the nearly one thousand community action agencies in this country. It is our strong and concerted opinion that the passage of S. 1725, the Economic Opportunity Amendments of 1979, introduced by Senator Nelson, should be passed. We encourage your support of this legislation.

The comprehensive nature of this bill, which clarifies the existing authority of the Community Services Administration to operate energy conservation programs, unifies weatherization, energy education and outreach, crisis intervention, and research designed to enable poor families to move toward energy self-sufficiency.

The provisions of the bill correct the program deficiencies we are currently experiencing with the DOE weatherization program, particularly with regard to obtaining labor when CETA crews are not available. The language of the bill has the support of the labor movement, the National Governors Association, and the National Association of Counties.

S. 1725 also corrects a major inequity in current program authority, by providing for direct funding of Indian and migrant and seasonal farmworker groups.

The extensive provisions of S. 1725 give Congress a much greater voice in design of the weatherization program than has heretofore been the case; the Community Action Agencies have had considerable discussion over the program design in this bill and support it.

Thank you for your support.

Sincerely,

DOLORES DA LOMBA,
Executive Director.

COMMON CAUSE,
Washington, D.C., February 19, 1980.

DEAR SENATOR: The Senate is scheduled to begin debate this week on S. 1725, the Economic Opportunity Amendments of 1979. This measure, sponsored by Senators Nelson, Kennedy, Riegle, Stafford, Melcher, Durkin, and Sarbanes, would establish a comprehensive energy conservation and home weatherization program for low-income Americans. Common Cause strongly urges you to support S. 1725.

In the last decade, energy prices have increased at a rate far greater than inflation. From 1972 to 1979, the Consumer Price Index rose 76 percent, while electricity costs increased 92 percent, natural gas prices rose 155 percent, and fuel oil costs soared by 293 percent. These increases in home heating and cooling costs have had a particularly damaging effect on low-income Americans. While the average household spent approximately 4.7 percent of its 1978 annual income on energy for household purposes, the average low-income household spent over 18 percent of its income on energy, with even higher percentages in particular regions of the country.

In response to these escalating prices, the Congress last year enacted a one-time $1.2 billion emergency assistance program to help low-income families pay sharply increased energy bills. To avoid a never-ending series of annual and ever-increasing energy assistance programs, however, Common Cause believes that the federal government must pro vide a permanent solution to the pressing need for comprehensive energy conservation for low-income Americans.

Increased weatherization of low-income houses is the critical component of a permanent solution. Surveys conducted by the Community Services Administration reveal that almost half of the homes occupied by low-income households have no insulation and most have no storm doors or windows. A comprehensive, effective federal program is needed to weatherize these homes, thereby reducing the energy consumption and costs for low-income households on a permanent basis and conserving our nation's scarce energy resources.

Common Cause believes that S. 1725 represents an important step in the development of a significant low-income weatherization program. The bill authorizes the expenditure of $2.2 billion over three fiscal years. Ninety-five percent of the funds would go to the states, which in turn would allocate money to community-based organizations. The overall responsibility for the administration of the program would be given to the Community Services Administration—the federal agency which has both an on-going relationship with community action agencies and other local groups and a demonstrated record of success in weatherization efforts.

Common Cause believes that conservation can be this nation's most valuable energy resource if fully developed. We also believe that the federal government must make a special commitment to meet the energy needs of low-income citizens. We urge you to support S. 1725.

Sincerely,

DAVID COHEN,
President.

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., February 21, 1980.

DEAR SENATOR: The Senate is scheduled to vote today on S. 1725, a bill to help low-income families obtain assistance in purchasing and installing materials which will conserve significant amounts of energy in their homes. This bill provides help to those households least able to cope with skyrocketing energy costs.

It is generally agreed that conservation offers the most effective opportunity to reduce our national dependence on oil and natural gas. Nowhere is that dependence more evident than in the fuel bills we pay to heat our homes. Staggering increases in the costs of fuel oil, natural gas and electricity have placed a heavy burden on many American families.

S. 1725 addresses the special difficulties which low-income households have in meeting this burden. Statistics show that these households are already using proportionately less energy than the average middle-income household, but many of these homes are uninsulated or poorly insulated. Clearly, the weatherization of these homes will help their occupants save already-scarce money.

The AFL–CIO supports S. 1725 because it makes major improvements in the existing federal energy conservation programs directed toward low-income Americans. The bill will help those families who need energy conservation assistance the most. We, therefore, urge your support.

Sincerely,

RAY DENISON,
Director.

[From the Baltimore Sun, Jan. 11, 1980]

WEATHERIZING POOR HOMES

The new, $1.6-billion federal program to help the poor pay their heating bills is a godsend in a time when rapidly rising fuel costs give growing numbers of the poor a wintertime choice between shivering and going hungry. But welcome as the aid is, it still falls about $1.5 billion short of the need—a need calculated from federal guidelines which say that 16.2 million American households which exist near, at or below the poverty level should be getting federal help.

What is worse is that the need will grow in future years as oil and gas prices continue to rise, as inflation drives more middle-class families into distress and as the poor find it increasingly difficult to afford to insulate and otherwise "weatherize" their homes. Recognizing the open-ended nature of the problem, the National Center for Appropriate Technology, a research group sponsored by the federal Community Services Administration, has called for a massive federal program of reducing fuel consumption by the poor through a variety of techniques—starting with making their homes weather-tight. NCAT says weatherization alone could reduce U.S. energy consumption by the equivalent of 400,000 barrels of oil daily—about 2½ percent of total consumption—at a cost of $8 to $16 a barrel, half or less the current cost of imported petroleum. That is not an insignificant saving.

Some of NCAT's other proposals admittedly seem visionary—solar heating for poor homes, for instance. But NCAT sensibly leaves these schemes to later phases of its program, and suggests beginning with weatherization. Under this program, poor householders would receive federal grants, averaging $1,500 per household, for weatherstripping, insulation, furnace repair or replacement, home structural improvements and other improvements that would produce an average 50 percent increase in energy efficiency. NCAT proposes a federal weatherization program for fiscal 1981 of four times the current $200 million, with the amount to increase in future years. As the homes of the poor were made weather-tight, the program for aid for purchasing fuel would be proportionately reduced.

The beauty of the NCAT proposal is that it would produce a permanent reduction in the fuel needs of the poor—and of the nation—and thus would be an investment instead of a handout. Moreover, it would substantially reduce the proportion of their income that the poor must pay for fuel—a figure that now runs as high as 30 or 40 per cent. No doubt there would be problems—deciding how to allocate weatherization grants to rental housing, for instance—but, all in all, NCAT's proposal is one of the sounder energy conservation proposals we have seen to date.

Mr. NELSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. NELSON. The potential in savings of energy in this weatherization program is of great significance. In fact, if you took the whole United States and the 75 million residential units in the United States, a very large percentage of them are high-energy users. Many of these residences use far more energy than what would be necessary to use to heat that space if the house or apartment were adequately insulated.

If these residences, all 75 million, were properly insulated, it is estimated that we would save 2.2 million barrels of oil a day. This potential for energy savings represents more than one-fourth of all of the maximum daily oil import limit the President has established for the United States; or to put it another way, the Nation could realize an estimated savings of 730 million barrels of imported oil annually, amounting to almost $22 billion of oil.

Now, this bill, of course, does not aim at weatherizing 75 million units. There are some 10 million housing units occupied by low-income families which are the target of this weatherization program. If we could weatherize, as is the objective here, a million of those a year at a cost of $1 billion a year, at a total cost of $10 billion, we would then save enough energy to pay the whole cost of the program in 10 years at $30 oil. But, of course, it will not be $30 oil, it will be $40, $50 or $60 oil.

So the fact is we would be able to get our total financial investment back in around 6 to 7 years if we weatherized these some 10 million low-income homes.

Conservation, as I think everyone understands, is the most important source of new oil that this country could realize. So I hope we would have agreement shortly on this program, and I hope that the administration will take note of the fact that the program has been incompetently managed by the Department of Energy, and speedily return it, which they have the authority to do, to the Community Services Administration.

We have been through their horrendous mismanagement for long enough. There is insulation which has been stacked up all over the country.

Their paperwork is horrendous. Everybody, every place in the Nation, that I know of, based upon our hearings and our correspondence, is disillusioned and dismayed about the incompetence in the management of this program. I have told that to the administration, to everybody whose ear I could get. I have showed them the horrendous amount of paperwork required by the DOE.

They finally called somebody in from the regional office in San Francisco and set up a special project for 90 days to make the program work. Well, the way to make it work is to take it away from DOE.

I hope, my personal hope is, that the administration will have enough sense someplace, at some level, to recognize that the program is important. Just because it might hurt the feelings of somebody in the administration we should not be sacrificing, making the sacrifice of, the low-income people who reside in these homes, and we should not be continuing this expensive, wasteful expenditure of energy.

Nonetheless, this bill does not—and I emphasize does not—in any way mandate a change in the administration of this program from DOE to CSA or in any other direction. There will be an amendment here that makes it clear that only one agency should administer it. This amendment does not—and I emphasize does not—change any authority or any authorization.

The CSA was authorized in 1974 to conduct the program. In 1976 an amendment was adopted which authorized a supplemental—and I emphasize supplemental—program by the DOE, and pretty soon the DOE had the whole program, and DOE has created the mess with which we are now dealing.

I see the distinguished Senator from New York rose as if he wished to comment at this point.

Mr. JAVITS. Yes, Mr. President, if the Senator will yield, I wish to make that crystal clear that the views expressed by Senator Nelson—and he is to be credited as the author of this program—are his views, his evaluation as a Senator, and they do not represent, and should not represent, any prejudice to either agency, the DOE or the CSA, administering this program.

I state my understanding of the purpose of this legislation and the legislative intent which Senator Nelson has himself confirmed because he does feel very strongly about it. We have to understand that no amendments can effect which agency is favored; no provision of the bill can effect it, unless it is written in the bill, and it is not. That is essential because we are all agreed that the responsibility for this program should be in one agency, but we are leaving that choice to proper authority, to wit, the Executive or possibly the Appropriations Committee.

But I think we owe it to the views of Senator Hatfield and Senator Jackson and those who feel as they do to say that there is nothing at all in the bill that requires the choice, and that the feeling of my colleague, which I deeply respect, Senator Nelson, does not affect anything as a matter of law or as a matter of the intent of the legislation.

Mr. NELSON. Mr. President, if I may say, I concur with what the Senator from New York has said. The views I expressed were my own.

I might say based upon 6 years of experience with the program, which was drafted by my staff in the Subcommittee on Employment Poverty and Migratory Labor, and after hearings in Washington and my own State, and after extensive investigations, I have come to the conclusion that this mess ought to be cleaned up in the interests of serving the low-income people of this country, and in the interests of economy. So I was only expressing my own viewpoint.

The Senator from New York states it absolutely correctly. This bill is neutral on the question of who should administer the program, and we have an amendment which, I believe, has been looked at by the distinguished Senator from Oregon and the distinguished Senator from New York, and I yield to Senator Hatfield at this time to present his amendment.

UP AMENDMENT NO. 992

(Purpose: To clarify the administration of certain weatherization programs for low-income person)

Mr. HATFIELD. Mr. President, I thank the Senator from Wisconsin, the manager of the bill.

I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon (Mr. Hatfield) for himself, Mr. Nelson, Mr. Javits, and Mr. Jackson proposes an unprinted amendment numbered 992.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

Sec. 5. (a) The Congress finds that—

(1) efficiency in the operation of government programs is an important objective and the elimination of duplicate programs

in the Federal Government is a desirable goal;

(2) there currently are at least two low-income weatherization programs, one in the Department of Energy and another in the Community Services Administration;

(3) that this duplication creates uncertainty and confusion about whether the Department of Energy or the Community Services Administration shall be the administrating agency of the Nation's low-income weatherization program.

(b) Notwithstanding the authority conferred in this Act or any other act, no appropriation may be made for any fiscal year to carry out a weatherization program for low-income persons by the Community Services Administration or the Department of Energy if such program is duplicative of another low-income weatherization program of such Administration or Department for which funds have been appropriated for such fiscal year.

(c) The Congress intends that only one agency of the Federal Government carry out the administration of any weatherization program for low-income persons, and that the President shall recommend which authorized program should be implemented.

Mr. HATFIELD. Mr. President, I offer this amendment on behalf of the distinguished Senator from Wisconsin (Mr. NELSON), the distinguished Senator from New York (Mr. JAVITS), and the distinguished Senator from Washington (Mr. JACKSON).

I heard the summary of the comments made by the Senator from New York (Mr. JAVITS) just immediately preceding the offering of the amendment, and the comments made by Senator NELSON from Wisconsin. I wholeheartedly subscribe to those comments.

Actually, Mr. President, the amendment simply adds a new section at the end of S. 1725 to establish that there be only one across-the-board weatherization program for low-income persons. It does not presume the outcome or recommendations of the task force that has been set up in the administration to review the problems with the existing system, but it allows it only one program to be funded and one agency to carry it out.

In the interest of Government efficiency and effectiveness, we believe that it is highly undesirable to be undertaking two essentially duplicative weatherization programs. Therefore, In providing expanded authorization for the Community Services Administration, we are allowing, and this amendment says, that Congress must choose down the road which program to implement. The Department of Energy's program and CSA's program will not run concurrently. Either Congress will decide to transfer the program to CSA by appropriating money there or Congress will decide to continue with DOE, again, by the appropriation process.

That process will be constrained, as I have said, by this amendment, which does not permit appropriations for two.

Mr. President, in talking with Senator NELSON, Senator JAVITS, and Senator JACKSON, we are unanimous in our belief that we want efficiency in the delivery of this program. We want to expedite the delivery of this program in the most simple and straightforward manner possible.

I believe Senator NELSON, in his investigation and in his hearings, has certainly presented some horror stories of the kind of unnecessary paperwork that was initially developed by the Department of Energy. I am sure that out of those hearings has come a more simplified form.

But I do believe that we have to bear in mind two factors: One is that this is a program specifically geared to the needs of the poor, and whatever agency ultimately is in charge of the actual administration of the program I think must bear in mind that the paperwork should be minimal. Two, the paperwork should be sufficient to cover the qualifications of the persons applying and for providing the data to develop the system of conservation and to prove, with evidence, that the weatherization is cost-effective.

But beyond those two objectives, I think the paperwork must be maintained at a minimum in order to keep this a program that is effective and accomplishes its goals.

So I am delighted to offer this amendment, after a discussion has been held by the four major members of the committee involved, the ranking minority members and the chairman of the two committees, and I feel that this does represent the consensus of our agreement.

Mr. NELSON. Mr. President, I have looked at the draft of the amendment that is being offered by the Senator from Oregon (Mr. HATFIELD). I think it is a good amendment and it is agreeable to me.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I wish to congratulate the Senator for his service in this matter, which I think is very valuable to the general administration of this program and to the general administration of the Government.

I am very pleased that we have had a meeting of the minds on our fundamental purpose, which, as was expressed by both Senator JACKSON and Senator HATFIELD, is to get this kind of assistance to cut down on fuel use and to contribute to human comfort to low-income families as quickly and as plentifully as the appropriation will allow.

I think we are accomplishing it by this amendment. I congratulate the Senator. I find the amendment entirely acceptable.

Mr. HATFIELD. Mr. President, I thank the Senator from New York for his gracious remarks. It was his wisdom that assisted greatly in reaching this agreement, which delights me further by the decision he made only a few days ago to continue service in this body for such important matters as this and other issues.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HATFIELD. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 993

(Purpose: To adjust the allocation formula so that all States are eligible for an alternative minimum allocation and to assure that no State's allocation is reduced thereby)

Mr. JAVITS. Mr. President, I send an amendment, classified as a technical amendment, to the desk on behalf of Senator NELSON and myself.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and Mr. NELSON, proposes an unprinted amendment numbered 993.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 71, strike out lines 13 through 25 and insert in lieu thereof the following:

"(3)(A) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $17,000,000, the allotment of such State shall, subject to paragraphs (6) and (8) of this subsection, be the greater of its allotment as so determined under such paragraphs or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

"(B) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is more than $17,000,000 the allotment of such State shall, subject to the application of paragraphs (6) and (8) of this subsection and subparagraph (C) of this paragraph, be the greater of its allotment as so determined under such paragraphs (6) and (8) or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

"(C) There are authorized to be appropriated amounts not in excess of $18,000,000 for each of the fiscal years 1981, 1982, and 1983 for additional amounts to be allocated pursuant to subparagraph (B) of this paragraph and subparagraph (B) of paragraph (8) of this subsection.

"(4) The alternative allotment percentage for any State shall be equal to (A) the percentage of 95 per centum of the total amount appropriated for the fiscal year pursuant to section 1113(a) which the State would receive if its allotment were increased from the $5,000,000 authorized under this subsection to the extent necessary (as determined by the Director on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of only one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $20, or, unless the percentage determined under subparagraph (A) would be higher, (B) the percentage of 90 per centum of the total amount authorized to be appropriated for fiscal year 1981 under section 113(a) which would be allotted to such State if—

"(i) of such 90 per centum (I) one-half was allotted to each State according to the ratios determined under paragraph (1) of subsection (a) of this section and (II) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (a) if, for purposes of such paragraph, the word 'squared' were deleted and the term 'lower living standard' were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

"(ii) the allotment of each State as determined under subdivision (i) were increased to the extent necessary (as determined by the Director on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of only one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $20. There are authorized to be appropriated $5,000,000 for each of the fiscal years 1981, 1982, and 1983 for the additional amounts to be allocated to States pursuant to the application of subparagraph (A) of this paragraph. In the event that the aggregate of such additional amounts would exceed the amount appropriated under the preceding sentence, the additional amount applicable to each State shall be reduced on a pro rata basis.

"(5) For purposes of this subsection, the term 'recipient household' means—

"(A) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

"(B) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

"(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplementary security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93-66.

For purposes of subparagraphs (B) and (C) the term 'household' shall be defined by the Director, and shall not include an institution.

"(6) The allotment of any State shall be increased under paragraphs (3) and (4) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraphs (A) or (B)(ii) of paragraph (4).

"(7) If the allotment for any State determined under paragraphs (1) (without the application of paragraph (8)) and (2) of this subsection, is less than the lower of—

"(A) the amount which would be allotted to such State if 'one-half' in paragraph (1) of this subsection were replaced by 'one-quarter' and 'one-half' in paragraph (2) of this subsection were replaced by 'three-quarters'; or

"(B) the amount which would be allotted to such State if the word 'squared' in paragraph (2) of this subsection were deleted,

then the allotment of such State shall, subject to paragraph (8) of this subsection, be increased to the lower of the allotment it would receive under subparagraph (A) or (B).

"(8)(A) The allotments for any fiscal year determined under paragraphs (1) and (2) of this subsection which are not increased pursuant to paragraphs (3)(A), (4), and (7) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (3)(A), (4), and (7) of this subsection do not exceed the sum of (i) 95 per centum of the sums appropriated for such fiscal year pursuant to section 1113(a) plus (ii) the amount appropriated pursuant to the authorization in paragraphs (3) and (4).

"(B) The allotment of any State which is increased pursuant to paragraph (3)(B) of this subsection shall be further increased by the amount of any reduction pursuant to subparagraph (A) of this paragraph.

"(9) In any fiscal year in which the appropriations are less than $500,000,000, the $17,000,000 trigger specified in paragraphs (3) (A) and (B) and the $20 payment to each recipient household referred to in paragraph (4) shall be ratably reduced."

On page 72, line 1, strike out "(4)" and insert in lieu thereof "(10)".

On page 72, line 8, strike out "(5)" and insert in lieu thereof "(11)".

Mr. JAVITS. Mr. President, this is a technical amendment to the committee bill. The amendment would do several things: First, it would make some necessary corrections to the formula in the committee bill in order to completely conform the formula to the allocation formula the Senate adopted during consideration of S. 1724, the energy assistance legislation; Second, it would place the entire formula within S. 1725 and eliminate in S. 1725 the cross-referencing of the energy assistance formula in the windfall profits tax legislation; and third, it would correct the formula language so that it does not exclude only one State—California—from being eligible to receive a minimum allocation.

The intent of the committee bill was to adopt the exact same allocation formula the Senate had previously adopted, after extended debate, for energy assistance. This technical amendment conforms the formula in S. 1725 entirely to the energy assistance formula.

This amendment does make one substantive change—it would eliminate the exclusion, which currently exists in the energy assistance formula, of only one State from being eligible for a minimum allocation. The only State affected by this exclusion is California. The amendment would correct this inequitable situation. This correction has recently been adopted by the windfall tax conference in the energy assistance portion of the windfall profits tax legislation.

Senator CRANSTON first brought this situation to my attention. It is a situation that must be corrected. Senator CRANSTON has done a very skillful job of designing an amendment which corrects the exclusion but, at the same time, does not adversely affect any other State. I would like to commend him for his fine efforts on this matter.

Mr. President, this amendment has been cleared by my staff and it is acceptable to me.

I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I rise to support the amendment. It is a very helpful amendment and an equitable amendment.

I thank the Senator from New York and the Senator from Wisconsin very much for their helpfulness in regard to it.

Mr. President, last fall, in the face of a growing national concern about the desperate situation that was likely to obtain for poor and elderly people this winter, and after an extensive look at the Department of Energy's poor track record in providing weatherization assistance, the Labor and Human Resources Committee took up consideration of S. 1725, the Economic Opportunity Amendments of 1979. There was a strong consensus among the members of the committee that the CSA program of assistance to help needy persons weatherize their homes needed to be revamped. If we expect to help defray the ever increasing costs of home energy, we must do more than help pay bills. We must wage a campaign against needless waste of our dwindling energy supply.

When our committee studied the weatherization situation closely, two important factors became clear. First, available data illustrate that dwelling places of low-income persons nationwide are significantly in need of weatherization assistance. Second, we learned that significant energy savings can result from weatherization efforts.

With these considerations in mind, the members of the Labor and Human Resources Committee discussed an allocation formula for the distribution of funds under S. 1725 that included factors such as the number of heating degree days, population, and total residential energy usage within each particular State. Mr. President, I was well aware during committee deliberations that States with milder climates would receive a smaller proportion of the weatherization pie than the so-called Frost Belt States under the formula the committee was considering. But, our calculations showed us that the Labor and Human Resources' formula allotted enough money to assist poor people in States like California in their battle to hold down the additional percentage of their incomes which would be gobbled up by the increased costs of home energy.

Before S. 1725 could be reported out of committee, S. 1724, the Home Energy Assistance Act, reached the Senate floor. S. 1724, as reported, contained an allocation formula similar to the formula being contemplated for S. 1725.

During consideration of S. 1724 on the Senate floor last November, a lengthy and intense struggle ensued regarding the formula for allocation of funds. The argument centered around how much weight should be given to each of the various factors within the formula, and of course, cost.

After 3 days of extended debate, a compromise was finally reached. I believe the compromise was designed in a manner which would satisfy enough Members of the Senate to assure the bill's passage. The formula which resulted was an extremely complicated one.

It is so complicated that during consideration of the formula on the floor, neither HEW nor the Congressional Research Service was able to provide the Members of the Senate with a computer run that would show us exactly what the results of the formula would be. As a matter of fact, I am told that a team of statisticians has only recently deciphered and programed the formula with enough accuracy to be able to illustrate the State-by-State allocation. When the vote was taken on the floor, with only pocket calculators to rely on, the Senate was asked to decipher this same formula. It was evident to me at that time that California was to be among a handful of States that would receive a disproportionately smaller share than many States having climatic conditions similar to, or in some cases, milder than those in California. Thus, I voted against the adoption of the final formula for S. 1724. That formula was, nevertheless, agreed to and incorporated in the amendment later incorporated in H.R. 3919, the crude oil windfall profit tax legislation, as passed by the Senate in December.

Mr. President, I discovered later, after having sufficient time to examine this extremely complex formula, that California, and California alone, was being singled out and excluded from the floor provisions—or minimums—designed to protect residents of certain States. Every State in the Union except California, regardless of size, geographic location, or climate, was guaranteed a minimum benefit level.

When the Labor and Human Resources Committee met in executive session to mark up S. 1725, the majority of the members decided to report the bill with a formula identical to the complicated formula which had been adopted by the Senate for S. 1724. Obviously, I could not, and did not, support that decision.

Now, Mr. President, I should not have to engage my colleagues in the Senate in a lesson in geography. But I will remind them that a large proportion of California's eastern border is strikingly set by the very high and very cold Sierra Nevada Mountain Range. The Spanish priests who first trekked their way north through California named that mountain range. The name means snowy mountains. In fact, earlier this winter, while New Yorkers were producing their own snow in Lake Placid, the Sierra Nevadas were covered with snow—natural snow. And I should add, Mr. President, that the people who live in these vast regions in California get just as cold, and pay the same proportion of Federal taxes, as do the people in other States in this Nation.

In fact, according to Department of Energy information, there are nine States with an average number of heating degree-days lower than the average in California. I ask unanimous consent, Mr. President, that a table, which appeared on page 57 of the committee report on S. 1725 (S. Rept. No. 96–378), be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 6.—POPULATION-WEIGHTED NORMAL ANNUAL HEATING DEGREE-DAYS BY STATE[1]

FIPS code No.	State	Number
	REGION I (BOSTON)	
09	Connecticut	6,122
23	Maine	8,034
25	Massachusetts	5,264
33	New Hampshire	7,550
44	Rhode Island	5,913
50	Vermont	7,900
	REGION II (NEW YORK)	
34	New Jersey	5,493
36	New York	5,925
73	Puerto Rico	
78	Virgin Islands	0
	REGION III (PHILADELPHIA)	
10	Delaware	4,756
11	District of Columbia	[2] 4,211
24	Maryland	4,779
42	Pennsylvania	5,747
51	Virginia	4,284
54	West Virginia	5,085
	REGION IV (ATLANTA)	
01	Alabama	2,658
12	Florida	689
13	Georgia	2,649
21	Kentucky	4,383
28	Mississippi	2,375
37	North Carolina	3,351
45	South Carolina	2,654
47	Tennessee	3,776
	REGION V (CHICAGO)	
17	Illinois	6,066
18	Indiana	5,708
26	Michigan	6,763
27	Minnesota	8,743
39	Ohio	5,787
55	Wisconsin	7,559
	REGION VI (DALLAS–FORT WORTH)	
05	Arkansas	3,183
22	Louisiana	1,675
35	New Mexico	4,761
40	Oklahoma	3,492
48	Texas	2,008
	REGION VII (KANSAS CITY)	
19	Iowa	6,832
20	Kansas	4,881
29	Missouri	5,028
31	Nebraska	6,328
	REGION VIII (DENVER)	
08	Colorado	7,009
30	Montana	8,224
38	North Dakota	9,468
46	South Dakota	7,648
49	Utah	6,562
56	Wyoming	7,898
	REGION IX (SAN FRANCISCO)	
04	Arizona	2,303
06	California	2,701
15	Hawaii	
32	Nevada	4,353
75	Trusts	
	REGION X (SEATTLE)	
02	Alaska	[2] 11,492
16	Idaho	6,891
41	Oregon	5,217
53	Washington	5,725

[1] Source: State, regional and national monthly and seasonal heating degree days weighted by population, July 1931 to June 1978, National Oceanic and Atmospheric Administration, Environmental Data and Information Service, U.S. Department of Commerce, September 1978.

[2] Source: U.S. Department of Energy. Heating degree days is the total by which the average temperature for a day is less than 65° F. Annual heating degree days is the sum of all heating degree days during a calendar year. Normal annual heating degree days is the average of annual heating degree days from July 1931 to June 1978.

Mr. CRANSTON. So, Mr President, although nine States have climates warmer than California's, the Senate decided to provide low-income Californians with less assistance, under S. 1724, than low-income citizens of any other State.

This formula makes even less sense for purposes of S. 1725. The Congressional Research Service has completed a study, based on Department of Energy data, which illustrates that of all homes nationwide, homes in the southern, most populous, part of California are by far the most energy inefficient. What is more, the thermal integrity of homes in the mountainous, cold regions of California compares with States like Maine, Vermont, Wisconsin, New Jersey, New York, Colorado, Wyoming, Minnesota, Michigan, and Illinois.

Mr. President I ask unanimous consent that the results of this Congressional Research Service study be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEAN HEATING AND COOLING REQUIREMENTS AND ESTIMATED HEATING AND COOLING DEGREE DAYS FOR SINGLE FAMILY DETACHED HOMES IN 7 CLIMATE REGIONS OF THE UNITED STATES[1]

	Mean heating/cooling requirement (Btu/square feet/year)	In degree days per year			Estimate of thermal integrity (Btu/square feet/degree day)
		Interpolated heating climate measure	Interpolated cooling climate measure	Total heating and cooling climate measure	
Climate region[2]:					
1	93,000	7,000	1,000	8,000	11.6
2	72,000	6,250	1,000	7,250	9.9
3	65,000	4,750	1,000	5,750	11.3
4	52,000	3,000	1,000	4,000	13.0
5	43,000	1,000	1,000	2,000	21.5
6	38,000	1,000	2,000	3,000	12.7
7	58,000	3,000	2,000	5,000	11.6

[1] Data are taken from: U S Department of Energy Phase 1/Base Data for the Development of Energy Performance Standards for New Buildings [Final report, prepared by the American Institute of Architects Research Corp under HUD contract No H–2689] Springfield, Va., National Technical Information Service Jan 12, 1978. The data on the mean heating/cooling requirement in Btu/square feet/year, are based on engineering calculations of the AIA Research Corp., and appear on page 83 (region 1) through page 95 (region 7). The data on the heating climate measure, and the cooling climate measure, were interpolated by CRS from the heating and cooling degree day region definitions in figure E, S–2, page v

[2] Climate region 1 extends across the northern United States from Maine to northwestern Washington State, and extends as far southward along the Rocky Mountains as northern New Mexico. Regions 2, 3, 4, and 7 all extend across the United States from the westernmost boundary to the easternmost boundary, at progressively southerly latitudes. Region 7, for example, extends from southwestern Texas to the Atlantic coast of South Carolina. The mildest climates, in terms of the Total Heating and Cooling Climate Measure, are regions 5 and 6. Region 6 is the most southerly of the regions, extending across the southeastern United States from Texas to Florida. Region 5 is geographically compact, and consists essentially of the heavily populated region of southern California bounded approximately by Los Angeles, San Diego, and San Bernardino.

Mr. CRANSTON. Mr. President, these data make clear that there is absolutely no justifiable reason why a needy person in California should be singled out and excluded from the full benefit of this legislation.

Two days ago, on February 26, 1980, the House and Senate conferees concluded their deliberations on H.R. 3919, to which the provisions of S. 1724 had been added. Senators LONG and WILLIAMS, who were conferees on that legislation, were very receptive to my suggestion that the provisions of the allocation formula unfairly excluded California from the full benefit of that bill's low-income energy assistance program and that the formula thus had to be changed. As I urged, they proposed the necessary revisions, and the House conferees accepted. I want to take this opportunity to thank my good friends from Louisiana and New Jersey for having offered these changes on my behalf, and recognize the excellent contributions of the gentleman from California (Mr. CORMAN), the House subcommittee chairman, in bringing about a fair result.

As I explained earlier, S. 1725, as reported, has an allocation formula identical to the Senate-passed formula in H.R. 3919/S. 1724. My good friends and colleagues from Wisconsin (Mr. NELSON) and New York (Mr. JAVITS) recognize the inequity which has been visited upon the residents of California under the bill's present allotment formula, and have agreed to my amendment—included in the Nelson amendment—to conform the formula to the conference-approved formula in H.R. 3919, which will treat California equally with other States with similar climatic conditions.

Mr. President, I am grateful to them for their assistance, and the assistance of their staffs, in helping me to correct this problem.

Mr. DOLE. Mr. President, will the Senator from California yield?

Mr. CRANSTON. Yes.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I just want to make an inquiry of which amendment it was.

Mr. JAVITS. Mr. President, it is an unprinted amendment and it relates to the subjects which I have just gone over, relating to California.

Mr. DOLE. This was done in the conference on the windfall profit tax?

Mr. JAVITS. Exactly.

Mr. DOLE. Mr. President, I might say, as the ranking Republican in the conference, as the Senator from New York indicated, this was initiated by the distinguished Senator from California (Mr. CRANSTON).

It is an equitable amendment and should have been adopted. I thank everyone who participated in that.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. JAVITS. Yes; Mr. President.

Mr. NELSON. Yes.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 994

(Purpose: To make certain technical corrections)

Mr. NELSON. Mr. President, I have one more technical amendment and then I will yield the floor.

I send to the desk an unprinted amendment and ask for its immediate consideration. It simply strikes the year "1980" and inserts in lieu thereof the year "1981."

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes an unprinted amendment numbered 994.

On page 107, line 17, strike out "1980" and insert in lieu thereof "1981".

Mr. NELSON. Mr. President, this technical amendment is intended to correct one minor error in the committee bill. It has been cleared by the comanager of the bill on behalf of the minority. I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

UP AMENDMENT NO. 995

(Purpose: To define eligibility for low-income weatherization)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. DURENBERGER) proposes an unprinted amendment numbered 995:

On page 94, line 18, strike out "85 per centum" and insert in lieu thereof "100 per centum."

Mr. DURENBERGER. Mr. President, I will keep this explanation as brief as possible.

The purpose of this amendment is to increase the eligibility for the home weatherization program from 85 percent on the Bureau of Labor Statistics' lower living standard to 100 percent of that standard. The amendment does not affect in any way the allocation of weatherization funds among the several States. Neither does it increase the authorization for the home weatherization program which is contained in the committee bill.

What the amendment does is to make the eligibility test for home weatherization the same as the eligibility test for fuel assistance as contained in S. 1724, the Home Energy Assistance Act, which was added as an amendment to the windfall profits tax on November 16, 1979.

The committee bill as it exists with 85 percent of BLS would exclude quite a number of 1- and 2-person families in at least 15 States in this country and many 1-person families in 10 other States who are eligible for the current program from eligibility of these households.

Mr. President, I would like to thank the distinguished chairman of the Committee on Labor and Human Resources, Senator WILLIAMS; and the distinguished Senator from Pennsylvania, Senator SCHWEIKER; and other members of the committee, particularly Senator NELSON and Senator JAVITS, for their tireless efforts to remedy serious deficiencies in our Nation's energy policy. I fear that without their leadership the elderly, the handicapped, and millions of other Americans with low and fixed incomes would be facing personal energy crises where life itself hung in the balance. For without their leadership, this Nation would have no policy to protect and no programs to assist those families who cannot afford the new, high price of energy.

It is apparent to this Senator, as I am sure it is to my colleagues, that price manipulation has been the fundamental instrument of our energy policy over the past several years. And since the advent of the Carter administration national energy policy has been no less than a consistent effort to force prices even higher.

Consider the administration's policy on crude oil and petroleum. It is a high-price policy based on decontrol, import fees and the gasoline tilt. Look at the Carter policy on natural gas. Again, higher prices through decontrol. Even the administration's halfhearted attempt at an electric power policy was based on marginal cost pricing, a policy designed to raise consumer costs.

During my first year in the Senate, administration witnesses have made hundreds of trips to Capitol Hill to extoll the virtues of replacement cost pricing for conventional fuel resources. They tell us that high gasoline prices will force Americans to forego unnecessary trips and purchase small cars. And high gasoline prices have produced those effects. They tell us that high heating oil prices will force Americans to invest in insulation, storm windows and other conservation devices. And Americans in record numbers are making such investments. They tell us that high prices for oil and natural gas will spur interest in solar power and synthetic fuels. And interest in exotic energy resources is evident even in the Halls of Congress.

But what they forget to tell us is the human side of this high price policy. The droves of energy bureaucrats who have steadfastly pursued replacement cost pricing only rarely and then only faintly mention the fact that millions of American families cannot afford the "high price" solution to our energy crisis—the Carter energy policy.

The decisionmakers who designed crude oil price decontrol—who were more than happy to put a $1 trillion burden on the American public—those very same policymakers proposed a 1980 budget with $40 million for fuel assistance. While they raised the price of domestic oil fivefold, they cut the fuel assistance program to one-fifth of its previous level. And they sent that budget to Congress and supported the cut.

It was Senator JAVITS and the members of the Committee on Labor and Human Resources who literally saved the lives of countless Americans from the ravages inflation caused by our national energy policy. It was the Javits amendment to the Interior appropriations bill that secured an adequate fuel assistance program for this winter.

In 1974, two community action agencies—one in Wisconsin and one in Maine—began a creative new program that delivered energy independence to low income families whose energy costs had risen above their reach. A Senator from Wisconsin brought this program—at the time called winterization—to the U.S. Congress and through diligence and careful oversight made it an important and successful national program. The potential of that program—now called weatherization—cannot be denied and is not doubted by any member of this body.

And yet, today, we enter a difficult debate on the future of this program because its potential has been strangled within the depths of the energy bureaucracy. The great failure of the Carter Administration's energy policy is not a failure of vision—not a failure of courage. It is a failure to understand people—to understand American life as it is lived by most of us from day to day.

The administration spends too much time making charts showing barrels of oil saved by this policy or that. And too little time considering the human sacrifice created by those policies. They concern themselves too much with the struggles of big government against big oil, big business against big labor, the strategies of this candidate or that. And they think too little of the American worker saving to pay the utility bill, the American homeowner caulking the windows, the senior citizen shutting off unused rooms, or the small businessman borrowing money to pay for a fuel conversion.

Somewhere over the last few years U.S. energy policy left the path traveled by the American people. It has become a complex web of regulations, large interests and little understanding. And that web has strangled the potential of the weatherization program that Senator Nelson had nurtured to success in the Federal bureaucracy.

Today, Senator NELSON, the most human of Senators, asks us to cut through that web, to forget the jurisdictional struggles of Federal agencies and congressional committees and to simply recognize that a program with great human potential and millions of dollars of insulation in warehouses is being wasted. It is being wasted because the Department of Energy cares more for the sanctity of regulations than the safety of the public. It is being wasted because policymakers pay too much attention to the charts and the graphs and the agencies and the interests, and little heed to the needs of the American people.

Putting people first in our energy policy is the debt we owe to Senator NELSON and to Senator JAVITS and Senator SCHWEIKER and Senator WILLIAMS. It is a debt that I hope we can partially repay by acting favorably upon the legislation they present this afternoon.

After giving voice to my respect for the efforts of these Senators, I feel a little guilty offering an amendment, as well. But I think it is an important amendment and I will offer it. This amendment would increase the income eligibility test from 85 percent of the Bureau of Labor Statistics' lower living standard as contained in the bill, to 100 percent of that standard.

I feel compelled to immediately state this amendment does not—I repeat, does not—affect the allocation of weatherization funds among the several States. Nor does this amendment affect the cost of the program, because weatherization is not an entitlements program. The amendment would only increase the number of households eligible to receive weatherization assistance under S. 1725. conducted by the Depatment of Energy

The current weatherization program conducted by the Department of Energy under the authority of the Energy Production and Conservation Act defines eligibility at 125 percent of the poverty guideline as determined by the Office of Management and Budget. The 125 percent poverty guideline was also used in the weatherization program formerly run by the CSA and it is also the eligibility test for fuel assistance under current programs.

On the days of November 13, 14 and 15 of 1979, the Senate debated S. 1725, the Home Energy Assistance Act, taking it to third reading and subsequently adding it as an amendment to the Windfall Profits Tax. Under this legislation eligibility for future fuel assistance programs will be set at 100 percent of the Bureau of Labor Statistics' lower living standard.

Unlike the poverty guideline, the BLS standard varies considerably across the Nation for families of similar size. This regional character allows the BLS standard to reflect the impact of particular commodities—like energy—that have highly variable prices across the Nation. The BLS standard for families of three or more persons is also somewhat higher than 125 percent of the poverty guideline. In Minnesota, a typical State, the BLS lower living standard for a nonfarm family of four is $11,580; whereas 125 percent of the poverty guideline for the same family would be only $8,375.

I want to point out that the Senate voiced a clear intention as to the use of the BLS lower living standard in the fuel assistance program. On November 13, Senator BENTSEN offered unprinted amendment No. 798 that would have substituted 125 percent of the poverty guideline for 100 percent of the BLS standard in the Home Energy Assistance Act. Senator BENTSEN'S amendment failed on a vote of 33 to 56. The Senate determined that Federal fuel assistance was a necessary and important program for families with incomes falling at or below 100 percent of the BLS standard.

The legislation we are considering today authorizes a new program for home weatherization. S. 1725 also uses the BLS income test, but limits eligibility to households with incomes below 85 percent of the lower living standard. In my view, the change from 100 to 85 percent is a great mistake. The amendment I am offering is designed to make the home weatherization program compatible with the fuel assistance program by establishing the same eligibility criteria in both bills at 100 percent of the BLS lower living standard.

Mr. President, I believe that careful coordination between our fuel assistance program and our home weatherization program is an important goal for our national energy policy. In fact, in September 1979, when the Committee on Labor and Human Resources held hearings on these two bills, I appeared before the committee to testify on exactly that point. The benefits of coordination can be expressed in three different ways.

First, the Federal resources available to support these programs are limited, so we must spend the dollars in the way that gives the most protection for the investment. Over the long run, a dollar spent on conservation provides far more protection than a dollar spent to pay a fuel bill, because the conservation dollar saves energy year after year.

If we must deny some low income Americans the benefits of one program or another because funds are not sufficient, it seems to me that eligibility under the fuel assistance program should be more restrictive than eligibility for weatherization because the weatherization dollar goes farther. The legislation reported by the committee has the opposite result.

A second way of saying the same thing is to note that weatherization can make it possible for many families to become energy independent. Because energy costs are rapidly climbing out of reach, many families need fuel assistance immediately. But some of those families could make it on their own with the proper investment in home weatherization. And they would prefer to. Keeping the utility bill within the family budget is a far better circumstance than waiting for congressional appropriations for fuel assistance year after year.

But the system that the committee has designed would have the reverse effect. The families that are very nearly able to make it on their own with some conservation investment are the famiiles who are offered fuel assistance under the Home Energy Assistance Act but denied weatherization services under the Economic Opportunity Amendments.

Third, the weatherization program can allow the Federal Government to closely manage its outlays for fuel assistance. There is no doubt that energy costs will continue to escalate over the next decade. If the size of our fuel assistance program escalates at the same pace, it will become a major Federal budget item in a very short time. The only way to avoid this result is to cut the cost of energy for all Americans served by the fuel assistance program and that includes those with incomes between 85 percent and 100 percent of the BLS lower living standard.

Mr. President, it simply does not make sense to offer cash assistance to some families because we recognize they cannot afford the high cost of energy and then turn around and exclude them from the weatherization program.

There is another argument for this amendment that I would like my colleagues to consider. If we adopted the committee bill as it stands, some families whose incomes fall below 125 percent of the poverty guideline and who are currently eligible for weatherization services would be made ineligible under the new program.

Mr. President, I have a table here which shows income levels at 125 percent of the poverty guideline for families of one through six persons. I ask unanimous consent that this table be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Table 1.—*125 percent of poverty income guidelines (OMB)*

Family size	Nonfarm	Farm
1	$4, 250	$3, 638
2	5, 625	4, 800
3	7, 000	5, 963
4	8, 375	7, 125
5	9, 750	8, 288
6	11, 125	9, 450

Mr. DURENBERGER. Mr. President, this table indicates that for a nonfarm one-person household 125 percent of the poverty guideline is $4,250; and for a two-person household the guideline is $5,625. These guidelines apply to all households in the Nation except those in Alaska and Hawaii. Households with incomes under these amounts qualify for both fuel assistance and weatherization under the current programs.

But under the new programs created by S. 1724 and S. 1725 we will be using the Bureau of Labor Statistics' lower living standard. And for the weatherization program only 85 percent of the BLS standard. As I have indicated previously, the BLS standard varies widely across the Nation. In fact, there are 22 different ranges of the lower living standard.

Mr. President, I have prepared a second chart again based on family size which shows income levels for one of these 22 ranges. This happens to be the second lowest range and includes a standard of $10,960 for a family of four. This range applies to all or parts of 15 States including Delaware, Virginia, Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Arkansas, Louisiana, Oklahoma, Texas, and Puerto Rico.

Mr. President, my chart shows income levels at both 100 and 85 percent of the BLS lower living standard for households up to six persons where income for a family of four equals $10,960. I ask unanimous consent that this second table be printed at this point in the Record.

There being no objection, the chart was ordered to be printed in the Record, as follows:

Table 2.—*Bureau of Labor Statistics lower living standard*

(Second range)

Family size	100%	85%
1	$3, 950	$3, 358
2	6, 470	5, 500
3	8, 880	7, 548
4	10, 960	9, 316
5	12, 930	10, 990
6	15, 120	12, 852

Mr. DURENBERGER. Mr. President, when we compare 125 percent of the poverty guideline from the first table which is the eligibility test for current programs; and 85 percent of the BLS lower living standard from the second table, which will be the eligibility test for the new program in 15 States we find a startling result. Whereas the current eligibility test for a one-person household is $4,250, the new definition of eligibility will be lowered to $3,358. And for two-person households the income ceiling will be lowered from $5,625 to $5,500.

A large portion of the one- and two-person households in this Nation are elderly Americans living on fixed incomes and some of these households which can currently get weatherization services would actually be denied under the new program. With the price of energy escalating rapidly, I am sure the committee did not intend to deny weatherization services in the future to families, particularly elderly families, who have been eligible for the program over the past several years.

This curious anomaly of statistics also applies to one-person families in 10 other States including Michigan, Minnesota, Ohio, Wisconsin, Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota, Mr. President, I have prepared a third table which sets forth eligible income levels at 85 percent of the BLS standard and would ask unanimous consent that this table be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Table 3.—*Bureau of Labor Statistics lower living standard*

(Sixth range)

Family size	100%	85%
1	$4, 170	$3, 545
2	6, 830	5, 860
3	9, 330	7, 973
4	11, 580	9, 843
5	13, 670	11, 620
6	15, 980	13, 583

Mr. DURENBERGER. This table has a standard of $11,580 for a family of four and would define eligibility in the 10 States mentioned.

Mr. President, I am sure it was not the committee's intent to deny weatherization services to families who are in need. In fact, I am quite sure that they chose the BLS lower living standard because it was a more generous definition of need than can be determined by using 125 percent of the poverty guideline as we now do. We Minnesotans, have probably been oversensitized to the significance of statistical definitions as a result of the fuel assistance debate that is currently being waged in our State legislature. Some excerpts from that debate may be of some use to my colleagues, and at this point in my remarks I would like to include two items that present the issues that are being debated in Minnesota. Mr. President, I ask unanimous consent that these articles be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Minneapolis Tribune, Nov. 29, 1979]

WHAT STRATEGY FOR LONG-RANGE FUEL AID?

The sure availability of state and federal emergency funds has removed all need for a special legislative session to help Minnesota poor people pay their fuel bills this winter. Without the fear of being blamed for someone's freezing, political leaders have time carefully to think through a longer-range response to dramatically rising fuel costs. We hope the politicians don't squander their opportunity in empty posturing about who has promised the voters more money or who has been thriftier with the public purse. There are better ways to use the time.

The state needs a fuel-assistance policy for new long-term needs in both social welfare and energy conservation. The new needs are easy to state, but difficult to reconcile. The difficulty is that strategies good for one area may be bad for the other.

In welfare the need to prevent higher heating costs from imposing a new poverty. The particular threat now is to low-income households using fuel oil or propane. Their cost increases are so much more rapid than general inflation that some people's budgets simply cannot adjust. For minimum standards of health and safety, such households need either more money or ways to use less fuel. Public assistance for both these purposes is a sensible and necessary social-welfare expense.

But where fuel is concerned, welfare spending should not be considered apart from energy conservation. After all, the high cost of fuel has a basic good effect. It helps wean the nation from energy inefficiency. However, rapidly rising fuel prices also pose a threat of unfairness. The unfairness is not that poor people must adjust to new energy realities. The unfairness is that many may have no room to change their energy use. Energy policy requires that real adjustments be possible, and that fuel stay high-priced—even for the poor—as incentive to make the adjustments more likely.

When energy needs are considered stimultaneously with welfare needs, two major conclusions emerge. First, long-range assistance for low-income heating should primarily subsidize conservation, not continued fuel consumption at present levels. The implied priority is a state-funded program for improving the fuel efficiency of homes and apartments where poor people live. The best help is to reduce the burden of fuel bills by reducing the amount of fuel required. That is also the cheapest help. Money given to pay for inefficient heating must be given again and again. Money spent for insulating and weatherizing is spent only once, and generates savings year after year.

Nevertheless, as fuel costs continue soaring, many households will still need public help to supplement their incomes directly. That need should be met. But low-income people thus receiving extra money should not be required to spend it on fuel. Such a restriction undercuts the incentive for conservation. It lowers the relative cost of energy use and withholds the rewards for energy saving. Recipients of fuel assistance should be free to spend their money any way they wish. If some scrimp on heat in favor of clothes or furniture, so much the better. Welfare is still served, and so is conservation.

Unfortunately, most proposals for Minnesota fuel assistance ignore both these principles. Both political parties want far less subsidy for fuel inefficiency than for using fuel as it has been used before. And both would essentially require that fuel-aid recipients spend their increased income only on home-heating. For emergency situations, such limits may make sense. But for longer-range strategies they are the wrong prescription. In the breathing spell now available, legislators and the governor should shift their sights to the longer range. Minnesota needs a fuel-assistance strategy that raises income for low-income fuel users, yet reduces the amount of fuel they are likely to burn.

Is Fuel Assistance Failing?

(By Roberta Walburn)

Item: Fuel aid workers in St. Paul kept a tally of the number of people who were turned away from the program in the first month and a half because they were over the income limits.

They counted 1,643 people, several hundred more than the number of people who applied and qualified for aid with their fuel bills.

Most of the ineligible people—1,105—would have been able to get assistance if the Legislature had passed even the most restrictive fuel aid bill it has considered since last fall.

Item: A woman who lives in the Twin Cities area sought help with her natural gas bills, which had piled up to $1,551. She qualified for the fuel aid program and got the maximum assistance. That's $275.

Item: A person applying for the federal weatherproofing program may face a wait of six to nine months in Stearns, Sherburne and Benton counties, the area served by Tri-County Action Programs. Sometimes by the time a crew gets to a house on the list, the family will no longer be eligible for the program because its income has edged up.

Last year about $10 million of federal money was spent on fuel aid in Minnesota.

More than $16 million already has been spent this heating season, and that's only about one-fourth of the amount that's available to the state.

Despite this increase in funding, people who are working to distribute fuel aid offer the same remarks over and over again when asked to assess the program. Some typical comments:

"It's a like Band-Aid on a broken arm."

"It does seem self-defeating pouring millions of dollars into a state for a Band-Aid technique."

"I think it's putting a Band-Aid on a big wound."

Fuel aid is not working to solve the heeling crisis in Minnesota, some observers say, because the income guidelines are too low to allow many in need to qualify for aid, because the amount of aid an eligible person gets can be too low to make a dent in fuel bills, because fuel aid often goes to poorly insulated houses, where the heat—and the federal dollars—just escape through the walls and windows and roofs.

And, finally, it's not working because nothng short of a wide-ranging, comprehensive energy program will help solve a problem as large as Minnesotans face with winter heating.

Under the federal program, a person earning up to 128 percent of poverty guidelines is eligible for fuel aid. That's $8,375 for a family of four. Homeowners and renters are eligible.

The Legislature has been considering a state program to help families earning more than that. Plans for a special session of the Legislature fell through last fall when the DFLers and the Independent-Republican governor couldn't agree on what the new eligibility limits should be.

There is now a DFL bill in the Senate that would extend fuel aid benefits to families earning up to 187 percent of the poverty guidelines. Gov. Al Quie has been sticking to a figure of 150 percent.

Legislators seem to have lost the sense of urgency they felt last fall about passing a fuel aid bill, perhaps because it is a mild winter. But people who work out in the field with the fuel aid program say the need is there.

"I think they (legislators) are out of touch with the common person," and Ann Sandgren, fuel assistance director at the Clay-Wilkin Opportunity Council in Moorhead.

The fuel aid money is given out by 35 agencies around the state, most of them community action agencies. Workers at the agencies report having to turn away large numbers of people who are over the 125 percent limit.

At the Minnesota Valley Action Council, based in Mankato, more and more people over the income limits are seeking aid. "As the winter goes along it gets harder to pay the fuel bills and more people are looking into it," said Gwen Bement, fuel coordinator.

At the Region Six East Community Action Agency, based in Willmar, from 35 to 40 percent of the applicants now coming in are over income limits.

Fraziel and Barbara Montgomery head one family that applied for fuel aid and was turned away. They would get help if the state changed the income limits to 160 percent of poverty standards, according to calculations by the Minneapolis Community Action Agency.

The Montgomerys live in north Minneapolis with their four children and a grandparent. Fraziel Montgomery works for Northwestern Bell, but medical problems have kept him out of work for a couple of months.

They owe more than $836 in gas bills.

"I just wonder why we just can't get no help," said Barbara.

Montgomery. "I'm not going to lie. I'm not going to lie just to get any help."

Many of the people turned away would qualify for aid under a 160-percent standard. Many of them are elderly and many of them were placed over the income limits when their Social Security income increased last year.

The income standards are based on gross earnings and don't take into account a person's expenses. So an agency may have to turn away someone who may earn only a few dollars more than the standard but who has enormous medical bills.

Community action workers get frustrated, angry and depressed as they have to turn away streams of people. They often scramble to get some type of aid—sometimes through welfare programs, sometimes asking fuel-oil suppliers to extend credit—for people facing fuel emergencies who can't qualify for fuel assistance.

Peggy Moody, coordinator for Ramsey Action Programs fuel aid program, recalled a man who came in for aid who was $182 over the income limits. He had nine children. Workers tried to figure his income two different ways in the hope that he would qualify for assistance. But he still came in too high.

"I was so tempted to cheat on that, put an extra person in the household," she said.

At a recent staff meeting of the Minneapolis Community Action Agency, fuel workers were told about the latest regulations they had to follow to verify the eligibility of applicants.

They were told, among other things, that they must have an applicant write down the names of everyone living in the house. The more people in a house, the more an applicant is allowed to earn and still get fuel money. Writing down the names is supposed to make it harder for an applicant to lie.

The workers at the meeting grumbled about bureaucracy. They didn't see cheating as the problem. The problem, as they see it, is income limits that are too low.

"It's probably rash to say double the income limits, but that's what I would do," said Luann Hamele, program coordinator at the agency.

But fraud and waste are still very much on the public's mind. And the fuel program's image wasn't helped any last month, when the federal government mailed checks of up to $250 each to senior citizens and disabled people on Supplemental Security Income without knowing if the people had fuel bills or if, for example, they lived in nursing homes and did not pay for heat.

Community action agencies were swamped with fuel aid applicants when the program started last fall. That has tapered off, and there now appears to be plenty of money to go around to all eligible people.

But there is some concern that there will be another rush in April, when regulated gas and electric utilities will be allowed to shut off service to people who haven't paid their bills. Some community agencies fear that people may let their bills pile up as long as they're not faced with shutoff.

The most a person can get for fuel aid is $400, if the dwelling is heated with fuel oil, or $275, if it is heated with natural gas.

The average cost of heating a house with fuel oil is about $950 a season. For natural gas, it's $435. That's at current prices, and prices are expected to keep increasing.

Many people who got fuel aid early in the season now are going back for the second time. But they're turned away because it's a once-a-season payment.

There are about 1,333,000 households in Minnesota. About 200,000 households are estimated to be eligible for the fuel aid program, and about 80 percent of them—180,000—will actually get aid, according to Jane Brown, coordinator of the Energy Crisis Assistance Program for the Minnesota Department of Economic Security. Some people who are eligible won't want aid or won't find out about the program.

About 10 percent of the households getting fuel aid—16,000—will get their homes weatherproofed under the federal program, Brown said.

Up to $1,000 can be spent on each of these homes, for such things as weatherstripping, caulking, closing off fireplaces, insulation, storm windows.

At many community action agencies, people applying for fuel aid also are asked if they want to sign up to get their houses weatherproofed. The income guidelines are the same for both programs.

Some agencies can get to the houses relatively quickly but there are long waits at others.

The weatherproofing program started in 1977 but had so many problems that it was very slow to get off the ground.

The big problem was that the program was supposed to use workers from CETA, the Comprehensive Employment Training Act. This labor pool turned out to be too small and too unstable.

What really got the program rolling in Minnesota was when the Legislature allocated about $3 million last year to help with labor costs. As a supplement to the federal funding of $9 million last year and another $9 million this year it was just what the program needed.

In October, November and December, 2,445 homes were weatherproofed in Minnesota, the best quarter ever, according to Al Chapman, supervisor of the program for the Minnesota Department of Economic Security.

In Minneapolis, 78 houses were weatherproofed in January, a record, said Al Lopez, who directs the program under the auspices of the Urban Coalition. The previous high was 42 houses. This month, the agency is aiming for 183 houses.

Even so, there were about 450 people on the waiting list in Minneapolis (although not all of these people have had their incomes verified as meeting the guidelines.)

The program still is limited statewide by too little funding and by difficulties gearing up work crews fast enough to handle the demand, Chapman said.

Brooks Anderson used to live in the isolated university world, serving as a chaplain on a Duluth campus. Now he's a fuel aid worker with the Duluth Community Action Program—and his work has opened up a whole new world for him.

He's had to cope with people weeping on the phone when they find out they don't qualify for aid. He tells stories about outreach workers arriving at a woman's home to find it in the 40-degree range and the woman in the early stages of hypothermia, or finding an elderly couple sitting in front of their oven, the only source of heat in their house.

"It's been a real eye-opener to me to know that there are a lot of desperate people who dont know if they're going to make it through," he said.

Some of it is people shivering. But it's anxiety . . . Maybe they worry too much. But, boy, they have a lot to worry about."

"It's stirred my anger and some of my old activist juices come to the surface again."

He talks about a comprehensive energy program, stressing education, conservation, alternative resources and alternative technologies.

(Other people associated with the fuel aid pogram suggest more money for weatherproofing, which appears to be coming from both the state and the federal governments; giving people the fuel aid money directly, instead of giving it to the utilities, so they can make a choice whether to use it for fuel or weatherproofing; having people pay a fixed percentage of their income for fuel.)

"This is one of the major transitions in human history and I don't think that's overstating it," said Anderson. "We need to pull out all the stops."

Mr. DURENBERGER. Mr. President, I have indicated that I have great respect for the committee's efforts in the area of energy assistance. It is after all Senators from this committee who have created the programs that protect our senior citizens and other Americans of low or fixed income from the desperate crises that energy inflation can cause. However, I think the amendment I have offered is an important and necessary change in the committee bill and would recommend it to my colleagues.

Mr. JAVITS. Will the Senator yield?

Mr. DURENBERGER. I yield.

Mr. JAVITS. Mr. President, we have examined this amendment and it is satisfactory to Senator NELSON and myself. What it does is to conform the weatherization bill to the emergency fuel assistance bill. We think that is eminently proper. It makes sense in governmental terms. We find the amendment acceptable. We are willing to yield back the remainder of our time.

Mr. DURENBERGER. I yield back the remainder of my time and move adoption of the amendment.

The PRESIDING OFFICER (Mr. STEWART). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 996

(Purpose: To provide improved targeting of Federal financial assistance for the Summer Youth Recreation Program)

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 996.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 107, between lines 16 and 17, insert the following:

SEC. 4. Section 225 of the Act is amended by adding at the end thereof the following new subsection:

"(e) Not less than 15 per centum of the sums appropriated for section 222(a)(6) shall be available to the Director to provide targeted assistance in furtherance of the purposes of section 222(a)(6) to areas having high concentrations of public assistance recipients; unemployed persons; and related children living with families with incomes below the poverty line.".

On page 107, line 17, strike out "SEC. 4." and insert in lieu thereof "SEC. 5.".

Mr. JAVITS. Mr. President, it will be noted that at page 107 of the bill there is a part D of this bill which is headed "General Provisions." It will be noted that those general provisions do not relate to the fundamental purpose of the bill, which is to establish a comprehensive energy conservation services program. But they do amend the Economic Opportunity Act of 1964. It is only for that reason, because it is a relevant amendment to a bill which may or may not be in conference but if it is in conference will be in conference between the proper committees, that I submit this amendment.

This amendment, Mr. President, would provide critically needed summer recreational opportunities for economically disadvantaged children.

The programs are coordinated at the local level with the summer youth employment program, administered by the Department of Labor, and with the summer feeding program for children, administered by the Department of Agriculture.

Funds allocated under the summer youth recreation program generally leverage additional private sector and non-Federal governmental resources to provide a comprehensive recreation experience for poor children.

Mr. President, the summer youth recreation program is an exceedingly small Federal effort—only $10 million in 1980 in a budget of some $564 billion. I offer this amendment not only because the recreational opportunities of poor children in our country is a matter of great importance to me but also because there are a couple of reasons why many of the cities of our country are threatened with really draconian cuts in federally funded summer youth recreation opportunities unless this amendment is adopted.

The first reason is that, in early 1979, the Community Services Administration, which administers the summer youth recreation program, altered the formula for distribution of funds to conform it to the approach applicable to the other special emphasis programs in section 222 of the Economic Opportunity Act. As a result, a number of cities, including my own city of New York, suffered rather severe cuts in the funding of the summer youth recreation program.

The second reason is that the national appropriation has been reduced from $17 million, which was appropriated in 1979 to $10 million for this upcoming summer, a reduction of nearly 40 percent. Taken together, these two developments will severely reduce the availability of summer youth recreation program funds in a number of areas which have exceptionally high concentrations of disadvantaged children.

Accordingly, I have submitted an amendment which would give the director of the Community Services Administration greater flexibility to target some additional funds—really de minimus amounts—at areas which stand to suffer the deepest cuts in these programs. Under the provisions of my amendment, 15 percent of the national appropriation for the summer youth recreation program would be set aside for the director to use at her discretion to provide specially targeted assistance to areas that have high concentrations of first, public assistance recipients; second, unemployed persons; and third, related children living in low-income families—the same three factors that are used in the general distribution formula.

Mr. President, no change will be made in the formula whatever. This is simply a question of an allocation targeting of a relatively small part of that formula to where it will do the most good and to give the director some flexibility on that score. I hope very much that the amendment will be agreeable to my colleague.

Mr. NELSON. Yes, Mr. President, I think it is a very good amendment. Insofar as this side of the aisle is concerned, I think it is acceptable.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. NELSON. I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NELSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 997

(Purpose: To create special energy loan programs)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 997:

On page 100, line 22, insert between the word "firewood", and the word "provisions" the words "emergency loans, grants or revolving funds,"

Mr. STEVENS. Mr. President, I yield myself such time as I may need.

The amendment I have sent to the desk is for special energy loan programs, which are of great importance to my State of Alaska.

This amendment will fill a unique need for individuals who live in remote areas, such as small villages in Alaska, who do not have road way access to fuel.

In Alaska, a great percentage of the communities do not have road access to supply centers. To keep the cost of fuel for winter at a reasonable rate, it must be ordered in bulk quantities and be flown in or barged. Therefore, this situation dictates that these villagers must order their entire supply of winter fuel in the preceding summer. This, of course, creates a great financial hardship for these residents, most of whom are below the poverty level. Sometimes, in particularly harsh winters, emergency supplies of fuel must be flown in on short notice.

This amendment allows these individuals to receive a loan from the Federal Government to buy their fuel, and then allows them to pay back their bills in increments—just as most utility customers in the rest of the States do. In emergencies, the community can borrow money to pay for the fuel on short notice. For an individual who cannot afford these payments, the money is forgiven in the form of a grant.

It is my understanding that this amendment has been cleared by both the majority and minority sides on the committee. I urge the Senate to adopt the amendment.

If my friend has remarks, I yield to him at this time.

Mr. NELSON. Mr. President, I support the amendment of my distinguished colleague from Alaska. The amendment clarifies the crisis intervention provisions of S. 1725 by adding specific language which includes emergency loans, grants or revolving funds in the activities that may be conducted as part of crisis intervention.

The State of Alaska has operated a revolving community loan fund, which has filled a great need in Alaska and been very successful. This amendment simply makes it clear that a loan fund of this nature could be operated by a State or area under the crisis intervention program.

I find it a very sensible amendment and I am prepared to accept it.

Mr. JAVITS. Will the Senator yield?

Mr. NELSON. Yes.

Mr. JAVITS. Mr. President, this amendment is not only sensible, as Senator NELSON has properly said, but it is quite innovative and indicates the kind of flexibility which I understand will not only be useful to Alaska but other rural areas in cold climates. I certainly find it acceptable as far as I am concerned.

Mr. STEVENS. I thank the Senator from New York and my good friend, the majority manager of the bill.

I yield back the remainder of my time.

Mr. NELSON. I yield back the remainder of the time on this side.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 998

(Purpose: To provide an adequate audit plan to assure fiscal accountability in State and area programs)

Mr. NELSON. Mr. President, on behalf of the distinguished Senator from Florida (Mr. CHILES) I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) on behalf of Mr. CHILES, proposes unprinted amendment numbered 998:

On page 83, strike out lines 1 through 11 and insert in lieu thereof the following:

"(9) set forth a fiscal and program audit plan designed to assure accountability for State and area programs assisted under this part which (A) meets such criteria as the Comptroller General of the United States shall prescribe for the purpose of this part, and (B) describe in detail at least recordkeeping procedures for the expenditure of funds received under this part, procedures for property acquisition, procedures for inventory control, procedures for maintenance of payroll records, procedures for selection of eligible participants and any other factors relating to accountability as the Comptroller General may prescribe; and

"(10) describe in detail procedures which will enable the Director to audit and monitor State and area programs, and will assure adequate supervision in monitoring of local projects by the State and area applicant, particularly with respect to the eligibility of participants, the propriety of participant selection procedures and practices, and the purchase and disposition of materials; and"

On page 83, line 12, strike out "(10)" and insert in lieu thereof "(11)".

On page 94, line 6, strike out "and".

On page 94, line 10, strike out the period and insert a semicolon and the word "and".

On page 94, between lines 10 and 11, insert the following:

"(4) prepare and submit to the State or area agency a fiscal and program audit plan which meets such criteria as the Comptroller General of the United States shall prescribe for the purpose of this part, and which substantially complies with section 1116(b) (9) (B).

Mr. NELSON. Mr. President, I am offering this amendment on behalf of my distinguished colleague from Florida (Mr. CHILES). The amendment would add to the program management and monitoring requirements currently in S. 1725. This amendment would provide a specific requirement that in order to receive financial assistance a fiscal and program audit plan which meets the criteria prescribed by the Comptroller General of the United States would have to be established by State and area programs. This plan, as a part of the State weatherization plan, would have to be approved by the Director of the Community Services Administration and take into account all recordkeeping procedures, payroll records, and program policies, which are all already required of the programs.

The Chiles amendment would strengthen the present recordkeeping practices by requiring that such practices be in line with the audit structure of the Comptroller General. This can only assist the local and State programs in keeping better records and having these records more accessible to the random audits by the Director and the Comptroller General. In addition, a local program would also have to establish a fiscal and program audit plan which meets the criteria prescribed by the Comptroller General.

The Senator from Florida is very knowledgeable about what standards are necessary to insure that proper auditing can be done of Federal programs and funds. His amendment makes a very positive contribution to S. 1725 and I commend him for this contribution.

Mr. President, this amendment has been cleared by the distinguished Senator from New York. It simply provides a financial assistance and fiscal program audit plan which meets the criteria prescribed by the Comptroller General. I think there is no objection to it.

Mr. President, I ask unanimous consent that a statement by Mr. CHILES, the author of the amendment, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR CHILES

I am pleased that the Committee has agreed to offer the amendment I suggested, which would require greater fiscal accountability on the part of the State and local programs which administer the weatherization program for the low-income.

I fully appreciate the need for this program and recognize its value to many low-income and elderly households. However, I am concerned about the States', and especially the local programs', capability of assuring that the weatherization monies are spent in the most efficient, as well as effective, manner.

To assist these administrative units in developing a greater fiscal accountability, I am offering this amendment which would require the State and local programs to design a fiscal and program audit plan in accordance with criteria prescribed by the Comptroller General. This plan, as a part of the State weatherization plan, would have to be approved by the Director of the Community Services Administration and take into account all recordkeeping procedures, payroll records, and program policies, which are all already required of the programs. My amendment would strengthen the present recordkeeping practices by requiring that such practices be in line with the audit structure of the Comptroller General. This can only assist the local and State programs in keeping better records and having these records more accessible to the random audits by the Director and the Comptroller General.

I think this amendment is essential for better accountability by these programs. The budgets of most of the local programs will be increasing substantially due to the projected increases in the energy assistance and weatherization programs. I have become familiar with the operations of these programs through hearings by the Subcommittee on Federal Spending (Governmental Affairs Committee) and the Appropriations Committee, on which I serve. These hearings have revealed serious inadequacies in some of the CAPs and it is these inadequacies which prompt my concern. I realize that many of the CAPs are performing admirably. But even these more efficient programs can only be made more proficient by the requirements of my amendment.

I have assurances from the Comptroller General's Office that what I am proposing is in line with the auditing procedures of the General Accounting Office. I will be working with the GAO and the Appropriations Committee during the coming months to insure that these procedures are implemented by the programs.

Senator Nelson and his staff are to be commended for their diligent efforts to improve these programs. I look forward to working with them in assuring that more low-income households are provided the necessary assistance to conserve energy. A sound energy conservation policy depends on conservation efforts by all of America's households.

Mr. JAVITS. Mr. President, the amendment is acceptable to me.

Mr. NELSON. I yield back the remainder of my time, Mr. President.

Mr. JAVITS. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Florida (Mr. CHILES).

The amendment was agreed to.

Mr. NELSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I ask unanimous consent that we have a quorum call without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I understand that there are about three more amendments, which I do not believe are controversial and that we ought to be able to dispose of very quickly. I understand that there will be a request for a vote on final passage.

UP AMENDMENT NO. 999

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 999:

On page 68, line 7, strike the period and add "taking into account the marginal savings to be realized for each additional weatherization measure."

Mr. DOMENICI. Mr. President, I understand that the floor managers of the bill have agreed to this amendment. They have helped us modify one that I had prepared previously.

Is that correct?

Mr. NELSON. Yes. I think it is a good, sensible amendment, speaking for myself. I am willing to accept it.

Mr. DOMENICI. I ask the Senator from New York——

Mr. JAVITS. Yes. As a matter of fact, the amendment actually is contained in the purposes of the legislation and the report. So if we mean it, we should write it into the bill. It is acceptable to me.

Mr. DOMENICI. I thank my good friend from New York.

I just want to make my intention clear. In light of the fact that we are not setting any dollar limits on how much can be spent for weatherization, I hope that, whether it be the CSA Director or the Department of Energy, or whoever ultimately manages this program, they will see to it that when we go into a home to weatherize it, if we are going to spend money on it, what we end up is as good a weatherization job as possible; that we do not try to placate people by putting something in a house which ends up not saving any energy and not doing any good, just to save criticism of the program, whether it be at the local level or the national level.

When they adopt weatherization and adopt regulations for it, we hope they are going to take a look at getting energy savings from the weatherization and not try to fix up a home that cannot be fixed, only to have those critical of the program complain afterward about the program. We will be very concerned about marginal savings.

I thank the floor managers for helping us modify our amendment to make it as effective as I think it will be.

I yield back the remainder of my time.

Mr. JAVITS. Mr. President, will the Senator add my name as a cosponsor of the amendment? I think he is right about locking it into the bill, and I wish I had done it myself.

Mr. DOMENICI. I am delighted to ask unanimous consent to have the name of the senior Senator from New York added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Senator from New York again for his assistance.

Mr. NELSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DOMENICI. I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

UP AMENDMENT NO. 1000

(Purpose: To provide more flexibility in the administration of provisions relating to the State weatherization councils)

Mr. WALLOP. Mr. President, I send to the desk an unprinted amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP) proposes an unprinted amendment numbered 1000:

On page 73, line 22, strike out ", but not less than $75,000,".

On page 87, between lines 1 and 16, insert the following new subsection:

"(d) If any State has a State weatherization policy council or other similar entity composed of representatives that substantially meet the requirements of paragraph (3) of subsection (a) of this section the State may designate such a council or entity to carry out the functions of the State weatherization council under this part.".

Mr. WALLOP. Mr. President, the two amendments I am offering will make minor, but important, changes in the bill relative to the State weatherization council. Section 1117(a) of S. 1725 requires the establishment of a State weatherization council in order for a State to receive financial assistance for its weatherization program. The membership of the council is spelled out in detail in subsection 3 of section 1117. The council is required to meet at least three times a year to carry out its statutory functions which include advising the Governor in preparation of a State weatherization plan and in reviewing and assisting local weatherization projects. Funding for the State weatherization council is set forth in section 1114 (d) of the bill. That section provides that not to exceed 1 percent, but not less than $75,000 of a State's weatherization allotment shall be allocated to carry out the council's requirements.

My first amendment drops the mandatory $75,000 funding floor from section 1114(d). It does not in any way affect the maximum allocation for the State weatherization council now contained in that same provision which is 1 percent of the total State allotment. This change will provide needed flexibility for the States in determining how much money will be required to fulfill the responsibilities of the council. The balance of the State allocation can then be spent for weatherization of low-income dwellings. Under the amendment, the State may spend up to, but not in excess of 1 percent of its total allocation for that purpose. If the State can carry out these requirements for under $75,000, the State would and should then have the prerogative to do so.

Under the existing Department of Energy weatherization assistance program for low-income persons, the States are required to establish policy advisory councils which have responsibilities quite similar to those envisioned by S. 1725. As in the legislation under consideration, council members are not paid salary, do not serve full time and meet infrequently. Based upon Department of Energy data, 13 States have total administrative costs of less than $75,000. Thus, at least 13 of the existing advisory councils are carrying out their duties for under the amount allotted in this bill—$75,000. In a survey of region IV, the actual costs attributed to the State weatherization advisory councils range from $0.0 to $650 per year. The average amount allocated for such purpose is $200. It is also possible that some, if not many, of the States with total administrative costs in excess of $75,000 are spending less than that sum on weatherization council efforts.

In my own State of Wyoming, the State weatherization policy advisory council has met between two and three times per year. The total annual expenditure for council meetings and work products has been in the neighborhood of $600. This is a far cry from $75,000 which would, in the opinion of some of the State administrators of the weatherization program, be very difficult to spend and would undercut direct weatherization efforts by taking so much money out for administrative-advisory functions. For example, from a total allocation of approximately $950,000, Wyoming would be required to earmark $75,000 for a function that could be carried out for under $1,000. My amendment would prevent this wasteful bureaucratic situation from arising by striking from the bill the requirement that a minimum of $75,000 be spend for council tasks.

The second amendment I am offering would allow the States to consolidate the State weatherization policy advisory council required to be established under the Department of Energy program (42 U.S.C. 6864(b)) and the State weatherization council required to be established under section 1117 of S. 1725. If a State has a weatherization policy or other similar entity composed of representatives that substantially comport with the membership requirements enumerated in this legislation, my amendment would authorize the State to designate that agency, council, or entity to carry out the functions of the State weatherization council required to be set up by this bill.

This amendment will expressly allow States to coordinate and consolidate existing entities which have as their purpose the supervision of State weatherization efforts for low-income persons. It will avoid overlap and duplication and will more efficiently bring about the objectives of this act—the weatherization of homes to make them fuel efficient.

I believe both of these amendments are acceptable to the managers of the bill.

Mr. NELSON. Mr. President, I believe this is an eminently sensible amendment: that any State that has a weatherization policy council or similar entity which substantially meets the State weatherization requirements in S. 1725, be deemed to be the council. There should not be duplication.

I commend the Senator from Wyoming for his amendment. It is perfectly acceptable to me, on this side.

Mr. JAVITS. Mr. President, I join Senator NELSON in his views, and the amendment is acceptable.

Mr. WALLOP. I yield back the remainder of my time.

Mr. NELSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 1001

(Purpose: Limit weatherization assistance to the 50 States and the District of Columbia)

Mr. WALLOP. Mr. President, I send another unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP) proposes an unprinted amendment numbered 1001.

Mr. WALLOP. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 66, line 10, after "District of Columbia" strike the comma and insert in lieu thereof a period.

On page 66, lines 10 through 13, strike out "the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands."

On page 73, strike out lines 1–7 in entirety.

Mr. WALLOP. Mr. President, this amendment would delete the two parts of the bill which authorize weatherization funds for the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

Under the current Department of Energy program, established by Public Law 94–385, the Energy Conservation in Existing Buildings Act of 1976 only the contiguous 48 States, Hawaii, Alaska and the District of Columbia are, by definition, eligible for weatherization moneys. In 1978, when Congress amended that act with the adoption of the National Energy Conservation Policy Act, these jurisdictions were not brought within the purview of the weatherization program.

Although fuel costs have risen since 1978, and in fact are somewhat higher in the Pacific Islands than here on the mainland, there still is no appreciable need for weatherization in these tropical islands. The average annual temperatures in these jurisdictions range between 76 and 83 degrees. By the very distribution formula in the bill, these islands would be hard pressed to come up with the necessary degree-days.

There are no substantial heating problems to speak of in these areas. If anything, cooling is the critical problem experienced by the low-income people. However, for purposes of this legislation the catch-22 is the fact that the low-income people do not, as a general proposition, enjoy the luxury of air-conditioning. Calking, home insulation, and other weatherization technologies would have little application in homes, many of which have neither inner walls nor glass panes on their windows.

Although the maximum amount of money these jurisdictions could receive under this bill would be $1.5 million, I am still concerned about expending funds in hot-weather jurisdictions when other areas of the country are desperately trying to cope with the cold. As a national priority, we ought to be attentive to the colder spots before we furnish funds for weatherization to areas that simply do not need them.

Finally, I think it is important to distinguish the low-income weatherization program under consideration here from the low-income energy cash assistance program dealt with by this Congress both in the context of the Interior Appropriations bill and the windfall profits tax measure. The weatherization program is intended to make improvements in dwellings to render them more fuel efficient. There is a critical need for this in cold climate areas, which does not exist in tropical islands. We would needlessly be pumping money into areas with little, if any, need for weatherization efforts under the language currently in the bill.

The cash assistance program, on the other hand, is intended to provide some relief to low-income individuals to help keep pace with inflated prices which are partially attributable to high energy costs. Since these jurisdictions are not immune from inflation, the low-income residents may need cash relief while having no demonstrable need for weatherization assistance.

In conclusion, my amendment seeks to preserve our limited natural funds for use where there is real need for weatherization. Although the sum of money at issue here is small comparatively speaking—a maximum of $1.5 million is involved—the principle is important. Conservation is the goal of weatherization; conservation of Federal funds can be secured by my amendment without in any way undercutting the weatherization program.

Mr. JAVITS. I yield myself such time as I may require.

Mr. President, the problem we face in the committee is really not so much a problem of heating and cooling, both of which would come under weatherization, but a problem of discrimination. We also have the added point to discrimination, which I will discuss in a moment, that in Puerto Rico, for example, there are torrential and cold rains, and this presents to low-income families a very great problem of weatherization.

If rains, after all, sweep into a dwelling, that, also, is as difficult as very, very cold weather.

The discrimination factor comes about as follows: The climate of Hawaii is no different from that of the Marianas

Islands and the climate of the great southern belt of States similar in areas to that of the Caribbean.

In other words, we expect that this program will be administered with fidelity to the last amendment adopted which came right out of our committee report. Where there is only a marginal increment in savings there should be no program.

This is quite a usual provision in most any bill of this kind which relates to low-income families, three-tenths of 1 percent.

I wish to undertake a special commitment to the Senator that we will make it very clear to the agency that we do not expect any expenditures in the kinds of area which the Senator describes, that we will hold them very strictly to account because one could accept the Senator's argument and probably keep in this provision of Puerto Rico which, by the way, would be the largest entity concerned and would account for the most money, and then leave in his amendment as to the remainder of it. I do not know how smart that would be of us in terms of policy.

The Senator is doing a national service calling to our attention a place where even if it is a little money, relatively speaking, it can leak out. If the Senator would feel that it is a problem that should be left to us and to the administrators, I would undertake the following, if Senator Nelson will join me, that we would, upon the passage of the bill and the law, give notice to the administrator that we expect to hold them strictly to account in these areas as to the definition just inserted by the Domenici amendment and, second, that in their annual report we will expect special reference to how they carried out our oversight injunction to them.

Mr. WALLOP. Is it the Senator's understanding that this money is primarily designed for rainproofing and not weatherization?

Mr. JAVITS. It is weatherization. Weatherization includes rain just as it would include snow, ice, hail, or cold generally. In other words, a place is not underweatherized only because it is in a cold climate. That is all I say.

And when one takes the analogy with the Southern States in our own country and with Hawaii, which is pretty well located as these other areas, the only thing that worries me is whether as a matter of policy we should omit in this particular place the boilerplate which we write into all these bills of a minor percentage for the Trust Territories, Puerto Rico, and so on. That is all I have.

Mr. WALLOP. It is my understanding, and correct me if I am wrong, that Hawaii does not have a weatherization program for the very reasons to which I just referred.

Mr. JAVITS. Perhaps it does not; in which case this program will not.

What I am saying is taking them out of the bill as a matter of policy is unwise. After all, these are people in a special category vis-a-vis the United States. They are not States. I think it is an unwise thing to enable the people of Puerto Rico to say, "They discriminated against us; they did not include us in the weatherization program."

Does the Senator see my point? That is all I am after.

Mr. WALLOP. I see that point. I hope that somehow or another Congress will eventually find itself in the posture, not only with regard to Trust Territories, but with other things as well such that it will deal with problems as they exist and on their individual merits and not because they present a political moment of discomfort in trying to provide a service for a need that does not exist.

Mr. JAVITS. A political moment could be important if it is a question of public order and the fairness of the United States, and we cannot overlook it. This is a political society. I do not think it is unimportant at all. It is not that kind of crass politics. I am not running for anything in Puerto Rico.

Mr. WALLOP. No, I did not mean that.

Mr. JAVITS. Nor is anyone else here.

Mr. WALLOP. I beg the Senator's pardon. I simply did not mean to imply such a thing as that, and I am totally misunderstood in that area.

What I am simply saying is boilerplate that, at a time of declining balances and great inflation, we should assess carefully in each instance whether or not the service we are seeking to provide is a needed one before adopting out of habit boilerplate.

I did not, and if the Senator could just give me a moment——

Mr. JAVITS. May I make a suggestion?

Mr. WALLOP. Yes.

Mr. JAVITS. I suggest the Senator's amendment cut the amount to one-tenth of 1 percent. I would rather do that than cut them out in whole. Does the Senator see my point?

Mr. WALLOP. Yes, I do. Let me make another suggestion, that we put into that section of the bill an amendment which would require in the annual report a needs assessment for a weatherization program in the aforementioned jurisdiction.

Mr. JAVITS. All right. That is fine.

Mr. WALLOP. And please, I say to the Senator from New York, I was totally inadvertent on that. It had not even vaguely crossed my mind. I hope the Senator understands that.

Mr. JAVITS. Of course. I think the point I made, speaking now as Senators of the United States, is our political Government is a valid one. For example, there is agitation in Puerto Rico to go independent. They shot up the House of Representatives when I was there and I was a target of the shooting. But the important point is that there is a big Independencia movement down there which is based on the whole theory that they are stepchildren, and that could be true of any one of these places.

Mr. WALLOP. I do not quarrel with the Senator's assessment of that.

What I was really getting at, when I referred to "political judgment," is that we often try to pass a formula in this body that applies to States that do not need all they become entitled to under the formula as well as territories.

Mr. JAVITS. I agree with the Senator.

Mr. WALLOP. I was trying to single out this particular one.

Mr. JAVITS. Could we take a minute then and the Senator write his amendment?

The Senator will write it. That is fine.

Mr. WALLOP. Let me accept the offer that the Senator from New York made. We will take a minute and rewrite my amendment as introduced.

Mr. JAVITS. Fine, and the Senator will cut the figure from three-tenths to one-tenth.

Mr. WALLOP. I will do that.

Mr. JAVITS. And we will state the intent as the Senator has just stated it.

Mr. WALLOP. That is true.

Mr. JAVITS. That is the intent of the legislation.

Mr. WALLOP. I appreciate it, and I thank the Senator.

Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. Mr. President, I ask unanimous consent that it be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1001, AS MODIFIED

(Purpose: Limit weatherization assistance to the 50 States and the District of Columbia)

Mr. WALLOP. Mr. President, I have a modification of my amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. Wallop) proposes an unprinted amendment numbered 1001, as modified.

Mr. WALLOP. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRFSIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 72, line 6, strike "three-tenths" and insert in lieu thereof "one-tenth."

On page 72, line 7, delete the period and add the following: ", provided that funds are spent only where significant energy conservation potential exists in dwellings in these areas."

Mr. WALLOP. Mr. President, I have cleared this provision with both floor managers of the bill. Simply stated, what we would do is to reduce the maximum appropriation for the previously named jurisdiction from three-tenths of 1 percent to one-tenth of 1 percent, and to require that any funds so appropriated be used for energy conservation. I understand it is acceptable to both managers.

Mr. NELSON. The amendment is acceptable to this side, and I understand it is acceptable based upon the suggestion of the distinguished Senator from New York.

I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Wyoming yield back his time?

Mr. WALLOP. I yield back the remainder of my time. I want to thank the managers very much for their cooperation and for their understanding.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Wyoming. (Putting the question.)

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, I believe these are all the amendments with which we are familiar. The yeas and nays have been requested and I ask that we move to third reading.

Mr. DOLE. Mr. President, at this time, I would like to extend my support to the low-income energy assistance plan outlined in the Economic Opportunity Amendments of 1979. These revisions to the Economic Opportunity Act in the form of a new title XI will establish a comprehensive energy conservation services program, under which various low-income energy-related programs and activities will be conducted.

SELF-EXPLANATORY NEED

With the energy crisis right at our doorstep, it is almost redundant to state that some kind of national energy plan is needed to aid all American citizens in coping with rapidly increasing fuel costs. I might indicate that we have made some progress and are making progress in the so-called windfall profit tax which will be before the Senate some time in the next 3 or 4 weeks. The events which have combined to put us in our present energy crunch and so complex that it will take time to deal with all the implications of fuel shortages.

However, my sympathies must lie with a scheme of setting priorities and assisting those citizens who are more seriously affected by the rising cost of heating oil and gasoline. Low-income families and individuals become victimized by economic circumstances beyond their control.

IMPACT ON THE ELDERLY

Foremost among these low-income groups are our Naton's elderly citizens, who have to live on a fixed income that is in itself barely adequate, but, compounded with energy costs, it becomes an almost hopeless situation. Quite often, older Americans are forced to make a decision between eating and heating. We cannot let this happen.

While we are still considering the best measures to incorporate into some kind of national energy plan, we must not forget those who must cope in the meantime with double-digit inflation, as well as fuel costs that are rapidly rising out of sight. We owe some assistance to those who cannot help themselves.

PURPOSE OF ENERGY ASSISTANCE

This legislation will provide grants to States for weatherization of low-income homes, under the same allocation formula that was agreed to last November, during consideration of previous home energy assistance legislation, which appears in section 326(a) of the Windfall Profit Tax Act. This allocation formula is prescribed for both weatherization and crisis intervention, and the Director and States receiving such assistance are required to conduct outreach activities as well.

These crisis intervention activities provide short-term assistance, which can be in the form of temporary shelter, emergency fuel, or supplies in dealing with near-poor individuals and families who are threatened by severe hardship or danger to health due to lack of fuel, utilities that are shut off, or other direct causes. The weatherization program is authorized for 3 fiscal years, with $500 million for fiscal year 1981, $750 million for fiscal year 1982, and $950 million for fiscal year 1983.

Under part B of the new title XI, the bill makes more explicit the existing authority for crisis intervention activities, authorizing such sums as may be necessary for fiscal years 1981 through 1983. Further, it will also revise the existing authority for energy conservation education; energy audit; energy conservation research demonstration, including pilot projects; alternative technological development; and other low-income energy-related activities. Authorization for these various activities during fiscal years 1981 through 1983 is established in part C of the new title, with the current funding level at $10 million for these purposes.

IMPLEMENTATION OF WEATHERIZATION

S. 1725 clarifies more explicitly the authority for the Community Services Administration to conduct this proposed low-income weatherization program, without affecting the Department of Energy's authorization to carry out its low-income program. However, what it will do is attempt to resolve many of the problems experienced by local program operators with the DOE weatherization program. Although the use of CETA labor is encouraged, it is not mandatory under this new plan. For example, in my home State of Kansas, where the unemployment rate is next to nothing, weatherization funds may be used to pay labor costs, which will greatly help in insuring the continuity of the program, while simplifying its complexity.

EFFECT ON PREVIOUS PROGRAMS

It is necessary to realize that these amendments to the Economic Opportunity Act will not duplicate previous legislation relating to low-income energy assistance, providing help in paying fuel bills and to residential energy conservation. S. 1725 will merely serve to complement previous low-income energy measures that have been put into effect, based on the premise that households with the lowest incomes lack the financial resources necessary to make energy conservation investments.

COMPARISON OF DOE'S WITH CSA'S WEATHERIZATION PROGRAMS

Although there was a time when both CSA and DOE were operating weatherization programs simultaneously, these programs were not duplicate efforts, since both followed very different sets of regulations. As opposed to the Department of Energy's weatherization program, which was authorized in 1976, the Community Services Administration has been involved with low-income weatherization since 1974, and has proven itself capable of implementing such a program with great effectiveness. It makes sense to place this responsibility with CSA, because it is well accustomed to distributing block grants to States and has the mechanisms already in place for providing services to low-income groups. To the best of my knowledge, the Department of Energy is just now finally ironing out some of the serious difficulties encountered in its weatherization program, which it has attempted to carry out with a demonstrated lack of effectiveness.

CONCLUSION

It is my hope that this legislation will provide some temporary relief from the financial strain of our current energy crisis through the various proposals outlined. Although we cannot intercept all the financial thrusts of the energy crisis, we can take some steps toward closing the gap that makes it particularly difficult for low-income groups to cope. By providing a weatherization program to assist in energy conservation, as well as establishing crisis intervention activities and other services, we hope to assist people in absorbing some of the impact of the current energy situation. Unlike other direct grants to States to supplement payment of fuel costs themselves, this program will help to ward off the energy crisis from another angle, making possible preventive measures that will save on energy consumption for heating purposes.

We all know that some kind of comprehensive national energy plan is necessary, but, until such a plan becomes an eventual reality, we must concentrate our efforts on providing assistance to those individuals who need help now.

Mr. President, I wanted to underscore what the distinguished Senator from Wisconsin indicated earlier, the operation of this program by CSA. Though I know that there is no mandate in the legislation, I would simply state, as I stated earlier in my statement, that they have a good record and that DOE has not done an adequate job in administering the program. It makes sense to place this responsibility in the CSA because it is well accustomed to distributing block grants to States and have the mechanisms already in place to provide services to low-income groups. To the best of my knowledge, the Department of Energy is just now finally ironing out some of the difficulties encountered in its weatherization program, which it is attempting to carry out with a demonstrated lack of effectiveness.

It is my hope we can provide some temporary relief. I have indicated that in my earlier remarks.

Mr. President, I did want to concur in the statements made by the floor manager of the bill (Mr. NELSON). I yield back the remainder of my time.

● Mr. HAYAKAWA. Mr. President, over the past 7 years, the price of electricity has increased 92 percent, gasoline 169 percent, natural gas 155 percent, and fuel oil 293 percent. With energy prices continuing to rise, the situation has become critical for many poor families, especially the low-income elderly and handicapped. Even with concerted efforts to cut back on consumption, low-income persons have watched fuel bills take a bigger and bigger chunk out of their monthly income.

Many American dwellings were constructed when energy was cheap and plentiful. Housing occupied by the poor is generally not energy efficient, older, and in desperate need of repair. The poor have no extra money for home improvements, therefore, all they can do is turn up the heat, watch it slip through the cracks, and hope they can catch a little on the way.

To respond to these special needs, Congress has enacted a $1.2 billion energy assistance program to help meet escalating fuel costs. Complementing this program is the Department of Energy's weatherization program designed to improve the energy efficiency of homes of those who cannot afford to help themselves. Qualified persons in the community action agencies of each State examine the eligible homes and provide needed services. Often, all that is needed is to replace casing of doors or broken windows. On other occasions there is a need for insulation or wiring. These conservation investments through weatherization result in fuel savings of 20 to 60 percent of preweatherization energy consumption and costs. Conservation displaces barrels of imported oil, and lessens our dependence on OPEC. The program also provides energy efficiency information to the consumer so that he can continue to tackle the problem by cutting down on his energy usage.

The weatherization program is currently administered by the DOE. Legislation before us today would set up the authority for the Community Services Administration to run the program. Admittedly, the Department of Energy had a slow beginning as agency officials contended with institutional problems inherent in any new program. But the DOE has implemented new regulations which address many of these problems, and there is evidence that the DOE's program is adequate and consistently improving.

Our country is in the midst of a deepening energy crisis. There are nearly 14 million low-income, near-poor households who are eligible for weatherization assistance. While we are standing here debating from what office building this program will be administered, we have constituents who are wondering if they will be warm next month. They cannot afford the interruption and delays that would be forthcoming if the program once again changed horses midstream.●

IMPROVING OUR LOW-INCOME HOME WEATHERIZATION PROGRAM

● Mr. CULVER. Mr. President, I welcome this opportunity today to join as a cosponsor of S. 1725, legislation to establish a comprehensive energy conservation services program within the Community Services Administration (CSA). This measure would give our indispensable low-income home weatherization program a much-needed revamping and expansion.

Mr. President, it would be difficult to overstate the importance of the Federal home weatherization program for low-income families. With fuel costs skyrocketing, and elderly and poor households struggling for their health and survival, this weatherization program should be the centerpiece of Federal energy relief efforts since it offers the best long-term solution to the problem. Few Federal programs can boast of such broad benefits in three areas of national priority—conserving energy and reducing our dependence on foreign oil; alleviating the financial plight of the elderly and poor by reducing their heating bills; and creating tens of thousands of productive jobs. Only through a program such as this can we hope to achieve meaningful, long-term energy cost relief for our elderly and poor, and lessen their dependence on annual fuel cost assistance payments.

For an average weatherization cost of about $1,000 per dwelling, fuel consumption can be cut by 20 to 60 percent. This represents an average annual fuel savings of at least 200 gallons of fuel oil equivalent per home. The improvements made at no charge to the low-income homeowner include weatherstripping, calking, patching leaky roofs, replacing broken windows, adding storm doors and windows, and insulating attics and sidewalls. On the local level, Community Action Program (CAP) agencies carry out the insulation activities with CETA labor. On the Federal level, the program was originally administered by CSA but has more recently been run by the Department of Energy (DOE).

The extent of the explosion in energy costs is revealed by statistics indicating that in the last decade fuel oil prices have jumped 373 percent, natural gas 233 percent, and electricity 223 percent. These prices will rise much higher as both crude oil and natural gas are decontrolled, and with them the magnitude of the hardships and suffering by our elderly and poor families will continue to swell.

Senior citizens are particularly vulnerable to mounting heating costs due to a combination of several factors. As a general rule, their homes are older and more likely to have little or no insulation. The elderly tend to suffer from poorer health and are more susceptible to illnesses from cold homes. And their limited incomes cannot absorb spiraling heating costs or cover needed energy-saving home improvements. Winter heating bills can consume half or three-quarters of their limited incomes, and force many to forego such basics as food and medication.

Unfortunately, this vital low-income home weatherization program has been plagued by mismanagement since the Department of Energy began to share in its administration in fiscal year 1977. Since then, local CAP agencies have had to cope with restrictive regulations, unrealistic spending limits, excessive paperwork, and a general unfamiliarity with serving a low-income clientele. Under DOE administration, many if not most CAP agencies across the country found that while insulation supplies were adequate, a serious shortage of CETA labor has developed in the last 2 years. This lack of manpower for weatherization crews led to heavy backlogs of applications and significant stockpiles of insulation materials. Several characteristics of CETA labor, such as low hourly wages, rapid turnover, and inadequate training have combined to slow weatherization activities in some areas to a virtual crawl. DOE has been seriously delinquent in successfully negotiating with the Labor Department to overcome these difficulties.

The number of DOE-weatherized homes has been woefully short of its own goals. And incredibly, by the end of 1979 DOE had expended only $96 million out of total appropriations of $490 million through fiscal year 1980. That is no way to run a Federal program so crucial to energy conservation and the welfare of our elderly and poor.

This legislation would establish a clear statutory framework within CSA for a sound home weatherization program with expanded, more realistic funding authorization levels. This program rightfully belongs in the CSA which has more experience in weatherizing homes, more flexible guidelines and realistic limits, the ability to coordinate needed labor, less paperwork, and a greater sensitivity to low-income citizens.

The Senate Human Resources Committee has concluded that CSA has a weatherization rate twice that of DOE, despite lower overall funding. From fiscal years 1975 to 1978, CSA weatherized 373,000 homes while DOE weatherized only 240,000 homes from fiscal year 1977 through the first quarter of fiscal year 1980.

Mr. President, the energy-savings potential of this weatherization program is reflected in the fact that only 6 percent of the homes needing insulation have been weatherized thus far. The 600,000-plus substandard homes that have been weatherized under this program represent only a dent in the estimated need of 10 million homes of low-income families. In my own State of Iowa, nearly 15,000 homes had been weatherized by the end of 1979, but an additional 68,000 substandard homes are estimated to need such improvements.

This home weatherization program is much too critical to permit it to be hampered by administrative delays, mismanagement, or a shortage of labor, materials, or funding. This all-important effort must be operated at maximum efficiency and with a sense of urgency befitting the crisis facing our elderly and poor. The Department of Energy clearly has not satisfied either objective. The Community Services Administration is better suited for this formidable task. Therefore, I urge my Senate colleagues to give this legislation favorable consideration.●

● Mr. STAFFORD. Mr. President, I rise in support of S. 1725, the Economic Opportunity Amendments of 1979, because it gives the Senate an opportunity to get the Federal Government's weatherization program working again for our elderly and low-income citizens.

Mr. President, the facts speak for themselves. In the 3 years that the Community Services Administration operated its weatherization program, CSA weatherized 372,911 houses for a total expenditure of $192.2 million. In contrast, the Department of Energy has only weatherized 240,000 houses during the last three and a quarter years that it has been responsible for this program.

When the Department of Energy took over the responsibility for the weatherization program, the Department promulgated new regulations that were so restrictive that they went far beyond the requirements of the law. The weatherization program was virtually shut down throughout the country by these regulations. The regulations adopted by the Department of Energy for the program are a classic case of overregulation and how the bureaucracy can regulate a program right out of business. The proof in this statement is in the fact that the Department of Energy weatherization program has been unable to meet its own weatherization goals.

Frankly, Mr. President, the Department of Energy is not a social service agency, nor was it Congress intent that it should be. On the other hand, it is the function of the Community Services Administration to assist our low-income families in meeting their needs such as a healthy living environment during the cold winter months.

Mr. President, I urge my fellow Senators to look at the facts in this situation and join me in supporting S. 1725. We should return the responsibility for the operation of this program to an agency that works day to day on the needs of low-income Americans. We should get the weatherization program working again.●

The PRESIDING OFFICER. Are there further amendments? If not, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and to be read a third time. The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may be a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, the rollcall is not in progress, the rollcall has not started?

The PRESIDING OFFICER. That is correct.

Mr. NELSON. Mr. President, I neglected to ask unanimous consent that Senator CULVER be added as a cosponsor of S. 1725. I ask unanimous consent that this be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the bill pass? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. FORD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. BRADLEY) and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from California (Mr. HAYAKAWA), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Illinois (Mr. PERCY), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER (Mr. BOREN). Are there other Senators present desiring to vote?

The result was announced—yeas 75, nays 5, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—75

Baucus
Bayh
Bentsen
Boren
Boschwitz
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Exon
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Pressler
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—5

Armstrong
Byrd,
Harry F., Jr.
Helms
McClure
Roth

NOT VOTING—20

Baker
Bellmon
Biden
Bradley
Chiles
Eagleton
Ford
Hayakawa
Hollings
Inouye
Kassebaum
Kennedy
Mathias
Matsunaga
Packwood
Percy
Ribicoff
Talmadge
Thurmond
Tower

So the bill (S. 1725), as amended, was passed, as follows:

S. 1725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Amendments of 1980.".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to establish a comprehensive energy conservation services program designed to enable low-income and near-poor individuals and families, particularly elderly and severely handicapped individuals, to participate in energy conservation and energy assistance programs which will lessen the impact of high energy costs on such individuals and families and reduce individual and family energy consumption.

COMPREHENSIVE ENERGY CONSERVATION SERVICES PROGRAM

SEC. 3. The Economic Opportunity Act of 1964 (hereinafter referred to as "the Act") (42 U.S.C. 2711 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XI—COMPREHENSIVE ENERGY CONSERVATION SERVICES

"SHORT TITLE

"SEC. 1101. This title may be cited as the 'Comprehensive Energy Conservation Services Act of 1980'.

"FINDINGS AND DECLARATION OF POLICY

"SEC. 1102. (a) The Congress finds and declares that—

"(1) rising energy costs have significantly reduced the real purchasing power of low-income and near-poor individuals and families, particularly elderly and severely handicapped individuals, in the United States to levels at which they are unable to acquire the necessities of life;

"(2) the real incomes of households receiving Government assistance payments as a primary income source have diminished in proportion to the real incomes of other households in the United States;

"(3) throughout the country the cost of essential residential energy supplies imposes a disproportionately larger burden on the incomes of low-income and near-poor individuals and families than on the incomes of other individuals and families, and in some parts of the United States this energy expenditure differential between income groups is extreme;

"(4) low-income Americans generally use less energy per capita than other Americans and have reduced their energy usage to the extent the conditions of their dwellings and equipment will allow, and further energy savings can be made primarily through improvements to their dwellings;

"(5) the housing occupied by the low-income and near-poor is generally not energy efficient, is usually older, and frequently in need of home repair;

"(6) high energy costs contribute to landlord abandonment and the deterioration of housing in low-income and near-poor neighborhoods; and

"(7) low-income households need a variety of forms of assistance to reduce energy costs including financial support, energy conservation education, weatherization services, and access to alternate energy sources.

"(b) It is, therefore, the policy of the United States that energy conservation services and energy assistance should be available to low-income and near-poor individuals and families in order to lessen the impact of high energy costs on such individuals and families, reduce individual and family energy consumption, and provide such individuals and families with the opportunity to become more self-reliant and less dependent on increasingly scarce nonrenewable sources of energy.

"STATEMENT OF PURPOSE

"SEC. 1103. (a) This title establishes a comprehensive energy conservation services program to provide low-income and near-poor individuals and families with weatherization services, crisis intervention assistance, energy conservation education, and outreach services; prescribes the functions and structure of the administrative mechanisms responsible for administering the various components of the comprehensive energy conservation services program; and authorizes comprehensive energy-related research, demonstration and pilot projects designed to enhance the ability of the Federal Government to respond to the energy needs of low-income and near-poor individuals and families. The title also requires the coordination of all energy programs throughout the Federal Government which serve the low-income and near-poor.

"(b) It is the basic purpose of this title to stimulate and encourage the development and implementation of programs for low-income and near-poor individuals and families that will lessen the impact of high energy costs, reduce individual and family energy consumption, reduce dependence on non-renewable sources of energy, and focus all available local, State, and Federal resources in such a way as to maximize the potential for achieving the objectives of this title. The specific purposes of this title are to—

"(1) encourage a partnership of Federal, State, and local resources to reduce the dependence of low-income and near-poor individuals and families on increasingly scarce nonrenewable sources of energy and thereby lessen American dependence on scarce energy resources, especially resources which are derived from the importation of foreign energy supplies;

"(2) lessen the consumption of foreign and domestic energy supplies by undertaking a comprehensive initiative to weatherize and make energy-efficient the dwellings of low-income and near-poor individuals and families by improving the energy efficiency of their dwelling places and providing access to low-cost, alternative energy sources;

"(3) provide crisis intervention assistance to alleviate the threat to the health and well-being of low-income and near-poor individuals and families created by a shortage of energy supplies or by severe weather conditions;

"(4) promote and encourage employment and enterprise development opportunities for low-income and near-poor individuals and families and communities in the fields of energy conservation and alternative energy development; and

"(5) carry out education programs that will assist low-income and near-poor individuals and families in adopting sound conservation practices that will maximize the benefits achieved through conservation and the use of alternative energy.

"DEFINITIONS

"SEC. 1104. As used in this title—

"(1) the term 'council' means each State weatherization council established pursuant to section 1117;

"(2) the term 'lower living standard income level' means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor based upon the most recent 'lower living family budget' issued by the Secretary of Labor;

"(3) the term 'severely handicapped individual' means an individual with a disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer, cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal cord conditions, renal failure, respiratory or pulmonary dysfunction, and any other disability specified by the Secretary of Health and Human Services in regulations the Secretary shall prescribe; and

"(4) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"PART A—WEATHERIZATION PROGRAM

"ESTABLISHMENT OF WEATHERIZATION PROGRAM

"SEC. 1111. (a) The Director shall develop and conduct, in accordance with the purposes and provisions of this part, a weatherization program. In developing and conducting such program the Director is authorized to make grants to States, Indian tribal organizations, and migrant and seasonal farmworker organizations. Such grants shall be made for the purpose of furnishing financial assistance to projects designed to provide for the weatherization of dwellings occupied by law-income or near-poor individuals or families.

"(b)(1) The Director, after consultation with the Secretary of Labor, the Secretary of Energy, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the heads of such other Federal departments and agencies as the Director deems appropriate, shall develop and publish in the Federal Register for public comment proposed regulations to carry out the provisions of this part not later than 60 days after the date of enactment of this title. The Director shall promulgate and publish final regulations for such purposes not later than 60 days after the date on which proposed regulations are published. Not later than May 15, the Director shall promulgate and publish such regulations or modifications of existing regulations, as may be necessary, in each fiscal year beginning after September 30, 1980.

"(2) The regulations promulgated pursuant to this part shall include provisions—

"(A) Prescribing standards for weatherization materials, energy conservation techniques, and balanced combinations thereof, which are designed to achieve a healthful living environment and maximum practicable energy conservation taking into account variations in climatic and structural settings and other relevant factors;

"(B) prescribing wages and allowances, maximum wage limitations, procedures for securing individuals to perform work, and other labor provisions in accordance with the requirements of section 1118; and

"(C) prescribing the maximum financial assistance available under this part for specific categories of dwellings taking into account the marginal savings to be realized for each additional weatherization measure.

"(c) If a State does not, within 120 days after the date on which final regulations are promulgated under this section, submit a plan, or elects not to submit an application, to the Director which meets the requirements set forth in section 1116, any community action agency carrying out programs under title II of this Act or any political subdivision of a State or combination of such political subdivision may, in lieu of such State, submit a plan for carrying out projects under this part within the geographical area which is served by such agency or is subject to the jurisdiction of such political subdivision or combination of such subdivisions. If any such political subdivision or combination of political subdivisons submits an application which proposes that the priority requirement with respect to community action agencies set forth under section 1115(c) is no longer applicable, the Director, as part of the notice and public hearing procedure carried out under section 1115(b)(1) with respect to such application, shall be responsible for making the necessary determination under section 1115(c).

"FINANCIAL ASSISTANCE FOR WEATHERIZATION PROGRAMS

"SEC. 1112. The Director shall provide financial assistance to each State or area which has met the requirements of section 1116 for the purpose of carrying out the activities authorized under this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1113. (a) There are authorized to be appropriated for carrying out the provisions of this part $500,000,000 for fiscal year 1981, $750,000,000 for fiscal year 1982, and $950,000,000 for fiscal year 1983. Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

"(b)(1) Unless the Congress in the regular session which ends prior to the beginning of the terminal fiscal year of the authorization of appropriations for the program authorized by this Act either—

"(A) has passed or has formally rejected legislation which would have the effect of extending the authorization of that program; or

"(B) by action of either the House of Representatives or the Senate, approves a resolution stating that the provisions of this subsection shall no longer apply to such program;

such authorization is hereby automatically extended for one additional fiscal year. The amount appropriated for such additional year shall not exceed the amount which the Congress could, under the terms of the law for which the appropriation is made, have appropriated for such program during such terminal year.

"(2)(A) For the purposes of clause (A) of paragraph (1) of this subsection, the Congress shall not have been deemed to have passed legislation unless such legislation becomes law.

"(B) In any case in which the Director is required under this Act to carry out certain acts or make certain determinations which are necessary for the continuation of the program authorized by this Act, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which that part of paragraph (1) of this subsection which follows clause (B) thereof is in operation.

"ALLOTMENTS TO STATES

"SEC. 1114. (a) The Director shall allot the sums appropriated pursuant to section 1113 for any fiscal year in accordance with subsections (b) through (f) of this section.

"(b)(1) From 95 per centum of the sums appropriated pursuant to section 1113(a) for the fiscal year 1981 and for each fiscal year thereafter, the Director shall allot to each State an amount which bears the same ratio to one-half of such 95 per centum as the aggregate residential energy expenditure in such State bears to the aggregate residential energy expenditure for all States.

"(2) From 95 per centum of such sums, the Director shall allot to each State an amount which bears the same ratio to one-half of such 95 per centum as the total number of heating degree days in such State squared, multiplied by the number of households in such State having incomes equal to or less than the lower living standard income level, bears to the sum of such products for all States.

"(3)(A) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $17,000,000, the allotment of such State shall, subject to paragraphs (6) and (8) of this subsection, be the greater of its allotment as so determined under such paragraphs or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

"(B) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is more than $17,000,000 the allotment of such State shall, subject to the application of paragraphs (6) and (8) of this subsection and subparagraph (C) of this paragraph, be the greater of its allotment as so determined under such paragraphs (6) and (8) or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

"(C) There are authorized to be appropriated amounts not in excess of $18,000,000 for each of the fiscal years 1981, 1982, and 1983 for additional amounts to be allocated pursuant to subparagraph (B) of this paragraph and subparagraph (B) of paragraph (8) of this subsection.

"(4) The alternative allotment percentage for any State shall be equal to (A) the percentage of 95 per centum of the total amount appropriated for the fiscal year pursuant to section 1113(a) which the State would receive if its allotment were increased from the $5,000,000 authorized under this subsection to the extent necessary (as determined by the Director on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of only one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $20, or, unless the percentage determined under subparagraph (A) would be higher, (B) the percentage of 90 per centum of the total amount authorized to be appropriated for fiscal year 1981 under section 1113(a) which would be allotted to such State if—

"(i) of such 90 per centum (I) one-half was allotted to each State according to the ratios determined under paragraph (1) of subsection (a) of this section and (II) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (a) if, for purposes of such paragraph, the word 'squared' were deleted and the term 'lower living standard' were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

under subdivision (i) were increased to the extent necessary (as determined by the Director on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of only one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $20. There are authorized to be appropriated $5,000,000 for each of the fiscal years 1981, 1982, and 1983 for the additional amounts to be allocated to States pursuant to the application of subparagraph (A) of this paragraph. In the event that the aggregate of such additional amounts would exceed the amount appropriated under the preceding sentence, the additional amount applicable to each State shall be reduced on a pro rata basis.

"(5) For purposes of this subsection, the term 'recipient household' means—

"(A) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

"(B) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

"(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93-66.

For purposes of subparagraphs (B) and (C) the term 'household' shall be defined by the Director, and shall not include an institution.

"(6) The allotment of any State shall be increased under paragraphs (3) and (4) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraphs (A) or (B)(ii) of paragraph (4).

"(7) If the allotment for any State determined under paragraphs (1) (without the application of paragraph (8)) and (2) of this subsection, is less than the lower of—

"(A) the amount which would be allotted to such State if 'one-half' in paragraph (1) of this subsection were replaced by 'one-quarter' and 'one-half' in paragraph (2) of this subsection were replaced by 'three-quarters'; or

"(B) the amount which would be allotted to such State if the word 'squared' in paragraph (2) of this subsection were deleted, then the allotment of such State shall, subject to paragraph (8) of this subsection, be increased to the lower of the allotment it would receive under subparagraph (A) or

"(8)(A) The allotments for any fiscal year determined under paragraphs (1) and (2) of this subsection which are not increased pursuant to paragraphs (3)(A), (4), and (7) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (3)(A), (4), and (7) of this subsection do not exceed the sum of (i) 95 per centum of the sums appropriated for such fiscal year pursuant to section 1113 (a) plus (ii) the amount appropriated pursuant to the authorization in paragraphs (3) and (4).

"(B) The allotment of any State which is increased pursuant to paragraph (3)(B) of this subsection shall be further increased by the amount of any reduction pursuant to subparagraph (A) of this paragraph.

"(9) In any fiscal year in which the appropriations are less than $500,000,000, the $17,000,000 trigger specified in paragraphs (3) (A) and (B) and the $20 payment to each recipient household referred to in paragraph (4) shall be ratably reduced.

"(10) Notwithstanding any other provision of this subsection, the aggregate amount available to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands for any fiscal year shall not exceed one-tenth of 1 per centum of the amount appropriated for that fiscal year: *Provided*, That funds are spent only where significant energy conservation potential exists in dwellings in these areas.

"(11) The allotments under this subsection shall be made on the basis of the latest reliable data available to the Director.

"(c)(1) The Director shall reserve the remainder of the sums so appropriated for each fiscal year for use for—

"(A) national and regional office administrative costs;

"(B) training and technical assistance activities pursuant to section 1125 which, at a minimum, are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities;

"(C) evaluation activities carried out pursuant to section 1126;

"(D) demonstration, research, and pilot projects carried out pursuant to section 1151 (4); and

"(E) incentive grants carried out pursuant to paragraph (3) of this subsection.

"(2) From the funds appropriated pursuant to section 1113 for any fiscal year, not to exceed $2,000,000 in each fiscal year shall be available for administrative costs under clause (A) of this paragraph. The funds reserved pursuant to such clause (A) shall be in addition to any funds otherwise available for administrative costs to the Community Services Administration.

"(3)(A) From funds available under clause (E) of paragraph (1) of this subsection, the Director shall make incentive grants to States to pay the Federal share of incentive weatherization programs established by any State to serve the same population as the population eligible under this Act.

"(B) No grant may be made under this paragraph unless the State makes an application to the Director containing such provisions as the Director deems necessary and which describes the State program for which assistance is sought under this paragraph.

"(C) The Federal share for any fiscal year for Federal assistance under this paragraph shall not exceed 25 per centum.

"(d) From a State's allotment not to exceed 1 per centum under this subsection shall be allocated for purposes of carrying out the provisions of section 1117 relating to State weatherization councils.

"(e)(1) Any portion of a State's allotment under subsection (b) for a fiscal year, which the Director determines will not be expended for the period such allotment is available for carrying out the provisions of this part, shall be made available for reallotment from time to time, on such dates during such period as the Director determines necessary, to other States based on relative need and ability to expend such funds. Such reallotments shall be in proportion to the original allotments under subsection (b).

"(2) Any allotments to a State may be reallotted only if the Director has provided 30 days advance notice to the chief executive and to the general public. During such period comments may be submitted to the Director.

"(3) After considering any comments submitted during such period, the Director shall notify the chief executive of any decision to reallot funds, and shall publish such decision in the Federal Register.

"(f)(1) Notwithstanding any other provision of this part, in any State in which the Director determines (after having taken into account the amount of funds made available to the State to carry out the provisions of this part) that (A) the low-income and near-poor members of an Indian tribe or low-income and near-poor migrant and seasonal farmworkers are not receiving benefits under this part that are equivalent to the assistance provided to other low-income and near-poor individuals and families in such State under this part, and (B) that such migrant and seasonal farmworkers or the members of such tribe would be better served by means of a grant made directly to provide such assistance, the Director shall reserve from sums that would otherwise be allotted to such

State not less than 100 per centum of an amount which bears the same ratio to the State's allotment for the fiscal year involved as the population of all eligible Indians and migrant and seasonal farmworkers for whom a determination under this paragraph has been made bears to the population of all eligible households in such State.

"(2) The sums reserved by the Director on the basis of the Director's determination under this subsection shall be granted to an organization serving the individuals for whom such a determination has been made, or where there is no such organization, to such other entity as the Director determines has the capacity to provide services pursuant to this part.

"(3) In order for an organization or other entity to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Director plans meeting the requirements set forth in section 1116.

"LIMITATIONS; WITHIN STATE DISTRIBUTION

"SEC. 1115. (a)(1) Not more than 25 per centum of any grant made under this part may be used for program support. The remainder of such grant shall be used for the purchase of weatherization materials and for labor costs. The Director may prescribe regulations to further limit the percentage of a grant available for program support under the first sentence of this subsection. The Director may prescribe regulations to prescribe the percentage of such a grant available for weatherization materials and for labor costs.

"(2) Program support shall include activities which enable an agency, organization, or other entity designated as a local weatherization project to carry out the provisions of this part, including but not limited to project management, audit, and direction; coordination and mobilization of resources; purchase of needed tools and equipment; transportation of workers and materials; storage of materials and equipment; outreach activities for, and eligibility determinations of, eligible individuals and families; inspection and quality control; insurance; preparation of required reports, and other similar activities which encourage the safe and effective operation of weatherization projects.

"(b) The Director shall insure that financial assistance provided under this part will—

"(1) be allocated within the State or area in accordance with a published State or area plan, which is adopted by such State or area after notice and a public hearing, describing the proposed funding distributions and recipients;

"(2) be allocated, pursuant to such State or area plan, to community action agencies carrying out programs under title II of this Act, Indian tribal organizations, migrant and seasonal farmworker organizations, community development corporations, community-based organizations, or to other public or private nonprofit agencies or organizations that have demonstrated effectiveness in supervising or carrying out weatherization services so that funds will be allocated on the basis of the relative need for weatherization assistance among the low-income and near-poor individuals within such State or area, taking into account—

"(A) the climatic conditions,

"(B) the condition of dwelling places with respect to the energy efficiency,

"(C) energy usage and cost,

"(D) the type of weatherization work to be performed, and

"(E) such other factors as the Director may determine;

"(3) be terminated or discontinued during the application period only in accordance with the policies and procedures set forth in section 1124.

"(c) In allocating funds for carrying out weatherization projects within the State under subsection (b) the Director shall give priority to community action agencies within each State for so much of the geographical area as is served by each such agency; except that the requirement of this subsection shall not apply if the chief executive officer of the State determines, in cooperation with the State weatherization council, or if the Director determines, that—

"(1) a community action agency has a pattern of ineffective administration of programs under this Act, or

"(2) a community action agency is not of sufficient size and cannot in timely fashion develop the capacity to support the scope of the project to be carried out in such area with financial assistance under this part.

In carrying out the provisions of this subsection the Director shall give due consideration to the results of periodic evaluations of the projects carried out under this part in light of available information regarding the current and anticipated energy and weatherization needs of the low-income and near-poor individuals within the State.

"STATE PLANS AND REQUIREMENTS

"SEC. 1116. (a)(1) In order to receive financial assistance under this part, a State or, if the conditions of section 1111(c) are met, an area applicant shall submit to the Director a weatherization plan. Each such plan shall be submitted for a three-year period, together with such annual revisions as the Director may prescribe.

"(2) The chief executive officer of the State shall, in consultation with the State weatherization council, develop the State weatherization plan.

"(b) The plan shall—

"(1) include an analysis of the area to be served, including climate, energy usage and cost, energy efficiency of dwellings, the number of dwellings in need of weatherization services, the estimated number and characteristics of dwellings to be assisted, and the type of weatherization services to be performed;

"(2) include a statement of the long-term goals of the plan for the improvement of the energy efficiency of the dwellings in the area to be served;

"(3) describe in detail—

"(A) administrative arrangements for carrying out the plan, including the procedures to be used to designate local projects (including criteria for determining that a local project applicant has demonstrated effectiveness), to approve local projects, to evaluate and audit the operation of local projects, and to process complaints and grievances;

"(B) the methods to be used to identify and the criteria to be used for selecting dwellings to receive weatherization services, and the priorities to govern the provision of weatherization assistance to low-income and near-poor individuals and families, including methods to provide priority to elderly and severely handicapped low-income and near-poor individuals;

"(C) the procedures for consultation with the local project policy advisory councils;

"(D) the policies and procedures designed to assure that financial assistance provided under this part will be used to supplement, and not to supplant State or local funds, and to the extent practicable, to increase the amounts of such funds that would be made available in the absence of Federal funds for carrying out the purposes of this part, including plans and procedures (i) for securing, to the maximum extent practicable, the services of volunteers, including volunteers from volunteer programs carried out under the Domestic Volunteer Service Act of 1973, and training participants and public service employment workers under title II and title VI of the Comprehensive Employment and Training Act to work under the supervision of qualified supervisors, (ii) for securing housing and rehabilitation funds from the Farmers Home Administration and the Department of Housing and Urban Development, and (iii) for complying with the limitations set forth in section 1115;

"(E)(i) policies and procedures designed to assure that owners, renters, and owners of rental property will be treated equitably in carrying out the purposes of this part, including the establishment of goals and timetables with respect to the number of rental properties to be weatherized, and (ii) criteria for avoiding undue enhancement of the market value of rental property;

"(F) a proposed budget for each year; and

"(G) the procedures to be used to obtain weatherization materials;

"(4) describe in detail arrangements to insure that—

"(A) nondiscrimination and equal employment opportunities are provided; and

"(B) procedures are developed which will lead to skill development and job opportunities for workers under this part in occupations traditionally limited to individuals of the opposite sex;

"(5) describe in detail the procedures to be used to distribute funds within areas of the State or area to be served pursuant to section 1115(b);

"(6) describe in detail procedures for compliance with section 1118, relating to special provisions on wages, allowances, and referral of individuals;

"(7) a description of the outreach activities consistent with section 1144 to be conducted to inform eligible low-income and near-poor individuals and families of weatherization assistance under this part, and to refer such individuals and families to the program of assistance under this title;

"(8) describe (A) plans and activities to coordinate, strengthen, and expand employment and training activities under this part with employment and training activities in the private sector; (B) the relationship between job development and placement under this part and other employment and training programs, and the efforts made or planned to coordinate programs under this part with such other programs; and (C) the efforts to be undertaken to involve the private sector in activities assisted under this part;

"(9) set forth a fiscal and program audit plan designed to assure accountability for State and area programs assisted under this part which (A) meets such criteria as the Comptroller General of the United States shall prescribe for the purpose of this part, and (B) describe in detail at least recordkeeping procedures for the expediture of funds received under this part, procedures for property acquisition, procedures for inventory control, procedures for maintenance of payroll records, procedures for selection of eligible participants and any other factors relating to accountability as the Comptroller General may prescribe;

"(10) describe in detail procedures which will enable the Director to audit and monitor State and area programs, and will assure adequate supervision in monitoring of local projects by the State and area applicant, particularly with respect to the eligibility of participants, the propriety of participant selection procedures and practices, and the purchase and disposition of materials; and

"(11) include adequate assurances of compliance with all provisions of this part and regulations promulgated pursuant to this part.

"(c) The Director shall approve any State plan which the Director finds meets the requirements of subsection (b).

"(d) The Director shall establish, within 120 days after the date of enactment of this title, (1) criteria and standards for the plan requirements under this section, and (2) procedures for submittal, approval, and implementation of charges in the weatherization plan, together with any reports required under this part.

"(e) Whenever the Director, after reasonable notice and opportunity for a hearing, finds that—

"(1) the State plan has been so changed that it no longer complies substantially with the provisions of subsection (b), or

"(2) in the administration of the plan there is a failure to comply substantially with any provision of subsection (b),

the Director shall notify the chief executive officer of such State that no further payments from its allotments under section 1114 will be made to the State (or, in the Director's discretion, that further payments to the State will be limited to projects under or portions of the State plan not affected by such failure), until the Director is satisfied that there will no longer be any failure to comply.

"STATE WEATHERIZATION COUNCIL

"SEC. 1117. (a) (1) Any State which desires to receive financial assistance under this part shall establish a State weatherization policy council. Funding for the council shall be provided pursuant to section 1114(c).

"(2) The council shall be appointed by the chief executive officer of the State. The chief executive officer of the State shall furnish staff to provide professional, technical, and clerical assistance to the council.

"(3) The council shall be composed of—

"(A) representatives of the eligible population (including significant segments thereof), who together shall constitute one-third of the membership of the council;

"(B) representatives of organized labor, business, agricultural employers and workers, energy providers, and members of the general public, who together shall constitute one-third of the membership of the council; and

"(C) representatives of the political subdivisions or combinations of the political subdivisions of the State (including local elected officials currently holding office), and agencies serving the eligible population, who together shall constitute one-third of the membership of the council, including at least—

"(i) a representative of the area agencies on aging within the State pursuant to the Older Americans Act of 1965;

"(ii) a representative of the State Vocational Rehabilitation Agency designated under the Rehabilitation Act of 1973;

"(iii) a representative of the State agency responsible for energy matters;

"(iv) a representative of the State office of the ACTION agency;

"(v) a representative of the State office of economic opportunity established under section 231 of this Act;

"(vi) a representative of the State Employment and Training Council; and

"(vii) two representatives of the leadership of the State legislature.

"(4) The council shall meet at such times, but at least three times per year, and in such places within the State as it deems appropriate. The meetings shall be publicly announced and, except when inappropriate, open and accessible to the general public.

"(b) The council shall—

"(1) elect a chairperson from among the council membership;

"(2) advise the chief executive officer of the State in the preparation of the plans required by section 1116, after reasonable notice and a public hearing has been held;

"(3) review local projects, especially with respect to the goals, priorities and performance of the local projects, and nonutilization or duplication of the assistance available under this part;

"(4) carry out continuing review of the operation of local weatherization projects, and the availability, responsiveness, and adequacy of the State program, and make recommendations to the local projects, to the chief executive officer of the State, and to the general public with respect to ways to improve the effectiveness of such programs; and

"(5) make an annual report to the chief executive officer of the State which shall be a public document, and issue other studies, reports, or documents as it deems advisable to assist local projects or to otherwise help carry out the purposes of this part.

"(c) Whenever the conditions of section 1111(c) are met and the plans required by section 1116 are submitted by an area applicant the area applicant shall, to the maximum extent practicable consistent with regulations prescribed by the Director, comply with the provisions of this section.

"(d) If any State has a State weatherization policy council or other similar entity composed of representatives that substantially meet the requirements of paragraph (3) of subsection (a) of this section the State may designate such a council or entity to carry out the functions of the State weatherization council under this part.

"SPECIAL PROVISIONS

"SEC. 1118. (a) Wages and allowances shall be paid under this part in accordance with sections 124 and 442 of the Comprehensive Employment and Training Act.

"(b) The Director shall establish procedures, after consultation with the Secretary of Labor, to secure individuals to perform work (other than supervisory work) on local weatherization projects, under which agencies, organizations, or other entities assisted under this part shall—

"(1) utilize, to the extent feasible, individuals in employment and training programs whose wages are paid in whole or in part under the Comprehensive Employment and Training Act;

"(2) make arrangements, in the case of individuals whose wages will be paid under this part, for obtaining referrals of individuals from prime sponsors designated under the Comprehensive Employment and Training Act and from the State employment security agencies;

"(3) employ individuals, 90 per centum of whom meet the eligibility requirements of section 236(a), 435, or 607 of the Comprehensive Employment and Training Act, but in no event employ individuals who are described in sections 443(f) (1) and (2) of such Act;

"(4) pay wages to such individuals at wage rates which do not exceed the maximum allowable total wages payable to a participant under section 122(i)(1) and section 609(2) of the Comprehensive Employment and Training Act;

"(5) give priority to (A) youths aged 16 to 24, (B) individuals who have completed a course of training under the Comprehensive Employment and Training Act for work in weatherization activities, and (C) other individuals identified in section 122(b)(1) (A) of the Comprehensive Employment and Training Act; and

"(6) make arrangements, to the extent feasible, with prime sponsors designated under the Comprehensive Employment and Training Act and with State or local apprenticeship boards or other apprenticeship programs for providing work and training opportunities, including on-the-job training, for eligible participants in projects carried out under this part.

Whenever the Director determines that an agency, organization, or other entity conducting local weatherization projects cannot comply with the provisions of clause (3) of this subsection because there are not enough individuals in the area being served who meet the requirements described in that clause, the Director may waive the provisions of that clause (but only to the extent such individuals are not available) and may permit such agency, organization, or entity to employ other unemployed individuals.

"(c) The Director shall determine that local weatherization projects assisted under this part—

"(1) will result in an increase in employment opportunities over those opportunities which would otherwise be available;

"(2) will not result in the displacement of currently employed workers (including partial displacement such as reduction in the hours of nonovertime work, wages, or employment benefits; and

"(3) will not impair existing contracts for services.

"(d) Notwithstanding any other provision of law, participants performing work on weatherization projects assisted under this part, who receive wages from funds provided under the Comprehensive Employment and Training Act at wage rates that are not less than the wage rates required under section 124(b)(1) of such Act, may have such wages supplemented by additional wage payments from funds made available under this part and such payments shall not be considered supplemental wages for the purpose of section 609(1) of such Act. The total wages supplemented for any such participant under any title of the Comprehensive Employment and Training Act shall not exceed the allowable combined total of the maximum federally supported wage and supplemental wages applicable with respect to such area under section 609(2) of such Act. The term 'federally supported wage rates' under section 122(i)(2) of the Comprehensive Employment and Training Act shall not be construed to include supplemental wages from any source allowable by this title or any other provision of Federal law.

"(e) Each agency, organization, or other entity receiving funds under this part shall assure an adequate number of supervisory personnel for weatherization projects, who shall be adequately trained in skills needed to carry out a weatherization project and to instruct participants in skills needed to carry out such a project.

"DESIGNATION OF LOCAL WEATHERIZATION PROJECTS

"SEC. 1119. (a) Upon approval of financial assistance under this part, a State or area is authorized to designate as a local weatherization project, subject to the limitations set forth in section 1115, a community action agency carrying out programs under title II of this Act, an Indian tribal organization, a migrant and seasonal farmworker organization, a community development corporation, a community based organization, a public or private nonprofit agency, a political subdivision or combination of political subdivisions of a State, or any combination thereof, which (1) has the authority to carry out the provisions of this part and perform the functions set forth in section 1121 within the area to be served, and (2) is determined by the State to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a weatherization project.

"(b) For the purposes of this part, an area to be served may be a city, county, or multicity or multicounty unit within a State, an Indian reservation, or a neighborhood or other areas (irrespective of boundaries or political subdivisions) which provides a suitable organizations base and possesses the commonality of interest needed to operate a weatherization project.

"(c) The State shall give priority in the designation of local weatherization projects to any local public or private nonprofit agency which is receiving funds under any weatherization program on the date of the enactment of this title, except that the State shall, before giving such priority, determine that the agency involved meets program and fiscal requirements established by the State and the Director.

"FINANCIAL ASSISTANCE FOR LOCAL WEATHERIZATION PROJECTS

"SEC. 1120. Upon approval of financial assistance under this part, a State may, upon application by an agency, organization, or other entity which is eligible for designation as a local weatherization project pursuant to section 1119, provide financial assistance to such agency, organization, or other entity for the planning, conduct, administration, and evaluation of a weatherization project to provide low-income and near-poor individuals and families in the area with weatherization assistance which will (1) result in the reduction of energy usage and cost, and (2) provide for direct participation of the low-income and near-poor population of the area to be served in the development, conduct, and overall program direction at the local level.

"FUNCTIONS OF LOCAL WEATHERIZATION PROJECTS

"SEC. 1121. (a) In order to be designated as a local weatherization project under this part, an agency, organization or other entity must have authority under its charter or applicable law to (1) receive and administer funds under this part, funds and contributions from private or local public sources which may be used in support of a weatherization program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency organized in accordance with this part, may act as a grantee, contractor, or sponsor of projects appropriate for inclusion within a weatherization program, (2) transfer funds so received, and (3) delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. The power to transfer funds and delegate powers must include the power to make transfers and delegations covering component parts in any case in which the transfer or delegation would contribute to efficiency and effectiveness or otherwise further the objectives of this part.

"(b) In order to be so designated, an agency, organization, or other entity desiring to conduct a local weatherization project shall—

"(1) establish a local project advisory committee in accordance with such regulations as the Director may prescribe;

"(2) provide for the regular participation of the population to be served or their representatives in the implementation of such weatherization project;

"(3) provide technical and other support needed to enable low-income and near-poor individuals and families in the area to secure on their own behalf available assistance from public and private sources; and

"(4) prepare and submit to the State or area agency a fiscal and program audit plan which meets such criteria as the Comptroller General of the United States shall prescribe for the purpose of this part, and which substantially complies with section 1116(b)(9)(B).

"ELIGIBILITY FOR PARTICIPATION IN WEATHERIZATION PROGRAMS

"SEC. 1122. (a) Except as provided in subsection (b), low-income and near-poor individuals and families shall be eligible for participation in programs assisted under this part if—

"(1) such individuals or families have incomes equal to or less than 100 per centum of the lower living standard income level, and

"(2) the residences of such individuals are determined to need weatherization as determined by the agency, organization, or other entity conducting the local weatherization project pursuant to criteria established by the Director.

"(b) The Director shall issue regulations setting forth conditions under which agencies, organizations or other entities assisted under this part may provide work for eligible employees under section 1118 on weatherization of housing for lower income families as defined in section 8(f)(1) of the United States Housing Act of 1937 as part of community revitalization or stabilization projects.

"ADMINISTRATIVE PROVISIONS

"SEC. 1123. (a) Each agency organization or other entity carrying out a weatherization project shall observe standards of organization, management, and administration which will assure, so far as reasonably possible that all program activities are conducted in a manner consistent with the purposes of this part and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each such agency, organization, or entity shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulatory or agency policy. Each such agency, organization, or entity shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate area groups and reasonable public access to books and records of the program. Each such agency, organization, or entity shall adopt rules designed to establish specific standards governing employee benefits; to assure that only personnel capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency efficiency, performance, and effectiveness; to guard against personal or financial conflicts of interest; and to define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.

"(b) No financial assistance may be provided under this part in any case in which the Director determines that—

"(1) the costs of administering a program assisted under this part exceed 15 per centum of the total costs of such program; or

"(2) the cost of administration for the State or area exceed 5 per centum of such total costs.

The Director shall establish by regulation, criteria for determining the costs of administering such program, and the total costs of such program.

"(c) The Director, by general or special orders, may require any recipient of financial assistance under this part to provide, in such form as the Director may prescribe, such reports or answers in writing to specific questions, surveys, or questionnaires as may be necessary to enable the Director to carry out the Director's functions under this part.

"(d) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, information, and records of any project receiving financial assistance under this part that are pertinent to the financial assistance received under this part.

"(e) Payments under this part may be made in installments and in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"APPEALS, NOTICE, AND HEARINGS

"SEC. 1124. (a) The Director shall prescribe procedures to assure that special notice of and an opportunity for a timely and expeditious appeal will be provided to any applicant to the Director, State or area agency, as the case may be, whose plan has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Director, in accordance with regulations which the Director shall prescribe.

"(b) Whenever the Director, after notice and an opportunity for appeal, finds that there is a failure to comply substantially with the provisions of this part, the Director shall notify the State or agency involved and other interested parties that such State or agency is not or will no longer be eligible to participate in the program under this part until the Director is satisfied that there is no longer any such failure to comply.

"(c) Reasonable notice under this section shall include a written notice of intention to act adversely, including a statement of the reasons therefor, and an opportunity to show cause why such action should not be taken or to propose corrective action.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 1125. The Director may, directly or through grants or contracts, provide (1) technical assistance to State agencies, area agencies and local project agencies, organizations, and entities in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel needed in connection with weatherization programs. Pursuant to the provisions of section 1114(c), the Director may reserve funds to carry out activities under this section.

"MONITORING AND EVALUATION

"SEC. 1126. (a) The Director shall, directly or through grants or contracts, provide for the continuing evaluation of programs under this part, including evaluations that measure the impact of assistance under this part, in order to determine its effectiveness in achieving stated goals, its impact on related programs and their structure and mechanism for delivering services, including where appropriate, comparisons with appropriate control groups composed of dwellings which did not receive weatherization assistance and analyses of the period over which reduced energy consumption repays the cost of weatherization assistance.

"(b) In carrying out evaluations under this part, the Director shall, whenever feasible, arrange to obtain the specific views of individuals and families participating in and served by programs and projects assisted under this part about such programs and projects.

"(c) The Director shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than 90 days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"ANNUAL REPORT

"SEC. 1127. The Director shall submit, within 120 days of the close of each fiscal year, a report to the Congress and the President describing the weatherization assistance program carried out under this part, including the progress which has been made in weatherizing dwellings and the effectiveness of the program in achieving its stated goals, or any other appropriate provision of law, and including the results of the periodic evaluations and monitoring activities required by section 1126.

"PART B—CRISIS INTERVENTION PROGRAM AND OUTREACH

"ESTABLISHMENT OF CRISIS INTERVENTION PROGRAM

"SEC. 1141. (a) (1) The Director shall develop and conduct, in accordance with the provisions of this part, a crisis intervention program. In developing and conducting such program, the Director is authorized to make grants to States. Such grants shall be made for the purpose of supporting a crisis intervention program to provide short-term assistance and counseling to low-income and near-poor individuals and families threatened with severe hardship or danger to health or life from lack of fuel, utility shutoff, or other energy-related crisis. Criteria for assistance under a crisis intervention program shall not be based solely on delinquency in payment of fuel bills.

"(2) Crisis intervention activities may include, but are not limited to, provision of blankets or warm clothing, temporary loan of space heaters, emergency repairs of heating systems, emergency delivery of fuel or firewood, emergency loans, grants or revaluing funds, provision of temporary shelter, temporary emergency repairs to housing, mediation with utility companies or fuel suppliers, financial counseling, and other similar services which will assist in removing low-income individuals and families from an immediate crisis situation, including all necessary outreach and program support activities.

"(b) No financial assistance may be provided under this part unless the State submits an application to the Director at such time, in such manner, and containing or accompanied by such information as the Director deems necessary.

"(c) The Director, after consultation with the Secretary of Health and Human Services and the heads of such other Federal departments and agencies as the Director deems appropriate, shall develop and publish in the Federal Register for public comment, not later than 45 days after the enactment of the Economic Opportunity Amendments of 1980, proposed regulations to carry out the provisions of this part. The Director shall take into consideration the public comments submitted regarding such proposed regulations and shall promulgate and publish final regulations for such purposes not later than 90 days after the date of the enactment of the Economic Opportunity Amendments of 1980.

"(d) Upon approval of financial assistance under this part, a State is authorized to provide financial assistance to community action agencies carrying out programs under title II of this Act or other public agencies and private nonprofit organizations that have demonstrated effectiveness in carrying out crisis intervention services which (1) have the authority to carry out the purposes of this part, and (2) are determined by the State to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a crisis intervention program.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1142. (a) There are authorized to be appropriated for carrying out the provisions of this part such sums as may be necessary for fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1983.

"(b) For the purpose of affording adequate notice of assistance available under this part, appropriations under this part are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"ALLOTMENT TO STATES

"SEC. 1143. (a) Of the sums appropriated pursuant to section 1142 for any fiscal year the Director shall allot such sums in accordance with subsections (b) and (c).

"(b) (1) The Director shall allot 80 per centum of the sums appropriated pursuant to section 1142 in each fiscal year so that the percentage of the amount allotted under this paragraph and available for use to each State shall be the same percentage as the percentage allotted to such State under section 1114(b).

"(2) The allotments under this subsection shall be made on the basis of the latest satisfactory data available to the Director.

"(c) The Director shall reserve the remainder of the sums so appropriated for each fiscal year for expenditure among the States in cases of weather related disasters of sufficient severity and magnitude to warrant supplemental crisis intervention activities described in this part as the Director determines will best carry out the purposes of this title.

"OUTREACH ACTIVITIES

"SEC. 1144. (a) The Director and a State or area receiving assistance under part A of this title or under this part shall conduct outreach activities to inform and enroll all eligible low-income and near-poor individuals and families in (1) programs providing energy-related assistance authorized under this title, and (2) other Federal, State, or local energy or energy-related assistance for which they qualify including, but not limited to, energy audits, counseling, educational services, energy assistance for help in paying high energy costs, alternate energy technologies, consumer information and legal assistance, and weatherization. Such outreach activities shall focus particularly on elderly and severely handicapped individuals, individuals and families residing in remote areas, the homebound, migrant and seasonal farmworkers, individuals and families with limited English speaking proficiency, the working poor, and individuals and families with children.

"(b) In carrying out outreach activities under this part, the Director and a State or area shall utilize community action agencies carrying out programs authorized by title II of this Act, Indian tribal organizations, migrant and seasonal farmworker organizations, area agencies on aging, community based organizations, State welfare agencies, agencies receiving financial assistance under part A of this title, volunteer programs carried out under the Domestic Volunteer Service Act of 1973, and other appropriate agencies as determined by the Director.

"ANNUAL REPORT

"SEC. 1145. The Director shall submit, within 120 days of the close of each fiscal year, a report to the Congress and the President describing the crisis intervention program carried out under this part.

"PART C—ENERGY CONSERVATION SERVICES AND PROGRAM COORDINATION

"SUPPLEMENTAL ENERGY CONSERVATION SERVICES

"SEC. 1151. The Director is authorized to provide financial assistance to public agencies and nonprofit private organizations for—

"(1) educational and counseling activities for low-income and near-poor energy consumers in energy-conserving practices and sound residential energy management, self-help activities in energy conservation and alternative energy applications, and the care and maintenance of weatherization and alternative energy improvements to assure maximum efficiency and long life, as well as projects which support the carrying out of such care and maintenance activities;

"(2) assistance in the development, application, and support of alternative energy sources, including, but not limited to solar, wind, small-scale hydropower biomass conversion, and other technologies that capitalize on nonfossil fuels and renewable energy sources or that make conventional fuels available to the low-income and near-poor at substantially decreased cost or increased efficiency;

"(3) assistance in the development and support of community planning and coordination capability in energy audit, energy conservation and alternative resource development activities so as to insure the participation of low-income and near-poor persons and communities in such activities; and

"(4) assistance for research, demonstration, or pilot projects designed to test or assist in the development of new approaches or methods that will enable low-income and near-poor individuals and families to participate in energy conservation programs which lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption, including, but not limited to (A) energy conservation and education; (B) weatherization of old or substandard dwellings, improved space conditioning, insulation and energy audits; (C) emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis; (D) alternative fuel supplies; (E) special fuel voucher or stamp programs; (F) alternative transportation activities designed to save fuel and assure continued access to training, education, and employment; (G) appropriate outreach efforts; (H) furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of the poor in efforts relating to the energy crisis; (I) nutrition, health, and other supportive services in emergency cases; and (J) evaluation of programs and activities under this title.

"PROGRAM COORDINATION

"SEC. 1152. The President shall establish procedures to assure the coordination of all energy conservation and energy assistance programs that affect low-income and near-poor individuals and families carried out by any department or agency of the Federal Government.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1153. There are authorized to be appropriated for carrying out the provisions of this part $10,000,000 for the fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1983.

"PART D—GENERAL PROVISIONS

"INCOME DISREGARD

"SEC. 1161. Notwithstanding any other provision of law, the value of any assistance provided to any eligible individual or family under this title shall not be considered income or resources for any purpose, including but not limited to, the determination of eligibility or benefit levels, under any Federal, State, or local law, including any law relating to taxation, or public assistance program.".

SEC. 4. Section 225 of the Act is amended by adding at the end thereof the following new subsection:

"(e) Not less than 15 per centum of the sums appropriated for section 222(a)(6) shall be available to the Director to provide targeted assistance in furtherance of the purposes of section 222(a)(6) to areas having high concentrations of public assistance recipients; unemployed persons; and related children living with families with incomes below the poverty line.".

SEC. 5. Effective October 1, 1981, section 222(a)(5) of the Act (42 U.S.C. 2809(a)(5)) is repealed. Any reference in any provision of law to section 222(a)(5) or section 222 (a)(12) of the Act shall be construed to mean title XI of the Act, as added by this Act.

SEC. 6. (a) The Congress finds that—

(1) efficiency in the operation of Government programs is an important objective and the elimination of duplicate programs in the Federal Government is a desirable goal;

(2) there currently are at least two low-income weatherization programs, one in the Department of Energy and another in the Community Services Administration;

(3) that this duplication creates uncertainty and confusion about whether the Department of Energy or the Community Services Administration shall be the administering agency of the Nation's low-income weatherization program.

(b) Notwithstanding the authority conferred in this Act or any other Act, no appropriation may be made for any fiscal year to carry out a weatherization program for low-income persons by the Community Services Administration or the Department of Energy if such program is duplicative of another low-income weatherization program of such Administration or Department for which funds have been appropriated for such fiscal year.

(c) The Congress intends that only one agency of the Federal Government carry out the administration of any weatherization program for low-income persons, and that the President shall recommend which authorized program should be implemented.

Mr. NELSON. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business for the purpose only of making statements, that the period not extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This is for the purpose only of making statements.

Mr. President, let me make a modification of my request—that Senators be allowed to introduce bills for referral only during this period.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO "BUD" AST

Mr. ROBERT C. BYRD. Mr. President, today is the last day of service to the Senate by the chief legislative clerk, Harold G. "Bud" Ast, after more than 33 years.

Mr. Ast has been among us daily on the Senate floor, contributing quietly and dependably to the smooth function of the legislative machinery. It is to him that we are indebted for the daily preparation of the Senate Calendar and for quorum calls and the recording of votes. Indeed, his resonant tones have been a familiar and steady beacon by which we have often been guided in our way through the maze of the legislative process.

During the past 18 months, he has ably borne additional responsibilities as coordinator of the various legislative functions in the Office of the Secretary of the Senate. In all these endeavors, Mr. Ast has distinguished himself by performing his duties with competence and dignity.

One of his most lasting contributions to the Senate will, no doubt, prove to be the booklet which he prepared in 1978, entitled "Senate Legislative Procedural Flow." This guide has already become a definitive source of information on the legislative process.

With his retirement, the Senate is losing a loyal and efficient member of its staff. As he departs, he can be sure that he takes with him our thanks and appreciation for the exemplary manner in which he has performed a difficult and demanding job.

I am happy to have this opportunity to extend to Mr. Ast, on behalf of the entire Senate, our best wishes for a pleasant and fulfilling retirement.

THE RETIREMENT OF HAROLD G. AST

Mr. HATFIELD. Mr. President, I understand today that Mr. Harold G. Ast, known as Bud Ast to us, the legislative clerk of this Chamber, will be finishing his term of service here of over 30 years.

I rise at this point to indicate that oftentimes those of us in organizations frequently look at the chairman or the president or whoever the officers may be who are elected and who hold the rather august titles. We fail oftentimes to recognize that the real heart of an organization is carried out by those like Bud Ast. He has been in a role so important, so significant, for the smooth operation of this Senate; he has done so in a manner of great courtesy and dignity; he articulates so clearly that I can hear my name called even when I am in the cloakroom; and he has always been so responsive to those dumb questions that are asked so frequently by Members, I am sure, as I have asked them, and never losing temper, never losing patience.

I, for one, am delighted to rise to pay special tribute and commendation to Bud Ast and to wish him well in his next career, because a man so young is not about ready to retire to do nothing.

I wish him well and good health, success, and express my deep appreciation and my profound affection for the way he has treated me and the way he has conducted his position as our legislative clerk these many years.

JOHN J. BOYLE, PUBLIC PRINTER

Mr. PELL. Mr. President, tomorrow the Congress, the administration and, indeed, the Nation suffer a major loss on the occasion of the retirement from Government service of John J. Boyle, the Public Printer of the United States.

As former chairman and currently vice chairman of the Joint Committee on Printing, I have had a unique vantage point from which to observe the excellent performance of John Boyle since he became Public Printer in 1977. He has carried out the demanding duties of this challenging office with high intelligence, unquestioned integrity, and special distinction.

Few of us in the Senate recognize the enormity of the task of directing the Government Printing Office, the world's largest printing establishment. From the days in 1860 when the Federal Government purchased a small private printing plant to handle the printing needs of Congress, the GPO has grown into a massive, worldwide printing and distribution enterprise with an annual operating budget of $650 million.

In 1977 President Carter in his wisdom nominated John Boyle, a career GPO employee, to the post of Public Printer. The 17th person to hold this position, John was the first Public Printer to have come up through the ranks. He had joined the GPO 25 years earlier as a proofreader and in the intervening years he held a succession of key supervisory and management positions, thereby gaining a thorough knowledge of every aspect of GPO's intricate operations.

Upon his confirmation by the Senate, John took over the reins at the GPO and quickly proved himself the fine leader and manager that his years of career training had prepared him to be.

He has guided the GPO through a difficult time, a time marked by the need to continually reassess and readjust GPO operations to keep pace with the explosion of technology in the printing and information industries. He has carefully balanced the competing pressures to hold down spending and, at the same time, to maintain the high quality of production.

Mr. President, my years in the Senate have convinced me that no single person, no matter how talented or dedicated, is indispensable to the Federal Government. But John Boyle has established a standard of excellent performance as Public Printer that will serve as a challenge and a goal to his successors. I know how much I will miss him and I wish him well in his future endeavors.

GENERAL REVENUE SHARING

Mr. DURENBERGER. Mr. President, few Americans combine a sensitivity to the realities of the federal system with the ability and the respect necessary to articulate and to change this system. Neil R. Peirce is chief among those few who have this balanced perspective.

This month we embark on the first of a series of hearings on the reauthorization of general revenue sharing. It is important that in the first part of the first year of a new decade we are willing to use the past to chart a course for the future. In a concise statement of the condition of American federalism in the January 1980 edition of the National Civic Review, Mr. Peirce gives us a lesson from the past to help us lay the groundwork for the future.

Whether 15 months experience in the Congress of the United States is sufficient basis for judgments, I leave to my peers. However, it is clear that the Congress of the United States dominates a federal system which is imbalanced more each year by the disproportion of revenues extracted from Americans by the progressive inflation-impacted income tax. I must agree with Mr. Peirce when he says:

> If one tries to pinpoint responsibility for the accelerated centralization of power and destruction of balanced federalism that has marked the 70's, the trail leads inexorably to the body which has created and perpetuated the hundreds of programs in the first place: the Congress of the United States.

The body whose hands constantly extract hard-earned income from citizens needs a couple of deeds which are constantly kicking people in directions they do not want to go toward goals it is not necessary they achieve.

The growth of Federal income devoted to aid State and local government has grown to a total of $83 billion in the fiscal 1980 budget. So a favorite target for Members of Congress bent on balancing the Federal budget becomes aid to those governments which must live with constitutionally mandated budget balancing requirements. Because the body wants to continue to feed the feet which continue to kick an electorate toward categorically granted goals, its first budget cuts are aimed at those federally collected funds which are returned to State and local government with "no strings attached."

General revenue sharing was originally designed to meet the "no strings attached" criterion. But it could not get off the ground without several federally mandated strings; consequently free flight has been impossible. At various times other strings have been attached. Revenue sharing bounces up and down as local elected officials try to deal as best they can with a concept of an uncertain future.

General revenue sharing and its predecessor—block grants—are the salvation of the federal system. But revenue sharing will not survive, to say nothing of flourish, unless the Members of this body learn to trust the elected representatives of the balance of this federal system in the same way we expect our own electorate to trust us.

The categorical grant programs of the 1960's were essential to draw our attention to unmet needs. They have now become a threat not only to the federal system but to our ability to continue to meet those same needs. Almost never during the first half of my first session in the U.S. Senate was I given the opportunity by an authorizing committee of this body to abandon a categorical creature of the 1960's in favor of a 1980's way of meeting the needs of the new decade.

When I am asked can you balance the Federal budget I say, "Yes." When I am asked, "Will you?" I say, "Not likely."

When I am asked, "Can you raise the defense budget and still meet domestic or human needs?" I say "Yes." When I am asked, "Will you?" I say, "Not likely."

When I am then asked about the inconsistency of these responses from a responsible Senator I must reply, "There are not enough of us who have yet learned to spend money wisely."

We have not learned how to spend money wisely because we have not learned there is wisdom in trusting others to make decisions. We have not learned to trust the individual person to decide how to meet his or her own needs. We have not reformed a tax system which deprives him or her of the financial resources needed. We have not learned to trust the private institutions to deliver a diversity of services for a diversity of people in a diverse society. We have not learned to trust State and local governmental officials to foster decisions on service delivery.

Mr. President, I am the chief author of S. 1974, a bill to remove inflation from the Federal income tax, capital gains tax, and depreciation. This legislation corrects the 67-year-old windfall profit tax which the Federal Government has imposed on the people served by the American federalism.

Mr. President, I intend to author legislation to make general revenue sharing permanently tied to the growth in the gross national product for its fuel, but leave it unfettered by any other congressional string for its course.

Mr. President, I recommend to the Members of this body and to others the brilliant statement on the present conditions of this country entitled: "The State of American Federalism" by Mr. Neil R. Peirce, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE STATE OF AMERICAN FEDERALISM

American federalism, which served the country so well for close to two centuries, was grievously wounded in the 1970s.

Despite all the talk of popular participation during the decade, the average citizen's power to affect government, through the ballot box in the local community, was severely diminished. More was lost, too: the system's traditional balance between competing national and state-local interests, and the clear-cut accountability of officials.

The irony is that no one ever intended this result, nor has there been any significant national debate on the subject. Almost invisibly, it happened.

But the reason and the result are now clear enough. There has been an unprecedented expansion of federal funding—and federal controls. Power has shifted from elected officials to bureaucrats. State and local governments, chosen by Congress as delivery agents for a mind-blowing variety of programs, have found their own policy priorities distorted. Their operations became so smothered in detail that responding to local citizen wishes is extremely difficult.

Ironically, the 1970s opened with debate about then-President Nixon's "New Federalism," a policy designed to counteract the flood of narrow categorical aid programs under Lyndon Johnson's "Great Society." But the promised devolution of power to states and localities proved chimerical. Congress during the '70s added some 150 new categorical aid programs, to reach a new total of 492—"each with its own set of red tape and overhead costs and each with its own propensity for growth," says Vermont Governor Richard Snelling. Revenue sharing and other block grants of the New Federalist era, intended to come with less strings, became hemmed.

When Johnson left office, total yearly federal aid to states and cities was $20 billion. Today that figure is $82 billion. This volume of activity makes "LBJ look like a piker" in contrast, says David Walker, assistant director of the Advisory Commission on Intergovernmental Relations.

Today, virtually no town, village, township, county or Indian tribe in America is without direct ties to Washington, D.C. And there is virtually no function of local government, from police to community arts promotion, for which there isn't a counterpart federal aid program.

It is true, of course, that a major cause of the expansion of federal power has been the state and local governments' unwillingness, or lack of money, to meet real social needs. But, under the pressure of a myriad of special interest groups. Congress has added hundreds of programs, from rat control in cities to protection of estuarine sanctuaries, that lack broad national support or in any event should be handled locally. Outmoded programs are rarely terminated or overlapping ones combined.

The result: a badly overloaded intergovenmental system, in which federal regulation writers struggle to design, for hundreds of programs, rules which can't possibly apply well in the tens of thousand of communities in a continent-sized, highly variegated society.

On top of all this, a bewildering array of crosscutting requirements—31, by one count—have been applied to most federal aid programs. Among them are equal employment opportunities for women and minorities, rights for the handicapped, civil service merit rules, citizen participation, historic preservation and environmental impact statements. It's almost impossible to argue against the right or protection sought in each case—all seem desirable, some essential. But the cumulative mass so impedes grants that the whole process is often slowed to a snail's pace.

Walker, the single American who probably keeps the most constant vigil on the state of the federal system, is alarmed. Since the late 1960s, he says. "We've emerged from a relatively simple governmental system to one that is more costly, more inefficient, more ineffective, and above all, less accountable than it has ever been."

Local governments' own revenues have grown. Smart local administrators can juggle federal grant moneys in ways Washington never intended. City halls respond to neighborhood and minority voices far more than they felt necessary in past times.

Still, local leaders are severely constrained by the regulations and separate fund flows of myriad fedral programs. The system makes it exceedingly difficult for them to decide on priorities, in other words, to manage intelligently.

To the extent elected officials lose control, so do the voters who choose them. Programs with admirable social goals are so structured that they threaten to emasculate local government, traditionally the schoolyard, the training ground of self-government in America.

In times past, American federalism was likened to a layer cake of neatly divided responsibilities between federal, state and local governments. Since the New Deal, it's been increasingly "marbleized," with higher levels delving into areas once left to lower ones, plus adding countless whole new functions. Walker likens the system today to "a gelatinous mass, oozing, sithering squishing," with clear-cut responsibilities ever more blurred.

As functions float between levels of government, even government managers lose track of who's in charge in any area. Voters complain about the size of government, but their deeper concern may be to find who can be held accountable.

The 1980s needs to be a time of hard re-examination, not to destroy valuable programs, but to see how they can be accountably delivered. To take account, in other words, of "first things first"—accountability, practicality, and care not to violate the constitutional balances of our federal system.

Such talk is practically taboo in Washington, where the interests continue to lobby Congress and the bureaucracy for every variety of favor and the careers of thousands rest on playing the system for maximum advantage. But, unless serious attention is paid, the confusion of the '70s could turn into full paralysis of government in the '80s.

The federal bureaucracy, so often viewed as imperious, indifferent, inefficient, is the familiar whipping boy of those who complain that the federal government in the 1970s reached an all-time peak in meddlesome rule and regulation writing, and dictation to its state and local government partners.

There is more than a shred of truth to the change. Despite its considerable number of sensitive, able administrators, the federal behemoth does suffer all the evils of a large, hard-to-manage bureaucracy.

Yet, if one tries to pinpoint responsibility for the accelerated centralization of power and destruction of balanced federalism that has marked the '70s, the trail leads inexorably to the body which created and perpetuated the hundreds of programs in the first place: the Congress of the United States.

Except for its moment of distinction in the Watergate crisis, the 1970s has not been Congress' proudest decade. Senators and representatives have let themselves be buffeted by a rising tide of narrow special interest group politics. They effectively eviscerated the seniority system; then, rather than turning to strong leadership and party discipline that would have encouraged broad policy initiatives, they splintered themselves into 333 subcommittees—each a port of entry into Congress for the special interest groups, which in turn invested $35 million in last year's congressional elections.

Today, members of Congress busy themselves with ombudsman-like errands for constituents and react with hypersensitive alacrity to groups demanding continuation of old and inauguration of new programs, no matter how many or few the beneficiaries or dubious the problem as a subject of national attention.

A prime example was last year's elementary and secondary education act. Back in the '50s and '60s, there had been serious doubts whether the federal government should aid local education at all. But the barrier having been breached in the '60s, the 1978 measure was pork barrel par excellence. Acting more like a county school board than a national legislature, Congress tried to appease virtually every racial, economic, regional or specialized educational group in America.

The 1978 bill didn't simply authorize federal money for poor students. It went on to earmark funds for bilingual education; adult education; school libraries; basic reading and math instruction; book distribution; energy, environmental, consumer and "biomedical enrichment" curriculums; school guidance and testing programs; magnet schools; schools under desegregation orders; after-hours use of school buildings, educational equity for women, and especially gifted and talented children; ethnic heritage programs; equalizing state educational outlays; private schools; Indochinese children; right to read—and paperwork reduction!

The same profligate expansion of categorical aid programs characterizes every other field from social services to natural resources. In the "bad old days," before dictatorial and nay-saying committee chairmen were curbed, most of the new programs would have been pigeon-holed, filibustered to death or eliminated in conference. But in the '70s even conservative Republicans joined in supporting omnibus bills extending 1960s programs. The 1978 education bill winged through the House 350–20, the Senate 86–7.

Congressional staff, busily writing new programs, expanded by 70 percent in the 1970s. Today, says David Walker, the nation has "pinwheel federalism." Out from the Washington bureaucracy' many departments go spigots to state, to county, to city, to school districts and special districts. Rarely is the fund flow coordinated in Washington, or in the states and localities.

It's good politics to keep the wheels turning, spewing dollars into all the conduits. "But administratively, it's pure madness," says Walker. The system is oblivious to the 50 functioning state-local fiscal systems and the intricate, varying sets of relationships between cities, counties and states, where other huge money flows and distinct power systems operate.

Not only special interest groups depend on Congress' extravagance. Federal aid in the '70s stimulated heady expansion of the so-called "public interest groups"—associations of governors, mayors, county officials, state legislators, small-town lobbies and the like. The "PIGs" grew to some 6,000 staff, spending $100 million annually, much of the activity to beseige Washington for aid as if the federal budegt were a limitless cornucopia.

So numerous are federal programs and mandates, says Governor Snelling, that no official can comprehend them all. When he was secretary of Health, Education and Welfare, notes Eliot Richardson, only a handful of persons from Capitol Hill and the Executive Branch even began to understand HEW's 300 categorical grant programs well enough to weigh seriously the claim of one program against another.

The problem is compounded, says Richardson, at the state and local levels where the programs are actually delivered. Their profusion, he adds, "makes a responsible, democratic system impossible" because Congress, in its "distrust" of mayors, county executives and governors, has insisted on "the piling up of reporting requirements, systems of oversight and audit and creating new agencies regardless of whether they make sense."

Because of proliferating subcommittees, "the claims on the time of the Senate and House have multiplied to the point where senators and congressmen don't have time to discharge their duties," Richardson believes. "In the name of democracy," he insists, federal programs must be considered so that Congress can exercise its oversight function responsibly and so that state and local governments "can be held to clear accountability in providing responsive services that match the needs of their citizens."

That would be a tall reform order for the '80s. Undoing the immense weight of federal programs and dictation laid on state and local governments—a process started in the '60s and carried to unprecedented heights of complexibility in the '70s—awaits a reform force not yet visible on the political horizon.

AID TO EL SALVADOR

● Mr. STONE. Mr. President, the administration's latest statements on El Salvador are well intentioned but insufficient. According to newspaper accounts, our Government has threatened to cancel a $49.8 million economic aid package if the right attempts a coup d'etat.

Instead of making statements, I simply wish the administration would move ahead on the economic aid; that it would stop addressing the forces out of power and start helping the moderate government in power.

I hope the administration vigorously moves ahead on this aid package. I have been saying this for months, and I will continue to say it until this money is in the hands of those whom it is intended to help.

In connection with this effort, I ask that attached program specifics and timetable for the reprogramed economic aid package be printed in the RECORD. I hope the administration sticks to it. Coinciding with this has been the Foreign Relations Committee's approval of Robert White to be our new Ambassador to El Salvador. The Senate should move rapidly to vote in favor of the nomination.

Mr. President, I nurse no illusions about the gravity of the situation in El Salvador, but I hope the violence in that country will not weaken our resolve to support the moderate elements in control of the government there. I hope that our Government's actions will not only help this strife-torn country to take the first steps toward peaceful solutions, but that they will encourage its moderate government to continue to follow through on fundamental reforms—reforms whose absence for so many years has created much of the unrest and violence we are witnessing today.

Mr. President, in addition to the timetable, I also ask that several newspaper articles on the subject of aid to El Salvador be printed in the RECORD.

The material follows:

P.L. 480 Title II. Ongoing maternal child feeding program. 115,000 beneficiaries. Food for work, $4.8 million.

Agriculture and small business development project. 20,000 jobs. Finalized on Feb. 22. Three-year project, $5.5 million.

Emergency employment project. 35,000 jobs. Finalized first part of March. Short-term project, $10.0 million.

Marginal community upgrading. 45–50,000 jobs. Finalized mid-March. Three-year project. Breaks down:

$5.0 million Development Loan.

$0.5 million Development Grant.

$5.0 Emergency Support Funds.

$15.0 Housing Loan Guarantees, $25.5 million.

Establish medical services in urban barrios. 600,000 beneficiaries will have improved access to health services. Finalized mid to late March, $1.2 million.

Technical economic assistance; agrarian reform. No jobs generated. Finalization around end of March, $1.3 million.

Additional support for ongoing activities. Obligations to begin in March, $1.5 million.

Total $49.8 million.

U.S. MAY HALT EL SALVADOR AID

WASHINGTON.—Military leaders in violence-torn El Salvador have been told the United States will cut off military and economic aid if a coup overthrows the government, an administration official said Saturday.

The official, who asked not to be identified, said $50 million in economic aid and $5 million to $10 million worth of military help is being planned for the year ending Sept. 30.

U.S. WARNS AGAINST RIGHTIST COUP IN EL SALVADOR

(By Graham Hovy)

WASHINGTON, February 23.—For the second time in two days, the State Department took the unusual step today of publicly warning El Salvador's armed forces and their right-wing supporters against any attempt to overthrow the existing Government.

Reporters were called to the department for a briefing by a high-ranking official who said the United States not only would deny support to any new military regime not committed to human rights and what it feels are necessary social changes but would actively oppose it.

The official said that, under instructions from Secretary of State Cyrus R. Vance, the United States Embassy staff in San Salvador had conveyed the warning directly to "most people who might be involved" in a coup—military leaders, large landholders and business groups. He said the embassy had made three main points:

The United States supports the existing Government because of its commitment to social change and to improved human-rights practices.

Washington would be opposed "to any efforts by those opposed to the reforms to change the Government."

Any government that excluded civilians, that was not committed to change and that engaged in human-rights abuses would be denied United States economic and military aid and be actively opposed by Washington.

An initial warning had been volunteered at the regular State Department briefing yesterday by Thomas Reston, the deputy spokesman, who said he was acting on instructions.

"We do not intend that United States assistance to El Salvador contribute to repression in that country or that it be used to frustrate reform," Mr. Reston said. "There should be no misunderstanding that our willingness to cooperate is predicated on a government committed to these reforms."

The high-ranking official said today that "various sources" in El Salvador had indicated a substantial possibility of a coup movement from the right in the next few days.●

FIGHTING REYE'S SYNDROME

Mr. MELCHER. Mr. President, for more than 1 year I have been working to focus attention on the need to step up the fight against Reye's syndrome.

Reye's syndrome, a disease of children, can strike with frightening speed, 1 week or so after common viral illnesses such as flu or chickenpox. Vomiting and lethargy precede a rapid disorientation. Degeneration of intestinal functions and liver damage are the typical pathological tissue damage. But also typical symptoms may include one or all of the following: irritability, hallucinations, hyperactivity and depression, and coma due to lack of oxygen to the brain which may result in permanent brain damage if the child survives. Within days of its onset, death is often the outcome. The mortality rate for Reye's syndrome is high, ranging from 20 to 40 percent. Once the patient slips into a coma, the chances for recovery decline dramatically.

Because of the excellent cooperation of the Senate Appropriations Committee, language was added to last year's report accompanying the Labor-HEW appropriations bill which instructed the Director of the National Institutes of Health to report by February 1, 1980,

> All of the activities within NIH, to include the total number of research projects and dollar amounts funded by each Institute" on Reye's Syndrome. The instructions continued that "the report should also include recommendations for further research on Reye's and suggestions for increasing public and professional awareness of this disorder.

On September 21, 1979, I introduced S. 1794, the Reye's Syndrome Act of 1979. Since that time, Senators MCGOVERN, SARBANES, HOLLINGS, LEVIN, METZENBAUM, DECONCINI, BAUCUS, GLENN, RIEGLE, BUMPERS, and FORD have joined as cosponsors. That bill would set up a Reye's Syndrome Coordinating Committee made up of several of the Institutes at NIH. That committee would supervise the establishment of two comprehensive Reye's syndrome diagnostic and treatment centers and would also oversee the award of grants to independent researchers specifically focusing on Reye's syndrome.

The bill was submitted for comment to the Federal department that would be charged with administering the programs in the bill, in this case, the Department of Health, Education, and Welfare. Regrettably, the report received on December 12, 1979, was not favorable despite the fact that in April of 1979 the Director of the National Institute of Neurological and Communicative Disorders and Stroke had recommended a course of action very much like the bill I introduced.

Recently, the report from NIH requested by the Senate Appropriations Committee has been published. There are some sharp differences between the NIH report on Reye's research and the HEW critique of S. 1794. In fact, the differences are at times so sharp that I am more convinced than ever before of the need to proceed with legislative action to aid in the fight against Reye's syndrome. I have requested the Senate Health Subcommittee to conduct hearings on S. 1794.

Before making a more precise comparison between the NIH report and the HEW critique, I think it is important to raise an issue that has troubled me for some time. When agency comments are sought on an introduced bill, I am afraid that all too often what we are receiving are not the frank views of scientists and physicians but rather the rigid views of accountants and economists at the Office of Management and Budget. OMB opposes a bill on budget grounds and the subservient agency, however its experienced views might differ, must consequently hew the live and fit and shape its arguments to square with OMB budget demands. I believe the points I am about to make lend credence to that assessment.

In their December 1979 comments on S. 1794, the Department of Health, Education, and Welfare had this to say about the effort of Federal agencies to monitor cases of Reye's syndrome nationwide:

> CDC (the Center for Disease Control in Atlanta) has for several years given priority to the surveillance and collection of cases of Reye's Syndrome across the nation. This is a vital effort that must be fostered.

I have no quarrel whatever with the last part of that statement. In fact, when I introduced S. 1794, I noted my serious concern about the status of the effort to keep track of Reye's cases. My view then was that CDC was not properly equipped to do the job the Secretary of HEW seems to believe they have been doing. I noted that CDC had confirmed that Reye's is not a reportable disease.

CDC, in turn, explained that was because a 1976 conference of State and territorial epidemiologists felt that making Reye's reportable would not necessarily lead to a better fund of information than now exists. Nevertheless, I called for a review of that position.

The February report on Reye's syndrome from the National Institutes of Health reconfirmed that Reye's is still not a reportable disease and went on to say that "statistics on its prevalence are difficult to obtain."

Then the report pointed to a chilling contrast.

The report said, "The National Center for Health Statistics (NCHS) estimated approximately 2,650 deaths from Reye's syndrome in 1977; however, a much smaller number of cases (236) was reported voluntarily to the Center for Disease Control during 1978."

The differences, frankly, strike me as incredible. It must be clearly understood that CDC reported cases of Reye's syndrome. The National Center for Health Statistics estimated deaths. What that means is that the agency HEW described as having priority for the surveillance of Reye's could only report as cases about one-eleventh the number of what another agency reported as deaths attributable to Reye's syndrome. The National Institutes of Health says the mortality rate in Reye's cases is between 20 and 40 percent. If you take the middle figure of 30 percent mortality, there is a likelihood that more than 8,000 cases were involved rather than the 236 cases reported by CDC. Although I understand CDC has recently stepped up their monitoring efforts, given the disparity in the figures, I cannot accept HEW assurances that the Center for Disease Control has been conducting appropriate surveillance of Reye's syndrome. Nor can I accept, based on the NCHS figures, any conclusion that Reye's is as uncommon as some would have us believe.

S. 1794 called for the establishment of two Reye's research and treatment centers. In the HEW critique of the bill, they gave a number of reasons why that feature of the bill was objectionable to them. When I introduced S. 1794, I acknowledged that the legislation could profit and be improved upon by the views of witnesses at a hearing on the measure. I am certainly open to reasonable suggestions of those experienced in Reye's research on how that feature of the bill might be strengthened.

There is a further problem, I surmise: Many physicians do not diagnose Reye's syndrome but diagnose a complication of a viral disease that affects the brain, causing a coma. On that, I will bet my hat. It is a tragedy that early diagnosed

Reye's patients have a good chance to survive. Recognition of the syndrome is key—that depends on the diagnosis by the attending physician.

There were, however, other fundamental criticisms of S. 1794 contained in the HEW critique that strain any attempt to accept them. For example, HEW began its analysis of the bill by saying, "we oppose S. 1794 because basic and clinical research relevant to Reye's syndrome is not at the stage which would make practical and meaningful such a directed and focused approach as the establishment of centers."

HEW makes my point exactly. I heartily agree that research is needed and I believe there should be more of that basic research focused directly on Reye's syndrome. If financial resources to support that research are lacking, I am willing to do all I can to help provide the money. My intention here is not to play with words. HEW's definition of "basic research" is the general study of factors associated with Reye's rather than research on Reye's itself. I understand that. I cannot accept a position which argues that we cannot proceed to step two before we finish completely with step one. That implies that there is only one ladder to climb. I believe that basic general research can and should be complimented by focused research on Reye's syndrome itself. There is no conflict in combining the two.

The Department of Health, Education, and Welfare also took the view that the provision of S. 1794 which would establish a coordinating committee on Reye's within the National Institutes of Health, "* * * would have the effect of segregating and isolating research, which at the present stage of knowledge must be the major source of knowledge for advancing understanding of disorders such as Reye's syndrome."

It is difficult for me to believe that a coordinating committee—made up of representatives from the National Institute of Neurological and Communicative Disorders and Stroke; the National Institute of Allergy and Infectious Diseases; the National Institute of Arthritis, Metabolism and Digestive Disease; the National Institute of Child Health and Human Development; the National Institute of General Medical Sciences; the National Heart, Lung and Blood Institute, and; the Center for Disease Control—could be "isolated and segregated."

If anything, the committee would be operating within the very mainstream of research and be able to provide to Reye's researchers immediate information on advances that would be useful in focused Reye's efforts. The fact is, the February NIH report notes, "Since research on Reye's syndrome transcends several NIH components, any increased efforts will require coordination and cooperation among them.

In the future, this coordination will take the form of increased multidivisional support for projects, particularly if it is determined that a multidisciplinary program such as a program on Reye's syndrome is desirable and feasible." The differences between what HEW has said and what NIH has said should be evidence enough of the need for improved coordination and cooperation.

Aside from the differences between the HEW critique and the NIH report, there are other observations in the latter report that deserve close attention. For example, NIH reported that the "incidence of Reye's syndrome follows seasonal and geographic patterns which are poorly understood." They went on to note that Reye's is apparently associated with viral diseases but acknowledged that, "the difference between influenza A and B viruses and their association with Reye's syndrome is not understood." They also mentioned that ". . . it is not possible to identify those individuals who might be at increased risk to develop Reye's syndrome." There is clearly much to be done in these areas. Again they make the case for the need of the bill and prompt its rapid enactment into law.

NIH also responded to the injunction of the Appropriations Committee to list how many projects on Reye's were active and how much is being spent. Here is what they had to say:

> The research funded . . . can be categorized in two broad categories; that is, research directly related and research indirectly related to Reye's Syndrome. Directly related research includes those in which an understanding of Reye's Syndrome is the principal objective, whereas research which is indirectly related includes studies which increase knowledge in treatment of coma, prevention of influenza, understanding of urea cycle biochemistry, study of mithochondrial activity and many other subjects which appear to have some relationship to the disease. Consequently, it is difficult to state with certainty the precise amount allotted to Reye's Syndrome.

Nevertheless, it was concluded that during fiscal year 1979 there were 28 projects at NIH directly related to Reye's syndrome involving some $895,000. NIH estimated that there were approximately 76 other projects indirectly related to Reye's research which cost about $8.9 million. I do not believe that the 28 projects accurately reflect the total amount of medical and scientific curiosity in the Nation on Reye's syndrome. It is my belief that the 28 grants represent a combination of limiting factors, beginning with OMB budget restrictions and extending through a peer review system that may tend to discourage research awards that are connected with diseases not currently the vogue in research circles. If more funds were available and researchers could expect reasonable awards, I am convinced there would be additional quality applications responding to the very basic questions still unanswered about Reye's syndrome.

I wonder if we are doing enough on Reye's syndrome if we can only afford to spend $300 in NIH research money for every Reye's death estimated to have occurred in 1977. I wonder if we are doing enough when we spend less than $900,000 on direct Reye's research while a respected RS specialist estimates the yearly cost of acute care of Reye's syndrome to be between $25 and $37 million.

I think we are not. Yet I am sure we can and there are a number of ways to proceed.

First, hearings should be held on Reye's syndrome before the Senate Health Subcommittee with S. 1794 as the focus. We need to bring together the authors of the reports produced by NIH and HEW and specialists on Reye's research to work out a means of proceeding with greater speed on the work that all seem to agree needs to be done. The bill provides such a framework.

Second, we can see to it that there are more research funds available to Reye's researchers so that they can pursue in greater depth the answers to the mysteries they now confront. When NIH released its report, the National Institute of Child Health and Human Development (NICHHD) added a statement of their own. They observed that among children who have recovered from Reye's, there were "subtle disturbances of high cognitive functions."

In view of that I am encouraged that President Carter's budget for fiscal 1981 calls for a 30-percent increase in child health research. This research, to be carried out by NICHHD, is aimed at preventing conditions in childhood that result in disease and disability in adulthood. Certainly the results of Reye's research already conducted by NICHHD indicates that Reye's fits that description and I would hope that funds from that 30-percent budget increase could be earmarked for Reye's projects.

The President's budget also requests an additional $139 million for biomedical research, enough to "stabilize" at 5,000 the number of new and competing research grants awarded annually. It seems to me that out of the $139 million, there ought to be at least an additional $500,000 for Reye's this year, an amount equal to the yearly research sum requested in S. 1794. That additional earmarked funding needs to be pursued and I intend to do just that.

Third, NIH should be urged to arrange a "consensus development meeting" with Reye's syndrome as the focus. These meetings have been conducted in the past through the Office for Medical Applications of Research on issues including the treatment of breast cancers.

The meetings bring together specialists in the particular field with concerned citizens in an attempt to transmit information on biomedical research into the health service community. I am fully aware that there have been conferences on Reye's before, such as the one in Halifax, Nova Scotia in June of 1978. These conferences are useful to the extent that they point in new directions and heighten the awareness of a problem. I do not want to minimize their importance. However, I would hope that if a consensus development meeting is held, it will serve to complement, not substitute for other actions I have previously described.

More than a year has gone by since my initial contact with the National Institutes of Health on Reye's syndrome. In that period, three bills have been introduced in Congress, my own S. 1794 and H.R. 6164 and H.R. 6468. We have received a useful report from NIH on what is being done and what more needs to be done on Reye's. These efforts are in addition to the excellent, frontline efforts of the National Reye's Syndrome Foundation headquartered at Bryan, Ohio, a group waging a serious, dedicated battle to educate people on the threat of Reye's and the need for early diagnosis, and prompt treatment. Their annual meeting is June 21 at the National Press Club.

Still more needs to be done. I want to help by seeing additional funds assigned to the effort to encourage new, innovative levels of research. Make no mistake. This is not a battle among competitors for scientific research dollars. Rather, it must be a collaborative effort among all those sharing a common fear of this disease and a concern that we need to step up the fight, to focus more sharply, to work harder and to coordinate national efforts to more effectively diagnose and treat Reye's syndrome to prevent youngsters from dying when it afflicts them.

GENERAL ACCOUNTING OFFICE ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, this has been cleared with Mr. STEVENS. I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 612, S. 1878, for not to exceed 3 minutes and that no amendments be in order other than the technical amendments to be offered by Mr. GLENN.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1878) to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with amendments as follows:

On page 3, line 14, strike "a duly established committee or subcommittee of the Congress" and insert "the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and to the Committees of the House and the Senate having legislative or appropriations oversight with respect to the expenditure in question";

On page 4, line 2, after "activities" insert a comma and "or sensitive law enforcement investigations if an audit proceeding pursuant to the provisions of paragraph (1) of this subsection would expose the identifying details of an active investigation or endanger the safety of investigative or domestic intelligence sources involved in such law enforcement investigations";

On page 4, beginning with line 18, insert the following:

"(4) Not later than sixty days after the beginning of each fiscal year starting on or after October 1, 1980, the Director of the Office of Management and Budget shall submit to the chairman of the Committees on the Budget and the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and to the Comptroller General, a report listing every account potentially subject to audit by the Comptroller General under paragraph (1).".

On page 5, beginning with line 3, strike through and including page 7, line 3, and insert in lieu thereof the following:

ENFORCEMENT OF ACCESS TO RECORDS

SEC. 102. Section 313 of the Budget and Accounting Act, 1921 (31 U.S.C. 54), is amended by designating the existing paragraph as subsection (a) and by adding at the end the following new subsections:

"(b)(1) When access to any books, documents, papers, or records of any department or establishment is not made available within a reasonable period of time, the Comptroller General in his discretion may make a written request to the head of the department or establishment concerned. Any such request shall set forth any authority in addition to subsection (a) for such access and the reasons such access is desired. The head of the department or establishment concerned shall have a period of twenty days from the date of receipt to respond to the written request of the Comptroller General. The response shall describe any books, documents, papers, or records withheld and the reasons therefor. If within such twenty-day period full access to such books, documents, papers, or records has not been afforded the Comptroller General or any of his designated assistants or employees, the Comptroller General may file a written report of the matter with the President of the United States, the Director of the Office of Management and Budget, the Attorney General, the head of the department or establishment concerned, and with the Speaker of the House of Representatives and the President of the Senate.

"(2) Subject to subsection (d) the Comptroller General, through any attorney designated by him in writing, may, after twenty calendar days after the filing of a written report under paragraph (1), apply to the United States District Court for the District of Columbia for any order requiring the head of the department or establishment concerned to produce the material withheld. The Attorney General is authorized to represent the defendant official in such proceedings. Any failure to obey an order of the court under this subsection may be treated by the court as a contempt thereof.

"(c)(1) Subject to subsection (d), the Comptroller General may require by subpena the production of books, records, correspondence, memoranda, papers, and documents of contractors, subcontractors, or other non-Federal persons to which he has access by law or by agreement of the non-Federal person from whom access is sought. Subpenas may be issued under the signature of the Comptroller General and shall identify the material sought and the authority on which access is based. Service of a subpena issued under this subsection may be made by anyone authorized by the Comptroller General (A) by delivering a copy thereof to the person named therein, or (B) by mailing a copy thereof by certified or registered mail, return receipt requested, addressed to such person at his residence, or principal place of business. A verified return by the person so serving the subpena setting forth the manner of service or in the case of service by certified or registered mail, the return post office receipt signed by the person so served, shall be proof of service.

"(2) In the case of contumacy or refusal to obey a subpena issued under paragraph (1) of this subsection, by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, such court, upon application made by the Comptroller General through any attorney designated by him in writing, shall have jurisdiction to issue to such person an order requiring such person to produce the matter requested. Any failure of any such person to obey such order of the court may be treated by the court as a contempt thereof.

"(d) The Comptroller General may not bring an action under subsection (b) for an order or issue a subpena under subsection (c) requiring the production of material—

"(1) if such material relates to activities designated by the President as being foreign intelligence or foreign counterintelligence activities;

"(2) if such material is specifically exempted from disclosure to the Comptroller General by statute provided that such statute (A) requires that the material be withheld from the Comptroller General in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding from the Comptroller General or refers to particular types of matters to be withheld from the Comptroller General; or

"(3) if the President or the Director of the Office of Management and Budget within twenty days after the filing of a report under subsection (b)(1), certifies in writing to the Comptroller General, the Speaker of the House of Representatives, and the President of the Senate, that (A) such material consists of matters which could be withheld from disclosure under section 552(b)(5) or 552(b)(7), of title 5, United States Code, and (B) the disclosure of such material to the Comptroller General could reasonably be expected to substantially impair the operations of the Federal Government. Such certification shall be nondelegable by the President or by the Director of the Office of Management and Budget and shall be accompanied by a full explanation of the rationale therefor.

"(e) Any written information, books, documents, papers, or records made available to the Comptroller General pursuant to this section shall be subject to the same level of confidentiality as is required of the agency from which obtained. The officers and employees of the General Accounting Office shall be subject to the same penalties prescribed by statute for unauthorized disclosure or use as the officers or employees of the agency from which such material was obtained. Information described in section 552(b)(6) of title 5 of the United States Code obtained by the Comptroller General shall be maintained in a manner designed to prevent unwarranted invasions of personal privacy.

"(f) Nothing in this section shall be construed as authority to withhold information from Congress.".

AVAILABILITY OF DRAFT REPORTS

SEC. 103. Section 312 of the Budget and Accounting (Act, 1921 (31 U.S.C. 53), is amended by adding at the end thereof the following new subsection:

"(f)(1) No portion of any draft report prepared by the General Accounting Office shall be submitted to any agency for comment thereon for a period in excess of thirty days unless the Comptroller General determines, upon a showing by such agency, that a longer period is necessary and is likely to result in improvement in the accuracy of such report.

"(2) Failure of an agency to return comments by the conclusion of the comment period established under paragraph (1) of this subsection shall not result in the delayed delivery of any such report.

"(3) Whenever an agency is requested to comment on a draft report, the Comptroller General shall—

"(A) in the case of any report initiated, pursuant to subsection (b) of this section or otherwise, at the request of either House of Congress or by any committee or member thereof, make such draft report available on request to such House, committee, or member; or

"(B) in the case of any other report, make such draft report available on request to the Committee on Government Affairs of the Senate and to the Committee on Government Operations of the House.

"(4) The Comptroller General shall prepare and issue with the final version of any report of the General Accounting Office a statement of (A) any significant changes, from any prior drafts of such report, in the findings, conclusions, or recommendations which were based on an agency's comments on such a draft, and (B) the reasons for making such changes.

"(5) Procedures followed pursuant to this subsection shall be subject to statutory and Executive order guidelines for the handling and storage of classified information and material.".

On page 13, line 3, strike "103" and insert "104";

On page 14, line 3, strike "five" and insert "three";

On page 15, line 16, strike "and";

On page 16, line 20, strike "(1).”." and insert "(1); and";

On page 16, beginning with line 21, insert the following:

"(4) shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "General Accounting Office Act of 1979".

TITLE I—GENERAL ACCOUNTING OFFICE PROVISIONS

UNVOUCHERED EXPENDITURES

SEC. 101. Section 117 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 67) is amended by adding at the end thereof the following new subsection:

"(f)(1) Notwithstanding any provision of law which permits an expenditure to be accounted for solely on the approval, authorization, or certificate of the President of the United States or an official of an executive agency, the Comptroller General shall have access to such books, documents, papers, records, and other information relating to any such expenditure as may be necessary to enable him to determine whether the expenditure was, in fact, actually made and whether such expenditure was authorized by law. The provisions of this paragraph may be superseded only by a provision of law enacted after the date of enactment of this paragraph which specifically repeals or modifies the provisions of this paragraph. In the case of an expenditure under section 102, 103, 105(d) (1), (3), or (5), or 106(b) (2) or (3), of title 3, United States Code, the provisions of sections 102, 103, 105(d), and 106(b) of such title shall govern the examination of such expenditures by the Comptroller General in lieu of the provisions of this subsection.

"(2) With respect to any expenditure accounted for solely on the approval, authorization, or certificate of the President of the United States or an official of an executive agency and notwithstanding any provision of law, no officer or employee of the General Accounting Office may release the findings of its audit of such expenditure or disclose any books, documents, papers, records, or other information concerning such expenditure to anyone not an officer or employee of the General Accounting Office, except to the President or the head of the agency concerned or, in the case of unresolved discrepancies to the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and to the Committees of the House and the Senate having legislative or appropirations oversight with respect to the expenditure in question.

"(3)(A) Nothing in this subsection shall be construed as affecting the authority contained in section 8(b) of the Central Intelligence Agency Act of 1949.

"(B) The President may exempt from the provisions of paragraph (1) of this subsection financial transactions which relate to sensitive foreign intelligence or foreign counterintelligence activities, or sensitive law enforcement investigations if an audit proceeding pursuant to the provisions of paragraph (1) of this subsection would expose the identifying details of an active investigation or endanger the safety of investigative or domestic intelligence sources involved in such law enforcement investigations. An exemption under this subparagraph may be given for a class or category of financial tranactions.

"(C) Information concerning financial transactions taken pursuant to section 8(b) of the Central Intelligence Agency Act of 1949 and information concerning financial transactions exempted from the provisions of paragraph (1) pursuant to subparagraph (B) shall be reviewable by the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

"(4) Not later than sixty days after the beginning of each fiscal year starting on or after October 1, 1980, the Director of the Office of Management and Budget shall submit to the chairman of the Committees on the Budget and the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and to the Comptroller General, a report listing every account potentially subject to audit by the Comptroller General under paragraph (1).".

ENFORCEMENT OF ACCESS TO RECORDS

SEC. 102. Section 313 of the Budget and Accounting Act, 1921 (31 U.S.C. 54), is amended by designating the existing paragraph as subsection (a) and by adding at the end the following new subsections:

"(b)(1) When access to any books, documents, papers, or records of any department or establishment is not made available within a reasonable period of time, the Comptroller General in his discretion may make a written request to the head of the department or establishment concerned. Any such request shall set forth any authority in addition to subsection (a) for such access and the reasons such access is desired. The head of the department or establishment concerned shall have a period of twenty days from the date of receipt to respond to the written request of the Comptroller General. The response shall describe any books, documents, papers, or records withheld and the reasons therefor. If within such twenty-day period full access to such books, documents, papers, or records has not been afforded the Comptroller General or any of his designated assistants or employees, the Comptroller General may file a written report of the matter with the President of the United States, the Director of the Office of Management and Budget, the Attorney General, the head of the department or establishment concerned, and with the Speaker of the House of Representatives and the President of the Senate.

"(2) Subject to subsection (d) the Comptroller General, through any attorney designated by him in writing, may, after twenty calendar days after the filing of a written report under paragraph (1), apply to the United States District Court for the Distirtct of Columbia for any order requiring the head of the department or establishment concerned to produce the material withheld. The Attorney General is authorized to represent the defendant official in such proceedings. Any failure to obey an order of the court under this subsection may be treated by the court as a contempt thereof.

"(c)(1) Subject to subsection (d), the Comptroller General may require by subpena the production of books, records, correspondence, memoranda, papers, and documents of contractors, subcontractors, or other non-Federal persons to which he has access by law or by agreement of the non-Federal person from whom access is sought. Subpenas may be issued under the signature of the Comptroller General and shall identify the material sought and the authority on which access is based. Service of a subpena issued under this subsection may be made by anyone authorized by the Comptroller General (A) by delivering a copy thereof to the person named therein, or (B) by mailing a copy thereof by certified or registered mail, return receipt requested, addessed to such person at his residence, or principal place of business. A verified return by the person so serving the subpena setting forth the manner of service or in the case of service by certified or registered mail, the return post office receipt signed by the person so served, shall be proof of service.

"(2) In the case of contumacy or refusal to obey a subpena issued under paragraph (1) of this subsection, by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, such court, upon application made by the Comptroller General through any attorney designated by him in writing, shall have jurisdiction to issue to such person an order requiring such person to produce the matter requested. Any failure of any such person to obey such order of the court may be treated by the court as a contempt thereof.

"(d) The Comptroller General may not bring an action under subsection (b) for an order or issue a subpena under subsection (c) requiring the production of material—

"(1) if such material relates to activities designated by the President as being foreign intelligence or foreign counterintelligence activities;

"(2) if such material is specifically exempted from disclosure to the Comptroller General by statute provided that such statute (A) requires that the material be withheld from the Comptroller General in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding from the Comptroller General or refers to particular types of matters to be withheld from the Comptroller General; or

"(3) if the President or the Director of the Office of Management and Budget within twenty days after the filing of a report under subsection (b)(1), certifies in writing to the Comptroller General, the Speaker of the House of Representatives, and the President of the Senate, that (A) such material consists of matters which could be withheld from disclosure under section 552(b)(5) or 552(b)(7), of title 5 United States Code and (B) the disclosure of such material to the Comptroller General could reasonably be expected to substantially impair the operations of the Federal Government. Such certification shall be nondelegable by the President or by the Director of the Office of Management and Budget and shall be accompanied by a full explanation of the rationale therefor.

"(e) Any written information, books, documents, papers, or records made available to the Comptroller General pursuant to this section shall be subject to the same level of confidentiality as is required of the agency from which obtained. The officers and employees of the General Accounting Office shall be subject to the same penalties prescribed by statute for unauthorized disclosure or use as the officers or employees of the agency from which such material was obtained. Information described in section 552(b)(6) of title 5 of the United States Code obtained by the Comptroller General shall be maintained in a manner designed to prevent unwarranted invasions of personal privacy.

"(f) Nothing in this section shall be construed as authority to withhold information from Congress.".

AVAILABILITY OF DRAFT REPORTS

Sec. 103. Section 312 of the Budget and Accounting Act, 1921, (31 U.S.C. 53) is amended by adding at the end thereof the following new subsection:

"(f)(1) No portion of any draft report prepared by the General Accounting Office shall be submitted to any agency for comment thereon for a period in excess of thirty days unless the Comptroller General determines, upon a showing by such agency, that a longer period is necessary and is likely to result in improvement in the accuracy of such report.

"(2) Failure of an agency to return comments by the conclusion of the comment period established under paragraph (1) of this subsection shall not result in the delayed delivery of any such report.

"(3) Whenever an agency is requested to comment on a draft report, the Comptroller General shall—

"(A) in the case of any report initiated, pursuant to subsection (b) of this section or otherwise, at the request of either House of Congress or by any committee or member thereof, make such draft report available on request to such House, committee, or member; or

"(B) in the case of any other report, make such draft report available on request to the Committee on Governmental Affairs of the Senate and to the Committee on Government Operations of the House.

"(4) The Comptroller General shall prepare and issue with the final version of any report of the General Accounting Office a statement of (A) any significant changes, from any prior drafts of such report, in the findings, conclusions, or recommendations which were based on an agency's comments on such a draft, and (B) the reasons for making such changes.

"(5) Procedures followed pursuant to this subsection shall be subject to statutory and Executive order guidelines for the handling and storage of classified information and material.".

APPOINTMENT OF THE COMPTROLLER GENERAL AND THE DEPUTY COMPTROLLER GENERAL

Sec. 104. (a) Section 302 of the Budget and Accounting Act, 1921 (31 U.S.C. 42) is amended by inserting "(a)" before "There" and by adding at the end thereof the following new subsection:

"(b)(1) Whenever, after the date of enactment of this subsection, a vacancy occurs in the Office of Comptroller General or in the Office of Deputy Comptroller General, there is established a commission to recommend individuals to the President for appointment to the vacant office. Any such commission shall consist of—

"(A) the Speaker of the House of Representatives,

"(B) the President pro tempore of the Senate,

"(C) the majority and minority leaders of the House of Representatives and the Senate,

"(D) the chairman and ranking minority member of the Committee on Government Operations of the House of Representatives and of the Committee on Governmental Affairs of the Senate, and

"(E) in the case of a vacancy in the Office of Deputy Comptroller General, the Comptroller General of the United States.

"(2) Any commission established under paragraph (1) shall submit to the President for consideration the names of not less than three persons for the Office of Comptroller General. The President, within his discretion, may request that additional names be submitted.".

(b)(1) The first paragraph of section 303 of such Act (31 U.S.C. 43) is amended by striking out the first sentence and inserting in lieu thereof the following: "Except as otherwise provided in this section, the Comptroller General shall hold office for fifteen years and the Deputy Comptroller General shall hold office from the date of his appointment until the date on which an individual is appointed to fill a vacancy in the Office of Comptroller General. The Deputy Comptroller General may continue to serve until his successor is appointed.".

(2) The amendment made by paragraph (1) shall not apply to the person occupying the position of Deputy Comptroller General on the date of enactment of this Act, but shall apply with respect to any vacancy in such position occurring on or after such date, and shall apply to any person appointed to fill such a vacancy.

TITLE II—CONFORMING AMENDMENTS WITH RESPECT TO THE INSPECTORS GENERAL OF THE DEPARTMENTS OF ENERGY AND HEALTH, EDUCATION, AND WELFARE

AMENDMENT TO THE ACT OF OCTOBER 15, 1976

Sec. 201. Section 203(b) of the Act of October 15, 1976 (90 Stat. 2430; 42 U.S.C. 3524), is amended to read as follows:

"(b) In carrying out the responsibilities specified in subsection (a)(1), the Inspector General shall—

"(1) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(2) establish guidelines for determining the appropriate use of non-Federal auditors;

"(3) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in paragraph (1); and

"(4) shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.".

AMENDMENT TO THE DEPARTMENT OF ENERGY ORGANIZATION ACT

Sec. 202. Section 208 of the Department of Energy Organization Act (42 U.S.C. 7138) is amended by adding at the end thereof the following new subsections:

"(h) In carrying out the responsibilities specified in subsection (b)(1), the Inspector General shall—

"(1) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(2) establish guidelines for determining the appropriate use of non-Federal auditors; and

"(3) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in paragraph (1).

"(i) In carrying out his duties and responsibilities under this section, the Inspector General shall give particular regard to the activities of the Comptroller General with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(j) In carrying out his duties and responsibilities under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inpector General has reasonable grounds to believe there has been a violation of Federal criminal law.".

The PRESIDING OFFICER. Is there objection to the consideration of the committee amendments en bloc?

Without objection, it is so ordered.

The question is on agreeing to the committee amendments en bloc. The committee amendments were agreed to en bloc.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 1002

Mr. GLENN. Mr. President, I send to the desk a technical amendment to S. 1878 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Glenn) proposes an unprinted amendment numbered 1002:

On page 2, line 4, strike the word "1979"., and insert in lieu thereof, "1980".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. GLENN. Mr. President, it is with a sense of accomplishment that I rise to urge my colleagues to pass the General Accounting Office Act of 1980. Future historians may well look upon this piece of legislation as one of the most significant to emerge from the 96th Congress. The legislation is intended to strengthen the General Accounting Office's ability to discharge its functions as an investigative and auditing arm of the Congress.

The bill does this by first providing GAO with authority to audit most unvouchered expenditures, which are those expenditures authorized by law to be accounted for solely on the signature of the President or other designated officials. Second, the bill strengthens GAO's existing authority to enforce its statutory right of access to records of Federal agencies as well as non-Federal entities such as Government contractors and grantees. Third, it makes changes in GAO's report issuance procedure in order to improve the timeliness and accuracy of such reports, and fourth, S. 1878 provides a formal mechanism for congressional input in the appointment of future Comptrollers General and their deputies.

By providing the Comptroller General with enforcement powers to accompany right of access to records, the bill allows the Congress to take a giant step forward in terms of making Government more accountable to the people through effective oversight activity. I think we would all agree, Mr. President, that effective oversight is a hallmark of good government.

While strengthening the GAO's enforcement authority, the bill provides for appropriate exemptions to such enforcement authority. Certain law enforcement areas as well as foreign intelligence or counterintelligence activities have been provided with protection against unnecessary disclosures. In addition, by means of an appropriate certification as spelled out in section 102(d)(3) of the legislation, the President or the Director of the Office of Management and Budget can preclude a suit by the Comptroller General against the President and his principal advisers and assistants and against those units within the Executive Office of the President whose sole function is to advise and assist the President, for information which would not be available under the Freedom of Information Act. This exemption, however, is not meant to apply to units within the Executive Office of the President such as OMB, whose functions go beyond advising and assisting the President.

Mr. President, this bill is a milestone in executive/legislative branch relations and resulted from a prodigious amount of staff work that included protracted negotiations with the administration and the GAO, both of whom support its passage. It deserves the wholehearted support of everyone who believes that effective congressional oversight is one of the most important legislative functions performed by Congress.

● Mr. PERCY. Mr. President, the proposals contained in this omnibus GAO bill have been pending before Congress for several years. As a result, the initial objections raised by the executive branch have been adequately addressed while the substance of the bill remains intact. I commend Senator GLENN for his enduring efforts to devise a balanced solution to the problems faced by GAO in responding to Congress needs. Many hours have gone into delicate negotiations between the Governmental Affairs Committee, OMB, various Federal departments and agencies including DOD and Justice, and GAO to insure that constitutional principles and sensitive investigative records are protected.

With American taxpayers demanding Government to cut waste, GAO access to unvouchered accounts is absolutely essential to insure that funds made available on a confidential basis are in fact used for authorized purposes. But because of the sensitive nature of these accounts, S. 1878 restricts GAO's audit findings to the President and the head executive branch agency concerned and, in the case of unresolved discrepancies, to the appropriate congressional committees. Further, the President may exempt from GAO review unvouchered expenditures for sensitive law enforcement investigations as well as foreign intelligence and foreign counterintelligence activities when these investigations may be undermined or the safety of undercover agents and informants may be endangered. I would like to emphasize that GAO is highly regarded throughout the Government for its handling of highly confidential Federal records and documents.

The second troublesome issue the bill addresses is the occasional problem of Federal agencies failing to cooperate with the Comptroller General in supplying documents necessary for audits. Although the 1921 Budget and Accounting Act gives GAO the right of access to all records unless specifically exempted by law, the Comptroller General currently lacks a mechanism to enforce this right. Providing GAO with court enforceable subpena power will lessen the chance of unnecessary delay in obtaining records which in turn will improve GAO's responsiveness to Congress.

However, the use of subpenas and lawsuits against executive branch agencies should be the exception rather than the norm. S. 1878 accordingly sets up a series of procedural steps which GAO must take before instituting judicial enforcement actions to compel the production of documents. In this manner, the current informal consultation and cooperation between GAO and executive branch agencies will be encouraged to continue.

Finally, the bill contains provisions to establish a commission to present to the President a list of three possible nominees for Comptroller General and Deputy Comptroller General, to make draft GAO reports available to Congress and to require the inspectors general of the Departments of Energy and HEW to conform with GAO audit standards.

Mr. President, I strongly support S. 1878 and urge that the bill be enacted.●

Mr. GLENN. Mr. President, I ask unanimous consent that S. 1878 receive its third reading, that the Governmental Affairs Committee be discharged from further consideration of H.R. 24, that the Senate proceed to immediate consideration of H.R. 24, that everything following the enacting clause be stricken, that the text of S. 1878 be inserted in lieu thereof, that the bill as thus amended have its third reading and be passed, that motion to reconsider passage of the House bill be laid on the table, and that S. 1878 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Morning business is closed.

PERMISSION FOR COMMITTEES TO FILE REPORTS TOMORROW AND MONDAY, MARCH 3, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have permission to file reports, that conference reports may be filed, that bills may be filed, and that Senators may introduce bills and resolutions for referral between the hours of 9 a.m. and 3 p.m. on tomorrow, Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make the same request with respect to filing of reports of committees and conference reports on Monday, March 3, 1980.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS STEVENS AND HARRY F. BYRD, JR., ON TUESDAY, MARCH 4

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on Tuesday next, after the two leaders or their designees have been recognized under the standing order, Mr. STEVENS and Mr. HARRY F. BYRD, JR., be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTPONEMENT OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Orders Nos. 44, 323, and 618 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders No. 606 and 615.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL AZORES EARTHQUAKE RELIEF

The bill (S. 2194) to amend the Foreign Assistance Act of 1961 to authorize special Azores earthquake relief and reconstruction assistance, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 495I. SPECIAL AZORES EARTHQUAKE RELIEF AND RECONSTRUCTION ASSISTANCE.—(a) The President is authorized to furnish assistance on such terms and conditions as he may determine, for disaster relief and reconstruction in the Azores to assist in alleviating the human suffering caused by a recent earthquake. In addition to amounts otherwise available for such purposes, there is authorized to be appropriated for purposes of this section $10,000,000 for the fiscal year 1980, which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.

"(b) Obligations incurred, prior to the enactment of appropriations to carry out this section, against other appropriations or accounts for the purpose of alleviating the human suffering caused by the earthquake in the Azores may be charged to the appropriations authorized by this section.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL MEDIC ALERT WEEK

The joint resolution (H.J. Res. 434) to authorize and request the President to issue a proclamation designating April 6 through 12, 1980, "National Medic Alert Week," was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY TO TAKE CERTAIN ACTIONS DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that between the time that the Senate recesses today and its reconvening on Tuesday, that the Secretary of the Senate be authorized to receive messages from the President of the United States and/or the House of Representatives, and that they may be appropriately referred; and that during the same period the Vice President of the United States, the President of the Senate pro tempore, and the Acting President pro tempore, be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

INSULAR AREAS AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3756.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 3756) entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes", with the following amendments:

1. Page 5, after line 2, insert:

SEC. 104. Notwithstanding any other provision of law, except in cases in which the Federal program is terminated with respect to all recipients under the program, Federal programs in the fields of education and health care shall not cease to apply to the Trust Territory of the Pacific Islands or any successor government or governments, nor shall participation in any applicable Federal programs in the fields of education and health care by the Trust Territory of the Pacific Islands or any successor government or governments be denied, decreased or ended, either before or after the termination of the trusteeship, without the express approval of the United States Congress.

2. Page 6, after line 20, insert:

SEC. 204. (a) Section 3(d) of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes" (Public Law 95-348; 92 Stat. 487) is amended by inserting "(1)" after "(d)" and by inserting "or upon receipt of a resolution adopted by both houses of the legislature of the Northern Mariana Islands accompanied by a letter of request from either the Governor or the Lieutenant Governor of the Northern Mariana Islands," after "Constitution of the Northern Mariana Islands," the first place it appears, and by adding at the end of "(d)" the following new paragraphs:

"(2) For purposes of carrying out any administration and enforcement required by this subsection, the Secretary of the Treasury (hereinafter in this subsection referred to as the 'Secretary'), or his delegate, at no cost to the Northern Marianas government, may (A) employ citizens of the Northern Mariana Islands (as defined by Article III of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States (approved, Public Law 94-241; 90 Stat. 265)), or (B) use the services of employees of the government of the Northern Mariana Islands, upon agreement to pay such government for the use of such services. In addition, the Secretary, or his delegate, shall make every effort to assure that citizens of the Northern Mariana Islands (as so defined) are trained to ultimately assume the administration and enforcement duties required of the Secretary or his delegate under this section. Notwithstanding any other provision of law, the Secretary or his delegate is authorized to the maximum extent feasible in administering and enforcing the requested sections of the Covenant, to employ and train Northern Mariana Islands' citizens without regard to United States Civil Service hiring or job classification laws or any employment ceilings imposed upon the Secretary. The preceding sentence shall not exempt such Northern Mariana Islands' citizens so hired from any other laws affecting Federal or Internal Revenue Service employees and shall remain in effect until the end of the third full fiscal year following the date of enactment.

"(3) As part of the administration of taxes required by this subsection, the Secretary or his delegate shall establish, at no cost to the Northern Marianas government, a taxpayers information service to provide such information and assistance to citizens of the Northern Mariana Islands (as so defined) as may be necessary for the filing of returns and the payment of such taxes.".

(b) The Secretary shall take such steps as are necessary to ensure that the proceeds of taxes collected under the provisions of sections 601, 602, 603, and 604 of the Covenant (Public Law 94-241) are covered directly upon collection into the treasury of the Commonwealth of the Northern Mariana Islands.

SEC. 205. (a) Except as provided in subsection (c), any person, including an individual, trust, estate, partnership, association, company, or corporation, which is a resident of or which is organized under the laws of the Commonwealth of the Northern Mariana Islands and which is subject to the provisions of section 601 of the Covenant to Establish the Commonwealth of the Northern Mariana Islands in Political Union with the United States (Public Law 94-241), shall be exempted from the requirements of such section with respect to income derived from sources within the Commonwealth of the Northern Mariana Islands for taxable years beginning after December 31, 1978, and before January 1, 1981. Nothing in this section shall be construed as relieving such person from the obligation to comply with the requirements of section 601 with respect to income derived from sources outside of the Commonwealth of the Northern Mariana Islands.

(b) Except as provided in subsection (c), any person, including an individual, trust, estate, partnership, association, company, or corporation, which is a resident of or which is organized under the laws of the Commonwealth of the Northern Mariana Islands and which is subject to the provisions of section 601 of the Convenant to Establish the Commonwealth of the Northern Mariana Islands (Publc Law 94-241), shall be exempt from the requirements of such section with respect to income from sources within the Northern Mariana Islands for its taxable year beginning after December 31, 1980, and before January 1, 1982: *Provided,* That the Secretary receives written notice from the Governor of the Northern Mariana Islands not later than September 30, 1980, that sections 1, 2, 3, 4, and 5 of chapter 2 of Public Law 1-30 of the Commonwealth of the Northern Mariana Islands or its successor, have been repealed in their entirety, effective December 31, 1981.

(c) It is the sense of Congress that the term "rebate" as used in section 602 of Public Law 94-241 does not permit the abatement of taxes.

3. Page 6, line 22, strike out "SEC. 301." and insert in lieu thereof: SEC. 301. (a)

4. Page 6, after line 24, insert:

(b) Any civil action under section 204 of the Omnibus Territories Act of 1977 (91 Stat. 1162) shall be barred unless it is commenced not later than April 1, 1982.

5. Page 10, strike out lines 3 through 15, and insert in lieu thereof:

SEC. 403. (a) Subsection 28(a) of the Revised Organic Act of the Virgin Islands is amended by inserting after the words "and naturalization fees collected in the Virgin Islands," the following: "(less the cost of collecting such duties, taxes and fees as may be directly attributable (as certified by the Comptroller of the Virgin Islands) to the importation of petroleum products until January 1, 1982: *Provided,* That any other retained costs not heretofore remitted pursuant to the Act of August 18, 1978, shall be immediately remitted to the Treasury of the Virgin Islands notwithstanding any other provision of law)."

(b) The paragraph entitled "U.S. Customs Service" involving the collection of customs duties in the Virgin Islands in the Act of July 25, 1979, is hereby repealed.

6. Page 10, after line 17, insert:

SEC. 405. Any excise taxes levied by the Legislature of the Virgin Islands may be levied and collected as the Legislature of the Virgin Islands may direct as soon as the articles, goods, merchandise, and commodities subject to said tax are brought into the Virgin Islands.

SEC. 406. Not later than two years after the date of enactment of this Act, the Administrator of the General Services Administration shall convey, without consideration, all right, title, and interest of the United States in and to the property known as the former District Court Building (including the parcel of land upon which said building is located), 48 B Norre Gade, St. Thomas, Virgin Islands, to the Government of the Virgin Islands.

SEC. 407. Subsection (f) of section 2 of the Act entitled "An Act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes" (90 Stat. 1193; Public Law 94-392; 48 U.S.C. 1574b) is amended by striking out the last sentence and inserting in lieu thereof the following language: "No commitment to guarantee may be issued by the Secretary, and no guaranteed but unobligated funds may be obligated by the government of the Virgin Islands after October 1, 1984. After October 1, 1984, any unobligated proceeds of bonds or other obligations issued by the government of the Virgin Islands pursuant to this section shall be repaid immediately by the government of the Virgin Islands to the lenders with the agreed upon interest. Should there be any delay in the government of the Virgin Islands' making such repayment, the Secretary shall deduct the requisite amounts from moneys under his control that would otherwise be paid to the government of the Virgin

Islands under section 28(b) of the Revised Organic Act of the Virgin Islands.".

7. Page 11, strike out lines 8 through 13, and insert in lieu thereof:

Sec. 601. Title V of the Act of October 15, 1977, entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating therto, and for other purposes" (91 Stat. 1159) shall be applied with respect to the Department of the Interior by substituting "shall" for "may" in the last sentence of subsection (d), and adding the following sentence at the end of subsection (d): "Notwithstanding any other provision of law, in the case of American Samoa and the Northern Mariana Islands any department or agency shall waive any requirement for local matching funds under $100,000 (including in-kind contributions) required by law to be provided by American Samoa or the Northern Mariana Islands.".

8. Page 14, after line 17 insert:

Sec. 607. (a) The first section of the Act entitled "An Act to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes", approved October 5, 1974 (48 U.S.C. 1705), is amended by adding at the end thereof the following new subsection:

"(d)(1) The Secretary of the Interior shall, not later than sixty days after the date of enactment of this subsection, convey to the governments of Guam, the Virgin Islands, and American Samoa, as the case may be, all right, title, and interest of the United States in deposits of oil, gas, and other minerals in the submerged lands conveyed to the government of such territory by subsection (a) of this section.

"(2) The conveyance of mineral deposits under paragraph (1) of this subsection shall be subject to any existing lease, permit, or other interest granted by the United States prior to the date of such conveyance. All rentals, royalties, or fees which accrue after such date of conveyance in connection with any such lease, permit, or other interest shall be payable to the government of the territory to which such mineral deposits are conveyed.".

(b) Subsection (c) of the first section of such Act (48 U.S.C. 1705(c)) is amended by inserting "subsection (a) or (b) of" after "pursuant to".

Sec. 608. The following Acts are hereby amended as follows:

(a) In the Act of October 15, 1966 (80 Stat. 915), as amended (16 U.S.C. 470a–t):

(1) amend subsection 101(a) in paragraph (2) by deleting "and" at the end thereof and, in paragraph (3) by deleting "Trust." and inserting in lieu thereof "Trust; and".

(2) amend subsection 101(b) by deleting and after "American Samoa," and by changing the period at the end of the paragraph to a comma and inserting "and the Commonwealth of the Northern Mariana Islands.".

(3) amend subsection 212(b) by changing "Senate Committee on Interior and Insular Affairs." to "Senate Committee on Energy and Natural Resources.".

(b) In the Act of June 27, 1960 (74 Stat. 220), as amended (16 U.S.C. 469):

(1) amend subsection 5(c) by deleting "Interior and Insular Affairs Committee of the United States Congress" and by inserting in lieu thereof "Committee on Interior and Insular Affairs of the House of Representatives and Committee on Energy and Natural Resources of the Senate".

(2) after section 7, add the following new section:

"Sec. 8. As used in this Act, the term 'State' includes the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.".

(c) In the Act of May 28, 1963 (77 Stat. 49; 16 U.S.C. 4601–3) amend section 4 by deleting "and American Samoa." and by inserting in lieu thereof "American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.".

● Mr. JOHNSTON. Mr. President, the amendments offered by the House to the Senate amendment to H.R. 3756 are a useful and constructive compromise to the differences between the Senate and House passed versions of this legislation.

The first amendment proposed by the House would insert a new section 104 which provides that Federal programs in the fields of education and health care will continue to apply to the Trust Territory of the Pacific Islands and their successor governments until terminated by Congress. A similar provision of the original House legislation had been deleted by the Senate since, at the time the legislation was under consideration, the future status agreements with the individual governments of the Trust Territory did not contemplate the extension of Federal domestic programs to those future governments. Since that time the United States and the Micronesian Status Commissions have reached tentative agreement on the content of a Compact of Free Association. That agreement has been initialled by the government of the Marshall Islands. The agreement, in part, provides that certain Federal programs and services in education and health care will continue to be provided under free association. That provision is contained in section 221(b) of the Compact of Free Association, which was initialled on January 14, 1980. Although the joint resolution which will be necessary to approve the final text of the Compact of Free Association will, as a subsequently enacted statute, supersede this or any other provision, this amendment proposed by the House does serve to maintain the status quo with respect to health and education programs until such time as the final Compact of Free Association is presented to the Congress.

The second amendment proposed by the House would recognize that the government of the Northern Mariana Islands has requested advice and assistance from the Department of the Treasury in the administration of local taxes. This amendment would eliminate a technical problem which has arisen over the form in which the government of the Northern Mariana Islands must request such assistance. In addition, the amendment recognizes that until final termination of the trusteeship agreement covering the Trust Territory of the Pacific Islands, the residents of the Northern Mariana Islands cannot become U.S. citizens. The amendment would address the problem of Treasury administration of the local taxes and hiring of local residents, by waiving civil service hiring and job classification laws for 3 fiscal years following enactment.

The third amendment offered by the House would recognize that the residents of the Northern Mariana Islands will need extensive training before they will be fully able to administer the Federal internal revenue laws which would apply to the Northern Mariana Islands as a local territorial tax. In order to provide sufficient time for such training, this amendment suspends the application of the Federal internal revenue laws as a local territorial tax until 1981.

The next amendment notes a technical problem under the Guam land claims provision of the Omnibus Territories Act of 1977. This amendment would provide that all claims under that act must be commenced prior to April 1, 1982.

The next amendment offered by the House is technical and limits the withholding of the administrative costs of collection of custom duties on articles imported into the United States from the Virgin Islands to petroleum products. The amendment is consistent with the purpose of section 403 as previously passed by both the Senate and the House and does not represent any change in the intent of either body in enacting section 403.

The next amendment offered by the House would provide specifically that the Virgin Islands may levy excise taxes on articles as soon as they are brought into the Virgin Islands. This authority already exists and has existed so long as the Virgin Islands has been authorized to collect excise taxes. The amendment is offered only to prevent needless litigation and to confirm the already authorized powers of the Virgin Islands government. I would note that this provision has been requested by the Governor of the Virgin Islands with the support of the administration in order to clarify the existing authority and does not represent a new grant of authority whatsoever.

The next amendment offered by the House would insert a new section 406 into the legislation. This new section would direct that the Administrator of the General Services Administration shall convey the former district court building to the government of the Virgin Islands within 2 years after the date of enactment of this act. The committee understands that there is presently some uncertainty as to whether the Federal Government will continue to need the former district court building or whether sufficient other facilities are available. We believe that the former district court building should not remain vacant indefinitely, and therefore, unless the Administrator of the General Services Administration can demonstrate a need for continued ownership of the former district court building, the committee believes that it, together with other Federal surplus property, should be transferred to the administrative control of the Virgin Islands government.

The next amendment offered by the House would extend the guaranteed bonding authority for the Virgin Islands for 5 years with a provision that any funds guaranteed but not obligated at the expiration of that period would be returned to the Federal Government. Originally, the House had proposed a 10-year extension of this authority with no reverter and the Senate had deleted the provision altogether. The Senate action was based on the history of the present authority which has seen the Virgin Islands obtain guarantees for $31 million in obligations of which only $21 million had been drawn down, only $5 million of which had been obligated, and only $2 million of which had actually been expended as of the date of the committee hearing. The committee believes that it is an unwise practice for the Virgin Islands government to increase their long-term debt and their immediate debt service problems in advance of their actual ability to obligate funds. We do recognize, however, that there are a variety of capital projects of immediate benefit to the Virgin Islands which could be funded through this provision. In order, therefore, to provide the maximum flexibility to the Virgin Islands government, while insuring that the Virgin Islands government will not needlessly increase its debt obligations, we have agreed to a 5-year extension of the bonding authority, with the provision that any sums guaranteed but not obligated would revert to the Federal Government at the expiration of the 5 years.

The next amendment offered by the House would provide that Federal agencies shall waive any requirement for local matching funds under $100,000 from American Samoa or the Northern Mariana Islands. This provision is useful in that it recognizes the enormous administrative burdens imposed upon the government of American Samoa (which has a total population of only 30,000) and the Northern Mariana Islands (which has a total population of only 16,000) in seeking to take advantage of small programs otherwise available to the territories.

The next amendment offered by the House was proposed by Congressman WON PAT. That amendment would convey to the territories of Guam, the Virgin Islands, and American Samoa the mineral rights reserved to the Federal Government under the Territorial Submerged Lands Act. The original reservation was insisted upon by the House although it was inconsistent with the purposes of the Territorial Submerged Lands Act, which was designed to accord the territories with treatment equivalent to the coastal States of the United States.

The final amendment offered by the House would provide technical amendments to certain Federal programs to recognize that the Commonwealth of the Northern Mariana Islands will become a territory of the United States upon termination of the trusteeship agreement, and must be specifically named, together with other territories, in legislation, and would not be automatically included simply because they were a part of the trust territory previously.

One final point needs to be made with respect to this legislation. On February 14, 1980, the President transmitted a message to the Congress outlining his proposed territorial policy. A part of that policy proposed that henceforth the administration was committed to 90 percent funding of capital improvement projects in the territories. One provision of this legislation eliminates any matching requirement imposed by the Department of the Interior on programs to the territories. Some concern had been expressed by the administration that this provision would be inconsistent with the President's proposal. I would note that the administration does not intend to offer any new authorizing legislation, but has simply adopted the 90-percent requirement as an element of its budgetary process in its submission to the Appropriations Committees. I do not believe that there is any necessary conflict between the administration's proposal and the Congress ability to render a final judgment on the appropriate level of Federal support for necessary capital projects. Both the authorizing and appropriating committees will continue to review projects on a case-by-case basis and will provide whatever level of funding is appropriate in the particular circumstances.●

● Mr. HATFIELD. Mr. President, I support the House amendments to the Omnibus Territories bill, H.R. 3756. This version of H.R. 3756 represents a good compromise which was crafted from the original House bill and the Senate-passed amendments. In its present form, the measure authorizes appropriations and provides for other legislative authority for insular areas of the United States which are under the jurisdiction of the Senate Committee on Energy and Natural Resources.

Title I deals with the Trust Territory of the Pacific Islands. The first section provides for an open end, open-year authorization for the trust territories. Although I am a member of the Interior Appropriations Subcommittee, my concern remains for this type of a provision. In the past, the authorizing committee has fulfilled a critical role in guiding the Appropriations Committee with funding levels for the trust territory as well as other insular areas. In my judgment, our efforts have assisted the Micronesians in obtaining higher levels of funding for much needed programs and projects.

These needs constantly change and should be reviewed periodically. The Senate voted to depart from the traditional practice of annual authorization due to the anticipated termination of the trusteeship in 1981, and also due to strong support by leaders from the trust territory for the open-ended authorization. The Senate agreed to this House provision, but added specific authorization for certain projects. The list of projects is not intended to be exclusive to the addition of any needed future project or program. I trust that this provision will not have any negative effect on our continuing efforts to provide adequate funding for the trust territory.

Another important provision in the first title establishes a comprehensive and integrated medical program for the people of the Marshall Islands who were exposed to U.S. nuclear testing. The United States owes a solemn responsibility to the innocent victims of our nuclear testing program. This provision extends existing programs to assure that all those directly or indirectly subjected to radiation damage are covered by this medical program.

The proposed section 407 has been a subject of concern and controversy during Senate action on H.R. 3756. The distinguished gentlemen from Alaska, Senator STEVENS, and others opposed the Senate amendment which deleted the extension of the guaranteed bonding authority granted to the Virgin Islands in Public Law 94–392. After a number of informal discussions, the provision in section 407 was agreed to. It authorizes a 5-year extension of the bonding authority to the Virgin Islands government. Under a reverter clause, all funds borrowed, but not obligated at the end of 5 years would be returned to the lending institution from which they were borrowed. It is my hope that this proposal will encourage the early obligation of funds to meet some of the capital improvement needs of the territory.

The House also has added a new section which would convey, without cost, certain U.S. property to the Virgin Islands government. Two years from the date of enactment, the former district court building would be transferred to the territory. Apparently, this unused office space is needed by the Virgin Islands government. I have been assurred by the distinguished gentlemann from Louisiana, Senator JOHNSTON, that if within the next 2 years the GSA plans to utilize this building and so informs our committee, that this transfer of title will be reexamined in light of this information. It is my understanding that the Congress has not received an official comment from GSA on plans for the future use of this facility. Notwithstanding that fact, with this assurance from the Senator, I will not object to the House amendment.

There is another House amendment which deserves special mention at this time—proposed section 607. This section, in effect, would convey from the United States to the territories certain oil, gas, and mineral deposits in submerged lands. By way of background, the general subject jurisdiction over submerged lands was raised this year during Senate markup of H.R. 3756. At the markup and later during Senate floor consideration, an amendment was adopted which would clarify or confirm the jurisdiction of Puerto Rico over its submerged lands. It was stressed in legislative history that the Senate intended to merely reaffirm existing policy relating to the jurisdiction of Puerto Rico over its submerged lands extending 3 leagues from shore.

Section 607 deals with the U.S. policy on submerged lands which was enunciated in the "Territorial Submerged Lands Act of 1974." The 1974 act conveys title of the submerged land on the coastline up to 3 miles to the territorial governments of Guam, the Virgin Islands, and American Samoa. At the same time, however, it exempts expressly from the conveyance, U.S. rights to oil, gas, and certain other mineral deposits. This exemption for oil and gas rights was insisted upon by the House during action on the 1974 act. On the other hand section 607, as proposed, would eliminate this exemption by requiring the United States to convey all interest in oil, gas, and mineral deposits to these territories. Although this is a reversal of earlier policy, I concur in the House amendment. The adoption of this section would accord the territories with the same rights to submerged lands as those enjoyed by the States.

The House has also agreed to the Senate amendment which is identical to S. 1119, a bill which passed the Senate last year. The purpose of this provision, section 605, is to assure that the Congress is advised of any plans by the U.S. Government to transport or store spent nuclear fuel in the territories. This provision is an outgrowth of the failure of the administration to notify the Congress of preliminary plans for an interim storage facility in the Pacific. Later, this lack of notice was compounded by actions of the executive branch which demonstrated a lack of sensitivity to the legitimate concerns of the Pacific community. Our amendment will simply guarantee for U.S. citizens and nationals in the territories that the United States will not sanction or approve a proposal for spent fuel storage without full public disclosure of the site and open consideration, discussion, and approval by the Congress.

Mr. President, H.R. 3756, as amended by the House, is a constructive step in addressing a broad range of issues affecting these insular areas. Therefore, I urge my colleagues to act quickly and favorably on final action.●

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. JOHNSTON, I ask unanimous consent that the Senate concur in the House amendments en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I have just cleared this request with the distinguished acting Republican leader: I ask unanimous consent that the Senate, for not to exceed 1 minute, go into executive session to consider the nominations on the Executive Calendar beginning with page 2, going through page 3, page 4, page 5, page 6, and page 7, including only Calendar Orders Nos. 46, 48, and 49, and the nominations placed on the Secretary's desk.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all of the aforementioned nominees be confirmed en bloc, that the President be immediately notified of the confirmation of the nominees, that the motion to reconsider en bloc be laid on the table.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF DEFENSE

Robert Harry Spiro, Jr., of Florida, to be Under Secretary of the Army.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

Maj. Gen. Charles Maurice Hall, [redacted] U.S. Army to be lieutenant general.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

Lt. Gen. Sidney Bryan Berry, [redacted] (age 53), Army of the United States (major general, U.S. Army), to be lieutenant general.

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a), in grade as follows:

Maj. Gen. Willard Warren Scott, Jr. [redacted] U.S. Army, to be lieutenant general.

The following-named officers for appointment to the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306, and 3307:

Maj. Gen. Robert J. Lunn [redacted], Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Jere W. Sharp [redacted], Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. John B. Blount [redacted], Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Richard H. Thompson, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Roscoe Robinson, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Alexander M. Weyand, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Lt. Gen. Robert G. Yerks [redacted], Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Donald E. Rosenblum, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Charles C. Rogers, [redacted], Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Paul S. Williams, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. John N. Brandenburg, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. William I. Rolya [redacted], Army of the United States (brigadier general, U.S. Army), to be major general.

Maj Gen. Sampson H. Bass, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Clyde W. Spence, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Grayson D. Tate, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Robert W. Sennewald, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Lt. Gen. Harold F. Hardin, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. James F. Cochran III, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Thomas D. Ayers, [redacted], Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Walter F. Ulmer, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. William J. Livsey, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Alan A. Nord, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Robert C. Gaskill, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Elton J. Delaune, Jr., [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Robert L. Moore, [redacted] Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Robert M. Elton, [redacted] Army of the United States (colonel, U.S. Army), to be brigadier general.

Maj. Gen. Joseph T. Palastra, Jr., [redacted] Army of the United States (colonel, U.S. Army), to be brigadier general.

Maj. Gen. Louis C. Wagner, Jr., [redacted] Army of the United States (colonel, U.S. Army), to be brigadier general.

Maj. Gen. William J. Hilsman, [redacted] Army of the United States (colonel, U.S. Army), to be brigadier general.

Maj. Gen. Thomas F. Healy, [redacted] Army of the United States (colonel, U.S. Army), to be brigadier general.

Brig. Gen. John W. Hudachek, [redacted] Army of the United States (colonel, U.S. Army), to be brigadier general.

Maj. Gen. Donald M. Babers, [redacted] Army of the United States (colonel, U.S. Army), to be brigadier general.

IN THE NAVY

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

John C. McArthur to be rear admiral.
Harold N. Wellman to be rear admiral.
Donald P. Roane to be rear admiral.
Donald L. Felt to be rear admiral.
James E. McCardell, Jr., to be rear admiral.
John T. Parker, Jr., to be rear admiral.
Edward J. Hogan, Jr., to be rear admiral.
Georga W. Davis, Jr., to be rear admiral.
Verle W. Klein to be rear admiral.
John A. Baldwin, Jr., to be rear admiral.
Jonathan T. Howe to be rear admiral.
William A. Kearns, Jr., to be rear admiral.
Thomas C. Watson, Jr., to be Rear admiral.
William D. Smith to be Rear admiral.
Jackson K. Parker to be Rear admiral.
Dickinson M. Smith to be Rear admiral.
Paul E. Sutherland, Jr., to be Rear admiral.
Gerald W. MacKay to be Rear admiral.
Benjamin T. Hacker to be Rear admiral.
Allen D. Williams to be Rear admiral.
Charles J. Moore to be Rear admiral.
Clinton W. Taylor to be Rear admiral.
William C. Wyatt III to be Rear admiral.
Thomas J. Cassidy, Jr., to be Rear admiral.
Robert C. Austin to be Rear admiral.
Edward M. Peebles to be Rear admiral.
Edward H. Martin to be Rear admiral.
William F. McCauley to be Rear admiral.
Daniel L. Cooper to be Rear admiral.
Walter T. Piotti, Jr., to be Rear admiral.
Lowell R. Myers to be Rear admiral.
Fred W. Johnston, Jr., to be Rear admiral.
Peter B. Booth to be Rear admiral.
Paul F. McCarthy, Jr., to be Rear admiral.
Roger D. Johnson to be Rear admiral.
Frank B. Kelso II to be Rear admiral.
John M. Poindexter to be Rear admiral.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade indicated under the provisions of title 10, United States Code, section 5769:

James L. Day to be General.

David B. Barker to be General.

George B. Crist to be General.

Dwayne Gray to be General.

Richard A. Kuci to be General.

DEPARTMENT OF EDUCATION

Elizabeth S. Carpenter, of Texas, to be an Assistant Secretary of Education (Public Affairs).

Carl William Fischer, of Maryland, to be an Assistant Secretary of Education (Budget and Planning).

John B. Gabusi, of Arizona to be Assistant Secretary of Education (Management).

BOARD FOR INTERNATIONAL BROADCASTING

Charles David Ablard, of Virginia, to be a member of the Board for International Broadcasting.

DEPARTMENT OF STATE

Harry E. Bergold, Jr., of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

INTERNATIONAL COMMUNICATION AGENCY

Mary G. F. Bitterman, of Hawaii, to be an Associate Director of the International Communication Agency.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, AND NAVY

Air Force nominations beginning Darwin G. Abby, to be lieutenant colonel, and ending Steven L. Taylow, to be lieutenant colonel, which nominations were received by the Senate on February 11, 1980, and appeared in the Congressional Record of February 18, 1980.

Army nominations beginning Michael H. Adkinson, to be major, and ending Rodney G. Ward, to be second lieutenant, which nominations were received by the Senate on February 11, 1980, and appeared in the Congressional Record on February 18, 1980.

Navy nominations beginning Thomas J. Allred, to be lieutenant commander, and ending Rosemary E. Nelson, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record on January 30, 1980.

Navy nominations beginning Larry Abramovitz, to be lieutenant (j. g.), and ending Darrel G. Johnson, to be ensign, which nominations were received by the Senate on February 11, 1980, and appeared in the Congressional Record of February 18, 1980.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONVENING OF THE SENATE ON MONDAY, MARCH 3, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pro forma meeting of the Senate on Monday be moved from 2 p.m. to 12 o'clock meridian.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is understood, is it not, that that meeting will be strictly pro forma, there will be no transaction of business and no statements by Senators, no bills or resolutions introduced?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS TO MONDAY, MARCH 3, 1980

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon on Monday next.

The motion was agreed to; and at 5:41 p.m., the Senate recessed until Monday, March 3, 1980, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate February 28, 1980:

DEPARTMENT OF STATE

James Eugene Goodby, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Finland.

THE JUDICIARY

Norma Holloway Johnson, of the District of Columbia, to be U.S. District Judge for the District of Columbia, vice George L. Hart, Jr., retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 28, 1980:

DEPARTMENT OF DEFENSE

Robert Harry Spiro, Jr., of Florida, to be Under Secretary of the Army.

DEPARTMENT OF EDUCATION

Elizabeth S. Carpenter, of Texas, to be an Assistant Secretary of Education (Public Affairs).

Carl William Fischer, of Maryland, to be an Assistant Secretary of Education (Budget and Planning).

John B. Gabusi, of Arizona, to be an Assistant Secretary of Education (Management).

BOARD FOR INTERNATIONAL BROADCASTING

Charles David Ablard, of Virginia, to be a Member of the Board for International Broadcasting for a term expiring April 28, 1982.

DEPARTMENT OF STATE

Harry E. Bergold, Jr., of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

INTERNATIONAL COMMUNICATION AGENCY

Mary G. F. Bitterman, of Hawaii, to be an Associate Director of the International Communication Agency.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles Maurice Hall, [redacted] U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provision of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Sidney Bryan Berry, [redacted] (age 53), Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a), in grade as follows:

To be lieutenant general

Maj Gen. Willard Warren Scott, Jr., [redacted], U.S. Army.

The following-named officers for appointment to the Regular Army of the United States to the grade indicated under the provisions of title 10, United State Code, sections 3284, 3306, and 3307:

To be major general

Maj. Gen. Robert J. Lunn [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jere W. Sharp [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John B. Blount [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard H. Thompson, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Roscoe Robinson, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Alexander M. Weyand, [redacted] Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Robert G. Yerks [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Donald E. Rosenblum, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles C. Rogers, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul S. Williams, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John N. Brandenburg, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William I. Rolya, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Sampson H. Bass, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Clyde W. Spence, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Grayson D. Tate, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert W. Sennewald, [redacted] Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Harold F. Hardin, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James F. Cochran, III, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas D. Ayers, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Walter F. Ulmer, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William J. Livsey, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Alan A. Nord, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert C. Gaskill, [redacted], Army of the United States (brigadier general U.S. Army).

Maj. Gen. Elton J. Delaune, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert L. Moore, [redacted], Army of the United States (brigadier general U.S. Army).

To be brigadier general

Maj. Gen. Robert M. Elton [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Joseph T. Palastra, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Louis C. Wagner, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. William J. Hilsman, [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Thomas F. Healy, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. John W. Hudachek, [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Donald M. Babers, [redacted], Army of the United States (colonel, U.S. Army).

IN THE NAVY

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

To be rear admiral

John C. McArthur
Harold N. Wellman
Donald P. Roane
Donald L. Felt
James E. McCardell, Jr.
John T. Parker, Jr.
Edward J. Hogan, Jr.
George W. Davis, Jr.
Verle W. Klein
John A. Baldwin, Jr.
Jonathan T. Howe
William A. Kearns, Jr.
Thomas C. Watson, Jr.
William D. Smith
Jackson K. Parker
Dickinson M. Smith
Paul E. Sutherland, Jr.
Gerald W. MacKay
Benjamin T. Hacker
Allen D. Williams
Charles J. Moore
Clinton W. Taylor
William C. Wyatt III
Thomas J. Cassidy, Jr.
Robert C. Austin
Edward M. Peebles
Edward H. Martin
William F. McCauley
Daniel L. Cooper
Walter T. Piotti, Jr.
Lowell R. Myers
Fred W. Johnston, Jr.
Peter B. Booth
Paul F. McCarthy, Jr.
Roger D. Johnson
Frank B. Kelso II
John M. Poindexter

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5769:

James L. Day
David B. Barker
Georg B. Crist
Dwayne Gray
Richard A. Kuci

IN THE AIR FORCE

Air Force nomination beginning Darwin G. Abby, to be lieutenant colonel, and ending Steven L. Taylow, to be lieutenant colonel, which nominations were received by the Senate on February 11, 1980, and appeared in the Congressional Record of February 18, 1980.

IN THE ARMY

Army nominations beginning Michael H. Adkinson, to be major, and ending Rodney G. Ward, to be second lieutenant, which nominations were received by the Senate on February 11, 1980, and appeared in the Congressional Record of February 18, 1980.

IN THE NAVY

Navy nominations beginning Thomas J. Allred, to be lieutenant commander, and ending Rosemary E. Nelson, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record of January 30, 1980.

Navy nominations beginning Larry Abramovitz, to be lieutenant (jg.), and ending Darrel G. Johnson, to be ensign, which nominations were received by the Senate on February 11, 1980, and appeared in the Congressional Record of February 18, 1980.

HOUSE OF REPRESENTATIVES—*Thursday, February 28, 1980*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
February 25, 1980.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, February 28, 1980.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend William B. Moore, pastor, Tenth Memorial Baptist Church, Philadelphia, Pa., offered the following prayer:

Almighty and everlasting God, from whom come every good and perfect gift; we give Thee thanks for another day filled with Your grace, encouraged by Your promises, guided by Your wisdom, and crowned with Your victories. Thank you dear Father for the creative possibilities that this day offers to us. Send down Thy blessings upon this great elective body as they begin to grapple with the complex issues of human betterment and global peace. More especially, we pray that they may be guided and governed by the Holy Spirit. May the walls of selfishness tumble and give rise to the commonality of destiny that makes us all one with Thee. Grant our Father wisdom and courage. This prayer we speak in God's name. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. ASHBROOK. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 16, "answered" present 4, not voting 50, as follows:

[Roll No. 89]

YEAS—363

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
de la Garza
Deckard
Derrick
Devine
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—16

Barnes
Davis, Mich.
Derwinski
Dickinson
Forsythe
Gingrich
Goodling
Harkin
Jacobs
Lloyd
Lowry
Mitchell, Md.
Quayle
Schroeder
Walker
Wilson, Bob

ANSWERED "PRESENT"—4

Duncan, Oreg.
Horton
Mollohan
Neal

NOT VOTING—50

Ambro
Anderson, Ill.
Applegate
Badham
Biaggi
Boggs
Brown, Calif.
Buchanan
Burgener
Chisholm
Crane, Philip
Davis, S.C.
Dellums
Diggs
Dixon
Edwards, Ala.
Edwards, Okla.
Ford, Mich.
Ford, Tenn.
Fountain
Frost
Giaimo
Hall, Ohio
Hawkins
Jenrette
Kelly
Leach, La.
Leland
McCloskey
McHugh
Mathis
Moffett
Murphy, Ill.
Nelson
Nolan
Pashayan
Ratchford
Rodino
Shumway
Simon
Steed
Stewart
Stockman
Treen
Ullman
Vander Jagt
Vanik
Whitten
Wyatt
Young, Alaska

☐ 1110

Mr. MINISH changed his vote from "nay" to "yea."

Mr. PHILLIP BURTON changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or inserti ons which are not spoken by the Member on the floor.

amendment bills and a joint resolution of the House of the following titles:

H.R. 891. An act for the relief of Barbara Laws Smith;

H.R. 1559. An act for the relief of Nelia Ruiz Hedlund; and

H.J. Res. 267. Joint resolution to provide for designation of Friday, March 7, 1980, as "Teacher Day, United States of America."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2797. An act to make technical corrections related to the Revenue Act of 1978; and

H.R. 4337. An act to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes.

The message also announced that the Senate had passed bills and a joint and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 442. An act for the relief of Isaac N. Hulver of Kansas City, Mo.;

S. 803. An act for the relief of Nick Masonich;

S. 1464. An act to direct the Secretary of the Interior to acquire certain lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians;

S. 1615. An act for the relief of James R. Thornwell;

S.J. Res. 82. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; and

S. Con. Res. 77. Concurrent resolution stating that the Congress does favor the submission of the President with respect to the Amendment to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes of July 3, 1958, signed on December 5, 1979.

□ 1120

REV. WILLIAM MOORE

(Mr. GRAY asked and was given permission to address the House for 1 minute.)

Mr. GRAY. Mr. Speaker, it is a great honor for me to welcome to our Chamber today my dear friend and colleague from Philadelphia, Rev. Bill Moore.

In my home city, Mr. Speaker, Reverend Moore is regarded as one of our outstanding clergymen, educators, and civic leaders. His work is as varied as it is effective. Presently, Reverend Moore serves as director of Christian education from the Pennsylvania Baptist Ministers and Pastors' Conference of Philadelphia and vicinity. At the same time, he is treasurer of the Philadelphia Big Sisters of America, treasurer of the Jones Memorial Development Corp., and has served as vice president of Operation Push.

Reverend Moore is a native of North Carolina, where he received his undergraduate, graduate, and divinity education. In 1971, he was recognized in the volume "Outstanding Personalities of the South," as a tribute to his contributions to the ministry and community.

For the past 5 years, Mr. Speaker, Reverend Moore has served as pastor of the Tenth Memorial Baptist Church, one of the leading churches in Philadelphia. I am proud to say that during these years we have worked together closely on many projects to benefit our communities.

I know that my colleagues join me in welcoming Reverend Moore here today.

The SPEAKER pro tempore. The Chair desires to recognize the distinguished majority whip for a statement regarding the scheduled program for today and the rest of the week.

FURTHER LEGISLATIVE PROGRAM

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute.)

Mr. BRADEMAS. Mr. Speaker, I have several unanimous consent requests. I first would advise the House that today following completion of action on a series of House committee funding resolutions, there may be a motion to instruct conferees on the FTC bill. Following that action the House will take up H.R. 3829, the International Development Bank authorizations under an open rule with 1 hour of general debate. If we complete the general debate on that bill today, a session tomorrow will not be necessary. If we have not completed general debate on that bill, there will be a session tomorrow to complete general debate, but there would be no amendments on the bill. There might, of course, be procedural votes.

Mr. Speaker, I have two other unanimous consent requests.

Mr. ASHBROOK. Mr. Speaker, will my colleague yield at that point?

Mr. BRADEMAS. Yes, of course I yield to the gentleman.

Mr. ASHBROOK. I thank the gentleman for yielding. I would like to say it was not completely clear what my colleague meant when he said there would be no votes. Does he mean the votes will be put over until Monday?

□ 1130

Mr. BRADEMAS. There would be no amendments considered under the 5-minute rule. We would simply complete general debate on the bill.

AUTHORIZING THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS NOTWITHSTANDING ADJOURNMENT

Mr. BRADEMAS. Mr. Speaker, I would ask unanimous consent that notwithstanding any adjournment of the House, the Speaker be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled until Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, what is the necessity for that? We are coming back Monday; are we not?

Mr. BRADEMAS. The reason for that, I would advise my colleague from California, is that the Speaker of the House, the gentleman from Massachusetts (Mr. O'NEILL) is ill and it is necessary for the House to take this action in order for the Speaker to be able to sign any enrolled bills and joint resolutions passed by the two Houses.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. The Chair would advise Members that there already are several enrolled bills awaiting the Speaker's signature. The Speaker is ill and this will facilitate the business of the House.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, may I ask the Chair whether or not one of the bills that might be received and signed would be the Nicaraguan aid bill in the event that the other body accepted the House amendments and agreed to it?

The SPEAKER pro tempore. The Chair would have to respond to the hypothetical situation, in that the bill to which the gentleman refers has passed only this Chamber and has not even been considered, to my knowledge, in the other body.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, it has been passed by the other body some months ago and I understood this morning there was discussion about avoiding the conference and having the other body agree to it today or tomorrow.

If that is the case, I would be constrained to object.

The SPEAKER pro tempore. The Chair has no knowledge to what the gentleman from Maryland refers.

The purpose of the unanimous consent request would be to authorize the Speaker to exercise his responsibilities of signing enrolled bills at his residence rather than having to come down to the Capitol, the Speaker being ill with the flu.

Mr. BAUMAN. Could there be a specific understanding, Mr. Speaker, that the unanimous-consent request does not cover that legislation?

The SPEAKER pro tempore. The gentleman from Indiana might offer it as a unanimous-consent request so as to permit the signing of any other bills having reached the point of enrollment with the sole exception of that legislation.

Mr. BRADEMAS. Mr. Speaker, I am willing to so amend my unanimous-consent request.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman and withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana (Mr. BRADEMAS)?

There was no objection.

NOTRE DAME DEFEATS DEPAUL

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute.)

Mr. BRADEMAS. Mr. Speaker, last night was another proud night for the University of Notre Dame. Living up to the finest traditions of the Fighting Irish, Notre Dame's basketball team handed No. 1 ranked DePaul University of Chicago its first defeat of the year, 76–74.

In calling attention to Notre Dame's feat, I do not mean to diminish DePaul. Both teams, in fact, deserve commendation for the superb game they played. At the end of regulation time, the score was tied 64–64. After the first overtime, the score was 70–70. Only after the second overtime was Notre Dame able to prevail by two points.

It is perhaps fitting that DePaul, after winning consecutive games, should have been defeated at Notre Dame, for Coach Ray Meyer of DePaul is a graduate of Notre Dame and captained its basketball teams in the 1930's.

So once again it is my pleasure to be able to congratulate the students and basketball players of Notre Dame and their fine coach, Digger Phelps, for another exceptional performance.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Speaker, I want to congratulate Notre Dame on their outstanding performance yesterday and I want to congratulate my whip and good colleague, the gentleman from Indiana (Mr. BRADEMAS) for recognizing DePaul as the No. 1 collegiate team in the country.

Mr. Speaker, I think truly what we had in mind, Ray and I, and we discussed it with Digger, the fact that maybe we ought to lose one before we get into the tournament next week, and we wanted to make sure Notre Dame was going to be in the tournament so we proceeded to lay down just a little bit.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. VAN DEERLIN. Bearing in mind the thoroughness with which the gentleman from Indiana (Mr. BRADEMAS) performs his duties, I wondered if there had been some slip-up in the gentleman's sports coverage in this Congress. I do not remember the gentleman rendering a report on Notre Dame's football season.

Mr. BRADEMAS. Mr. Speaker, the gentleman from California yields back the balance of his time.

AGAIN, AN EXTREMELY DANGEROUS NUCLEAR ACCIDENT BEING COVERED UP BY THE NRC

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, once again an extremely dangerous nuclear accident is being covered up by the NRC. At Crystal River the power failed leaving the plant's operators in the dark and much of the control panel suit. Twenty-four minutes passed before the backup power came on. Twenty-four minutes. An extremely dangerous situation.

Mr. Speaker, the NRC praised the operators because they did nothing. They were in the dark.

The NRC waived the requirement put on after Three Mile Island that a measuring device be placed in the Crystal River reactor vessel. They did not have it and, therefore, we do not know what went on in the reactor.

Mr. Speaker, saying the system worked, as the NRC did, is like saying George Bush's campaign in New Hampshire worked because he got 23 percent of the vote.

A thorough, impartial investigation—one not conducted by the NRC—must be made of the accident at Crystal River.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation be permitted to sit for the purpose of taking testimony while the House is in session today.

The SPEAKER pro tempore (Mr. NEDZI). Is there objection to the request of the gentleman from Oregon?

There was no objection.

WE ARE ALL HOSTAGES BECAUSE WE ARE POTENTIAL HOSTAGE TO A SICKNESS WHICH FINDS GLORY IN GORE

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, once more with the seizure of our Ambassador in Colombia our country is being kicked around by foreign terrorists, and once more our Department of State responds with a policy of, Don't rock the boat. How long, Mr. Speaker, will we allow this Department of Government to abuse the patience of the American people?

I do not know who invented the phrase—certainly the radical terrorists lay heavy emphasis on it—"The end justifies the means." But thus do these people, by bomb and threat of bomb, by murder if need be, employ the means of terror to justify whatever end they desire.

Terrorists' attacks are not limited in their impact to the country in which they are committed or the people against whom they are perpetrated. When any human being, in any nation on Earth, is killed or in any way harmed by those who would impose their political will by force of arms, we are all attacked. No cause is so great, so pure, so overriding in its importance, that the innocent should be held captive to it.

So long as international hoodlums can attack at random, can find sanctuary, none of us—and none of those we love—can be free. We are all hostages, because we are potential hostage to a sickness which finds glory in gore.

OLDER AMERICANS EXCLUDED FROM OUTREACH SERVICES BECAUSE THEY DO NOT SPEAK ENGLISH

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, in December I introduced legislation which would amend the Older Americans Act of 1965 to include older Americans who have been excluded from Outreach services because they do not speak English. Specifically, we are talking about more than 3 million people who are foreign born and past the age of 65. These language-disabled elderly cannot communicate with the providers of services and therefore very often go without them.

☐ 1140

Services such as nutrition, housing, transportation, health, and social services are vital and necessary, especially for the elderly. For the most part, these are people who have immigrated from Europe and Asia many years ago, and still speak their native tongues, although most of them are American citizens.

Today, I have reintroduced a bill with a list of 25 cosponsors, and ask my colleagues on both sides of the aisle to add their names, and assist me in getting this needed legislation passed.

EVERYONE COUNTS IN THE CENSUS

(Mr. GARCIA asked and was given permission to address the House for 1 minute.)

Mr. GARCIA. Mr. Speaker, an 11th hour challenge to the constitutionality of the 1980 Census was dismissed yesterday by a three-judge Federal court in the District of Columbia.

The lawsuit was brought by the Federation of American Immigration Reform (FAIR) and others, including some Members of the House, to force the Government to amend its decennial plans and count separately and exclude from each State's apportionment base the number of undocumented persons in this country on April 1.

FAIR contended that the Census Bureau's counting policy was violative of fundamental constitutional principles of equal representation and one man, one vote.

The court, however, clearly, and in my view, correctly rejected this argument when it stated:

> The language of the Constitution is not ambiguous. It requires the counting of the "whole number of persons" for apportionment purposes and while illegal aliens were not a component of the population at the time the Constitution was adopted, they are clearly "persons."

We see little on which to base a conclusion that illegal aliens should now be excluded, simply because persons with their legal status were not an element of our population at the time our Constitution was written.

Mr. Speaker, I applaud the court's decision. It reaffirms unequivocally, the historical and legal precedents for taking the census.

Throughout my 1-year tenure as chairman of the Subcommittee on Census and Population, I have been telling anyone who would listen that the census aims to count every individual without regard to citizenship.

The court's decision yesterday underscores this message.

In the time remaining before census day, I only hope we are able to communicate to those persons who heretofore may have believed the census counted only citizens. That it, in fact counts everyone. Everyone counts in the census.

DEMOCRATIC-CONTROLLED CONGRESS SPENDS $1 MILLION A MINUTE

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, by the time I complete these brief, 1-minute remarks, the Democratic-controlled Congress will have spent another million dollars of the taxpayers' money. A million dollars a minute—that is more money than most Americans earn or spend in a lifetime.

Mr. Speaker, when the Democrats took control of Congress 25 years ago, the rate of inflation was less than one-half of 1 percent. Today, inflation is more than 18 percent.

Government causes inflation, so Government can stop inflation. The American people realize this and have asked the Congress time and time again, in election after election, to cut taxes and balance the budget. But this Congress stubbornly refuses.

Mr. Speaker, the only answer is to elect a Republican majority in 1980. We offer fresh ideas and fresh leadership. And sooner than most people in Washington think, we will have the endorsement of the American people.

LEAP YEAR—AN EXTRA DAY FOR DEMOCRAT-CONTROLLED CONGRESS TO SPEND A MILLION DOLLARS A MINUTE

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, this year is leap year, and tomorrow has special meaning for young lovers. But to the rest of the country, it is just another day for this Democrat-controlled Congress to spend a million dollars a minute.

Tomorrow, we will spend another $60 million an hour. By noon, $720 million will be spent. By midnight tomorrow night, the Democrat Congress will have frittered away $1.4 billion in 1 day, dollars that will only add to the 18-percent inflation rate that is hamstringing the future for young lovers all over America.

This leap year, young lovers should look hard at the Democrat-controlled Congress and its $1-million-a-minute spending. They should consider what big spending, high taxes and crushing inflation will mean for their young families. And if they fully appreciate the bleak prospects for homeownership, for saving and investing, for realization of the long treasured American dream, they will elect a Republican Congress. If enough young lovers vote for Republicans in November, we will be able to afford another leap year.

TIME FOR A CHANGE—AND A REPUBLICAN MAJORITY

(Mr. WHITTAKER asked and was given permission to address the House for 1 minute.)

Mr. WHITTAKER. Mr. Speaker, it has now been 25 years since the Democratic Party became the majority in this body. But, rather than an occasion to celebrate, these 25 years of Democratic leadership have left the American economy and our citizens wondering whether they will be able to make ends meet.

Under Democratic control, the value of the dollar has dwindled to where now it is worth only 36 cents. Government spending and taxes have each increased eightfold, and the annual inflation rate now stands near 18 percent.

Mr. Speaker, the American people cannot afford to carry on like this much longer. If the dollar continues to dwindle at its current rate, in only 14 more years our citizens will hold paper currency that is only worth 1 cent.

But, in order to do this, we must first change control of the Congress. The Democrats have had their chance and it has cost the American consumer dearly. It is now time for a change—and Republican majority.

MASSIVE FEDERAL TAX INCREASE—NEW SPIRIT OF '76 A LA PRESIDENT CARTER AND DEMOCRATIC CONGRESS

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, 4 years ago this Republic celebrated its Bicentennial—and President Carter and the Democratic Congress pledged to rekindle the "spirit of '76."

Mr. Speaker, that promise has been broken. The Democratic Congress has a new spirit of '76, all right—but it is a far cry from the one that inspired our forefathers to gain independence.

Regrettably, the new spirit of '76 fostered by President Carter and the Democratic Congress is a massive Federal tax increase of $76 billion—the largest such increase in American history. Even in the face of an inflation rate that is running perilously close to 20 percent, the Democratic Congress does nothing to reduce inflation which will impose a monstrous tax increase on the American people this year by forcing them into higher tax brackets.

Mr. Speaker, my Republican colleagues and I believe that reckless Government spending which fuels inflation also imposes a tax increase on the American people, whether the majority is willing to admit it or not. The only way to control inflation is to drastically reduce the Democratic budget by both reducing spending and taxes. Mr. Speaker, it is the Republican Party's conviction that we cannot afford this new spirit of '76.

INDIANA STATE LEGISLATURE SHOULD MAKE LAWS—NOT EPA REGULATORS

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, the Environmental Protection Agency has announced that it is beginning the process of withholding $100 million from the highway trust fund from the State of Indiana because the State legislature has not passed a vehicle inspection plan. That plan has to be implemented in order for the State to be in compliance with

EPA regulations governing counties declared nonattainment areas because of poor ambient air quality standards. There are four counties, out of 92 counties in the State, which fall into that category.

The people of Indiana elected the members of the Indiana State Legislature, not the EPA, to represent their best interest and make their laws. While the necessity of a vehicle inspection plan may be debatable, that is a decision for the Indiana State Legislature to make—not the Federal Government.

It is becoming increasingly obvious that the powers of Federal agencies are eroding the powers of the States. The Congress must review the powers of the EPA and other Federal agencies which refuse to recognize the constitutional role of the States.

FEBRUARY 29—AN EXTRA DAY FOR DEMOCRATS TO SPEND, SPEND, SPEND

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, this year is a leap year and as with previous leap years whether by accident or design it is also a congressional election year. What that means is that it is a political year when we can expect promises as usual. But maybe leap year 1980 should have some other political significance.

Tomorrow being leap day, it must be a particular joy for the Democrats who have controlled Congress for the last 25 years. February 29 is an extra day to spend, spend, spend. Currently the Democrats in Congress are spending tax dollars at the rate of a million dollars a minute. Leap day provides 1,440 extra minutes to spend. And what does the American taxpayer get in return for that spending? Leaping inflation, leaping taxes and a leaping national debt. The political significance of this leap year, 1980, is that we have one extra day to contemplate the moral equivalent of bankruptcy.

ANOTHER ACT OF TERRORISM

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today marks the 117th day of captivity for 50 Americans in Tehran. Tragically, today also marks the second day of captivity for Ambassador Diego Asencio and demonstrates still another act of terrorism against our countrymen serving in foreign posts.

It is crucial that decisive action be taken in these early hours of captivity to secure the safe release of our Ambassador. There is no room for confusion or for an ineffectual response from the administration.

This latest act only further emphasizes the neglect in U.S. foreign policy concerning matters of national security around the world. What must take place before the leadership of the Nation wakes up to the realities of the real world? Our Nation must place as our highest priority, the rebuilding of U.S. strength and prestige both at home and around the world.

WASHINGTON POST COLUMNIST DISCUSSES ECONOMIC PROBLEMS AND INFLATION

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I would recommend to my colleagues an article that appeared in today's Washington Post by George Will, talking about certain economic problems that we have. He makes the point that inflation just has to be made worse by the fact that the Carter administration is attempting to say that inflation is the fault of OPEC policies while at the same time this administration and this Congress embark upon busting the budget.

He says that 13 industrial countries at the present time are more dependent on OPEC oil than the United States and 11 of them have a lower rate of inflation. For instance, Japan gets 99.8 percent of its oil from OPEC and has an inflation rate of 4.2 percent; West Germany gets 96.8 percent of its oil from the OPEC countries and has an inflation rate of 5.7 percent; and Belgium gets 100 percent of its oil from OPEC countries and has an inflation rate of 5.1 percent. Yet we get 46.8 percent of oil from OPEC and have an inflation rate of 18 percent. To blame outside forces for inflation is to disguise the problem.

Mr. Speaker, we must get on with the real action, and that is budgetary action here in this Congress.

COMBAT TROOPS RECOMMENDED FOR PROTECTING EMBASSIES

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, when I interrupted the proceedings of the House yesterday to announce that we possibly had now more than 93 hostages across the world, I had no idea the figure would grow in less than a few hours to 133. This added humiliation in our Western Hemisphere to the madness in Tehran is, I think, more than any nation should have to bear.

I firmly believe the President of the United States now needs the help, advice, and counsel of the Senate and the House of Representatives.

Campaigning this weekend in New Hampshire for my man, Ronald Reagan, who, I think, will end up to be the President of the United States next January, I came across a fascinating idea in one of the campaign brochures of the minority leader of the Senate, Mr. HOWARD BAKER. He said that this country should form a "First Brigade" of combat rescue troops—black belt karate-qualified and airborne-qualified—including Marines, Navy underwater demolition teams, and U.S. Army Rangers.

We should not hide our new crack rescue force as the West Germans hid their Border Guards who boldly rescued the hostages at Mogadishu.

We must show this crack rescue team to the world and clearly demonstrate to any nation that we will protect our people if in 72 hours, our citizens are not released, the United States will send our special units in to do the job. Then, we will stop this national humiliation.

ANOTHER EMBASSY TAKEOVER

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, once again another Embassy has been taken over, and this ought to be a lesson to us to institute a review of our Embassies in every country.

We should review them and ask, first of all: Are we welcome there? And if we are not welcome there, we should get out. If we are welcome there, then the host government ought to be able to show under international law that they have the ability and willingness to defend the Embassy.

We ought to look at our Embassies for what they are. They are foreign soil, and an invasion of that foreign soil is the same as an invasion of our country.

If we are welcome there and they do have the ability and willingness to defend our Embassy, then we ought to see that those Embassies are located in those countries where they can be easily defended, not in the middle of some major city.

Lastly, there ought to be a policy for the military personnel who are in Embassies. Are they there for the purpose of defense, or are they there to make the diplomatic personnel lives more comfortable? If it is the latter, then they ought to be removed. If they are there for defense, then they ought to have a policy for defense of the Embassy.

FOREIGN CLAIMS SETTLEMENT COMMISSION REORGANIZATION

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4337) to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause, and insert:

That the purposes of this Act are as follows:

TITLE I

SEC. 101. The Foreign Claims Settlement Commission of the United States, established under Reorganization Plan Numbered 1 of 1954, is hereby transferred to the Department of Justice as a separate agency within that Department.

SEC. 102. All functions, powers, and duties of the Foreign Claims Settlement Commission established by Reorganization Plan Numbered 1 of 1954 are hereby transferred with the Commission, together with personnel, assets, liabilities, unexpended balances of appropriations, authorizations, allocations, and other funds held, used, available, or to be made available in connection with the statutory functions of the Commission. The Commission shall continue to perform its functions as provided by the War Claims Act of 1948, as amended, the International Claims Settlement Act of 1949, as amended, and Reorganization Plan Numbered 1 of 1954.

SEC. 103. (a) The Commission shall be composed of a Chairman and two members. The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, to serve on a full-time basis for a term of three years, and compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) The other members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate, and serve on a part-time basis, and be compensated on a per diem basis at a rate of compensation equivalent to the daily rate for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day that such member is employed in the actual performance of official business of the Commission as may be directed by the Chairman. Each member shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 for persons in Government service employed intermittently.

(c) The terms of Office of the Chairman and members of the Commission shall be for three years, except the Chairman and members first appointed after the enactment of this subsection shall be appointed to terms ending respectively September 30, 1982, September 30, 1981, and September 30, 1980. The incumbent of any such office may continue to serve until a successor takes office.

(d) Notwithstanding the provisions of subsections (a), (b), and (c) of this section, members of the Foreign Claims Settlement Commission who are serving on the effective date of this Act, shall continue to serve in their same capacities until the expiration of the terms to which they were appointed.

SEC. 104. The Commission is authorized, in accordance with civil service laws and in accordance with title 5 of the United States Code, to appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. The Commission is authorized to employ experts and consultants in accordance with section 3109 of title 5 of the United States Code, without compensation or at rates of compensation not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5 of the United States Code. Notwithstanding any other provision of law, the Commission is further authorized to employ nationals of other countries who may possess special knowledge, languages, or other expertise necessary to assist the Commission. The Commission is authorized to pay expenses of packing, shipping, and storing personal effects of personnel of the Commission assigned abroad, and to pay allowances and benefits similar to those provided by title IX of the Foreign Service Act of 1946, as amended. The Commission is authorized, with the consent of the head of any other department or agency of the Federal Government, to utilize the facilities and services of such department or agency in carrying out the functions of the Commission. Officers and employees of any department and agency of the Federal Government may, with the consent of the head of such department or agency, be assigned to assist the Commission in carrying out its functions. The Commission shall reimburse such department and agency for the pay of such officers or employees.

SEC. 105. All functions, powers, and duties not directly related to adjudicating claims are hereby vested in the Chairman, including the functions set forth in section 3 of Reorganization Plan Numbered 1 of 1954 and the authority to issue rules and regulations.

SEC. 106. The Attorney General shall provide necessary administrative support and services to the Commission. The Chairman shall prepare the budget requests, authorization documents, and legislative proposals for the Commission within the procedures established by the Department of Justice, and the Attorney General shall submit these items to the Director of the Office of Management and Budget as proposed by the Chairman.

SEC. 107. Nothing in this Act shall be construed to diminish the independence of the Commission in making its determinations on claims in programs that it is authorized to administer pursuant to the powers and responsibilities conferred upon the Commission by the War Claims Act of 1948, as amended, the International Claims Settlement Act of 1949, as amended, and Reorganization Plan Numbered 1 of 1954. The decisions of the Commission with respect to claims shall be final and conclusive on all questions of law and fact, and shall not be subject to review by the Attorney General or any other official of the United States or by any court by mandamus or otherwise.

SEC. 108. Subsection 2(d) of the War Claims Act of 1948, as amended by section 104 of the Act of October 22, 1962 (76 Stat. 1107), is hereby repealed.

SEC. 109. Section 5316 of title 5 of the United States Code is amended—

(1) by striking out paragraph (31) and inserting in lieu thereof:

"(31) Chairman, Foreign Claims Settlement Commission of the United States, Department of Justice."; and

(2) by striking out paragraph (90) of said section.

TITLE II—ANNUAL ASSAY COMMISSION

The Annual Assay Commission, and the positions of Assay Commissioners established by section 3547 of the Revised Statutes of the United States (31 U.S.C. 363), as amended, are hereby abolished. The functions of that Commission and of the Assay Commissioners are hereby transferred to the Secretary of the Treasury.

TITLE III—UNITED STATES MARINE CORPS MEMORIAL COMMISSION

The United States Marine Corps Memorial Commission, established by Act of August 4, 1947 (61 Stat. 724), is hereby abolished.

TITLE IV—THE LOW-EMISSION VEHICLE CERTIFICATION BOARD

The Low-Emission Vehicle Certification Board established by Act of December 31, 1970 (84 Stat. 1700; 42 U.S.C. 1857f-6e), is hereby abolished.

TITLE V—DETERMINATION ORDER

The Director of the Office of Management and Budget is authorized and directed to make such determinations as may be necessary with regard to transfer of functions, powers, and duties pursuant to this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to or to be made available in connection with the functions transferred by this Act, as the Director may deem necessary to accomplish the purposes of this Act. The Director is further authorized and directed to provide for terminating the affairs of each agency, board, or commission abolished by this Act.

TITLE VI

This Act shall take effect on the date of enactment.

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROOKS. Mr. Speaker, H.R. 4337, passed by the House on September 17, 1979, by unanimous consent, authorized transfer of the Foreign Claims Settlement Commission to the Department of Justice and abolished three agencies which no longer have justifiable functions.

The three agencies abolished are:

First. The Annual Assay Commission;

Second. The U.S. Marine Corps Memorial Commission; and

Third. The Low Emission Vehicle Certification Board.

The Senate has now passed the bill with two technical amendments. The first amendment conforms section 5316 of title 5 of the United States Code to delete the two members of the Foreign Claims Settlement Commission from the level V appointees because they will now be part-time employees. The second amendment changes the effective date of the legislation from October 1, 1979, to the date of enactment. The Senate amendments do not substantially affect the House-passed bill.

Mr. HORTON. Mr. Speaker, H.R. 4337 was passed by the House in September of last year and was passed yesterday by the Senate with two amendments. The first amendment changes the effective date of the act to "the date of enactment" and the second amendment is a conforming amendment reflecting the transfer of the Foreign Claims Settlement Commission to the Department of Justice for the purposes of section 5316 of title 5 of the United States Code.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas (Mr. BROOKS)?

There was no objection.

A motion to reconsider was laid on the table.

TECHNICAL CORRECTIONS ACT OF 1979

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2797) to make technical corrections relating to the Revenue Act of 1978, with Senate amendments thereto, to concur in all of the Senate amendments other than the Senate amendment numbered 67, and to disagree with the Senate amendment numbered 67.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 17, after "(d)" insert (1)

Page 3, line 23, strike out "income."" and insert "income.".

Page 3, after line 23, insert:

"(2) In any case in which such advance payments for a taxable year made by all employers to an individual under section 3507 of such Code exceed the amount of such individual's earned income credit allowable under section 43 of such Code for such year, so that such individual is liable under section 43(g) of such Code for a tax equal to such excess, such individual's benefit amount must be appropriately adjusted so as to provide payment to such individual of an amount equal to the amount of the benefits lost by such individual on account of such excess advance payments."

Page 4, after line 13, insert:

(C) Treatment of Excess Payments Under SSI.—Section 1631(b) of the Social Security Act is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

"(2) In any case in which advance payments for a taxable year made by all employers to an individual under section 3507 of the Internal Revenue Code of 1954 (relating to advance payment of earned income credit) exceed the amount of such individual's earned income credit allowable under section 43 of such Code for such year, so that such individual is liable under section 43(g) of such Code for a tax equal to such excess, the Secretary shall provide for an appropriate adjustment of such individual's benefit amount under this title so as to provide payment to such individual of an amount equal to the amount of such benefits lost by such individual on account of such excess advance payments."

Page 4, line 14, strike out "(C)" and insert "(D)".

Page 4, line 21, strike out "(D)" and insert "(E)".

Page 5, after line 22, insert:

(5) Amendment Related to Section 133 of the Act.—Subsection (c) of section 133 of the Revenue Act of 1978 (relating to effective date for clarification of deductibility of payments of deferred compensation, etc., to independent contractors) is amended to read as follows:

"(c) Effective Dates.—

"(1) In General.—Except as provided in paragraph (2), the amendments made by this section shall apply to deductions for taxable years beginning after December 31, 1978.

"(2) Special Rule for Certain Title Insurance Companies.—

"(A) In General.—In the case of a qualified title insurance company plan, the amendment made by subsection (a) shall apply to deductions for taxable years beginning after December 31, 1979.

"(B) Qualified Title Insurance Company Plan.—For purposes of subparagraph (A), the term 'qualified title insurance company plan' means a plan of a qualified title insurance company—

"(i) which defers the payment of amounts credited by such company to separate accounts for members of such company in consideration of their issuance of policies of title insurance, and

"(ii) under which no part of such amounts is payable to or withdrawable by the members until after the period for the adverse possession of real property under applicable State law.

"(C) Qualified Title Insurance Company.—For purposes of subparagraph (B), the term 'qualified title insurance company' means an unincorporated title insurance company organized as a business trust—

"(i) which is engaged in the business of providing title insurance coverage on interests in and liens upon real property obtained by clients of the members of such company, and

"(ii) which is subject to tax under section 831 of the Internal Revenue Code of 1954."

Page 5, line 23, strike out "(5)" and insert "(6)".

Page 6, line 11, strike out "(6)" and insert "(7)".

Page 6, line 24, strike out "an ESOP" and insert "a tax credit employee stock ownership plan".

Page 7, line 6, strike out "ESOPS" and insert "Tax Credit Employee Stock Ownership Plans".

Page 7, line 15, strike out "31, 1977' for 'December 31, 1978'." and insert: 31, 1977' for 'December 31, 1978'; except that in the case of a plan in existence before December 31, 1978, and such election shall not affect the required allocation of employer securities attributable to qualified investment for taxable years beginning before January 1, 1979.

Page 8, strike out lines 7 to 16, inclusive.

Page 8, line 17, strike out "(6)" and insert (5)

Page 8, line 20, strike out "(7)" and insert (6)

Page 9, line 4, strike out "LESOPS" and insert "Section 4975 Employee Stock Ownership Plans".

Page 9, line 14, strike out "1979" and insert: 1978

Page 9, line 16, strike out "LEVERAGED"

Page 9, line 24, strike out "ESOP" and insert "TAX CREDIT EMPLOYEE STOCK OWNERSHIP PLAN".

Page 10, line 4, strike out "ESOP" and insert "Tax Credit Employee Stock Ownership Plan

Page 10, line 6, strike out "an ESOP" and insert "a tax credit employee stock ownership plan".

Page 10, line 9, strike out "LESOPS" and insert "Section 4975 employee stock ownership plans".

Page 10, after line 21, insert:

(G) Limitation on Required Transfers for Matching Employees Plan Percentage.—Clause (i) of section 48(n)(1)(B) (relating to matching percentage) is amended to read as follows:

"(i) to make transfers of employer securities to a tax credit employee stock ownership plan maintained by the employer having an aggregate value equal to the lesser of—

"(I) the sum of the qualified matching employee contributions made to such plan for the taxable year, or

"(II) one-half of 1 percent of the amount of the qualified investment (as determined under subsections (c) and (d) of section 46) for the taxable year, and".

Page 10, after line 21, insert:

(H) Time for Making Transfers Attributable to Qualified Matching Employe Contributions.—The last sentence of section 48(n)(1)(C) (relating to times for making transfers) is amended by inserting before the period at the end thereof the following: "(including where such excess is attributable to qualified matching employee contributions made after the close of the taxable year)".

Page 10, after line 21, insert:

(I) Date for Establishing Plan.—

(i) Paragraph (1) of section 409A(f) (relating to plan must be established before employer's due date) is amended to read as follows:

"(1) In General.—A plan needs the requirements of this subsection only if it is established on or before the due date (including any extension of such date) for the filing of the employer's tax return for the first taxable year of the employer for which an employee plan credit is claimed by the employer with respect to the plan."

(ii) Paragraph (2) of section 409A(f) is amended by inserting before the period at the end thereof the following: "with respect to the plan".

Page 10, after line 21, insert:

(J) Definition of Employer Securities.—

(i) Subparagraph (B) of section 409A(l)(2) (relating to special rule where there is no readily tradable common stock) is amended by striking out "class of stock" and inserting in lieu thereof "class of common stock".

(ii) Paragraph (2) of section 409A(f) is amended to read as follows:

"(3) Preferred Stock May Be Issued in Certain Cases.—Noncallable preferred stock shall be treated as employer securities if such stock is convertible at any time into stock which meets the requirements of paragraph (1) or (2) (whichever is applicable) and if such conversion is at a conversion price which (as of the date of the acquisition by the ESOP) is reasonable. For purposes of the preceding sentence, under regulations prescribed by the Secretary, preferred stock shall be treated as noncallable if after the call there will be a reasonable opportunity for a conversion which meets the requirements of the preceding sentence."

Page 10, after line 21, insert:

(K) Voting Rights Requirements.—Paragraph (7) of section 4975(e) (defining leveraged employee stock ownership plan) is amended by striking out the last sentence and inserting in lieu thereof the following:

"A plan shall not be treated as an employee stock ownership plan unless it meets the requirements of section 409A(h) and, if the employer has a registration-type class of securities (as defined in section 409A(e)(4)), it meets the requirements of section 409A(e)."

Page 10, after line 21, insert:

(L) Name Changes.—

(i) The following provisions are each amended by striking out "an ESOP" each place it appears (other than in any heading) and inserting in lieu thereof "a tax credit employee stock ownership plan":

(I) Section 48(n)(1)(A)(i).
(II) Section 48(n)(2).
(III) Section 48(n)(2)(A).
(IV) Section 48(n)(5).
(V) Section 401(a)(21).
(VI) Section 409A(m).
(VII) Section 415(c)(6)(B)(i).
(VIII) The last sentence of section 1504(a).

(ii) The following provisions are each amended by striking out "ESOP" each place it appears and inserting in lieu thereof "tax credit employee stock ownership plan":

(I) Section 409A(a) (other than in the subsection heading).

(II) Section 409A(l)(3).

(III) Section 48(n)(1)(B)(i) (as amended by clause (i)).

(IV) Section 48(n)(2).

(V) Section 48(n)(3).

(IV) Section 48(n)(4)(A).

(iii) The following provisions are each amended by striking out "ESOP" each place it appears (other than in any heading) and inserting in lieu thereof "employee plan":

(I) Section 46(a)(2).

(II) Section 48(n) (as amended by clauses (i) and (ii)).

(III) Section 48(o).

(IV) Section 56(c).

(V) Section 409A (as amended by subparagraph (I) and clauses (i) and (ii)).

(VI) Section 6699.

(iv) The following provisions are each amended by striking out "leveraged employee" each place it appears and inserting in lieu thereof "employee":

(I) Section 415(c)(6)(B)(i).

(II) The last sentence of section 1504(a).

(III) Section 4975(e)(7) (other than in the paragraph heading).

(v)(I) The heading of subparagraph (E) of section 46(a)(2) is amended by striking out "ESOP" and inserting in lieu thereof "EMPLOYEE PLAN".

(II) The subsection heading for section 48(n) is amended by striking out "ESOP" and inserting in lieu thereof "EMPLOYEE PLAN".

(III) The subparagraph headings for subparagraphs (A) and (B) of section 48(n)(1) are each amended by striking out "ESOP" and inserting in lieu thereof "EMPLOYEE PLAN".

(IV) The paragraph headings for paragraph (4) of section 48(n) and paragraphs (4), (5), (6), and (7) of section 48(o) are each amended by striking out "ESOP" and inserting in lieu thereof "EMPLOYEE PLAN".

(V) The paragraph heading for section 48(o)(3) is amended by striking out "ESOP" and inserting in lieu thereof "EMPLOYEE PLAN".

(VI) The subsection heading for subsection (a) of section 409A is amended by striking out "ESOP" and inserting in lieu thereof "TAX CREDIT EMPLOYEE STOCK OWNERSHIP PLAN".

(VII) The section heading for section 409A is amended by striking out "ESOPS" and inserting in lieu thereof "TAX CREDIT EMPLOYEE STOCK OWNERSHIP PLANS".

(VIII) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by striking out "ESOPS" in the item relating to section 409A and inserting in lieu thereof "tax credit employee stock ownership plans."

(IX) The section heading of section 6699 is amended by striking out "ESOP" and inserting in lieu thereof "TAX CREDIT EMPLOYEE STOCK OWNERSHIP PLAN."

(X) The table of sections for subchapter B of chapter 68 is amended by striking out "ESOP" in the item relating to section 6699 and inserting in lieu thereof "tax credit employee stock ownership plan".

(XI) The paragraph heading for paragraph (7) of section 4975(e) is amended by striking out "LEVERAGED EMPLOYEE" and inserting in lieu thereof "EMPLOYEE".

Page 10, line 22, strike out "(G)" and insert "(M)".

Page 11, strike out lines 7, 8, 9.

Page 11, strike out lines 10 to 20 inclusive.

Page 11, after line 20, insert:

(iii) Paragraph (5) of section 48(o) (as amended by subparagraph (L)) is amended by inserting "percentage" after "attributable to the matching employee plan".

Page 11, after line 20, insert:

(8) Amendments related to section 142 of the Act.—

(A) Subsection (c) of section 691 (relating to deduction for estate tax) is amended by adding at the end thereof the following new paragraph:

"(5) Coordination with section 402(e).—For purposes of section 402(e) (other than paragraph (1)(D) thereof), the total taxable amount of any lump sum distribution shall be reduced by the amount of the deduction allowable under paragraph (1) of this subsection which is attributable to the total taxable amount (determined without regard to this paragraph)."

(B) Paragraph (2) of section 2039(f) (relating to lump sum distributions) is amended by striking out "without the application of paragraph (2) thereof" and inserting in lieu thereof "(without the application of paragraph (2) thereof), except to the extent that section 402(e)(4)(J) applies to such distribution."

Page 11, line 21, strike out "(8)" and insert "(9)".

Page 12, line 1, strike out "(9)" and insert "(10)".

Page 12 line 6, strike out "pension" and insert "pensions".

Page 16, after line 20, insert:

(G) Employer may not maintain integrated plan.—

(i) The second sentence of section 408(k)(3)(D) (relating to treatment of certain contributions and taxes) is amended by striking out "Taxes paid" and inserting in lieu thereof "If the employer does not maintain an integrated plan at any time during the taxable year, taxes paid".

(ii) Paragraph (3) of section 408(k) is amended by adding at the end thereof the following new subparagraph:

"(E) Integrated plan defined.—For purposes of subparagraph (D), the term 'integrated plan' means a plan which meets the requirements of section 401(a), 403(a), or 405(a) but would not meet such requirements if contributions or benefits under chapter 2 (relating to tax on self-employment income), chapter 21 (relating to Federal Insurance Contributions Act), title II of the Social Security Act, or any other Federal or State law were not taken into account."

Page 16, after line 20, insert:

(H) Penalty for failure to file reports.—Subsection (a) of section 6693 (relating to failure to provide reports on individual retirement accounts or annuities) is amended—

(i) by striking out "section 408(i)" the first place it appears and inserting in lieu thereof "subsection (i) or (l) of section 408", and

(ii) by striking out "section 408(i)" the second place it appears and inserting in lieu thereof "such subsection".

Page 16, after line 20, insert:

(I) Application with section 415.—Paragraph (5) of section 415(e) is amended—

(i) by striking out "any simplified employee pension" in the first sentence, and

(ii) by inserting after the first sentence the following new sentence: "For purposes of this section, any contribution by an employer to a simplified employee pension for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year."

Page 16, line 21, strike out "(G)" and insert "(J)".

Page 17, line 11, strike out "(10)" and insert "(11)".

Page 18, line 9, strike out "11" and insert "12".

Page 18, line 13, strike out "12" and insert "13".

Page 19, line 8, strike out "13" and insert "14".

Page 21, after line 4, insert:

(iii) Paragraph (20) of section 401(a)(1) is amended by striking out "makes a payment or distribution described in section 402(a)(5)(i) or 403(a)(4)(i)" and inserting in lieu thereof "makes a qualifying rollover distribution (determined as if section 402(a)(5)(D)(i) did not contain subclause (II) thereof) described in section 402(a)(5)(A)(i) or 403(a)(4)(A)(i)".

Page 21, line 24, strike out "(a)(9)" and insert "(a)(10)".

Page 21, after line 25, insert:

(F) Penalty for failure to furnish reports.—The amendment made by subparagraph (I) of subsection (a)(10) shall apply with respect to failures occurring after the date of the enactment of this Act.

Page 21, after line 25, insert:

(G) Coordination with section 415.—The amendment made by subparagraph (I) of subsection (a)(10) shall apply to taxable years beginning after the date of the enactment of this Act.

Page 26, line 24, strike out "contractural" and insert "contractual".

Page 28, after line 20, insert:

(C) Amendment of section 761.—Subsection (a) of section 761 (defining partnership) is amended by striking out "or" at the end of paragraph (1), by inserting "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) by dealers in securities for a short period for the purpose of underwriting, selling, or distributing a particular issue of securities,".

Page 28, after line 23, insert:

(1) Amendment related to section 301 of the Act.—Subparagraph (A) of section 857(b)(4) (relating to imposition of tax on income from foreclosure property) is amended to read as follows:

"(A) Imposition of tax.—A tax is hereby imposed for each taxable year on the net income from foreclosure property of every real estate investment trust. Such tax shall be computed by multiplying the net income from foreclosure property by the highest rate of tax specified in section 11(b).'

Page 29, line 1, strike out "(1)" and insert "(2)".

Page 30, line 8, strike out "(2)"and insert "(3)".

Page 30, line 8, strike out "(2)" and insert "(4)".

Page 31, line 6, strike out "(4)" and insert "(5)".

Page 31, line 7, after "52(f)" insert "(and the predecessor of section 52(f), section 52(h))".

Page 31, line 10, strike out "(5)" and insert "(6)".

Page 33, after line 14, insert:

(F) Age requirement for qualified cooperative education programs.—Clause (i) of section 51(d)(8)(A) (defining youth participating in a qualified cooperative education program) is amended by striking out "19" and inserting in lieu thereof "20".

Page 33, line 15, strike out "(F)" and insert "(G)".

Page 35, line 23, strike out "(6)" and insert "(7)".

Page 37, after line 2, insert:

(C) Federal welfare recipient employment incentive expenses.—Effective with respect to wages paid or incurred after September 30, 1978, and before January 1, 1979, subparagraph (B) of section 50B(a)(2) (relating to work incentive program expenses), as in effect before the amendments made by section 322 of the Revenue Act of 1978, is amended by striking out "October 1, 1978" and inserting in lieu thereof "January 1, 1979".

Page 37, line 3, strike out "(C)" and insert "(D)".

Page 37, line 7, after "and" " insert "and".

Page 37, after line 20, insert:

(8) AMENDMENT RELATED TO SECTION 337 OF THE ACT.—Subsection (a) of section 337 of the Revenue Act of 1978 (relating to disposition of amounts generated by advance refunding of certain governmental obligations) is amended by striking out "or a refund profit" and inserting in lieu thereof "of a refund profit".

Page 37, line 21, strike out "(7)" and insert "(9)".

Page 38, line 13, strike out "(8)" and insert "(10)".

Page 38, after line 25, insert:

(C) Subsection (e) section 274 (relating to specific exceptions to application of disallowance of certain entertainment, etc., expenses) is amended by adding at the end thereof the following new paragraph:

"(10) EXPENSES INCLUDABLE IN INCOME OF PERSONS WHO ARE NOT EMPLOYEES.—Expenses for goods, services, and facilities, to the extent that the expenses are includable in the gross income of the recipient of the entertainment, amusement, or recreation, as compensation for services rendered or as a prize or award under section 74. The preceding sentence shall not apply if such expenses are required to be included in any information return filed by the taxpayer under part III of subchapter A of chapter 61 and are not so included."

Page 39, line 1, strike out "9" and insert "11".

Page 39, after line 15, insert:

(12) AMENDMENT RELATED TO SECTION 365 OF THE ACT.—Subparagraph (A) of section 357 (c)(3) (relating to liabilities in excess of basis) is amended to read as follows:

"(A) IN GENERAL.—If a taxpayer transfers, in an exchange to which section 351 applies, a liability the payment of which either—

"(i) would give rise to a deduction, or

"(ii) would be described in section 736(a),

then, for purposes of paragraph (1), the amount of such liability shall be excluded in determining the amount of liabilities assumed or to which the property transferred is subject."

Page 39, line 16, strike out "10" and insert "(13)".

Page 39, strike out all after line 24 over to and including line 6 on page 40 and insert:

1978 and inserting in lieu thereof a semicolon,

(iii) by redesignating the paragraph (18) added by section 164(b)(1) of the Revenue Act of 1978 as paragraph (19),

(iv) by striking out "section 124." in paragraph (19) (as so redesignated) and inserting in lieu thereof "section 127; or", and

(v) by adding at the end thereof the following new paragraph:

"(20) for any medical care reimbursement made to or for the benefit of an employee under a self-insured medical reimbursement plan (within the meaning of section 105(h) (6))."

Page 41, line 3, strike out "31, 1979." ," and insert "31, 1979. For purposes of applying such amendment, there shall not be taken into account any amount reimbursed before January 1, 1980." ".

Page 41, line 4, strike out "(11)" and insert "(14)".

Page 41, line 10, strike out "(12)" and insert "(15)".

Page 41, line 17, strike out "(13)" and insert "(16)".

Page 41, after line 21, insert:

(b) EFFECTIVE DATES.—

(1) SPECIAL EFFECTIVE DATE.—The amendment made by subsection (a)(5)(F) shall apply to wages paid or incurred on or after November 27, 1979, in taxable years ending on or after such date.

Page 41, strike out line 22 and insert:

(2) GENERAL EFFECTIVE DATE.—

Page 51, line 9, strike "(ii)" and insert "(iii)".

Page 56, strike out line 8 to 15, inclusive, and insert:

(4) AMENDMENTS RELATED TO SECTION 514 OF THE ACT.—

(A) The first sentence of paragraph (3) of section 2055(e) is amended—

(i) by striking out "subpargraph (a) or (B)" and inserting in lieu thereof "subparagraph (A) or (B)", and

(ii) by striking out "so that interest" and inserting in lieu thereof "so that the interest".

(B) Section 514 of the Revenue Act of 1978 is amended by adding at the end thereof the following new subsection:

"(c) EFFECTIVE DATES.—

"(1) FOR SUBSECTION (a).—The amendment made by subsection (a) shall apply in the case of decedents dying after December 31, 1969.

"(2) FOR SUBSECTION (b).—Subsection (b)—

"(A) insofar as it relates to section 170 of the Internal Revenue Code of 1954 shall apply to transfers in trust and contributions made after July 31, 1969, and

"(B) insofar as it relates to section 2522 of the Internal Revenue Code of 1954 shall apply to transfers made after December 31, 1969."

Page 57, strike out line 10, and insert:

THE ACT.—

(A) Paragraph (6) of section 216(b) (relating to

Page 58, after line 11, insert:

(B) Subparagraph (D) of section 216(b) (6) (as redesignated by subparagraph (A) of this paragraph) is amended by adding at the end thereof the following new sentence: "The estate of an original seller shall succeed to, and take into account, the tax treatment of the original seller under this paragraph."

Page 61, after line 6, insert:

(E) Paragraph (10) of section 126(a) (relating to certain cost-sharing payments) is amended by striking out "Any State program" and inserting in lieu thereof "Any program of a State, possession of the United States, a political subdivision of any of the foregoing, or the District of Columbia".

Page 64, after line 2, insert:

(C) ALLOCATION OF ITEMS OF TAX PREFERENCE IN THE CASE OF ESTATES AND TRUSTS.—Paragraph (1) of section 58(c) (relating to estates and trusts) is amended by striking out "on the basis of the income of the estate or trust allocable to each" and inserting in lieu thereof "in accordance with regulations prescribed by the Secretary".

Page 64, after line 2, insert:

(D) AMENDMENT OF SECTION 1250.—The last sentence of section 1250(a)(1)(B) (relating to gain from disposition of certain depreciable property) is amended by inserting before the period at the end thereof the following: "which was allowed under section 167(k)".

Page 64, line 3, strike out "(C)" and insert "(E)".

Page 64, strike out lines 16 to 19, inclusive, and insert:

(B)(i) Clause (i) of section 2613(e)(2) (A) is amended by inserting "(other than as a potential appointee under a power of appointment held by another)" after "the trust".

(ii) Subparagraph (B) of section 2613(e) (2) is amended—

(I) by inserting after clause (ii) the following new clause:

"(iii) an employee of the grantor or of any beneficiary,",

(II) by striking out clause (vi), by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively, and

(III) by inserting "or" at the end of clause (vi) (as so redesignated).

Page 75, strike out line 16 to 19, inclusive, and insert:

(3) CLERICAL AMENDMENTS.—

(A) Paragraph (1) of section 3(c) of the Black Lung Benefits Revenue Act of 1977 is amended by striking out "subsection (a)(4)" and inserting in lieu thereof "subsection (a) (5)".

(B) Subsection (b) of section 7454 is amended by striking out "section 502(c) (21)" and inserting in lieu thereof "section 501(c)(21)".

Page 76, strike out lines 8 to 18, inclusive.

Page 76, line 19, strike out "(3)" and insert "(2)".

Page 78, line 3, strike out "(4)" and insert "(3)".

Page 78, line 19, strike out "(5)" and insert "(4)".

Page 79, after line 6, insert:

(5) Section 4221(e)(6) (relating to bus parts and accessories) is amended to read as follows:

"(6) BUS PARTS AND ACCESSORIES.—Under regulations prescribed by the Secretary, the tax imposed by section 4061(b) shall not apply to any part or accessory which is sold for use by the purchaser on or in connection with an automobile bus, or is to be resold by the purchaser or a second purchaser for such use."

Page 79, line 13, strike out "such amendment relates" and insert "such amendment relates; except that the amendment made by paragraph (6) shall take effect on the first day of the first calendar month which begins more than 10 days after the date of the enactment of this Act".

Page 79, after line 13, insert:

(d) AMENDMENTS RELATED TO PUBLIC LAW 95–472.—Subsection (c) of section 6324B (relating to special lien for additional estate tax attributable to farm, etc., valuation) is amended to read as follows:

"(c) CERTAIN RULES AND DEFINITIONS MADE APPLICABLE.—

"(1) IN GENERAL.—The rule set forth in paragraphs (1), (3), and (4) of section 6324A(d) shall apply with respect to the lien imposed by this section as if it were a lien imposed by section 6324A.

"(2) QUALIFIED REAL PROPERTY.—For purposes of this section, the term 'qualified real property' includes qualified replacement property (within the meaning of section 2032A(h)(3)(B))."

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois.

Mr. DUNCAN of Tennessee. Mr. Speaker, reserving the right to object, I shall not object, but I wish to create some colloquy on the subject matter and ask the gentleman to explain the Senate amendments.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Speaker, H.R. 2797 contains technical, clerical, conforming, and clarifying amendments to provisions enacted by the Revenue Act of 1978, the Foreign Earned Income Act of 1978, the Black Lung Benefits Revenue Act, and the Energy Tax Act of 1978.

Because the Revenue Act of 1978 was passed at the end of the last Congress under considerable time pressures, the legislation contains a number of technical deficiencies. Passage of this bill is essential to technically correct the 1978 legislation and make sure that the legislation carries out the intentions of the Congress.

The provisions included in the bill reflect amendments that were developed as a result of a comprehensive review of the 1978 legislation taking into account comments submitted by the Treasury Department, the staff, tax practitioners, and the public generally.

In anticipation of this corrective legislation, the Internal Revenue Service printed its income tax forms to reflect certain corrections which had been approved by the House and, at the time of printing, the Senate Finance Committee. Because of the press of other legislative business, including vital energy legislation, Senate consideration of the technical corrections bill was delayed until its passage this week. Due to some uncertainty arising from the delay, the Commissioner of Internal Revenue has informed me that processing of those 1979 income tax returns which would be affected by the pending corrections bill must be suspended. Obviously, it would be extremely unfortunate if further delay resulted in a prolonged suspension of processing of returns by the Internal Revenue Service. Thus, it is clear that consideration of H.R. 2797 is a matter of significant urgency.

The Senate amended the bill to make additional technical corrections to the 1978 legislation. These additional technical corrections are noncontroversial. Therefore, I urge the House to concur in those amendments.

The Senate also adopted two amendments which are more substantive in nature. First, the Senate amended the bill to expand eligibility under the targeted jobs tax credit for the hiring of youths under a qualified cooperative education program to include 19-year-old participants. Presently, this category of eligible employees would include only those students who are 16 to 18 years old. The amendment is identical to a provision contained in another bill, H.R. 5973, which has been approved by the House. Because the House has considered this issue, I believe that the House should concur in the amendment although it is substantive in nature. The second Senate amendment of a substantive nature relates to the provision of the Revenue Act of 1978 which disallowed deductions for expenditures attributable to certain entertainment facilities. The Senate amendment would provide that this disallowance rule does not apply if the amount paid by the payor is includible in the recipient's gross income and any required information reporting is satisfied. During the course of Senate Finance Committee consideration of the bill, the Treasury Department objected to the amendment. Thus, unlike other Senate amendments, there is some controversy with respect to the amendment as well as it being of a substantive nature. The Ways and Means Committee and the House did not consider this issue in connection with this bill. Because of these considerations, I urge the deletion of this Senate amendment.

The deletion of the amendment should not be taken as a rejection of the amendment on its merits. Rather, I suggest the introduction of a separate bill dealing with this issue. If such a bill were introduced, I would endeavor to undertake its prompt consideration when it is referred to the Subcommittee on Select Revenue Measures. In this way, this issue can be thoroughly considered.

Mr. Speaker, I urge the House to approve the bill with an amendment to delete the Senate amendment relating to entertainment facilities.

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Mr. DUNCAN of Tennessee. Mr. Speaker, a great deal of effort and work has gone into this legislation and there were lengthy hearings. I would just say that I concur in the remarks of my subcommittee chairman, the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois (Mr. ROSTENKOWSKI) that the Senate amendments be considered as read?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Illinois?

There was no objection.

A motion to reconsider was laid on the table.

MOTION TO INSTRUCT CONFEREES REGARDING NET REVENUES ON SENATE AMENDMENTS TO H.R. 3919, CRUDE OIL WINDFALL PROFIT ACT OF 1979

Mr. FISHER. Mr. Speaker, I offer a privileged motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

> Mr. FISHER moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the State amendments to the bill H.R. 3919 be instructed to insist that—
>
> As a matter of policy:
>
> (1) 50 percent of the net revenues from the windfall profits tax shall be made available for energy research, development, production, or conservation and for transit programs, and
>
> (2) 25 percent of the net revenues from the windfall profits tax shall be made available for energy assistance to low-income individuals, and
>
> (3) 25 percent of the net revenues from the windfall profits tax shall be available for any purpose.

POINT OF ORDER

Mr. GIBBONS. Mr. Speaker, I raise a point of order against the motion offered by the gentleman from Virginia (Mr. FISHER).

The SPEAKER pro tempore. The gentleman from Florida will state his point of order.

Mr. GIBBONS. Mr. Speaker, the motion offered by the gentleman from Virginia is an improper motion and is not in order. The motion would instruct the conferees to make a specific distribution of windfall tax receipts on a percentage basis for designate purposes. Neither the House language nor the Senate language specifically addresses the distribution of these tax receipts. Thus, the instruction is clearly beyond the scope of the conference and not a proper instruction under the Rules of the House.

The SPEAKER pro tempore. Does the gentleman from Virginia (Mr. FISHER) desire to be heard on the point of order?

Mr. FISHER. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Virginia is reorganized.

Mr. FISHER. Mr. Speaker, I will argue that the point of order should not be sustained, and these are my reasons: The House bill calls for an energy trust fund, which would include all windfall tax proceeds to be used as determined by subsequent legislation.

I would argue that my motion is within and less than the House bill provision. It simply indicates how, as a matter of policy, a portion of the total tax proceeds should be used.

The relevant House rule, I believe, is 28, at section 913a. My motion does not present an "additional topic, question, issue, or proposition not committed to the conference committee by either House," and, therefore, would be germane and within the scope.

It is not, I argue, an additional topic. We are still dealing with the proceeds of the tax and how to use it, which is spelled out in general terms within the House bill.

Nor is my amendment, quoting from the rule—

> A modification of any specific topic * * * committed to the conference committee by either House—

Such that the—

> modification is beyond the scope of that specific question.

Mr. Speaker, again I rest on the point that the topic is the use of the funds, and that is dealt with in great and ample scope in the House bill.

Furthermore, Mr. Speaker, the Senate bill contains numerous provisions for specific stimulation of energy production, conservation, and so on, and for energy payments to lower income persons.

The Senate bill is loaded with various provisions related to the use of the funds.

Additionally, Mr. Speaker, my motion certainly is germane and within the scope of what the conference has agreed to. It merely changes the general indicated percentage of the tax proceeds used for this broad purpose.

Finally, Mr. Speaker, and in a more general and important sense, the House deserves at least the limited opportunity to consider the use of windfall tax funds along the lines of either the conference report, which has been agreed to by the conference, or my motion of instruction. It deserves this opportunity, since both the Senate and the conference have spent days working and voting on the matter.

We simply must, somehow, produce a bill which calls for more energy and less inflation, a lot more energy and a lot less inflation. What is emerging from the conference does not do that. That is the whole point and purpose of my motion to instruct.

The SPEAKER pro tempore. Does the gentleman from New York (Mr. CONABLE) desire to be heard on the point of order?

Mr. CONABLE. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from New York is recognized.

Mr. CONABLE. Mr. Speaker, I call the Speaker's attention most respectfully to "Deschler's Procedure," chapter 33, section 8.7, which reads as follows:

> While clause 2 Rule XX permits a motion to instruct House conferees to agree to a Senate amendment which would have been in violation of clauses 2 or 4 of Rule XXI if offered in the House, instructions to amend such Senate amendment should not be made in a manner not in order under House rules [e.g. to include unauthorized items (clause 2) to add further appropriations to a legislative bill (clause 4), or to include matter outside the scope of conferee's authority (clause 3 Rule XXVIII.) . . .]

I acknowledge, Mr. Speaker, that the conference report, when prepared, will have items that are outside of the scope of the conference and, therefore, for that reason it will be necessary to go to the Committee on Rules. However, that does not justify a request for a further instruction also outside the scope of the conference, or it would be possible here through an instruction on the House floor to consider all sorts of things nongermane not only to the two bills that went into the conference, but to the final conference report.

I call the Speaker's attention also to the fact that this motion to instruct proposed by the distinguished gentleman from Virginia (Mr. FISHER) includes references to transit programs among the expenditures that would be permitted.

□ 1210

There is nothing about transit programs in the Senate version of the bill, although there is something to do with railroads. I think that also illustrates an example where this motion to instruct goes beyond the scope of the conference.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I want to repeat neither the House language nor the Senate language specifically addressed the distribution of these tax receipts.

The Senate bill has some tax credits in it, but those are not tax receipts. Those are never receipts to the Federal Government. So the gentleman's motion is clearly outside the scope of the conference.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, I would like to speak to the point of order.

Mr. Speaker, I would respectfully submit that the point of order should not be accepted.

I say that, because it is my view that the House-passed bill did deal with the disposition of the funds. It clearly stated that the funds collected from the windfall tax should be deposited in a trust fund, an energy trust fund, that should be spent according to law hereinafter passed by the Congress.

I think in a broad sense, therefore, the House bill did treat the disposition of those funds, and the instruction which the gentleman from Virginia is wishing to have considered by the House, in my view, is therefore germane, is therefore the same topic, the topic being the disposition of those funds.

Indeed, it deals with it a bit more specifically than the simple transfer of those funds from the taxing authorities to the fund. But it probably in terms of scope has less in it than the total disposition of the funds into the security trust funds.

The SPEAKER pro tempore. The Chair is prepared to rule.

The gentleman from Florida has made a point of order against the motion of the gentleman from Virginia (Mr. FISHER) to instruct the conferees on H.R. 3919, the oil windfall profit tax bill, on the grounds that the motion seeks to direct the conferees to accomplish that which they are prohibited from doing under the rules.

Clause 3 of rule XXVIII prohibits conferees from including in their report any new topic, issue, or proposition not committed to the conference committee by the House.

The motion directs the conferees to make certain distributions of the windfall tax revenues in certain percentages for designated purposes.

In section 3 of the House bill, an energy trust fund was created to consist of amounts equivalent to the revenues from the oil windfall tax; subsection 3(d) did not designate any of the purposes for which the fund would be available simply stating that—

> Amounts in the trust fund shall be available, as provided by appropriation acts, for making expenditures for such purposes as may hereafter be specified by law.

Section 102(a) of the Senate amendment provided that $1 billion of the tax receipts be reserved for improvements in the Nation's freight and passenger railroad systems, with allocations of not less than certain amounts for three designated aspects of such railroad improvements.

Section 103 of the Senate amendment also provided for the deposit in a taxpayer trust fund of amounts equivalent to increases in income tax revenues as a result of oil decontrol.

Subsection 103(d) provided that amounts in such trust fund be available as thereafter provided by law for relief from increased social security taxes effective in 1981.

Neither the House nor the Senate provision mandate expenditures from the trust funds for any purpose. And neither version mentions use of the tax receipts for energy research, development, and conservation or for energy assistance to low-income individuals.

The Chair cannot consider any distributions the conferees may have considered in their deliberations and is restricted to reviewing the text of the House bill and Senate amendment in determining whether this motion directs the conferees to include matters beyond the scope of their authority.

Clearly, the House and Senate versions left to future legislation the appropriate distribution of tax receipts and the specific purpose is suggested, but not required in the Senate amendment, which do not relate to all the programs addressed in the motion of the gentleman from Virginia.

Accordingly, the Chair disagrees with the gentleman from Virginia (Mr. FISHER), and the Chair sustains the point of order of the gentleman from Florida.

PARLIAMENTARY INQUIRY

Mr. FISHER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. FISHER. Mr. Speaker, could I be correct in drawing the inference from the ruling made by the Speaker that the same arguments as determined the decision against my motion of instruction would apply also against this feature of the conference report which lays out in broad terms the use of the funds?

The SPEAKER pro tempore. At this point the work of the conferees is not before the Chair, and the Chair is not in a position to give the gentleman a judgment as to how the Chair would rule.

Mr. FISHER. I thank the Chair.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b) of rule I, the Chair announces that he will postpone further proceedings today on each resolution on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all debate has been concluded on each resolution, and after each question to be determined by a "nonrecord" vote has been disposed of, the Chair will then put the question on each resolution on which further proceedings were postponed.

PERMISSION TO HAVE SUPPLEMENTAL VIEWS INCLUDED IN REPORT OF THE COMMITTEE ON S. 1309, FOOD STAMP ACT AMENDMENTS OF 1979

Mrs. HECKLER. Mr. Speaker, I ask unanimous consent to have the supplementary views on S. 1309, the Food Stamp Act Amendments of 1980, which was supposed to have been filed late yesterday, be included in the report of the committee.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

COMMUNICATION FROM THE SERGEANT AT ARMS

The SPEAKER pro tempore laid before the House the following communication from the Sergeant at Arms of the House of Representatives:

WASHINGTON, D.C.,
February 28, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On February 13, 1980 I was served with a subpoena duces tecum by a representative of the U.S. Department of Justice; said subpoena was issued by the United States District Court for the District of Columbia.

The subpoena commands me or my authorized representative to appear before a Grand Jury of said Court, which is deliberating in secrecy pursuant to Rule 6(e) of the Federal Rules of Criminal Procedure, and requests the production of certain House Records. Attached to the subpoena is a finding by the Court that the records are material and relevant to the Grand Jury investigation, pursuant to House Resolution 10, Ninety-Sixth Congress, which authorizes any officer of the House to produce copies of House records pursuant to a subpoena of a court upon a finding of materiality and relevancy. The subpoena is available in my office for inspection by any Member.

Sincerely,

KENNETH R. HARDING,
Sergeant at Arms.

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Sincerely,

KENNETH R. HARDING,
Sergeant at Arms.

☐ 1220

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATION AND STUDIES OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 569) to provide for the expenses of investigations and studies to be conducted by the Permanent Select Committee on Intelligence and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 569

Resolved, That for the further expenses of investigations and studies to be conducted by the Permanent Select Committee on Intelligence, acting as a whole or by subcommittee, not to exceed $972,420, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $10,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Permanent Select Committee on Intelligence shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, I would like to take a moment briefly to explain the procedures used in the Subcommittee on Accounts which I have the honor to chair and the full Committee on House Administration in their consideration of funding resolutions for this session of the 96th Congress.

The staff of the Subcommittee on Accounts at my direction sent a detailed budget package to all committee chairmen and staff directors. This package contained a request for information and standardized forms about personnel numbers, compensation, travel, hearings and other details about a committee's funding needs.

For the first time the subcommittee had available for its deliberations a relatively clear and concise picture of a committee's budget needs.

I want to commend the various committees and staffs for their cooperation in providing this information.

The subcommittee in its deliberations on committee budget requests has attempted to strike an equitable balance between its obligation to insure that the committees of the House have adequate funds to accomplish their legislative and oversight duties and the responsibility of the subcommittee to see that the contingent funds of the House are used wisely and economically. To achieve these goals, the subcommittee at the outset of its hearings informally established several guidelines, but not necessarily hard and fast rules. The subcommittee felt that a committee should make full use of its statutory staff allotment of 18 professionals and 12 clerks before seeking funds for an investigative staff.

If a committee failed to convince the subcommittee that vacancies on its statutory staff were temporary or indicated that internal committee policy precluded the use of vacant statutory staff, the subcommittee usually made reductions in the investigative funds roughly equal to the amount necessary to pay employees who could be placed on the statutory staff.

Increases in staff above current levels were not usually allowed, unless the subcommittee felt that an increased work load of the committee was probable.

The Committees on Armed Services and Intelligence are examples of such committees.

As I said earlier, Mr. Speaker, the guidelines I have just cited were not hard and fast rules. The subcommittee realized that each committee is unique and must be considered individually; nevertheless, we sought to treat each committee fairly.

Mr. Speaker, there is one other point I must make. The Subcommittee on Accounts realized that the actual expenses incurred by the committees in 1979 did not realistically reflect the costs which those committees will have in 1980.

Therefore, the subcommittee prepared for each committee an estimate of adjusted expenses. These adjusted expenses took into account the following factors:

First, the last starts of the committees during 1979 because the funding resolutions were not passed until late March or early April.

Second, the inflation rate in 1979 of 13.3 percent.

Third, the House information systems computer charges to be paid by the committees in 1980 were not required to be paid in 1979.

Finally, the 7-percent pay comparability increases for employees effective October 1, 1979.

Mr. Speaker, the aggregate of increases in funding for investigations and studies to be conducted by committees of the House in the second session of the 96th Congress is, under the resolutions considered this year by the Accounts Subcommittee, 5.9 percent over the 1979 authorizatons and 6.2 percent over the 1979 adjusted expenses. You will note that both these percentages of increase are considerably below the 13.3-percent inflation rate of 1979.

The table follows:

COMPARISONS OF 1979 AUTHORIZATIONS, 1979 ADJUSTED EXPENSES, AND 1980 RECOMMENDATIONS FOR INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY HOUSE COMMITTEES

H. Res.	Committee	1979 authorization	1979 level of spending, as adjusted	1980 recommendations	Percent increase over 1979 authorization	Percent increase over 1979 adjusted expense
565	Aging	$1, 050, 000	$1, 237, 948	$1, 233, 000	17.4	−0. 4
554	Agriculture	1, C25, 000	1, 210, 976	1, 247, 000	21.7	3. 0
541	Armed Services	677, 000	581, 436	827, 000	22.2	42. 2
536	Banking	2, 444, 600	2, 315, 332	2, 560, 287	4.7	10. 6
	Commerce	3, 708, 000	3, 193, 994	3, 750, 000	1.1	−4. 2
580[1]	Committee on Committees	525, 000	487, 069	287, 852	−45.2	−40. 9
539	District of Columbia	315, 000	336, 348	289, 670	−8.0	−13. 9
530	Edcuation and Labor	2, 250, 000	2, 214, 692	2, 522, 000	12.1	13. 9
527	Foreign Affairs	1, 745, 780	1, 607, 869	1, 875. 124	7.4	16. 6
532	Government Operations	2, 093, 500	2, 061, 397	2, 274, 900	8.7	10. 4
574	H.I.S	9, 889, 000	9, 560, 000	9, 881, 000	−.1	3. 4
543	House Administration	1, 185, 000	1, 650, 112	1, 744, 500	47.2	5. 7
569	Intelligence	927, 402	836. 820	972, 420	4.9	16. 2
567	Interior	1, 200, 000	1, 271, 716	1, 316, 679	9.7	3. 5
548	Judiciary	1, 432, 000	1, 314, 944	1, 406, 677	−1.8	7. 0
546	Merchant Marine and Fisheries	1, 494, 074	1, 596, 835	1, 682, 171	12.6	5. 3
572	Narcotics	700, 000	553, 296	600. 000	−14.3	8. 4
573[2]	Outer Continental Shelf	290, 000	282, 876	157, 172	−45.8	−44. 4
557	Pension Task Force	167, 500	174. 732	207, 200	23.7	18. 6
523	Post Office	850, 000	791, 304	950, 000	11.8	20. 1
545	Public Works	1, 870, 000	1, 779, 516	1, 870, 000	0	5. 1
552	Rules	519, 000	502, 764	615, 000	18.5	22. 3
535	Science and Technology	1, 600, 000	1, 705, 780	1, 896, 800	18.6	11. 2
556	Small Business	752, 650	777, 104	776, 000	3.1	−.1
531	Standards of Official Conduct	500, 000	300, 672	500, 000	0	66. 3
537	Veterans' Affairs	400, 000	284, 277	352, 490	−11.9	24. 0
538	Ways and Means	2, 000, 000	2, 125, 000	2, 252, 000	12.6	6. 0
	Total	41, 610, 506	41, 474, 809	44, 047, 142	5.9	6.2

[1] Constituted only through Apr. 30, 1980.
[2] Constituted only through June 30, 1980. ●

During the 96th Congress, Mr. Speaker, House committees requested a total of $95,395,460 for investigations and studies.

The Subcommittee on Accounts during this Congress has reduced these aggregate requests by over $8 million, or almost 9 percent.

At this time, Mr. Speaker, I want to commend the members of the Committee on House Adminstration, particularly the members of the Subcommittee on Accounts, for their diligence and efficiency in preparing the committee funding resolutions.

Let me here express my appreciation to members of the Subcommittee on Accounts, the gentleman from New Jersey (Mr. MINISH); the gentleman from South Carolina (Mr. DAVIS); the gentleman from North Carolina (Mr. ROSE); the gentleman from California (Mr. JOHN L. BURTON); the gentleman from New York (Mr. PEYSER); the gentleman from Connecticut (Mr. RATCHFORD) the gentleman from California (Mr. FAZIO); the gentleman from Michigan (Mr. NEDZI); the gentleman from New Hampshire (Mr. CLEVELAND); the gentleman from California (Mr. BADHAM); the gentleman from California (Mr. LEWIS); the gentleman from South Carolina (Mr. CAMPBELL); and the gentleman from Texas (Mr. LOEFFLER).

Mr. Speaker, I am especially pleased to say that all of the resolutions brought to the House today were passed unanimously by both the Subcommittee on Accounts and the full Committee on House Administration. At both the subcommittee and committee levels we acted in a bipartisan fashion.

Now, Mr. Speaker, House Resolution 569, the first of the resolutions today to be considered, provides $972,420 for investigations and studies to be conducted by the Committee on Intelligence. The amount approved by the Committee on House Administration is $45,018 more than this committee received last year.

Mr. Speaker, I yield to the gentleman from South Carolina (Mr. CAMPBELL), who has been a very diligent and effective member of the Subcommittee on Accounts.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I, too, would like to reiterate the gentleman's opening remarks that this commitee operated in a bipartisan fashion, that we have been unanimous in most of the resolutions and in all that came out there was an absence of disagreement on all but one.

I stand in full support of this resolution now before us.

The Committee on Intelligence's budget has been scrutinized carefully.

Mr. Speaker, I believe that this is a fair budget and it is one that needs to be approved.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON ARMED SERVICES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 541) to provide for the expenses of investigations and studies to be conducted by the Committee on Armed Services, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 541

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Armed Services, acting as a whole or by subcommittee, not to exceed $827,000, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,000 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(j)); and not to exceed $25,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. $55,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Armed Services. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Armed Services shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, House Resolution 541 provides $827,000 for investigations and studies to be conducted by the Committee on Armed Services. The amount provided by the resolution is $150,000 more than this committee received last year. It is the same as the committee requested.

Mr. Speaker, I yield to the gentleman from South Carolina (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would also like to say that I stand in support of this particular budget. We recognize the fact that the Committee on Armed Services because of our commitment to increase spending and trying to upgrade our military in this country will have to upgrade their responsibilities also.

We should also say that this is one of the lowest budgets of the standing committees of the House. This budget should be approved.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from California (Mr. DANNEMEYER) for purposes of debate only, and I take this time to announce that, whenever in consideration of any of the funding resolutions on which the House is acting today, I yield, I shall do so for purposes of debate only. I yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, when we analyze what the spending practices of the House have been over the last 6 years, we find an example that this institution is literally out of control. For example, the Committee on Armed Services in 1973 conducted its functions with a budget of $657,000 plus.

In 1979 it spent $1,459,000, an increase of 122 percent in that 6-year span.

This year, this same committee is suggesting to spend $827,000.

In 1979, it spent $542,793. That is an increase of 52.3 percent over what it spent in the previous year.

When we have an inflation rate currently estimated today at 18 percent, I think it is incumbent upon the House of Representatives, to set an example for the American people, to demonstrate that we really are concerned and sincere about reducing the cost to the taxpayers in Government any place we can find. I think here in the House of Representatives is a good place to begin.

I would like to point out that in 1954, for instance, the last time the Republican Party controlled this House, we had 303 statutory investigative staff members funding the work of all the committees.

In 1979 that has grown to 1,939, an increase of 539 percent. In that same interval of time, the Consumer Price Index increased from 80.5 percent in 1954 to 229.9 percent in 1979, an increase of 185 percent.

☐ 1230

There is just no way in the world we can justify increases in spending for these committees of the type that has been described.

The following table gives a brief summary of the growth of the committees by comparing the 1980 recommended appropriation level to the actual expenditures for 1979 for each of the committees whose resolutions will be brought up on Wednesday. It should be stressed that the increases indicated are in no way exceptional; they simply add another chapter to the pattern of growth over the previous decade that I attempted to illustrate previously.

Resolution No.—Committee name	1979 level of spending	1980 recommendation	Percent increase
523—Post Office and Civil Service	$784, 289	$950, 000. 00	21. 1
527—Foreign Affairs	1, 566, 714	1, 875, 123. 53	19. 6
530—Education and Labor	1, 992, 784	2, 522, 000. 00	26. 5
531—Standards of Official Conduct	295, 104	500, 000. 00	69. 4
532—Government Operations	1, 853, 019	2, 274, 900. 00	22. 7
535—Science and Technology	1, 603, 070	1, 896, 800. 00	18. 3
536—Banking, Finance and Urban Affairs	2, 232, 832	2, 560, 287. 00	14. 6
537—Veterans Affairs	281, 701	352, 490. 00	25. 1
538—Ways and Means	1, 927, 252	2, 252, 000. 00	16. 8
539—District of Columbia	299, 935	289, 670. 00	(3. 4)
541—Armed Services	542, 793	827, 000. 00	52. 3
543—House Administration	926, 740	1, 744, 500. 00	88. 2
545—Public Works and Transportation	1, 673, 787	1, 870, 000. 00	11. 7
546—Merchant Marine and Fisheries	1, 508, 613	1, 682, 171. 00	11. 5
552—Rules	357, 551	615, 000. 00	72. 0
554—Agriculture	1, 039, 014	1, 247, 200. 00	20. 0
556—Small Business	772, 962	776, 000. 00	. 3
557—Education and Labor—Pension Task Force	140, 779	207, 200. 00	47. 1
565—Select Committee on Aging	1, 002, 869	1, 233, 000. 00	22. 9
567—Interior and Insular Affairs	1, 165, 443	1, 316, 679. 00	12. 9
569—Select Committee on Intelligence	831, 002	972, 420. 00	17. 0
548—Judiciary	1, 240, 087	1, 406, 677. 00	13. 4
574—House Information System	8, 502, 683	9, 881, 000. 00	16. 2

From the above it is clear that not even inflation can account for the increases in committee spending the funding resolutions propose. No less than 18 of the 23 resolutions call for spending in excess of last years inflation rate 13.3 percent, and 21 of the 23 call for increases in excess of the percentage pay increase given Federal employees last fall. Now, in one instance—the Committce on Standards of Official Conduct—the likelihood of an increased workload would appear to justify a major increase but, for the other committees, a serious policy question is posed by the overall size of the increases contemplated. If we are to set an example and indicate to the American people that we really mean to hold the line on Government growth, an increase in committee spending of no more than 7 percent would seem to be in order for all committees except for the Committee of Standards of Official Conduct.

Committee staff in the House is divided into two categories, statutory (fiscal year-based) and investigate (calendar year-based). Annually in February we vote on spending resolutions for investigative staff, which represents about two-thirds of the total cost to the taxpayer for any committee.

In 1954, the last year the Republicans controlled the U.S. House of Representatives, statutory and investigative staff totaled 303. By 1979, after 25 years of consecutive, continuous Democrat control, the total has swollen to 1,939. Other comparisons for the 25-year span are as follows:

	1954	1979	Percent increase
Statutory and investigative	303	1939	539
Consumer Price Index	80. 5	229. 9	185
Federal deficit (billions)	$1. 17	$40. 162	3, 332
Median family income	$5, 187	$17, 640	240
Average wage:			
Male	$3, 383	$12, 439	267
Female	$1, 428	$5, 986	319

It is obvious from the foregoing that committee staff, investigative and statutory, has been a growth industry, growing at a rate far greater than the growth of income of taxpayers of the increase in the CPI.

Table I depicts combined staff totals, statutory and investigative, from 1947 to 1979. The data was obtained from the Library of Congress.

Since 1974, the size of the committee staff has literally exploded. Data obtained from table II, also from the Library of Congress, reveals the following:

TOTAL EXPENDITURES—STATUTORY AND INVESTIGATIVE

	1973	1979	Percent ncrease
Agriculture	375, 027	1, 996, 218	432
Armed Services	657, 283	1, 459, 290	122
Banking and Finance	1, 200, 588	2, 991, 829	149
District of Columbia	570, 546	1, 122, 649	96
Education and Labor	1, 467, 222	2, 957, 962	101
Foreign Affairs	792, 409	2, 538, 260	220
Government Operations	1, 231, 077	2, 503, 073	103
Interior	817, 638	2, 386, 666	189
Interstate	1, 529, 719	4, 414, 099	188
Judiciary	954, 810	2, 273, 668	130
Merchant Marine	442, 409	2, 597, 945	486
Post Office	815, 716	1, 810, 949	128
Public Works	1, 389, 830	2, 649, 586	97
Rules	150, 213	1, 136, 509	655
Science and Technology	633, 500	2, 571, 117	302
Small Business	611, 109	1, 231, 665	101
Veterans Affairs	355, 124	929, 034	161
Ways and Means	666, 464	3, 038, 132	355

Total spending increases since 1973 have been far in excess of the rate of inflation or any other measure of reasonableness. This data indicates quite clearly that personnel growth of the committees of the House has escalated out of control. The only reasonable action to take is to reject all of these spending resolutions and start over with new planning.

How much to reduce the committee staffs is always a difficult question. Table III indicates the great disparity between majority and minority staff. We do not believe that minority staff should be increased to establish a proper ratio with the Democrat staff members. Rather, that the Democrat staff should be increased to the extent that their share of staff exceeds their entitlement.

Altogether, the Republicans have been given 145 investigative staff. Since we have 36.67 percent of the Members and delegates, Democrat investigative staff should therefore be 63.33 percent of the total investigative staff. If the Republicans have 145, the total investigative staff should be 395. 63.33 percent of this figure is 250. Actually, the Democrats have employed 807, which means we should reduce the Democrat total by 557. At an average salary of $22,989.56, this would result in a savings to the taxpayer of $12,805,185.

Another measure of growth to use as a base to determine a reasonable rate of growth for committee staff is the Consumer Price Index. A comparison since 1973 shows:

1979	227.5
1973	133.1
Increase (70.9%)	94.4

It is not unreasonable to suggest that total spending for committee staff since 1973 should not be greater than the percentage increase in the CPI since said time, namely, 70.9 percent.

Total spending in 1973 was $14,048,575. Total spending would be adjusted as 70.9 percent of said figure is $9,960,439. follows:

Spending 1973	$14,048,575
Increase of 70.9%	9,960,439
Authorized total for 1979	24,009,014
Spending 1979	$40,590,651
Readjusted for 70.9% increase	24,009,041
Savings to taxpayers	16,581,637

The spending total for 1980 should not be greater than 7 percent above the readjusted maximum for 1979; 7 percent is the amount of the pay adjustment for inflation awarded to Federal employees in the fall of 1979.

TABLE I.—HOUSE COMMITTEE STAFF TOTALS, 1947–77 (COMBINED STATUTORY AND INVESTIGATIVE STAFF)

Committee	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Agriculture	9	11	11	7	8	7	10	8	9	9	9	10	10	13	13	11
Appropriations	29	33	45	39	45	53	96	80	75	69	69	64	60	59	65	63
Armed Services	10	11	10	11	13	16	15	18	19	18	20	20	16	15	15	16
Banking	4	5	6	6	6	11	6	6	6	12	13	12	12	14	15	16
Budget	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X
District of Columbia	7	6	7	6	5	5	5	5	6	6	6	9	8	8	10	9
Education and Labor	10	14	10	10	10	10	10	11	11	10	12	19	20	25	43	47
Government Operations	9	19	34	28	21	28	37	38	45	62	61	68	51	54	51	51
House Administration [2]	7	7	9	6	7	5	7	4	6	10	10	14	5	4	4	3
Interior	4	7	9	9	10	10	7	10	10	10	10	10	10	10	10	10
Internal Security	10	34	33	35	42	42	39	41	38	42	45	50	47	46	52	57
International Relations	10	9	8	9	10	9	9	9	10	11	12	12	12	14	12	15
Interstate and Foreign Commerce	10	12	11	11	11	14	10	10	12	12	18	37	32	45	22	27
Judiciary	7	7	11	13	21	40	23	13	27	27	29	29	35	27	36	44
Merchant Marine and Fisheries	6	3	10	11	8	8	9	7	9	10	9	9	9	9	9	9
Post Office and Civil Service	6	11	7	11	7	7	8	8	8	9	10	10	10	9	10	10
Public Works	6	20	20	7	14	17	10	7	9	10	10	18	17	32	36	49
Rules	4	5	5	5	5	6	4	3	3	4	3	3	3	2	3	3
Science and Technology	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	17	18	17
Small Business	X	X	X	X	X	X	X	X	X	X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X
Standards of Official Conduct	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X
Veterans' Affairs	7	9	10	9	9	9	11	11	13	14	17	16	20	18	18	17
Ways and Means	12	13	13	13	24	36	30	14	13	16	21	24	21	22	19	22
Total, standing committees	167	236	269	246	276	333	346	303	329	361	384	434	398	440	461	496

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Agriculture	13	14	18	16	14	15	16	17	18	17	20	22	48	58	56	58	68
Appropriations	55	53	65	59	67	70	75	71	61	75	75	85	98	118	125	129	135
Armed Services	15	17	20	27	30	31	34	37	33	33	29	30	38	39	48	45	50
Banking	36	42	35	41	49	47	47	50	49	48	51	59	85	112	107	110	105
Budget	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	67	65	76	77	95
District of Columbia	10	11	10	10	16	18	14	15	15	20	34	37	43	54	38	35	41
Education and Labor	44	42	57	81	56	71	74	77	82	94	95	108	114	129	102	103	113
Government Operations	53	54	61	55	61	55	58	60	57	55	58	64	68	73	80	82	83
House Administration [2]	3	4	6	8	8	9	23	25	31	70	122	163	217	248	268	269	284
Interior	10	10	13	14	14	14	14	14	19	26	38	31	57	58	64	68	74
Internal Security	52	55	57	52	51	48	49	51	55	51	42	42	27	[1]X	[1]X	[1]X	[1]X
International Relations	16	17	17	17	18	20	20	21	32	35	36	41	54	64	93	101	85
Interstate and Foreign Commerce	29	37	31	32	36	32	39	42	46	44	56	58	112	138	130	149	160
Judiciary	48	46	37	34	30	27	35	35	39	36	44	172	69	84	84	82	82
Merchant Marine and Fisheries	9	9	9	10	19	19	22	21	23	27	22	22	28	34	62	79	91
Post Office and Civil Service	10	10	32	35	34	37	45	46	44	48	44	43	61	64	61	65	65
Public Works	55	54	39	36	37	35	36	40	47	54	64	72	88	101	88	83	82
Rules	4	4	3	5	5	6	6	7	6	6	7	9	18	26	24	25	40
Science and Technology	16	20	20	21	23	24	28	26	25	26	27	29	47	53	77	80	89
Small Business	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	[1]X	27	31	39	40	50
Standards of Official Conduct	[1]X	[1]X	[1]X	[1]X	[1]X	5	5	5	5	6	5	6	5	14	31	37	15
Veterans Affairs	15	17	18	22	17	16	19	18	19	18	18	18	26	31	31	34	34
Ways and Means	22	23	23	19	23	22	22	24	23	28	31	32	63	86	92	93	98
Total, standing committees	515	539	571	594	608	621	681	702	729	817	918	1,143	1,460	1,680	1,776	1,844	1,939

[1] Not a standing committee for year in question.

[2] For 1972 to present, figure includes employees of House Information Systems, the House of Representatives central computer facility.

Source: Committee employment reports for the period ending June 30 of each year, printed in Congressional Record for 1947–70. For 1971–76, the Report of the Clerk of the House for the period ending June 30 of each year. For 1977 and 1978, the report for the period ending Sept. 30 was used.

TABLE III.—BREAKDOWN OF MAJORITY/MINORITY POSITIONS ON HOUSE COMMITTEE INVESTIGATIVE STAFF SURVEY, FEBRUARY 1980

Committee	Positions authorized	Positions filled	Majority staff	Minority staff
Agriculture	39	39	28	11
Armed Services	20	6	6	0
Banking, Finance and Urban Affairs	78	79	67	[1]10
District of Columbia	15	15	14	1
Education and Labor	85	83	68	15
Foreign Affairs	57	50	47	3
Government Operations	64	66	60	6
House Administration	61	61	60	1
Interior and Insular Affairs	45	41	33	8
Interstate and Foreign Commerce	136	133	118	15
Judiciary	58	52	49	3
Merchant Marine and Fisheries	61	61	54	7
Post Office and Civil Service	35	36	32	4
Public Works and Transportation	55	50	32	18
Rules	13	19	14	5
Science and Technology	59	58	47	11
Small Business	29	29	23	6
Veterans' Administration	11	11	8	3
Ways and Means	68	65	47	18
Total	989	954	807	145
Percentages		100	85	15

[1] Number claimed by majority—12.

I noted with interest a few moments ago when the distinguished gentleman from Indiana (Mr. BRADEMAS) said, if I heard him correctly, that the spending of all of the committees that are being considered here today, the increase for 1980 over 1979 is 5.9 percent. Now, I am not suggesting that any facts that have been presented to this Chamber have been presented with the object in mind of deceiving anybody. I am just saying I do not think those facts, when presented, were accurately prepared, because there is a duplication, there is an adjustment that is interesting. I thank the gentleman from Indiana when he said the 1979 level of spending was "adjusted." Well, now, what does that mean, "adjusted?"

Mr. BRADEMAS. If I might interrupt the gentleman, if he would have listened to what I said, he would have had a definition of "adjusted expenses."

Mr. DANNEMEYER. I think I understood what the gentleman said and meant by "adjusted." What it means is normally when one talks about spending in the accounting system we have either a cash system or an accrual system. On a cash system one analyzes what is spent in 1 year. In 1979 the Armed Services Committee spent $542,793. But when they made the adjustment here is what happened: In a desire to decrease the increase between 1979 and 1980 they added something to the spending for 1979. The way this was done was that on October 1, 1979, public employees received an increase of 7 percent. Since this resolution relates to a calendar year basis, 1979, only 3 months of that spending increase was reflected in the total. So they have extrapolated what was spent in the last 3 months of the year on the premise that it was spent during the entire year. This in effect adds to the total of what was spent of three-fourths of a year of this increase of 7 percent when in fact it was not spent.

That is how we have the adjustment and an increase alleged for 1979 that is not accurate.

In addition, there is another interesting addition. For instance, in the HIS, House Information Service, there is a total of $9,560,000. They have added to what was spent in 1979 an allocated portion for each of the 22 committees that we are considering for spending resolutions, and added that amount to what was spent in 1979. When we take out these sums that were not actually spent and compare what is left, the increase between 1979 and 1980 comes to 23.3 percent, not the 5.9 percent as represented by my distinguished colleague from Indiana. I will repeat that. The increase for 1980 is 23.3 percent over what was spent in 1979.

I do not think there is any way in the world we can justify increases of that magnitude. Public employees received a 7 percent increase on October 1 of last year. Salaries for this staff represent 85 percent of the moneys being spent. A growth of 10 percent is most adequate and I think the responsible thing for Members of the House to do is reject this resolution and demonstrate to the people of this country that we have adopted a philosophy of cutting down on Government expenses wherever we can.

Mr. BRADEMAS. I thank the gentleman for his contribution. I will have a comment to make on that statement.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield such time as he may consume to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Speaker, I was listening with interest to the comments that were made. I think there are some points that need to be made.

Quite frankly, the Armed Services Committee particularly is going to have some additional duties if, in fact, this House goes along with the request of the President of the United States. In preparation for that, the Armed Services Committee has asked for and received authorization from the House Administration Committee for the additional staff in the event that they have to handle part of the implementation of the Selective Service System. This is in preparation for that, and they have assured us if that did not take place these positions would not be filled on a permanent basis. But that is a contingency that we have to be aware of.

Also, as we know, we have increased our commitment to the military and the Armed Services Committee has undertaken additional oversight responsibilities. They did not have the staff to do this and this is because of the dictates of this House and the request of the President of the United States.

Mr. BRADEMAS. I thank the gentleman. At this point I yield such time as he may consume to the distinguished chairman of the full Committee on House Administration, the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. I thank the gentleman. I would like to address myself in general to this resolution and the subsequent money resolutions which are before us today. First of all, the distinguished gentleman from Indiana has described the procedure which he has instituted since becoming chairman of the Subcommittee on Accounts.

In the 25 years that I have been a member of the Committee on House Administration, almost all of which I spent on the Subcommitte on Accounts, I have had an opportunity to observe most carefully the growth in need, the growth in costs, the growth in spending, as it relates not only to the committee structure, but to the institution itself. The fact is that in the 84th Congress Members' staffs were limited to seven persons, and now a Member may have, under the allowance system, up to 22 persons.

The gentleman from California (Mr. DANNEMEYER) fails to mention what I believe to be a very necessary increase reflected in every one of these committee budgets, for which I take some pride, and that is that the minority is guaranteed up to a third of the statutory staff. These are by no means irresponsible budgets.

I am somewhat at a loss to understand how anyone interested in our national defense could choose to attack this Armed Services Committee budget in light of the prevailing attitude and response to the request of the President of the United States that overall defense spending be increased by a minimum of 5 percent. Many who may vote against the funds for this particular committee will be on the floor trying to add tremendous amounts of moneys for ships, tanks, weapons systems, and dozens of other military expenditures which they may, in their own minds, consider to be necessary.

Mr. Speaker, each and every one of these resolutions has been carefully considered by the gentleman from Indiana (Mr. BRADEMAS) and the distinguished members of his subcommittee and, in turn, by the full committee. Each and every one of these budget resolutions is fully justifiable and fully justified.

It might be well for the gentlemen to be able to go back home and say, "I voted to cut all of this money, I am trying to save the American taxpayer money by cutting back on the ability of the committees to operate as efficiently as they should." If one wants to make that argument and can sustain it in his or her individual constituency, that is fine. The fact is, however, that this is a responsible, a necessary, and an absolutely splendidly done job. I commend the gentleman from Indiana and I would urge my colleagues to support each and every one of these resolutions.

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Mr. BRADEMAS. I thank the gentleman from New Jersey for his gracious remarks.

Mr. CLEVELAND. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the distinguished ranking minority member of the subcommittee, the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. I thank the gentleman for yielding. Although the immediate issue before us is the increase in the Armed Services budget, I would like to offer just a few general remarks.

First, I want to commend the gentleman from Indiana (Mr. BRADEMAS) for the manner in which he has handled these funding resolutions. I want to commend him particularly for asserting a leadership role in insisting that the committees be a bit more aggressive and more effective in their oversight functions. If the committees are going to do a better job of oversight than they have done in the past, in some instances, at least, this means that their budgets will have to be increased. I believe that is one of the reasons why this particular budget does show an increase. Of course it could be run two ways. One way to run it would be that in the past they have not been doing enough oversight, and now that we have insisted that they do more, their investigating budget will increase.

There are just a couple of other points I want to make. Will the gentleman continue to yield?

Mr. BRADEMAS. Of course, I yield.

Mr. CLEVELAND. I want to express my deep sympathy and my respect and understanding for what I think the gentleman from California and the gentleman from Texas are trying to do. I do not think they are trying to do it the right way, but the problem that they are addressing is, I think, a serious problem. Some of the statistics they will use have come from a study which the Committee on House Administration published last year at my request. It was based on some studies that I asked the Legislative Research of the Library of Congress to prepare. These studies underpin the fact that during the past 20 years—the actual time period covered by these studies was 1946 to 1978—there has been an enormous increase in the number of people on the staffs of committees. This has caused increasing concern. We do need more people for oversight, but if we have too many people, it is wasteful and ineffective and often duplicative. I think we all recognize that. However I think the record should show, and I think the gentleman from California and some of his colleagues who are joining him in his efforts to do something about this, should realize that something, indeed, is being done.

Last year we appointed and constituted a Select Committee on Committees. We did not receive too much support for the Select Committee on Committees on this side of the aisle. There were some people who felt that if the Committee on Rules were properly functioning, the Committee on Rules should perform the functions that were given to the Select Committee on Committees. But in any event the Select Committee on Committees has recommended, and the Republican Conference has adopted their recommendation—and I regret that the Democrat Caucus—I am now repeating to get the gentleman's attention; I want to be sure he gets this—the Republican Conference has adopted the recommendation of the Select Committee on Committees. That is to reduce the number of subcommittees by approximately 24 over a two-Congress session. Some of us would have liked to done more, but, at any rate, 24 is a good starting number. It is a step in the right direction. Of course, at the same time we have also limited the number of committees and subcommittees, on which a Member can serve. I do hope, while I have the gentleman's attention, that he can give me some assurance that Democrat Caucus will act on that much more expeditiously than they have. The Republican Caucus has already approved it. I know the gentleman does not run the Democrat Caucus.

Mr. BRADEMAS. The gentleman is correct.

Mr. CLEVELAND. I would like some assurances, perhaps, that the gentleman will join forces with the other people who are supporting that Select Committee on Committees' recommendation.

Mr. BRADEMAS. I will with appropriate zeal lend myself to the task that the gentleman from New Hampshire has undertaken.

Mr. CLEVELAND. Thank you. Now getting back to the gentleman from California, his attempt to cut these committee funding budgets is based, I think, on definite, solid evidence that we have had too much of an increase in staff. There are too many subcommittees.

Let me just say—and I am sorry to take the gentleman's time, but I think it is important that the record show this—the Select Committee on Committees had a questionnaire which was sent to the Membership. One of the questions that was asked was whether or not we should strengthen our oversight. There was an overwhelming 134 to 9 indication on the questionnaire. Then there was another question, and this bears even more directly on the gentleman's concern. Should we control the growth of committee staffs? Here there were 112 of those responses to 22. So there is a strong feeling on the part of the Membership that our staffs have perhaps proliferated. We have too many subcommittees, and I think the record should show all of this.

I think that just trying to cut down these funding resolutions at this time is not the way to go. But I do think that the gentlemen from California and Texas have recognized a serious problem. Something is being done about the problem already. More perhaps should be done about it than is. I commend them for publicizing the issue.

The questionnaire which I referred to follows and I commend it to my colleagues.

	Democrat			Republican			Combined		
	Yes	No	Undecided[1]	Yes	No	Undecided[1]	Yes	No	Undecided[1]
A. General:									
1. Please indicate whether or not you agree with each of the following general statements about committee system revision:									
(a) The House committee system is in disarray and comprehensive revision of the system should be given high priority	82	28	12	46	11	5	128	39	17
(b) Despite appearances of disarray, the committee system is functioning about as well as can be expected and does not require major reorganization	25	85	12	13	44	3	38	129	15
(c) A carefully developed comprehensive revision of the committee system will attract wide support among Members	30	45	47	17	25	20	47	70	67
(d) Most Members would be more likely to accept a relatively few modest changes, rather than a comprehensive revision	85	13	24	47	8	7	132	21	31
(e) Committee system revision is so necessary that it should be pursued even if Members see themselves adversely affected by specific jurisdictional or other changes	85	22	15	46	10	6	131	32	21
(f) Committee system revision should be limited to changes which do not affect Members' positions or jurisdictions	16	93	13	7	50	5	23	143	18
	Importance								
	High	Medium	Low	High	Medium	Low	High	Medium	Low
2. Following is a list of possible goals or objectives of committee system revision: Please indicate, for each, the level of importance you believe it should have:									
(a) Strengthen authority of committee chairmen	32	44	46	5	26	31	37	70	77
(b) Strengthen role of leadership	52	42	28	13	21	28	65	63	56
(c) Improve information resources	68	35	18	33	15	14	101	50	32
(d) Rationalize jurisdictions	97	17	8	57	3	2	154	20	10
(e) Strengthen oversight	84	32	6	50	9	3	134	41	9
(f) Reduce fragmentation	101	15	6	53	6	3	154	21	9
(g) Improve hearing process	52	45	25	20	26	16	72	71	41
(h) Reduce costs of committee operations	40	48	34	38	17	8	78	65	42
(i) Consolidate committee system by reducing number of units and assignments	79	28	15	42	14	6	121	42	21
(j) Control growth of committee staffs	69	36	17	43	14	5	112	50	22
(k) Develop means of cooperation between committees	84	31	7	39	18	5	123	49	12
B. Committee structure and assignments:									
1. Do you believe the number of subcommittees should be reduced?	98	9	15	51	8	3	149	17	18
If so, what should be the maximum number of subcommittees for each committee (except for Appropriations): Five (71), six (47), seven (8), eight (7), other (40).									
2. Do you believe the total number of subcommittee assignments per Member should be limited?	95	7	20	57	3	2	152	10	22
If so, what should be the maximum number of subcommittee assignments per Member? Three (48), four (66), five (23), six (6), other (38).									
C. Committee rules and procedures:									
1. Under which conditions, if any, should committees be allowed to close their meetings to the public: Security.									
2. Should Members be authorized to take leaves of absence from assigned committees, without losing seniority, to serve temporarily on other committees?	68	37	17	26	24	12	94	61	29
3. Should proxy voting in committee be prohibited?	33	83	6	47	14	1	80	97	7
4. Should the quorum required for the transaction of business and the marking up of legislation be increased from ⅓ to ½ to correspond with the quorum required to report a measure?	42	66	14	46	12	4	88	78	18

	Democrat			Republican			Combined		
	Yes	No	Undecided[1]	Yes	No	Undecided[1]	Yes	No	Undecided[1]
D. Committee administration, funding, and staffing:									
1. Should committees be required to publish advance monthly calendars of future committee/subcommittee meetings and hearings?	73	32	17	41	14	7	114	46	24
2. Please indicate your agreement or disagreement with each of the following statements or proposals (which do not necessarily reflect the views of the Select Committee or its Members) regarding committee staff:									
(a) Committee staffs, generally, are too big	69	33	20	47	10	5	116	43	25
(b) So long as committee workloads increase, committee staffs should keep pace	51	47	24	20	31	11	71	78	35
(c) Large subcommittee staffs have contributed to the fragmentation and unmanageability of the House committee system	70	30	22	44	7	11	114	37	33
(d) Subcommittee independence is a positive factor in the committee system and thus requires independent staffing	55	44	23	18	33	11	73	77	34
(e) Staffing of subcommittees should be under the control of full committees rather than function independently	57	48	16	34	22	6	91	70	22
(f) Some kind of ceiling, or cap should be imposed on committee/subcommittee overstaffs overall	89	19	14	59	2	1	148	21	15
(g) The number of subcommittees per committee on which, under the rules, chairmen and ranking minority members have independent authority to appoint 1 staff member should be reduced from 6 to 4	65	28	29	38	9	15	103	37	44
(h) Committee minorities should be entitled to appoint a full ⅓ share of committee/subcommittee staffs	52	42	28	59	1	2	111	43	30
(i) The expansion of Members' personal staffs has become a serious problem, too	42	64	16	24	32	6	66	96	22
E. Oversight:									
1. In general, do you believe that House committees are doing an adequate job of oversight?	26	84	12	3	55	4	29	139	16
2. Currently about ½ the standing committees centralize all or part of their oversight activities in oversight subcommittees; other committees decentralize oversight through their regular subcommittees. Which arrangement, in your experience, produces more effective oversight?									
(a) A single oversight subcommittee	27	39	56	14	38	17	41	77	73
(b) Each subcommittee doing its own oversight	48	24	50	32	11	19	80	35	69
(c) A combination of (a) and (b)	45	24	53	18	16	28	63	40	91
3. The Government Operations Committee, under the rules, is required to review and report biennially on the oversight plans of House committees in order to assure effective coordination of oversight:									
(a) Do you believe this requirement achieves the needed coordination?	14	64	44	5	47	10	19	111	54
(b) Should the Government Operations Committee's authority to coordinate oversight be strengthened?	47	38	37	25	22	15	72	60	52
(c) Should the committee's coordinating role be eliminated?	23	60	39	16	32	14	39	92	53
(d) Should this coordinating role be assigned to the Committee on House Administration (and its Accounts Subcommittee) in connection with its consideration of committee funding resolutions?	16	65	41	10	22	19	26	87	60
(e) Should the coordinating function be performed by the House leadership?	29	53	40	14	32	16	43	85	56
4. Should committees be required to do more systematic "foresight" work, analogous to oversight, in order to anticipate new and developing policy concerns?	90	9	23	46	8	8	136	17	31
5. Overall, are you satisfied that the legislative branch support agencies (Congressional Research Service, General Accounting Office, Congressional Budget Office, and Office of Technology Assessment) are adequately supporting the work of House committees?	88	17	17	45	13	4	133	30	21
6. If you have experienced committee oversight efforts which you believe were unsuccessful, which of the following factors, if any, were significantly responsible for lack of success:									
(a) Lack of commitment or determination on the part of the committee	71	13	38	41	3	19	112	16	57
(b) Partisan differences within the committee	24	57	41	22	23	17	46	80	58
(c) Inexperienced, untrained staff	29	52	41	13	29	20	42	81	61
(d) Too few staff	12	65	45	4	40	18	16	105	63

	Democrat				Republican			Combined			
	GAO	CRS	OTA	CBO	GAO	CRS	CBO	GAO	CRS	OTA	CBO
(e) Inadequate support from GAO, CRS, OTA, or CBO	10	3	6	4	2	3	4	12	6	6	8

	Democrat			Republican			Combined		
	Yes	No	Undecided[1]	Yes	No	Undecided[1]	Yes	No	Undecided[1]
(f) Lack of cooperation from executive agency(ies)	58	25	39	34	13	15	82	38	52
(g) Lack of access to specialized expertise	40	40	42	20	22	20	60	62	62
(h) Inadequate planning	73	12	37	35	5	22	108	17	59
(i) Lack of clear congressional intent in statute or legislative history; absence of standards or objectives by which to measure performance	65	18	39	33	11	18	98	29	27
(j) Failure to follow through on oversight findings	71	10	41	36	6	20	107	16	61
F. Committee cost reduction:									
1. In general, do you believe significant reductions can be realized in the cost of committee operations without reducing committee effectiveness?	69	29	24	48	7	8	117	36	32
2. Please indicate for each of the following categories of committee costs whether you believe there is a potential for significant reductions:									
(a) Staff compensation	46	39	37	30	20	12	76	59	49
(b) Staff fringe benefits	29	47	46	14	28	20	43	75	64
(c) Travel	62	30	30	36	12	14	98	42	44
(d) Supplies and equipment	34	45	43	16	24	32	50	69	75
(e) Committee use of House Information Systems services	20	49	53	7	32	33	27	81	86
(f) Publications, reference materials	34	43	45	13	24	36	47	67	81
(g) Telephone service	23	45	54	6	29	37	29	74	91
3. Should committees be encouraged to consider the employment of short-term consultants in lieu of some full-time staff?	73	24	25	36	13	12	109	37	37
G. Additional recommendations or comments:									

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[1] Includes low and no answer.

Mr. BRADEMAS. I thank the gentleman from New Hampshire for his contribution. I want to express my particular thanks to the gentleman from New Hampshire (Mr. CLEVELAND) for his own continuing insistence that we pay more attention to oversight.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentlewoman from New Jersey for debate only.

Mrs. FENWICK. I thank my colleague for yelding. I have only a question. Did I understand correctly that there is no way that this House by vote can change any of these bills? All we can do is to vote yes or no, according to the rule?

Mr. BRADEMAS. The gentlewoman is correct.

Mrs. FENWICK. Why is that done, if I might ask the gentleman?

Mr. BRADEMAS. These are privileged. The gentleman from Indiana would advise the gentlewoman from New Jersey that these are privileged resolutions.

Mr. DANNEMEYER. Will the gentlewoman yield?

Mr. BRADEMAS. The gentlewoman does not have the time. The gentleman from Indiana has the time.

Mr. DANNEMEYER. Will the gentleman yield?

Mr. BRADEMAS. I have yielded to the gentlewoman, and I was just responding to her question.

Mr. DANNEMEYER. Will the gentleman yield on that point?

Mr. BRADEMAS. Did the gentlewoman wish to say something else? I will be glad to yield to her.

Mrs. FENWICK. I thank the chairman for yielding. If the chairman wished to allow an amendment, according to the rule could the chairman do so, or is it forbidden? Could the chairman yield for an amendment if he wanted to?

Mr. BRADEMAS. I suppose that I could, but I do not intend to do so. I shall advise the gentlewoman from New Jersey why I do not intend to do so. The Subcommittee on Accounts has very diligently considered these funding resolutions. In every case every member of the subcommittee present, Republican and Democrat, has supported the resolution agreed to. In every case the full Committee on House Administration in respect of each of these resolutions has unanimously agreed to the resolution. In every case, with perhaps one or two exceptions, the ranking Republican member on the full committee seeking support for the budget request has come in and endorsed the budget request. I should have thought that, given that kind of support, the gentlewoman would understand, as I am sure she will, why we feel on our subcommittee and our full committee that it is appropriate that we move ahead on the resolutions as reported and not have them amended. But, of course, the gentlewoman is always free to vote to reject any of the resolutions before the House. And if the resolutions are rejected, they would, of course, come back to the Subcommittee on Accounts and the full Committee on House Administration for subsequent consideration.

Mrs. FENWICK. But if the chairman will indulge me, for the reason that he has so brillantly expounded we would not have to vote in the House at all; it would all depend on the committees.

Mr. BRADEMAS. Not a bit. Not a bit. As a matter of fact, the gentlewoman is not unfamiliar with the fact that from time to time in the House we vote on bills under a procedure known as suspension of the rules. That particular procedure is customarily used for the consideration of matters which are not thought to be terribly controversial, and any bill brought up under suspension of the rules is, of course, not subject to amendment.

Mrs. FENWICK. I know the procedure, I will say to the chairman. I was not suggesting that it did not exist. What I am suggesting is that surely it is not a good procedure for the committees to decide what they are going to spend for their staff, appoint them the way they want, and then bring it to the House in such a way that the rest of us have absolutely no say.

Mr. BRADEMAS. The gentlewoman has not understood, and I am distressed to hear that I have been so faulty in my response that she has not understood. The committees of the House have not made the judgment on how much money each of them will spend. That judgment has in fact not yet been reached, because the entire House of Representatives will pass on each of these resolutions. Each of these resolutions has been considered by a subcommittee, by the full Committee on House Administration, and in respect of many of them the budget requests of the committee chairmen and the ranking minority members have been reduced.

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Mrs. FENWICK. Mr. Speaker, we can only vote yes or no, we cannot amend it. That is what I am arguing about.

Mr. LUNGREN. Mr. Speaker, I think I have adequately responded to the concerns of the gentlewoman.

I yield to the gentleman from California (Mr. LUNGREN) for debate only.

Mr. LUNGREN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, with all due respect to what has been said here, I find it rather intriguing to hear the argument made that those of us who wish to support the President in his effort to increase defense, and some of us who wish to even go beyond what the President has requested, are somehow inconsistent in suggesting that this type of 50-percent increase in expenditures of the Committee on Armed Services is a little bit too much. I have not seen the argument presented here that seems to make a great deal of sense, that somehow we are rejecting a need to increase men under arms or increase tanks, increase weaponry or anything else because we are going to deny the committee a few more bureaucrats to work on that committee.

Mr. Speaker, I think the suggestion that somehow, the reason we have not had increased expenditures on defense is that we have not enough staff people to suggest that is a faulty one.

Mr. BRADEMAS. Mr. Speaker, I might say I have been standing here listening to the debate and no one has made that contention.

Mr. LUNGREN. Mr. Speaker, I heard a suggestion made that those of us who wished to have increased funding and follow the President should look very, very seriously at this because we somehow were jeopardizing it.

Mr. BRADEMAS. That is a different statement.

Mr. LUNGREN. Mr. Speaker, I would suggest the reason we have not had those increases is that we have not had enough Members to vote on it, and if we had some of the staff members on the Armed Services Committee who in the past have done such a tremendous job in assisting those Members who want to cut increases or to disallow increases others have presented and have them instead look for areas where we need some increased expenditures, we would not need increased staff, we would just need a new attitude on the part of the people who are working.

Mr. Speaker, if the President is suggesting that things are so bad economically that he is going to have to revise his economic forecasts and his budget such that we will have to decrease expenditures in the administrative side of it, it seems to me that we should take a hard look, even at as an important a committee as the Committee on Armed Services.

Mr. BRADEMAS. I appreciate the contributions made by the gentleman from California (Mr. LUNGREN). I am not sure I always understand them, but I am always intrigued by them.

I yield to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Speaker, before the gentlewoman from New Jersey (Mrs. FENWICK) left the floor, I wanted to commend her for making some pertinent points. I also want to take exception with respect to the gentleman when he says that all ranking minority members of the various committees signed on and endorsed those increases last year.

Mr. Speaker, the truth of the matter is they did, but because we had the same kind of hanky-panky—I do not mean illegal hanky-panky, but legal hanky-panky—that we are having today, with no amendments to be offered, we were put in a boat where, when the second concurrent budget resolution came before this House and we were faced with increases of anywhere from 7 percent up to 1,000 percent last year, I offered an amendment on this floor which cut all of those increases back to an across-the-board 7 percent, so that some committees could be increasd more than 7 percent and some less than 7 percent, but the overall aggregate would be no more than 7 percent.

Mr. Speaker, we are now put in the same boat of having to do that again this year, and I am sure if we could amend these individual committee funding amendments that we would find solid support for cutting them back to 7 percent, which is what the American people are being held to today.

Mr. BRADEMAS. I might say to the gentleman I can think of no more irresponsible course of action than an across-the-board, 7-percent cut. What we have tried to do is to take into account the needs of each committee. Some committees have done a more effective job of budgeting, in our judgment, than did other committees, and simply to cut them all across the board by the same amount would, I think, be, to be as euphemistic about it as possible, a wholly irresponsible approach.

Mr. Speaker, I yield to the gentleman from New Jersey (Mr. MINISH), a very constructive member of the Subcommittee on Accounts.

Mr. MINISH. I thank the gentleman for yielding.

Mr. Speaker, I think that the Members who are opposing ought to know that there was full participation by the minority, and we cut 16 of 27 budgets. There is no rubberstamping in the Accounts Subcommittee, and there is no hanky-panky.

If we are interested in supporting reductions in budgets, I will have some legislation on the floor in the next 10 days, and I solicit your support. This legislation will put in one package the statutory staff and the investigative staff.

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from Michigan (Mr. Carr), a member of the Committee on Armed Services.

Mr. CARR. Mr. Speaker, I thank the gentleman for yielding and I want to weigh in on the side that this is a skimpy increase. When one considers that the House Committee on Armed Services regularly considers in its one authorization bill a budget upward of 40-some billions of dollars in procurement alone, not to mention military construction, nuclear weapons procurement, general oversight in a variety of areas, a total of about $150 billion Military Establishment, the fact that this committee has such a heavy workload and is a major committee of the House and has one of the lowest staffings and one of the lowest expenditure rates is truly remarkable. In fact, it is so remarkable I would tell the gentleman I think it is matter of false economy.

Mr. Speaker, it seems to me first off that we are hiding in this manner of funding this committee, we are hiding a good deal of what is going on.

Mr. Speaker, I would ask the gentleman who is a distinguished member of the Committee on Education and Labor that when the Committee on Education and Labor takes a trip to make an onsite investigation or hold a field hearing, does the Department of Labor or the Department of Health, Education, and Welfare, do they pick up your travel?

Mr. BRADEMAS. No; and we would not deem that to be appropriate.

Mr. CARR. Mr. Speaker, I do not think there is any committee of the Congress where the Department we oversee picks up the tab for the rather extensive travel requirements of the committee. I would go further and say that it is wrong, not that the military should not supply military transportation for members of the Committee on Armed Services, but that that be reflected in the congressional budget and not be an added burden on the budget of the Department of Defense and to come out of their operation and maintenance funding. I do not think many of the members of the committees in the House as a whole understand that is what is going on.

Mr. Speaker, if the gentleman from Michigan goes to SAC to get a briefing on the Strategic Air Command, the military pays for that trip. The Department I am supposed to oversee pays for that trip. My committee does not pay for that trip. That is wrong. If you check with all of your other committees, your committees have to be accountable in a supposedly good management sense to the budget processes of the Congress internally for the amount of money that we spend. However, we have a Committee on Armed Services that hides a lot of its expenditures in the military budget which is unfair to the military and is unfair to other Members of the Congress.

Mr. Speaker, I would further add that another false economy is the low level of staffing of the House Committee on Armed Services. With extensive responsibility, they are requiring the staff to be mere conduits of information and the real staff work is done across the river by the Pentagon.

Again, Mr. Speaker, you have a false economy and a destruction of checks and balances because we have been unwilling to staff ourselves with anything but a low level of professional staff, a professional staff that cannot possibly keep up with the requirements and a staff which is then forced, even though they may not want to be, they are forced to be mere conduits of information supplied by the agency we are supposed to oversee.

Mr. Speaker, I would tell the gentleman from California (Mr. Lungren), my seat-mate on the Committee on the Judiciary, that the fact of the matter is, the staff of the House Committee on Armed Services, with rare exception, is only able to rubberstamp what the professionals in the military across the river want. We really have no checks and balances at the staff level. We do not have a staff that has the time and the ability to be an effective adviser on where the cuts are to come. They simply do not cut at all.

Mr. Speaker, I would point out as well that witness fees of $8,000 is a very, very modest effort. When we consider that if one is on the Commerce Committee and there is a proposal before the committee that a labor leader, a business leader, Ralph Nader, and a variety of points of view come together and cross-fire on a proposal, you do not get that on a Committee on Armed Services. On the Committee on Armed Services you get the Secretary, the Assistant Secretary, the Chief of Staff, the general, the colonel, the sergeant, and they all say the same thing.

□ 1300

Do you know what? They all say the same thing. We do need desperately outside expertise and outside witnesses to come in and help us perform our check-and-balance function on the Pentagon. So, I would say that all things being considered, the increase on this very important committee is miserly, and I urge the House to support the committee's recommendation as a modest beginning.

Mr. BRADEMAS. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from South Carolina (Mr. Campbell).

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for yielding. I wanted to go back to another point that was made earlier. I think that this budget has been debated extensively, and that everyone recognizes the importance of the Armed Services Committee, but I do not wish to address that. I do wish to address a statement that was made earlier about the minority, and the fact that maybe they had not been consulted.

I would like to say for the record that to my knowledge there were only three instances where the minority opposed the budgets coming in. In those three instances the Accounts Subcommittee has cut back at the request of the minority. On one of the budgets that is before us today that was not at the request of the ranking minority member, but other members. At the request of the ranking minority member they have made a substantial cut on another budget which is not yet before us, which we are still considering.

In that instance, where some of the minority had opposed the budget but the ranking minority member had been for it, I will oppose that budget on this floor.

The minority has not rubberstamped, does not, and has been treated very fairly in this process.

Mr. BRADEMAS. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from New York (Mr. Rosenthal).

Mr. ROSENTHAL. Mr. Speaker, I thank the gentleman for yielding. I think the point made by the gentleman from Michigan (Mr. Carr) was an extraordinarily valid and useful point. I have really no right to be involved in this debate, not being on the Armed Services Committee or on the House Administration Committee. I have been on the Government Operations Committee now for a number of years, a committee that has responsibility for oversight investigations.

It was only in the last two Congresses that legislative committees were also assigned the priority of oversight investigation. The fact of the matter is that we have done a pitiful job. The Congress itself has done a pitiful job in oversight investigation for a whole host of reasons. It is not attractive work. One cannot make a legislative career out of oversight investigation, but that does not excuse the fact that it is an absolutely essential, important function of the national responsibility.

What the gentleman from California and his associates, whom I know to be sincere in this effort, are suggesting is a policy that is pennywise and pound foolish. If we do not have the resources, that is, the manpower and the technical resources to keep an effective eye on the bureaucracy, then we are simply not doing the job.

I happen to think that we should have 10 times the investigative capacity as we presently have. That does not mean to say that every person on a payroll ought not to be doing his or her job and doing it efficiently and effectively. I assume that the Committee on House Administration, together with our colleagues on the respective committees, are doing their job properly. Assuming that, and assuming the oversight role of the House Administration Committee, how can anyone seriously suggest that we should cut back on the funding and staffing of our committees? We are not doing a good job now. We are not doing a good job because we do not have the resources. We depend, as Mr. Carr suggested, on the agencies to do our job for us.

That give us a prejudicial point of view. We ought to be in an adversary position with the agencies we oversight. We should not rely on their sources of information. We should not rely on their alleged expertise. We should do our own thing.

My view is that these funding resolutions are inadequate for the task. I know that my own Subcommittee on Government Operations, which has jurisdiction over 8 or 10 agencies, has 6 professional people. There is no way in the world they can do this other than in a hit-or-miss fashion. So, I would suggest to those Members who want to make an effort to cut the national budget, one of the ways to do this is for us to have the staff and skills to make sure that we will properly review the authorization requests of the agencies. We can do it with a scalpel that is fine-tuned and honed to our own skills. But, just coming in here and saying that our own committee staffs should be reduced, that is the blind following the blind.

There is not any point at all in that. As I said earlier on, we should have 10 times the investigatory staff with commensurate skills to do the job. I find, myself, his debate to be very, very frustrating. I say this respectfully, I think it is nitpicking and it is, as I said, pennywise and pound foolish. What we ought to do is make sure that these fellows on the House Administration Committee do their job. If they do not do the job, someone else should take that assignment. But, I assume that prima facie they are entitled to the presumption that they are doing a good job. If we want to do something about the national budget and cut the waste and the fat out of the national budget, we have got to have the skills to do that, and move and pursue that responsibility here in the Congress. Reducing employees here is exactly the wrong way to go about doing it.

Mr. BRADEMAS. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I thank the distinguished gentleman for yielding. I just want to say that, following on the remarks of my colleague from New York, if an increase or expansion of the congressional staff is the solution to our national problems of defense and a balanced budget, we ought to have the strongest possible national defense, the best balanced budget, and strongest economy after the last 20 years, because this House has doubled and tripled various congressional staffs. Staff are falling over each other. We have members of committees who cannot get into committee meetings because of staff. Yet, this Congress with all its staff is screwing up the the country royally. I believe that any House committee staff, could be cut by one-third or more, and then operate on a more efficient and more streamlined basis.

Mr. Speaker, there was some comment about the minority's agreeing to these various funding resolutions. That brings to mind a little poem written by the late and great Ogden Nash, a son of Maryland and of Baltimore. He wrote a little couplet which goes as follows:

> Vice is nice
> But incest is best.

The problem we have in this House is that you are engaging in these resolutions in an essentially incestuous relationship. You are dealing out the taxpayers, and quite often the minority and the majority leaders on these committees join hands to pass funding resolutions. They come in and ask for an amount of money which some may not find totally satisfactory but they rationalize: "If the chairman wants it, well, we should go along with it so that we will not have any internal conflict."

I agree with the gentleman from South Carolina, I think the minority ought to be ashamed of itself if it engages in such deals. We ought to hold the majority responsible on these committees and come in and alter the overspending. Two members of the Rules Committee did it, and this committee generously responded by reducing our budget by $80,000. It could have knocked out $200,000 of the Rules budget and it would not do any harm, in my opinion.

So, both parties share this responsibility for increased spending, I would say to the gentleman. But, if we are not offered a chance to amend and cut these amounts, and the gentleman does not have to yield for that purpose, undoubtedly these resolutions will pass. But I would guess that if an amendment were offered that would cut a reasonable amount from each one of these, it would pass. But, we are not permitted to do that. Both parties bear the responsibility for overspending and it should be stopped now.

Mr. BRADEMAS. Mr. Speaker, I appreciate the comments of the gentleman from Maryland. I always find them interesting, if not illuminating, and I can only say that he is better qualified to remark upon the virtues of his colleagues on his side of the aisle than I would be.

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Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, in response to the comment of the gentlewoman from New Jersey (Mrs. FENWICK), I have a motion to recommit at the desk. It is my understanding that under the rules on this particular resolution the motion to recommit is in order.

The motion to recommit would be offered with the instructions that we delete the requested amount so that it would result in a total of $618,673. This sum represents a 14-percent increase over what was spent in the preceding year by this committee.

With respect to the comment of the gentleman from New Jersey, he observed that the President has requested a 5-percent increase in defense spending, and I can respect that. I will support that.

However, I have to ask the question: If we increase defense spending by 5 percent, how does that translate into a 52-percent increase in funding for this Committee on Armed Services? I do not quite understand that.

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from Virginia (Mr. DAN DANIEL), a member of the Committee on Armed Services.

Mr. DANNEMEYER. Mr. Speaker, I had not concluded.

Mr. BRADEMAS. Mr. Speaker, I decline to yield further to the gentleman. I have let the gentleman speak several times. There are other Members of the House who wish to be heard, and our time is running short.

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman.

Mr. BRADEMAS. If there is any time left, I will come back to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. I appreciate that.

Mr. BRADEMAS. Mr. Speaker, I promised to yield to the gentleman from Virginia (Mr. DAN DANIEL), and I will now do so.

Mr. DAN DANIEL. Mr. Speaker, I thank the gentleman from Indiana, for yielding.

Mr. Speaker, it is infrequent that I take the floor to talk about anything, and especially increased spending, because I suppose Virginia's Fifth District is the most fiscally conservative in the Nation. But the people in that district are not so fiscally conservative that they would not want us to carry out our responsibilities as members of the Committee on Armed Services.

I can stack my credentials against any Member of the House on either side of the aisle so far as fiscal conservatism is concerned.

One of the reasons the Defense Department has been so inefficient in its spending, is the fact that our committee has not had sufficient personnel, staff personnel, to adequately examine the budget request sent over by the Department of Defense.

I might say to the gentlemen on the other side of the aisle that most of this increase in personnel was brought about at my request. Two of the five people we are providing for in this resolution were requested by me. Why? Because experience over past years has taught that in order to save money in some of these areas, we are going to have to spend money.

Let me give the Members an example. When I was asked to take the chairmanship of the Investigative Subcommittee's Nonappropriated Funds Panel, my response was:

"Yes, if we can be properly staffed." We needed personnel with experience in auditing and financial management. Such personnel was added. We released a report this morning—that if properly implemented will save the taxpayers of this country many millions of dollars.

The first person we employed as a result of my conversation with the chairman went to Korea to investigate a black-market operation, and at long last, as a result of his tenacious and knowledgeable handling of that problem the Korean Government has finally made the decision to cooperate in cleaning up corruption as it affects military resale operations.

We are requesting a slight increase in our travel budget. This travel is necessary because we are trying to get a handle on inefficiency and corruption that has developed in many of these operations over which we have oversight responsibility.

We have been engaged in a considerable amount of travel to Europe. Why are we doing that? To study the state of readiness of our Armed Forces. The gentleman from Michigan (Mr. CARR) has just returned from that area. I believe we are going to find ourselves in a position this year where we are going to make ready those weapons systems which we now have, certainly to a greater extent than is now the case.

Another serious problem with which we are faced—and I ask the Members to pay particular attention to this—is that we are not producing weapons systems at the most efficient rate. Down in the State of Texas, Mr. COLLINS, we have a situation today where we are paying roughly one-third more for an airplane than we would have paid had we produced at a more efficient rate. I do not know how much we can do to change that situation, but we can do something. That is another reason we are asking for this additional personnel and these additional funds.

Mr. Speaker, if they will review the record, the Members will recognize that the Committee on Armed Services has been very prudent in its spending over the years, but we have gotten behind and we have to catch up. I hope that this House will look with favor upon this modest increase in the budget.

Mr. Speaker, I thank the majority whip for yielding.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Virginia (Mr. DAN DANIEL) for his very constructive contribution.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I would hope that every Member of this body would have listened to what my friend and our able colleague, the gentleman from Virginia (Mr. DAN DANIEL), has said. I agree a hundred percent with what he has said. I do not believe there has been any Member of this body who has been more apt to hold the purse strings wherever possible. I think everything the gentleman said is absolutely true.

I will point out something that I recall from over the years. We are sometimes criticized for spending more money, and I was one who advocated a few years ago spending a little more money for what I thought was a very good reason. Once, while I was working on the Committee on Education and Labor, I wanted the United States Code Annotated record of cases. Upon checking, I found the entire House of Representatives had four copies of the United States Code Annotated. I brought this to the attention of the committee at that time, and it was a little unbelievable; it was a strange thing.

The U.S. Office of Education and HEW had 700 or 800 copies. I am not justifying theirs, and we probably should have been a little more careful. But the entire House of Representatives had only four copies of the United States Code Annotated.

I think at the present time, because of the actions of the Committee on House Administration, every office in the U.S. Congress has the United States Code Annotated. Somebody may ask, "Isn't that terrible?" But each of us has our own Code so we can look at the laws that are passed this session and so we can check the laws in the areas where we have jurisdiction and keep up to date with the cases and case findings.

There are a lot of areas where we have properly increased spending over the years. That is certainly true, although I do agree with Members on my side of the aisle when they say that we can draw the purse strings a little bit tighter if we try. If we take the position, though, that everything that has been increased and everything that has been spent in the last decade is unnecessary, we are doing a little bit of a disservice to all of us.

Mr. Speaker, I thank the gentleman for yielding, and I wish to express my appreciation for what the gentleman from Virginia (Mr. DAN DANIEL) has said.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Ohio (Mr. ASHBROOK).

Mr. Speaker, let me conclude by simply quoting from the testimony of the distinguished ranking Republican member of the Committee on Armed Services, the gentleman from California (Mr. BOB WILSON), who is this year retiring from the House after a lengthy and distinguished service in it.

The gentleman from California (Mr. BOB WILSON) said, and I quote:

> The proposed funding resolution, even with a modest increase over last year, will still provide the Armed Services Committee with one of the smallest budgets among House commitees, although its workload encompasses the entire vast area of national security, and I fully support it.

Mr. Speaker, I think that we should agree to the resolution now before the House and reject any motion to recommit.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Speaker, I offer a motion to recommit, which I think is appropriate to raise just prior to the vote on the resolution.

The SPEAKER pro tempore. The Chair will state that this is the appropriate time.

Is the gentleman opposed to the resolution?

Mr. DANNEMEYER. I am opposed to the resolution, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

> Mr. DANNEMEYER moves to recommit House Resolution 541 to the Committee on House Administration with instructions to report the resolution back to the House forthwith with the following amendment: On page 1, line 4, strike out "$827,000" and insert in lieu "$618,673".

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 68, nays 323, not voting 42, as follows:

[Roll No. 90]

YEAS—68

Andrews, N. Dak.
Applegate
Archer
Atkinson
Bauman
Bedell
Bereuter
Bethune
Carney
Cheney
Collins, Tex.
Conable
Conte
Corcoran
Crane, Daniel
Crane, Philip
Dannemeyer
Emery
Erdahl
Evans, Del.
Evans, Ind.
Fenwick
Goodling
Gradison
Grassley
Green
Grisham
Hagedorn
Hamilton
Harkin
Hollenbeck
Hopkins
Hyde
Jacobs
Jeffords
Jeffries
Kindness
Lagomarsino
Leach, Iowa
Lujan
Lungren
McDonald
Marks
Marlenee
Martin
Michel
Moore
Moorhead, Calif.
Mottl
Nolan
Paul
Petri
Porter
Quayle
Railsback
Ritter
Roth
Sensenbrenner
Sharp
Shuster
Snowe
Solomon
Stangeland
Stockman
Tauke
Walker
Whittaker
Wylie

NAYS—323

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Bailey
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Holtzman

Howard
Hubbard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kostmayer
Kramer
LaFalce
Latta
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—42

Anderson, Ill.
Badham
Baldus
Biaggi
Burgener
Chappell
Davis, S.C.
Diggs
Duncan, Oreg.
Edwards, Ala.
Ford, Mich.
Fountain
Frost
Goldwater
Horton
Jones, N.C.
Kelly
Kogovsek
Leach, La.
Leland
Livingston
Markey
Mitchell, Md.
Moffett
Murphy, Ill.
Nelson
Pashayan
Pepper
Pursell
Ratchford
Rodino
Runnels
Scheuer
Shumway
Stewart
Treen
Ullman
Vander Jagt
Vanik
Whitten
Wilson, C. H.
Wyatt

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Mr. RUSSO and Mr. CLINGER changed their votes from "yea" to "nay."

Mr. PHILIP M. CRANE and Mr. STOCKMAN changed their votes from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON AGRICULTURE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 554) to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Agriculture, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 554

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Agriculture, acting as a whole or by subcommittee, not to exceed $1,247,200, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $5,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $16,300 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Agriculture. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Agriculture shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 554 provides $1,247,000 for investigations and studies to be conducted by the Committee on Agriculture.

The amount approved by the House Administration Committee on this resolution represents a 3-percent increase over the committee's 1979 adjusted expenses.

I believe that the resolution is justified and urge that it be agreed to.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I thank the gentleman for yielding.

This particular committee raises one question which the gentleman from Indiana (Mr. Brademas) mentioned in his previous discussion. That is that we should not think of these reports compared to last year. We should think of them in terms of their needs and capabilities. We ought to think of every one of them as to what is actually involved.

This particular committee represents an outstanding example of what happens when we just turn the balloon loose to see how high it will go.

For many years, the chairman of the Agriculture Committee was a distinguished gentleman from Texas named Mr. Bob Pogue.

When Mr. Pogue was chairman, he ran the tightest ship that we ever had in Congress.

In fact, I looked at his last report of the budget cost on his committee, and it was $150,000. That was all it was. But the Liberals took over his committee 1 year, and the year they took it over they jumped the Agriculture Committee from $150,000 to $750,000 for the next year.

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Well, we have let all these committee budgets roll along and roll along more and more each year. This year we have a chance to review them all. Agriculture would be one to look at and to seriously consider rolling it back 50 percent.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 531) to provide for the expenses of investigations and studies to be conducted by the Committee on Standards of Official Conduct, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 531

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Standards of Official Conduct, acting as a whole or by subcommittee, not to exceed $500,000, including expenditures—

(1) for the employment of investigators,

attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $400,000 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $5,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. $20,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Standards of Official Conduct. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Standards of Official Conduct shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 531 provides $500,000 for investigations and studies to be conducted by the Committee on Standards of Official Conduct.

Mr. Speaker, the amount approved by the House Administration Committee represents one-tenth of 1 percent less than the committee's 1979 adjusted expenses.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON DISTRICT OF COLUMBIA

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 539) to provide for the expenses of investigations and studies to be conducted by the Committee on the District of Columbia, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 539

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $364,670, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $21,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $40,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on the District of Columbia. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the District of Columbia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike all after the resolving clause, and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $289,670, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $21,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $40,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on the District of Columbia. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the District of Columbia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 539 provides $289,670 for investigations and studies to be conducted by the Committee on the District of Columbia.

The amount approved by the Committee on House Administration is $25,330 less than the committee received last year and is $75,000 less than the committee requested.

Mr. Speaker, I move the previous question on the commitee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON VETERANS' AFFAIRS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 537) to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 537

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $427,490, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $20,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $10,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Veterans' Affairs. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Veterans' Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. It there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $352,490, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $20,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $10,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Veterans' Affairs. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Veterans' Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 537 provides $352,490 for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs.

The amount approved is $47,510 less than this committee received last year and $75,000 less than the committee request.

● Mr. ROBERTS. Mr. Speaker, I rise in support of House Resolution 537, as reported, the funding resolution for the Committee on Veterans' Affairs. I must say that I am surprised that anyone would oppose and question the funding resolution for the House Veterans' Affairs Committee.

Frankly, we have prided ourselves on an efficient and economical operation. This committee has jurisdiction over the third largest item in the budget, and operates with the second smallest staff of any committee in the House.

Today we have 34 employees—last year, we were allocated $400,000 by the Committee on House Administration. Because the leadership on both sides of the aisle asked that we expand our investigative operation, we asked that this amount be increased to $427,490 for 1980. That amount was reduced by $75,000, and this resolution calls for $352,490, which is $48,000 less than allocated to us last year. We will try to live with it. The facts are that in order to do the investigation of some of our programs, we must hold field hearings. These hearings involve travel and a minimum expense for which we have provided in the resolution. The investigations held last year have resulted in savings of literally millions of dollars to streamline our programs. We plan to do more.

Our committee has been bipartisan in its operation and the ranking minority Member, Mr. Hammerschmidt, has totally supported this resolution. Believe the veterans of the country and their concerns deserve to be represented by this committee, and that they should be advised as to who it is in this Congress that oppose a frugal advocacy of their legitimate interests.

I regret the gentleman's attacks on our committee, and urge the adoption of the resolution, even though it is not adequate for our assigned responsibilities.

● Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of House Resolution 537, the funding resolution for the Veterans' Affairs Committee. As you know, the chairman requested $427,490 to fund investigations and studies during this second session of the 96th Congress. I supported his request as reasonable and prudent. The Subcommittee on Accounts of the Committee on House Administration reduced that request by $48,000 to $352,490.

Let us be clear about the impact of further reductions, Mr. Speaker. The Veterans' Administration distributes benefits through a network of 172 hospitals, outpatient clinics, nursing homes, and domiciliaries and regional offices. Our committee has clear oversight responsibility over this vast network of facilities to make sure benefits are administered fairly, according to the provisions of law.

We are not discussing abstractions when we consider this funding resolution. We are discussing the veteran who lives at the brink of economic disaster while a VA adjudicator ponders his fate. We are discussing a veteran whose health was wrecked in service to his country and now needs hospital care—care often denied him. All of us receive letters from constituents who have been denied benefits to which they are entitled.

It is only through oversight investigations that these wrongs can be righted; it is only by means of the funds requested that those investigations can go forward. In seeking the support of the House for House Resolution 537, Mr. Speaker, I speak on behalf of America's veterans and in their cause of equitable treatment under the law.●

Mr. BRADEMAS. Mr. Speaker, I move

the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HARKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I, and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of no quorum is withdrawn.

EXPENSES OF PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES OF COMMITTEE ON SMALL BUSINESS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 556) to provide for the expenses of investigations and studies to be conducted by the Committee on Small Business, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 556

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Small Business, acting as a whole or by subcommittee, not to exceed $876,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. Not less than $25,000 of the funds authorized by this resolution shall be used solely for the reimbursement of the House Information Systems of the Committee on House Administration.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Small Business shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Small Business, acting as a whole or by subcommittee, not to exceed $776,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. $25,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Small Business. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Small Business shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 556 provides $776,000 for investigations and studies to be conducted by the Committee on Small Business.

The amount approved by the House Administration Committee represents one-tenth of 1 percent less than the committee's 1979 adjusted expenses and $100,000 less than the committee requested.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. Yes. I would be glad to yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I would just say on this Small Business funding, that there is nothing small about the size of their committee. Here we have the Veterans' Affairs, which is one of the major committees in Congress and certainly concerns the people of this country as much as any committee, and we have the Veterans' Affairs which operates on $352,000. Small Business asked for $776,000. Most small businessmen that I know prefer to have a small government and this committee funding is building a big government.

We would do well to reconsider this Small Business Committee amendment.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

PARLIAMENTARY INQUIRY

Mr. DANNEMEYER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DANNEMEYER. Mr. Speaker, so far rollcalls have been requested on two of the pending resolutions. If I heard correctly, the Speaker indicated that these votes would be postponed until the end of the session on this issue in cluster; is that correct?

The SPEAKER pro tempore. That is correct.

Mr. DANNEMEYER. My parliamentary inquiry is, would we then have a separate rollcall vote on each of these for which a rollcall vote was requested?

The SPEAKER pro tempore. The yeas and nays have not yet been ordered on those two resolutions. At the conclusion of the debate on all resolutions the question will be put de novo on the first resolution on which proceedings were postponed. At that time if a sufficient number of Members respond, a rollcall will be ordered. The same procedure will be followed on the second resolution.

PARLIAMENTARY INQUIRY

Mr. CAMPBELL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CAMPBELL. Mr. Speaker, am I to understand that the rollcall has not been ordered on the point of order that was raised of a lack of quorum at the time and it is not an automatic rollcall?

The SPEAKER pro tempore. The gentleman is correct.

The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON SCIENCE AND TECHNOLOGY

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 535) to provide for the expenses of investigations and studies to be conducted by the Committee on Science and Technology, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 535

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Science and Technology, acting as a whole or by subcommittee, not to exceed $2,121,800, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training pursuant to section 202(j) of such act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $77,200 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72(i)); and not to exceed $5,600 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. $48,700 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Science and Technology. These funds may not be used for any other purposes.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Science and Technology shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

□ 1350

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Science and Technology, acting as a whole or by subcommittee, not to exceed $1,896,800, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)); and

(3) for specialized training pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $77,200 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72(i)); and not to exceed $5,600 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. $48,700 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Science and Technology. These funds may not be used for any other purposes.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Science and Technology shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 535 provides $1,896,800 for investigations and studies to be conducted by the Committee on Science and Technology. The amount approved by the House Administration Committee represents an 11.2-percent increase over the committee's 1979 adjusted expenses.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I thank the gentleman from Indiana for yielding. This particular committee shows how fast committees rise when they concentrate on spending.

In 1975 this committee's total budget was $554,000. Now they are asking for $1,896,800, which is four times as much in just a period of only 5 years.

Now, they have many unusual features in this committee. This is a stack of vouchers on their travel. They are the travelingist committee that I know, and their staff seems to travel as much as the members travel. That is one phase of a full budget.

Another one is that this committee has a very active witness program. I notice that the witness expenses were $48,000. I never saw as many witnesses in all my life. Most of the time witnesses pay their own way for the chance to participate.

Certainly if there is one budget that needs to be thoroughly reviewed, it would be this Science and Technology budget.

Mr. BRADEMAS. Mr. Speaker, the resolution contains a cut of $225,000 from the request of this committee.

Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the "yeas" and "nays."

The "yeas" and nays" were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b), rule I, and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 546), to provide for the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 546

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $1,869,171, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $25,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Merchant Marine and Fisheries. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Merchant Marine and Fisheries shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $1,682,171, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $58,975 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Merchant Marine and Fisheries. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Merchant Marine and Fisheries shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 546 provides $1,682,171 for investigation and studies to be conducted by the Committee on Merchant Marine and Fisheries. The amount approved by the House Administration Committee is a 5.3-percent increase over the committee's 1979 adjusted expenses and represents $187,000 less than the committee requested.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I would say again that this particular committee, the Committee on Merchant Marine and Fisheries, that this committee presents a committee which has twice the budget of the Armed Services Committee and has about one-fiftieth the amount of work. This is certainly one committee that we should review and get the committee budget in line with what its size should be.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the "yeas" and "nays."

The "yeas" and "nays" were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I, and the Chair's prior announcement, further proceedings on this matter will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON WAYS AND MEANS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 538), to provide for the further expenses of investigations and studies to be conducted by the Committee on Ways and Means, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 538

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $2,502,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)). The monetary limitation established by the preceding sentence on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. Of the funds authorized by this resolution, the sum of $50,000 is provided for reimbursement of computer and computer related services requested of House Information Systems by the Committee on Ways and Means. Such sum may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House. The chairman of the Committee on Ways and Means shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by this resolution shall expire immediately prior to noon on January 8, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $2,252,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a (i)). The monetary limitation established by the preceding sentence on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. Of the funds authorized by this resolution, the sum of $50,000 is provided for reimbursement of computer and computer-related services requested of House Information Systems by the Committee on Ways and Means. Such sum may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House. The chairman of the Committee on Ways and Means shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 538 provides $2,252,000 for investigations and studies to be conducted by the Committee on Ways and Means. The amount approved by the House Administration Committee is 6 percent more than the committee's 1979 adjusted expenses and $250,000 less than the committee requested.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I want to emphasize the real need in this country is not for more taxation. It is for this Congress to be out of session more because we will learn more when we are at home. We will learn more about taxes if the individual Members could spend more time with their constituents and had an opportunity on Main Street to talk about the problems of America. This is another example of a committee that could be cut back substantially.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman for his contribution.

I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I, and the Chair's prior announcement, further proceedings on this matter will be postponed.

PROVIDING FUNDS FOR EXPENSES OF STUDIES AND INVESTIGATIONS OF COMMITTEE ON GOVERNMENT OPERATIONS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 532), to provide for the further expenses of studies and investigations to be conducted by the Committee on Government Operations, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 532

Resolved, That for the further expenses of investigations, studies, and oversight responsibilities and functions to be conducted pursuant to rule X, clause 2, paragraphs (b)(1), (b)(2), and (c) (relating to general oversight responsibilities), clause 4(c) (relating to additional functions of the Committee on Government Operations), and rule XI, clause 1(b) (relating to the authorization of investigations and studies), by the Committee on Government Operations, acting as a whole or by subcommittee, not to exceed $2,474,900, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $11,500 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $2,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

Sec. 2. $17,832 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Government Operations. These funds may not be used for any other purpose.

Sec. 3. The chairman of the Committee on Government Operations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations, studies, and oversight responsibilities and functions to be conducted pursuant to rule X, clause 2, paragraphs (b)(1), (b)(2), and (c) (relating to general oversight responsibilities), clause 4(c) (relating to additional functions of the Committee on Government Operations), and rule XI, clause 1(b) (relating to the authorization of investigations and studies), by the Committee on Government Operations, acting as a whole or by subcommittee, not to exceed $2,274,000, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $11,500 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $2,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and non-clerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized poses.

SEC. 2. $17,832 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Government Operations. These funds may not be used for any other purpose.

SEC. 3. The chairman of the Committee on Government Operations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 532 provides $2,274,900 for investigations and studies to be conducted by the Committee on Government Operations. The amount approved by the House Administration Committee is 10.4 percent more than the committee's 1979 adjusted expenses and $200,000 less than the committee requested.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Speaker, the membership I think should be advised—I think most of us know, but perhaps some of us do not—that these committee funding resolutions relate only to the investigative staff. They do not relate to the statutory staff. The statutory staff for the committees is fixed by law on a fiscal year basis. It is 30 in number. We are not voting on the statutory staff.

To give a little illustration, the statutory staff total for the taxpayers for the last year cost $666,488. What we are voting on today is for the investigative staff and the request of $2,274,900 is a 22.7-percent increase over what this committee spent in 1979.

I do not think that there is any way we can justify an increase of this magnitude in the Government Operations Committee. If anything, we have too much government on our hands.

To give an example, in 1973, for instance, the investigative staff on this committee totaled 47. Today, 1979, it is up to 66.

To give an illustration of the investigative staff, of 66 people, the majority have 60 and the minority have 6. Now, that, to me, illustrates that the majority has been less than fair since that is far less than the entitlement of investigative staff to which our own percentage in the House entitlement is, namely 36.6 percent. Total investigative staff in the House comes to 954. The majority party, the Democrats, have 807, or 85 percent; the minority party has 145, or 15 percent.

Now, I am not suggesting the majority party raise us, but I am just suggesting that they should give the taxpayers a break and discharge some of the excess that we do not feel the majority party needs, because if there is anything these figures indicate it is over the last 6 years there has been a little explosion in staff, an explosion of costs, and the taxpayers just cannot stand it.

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Mr. BRADEMAS. I yield to the gentleman from Texas (Mr. Collins).

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman from Indiana.

This is another example of one of these committees that has really grown. Of all the ones to grow, it is Government Operations. Here we are in a country where 18 percent inflation is the No. 1 subject in America. Everyone attributes it to Congress, too big a Congress, too much spending. In 1974 this Government Operations Committee was spending $891,000 and it is now spending $2,274,000.

Mr. Speaker, here is the committee that should be providing an example for us in frugality. Government Operations should show us ways to reduce spending and instead here they are tripling their budget within 5 years. This would be an excellent committee to have its budget cut in half.

Mr. BRADEMAS. I regret, I may say to my friends from Texas and California, that the ranking Republican member of that committee did not share their views.

Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 536) to provide for the expenses of investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 536

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, acting as a whole or by subcommittee, not to exceed $2,710,287, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $7,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $19,000 of the funds authorized by this resolution shall be used solely for the reimbursement of the House Information Systems of the Committee on House Administration.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Banking, Finance and Urban Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, acting as a whole or by subcommittee, not to exceed $2,560,287, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $7,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $19,000 of the funds authorized by this resolution shall be used solely for the reimbursement of the House Information Systems of the Committee on House Administration.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Banking, Finance and Urban Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 536 provides $2,560,287 for investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs. The amount approved by the Committee on House Administration is 10.6 percent more than the committee's 1979 adjusted expenses and $150,000 less than the committee requested.

Mr. Speaker, I yield to the gentleman from Texas (Mr. Collins).

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman from Indiana for yielding.

Of all the committees that could teach us about banking, this should be the committee. Yet, here we have a country where, when President Carter came up here he looked back to the prior year and saw a budget of $366 billion. Now he is asking for $616 billion budget. We have had a tremendous increase in spending. What the additional committee staff has done or will do I cannot determine. However, these past few years have seen more financial problems with this larger staff.

Mr. BRADEMAS. I wish the gentleman from Texas (Mr. Collins) had taken his complaint to the ranking Republican member of the committee, the gentleman from Ohio (Mr. Stanton) who strongly supported the budget.

Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I, and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 567) to provide for the expenses of investigations and studies to be conducted by the Committee on Interior and Insular Affairs, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 567

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Interior and Insular Affairs, acting as a whole or by subcommittee, not to exceed $1,336,679 including expenditures for the employment of investigators, attorneys and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $41,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $8,500 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Interior and Insular Affairs. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interior and Insular Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Interior and Insular Affairs, acting as a whole or by subcommittee, not to exceed $1,316,679, including expenditures for the employment of investigators, attorneys and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $41,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $8,500 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Interior and Insular Affairs. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interior and Insular Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 567 provides $1,316,679 for investigations and studies to be conducted by the Committee on Interior and Insular Affairs. The amount approved by the Committee on House Administration is 3.5 percent more than the committee's 1979 adjusted expense and $50,000 less than the committee requested.

Mr. Speaker, I yield to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman from Indiana.

Mr. Speaker, it is interesting to compare what has happened in committees between the 90th Congress and the 95th Congress. Back in the 90th Congress the Committee on Interior and Insular Affairs operated on a budget of $180,000. They have now moved up to where they are operating on a budget of $1,316,000, which is approximately seven times as much. That is just within five terms.

Mr. Speaker, it is interesting that during that same period in the 90th Congress that we spent a total of all committees of $9,098,000. In the 95th Congress we were up to $71,227,808. This shows the overall growth. It is not one particular example, it is a typical example in Interior of the confused status of building more and more and more staffers for committee.

Mr. Speaker, one thing I would like to add about these staffs. We should all remember, these people are not on tenure. These are temporary employees that are on these committee staffs. The investigative staffs are all temporary. They knew they were temporary when they came in and we could balance the budget if we would just keep them temporary and relieve them of their duties.

Mr. BRADEMAS. Mr. Speaker, I could only respond to my friend from Texas that the ranking Republican member of this committee, the gentleman from California (Mr. CLAUSEN) strongly supported the resolution.

Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and the nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I, and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON FOREIGN AFFAIRS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 527) to provide for the expenses of investigations and studies to be conducted by the Committee on Foreign Affairs, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 527

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Foreign Affairs, acting as a whole or by subcommittee, not to exceed $1,875,123.53, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $55,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $80,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Foreign Affairs. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Foreign Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 527 provides $1,875,123.53 for investigations and studies to be conducted by the Committee on Foreign Affairs. The amount approved by the Committee on House Administration is $129,343.63 more than this committee received last year and the same as the committee requested.

Mr. Speaker, I yield to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, regarding Foreign Affairs I would say we have never had such a period in our history as today when the counrty is so confused as to where we stand on foreign affairs. The purpose of this committee is sometimes not understood down at the White House or at the State Department. We have too many problems around the world. Why we need a larger staff to complicate it is hard to determine.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FUNDS FOR THE EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 523) to provide for the expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 523

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed $950,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $100,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. Not less than $16,000 of the funds authorized by this resolution shall be used solely for the reimbursement of the House Information Systems of the Committee on House Administration.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Post Office and Civil Service shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading), Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed $950,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $100,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $20,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Post Office and Civil Service. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Post Office and Civil Service shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 523 provides $950,000 for investigations and studies to be conducted by the Committee on Post Office and Civil Service. The amount approved by the Committee on House Administration is $100,000 more than this committee received last year and it is the same as the committee requested.

I yield to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I will point out to the Members that in 1979 this committee spent $784,289 and the recommendation this year of $950,000 is an increase of some 21.1 percent.

Here again we see an example of the projected increase in just 1 year being far in excess of the rate of inflation. If we would extrapolate this rate of increase over the next 5 years, we would double the spending for staff on this committee. It just boggles the mind to think this institution would go down this road. I do not think it is a direction in which we should be going and I ask the Members to reject this proposed spending level.

Mr. BRADEMAS. Mr. Speaker, the gentleman's mind would not have been boggled had he observed that the major increase in the 1980 request over 1979 expenses is based upon estimated billings from the law firm defending Congress in the suit over the constitutionality of the congressional mailing frank.

● Mr. DERWINSKI. Mr. Speaker, I dislike throwing cold water on a good hot partisan debate, but the proliferation of committee staff, to be practical and candid about it, is not the sole responsibility of the majority party. The gentleman from California (Mr. DANNEMEYER) picks 1973 as the threshold year for the beginning of the staffing boom, and he is quite correct. It was in 1974 that we altered the rules of the House dealing with committee jurisdiction and staffing, and that opened the door to the situation we find ourselves in today.

Mr. Speaker, I do not disparage those who voted for the Hansen resolution; I voted for it myself. It was a better choice than the alternative. But the changes in commitee procedure that followed that vote have led to the weakening of committee chairmanships and ranking minority positions.

We now have almost complete autonomy of the subcommittees, with subcommittee chairmen and subcommittee ranking minority permitted to appoint and build staffs. This system fosters a lack of coordination and duplication of staff work. It is a matter of the tail wagging the dog.

Individual appointees on the subcommittees naturally tend to serve and be responsible only to their patrons. This is understandable human nature, but it also leads to inflated staffs.

My recommendation is to vest with the chairman and the ranking minority member of each committee the authority and responsibility for all committee staff appointments and assignments. We could probably reduce the staffs by 50 percent and produce a better legislative product at the same time.

Mr. Speaker, I also urge the House to favorably act on House Resolution 523, the funding resolution for the Committee on Post Office and Civil Service.

In view of the responsibilities of our full committee and the subcommittees, and the projected workload, the funds called for in this resolution are reasonable and justified.

The requested amount, $950,000, includes the funds necessary for the minority to properly execute its duties. This includes authorized investigative staff, committee travel, the summer intern program, and our share of office expenses. We currently have 14 minority staff members, 4 of whom are on the investigative staff paid with funds from this budget request. I think this demonstrates that we are doing our best to keep committee expenses at a responsible level while, at the same time, fulfilling the obligations dictated by the rules of the House.

Mr. Speaker, I wish to reemphasize that $100,000 of our request is earmarked for legal fees for the law firm which represents the House in litigation relating to the constitutionality of the congressional franking privilege. This fee is an expense then, of the entire House of Representatives and not solely of our committee or the Franking Commission.

Taking this into consideration, the operating expense for our committee under this resolution is $850,000, which is the seventh lowest budget among the standing committees.

Six years ago, Common Cause filed suit challenging the constitutionality of the franking laws, a congressional privilege which, by the way, dates back to the Continental Congress.

In 1976, the House leadership decided to provide its own defense and retained outside counsel to do that. I will not characterize the pending lawsuit, except to say that during this period our participation in that suit has cost $115,087 in legal fees, an expense that, by its nature, has been shouldered by the American taxpayer.●

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

□ 1410

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b), rule I, and the Chair's prior announcement, further proceedings on this vote will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 545) to provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 545

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, acting as a whole or by subcommittee, not to exceed $1,870,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for specialized training pursuant to section 202(j) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $8,000 of the total amount provided by this resolution may be used to provide for specialized training, pursuant to section 202 (j) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but this monetary limitation on such specialized training shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $75,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Public Works and Transportation. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Public Works and Transportation shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 545 provides $1,870,000 for investigations and studies to be conducted by the Committee on Public Works and Transportation. This is the amount approved by the Committee on House Administration, and is the same as this committee received last year. It is the same as the committee requested.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, as we hear from all these gentlemen, I am always reminded of the old proverb, "Hell is paved with good intentions."

We certainly have all the good intentions here in Congress. We all want to reduce spending which would cut inflation. I want to tell the Members that we have got most of the paving contractors headquartered in Washington.

If we are going to move forward with good intention, if we are going to balance the budget, what we have got to do is to take a hard line on cutting each one of these committee budgets. This committee is about as hard to cut as any. When we talk about public works we get pretty close to every Congressman, and a project in every district. But I think we should all vote to cut this.

Mr. BRADEMAS. I regret that the gentleman from Texas did not effectively communicate his views to the ranking Republican member of the committee, the gentleman from Ohio (Mr. HARSHA), who supported the resolution.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b), rule I, and the Chair's prior announcement, further proceedings on this vote will be postponed.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES OF SELECT COMMITTEE ON AGING

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 565) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Aging, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 565

Resolved, That for the further expenses of investigations and studies to be conducted by the Select Committee on Aging, acting as a whole or by subcommittee, not to exceed $1,233,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. $60,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Select Committee on Aging. These funds may not be used for any other purposes.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Aging shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 565 provides $1,233,000 for investigations and studies to be conducted by the Committee on Aging. The amount approved by the House Administration Committee is 0.4 percent less than the committee's 1979 adjusted expenses, and the same as the committee requested.

Mr. COLLINS of Texas. Mr. Speaker, on my figures here I had the figure of $1,233 million, which showed a 23-percent increase. Is that right?

Mr. BRADEMAS. No, I think it is not right, but I will yield to the gentleman.

Mr. COLLINS of Texas. They had a 1979 authorization of $1,050 million on our worksheet, which was furnished to us by the gentleman's office. The 1980 recommendation is $1,233 million. Have those figures been changed?

Mr. BRADEMAS. I have to say, Mr. Speaker, that I could not hear what the gentleman was saying.

Mr. COLLINS of Texas. If I could repeat for the gentleman, he sent us a summary sheet on which we could make our budget evaluation, and in it was stated that the authorization for the Committee on Aging was $1,050 million.

Mr. BRADEMAS. In 1979, that is correct.

Mr. COLLINS of Texas. Then, the sheet for 1980, shows the recommendation is $1,233, which is an increase of 17.4 percent.

Mr. BRADEMAS. Yes.

Mr. COLLINS of Texas. Is that right? From the gentleman's discussion I thought we were saying something to the effect that there was no increase.

Mr. BRADEMAS. No, I was talking to

the gentleman about the relationship between 1979 adjusted expenses and the 1980 recommendation.

Mr. COLLINS of Texas. I see. On this committee I would just state that there is no committee that has more popular appeal than to accomplish something for the aging. There is no group of voters today that takes more interest in elections, and certainly it is very difficult to object on their type of work where we have hearings, hearings, hearings. It would seem that we could curtail expenses, because the aging are more interested in inflation than any group of our citizens. The aged want to do something about 18-percent inflation. The only way we can reduce inflation is to do away with so much congressional spending. The smaller the committees, the less legislation we will have.

Mr. BRADEMAS. Mr. Speaker, it is tragic indeed that my friend from Texas was not able to effectively communicate his concern to the ranking Republican member of the committee, the gentleman from Iowa (Mr. GRASSLEY), who supports this resolution.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b), rule I, and the Chair's prior announcement, further proceedings on this vote will be postponed.

PROVIDING FUNDS FOR FURTHER EXPENSES OF WELFARE AND PENSION PLANS TASK FORCE UNDER JURISDICTION OF COMMITTEE ON EDUCATION AND LABOR

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 557) providing funds for the further expenses of a welfare and pension plans task force under the jurisdiction of the Committee on Education and Labor.

The Clerk read the resolution, as follows:

H. RES. 557

Resolved, That the expenses of a special study and investigation of welfare and pension plans to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $207,200 including expenditures for the employment of attorneys, actuaries, investigators, individual consultants, or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $10,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Such $207,200 shall be available and allocated to the Subcommittee on Labor-Management Relations in connection with the ongoing study and investigation of the impact and effect of the Employee Retirement Income Security Act of 1974 on private pension and welfare plans and public employee pension and welfare plans pursuant to sections 3021 and 3031 of that Act, and related bills. Particular need has been demonstrated to continue a professional study of vesting, funding, portability, benefit insurance, fiduciary responsibility, adequate disclosure, and other aspects related to the expansion and full effectuation of private and public pension and welfare plans as a meaningful supplement to the social security system.

The Subcommittee on Labor-Management Relations, through the Committee on Education and Labor, shall report to the House as soon as practicable during the present Congress the results of its investigation and study with such recommendations as it deems advisable.

SEC. 2. $8,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Education and Labor. These funds may not be used for any other purpose.

SEC. 3. Except as provided by sections 3021 and 3031 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1231), no part of the funds authorized by this resolution shall be available for expenditure in connection with the study of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, the amount approved by the House Administration Committee for investigations and studies to be conducted by the Task Force on Welfare and Pension Plans is $207,200. This amount is $39,700 more than this committee received last year, and the same as the committee requested.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from New Jersey, the chairman of the task force.

Mr. THOMPSON. Mr. Speaker, in this budget request I might point out that the increase is due in very large measure to the fact that the ERISA task force, which this is commonly known as, was not fully staffed during the whole year. We have reported some extremely important legislation after extensive study involving hundreds of millions of dollars in pension plans moneys which are in various places, in multiemployer plans, throughout the United States.

I do not see the ranking minority member of the committee here, the gentleman from Illinois (Mr. ERLENBORN). I do see the ranking minority member of the full committee here, the gentleman from Ohio (Mr. ASHBROOK). This has been agreed upon and is considered to be the absolute minimum to do the tremendously important amount of work that is required of this task force.

Mr. Speaker, I thank my colleague for yielding.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON RULES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 552) providing funds for the Committee on Rules, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 552

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Rules, acting as a whole or by subcommittee, not to exceed $695,000, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $15,000 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $2,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. $30,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information System by the Committee on Rules. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Rules shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

☐ 1420

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Rules, acting as a whole or by subcommittee, not to exceed $615,000, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislature Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $15,000 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $2,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. $30,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information System by the Committee on Rules. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Rules shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 552 provides $615,000 for investigations and studies to be conducted by the Committee on Rules. The amount approved by the Committee on House Administration marks a 5.1-percent increase over the committee's 1979 adjusted expenses and is $80,000 less than the committee requested.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, in 1979 the Committee on Rules spent $357,551. This request now before the House would result in a 72-percent increase in 1 year to $615,000.

I remind the Members again that this is just for investigative studies. The statutory staff in 1979 cost $794,482. Just a short time ago, in 1973, this committee had a total of 7 staff members; today it has 40. In 6 years that is an increase of almost 700 percent.

It just boggles the mind to think that we can justify an increase in staff for the Committee on Rules of that magnitude.

Mr. Speaker, I am advised by our staff that this is a resolution which will permit an amendment to be offered if the previous question can be defeated. It would be the intention of the gentleman from California to ask for a rollcall vote on the previous question so as to lay the foundation for the offering of an amendment to allow a total increase over 1979 spending of 14 percent.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 244, nays 153, not voting 36, as follows:

[Roll No. 91]

YEAS—244

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Burlison
Burton, John
Burton, Phillip
Byron
Carter
Cavanaugh
Chappell
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Grassley
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Harsha
Hefner
Heftel
Hightower
Holland
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Rangel
Reuss
Richmond
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Stenholm
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Van Deerlin
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
White
Whitley
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—153

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Campbell
Carney
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dornan
Dougherty
Duncan, Tenn.
Early
Edgar
Edwards, Okla.
Emery
Erdahl

Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Green
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Harkin
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Moffett
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
O'Brien
Paul
Petri
Porter
Pritchard
Pursell
Quayle
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shuster
Smith, Nebr.
Snowe
Solomon
Spence
Stangeland
Stockman
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—36

Anderson, Ill.
Badham
Beilenson
Biaggi
Brown, Calif.
Burgener
Carr
Chisholm
Clausen
Conable
Davis, S.C.
Diggs
Dodd
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
Murphy, Ill.
Nelson
Pashayan
Ratchford
Rodino
Scheuer
Shumway
Steed
Stewart
Stokes
Stump
Treen
Ullman
Vanik
Whitten
Wilson, C. H.

□ 1430

Mr. MOFFETT and Mr. BEARD of Tennessee changed their votes from "yea" to "nay."

Mr. HUGHES changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

□ 1440

PROVIDING FUNDS FOR EXPENSES FOR COMMITTEE ON HOUSE ADMINISTRATION

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 543) to provide for the expenses of investigations and studies to be conducted by the Committee on House Administration, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 543

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on House Administration, acting as a whole or by subcommittee, not to exceed $1,744,500, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the provision of employment placement services, professional development programs, office and personnel management consultation services, and periodic publication of handbooks, guides, bulletins, and other matter as necessary for the House of Representatives;

(3) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(4) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $100,000 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), and not to exceed $10,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions, but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

Sec. 2. $136,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on House Administration. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, House Resolution 543 provides $1,744,500 for investigations and studies to be conducted by the Committee on House Administration. The amount approved by the House Administration Committee is 5.7 percent more than the committee's 1979 adjusted expenses and is the same as the committee requested.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

On this particular resolution relating to House Administration, last year it spent $926,740. The increase this year to $1.744 million represents a percentage increase in 1 year of 88.2 percent.

In 1973 this committee had a total staff of 122 people. Last year, 1979, 6 years later, that staff total had expanded to 284 people.

I just wonder how in the world we can justify an increase of this magnitude, considering the high inflation rate in this country.

We should limit the increase in this staff over last year to no more than the inflation rate not to exceed 14 percent.

Mr. BRADEMAS. Mr. Speaker, as I observed earlier, the increase represented by the resolution under consideration for this committee over the 1979 adjusted expenses is 5.7 percent, and I might here point out, Mr. Speaker, that in July the House Administration Committee absorbed the Office of Management Services formerly a part of the Select Committee on Congressional Operations, which, in fact, resulted in an additional $223,079 in expenses for a 6-month period.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

As the gentleman has stated, the actual increase of this committee is 6.2 percent above last year's expenditure.

The total expenditure here is misleading, and the figures should not be used in a misleading manner. This committee has taken over other duties. It has assumed a budget that it did not have before, and we have scrutinized this very carefully and feel that the committee budget itself is tight, given the additional duties that we have.

Mr. BRADEMAS. I thank the gentleman.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. This is another committee that back in the old days did not require a big budget. I notice back in the 90th Congress they operated on $90,000 in an entire session.

Right now, in 1 year, they are asking for $1,744,000. It is certainly one that we could review, and it could provide an example for the Nation in frugality.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this vote will be postponed.

PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON EDUCATION AND LABOR

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 530) to provide for the further expenses of investigations and studies to be conducted by the Committee on Education and Labor and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 530

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $2,602,000 including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Of such amount, $197,750 shall be available for each of eight standing subcommittees of the Committee on Education and Labor. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. $100,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Education and Labor. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $2,522,000 including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Of such amount, $192,750 shall be available for each of eight standing subcommittees of the Committee on Education and Labor. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. $100,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on Education and Labor. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AMENDMENT OFFERED BY MR. BRADEMAS TO THE COMMITTEE AMENDMENT

Mr. BRADEMAS. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BRADEMAS to the committee amendment: On page 4, line 14, of the resolution as reported, strike "$192,750" and insert in lieu thereof "$187,750".

Mr. BRADEMAS. Mr. Speaker, this amendment is simply intended to reflect the intention of the committee in its deliberations and to conform the resolution, as amended, to the amount specified in the report of the committee. The resolution as printed erroneously overstated the amount allocated to each subcommittee of the Committee on Education and Labor.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. DANNEMEYER. On this committee it spent $1,922,784. This year the amount is $2,222,000, an increase of 26.5 percent in 1 year.

I would point out to the members of the minority party and the Chamber that on this particular committee there are 83 staff positions that are filled in the investigation side, 66 majority and 15 minority. We have some 35.6 percent of the membership of this House on this particular committee. We have less than 20 percent of the investigative staff slots.

A monetary increase of 26.5 percent is reason enough to vote against this, but the suggestion that we should support the effort to suffer the disparity of that magnitude on the investigative staff on the minority side just strains one's imagination.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the distinguished ranking minority member of the committee, the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding.

I say in all fairness and friendship to my friend from California, here is an example of just what can be done with figures.

The gentleman's complaint is that the minority has not gotten its share. The truth of the matter is before I was the ranking member we had a lot less.

I am not known as a big spender, but we have added six staff positions. If I came along and added 12 and brought it up to the percentage the gentleman is talking about, then he would say we increased far beyond what was needed.

I would say to my friend on the majority side, we probably could use a few more. This is all in my best observation of our work that I thought we should increase. So I do not like to see us get in a catch-22. So I will say to my friend from Indiana that if we are not getting a third, it is not because he told us we could not have it. It is because that as ranking member in my best judgment, I did not ask for more.

☐ 1450

Also, as I look at the figures of my good friend, the gentleman from California, and look at his own figures, I say this because I know of no committee chairman who is more careful in expenditure of money than the gentleman from Kentucky, Mr. CARL PERKINS.

If the gentleman from California (Mr. DANNEMEYER) will look at 1973, the gentleman's own figures show 82 on the investigative staff: 1973 shows 83; 1974 shows 96; 1975 shows 88; 1976 shows 104; 1977 shows 79; 1978 shows 81; and by the gentleman's own figures, this year it is 85.

By any fair analysis, if you average those up, it would average out to about 85; so in that period of 7 years, we really have not increased any on the majority side. We have increased seven on our side.

I am one who will stand up and honestly say we needed those seven; so by no way can the gentleman say the Committee on Education and Labor has been runaway in their expenditures or runaway in their staff members.

I merely point that out because I know once in a while it is fun to kick everybody around, but I do not think I can sit back and let us kick our committee or the gentleman from Kentucky (Mr. PERKINS) around, because the figures just plain do not show any inordinate increase. As a matter of fact, if there has been, it has been in the six members we have increased in our investigative staff.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Ohio for his contribution.

The SPEAKER pro tempore. The question is on the amendment to the committee amendment offered by the gentleman from Indiana (Mr. BRADEMAS).

The amendment to the committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment, as amended, and on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I, and the Chair's prior announcement, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all resolutions.

Pursuant to clause 5(b), rule I, the Chair will now put the question on the adoption of each resolution on which further proceedings were postponed in the order in which that resolution was considered.

Votes will be taken in the following order: House Resolutions 554, 537, 556, 535, 546, 538, 532, 536, 567, 527, 523, 545, 565, 552, 543, and 530.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON AGRICULTURE

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 554).

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 288, nays 115, not voting 30, as follows:

[Roll No. 92]

YEAS—288

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Coleman
Collins, Ill.
Conable
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gramm
Grassley
Gray
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Heckler
Hefner
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lee
Lehman
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Reuss
Richmond
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Taylor
Thompson
Traxler
Trible
Udall
Van Deerlin
Vento
Volkmer
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—115

Andrews, N. Dak.
Applegate
Archer
Atkinson
Bafalis
Barnes
Bauman
Bereuter
Bethune
Broomfield
Broyhill
Carney
Cheney
Clinger
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Early
Edwards, Okla.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Gingrich
Glickman
Goldwater
Goodling
Gradison
Green
Grisham
Hall, Tex.
Hansen
Harsha
Hinson
Hollenbeck
Holt
Hopkins
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lent
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Maguire
Marks
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Moore
Moorhead, Calif.
Mottl
Paul
Petri
Porter
Pursell
Quayle
Regula
Rhodes
Rinaldo
Ritter
Roth
Rousselot
Rudd
Schroeder
Schulze
Sensenbrenner
Shuster
Snowe
Snyder
Solomon

Stangeland
Stockman
Stump
Symms
Tauke
Thomas
Vander Jagt
Walgren
Walker
Weaver
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—30

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Davis, S.C.
Diggs
Edwards, Ala.
Fountain
Frost
Hawkins
Heftel
Jones, N.C.
Leach, La.
Leland
McCloskey
Minish
Murphy, Ill.
Nelson
Pashayan
Ratchford
Rodino
Scheuer
Shumway
Stewart
Treen
Ullman
Vanik
Whitten
Wilson, C. H.

□ 1500

Messrs. KINDNESS, WINN, and SNYDER changed their vote from "yea" to "nay."

Mr. DANIELSON changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b) of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all of the additional resolutions on which the Chair has postponed further proceedings.

The Chair would like to advise the membership that he intends to close each vote at precisely the 5-minute expiration.

PROVIDING FOR THE EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 537), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 537), as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR THE EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE COMMITTEE ON SMALL BUSINESS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 556), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, (H. Res. 556) as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 343, nays 57, not voting 33, as follows:

[Roll No. 93]

YEAS—343

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gramm
Grassley
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Leath, Tex.
Lederer
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Schroeder
Schulze
Sebelius
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—57

Archer
Ashbrook
Bafalis
Bauman
Bethune
Collins, Tex.
Courter
Crane, Daniel
Crane, Philip
Dannemeyer
Davis, Mich.
Deckard
Devine
Evans, Ind.
Fenwick
Goodling
Gradison
Grisham
Guyer
Hall, Tex.
Hansen
Holt
Hopkins
Jacobs
Jeffries
Kemp
Kindness
Lagomarsino
Latta
Leach, Iowa
Lee
Loeffler
Lungren
McClory
McDonald
Marks
Miller, Ohio
Moorhead, Calif.
Mottl
Paul
Petri
Quayle
Ritter
Roth
Rousselot
Sawyer
Sensenbrenner
Shuster
Snowe
Solomon
Stangeland
Stockman
Symms
Tauke
Weaver
Wylie
Young, Alaska

NOT VOTING—33

Alexander
Anderson, Ill.
Badham
Biaggi
Bonker
Burgener
Davis, S.C.
Diggs
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
McCloskey
Mica
Minish
Murphy, Ill.
Nelson
Pashayan
Ratchford
Rodino
Scheuer
Seiberling
Shumway
Stewart
Treen
Ullman
Vanik
Whitten
Wilson, C. H.
Wirth

Mr. MARTIN changed his vote from "nay" to "yea."

Mr. ROUSSELOT and Mr. COURTER changed their vote from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON SCIENCE AND TECHNOLOGY

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 535), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, (H. Res. 535) as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 257, nays 145, not voting 31, as follows:

[Roll No. 94]

YEAS—257

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland

Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Calif.
Edwards, Okla.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hutto
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Leath, Tex.
Lederer
Lehman
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McClory
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Railsback
Rangel
Reuss
Richmond
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Rudd
Sabo
Santini
Seiberling
Shelby
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Taylor
Thomas
Thompson
Trible
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—145

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bauman
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Dicks
Early
Edgar
Emery
Erdahl
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fowler
Frenzel
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hansen
Heckler
Hinson
Holt
Hopkins
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lee
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McDade
McDonald
Madigan
Marks
Marlenee
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mottl
O'Brien
Panetta
Paul
Pease
Petri
Porter
Pursell
Quayle
Rahall
Regula
Rhodes
Rinaldo
Ritter
Roth
Runnels
Russo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Traxler
Walker
Weaver
Whittaker
Williams, Mont.
Wilson, Bob
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—31

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Davis, S.C.
Diggs
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
McCloskey
Minish
Murphy, Ill.
Nelson
Pashayan
Ratchford
Rodino
Rousselot
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 546), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 546), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 237, nays 166, not voting 30, as follows:

[Roll No. 95]

YEAS—237

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Beard, R.I.
Beilenson
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carney
Carr
Cavanaugh
Chappell
Chisholm
Clay
Cleveland
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
English
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harris
Harsha
Hefner
Heftel
Holland
Holtzman
Horton
Howard
Hubbard
Huckaby
Hutto
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Lent
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Satterfield
Seiberling
Shannon
Shelby
Simon
Slack
Smith, Iowa
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Taylor
Thomas
Thompson
Trible
Van Deerlin
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—166

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Barnes
Bauman
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Byron
Campbell
Carter
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Dannemeyer
Deckard
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edgar
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fisher
Fithian
Fowler
Frenzel
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Harkin
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Levitas
Loeffler
Lujan
Lungren
McClory
McDade
McDonald
Madigan
Marks
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
Nowak
Panetta
Paul
Pease
Petri
Porter
Pursell
Quayle
Regula
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shuster
Skelton
Smith, Nebr.
Snowe
Solomon

Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Traxler
Vander Jagt
Vento
Volkmer
Walker
Weaver
Whittaker
Wilson, Bob
Winn
Wolpe
Wylie
Yatron
Young, Fla.

NOT VOTING—30

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Davis, S.C.
Diggs
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
Marlenee
Minish
Murphy, Ill.
Nelson
Pashayan
Ratchford
Rodino
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.

☐ 1530

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON WAYS AND MEANS

The SPEAKER pro tempore. The unfinished business is the vote on the resolution (H. Res. 538), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, H. Res. 538, as amended, on which the yeas and nays are ordered.

The vote was take by electronic device, and there were—yeas 250, nays 151, not voting 32, as follows:

[Roll No. 96]

YEAS—250

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Campbell
Cavanaugh
Chappell
Chisholm
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conable
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Ertel
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gramm
Grassley
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Harsha
Heckler
Hefner
Heftel
Holland
Holtzman
Horton
Howard
Hubbard
Huckaby
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Quillen
Rangel
Reuss
Richmond
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
Spence
St Germain
Stack
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Thomas
Thompson
Traxler
Van Deerlin
Vander Jagt
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—151

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Byron
Carney
Carr
Carter
Cheney
Clausen
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Early
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Fithian
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grisham
Guyer
Hagedorn
Hall, Tex.
Hansen
Harkin
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDonald
Madigan
Maguire
Marks
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nowak
O'Brien
Paul
Pease
Petri
Porter
Pritchard
Pursell
Quayle
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Trible
Vento
Volkmer
Walker
Weaver
Whittaker
Winn
Wolpe
Wylie
Yatron

NOT VOTING—32

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Davis, S.C.
Diggs
Edwards, Ala.
Fenwick
Ford, Mich.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
Minish
Murphy, Ill.
Nelson
Pashayan
Ratchford
Rodino
Scheuer
Shumway
Staggers
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.

☐ 1540

Mr. CAMPBELL changed his vote from "nay" to "yea."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST TO RESCIND ORDER FOR RECORDED VOTES

Mr. DANIELSON. Mr. Speaker, I understand that we have now passed six of these resolutions. I ask unanimous consent that the House rescind the order previously made for a recorded vote and dispose of the rest of them by voice vote.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. DANNEMEYER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PROVIDING FUNDS FOR FURTHER EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON GOVERNMENT OPERATIONS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 532), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 532), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 241, nays 159, not voting 33, as follows:

[Roll No. 97]

YEAS—241

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Cavanaugh
Chappell
Chisholm
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edwards, Calif.
English
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Hefner
Heftel
Hightower
Holland
Holtzman
Horton
Howard
Hubbard
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.

Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kostmayer
Leath, Tex.
Lederer
Lehman
Levitas
Lewis
Lloyd
Long, La.
Lowry
Luken
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Rangel
Reuss
Richmond
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Seiberling
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Van Deerlin
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitley
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—159

Abdnor
Andrews,
N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Boland
Broomfield
Brown, Ohio
Broyhill
Buchanan
Carney
Carter
Cheney
Clausen
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Early
Edgar
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Fenwick
Findley
Florio
Frenzel
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hansen
Harkin
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Mavroules
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead,
Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Nowak
O'Brien
Paul
Petri
Porter
Pursell
Quayle
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Weaver
Whitehurst
Whittaker
Williams, Mont.
Wilson, Bob
Winn
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—33

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Davis, S.C.
Diggs
Duncan, Oreg.
Edwards, Ala.
Foley
Fountain
Frost
Hawkins
Jones, N.C.
Kogovsek
Leach, La.
Leland
Long, Md.
Minish
Murphy, Ill.
Pashayan
Ratchford
Rodino
Rousselot
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 536), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 536), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 231, nays 169, not voting 33, as follows:

[Roll No. 98]

YEAS—231

Addabbo
Akaka
Albosta
Ambro
Anderson,
Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
English
Erlenborn
Evans, Ind.
Fary
Fascell
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hammer-
schmidt
Hanley
Harris
Harsha
Heckler
Hefner
Heftel
Hinson
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Hutto
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Regula
Reuss
Richmond
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Thompson
Van Deerlin
Vento
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitley
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—169

Abdnor
Andrews,
N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Brown, Ohio
Broyhill
Buchanan
Butler
Byron
Carney
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edgar
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Evans, Ga.
Fenwick
Findley
Fish
Fowler
Frenzel
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Harkin
Hightower
Hillis
Holt
Hopkins
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mavroules
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead,
Calif.
Mottl
Myers, Ind.
Nichols
Nowak
O'Brien
Paul
Petri
Pickle
Porter
Pursell
Quayle
Quillen
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Volkmer
Walker
Weaver
Whitehurst
Whittaker
Williams, Mont.
Wylie
Yatron
Young, Fla.

NOT VOTING—33

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Conyers
Coughlin
Davis, S.C.
Diggs
Edwards, Ala.
Ertel
Fazio
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
Matsui
Minish
Murphy, Ill.
Pashayan
Ratchford
Rodino
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.

☐ 1550

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR FURTHER EXPENSES OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 567), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 567), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 257, nays 146, not voting 30, as follows:

[Roll No. 99]

YEAS—257

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Byron
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conable
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
de la Garza
Dellums
Derrick
Derwinski
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Ertel
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Hefner
Heftel
Holland
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marriott
Mathis
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Railsback
Rangel
Reuss
Richmond
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Santini
Satterfield
Sebelius
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Thomas
Thompson
Van Deerlin
Vander Jagt
Vento
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—146

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Campbell
Carney
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Dicks
Dornan
Early
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Frenzel
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
Madigan
Marks
Marlenee
Martin
Mavroules
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
O'Brien
Paul
Petri
Porter
Pritchard
Pursell
Quayle
Regula
Rhodes
Rinaldo
Ritter
Roberts
Roth
Rousselot
Rudd
Runnels
Sawyer
Schroeder
Schulze
Sensenbrenner
Shelby
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Traxler
Trible
Volkmer
Walker
Weaver
Wilson, Bob
Wydler
Wylie
Yatron
Young, Fla.

NOT VOTING—30

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Burton, Phillip
Davis, S.C.
Diggs
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
Matsui
Minish
Murphy, Ill.
Pashayan
Ratchford
Rodino
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.

□ 1600

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON FOREIGN AFFAIRS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 527).

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 527), on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 220, nays 175, not voting 38, as follows:

[Roll No. 100]

YEAS—220

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Beard, R.I.
Beilenson
Bennett
Bevill
Bingham
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Butler
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
Daniel, Dan
Danielson
de la Garza
Dellums
Derrick
Derwinski
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Edgar
Edwards, Calif.
English
Erlenborn
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fuqua
Garcia
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gray
Green
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harris
Heckler
Heftel
Holland
Holtzman
Horton
Howard
Hubbard
Hutto
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Seiberling
Simon
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Thomas
Thompson
Van Deerlin
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—175

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Bafalis
Barnard
Bauman
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Boner
Bouquard
Brown, Ohio
Broyhill
Byron
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Devine
Dickinson
Dicks
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Fish
Flippo
Florio
Fowler
Frenzel
Gephardt
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Harkin
Harsha
Hefner
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa

Leath, Tex.
Lee
Lent
Levitas
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
Paul
Petri
Porter
Pursell
Quayle
Regula
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stump
Symms
Tauke
Taylor
Traxler
Trible
Vander Jagt
Walker
Weaver
Whitley
Whittaker
Williams, Mont.
Wylie
Young, Fla.

NOT VOTING—38

Alexander
Anderson, Ill.
Badham
Barnes
Biaggi
Blanchard
Burgener
Burton, Phillip
Crane, Philip
Davis, S.C.
Diggs
Eckhardt
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Kazen
Leach, La.
Leland
Matsui
Minish
Murphy, Ill.
Pashayan
Ratchford
Rodino
Scheuer
Shumway
Stewart
Stockman
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.
Wright
Young, Alaska

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 523), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 523), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 206, nays 194, not voting 33, as follows:

[Roll No. 101]

YEAS—206

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bevill
Bingham
Blanchard
Boggs
Bolling
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Campbell
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Danielson
de la Garza
Dellums
Derrick
Derwinski
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gonzalez
Gore
Gray
Green
Hall, Ohio
Hanley
Harkin
Harris
Heckler
Heftel
Holland
Holtzman
Horton
Howard
Hubbard
Hutto
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mathis
Mattox
Mazzoli
Mica
Mikulski
Mineta
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pepper
Perkins
Pickle
Preyer
Price
Quillen
Rahall
Rangel
Reuss
Richmond
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Schroeder
Sebelius
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Taylor
Thompson
Traxler
Van Deerlin
Vento
Wampler
Watkins
Waxman
Weiss
White
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—194

Abdnor
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Benjamin
Bereuter
Bethune
Boland
Boner
Bouquard
Breaux
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Byron
Carney
Carr
Carter
Cheney
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Fish
Fithian
Flippo
Frenzel
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Mavroules
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nelson
Nichols
O'Brien
Panetta
Paul
Pease
Petri
Porter
Pritchard
Pursell
Quayle
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Thomas
Trible
Vander Jagt
Volkmer
Walgren
Walker
Weaver
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Winn
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—33

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Burton, Phillip
Crane, Philip
Davis, S.C.
Diggs
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
Matsui
Minish
Murphy, Ill.
Pashayan
Peyser
Ratchford
Rodino
Scheuer
Seiberling
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.

□ 1610

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, I would like to address the House for the purpose of talking about tomorrow's program. When we conclude voting on these funding resolutions, the next order of business will be a motion which I am advised will be made by the gentleman from North Carolina (Mr. BROYHILL) to instruct the conferees on the FTC conference. If we are able to keep debate within a reasonable time frame, then we will try and take up the rule on the International Development Bank bill. If we are able to complete those things this evening, there will be no session tomorrow.

PROVIDING FUNDS FOR FURTHER EXPENSES OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 545), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, House Resolution 545, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 307, nays 92, not voting 34, as follows:

[Roll No. 102]

YEAS—307

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Butler

Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conable
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Calif.
Edwards, Okla.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Gore
Gramm
Grassley
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Holland
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Luken
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKinney
Madigan
Markey
Marriott
Mathis
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sebelius
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Thomas
Thompson
Traxler
Trible
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—92

Andrews, N. Dak.
Archer
Bafalis
Bauman
Bedell
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Carney
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Dannemeyer
Deckard
Derwinski
Devine
Dornan
Edgar
Emery
Erdahl
Evans, Del.
Evans, Ind.
Fenwick
Frenzel
Glickman
Goldwater
Goodling
Gradison
Grisham
Guyer
Hansen
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Jacobs
Jeffords
Jeffries
Kelly
Kindness
Lagomarsino
Latta
Leach, Iowa
Loeffler
Lowry
Lujan
Lungren
McDade
McDonald
Maguire
Marks
Marlenee
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Moore
Moorhead, Calif.
Mottl
O'Brien
Paul
Petri
Porter
Pritchard
Quayle
Ritter
Roth
Rousselot
Sawyer
Schroeder
Schulze
Seiberling
Sensenbrenner
Snowe
Solomon
Spence
Stangeland
Stockman
Symms
Tauke
Walker
Weaver
Wolpe
Wylie

NOT VOTING—34

Alexander
Anderson, Ill.
Badham
Biaggi
Boggs
Burgener
Burton, Phillip
Crane, Philip
Davis, S.C.
Diggs
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
McKay
Matsui
Minish
Murphy, Ill.
Pashayan
Ratchford
Rodino
Roe
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, C. H.

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1620

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE SELECT COMMITTEE ON AGING

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 565).

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 565), on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 235, nays 161, not voting 37, as follows:

[Roll No. 103]

YEAS—235

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
English
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Florio
Foley
Ford, Tenn.
Forsythe
Frenzel
Fuqua
Garcia
Gaydos
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Gore
Grassley
Gray
Green
Guarini
Gudger
Hall, Ohio
Hammerschmidt
Hanley
Harris
Heckler
Hillis
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hutto
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pepper
Perkins
Peyser
Price
Quillen
Rahall
Rangel
Reuss
Richmond
Rinaldo
Ritter
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Sabo
Shannon
Shelby
Simon
Slack
Smith, Iowa
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Thomas
Thompson
Van Deerlin
Vander Jagt
Vento
Walgren
Wampler
Watkins
Waxman
Weiss
White
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—161

Abdnor
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Barnard
Bauman
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Boner
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Carr
Cheney
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Dicks
Early
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Fithian
Flippo
Fowler
Gephardt
Glickman
Goldwater
Goodling
Gradison
Gramm
Grisham
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hansen
Harkin
Harsha
Hefner
Heftel
Hightower
Hinson
Holt
Hopkins
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Livingston
Loeffler
Lott
Lujan
Lundine
Lungren
McDonald
Madigan
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Calif.
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
Paul
Pease
Petri
Pickle
Porter
Preyer
Pritchard
Pursell
Quayle
Railsback
Regula
Rhodes
Roberts
Robinson
Roth
Rousselot
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Traxler
Trible
Volkmer
Walker
Weaver
Whitehurst
Whitley
Whittaker
Winn
Wolpe
Wylie

NOT VOTING—37

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Burton, Phillip
Crane, Philip
Davis, S.C.
Diggs
Edwards, Ala.
Ford, Mich.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Lee
Leland
Matsui
Minish
Murphy, Ill.
Pashayan
Patterson
Ratchford
Rodino
Roe
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, Bob
Wilson, C. H.
Wright

Mr. CAMPBELL changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON RULES

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 552), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 552), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 220, nays 176, not voting 37, as follows:

[Roll No. 104]

YEAS—220

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Byron
Carr
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Danielson
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harris
Heftel
Hightower
Holland
Holtzman
Horton
Howard
Hubbard
Hutto
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Lloyd
Long, La.
Long, Md.
Luken
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patten
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Rangel
Reuss
Rhodes
Richmond
Roberts
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Van Deerlin
Vento
Wampler
Watkins
Waxman
Weiss
White
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—176

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Boner
Bouquard
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Campbell
Carney
Carter
Cheney
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Early
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Fowler
Frenzel
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hefner
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lowry
Lujan
Lungren
McClory
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Neal
O'Brien
Paul
Pease
Petri
Porter
Pritchard
Pursell
Quayle
Railsback
Regula
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Weaver
Whitehurst
Whitley
Whittaker
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—37

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Burton, Phillip
Crane, Philip
Davis, S.C.
Diggs
Edwards, Ala.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
Matsui
Minish
Mitchell, Md.
Murphy, Ill.
Obey
Pashayan
Patterson
Ratchford
Rodino
Roe
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Walgren
Whitten
Wilson, Bob
Wilson, C. H.

□ 1630

So, the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 543), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 543), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 232, nays 162, not voting 39 as follows:

[Roll No. 105]

YEAS—232

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Byron
Campbell
Carr
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Collins, Ill.
Conyers
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
de la Garza
Dellums
Derrick
Derwinski
Dingell
Dixon
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
English
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Gonzalez
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harris
Harsha
Heckler
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pepper
Perkins
Peyser
Pickle
Price
Quillen
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Russo
Sabo
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Taylor
Thompson
Traxler
Van Deerlin
Vander Jagt
Vento
Wampler
Waxman
Weiss
Williams, Mont.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—162

Abdnor
Andrews, N. Dak.
Applegate
Archer
Atkinson
Bafalis
Bauman
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Carney
Carter
Cheney
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Dicks
Dodd
Dornan
Duncan, Tenn.
Early
Emery
Erdahl
Erlenborn
Ertel
Evans, Ind.
Fenwick
Fish
Fowler
Gilman
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Harkin
Hefner
Heftel
Hillis
Hinson
Holt
Hopkins
Huckaby
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mavroules
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Neal
Nelson
Nichols
Paul
Pease
Petri
Porter
Preyer
Pritchard
Pursell
Quayle
Regula
Ritter
Robinson
Roth
Rousselot
Royer
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shuster
Skelton
Smith, Nebr.
Snowe
Solomon
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Thomas
Trible
Volkmer
Walgren
Walker
Watkins
Weaver
Whitehurst
Whitley
Whittaker
Williams, Ohio
Winn
Wylie
Yatron

NOT VOTING—39

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Burton, Phillip
Corman
Crane, Philip
Davis, S.C.
Diggs
Edwards, Ala.
Evans, Del.
Fountain
Frost
Hawkins
Jones, N.C.
Leach, La.
Leland
Matsui
Minish
Murphy, Ill.
Pashayan
Patterson
Ratchford
Rodino
Roe
Scheuer
Shumway
Staggers
Stewart
Treen
Udall
Ullman
Vanik
White
Whitten
Wilson, Bob
Wilson, C. H.
Wolff

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXPLANATION OF VOTE

Mr. COELHO. Mr. Speaker, I rise to explain that on the vote immediately preceding I am recorded as having voted nay. I must have inadvertently pressed the incorrect button on the electronic voting device as I personally supported House Resolution 543 as I did the series of other committee funding resolutions voted on prior thereto.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON EDUCATION AND LABOR

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 530), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 530), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 210, nays 184, not voting 39, as follows:

[Roll No. 106]

YEAS—210

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashbrook
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Corman
Cotter
Danielson
Davis, Mich.
de la Garza
Dellums
Derrick
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Erlenborn
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fuqua
Garcia
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hammerschmidt
Hanley
Harris
Heftel
Holland
Hollenbeck
Horton
Howard
Hubbard
Hutto
Hyde
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Luken
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pepper
Perkins
Peyser
Pickle
Price
Quillen
Rahall
Rangel
Reuss
Richmond
Rinaldo
Roberts
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Seiberling
Shannon
Shelby
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Thompson
Van Deerlin
Vander Jagt
Volkmer
Wampler
Watkins
Waxman
Weiss
White
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—184

Abdnor
Andrews, N. Dak.
Anthony
Applegate
Archer
Atkinson
Bafalis
Barnard
Bauman
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Boner
Bouquard
Broomfield
Brown, Ohio
Broyhill
Butler
Byron
Campbell
Carney
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Deckard
Derwinski
Devine
Dickinson
Dicks
Dornan
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Fish
Fithian
Flippo
Fowler
Frenzel
Gephardt
Gilman
Gingrich
Glickman
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hansen
Harkin
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holt
Hopkins
Huckaby
Hughes
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Livingston
Loeffler
Lott
Lowry
Lujan
Lungren
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mavroules
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Paul
Pease
Petri
Porter
Preyer
Pritchard
Pursell
Quayle
Railsback
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Traxler
Trible
Vento
Walgren
Walker
Weaver
Whitehurst
Whitley
Whittaker
Winn
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—39

Alexander
Anderson, Ill.
Badham
Biaggi
Burgener
Burton, Phillip
Conyers
Crane, Philip
Davis, S.C.
Diggs
Early
Edwards, Ala.
Fountain
Frost
Goldwater
Hawkins
Holtzman
Jones, N.C.
Leach, La.
Leland
Lent
Matsui
Minish
Murphy, Ill.
Pashayan
Patterson
Ratchford
Rodino
Roe
Scheuer
Shumway
Stewart
Treen
Udall
Ullman
Vanik
Whitten
Wilson, Bob
Wilson, C. H.

□ 1640

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3398, AGRICULTURE ADJUSTMENT ACT OF 1979

Mr. FOLEY submitted the following conference report and statement on the bill (H.R. 3398) to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 96-789)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3398) to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Agricultural Adjustment Act of 1980".

TARGET PRICES FOR THE 1980 AND 1981 CROPS OF CORN AND WHEAT

SEC. 2. Section 105A(b)(1) of the Agricultural Act of 1949 is amended by—

(1) in the third sentence of subparagraph (B), strike out "through 1981 crops" and inserting in lieu thereof "crop"; and

(2) adding at the end of subparagraph (B) two new sentences as follows: "The established price for corn shall be $2.35 per bushel in the case of the 1980 crop. For the 1981 crop, the established price shall be not less than the established price for the 1980 crop, adjusted upward to reflect such changes in the cost of producing corn as the Secretary finds necessary and appropriate for the purpose of establishing and maintaining a fair and equitable relationship between loan rates, established prices, and production costs for corn and competing commodities.".

SEC. 3. Section 107A(b)(1) of the Agricultural Act of 1949 is amended by striking out the fourth sentence of subparagraph (B) and adding at the end thereof two new sentences as follows: "The established price for wheat shall be $3.63 per bushel in the case of the 1980 crop. For the 1981 crop, the established price shall be not less than the established price for the 1980 crop, adjusted upward to reflect such changes in the cost of producing wheat as the Secretary finds necessary and appropriate for the purpose of establishing and maintaining a fair and equitable relationship between loan rates, established prices, and production costs for wheat and competing commodities.".

EXTENSION OF DISASTER PAYMENT PROGRAMS

SEC. 4. (a) Section 101(h)(4) of the Agricultural Act of 1949 is amended by—

(1) in subparagraph (B), striking out "1978 and 1979 crops of rice" and inserting in lieu thereof "1978, 1979, and 1980 crops of rice"; and

(2) in subparagraph (C), striking out "1978 and 1979 crops of rice" and inserting in lieu thereof "1978, 1979, and 1980 crops of rice".

(b) Section 103(f)(5) of the Agricultural Act of 1949 is amended by—

(1) in subparagraph (A), striking out "1978 and 1979 crops of upland cotton" and inserting in lieu thereof "1978, 1979, and 1980 crops of upland cotton"; and

(2) in subparagraph (B), striking out "1978 and 1979 crops of upland cotton" and inserting in lieu thereof "1978, 1979, and 1980 crops of upland cotton".

(c) Section 105A(b)(2) of the Agricultural Act of 1949 is amended by—

(1) in subparagraph (A), striking out "1978 and 1979 crops of feed grains" and inserting in lieu thereof "1978, 1979, and 1980 crops of feed grains"; and

(2) in subparagraph (B), striking out "1978 and 1979 crops of feed grains" and inserting in lieu thereof "1978, 1979, and 1980 crops of feed grains".

(d) Section 107A(b)(2) of the Agricultural Act of 1949 is amended by—

(1) in subparagraph (A), striking out "1978 and 1979 crops of wheat" and inserting in lieu thereof "1978, 1979, and 1980 crops of wheat'; and

(2) in subparagraph (B), striking out "1978 and 1979 crops of wheat" and inserting in lieu thereof "1978, 1979, and 1980 crops of wheat".

LIMITATIONS ON DISASTER PAYMENTS

SEC. 5. Effective for the 1980 and 1981 crops, section 101 of the Food and Agriculture Act of 1977 is amended by—

(1) in subsection (1), inserting "(excluding disaster payments)" after "payments";

(2) inserting after subsection (1) a new subsection (2) as follows:

"(2) Beginning with the 1980 crop year, the total amount of disaster payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949, as amended, and the Agricultural Adjustment Act of 1938, as amended, for wheat, feed grains, upland cotton, and rice for any crop year shall not exceed $100,000.";

(3) redesignating subsections (2), (3), and (4) as subsections (3), (4), and (5), respectively; and

(4) in subsection (3), as redesignated by clause (3) of this section, striking out "disaster loss or".

NORMAL CROP ACREAGE

SEC. 6. Effective for the 1980 and 1981 crops, section 1001 of the Food and Agriculture Act of 1977 is amended to read as follows:

"NORMALLY PLANTED ACREAGE AND TARGET PRICES

"SEC. 1001. (a) Notwithstanding any other provision of law, effective for one or more of the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice, the Secretary of Agriculture may require, as a condition of eligibility for loans, purchases and payments under the Agricultural Act of 1949, that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary, adjusted as deemed necessary by the Secretary to be fair and equitable among producers. The acreage for any farm normally planted to crops designated by the Secretary shall be reduced by any set-aside or diverted acreage.

"(b) Notwithstanding any other provision of law—

"(1) Whenever the Secretary, for one or more of the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice, requires that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary in accordance with subsection (a) of this section, the Secretary may increase the established price for any such commodity by the amount the Secretary determines appropriate to compensate producers for not exceeding the acreage on the farm normally planted to crops designated by the Secretary and participation in any required set-aside with respect to such commodity.

"(2) In determining the amount of any increase in the established price for any commodity under this subsection, the Secretary shall take into account changes in the cost of production resulting from not exceeding the acreage on the farm normally planted to crops designated by the Secretary and participation in any required set-aside with respect to such commodity.

"(3) If the established price is increased for any commodity under this subsection, the Secretary may increase the established price for any other commodity in such amount as the Secretary determines necessary for effective operation of the program.

"(4) The Secretary shall adjust any increase in the established price under this subsection to reflect, in whole or in part, any land diversion payments for the commodity for which an increase is determined.

"(c) Notwithstanding any other provision of this section, producers of the 1980 crop of any commodity who exceed the acreage on the farm normally planted to crops designated by the Secretary may receive loans and purchases and, in the case of commodities for which there is an established price, payments based on the established price for the commodity as determined under the applicable provisions of the Agricultural Act of 1949 in effect on the date preceding the date of enactment of the Agricultural Adjustment Act of 1980.".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

THOMAS FOLEY,
E DE LA GARZA,
ED JONES,
DAWSON MATHIS,
DAVID R. BOWEN,
CHARLES ROSE,
RICHARD NOLAN,
ALVIN BALDUS,
BERKLEY BEDELL,
GLENN ENGLISH,
FLOYD J. FITHIAN,
IKE SKELTON,
THOMAS A. DASCHLE,
KENT HANCE,
CHARLES W. STENHOLM,
WILLIAM WAMPLER,
KEITH G. SEBELIUS,
PAUL FINDLEY,
JAMES JOHNSON,
TOM HAGEDORN,
E. THOMAS COLEMAN,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
WALTER D. HUDDLESTON,
EDWARD ZORINSKY,
JOHN MELCHER,
MILTON R. YOUNG,
ROBERT DOLE,
RUDY BOSCHWITZ,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3398) to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text. The committee of conference recommends a substitute for both the House bill and the Senate amendment.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below:

(1) INCREASES IN TARGET PRICES FOR THE 1979 CROPS OF WHEAT AND FEED GRAINS

The House bill (a) increases the 1979 target prices for wheat from $3.40 to $3.63 per bushel, and for corn from $2.20 to $2.35 per bushel, and (b) requires the Secretary of Agriculture to adjust the 1979 target prices for grain sorghums and barley to the levels the Secretary deems fair and reasonable in relation to corn.

The Senate amendment makes no change in the target prices for the 1979 crops of wheat and feed grains.

The Conference substitute deletes the House provision.

(2) INCREASES IN TARGET PRICES FOR THE 1980 AND 1981 CROPS OF FEED GRAINS

The Senate amendment (a) establishes $2.35 per bushel as the target price for the 1980 crop of corn, and (b) provides that the target price for the 1981 crop of corn shall not be less than $2.35 per bushel, adjusted upward to reflect such changes in the cost of producing corn as the Secretary finds necessary and appropriate for the purpose of establishing and maintaining a fair and equitable relationship among loan rates, target prices, and production costs for corn and competing commodities.

(Note.—The Senate amendment makes no change in existing law under which the target prices for grain sorghums and, if designated by the Secretary, oats and barley must be at such rates as the Secretary determines fair and reasonable in relation to corn.)

The House bill makes no change in the provisions of existing law under which the target prices for the 1980 and 1981 crops of feed grains are determined.

The Conference substitute adopts the Senate provision, with language to make clear that any adjustment in target prices for 1981 would be an upward adjustment from target prices for 1980.

(3) INCREASES IN TARGET PRICES FOR THE 1980 AND 1981 CROPS OF WHEAT

The Senate amendment (a) establishes $3.63 per bushel as the target price for the 1980 crop of wheat, and (b) provides that the target price for the 1981 crop of wheat shall not be less than $3.63 per bushel, adjusted upward to reflect such changes in the cost of producing wheat as the Secretary finds necessary and appropriate for the purpose of establishing and maintaining a fair and equitable relationship among loan rates, target prices, and production costs for wheat and competing commodities.

The House bill makes no change in the provisions of existing law under which the target prices for the 1980 and 1981 crops of wheat are determined.

The Conference substitute adopts the Senate provision, with language to make clear that any adjustment in the target price for 1981 would be an upward adjustment from the target price for 1980.

(4) EXTENSION OF DISASTER PAYMENT PROGRAMS FOR WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

The Senate amendment extends through the 1980 crop year the authority under which disaster payments are made to producers of wheat, feed grains, upland cotton, and rice who either are prevented from planting the commodity (or other nonconserving crops in lieu of the commodity) or suffer abnormal crop losses due to natural disasters or other conditions beyond their control.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(5) LIMITATIONS ON DISASTER PAYMENTS

(a) The Senate amendment provides that no person may receive annually more than $50,000 in disaster payments under the 1980 and 1981 wheat, feed grain, upland cotton, and rice programs.

The House bill contains no comparable provision.

(Note.—Under existing law, the total amount of payments that any person may receive annually under the 1980 and 1981 wheat, feed grain, upland cotton, and rice programs cannot exceed $50,000. However, disaster payments are excluded from the payment limitation.)

The Conference substitute adopts the Senate provision with an amendment to increase from $50,000 to $100,000 the annual limitation on disaster payments on the 1980 and 1981 crops of the listed commodities.

(b) The Senate amendment provides that no disaster payments may be made under the 1980 and 1981 wheat, feed grain, upland cotton, and rice programs to States, political subdivisions, or agencies thereof.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. Under existing law, which would be continued by the Conference substitute, the payment limitations are not applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

(6) NORMAL CROP ACREAGE

(a) The Senate amendment authorizes the Secretary—effective for one or more of the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice—to require, as a condition of eligibility for loans and payments on any commodity under the Agricultural Act of 1949, that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary, reduced by the amount of any set-aside or diverted acreage.

The House bill makes no change in existing law under which compliance with the normal crop acreage—as a condition of eligibility for price support through loans and payments on any commodity—may be required only when a set-aside is in effect.

The Conference substitute adopts the Senate provision with an amendment that makes loans and payments available to producers of the 1980 crop of price-supported commodities who exceed their normal crop acreage. Payments for such producers would be based, however, on target prices determined under current law.

The conferees have taken note of the fact that Alaska is rapidly increasing its production of agricultural commodities in an effort to establish an economically viable industry in the near future. As a result of the rapid increase in production on new lands, acreage histories either do not exist or are so minimal that they do not accurately reflect growing production. Because of these barriers, some farmers in Alaska are unable to participate to the same extent as farmers in other States in several farm programs.

Recognizing this, it is the desire of the conferees that the Secretary examine statutory and regulatory barriers that exist for Alaskan farmers and develop guidelines for these farmers to obtain acreage histories necessary for participation in the various agricultural programs.

The Secretary is also requested to submit recommendations to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry within 90 days after the date of enactment of the bill on accelerating procedures necessary to permit farmers in Alaska to participate in the same manner as farmers of other States where that participation is not feasible because of statutory barriers.

It is the intent of the conferees that the Alaskan farmer be given equal access to these programs, but not preferential treatment.

(b) The Senate amendment authorizes the Secretary, whenever the Secretary requires compliance with the normal crop acreage, to increase the target price for wheat, feed grains, upland cotton, or rice above what it would otherwise be by the amount the Secretary determines appropriate to compensate producers for participating in the program for the commodity and complying with any required set-aside with respect to that commodity.

The House bill makes no change in existing law under which the Secretary may increase the target price only when a set-aside is in effect for the respective commodity (with the increase in the amount the Secretary determines appropriate to compensate producers for participation in the set-aside).

The Conference substitute adopts the Senate provision.

(c) The Senate amendment provides that if the target price for wheat, feed grains, upland cotton, or rice is increased when compliance with the normal crop acreage for the respective commodity is required, the Secretary may increase the target price for any of the other commodities by an amount the Secretary determines necessary for the effective operation of the program.

The House bill makes no change in existing law under which the authority to adjust other target prices may be exercised only when an increase is made in the target price for a commodity for which a set-aside is in effect.

The Conference substitute adopts the Senate provision.

THOMAS FOLEY,
E DE LA GARZA,
ED JONES,
DAWSON MATHIS,
DAVID R. BOWEN,
CHARLES ROSE,
RICHARD NOLAN,
ALVIN BALDUS,
BERKLEY BEDELL,
GLENN ENGLISH,
FLOYD J. FITHIAN,
IKE SKELTON,
THOMAS A. DASCHLE,
KENT HANCE,
CHARLES W. STENHOLM,
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E. THOMAS COLEMAN,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
WALTER D. HUDDLESTON,
EDWARD ZORINSKY,
JOHN MELCHER,
MILTON R. YOUNG,
ROBERT DOLE,
RUDY BOSCHWITZ,
Managers on the Part of the Senate.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 5424, NATIONAL PUBLICATIONS ACT OF 1979

Mr. CAMPBELL. Mr. Speaker, I ask unanimous consent that my name be withdrawn from cosponsorship of H.R. 5424, the National Publications Act of 1979. While I verbally agreed to cosponsor H.R. 4572 as a vehicle for hearings on reorganizing the printing operations of the Federal Government. I disagree with the provisions of the subsequent bill, H.R. 5424, and my name was added as a cosponsor erroneously.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE REPORT ON H.R. 6152, PRODUCT LIABILITY RISK RETENTION ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tomorrow, Friday, February 29, 1980, to file its report on H.R. 6152, the Product Liability Risk Retention Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2313, FEDERAL TRADE COMMISSION IMPROVEMENTS ACT OF 1979

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PREFERENTIAL MOTION OFFERED BY MR. BROYHILL

Mr. BROYHILL. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. Broyhill moves that the managers on the part of the House at the conference on the disagreeing votes of the two houses on the bill H.R. 2313, the Federal Trade Commission Improvements Act of 1979, be instructed to insist on the language contained in Sec. 302, which states as follows:

CONGRESSIONAL REVIEW OF RULES

Sec. 302. (a) (1) The Federal Trade Commission, after promulgating a final rule, shall submit such final rule to the Congress for review in accordance with this section. Such rule shall be delivered to each House of Congress on the same debate and to each House of Congress while it is in session. Such rule shall be referred to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House, respectively.

(2) Any final rule which the Commission is required to submit to the Congress under paragraph (1) shall not become effective if—

(A) before the end of the period of 90 calendar days of continuous session after the date such final rule is submitted to the Congress, both Houses of the Congress adopt a concurrent resolution disapproving such final rule; or

(B) before the end of the period of 60 calendar days of continuous session after the date such final rule is submitted to the Congress, one House of the Congress adopts such a concurrent resolution and transmits such concurrent resolution to the other House, and such concurrent resolution is not disapproved by such other House (by the adoption of a resolution of disapproval) before the end of the period of 30 calendar days of continuous session after such transmittal.

(b) (1) If, at the end of 60 calendar days of continuous session of the Congress after the date on which a final rule is submitted to the Congress under subsection (a) (1), no committee of either House of the Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House had adopted such a resolution the rule may go into effect immediately.

(2) If, before the end of the 60-day period specified in paragraph (1), such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may take effect (at any time after the end of the period of 90 calendar days of continuous session of the Congress after such rule is submitted to the Congress) unless the rule is disapproved under subsection (a) (2).

(c) (1) If a final rule promulgated by the Commission is disapproved by the Congress under subsection (a) (2), then the Commission may promulgate a final rule which relates to the same acts or practices as the final rule disapproved by the Congress in accordance with this subsection. Such final rule—

(A) shall be based upon—

(i) the rulemaking record of the final rule disapproved by the Congress; or

(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

(B) may contain such changes as the Commission considers necessary or appropriate.

(2) The Commission, after promulgating a final rule under this subsection, shall submit the final rule to the Congress in accordance with subsection (a) (1).

(d) Congressional inaction on, or rejection of, a concurrent resolution of disapproval under this section shall not be construed as an expression of approval of the final rule involved.

(e) (1) The Librarian of Congress shall prepare a report which examines the review of Commission rules under this section. Such report shall—

(A) list the rules submitted to the Congress by the Commission during the period in which this section is in effect;

(B) list the rules disapproved by the Congress under subsection (a) (2);

(C) specify the number of instances in which the Commission promulgates a final rule in accordance with subsection (c); and

(D) include an analysis of any impact which the provisions of this section have had upon the decisionmaking and rulemaking processes of the Commission.

(2) The Librarian of Congress shall submit the report required in paragraph (1) to the Congress before the end of fiscal year 1982.

(f) (1) Any interested party may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this section. The district court immediately shall certify all questions of the constitutionality of this section to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(2) Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought not later than 20 days after the decision of the court of appeals.

(3) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under paragraph (1).

(g) (1) For purposes of this section—

(A) continuity of session is broken only by an adjournment sine die; and

(B) days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the periods specified in subsection (a) (2) and subsection (b).

(2) If an adjournment sine die of the Congress occurs after the Commission has submitted a final rule under subsection (a) (1) but such adjournment occurs—

(A) before the end of the period specified in subsection (a) (2) (A); and

(B) before any action necessary to disapprove the final rule is completed under subsection (a) (2);

then the Commission shall be required to resubmit the final rule involved at the beginning of the next regular session of the Congress. The period specified in subsection (a) (2) (A) shall begin on the date of such resubmission.

(h) For purposes of this section:

(1) The term 'Commission" means the Federal Trade Commission.

(2) The term "concurrent resolution" means a concurrent resolution the matter after the resolving clause of which is as follows: "That the Congress disapproves the rule prescribed by the Federal Trade Commission dealing with the matter of which rule was transmitted to the Congress on .". The blank spaces shall be appropriately filled.

(3) The term "rule" means any rule promulgated by the Commission pursuant to section 18(a) (1) (B) of the Federal Trade Commission Act (15 U.S.C. 57a(a) (1) (B)).

(i) (1) Except as provided in paragraph (2), the provisions of this section shall take effect on October 1, 1979, and shall cease to have any force or effect after September 30, 1982.

(2) Any action instituted under subsection (f) shall not be affected by the operation of paragraph (1).

Mr. BROYHILL (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. Broyhill) is recognized for 1 hour.

Mr. BROYHILL. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, this preferential motion is offered to insist that the House conferees, who are about to be appointed in just a few moments, go to conference and insist upon the amendment which is contained in the House bill that provides for a legislative review and veto procedure over Federal Trade Commission trade rules.

Mr. Speaker, we have been without a Federal Trade Authorization now for three Congresses, and this amendment is really at the heart of one of the reasons why we have not authorized appropriations to continue the operation of the Federal Trade Commission for sometime, because in the past the House has been insisting that this legislative and review and veto procedure be put into place.

The last time that we went to conference the House conferees did not agree to it, and we came back, and, of course, the House, because it did insist that we have this procedure included, defeated the conference report.

It is important that we give the conferees some clear instructions as to the House position on this issue, and that is why it is important that the Members support this motion that the gentleman from Georgia (Mr. Levitas) and I have been working on for so long and so hard.

Mr. Speaker, I now yield 1 minute to the gentleman from West Virginia (Mr. Staggers), the chairman of the committee, for purposes of debate only.

Mr. STAGGERS. Mr. Speaker, I thank the gentleman for his generosity. I do not know whether I can say what I have to say in 1 minute or not.

Mr. BROYHILL. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Speaker, I thank the gentleman. He is very generous, as usual.

The gentleman from North Carolina (Mr. BROYHILL) is a very able Member of the House. He is a very capable member of the Committee on Interstate and Foreign Commerce and has been most helpful to me during all the years that I have served as chairman. I have no controversy with his intelligence, his integrity, and his intentions, but I must take strong exception to his motion to instruct the conferees on this very important provision of the bill. The one-house legislative veto provision was included in this legislation when it was reported by the Interstate and Foreign Commerce Committee and also as it passed the House. Therefore, the House conferees are morally committed to support its retention in conference and they should be trusted to do so.

The motion by the gentleman from North Carolina (Mr. BROYHILL) is completely redundant and unnecessary.

Mr. BROYHILL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I had not asked for this time, but I am glad to have it.

Mr. BROYHILL. Mr. Speaker, I thought the gentleman had asked for some time.

Mr. ECKHARDT. Mr. Speaker, I had not asked for it, but I would say this: That I assure the gentleman that I am not on the conference committee, but when I was on the conference committee, and was chairman of the subcommittee, as is the gentleman from Georgia (Mr. LEVITAS), I assured this body that I worked hard to get the House position passed even though I personally opposed it.

□ 1650

I can certainly well understand the position of the chairman of the conference in saying that it is something of a personal affront to instruct him to do that which the House has said ought to be done.

It did not do any good to instruct the last time. We did everything we could for the bill. It will not change the result. It is redundant, and it is, in my opinion, extremely improvident. Every time I have ever seen a conference instructed, it was a situation in which the conferees were trying to get off of the reservation. These conferees are not. The majority of them are for the bill.

Mr. BROYHILL. Mr. Speaker, I would like to correct the record, of course. The House voted overwhelmingly in the last Congress to adopt this procedure, and the House conferees proceeded to drop it in conference for a provision that is nothing more than present law.

Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LEVITAS) for the purpose of debate only.

Mr. LEVITAS. Mr. Speaker, I rise in support of the motion offered by the gentleman from North Carolina, and I would like to make it clear that it is no reflection either upon the integrity or the perseverance of the chairman of the Committee on Interstate and Foreign Commerce but, rather, I think this should be viewed as equipping the conferees with another arrow in their quiver to protect and defend the House position on this matter.

I believe that the managers on the part of the Senate are up to mischief. They will attempt to get the House to take a position which is no legislative veto, which has not been the consensus of this House on numerous occasions. I think we will be supporting the efforts of our conferees when they go to conference, to make certain at this time, when the House gets the conference report, it will contain a legislative veto. I urge the support of the conference and the motion offered by the gentleman from North Carolina (Mr. BROYHILL).

● Mr. ABDNOR. Mr. Speaker, I rise to associate myself with the remarks of my distinguished colleagues from North Carolina and Georgia in support of the motion reaffirming the need for a legislative veto over newly proposed FTC regulations.

Unnecessary regulatory requirements are devastating this Nation and it is evident that no agency has been more controversial in its actions than the Federal Trade Commission.

The FTC continually exceeds the scope of congressional intent and it is time that Congress acts to restrain this arm of the Federal bureaucracy.

I ask unanimous consent to revise and extend my remarks.●

GENERAL LEAVE

Mr. BROYHILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material on my motion to instruct conferees.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BROYHILL. Mr. Speaker, I move the previous question on the motion to instruct.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to instruct.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROYHILL. Mr. Speaker, I object to the vote on a ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 257, nays 115, not voting 61, as follows:

[Roll No. 107]

YEAS—257

Abdnor
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Bafalis
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Blanchard
Boner
Bonker
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flippo
Ford, Tenn.
Forsythe
Fowler
Frenzel
Gephardt
Gilman
Gingrich
Ginn
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKay
McKinney
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Panetta
Paul
Perkins
Petri
Pickle
Porter
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.

NAYS—115

Akaka
Ambro
Annunzio
Ashley
Aspin
Bailey
Barnes
Bedell
Beilenson
Bingham
Boggs
Boland
Bolling
Bonior
Brademas
Brodhead
Brooks
Burlison
Burton, John
Chisholm
Clay
Coelho
Corman
Danielson
Dellums
Dixon
Downey
Drinan
Duncan, Oreg.
Eckhardt

Edgar
Edwards, Calif.
Fary
Fascell
Fazio
Ferraro
Fisher
Florio
Foley
Ford, Mich.
Garcia
Gaydos
Gibbons
Glickman
Gonzalez
Gray
Green
Hall, Ohio
Harkin
Harris
Heckler
Heftel
Howard
Jeffords
Kastenmeier
Kostmayer
LaFalce
Lederer
Lehman
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
Maguire
Markey
Mavroules
Miller, Calif.
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murtha
Myers, Pa.
Nedzi
Nolan
Obey
Ottinger
Patten
Pease
Preyer
Price
Rangel
Reuss
Richmond
Rostenkowski
Roybal
Sabo
Seiberling
Shannon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stark
Steed
Stokes
Studds
Swift
Van Deerlin
Vento
Walgren
Waxman
Weiss
Wirth
Wolff
Yates
Zablocki

NOT VOTING—61

Addabbo
Alexander
Anderson, Ill.
Badham
Bereuter
Biaggi
Brown, Calif.
Burgener
Burton, Phillip
Clausen
Collins, Ill.
Conyers
Crane, Philip
Davis, S.C.
de la Garza
Diggs
Dingell
Early
Edwards, Ala.
Fountain
Frost
Fuqua
Giaimo
Goldwater
Hawkins
Holtzman
Jones, N.C.
Kelly
Leach, La.
Leland
Madigan
Matsui
Mikulski
Minish
Murphy, Ill.
Murphy, N.Y.
Pashayan
Patterson
Pepper
Peyser
Ratchford
Roberts
Rodino
Roe
Rosenthal
Satterfield
Scheuer
Shumway
Simon
Stewart
Symms
Thompson
Treen
Udall
Ullman
Vander Jagt
Vanik
Weaver
Whitten
Wilson, C. H.
Zeferetti

□ 1710

The Clerk announced the following pairs:

On this vote:

Mr. Fountain for, with Mr. Addabbo against.

Mr. Bereuter for, with Mr. Pepper against.

Mr. Pashayan for, with Mr. Rodino against.

Mr. Vander Jagt for, with Mr. Diggs against.

Mr. Symms for, with Mr. Conyers against.

Mr. Burgener for, with Mrs. Collins of Illinois against.

Mr. Badham for, with Mr. Vanik against.

Mr. Madigan for, with Mr. Hawkins against.

Until further notice:

Mr. Biaggi with Mr. Anderson of Illinois.

Mr. Dingell with Mr. Clausen.

Mr. Fuqua with Mr. Philip M. Crane.

Mr. Minish with Mr. Edwards of Alabama.

Mr. Murphy of New York with Mr. Kelly.

Mr. Weaver with Mr. Goldwater.

Mr. Stewart with Mr. Shumway.

Mr. Thompson with Mr. Satterfield.

Mr. Scheuer with Mr. Roe.

Mr. Ratchford with Mr. Udall.

Mr. Roberts with Mr. Whitten.

Mr. Rosenthal with Mr. Ullman.

Mr. Leland with Mr. Giaimo.

Ms. Mikulski with Ms. Holtzman.

Mr. Matsui with Mr. Jones of North Carolina.

Mr. Leach of Louisiana with Mr. Murphy of Illinois.

Mr. Patterson with Mr. Peyser.

Mr. Alexander with Mr. Brown of California.

Mr. Phillip Burton with Mr. Davis of South Carolina.

Mr. de la Garza with Mr. Early.

Mr. Frost with Mr. Zeferetti.

Mr. RANGEL changed his vote from "yea" to "nay."

Mr. MARLENEE changed his vote from "nay" to "yea."

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. STAGGERS, SCHEUER, PREYER, OTTINGER, SATTERFIELD, LUKEN, BROYHILL, RINALDO, and DEVINE.

In addition, Mr. RUSSO solely for consideration of section 305 of the House bill and modifications committed to conference.

There was no objection.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material with respect to the funding resolutions earlier agreed to today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4973

(Mr. BUCHANAN asked and was given permission to revise and extend his remarks.)

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 4973 (a bill to impose penalties with respect to certain nondisclosure by business entities as to dangerous products). I cosponsored H.R. 4973 because of my agreement with the thrust of the legislation and its intention to make felonious the deliberate withholding of information that could result in the injury or death of other people.

Looking at all the ramifications in terms of additional burdens placed on executives who have been guilty of no wrong doing, I have decided that this bill is not the proper instrument to deal with questions raised by such issues as the asbestos and the Ford Pinto cases.

If the committee proceeds with this legislation, I hope it will take a careful look at the provisions of the proposed bill and insure that they do not impose onerous and undue burdens upon innocent people in an attempt to move against the guilty.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

RESIGNATION AS MEMBER OF JOINT COMMITTEE ON LIBRARIES

The SPEAKER pro tempore laid before the House the following resignation as member of Joint Committee on the Library:

WASHINGTON, D.C.,
February 26, 1980.

HON. THOMAS P. O'NEILL,
Speaker of the House,
H209 Capitol.

DEAR MR. SPEAKER: This letter will serve as my official notice that I shall hereby resign my position on the Joint Committee on Libraries.

Yours very truly,

BILL FRENZEL,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBER OF JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. RHODES. Mr. Speaker, I send to the Speaker's desk a privileged resolution (H. Res. 587) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 587

Resolved, That NEWT GINGRICH, of Georgia, be, and he is hereby elected a member of the Joint Committee of Congress on the Library.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6291, EXTENDING AND INCREASING CERTAIN AGRICULTURAL LOAN PROGRAMS

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. 96–790), on the resolution (H. Res. 589) providing for consideration of H.R. 6291, to amend the Emergency Agricultural Credit Adjustment Act of 1978 and the Commodity Credit Corporation Charter Act to extend and increase certain agricultural loan programs, and for other purposes, which was referred to the House calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 3829, INTERNATIONAL DEVELOPMENT BANKS AUTHORIZATIONS

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 276 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3829) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. Derrick) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. Latta) for purposes of debate only, pending which I yield myself such time as I may consume, and ask unanimous consent to revise and extend my remarks.

Mr. Speaker, House Resolution 276 provides for the consideration of H.R. 3829 to increase U.S. participation in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

This is an open rule granting 1 hour of general debate on the bill. The time is to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking, Finance and Urban Affairs. There are no waivers of points of order. Upon conclusion of the consideration of the bill, a motion to recommit is in order.

H.R. 3829 authorizes $4 billion to cover the U.S. share of financing necessary to sustain the lending operations of the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund over the next 4 years. The authorizations provided in H.R. 3829 represent a lower percentage contribution than in previous years.

Of the $4 billion authorized in the bill, $2.5 billion is for callable capital subscriptions which do not entail budgetary outlays and for which there has been a call by any of these institutions. A $1.5 billion is for paid-in capital subscriptions and concessional funding which will result in budgetary outlays over the next 8 to 10 years.

Mr. Speaker, the multilateral banks have encouraged effective development programs and have provided new markets for U.S. businesses. I urge my colleagues to adopt House Resolution 276 so that we may proceed to the consideration of this important legislation.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statements just made on this rule.

Mr. Speaker, this rule provides for the consideration of H.R. 3829, to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The rule itself is a straight 1 hour open rule. The only unusual feature is that the rule provides that the bill will be read for amendment by titles instead of by sections.

This bill authorizes a total of $3,449 billion for the Inter-American Development Bank, $445 million for the Asian Development Bank, and $125 million for the African Development Fund.

The total amount authorized in the bill is $4,019 billion. The bill is in line with the assumptions contained in the second concurrent budget resolution.

Mr. Speaker, the Committee on Banking, Finance and Urban Affairs reported this bill on May 10, 1979. The vote in committee was 32 to 9.

The Rules Committee reported the rule by a vote of 8–4 on May 16, 1979.

Mr. Speaker, there are dissenting views in the report of the Committee on Banking, Finance and Urban Affairs signed by eight members. These members question why the United States should contribute any taxpayers' dollars to Laos or Vietnam. They point out that the U.S. Executive Director voted in opposition to loans to these countries, but the loans were made anyway.

Mr. Speaker, these are legitimate concerns which should be addressed during the debate on this bill.

● Mr. PAUL. Mr. Speaker, I did not intend to say anything about this bill until my office received a call from a Dr. Don Sherk at the Treasury Department about it. Dr. Sherk, whose telephone number is 566–2173, opened the conversation, a conversation he had initiated, by asking my legislative assistant whether "the Congressman" had taken a look at the bill. My assistant informed Dr. Sherk that indeed I had; in fact, I had filed dissenting views on the bill when it came out of the House Banking Committee. Dr. Sherk was unaware of this, but indicated that he would take a look at them.

Then without any prompting from my assistant, Dr. Sherk proceeded to try to "turn this around," to use his phraseology. What this meant is that this Dr. Sherk proceeded to give my assistant figures allegedly showing how much Texas banks and businesses have profited and stand to profit if this bill goes through. At that point my assistant asked Dr. Sherk whether I was the only Member whose office was being called on this bill, or whether other officers were being called. Dr. Sherk replied that I was not alone, but that he had called and would be calling other Members.

At that, my assistant asked Dr. Sherk whether he understood that what he was doing was illegal. This surprised the doctor, and he maintained that he was simply educating us about the bill, not lobbying for it. I strongly disagree. This administration repeatedly has violated the law by lobbying Members of Congress, and I am tired of it. I think some action should be taken by the Congress to stop this illegal diversion of the taxpayers' funds.

The bill extract follows:

Section 1913—Lobbying With Appropriated Moneys

No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment.

June 25, 1948, c. 645, 62 Stat. 792.●

Mr. LATTA. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OFFERING CONGRATULATIONS OF HOUSE OF REPRESENTATIVES TO WINTER OLYMPIC ATHLETES

Mr. MICHEL. Mr. Speaker, I send to the Speaker's desk a resolution (H. Res. 588), and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois (Mr. Michel)?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 588

Whereas the XIII winter Olympic games in Lake Placid, New York, have been successfully completed; and

Whereas hundreds of amateur athletes from all over the United States and the world took part in those games in the best tradition of the Olympics and of good sportsmanship; and

Whereas American athletes as a result of extensive training and sacrifice won more medals than any United States winter Olympic team in nearly 50 years; and

Whereas the games accomplished the fundamental principles of the Olympic movement, including the aim to "educate young people through sport in a spirit of better understanding between each other, and of friendship, thereby helping to build a better and more peaceful world"; Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that it extend its hearty congratulations to the members of the 1980 United States winter Olympic team, its coaches and officials for a job well done; and recognize the International Olympic Committee, the United States Olympic Committee, the Lake Placid Olympic Organizing Committee, and the people of the Lake Placid area for their successful efforts in organizing and producing the XIII winter Olympic games.

☐ 1720

The SPEAKER pro tempore. The gentleman from Illinois (Mr. Michel) is recognized for 1 hour.

Mr. MICHEL. Mr. Speaker, this is the identical language which passed the other body, and I think it only fitting and proper that the House of Representatives join with the other body in extending our hearty congratulations to not only the medal winners in the Olympics, but all those who participated, particularly the team who sacrificed so much over a given period of time to make the great showing they did.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from New York (Mr. McEwen) in whose home district the winter Olympics were held.

Mr. McEWEN. I thank the gentleman from Illinois for yielding. I want to thank him also for introducing this resolution.

Mr. Speaker, I know the tens of thousands who viewed these games in Lake Placid and the tens of millions in this country and all across the globe who viewed it by television know that this resolution is quite correct in commending the way these games were conducted. I think, Mr. Speaker, if it is proper to single out one event, the winning of the gold medal by the U.S. Olympic hockey team was undoubtedly one of the greatest uplifts this country has had probably since we landed our men on the moon. I was privileged to be there and am happy to say, Mr. Speaker, today I have recovered my voice after yelling my lungs out along with 10,000 other people when those 20 wonderful young men won that gold medal for these United States.

Again, I thank the gentleman from Illinois for putting forth this resolution.

Mr. MICHEL. I thank the gentleman for his very appropriate remarks.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS SERGEANT AT ARMS OF HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following resignation as Sergeant at Arms, U.S. House of Representatives:

WASHINGTON, D.C.,
February 28, 1980.

HON. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: It is with deep personal regret that I submit herewith my resignation as Sergeant at Arms, U.S. House of Representatives, effective at the close of business February 29, 1980.

The decision to resign at this time has been most difficult, and it is done with a feeling of sincere appreciation for having had the privilege of serving the House for more than thirty years.

My thanks to you, Mr. Speaker, to all Members, and to my fellow employees for the many personal courtesies and acts of assistance that have enabled me to perform my assigned duties.

With kind personal regards, I remain,

Sincerely,

KENNETH R. HARDING,
Sergeant at Arms.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION OF KENNETH R. HARDING AS SERGEANT AT ARMS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, the resignation of our excellent Sergeant at Arms, Kenneth Harding, comes as much of a surprise, I suppose, to me as to anyone around here. I sense the quiet in this Chamber as this announcement has been made, and appropriately so, because Ken has been a part of this operation for a long time, and he has rendered splendid service to our country and to this House in particular.

On behalf of the leadership, I want to state formally that we all have profited and enjoyed knowing Ken. He has been a very important part of the operation of the House. We are going to miss him in the performance of his duties, but he is going to remain with us in our hearts. We wish him very well in whatever his future holds for him. Thank you, Ken.

Mr. McKAY. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Utah.

Mr. McKAY. Mr. Speaker, in light of what the gentleman has been saying, Ken Harding has played a very major role in my life in being here. It was about 10 years ago that he and some others made a telephone call that put me in a meeting at 11 o'clock at night at the University Club Building in Salt Lake City to twist my arm to run for Congress. There is a long story which I will not delineate at this point, but he was one of the guilty parties to put the pressure on me. About money, he did not offer too much. So I am not sure how much we are talking about there in money, but he is a great guy, and he has been supportive of our institution and is a credit to it. I just wish him well in his future ventures.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding. I surely want to say the concern, or at least the shock with which the gentleman from California expressed his dismay over the resignation of Ken Harding, also struck this gentleman from Illinois, for Ken Harding and I have been around on the Hill for about the same number of years. While he has always been a member of the majority party and served it well, we consider over here on the minority side of the aisle that he has also been a very good friend of the minority. There are many of those tasks that the Sergeant at Arms has to perform for the House by way of security, taking care of some of those things for which the Sergeant at Arms is charged, particularly those occasions when Members of this body have passed on and funeral arrangements were made, and entourages would have to be assembled, Ken has always acquitted himself well and done it with honor and credit to this body. We do owe him a great debt of gratitude for his many years of devoted service. I am just sorry to see him depart at this juncture, but recognize there are those other opportunities out beyond this body. In whatever his pursuits, certainly we wish him all the best from this side of the aisle.

Mr. DANIELSON. I thank the distinguished acting minority leader for his contribution.

Mr. HALL of Texas. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I am happy to yield to the gentleman from Texas.

Mr. HALL of Texas. Mr. Speaker, I only heard about this today. I was shocked to hear it. I know he is doing what is best, and I can think of just a short 4 years ago when I came to this body and he is the first man that I met. I have appreciated him immensely since that time. I know that the future will be bright for him and, Ken, you will always have a place in this body.

Mr. NOLAN. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Minnesota.

Mr. NOLAN. Mr. Speaker, I, too, want to say Ken's leaving this Chamber is a disappointment I know for all of the Members. He has served us all as individuals and as an institution so ably and so unselfishly. His service has been just an enormous credit and an asset to this institution. Your leaving us, while a source of great disappointment for us, is something I, for one, want to say I am happy for you about personally because I know that in leaving this institution you will have many more hours and time and a lot more energy to devote to your personal life and your private interests. I just want to say that while we will miss you, I also want to say we are happy for you and want to wish you all of the success and happiness that life has to offer in the many years that I am sure will flow from this decision you have made.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I am happy to yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, I want to join my distinguished colleagues who have made the earlier remarks about our beloved friend Ken Harding, and to wish him well and add my own appreciation for his long, splendid career of public service.

Mr. CAVANAUGH. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Speaker, I thank the gentleman for yielding. I am pleased that I also am here I see with my colleague from Minnesota (Mr. NOLAN) who is also leaving the Congress, and I am also leaving the Congress. We are simply following the example of a man that I have admired while being a Member of the Congress, and I have had the pleasure to get to know Ken well. I would expect that one of the motivations and one of the great rewards that Ken will enjoy when he leaves here is to have the opportunity to spend more time with his beautiful and lovely wife, who I have also enjoyed the company of when we traveled to the Middle East together, and the memory of that and the association will be with me forever. Ken, I wish you the greatest of luck in whatever you do. You have rendered a great service to the Congress and to the people of this country through your service to this institution. I think you deserve the thanks not only of the Congress but of all of the American people, and the best wishes for your future success and happiness.

□ 1730

Mr. DANIELSON. Mr. Speaker, I thank the gentleman from Nebraska.

Ken, we all thank you and we wish you good luck and Godspeed.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks with respect to the resignation of Sergeant at Arms Kenneth Harding.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE OF APPOINTMENT OF ACTING SERGEANT AT ARMS

The SPEAKER pro tempore. Pursuant to the provisions of the Legislative Reorganization Act of 1946, as amended by Public Law 197 of the 83d Congress, the Chair announces that today the Speaker has appointed, effective March 1, 1980, Benjamin J. Guthrie, of Virginia, to act as and to exercise temporarily the duties of Sergeant at Arms of the House of Representatives.

Without objection, the Chair will now administer the oath.

There was no objection.

The SPEAKER pro tempore. Will the appointee please come to the well of the House and take the oath of office.

Mr. Benjamin J. Guthrie appeared at the bar of the House and took the oath of office.

The SPEAKER pro tempore. The gentleman is the Sergeant at Arms, Acting, of the House.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. AIR FORCE ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 10 U.S.C. 9355(a) the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Air Force Academy the following Members on the part of the House. Mr. BURLISON, of Missouri; Mr. WIRTH, of Colorado; Mr. ROBINSON, of Virginia; Mr. KRAMER, of Colorado.

There was no objection.

APPOINTMENT AS MEMBERS OF THE BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of section 194(a), title 14, of the United States Code, the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following members on the part of the House: Mr. DODD, of Connecticut; Mr. MCKINNEY, of Connecticut.

There was no objection.

APPOINTMENT AS MEMBERS OF THE BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 46 U.S.C. 1126c, the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following members on the part of the House: Mr. WOLFF, of New York; Mr. WYDLER, of New York.

There was no objection.

APPOINTMENT AS MEMBERS OF THE BOARD OF VISITORS TO U.S. MILITARY ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 10 U.S.C. 4355(a), the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Military Academy the following members on the part of the House: Mr. MURPHY of New York; Mr. LONG of Maryland; Mr. CONTE, of Massachusetts; Mr. GILMAN, of New York.

There was no objection.

APPOINTMENT AS MEMBERS OF THE BOARD OF VISITORS TO U.S. NAVAL ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 10 U.S.C. 6968(a), the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Naval Academy the following members on the part of the House: Mrs. SPELLMAN, of Maryland; Mr. GINN, of Georgia; Mr. KEMP, of New York; Mrs. HOLT, of Maryland.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I rise for the purpose of inquiring of the acting majority leader the program for next week.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, the program for the House of Representatives for the week of March 3, 1980, is as follows:

On Monday, March 3, the House will meet at noon.

The Consent Calendar will be called.

On the Suspension Calendar there will be five bills. Votes on Suspensions will be postponed until the end of all Suspensions.

They are as follows:

H.J. Res. 414, National Bicycling Day;

H.J. Res. 445, Cystic Fibrosis Week;

H.J. Res. 463, National Diabetes Week;

H.R. 4960, gold medal for Jerry Speiss; and

H.R. 5548, gold medal for Simon Wiesenthal.

On Tuesday, March 4, the House will meet at noon. The Private Calendar will be called. The Suspension Calendar has no bills presently scheduled.

The House will consider two conference reports:

Conference report on S. 643, Refugee Act of 1979,

Conference report on H.R. 3398, Agriculture Adjustment Act of 1979.

The House will then consider H.R. 6291, extend and increase certain agricultural loan programs, to be brought up under an open rule, with 1 hour of general debate.

On Wednesday, March 5, the House will meet at 3 p.m. and consider:

H.R. 3829, International Development Banks authorization, to be brought up under an open rule, with 1 hour of debate, the rule already adopted.

H.R. 6029, provide implementation of the 1977 International Sugar Agreement, subject to a rule being granted.

On Thursday and Friday, March 6 and 7, the House will meet at 11 a.m. and consider:

H.R. 6152, Risk Retention Act, subject to a rule being granted.

H.R. 5961, Drug Traffic Act, subject to a rule being granted.

The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday. Conference reports may be brought up at any time and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, would the gentleman tell us whether or not there is any consideration being given to putting over the votes on Monday until Tuesday? None of these bills appear to be of major importance though I am sure they have some importance. There is a way on Monday, sometimes, when that power is not used, of votes developing. Of course the gentleman from Maryland will be here.

Mr. DANIELSON. Will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. DANIELSON. We are always pleased to acknowledge the fact that the gentleman from Maryland will be here.

Mr. Speaker, it is my understanding one of the purposes is that with a good attendance it will be more possible for the committees to function and that is one of the inducements for the record votes on Monday. Beyond that, Mr. Speaker, I have no specific information which I can give to assist the gentleman from Maryland.

Mr. BAUMAN. If the gentleman will yield further, can the gentleman tell us when we might expect the conference report on the foreign aid appropriations?

Mr. DANIELSON. If the gentleman will yield, I have no information on when the conference report on the bill just mentioned will be returned.

Mr. BAUMAN. Mr. Speaker, I wish the gentleman a happy weekend.

Mr. DANIELSON. If the gentleman will yield, I thank the gentleman from Maryland for his good wishes.

Mr. MICHEL. Mr. Speaker, I will make the observation that I think the minority leader had inquired of the possibility of those votes being put over and as the gentleman from California expressed, it was thought there were reasons for Members to be here for committee sessions and for that reason that Members ought to plan on voting possibly several times on Monday. I think that is understood by this Member.

I have one further question of the gentleman. Has the gentleman any intelligence as to whether or not there is a likelihood of washing out the Friday session as we are doing this week?

Mr. DANIELSON. Does the gentleman refer to the coming week?

Mr. MICHEL. Yes, I do, Mr. Speaker.

Mr. DANIELSON. I have no specific information. The gentleman did hear the program being read indicating that on Thursday and Friday there are presently two bills scheduled for hearing.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

ADJOURNMENT FROM THURSDAY, FEBRUARY 28, 1980, OVER TO MONDAY, MARCH 3, 1980

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it stands adjourned until 12 o'clock noon Monday, March 3, 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that proceedings in order under the Calendar Wednesday rule on Wednesday next be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE 1980'S: A DECADE OF TRIAL, A DECADE OF OPPORTUNITY FOR LATIN AMERICA

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, we seldom hear a prominent international banker talk about rural development, health and sanitation, education, and the need for the political will to carry out social and economic reforms which can bring an opportunity for a decent life to millions of poor and unemployed people.

One of those rare occasions was a speech delivered this Tuesday before the National Press Club in Washington, D.C., by the President of the Inter-American Development Bank, Mr. Antonio Ortiz Mena. While I did not have the opportunity to attend the NPC luncheon at which the speech was delivered, I have since read the text and I was impressed by some of the thoughts it contained.

Without mincing words, Mr. Ortiz Mena describes the decade of the 1980's as the decade of trial for Latin America and for other regions of the world, as well. He underlined the profound changes taking place today in the international economy, with inflation, unemployment, an unstable international monetary system, lower rates of growth, rising prices of energy, and potential scarcity of various important minerals. These changes, he said, call for a fundamental reappraisal of many assumptions which have guided international economic policies for several decades—but they also present us with opportunities for improving the international economic environment and placing it on a more solid footing. Mr. Ortiz Mena acknowledged the impressive strides made by Latin America during the past 20 years in terms of economic growth and the extension of social services to millions of people who never before had access to them.

At the same time, however, he pointed out that glaring inequalities continue to exist within the region, that tens of millions of people continue to live at the edge of subsistence, that Latin America—which used to export surplus food—today has to import large quantities of it to feed its people, and that many of the Latin American countries are going ever deeper into debt paying for oil imports while the region, potentially, has the capacity to produce sufficient energy not only for its own needs but also for export to other countries.

These are troublesome paradoxes. Mr. Ortiz Mena views them as an opportunity for Latin America to build more equitable, just and democratic societies south of our borders. And he outlined his prescription for accomplishing that goal.

Foremost, he said, is the need for the political will to carry out fundamental reforms in agriculture and some other vital areas, larger flow of foreign investment and public financing to develop the region's resources, and a rational expansion of the region's industrial production and exports.

To support constructive change in Latin America, he added, the United States and other industrial countries should also reexamine some of our current notions and recognize that Latin America's progress will help to strengthen the international economy and bring significant economic dividends to the industrial countries. If we accept that reasoning, then changes in some of our attitudes—particularly with respect to the flow of international public financing to Latin America—would be helpful.

These highlights do not attempt to cover all of the issues raised by Mr. Ortiz Mena. I feel that his entire speech warrants careful attention. But I thought that the points which I have highlighted merit particular consideration.

And I agree with Mr. Ortiz Mena that all of us in this hemisphere should view the challenge of the nineteen eighties as an opportunity to create a better, more equitable and more stable world.

I want to commend the president of the Inter-American Development Bank for raising these issues and for giving us the benefit of his many years of experience of working in international finance and development.

CONTROLS WORK "ABOUT AS WELL AS PROHIBITION," SAYS COLUMNIST

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, there is growing clamor among economic "experts" for the imposition of wage and price controls on the economy. Aside from the fact that we tried and failed, there are fundamental reasons why controls cannot work.

Foremost among these is the fact that the administration continues to view inflation as a psychological rather than a budgetary problem. If we can just lower people's inflationary "expectations," they say, we will have the problem well in hand. This approach underestimates the intelligence of the American people, who have concluded quite rightly that the Government and its experts do not know how to control inflation, and minus any visible attempt by the administration to control Government spending, people will continue to protect their interest by spending their money while it is still worth something.

The second delusion held by the administration is that nothing can be done about inflation as long as we are importing foreign oil. This ignores the fact, as pointed out by George Will in the Washington Post this morning, that there are 13 industrial nations which are more dependent on foreign oil than the United States—and 11 of them have a lower inflation rate. Japan and West Germany, for example, both get over 95 percent of their oil from OPEC, but their inflation rates are 4.2 and 5.7 percent, respectively.

The problem in the United States, where inflation is now raging at an 18-percent annual rate, is both more fundamental in nature and simpler to cure than the administration cares to admit; we must reduce excessive Government spending.

The administration and its experts are still trying to deal with the symptoms rather than the disease; they are prescribing compresses where surgery is needed.

. . . About as Well as Prohibition

(By George F. Will)

A characteristically American chorus is clamoring for the government to do to inflation what it once did to booze: "Outlaw it!" That is, enact wage and price controls. But controls are a tiger hard to climb off—or on.

The powers President Nixon used expired long ago, and if President Carter seeks similar powers, he will ignite an explosion of preemptive wage and price increases. And an army of interest groups will climb Capitol Hill to negotiate their special treatment. The resulting law will be biblical (in thickness, that is).

Controls are supposed to "break" the public's "inflationary expectations." But today such expectations are rational. Rational because no effective attack on inflation will come from those who believe that inflation is a psychological problem—a matter of "expectations." Rational because inflation must be made worse by Carter's policy of blaming OPEC while busting the budget.

Thirteen industrial nations are more dependent than the United States is on OPEC oil, and 11 have lower inflation. Japan gets 99.8 percent of its oil from OPEC and has 4.2 percent inflation. West Germany: oil 96.8 percent, inflation 5.7 percent. Belgium: oil 100 percent, inflation 5.1 percent. United States: oil 46.8 percent, inflation (the annual rate in January) 18 percent.

By September, Carter will have presided over three fiscal years involving at least $130 billion in deficits. Yet in fiscal year 1981, federal taxes will consume 21.6 percent of gross national product, almost at the all-time high of 22 percent in 1944, during full war mobilization. Carter's tax take is the real moral equivalent of war.

After one month in office, Carter revised President Ford's projected budget authority for FY 1977 and 1978 upward by $55 billion. Since then, the inflation rate has nearly quadrupled. The collapse of the bond market, a result of soaring interest rates, will turn corporations seeking capital toward bank loans. That may drive the prime rate toward 20 percent. Federal and federally guaranteed borrowing will top $100 billion in FY 1981, crowding some private borrowers out of the market.

The problem isn't the public's "expectations." The problem is that in the fiscal year ending this September, federal outlays will increase at a rate exceeded only once in the last quarter-century—in 1967, when the Vietnam War and Great Society programs were growing simultaneously. Furthermore, the administration's expectations are changing—fast. In January 1979, it projected FY 1984 outlays at $674 billion. Just 12 months later, it raised the projection to $839 billion—a jump of $165 billion.

Paul Volcker, chairman of the Federal Reserve Board, was undersecretary of the Treasury in 1971 and urged Nixon to impose a wage-price freeze. Now Volcker says controls are "a substitute for dealing with the problem." That is precisely what recommends them to elected officials.

Dealing with the problem would mean dealing with the budget, which would mean cutting it while increasing defense spending. That would mean pain, and that means it probably won't happen. Look, instead, for the public to get what it sort of wants: controls.

These are difficult days for leaders who worship at the altar of public opinion. The public is calling, simultaneously, for an attack on "big government" and for government to take a big bite from freedom by seizing from private individuals and groups the right to price labor, goods and services. Business Week magazine, which has been known to take a dim view of the government's competence, goes further, calling for controls, gasoline rationing and a "windfall profits" tax on banks.

Republicans believe that Carter has risen in the polls on the steppingstones of foreign policy disasters in Iran and Afghanistan, and they expect that this summer he will switch to emphasizing problems produced domestically by his economic policies. Having got through the primaries playing commander-in-chief regarding Iran, he will come forward as the commander-in-chief for a "national emergency" that requires wage and price controls and perhaps rationing of credit.

So there is nervousness in Republican ranks. Most Republicans believe controls would be cosmetic measures to get Carter past Nov. 4, but no Republican wants to be seen as an obstacle to "doing something" about inflation.

Besides, outlawing inflation is as American as, well, Prohibition. Or as the state legislator who proposed a law to make the geometric ratio "pi" (3.1416) equal to 3, even, so that the state's schoolchildren would have an easier time with their homework.

IT IS HAPPENING: VOTERS ARE WAKING UP TO THE POLITICIANS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, it is happening everywhere. If there is any trend obvious in this country today it is the awareness of the average American that all too many candidates for public office make campaign promises and then retreat from those promises when elected. That is why the voting record ratings are becoming so popular. Liberals are having a harder time to hold themselves out as conservative when their true records are demonstrated in black and white.

I recently read this letter to the editor in the Cincinnati Enquirer, the Sunday, February 24, issue. I do not know Mrs. Carmen Becker but her words stand out in clear testimony to the ever increasing trend among people back home to "not forget." What they are told by candidates, they will remember.

Note the clarity with which she cuts through all of the political baloney that usually accompanies the shift in position of a candidate who says one thing to get your vote and another thing to appease divergent voting blocs when the moment of truth comes.

Hurray for Mrs. Becker. Keep their feet to the fire. May your tribes increase. The letter to the editor follows:

[Letter to the editor]

Shape Up!

In the October issue of the Cincinnati Right to Life newsletter, Mayor Kenneth Blackwell answered "Yes" to the question, "Will you vote against the appointment of pro-abortion people to the Cincinnati Board of Health?"

Believing his answer, I and the members of my family, as well as fellow members of my Right to Life chapter and my pro-life group at College Hill Presbyterian Church, spent many hours passing fliers and campaigning for his election to city council last November.

Therefore, we were amazed and appalled at his statement in the Feb. 6 Enquirer that he and his Charter-Democrat coalition have now worked out a "compromise" by which Mayor Blackwell will "balance" the nine-member Board of Health (a majority of whose members are against parents' rights to control what is done "to" and "for" their children at adolescent clinics) by appointing a pro-life person in December.

Even more shocking was Mayor Blackwell's statement in the Feb. 7 Enquirer that he "has no interest in persecuting any individual of this community because of his or her particular point of view on a single issue." I hardly think that not appointing a person to the Board of Health comes under the category of persecution. In any case, if he "had no interest" in looking at board candidates "in the light of their particular point of view on a single issue," why did he state publicly and in writing last October that he would not vote for a pro-abortion person for the health board? Why was he willing to now?

Could it be that Mayor Blackwell wanted to win the election, and so he answered the questions in order to have pro-lifers like my daughter and me out putting hundreds of fliers under windshield wipers in church parking lots with freezing fingers on frosty November mornings? Could it be that now that he is safely elected he feels more inclined to bow to the pressures of his coalition of anti-family council members than to keep his word to the grassroots people who worked long and hard to get him elected?

Such flagrant violations of campaign promises cannot go unnoticed by thinking citizens. The community is watching Mayor Blackwell. We think he should shape up!

Mrs. Carmen Becker.

THE MUNICIPAL WASTE-TO-ENERGY ACT OF 1980

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, yesterday, along with the distinguished chairman of the Subcommittee on Energy Applications and Development, the gentleman from New York (Mr. Ottinger), the distinguished chairman and ranking member of the Energy Power Subcommittee, the gentleman from Michigan (Mr. Dingell) and the gentleman from Ohio (Mr. Brown), and the ranking member of the Science and Technology Committee, the gentleman from New Jersey (Mr. Roe), together with 14 of my other distinguished colleagues, I introduced legislation to encourage and facilitate the recovery of energy from municipal wastes.

This legislation, the Municipal Waste-to-Energy Act of 1980, would establish a comprehensive research, development, demonstration, and commercialization program in the Department of Energy to accelerate the use of municipal waste-to-energy techniques. We propose a program for making energy out of waste materials that would otherwise be discarded, contributing both to meeting an expensive and perplexing problem facing our municipalities and to the production of energy domestically.

We clearly are facing one of the most serious times ever to confront our Nation. Our past inability and willingness to meet energy issues squarely now has come to haunt us. The cost of energy drains the financial strength of our country. Its uncertain supply threatens our national security and free world leadership.

Our Nation has only recently awakened to these problems. Long lines at gasoline stations and dramatic increases in the price of gasoline have made us painfully aware of the seriousness of these problems.

Developments in Iran, Saudi Arabia, and elsewhere, as well as the crude oil price increases of the OPEC cartel, have served notice that our Nation can no longer afford its current dependence on foreign supplies of oil. OPEC prices will continue to increase, and we will probably spend over $80 billion this year for foreign crude oil and crude oil supplies, a staggering blow to our balance-of-trade position.

These events make it imperative that we press forward with the development of our domestic renewable energy resources. We must take advantage now of the great potential offered by such sources as municipal wastes. If energy from urban wastes were fully recovered, estimates indicate that approximately 1 quad of energy could be obtained from this resource by 1990. This is equivalent to 500,000 barrels of imported oil per day, or enough gasoline to run 10 million automobiles for a year. Couple this effort with savings through conservation and contributions from solar and synthetic or substitute fuels and we are on the attack in reducing our dependence on imports.

Mr. Speaker, today our municipalities bear the enormous cost of $4 billion for waste disposal. Driven by the growing scarcity of disposal sites for waste generated by our cities, as well as by the need for cheap, domestic sources of energy, our Nation has become increasingly aware of the promise of "trash power."

Unlike several alternative technologies, municipal waste can produce energy in the near term. Opportunities are now available to use this resource for various types of applications: Boiler fuels for industry, transportation fuels, and electrical production. In spite of recent progress, however, municipal solid waste remains a virtually untapped resource. Realizing its use depends in large part on the development of improved conversion and recovery technologies, and overcoming various economic and institutional barriers.

Recognizing this potential, the Subcommittee on Energy Development and Applications, together with the Commerce Committee's Subcommittee on Transportation and Commerce, held a series of hearings to examine the various technologies for converting municipal wastes to energy, and the approaches available to help accelerate the development of these technologies.

While we were pleased to hear of some successful ventures, we were disturbed to learn the current Federal program fell short of a national commitment to develop municipal waste as an alternative energy resource. Several witnesses testified that increased Federal support was essential as many municipalities could not afford municipal waste-to-energy plants without Federal assistance. We continually heard that rapid development of the resource potential of municipal solid waste could be stimulated if the Federal program had a clarity of purpose and was sensitive to the problems and opportunities peculiar to the resource recovery field.

The legislation that we are introducing today attempts to solve these problems. It establishes an accelerated research, development, demonstration, and commercialization program in the Department of Energy for converting municipal waste to energy. The goal of this legislation is to develop improved processing technologies that will permit the economical recovery of energy from this resource in an environmentally acceptable manner. To give the program the attention it deserves, an Office of Municipal Waste is established in the Department of Energy to carry out activities authorized in this legislation. The Director of this office is directed to support several types of educational programs to help foster the use of this energy resource.

The financial assistance program established under this bill should provide the needed encouragement for the development and construction of municipal waste-to-energy facilities. Financial assistance may take the form of price guarantees, loan guarantees, loans or grants. Federal financial assistance cannot exceed 75 percent of the total costs of a particualr project. In addition, the Director is required to take into account the availability of tax credits in determining whether to provide financial assistance for any particular project.

Finally, and of great importance, our bill requires that the Director, in consultation with the Administrator of EPA and the Secretary of Commerce, undertake a study of the legal and institutional barriers that today block the use of municipal waste-to-energy techniques. This study will also recommend additional incentives that may be necessary to recover energy from municipal wastes. We are confident this study will lead to the establishment of a clear set of goals for our future Federal program efforts. It will help us implement a coordinated, comprehensive energy strategy directed specifically toward the use of technologies to recover energy from municipal wastes.

Mr. Speaker, we believe that this legislation takes many important steps toward helping our Nation take advantage of an immense energy resource. The steps which we have just outlined, and others enumerated in this legislation, will help our Nation develop a viable approach to the production of energy from a replenishing source which is available today. This legislation will help us mobilize the resources necessary to put municipal waste-to-energy facilities in place, and to proceed rapidly to solve the problems currently inhibiting their development.

IN MEMORY OF FORMER CONGRESSMAN CLYDE T. ELLIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), is recognized for 60 minutes.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have asked for this special order so that we in the House might have an opportunity to share memories of the late Clyde Taylor Ellis, former Congressman of the State of Arkansas.

I would like to take this opportunity to pay tribute to a brilliant leader. Although I was not privileged to serve with him in the House of Representatives, I had the highest personal regard, respect and admiration for his professional accomplishments. I knew him since those early days when he first served in the U.S. Congress.

Clyde began his public service as a teacher in the rural schools of Garfield, Ark., in 1927, where he later became superintendent of schools. He began his political career in the State house of representatives in 1933 and moved on to the State senate in 1935, where he served until elected to the U.S. House of Representatives in 1939.

Although Clyde only served 4 years in the House of Representatives (1939–43), his colleagues knew him as a legislator with an inquiring mind and a passionate commitment to what was right. He knew his district intimately, and no legislation or administrative action which affected that district got by without his discerning scrutiny. He always sought to do his best to fulfill his own demanding concept of the type of legislator and the type of man he ought to be.

Those of us who knew Clyde personally found him to be a very dedicated and compassionate man, a champion of causes which enhanced the plight of the less fortunate of our society. He was a public servant of the finest caliber. Clyde was a doer, a willing participant in the heroic causes of mankind. In addition, Clyde was an active and enthusiastic legislator who always had his feet planted firmly in the soil of his beloved State of Arkansas.

Clyde was respected by his colleagues as a man committed to those whose voices and concerns were seldom heard and often ignored by persons of power and influence. Indeed, throughout his public career, Clyde was representative of the powerless and a voice for the less fortunate in our society, even when they were not his immediate constituents. The fact that Clyde never hesitated to take up a difficult task was another example of the strength of his character. I witnessed the way he moved ahead with assignments or responsibilities that might well have been postponed or left to others and evidenced his sheer determination to see a job well done.

At the end of his second term in Congress and an unsuccessful Senate race, he joined the National Rural Electric Cooperative Association (NRECA). His early years as the first general manager of NRECA were a challenge. He fought for the appropriations for REA loans; for authorizations and appropriations for Federal multiple purpose hydro projects and the right of the rural electric systems to have a preference right to purchase hydro electric power; and a multitude of other life or death issues for rural electrification. Working with Alex Radin, of the American Public Power Association, he organized the Electric Consumers Information Committee which became the mainspring for many of the very effective coalitions with the labor unions, cooperatives, and consumer groups seeking the support of the Congress for rural electrification and for rural and resource development.

Clyde Ellis was often maligned, castigated, and challenged, because he met the issues head-on and was willing to endure the personal punishment delivered by his critics and enemies. He won most of the battles and all of the major wars that were fought on the rural electrification battle grounds. Had it not been for him, it is unlikely that we would have accomplished the extension of electric service to all of rural America.

Clyde did all of these things while he was at the same time developing a strong, cohesive NRECA. He spent much of his time in meetings and gradually built the membership of the NRECA to its present 1,000 system level in 46 States. He developed a relatively small but growing staff whom he inspired to great performance. He did not always have adequate dues income to fund the association's services, and these financial binds resulted in periodic "belt tightening" and reorientation of the NRECA goals.

In 1952, amid charges by enemies of rural electrification that REA was "spoon feeding" its borrowers, REA began a rapid withdrawal of its management, accounting, legal and engineering services to the rural electrics. Clyde Ellis moved promptly to fill the void by developing at NRECA the capabilities for these services where appropriate and elsewhere within the program where it seemed not feasible for NRECA to provide the services.

In 1961 Clyde Ellis initiated what ultimately became the NRECA International Programs Division. He traveled to several Latin American countries and to the Far East and laid the base for the exportation of the REA pattern to assist rural people in more than 30 countries in developing their own programs of cooperative rural electrification. Around the world, Clyde Ellis' name is legend because of the inspiration and the assistance he brought to rural people who want and need electric power.

In 1965, Clyde Ellis went to the NRECA regional meetings with the message that the time had come when of necessity a mechanism for bringing private capital into rural electrification to supplement the REA loan program must be developed. The capital needs of the rural electrics were rising more rapidly than the REA appropriations and NRECA was headed for financial strangulation. This was a highly unpopular but necessary action, and as on some other occasions during his career, Clyde Ellis was faced with bitter opposition from many NRECA members. It was during those regional meetings that he suffered a stroke which led ultimately to his retirement in 1967. The effort he began in 1965 led to the creation of CFC in 1969 as the rural electric's own cooperative financing institution.

Around the world, Clyde Ellis' name is legend because of the inspiration and the assistance he brought to rural people who want and need electric power. I imagine the full measure of Clyde T. Ellis cannot really be summed up in his legislative accomplishments or in his professional career—one really had to know him as a man to appreciate his enormous capacity for accomplishment. Of course, the real monument to Clyde Ellis can be witnessed the next time you fly across the country and as the Sun sets you look down on rural America as rural residents turn on lights far below.

In closing, I would like to extend my heartfelt sympathy to his wife Camille and other members of his family.

Mr. ANTHONY. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Arkansas.

Mr. ANTHONY. Mr. Speaker, although I never had the opportunity to know former Congressman Clyde Taylor Ellis, I have often heard him described as a champion of the electrification of rural America. He was a strong advocate for public power programs which are reflected in projects in the United States and other nations.

Mr. Ellis was the first general manager of the National Rural Electric Cooperative Association. I would like to share with you the association's tribute to Mr. Ellis, written by J. C. Brown, Jr., editor of the Rural Electric Newsletter:

CLYDE TAYLOR ELLIS: DECEMBER 21, 1908–FEBRUARY 9, 1980

The newsletter shies away from obituaries and tributes, but today we make an exception for an exceptional man, without whom there would be no newsletter, no NRECA and no one about whom Tom Hoy could write:

"The next time you fly across the country as the sun sets, look down. The real monument to Clyde Ellis comes on every night across rural America as farmers turn on lights far below."

Judge Bob Tisinger, NRECA's general counsel, delivering the eulogy Tuesday at All Saints Episcopal Church here, talked of his 35-year association with Clyde Ellis and he spoke for 25-million Americans and countless men, women and children yet to come—the people of 30 other countries to whom Clyde exported the rural electrification experience.

"His command was always to fight for the little man," Judge Tisinger said. "The little man, the man too long denied. For the most part, he was victorious."

Determination was the word that the preacher used in describing how Clyde came to the altar rail the last years of his life, suffering from the effects of a stroke and heart attack in 1965. Clyde was as self-sufficient as a mortal could be—he usually rejected any physical assistance—and many of us were surprised to learn that he sought spiritual assistance.

Clyde was determined to win, but not at all costs. I have a personal knowledge of his outraged rejection of a suggestion from a powerful congressman that a law Clyde wanted very badly could be enacted for a price. We lost, but I won something that Clyde Ellis gave me.

He could pick a victory from defeat, and he took his staff up with him. I recall once, when it was pretty assured that I'd never complete my mission to get a dam built on the Potomac, Clyde turning to me and saying: "You won. You won't get the dam, but you've kept them from building the wrong thing, and the river will still be there."

He was a demanding, brillant leader who could take his followers to the brink of despair, and bring them back with precisely the right words to keep them in the front lines. It was easy to imagine Clyde at the helm of a ship in the North Atlantic during the winters of '43 and '44.

An understandable mistake was to view Clyde as impersonal, which he could seem to be. He knew every member of his staff—perhaps 130 when I worked for him. But he could wear an icy sheath as well as anyone when it was necessary to get a job done. He would not accept weakness in himself, nor in those who worked for his beloved cause: rural electrification. A cause which he made a vehicle to help satisfy other needs of rural Americans.

Clyde Ellis could look out at a room full of his staff at an annual meeting breakfast briefing and reel off the names of the absent, and he wanted to know why they weren't there. When Clyde set sail, he insisted on a full complement aboard. His regard for the membership of NRECA was unbelievable. No matter how petty the question or criticism, he demanded that his staff find the facts and report back.

I once questioned him on why we wasted our time with a particular farm organization which always was at odds with the objectives of NRECA. His comment was, "We have to fight every battle!"

He put just as much effort into hopeless causes as into sure things. His speeches and conversations were sprinkled with the words of a warrior. Fight. Struggle. Greatness. Tenacity. The Battle. The Victory. The Mountaintop.

Clyde was right for his time. And Clyde never ran out on it.

● Mr. BETHUNE. Mr. Speaker, Clyde Ellis, former Arkansas Congressman and general manager of the National Rural Electric Cooperative Association in Washington, died February 9, at the age of 71.

He was known as the protector of the "little man," and for his efforts he will be remembered by his friends for decades to come.

Clyde Ellis literally electrified much of rural America. In 1943, he was named General Manager of the NRECA at a time when the organization decided to tackle the job of bringing much-needed electrical service to America's farmlands.

He loved his country, and barely had he taken over the new position, when he joined the U.S. Navy for combat service. After the war, he returned to the task at hand, moving quickly with only a small staff—he and his secretary—to develop the legislative services and insurance programs that were so crucial to rural electrification service.

The two most frequently mentioned words that are used to describe Clyde Ellis are determination and courage. He fought with both courage and determination for the appropriation for REA loans; for the authorizations and appropriations for Federal multiple purpose hydroelectric projects and the right of the rural electric systems to have a preferential right to purchase hydroelectric power; and hundreds of other objectives for supporters of rural electrification.

As a friend of the "little man" he helped organize the Consumer Information Committee which became the mainspring for many of the effective coalitions with the labor unions, cooperatives and consumer groups seeking the support of the Congress for rural electrification and for rural and resources development.

Congressman Ellis was a tough, rugged individual who met issues head-on and was willing to accept the personal retaliation delivered by his critics and opponents. He won most of the battles because he refused to give up:

A native Arkansan, Mr. Ellis was a teacher and later served as superintendent of schools in Garfield. From 1933 to 1935, he was a member of the Arkansas House of Representatives and from 1935 to 1939, of the State Senate. He sat in Congress from 1939 to 1943.

He was a member of the board of the Cooperative League of the U.S.A. and the American Institute of Cooperation. He had served on a number of advisory boards on rural development in the Commerce and Agriculture departments.

As an authority on natural resources development and on the problems of rural America, he fought for public power programs in the U.S. and abroad. In 1961, he initiated the NRECA International Program Division, and traveled to several Latin American countries and to the Far East to lay the base for exporting the REA pattern to assist rural people in more than 30 countries in developing their own programs of cooperative rural electrification. Around the world, the name of Clyde Ellis is legend because of the inspiration and the assistance he brought to rural people who want and need electricity.

The NRECA and the rural electrification program in America bear the mark of Clyde Ellis. He had the conviction that the needs and the rights of people were always the paramount consideration. The little man in America has lost a true friend and champion.●

● Mr. ALEXANDER. Mr. Speaker, I want to join my distinguished colleague from Arkansas (Mr. Hammerschmidt) in paying tribute to the memory of Clyde T. Ellis, who served Arkansas in this body from 1939 to 1943.

His service in Congress, coupled with his long-term service to the National Rural Electric Cooperative Association, will always be remembered by the scores of citizens living in the countryside of this Nation. For it was largely due to Clyde Ellis' determination and courage that electricity became a reality in much of rural America.

Clyde Ellis' authoritative command of issues impacting on rural America was widely recognized by his colleagues in the House. He took that knowledge to the National Rural Electric Cooperative Association when he left the Congress. Joining NRECA as its general manager, Ellis immediately interrupted his service to that organization with a 2-year stint in the Navy. He was then to mold NRECA into a vibrant organization, one which clearly had his mark until his retirement in 1968. His retirement from NRECA was not the end of his public service, however, as Clyde was to become a special assistant to the Secretary of Agriculture, a member of the National Water Commission, special assistant to Senator John L. McClellan, and again a special consultant to the Secretary of Agricuture before he permanently retired from public life in August of 1977.

Born in Garfield, Ark., Ellis graduated from the University of Arkansas and attended its law school. He later attended George Washington University Law School and American University.

Prior to his election to the House, Ellis served in the Arkansas General Assembly, first in the Arkansas House from 1933–35 and in the Senate from 1935–39.

Mr. Speaker, I extend deepest sympathy to the widow, Camille, and other family members of Clyde Ellis. I want them to know that Clyde was loved by the people of Arkansas and throughout rural America and that will be long remembered.●

● Mr. ANDREWS of North Dakota. Mr. Speaker, the death early this month of Clyde T. Ellis, who was general manager of the National Rural Electric Cooperatives Association for nearly a quarter-century, takes from us one of rural America's greatest champions.

I knew Clyde well, and frankly, I do not recall working with another person who had the tenacity and the skill to go with it to obtain victory. He did not lose many battles in his long and distinguished career of working for the rural people he represented so brilliantly.

Mr. Speaker, for so many years, NRECA and Clyde Ellis were synonomous words. We did not think of one without the other. Even though Clyde insisted on a very capable staff, those of us who had occasion to hear from the organization somehow knew they were getting a message from Clyde Ellis.

Clyde Ellis built NRECA into the great organization it is now. He was dynamic and tough, he was both inspired and inspirational, a fiercely loyal friend and a formidable foe.

Mr. Speaker, I am proud to join in this tribute to Clyde Ellis, the former Arkansas legislator and our colleague here in the House, the tireless and brilliant spokesman for a better way of life in rural America, a leader of magnificent proportions and a gentleman.

The moving farewell appearing in NRCEA's February 15 Newsletter best summed up the life of Clyde T. Ellis in the closing paragraph:

"Clyde was right for his time. And Clyde never ran out on it."●

□ 1740

GENERAL LEAVE

Mr. HAMMERSCHMIDT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

EXPORT TASK FORCE ARTICLE NO. 17: TAX TREATMENT OF AMERICANS LIVING ABROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, as chairman of the House Export Task Force and as a member of the President's Export Council (PEC), I have been concerned with the tax problems of American citizens living and working abroad.

In recent weeks, I have been inserting into the Record a number of issues dealing with American nationals abroad. These issues were compiled by the American citizens abroad and were presented to the President last year to assist him in the preparation of a report to Congress on the treatment of overseas Americans.

In reading the compendium of issues, I was outraged at how these people must struggle to secure basic rights which we Americans, here in the States, take for granted. One out of every 100 Americans live and work abroad. With our Nation struggling under the burden of a massive trade deficit these business representatives are on the front lines of U.S. foreign trade.

I have learned just what this group of people can accomplish in overseas markets. For the most part, they speak the language of the nation where they reside, they have personal friends and connections with leaders of business and industry in these nations and, perhaps most importantly, they are willing to actively promote American goods and services. However, these citizens must labor and live under sections 911 and 913 of the U.S. Tax Code and this places them at a substantial disadvantage. Their own Government is unwilling to allow these American citizens to compete on an equal basis with nationals of foreign countries. They do not ask for unfair advantages, only equal treatment.

The President's Export Council has decided to act to try and alleviate some of these inequities. I know that many of my colleagues are interested in this problem and today I am introducing legislation which will repeal the negative effects of sections 911 and 913 of the U.S. Tax Code. My legislation, if adopted, would repeal the present law and substitute an unlimited exclusion on the income earned abroad by U.S. nationals. The bill and supportive documentation from the President's Export Council follows. I hope my colleagues will agree to cosponsor this needed piece of legislation.

The material follows:

The President's Export Council,
Washington, D.C., February 13, 1980.

Dear (sent to all members of the PEC): As a result of an Executive Committee decision in December, I sent the President a letter and the Task Force report concerning the adverse effects on exports of the present rules (Sections 911 and 913) concerning taxation of foreign earned income of Americans living overseas. At that time, these documents were mailed to you by my staff.

As preparation for the upcoming March 3 meeting of the President's Export Council, I wanted to bring you up to date on activities and plans related to this issue. The present tax regulations on foreign income earned by Americans working overseas seek to maintain equity with taxes borne by

Americans working in the U.S. These rules, however, ignore the fact that the tax policies of other nations often provide incentives for their citizens to work abroad (see Attachment A). The result of this discrepancy is to penalize firms which employ Americans abroad, as these firms must, in the end, pay the extra taxes imposed by present U.S. tax law above the norm for American citizens.

There is no doubt that while most of the export community (and the Council) feels that some steps towards equity in this area are necessary to help improve America's export competitiveness, others in government and the private sector do not accept this linkage. This is a fair challenge. It is necessary for us to accept this challenge and state, in as clear and convincing a manner as possible, the extent to which such tax relief would be a worthwhile aspect of an export promotion program. Accordingly, we are working with labor and industry, government and the private sector, to prepare a program that will make this case while meeting, insofar as possible, the special concerns of all.

Presently, there is extensive interest in Congress in introducing new legislation which could provide the tax relief needed by the export sector. At a December 12 meeting with the Senate Export Caucus, I provided the attached legislative suggestions for their consideration (Attachment B). Recently Senator Chafee, who is a member of the Senate Export Caucus, introduced a bill (S2283) to repeal the current law and substitute the following:

$50,000 exclusion, ($65,000 after three years of foreign residence).

An exemption for housing costs or housing allowances which exceed 20% of earned income.

Previously, Representative Frenzel had introduced a bill (HR5211) which would repeal present law and substitute unlimited exclusion.

Other legislation is sure to be offered, but more than debating merits of differing legislation, I think it important to make our case, in more detail, for the need of such legislation.

I plan to meet at a later date with the Administration to obtain their support on this issue. Before doing so, I hope to hear from you and other Council members who are interested in this issue.

I look forward to meeting with you on March 3, when we can discuss further this issue and our plans.

Best wishes,

REGINALD H. JONES,
Chairman.

COMPARISON OF TAX POLICIES FOR OVERSEAS EMPLOYEES

Country	Tax on salary	Tax on incentives bonuses	Tax on benefits (retirement, health, insurance, etc.)	Tax on cost of living allowances	Tax on additoinal income earned out of home country	Government subsidies (to individual)
United States	Yes [1]	Yes	Yes	Yes [2]	Yes	No.
Japan	No	No	No	No	No [3]	Yes.
Italy	No [4]	No	No	No [5]	Complex formulas to discourage foreign investments.	Government owned companies.
France	No [6] [7]	No	No	No	Complex formulas	Do.
Korea [8]	No	No	No	No	No	Yes.
Germany	No [9]	No [10]	No	No [11]	Some limitations; generally liberal.	Few.
Canada	No [12]	No	No	No	No	No.
Sweden [13]	No	No	No	No	No	Few.
United Kingdom	No	No [14]	No [15]	No	Complex requirements	Few.

[1] 20,000 exclusion under sec. 911 for those in qualified camps.

[2] Certain deductions permitted under complex sec. 913 tests.

[3] Rental, interest, etc., on off-shore investments totally exempt from taxation during nonresidence status only.

[4] Complex nonresidency requirements.

[5] Limitation placed on daily expenses for home leave and R. & R.

[6] Assumes accompanied tour/rules for dual residency—unaccompanied—very complex.

[7] Recent government policy aimed to encourage more French engineers to accept overseas work.

[8] Most liberal policies with respect to individuals—Korea committed to exports of domestic unemployment.

[9] Complex nonresidency requirements aimed at tours of less than 6 mo.

[10] Complex definitions.

[11] Some limitations designed to reduce excesses.

[12] Accompanied tour only. If family of head of household remains in Canada all worldwide earnings subject to full taxation.

[13] Recently liberalized tax policies in order to encourage acceptance of overseas assignments.

[14] United Kingdom recently liberalized tax policies in order to encourage.

[15] Some limitations.

Compiled from data provided in "Worldwide Projects" and Business International S.A./ Consultex S.A., a multiclient study, "The Expatriate Employee," 1979.

ATTACHMENT B

LEGISLATIVE SUGGESTIONS: TAXATION OF AMERICANS WORKING ABROAD

Under present Federal income tax law, Americans working abroad are on a significantly less favorable tax footing than citizens from competing industrial nations. These countries generally do not tax their nonresident citizens at all on income earned outside their country of citizenship, whereas the United States system, which is solidly based on citizenship, provides only limited deductions which leave substantial amounts of this income subject to tax for most U.S. citizens working overseas.

Legislative actions which can substantially eliminate this differential without inviting abuses of the tax system include:

Reinstate a broad-based exclusion under § 911 as an elective alternative to the § 913 deductions.

$50,000/$65,000 maximum limit instead of $20,000/$25,000 allowed prior to 1978.

Provide that the amount of the limit will be subject to specific Congressional advance review every two years.

A substantially higher exclusion would exempt from tax the foreign earnings of a great majority of Americans working overseas, yet it would not permit the abuses which prior Congresses sought to correct by limiting the exclusion. Periodic Congressional review could maintain the exclusion in an appropriate relationship to changing levels of salaries and wages.

For individuals living in camps in hardship areas, broaden the present elective income exclusion from $20,000 to $50,000/$65,000 and retain the related provisions which permit such individuals to exclude employer-furnished meals and lodging. In addition, the definition of "camp" should be revised so as not to exclude those:

Located in areas that are not "remote."

Located in the vicinity of camps of other employers.

Containing fewer than 10 employees.

Present provisions defining "camp" rule out many group housing arrangements which would be commonly understood as constituting a camp maintained for the convenience of the employer. The recommended definitional change would conform the law more closely to actual practice.

Amend the housing deduction provisions under § 913 to reflect more closely the stated intent of Congress to permit deduction of housing expenses in excess of "the cost of housing which the taxpayer would typically incur if he were residing in the United States." This would be accomplished by excluding post allowances, location premiums and similar allowances paid as inducements to work abroad from the base on which the normal housing cost is calculated. It is unrealistic to assume that these allowances cause employees to raise their overseas housing standards to levels higher than those to which they were accustomed in the U.S.

The cost-of-living deduction under § 913 represents the excess of cost of living in the foreign location over the highest for any metropolitan area in the continental United States excluding Alaska (based on the excess for a GS-14 step 1 Federal employee with a family of the same size). Excluded from the cost-of-living deduction and not covered by other § 913 deductions are such important items as automobiles, household goods, and services which often cost considerably more overseas. Legislation should provide more realistic cost-of-living deductions under § 913 by requiring the Internal Revenue Service to:

Include price data on automobiles, house hold furniture, kitchen appliances and other similar items (excess of foreign price over U.S. list price would be amortized over expected useful life).

Include services (domestic servants, security guards, etc.) in locations where the use of such services is customary for Americans.

Include foreign sales taxes, value added taxes, and other non-income taxes.

Use pricing data based on surveys made quarterly or more frequently and currency exchange data which reflect monthly or more frequent fluctuations.

These changes should bring the cost-of-living deduction more nearly into line with cost-of-living allowances being paid by American employers.

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 6, 1980.

Mr. REGINALD H. JONES,
Chairman, the President's Export Council, Washington, D.C.

DEAR REG: Thanks for your letters concerning the revised regulations under section 911. I am pleased that you view these revisions as a step in the right direction.

The regulations under section 913 are also undergoing revision. Every effort will be made to draft fair and workable rules that will not impede the U.S. export sector. The Export Council's recommendations are proving helpful in this effort as well.

The present statute does ease the tax burden of Americans working overseas under high cost or hardship conditions. However, there may be cases where particular forms of foreign earned income should be taxed still more lightly compared to domestic earned income or to investment income. The Treasury Department is required to report to Congress on the operation of the 1978 Act provisions, which became fully effective only last year. Examination of the 1979 results should help in formulating any further amendments. I am certainly interested in listening to your suggestions and look forward to continuing work with you and other Members of the Export Council in the effort to resolve these issues.

Best wishes.

Sincerely,

G. William Miller.●

SUPPORT GROWING FOR HOCKEY TEAM—HEIDEN GOLD MEDALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I am extremely pleased with the response received from my colleagues to H.R. 6586, legislation which authorizes the presentation of congressional gold medals to Eric Heiden and the U.S. Olympic hockey team. Within the first week following its introduction, 43 Members of Congress have cosponsored this measure. I would like to see that number climb even higher.

A congressional gold medal is presented as an expression of pride and thanks for an outstanding accomplishment. It is a gift from the President and the Congress on behalf of the American people. They do not come easily, they should not be taken lightly.

The victories of the U.S. Olympic hockey team and Eric Heiden did not come easily either, and should not be allowed to pass without proper recognition. For their achievements, they have received gold medals from their peers. They are the best in the world. Now, it is time that they receive gold medals from the American people as a way of saying, "thanks for making us proud".

Eric Heiden, five-time gold medal winner in speed skating, and the underdog U.S. Olympic hockey team, gave us time away from our troubles, made our hearts beat a little faster, and let us take their victories as our own. I think we should give them something in return.

I might also add, for those who are concerned with the current price of gold, that bronze duplicates of these medals will be sold to the public by the U.S. Mint. Any profits resulting from those sales, above the cost of the original gold medals, will be donated to the U.S. Olympic Committee.

If any of my colleagues are interested in adding their names to the list of cosponsors, please contact Judi Shellenberger at extension 5–9181.●

ANNIVERSARY OF INDEPENDENCE OF ESTONIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Hanley) is recognized for 5 minutes.

● Mr. HANLEY. Mr. Speaker, on February 24, 1980, Estonians around the world observed the 62d anniversary of the proclamation of the independence of Estonia.

At this time I am honored to join with thousands of Americans of Estonian descent to commemorate this anniversary.

In 1918, supported by President Woodrow Wilson's declaration concerning all people's right to self-determination, Estonia proudly proclaimed its independence. This proclamation prompted the Soviet invasion of Estonian territory. Upon driving out the Red army, the people of Estonia set up a free and independent Republic.

Their liberty lasted only two decades. In 1940, Estonia was annexed and eventually became a territorial possession of the Soviet Union. Since that Soviet occupation, thousands of Estonians have been interned in Soviet prison camps, while other have fled their homeland to seek sanctuary in various parts of the free world.

The Estonians have not allowed their freedom to be trampled upon so easily. Despite Soviet attempts to assimilate this Baltic State into the mainstream of Soviet culture, the Estonian spirit, heritage, and national identity have remained strong.

Just recently, in a bold display of their courageous pride, 45 representatives from the three Baltic nations addressed the Secretary General of the United Nations calling for the full independence for the Baltic States, and the disclosure of secret clauses in the Molotov-Von Ribbentrop Pact of 1939, which led to the annexation of Estonia, along with Latvia and Lithuania, to the U.S.S.R.

This example of national will and spirit serves as an inspiration for all oppressed nations throughout the world. The United States hails this declaration and continues to maintain a policy which supports oppressed nations in their quests for independence and human rights.

On this 62d anniversary I commend the brave efforts of the Estonian people and those all over the world of Estonian descent, as they seek to regain a free homeland.●

A PROGRAM FOR FIGHTING INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, the source of today's inflation is not solely macroeconomic mismanagement, and inflation cannot be cured solely with monetary and fiscal restraint. A more comprehensive program for dealing with inflation is set forth in my supplementary views to the Joint Economic Committee's annual report released today. The statement follows:

Statement of Representative Henry S. Reuss

I congratulate Chairman Bentsen and the Committee for having once again produced a unified report. The Committee has worked very hard to achieve consensus and, remarkably, it has fashioned a substantive policy document. As the Joint Economic Committee has in the past taken the lead in pointing out new directions for economic policy, it is now doing so again. What follows is therefore not a dissent, but a synopsis of the most important themes of the Committee's analysis, and an attempt to impart a clear focus to the direction that policy must take.

On macroeconomic policy, the Committee has made two points of transcendent importance.

First, the Committee states that macroeconomic policy should adopt a target for long-run economic growth, and stick to it. This would mean an end to the destructive cycles of stop and go that have characterized policy in the last decade, and which have, at each turn of the screw, made our structural inflation and our structural unemployment worse.

Second, the Committee states that macroeconomic policy alone cannot do the job. We must have comprehensive structural policies, on energy, on incomes, and above all to promote our efficiency and competitiveness that we now lack.

In taking these two positions, the Committee has placed itself in the vanguard far ahead of the Administration. The testimony of Chairman Schultze before this Committee established, had there been any doubt, that the Administration continues to base policy on the macroeconomic will-of-the-wisp. This is an abdication of responsibility that the Committee wisely rejects.[1]

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[1] Following is an excerpt from Chairman Schultze's testimony:

Representative Reuss. Welcome, Chairman Schultze. I have a lot of problems with the Administration's anti-inflation policy. I think most members of this Committee believe that the Federal Reserve is doing its part, and has the monetary aggregates at last under control. But when you look at the other gamut of policies, those which the Administration controls, I really don't see an anti-inflation policy in place adequate to deal with the 13 percent inflation that now plagues us.

The budget is not in balance. There's still a deficit at this late stage; and, indeed, military expenditures hint that the deficit will be increased.

The wage-price incomes policy is weakened. The description of that (in the President's report) ends up on page 82 with the statement that "As this Report went to press, the Pay Committee has just recommended a basic pay standard that would establish a range of allowable pay increases." Those allowable pay increases are, of course, greater in many instances than what we had. So that's weaker.

There is no attempt, by gasoline rationing or by a sharp increase in the excise tax, to limit the discretionary nonessential element in American transportation, and thus strengthen the dollar and fight inflation by enabling us to cut down on the real cost of our imports.

Finally, I find that the section on the structure of the economy, on pages 104 and 105, "Improving the Structural Performance of the Economy," has just two very short paragraphs in it. Nothing, as far as I can see, is said about the problems of steel, of automobiles, of semiconductors, of railroads, of mass transit, and the half hundred other American industries which, in my judgment, really need a sectoral approach such as the Germans and Japanese have been giving their problems.

So I am disappointed with the anti-inflationary program; but if I am unnecessarily dour, I wish you would cheer me up.

Mr. Schultze. I will try. Let me start with a brief note, that "Improving the Structural Performance of the Economy," which as you note has two paragraphs, was meant to be a two-paragraph introduction to a 51-page exercise. You may disagree with the subjects we picked out that are important. We didn't think we were smart enough to pick out exactly which industries ought to be pushed but we did talk about, importantly, investment, labor markets, agriculture, energy and the key big sectors of the economy.

Representative Reuss. If I may, let's stop there. Who is smart enough? There really ought to be somebody in the government who is putting his mind on avoiding future Rock Island-Milwaukee Roads, avoiding future Chryslers and Fords, avoiding the disappearance of our steel industry.

Mr. Schultze. I thought we had something called the market. That doesn't mean the government should never intervene. My own judgment is that we are probably better off intervening very occasionally and on and ad hoc basis . . . Quite frankly, I don't think this is a major area the Federal Government can do anything but harm when it mucks around in . . .

Representative Reuss. At least you, with your characteristic honesty, have stated the issue.

In the heyday of the macroeconomic fixation, from the passage of the Employment Act of 1946 until the early part of the last decade, the Joint Economic Committee was at the forefront of innovation in economic policy. In recent years, with the passage of the Humphrey-Hawkins and Budget Reform Acts, macroeconomic policy has found an institutional home in other parts of the Congress. Legislative review of fiscal policy is lodged in the Budget Committees, and that of monetary policy in the Banking Committees. Now there is a new emphasis for the Joint Economic Committee—the design and implementation of structural policies and their integration with fiscal and monetary policy.

In Chapters IV, V, and VI the Committee has defined some of the elements of structural policy on which bipartisan consensus already exists. This is an admirable first step. The Committee should now turn its concentrated energies to the task of designing and winning agreement to the full range of policies that are needed. Broadly speaking, these fall into two categories: long-range policies to which we must make a permanent commitment, and temporary policies that are needed to manage the present crisis.

Our long-run goal must be to restore the competitiveness of U.S. manufacturing and other major economic sectors in domestic and world markets. For the first time in our history, the stability and prosperity of the American economy has become contingent on events outside our borders and beyond our control. This is partly a matter of our dependence on foreign oil, which can and must be reduced. But even more threatening is our growing addiction to superior foreign manufactured goods. From 1965 through 1978, our imports of manufactures grew at an average annual rate of 9.4 percent, compared to a growth in our exports of manufactures of only 6.1 percent per year. This trend poses a threat to American employment, to American prosperity, and to the quality of American life that even the greatest success in reducing energy consumption and in promoting agricultural exports cannot offset.

To rebuild American industry we must end the adversary relationship that now exists between government and business. This point was emphasized by the Committee, but in my view, we need to go farther—to adopt the cooperative approach that has been tried and proven by several of our major allies and rivals, notably Germany and Japan. Conventional measures, such as regulatory reform and revision of tax and depreciation schedules, are also necessary, but they are not enough. We need a government role in the planning and coordination of investment, in coordination of industrial location decisions, and to assure adequate and efficient support services (such as transportation, housing, and waste disposal) to major new enterprises. This is particularly necessary to facilitate the relocation of foreign manufacturing enterprise to our shores. Perhaps the best single way to overcome foreign domination of our automotive, television, consumer electronics and motorcycle markets, to name only a few, is to persuade Toyota, Honda, Sony, Yamaha and dozens of others to build their next factories in this country. At present, official efforts to do so are weak and spasmodic.

Such a government role would be indicative, not coercive. Ideally, independent teams from government, business and labor should be constituted to look into the problems of each of our major sectors. Such teams should come from outside the sector to which they are attached, and should be drawn from our best and brightest public servants and public-spirited private men and women. Their objective should be to devise sectoral policies and development plans, covering corporate restructuring, new investment and its location, remedial regulatory legislation, and public financial assistance where required.

Such teams are needed in many places. Four high-priority examples:

In steel, we need massive new investment in continuous casting technology to overcome our technological lag and recover ground lost in recent years to foreign producers.

In autos, we need to persuade foreign manufacturers to follow Volkswagen, Honda and Renault in establishing manufacturing plants in this country. We need, if possible, to assure the transformation of Chrysler Corporation into a viable energy-efficient producer and to reverse the North American decline of Ford.

In transportation generally, we need to rationalize and rebuild our railroads before they (quite literally) crumble away. The once-great mid-western roads are in imminent danger of complete collapse. So long as the rights-of-way exist, there is hope for a comprehensive rescue operation—but if government inaction allows the rights-of-way to disappear, our transportation base will be irreplaceably lost.

We also need a coordinated effort to resurrect urban mass transit. The Federal Government should create a market for a mass-produced, made-in-USA light rail transit car, and should greatly step up development of light-rail transit systems around the country. In many cities, existing freight rail track is available and suitable for light-rail, given only the will and the money to fix it up and electrify it. We also need a decent bus.

In energy, we need a major commitment of resources to the production of ethanol for gasohol. We need to promote the use of solar power. We need to end the bungling that has surrounded the construction of a natural gas pipeline from Alaska. We also need to promote the use of insulation, and energy efficient construction techniques.

I will shortly propose legislation to establish a new Cabinet department to pursue the development of long-run structural policies for American industry. To be called the Department of Industry and Trade, this department would replace the amorphous Department of Commerce, adopt the ill-coordinated export promotion functions now scattered through the Departments of State and Treasury, and add such new import-substitution and reindustrialization functions as are needed to get the job done.

Reconstruction of our cities and of our rail networks can be done without adding a new bureaucratic entity to the Federal Government. The task at hand is unavoidably expensive. But the cost of doing nothing is immeasurably greater.

Under the best conditions, it would take a year or more to get the development of sectoral policies underway, and substantially longer before there were visible results. Immediate action is needed to bridge the gap. I propose a four point program:

(1) Ration gasoline, providing enough for essential business, agriculture, and get-to-work use, but cutting back heavily on discretionary driving. The Administration acknowledges that a major saving in our imported oil bill could be achieved at once by such a measure.[2] Unfortunately, the Administration thinks of imported oil only in terms of shortages of which there are currently none—and not in terms of its real danger: a deteriorating U.S. trade balance, a weakened international dollar, higher real costs of chrome, manganese and what not, and worse inflation![3]

Over the next years, gasoline supplies could be stretched by up to at least 10 percent with the accelerated production of ethanol, which could be pump-blended for pleasure driving motorists at market prices, high enough to compensate America's corn producers. Our oil-import situation is critical, and we need immediate action before it is too late.

(2) Balance the budget. This can be done by such means as cutting back general revenue sharing to the states, by selling a small amount of our gold at current inflated prices from the Fort Knox stockpile, and by using moderation in the military budget. A balanced budget would be an important symbol of our determination, and it would strengthen the fiscal position of the government for the tasks ahead.

(3) Increase Federal job programs for the structurally unemployed. The Committee's report makes many useful suggestions on how programs for the structurally unemployed can be improved. The single greatest improvement would be to provide more jobs. A whole generation is going to waste—we must act.

(4) Strengthen incomes policies. In the absence of a thorough-going program to reform our economic structure, mandatory wage-price controls are not useful. In the presence of such a program, controls can play a useful bridging role. In the long run, structural reform can liquidate the need for controls altogether, as high rates of productivity increase permit the payment of high wages without inflation.

SUMMARY

This report of the Joint Economic Committee has made a first step toward the development of sectoral and structural policies to replace the sole reliance on macroeconomic measures that we have all come to reject. Now, we must face the future fearlessly, and work to persuade the Administration and the American public of what is required.●

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[2] Following is an excerpt from Secretary Duncan's testimony:

Representative Reuss. Secretary Duncan, if we did impose tomorrow a well-administered gasoline rationing system which guaranteed to all industrial and agricultural users what they needed, and enough so that people could get to and from work, but cut out all nonessential pleasure purposes, what percentage of our gasoline consumption would be saved?

Secretary Duncan. Forty percent of gasoline consumption is considered to be discretionary consumption. Now, we're consuming gasoline at a rate of approximately—in 1979 it was 7.05 million barrels per day, on the average. So assuming that number, about 2.8 million barrels per day of gasoline was in the form of discretionary consumption.

[3] Following is an excerpt from the testimony of Drs. Walt Whitman Rostow, Alan Greenspan, and Lester Thurow:

Representative Reuss. Let me ask each member of the panel a question, which I hope can be answered yes or no. The question: Do you find the anti-inflationary economic program of the Administration adequate? Mr. Rostow.

Mr. Rostow. No.

Representative Reuss. Mr. Greenspan.

Mr. Greenspan. No.

Representative Reuss. Mr. Thurow.

Mr. Thurow. No.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Nelson) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, due to official business in my district, I was not recorded on Wednesday on rollcalls Nos. 85 and 86. If I had been present, I would have voted "no" on the motion to instruct the conferees on H.R. 3919 to eliminate the gasohol tax exemption, and "yes" on the amendment to H.R. 6081, prohibit the use of authorized funds for facilities involving Cubans in Nicaragua.

Due to the same official business, I was not recorded earlier today on rollcalls Nos. 89 through 94.

If I had been present, I would have voted "yes" on the motion to approve the Journal; "no" on the motion to recommit House Resolution 541, the resolution to provide funds for the Armed Services Committee; "yes" on the motion to order the previous question on House Resolution 552, the resolution to provide funds for the Rules Committee; "yes" on House Resolution 566, the resolution to fund the Small Business Committee; "yes" on House Resolution 537, the resolution to fund the Veterans' Affairs Committee; "yes" on House Resolution 546, the resolution to fund the Merchant Marine and Fisheries Committee; and "yes" on House Resolution 538, the resolution to fund the Ways and Means Committee.●

H.R. 5410

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. Harris) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, I would like to take this opportunity to voice my support for H.R. 5410, a bill to require Federal annuitants to notify their spouse upon retirement if the annuitant elects not to provide survivor benefits. This bill which was introduced by my colleague, Mrs. Spellman, has recently been reported by the House Committee on Post Office and Civil Service.

Current law allows retirees to elect not to provide a survivors annuity for their spouse. Retirees may also elect to only designate a portion of the annuity to be used for computing a survivor's benefit.

H.R. 5410 would not restrict the freedom of retirees to elect the type of annuity they will receive. However an election not to provide full spouse benefits would not be valid unless the spouse has been properly notified of this decision.

The purpose of this change is to insure that individuals are aware of their financial situation before the death of their annuitant spouse. It would eliminate instances of the devastating realization that a survivor's annuity which was expected is not available.

The legislation is supported by the Administration and it deserves the support of the Congress.●

LEGISLATION TO IMPROVE SELECTIVE SERVICE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. Weaver) is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, I am today introducing, along with Congressmen Seiberling and Brown of California, legislation to improve the Selective Service System. This bill provides a system whereby Americans of any age or sex designated by the President will have the right to voluntarily (in peacetime) register with the Selective Service System.

In his state of the Union message, the President called for the resumption of peacetime mandatory registration. Through this registration the President hopes to prove the capability of the recently upgraded Selective Service to quickly and efficiently gather, process, and compile a list of names of potentially draftable youth. He also aspires to send a strong message to the Soviets regarding the determination of the American people.

There are problems with his proposal. First, the DOD has the opinion that to be constitutionally viable, the registration must include both men and women. Congress has firmly indicated that it will not grant him the authority to register women. In fact, in recent testimony, administration representatives indicated they do not expect Congress to approve registration of women. Second, the wartime penalties for noncompliance with the Military and Selective Service Act will apply under his plan—5 years imprisonment and $10,000 fine maximum penalty. How will this penalty be applied to the estimated 10 percent of our youth who fail to register in peacetime?

In fact, the necessity of this massive peacetime registration is also in question. In a January 16 report to the President, the Director of the Selective Service held that they now have the capability to respond in an emergency. He projects that under his recently upgraded plan, Selective Service will soon have the capability to far exceed the DOD requirements with postmobilization registration.

This bill then poses an alternative to the immediate resumption of mandatory peacetime registration. It also defuses the potential problems and controversy. A voluntary registration would give the Selective Service a real life opportunity to demonstrate its data-gathering capabilities in order to assure our enhanced mobilization capability. At the same time, this voluntary registration will give every American who is eligible to register the opportunity to send a strong message to the Russians: a message born of free choice rather than fear of fine or imprisonment.

Under the voluntary plan:

First. The President shall determine the appropriate age groups and all Americans in that age group will be eligible to register voluntarily;

Second. There would be no fine or imprisonment for those who do not choose to register under voluntary registration law. However, the present provisions and penalties regarding registration would again be in force at such time as the President requests from Congress a declaration of war or declares a state of national emergency and requests resumption of mandatory registration under the present statute;

Third. Selective Service shall determine the time and manner of registration in order to fully demonstrate its registration capacity;

Fourth. The plan would include women, but their participation would, of course, be voluntary as for the men;

Fifth. The only penalty provided under voluntary registration would be a civil penalty, a $100 fine for persons who knowingly provide false registration information; and

Sixth. This legislation would in no way affect the other provisions of the Military Selective Service Act including the expired authority to induct.

Here are some key conclusions from the "Draft Working Document" submitted to the President on January 16 by the Director of the Selective Service System. They may be found in their entirety on p. 4028, February 27, 1980 and following of the Congressional Record.

(1) That post-mobilization registration is an effective means of meeting the Defense Department's emergency mobilization timetable: "Every participatory registration option can more than meet the DOD manpower requirement. The post-mobilization option is by far the most cost effective, and least intrusive, and is the option chosen by Selective Service."

(2) That pre-mobilization registration would not substantially improve the delivery schedule of inductees in an emergency mobilization, but would be significantly more costly. According to the Document, inductions would begin on M+17, 100,000 inductions could be made by M+35, and 650,000 inductions by M+125, at a cost estimate of some $9.7 million. With peacetime registration in effect, inductions would begin on M+10, 100,000 inductions could be made by M+26, and 650,000 by M+117 (saving seven, nine, and eight days respectively over post mobilization registration) at a cost of over $25 million.

(3) That post-mobilization registration is the preferred option: "The post-mobilization option should substantially exceed Defense requirements, employs the fewest number of full time personnel, and costs the least."

(4) That, given the effectiveness of the post-mobilization plan, the resumption of registration is unnecessary: "While costs and staffing should not be the determining factor (in selecting an option) the reduced delivery time provided by the other options is redundant and unnecessary." ●

ACTIONS OF AMERICAN SCIENTISTS IN SUPPORT OF ANDREI SAKHAROV

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Fascell) is recognized for 10 minutes.

Mr. FASCELL. Mr. Speaker, on February 26, 1980, the Federation of American Scientists held a press conference at which they announced the results of a poll of the members of the National Academy of Sciences. Of the 1,280 members in the NAS, 240 have responded so far. In the poll, 75 percent of the respondents—15 of whom are Nobel laureates—have refused any further participation as individual scientists in official bilaterial exchanges with the U.S.S.R. until Andrei Sakharov is released. Furthermore, FAS Chairman Frank von Hippel, announced that half of those scientists who have responded to the poll so far, have advocated a total cutoff of all federally funded scientific exchanges until the release of Professor Sakharov.

The Federation of American Scientists decided on early release of the poll due to fears that Andrei Sakharov may be expelled from the Soviet Academy of Sciences during a meeting which begins on March 4. The FAS hopes that by letting the members of the Soviet Academy of Sciences know how strongly American scientists support Andrei Sakharov it may be possible to influence them not to take the two-third secret vote required for expulsion of an Academy member.

Speaking on behalf of her stepfather, Tatiana Yankelevich described some new developments in Sakharov's situation. For the first time, Sakharov has not received an invitation from the Academy to attend its March meeting. According to Academy rules, no member can be expelled in absentia. However, no member of the Academy has ever been expelled. In her appeal, Mrs. Yankelevich noted that the best guarantee of the civil rights for all Academy members is to keep Mr. Sakharov in the Academy.

Mrs. Yankelevich went on to describe other new developments in the acts which the Soviet authorities have taken against Professor Sakharov. It seems that his Soviet internal passport has been changed—by unknown officials—so that the city of Gorky is now designated as his official place of permanent residence.

This action—taken without even the pretense of legal proceedings—is ominous. Furthermore, Sakharov has been told that he cannot leave the city limits of Gorky. Even more ruthless was the recent order by the head of the local militia to beat up Professor Sakharov and his ill wife when they inquired about a friend who had been detained by the militia after he had come from Moscow to visit them.

I am sure that cooperation with the American scientific community is essential to the Soviet state apparatus—both for the knowledge gleaned and as a reward for services rendered to the Party. I trust that the Soviet authorities will take heed of the outrage expressed by American scientists at recent Soviet repressive actions against Professor Sakharov.

In closing, I would like to draw the attention of my colleagues to the situation of four other leading Soviet human rights activists who are also physicists. Two physicists are now suffering punishment in the labor camps as a result of their attempts to continue their scientific research: On October 23, 1979, Yuri Orlov was sentenced to 6 months in a punishment isolation cell for trying to smuggle his scientific articles out of camp; On February 15, 1980, Robert Nazaryan began a hunger strike to protest confiscation of his notes on astrophysics.

Both Nazaryan and Orlov are members of unofficial Soviet Helsinki Monitoring Groups. Another physicist and leading Russian Orthodox activist, Lev Regelson, was arrested on December 24, 1979. Shortly after he was arrested, Crimean Tatar activist and professor of physics, Rollan Kadiev, was sentenced in Samarkand on January 4, 1980 to 3 years in a strict regimen camp for allegedly hitting a Party official. This is Mr. Kadiev's second term in camp for his defense of Crimean Tatar rights.

The CSCE Commission is following the situation of these brave men closely and will continue to keep Congress informed of developments related to this tragic situation. I am sure that Professor Sakharov would be the first to agree that we must not lose sight of other Soviet human rights activists in our concern for his situation.●

TRIBUTE TO DAVID E. SATTERFIELD III

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. Montgomery) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, Members of the House were shocked last week when our distinguished friend and colleague from Virginia, Dave Satterfield, informed his constituents that he would not seek reelection to the Congress. Everyone had assumed he would return knowing the people he had represented so well over the years were prepared to elect him for a ninth term.

In addition, Mr. Speaker, being the ranking member of the Committee on Veterans' Affairs, Dave was in line to assume the chairmanship of the committee since our current chairman, the Honorable Ray Roberts, had already announced his plans to retire.

Mr. Speaker, this House will suffer a great loss with Dave's leaving. He has literally devoted his life to public service. As a very young man Dave volunteered for service in World War II, where he distinguished himself in combat. He served as a Navy fighter pilot, seeing extensive action in the Pacific. He saw action at Tarawa, New Guinea, Truk, Saipan, Tinian, Guam, the First Battle of the Philippine Sea, air strikes on Japanese home islands and occupation of Japan. Dave also was involved in the battle of Wake Island where he was wounded and received the Purple Heart. He volunteered for duty in the Naval Air Reserve after the war, and served as commanding officer of a fighter squadron. Dave is still an active participant in the U.S. Naval Air Reserve holding the rank of captain.

Upon obtaining his law degree from the University of Virginia, Dave practiced law and is a former partner in the law firm of Satterfield, Haw, Anderson, Parkerson & Beazley. His governmental experience includes Assistant U.S. Attorney; the Richmond City Council; the House of Delegates in the General Assembly of Virginia and the U.S. House of Representatives. Dave was elected to the 89th Congress in the general election of November 3, 1964, and served continuously since that time. His civic activities are too numerous to mention.

Mr. Speaker, the House can ill-afford to lose Members with the character and abilities of Dave Satterfield. He is recognized as one of the most competent Members of the House. He is always prepared in committee and on the House floor. He is meticulous in his work. No one is more thorough in his preparation. Dave Satterfield takes his job seriously. He has an exceptional legal mind, is an advocate of the judicial process, and is a patriotic American.

Dave is nationally recognized for his work in the medical field. He has served for many years as chairman of our Health Facilities and Benefits Subcommittee, where he oversees the activities of the Department of Medicine and Surgery with a budget of more than $6 billion and more than 184,000 employees. Dave has also developed his expertise in the health field as a ranking member of the Committee on Interstate and Foreign Commerce where he also serves as the ranking member on the Subcommittee on Health and the Environment. There is no one more knowledgeable in health-related matters than Dave Satterfield.

Mr. Speaker, among other things, Dave is a devoted family man and I know family considerations must have been a major consideration in his announced retirement from this House. He is that kind of man, and I respect him for that. I am saddened, however, by his leaving the House at the end of this Congress. The Nation will miss him. Veterans throughout the country who admire and respect him will miss him. He has been their friend and advocate for all the years he has been in the Congress. I will personally miss his leadership in committee and in the House. It will be extremely difficult indeed to replace this great man in the Congress.

THE COMING CHANGE IN YUGOSLAVIA

(Mr. ANDERSON of California asked and was given permission to extend his remarks at this point in the Record.)

● Mr. ANDERSON of California. Mr. Speaker, regrettable as it is, longtime Yugoslavia President Josip Broz Tito is gravely ill, thus raising speculation that the end of an era in Yugoslavian history may soon be here.

The United States should be confident that this Nation will survive this transition period with its independence intact. The desire of the Yugoslavian people to remain independent, free from Soviet domination, seems certain to assure this.

We must, however, remain wary. This we have learned from the experience of Afghanistan. The Yugoslav Government has not asked for assistance in countering any possible foreign threat during these delicate times. So, the United States has no reason to consider offering it. However, the State Department and U.S. intelligence agencies are currently closely monitoring events in Yugoslavia.

I urge that this continue. Though our confidence is high that the coming change in leadership will leave Yugoslavia as a soverign nation, independence is too precious to be taken for granted.●

ROLLCALLS—ROLLCALLS—ROLLCALLS: TOTAL FOR 1979

(Mr. DANIELSON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I have completed an analysis of rollcall activity for the entire 1st session of the 96th Congress, covering all floor action in 1979 through December 20, 1979. I have previously reported on rollcalls through October 31, 1979, and that report may be found beginning on p. 37279 of the CONGRESSIONAL RECORD for December 20, 1979.

In 1979 we had a total of 758 rollcalls, consisting of 86 quorum calls and 672 votes on questions. That compares with the 1st session of the 95th Congress when, in 1977, we had 782 rollcalls, and with the 2d session of the 95th Congress, in 1978, when we had 942 rollcalls.

The percentage of votes in which the issue carried by 90 percent or more was down sharply in 1979 as compared with 1978. In 1979 we had 187 recorded votes where the question carried by 90 percent or more, which was 27.8 percent of the 672 recorded votes on questions. In 1978 the comparable figure was 37 percent—almost 10 percent higher. Yet 187 rollcalls out of 672, or 27.8 percent, is still an awful lot of rollcalls in which 90 percent, or more, of the Members voted "yea" on the question. It took about 62 hours of our time in session. A table illustrating those figures follows:

VOTES CARRYING BY 90 PERCENT OR MORE

	1979			1978 aggregate percent of 1978 rollcalls this percent and over
	Number of rollcalls in 1979 with this percentage	Number of rollcalls in 1979 with this percentage and over	Aggregate percent of 1979 rollcalls this percent and over	
Percent:				
100	36	36	5.4	7.0
99	38	74	11.0	14.9
98	24	98	14.6	20.3
97	26	124	18.5	23.6
96	13	137	20.4	26.9
95	14	151	22.5	28.9
94	9	160	23.8	31.4
93	6	166	24.7	33.0
92	10	176	26.2	34.7
91	3	179	26.6	36.1
90	8	187	27.8	37.1

Additionally, the following tables show a breakdown of the number of each type of recorded vote that was demanded and ordered in 1979, and a tabulation of all rollcalls from November 1, 1979, through adjournment. The last-mentioned list of rollcalls supplements the list included with my December 20, 1979, remarks that I mentioned previously and which appear at p. 37279 of the CONGRESSIONAL RECORD for that date.

SUMMARY OF ROLL CALLS BY TYPE OF VOTE

Type of vote	1979 total	Percent of total
Agreeing to conference report	26	3.4
Agreeing to the amendment	268	35.4
Agreeing to the amendments	25	3.3
Agreeing to the resolution	89	11.7
Approving the Journal	22	2.9
Call of the States	1	.1
Closing portions of conference	3	.4
Commit with instructions	1	.1
Concur in Senate amendment with amendment	1	.1
Election of Speaker	1	.1
Hour of meeting	1	.1
Motion for a closed conference	2	.3
Motion that committee rise	2	.3
Motion to adjourn	1	.1
Motion to discharge	1	.1
Motion to end debate	1	.1
Motion to instruct conferees	6	.8
Motion to limit debate	6	.8
Motion to reconsider	1	.1
Motion to table	2	.3
Ordering the previous question	11	1.5
Passage	95	12.5
Previous question on recommitting conference report	1	.1
Previous question on recommittal	1	.1
Previous question to instruct	1	.1
Quorum	85	11.2
Recede and concur with amendment in Senate amendment	4	.5
Reading transcript of trial	1	.1
Recede and concur in Senate amendment	3	.4
Recede from disagreement with Senate amendment	1	.1
Recommit with instructions	12	1.6
Refer to Standards Committee	1	.1
Reject clause 3 (sec. 3) of conference report	1	.1
Requesting a conference	1	.1
Resolving into committee	38	5.0
Strike enacting clause	3	.4
Suspend rules and pass	37	4.9
Table motion to consider	1	.1
Table motion to reconsider	1	.1
Total votes	758	

ROLLCALL VOTES (NOV. 1, 1979 THROUGH JAN. 3, 1980) LISTED ALPHABETICALLY—BY MEMBER REQUESTING THE ROLLCALL

Roll	Date (1979)	Type of vote	Requester	Bill	Yea	Nay	Present	Percent Yea	Percent Nay	Day
644	11/9	Closing portions of conference	Automatic	S. 673	325	0	1	100.0	0	Friday.
654	11/13	Closing portions of conference	Automatic	H.R. 5359	381	0	3	100.0	0	Tuesday.
682	11/27	Agreeing to the amendment	Andrews (N. Dak.)	H.R. 2313	245	139	1	64.0	36.0	Tuesday.
633	11/7	Recommit with instructions	Archer	H.R. 4904	200	205		49.4	50.6	Wednesday.
684	11/27	Agreeing to the resolution	Ashbrook	H. Res. 472	296	77		79.0	21.0	Tuesday.
726	12/13	Agreeing to the resolution	Ashbrook	H. Res. 505	391	5		99.0	1.0	Thursday.
733	12/14	Agreeing to the resolution	Ashbrook	H. Res. 506	240	115		68.0	32.0	Friday.
704	12/5	Motion that committee rise	Ashbrook	H.R. 5461	231	164		58.0	42.0	Wednesday.
732	12/14	Ordering the previous question	Ashbrook	H. Res. 506	271	83	1	77.0	23.0	Friday.
679	11/27	Passage	Ashbrook	H.R. 5537	283	99		74.0	26.0	Tuesday.
750	12/19	Passage	Ashbrook	H.R. 3927	139	247		36.0	64.0	Wednesday.
685	11/28	Quorum	Ashbrook				357			Wednesday.
653	11/13	Suspend rules and pass	Ashbrook	H.R. 5235	377	10	0	97.0	3.0	Tuesday.
753	12/20	Agreeing to the resolution	Badham	H. Res. 511	195	192		50.4	49.6	Thursday.
647	11/9	Agreeing to conference report	Bauman	H.R. 4930	271	46	1	85.0	15.0	Friday.
655	11/13	Agreeing to the amendment	Bauman	H.J. Res. 440	379	0		100.0	0	Tuesday.
663	11/14	Agreeing to the amendment	Bauman	H.R. 2063	137	262		34.0	66.0	Wednesday.
712	12/11	Agreeing to the amendment	Bauman	H.R. 4962	235	155		60.0	40.0	Tuesday.
626	11/1	Agreeing to the resolution	Bauman	H. Res. 465	202	181		53.0	47.0	Thursday.
699	12/5	Approving the Journal	Bauman		353	12	3	97.0	3.0	Wednesday.
731	12/14	Approving the Journal	Bauman		255	14	2	95.0	5.0	Friday.
634	11/7	Passage	Bauman	H.R. 4904	222	184		55.0	45.0	Wednesday.
751	12/19	Passage	Bauman	H.R. 5295	383	0		100.0	0	Wednesday.
755	12/20	Passage	Bauman	H.R. 2816	328	47		87.0	13.0	Thursday.
641	11/9	Quorum	Bauman				282			Friday.
646	11/9	Quorum	Bauman				301			Friday.
662	11/14	Quorum	Bauman				388			Wednesday.
737	12/14	Quorum	Bauman				326			Friday.
652	11/13	Suspend rules and pass	Bauman	H. Con. Res. 200	390	0		100.0	0	Tuesday.
711	12/11	Suspend rules and pass	Benjamin	H.R. 5870	200	180		53.0	47.0	Tuesday.
734	12/14	Table motion to reconsider	Bolling	H. Res. 506	242	107		69.0	31.0	Friday.
683	11/27	Passage	Broyhill	H.R. 2313	321	63	1	84.0	16.0	Tuesday.
720	12/12	Recommit with instructions	Butler	S. 423	203	197		50.8	49.2	Wednesday.
747	12/19	Agreeing to conference report	Carr	S. 673	359	32		92.0	8.0	Wednesday.
736	12/14	Quorum	Clinger				307			Friday.
729	12/13	Passage	Collins (Texas)	H.R. 3282	336	63		84.0	16.0	Thursday.
740	12/18	Suspend rules and pass	Collins (Texas)	H. Con. Res. 221	369	4	6	99.0	1.0	Tuesday.
742	12/18	Motion to instruct conferees	Conable	H.R. 3919	326	77		81.0	19.0	Tuesday.
717	12/12	Reject clause 3 (sec. 3) of conference report	Conte	H.R. 595	272	122		69.0	31.0	Wednesday.
739	12/14	Agreeing to the amendment	Conyers	H.R. 5980	184	153		55.0	45.0	Friday.
714	12/11	Recommit with instructions	Dannemeyer	H.R. 4962	163	225		42.0	58.0	Tuesday.
681	11/27	Agreeing to the amendment	Dellums	H.R. 4546	224	158	2	59.0	41.0	Tuesday.
680	11/27	Quorum	Dellums				372			Tuesday.
706	12/6	Resolving into committee	Derwinski	H.R. 4962	357	18		95.0	5.0	Thursday.
623	11/1	Agreeing to the amendment	Eckhardt	H.R. 4985	153	250		38.0	62.0	Thursday.
749	12/19	Agreeing to the amendment	Edwards (Oklahoma)	H.R. 2585	320	73		81.0	19.0	Wednesday.
690	11/28	Passage	Edwards (Oklahoma)	H.R. 2222	167	227		42.0	58.0	Wednesday.

Table continues on next page.

ROLLCALL VOTES (NOV. 1, 1979 THROUGH JAN. 3, 1980) LISTED ALPHABETICALLY—BY MEMBER REQUESTING THE ROLLCALL—Continued

Roll	Date (1979)	Type of vote	Requester	Bill	Yea	Nay	Present	Percent Yea	Percent Nay	Day
639	11/8	Quorum	Findley				353			Thursday.
638	11/8	Quorum	Foley				360			Thursday.
635	11/7	Passage	Ford (Michigan)	H.R. 5192	385	15		96.0	4.0	Wednesday.
741	12/18	Previous question to instruct	Frenzel	H.R. 3919	293	106		73.0	27.0	Tuesday.
702	12/5	Agreeing to the amendment	Garcia	H.R. 5461	291	106		73.0	27.0	Wednesday.
650	11/13	Quorum	Garcia				366			Tuesday.
668	11/15	Agreeing to the amendment	Gephardt	H.R. 2626	234	166		59.0	41.0	Thursday.
637	12/18	Concur in Senate amendment with amendment	Giaimo	S. Con. Res. 36	205	190		52.0	48.0	Thursday.
629	11/29	Agreeing to the amendment	Goldwater	H.R. 2608	217	161		57.0	43.0	Thursday.
659	11/14	Agreeing to the amendment	Gradison	H.R. 2727	136	266		34.0	66.0	Wednesday.
669	11/15	Passage	Gradison	H.R. 2626	321	75		81.0	19.0	Thursday.
658	11/14	Quorum	Gradison				389			Wednesday.
648	11/9	R. & C. with amendment in Senate amendment	Gramm	H.R. 4930	182	103		64.0	36.0	Friday.
665	11/14	Passage	Hammerschmidt	H.R. 2063	301	99		75.0	25.0	Wednesday.
649	11/9	Motion to adjourn	Hansen		161	89	1	64.0	36.0	Friday.
670	11/15	R. & C. with amendment in Senate amendment	Hansen	H.R. 4440	366	10		97.0	3.0	Thursday.
675	11/16	Agreeing to the resolution	Harkin	H.R.es. 473	338	0		100.0	0	Friday.
691	11/28	Agreeing to the resolution	Hughes	H. Res. 493	386	0		100.0	0	Wednesday.
748	12/19	Agreeing to conference report	Ichord	H.R. 3975	361	29		93.0	7.0	Wednesday.
632	11/7	Agreeing to the amendment	Jeffords	H.R. 4904	406	2		100.0	0	Wednesday.
696	12/4	Suspend rules and pass	Jeffords	H.R. 5982	383	23		94.0	6.0	Tuesday.
721	12/12	Passage	Kastenmeier	S. 423	207	195		51.0	49.0	Wednesday.
719	12/12	Agreeing to the amendment	Kindness	S. 423	238	156		60.0	40.0	Wednesday.
738	12/14	Agreeing to the amendment	Kindness	H.R 5980	245	97		72.0	28.0	Friday.
716	12/11	Agreeing to the amendments	Kindness	S. 423	170	208		45.0	55.0	Tuesday.
715	12/11	Quorum	Kindness				363			Tuesday.
718	12/12	Quorum	Kindness				376			Wednesday.
735	12/14	Resolving into committee	Kindness		272	79		77.0	23.0	Friday.
724	12/12	Agreeing to the amendment	Kramer	H R. 2927	142	251		36.0	64.0	Wednesday
705	12/6	Agreeing to the resolution	Kramer	H. Res. 498	358	32		92.0	8.0	Thursday.
687	11/28	Agreeing to the resolution	Latta	S. Con. Res. 53	206	186		53.0	47.0	Wednesday.
686	11/28	Commit with instructions	Latta	S. Con. Res. 53	187	207		47.0	53.0	Wednesday.
701	12/5	Agreeing to the amendment	Lloyd	H.R. 3948	240	165		59.0	41.0	Wednesday.
677	11/16	Agreeing to the resolution	Long (Louisiana)	H. Res 438	318	3		99.0	1.0	Friday.
693	11/29	Agreeing to the amendment	Markey	H.R. 2608	135	254		35.0	65.0	Thursday.
688	11/28	Agreeing to the amendment	Mathis	H.R. 3546	167	224		43.0	57.0	Wednesday.
757	12/20	Motion to limit debate	Mazzoli	H. Con Res. 228	190	144		57.0	43.0	Thursday.
743	12/18	Agreeing to the amendment	Moorhead (Pennsylvania)	H.R. 5860	407	1	1	100.0	0.0	Tuesday.
642	11/9	Agreeing to the resolution	Mottl	H.R. 458	319	1	1	100.0	0	Friday.
676	11/16	Agreeing to the resolution	Mottl	H. Res. 416	328	1		100.0	0	Friday.
678	11/16	Quorum	Murtha				277			Friday.
672	11/16	Agreeing to conference report	Obey	H.R. 4391	318	33		91.0	9.0	Friday.
674	11/16	Agreeing to conference report	Obey	S. 1319	306	33		90.0	10.0	Friday.
728	12/13	Agreeing to the amendment	Perkins	H.R. 3282	133	262		34.0	66.0	Thursday.
727	12/13	Quorum	Perkins				381			Thursday.
629	11/2	Agreeing to the amendments	Petri	H.R. 5192	236	115		67.0	33.0	Friday.
628	11/2	Quorum	Petri				345			Friday.
625	11/1	Ordering the previous question	Quillen	H.Res. 465	209	177		54.0	46.0	Thursday.
630	11/7	Agreeing to the resolution	Rousselot	H. Res 363	362	24		94.0	6.0	Wednesday.
661	11/14	Agreeing to the resolution	Rousselot	H. Res. 474	382	10		97.0	3.0	Wednesday.
671	11/16	Motion to instruct conferees	Rousselot	H.R. 2440	247	106	1	70.0	30.0	Friday.
752	12/20	Passage	Rousselot	H. J. Res. 467	252	141	2	64.0	36.0	Thursday.
666	11/14	Agreeing to the amendment	Scheuer	H.R. 2313	223	147	5	60.0	40.0	Wednesday
645	11/9	Resolving into committee	Seiberling	H.R. 2335	311	13		96.0	4.0	Friday.
730	12/13	Agreeing to conference report	Sensenbrenner	S. 241	304	83		79.0	21.0	Thursday.
627	11/2	Approving the Journal	Sensenbrenner		269	10	3	96.0	4.0	Friday.
694	11/29	Agreeing to conference report	Simon	S. 239	214	152		58.0	42.0	Thursday.
725	12/12	Passage	Simon	H.R. 2927	292	106		73.0	37.0	Wednesday
695	12/4	Suspend rules and pass	Simon	H.R. 3352	240	163		60.0	40.9	Tuesday.
664	11/14	Recommit with instructions	Snyder	H.R. 2063	148	250		37.0	63.0	Wednesday.
631	11/7	Passage	Solomon	H.R. 4007	402	1		100.0	0	Wednesday
636	11/8	Quorum	Solomon				369			Thursday.
758	12/20	Agreeing to conference report	Stanton	H.R 5860	241	124		66.0	34.0	Thursday.
744	12/18	Agreeing to the amendment	Stanton	H.R. 5860	107	296		27.0	73.0	Tuesday.
746	12/18	Passage	Stanton	H.R. 5860	271	136		67.0	33.0	Tuesday.
745	12/18	Recommit with instructions	Stanton	H.R. 5860	114	295	1	28.0	72.0	Tuesday.
710	12/6	Agreeing to the amendments	Stockman	H.R. 4962	152	226		40.0	60.0	Thursday.
700	12/5	Agreeing to the resolution	Stratton	H. Res. 455	399	2		100.0	0	Wednesday
713	12/11	Agreeing to the amendment	Symms	H.R. 4962	226	162		58.0	42.0	Tuesday.
621	11/1	Approving the Journal	Symms		355	12	2	97.0	3.0	Thursday.
697	12/4	Suspend rules and pass	Symms	H.R 2743	398	8		98.0	2.0	Tuesday.
656	11/13	Agreeing to the resolution	Tauke	H. Res. 454	372	5		99.0	1.0	Tuesday.
703	12/5	Agreeing to the amendment	Taylor	H.R. 5461	207	191		52.0	48.0	Wednesday.
651	11/13	Suspend rules and pass	Taylor	H.R. 5461	252	133		65.0	35.0	Tuesday.
667	11/15	Agreeing to the resolution	Thomas	H Res. 486	259	129		67.0	33.0	Thursday.
657	11/14	Approving the Journal	Thomas		332	14	2	96.0	4.0	Wednesday.
643	11/9	Passage	Thomas	H.R. 2603	304	28		92.0	8.0	Friday.
622	11/1	Agreeing to the amendment	Udall	H.R. 4985	192	215		47.0	53.0	Thursday.
624	11/1	Passage	Udall	H.R. 4985	299	107		74.0	26.0	Thursday.
660	11/14	Passage	Ullman	H.R 2727	352	48		88.0	12.0	Wednesday.
708	12/6	Agreeing to the amendment	Volkmer	H.R. 4962	180	209		46.0	54.0	Thursday.
707	12/6	Quorum	Volkmer				376			Thursday.
723	12/12	Agreeing to the amendment	Walker	H.R. 2927	148	247		37.0	63.0	Wednesday.
722	12/12	Quorum	Walker	H.R. 2927			383			Wednesday.
689	11/28	Agreeing to the amendment	Weaver	H.R. 3546	278	121		70.0	30.8	Wednesday.
709	12/6	Agreeing to the amendments	Weiss	H.R. 4962	217	169		56.0	44.0	Thursday.
673	11/16	Passage	Wydler	H.R. 2335	201	146		58.0	42.0	Friday.
698	12/4	Passage	Wydler	H.R. 2608	398	9		98.0	2.0	Tuesday.
754	12/20	Agreeing to the resolution	Wylie	H. Res. 512	378	1		100.0	0	Thursday.
640	11/8	Passage	Yates	H.R. 4167	310	64		83.0	17.0	Thursday.
756	12/20	Quorum	Zablocki				307			Thursday.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BEREUTER, (at the request of Mr. RHODES), from 5 o'clock on February 28, on account of official business.

Mr. PASHAYAN, (at the request of Mr. RHODES), for February 28 and March 3, on account of official business.

Mr. FROST, (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. RATCHFORD, (at the request of Mr. WRIGHT), for this week, on account of illness.

Mr. JONES of North Carolina, (at the request of Mr. WRIGHT), after 12 noon today and Friday, February 29, on account of official business.

Mr. RODINO, (at the request of Mr.

WRIGHT), for today, on account of illness in the family.

Mr. FOUNTAIN, (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MCCORMACK, for 30 minutes, on Monday, March 3.

(The following Members (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous material:)

Mr. FISH, for 10 minutes, today.

(The following Members (at the request of Mr. WYATT) to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 30 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. HANLEY, for 5 minutes, today.
Mr. REUSS, for 20 minutes, today.
Mr. NELSON, for 5 minutes, today.
Mr. HARRIS, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. FASCELL, for 10 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. HARKIN, for 60 minutes, on March 14, 1980.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FOLEY, to revise and extend his remarks in the RECORD immediately following remarks of Mr. COLLINS of Texas with respect to authorization resolution for Committee on Agriculture.

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. DANNEMEYER.
Mr. PAUL.
Mr. FISH.
Mr. MCKINNEY.
Mr. ASHBROOK in three instances.
Mr. SCHULZE.
Mr. PHILIP M. CRANE.
Mr. FORSYTHE.
Mr. PORTER.
Mr. SYMMS in two instances.
Mr. PURSELL.
Mr. GRASSLEY.
Mr. REGULA.
Mr. STOCKMAN.
Mr. WYDLER.
Mr. COURTER.
Mr. EVANS of Delaware.
Mr. GRADISON.
Mr. KEMP in two instances.
Mr. CARTER in two instances.

(The following Members (at the request of Mr. WYATT) and to include extraneous matter:)

Mr. ALEXANDER.
Mr. BEILENSON.
Mr. HOLLAND.
Mr. LLOYD.
Mr. JENKINS.
Mr. HALL of Ohio.
Mr. EDGAR in five instances.
Mr. BRINKLEY.
Mr. D'AMOURS.
Mr. ADDABBO.
Mrs. CHISHOLM.
Mr. BONKER in two instances.
Mr. DANIELSON.
Mr. STUDDS.
Mr. SHARP.
Mr. JONES of Oklahoma.
Mr. SYNAR.
Ms. FERRARO.
Mr. SANTINI.

SENATE BILLS AND JOINT AND CONCURRENT RESOLUTIONS REFERRED

Bills and joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 442. An act for the relief of Isaac N. Hulver of Kansas City; to the Committee on the Judiciary;

S. 803. An act for the relief of Nick Masonich; to the Committee on the Judiciary;

S. 1464. An act to direct the Secretary of the Interior to acquire certain lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians; to the Committee on Interior and Insular Affairs;

S. 1615. An act for the relief of James R. Thornwell; to the Committee on the Judiciary;

S.J. Res. 82. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service; and

S. Con. Res. 77. Concurrent resolution stating that the Congress does favor the submission of the President with respect to the amendment to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes of July 3, 1958, signed on December 5, 1979; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. WYATT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until Monday, March 3, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Omitted from the Record of February 27, 1980*]

3595. Communication from the President of the United States, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for the fiscal year 1981, and for other purposes (H. Doc. No. 96–272); to the Committee on Foreign Affairs and ordered to be printed.

[*Submitted February 28, 1980*]

3596. A letter from the General Counsel of the Department of Energy, transmitting notice of meetings relating to the International Energy Program to be held on March 3, 4, and 5, 1980, in Paris, France; to the Committee on Interstate and Foreign Commerce.

3597. A letter from the Under Secretary of Energy, transmitting the report on the relevance of the Second Law of Thermodynamics to Energy conservation programs, pursuant to section 683 of Public Law 95–619; jointly, to the Committee on Interstate and Foreign Commerce and Science and Technology.

3598. A letter from the Chairman, National Transportation Safety Board, transmitting the annual report of the Board for calendar year 1979, pursuant to section 305 of Public Law 93–633; jointly, to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOLEY: Committee of Conference. Conference Report on H.R. 3398 (Rept. No. 96–789). And ordered to be printed.

Mr. DERRICK: Committee on Rules. H. Res. 589. Resolution providing for the consideration of H.R. 6291. A bill to amend the Emergency Agricultural Credit Adjustment Act of 1978 and the Commodity Credit Corporation Charter Act to extend and increase certain agricultural loan programs, and for other purposes (Rept. No. 96–790). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 6659. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Ways and Means.

By Mr. BEARD of Rhode Island:

H.R. 6660. A bill establishing a Federal grant program to encourage the installation of alternate energy systems in residential and small business structures; jointly, to the Committees on Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. BOLAND:

H.R. 6661. A bill to authorize appropriations for fiscal year 1981 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Permanent Select Committee on Intelligence.

By Mr. FUQUA (by request):

H.R. 6662. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes; to the Committee on Science and Technology.

By Ms. HOLTZMAN:

H.R. 6663. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. JENKINS:

H.R. 6664. A bill to provide for a resource conservation and development program in the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MURPHY of New York (by request) (for himself and Mr. BIAGGI):

H.R. 6665. A bill to implement the Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, 1973, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 6666. A bill to revise the laws relating to the Coast Guard Reserve; to the Committee on Merchant Marine and Fisheries.

By Mr. ROBERTS (for himself, Mr. Clausen, and Mr. Johnson of California):

H.R. 6667. A bill to amend the Federal Water Pollution Control Act relating to authorization extensions and industrial cost recovery; to the Committee on Public Works and Transportation.

By Mr. SKELTON:

H.R. 6668. A bill to amend the Federal Civil Defense Act of 1950, to provide for an enhanced civil defense program for fiscal years 1981 through 1987, and for other purposes; to the Committee on Armed Services.

By Mr. STARK:

H.R. 6669. A bill to amend the Second Liberty Bond Act to increase the interest rate on U.S. savings bonds; to the Committee on Ways and Means.

By Mr. WEAVER (for himself, Mr. Brown of California, and Mr. Seiberling):

H.R. 6670. A bill to provide a voluntary system of registration for the military draft and to reinstitute a mandatory registration system whenever the President declares a national emergency with respect to a threat to our national security or there is a declaration of war; to the Committee on Armed Services.

By Mr. BRADEMAS (for himself and Mr. Thompson):

H. Con. Res. 291. Concurrent resolution expressing the sense of the Congress with respect to taxing social security benefits; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1053: Mr. Winn, Mr. Whitehurst, Mr. Hopkins, Mr. Coelho, Mr. Robert W. Daniel, Jr., Mr. Erlenborn, Mr. Pashayan, Mr. Hyde, Mr. Ottinger, Mr. Rousselot, Mr. Hall of Texas, Mr. Fisher, Mr. Cavanaugh, Mr. Jeffords, Mr. Lungren, Mr. Evans of Georgia, Mr. Gudger, Mr. Wilson of Texas, Mr. Burgener, Mr. Miller of California, Mr. Cleveland, Mr. Leach of Iowa, Mr. Grisham, and Mr. Derwinski.

H.R. 3439: Mr. Tauke, Mr. Bedell, Mr. Moffett, Mrs. Spellman, Mr. Wirth, Mr. Lehman, Mr. Hinson, Mr. Mitchell of Maryland, Mr. Leach of Iowa, Mr. Weiss, Mr. Jacobs, Mr. Buchanan, Mr. Fazio, and Mr. Stack.

H.R. 3567: Mrs. Collins of Illinois.

H.R. 4565: Mr. Bevill, Mr. Heftel, Mr. Huckaby, Mr. Lederer, Mr. Glickman, Mr. Santini, Mr. Dan Daniel, Mr. Goodling and Mr. Skelton.

H.R. 4646: Mr. Andrews of North Carolina, Mr. Ashbrook, Mr. Bedell, and Mr. Volkmer.

H.R. 5496: Mr. Duncan of Tennessee, Mr. Winn, Mr. Pickle, Mr. Lagomarsino, Mr. Hughes, Mr. Jeffords, Mrs. Boggs, Mr. Ritter, Mr. Aspin, Mr. Jenrette, Mr. Brown of California, Mr. Beard of Rhode Island, Mr. de la Garza, Mr. Thompson, Mr. Frost, Mr. Evans, of the Virgin Islands, Mr. Stratton, Mr. Lowry, and Mr. Wyatt.

H.R. 5858: Mr. Robert W. Daniel, Jr., Mr. Evans of Georgia, Mrs. Fenwick, Mr. Johnson of California, Mr. Lundine, and Mr. Roe.

H.R. 5914: Mr. Kemp, Mr. Mitchell of Maryland, and Mr. Stark.

H.R. 6063: Mr. Chappell.

H.R. 6078: Mr. Bailey.

H.R. 6089: Mr. Benjamin, Mr. Jones of Tennessee, and Mr. Miller of Ohio.

H.R. 6150: Mr. Pepper, Mrs. Chisholm, Mr. Moakley, Mr. Weiss, Mr. Horton, Mr. Mitchell of Maryland, Mr. LaFalce, Mr. Rahall, Mr. Rosenthal, Mr. Charles H. Wilson of California, Mr. Scheuer, Mr. Rangel, Mr. Johnson of California, Mr. Akaka, Mr. Downey, Mr. Corrada, Mr. Mottl, Mr. Brown of California, Mr. Evans of the Virgin Islands, Mrs. Collins of Illinois, Ms. Mikulski, Mr. Solarz, Mr. Stokes, Mr. Fauntroy, and Mr. Simon.

H.R. 6345: Mr. Lagomarsino, Mr. Bolling, Mr. McKinney, Mr. Kildee, Mr. Corcoran, Mr. Hopkins, Mr. Lujan, Mr. Kramer, Mr. Green, Mr. Brodhead, Mr. Cavanaugh, Mr. Bingham, Mr. Walker, Mr. Barnes, Mr. Pickle, Mr. Pashayan, Mr. Butler, Mr. Price, Mr. Lungren, Mr. Panetta, Mr. Sawyer, Mr. Wolpe, Mr. Bennett, Mr. Pursell, Mr. Pease, Mr. Burgener, Mr. Daschle, and Mr. Ottinger.

H.J. Res. 395: Mr. Gibbons, Mr. Shelby, Mr. Gingrich, Mr. Livingston, Mr. Robinson, Mr. Moorhead of California, and Mr. Vander Jagt.

H. Con. Res. 275: Mr. Whittaker, Mr. Buchanan, Mr. Guyer, Mr. Collins of Texas, Mr. Jeffords, and Mr. Addabbo.

H. Con. Res. 281: Mr. Buchanan, Mr. Evans of Georgia, Mr. Guyer, Mr. Hyde, Mr. Madigan, Mr. Pickle, Mr. Wampler, Mr. Yatron, Mr. Corman, Mr. Dan Daniel, Mr. Fish, Mr. Hance, Mr. Jenrette, Mr. Kindness, Mr. Lagomarsino, Mr. Luken, Mr. Nichols, Mr. Scheuer, Mr. Vento, Mr. Wolpe, Mr. Lundine, Mr. Won Pat, Mr. Burgener, Mr. Fascell, Mr. Murphy of New York, Mr. Nolan, and Mr. Whittaker.

H. Con. Res. 282: Mr. Pease and Mr. Fithian.

H. Res. 547: Mr. Downey, Mr. Roe, Mr. Hutto, and Mr. Tauke.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4973: Mr. Buchanan.

H.R. 5424: Mr. Campbell.

EXTENSIONS OF REMARKS

J. ROBERT FLUOR AND ASSOCIATES HONORED BY ENGINEERING NEWS-RECORD MAGAZINE FOR CREATIVE WORK IN COMMERCIAL SYNFUELS PRODUCTION

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE

Thursday, February 28, 1980

● Mr. RANDOLPH. Mr. President, J. Robert Fluor, chairman and the president of the Fluor Corp., was honored on February 13, by being named "Man of the Year" by Engineering News-Record magazine for his work in commercial synfuels production.

In 1955, when our synthetic fuels program was mistakenly abandoned as unnecessary because of supposed large domestic oil and natural gas reserves, the Fluor Corp. was already 5 years into helping develop the South African Coal, Oil & Gas Corp., Ltd. (Sasol). This plant, founded in 1950, is today the only commercial plant producing liquid synthetic fuel from coal.

Mr. Fluor's company is managing ongoing research which is resulting in further refinements of its process to convert coal into chemicals, petrochemicals, and fertilizers of higher quality than those derived from natural petroleum products. Fluor is directly responsible for the manufacturing breakthrough in the midsixties which saw the creation of a better catalyst making it possible for further synfuel discoveries since that time. Sasol's current daily coal consumption is around 18,000 tons.

I salute Robert Fluor and his associates for the foresight and contributions to the development of a viable synthetics fuels industry.

I commend his remarks in accepting his award and hope my colleagues and others will read this informative and rightly reasoned speech. They focus on the feasibility of a major synthetic fuels production effort in this country, and what needs to be done to make it a reality. I appeal to the Congress and the administration and our citizens to cooperate for action now.

The remarks follow:

REMARKS BY J. ROBERT FLUOR, FEBRUARY 13, 1980

In my estimation, he—or she—should be acclaimed simply for surviving the past year with any illusions intact about the grand American dream.

Think about it for a moment: For 50 years—from the days of the Great Depression to the recent past—Americans have been raised to believe they were entitled to a better, more comfortable life. Our fashionable slogan of the 20s, as some of you remember, was: "A chicken in every pot, a car in every garage."

It took some years for the meaning of that promise to approach fulfillment. But when it did, most Americans began to accept it as virtually a Divine right. And for good reason, because like no other nation in the history of the world, America delivered on its promises. We've all shared in them, everyone of us here tonight.

Every American could aspire to a better job with more disposable income; to a bigger and better home in a nicer neighborhood; to a larger, more powerful car, or even two; to better health and more affordable medical care; to a better education for his children; to more enjoyable leisure-time pursuits; most of all, to peace in his lifetime and those of his children.

We were the envy of the world. What others could barely imagine, we took as a matter of course. The upward mobile life was the American Way—the great American dream.

Sadly enough, ladies and gentlemen, I'm afraid that the American dream has begun to vanish. Quite literally, it is evaporating before our eyes. Is it possible, as some suggest, that the dream is being replaced by a nightmare?

Perhaps so, but hopefully not. Not if I have anything to say about it. Not if you have anything to say about it. And not if a concerned America has anything to say about it.

There's no secret, of course, as to why our dream is vanishing. Energy, indigenously abundant, fueled the dream in the first place. But in recent years—thanks to the ridiculously muddled priorities of our legislators—our growing dependence on foreign sources of energy is taking the dream away.

It is impossible, really, to overstate the seriousness of our present crisis. The facts alone speak for themselves.

In 1972, our imported oil bill was $4 billion. Last year it soared to $60 billion. And this year, it's likely to be more than $90 billion.

Let me try to put that last figure in perspective. It means draining off a frightening, if not life-threatening proportion of our economic life blood.

It means continued erosion of our currency, increasing our trade deficit, and pushing our rate of inflation higher. The rate of inflation last year was the worst since 1946—13.3 percent.

Government economists announced with surprise that one-third of this inflation is due to the more than 60 percent increase in OPEC oil prices this past year. To bring it home to the typical beleagured American, the 1979 increase in OPEC prices had the same impact on the American economy as a $53 billion tax increase. And 1980 has seen the start of still another round of OPEC increases.

As if all that were not enough, just in the last several weeks we were told that our national productivity actually declined in 1979—only the second time in 32 years that this has happened.

We were also informed that America's GNP will probably have zero growth or worse this year, and that unemployment may rise to 8 percent next year. That means one out of 12 American workers won't have a job.

Those are some of the facts of the crisis, the facts which speak loudly for themselves. But what about the day-to-day effects, not only in economic, but also in human terms?

For individual Americans, our nation's continuing dependence on foreign oil has unleashed a storm of adversity. How many Americans can still hope for a better job, with more take home pay, when many of our steel mills, automobile plants, railroads and tire factories are closing down permanently? How many Americans can plan on a nicer, larger home when many young families, the foundation of the future, cannot afford a first home?

How many Americans can afford to use their own automobile, when the cost of running it has begun to match the food budget? How many parents can pay for their children's education when their savings accounts have been all but depleted?

How many, in short, still share any of the spirit of optimism—that great American dream—that has been the hallmark and driving force for social and economic progress in our society for generations? Fewer and fewer, I assure you.

Indeed, it is not only as individuals that we are in serious trouble. As a nation, at this moment, we must also be alarmed about our very survival. How many of us here tonight can rest easy when our country is locked in a saber-rattling showdown with the Soviet Union over the very source of our economic malaise—those distant Middle East oil reserves?

This continuing reliance on an external energy supply has not only diminished our stature as a world leader, it has—worse yet—placed our national security in imminent jeopardy.

It is not too late to reverse this self-destructive, downhill slide we're on. It is time to end the rhetoric. We must start assessing our strengths, and making full use of them, rather than cataloging our weaknesses.

Not long ago, we were known as the management geniuses of the world. People flocked here from all over the globe to learn the formula for the American dream—studying at our universities, working and learning within our industrial organizations.

Let us begin, right now, to show the world that we still know how to manage better than anyone. Let us begin again to conduct our affairs, internationally and internally, in a way that puts us back in charge of our own lives. Let us put our priorities in order.

We know where to begin—at the heart of our problem. We must become energy independent. And our first priority is to show the world we have the resolve to become energy independent.

There are only three ways to do this—to move our nation from an energy short situation to an energy surplus position. One: Reduce consumption. Two: Increase the supply of traditional fuels. Three: Develop substitute fuels.

It sounds almost too simple, doesn't it? But it's a fact, no matter how much Congress likes to complicate it with endless debates on side issues.

Now, we have begun to make some headway on the first method of ending our crisis—reducing consumption. Both industry and the public are cutting down, through conservation, lighter-weight automotive materials, new energy-efficient engines, and the like. It's been estimated that achievement of a new car fleet average of 27½ miles per gallon by 1985 could save as much as 20 billion barrels of oil over the quarter century from 1975 to 2000—twice the proven reserves of the north slope.

I'd like to recommend that we exploit the potential of this promise, for the salvation of two of our troubled bellwether industries. I recommend that Congress, using some of the windfall profits tax, grant a tax rebate on every U.S.-made car achieving this mileage goal. It could help save our floundering auto companies, and might well reverse the deep slide of our steel mills.

However, it's clear that reducing consumption won't by itself do the whole job. Even if we double our conservation efforts, OPEC will simply reduce production and again raise prices in order to maintain their required cash flows.

Conservation can only buy us time. But it can be very valuable time if we begin using it right away. One extremely beneficial way is to get to work on our second and third options: increasing the supply of our traditional fuels, and developing substitute fuels.

In this regard, I fully agree with the basic conclusions of the recently-released National Academy of Sciences report, which put high priority on developing synthetic fuels from coal and oil shale. It also strongly endorsed continued development of nuclear energy and coal, at least until the promise of solar energy and other renewable resources can be more clearly assessed.

There is no doubt that we still have substantial reserves of oil to tap in this country. And every effort should be made to promote its extraction and its intelligent use. I have no tolerance for the time Congress has wasted in pursuit of the so-called windfall profits tax on the oil industry. Apart from the fact that such a tax will inhibit new exploration efforts, the months that have gone into its formulation have not added a single gallon of gas to our national supply during the current crisis.

I spoke earlier of muddled priorities. Considering the crisis this nation is in, it's astonishing to me that our government continues to grind out tax legislation that is punitive in nature, when it's so obvious that what we desperately need are tax incentives for achieving energy independence. In 1975, when the oil industry was again under attack for high profits, Congress promptly put the blocks to energy companies engaged in overseas exploration by, in effect, doubling the tax on dry holes. The illogic of that legislation was that the exploration they were taxing and inhibiting was taking place in areas where OPEC was not active.

Just three weeks ago, in another classic example of asininity, Senate and House conferees slapped a 30-percent tax rate on heavy oil, which exists in abundance in California. Only last summer, President Carter lifted all controls from this oil—and asked Congress to keep it free of the tax—because heavy oil is so difficult and costly to produce. The net result is that production of this oil—American oil—will now be restricted to less than half of the 500,000 barrels daily predicted by the President.

And what about coal? How long will it take our legislators to realize that coal is the only energy resource we have that can make an immediate impact on energy supply and the reduction of oil imports? We have idle capacity in place right now to produce an additional 100 million tons of coal a year. If we did, it could replace the equivalent of 12 percent of our current imports and reduce our dollar outflow by more than $8 billion.

Coal could be used as a fuel source to power our refineries. Does it make sense to burn oil, in order to refine oil—especially when oil cost 2½ times more than coal? Coal could be used to electrify our railroads, and help to revitalize them in the process. Does it make sense to run our nation's railroads on imported transport fuels, when domestic coal-generated electricity can do the job so much more cost-effectively?

The irony is that coal constitutes a massive 82 percent of our total energy reserves, yet coal fulfills only 18 percent of our current energy needs. Our known deposits of coal exceed 1,000 billion tons—and that's equivalent to 1,500 years of consumption at today's levels.

Indeed, coal is such a crucial link in our energy future that it provides a natural bridge to our most promising means of escaping dependence on foreign oil: the development of substitute fuels.

The technology for converting coal to gasoline, jet fuel, diesel, and chemicals in large quantities is here right now. I cannot avoid a certain self-interest in speaking of this, since Fluor has had many years of experience in designing and constructing such synthetic fuels facilities.

But even if this capability belonged to someone else, I would still want to be in the vanguard of those heralding its potential. Again, the facts speak for themselves.

South Africa, which has no oil of its own, will be supplying a major portion of its oil requirements by the end of 1982 from the process called indirect coal liquefaction. This is a stupendous feat because it is being accomplished in a relatively short time.

True, South Africa put its original SASOL plant into operation 25 years ago. But it was only recently that it accelerated its drive to self-sufficency by tripling the size of that plant with SASOL TWO. When Fluor completes construction of this additional capacity, it will convert 44,000 tons of coal per day into synthetic fuels. And when we complete construction of still another plant, SASOL THREE, by the end of 1982, South Africa will be free of most of its need for imports.

What it boils down to is this: By putting its money where it's people's security would be best served—by taking the long view rather than the shortsighted view—by not worrying about decimal points or the fact that one thing costs a penny more than another thing—South Africa has made tremendous strides toward energy independence. To put it somewhat more appropriately today, South Africa—unlike the U.S.—can, in effect, thumb its nose at the Ayatollah Khomeini.

There's a clear message in this accomplishment for us in the United States, it seems to me. Our stated goal, as a Nation, is to build a synfuels industry by 1990 that will reduce our dependence of foreign imports by half. But thus far, that is all we've done, stated a goal—and it's the same basic goal President Truman stated 30 years ago. We have no practical program underway, other than the experimental efforts of a few companies. And these are years away from commercial development.

For the near term, indirect coal liquefaction—using SASOL technology—is the only process that has already been demonstrated on a commercial scale. SASOL works. More importantly, we at Fluor have determined that a modified SASOL-type plant can be completed here in the United States by late 1984—if we start now, and if there are no serious environmental or regulatory delays.

I should note, incidentally, that the SASOL process is clean. The plants we are building in South Africa have been designed for zero water effluent and for recovery of the sulfur contained in the coal. We can design and build such plants for the United States that meet all environmental regulations, both Federal and State.

To those who say there's no way of telling what such a plant would cost, I say hogwash! To those in their ivory towers and think tanks, I say, come down into the real world. We've built those plants. We know how much they cost.

Our preliminary studies show that a SASOL-type plant, located in Wyoming, Colorado, or New Mexico, would have an installed capital cost of $3.6 billion. That's in 1980 dollars. Such a plant would consume 40,000 tons of coal per day and produce about 58,000 barrels of gasoline, diesel, and jet fuel.

What about the cost of this synthetic fuel? We estimate it would be equivalent to the products manufactured from a refinery processing $48 per barrel crude, assuming material and labor escalation at 10 percent per year through 1985.

Ladies and gentlemen, I said earlier we need immediate action on all three of these paths to energy independence. Now I wish to add that we need something more. For it will take more than technology to bring this off.

I am talking about a total mobilization of all the concerned segments of our society. Just as we are pulled together during other times of major crisis, we must now join in a concerted effort to regain control of our economic and political destiny.

First, our government must reorder its priorities, once and for all. Our government must understand that business is an ally in search for solutions, rather than an adversary to be blamed for its problems. Congress must take quick and decisive steps to provide the incentives for an energy independence program.

Congress and the Administration must also clear away the thicket of regulations that promise to cripple our best efforts. To quote a colleague, Bechtel Power Corporation President Harry Reinsch: "For most energy projects, it now takes nearly as much time to develop the data, obtain approvals—and then fight to uphold them in the courts—as it takes to design and build the facilities."

Industry must do its part. The oil companies, under the threat of divestiture, for example, have not displayed dynamic leadership in the development of substitute fuels. Their participation is vitally needed.

Labor unions will have to discard many of their old restrictive practices, which have hampered construction and other industries for decades. The building trades, especially, have the opportunity to reestablish themselves as a positive force in this nation. If we are to develop the engineering and construction forces needed to design and erect these massive synfuels plants, we need the freedom to recruit and train among the high-unemployment areas of this country without the constraints of union work rules.

The environmentalists, too, must realize the need for mutual trust and essential tradeoffs in this endeavor. Oil cost little more than $2 a barrel on Earth Day in 1970, and energy wasn't even an issue. Today, some buyers are paying as much as $40 a barrel. Recently, some environmentalists have begun to appreciate the urgency of our energy crisis, and to understand the complexities involved in preserving the natural environment, while simultaneously developing our energy resources. We need still further enlightenment on this thorny issue.

To sum up, everyone must come to the table, ready and willing to cooperate and sacrifice where needed. To fail to do so, at this critical juncture, is to admit defeat.

But I cannot believe it will come to that. Not when the potential for so many positive results is so apparent.

Consider the multiple benefits a synfuels industry will bring, apart from the very ultimate one of energy independence. Consider the significant impact that capital expenditures of this magnitude can have on the U.S. economy in the 1980s. Consider the multiplier effect—what I call the reverse domino effect—that will allow this nation to once again flex its sagging muscles.

As Fluor and other companies have learned, close to 40,000 Americans are employed for each $1 billion of manufactured goods used on a project. So the construction of a single $4 billion synfuels plant in the U.S. could put about 80,000 to 100,000 people to work during each of four years.

If this nation builds 10 such plants, more than a million people would be put to work each year. Retail sales would rise. New tax dollars would flow into the economy from persons who need and want jobs.

Many of these new plants will require a new town or city. These cities will need schools, hospitals and highways to serve their citizens. Steel is needed, and dirt-moving equipment, and lumber, and pipe, and so on—materials that can be purchased in this country. Many subcontractors would be involved, and many suppliers. That's what I mean by the reverse domino effect.

In short, we have the stimulus for a resurgent economy waiting in the wings and the means to rebuild basic American industry on hold.

What in the world are we waiting for?

Ladies and gentlemen, if being named Man of the Year somehow gave me the extraordinary power to bring all this to pass, I assure you I would do so immediately. But even without such a magical endowment, I cherish the honor you have bestowed on me tonight. Thank you so much.●

MARKET POWER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. SYMMS. Mr. Speaker, I submit to the CONGRESSIONAL RECORD an editorial opinion which appeared in United Airlines February 1980 Mainliner magazine. In this editorial Richard J. Ferris, chairman and chief executive officer of United Airlines discusses the need to move ahead quickly with domestic energy development and provide the private sector with more flexibility in these activities. He shows, and I conclude, that when the Government has gotten involved in an industry, the development processes begin to slow down and that economic growth in that industry is actually hindered. I ask my colleagues to review this article, as it has a great deal of merit. I think we all need to remember that it is the private marketplace that produces energy; not the Government:

AN ALTERNATIVE ENERGY SOURCE: MARKET POWER

(By Richard J. Ferris)

Efficiently producing goods and services, as well as selling and distributing them, are the basic purposes of business. Business is society's chosen instrument to achieve those objectives, and business does its job well.

By contrast, our country's experience over the years has shown that when government intervenes in the marketplace to affect the price, production or distribution of any product, it usually means trouble in the long run. And trouble is what we have when it comes to energy.

Worldwide, the market for oil is not a free market. The world oil market is rigged by the OPEC countries, which have banded together to keep supplies short and prices high.

But the United States can harness the proven power of its own free-market system to help us with the OPEC cartel.

Look at what's happened in the airline industry. Airlines were once subject to rigid government control of routes and prices. That control was reduced by an enlightened Civil Aeronautics Board and by the Deregulation Act of 1978. Once government regulation was reduced, the supply of airline service increased. And the vigorous competition that deregulation has brought will hold prices lower than they would have been under tight regulation.

Our country now faces a real energy problem. Energy is important. Our economy can't grow, our living standards can't improve, our social problems can't be solved unless we can secure—and expand—our energy sources.

We now depend too much on foreign oil for energy. Depending on unreliable foreign sources of oil is dangerous to our national security and our economic health. Reducing that foreign dependence has been the government's goal ever since the Arab oil embargo six years ago.

Since then, we've tried to solve our energy problem with more and more government intervention: government price controls, government allocations of supply, government antitrust investigations of our energy companies, government exhortations and sermonizing of all kinds. None of it has really worked. In the six years since the Arab embargo, we've become even more dependent on foreign oil than we were before.

Decontrolling prices will increase domestic oil and gas production some, even though the so-called windfall profits tax will tax away funds that energy companies could wisely and effectively reinvest in new energy sources.

We need to do more.

We should cut the redtape that holds up building new energy plants.

We should continue to expand the use of safe nuclear power.

We should carefully and selectively relax some environmental standards to speed up production of conventional fuels, such as coal.

We should keep the initiative and direction for developing synthetic fuels in the private sector (although government may have to fund some basic research and development).

We should stop expanding regulation of the oil industry. More regulation would impair the availability of fuel supplies in direct proportion to the degree of regulation.

We should keep the existing structure of the oil industry. The industry has proven the efficiency of vertical integration.

We should keep the government from owning oil resources or production facilities. There is little, if any, historic precedent that establishes the benefits of government ownership of natural resources and production facilities.

We should stop the careless use of gasoline that's encouraged by holding the retail price down to half what people pay in most of the rest of the world.

We should let all petroleum users compete freely in the marketplace for available supplies, without favoritism or special treatment for some users.

Private business, operating in our reasonably free market, has a good track record in providing goods and services for our people.

Government intervention and control has also established a track record in the past six years. The energy situation has become worse.

Our market system isn't perfect, but it does produce. We should now turn it loose to produce energy.●

CONGRESSMAN TOM STEED

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. BENNETT. Mr. Speaker, TOM STEED and I came to Congress on the same day about 32 years ago and I have shared with him his successes in the sense that I have always tried to assist him; and I have treasured his friendship in the ensuing years and also the friendship that my wife shares for him and his lovely wife in close companionship.

He brought to Congress the peculiar and the valuable assets of an able newspaperman including the background of being managing editor of the Shawnee News & Star. His intelligence is sharp and penetrating and has brought to Congress down-to-earth realism as well as constructive insight and foresight. Certainly this country is stronger because of him and he has in his services here been a great service to his area and to his Nation and to mankind. We will all greatly miss him and his beloved wife, Hazel, and wish for them every happiness in their retirement.●

TIME IS RUNNING OUT FOR IRAN

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. PORTER. Mr. Speaker, the people of the United States are shocked and disgusted over the Ayatollah Khomeini's actions in tying the release of the hostages to a favorable decision by Iran's new Parliament—which will not be elected until April. This action is nothing but a repeat of the continual rebukes of U.S. efforts to end the crisis. Initially, the Carter administration took the position that a U.N. investigation of the Shah's regime would not even be considered before the release of the hostages. Now the United States has apparently conceded that point and must tolerate the presence of a U.N. investigatory commission in Tehran—knowing full well that this mission will not result in the release of the hostages. Mr. Speaker, the intent of Iran's actions is clear. Iran intends to use the U.N. commission as a propaganda instrument to denounce the United States under a false pretense that such an action of appeasement could improve the possibility of a hostage release.

In view of Khomeini's latest action, the U.N. should immediately recall the Tehran delegation. Their continued presence can serve only to feed the fires of Iranian propaganda and prolong the crisis.

Contrary to prevailing perceptions, Iran is victimizing itself by its own actions. Its Government seems to be disintegrating from within. Even its allies are skeptical over engaging in long-term trading agreements with such an unstable regime. Because of Iran's political instability and declining oil production, oil consuming nations have sought other sources of supply. Even if President Bani-Sadr is able to put Iran back on a stable course, it will be a long time before Iran regains its reputation of a stable trading partner. Moreover, the Soviet presence in Afghanistan presents a very real threat to Iran's physical security and right to self-determination, a threat that the Iranian leaders should take most seriously.

The following editorial from the Chicago Tribune was written prior to Khomeini's latest pronouncement regarding the Iranian Parliament. Nevertheless, it clearly demonstrates the need for the United States to avoid condescending to Iranian demands and the urgency for a quick settlement—for Iran's own good as well as ours:

[From the Chicago Tribune, Feb. 21, 1980]

TIME'S RUNNING OUT—FOR IRAN

The current stepped-up efforts to free the American hostages in Iran are meeting a familiar obstacle: the inability of Iran's leaders to decide what they themselves intend to do, let alone inform Washington and other capitals. The situation has improved since the accession of President Abolhassan Bani-Sadr, in the sense that only three or four voices are now speaking from Tehran instead of the confused cacophony we used to hear; yet Mr. Bani-Sadr appears to take at least a half-step back for every step forward.

As we write, only oral agreements have been reached between UN Secretary-General Kurt Waldheim and the Iranian government on the commission's role. Nothing has been put in writing, and there is no assurance that Mr. Bani-Sadr will not change his mind [or have it changed for him] on any part of the agreement.

The commission itself—made up of legal authorities from Algeria, France, Sri Lanka, Syria, and Venezuela—is a synthetic creation whose purpose is to save face for the Iranians. The contradictory dithering over its duties and the timing of the hostages' release are essentially over a question rather marginal to most Americans: just how much face can be saved, and the precise degree of humiliation that can be exacted from the Carter administration as the price for the hostages' freedom.

It is more and more tempting to leap over the obstacles—meet any conditions, admit to anything Iran chooses to accuse this government of doing, and then, once the hostages are safely returned, disown the whole business as the meaningless charade it is.

Unfortunately, that's too easy. Having held out for 180 days against Iran's blackmail, caving in to it now would leave a net loss for the U.S. and the international rule of law. When UN Secretary General Waldheim first discussed the UN commission, it was with the provision that the hostages be released first. That is the way it should be. Moreover, time is now on our side. The squeeze is on Mr. Bani-Sadr—from the Russians, from the increasing need to reassert government control over the collection of nuts that have been running the country, from the increasingly bitter differences among the militants themselves.

The commission may brand the Shah as an arch-fiend, if it likes; we see no need for this country to defend him. But a groveling admission of guilt from this administration would validate, in retrospect, the contemptible crime that Iranians have committed against 50 American citizens, and invite other fanatics to commit more of them.

The hostages have been victims of a long ordeal; better that it should be a little longer than that it should be made meaningless.●

THE ROAD TO PRODUCTIVITY AND ECONOMIC GROWTH, PART II—FORMER CHAIRMAN OF THE SECURITIES INDUSTRY ASSOCIATION CALLS SCHULZE BILL "HEALTHY DIRECT STIMULUS TO NEW INVESTMENT"

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. SCHULZE. Mr. Speaker, several weeks ago the Ways and Means Committee conducted 2 days of public hearings on tax incentives for savings.

During those important hearings, a number of witnesses spoke in support of H.R. 6300, the Individual Investors Incentive Act of 1980. As the sponsor of this legislation, I have been very pleased to witness the level of support and enthusiasm evidenced by many organizations for it, and encouraged by their willingness to work on behalf of this investment incentive.

In my ongoing effort to share with you the latest developments in the growing campaign to enact this legislation, I am submitting today comments made by Mr. Robert H. B. Baldwin. While Mr. Baldwin is currently president of the Morgan Stanley Co., Inc., he appeared before the Ways and Means Committee at its January 30 hearing as the spokesman for the Business Roundtable.

I am pleased to enter into the CONGRESSIONAL RECORD at this point Mr. Baldwin's cogent remarks on H.R. 6300:

Although the BRT has not yet considered H.R. 6300, Individual Investor Incentive Act of 1980, introduced by Representative RICHARD T. SCHULZE of this committee, it is my personal view that this legislation would provide a healthy direct stimulus to new investment. The bill would provide a 10-percent tax credit of up to $1,000 to individuals or $2,000 to married couples for new or additional investments in stocks and bonds of domestic corporations. A minimum 12-month holding period would be necessary to qualify for the tax credit.

Under similar legislation enacted in France in 1978, individuals investing in stocks and bonds of French companies could deduct the equivalent of up to $1,200 from their taxable income each year for four consecutive years. The money must remain invested for a minimum of 3 years—though not necessarily in the same securities. The effect has been dramatic. Since 1978, the Bourse stock index has increased by over 60 percent, 1 million French investors have taken advantage of the incentive and half of them were first time investors. Contrast this with the dwindling shareholder base in the United States referred to above. Moreover, last year Frenchmen were saving at a rate of approximately 17 percent of their disposable income compared to less than 4 percent for Americans.

Last month, the Province of Quebec disclosed the success of a plan announced earlier in 1979 which enables a Quebec resident to avoid provincial income taxes on 20 percent of earned income up to $15,000 a year if the funds are invested in newly issued shares in Canadian companies with headquarters or a majority of their employees in Quebec. In 6 months, some 15,000 Quebec investors have spent an average of $6,000 each on eligible shares. The total value of shares purchased through stock savings plans is now over $90 million.

Last week, the Wall Street Journal reported that a similar measure is under consideration in Britain which has seen declines in new common stock offerings since 1975. Britain is undoubtedly attracted by the demonstrated twin benefits of stock purchase incentives: more individual participation in capital formation and a lower cost of equity capital through higher market prices, which stimulate direct corporate investment.●

WHEN TWO ECONOMISTS AGREE

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. REGULA. Mr. Speaker, the Budget Committee is coming to the end of a long series of hearings on the state of the economy in preparation for markup of the first budget resolution. What has struck me most about these hearings is the close agreement among both conservative and liberal economist-witnesses as to the necessity of achieving a tight budget policy in 1981 even in the face of anticipated recession this year. Witnesses of all political persuasions finally agree that inflation is truly our No. 1 economic problem.

A good case in point is the hearing which the House Budget Committee held on February 20 at which Arthur Okun and Alan Greenspan, both former Chairmen of the Council of Economic Advisers appeared as joint witnesses. Arthur Okun was a member and subsequently Chairman, of the Council during the Great Society years of President Johnson while Alan Greenspan served as President Ford's CEA Chairman. Both are first-rate exponents of differing points of view as to the role the Federal Government, through its budget, ought to play in stabilizing the economy. Dr. Okun, has traditionally been an advocate of an activist Government economic policy, both to redistribute income and to cushion the economy against high and rising unemployment, even if this would mean adding somewhat to inflation. Dr. Greenspan on the other hand, has never believed that the Federal budget could be used to fine tune the economy and has been more concerned with the inflationary consequences of Government economic policies.

Yet, despite this difference of approach, the recent pace of inflation has led both economists to press for an essentially conservative approach to budgetmaking over the next couple of years. Excerpts from this testimony illustrate this point:

> Dr. Okun. First, I would urge you to make every effort to pare down the added outlays for fiscal year 1980 that emerged in the Budget document. . . That increment surprised private observers and contributed to the recent seriously adverse performance of the bond market and of commodity markets. . . A large portion of the added outlays is truly uncontrollable and was unpredictable just a few months ago. But a significant part was subject to control and reflects deliberate decisions to increase expenditures. Moreover, there is no evidence of a serious effort to reduce controllables in order to offset upward revisions of uncontrollables. . . ."

Dr. Okun goes on to urge that efforts be made to make room for some tax reduction in 1981. If the President's 1981 budget aggregates are to be believed, Dr. Okun thinks that the budget is somewhat too restrictive. But the restrictiveness comes from the tax rather than the expenditure side of the budget:

> That excessive pinch results from the combination of the windfall tax on oil, the increases in social security payroll taxes next January, and the unrelenting inflation-induced creep of the income tax, which add up to an effective tax increase of $40 billion over the year ahead. But the $616 billion looks like a distinct underestimate of the probable outlay total on a realistic assessment of defense contingencies and potential sources of upward drift in non-defense spending. Hence, the only responsible way to cut that tax burden is to apply stricter controls on expenditures.

In his testimony Alan Greenspan makes much the same point:

> * * * there is every reason to believe that the current budget, put together prior to the Soviet incursion into Afghanistan, is largely obsolete * * *.

During a response to questioning Dr. Greenspan reiterates:

> * * * I just find no way to come out where the budget comes out * * *. I would have added $3 billion to the fuel bill. I find it most incredible to believe that the military personnel costs advanced in the Defense Budget will in fact come out that way. I think they will be substantially higher. I think that the procurement outlays, just granting the existing levels of obligations incurred, is going to be higher, and I also believe that a number of non-defense elements within the budget itself are coming out very much higher than is in the budget. As a consequence I come out with a $36 billion deficit without any change in tax considerations * * *. I come to the conclusion, granted that we also have got this extraordinarily large and increasing Federal credit guarantee presence, that we have in a way dissipated the resources from which we should have had significant tax cuts * * *.

Mr. Speaker, I think it significant that distinguished economists associated with both political parties agree, as the quoted excerpts and the rest of their testimony demonstrate, that the trend in the budget toward higher and higher tax burdens and escalating outlay growth is becoming intolerable both on grounds of equity and economic efficiency. Both economists agree that we can no longer solve our problems by throwing more money at them even in the face of an incipient recession. While they may have differences as to detail, they would concur in the idea that it is essential that we get a handle on uncontrollable outlays so that taxes may be reduced to give people more control over their own resources. In short both men agree that the budgetary balloon must be deflated.

Furthermore the time to start is now—with the 1980, not the 1981 budget. Mr. Speaker, when two economists of such differing philosophies of government are in such agreement on the direction the Federal budget ought to be taking, the Congress would do well to take heed.●

HONORING REPRESENTATIVE HARLEY STAGGERS

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. LLOYD. Mr. Speaker, I would like to take this opportunity to join with my colleagues in paying tribute to a man who has served his Nation in this Chamber since 1948. Congressman Staggers has set a standard of respectability and hard work for all of us, and has served the constituents of West Virginia's Second District well.

His career has been one of continuous public service and community involvement. As a high school teacher and coach, he helped young men and women learn the skills needed to function and survive in an increasingly competitive society. He served as sheriff of Mineral County, W. Va., for 4 years, and came to Washington with the needs and desires of the Appalachian region firmly in his grasp. In addition, he served proudly with the U.S. Navy Air Corps during World War II.

We will miss Harley after he retires at the end of this Congress, and I, for one, cannot picture him setting back at his home in Keyser, W. Va., twiddling his thumbs for long. I am sure that Harley will continue to make his voice heard in his community, and will continue to be a force in the protection of the rights, and the expression of the views, of the West Virginians he knows so well. But most of all, I will not have available to me the advice, maturity, and professional friendship from a man who has had a real impact on the legislative life of our country. I shall miss my friend.●

COMBINED FEDERAL CAMPAIGN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mrs. SCHROEDER. Mr. Speaker, for the information of my colleagues, I am today placing in the Record my reaction to the administration's proposed changes in the employee fundraising drive, known as the Combined Federal Campaign (CFC). In a word, my reaction is disappointment. The regulations which the Office of Personnel Management (OPM) printed in the Federal Register of February 12, were an inadequate response to the letter of the Subcommittee on Civil Service of December 20, 1979. I hope that OPM intends to strengthen these regulations before they become final.

The subcommittee recommended opening up CFC to charities other than the big, established ones, distributing the receipts in a fairer and more comprehensible manner, and raising the safeguards of fiscal integrity. Sadly, OPM did not see fit to respond, in a meaningful way, to these recommendations.

I would be amiss if I did not point out that OPM's proposed regulations contained positive elements, as well. On the issue of coercion, the proposed regulations significantly strengthen the definition of prohibited conduct and establish a place to which employees can go with allegations of undue pressure.

Following is a letter I personally handed to OPM Director Alan K. Campbell today expressing my views on this issue:

U.S. House of Representatives,
Committee on Post Office and
Civil Service, Subcommittee on
Civil Service, House Office
Building Annex 1,
Washington, D.C., February 28, 1980.

Hon. Alan K. Campbell,
Director, Office of Personnel Management,
Washington, D.C.

Dear Director Campbell: I have carefully reviewed the "Proposed amendment of Manual on Fund-Raising Within the Federal Service for Voluntary Health and Welfare Agencies," 45 Fed. Register 9418 (February 12, 1980), and am deeply disappointed by the response of the Office of Personnel Management (OPM) to the proposals made by the Subcommittee on Civil Service in its letter of December 20, 1979. I urge you to modify these proposed regulations to meet the principles set out in the Subcommittee's letter before they become final.

To assist you in making the necessary modifications, I will compare the proposals of the December 20 letter with the February 12 regulations:

Subcommittee proposal	Proposed regulations
Principle No. 1·	
a. OPM should reduce its resource commitment to CFC.	No substantial change in current level of resource commitment.
b. One national and numerous local CFC committees should take over OPM's responsibilities.	No transfer of responsibilities to either national or local committees.

Subcommittee proposal	Proposed regulations
c. Rank and file employees should be selected for membership on local CFC committees under procedures providing for participation by all interested employees.	Representatives of employee unions must be invited to serve on local Federal Coordinating Groups.
d. Local CFC committees should make all basic decisions about the Campaign, including the content of brochure.	No change in current situation.
Principle No. 2:	
a. Charities should be encouraged to provide more information to potential donors about their programs.	Limitation on distribution of information about individual agencies in Section 4.14 preserved.
b. Brochure should provide more information about each charity and grouping, including information about their finances.	Existing rule limiting description to 25 words preserved. No required financial disclosure in brochure. New provision to provide address in brochure so employees can get more information.
Principle No. 3	
a. Definition of coercion should be a regulation implementing merit system principles.	No regulation implementing merit system principles promulgated.
b. Supervisors should be prohibited from soliciting employees supervised.	Regulations contain strong prohibition against supervisors soliciting.
c. Should be full disclosure to employees of options for confidential giving or not giving.	Regulations contain some new language about non-giving, but there is no affirmative obligation to disclose to employees. Nothing new on confidential giving.
d. Provide for confidential giving directly to payroll office.	No new provision.
e. Establish safeguards against supervisors seeing contributor lists.	New prohibition on using contributor lists for purpose other than routine collection and forwarding of contributions.
f. Prohibit the setting of participation or dollar goals below the installation level.	Ban on establishing personal dollar goals or quotas.
g. Ban on setting 100 percent participation goals.	Ban on setting 100 percent participation goals.
h. Publication of names and officials to whom complaints of coercion should be directed.	Personnel offices have responsibility to receive complaints; brochure will inform employees of this.
i. OPM should receive other methods of coercion prevention.	No mention of research.
j. Length of campaigns should not be extended.	No mention of length of compaigns.
Principle No. 4:	
a. Groups which address the needs of any deprived segment of society should be eligible to participate in CFC.	Only health and welfare agencies allowed to participate, except as part of local federated campaign.
b. Eliminate requirement to have chapters all over the country.	Requirement eliminated.
c. Allow groups with higher than reasonable overhead costs to be eligible if they can reduce their overhead costs after a reasonable time in CFC.	New groups can have over 25% fundraising costs if they reduce them to 25% in three years. Older groups can get in if CFC will bring them below 25%.
d. Primary route of entry should be shifted to local level.	Local entry permitted for first time.
e. Local CFC committees should admit local groups.	United Way decides who meets eligibility requirements. Appeal to local CFC committee.
f. Petition procedure should be established for entry of local groups in CFC.	No petition procedure established.
g. Minimum standards should provide integrity.	Minimum standards require annual independent audits.
h. Minimum standards should mandate broad disclosure.	No new disclosure requirements placed on participating groups.
i. Minimum standards should ban illegal discrimination.	Discrimination banned.
Principle No 5:	
a. Undesignated funds should be treated separately from designated funds.	Formula is based on offsetting designated funds with undesignated funds to meet a pre-established dollar base.
b. Employees should know in advance the exact percentage of undesignated funds which will go to each charity.	Employees cannot know in advance the distribution of undesignated funds because of the way the dollar base formula works.
c. All eligible groups, including those newly admitted, should be able to share in the undesignated money.	New groups cannot ever get any of the undesignated money.
Principle No. 6:	
a. Only independent, disinterested parties should serve as fiscal agents.	No provision for independent fiduci- - aries.

Of the twenty-nine major proposals the Subcommittee made, the proposed regulations adopted five in full, rejected seventeen in full, and took some middle position on seven. Further, the regulations exacerbated some of the deficiencies of the Combined Federal Campaign which were identified at the hearings. For example, the regulations diluted the identity of the international service agencies, created a new distribution formula which may be even more one-sided than now, and forced local groups to seek admission through an organization which stands to lose money if they are admitted.

Frankly, I think the regulations are a poor showing on behalf of an agency which usually does substantial work. I had expected far better.

I trust you are interested in improving these regulations. To that end, I will make my staff available to work with you.

With kind regards,

Sincerely,

PATRICIA SCHROEDER,
Chairwoman.●

EDUCATION PAPERWORK: A LENTEN PENANCE FOR MR. CARTER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. ASHBROOK. Mr. Speaker, I notice that Secretary of Education Shirley Hufstedler claimed in a recent speech that Jimmy Carter has been the most proeducation President in the country's history. If that claim simply means that Mr. Carter has spent more tax dollars and employed more bureaucrats in Federal education programs, it is indisputably true. But if it means that teachers are teaching better or students learning more than they were before Mr. Carter took office, I most definitely do dispute it. In fact, it seems to me that Mr. Carter's relentless drive to expand the Federal role in the schools is precisely one of the reasons why morale among parents, students, and teachers is lower than ever.

Mr. Carter and his allegedly proeducation appointees do not seem to grasp the motto of the Israeli Army: "Every minute you spend reporting on what you're doing is a minute that you don't spend doing it." Every minute that teachers, principals, and school superintendents spend as data collectors for Washington is a minute taken away from what they want to be doing and what local taxpayers hired them to do.

A recent study commissioned by the National Association of Secondary School Principals found that 20 out of 60 exceptional principals had left, or were planning to leave, their jobs. In a March 1979 article in the Executive Educator, the study's author concluded that "if this keeps up, all of the really exceptional principals will be gone in 3 more years."

Ronald Edmonds, assistant to the chancellor of the New York City school system, observes in the New York Times of December 26, 1979, that—

> a good principal will not try to administer the school from his office. He will visit classes and respond to what he observes. He will involve the entire professional staff in a commitment to the school's mission of teaching.

Under the Rube Goldberg tangle of Federal programs and regulations started by President Johnson and fortified by President Carter, it has become harder than ever for school principals and their professional colleagues to obey this commonsense advice.

The Federal Education Data Acquisition Council—FEDAC—a unit within the National Center for Education Statistics, recently issued its annual estimate of Federal paperwork burdens on educational institutions at the State and local levels. This estimate, which is broken down by specific education-related data-collection activities, covers some 31 fine-print pages in the Federal Register.

Data collections already approved by FEDAC and the Office of Management and Budget for the 1980-81 academic year are estimated to impose a burden of 7,627,963 man-hours next year. Proposed data collections, which have not yet been cleared by FEDAC and OMB, would entail an additional 1,868,004 man-hours. Then there are another 24 Federal forms, mostly from the National Institute of Education, whose 1980-81 man-hour burden has not yet been calculated.

If FEDAC's estimates are accurate, this gives us a minimum total of 9,495,967 man-hours spent in a single academic year to fill out pieces of paper mailed from Washington. That's nearly 50,000 man-years.

If you value that time at $15,000 per man-year, Federal forms are creating an annual cost of more than $700 million. And that does not include the time or the salaries of the Federal officials who design the forms and read the responses.

Since Lent is now upon us, I would like to propose a penance for Mr. Carter and his allies in Congress who claim that spending more tax dollars to create more programs and hire more bureaucrats amounts to being proeducation. They should all be made to read—out loud—the 1980-81 FEDAC catalog of Federal education paperwork which appeared in the Federal Register. While reading they should reflect on the fact that there is only one commodity in this world which is completely irreplaceable: time. Each and every line item in this catalog represents a kind of tax on that commodity, a forced diversion of time from other tasks on the schedules of local educators. The educators who most resent this tax—the ones who do not get their sense of career fulfillment from successfully shuffling government paperwork—are precisely the ones who have the most to offer to students. They are also the very ones who are being encouraged by Mr. Carter's allegedly proeducation policies to forsake the schools and seek employment elsewhere.

The "List of Education Data Acquisition Activities for School Year 1980-81" from the February 19, 1980, issue of the Federal Register is available in my office. I will make it available to any administrator, principal, or school board member who might want to peruse it.●

THE YEAR OF THE COAST—1980

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. STUDDS. Mr. Speaker, one of the most crucial problems facing us during this, the Year of the Coast, is the need to preserve and protect the fragile barrier islands along our coastline. These long finger-like pieces of land protect our estuaries and sounds—which are among the richest and most productive ecosystems known to man—from natural disruptions like storms and hurricanes and from manmade disasters like coastal oil spills. They are unique components of the coastal zone and as such merit special attention and protection.

As you may know, I have recently cosponsored legislation introduced by Representative PHILLIP BURTON of California, which could provide significant new protections for the barrier islands along our coasts. Essentially, this new measure would create a series of national parks and seashores comprised of undeveloped barrier islands located on the Atlantic and gulf coasts. These islands, which would be purchased by the Federal Government, would thus be protected from unwise development and preserved in their natural state for the recreational enjoyment of generations to come.

The need for this legislation is made clear in the following article by Jack Thomas of the Boston Globe, which I would recommend highly to my colleagues:

THE FRAGILE BARRIER ISLANDS

(This is another in a series of articles on the nation's coastline by Jack Thomas, Globe staff)

OCEAN CITY, MD.—San Francisco has quaintness and Las Vegas, gambling, but what lures a million visitors here every summer is a gift from nature—a wonderful beach, 10 miles long and one of the most splendid stretches of sandy shore in the nation.

Without it, Ocean City would be as popular with tourists as, say, North Mashaka, Neb.

And so, when an unusual series of 28 northeasters struck the Atlantic Coast in the winter of 1978, washing away the beach and thereby threatening the city's future, Mayor Harry Kelley decided that he had to do something.

"I met with congressmen and the Army Corps of Engineers and the state Department of Natural Resources and everybody else," the mayor was saying at the Sportsman's Lounge the other day, "and nobody knew what to do except to say they'd study the problem.

At that point, though, the beach already had disappeared in front of many high-rise hotels and condominiums. The ocean was lapping at the walls that protect the city's streets, and water was washing up between the cracks along a 2-mile stretch of Ocean City's boardwalk.

"We're talking about $8 million worth of beach front," Kelley said, "so I decided, to hell with 'em. To hell with the politicians, and to hell with the bureaucracy, and to hell with the ecologists, and we got ourselves some surplus Army bulldozers and just drove out into the ocean, scooped up sand by the ton and pushed it back up on the beach night and day for months to keep the beach from washing away.

"The Army Corps of Engineers threatened to send a U.S. marshal to arrest me, but when I see ocean waves licking at our boardwalk—well, maybe it wasn't a long-term solution," said Kelley, "but we were buying time. It cost half a million dollars, but we were buying time."

That's what most of the communities along the nation's eastern and southern shores are doing these days—buying time in the fight to protect the 282 barrier islands that bejewel the Atlantic Gulf coasts.

The string of barrier islands from Maine to Texas—many with familiar names like, Fire Island, N.Y., Atlantic City, Cape Hatteras, N.C., Miami Beach, Padre Island, Texas, and Maryland's Fenwick Island, where Ocean City is located—were formed over many centuries. Violent Atlantic storms piled up coastal dunes and then forced surf through their weak points, creating the so-called barrier islands, that is, separate coastal strips with narrow bays behind them.

Today, the barrier islands form a buffer that protects the mainland from the wrath of sea and storm.

But they're in serious trouble because of overdevelopment and because, despite years of research, man has not yet learned to control their natural erosion.

Thus, in Miami, the Army Corps of Engineers is involved in a $65 million project to rebuild 9 miles of beach at public expense, although eventually the sand will wash away again.

At Cape Hatteras, N.C., the federal government already has invested more than $35 million in projects designed to stop coastal erosion.

In Monmouth, N.J., erosion persists despite seawalls, jetties and other structures, and at high tide the town beach disappears. In addition, the debris from old seawalls now makes it dangerous to swim along some parts of the beach. "It's a beach in old age." says Orrin H. Pikey Jr., a professor of geology at Duke University.

In all, the federal government has spent at least $500 million in the last three years in a largely futile effort to halt erosion.

With a quarter of the nation's shoreline eroding, the Corps estimates that it would cost several billion dollars initially to restore the shore. Even with regular maintenance, there is no guarantee the effort would succeed.

For years, conservationists have warned that the islands of the Atlantic and Gulf coasts were being developed faster than our understanding of their fragility, that they are made up of sandy shores that move constantly under the forces of storm, surf and current, and that while houses, highways and lighthouses may be stable, the barrier islands they are built upon are not.

In the past three decades, as coastal living has become more popular, the development of barrier islands has intensified, and because the islands are vulnerable to hurricanes and to northeast storms, there are millions of people now living in danger zones.

Barrier islands are five times as urbanized as the rest of the nation. Since 1975, the acreage on barrier islands devoted to forest, wetland, rangeland and agriculture has declined while urbanization has jumped 153 percent.

As a result, says Dr. Robert Dolan of the University of Virginia, a major hurricane today in Bogues Bank, N.C., for example, would cost $160 million compared to the $1.6 million damage that resulted from Hurricane Donna in 1960, and in southern Florida, the cost could be as high as $1.5 billion.

In terms of dollars and deaths, the cost is already high and certain to go higher.

Since 1900, 129 hurricanes have crossed the Atlantic and Gulf coasts, 53 of them classified as major, that is, with peak winds in excess of 110 miles per hour.

The two deadliest occurred in Galveston in 1900, when 6000 people were killed, and in Okeechobie, Fla., in 1928, when 1500 drowned.

The three most expensive occurred in 1972, when Agnes cost the Northeast $2.1 billion, in 1969 when Camille cost Mississippi and Louisiana $1.4 billion, and in 1979 when Frederick cost the Gulf Coast more than $700 million.

The damage and loss of life are not the fault of nature, say coastal experts, but rather of man himself for bulldozing sand dunes and for building too close to the shoreline.

In 1975, for example, Hurricane Eloise, with winds of 130 miles an hour, wiped out beaches along a 50-mile stretch west of Panama City, Fla., at a cost of $200 million.

But northwest Florida should have been able to withstand the impact with ease, according to Dr. Eugene Odum of the University of Georgia's Institute of Ecology.

"Ninety percent of the damage," he said, "occurred within 300 feet of the beach. Back of that line, damage was minimal."

Experts agree the crowding of the coast is an invitation to calamity.

Gilbert White, a geographer at the University of Colorado: "The most vulnerable, rapidly growing site for catastrophic events in the United States is the Gulf and the Atlantic coasts (where) rates of growth within . . . flood zones . . . are four, five and 10 times as great as in adjoining areas, and it is these areas that someday, perhaps next year, perhaps not for 100 years, depending on random occurrence, will be sites for enormous catastrophes."

Harry Lins, geographer with the United States Geological Survey in Reston, Va.: "Look at what Hurricane Camille or Frederick did to the Gulf of Mexico. Here, you have one event in one day and in a stretch of only 50 miles, it causes more than a billion dollars' damage, and it can happen again and again."

Richard A. Frank, administrator of the National Oceanic and Atmospheric Administration: "There'll be more hurricanes, and one will kill hundreds if not thousands of Americans and cause billions of dollars in property damage sometime soon. I do not know precisely when or where, but it will happen."

Nevertheless, Americans continue to build hotels, motels, condominiums, and second homes close to the water as though the land were stable, which it is not, or as though the land could be engineered, which it cannot.

Most of the development has occurred within the last 25 years. A report by HUD found that 80 percent of those living along the coast of the Atlantic and Gulf never have experienced a major hurricane. "When the quiet cycle ends," said the report, "many coastal areas will sustain heavier damages because of the increae in population and development."

In March 1962, for example, an Atlantic storm of less than hurricane force killed 32 people and caused $500 million damage. In the interim, within the storm penetration zone, the population has tripled and investments have increased tenfold.

In a report to the President, a barrier island study group warned, "More and more people are living in extremely dangerous places on the islands, where there is little protection against hurricanes and northeasters and from which there is no adequate means of escape in times of emergency."

There are two problems with trying to engineer the coast. First, it is expensive, and second, it usually doesn't work. Even the government is beginning to wonder whether the fight against nature is worth the expense.

As a result, in 1973 the National Parks Service abandoned its attempt to stabilize the shoreline with engineering schemes in places like Cape Hatteras, N.C., Assateague Island, Va., and Fire Island, N.Y.

At the new Cape Lookout National Seashore in North Carolina, the National Parks Service has decided not to expend $5.4 million *trying* to save a lighthouse threatened by erosion, and the probability is that within two years, the lighthouse will tumble into the bay.

The US Geological Survey, in a report to be published early next year, recounts the failure of erosion-control programs throughout the barrier island chain.

"For more than a century," the study will say, "coastal structures, including jetties, groins and sea walls, have been built in the onshore zone in an effort to trap sand and protect beaches. In general, these structures collectively have aggravated problems rather than resulted in solutions."

Meanwhile, Mayor Kelley struggles to hold onto Ocean City's beach.

"I go to bed with this problem," he says, "but with all the engineers and all the geologists and all the bureaucrats and all their brains, this beach erosion business is the least-known subject. We've tried everything here, polyurethene bags filled with sand and artificial seaweed and we even had paddle-swinging baffleboards, but nothing's worked. Now we're building stone groins. Eventually, we'll have them every four blocks, and this seems to make sense."

It doesn't make sense to Virginia and Delaware, where officials complain their beaches are being robbed of the natural flow of sand, and it doesn't make sense to many scientists, like Dr. Dolan of the University of Virginia.

"They're merely buying a bit of time at very great expense, and in the long run, Ocean City may be creating more problems than they're solving. In every case, if you move sand to one place, you do so at the expense of another, and in this case, because of the program in Ocean City, Assateague Island to the south is eroding faster. The National Seashore there has moved 1.3 times the width of the island in the last few decades."

The chief villain in urbanization of barrier islands may be, oddly, the federal government itself, which in effect, subsidizes construction in the fragile zone by providing flood insurance, disaster relief, grants for waste-water treatment facilities and money for the dredging of shorelines and the construction of bridges and highways.

In Rhode Island, for example, the availability of federal flood insurance prompted some banks to grant loans for building in coastal areas that the bank once considered too hazardous for development loans.

In the end, it's the taxpayers who help pay the cost of protecting private property along the coast. For flood insurance, taxpayers have to ante up $3 for every $1 collected in premiums. For 25 major disasters last year, the Federal government paid out $640 million. By October of this year, for 38 such disasters, the bill was more than a billion dollars.

The question is why taxpayers ought to subsidize construction and reconstruction on sites that are known to be perilous.●

MANDATORY WAGE-PRICE CONTROLS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● **Mr. EDGAR.** Mr. Speaker, I am sure many of my colleagues saw the two thought-provoking articles on mandatory wage-price controls which appeared in the February 27 edition of the Wall Street Journal. For those who did not, I submit them for the RECORD:

THE CASE FOR WAGE-PRICE CONTROLS

(By Walter W. Heller)

A small but growing minority of economists and financial leaders has joined the large majority of the public—65 percent in the Times-CBS Poll and 58 percent versus 34 percent in the Gallup Poll—and Senator Kennedy in calling for mandatory wage-price controls. What is it that propels them, most of them, kicking and screaming, across the Rubicon?

And what is it, first of all, that impels the great majority of economists and financial leaders, the White House, and key legislators like Senator Proxmire to oppose such controls?

Controls suspend a large chunk of our economic freedom of choice.

They warp the allocation of resources and undercut economic efficiency by substituting government fiat for the normal workings of the pricing mechanism and the profit motive.

They invite chicanery, cheating and corruption.

They require a huge bureaucracy—against 230 people administering the voluntary controls today, the Nixon controls required a staff of 4,000.

Neither voluntary nor mandatory restraints can control OPEC, God and Volcker.

PRIMARILY AN INSTRUMENT

On the last point: the U.S. government cannot dictate world oil prices; cannot repeal the laws of nature as they impact food prices; and cannot fix interest rates without hobbling Federal Reserve policy—interest rates are primarily an instrument, and only secondarily a target, of economic policy.

So the costs of controls are great. But those advocating controls see the costs of not imposing them as even greater. A 13 percent rate of inflation in 1979 and an 18 percent rate in January compel us to examine their case. (It is not my case—yet.)

First, the negative side of the case, the argument that other policies haven't worked and won't work. This consists of four main points: (1) the alarming outlook and record of U.S. inflation; (2) the increasingly stubborn resistance of wages and prices to the downdrafts of recession; (3) the resulting huge cost—in lost output, jobs, profits, and investment—of subduing inflation by "monetary-fiscal discipline," and (4) the dwindling impact of voluntary wage-price restraints.

Point One begins with the bleak prospect that the bulge of 15 percent to 20 percent inflation rates will last for several months as surging oil prices and mortgage interest rates continue to balloon the Consumer Price Index. What's even bleaker is that under the best of circumstances—inflation subsiding somewhat as oil price boosts moderate as the economy cools, and as mortgage rates level off and ease a bit—we will still be saddled with an 8 percent to 10 percent inflation rate as we head into the next expansion.

In other words, stripping away the major culprits in our double-digit inflations of recent years—oil, housing, and food—lays bare the basic or bedrock inflation rate, the self-propelling circuit of wages chasing prices and prices chasing wages. It has ratcheted upward from only 1 percent a year in the early 1960s to 3 percent after the 1969-70 recession, between 5 percent and 6 percent after the 1974-75 recession, and nearly 8 percent today.

The relentless arithmetic of hardcore inflation tells us that with average hourly compensation rising nearly 9 percent a year and average hourly output rising only 1 percent (in trend terms), the result is to put an 8 percent floor under cost-push inflation. And with wages on the catch-up trail this year, that hard-core price-wage spiral seems to be moving up another notch. No attack on inflation that fails to lower this orbit can hope to succeed.

Point Two: The day when moderate recessions took much starch out of wage-price boosts has seemingly passed. Observable practice in the great bulk of the economy is to boost wages and mark up prices through thick and thin, thus thwarting anti-inflationary monetary and fiscal policies. Even when these policies do bite into consumer and business demand—and most of the bite of 1979-80 restraint still lies ahead—they do little to break the momentum of cost-push inflation. Their main victims are workers who lose jobs, companies who lose profits and the country, which loses both production and productivity.

Point Three: It follows that to be tough enough to squeeze the inflationary water out of the economy, fiscal-monetary policy has to take a bitter toll of its lifeblood—a loss of $200 billion of GNP (and three million jobs) to knock one percentage point off the underlying inflation rate. Study after study has confirmed the mountainous costs and mouse-like benefits of sole reliance on monetary-fiscal policy to fight inflation.

Point Four: To improve on that 200-to-1 ratio—to translate more of the fiscal-monetary squeeze on demand into lower price and wage inflation and less into lost jobs and output—President Carter put wage-price guidelines into effect in October 1978. Though they did slow wage increases in 1979, they are being outflanked by the oil and housing price explosions and undermined by outsized union wage settlements and progressive easing of the wage standards. So the role of the guidelines as circuit-breakers for the price-wage price spiral is, alas, steadily eroding. And no new moves to strengthen them are in the offing.

The positive case for wage-price controls begins where the negative case ends: Although monetary-fiscal discipline is a necessary condition for success in the battle against inflation, it is simply not sufficient. To gain the anti-inflationary payoff on restrictive Federal Reserve and budgetary policies without incurring the crippling costs of an economic depression demands direct de-escalation of that vicious circle of price-wage inflation. To do that job and break both the momentum and psychosis of inflation would be the primary target of mandatory controls.

It follows that controls would have to be part of a coordinated attack on inflation, with monetary-fiscal restraints keeping the economy's blood pressure down while wage-price restraints lower the patient's fever. With rising energy and interest costs still coursing through the economy, an absolute freeze on wages and prices would ask more of the private economy than it can deliver. A reasonable target would be to lower the wage-price merry-go-round from its present 9-8 orbit to perhaps a 5-4 or even a 4-3 orbit. Then, in a year or at most two, the controls could come off without a price-wage pop-up.

The critics who, to the contrary, cite the sorry record of the Nixon controls should remember the impressive record of the Truman controls in the Korean war. The Nixon controls served as a screen behind which tax cuts, spending boosts and easy money were used to pump up the economy. Small wonder that the resulting excess demand expressed itself in a wage and price bulge the moment ceilings were taken off. But no such bubble followed removal of the Truman controls in 1953. Financing the Korean war out of tax increases and keeping a tight rein on the money supply kept private demand in check and led to several years of virtual price stability after the controls came off. It can be done.

But won't the "uncontrollables"—food, interest rates, and oil—doom the controls program before it starts? Not necessarily.

In the case of food, granted, the main policy instrument is prayer. But as costs of farm inputs are curbed by controls, an alert farm policy program can also de-escalate farm price supports, manage grain reserves, and end land set-asides to help hold farm prices in check.

As for interest rates, credible controls on wages and prices would lower inflation expectations and thus also lower long-term rates, including mortgage rates. Even with sustained monetary restraint, short-term rates would also come down from their lofty heights. So interest rates would be curbed even without putting handcuffs on them. Quantitative credit restraints are an available option, but an effective combination of wage-price and monetary-fiscal restraints could render them unnecessary.

That leaves OPEC, the prime mover of this era of inflation. To loosen its stranglehold, gasoline rationing would accompany controls. The resulting slash in consumption and improved bargaining position with our allies could spearhead a world-wide cutback in oil use and oil inflation.

Apart from these short-run policies, other components of an all-out assault on inflation would include such longer-run measures as boosters to industrial productivity in the form of tax incentives for investment and more generous research support; reduction of payroll taxes; government regulatory reform to reduce costs and stimulate competition; and reduction of import quotas and other trade barriers.

GRAVE DOUBTS

Some of the gravest doubts about controls go not to the acknowledged costs of even a carefully coordinated and comprehensive program, but rather to the nasty practical and political problems of instituting controls in a democracy, to wit:

Would anticipatory price and wage boosts negate a good deal of the impact of controls, or are their proponents right when they say that a White House call for controls could forestall much of this effect by insisting that the controls be backdated to the date of the presidential message or even earlier?

Would the necessary monetary-fiscal discipline be maintained, or would it erode once controls were put in?

Would the force of the controls be diluted and delayed by union resistance to any modification of existing contracts, including cost-of-living adjustments?

Would the enabling legislation be pitted and pock-marked with special exceptions and loopholes for powerful and well-organized pressure groups?

Would effective U.S. price curbs make scarce commodities and products a juicy target for foreign buyers and therefore require distasteful export controls?

Whatever the merits of an "ideal" controls program, there would be little merit in a program that has to go it alone without the supporting fiscal-monetary restraint, is riddled with special-interest exceptions and is preceded by months of pulling, hauling and indecision. As the White House and Congress re-examine the case for controls, they should bear vividly in mind that the process that produces the controls is as important as the controls themselves.

WHY CONTROLS DON'T WORK * * *

(By Charles L. Schultze)

High rates of inflation have been with us for over 12 years. They have been exacerbated in the last year by a huge increase in oil prices and by a sharp slowdown in productivity growth. Reducing this deepseated inflation will require the continued application of public and private restraint over a number of years. Unwilling to face that prospect, some people have begun to call for mandatory wage and price controls in the hope of reducing inflation quickly and surely.

In my judgment mandatory wage and price controls are neither a quick nor a sure way to reduce inflation. They suffer from two fatal defects under today's circumstances. First, they cannot be maintained long enough to do the job; and second, they are likely to cause major harm to the economy.

Taking into account variations in style, there are literally millions of different products to be priced in the United States. As costs of energy, raw materials, labor and environmental controls change, and as market conditions vary, these millions of prices have to be changed and kept up to date, in some cases daily. There are 10 million nonfarm businesses in the United States, each of whom has to set wages. No set of mandatory wage and price control regulations can accurately fix these millions upon millions of prices and wages and keep them up to date. As a consequence, two things happen under mandatory controls:

Pressures build up that inevitably force product after product to be wholly or partially decontrolled, and

Distortions and absurdities in the economy grow ever greater, leading to major inefficiencies, shortages, and even greater pressures on costs and prices.

These consequences were clearly demonstrated during the period of wage and price controls imposed by President Nixon between 1971 and 1974.

The Nixon controls did lower the inflation rate in late 1971 and early 1972 by about one percentage point below its previous level. But starting in the second half of 1972, the rate of inflation steadily rose and by the first half of 1973, the inflation rate was about six percentage points higher than it was in the pre-control period.

The latest economic study of this period of price controls, conducted for the National Bureau of Economic Research, uses two different approaches to isolate the effect of controls from all other factors affecting inflation. Under one approach the study concludes that over the whole period, 1971-1975, controls raised the average inflation rate by 0.3 percent a year; under the approach most favorable to controls, the estimated effect was a reduction in the average inflation rate, but only 0.5 percent a year.

In effect, given the uncertainties which surround such estimates, the fairest conclusion to draw from this study is that controls had little or no impact on the average rate of inflation when the whole period is taken into account—the surge of prices when controls were relaxed or lifted counterbalanced the reduction of inflation during the first year.

As the period of controls lengthened, the distortions and absurdities grew apace. A federal bureaucracy tried in vain to keep up with the ever-changing economic situation in thousands upon thousands of different situations, unaided by a wartime environment in which the overwhelming share of industrial output is allocated by federal order to the military.

Many metals, like copper, zinc, aluminum, and lead were in short supply around the world during the Nixon control period. World prices rose above controlled domestic prices; exports boomed; and domestic shortages spread rapidly. Paper products were in tight supply everywhere; exports from the United States increased, and the publishing industry was suddenly short of newsprint.

Fertilizer prices abroad were $30 a ton above domestic prices in 1972-73. To prevent another export surge, lifting controls was considered, but that would have diverted supplies of ammonia from the production of explosives, which were urgently needed to increase coal production. Output of coal was also hampered by shortages of mine roof bolts, a product that few people had ever bothered about until controls made their production unprofitable.

Since neither import nor export prices were controlled, many products were shipped to Canada and then reimported. The extra transportation costs added further to inflation.

During the 60-day freeze imposed in mid-1973, uncontrolled feed grain prices rose sharply. But since meat prices were frozen, production of livestock and poultry became unprofitable. Farmers slaughtered livestock and poultry rather than marketing them. They were losing $100 a head on sales of cattle. At one point in the summer of 1973, 46 beef packing houses were closed, and 6,000 employes were laid off.

Shopping for meat and poultry across Canadian and Mexican borders became a stampede. The liquidation of cattle herds precipitated by the effects of controls continued until 1979. In three years the breeding herd was reduced by 20 percent. We are still suffering from the fiasco—in 1978 and 1979, beef prices rose 50 percent, partly because of the effects of the earlier controls.

Eventually, of course, the mounting distortions lead to demands for exemptions which have to be granted to keep the economy from grinding to a halt. By March 1974, just before the Nixon controls were removed altogether, the industries that had been exempted from controls included: fertilizer, cement, zinc, aluminum, automobiles, mobile homes, rubber tires and tubes, all retail trade, furniture, paper, coal, shoes and other footwear, canned fruits and vegetables, petrochemicals prepared feeds, and semi-conductors.

Running a mandatory wage and price control system necessarily adds substantially to the federal bureaucracy engaged in making detailed decisions about our economy. The 1971-74 controls, which after a relatively short period of time were loosened and riddled with exemptions, nevertheless required 4,000 people to administer. The late AFL-CIO President, George Meany, who was an advocate of controls, estimated in 1978 that to be fair and equitable, mandatory controls would have to be very comprehensive, requiring 250,000 to 300,000 federal employes to operate them. By contrast, the current voluntary and informal wage and price standards are administered by less than 200 people.

Some of today's advocates of controls admit to the problems of the Nixon-era controls, but tell us that they would administer controls, along with other elements of economic policy, so as to avoid all the "mistakes" which caused controls to do such a poor job last time. They note that the earlier period of controls was wrecked by excessive stimulation of the economy in 1972, by a worldwide boom in 1973, by a crop shortage in the same year, and in 1974 by the Arab oil embargo.

This time, we are told, the painful course of fiscal and monetary restraint will be adhered to for as long as necessary. Presumably, other means—as yet unspecified—will avoid crop shortages, OPEC oil price increases, and any international commodity speculation.

The real world, of course, is quite different from this idyllic picture. Inevitably controls will be mandated over products whose prices simply cannot or should not be controlled. Over the last two years, the chief areas of inflation have been rapidly rising prices of meat, oil and housing. It is hard to believe that Congress would enact a price control law which permitted these products to remain uncontrolled.

The last time price controls were attempted on meat a disaster resulted; recontrolling the price of domestic crude oil would fundamentally reverse the nation's energy policy and put us more and more at the mercy of OPEC oil producers; and attempting to control the prices at which three million individuals sell their houses each year would be an administrative nightmare. And even if the Congress allowed the latitude to exempt these areas from control, how would the price controllers explain to the public the intrusive use of controls over most areas of the economy, where inflation was least, while exempting all the areas where inflation was greatest?

Inflation can be conquered by the continued application of public and private restraint, and by attention to long-run policies that increase supply and productivity. But after more than 10 years at high levels, exacerbated by huge oil price increases, inflation will not be conquered quickly. It will take a steady effort and persistence over a number of years. Wage and price controls offer no shortcut to the goal of price stability. Rather, they will take us down the wrong road, at the end of which, after wasting much effort and incurring large costs, we will have to retrace our steps and start all over again.●

LET OUR PEOPLE GO

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. PHILIP M. CRANE. Mr. Speaker, our Nation's Western States are struggling to achieve that which other States have: Access to the land within their boundaries and the right to manage it. West of the 100th meridian, marking off a 13 State area with 39 million people, most of the land is owned by the Federal Government. The steady westward drift of the population has created an increased demand for development of this federally owned property. Altogether, the Federal Government owns more than 760 million acres of land, 700 million of which is concentrated west of the 100th meridian. The controversy known as the sagebrush rebellion centers around this federally owned land and what these 13 States can do to attain control of it.

The States which have waged the sagebrush rebellion have good reason for doing so. The power of Congress to admit new States into the Union is found in article IV, section 3 of the Constitution. This clause provides for equality of constitutional rights and power for all the States in the Union. In other words, every State that is admitted into the Union is entitled to exercise all of the powers of government which belong to the Thirteen Original States. In agreement with this basic philosophy, the Northwest Ordinance of 1787 guaranteed each State the right of ownership of the lands existing within their boundaries. Yet, as a condition of admission into the Union, Congress imposed Federal ownership of substantial amounts of territory located within the boundaries of these 13 Western States. This retention occurred despite the Treaty of Guadalupe Hidalgo which specified that the Government was to eventually give control of these territories to the respective State governments.

Development and management of these lands should be kept as close to the people as possible rather than being subject to arbitrary policies imposed upon them by nonelected bureaucrats 3,000 miles away who have little knowledge of how their decisions affect them. State and local governments have time and again demonstrated that they are perfectly capable of managing these lands and resources. Under State management, wildlife refuges have flourished. Regulation and production of oil and gas resources have been developed in an evenhanded and responsible manner.

The growth in power and development of the Western States depends on their ability to efficiently transport their water supply to meet the increasing needs of agriculture and other economic concerns. As much as 70 percent of the water supply now comes in the form of spring runoff from the mountain snow peaks. This water must be dammed and then piped where needed most. Competition for these sparse resources involves agribusiness, industry, and cities. In the very near future, coal mining and synthetic fuel projects will begin to draw heavily on the already limited water resources. Among the States of the upper and lower basin of the Colorado River, competition for access to the water is so fierce that in 10 years there may not be enough of the Colorado to go around.

In order to produce our way out of the energy crisis we are facing and to reduce our dependence on foreign resources, we must utilize all of the resources within our country. These federally owned lands contain 85 percent of our Nation's oil reserves, 37 percent of our natural gas and 45 percent of our timber. Plentiful supplies of coal can be found in Colorado, Utah, Wyoming, Montana, and Arizona while 37 percent of our uranium resources and 72 percent of our shale oil is contained within this federally owned property. With all this potential sitting in our own backyard, it makes no sense for the Federal Government to continue to lock up these lands and prevent us from benefiting from the responsible development that these State governments can provide.

Would Easterners give up 60 to 70 percent of their land to Washington? I think not. Therefore, we who represent the States east of the Mississippi should grant our sister States west of the Mississippi the same rights that we so cherish. These States should have the power to make decisions concerning the control and disposition of land within their borders just as the same power has been delegated to all other States. Let us now, at long last, allow these 13 Western States join the Union on the basis of equality.●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. ALEXANDER. Mr. Speaker, I continue inserting the issues for which American nationals living and working abroad are seeking redress:

ISSUE NO. 23

Short title: Denial of Medicare to Americans Abroad.

Summary of the problem: American citizens living outside of the United States are denied Medicare benefits even though they may have contributed to Social Security to earn these benefits.

ACA's question: Why does the United States make this discrimination against Americans living abroad?

The President's reply: "The Social Security Act prohibits payment for medical services or items not provided within the United States. Citizens living abroad can enroll in Medicare, but reimbursement is only provided for treatment received in the U.S."

The President further stated that: "The desirability of an amendment to the Social Security Act to provide reimbursement for emergency services for U.S. citizens traveling to other countries will be reviewed by the Department of Health, Education and Welfare."

Finally, the President explained the problems with offering medicare abroad. "There are two primary difficulties in extending Medicare services abroad: (1) determining reimbursement rates for foreign services; and (2) ensuring compliance with Medicare standards by foreign medical personnel and facilities. With regard to reciprocal agreements with other countries, the main problem is with differences in eligibility standards between foreign health programs and the Medicare programs. These administrative difficulties are significant, but not insurmountable. A great deal of study would be required before the advisability of these programs is determined. However, the current estimated cost of full coverage for the approximately 226,000 eligibles abroad would be $375 million. In view of the need to limit Federal expenditures, this cost is a major concern."

It is hard to know what to make of the President's reply to this question. He lists a number of obstacles which would need to be confronted to give Medicare to Americans abroad, but then admits that these are not insurmountable. Next he admits that there are 226,000 Americans abroad who are eligible for Medicare, which means that they have contributed to the Social Security program. Yet he then tells us that to give them the benefits that they have earned would cost a considerable amount of money and since the U.S. Government needs to be frugal this granting of benefits to those who have paid for them must not be a precipitous act!

The President has consistently refused to give us a definition of equitable treatment whereby to judge the individual problems that are faced by Americans abroad. However, judging from the response given above it is rather clear that equitable treatment does not mean giving those abroad the fruits of their previous contributions as they are given to those who are at home. A most curious form of equity.

There are even more troubling questions to be raised by the President's answer. He indicated that two major problems that would need to be overcome concern reimbursement rates abroad and compliance by medical personnel abroad with Medicare standards. "A great deal of study would be required before the advisability of these programs is determined" concluded the President.

Even those with the barest knowledge of programs already underway and operating efficiently for many years abroad are fully aware that all of the difficulties have been successfully met by a U.S. Government program offering medical benefits to retired military personnel abroad, Champus. No "great deal of study" is really needed other than a telephone call from the Department of HEW to the Department of Defense.

ACA's renewed question: Mr. President, we regret that your answer to our question about the justification for denying medicare to those who have earned it abroad came in such a transparently inadequate form. You have not explained to us how equitable treatment of overseas Americans implies denying benefits to one American and giving them to another simply because of this location of residence. And, it is clearly inadequate to maintain that great problems would have to be resolved before such care could be given abroad because the U.S. Government has long since resolved all of these problems under a different, but very similar, program.

Finally, we doubt that you seriously meant to imply that frugality in Government expenditure is a good reason to deny elderly Americans abroad a benefit that they have paid to obtain. We suspect that trying such an argument on Americans living in Alaska on the same grounds would be considered politically suicidal. The fact that this can be attempted for those abroad with such temerity is sad proof of your estimate of our political merit.

Mr. President, we hope that you will agree with us that your answer is still urgently needed on this question of such great concern to Americans in their last few years of life. It is an affront to those who live abroad and a direct contradiction to all of the generous encomiums you have offered to the elderly American to associate your name with the response you gave in your August 27th report.

Please take another look at this question. And, please address the basic question of what treatment of overseas Americans on the medicare question would conform with any minimum standard of equity.

We urgently appeal for redress.

ISSUE NO. 24

Short title: Unemployment Insurance for Americans Abroad.

Summary of the problem: While some Americans working overseas are covered by compulsory unemployment compensation programs in the United States, many others are not. Draconian new U.S. tax laws have forced many overseas Americans to return home. Many of these find it difficult to obtain new employment and suffer greatly from not having unemployment insurance while looking for a new job.

ACA's question: Why does the U.S. Government not provide an unemployment insurance plan in which overseas Americans can voluntarily participate to protect themselves upon return to the United States?

The President's reply: We quote from the President's reply at length because it is most instructive. "The only Americans abroad without unemployment compensation coverage are those working for foreign employers. It is not known how many Americans are in this category or how many return to the U.S. as a result of having their employment terminated, but there is no evidence of a widespread need for a special purpose program to cover them."

The President then recited the familiar litany of difficulties that would be faced if such a special program of coverage would be offered. "With respect to extending unemployment compensation coverage to Americans working overseas for foreign firms, it must be understood that compliance controls over foreign employers outside of the United States would likely be limited at best. It would be difficult to obtain necessary data on individuals' wage and employment histories. These data form the basis for determining if the individual had sufficient employment to qualify for benefits and the amount and duration of such benefits. Similarly, it would be difficult to obtain reliable information concerning the reasons for the claimant's separation so that benefits could be limited only to those individuals involuntarily unemployed. In cases where the employer's response differed from the claimant's contention, it would be difficult to convene a proper hearing to resolve the issue. Such problems could weaken the system's financial security (sic). Furthermore, the dangers of adverse selection must be taken into account. Such a voluntary program would attract those who believe they are likely to need such benefits in the future, while those who do not expect to need them would be less likely to apply for coverage. The premiums necessary to keep the fund solvent could, therefore, be quite high."

Mr. President, we doubt very seriously that you ever had a chance to review this portion of your report to the Congress. It so demonstrably resonates to the vibrations of a bureaucracy that decided to obfuscate a very simple question. The question that was raised was only: should there be discrimination against some Americans living overseas in terms of their coverage for unemployment? Your advisors chose instead to answer a different sort of query: how many good reasons can we find for not giving unemployment coverage to Americans abroad?

Mr. President, even in answering this very different question you were badly served by your staff. They claim that a justification for not having a "voluntary" program of such unemployment insurance abroad is due to the difficulty of obtaining information about employment and the salaries earned abroad. Surely they need not be reminded that the same information requirement has never been suggested as a justification for not forcing overseas Americans to declare their overseas incomes for U.S. tax purposes. How evident it is, once again, that there is such an imbedded double standard whereby obligations are maintained for Americans abroad and benefits denied using both sides of the same argument as a justification.

ACA's renewed question: Mr. President we would like to ask that you once again address this question in its proper form. Is there a definition of equity that necessitates making a distinction among Americans abroad in terms of those who can be covered by unemployment insurance and those who cannot? There is a very different question also of why the United States does not consider making such a voluntary insurance program part of a package of inducements to Americans to be willing to work overseas. It is precisely U.S. employees of foreign companies that in many instances are the key individuals who can specify American source goods and services for their overseas procurement needs.

We ask for redress. And we hope that you will counsel your staff members to spare us the tedium of repetitions of the adverse selection argument. We doubt seriously that you support the idea that programs are bad if the only appeal to individuals who might someday have a need for the benefits that they are asked to contribute for. Unless there is a deceptive form of involuntary subsidization of some form or other in every one of the present U.S. Government programs we suspect that everyone should hope someday to derive some benefit from programs in which they are enrolled.

Mr. President, please take another look at this important issue.●

VFW VOICE OF DEMOCRACY CONTEST

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● **Mr. FORSYTHE.** Mr. Speaker, as my colleagues in the House are well aware, each year the Veterans of Foreign Wars of the United States and its ladies' auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school students participated in the contest competing for the 5 national scholarships which are awarded as top prizes. The contest this year was entitled, "My Role in America's Future."

I am proud that the winning contestant from New Jersey, Janet Lynn Goldman, resides in my Sixth Congressional District. Janet is a high school sophomore, who is active in student government, is news editor of the school paper, and is literary editor of the school literary magazine. She is quite interested in creative writing and plans on a career in journalism.

I bring to the attention of my colleagues in the House the speech delivered by Janet in winning the New Jersey State Voice of Democracy contest. I firmly believe that active young people like Janet are not only the voice of democracy but, indeed, the hope of democracy.

The speech follows:

MY ROLE IN AMERICA'S FUTURE

Of all the freedoms we exercise here in the United States, the freedom of speech is one of the most important, in that it is this basic, inalienable right which insures further development and improvement. By voicing our opinions, whether it be through speeches, editorials, rallies, or other means, the American people have instituted major changes in our laws and constitution which have helped us toward our goal of equality. Examples of this are numerous, ranging from Black Civil Rights to our present day Women's Equal Rights movement.

My role in preserving this freedom is incorporated into the profession I have chosen—journalism.

History has proven that the right to speak out is essential in a democracy such as ours, but how can we, the people, develop definite ideas and opinions if we are unaware of the crises of our nation and the flaws in laws both existing and yet to be made? As a journalist, one of my prime objectives will be to keep the public informed.

My responsibilities lie in timeliness and accuracy in this career, but I will take them beyond that. Too many journalists resort to sensationalism when reporting, particularly in crime and politics. I feel that this is immoral and quite unfair, and serves only to stir controversy, turning our nation against itself. I will strive for truth and justice.

There is also another side to the freedom of speech which is not often employed among reporters, as well as other citizens: the right not to speak.

Many members of the press do not realize the excellent position they are in to deter not only crime, but the goings on of such anti-American organizations as the Nazi and Communist parties. I plan to take full advantage of this position by refusing to focus on these groups as the major source of news and interest.

Publicity and fame is often the incentive for demonstrations of this nature, and removal of that national recognition can be instrumental in the abandonment of these plans, removing yet another of society's threats.

This method has recently been proven effective in Philadelphia. While covering a demonstration, a CBS correspondent felt that the TV cameras were inciting the demonstrators. In fact, they had been relatively quiet until the reporter had begun to tape his story.

Commenting that he was "creating news, not reporting it", the journalist left the scene. The cameras were packed away. Out of curiosity, he observed the demonstrators without their knowledge. Once again, they became peaceful.

Many people ask, "Why take an active role in the future?" The main reason I plan to become so involved in America's future is because I am America's future, along with the rest of my generation.

A country is only as a good as its citizens make it. Our forefathers made this a great country, well worth the fighting it took to build it, and by becoming a journalist, which is what I feel is my part in helping the people, I will help to keep our country great.

And finally, my role will be a benefit to the generations to come. By staying actively involved in our nation's affairs I will help to insure that through development and improvement, my generation will be able to leave our children a nation even more powerful, influential, and just than the one left to us by our parents.●

SORRY STATES

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. EDGAR. Mr. Speaker, for more than 3 years, the Northeast-Midwest Congressional Coalition, a bipartisan organization of 213 Members of the U.S. House of Representatives from 18 States in the region, has been intensely interested in the development of the new federalism and the relationship of State governments to labor and business.

The Honorable Barney Frank, a Massachusetts State legislator, has written a thoughtful and provocative article for the New Republic which explores these trends. Mr. Frank says:

> The perception that States must either adopt "pro-business" policies or suffer serious economic harm is one of the dominant influences on policymaking in much of the country, and particularly in the Northeast and Midwest.

Mr. Frank notes the significant shift of economic activity in recent years away from Northeastern and Midwestern States. The reason?

> This shift of jobs and capital in a south and southwesterly direction was also, in general, a shift away from States with higher taxes, more nearly adequate welfare and unemployment compensation benefits, and tougher economic policies; and toward States with lower levels of taxes, benefits, and regulation.

Mr. Speaker, I was impressed with Mr. Frank's essay as a reasoned, cogent analysis of a problem of special significance to our region but of real importance to the entire Nation. For that reason, I insert into the RECORD the full text of his article, from the December 29, 1979, issue of the New Republic and urge my colleagues to give it their serious consideration.

SORRY STATES

Forty-eight years ago Justice Brandeis made his famous comment praising the American arrangement of semiautonomous states within a federal system as an incubator of progressive government: "It is one of the happy incidents of the federal system that a single courageous State may . . . serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country." Sadly, recent economic and political trends have stood Brandeis' argument on its head. State autonomy in the economic sphere, which he supported as progressive, has become one of the most reactionary influences on contemporary public policy.

The reason is the competition for industry in which most governors and legislatures feel compelled to engage—either for the economic survival of their states, or for their own political survival. Since large industry is dominated by national and multinational corporations, business people have convinced politicians that while state lines are fixed, capital is entirely mobile. According to this widely held view, among the factors that most influence where that mobile capital will come to rest are the level and structure of state taxation; the degree of union activity within a state; and state regulatory policy in areas from pollution control to employment rights for the handicapped.

In terms of Brandeis' metaphor, the states still exist as separate laboratories, and they retain the legal right to experiment that he helped win for them in the 1930s. But the right is atrophying because the experimental subjects—private businesses—have convinced state officials that corporations will flee their jurisdictions rather than submit to any innovative efforts to regulate their activities or redistribute their wealth. Trying "novel economic and social experiments" in this context is like trying to isolate carcinogens in a Walt Disney movie, with the talking rats telling you to stuff your saccharine because they can get all the sugar they want in the nice laboratory across the street.

Unlike Brandeis' experiments in progressivism, which he believed could be conducted "without risk to the rest of the country," today's state experiments in reaction are explicitly intended to penalize the rest of the country. The purpose of giving tax and regulatory breaks to businesses is to entice them away from other states, or at least to hold onto your own in the face of other states' enticements. A recent article in the Boston Globe noted the satisfaction felt in Massachusetts because a new state agency had used tax-exempt bonds to bribe a national retail chain to move 209 jobs to Boston. Local pride at this accomplishment seemed undiminished by the fact that the jobs in question came from the South Bronx.

If tax rates, environmental standards, and labor rules were all set nationally, as they are in other industrialized countries, business would not be able to pit the different states against one another in this way. The tradition of state autonomy in such matters is supposed to preserve a degree of local freedom within our national system. But the mobility of big business makes this freedom somewhat illusory; the states clearly would be much better off if some of these policies were set nationwide. The states are prisoners of their own freedom. In 1976 Massachusetts voters defeated a proposal calling for flat electricity rates, to end the practice of volume discounts for large industrial users. They were persuaded that it would be economically suicidal for one state to impose such a rate structure by itself. But a year later, when the U.S. House of Representatives put a similar proposal into its version of the 1977 energy bill, the provision was eliminated in conference with the argument that such a national policy would invade an area reserved for the states.

Most economists with whom I have discussed this problem contend that there's a flaw in the basic thesis. They say that the business community greatly exaggerates both how mobile industrial and commercial activity really is, and how much differences in state policy influence decisions about where to locate. State-imposed costs are usually a small part of the overall cost of doing business. Consequently, even 20 or 30 percent differences in these costs from state to state show up as very small blips on a corporation's fiscal radar screen. I'm convinced we can afford to be skeptical about the need to let corporate wishes shape state policy. Unfortunately, few other state officials share that skepticism. The perception that states must either adopt "pro-business" policies or suffer serious economic harm is one of the dominant influences on policymaking in much of the country, and particularly in the industrialized Northeast and Midwest.

State officials have been impressed—some even alarmed—by the significant shift of economic activity in the United States away from the Northeast and Midwest to the South and Southwest. There are complex reasons for this trend; I do not believe that industry was driven from snowbelt to sunbelt by unsympathetic state governments. But the critical political fact is that this shift of jobs and capital in a south and southwesterly direction was also, in general, a shift away from states with higher taxes, more nearly adequate welfare and unemployment compensation benefits, and tougher economic regulatory policies; and toward states with lower levels of taxes, benefits, and regulation. Many have reasoned, post hoc ergo propter hoc.

The effect of this on public policy is clear to see. First, it is one of the main reasons that the real incomes of welfare recipients have been falling, and will almost certainly continue to fall. The first demand of the business community in snowbelt states is for reductions in state and local spending. This usually means cutbacks in spending on human service programs. For one thing, welfare and related programs are among the largest items in any state's budget, making them a tempting target. Second, welfare recipients—especially the non-elderly—are always politically vulnerable, and especially so in today's conservative climate. Business leaders who demand reduced state spending may not wish to see welfare recipients hurt, but they rarely participate in efforts to find more humane budget cuts. Most state budgets contain plenty of socially unuseful spending, reflecting the political needs and preferences of elected officials. The corporate community in most states—while insisting on budget cuts—seems perfectly willing to leave the politicians on their own in deciding where to cut.

The second major effect of the business community's pressure on the states is to make state tax structures less progressive. In addition to pressing for generally lower spending and tax practices, the business community has demanded a disproprotionate share of tax relief for itself, in both its corporate and its individual capacities. This campaign began with efforts to reduce corporate tax rates, and to abolish or severly reduce taxes on business inventories and sales taxes on machinery. Soon states began to offer special tax incentives to corporations willing to move in from outside, as well as to those undertaking expansions within the states where they were already located. States have used their rights to sell federally tax-exempt bonds to help finance corporate expansion. And special state tax credits and deductions for firms adding to their employment rolls or productive capacity have also become widespread.

These reductions have done more than simply reduce the amount of money available for general government purposes. These tax concessions to businesses have helped bring about the public mood that has brought us Proposition 13 and its imitators. The proportion of state and local taxes paid by individuals has increased sharply as a consequence of the reductions offered to corporations. As Bob Kuttner wrote in the Washington Post, "the tax revolt in 1978 was created largely by business tax relief at the expense of homeowners."

Tax relief for corporate entities has waned in popularity recently as some economists have attacked the economic assumption on which it rests, pointing out how small a part of business expense state taxes represent. But in its stead has come an explicit demand by the business sector and its allies that individual taxation in the states be made less progressive than it now is (usually not very progressive). This argument is used most effectively in the northeastern states, which want to replace heavy manufacturing with economic activity more suited to their climates, lack of energy sources and resources, and remoteness from transportation lines. This sort of activity—for example, high technology manufacturing and major financial institutions—employs fewer people than auto- or steelmaking, but pays significantly higher wages to those it does employ.

Since they use relatively little in the way of raw materials or energy, labor costs are a major concern to these firms, and their argument is that the high cost of living in the northeastern states forces them to pay uncompetitively high wages to attract the employees they need. The solution, these states are told, is to reduce taxes in the higher brackets, so that young engineers and managers can afford to live in the Northeast.

This focus on the economic plight of middle management and high technology manufacturing employees creates another potent second order effect. It makes it unlikely that much will be done on the state level to alleviate the plight of big cities. One of the most serious causes of urban distress in Massachusetts, for example, is our disastrously high rate of property taxation. For years it has been the goal of most students of the state's economy to lower these rates, which have their most pernicious social and economic effects in older, larger cities. Some real gains were made in this direction in the past five years, but they are now endangered by the view that economic salvation rests with continued development of computer industries—which are located almost exclusively in the suburbs.

The third impact of the competition for industry is in the regulatory area. Environmental rules, consumer protection, protection of employment rights for minorities, pregnant women, gays, and the handicapped, all face very serious political obstacles today from corporate leaders who threaten to move out of the state if they are hedged in with any more restraints. This happens in both the industrialized states, which seek to stop their economic losses, and in the sunbelt, where it is argued that regulatory policies that might discourage new arrivals must be avoided. Many of the changes we expected to accompany increased industrialization in the South and Southwest have been thwarted by precisely this tactic. The most glaring example relates to labor unions. One of the major advantages enjoyed by the sunbelt states, according to business leaders, is their relative freedom from organized labor; and the southern and southwestern state governments have worked hard to keep things this way. "One thing that attracts business to the state is the fact that we don't have many labor unions," one North Carolina state senator said in opposition to a proposal he saw as a threat to his state's economic growth. The proposal in question was not to change the state's labor laws, but simply to open what the New York Times described as "a center for labor education and research" at North Carolina Central University. The Times went on to report that his opposition to this effort was widely shared by other legislators, in response to overwhelming opposition from the North Carolina business community.

The only way to prevent the interstate competition for industry from continuing to exert a powerful downward pull on public services is to reassert the moral and economic case for a strong federal government. This does not mean an end to state policy freedom. It does mean that as long as certain critical national policy questions—such as income transfer policy, and the right of labor to bargain collectively—are left substantially to the states, these questions will be decided not on their merits but on the basis of corporate blackmail.

Of course tax reduction is not automatically an illegitimate policy choice, and those who wish to reduce further the real incomes of welfare recipients have every right to make their case. But these policies ought to have to be defended on their merits—that is, on the basis of some notion about how our national resources should be divided between the public and private sectors. Today, in state after state, the debate is rigged. The argument that carries the day is simply that we can't afford to be nicer to the poor than Texas, nor more progressive in our tax structure than New Hampshire.

A few simple reforms would solve the problem: A national welfare plan, and uniform levels of unemployment and workmen's compensation benefits (suitably adjusted for regional living cost differences); a uniform national policy toward labor unions; an end to the use of federal tax subsidies and exemptions by states seeking to lure away one another's industry; a comprehensive national health plan. These are the essential elements of a national policy that would preserve legitimate state autonomy over a very wide range of issues, without allowing the business community to use the leverage of its real or pretended mobility to impose its particular conservative policy preferences. Justice Brandeis was right in his day. But today his laboratories are acting more like massage parlors.●

CONGRESSMAN HARLEY STAGGERS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. BENNETT. Mr. Speaker, we are all going to miss from this Chamber next year the warm personality and great ability of our beloved colleague, HARLEY STAGGERS. I had the honor to come to Congress on the same day he came about 32 years ago and every minute of our association has been one of warmth and mutual understanding and appreciation for his great character and contributions. He has done an excellent job as chairman of the House Interstate and Foreign Commerce Committee and in that service we have seen in him the fine qualities which were developed in his background as a college head coach, sheriff, and a veteran of World War II. We will sincerely miss him and his beloved wife, Mary, more than words can express. All of us wish for him a very happy retirement and hope we will often see him as a visitor when he ceases to be a Member.●

SALT II

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. DANNEMEYER. Mr. Speaker, examination of the proposed Salt II Treaty must lead the reader to the opinion that it is a seriously damaging document to the security of the United States and the free world. It may even represent the crucial turning point at which the Soviet Union gains an irretrievable strategic advantage over the United States.

Our strategy for nuclear defense is one of deterrence. This strategy of maintaining a nuclear deterrent has been best articulated by former Defense Secretary McNamara as mutually assured destruction, MAD. This strategy is no longer effective in view of the reality of our strategic balance of arms. The pat statement that once both sides have enough weapons to destroy each other the world will be safe from war no longer holds true. The balance of terror has been tipped.

It is estimated that the U.S.S.R., under Salt II, will possess the ability to launch a first strike against the United States in the early 1980's that can wipe out our entire land based ICBM force. This would leave the Soviets with more remaining missles than we would have had before the attack and we would be left with the decisions to initiate an attack against population and industrial centers. Considering the Soviet civil defense system, the damage we could do to them would be minor and it is estimated by our own defense planners that our losses from their response would be in excess of 100 million people in urban centers all over the Nation. Whether we respond to such a first strike or not, the free world would be at the mercy of the U.S.S.R.

A brief summary of the provisions of the SALT II Treaty would be in order to clarify for the reader just what the treaty entails. The basic pact sets an overall ceiling of 2,400 delivery vehicles that drops to 2,250 delivery vehicles by January 1, 1981. A limit of 1,320 is set on multiple warhead launchers with multiple independently targetable reentry vehicles (MIRV). Within this total, 1,200 could be MIRV'ed ballistic missiles, but no more than 820 ICBM's could be so armed.

Vehicles that carry air-launched cruise missiles also come under the 1,320 ceiling for MIRV-carrying launchers. The maximum number, then, would be restricted to 120, unless the Nation would elect to employ fewer than 1,200 ballistic missiles with MIRV warheads. Aircraft carrying air-to-surface ballistic missiles do not count, if they carry no bombs, but the missiles they carry do count.

All of these limits apply to all weapons, regardless of whether they are under repair, in mothballs, or are under the process of conversion or modernization. Launchers in excess of the limits of the treaty must be destroyed or dismantled.

Before discussing the merits of the SALT II Treaty it will be helpful to examine our unilateral arms decisions first. We are in the present position of weakness due to self-imposed limitations and delays. None of these unilateral decisions to cancel or delay vital military weapons programs was done under duress or as a result of Soviet pressure. The present administration made unilateral decisions to cut weapons systems in the belief that the U.S.S.R. would counter with similar moves. Tragically, this has not happened, rather, they have continued to build their nuclear arsenal to awesome proportions.

At the time of the negotiation and signing of SALT I it was anticipated that the B-1 manned strategic bomber would be operational in 1979, the MX ICBM would be operational in 1983, the Trident submarine and missile would be part of our arsenal by 1978, and an assortment of cruise missiles to be deliverable from several types of systems would be operational for the 1980's. As a result of decisions by the present administration, all of these programs have been either canceled, cut significantly, or delayed. This situation has not been created by a breach of faith by the Soviets, but by policies that do not have any understanding of the Soviet military strategy or our own need for a strong nuclear deterent.

It is important to understand the Soviet view of détente. They do not view it as we do. It is the hope of the American people and the leaders of this Nation that détente will lead to mutual understanding and ultimately the complete reduction of tensions. This process should eventually lead to complete disarmament and elimination of the possibility of a nuclear holocaust. Such is simply not the Soviet view at all.

Recent writings by military and political leaders in the Kremlin clearly indicate that Soviet détente, "razriadka," entails an altogether different series of principles and potential futures. They acknowledge the need to reduce the possibility of nuclear war due to the dire consequences to the world, but they do not link to this any commensurate reduction in the ideological struggle that they see throughout the world. Their perceived role remains as world leaders of the struggle of the revolutionary forces against the imperialist ideologists such as the United States. In point of fact, razriadka permits them to concentrate their efforts in the Third World because they can use the desire of the United States to establish arms reduction to more easily gain an advantage in strategic nuclear arms. This is easily recognized when one considers the increased activity of the Soviets and their allies in Angola, Ethiopia, Somalia, Afganistan, and South Yemen in recent years. The existence of the Soviet combat brigade in Cuba, and Soviet troops occupying Afghanistan, only serve to further point up the long-range goal of world revolution and domination that underlies Soviet intentions in the SALT II negotiations.

The recent Soviet invasion of Afghanistan seems to have temporarily awakened the administration to the true intent of the U.S.S.R. This violent attack on an independent nation is simply the most recent manifestation of their policy of global aggression and domination. This pattern of subversion and overt military action must be kept in mind during any future consideration of SALT treaties.

The President has requested that the consideration of SALT II be temporarily delayed. I would suggest that the Soviet rape of Afghanistan conclusively shows the nature of their intentions in the world and that the treaty should be rejected altogether. SALT II is not the sort of treaty to be entered into with the Soviets as shall be seen as this discussion continues.

With this history of unilateral moves to disarm and restrict arms development we must evaluate SALT II carefully for we can ill afford a treaty that further restricts us without extensive imposition of restrictions on the Soviet Union. I believe that SALT II is not such a treaty and that it contains loopholes that are unacceptable to the United States in its present condition of military unpreparedness if we are to be able to again attain a balance of military power. I would like to briefly discuss some of these unacceptable loopholes that make SALT II unworkable for the United States.

One subtle but potentially disastrous problem with SALT II is a lack of definition on the size of the SS-19 ICBM, which is the mainstay of the Soviet ICBM force. They have 200 that are counted under SALT II and all of them are flexible enough to carry up to 10 warheads or 1 large warhead. This is a critical flaw in that it makes enforcement of the 5-percent limit on change in the size of ICBM's impossible to assess and enforce with regard to this weapon. The Soviets refused to agree on a specific definition of the size of the SS-19 during negotiations. This oversight is similar to a 1972 negotiating blunder that failed to determine the size of the SS-11. It is ironic that the SS-19 is the replacement of this earlier model SS-11. This earlier mistake enabled the Soviets to continue development, testing, and deployment of larger missiles than we anticipated under the terms of SALT I. There is no reason to believe that this present oversight will result in any different outcome. Thus, with firm limits on expansion of our present missiles to larger more effective weapons, the Soviets work with no such limit on the SS-19 ICBM.

A second problem that has arisen during the examination of the SALT II treaty deals with the increased accuracy of the Soviet ICBM force. It was previously thought that the U.S.S.R. would not be able to attain accuracy to within 0.2 nautical mile for 3 to 5 more years. This is the level of accuracy necessary to stage a successful first strike and wipe out hard targets such as our Minuteman missile silos. Recent intelligence has revealed successful Russian tests of a new guidance system that gives them accuracy to within 0.1 nautical mile, thus giving them the potential for successful first strike capability much sooner than was previously anticipated. The effect of this discovery is to throw into serious doubt the nuclear deterrent of a critical portion of our triad.

Independent congressional studies indicate that by 1980 the Soviets could mount a first strike against the Minuteman and be able to destroy a majority of them. One study shows that approximately 15 percent of the Soviet force could destroy over 75 percent of our ICBM force in a first strike. With this portion of our triad in such a precarious position, we are in a very poor bargaining position, and the results in SALT II bear this out.

A threat to a second portion of our triad lies in Soviet developments in the area of antisubmarine detection. Recent tests in the Mariana Trench in the Pacific indicate that the Soviets have developed sophisticated sensing devices that could enable them to track our nuclear-powered submarines. These submarines represent a vital portion of our deterent by providing a highly effective strike force that to date has been invincible to a first strike. Without an invincible submarine strike force, and with seriously aging B-52 bombers, our deterent capability is in serious peril.

Yet another example of one sided limitations in SALT may be found in the limit on the range of ground or sea launched cruise missiles (GLCM and SLCM). Both sides are limited to a range of 600 kilometers for these weapons. To date the Soviets have not successfully tested a GLCM or SLCM with ranges in excess of this limit, while we presently possess this capability. Thus, while we have committed to a real limit on an existing capability, the U.S.S.R. has given away nothing at all.

SALT II does not cover all essential Soviet weapons systems and, in fact, does not constrain certain systems that could present very serious threats to our security. Two of these are the SS-20 missile and the Backfire bomber. The SS-20 is a short-range missile that consists of the first and second stages of the SS-16 ICBM. The existing stock of SS-20's could be converted to long range weapons capable of being targeted at the continental United States by adding only a third stage. The rationale for excluding them from the accord was that they are "theater weapons" primarily for use in Europe, but their easy and fast conversion to ICBM's could make them very important to the security of the continental United States. The Backfire bomber is a similar case. The range of the Backfire bomber does not permit it to perform unrefueled round trip missions to the continental United States from Soviet bases. Therefore, it was reasoned that it too was a theater weapon and should not be counted. The problem is that the Backfire can perform missions directed against the United States and land at Cuban bases now, and over 100 of them have been produced with refueling probes that permit them to make round trip missions against the continental United States from bases in the U.S.S.R. These two weapons represent unbridled threats against the security of this Nation that should be limited in the SALT II accord prior to any consideration of signing.

Basic to the success of SALT II is the necessity of verifying Soviet compliance with the terms of the accord. Because their society is far more closed than is ours, their task is made much easier. We must rely upon what are termed "national technical means" and the adequacy of these has been thrown into question by several recent developments.

We lost listening posts in Iran when the new government of the Ayatollah Khomeini took command. These posts were of particular advantage for the purpose of monitoring Soviet missile development because of their close proximity to the testing grounds. To complicate this, the Soviets have resumed the use of encrypted telemetry data from their ICBM tests. This means that they are attempting to encode the radio transmissions from their test missiles in an attempt to prevent us from monitoring the tests. Without the ability to monitor their testing, we can have no confidence in the success of SALT II as an arms limitation device.

Many factors that are important to SALT verification and our national security are extremely difficult, if not impossible, to verify. Some of these factors include the number of multiple independently targetable reentry vehicles (MIRV) that a missile actually carries, the ranges of cruise missiles, changes in megatonnage of existing and developing missiles, alterations to existing older bombs in the Soviet fleet that can be converted to cruise missile carriers—from tankers and cargo carriers—and conversion of Backfire bombers to refuelable craft that can strike at the continental United States. With all of these uncertainties, it will be difficult to know whether SALT II has served to limit Soviet armaments or not and it will be impossible to know to what degree this has been accomplished.

The Soviets have the capability of cold-launching their SS-18 heavy ballistic missile. This means that compressed gas is used to propel the missile from the silo prior to ignition of the fuel, the advantage of this being that damage to the silo is minimized and the silo may be reloaded with another warhead generally in about 2 to 3 hours. The potential advantage offered by this capability is enhanced through the use of a first strike wherein the very heavy SS-18 missiles would be used against our hard targets such as our Minuteman missile silos. Upon launching the first barrage of SS-18's, the Soviets could reload the silos and be ready for any retaliation that we might be capable of mounting following their first strike. We have no ability to monitor the underground storage of additional SS-18's above the number housed in silos. Therefore, while we are allowed no heavy ballistic missiles, the Soviets can have 308 of these weapons with the possibility that more might be secretly stored for purposes of reloading silos. The verification problems discussed earlier make it impossible to determine this precisely.

More problems with SALT II exist, but space prohibits fully detailing them all. I believe that the point has been made that the agreement is not only detrimental to our national security interests, but it is unmanageable and does not present any real limits to the nuclear capability of the Soviet Union.

There is no individual in the United States today that would question the need for real action toward disarmament on a worldwide basis. It would be my hope that this could extend to conventional weapons as well as the strategic nuclear weapons that are the subject of SALT II. But the agreement presently before the Senate has nothing to do with real disarmament, in fact, it will stimulate the arms race. It does not even begin to limit the weapons growth of the Soviets, not to mention forcing either party to "beat their swords into plowshares." This treaty does nothing more than present selected qualitative limits on a few narrowly defined weapons in a manner that would appear to serve a military/political goal of the Soviet Union.

Some would have the United States act in an exemplary fashion and unilaterally begin the disarmament process with the expectation that the U.S.S.R. would be forced to follow suit. This is a commendable, if totally unrealistic, position to take. We have been doing just that under this administration and have only one thing to show for it, strategic inferiority to the Soviets. They have not in any manner displayed an inclination to disarm, but rather have chosen to continue their unprecedented drive toward strategic superiority. While they have spent increasing proportions of the total GNP of the U.S.S.R. on arms, we have canceled the B-1 bomber, delayed the production and deployment of the MX mobile ICBM, delayed the introduction of the Trident submarine and missile—a totally deterrent orientated weapons system that could not be considered a first strike threat—and have delayed the introduction of the cruise missile.

These moves have been accompanied by strong statements on the part of the United States that we have done this in the hopes that the U.S.S.R. will do the same. Each time we have seen the same response; further massive arms buildups and continued aggression in the Third World. This is hardly a record to inspire confidence in Soviet intentions; in fact, I must sadly conclude that we should learn from the mistakes of history and not repeat them. The most clear example of this is the sad fate of Afghanistan. We have not shown a willingness to stand by our friends in recent years and have permitted ourselves to be intimidated in places like Nicaragua and Iran. The Soviet boldness in Afghanistan is a natural result of this behavior.

Yet another consideration in the analysis of SALT II is the impact of our decision on world opinion and our position as leader of the free world. This point of consideration is very important and cannot be overlooked. I believe that this question is best addressed by looking at the perception of reality relative to SALT II versus the reality of SALT II ratification.

The perception of reality in many eyes is that there will be widespread disappointment if we do not ratify this agreement. I recognize this perception exists but I feel that even more credence must be given to the grim reality of the situation. This reality is simply that a substantial military strategic advantage is given to the U.S.S.R. in the SALT II accord and this advantage could result in the United States being subjected to nuclear blackmail. I feel that if there is any possibility that an action could result in endangering the free world by eroding our position of military strength, that action must not be taken. Quite simply stated, SALT II ratification would be such a step, and therefore would have the dire consequences of weakening the military ability of the leader of the free world to respond to a challenge from the Soviet Union. Therefore, while the strong desire of the peoples of the free world for disarmament must be heeded, it cannot be followed at the expense of the military integrity of the free world. For without the ability to resist armed aggression, we cannot continue to negotiate for true bilateral disarmament in a constructive manner that will result in a free world for our children as well as the children of those presently living under the oppressive yoke of communism.●

NO BAILOUT FOR NORTHERN TIER

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. BONKER. Mr. Speaker, any crude oil pipeline project that made economic sense and fulfilled a real need would be an unlikely candidate for Federal financial assistance. It would not need such aid. It could stand on its own.

Right now, however, considerable doubt exists about the need for and the financial viability of the Nation's most prominent crude oil pipeline proposal, the northern tier project. And, as Congressman AL GORE suggests in a recent letter to President Carter, that could make the northern tier project a sudden candidate for a Federal bailout.

Northern tier's unpromising outlook lends critical importance to the proviso declared by the President that no Federal financial assistance is implied or intended by the recent decision to expedite consideration of Federal permits sought by northern tier. This no-aid commitment must remain intact and should, as Congressman GORE noted, be restated again and again to insure that no one in the financial community is misled by Federal intentions.

The text of the letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 25, 1980.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to comment on your recent approval of the Northern Tier Pipeline Company's proposal to transport crude oil from the west coast to northern tier and inland states.

The Northern Tier proposal offers many advantages over the other proposals presented for your consideration. In my opinion, you have done an admirable job in weighing the delicate economic and political questions raised by a west-to-east crude oil pipeline. I was especially pleased that you committed only administrative support and made your approval contingent on the sponsors' ability to secure adequate private financial backing.

I remain concerned, however, about the possibility that at some point the federal government will be asked to step in to aid the Northern Tier Pipeline proposal with federal loans or loan guarantees.

Energy trade publications have recently quoted potential investors as raising the possibility that federal guarantees may be needed for part of this project. In my opinion, such federal assistance would be a mistake. I believe the project should proceed entirely on private financial support. Toward this end, I think it is important that you now make clear to the financial community that the federal government will not come to the rescue if the Northern Tier Pipeline proposal falters in its later construction stages. Let me give you some of the reasons for my concern.

As you know, the Northern Tier Pipeline proposal envisions a throughput of 709,000 barrels per day with expansion capability to 933,000 barrels per day. This project is considerably larger and more expensive than the other proposals presented to you. The advisability and financial viability of the project assumes a high level of future Alaskan oil production and sufficient northern tier state demand to absorb the throughput. A two-volume report recently released by the Department of Energy raises serious doubts about the need for this project. I believe the DOE report makes a strong case against any federal participation in the project.

The White House fact sheet on the West-to-East Crude Oil Transportation System stated that such a system could transport oil from a variety of sources, including the Alaskan North Slope, California, the Williston Basin, and the Overthrust Belt area. After having studied the potential oil production in these areas, my own conclusion is that the Alaskan North Slope is perhaps the only possible source of oil for the proposed pipeline.

The Williston Basin in North Dakota and the Overthrust Belt in Wyoming and Colorado already have access to spare pipeline capacity to transport future production to needed areas in the northern tier states. The west-to-east pipeline proposals under consideration would not be needed for this promising source of oil production.

The possibility of shipping Indonesian crude through the proposed pipeline poses two problems. First, imports are unlikely to increase from Indonesia because of the import quota restrictions. More importantly, 80% of the reserves of Indonesia light crude have a pour-point over 57 degrees Fahrenheit stemming from the paraffin content of that crude. Thus, Indonesian crude must be transported in a heated pipeline, yet the Northern Tier proposal does not call for this capability.

Future California production is highly speculative. Yet any surplus would be consumed within the state's borders. Moreover, it must be kept in mind that the California heavy crude—perhaps the most promising source of production—must be shipped by tanker rather than by pipeline. As a result, it would be unavailable to supplement the Northern Tier Pipeline throughput. In addition, a number of private firms are looking into the possibility of a California-to-Texas pipeline to ship excess California crude production.

Under this analysis, the Alaskan North Slope is left as the only source available to provide the supplies that will be needed to make the Northern Tier pipeline financially viable. Although I am optimistic about the potential oil production from Alaska, the uncertainties are enormous. Most attention has been focused on the potential of the Beaufort Sea. The DOE high production estimate for the Beaufort Sea assumes a 10 billion barrel find, which would be larger than the Prudhoe Bay reserves. This would provide the necessary throughput for the Northern Tier proposal. On the other hand, if the lower production estimate based on an assumption of a very modest find in the Beaufort Sea proves to be more accurate, the Northern Tier pipeline will not have sufficient throughput. Given current delays and the delivery decision windows caused by the severity of the Alaskan climate, it appears unlikely that Beaufort Sea production will be available to the lower 48 states before 1990. Assuming a pipeline is built by 1985, there will be at least 5 years of underutilized and expensive pipeline capacity.

We must be realistic in assessing the availability of crude oil for a west-to-east pipeline. If the private financial experts are wrong in their estimate of the production potential, I fear the federal government may be unable to resist the pleas to come to the rescue of a failing pipeline project.

A second major factor to consider in assessing the viability of the Northern Tier proposal is the demand for crude oil in the northern tier states. It is true that individual states such as Montana, Minnesota, and Wisconsin are expected to have petroleum deficits beginning in 1985. However, when total demand for all the northern tier states is examined, it appears inadequate to support sufficient throughput for the proposal.

There are at least two ways to view northern tier demand—projected consumer demand and refinery capacity utilization. The Department of Energy study projected northern tier state consumer demand under three scenarios. The low demand scenario projects a peak in petroleum required in 1995 at 94.8 thousand barrels per day (mb/d). The "most probable" medium-low demand scenario projects the need for 140.3 mb/d in the year 2000. The high demand scenario would support the need for a pipeline but not until the year 2000 when demand was projected to reach 709.7 mb/d. It is important, however, to look at the assumptions made by DOE in this analysis. The high demand scenario assumes a world oil price of $21 per barrel (1980 dollars) in the year 2000 while the low demand scenario projects a price of $38 per barrel. Currently the weighted average international price is nearing $30/brl and there is little question that we will reach the $38 plateau in a few years. The inescapable conclusion is that DOE's low demand scenario overestimates future demand.

When demand is viewed in terms of refinery utilization capacity in the northern tier States, a similar pattern appears. Assuming a 90 percent refinery utilization capacity—a rate higher than the historic industry average—crude oil requirements for the northern tier States will peak in the year 2000 at 235.3 mb/d. Again, this estimate is considerably less than contemplated by the Northern Tier proposal.

Even when demand is viewed in terms of peaking needs during the winter months, the pipeline would appear to be underutilized. For example, the DOE study estimates, under its most probable case, that 271.1 mb/d will be required in the year 2000 to meet peak consumer demand.

Additional analysis will be needed to update the rapidly changing factors affecting the viability of the west-to-east pipeline projects. However, viewing currently available data, I am drawn to the conclusion that the Northern Tier proposal would be drastically underutilized, especially during the 1985-1995 period. Although I am certainly not an expert in investment analysis, I am puzzled by Northern Tier's optimism in gaining full private financing.

Let me reiterate my strong support for your decision to qualify approval of the Northern Tier project on the sponsors' ability to secure adequate financial support. There are many benefits to an all-American pipeline. Yet I fear the possibility that, after initial financial backing has been secured and construction begun, a principal backer will then decide to pull out of the project. Such a move would put Congress and the Executive Branch in the difficult position of either providing enormous federal support or letting the project die a quick and painful death. I believe it will be difficult to turn back requests for financial assistance, especially if the government has devoted extensive effort under its fast-track authorities to expedite completion of the pipeline.

I agree with your finding that a west-to-east pipeline is in the national interest. However, the optimal size of the pipeline is a decision which should remain with the private financial markets. Under your authorities cited in Title V of the Public Utility Regulatory Policy Act, you will be kept informed of the status of the financial aspects of the Northern Tier proposal. In those discussions, I would like to urge you to remain firm in your decision to keep the federal government out of this project. I hope you will make it clear to the financial community that this project must make it on its own now and in the future and that investors cannot expect the federal government to make any financial commitments at any time.

Sincerely,

ALBERT GORE, JR.,
Member of Congress.●

HELEN HORNBECK TANNER

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. PURSELL. Mr. Speaker, I bring to the attention of my colleagues the historical and academic acumen of Dr. Helen Hornbeck Tanner, project director of the "Atlas of Great Lakes Indian History" at the Newberry Library in Chicago. Dr. Tanner, a resident of Ann Arbor, Mich., is a renowned expert of the history of the Great Lakes Indian tribes. As a former member of the Commission on Indian Affairs for the State of Michigan from 1966-80, she has been a leader in working toward improved conditions—particularly health—for an estimated 20,000 Indians in Michigan.

During her career, Dr. Tanner has been a friend and advocate of Indian claims cases, preparing reports and acting as an expert witness on treaties and U.S. Indian territories. She has also served as a consultant to the U.S. Departments of Justice and the Interior in Indian rights litigation.

Now, she, other specialists, and native Americans, with support from the National Endowment for the Humanities, are preparing the "Atlas of Great Lakes Indian History" for publication. The atlas will focus on the Great Lakes tribes during the period from 1615 to 1871, when treatymaking between Indian tribes and the American Government came to an end.

As many of you know, the State of Michigan and the United States—in behalf of certain Michigan Indian tribes—are now in litigation over the fishing rights of these tribes under treaties with the Federal Government. As the debate intensifies, much is being written concerning this environmental and treaty right problem. While the ultimate views of Dr. Tanner, as an advocate for the Indian treaty rights are not necessarily my own, I think it is truly proper and worthy to share a sample of her historical accounts of Great Lakes Indians, and to pay tribute to her excellent and acclaimed work in Indian history:

THE SAULT STE. MARIE BANDS: ETHNOHISTORICAL SUMMARY

The Indians living in the vicinity of present day Sault Ste. Marie are descendants of Chippewa bands identified with Lake Superior and the St. Mary's river outlet for an estimated period of possibly four hundred and fifty years. Tribal tradition tells the story of a slow migration covering an interval of two centuries from an area east of Montreal in Canada to the falls of the St. Mary's river. From this base, the Chippewa expanded north and south of Lake Superior, making their final headquarters near a narrow needle of land on Chequamegon Bay and on an adjacent island in Lake Superior, both called "La Pointe." Three generations passed before these Chippewa encountered a European, a time placed at 1612 by the traditional historian and at 1618 or 1622 by French documents. The same tradition tells that the Ottawa and Potawatomi tribes, who speak related Algonquian languages, split off during this migration, the Ottawa establishing a base on Manatoulin Island in northern Lake Huron and the Potawatomi moving south into the Lower Peninsula of Michigan. Chippewa, Ottawa and Potawatomi today acknowledge their common origin in calling themselves "The Three Fires."

The Chippewa population of the St. Mary's river apparently remained undisturbed for many years, but along with all tribes east of the Mississippi river was affected by the outbreak of Iroquois warfare in 1649, instigated by British-French fur trade rivalry. Supported by British merchants in Albany, the Iroquois of northern New York launched an attack on the French-affiliated Huron living in towns on the Ontario peninsula below Georgian Bay. The Iroquois' objective was to gain control of the Huron's trade and their hunting grounds as well. This first phase of a half-century of Iroquois wars drove refugee Hurons and their Ottawa neighbors on the north, through the Sault area to the western part of the Michigan Upper Peninsula and even to the Green Bay area of Wisconsin. By 1665, Huron and Ottawa were living temporarily near the Chippewa on Chequamegon Bay. Though Iroquois war parties pursued the westward fleeing Huron and Ottawa, they were permanently repulsed in 1662 by the Chippewa at Iroquois Point, a location on Whitefish Bay of Lake Superior named for the battle site. According to French accounts, Chippewa at their summer fishing grounds detected the smoke of the Iroquois campfires, reconnoitered, and later annihilated the sleeping Iroquois warriors.

To the west of Lake Superior, the Chippewa came in conflict with the Sioux [Dakota] of northern Minnesota whose hunting grounds they were invading. In fear of retaliation from the Sioux, the Indian population for a time retreated from Chequamegon Bay in 1671. The refugee Huron and Ottawa moved from the Upper Peninsula to Mackinac, south of the straits. Concurrently, some Chippewa drew back to Keeweenaw Bay and Sault Ste. Marie but La Pointe remained the central focus for the tribe. Also in 1671, French officials asserted formal authority over the Upper Great Lakes in dramatic ceremonies at the place recognized as the gateway to the northwest fur trade, Sault Ste. Marie. The name comes from the French word for a waterfall, spelled "sault" or "saut," a natural reference to the falls of the river outlet from Lake Superior. Sainte Marie was the name given to the Jesuit mission established at the falls in 1668. In the twentieth century, the term for the Sault Ste. Marie area has been abbreviated and anglicized to become simply the "Soo."

Returning to the Chippewa chronology, in the late seventeenth century the Lake Superior warriors followed up their victory over the Iroquois at Whitefish Bay with an aggressive campaign to reconquer from the Iroquois the original Huron country on the Ontario peninsula southeast of Georgian Bay. These successful expeditions, aided by the French, let to the settlement of Chippewa, including some Mississauga from north of Lake Huron, as far east as present day Kingston, Ontario, at the eastern end of Lake Ontario where the St. Lawrence river begins. By the early eighteenth century, Chippewa were living on both sides of the St. Clair river, in Michigan and in Ontario. Iroquois warfare ended by 1700.

In conjunction with the southward advance of tribes sympathetic to the French, Detroit was founded in 1701. Within a few years, the small surviving Huron population, later called Wyandot by the English, returned to the vicinity of their original homeland and established a village on the Ontario side of the Detroit river. A group of Ottawa accompanied the Huron, locating near their long-time allies. Potawatomi from the St. Joseph river in southwesten Michigan settled on the northwest bank of the Detroit river not far from the new French fort.

Readjustments made in the wake of the Iroquois wars determined the ultimate tribal distribution throughout Michigan and the Upper Great Lakes. Chippewa at Sault Ste. Marie were surrounded by friends and allies. In present-day Michigan, Chippewa occupied the Lake Superior shores of the Upper Peninsula, and spread along the eastern side of the Lower Peninsula. Ottawa from Manatoulin Island and Michilimackinac expanded along the eastern shore of Lake Michigan to Grand Traverse bay and down to the Grand river. They also hunted and fished on the Lake Michigan shore of the Upper Peninsula. Southern Michigan was the home of the Potawatomi whose territory extended around Lake Michigan to the Door Peninsula by Green Bay in Wisconsin. The Hurons [*Wyandots to the English*] had towns and corn fields on both sides of the Detroit river, but hunted south of Lake Erie in northern Ohio.

By the beginning of the eighteenth century, consequently, Indian tribal distribution had stabilized in the region including Sault Ste. Marie. Warfare had not disappeared, but the frontiers of conflict were distant. To the west, the fighting line in the intermittent Chippewa-Sioux warfare continued in Minnesota and Wisconsin, even after an inter-tribal boundary and neutral zone had been established at the Treaty of Prairie du Chien in 1825. To the east and south, the Chippewa like other tribes were drawn into the inter-colonial conflict first between the English and the French, later between the English and thirteen rebel colonies, and finally fought against insatiably land-hungry Americans.

The Chippewa covered a broad territory. In the 1750's, for example, Upper Great Lakes Chippewa and Ottawa supported the French army in battles in New York and Pennsylvania. During the American Revolution, Chippewa and warriors of other tribes joined British expeditions at Detroit that advanced against Kentucky frontiersmen along the Ohio river. In the 1790's, northern Ottawa and Chippewa opposed American armies campaigning to break the Indian control over southern Ohio. Along with a dozen other tribes, Chippewa were present at the great peace and land cession convocation at Greenville, Ohio in 1795. On this occasion, the Great Lakes tribes agreed to the cession of the southern two-thirds of Ohio with the assurance that the balance of the Northwest Territory was recognized as Indian land. The Chippewa bands in the Saginaw Valley and the Upper Peninsula were sympathetic to the British in the War of 1812.

The only significant military engagements near the Sault, after the episode during the Iroquois wars, were two isolated attacks on Mackinac garrisons, in 1763 and 1812. Most famous in general history is the Chippewa capture of Fort Mackinac, present Mackinaw City, in 1763 about a year after British troops took over the fort from the French at the close of the Seven Years' War. The event was one of a series of Indian victories at the beginning of Pontiac's uprising and occurred at the beginning of the long siege at Detroit. Three years later, gifts and prospect of more advantageous trade made a British garrison acceptable.

Near the end of the American Revolution, Fort Mackinac was transferred to Mackinac Island, and in 1796 turned over to troops of the new American nation. The second attack on a Mackinac garrison took place at the outbreak of the War of 1812. British from St. Joseph's Island in Lake Huron, along with an Indian contingent, seized the Fort in a surprise attack with no casualties. American "sovereignty" over the Sault Ste. Marie area had little reality until the arrival of the expedition headed by Michigan territorial governor Lewis Cass in 1820.

At the time of the Cass expedition, Chippewa in the Upper Peninsula were still living in a traditional Indian manner. Their small communities of bark wigwams shifted from time to time, but remained within the same general areas. Indian life followed an annual round of activities that varied according to the season. Corn customarily had been planted in the spring, although the harvest at a latitude as high as Sault Ste. Marie was undependable. Potatoes became a basic food crop where gardening was carried on. Hunting and fishing continued the year round. Gathering and drying berries and canoe-making were summertime occupations. In the fall, the Chippewa dispersed to winter hunting grounds to accumulate a surplus that could be traded for European manufactured goods in the spring. The severity of late fall storms and eratic icing conditions closed off lake travel from October until March; snow shoes were needed for winter travel by land.

From the Sault, family units often went out to spend the winter along the shore of Lake Superior or on the lower course of the St. Mary's river, although some families remained near the falls to fish throughout the winter. In the early spring, families gathered at maple groves for sugar-making. Trading expeditions to Sault Ste. Marie or Michilimackinac took place at the beginning of summer when weather was favorable for canoe-travel. By the nineteenth century, the Chippewa had become accustomed to woolen blankets and coats, cotton shirts, guns, and a long list of metal items: kettles, needles, hatchets, spears, hooks, ice cutters and traps. These manufactures replaced articles the Chippewa had made from pottery, bone, wood and stone.

Although the Chippewa communities along Lake Superior were linked by hereditary clan membership and by intermarriage, they gradually became identified by geographic locale. Along the south shore of Lake Superior, the three major centers in 1820 were: (1) La Pointe on Madeline Island at the head of Chequamegon Bay in present day Wisconsin, (2) the L'Anse and Keeweenaw Bay settlements in Michigan, and (3) Sault Ste. Marie, central point in a district extending from Drummond Island in Lake Huron to Grand Island in Lake Superior opposite modern Munising. The Taquamenon band on western Whitefish Bay and the Garden river band on the Canadian side of the St. Mary's River were both included in the Sault Ste. Marie group. Sometimes the Bay de Noc band of Chippewa on the north shore of Lake Michigan at the head of Green Bay was also considered subsidiary to this division. . . .

In summary: By 1855, the centers of activity for the Sault bands were restricted both on the east and west to a smaller area than in 1820. Drummond Island, whose Indian population did not participate in the 1836 treaty, is scarcely mentioned. In 1834, the Drummond Island group had been strongly urged by Canadian authorities to move to Manatoulin Island in Canadian territory. Many of the Grand Island band moved to Naomikong in the 1840's. The site of the Methodist mission was moved in 1854 from Naomikong to Point Iroquois. In 1855, the main district occupied by the Sault Ste. Marie bands extended from Sugar Island to Whitefish Bay, some still remaining near the village of Sault Ste. Marie. In addition to the reserve damaged by building the St. Mary's Falls canal, the Sault bands had 28,000 acres of land on Sugar Island and about 250,000 acres fronting on Whitefish Bay, by terms of the Treaty of March 28, 1836.●

LAGGING PRODUCTIVITY

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. STOCKMAN. Mr. Speaker, lagging productivity growth is clearly one of the foremost problems that our economy will be confronting. The last decade has seen the United States slip to last place in the rate of productivity growth among industrialized nations. During this year alone, productivity in the United States has fallen over 5 percent.

This record must be reversed. Rapid increases in productivity lead to higher real wages, decreased costs, and expanded output. Thus, productivity growth is a major offset to inflation. Without it, we must rely on stringent monetary policy and no-growth fiscal policy to restrain prices. Such defeatist policies destroy the vitality of our economy and lead to decline in our international competitive position.

The way to improve productivity is to work smarter, not harder. William P. Panny, president of Bendix Corp., made this point clearly in a recent speech before the Automotive Organization Team in Dearborn, Mich. Working smarter means efficiently performing work rather than working long and wearying hours. A man with proper tools working on an efficiently designed assembly line, for example, produces far more than someone working long, hard hours with improper tools and outdated equipment.

All Americans must be concerned with the task of improving productivity. It is just as much the concern of the assembly line worker as of the chairman of the board, because broad public awareness of the productivity problem is crucial to solving it.

As Mr. Panny pointed out, though, public awareness must be combined with legal measures designed to unleash the productive energies of the American economy. We must reduce the overall level of taxation to restore strong incentives for hard work and for business investment. We must allow more generous tax writeoffs for needed research and development expenditures by American business. Finally, we must cut away at the tangle of Government regulations that has become a drag on our economy at all levels.

Mr. Speaker, I would like to draw the attention of my colleagues to Mr. Panny's insightful remarks. I insert them in the RECORD at this point.

PRODUCTIVITY—WE MUST TRY HARDER TO STAY NO. 1

PRODUCTIVITY

Productivity has a dramatic effect on inflation. It affects employment. It plays a significant role in deciding the quality of life Americans enjoy. The nation's productivity rate will be a major factor in setting our future standard of living. And I'm convinced that because of our economic importance to the rest of the world, our productivity will have an effect on the economies of other nations.

RAISE PUBLIC CONCERN

I believe the first step we must take to improve national productivity is to raise public concern about the issue.

I would like to see the word "productivity" evoke the same kind of strong opinions as do issues like bussing, abortion, pollution and energy. I think once we've convinced our public officials that Americans are worried about productivity, it will receive the kind of priority it needs and deserves.

The importance of productivity becomes very clear and stark when we relate it to inflation.

The New York Stock Exchange Office of Economic Research reports that a one percent increase in productivity would decrease inflation several percentage points. That's not just one, two or three, but several percentage points of inflation. This fact should get anyone's attention, and I think we can agree such a decrease would certainly be welcome.

NEED PROPER DEFINITION

Besides creating a high level of public interest, we need to correct two misconceptions about productivity. The first one is that productivity means employees need to work harder and longer. That's not what we mean when we talk about productivity. Obviously, there may be some cases in which employees could work a little harder—without hurting themselves—but that's not the issue. We're really saying that productivity means working smarter. It means having the proper tools at the workplace at the right time, in the proper quantity and in working condition. It means having the computers properly programmed. It means not having what I call lazy assets. It means having good plans, proper scheduling and tight inventory controls.

I also want to stress one other point: Improved productivity applies to the hourly and salaried worker alike. We are not just talking about the hourly workers. There is tremendous room for increased productivity among salaried workers.

I would like to clarify one other misconception—that the issue of productivity somehow pits business against labor. That, of course, is not true. Productivity should be—and indeed is—as important to labor as it is to business. If productivity improves, wages go up. If productivity increases, reinvestment of profits means more opportunities. In fact, some labor leaders, worried about productivity, have called for remedial action.

BRIEF LOOK AT HISTORY

The American Productivity Center has traced productivity performance in this country and found we did very well during the 25 years after World War II, even better than during the 30 years between the world wars, but we've had trouble since. We've really sagged in the last ten years.

Specifically, the Center reports that U.S. productivity rose at an average annual rate of 3.2 percent between 1947-66, but only 1.6 percent from 1966-77. The difference between these two results, when translated into our economy, means that had we continued at the 3.2 percent rate we could have grown at about $100 billion more than we did. I'm sure Americans understand what the value of $100 billion in additional GNP would mean to us today. It could mean more defense spending to insure the security of our nation. It might be used for capital, to generate R&D or fund social programs.

CPI, WAGES, AND PRODUCTIVITY

The decline of this productivity is particularly stark when compared to the trends in wages and prices. In the last ten years, when productivity increased only slightly, compensation has doubled while the Consumer Price Index rose similarly. The result, of course, has been that we have created a highly inflationary climate and, equally dangerous, our products have become—and may continue to be—less competitive in the world marketplace. Unfortunately for this nation, the United States has lost it No. 1 position in many product areas.

UNITED STATES VERSUS OTHER COUNTRIES

About 100 years ago, the United Kingdom was the leader in the industrial world with national productivity per employee double that of other major European countries. Britain lost its leadership as other European countries, Canada and the U.S. progressed. In fact, after World War I, the U.S. became the leader. In the 1950s, the U.S. productivity level was two to three times that of European nations. Many countries were far below us in productivity. However, Western Europe and Japan rebuilt rapidly after World War II. While the U.S. continued to gain, the growth rate leadership shifted from the U.S. From 1950-74, the average output per man hour for Western European countries was 4.8 percent, more than double the 2.3 percent per year pace in the U.S. Both Japan and Germany particularly enjoyed significant growth rates.

The ten-year period from 1967-77 is crucial in terms of productivity. During these years, we saw the world shrink into one marketplace with competition becoming fierce as nations maneuvered to establish their places in a world economy. A few years ago, slippage in productivity may not have been so significant. Countries may have enjoyed independent markets. But there is no isolation anymore, making productivity performance imperative.

INDIVIDUAL PRODUCT PERFORMANCE

Many products once labeled "Made in U.S.A." no longer bear that tag. This country has lost its manufacturing leadership in many products. For instance, consider the U.S. machine tool industry. In the middle 1960s it supplied about one-third of the global market. Today that portion has fallen to only 16 percent.

Of course, the productivity of Japan, Germany and other countries in special fields are primarily responsible for this shift. Japan's tremendous progress is partially attributed to its steel production. In testimony before Congress, Japan reported that it has reduced its man hours per ton of steel from 25.5 hours in 1964 to 9.2 hours in 1974. U.S. mills, Japan said, which were almost twice as productive as Japan's a decade ago, have only decreased the man hours from 13.1 to 9.8 during the same period.

The picture is not a healthy one, especially if we continue on our present course. Some skeptics, of course, might say: Well, we're still No. 1. Why should we worry about productivity? My answer is: Yes, we still are No. 1. But you don't stay No. 1 by being complacent or avoiding problems on your doorstep. If we did not have such superb productivity a few years ago, we would have lost our leadership long ago.

SOME REASONS FOR LAG

What are some of the reasons for lagging productivity? They include:

1. Lagging investment as a percentage of GNP.
2. Lagging R&D activity in the country.
3. Unintelligent government regulation and intervention.
4. Labor-management confrontation and disagreements.
5. Management inattention to productivity.
6. Idle capital, machinery and inventory—"lazy assets."
7. Ineffective personnel relations programs.
8. Lack of cooperation between government, academia, business and labor.

Discussing investment in new plant and equipment, the American Productivity Center cites the significant decline in the growth rate of investment for new and improved plant and equipment. It is not very reassuring to see that when compared to other countries, the United States is at the bottom of the list. There are many reasons for the productivity surge of other nations: Major tax incentive programs, favorable import policies and other conditions, many of which have been analyzed carefully, particularly as they relate to the auto and other industries.

As to the second point—lagging R&D—the National Science Foundation says it best in a recent report which concluded: "The $52 billion estimated for total U.S. R&D expenditures in current dollars, while more than double the level of 1969, represents in constant dollars virtually no overall growth during the last decade."

One ray of sunshine may be that the foundation reports figures for 1978-79 will reflect increased R&D spending. I hope this is true and that this renewed interest in R&D is part of a long-term national pattern.

We can express the importance of R&D in another fashion—as a percentage of GNP being spent by other countries. We've been spending fewer of our total dollars of GNP on R&D than West Germany and Japan which have been going in exactly the opposite direction. Perhaps this is part of the reason their economies are improving and their lot in the world marketplace is becoming even stronger.

PRODUCTIVITY AND GOVERNMENT REGULATION

Among the other points I cited for lagging productivity was government regulations. Several experts have noted that by 1975, government regulation cost the nation about one-half of one percent in annual productivity growth. That is almost one-third of the actual growth from 1974 to 1975.

I don't like blanket condemnations of government regulation because in many instances they have helped society as a whole. My point is, however, that we need some balance, and we ought to review what's on the books. When I use the term government regulation, I don't just mean the demands of such agencies as OSHA, the Department of Transportation and others but I mean that, in effect, we're being regulated by tax policies as well.

One reason industries in other countries invest more than their U.S. counterparts is that the tax policies of their governments offer incentives. Business and industry enjoy a harmonious relationship with government in countries like Japan, for instance.

A SOLUTION IS IMPERATIVE

Without analyzing all the reasons I cited for the productivity dilemma, I think this brief overview indicates that it is imperative that we solve the productivity problem. To do so, we need a clear definition of productivity. We need cooperation between labor, business, academia and government. I think we should set some national goals for productivity increase. I would like to see a tax policy that offers tax credits for capital expenditures and reinvestment. I would propose policies which offer incentives in various forms for R&D expenditures. Incidentally, our chairman at Bendix, Bill Agee, headed a recent subcommittee on innovation for the Department of Commerce. That committee made 22 recommendations, including for instance:

1. Giving tax incentives to individuals to save and corporations to invest.

2. Allow write-offs for all R&D expenditures, including those for facilities and equipment.

3. Allowing tax credits for those research-related expenditures not now eligible for the investment tax credit.

I think we have agreement that productivity is important and needs national attention. I think the evidence is in that productivity needs to be improved. I think the evidence is also clear what such an improvement can accomplish. What we must do is apply American ingenuity to the productivity challenge.

I hope the severity of the productivity decline will motivate Americans to take some kind of action to help solve the problem.

America's economy is vitally important to the rest of the world; when it sniffles, other countries catch cold. We must do better to maintain our standard of living and the quality of our lives, but also to insure a healthy world economy.●

RESOURCE CONSERVATION AND DEVELOPMENT

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. JENKINS. Mr. Speaker, I am today introducing a bill which would provide for a resource conservation and development program in the U.S. Department of Agriculture. Although such a program has been in existence since 1964, having evolved under a variety of administrative umbrellas and congressional authorities, it nevertheless lacks specific legislative authority. I contend that the R.C. & D. approach, as it presently exists, is the appropriate one for dealing with the problems of resource conservation and development on the Federal level.

Since its inception in 1964, the resource conservation and development program—R.C. & D.—has provided a flexible framework of technical assistance through which local people develop and implement plans for resource improvement which directly respond to the needs of the area. The R.C. & D. program is carried out in an area which typically covers several adjacent counties. While occasionally the program is implemented through existing local organizations which can be adapted to this purpose, most frequently local people, working on a volunteer basis, form a resource improvement organization, which is then approved by the Secretary of Agriculture. Overall efforts in the R.C. & D. area are directed by an R.C. & D. council composed of representatives of participating local governments and organizations.

Leadership within USDA is provided by the Soil Conservation Service (SCS) and, in most areas, SCS locally provides a full-time employee as R.C. & D. coordinator. Still, sponsorship and decisionmaking are the responsibilities of the local residents, while USDA, under a provision of the Food and Agriculture Act of 1962, provides technical and financial support.

A plan is devised, based on the needs of the area, and submitted to the State's Governor and the SCS Administrator. The council then begins to carry out its plan, seeking accelerated funding and technical help from USDA and other Federal agencies. Regardless of the specific program chosen by the council, the R.C. & D. area is one in which "residents work to improve their economy and their environment through the conservation, development and better utilization of local natural resources," according to the 1978 "Report of the Task Force on USDA's Resource Conservation and Development Program."

Objectives of the various R.C. & D. areas have included improvement of land and water resources, protection of farmland and erosion control, farm irrigation and land drainage projects, encouragement of new industry, and building or improvement of such needed community facilities as hospitals, schools, sewage treatment plants, water systems, and reserviors.

The preceding list of activities should demonstrate that R.C. & D.'s are also providing a valuable service to the country as a whole. Through their efforts on a local level, R.C. & D. areas are actively working on solutions to such national problems as loss of topsoil, water and air pollution, flooding and flood damage. As a program of the Department of Agriculture, R.C. & D. can act as a clearinghouse of information on problem solving and resource management and improvement.

Nevertheless, the most vital part of this program, in my opinion, is its emphasis on encouraging local initiatives. This is Federal Government at its best: providing the mechanism for grassroots activity based on locally defined goals.

It should be of interest to my colleagues that there are R.C. & D. areas in every State, with the exception of Alaska, encompassing 1,197 counties, or more than one-third of the counties in the United States. Official sponsors of R.C. & D. areas include 3,143 local and State units of government and other groups, including counties, cities, towns, and soil and water conservation districts. In the program's 16-year history, 178 R.C. & D. areas have been authorized and an additional 64 applications for approval of new R.C. & D. areas have been submitted to USDA.

For my colleagues who, like myself, represent largely rural districts, I would point out that R.C. & D. provides for an application of regional planning principles to rural areas which are frequently overlooked in favor of urban and suburban planning.

It may also be of interest to my colleagues that my bill contains a sunset provision which would call for the Secretary of Agriculture to report to the Congress by December 31, 1986, evaluating the program and making recommendations as to continuation, termination or modification of this program.

I am sure that the achievements and viability of the R.C. & D. program are apparent to my colleagues. In the past, this program has been vulnerable to proposed budget cuts, although we in the Congress have consistently voted to increase its funding level above that requested by the administration. My bill would assure R.C. & D.'s future for a defined period of time, providing local sponsors the opportunity to implement some of their long-range objectives instead of having to rely on short-term commitments and programs. I believe that in this way the R.C. & D. program can prove its utility and capability.

A similar bill has already been introduced in the Senate by Senator GEORGE MCGOVERN, who has long been a leading voice in this field. I have followed Senator MCGOVERN's bill, which in my opinion is a model for us interested in the R.C. & D. program. If we want to continue this program, and I think we do, then we must pass some authorization legislation so that the people in the field will know what to expect and can develop sound programs throughout this great Nation.

I believe in this program and in its demonstrated usefulness to this country. Therefore, I urge my colleagues favorable consideration of this measure. The text of my bill follows:

H.R. —

A bill to provide for a resource conservation and development program in the Department of Agriculture, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Resource Conservation and Development Act of 1980".

CONGRESSIONAL FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares—

(1) that the rural areas of the Nation are confronted by critical resource utilization, economic, and environmental problems;

(2) that such problems are the result of—

(A) continually increasing pressures on such rural areas to meet domestic and foreign demand for food, fiber, and wood;

(B) inadequate public and private investment to help formulate and carry out acceptable courses of action necessary to meet the accelerating demands being made on the land and natural resources of the Nation; and

(C) social, economic, and environmental conditions of such complexity that they cannot be effectively dealt with by individual communities in rural areas acting independently of each other; and

(3) that such problems have resulted in and, unless unchanged, will continue to result in the decline of the family farm system, small business enterprise, and job opportunities, as well as a decrease in the

amenities and environmental qualities of rural areas throughout the United States.

(b) It is, therefore, the purpose of this Act to encourage and assist State and local units of government and local nonprofit organizations in rural areas to plan, develop, and carry out a program for resource conservation and development.

DEFINITIONS

Sec. 3. As used in this Act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "planning process" means the continuing effort by any State, local unit of government, or local nonprofit organization to develop and carry out effective resource conservation and utilization plans for a designated rural area, including development of an area plan (as defined in paragraph (3)), goals, objectives, policies, implementation activities, and evaluations and reviews, and the opportunity for public participation in such effort.

(3) The term "area plan" means a resource conservation and utilization plan for a designated rural area of a State or States which has been developed through a planning process and which includes one or more of the following basic elements:

(A) a land conservation and utilization element the purpose of which will be to correct maladjustments in land use, to protect agricultural land from imprudent conversion to other uses, to control erosion and sedimentation, and to protect fish and wildlife habitats;

(B) a water management element the purpose of which will be to provide for the conservation and utilization of water, including irrigation and rural water supplies; the mitigation of floods and high water tables; construction, repair, the improvement of dams and reservoirs; improvement of agricultural water management; and improvement of water quality through control of nonpoint sources of pollution;

(C) a community development element the purpose of which will be the development of natural resource based industry, the protection of rural area industries from natural resource hazards, development of aquaculture, adequacy of rural area water and waste disposal systems, improvements in recreation facilities, rural housing, adequate health and education facilities, and essential transportation and communication needs; and

(D) other elements such as energy conservation, environmental protection, preservation of unique natural and cultural resources that are appropriate to achieving the goals of the citizens in the designated rural areas.

(4) The term "State" means the several States, the Commonwealth of Puerto Rico, and the Virgin Islands.

(5) The term "local unit of government" means any city, town, township, parish, village, or other general-purpose subdivision of a State, any local or regional special district or other limited political subdivision of a State, including any soil conservation district, irrigation, watershed, or drainage district, school district, park authority, and water or sanitary district.

(6) The term "nonprofit organization" means any community association, wildlife group, or resource conservation organization that is incorporated and approved by the Secretary for the purpose of providing to any rural area those public facilities or services included in the area plan for such rural area.

(7) The term "technical assistance" means any service provided by the staff members of any agency of the Department of Agriculture, including advising, inventory evaluating, planning, designing, supervising, laying out, and inspecting and the providing of maps, reports, and other documents associated with the services provided.

(8) The term "financial assistance" means the assistance made available under this Act by means of Federal grants and loans.

(9) The term "works of improvement" means the facilities installed or being installed in compliance with the area plan.

RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

Sec. 4. The Secretary shall establish a resource conservation and development program under which the Secretary shall make available to States, local units of government, and local nonprofit organizations the technical and financial assistance necessary to permit such States, local units of government, and organizations to operate and maintain a planning process for the development of plans and actions needed to conserve and better utilize land, develop natural resources, and improve and enhance the economic and environmental conditions of rural areas of the United States.

AUTHORITY OF THE SECRETARY OF AGRICULTURE

Sec. 5. In carrying out the provisions of this Act, the Secretary may—

(1) provide technical assistance and advice, upon request, to any State, local unit of government, or local nonprofit organization within a designated rural area to assist in developing an area plan for such area;

(2) cooperate with other departments and agencies of the Federal Government, with State and local governments, and with local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

(3) assist in carrying out an area plan approved by the Secretary for any rural area by providing technical and financial assistance, including grants and loans, to local public agencies and nonprofit organizations designated to receive such assistance by the Governor or legislature of the State concerned;

(4) enter into agreements with State agencies, local units of government, and local nonprofit organizations, as provided in section 6.

AGREEMENTS: TERMS AND CONDITIONS

Sec. 6. (a) Technical and financial assistance, including loans, may be provided by the Secretary to any State agency, local unit of government, or local nonprofit organization to assist such agency, unit of government, or organization in carrying out works of improvement specified in an area plan approved by the Secretary only if—

(1) such State agency, unit of government, or organization agrees in writing to carry out such works of improvement and to finance or arrange for financing of any portion of the cost of carrying out such works of improvement not paid by the Secretary under this Act;

(2) the works of improvement for which assistance is to be provided under this Act are included in an area plan and have been approved by the local units of government to be assisted;

(3) the Secretary determines that assistance to finance the type of works of improvement concerned is not reasonably available to such agency, unit of government, or organization under some other Federal program;

(4) the works of improvement provided for in the area plan for any area are consistent with any existing comprehensive plan for such area;

(5) the cost of land or interest in land acquired or to be acquired under such plan by any State, local unit of government, or local nonprofit organization is borne by such State, unit of government, or organization, except in the case of land or interest in land acquired or to be acquired for the purpose of conserving or protecting fish or wildlife, acquired or to be acquired for public recreational purposes, or acquired or to be acquired to protect the public from a threat to its health and welfare, as provided in clause (5) of section 5; and

(6) the State, local unit of government, or local nonprofit organization participating in an area plan agees to maintain and operate any work of improvement carried out under such plan.

(b) Loans made under this Act shall be made on such terms and conditions as the Secretary may prescribe, except that such loans shall have a repayment period of not more than thirty years from the date of completion of the works of improvement for which the loan is made and shall bear interest at the average rate of interest paid by the United States on its obligations of a comparable term, as determined by the Secretary of the Treasury.

(c) Assistance may not be made available to any State, local unit of government, or local nonprofit organization to carry out any area plan unless such plan has been submitted to and approved by the Secretary.

IDENTIFICATION OF GROUPS OR PROBLEMS FOR SPECIAL CONSIDERATION IN AREA PLANS

Sec. 7. Any area plan may identify for special emphasis or assistance under such plan any particular group (including small farm operators, rural poor, or minority groups living in the area covered by such plan), or any particular natural resource or water utilization problem.

SUPPLEMENTAL AUTHORITY OF THE SECRETARY

Sec. 8. The authority of the Secretary under this Act to assist States, local units of government, and local nonprofit organizations in the development and implementation of area plans shall be supplemental to and not in lieu of any authority of the Secretary under any other provision of law.

RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD

Sec. 9. (a) The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Board (hereinafter in this section referred to as the "Board").

(b) The Board shall be composed of seven members appointed by the Secretary. One member of the Board shall be designated by the Secretary to serve as chairman.

(c) It shall be the function of the Board to advise the Secretary regarding the administration of this Act, including the formulation of policies for carrying out the program provided for by this Act.

EVALUATION OF PROGRAM

Sec. 10. The Secretary shall evaluate the program provided for in this Act with a view to determining whether such program is effectively meeting the needs of, and the objectives identified by, the States, local units of government, and local nonprofit organizations participating in such program. The Secretary shall submit a report containing the results of the evaluation not later than December 31, 1986, together with his recommendations for continuing, terminating, redirecting, or modifying such program.

AUTHORIZATION OF APPROPRIATIONS

Sec. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, except that not more than $60,000,000 may be appropriated for technical and financial assistance for any fiscal year and not more than $15,000,000 may be appropriated for loans for any fiscal year.

SEPARABILITY PROVISION

SEC. 12. If a part of this Act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this Act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid part.●

FOOD FOR THOUGHT

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. GRASSLEY. Mr. Speaker, John Megown of the Vegortone Products Co. of Cedar Rapids is a person who has a very analytical approach to Government regulation. He has specialized as a commentator on Government regulation in agriculture.

I submit for the benefit of my colleagues one such comment because of its many references to problems created by Government regulations of the use of additives:

Some Food for Thought

For the past two years, I have had a unique vantage point to observe what has been happening to America's farmers.

I have been able to observe very closely the events and the people affecting our nation's largest and most productive industry—agriculture.

I have been able to see things with an entirely different perspective than I did as an agri-business executive or as a state official.

This all began to happen when WMT-stations in Cedar Rapids decided I should become a radio commentator.

From the time my first food for thought commentary was voiced on WMT, I have never been able to observe an agricultural happening without automatically analyzing why it took place and the effects it will produce.

There is also the matter of always being as unbiased as possible and being sure that I have all of the facts straight before I start to talk to millions of people each week.

The food for thought series is now broadcast by some four hundred radio stations; with coverage from eastern Idaho to the Atlantic Coast, and from Texas into Canada.

With each broadcast we try to set the record straight about a current agricultural issue. We zero in on controversial topics, like: the problems caused by overregulation of agriculture, the nitrite issue, the attempts to ban antibiotics in feeds, the cholesterol controversy, the future of the family farm, the carryover basis of estate taxation, and many others.

Today, I am using a medium different from radio to reach an audience—a loud speaker system.

My purpose is the same, however, and that is to try to provide some food for thought about what is happening to U.S. agriculture, and to suggest some things you might do to help overcome the problems.

During the past three years, we have experienced some of agriculture's most turbulent times. Every few days something strange happens that affects farmers.

It is very important that those of us involved with agriculture—I call us aggies—understand exactly what's going on.

It's then up to each of us to keep our city cousins better informed about the issues.

During these turbulent times, we aggies must be better able to understand the desires, the motives and the motivations of environmentalists, consumer activists, protectionists, bureaucrats, headline-hunting Members of Congress, as well as a multitude of social and dietary reformers. The future of our businesses and of American agriculture might depend upon it.

"A new crisis is a daily occurrence in AG circles these days—and most are the makings of Government bureaucrats who seem intent on pushing American agriculture back into the dark ages," said the Pennsylvania Farmer magazine back in late 1977.

It sure isn't as easy as it used to be to produce and market food in the United States—and it's probably not going to get any easier for a while.

Just a few years ago, we didn't have to consider that feed additives might possibly be banned, or that Federal regulations might constantly become tougher and more confusing, or that Government regulators might try to ban food products, or any of the vast number of negative things that have been happening to U.S. agriculture.

We didn't dream a few years ago about the possibility of our Government ever taking away many of the technological tools that our food producers need. After all, agriculture is our biggest and most productive industry, and it is essential to our Nation's economic well-being.

We didn't dream that some members of Congress, some bureaucrats and some self-proclaimed nutrition authorities would attempt to alter the eating habits of Americans.

We didn't dream that the protectionists in Washington had such clout with the wire services and the national news media, or how difficult it can be to get equal time.

It's sad to say, but, we're in the midst of a bad dream from which we might not awaken.

It would seem that some bureaucrats would prefer to see us remain in a constant state of slumber. That way we can't question their actions.

Their method of accomplishing this is to supply us with "sleeping pills" in the form of propaganda and misinformation.

U.S. News and World Report says that the Washington propaganda machine is so vast it costs at least $2.5 billion annually, and takes a minimum of 20,000 Government employees to influence the way we think.

The magazine said that "hidden activities probably send the total far higher."

It is time for many Americans to stop being modern-day Rip Van Winkles and wake up—and get involved with our government—and with the political process.

During the past few years we have witnessed the development of a new technique used by regulatory agencies to gain public sympathy. In some instances, the bureaucrats actually awaken us briefly in order to accomplish their purposes.

I watched this technique used with DDT, with cyclamate, with saccharin, and most recently, with some agricultural chemicals, DES, antibiotics in feeds and nitrate in cured meats.

It could be called "regulation by crisis."

Some bureaucrats have tried to gain public support and sympathy for their causes by creating crises and controversy. Information has been dispensed, and even deliberately leaked, to the news media, which was designed to stir up the populace about supposedly imminent dangers to health and environment.

Whenever a regulatory body raises a crisis, before there are hearings involving all sides, and sufficient research, we should regard the supposed crisis as suspect.

One recent regulatory problem that has caused much consternation on the part of livestock and poultry producers and dairymen is the issue of the possible ban of low-level antibiotics in feeds.

Early in 1977, shortly after Dr. Donald Kennedy took over as commissioner of the Food and Drug Administration, we started hearing some strange stories coming out of Washington, D.C.

The gist of the stories was that some bureaucrats were speculating about a theory that consumers of meat from animals fed antibiotics might possibly develop resistance to antibiotics, and that maybe they should be banned.

Because of my long-time experience with antibiotics, this theory about possible antibiotic resistance is very hard for me to swallow.

After more than 25 years of constant use, antibiotics are still effective in improving livestock and poultry production efficiency.

If there was actually a real resistance problem, it should show up in reduced performance, but it hasn't.

There is also no evidence that livestock and poultry producers or packing house workers—who work constantly with antibiotics and farm animals and meat—have any more antibiotic resistance problems than other segments of our populace.

In 1979, the Office of Technology Assessment (OTA), an arm of Congress, issued a report about this matter—which resulted in considerable news coverage.

The OTA report said that, "Drugs added to feeds contribute to the growing pool of drug-resistant bacteria which affect both animal and human health."

The wire services picked up on the story and had a field day with it. One Sunday supplement magazine carried a story saying that "it appears to be true, says the report, that various diseases in human beings are becoming resistant to antibiotics added to animal feeds."

That's a low blow!

The National Cattlemen's Association charged that the OTA "May be misleading the public on the alleged risks of using low-level antibiotics."

NCA President Lauren Carlson said that, "The OTA worded its press release in such a way that the public was lead to believe that there is a major risk to human health in continued use of antibiotics—although actually no real problem is known to exist."

Some bureaucrats and congressional staffers seem to be dealing with theoretical risks, when they should be dealing with facts!

So, what happens now? That's hard to say.

Congress recently funded a $1.5 million epidemiological study to evaluate the human health risks from subtherapeutic use of antibiotics. This study could take several years, and FDA should not try to institute a ban until the study is completed. But, you never know what they will try next!

Another recent negative regulatory action by the FDA involved the banning of diethylstilbestrol (DES) in beef cattle and sheep feeds.

According to Herman G. Roseman, senior vice president of National Economic Research Associates, Inc., Washington, D.C., this ban will cost U.S. consumers from $3.1

to $5.6 billion. This amounts to 12.2 to 25 cents per pound of beef at the retail meat counter.

Lauren Carlson, president of the National Cattlemen's Association, pointed out that there has never been any evidence of possible harm to humans from the use of DES in beef cattle production.

The following is part of an editorial about the DES ban that appeared in the October 24, 1979, issue of Farm Talk:

"Say 'goodbye' to diethylstilbestrol (DES). Say 'hello' to more problems caused by big government. Say 'goodbye' to efficient beef production. Say 'hello' to higher costs and consumer protests because of higher prices. Say 'goodbye' to common sense in government. Say 'hello' to government by edict and regulation."

Those few words tell the story very vividly and I sure couldn't say it better.

These are not isolated instances. There are quite a number of Federal regulations, policies and laws which are having, or will have, a negative impact on U.S. agriculture.

The attempt to ban the use of nitrite in bacon and other cured meats is probably the best example of the Federal regulatory apparatus going haywire.

I have been deeply involved in this gigantic controversy since Dick Elijah, a farmer from near Clarence, Iowa, called me out of a meeting in July of 1977.

He said, "What are you going to do to save our bacon?"

I said, "Dick, what on earth are you talking about?"

He went on to tell me about what he had learned during a recent trip to Washington, D.C. He felt that some of the regulators in FDA and USDA would soon try to ban the use of nitrite in cured meat products.

That started me on what now seems like a never-ending search for truth about nitrite.

Seldom has a day gone by when I am not in some way involved with the nitrite issue; talking to Senators and Representatives, to bureaucrats, to lawyers, to the press, to pork producers, to scientists, etc.

I won't burden you by covering the entire nitrite saga. This could take several hours, and it would depress you.

One thing that should be mentioned, however, is the recent report from the General Accounting Office (GAO), which rebuked the FDA and the USDA for their efforts to ban the use of nitrite in preserving meat and poultry products.

The GAO report, issued on January 31, 1980, capped a lengthy investigation by the agency after Congressman Chuck Grassley of Iowa and six other members of Congress contacted the GAO in October of 1978.

The Washington Post, February 1, 1980, carried a story with this headline, "Data on connection of nitrites to cancer challenged by GAO." The same day, the Wall Street Journal had a story with this headline, "study at MIT tying nitrites to cancer in rats is criticized." The subhead read, "GAO says FDA's supervision was inadequate; validity of findings is questioned."

It was on August 11, 1978, that the FDA and USDA released the MIT nitrite study results, which in turn, led to their unsuccessful attempts to phase out or ban the use of nitrite in cured meats.

Many scientists have raised questions about the MIT study, including the council for agriculture science and technology and the Iowa State University review group.

In referring to the GAO report, Congressman Grassley observed that "once again the so-called infallible experts who inhabit the federal bureaucracy have demonstrated that they are human. They make mistakes."

Exactly where we are headed now, no one knows. But, you can bet that the regulators won't quit trying to ban nitrite!

There is a policy being fostered by some bureaucrats in Washington which every one involved with agriculture should know about.

Let me quote a policy statement made last year by Assistant AG Secretary Carol Tucker Foreman which drew heavy fire from people involved with agriculture. She said:

"The nation needs a 'nutrition policy from which we can build a food policy. These must serve the framework of farm policy."

"A food policy should be based on a detailed assessment of what the nutritional needs of the people are. To even begin to develop a food policy, we must first know what persons in various age, sex, racial and ethnic groups, lifestyles and geographic locations need nutritionally for optimum growth and performance and continued well being."

"To forge an effective food policy, we will need to increase our knowledge of nutritional requirements—but also to determine what levels and types of production are necessary to meet these needs. This will require an ability to translate nutritional needs into production terms." (Remarks made before the annual conference of the American Council on Consumer Interests, Chicago, April 20, 1978.)

Mrs. Foreman's proposal to fashion farm policy (and ultimately production decisions by America's farmers) on pre-determined nutritional needs was widely attacked.

If Mrs. Foreman's proposal reminds you somewhat of "dietary goals," as proposed by Senator George McGovern's Senate Select Committee on Nutrition and Human Needs, I am not at all surprised.

The recent plan by the Surgeon General of the United States, which calls for improving the health of the citizenry, by, among other things, changes in the diet including eating less red meat, shows that the government is proceeding full speed ahead with its "nutrition policy."

The attack on the consumption of red meat has accelerated since the publication of the Surgeon General's Report. And, you can be sure it will continue.

Jim Mullins, a cattle feeder from Corwith, Iowa, and a fellow member of the Iowa Agriculture Promotion Board, recently made some thought-provoking statements about this to the Beef Industry Council. Here they are:

"The first challenge we face is responding to the increasing number of attacks made on beef by those who claim it causes heart disease, cancer or other illnesses.

"The most recent evidence of this challenge came just a few weeks ago, with the publication of a report by the U.S. Surgeon General, which said Americans would be healthier if they ate less red meats. Since beef is America's favorite red meat, that's just the same as saying Americans should eat less beef."

On February 4, 1980, Secretary of Agriculture Bob Bergland and Surgeon General Julius B. Richmond held a press conference to announce the government's new dietary guidelines.

The next day, the Washington Post carried a story with this headline, "U.S. Urges Public To Eat Less of Popular Foods."

Victor Cohn, the writer, said, ". . . there will be huge editorial efforts by Agriculture and HEW directed at hundreds of thousands of doctors, nutritionists and school teachers."

He went on to point out that the recommendations represent a vast turn-around in favor of consumers for the traditionally producer-minded Agriculture Department."

This didn't come as a surprise to some of the close observers of the USDA. We were well aware that it had been taken over by consumer activists and protectionists.

In a Chicago Tribune story, February 10, 1980, Carol Foreman was quoted as saying, "nutrition is a complicated and evolving field, but these guidelines represent the consensus of our scientists. Industry always resists change, but following the guidelines won't hurt anyone's health. It was time to take a policy stand."

Being a nutritionist, I would agree with only one of her thoughts, that nutrition is a complicated field, but not that the guidelines represent the concensus of scientists; maybe the government's, but not all scientists.

I was surprised to see a layperson, untrained in nutrition, saying that the guidelines can't hurt anyone's health. That's a very definite statement for anyone to make, considering some of the scientific debates that are now being waged about things like cholesterol, saturated fats, etc.

The first shots have now been fired in a war that will probably go on for many years.

The Western Livestock Report recently carried this thought-provoking editorial:

"Whether you like it or not, the cattle industry still has a war to fight.

"Environmentalists, moralists and even newspaper editors are still pushing for vegetable diets as a symbolic gesture. Anti-meat advertisements naming cholesterol and heart disease are constantly published. The daily press is only too quick to publicize the likelihood of chemicals that might be found in animal products.

"What are we, the people in the cattle industry, going to do about it? It is only common sense that any major changes in the eating habits of Americans will greatly affect animal production.

"We must stand up for ourselves and convince consumers that meat must continue to be a major part of their diets.

"United we stand, divided we fall."

It becomes very obvious that we aggies must not only try to overcome ridiculous regulatory actions, we must also try to counteract negative policy statements of elected and appointed officials, as well as some of the misleading news media reporting of agricultural and food issues.

From these examples, you can see the type of things that have made the past few years some of the most turbulent ones in the history of U.S. agriculture.

I hope that I have provided each of you with some food for thought, and I hope you will make your views known to the proper people.

Not only must each of us awaken to the problems of excessive and unnecessary regulation, unwise laws and misleading policy statements, each of us must awaken others—and they, in turn, must awaken others.

Because of this national awakening, we just might be able to assure a bright new dawn for U.S. agriculture!

Thank you for listening.●

SECRETARY OF ENERGY—"AMERICA'S ENERGY RICH"

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. PICKLE. Mr. Speaker, even though we serve in the same city with the very talented men and women who comprise the President's Cabinet, we seldom get the opportunity to hear a Cabinet member's views firsthand. This is not because we do not want to, but because busy schedules prevent it.

Recently I had the honor and privilege to hear Secretary of Energy Charles Duncan deliver an outstanding energy report to the faculty, students, and guests of Southwestern University in Georgetown, Tex.

The speech laid it on the line as to what imported oil is doing to our Nation. Although consumers wonder why heating oil and gasoline is so high compared to last year, the reason is clear when the Secretary of Energy tells us imported oil prices have more than doubled in 18 months.

I like the speech because it emphasized more domestic oil production with equal emphasis on developing new nonoil sources of energy—like solar, coal, geothermal, wind, fusion, and others.

Mr. Speaker, the occasion of the speech was deeply meaningful to me as I received an honorary doctorate degree from the university that day. Southwestern University at Georgetown, Tex. is the oldest university of record in our State and it is an outstanding university of record in Texas also.

I include Secretary Duncan's remarks in the CONGRESSIONAL RECORD:

REMARKS DELIVERED BY CHARLES W. DUNCAN, JR., SECRETARY OF ENERGY

It is an honor and a privilege to be here today to speak to the faculty and students of Southwestern University and to participate in honoring a distinguished and respected member of the United States House of Representatives—who also happens to be a good friend, and a man who understands as much about energy as anyone in Washington.

I would like to say a few words about Congressman Pickle, not only because we are here to honor him today, but particularly because of his long interest in energy, and the hard work he has done in the Congress to move our energy program forward. Congressman Pickle's dedication and service represent the kind of involvement we are all going to have to have in order to move America smoothly and successfully through this huge transition from an oil-based economy to an energy-diversified economy.

We have had a series of energy crises. We are in the midst of one now. We will have more.

We all hope and pray that when these crises occur in the future, they will not involve the lives of American citizens that we will not have to confront each day knowing that fifty Americans are held hostage in our embassy in Iran. This will end, we hope soon and safely. But the implications for energy will continue.

The fundamental fact is that we are in a period of diminishing oil resources, and as long as *so much* of our energy requirements are based on foreign oil, we are going to be vulnerable to these crises, to supply interruptions, to sudden price escalations.

The first crisis, of course, was the oil embargo of 1973 when most OPEC members discontinued oil shipments to us.

Nothing was done—by the then administration, by the then Congress or by the public, by all of us.

But a few—a very few—recognized that we had come to an unprecedented new phase in American economic policy, and particularly energy policy.

One of those was the man you honor today, Congressman Pickle. It was Congressman Pickle who played a key crucial role in putting together the National Energy Act. And he led the way in the House of Representatives to bring about the research and development legislation that started this country, even then, on the search for new alternative sources of energy—especially renewable energy from the sun, the wind and geothermal sources. Congressman Pickle urged the development of photovoltaic systems to produce electrical energy from the sun, and he has been a strong advocate of using electricity for transportation.

He was there at the beginning, you might say, and I think it is particularly fitting that we are honoring him today as we move into the American energy revolution. Thanks to men of vision and commitment like Congressman Pickle, we are about to have the most comprehensive energy program this Nation has ever known. By the beginning of the next century, just twenty years away, we will see our dependence on foreign oil dramatically reduced and our social and economic growth based soundly on our own vast energy resources.

President Carter announced his energy program on July 15, 1979. Today, barely six months later, the major portion of this legislation has passed both houses of the Congress, and is under discussion in conference committees. I expect this legislation will become law very quickly after the Congress reconvenes next week.

This legislation will allow America to move forward across a broad range of energy initiatives, simultaneously. We will have a balanced program that will help to achieve a necessary and overdue reduction in our consumption of energy, and at the same time provide for realistic energy requirements from a balanced base—oil and gas, coal, oil shale, nuclear energy, solar energy, including biomass, wood, urban waste, and hydroelectric power, and eventually from a broad range of synthetic fuels.

But it isn't going to happen overnight. We must begin now. Energy is perhaps the single most important element that will affect our national security, our economy, our standard of living, our social and political freedom, and the kinds of lives our children and our grandchildren will live in the next century.

It has more to do today with our inflation rate, the value of the dollar and our balance of payments deficit than any other component. Energy is all pervasive.

We are today faced with the necessity of freeing ourselves from our dangerous vulnerability to decisions made in foreign capitals, by people who may or may not have our best interests at heart, by leaders who may be reasonable or unreasonable, rational or irrational.

It is an untenable, unconscionable situation for this country to remain in a position where we do not have control over the energy sources we need to build that future. To remain in such a position when we have the capacity to change it is unacceptable and would be a disservice to future generations of Americans.

The events in Iran are the most dramatic, the most grotesque, examples of what can happen when irrational events suddenly take over. Even when the holding of American citizens is ended and the occupation of the American embassy is over, the economic disruptions, the new realizations that have been forced on the industrialized world, caused by the actions of the Iranian mob and the Iranian government will linger on, especially in the areas of oil.

And if those were not sufficient illustrations, the price anarchy in the oil market that plagued the last half of 1979 and reached its highest—or lowest—point at the meeting of OPEC in Caracas just before Christmas, demonstrated again the untenable situation that will continue as long as we are dependent on foreign oil for such a major part of our energy needs.

That OPEC meeting made it unavoidably clear, if it wasn't clear enough before, that the only characteristic one can identify in the present worldwide oil market is the characteristic of uncertainty. The world watched OPEC for four days and waited to be told not whether prices would go up, but only how much they would go up—this time. The OPEC nations were unable to agree on price ceilings; no one was certain about anyone else's price, or once the price was set, how long it would before it was set again.

But the calculations now indicate that America's bill for imported oil will be $20 billion more than it was last year, even with a projected decline in barrels imported, and that price rise comes on top of the $28 billion increase that occurred in 1979.

Let me trace this short but staggering story for you. In December 1978, the average price of crude oil imported into the United States from OPEC was about $13 a barrel. In June 1979, OPEC held a meeting in Geneva and the price moved up to a range—$18 at the low end and $24 at the high end—an average to the United States of a little over $20 a barrel.

Today, 13 months later, the prices range from $24 a barrel to $34.50 a barrel with an average price around $27 a barrel, now.

That means within 13 months the price of crude oil imported into the United States has more than doubled. Spot market prices have been $40-$45 a barrel and one reported as high as $51 a barrel.

The financial reality, ladies and gentlemen, is that in 1980 the United States will spend over $83 billion buying oil in foreign countries. That is more than twice as much as we are spending this year to provide equipment for our Army, Navy and Air Force combined.

And while we are paying for it, we have no assurance about oil supplies. We have a fragile situation: The level of production is uncertain. It could be scaled down by producing countries as the industrialized countries try to scale down their consumption.

Last year, for example, OPEC produced an average of 31 million barrels a day. The best estimate we have seen is that production this year will only be in the neighborhood of 30 million barrels per day. This assumes a continuation of Iranian production at present levels, and no interruptions anywhere else for political or other reasons.

Anything less than 30 million barrels per day of OPEC production could produce shortages in the industrialized world. The possibility of such lower production is real. We estimate that 2½ to 5 million barrels per day can be considered "at risk"—meaning it is oil supplied from sources that could be considered unstable, where supplies may be cut off or interrupted.

I repeat. We have a fragile situation.

There has been speculation recently that we may have a slight oil surplus soon. If it does occur, I would hope it would help to bring prices down a little. But if we do have a surplus, we must not allow ourselves to be misled or deluded. We are dealing with a long-term situation. And for the long term there is no surplus. Any surplus will be temporary. From time to time we may have shortages. There is only so much oil in the world. It is being depleted, and it will not last forever.

Every expert opinion I have consulted

agrees that oil is running out. Oil production in this country peaked in 1971 and has been declining steadily ever since, with the exception of Alaskan oil.

There is accelerated activity in domestic oil drilling today attributable to decontrol of domestic crude oil prices. There are more drilling rigs at work today in the United States than at any time since the 1950's—but even with this encouraging situation, experts in and out of the oil industry agree that the most optimistic outlook is that the current level of U.S. oil production will be maintained, and that we will be able to arrest the decline we have experienced in the 1970's.

No one predicts a dramatic increase in U.S. oil production. We have 16 percent of the world's oil production, but we have 29 percent of world oil consumption and only 9 percent of world oil reserves. We do not need a crystal ball to forecast the oil future.

Yet since the oil embargo in 1973, we have increased our oil consumption, and our oil imports have increased by almost 30 percent; driving our dependence on foreign imports to almost 50 percent of our oil needs.

Similarly, every expert opinion forecasts that OPEC production will peak and begin to decline in the 1980s. The only question is whether it will be in the mid-1980s or the late 1980s. But there is no question that it will happen. We need to face this reality by pursuing the search for alternative sources of energy, by cutting our demand for oil and by working in concert with our international partners.

There are some who argue that we cannot depend upon international agreements to solve our energy problems, that each nation in the end will act to serve its own self-interests. I believe we cannot accept that viewpoint; we must try to establish international agreement among the consuming nations to moderate the use of oil, to moderate the price they are willing to pay for it.

We must take strong measures ourselves, and we must encourage other countries to join us. Simply because in today's world no single nation can act alone effectively. Multilateral action is necessary.

If the consuming nations do not undertake concerted and strong actions in the very near term to decrease their use of oil, average oil import prices very much higher than today's levels will become a reality. Furthermore, if the demand restraint record of the major consuming countries cannot be improved, and the increasing volumes of direct government-to-government purchases continue, we may reach a situation of an uncontrolled scramble for bilateral deals in a tightening market, with every man for himself—a sellers market where exhorbitant prices, tied-in economic concessions, and the temptation of political accommodations become the prevailing currency.

New relationships are developing in the international oil market. Oil companies that used to control 75 percent of the international oil market now control about 60 percent. Governments have taken a more active role in their places, buying and selling on a government-to-government basis and bringing into play other factors beyond the traditional supply-demand relationships of the oil market.

The recent meetings of OPEC may give the impression that it lacks cohesion, and it lacks the ability to deal responsibly with its own power. OPEC, however, still represents a potentially cohesive force that can have enormous bearing on the amount of oil we get, and on the price we pay for it.

The urgent necessity of reducing our dependence on imported oil clearly represents the biggest challenge that this Nation has ever faced in peacetime.

Our whole social and economic infrastructure—our railroads, our mass transit systems, our buildings, our cities, our highways, our urban planning, our industrial plants and equipment, our homes—have all been designed over the last several decades, and certainly since the second world war, on the premise of cheap, accessible oil. That is a premise that is no longer relevant.

We have now to examine every aspect of our society to determine how it will function when foreign oil, and eventually domestic oil, runs out, as it inevitably will.

We have to bring together all our technical, financial, and human resources to accomplish this transition. As I said, it is the most complex undertaking this Nation has ever faced in peacetime, and to bring it all together is a massive challenge of management and national purpose.

This is an unprecedented challenge, but it is also an enormous opportunity. And in many ways it is your challenge and your opportunity.

Every discipline that you are studying here at Southwestern University will have an application as we move through this period of energy transition. It will affect science and engineering, of course. But we must be imaginative in the social sciences, in the way we shape our lives, our leisure, the relationships between home and business, the location of our factories and schools and all the institutions that together comprise American society.

We must take account of all interested parties, and in energy everyone is an interested party. This transition, this emergence into a new energy era, will be carried out by all segments of our society not simply by Federal Government programs.

Quite the contrary, if we are effective—and in fact in order to be effective—we will forge the greatest coalition of common interest among the American people that we have ever created in time of peace.

The cornerstone of our immediate program is conservation and that involves every man, woman, and child in the country. It calls upon industry and labor, schools, religious institutions, community organizations, farms, ranches, and literally, everyone, everywhere in this country.

There is enormous opportunity and responsibility for the private sector, by business and science working in conjunction, as always, with farsighted universities like Southwestern, which nearly three years ago, incidentally, initiated its own energy conservation program and cut electrical consumption by 25 percent and gas consumption by 45 percent. Many major organizations and institutions are following your example today.

The search for alternative fuel, for economic solar energy, for the production of energy from biomass is an opportunity for business large and small throughout the country.

America is not energy poor—we are energy rich. But it will take time and money to get away from the dependence on foreign petroleum that we have built up in this Century, so we can move into the next Century with an energy-diversified economy based soundly on our own petroleum and gas, our coal, our oil shale, our unconventional gas, solar energy, synthetic fuels, and nuclear energy.

America has been, from its beginning, a Nation on the move, in transition. We have not been static technically, industrially, socially, or economically. Much of our history has been built on creative transition. We are no stranger, particularly here in the Southwest, to the challenges and the opportunities of new circumstances. The transition from an oil-dependent economy to an energy-diversified economy is no more an insurmountable challenge than so many challenges we have faced successfully in the past.

It will take more work, more technology, more money and perhaps even more ingenuity than simply trying to persuade the producing countries to produce more oil and hold the price down. But, in the end, it will be more successful. And, it will make us more independent, more secure, and more able to reach into the 21st Century with optimism and confidence.●

FINANCIAL REPORT OF THE CONGRESSIONAL TEXTILE CAUCUS

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. HOLLAND. Mr. Speaker, the Steering Committee of the Congressional Textile Caucus has had the opportunity to review the quarterly financial statement for the period ending December 31, 1979. Therefore, I am taking the opportunity to submit the statement for insertion into the Congressional Record so that all Members may review it.

FINANCIAL REPORT OF THE CONGRESSIONAL TEXTILE CAUCUS: QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE

[For period ending Dec. 31, 1979]

	In dollars
Statement of expenses:	
Telephone:	
October	26.37
November	26.67
December	26.59
Total expenses	79.63
Fund balance—October 1979	6,210.17
Dividends on share account	100.91
Total revenue	6,311.08
Less expenses	79.63
Total caucus fund balance—Dec. 31, 1979	6,231.45

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FIGHTING INFLATION

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. ADDABBO. Mr. Speaker, I would like to bring to the attention of my colleagues an article written by Mr. Irving Zuckerman. Mr. Zuckerman is a noted economist who has counseled me on many economic issues. He has developed a proposal designed to help fight inflation, which I am sure the Members of this body would find most interesting. I insert the following statement by Mr. Irving Zuckerman into the Record:

Fighting Inflation With a Tax Break

During one of several conversations with my tax accountant last Sunday he said that he had just read an editorial entitled, "A Lever Against Inflation." "Wonderful," I said, "What is the lever?" And that is how the following discussion started:

Him: "Sorry, I didn't mean to raise your hopes too much, the editorial offers as the 'lever' a reduction, unspecified, of the federal deficit. With increased defense expenditures coming up I would consider that idea even less likely than before. But I guess just about everything possible has already been suggested anyhow.

Me: "There simply has to be something more, and pretty quick too.

Him: "Well, when you have something 'more' just let me know.

Me: "There is something I have in mind—to fight inflation with a taxbreak. You are a CPA, if I invent a new tax-break would it be patentable? Assuming of course that it is something new.

Him: "Every possible tax-break has been brought up, I am sure, so I do not think you could get a patent even if tax-breaks were patentable. Maybe that is why we are floundering. Solutions to economic problems are not likely to be patentable. At any rate, what kind of gimmick do you think you would like to see?

Me: "It is no gimmick, it gets back to something fundamental. It is simply that borrowed money is supposed to be repaid, and we are discouraging repayment more than we are encouraging repayment.

Him: "Is that all? It is downright silly for loans to be repaid even without inflation, because the interest payment is deductible on income tax; and with inflation repayment can be made in cheaper and cheaper dollars. So where is the sense in repaying borrowed money? I read that interest income increased almost 18 percent in the year ending January, while total income increased 11 percent.

Me: This is something we should correct, and what I have in mind is a tax-break sufficient to promote large-scale repayment of borrowed money.

Him: "And what is that supposed to accomplish?"

Me: "I have been reading that interest rates are going up more and more because the loan demand is more than the supply of loanable funds. I have also been reading that the supply of loanable funds requires a higher savings-rate. But I think that we could also increase the supply of loanable funds if there was more repayment of longer-term debt.

Him: When I pay my monthly payment on my mortgage, it includes a payment on principal. That provides the bank with loanable funds.

Me: "Sure, that is what I am talking about. Look at all the industry-debt which has those remote maturity dates, without any part of the principal being repaid. Some companies are buying their own stocks with their high current profits etc. and some companies are buying back their discounted bonds. Isn't that a way of increasing the supply of loanable funds?

Him: And you want to see a tax-break to get more industrial companies to retire their bonds? What has that got to do with inflation? You have to have something that would curb the M1. We need a recession.

Me: That's it, we do not need a recession to curb the M1. If the banks had more repayments coming in on their longer-term loans, they can re-lend those receipts instead of making new additions to money-supply to accomodate new loans.

Him: So you are saying that the M1 increases because the banks are making new loans with corresponding deposits, instead of with receipts of money from pre-existing loans.

Me: Isn't that what Volker means when he says that he will reduce M1 by curbing loan-demand? By increasing the flow of dollars back to the banks in repayment of pre-exisiting debt we can get that result without asking for a recession.

Him: So your prefer a tax-break approach as a substitute for a recession approach?

Me: We have already had recessions during which inflation continued, so it is possible that recessions do not do the job. The higher interest rates being used to curb the M1 also increase the cost of borrowed money, so that those boosted interest rates provide some cost-push inflation.

Him: But the increased interest rates are also being used to support the dollar abroad, so you might have to have the high interest rate anyhow.

Me: It might be possible to get some dollars back from abroad without using the high interest rates. If an American company has debts, and has dollars abroad, why not get them to repay those debts with some of the dollars they have abroad?

Him: So you would like to see the tax-break for repayment of debts used to bring back dollars from abroad? Lowering the inflation rate would also support the dollar.

Me: I just do not think it is economic to keep adding to the country's debt-load, especially in the capital structure of the industrial companies. The interest charges are fixed costs which push up their break-even points so that marginal companies need the inflation to avoid having their profit-margins wiped out. Not all companies, of course, but all the companies that would be submarginal without the inflation. In fact, it is possible that we can not safely stop the inflation at all without first reducing the break-even points of marginal companies, and that means lowering fixed charges first.

Him: And you think that the tax-break for repayment of loans would lower fixed charges of marginal compaines? A tax break that big would put a huge dent in the federal and state tax collections.

Me: Not as big a dent as you might think, because while this tax-break is applied, the interest-payment deduction is being reduced as the corporate debt declines. And once the corporate debt is reduced, the reduced interest-deduction repeats year after year—for interest that would otherwise be paid year after year. And interest payments on new loans would also be less; as it is, the Fed is pusing up interest-cost which reduces the net taxable income. If the interest payments are reduced because of repayment of debt, there will be more net profit for the government to tax, so it is possible that the tax-break for inducing repayment of debts might not be all that costly in terms of tax collections.

I would hope that the tax-break for interest-payments could be reduced as the tax-break for repayment of debts is applied. The interest-cost would still be deductible, but the aggregate of interest payments might be lessened by reason of reduced debt. So it might not be a costly way of reducing inflation. And it might not be a costly way of supporting the dollar abroad, particularly if debts of Americans doing business abroad are dealing with Eurodollars.

Him: You are certainly hoping for a lot from one tax-break. By the way, if corporate debt is reduced, and net profit thereby increased, is there any chance that common stocks would be more attractive?

Me: Could be. One more thing. If A owes money to B; and B owes money to C; and C owes money to D, the net debt might only be what A owes to B. Providing, of course that all three debts are of equal amount. So if A repays to B, B might repay to C, and C might repay to D. I point to that situation merely to show that to a great extent we might have a multiplier effect incidental to a debt-repayment tax-break. The aggregate debt-figures contain a great deal of double-count.

Him: Frankly, I have quite a bit of aversion to having more tax-breaks.

Me: Maybe we can get rid of some of the dubious ones by substituting good ones.

Him: You have not given any figures as to what amounts you are talking about.

Me: You are the accountant, doing the figures is your job. Companies are needing loans to pay bills, and the banks do not have it to lend so there is talk of a credit crunch that could lead to insolvency and maybe even bankruptcies within the next few months. I am thinking of what I have read in a financial newsletter about possible credit crunches, and similar concerns are being reported in newspapers in recent days. By the way, back in the 1930's Keynes referred to hoards of money as uninvested savings; wouldn't it be odd if some of those hoards of money should have been used to repay debts?

Him: I am not sure of everything you have been thinking, but if I were thinking the way you are thinking I would submit it to publications. Sure, why don't you?●

HOUSE CONCURRENT RESOLUTION 285

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. BONKER. Mr. Speaker, yesterday, I introduced House Concurrent Resolution 285 which expresses the sense of the Congress with respect to the disappearances of persons which are caused by the abduction and clandestine detention of those persons by the governments of foreign countries or by international or transnational terrorist organizations. The text of that resolution follows:

H. CON. RES. 285

Expressing the sense of the Congress with respect to the disappearance of persons which is caused by the abduction and clandestine detention of those persons by the governments of foreign countries or by international or transnational terrorist organizations.

Whereas under international law and the Charter of the United Nations the governments of countries are obligated to promote and defend human rights;

Whereas the domestic law of most countries, as well as international law, prohibits the governments of the respective countries from suspending certain human rights under any circumstances, particularly those rights which guarantee freedom from arbitrary execution and freedom from torture;

Whereas the commitment to human rights is a central bond shared by the United States and other nations committed to the rule of law;

Whereas in an attempt to suppress dissent and to conceal gross violations of human rights, certain foreign governments in different parts of the world, particularly those governments monopolized by a single person, party, or group such as the armed forces, or by extremist religious groups, separatist movements, or political parties supported by foreign entities, have increasingly engaged in the abduction and clandestine detention of persons suspected of opposing those governments and of members of groups out of favor with governmental authorities, such as intellectuals or members of certain social classes, political organizations, or ethnic or religious groups;

Whereas testimony before the Congress has established that such governments often torture and murder the persons they cause to "disappear" while denying knowledge of the whereabouts of those persons;

Whereas these governments and quasi-governmental entities causing these disappearances often engage in acts of international or transnational terrorism;

Whereas the Congress is deeply moved by the anguish and sorrow suffered by the relatives of the persons who have so disappeared, particularly the spouses, children, and parents of those persons;

Whereas the imposition of restrictions by the United States on economic and other forms of assistance to, and on access to financial and other United States resources by, countries the governments of which violate internationally recognized human rights referred to in sections 116 and 502B of the Foreign Assistance Act of 1961, is not discretionary but is required by Federal law; and

Whereas this practice by foreign governments of causing the disappearance of persons threatens the foundations of civilized societies, which are based on due process of law: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) any government which causes the disappearance of any person by the abduction and clandestine detention of that person in committing an act of terrorism which cannot be justified under any circumstances;

(2) the President should encourage the leaders of other countries to join with him in calling upon the United Nations—

(A) to condemn such abduction and detention as an act of terrorism,

(B) to establish effective procedures for dealing with cases of disappeared persons, and

(C) to demand that all governments thoroughly investigate all reports of such disappearances in their respective countries, prosecute those persons responsible for any such disappearance, and account for any person who has so disappeared, either by releasing such person if alive or by explaining the circumstances of such person's death and disclosing the location of such person's remains; and

(3) the President should attempt to organize and implement a program of national and international action to be taken with respect to governments practicing this act of terrorism.●

THE PROBLEMS OF SEPTA

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. EDGAR. Mr. Speaker, the following article by Ernest and Elaine Cohen appeared in the February 12 edition of the Bulletin:

SEPTA: WHAT WENT WRONG

(By Ernest Cohen and Elaine Cohen)

How did it come about that Delaware Valley public transportation, once the nation's best, is near collapse after 12 years of operation by a tax exempt public authority? What happened to the millions of dollars of public funds spent on the system?

Our story in the Delaware Valley is one little component of the total national picture. The plot is the same everywhere, only the details differ, whether we look at SEPTA, the wreck of the Penn-Central, Chrysler, or the city governments of New York and Cleveland. It is the story of top management more interested in political and/or financial deals than in efficient operation.

As the SEPTA record unfolds, we get the same tiresome details of capital funds misapplied to operating deficits, inefficient use of equipment, poor employee morale, deferred maintenance, management ricocheting from crisis to crisis, requests for government support, and above all a massive cover-up of failures. A statement attributed to a former general manager of SEPTA expresses the underlying attitude: "I was brought in because I knew how to get grant money, and that's what we needed." Ironically, SEPTA lost several federal grants because internal operations and control procedures were not acceptable to the Urban Mass Transit Authority (UMTA) officials.

Maintaining existing equipment was given low management priority, with all the emphasis being placed on federal handouts for new equipment. Rolling stock was cannibalized for parts, and then scrapped. (The authors have photographed SEPTA trolleys rusting in a junkyard near Morrisville since 1978, while new trolleys to replace them cost over $600,000 each.) By 1979 there were not enough operable buses, trolleys, trackless trolleys or transit cars for scheduled service. Unsafe vehicles, many of which promptly broke down, were put into service. Stations and tracks became rundown, and sometimes unsafe. Escalators were "fixed" with permanent barricades and "out of order" signs. Promises of marvelous new services, used to hold public support, were always in that never-never land 5-10 years away. Meanwhile, the SEPTA board was paralyzed by a running feud among its constituents, Philadelphia, the four suburban counties, and the state.

Under federal pressure, a SEPTA management study was conducted in 1977-78 by an outside consultant, using UMTA funds. A few of their simpler recommendations have been implented (e.g., improved handling of cash fare receipts) but most of the SEPTA problems identified in that report have not yet been touched.

A committee of the Pennsylvania Legislature has just completed its study of the SEPTA mess. This committee recognized that an essential part of preparing the Delaware Valley for a tight energy future is to have a good public transportation system operating, particularly one which is heavily electrified: commuter rail lines, subway, trolley and trackless trolley. We agree with most of the committee recommendations, and particularly support the following points:

1. The special appropriation of $5,360,000 for emergency repairs presented to SEPTA by Governor Thornburgh on Feb. 1, 1980 to prevent immediate collapse of service.

2. Making SEPTA more accountable to the public, to state and to local governments. If the city and the suburban counties can't agree on a satisfactory new organization for the SEPTA board, the Legislature must act. Accountability is essential to prevent repetition of the present situation.

3. Longer-term subsidy commitment from the state and local governments, for both operating deficits and capital improvements, is recommended by the committee. In our view, their recommendations do not go far enough; the state constitution should be amended to permit dedication of part of the gasoline tax to public transportation.

4. Safety inspection of all transit vehicles, not just buses, with the inspection program to be monitored by state police. The committee recommendation is good, but it needlessly exempts railroad equipment, and lacks provisions for inspecting interstate buses and transit cars at their home garages.

Above all, it is essential that the provision of public services be responsive to community needs; which requires two-way communication between those who use the system and those who operate it. Organized citizen involvement and input should be at an early stage of transportation planning. This communication must not be viewed as an adversary situation, citizens against SEPTA, but as mutual cooperation.

The Delaware Valley Citizens Transportation Committee is an official citizens' advisory group to the Delaware Valley Regional Planning Commission. Its membership includes many individuals and representatives of civic organizations, such as the League of Women Voters, concerned with transportation in the SEPTA region. Back in 1973, CTC submitted a memorandum of understanding to SEPTA offering to provide such citizen input at the earliest stages of planning. This memorandum of understanding was never acted upon by the SEPTA board.

The inherent difficulty of assuring public responsibility for an immense, multi-county transportation authority can not be solved by just adding citizen participation. SEPTA has too many masters and no clear lines of responsibility. Therefore, we suggest that serious consideration be given to splitting SEPTA into the following formal independent operating agencies:

1. A multi-county commuter agency to actually operate the trains, not just sign contracts with ConRail.

2. The City Transit Division, minus suburban lines, to operate the Philadelphia bus, subway, trolley and trackless trolley system as an agency of the City of Philadelphia.

3. The present Red Arrow Division to operate the bus and light rail systems in Delaware and Montgomery counties, under control of these two counties.

4. The present Frontier Division plus Bucks and Montgomery County bus service, to be operated by a transit authority controlled jointly by these counties.

Under this suggested reorganization, the Pennsylvania Department of Transportation would monitor the operating agencies, and insist on cooperation with regard to schedules at interdivisional transfer points, distribution of timetables, joint fares, and fare zones.

Competition can be the best safeguard against the kind of mismanagement that has characterized the SEPTA monopoly. Therefore, we also recommend changes in the state law to permit unrestricted entry of private operators into the transit business in areas where there is no existing service.●

AID FOR NICARAGUA

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Ms. HOLTZMAN. Mr. Speaker, by authorizing foreign aid to Nicaragua, we may be able to stave off the loss of that country to totalitarian forces. I commend to the attention of my colleagues an editorial from the New York Times of February 15, 1980, which helps make this clear.

The text of the editorial follows:

HOW TO "LOSE" NICARAGUA

Nicaragua lies half-remembered on the far edge of American concern. The indifference is not just unwarranted—it is dangerous. Now six months old, Nicaragua's revolution is close to its tipping point. If things go badly, a middle-class exodus could turn into a flood, washing away hopes for an evolving pluralist democracy. It so happens that the House of Representatives may help determine next week which way Nicaragua tips.

At stake is an authorization vote on $75 million in foreign aid, which the Senate has already approved. This aid, however, is in deep trouble in the House. Many members fear voting for any assistance to a country that could turn Castroite and thus come to be considered "lost." Yet, absurdly enough failure to provide the promised American help would all but guarantee that very outcome.

So far, Nicaragua has been a disappointment to the prophets of calamity. There have been no mass executions, no crackdown on the press, no swing to dogmatic socialism, no global posturing in the Fidelista mode. The country's Sandinist regime, true enough, did abstain when the United Nations Assembly voted to condemn the Soviet intervention in Afghanistan. But that is less than a capital offense, considering America's own record of inglorious intervention in Nicaragua.

Nicaragua could still tip to the far left, sending tremors through all Central America. This seems to be the critical year for its inexperienced leaders, who face contradictory pressures. The poor are pressing for a dramatic improvement in their lot; the more prosperous seek reassurance against a radical redistribution of wealth. The private sector is holding back on sorely needed investment until the direction signs are clearer.

Compassion and prudence combined make a compelling argument for the $75 million in American help to this ravaged country. The aid already provided by other countries shames the United States: West Germany, $30 million; Venezuela, $45 million; Spain, $11 million; the Netherlands, $11 million; the other Central American republics, $100 million. By contrast, Cuba is furnishing low-scale technical assistance, and the Soviet Union has given scholarships and polio vaccine.

But the dollar amount of American aid is much less important than its symbolism. If Congress shows itself unwilling to support the struggle for Nicaraguan democracy, how can it expect anyone in Nicaragua to wage the same fight? A few in Congress may, marginally, risk their seats if Nicaragua ends up turning left. Nicaraguan democrats would pay with their heads.●

BOLSTERING AN ALLY IN THE MIDDLE EAST

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. HALL of Ohio. Mr. Speaker, there is no area strategically more important to the United States than the Middle East. The Middle East region supplies much of the world's energy and provides an arena of competition for the United States and the Soviet Union.

There are increasing threats to the oil and other commercial lifelines through the Middle East. Radical regimes, terrorist organizations, and the ever-present danger of the overthrow of friendly governments continue to plague the region. In addition, we face the clear and open aggression of the Soviet Union in Afghanistan.

We must take a hard look at our interests in the Middle East and consider the best ways to protect them. Israel, in particular, has played an important role in protecting U.S. interests in the Middle East. Israel is the only country in that part of the world which is a stable, reliable, pro-Western, democratic ally of the United States.

We can continue to count on Israel to help protect our political and military position in the Middle East. Israel's intelligence network has aided our country in combatting terrorism and protecting friendly Arab leaders. Its defense forces have given the United States invaluable information on the combat capabilities of U.S. weapons and the performance of captured Soviet equipment.

Most importantly, in time of need, the battle-tested Israeli Armed Forces are our allies in the Middle East. The economic and military aid we provide Israel is one of the best investments the United States makes overseas.

While Israel maintains a strong military posture, its security is threatened by internal economic problems. In 1979, the rate of inflation in Israel was 111 percent. Moreover, Israel's balance-of-payments deficit last year was $4 billion, and with a gross national product of only $14 billion, Israel carried a foreign debt of $15 billion. Israel's debt service to the United States in fiscal 1981 will be roughly equal to the total economic support fund assistance it will receive from the United States.

For the first time in Israel's history, the price of imported oil will exceed the cost of defense purchases abroad. The oil bill for 1981 now is estimated to be $2.6 billion, compared to $1.45 billion in 1979. Part of this stems from Israel's relinquishing the Alma oilfields in the Sinai to Egypt last fall. In 1981, Israel will be paying Egypt an estimated $500 million for this oil.

In response to these economic challenges, Israel has initiated stern austerity measures. Foreign defense procurement has been substantially reduced, and there has been a cut in real terms of 6 percent in the budgets of nearly all the government ministries for 1981. Further, there has been a 6-percent manpower reduction in the public sector and a freeze on construction of public buildings.

In human terms, this policy means severe restrictions across the fabric of Israeli society. Unemployment will rise, prices for bread and milk and other staples are going up, badly needed schoolrooms and hospitals will not be built, and a growing population will face an even greater housing squeeze.

Israel desperately needs foreign currency to help finance its deficit. Without such assistance, Israel's foreign exchange reserves will dwindle to unacceptable levels. This would harm Israel's international financial standing and ability to borrow in financial markets. Large outflows of capital from Israel could result.

Lack of foreign currency also would severely hamper Israel's ability to meet its military import needs. The ability of Israel to proceed with the peace process and undertake new initiatives is dependent upon Israel's confidence in its own security. That confidence is undermined, however, if Israel is unable to finance the defense materials it needs at a time when so many of its neighbors are being armed at unprecedentedly high levels by Communist and Western nations alike.

The administration has recognized Israel's serious economic problems and has recommended that an additional $200 million loan be given to Israel this fiscal year. However, further assistance would appear to be necessary. As recent events have demonstrated, our own security is closely tied to the security of Israel. We need strong allies like Israel in the volatile Middle East.●

HON. ED JONES

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. BONER of Tennessee. Mr. Speaker, I want to take just a few minutes today to share with my colleagues a special honor and tribute that has been awarded our colleague, Ed Jones of Tennessee. As most Members of this body know, Ed Jones is one of the most knowledgeable Members of the House of Representatives on issues relating to agriculture and rural development. He has authored many pieces of legislation vitally important to agriculture and agribusiness.

Just recently, his accomplishments and contributions to agriculture were given special notice by his alma mater, the University of Tennessee at Martin. The Agriculture Council at the University of Tennessee at Martin instituted a new award this year—the Distinguished Alumnus Award—aimed at recognizing special achievements by its alumni. By way of explanation, I should add that the Agriculture Council at this particular university is a group of students belonging to a wide range of agriculture oriented clubs and campus groups.

This year, 1980, was the first year this award was presented to any UTM alumnus. Its first year recipient was our colleague, ED JONES. In addition, this award will be accompanied by Mr. JONES' induction into an agricultural hall of fame that will be established at the University of Tennessee at Martin in the near future.

I think that most Members of this body recognize ED JONES' special knowledge of agricultural policy and programs. I think it is significant that his people back home also recognize it. It is even more significant that college agriculture students know his record and the importance of having someone as knowledgeable as Ed Jones serving in Congress, on the Committee on Agriculture, helping formulate policy that allows our Nation to have abundant supplies of food. I want to commend those students at the University of Tennessee at Martin for their selection of ED JONES as the first recipient of their Distinguished Alumnus Award.

They have chosen well.●

HATS OFF TO GEORGE MASON UNIVERSITY'S NURSING DEPARTMENT

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. FISHER. Mr. Speaker, the following article on George Mason University's nursing department appeared recently in the Washington Star newspaper. I am proud of the successes of this university, which is located in my congressional district, and I am particularly pleased to share with my colleagues this glowing article on the nursing department's chairperson, Evelyn Cohelan. Under her leadership this department has made great strides forward.

The article follows:

A TEACHER, A SCHOOL, AND A PROGRAM

(By Boris Weintraub)

At most colleges and universities these days, there is a lot of nervousness about waning enrollments. With the passing of the post-war baby-boom generation into adulthood, and with stratospheric increases in tuition, the number of potential students and the number of students able to pay their way has dropped drastically in recent years. Belts are being tightened almost everywhere.

One exception is the relatively new George Mason University, the state university for northern Virginia. From its beginnings in 1957 as a two-year branch of the University of Virginia, enrolling 17 students in temporary quarters at Bailey's Crossroads, through the status it has had since 1972 as an independent full-fledged university, George Mason's growth has been continuous.

The university, which occupies 567 acres on its main campus, as well as a north campus in what used to be Fairfax High School, now has more than 12,000 day and evening, full-time and part-time, undergraduate and graduate students. An even better gauge of its growth is to visit every six months or so and see how many new campus buildings seem to have sprung up whole in the interval.

But even in an institution where rapid growth has been a constant, the growth of one unit within the university, the nursing department, has been notable. In 1973, it had no students and a miniscule staff planning its curriculum; by the fall of 1974, it had admitted 300 nursing majors. The number grew to 600 by 1975, to 700 by 1976, to 900 by 1977. It has stabilized since then, dipping to 850 undergraduates and another 50 in a new graduate program this academic year.

There are probably a number of reasons for this growth—a demonstrated need for a solid nursing education in a public university in northern Virginia is undoubtedly one of them, as is the fact that the job market for nurses is strong. But many people around George Mason are convinced that one reason is preeminent. Her name is Evelyn Cohelan, and she is the department's chairman.

"Beneath that quiet exterior," says a George Mason colleague, "is a very dynamic, very strong person with a lot of force. She gets things done."

"She is unbelievable," says another faculty member. "She took that department out of nowhere and really made it something. I don't know anybody else who could have done it."

The object of this praise is a short, grandmotherly woman—she is the mother of four grown children, and she really is a grandmother—who describes the paths of her personal and professional life as a series of twists and turns taken by accident. But a listener gets the feeling that things weren't quite that accidential, that when Evelyn Cohelan makes up her mind to do something, she goes ahead and does it.

She was born in Iowa, and educated in nursing at the University of Minnesota in what was then the typical three-year nursing program. After she graduated, she and her grandmother took a train trip to California.

"While I was out there, I met a young man who seemed better than anything I was likely to find in the Midwest," she says with understated humor. "I took the licensing exam out there, bought a ticket for my grandmother and sent her home, and got married before I knew how to pronounce 'Cohelan.'" (It's "Co-hail-un.")

Because they were living in Berkeley, she began taking courses at the University of California, finishing two years of college and getting an associate arts degree before their first child, a girl, was born. The daughter was followed by two boys and then another girl within a seven-year period. "I never intended to go back to school," she says.

But when her youngest child was 3, she worked for a summer as a psychiatric nurse, and discovered that a lot of things had changed in that field. She decided to return to college and take some psychology courses, and then discovered federal scholarship money was available for people who wanted to get a bachelor's degree in psychiatric nursing. So she went ahead and got one.

"Well, the kids were happy, Jeffery (her husband) was getting his meals on time, so I did a year of field work in a clinic in San Francisco," she recalls. "By then, there was a master's program in psychiatric nursing, and I entered it."

Her husband, who was active in the labor movement and in local politics, won a Fulbright for study in England. The Cohelan family packed up and spent a year abroad, but meanwhile, she received a letter asking her to come back and run a new program teaching psychiatric nursing at the University of California's San Francisco branch. She did that for two years, and, with more financial aid, began working toward her doctorate.

"There was a national competition for a scholarship," she says, "and I was one of the few with the guts or foolhardy enough to apply for it. I got one of eight scholarships they gave out in the whole nation. Being back in school was easier than anything else."

She had just about completed everything but her dissertation when her husband was elected to Congress for the first of the six terms he eventually served. Evelyn Cohelan picked up her data and moved east, "and settled in to be a congressional wife."

"After three years," she says, "I had gone to so many luncheons that I was putting on weight, and I was seeing the same people every day."

She went to the University of Maryland's Baltimore County branch, and got a job teaching, with time off to help in her husband's campaigns and to finally earn her doctorate in 1963. She soon became chairman of the department of psychiatric nursing, then was dean of the nursing school's graduate programs and acting dean of the school at various times.

It was in 1973 that she learned of George Mason's plans to begin a nursing program and of its search for a chairman. She was ambivalent because she was happy teaching in Baltimore, but the possibility intrigued her—"I called here four times, the dean finally said that if I was interested, to come around, but otherwise, please stop calling." What finally convinced her to apply for the job was the opportunity to start building a new program from the ground up. She applied, and won the job. In a sense, the foundation for the new program's success had already been laid within the northern Virginia nursing community. Nurses had been writing other colleges, as well as local and state politicians, urging the establishment of a full four-year nursing program in northern Virginia. When Cohelan went to work at George Mason, she says in the terminology of someone who knows something about politics, "there was a ready-made constituency. The RNs flocked in, and they told would-be nurses about the program."

Still, it wasn't quite that easy. Cohelan, who was active in professional nursing organizations, called upon her contacts in those organizations to help her devise the curriculum for the new program. To build local support, she "never missed a local professional meeting," and she made arrangements with every hospital and clinic in northern Virginia for her students to get practical experience under trained professional staff members.

One favorable aspect of starting a new program was that Cohelan was able to take advantage of most of the recent thinking about how a nurse is to be educated.

"Early nursing education consisted of a diploma earned with hospital training," she says, "with the senior students teaching the newer ones. We began to see that that wasn't the way to do it, and when community colleges began to grow in the 1950s, we devised ways to shorten the traditional three-year program to two and set it up in community colleges. And that grew like wildfire.

"Now we say that that really isn't enough, given what happens in medical care today. The traditional programs offer no specialized training in public health. There is no research component. A lot of management goes on; our students need to know patient management techniques. There is advanced practice to learn more advance techniques. Our students must have the scientific background in chemistry, in biology. We're getting to the point that there is a debate today about whether a bachelor's degree will soon be required for an RN."

George Mason's nursing student classes in each of the last three years have included about 40 men, but, says Cohelan, for the most part they are "white, female and young, the stereotype student nurse." From the beginning, she says, the students have been highly motivated and excellent.

The same might be said for the nursing department faculty. Cohelan takes a certain pride in the fact that, unlike nursing schools set up on medical center campuses, her faculty members are subject to the same requirements for promotion and tenure as are any other members of the university community, and serve on university-wide committees alongside history or literature or astronomy PhDs. Eventually, she says, all of her faculty will have doctorates.

"Those of us who have been on medical center campuses have to pinch ourselves about feeling part of the whole campus," she says with some wonderment. "This is really different. Everybody publishes; a lot of it is because they're on this kind of campus and everyone else is publishing."

Everyone except Cohelan; "it's a scandal," she admits, but she doesn't do much original research any more; "I'm too old to start." She still takes her turn in the classroom, though, teaching a basic survey course called "Nursing as a Practice Discipline" designed to put the profession into perspective for her new charges.

When Cohelan taught at the University of Maryland, she says, people used to come up to her at professional meetings and tell her how happy she looked, so "up" with the excitement of her job.

"I still go to those meetings, and I must still exude that same enthusiasm, because they're still saying that," she says.●

ESTONIA INDEPENDENCE

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mrs. CHISHOLM. Mr. Speaker, on Sunday, February 24, 1980, the Baltic nation of Estonia celebrated its 62d anniversary of independence. This nation proclaimed its independence in 1918 following the declaration of the League of Nations and that of President Woodrow Wilson that all peoples had the right to self-determination. This same right of self-determination was also proclaimed by the Soviet Union under Lenin's rule and the principle was adhered to.

At first there was some hesitancy in recognizing the free nation of Estonia by the allied world powers. There was concern that this nation would not be able to hold its own. But in 1919, 1 year after its Declaration of Independence, Estonia proved its strength in the war of independence.

Yet, the new found freedom and independence of Estonia was short lived. In 1939, under military threat and coercion, Estonia signed a pact of military assistance with the Soviet Union. This pact was said to have prevented war and it was believed that such a pact guaranteed Estonian safety.

But over the years, quite the contrary proved to be true and the independence of this nation was eroded. The citizens of Estonia have suffered greatly at the hands of Russian assistance. This pact, whose intent was to safeguard the rights of the Estonian people, has resulted in tremendous losses in both human suffering and material exploitation. In addition to ignoring the accords of the 1939 pact, the Russians have also failed to comply with those of the Helsinki Final Act of 1973.

Those persons seeking to exercise full rights or questioning Soviet occupation are confined to mental institutions, imprisoned, or exiled. Futile appeals about the conditions in the Baltic States of Estonia, Latvia, and Lithuania have been made to the United Nations. But, they have all been ignored. Colonialism and Soviet domination continue in these nations despite the gains made in having the sovereignty of other smaller nations recognized around the world. We cannot allow the continuous denial of human rights in these nations or the debasement of the quality of life for its citizens.

It is my hope that this country and the United Nations will see fit to recognize the conditions in Estonia and that this nation will not have to celebrate its 63d anniversary under outside occupation or dominance.●

THOMAS JEFFERSON AND A BALANCED BUDGET AMENDMENT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. PAUL. Mr. Speaker, the March issue of one of my favorite publications, Dollars & Sense, published by the National Taxpayers Union, has a most enlightening article about Thomas Jefferson and the balanced budget.

I would like to call this most important piece of writing to my colleagues' attention:

THOMAS JEFFERSON AND A BALANCED BUDGET AMENDMENT

(By Jimmie Hicks)

When the last British prime minister, James Callaghan, assumed office, he told his people that the crux of their economic problem was that: "We are still not earning the standard of living that we are enjoying."

The crux of the economic problem in the United States is the same as it is in Britain. As a society, we are not earning the standard of living that we are enjoying either. This is most obviously reflected in the huge deficit spending by the Federal government.

This bi-partisan policy of deficit spending has become a way of life in Washington, D.C., in recent years. And it has led finally to the serious consideration of an amendment to the Constitution requiring the Federal government to have a balanced budget except in times of national emergency.

It is not generally known, however, that this proposed amendment did not originate in recent times but that the idea is almost as old as the Constitution itself. Also little known is that this proposal was first made by one of the Founding Fathers of our Republic: Thomas Jefferson.

Jefferson was, of course, the author of our Declaration of Independence, our second Vice President, and our third President. He was also the founder of the present Democratic Party. But he was not a member of the Constitutional Convention since he was, at the time, serving our country as its ambassador to France. He was, however, keenly interested in the work of the Convention and he offered his advice in letters that he wrote to his friend, James Madison, who is called the Father of our Constitution.

While the Convention was in session, Jefferson wrote Madison, on September 6, 1789, to suggest that some consideration be given to the delegates to placing restrictions on the "power of contracting debts" by the Federal government. Unfortunately, Jefferson's advice was not followed but he did not give up on the idea.

On November 26, 1798, while he was serving as Vice President, Jefferson wrote to John Taylor complaining about the "excessive expense" of the administration of President John Adams. He declared: "I wish it were possible to obtain a single amendment to our constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its constitution; I mean an additional article, taking from the federal government the power of borrowing."

While nothing came of Jefferson's proposal at the time, he continued, at every opportunity, to express his opposition to a policy of deficit spending.

In a letter detailing his political beliefs, Jefferson wrote to Elbridge Gerry on January 26, 1799, that: "I am for a government rigorously frugal and simple, applying all the possible savings of the public revenue to the discharge of the national debt," and he added that he was not in favor of "increasing, by every device, the public debt, on the principle of its being a public blessing."

As President, Jefferson followed this policy with beneficial results for his country. In his retirement years, he continued to argue against a policy of deficit spending. In a letter to John Wilson, on August 17, 1813, he wrote that he hoped all Americans "shall consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves."

Jefferson always considered deficit spending not just bad policy but also a moral wrong which would lead to "ruinous consequences." He wrote Albert Gallatin, on October 11, 1809, that he believed "if the debt should once more be swelled to a formidable size, its entire discharge will be despaired of, and we shall be committed to the English career of debt, corruption and rottenness, closing with revolution."

It may yet be that Jefferson's prediction will come true and that we will follow the British road to "ruinous consequences." It is clear that the Federal government itself is incapable of dealing with the problem. Only determined action by the American people will ensure that the cure Jefferson first proposed is enacted: a Constitutional amendment ending the policy of inflationary deficit spending by the Federal government.●

TIME FOR ACTION ON THE MARPOL PROTOCOL OF 1978

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. MURPHY of New York. Mr. Speaker, the time has come for the Congress to complete necessary action on the treaty known as the Marpol Protocol of 1978. The treaty was elaborated by an international conference in February 1978. For this country, it was partially implemented in October of the same year by enactment of the Port and Tanker Safety Act of 1978, Public Law 95-474. But two steps remain to be taken: Bringing the treaty into force internationally and, concurrently, completing its implementation by the United States. The full process to achieve these goals will require some time to complete, because the ratification procedures of many other nations are involved. But the Congress of the United States can complete its work on the matter during this session, and indeed we should do so. For that reason, I am today introducing by request legislation proposed by the administration, a bill to implement the Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, 1973.

That is a tedious title, even for a treaty, Mr. Speaker. The accepted short title is "Marpol Protocol," and I shall use that term in the balance of my remarks.

The Marpol Protocol was the direct result of U.S. proposals for international action. In the wake of some 16 tanker casualties in and around U.S. waters during the winter of 1976-77, the U.S. Government went to the Inter-Governmental Maritime Consultative Organization (IMCO) with a detailed set of proposals applying to tankers. The proposals were to adopt new design, construction, and equipment standards and new procedures for vessel inspection and certification. As a package, the U.S. initiatives were more stringent and extensive than anything previously proposed internationally. IMCO member nations decided to alter the Organization's work schedule to permit a series of technical meetings culminating in a special international conference. Eleven months after the administration announced the American initiatives, the Conference produced two treaties, one on safety measures and the other on pollution prevention—the Marpol Protocol.

The United States pushed the international community very hard for fast action and stringent measures. Both were obtained. It then fell to the U.S. Government to show our readiness to adopt the treaty standards and practices as our own. The Congress incorporated many of these standards and practices into the Port and Tanker Safety Act of 1978. This act mandated national implementation of standards, but did not implement the Marpol Protocol in all its provisions and, of course, was not part of the treaty ratification process. The bill I am introducing today will, when enacted into law, complete the implementation of Marpol Protocol provisions, thus serving as a companion piece to the Senate's advice and consent to ratification of that treaty.

This bill was recently introduced in the Senate as well (S. 2118). I am sure that its consideration there will lend impetus to deliberations on advice and consent to ratification of the Marpol Protocol itself.

Principal features of the bill are as follows:

First, the act would apply to U.S.-flag ships, wherever located, and to foreign-flag ships entering U.S. ports.

Second, technical annexes I and II of the protocol, governing oil and chemicals in bulk respectively, would apply only to seagoing ships—equivalent provisions already apply to vessels on inland waters.

Third, authority to administer the act is delegated to the Secretary of the Department in which the Coast Guard is operating.

Fourth, procedures for certification, inspection, and investigation are established.

Fifth, sanctions are specified, including civil and criminal penalties, detention orders, liability in rem, and referral to flag state.

Sixth, the Secretary is required to establish criteria for determining the adequacy of reception of facilities of a port or terminal, to make such determinations on request, and to exclude ships from ports and terminals not having reception facilities certified as adequate.

Note: Reception facilities means facilities capable of accepting residues and tank washings from ships at the termination of voyages or upon entry into shipyards.

Seventh, an incident reporting system is established in conformance with protocol provisions.

Eighth, the act would implement the amendment procedures of the protocol, including rapid amendment procedures for technical annexes and appendixes.

Ninth, the act would be effective upon the date of enactment or on the date the Marpol Protocol becomes effective as to the United States, whichever is later.

In April and June 1978, the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries conducted hearings on a wide range of subjects bearing on ports and tank vessels. Before the subcommittee at that time was legislation proposed by the administration and introduced by request. The purpose of this bill, H.R. 10390, was to implement the International Convention for the Prevention of Pollution From Ships, 1973. Considerable testimony was taken on the issues raised by this bill. The bill I am introducing by request today is a modification of the previous bill. The modifications in the new bill were designed chiefly to account for the terms of the new treaty, the Marpol Protocol, which incorporated by reference the original 1973 convention. Thus, most substantive provisions of the two bills are identical, and the testimony taken in 1978 remains pertinent. This suggests that only limited hearings need be held on the new bill before dispositive action can be taken.

The Marpol Protocol would require governments to insure the provision at ports and terminals of reception facilities adequate to meet the needs of ships without causing undue delay. The new bill, as did the old one, provides the mechanism for the United States to meet this treaty obligation. This matter was a subject of some concern to witnesses at the 1978 hearings. Most of the concern related to reception facilities that would serve the needs of ships carrying chemicals in bulk, as the treaty would impose stringent limitations on the discharge at sea of tank washings containing the residue of chemical cargoes.

One of the problems encountered in 1978 was the lack of concrete information about existing reception facilities and the demand for new facilities that would be generated by entry into force of the treaty. The time since the 1978 hearings has permitted gathering much of the needed information on existing facilities and the assessment of future needs based on voyage patterns, ship configurations, and trade characteristics. While work remains to be done to place the problem fully in perspective, the assessment thus far indicates that providing for reception facilities is clearly a manageable problem, both economically and technically. An important factor here is the establishment of construction and equipment requirements by the Port, and Tanker Safety Act, such as segregated ballast tanks and crude oil washing. These requirements will reduce the accumulation of oily water slops aboard ship and will therefore reduce the need for facilities to receive those slops.

An important modification to the 1973 convention was effected by the 1978 Marpol Protocol. This is the provision that would delay the entry into force of annex II—governing carriage of chemicals in bulk—for a period of 3 years after the articles and annex I—governing oil—enter into force. This was specifically adopted to allow time for the complex procedures and high standards imposed by annex II to be met. The United States acceded to this delay, deemed necessary by many other governments, so that the worldwide regime to reduce oil pollution could be placed into effect as soon as possible. Though the discharge limitations and reception facility requirements of annex II will be delayed, the United States has already implemented annex II in part by adopting rules based on the IMCO chemical code. These rules establish improved safety and construction standards for ships transporting most of the products on the annex II list of noxious substances.

Mr. Speaker, it is time for acting on the Marpol Protocol of 1978. The bill I am introducing today will serve as the vehicle for action by the House. Given concurrent action by the Senate, both on the treaty and on the implementing legislation, the Congress of the United States can in 1980 demonstrate to the world that this Nation's 1977 initiatives to protect the marine environment were serious and resolute, not merely political posturing.●

WILLIAM C. "BILL" DOENGES

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. SYNAR. Mr. Speaker, one of the philosophies that has kept this country strong is the belief in the rewards of hard work. Most Americans believe if they work at something hard enough, they can accomplish whatever they set out to do, and it is this quality that has carried our Nation through some difficult times. There is a remarkable man living in my Oklahoma congressional district in Bartlesville, who is the epitome of that belief.

His name is William C. "Bill" Doenges, who just this month completed his term in office as president of the National Automobile Dealers Association. At 72 years old, Bill Doenges is still going strong, working hard—as he has all of his life—to contribute to and improve the world around him.

In Oklahoma, when you hear Bill Doenges' name, you automatically think of Ford cars. But there is much more to this man's story. The Tulsa Tribune recently devoted a full page in its features section to the story of his life. I would like to note some excerpts from that story today.

> He is a human dynamo who built a business empire from scratch, a survivor of several bitter political battles in the 1950's that now produce only chuckles and a few shakes of the head; a man who, on top of everything else, spent 20 years as state lay leader for the Methodist church, was active in Boy Scout and Demolay work (and) civic organizations.
>
> Doenges was born in 1907 in Maple Park, Ill., one of six children born to Rev. R. S. and Lulu Doenges. His father, a Methodist preacher, was sent to Collinsville (Okla.) in 1911, when Bill was four years old, and later to Blackwell. His father became ill, and moved the family to a farm near Tonkawa. The father died in 1917, leaving a widow, five sons and a daughter.
>
> "We all worked on the farm after school, helping mother run the place. We also delivered newspapers and did other odd jobs. When we got old enough, the Tonkawa Ford dealer, Dan Ryan, would let us come down there and work at nights.
>
> "I was working at the Ford garage until midnight, but the dealer would let me sell cars after I got out of school at noon. The oil boom was on then, and I'd drive out to the rigs—they were drilling a well about every 10 acres—and yell 'Does anybody want to buy a Ford?'
>
> "Well, sometimes one or two hands would go up. Mother required every child to have an education and when it came time for me to go to college, I said no, I wasn't going. I was making too much money to leave.
>
> "But she kept after me and finally said if I would go to college, I could go out for football. I was at Oklahoma City University the next day."

As Bill had learned at an early age, Mr. Speaker, hard work pays off in everything—including sports—and he earned a reputation as a fine athlete. According to the Tulsa Tribune article:

> He lettered in football (quarterback). And basketball (forward). And track (shot put). And wrestling. And tennis. His coach was quoted in a newspaper article as saying Doenges was the best all-around athlete he had ever coached.
>
> Besides his athletics and schoolwork, Doenges also worked to pay his room, board and tuition.
>
> Doenges got out of college and began his business career during what is now called the Great Depression, a time when many businesses were failing and many people were out of work. But it didn't faze Doenges.

In fact, Mr. Speaker, Bill Doenges just worked a little harder to make up for the bad times. During the 1930's and 1940's, while he was working to establish an immensely successful automobile business and was branching into other fields as well, he still found time to be very active in community affairs, work with numerous church projects, and devote time to helping the young people of his State.

As my colleagues in this body can particularly appreciate, it was inevitable that Bill would get into politics—that work began when Johnston Murray ran for Governor in Oklahoma in 1950. He was one of the movers in Murray's election and administration and served 8 years as the national Democratic committeeman from our State.

Bill jumped into politics even further in Oklahoma when he ran for Governor in 1954 and 1958 and for the Second District congressional post in 1960—and he has stayed active.

I think Bill probably summed up one of his own philosophies better than I could when he told the Tribune:

> I thought, and still do, that anyone who had been successful in business owed something to the country, to everybody. And I've always had a feeling that a man should take an active part in political events and affairs; should try to make his city, county and state better.

Mr. Speaker, Bill Doenges' philosophy is one that we in this Chamber—perhaps more than most—can appreciate and applaud.●

BUILD THEM HERE

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. SHARP. Mr. Speaker, I want to call to the attention of the House of Representatives the increasing number of imported cars being sold in the United States. I am concerned about the loss of American jobs in the auto industry and the damage to the American economy. We must be prepared to act.

The U.S. automobile industry has laid off 200,000 employees for an indefinite period, contributing to the slowdown of the American economy. Anderson, Ind., a major automotive parts center located partly in my district, last month had a 15.2-percent unemployment rate, the highest in the country. Muncie, New Castle, and other cities are also suffering from increasing unemployment rates.

A major cause of the problem is the record sales of Japanese cars. The sales of U.S.-produced automobiles last year dropped over 12 percent, while the major Japanese car manufacturers increased their U.S. sales by more than 16 percent. Imports accounted for 21.5 percent of total automobile sales in the United States last year, and industry analysts predict that they will account for 25 percent of U.S. sales this year.

The January sales figures for the major Japanese imports demonstrate the problem: Toyota, 56,034; Datsun, 47,063; Honda, 30,575; Mazda, 13,721; and Subaru, 13,545.

Mr. Speaker, we must take action to reverse this trend. The Japanese manufacturers must be told, "If you want to sell them here, you have to build them here." Many other countries now require by law that foreign cars sold there must be manufactured within their borders, by their own workers. This country should insist on the same policy.

Important decisions affecting U.S. jobs should not be made in the corporate boardrooms of Japan. They cannot set up obstacles to the sale of American goods in Japan and then expect to sell their cars and other products in our country.

Free trade must be fair trade. If Japanese autos are sold here for less than they are sold in Japan, that is not fair trade. If Japan makes it difficult for us to sell American goods there but sells Japanese goods freely in the United States, that is not fair trade.

Few of us want trade barriers erected, but we cannot tolerate the kind of unemployment we are now seeing in the U.S. auto industry.

We are suffering a multibillion dollar trade deficit with Japan, mostly as a result of auto imports. We must make it clear to Japan that the Congress will have to consider such undesirable remedies as tariffs, quotas, or other restrictions if they do not voluntarily locate a significant portion of their manufacturing and assembly operations in the United States.

I believe competition is good for American industry, good for American consumers, and good for the free enterprise system. American manufacturers are responding to the public's demand for fuel-efficient cars, and competition stimulates that effort and keeps prices to consumers down. But that competition must be fair.

The best solution would be for the Japanese manufacturers to locate plants in this country voluntarily, and to hire American workers. If they do not, Congress must be prepared to require them to do so.•

WASHINGTON METROPOLITAN REGION STUDY COMMISSION (H.R. 6513)

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

• Mr. McKINNEY. Mr. Speaker, recently, I reintroduced the Washington Metropolitan Region Study Commission bill, H.R. 6513. This bill, which is identical to legislation I introduced in the 95th Congress, is aimed at forming a commission to study the desirability of establishing a single intergovernmental authority to manage and finance the provision of mass transportation, air quality control, solid waste disposal, and water and sewer services in the Washington, D.C., metropolitan region.

As the ranking minority member of the House Committee on the District of Columbia for the past 3 years and an active member of that committee since I first arrived in Congress more than 9 years ago, I have become well acquainted with the problems of our Nation's Capital and the surrounding region. We are all familiar with the fact that this is a city of more than 600,000 people and the core of a metropolitan area which encompasses more than 3 million people. The problems of the city of Washington, D.C., are not very different from those encountered by the other major cities which many of us represent. However, as a metropolitan area, the place we know as Washington, D.C., is quite unique. It is unique in the sense that it incorporates two States and the Federal District.

When making policy for this singular metropolitan area, one has to deal with a myriad number of governmental entities. These include not only the State governments of Maryland and Virginia, respectively headquartered in Annapolis and Richmond, but also the city governments of the District of Columbia, Rockville, Bowie, College Park, Gaithersburg, Greenbelt, Takoma Park, Md., and Alexandria, Falls Church and Fairfax City, Va.; the county governments of Charles, Montgomery, and Prince Georges Counties in Maryland and Arlington, Fairfax, Loudon, and Prince William Counties across the river in Virginia. On top of this local bureaucracy is, of course, the Federal Government which, in exercising its proper authority over the National Capital area, has an inherent interest in seeing that local policy decisions are compatible with the Federal interest.

During the past two decades, the people of the Washington, D.C., metropolitan region have sharply focused their attention on the need for improved mass transportation and cleaner air, on the challenge for improved solid waste disposal and on the necessity for providing continued water resources while coping with the disposal of waste water in a safe, environmentally sound manner. There have been commendable, in fact laudatory, results in many of these areas and those results stand as proof that different governmental entities can work together for a singular goal.

Unfortunately, while the spirit of cooperation is abundant, the answers as to how the metropolitan area can and will continue to cope with these growing problems are definitely lacking. The Commission which I have proposed is aimed at addressing the future. It is aimed at giving careful consideration and study to where we are, where we are going and how we will get there. I do not propose this Commission with the intent of preordaining its findings. However, it would be useless to proceed unless one acknowledged that the study undertaken by the Commission would have to include not only giving careful consideration to the possibility of establishing an intergovernmental authority, but also the methods available for regional financing of that authority should one be established.

Mr. Speaker, the idea of regional government is not one that is usually wholeheartedly embraced. Indeed, in a metropolitan area such as Washington, which encompasses so many governmental entities, it is often praised as the most logical solution, but then summarily dismissed as impractical upon consideration of the political and economic infrastructure. The old idea that cooperation has brought us this far and that continued cooperation will see us through is readily adopted by those who only want to deal in the problems and political realities of today.

In the last Congress, when I put forth the idea of this Study Commission, a number of my colleagues from the surrounding jurisdictions here in Washington were quick to dismiss the idea. I would sincerely hope that they will have a different reaction this time around.

In recent years, while we have put stock in cooperation, we have begun to witness more and more confusion in dealing with water problems, energy problems, transportation problems, and air pollution problems among others. Out of all of this confusion usually comes the agreement that we share a common purpose and a common goal in this region. The Study Commission envisioned in H.R. 6513 seeks to investigate and to define the means by which we can best face the future, and I look forward to working with all of my colleagues on this important measure.•

THE PLIGHT OF IRANIAN MINORITIES IN THE UNITED STATES

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

• Mr. BEILENSON. Mr. Speaker, the past few months of uncertainty surrounding our American hostages in Iran have caused many Americans to react with strong emotions and anger toward all Iranians. It is important for all of us to remember that many Iranians are not supportive of the terrorist actions taken against the United States in Iran.

The plight of these Iranian minorities was shared with me by a constituent in the following letter which I share with my colleagues:

THE PLIGHT OF IRANIAN MINORITIES IN THE UNITED STATES

DEAR MR. BEILENSON: I am sorry to take your time, but since my situation and that of other Iranians like me (minorities) is getting critical, and having no one to turn to, I would like to ask your help and advice.

There is a silent and constant move to put pressure on the Iranians in the United States to leave the country.

At first we were happy when a sanctuary was offered extending visas with permission to work until June 1980, because of the situation in Iran. Later the immigration office withdraws this extension, adding that it is in the public's interest that we should leave the United States. It seems these unfortunate people (who are pro-American) have to pay the blood price for the hostages in Tehran. What a cruel world. It is like sending the Jews back to Germany during Hitler's time.

I know exactly how the American hostages feel in Tehran. Day after day waiting, not knowing what the outcome will be. A war of nerves with little hope.

It would be in bad taste to compare our situation with the hostages in Tehran. We have not committed a crime (other than being born in Iran), and we support the American people in these difficult moments. We understand the situation deeply, since we have fled Iran to seek shelter. Besides, we lack the support of our own people and the international world. Now we are waiting to be deported back to Khomeini.

I find no sleep worrying day and night about the future of my wife and two daughters who have shared a life of uncertainty for the past year with me, wondering what will become of us. Whether there will be some one with a listening ear, without hate or vengeance.

It is ironical that the one nation on earth that traditionally protected and gave sanctuary to millions, is now choosing us as a scapegoat to satisfy the anger (with which we sympathize and understand so well).

Although I am not a politician, I feel it is not the right policy to pressure the innocent (minorities) who share the same views as the American people about the hostage situation. We fear the Russians after the events in Afghanistan; we left Iran and all our personal belongings behind because we could not share the ideology of those who rule Iran today and fear to be persecuted.

Finally we share the same zeal as the American people, that is to make our world a better place for the new generations.

It is in these difficult moments that one sees the true meaning of humanity and compassion. We understand the present international and national moods. We also believe that despite all pressures, the American nation has one of the best Constitutions in the world and in it there must be something that would save the like of us in the eleventh hour.

Dear Mr. Beilenson, those minorities left Iran because of Khomeini and the rule of the clergy. We have lost everything; our personal belongings (and other material things), position, ability to communicate, friends, relatives and above all our identity.

We pray to God that no other group should suffer the same hardship again.

Looking forward to hearing some good news from you.

Sincerely,●

SUPPLY-SIDE ECONOMICS—HERE TO STAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. KEMP. Mr. Speaker, though inflation is raging at 18 percent and nearly 6 million people are out of work, I saw a glimmer of hope this morning on the editorial page of the Wall Street Journal. Paul Craig Roberts declared that supply-side economics is not dead, but alive and well. I commend Mr. Robert's words of hope to all my colleagues in the House and Senate.

The article follows:

POLITICAL ECONOMY—SUPPLY-SIDE ECONOMICS

Before you get too pessimistic about our chances of beating inflation and restoring productivity, consider how much economic thinking has changed in the last few years.

Five years ago when Congressman Jack Kemp began talking about supply-side incentive economics, skeptics called him a snake-oil salesman. Reception to "supply-siders" was still hostile a year later when they criticized the economic models being used by the congressional budget committees for assuming that higher government spending was better for the economy than lower tax rates.

At the time there was only a handful of supply-siders. Supply-side economics wasn't a subject taught in textbooks or discussed by professors at conferences. The prestigious proprietors of the Chase, DRI and Wharton econometric models didn't know a thing about it, and the Treasury, the Office of Management and Budget, and the Congressional Budget Office were more or less sure that the subject was unimportant. * * *

Most economists took it for granted that the economy was regulated by the level of demand. Not enough demand meant recession, and too much meant inflation. In this view tax rate changes and fiscal policy affected the economy only by changing the amount of spending. It was simply ignored that tax rates directly affect the supply of goods and services. And so the authorities were pumping up demand with policies that retarded supply, thus contributing to stagflation.

Today all this is changing. Supply-side economics is rapidly gaining ground and picking up new adherents even from the ranks of leading Keynesians. Michael Evans, who developed the Wharton and Chase models, wrote in the February issue of Challenge magazine that "Keynesian models cannot deal with current economic ills because they concentrate on questions of demand." "We need models that stress the supply side," says Evans who is busy developing one.

All of a sudden people are discovering that cutting taxes doesn't necessarily lose the government revenues. Last October DRI economist Allen Sinai told a Paine-Webber audience that tax cuts to stimulate investment weren't inflationary because they were self-financing.

Supply-side economics was the common thread that ran through the Morgan Stanley Conference in November—"the energizer we need to make the 1980s move forward smartly," as T. Rowe Price's Jean Kirk aptly put it. Larry Kudlow, chief economist for Bear Stearns, supplies Wall Street with a supply-side perspective. And Robert Keleher of the Atlanta Fed introduced the issue into the Federal Reserve System last June with the publication of his paper "Supply-Side Effects of Fiscal Policy."

In politics the issue is losing its partisan character. The Joint Economic Committee of Congress has moved to a supply-side perspective, carrying along many Democrats concerned about the productivity decline and low savings rates. The first federally-funded supply-side model has just been completed by Michael Evans under contract to the Senate Finance Committee. Now for the first time the committee will be able to obtain its own estimates of the dynamic effects of tax changes on productivity and incentives, giving the committee staff the upper hand over the Treasury's traditional static analysis.

In spite of these inroads some critics of supply-side economics claim that it is nothing more than a fad flashing in the pan. But various developments are likely to give supply-side economics considerable staying power.

One is the renewed interest, sparked by Soviet military advances, in a stronger national defense. Congressmen are quick to realize that the only way to have more defense without having less of everything else is to have a stronger economy.

Another is the broadly based concern about the decline of the U.S. competitive posture in the world. On April 25–26 Harvard University will host an important national conference organized by New York Stock Exchange chairman William Batten, Senator Abraham Ribicoff (D., Conn.) and Harvard dean Henry Rosovsky. Leaders from business, labor, government and the universities will place taxation, incentives, investment and productivity squarely at the top of the national agenda. President Carter and the other principal presidential candidates have been asked to address the conference. Any contender who is not committed to restoring U.S. competitiveness is unlikely to be regarded as a serious candidate. * * *

While events are moving the new incentive economics to the center of the political stage, the research focus of leading economists like Harvard's Martin Feldstein and Stanford's Michael Boskin are moving it into the academic mainstream. At the annual meeting of the American Economic Association in December, there were several well-attended sessions on supply-side economics. More and more economists are finding that high tax rates cause reductions in labor supply, work effort, the savings rate, investment, productivity and economic growth.

Today students are learning about supply-side economics in university and college courses where leading textbooks like James Gwartney and Richard Stroup's "Economics: Private and Public Choice" acquaint students and professors with the supply-side view.

All of this suggests that supply-side economics is not about to fade anytime soon. With rising energy costs, declining productivity and tax-flation eating into American living standards, voters and policy-makers are turning to a supply-side view in their search for a new economic policy.●

WINDFALL PROFITS TAX REVENUES—WHAT ARE THEY FOR?

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Ms. FERRARO. Mr. Speaker, I had intended to make these remarks during the debate on Representative FISHER's motion to instruct the House Members of the conference committee on the windfall profits tax legislation. Unfortunately, however, that motion was ruled nongermane, so I am taking this opportunity to present my views on the subject of that motion.

The importance of the Fisher motion was that it would have brought the windfall profits tax back into focus with its original purpose. When President Carter first announced his decision to decontrol oil prices, he also announced the need for a windfall profits tax. There were two reasons for the tax—to prevent the oil companies from reaping huge unearned profits, and to provide revenues for several new programs that would help the American people and our country to cope with the effects of decontrol.

I was a vigorous opponent of decontrol. But since it became a reality, I have been telling my people in New York's Ninth District that it is not a good thing, but maybe it is not a bad thing either. By raising prices, we will cut consumption, thereby lessening our dependence on imported oil. More high-priced imported oil is used in the Northeast region than anywhere else in the country, and it is important to my people that we find alternatives. The President's original plan called for spending $88 billion over 10 years out of the windfall tax revenues on synthetic fuels, and I have been promising my people that this would be done.

The windfall profits tax revenues were meant to be used to help develop alternatives to oil, and, through a program of low-income fuel assistance and increased Federal transit assistance, help those Americans who most need it—the poor and the working poor—survive rising prices for oil. There was a symmetry and a logic to the program.

But the conferees are about to unravel the package. By allocating 60 percent of the revenues for general tax cuts, they have practically abandoned the logic of using the tax on energy for energy-related purposes.

I have no quarrel with using 25 percent of the revenues for low-income fuel assistance. But what about the working poor, the real middle-class Americans, the homeowning family of four trying to live on $10,000, $12,000, or $15,000 a year? These people are being clobbered by decontrol, and will continue to be clobbered if we do not do something to help. What are we saying to them? That maybe they will get a small tax break sometime down the road? A tax break that, if they get it at all, will worsen inflation and leave them with even fewer real dollars?

If this windfall profits tax bill is to make sense, we have got to restore it to its original purpose. We have got to make it help Americans adjust to rising fuel prices.

There are lots of ways we can do that. We can provide tax credits for homeowners to make homes more energy efficient. We can provide assistance to landlords or renters to help with their heating bills. We can increase transit assistance to make public transit more available to more people. And we have got to accelerate the development of alternatives to oil.

The current surge in oil prices, which has seen gasoline prices reach $1.30 and more a gallon and home heating oil prices nearly double in just 1 year marks the second time in 6 years our country has been rocked by an energy crisis. When the Arab oil embargo of 1973-74 ended, we slowly went back to business as usual. We did nothing to sever the former petroleum lifeline that now threatens to strangle us. We absolutely cannot afford to do that again.

We must act now to commit ourselves to a major research and development effort on advanced technologies for producing alternative fuels. Alcohol fuels, oil shale, gas, and liquid fuels from coal, and solar power can all be made commercially feasible with proper incentives. It is up to us.

All the ideas I have mentioned, and many others like them, help achieve two basic things. They offer real help to Americans in dealing with soaring energy costs, and they help make our Nation more energy efficient. As someone has said, in the field of energy, we are confronted with insurmountable opportunity. But we need to start moving.

Let me make one final point. I am not arguing for or against a general tax cut. What I am arguing is that this is not the time or place for that debate. We cannot treat the windfall profits tax revenues like a $20 bill we just found on the street. The word "windfall" applies to the profits, not to the tax. The Government has not come into a windfall. We have an obligation to do certain kinds of things with the revenues this tax raises. Let us meet that obligation.●

DRAFT REGISTRATION AND NATIONAL SERVICE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. ROSENTHAL. Mr. Speaker, on Friday, February 22, 1980, a letter from the Presidents of Bryn Mawr, Swarthmore, and Haverford College, respectively, appeared in the New York Times which discussed President Carter's request for draft registration in light of the need for a broad program of national service. These three colleges have student bodies from across the Nation, and I believe our colleagues will find merit in the letter which follows:

[From the New York Times, Feb. 22, 1980]

BRYN MAWR, PA.,
February 13, 1980.

To the EDITOR:

President Carter's recent call for draft registration has raised questions of importance not only to those most directly affected—young American men and women aged 18 to 20—but also to the nation as a whole: questions of our role in world affairs, of equal rights for men and women and of forms of national service for our youth.

Thoughtful persons everywhere abhor the Soviet invasion of Afghanistan and the contempt for free expression demonstrated most recently by the Kremlin's banishment of Andrei Sakharov. The United States needs to think through carefully its role in world affairs and, in changed circumstances, to re-establish its position firmly and with conviction.

We cannot acccomplish these aims by truculent posturing. Even registration for a draft, which may be prudent in the long run, contains the danger that it can stimulate fears and overreaction at home and abroad. To try to rush such legislation through the Congress would be too reminiscent of the Gulf of Tonkin Resolution.

If registration for the draft is necessary, women should certainly not be exempted. But in including them, our society would find itself in fundamental contradiction. How can women be asked to assume equal responsibility with men for the nation's defense at a time when they are denied full recognition of their rights as citizens? We believe that the passage of the Equal Rights Amendment is an essential *quid pro quo* for the registration of women for the draft.

Finally, if registration is to be reinstituted, it might not be solely for purposes of conscription into the armed services. Registration might instead be a first step toward the implementation of a broadly conceived program of national service, which would challenge all our young people to work full-time for one or more years in meeting the pressing needs of the nation and of the world community.

Their service is needed in our schools, hospitals and prisons, and in our institutions for the elderly and mentally ill. They have enormous contributions to make to national efforts through regional and community projects in conservation, renovation, environmental protection and energy-saving. We believe that young American men and women might welcome the opportunity to choose between military and civilian service—and that the nation would be stronger for providing the opportunity.

MARY PATTERSON MCPHERSON.
THEODORE FRIEND.
ROBERT B. STEVENS.●

CUBAN CONNECTION THREATENS OMAN

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. EVANS of Delaware. Mr. Speaker, in recent days, Gov. Ronald Reagan has made some rather sobering charges regarding the apparent link between the Soviet training brigade now in Cuba and Russian military activities on the critically vital Arabian peninsula. In his remarks, Governor Reagan suggested that this so-called Cuban connection is really an effort by the Soviet Union to prepare its Cuban proxy troops for a military takeover of Oman, a key Persian Gulf country.

The Russians have apparently stockpiled first-class military hardware, such as Mig-23 fighter planes, modern diesel submarines, T-62 battle tanks, and other equipment, in their client state, South Yemen. This same identical equipment is part of the Soviet gear in Cuba, and could represent in the view of some part of a coordinated plan threatening South Yemen's neighbor, Oman.

Oman is vital to American interests in the Middle East. It commands the Strait of Hormuz, through which about 50 percent of the free world's oil passes. Control of Oman means control of the straits—it is that simple.

Mr. Speaker, I want to join with Governor Reagan in demanding that the Carter administration give the Congress and the American people the facts on this matter.

I include Governor Reagan's remarks and an article which appeared in the Atlanta Constitution on February 7 in the RECORD immediately following my statement at this point:

STATEMENT OF RONALD REAGAN

Just two weeks ago Jimmy Carter declared the Persian Gulf a "vital interest" of the United States, and said that we would use military force to defend the region.

But while he is committing us to send American troops to fight in the Middle East, he is ignoring and failing to deal with a real menace to that area, a threat emanating from this hemisphere, in Cuba.

It is now clear that there is an important link between recent Soviet moves in the

Middle East and the role of Castro's mercenary forces in the service of Soviet strategic objectives.

I believe Mr. Carter is holding back important information he has in his posession concerning this "Cuban connection" in the Middle East. Why?

A few months ago it was discovered that the Soviet Union had deployed a combat brigade in Cuba. The Carter administration at first declared the status quo to be unacceptable, and then subsequently accepted Soviet "assurances" that the brigade was a "training center" and that its status would not be changed.

But the important questions about that brigade remain unanswered: What forces are being trained and for what purpose?

I believe we now have an answer, and I believe that Mr. Carter and his administration know very well what that answer is. The only problem is that they are not sharing it with the American people.

The equipment which that Soviet brigade is using in Cuba for "training purposes" is identical to military equipment now being stockpiled by the Soviets in Southern Yemen, the Soviet satellite state on the southwest corner of the Arabian Peninsula. This material includes Mig-23 fighters, modern diesel submarines, T-62 battle tanks, armored personnel carriers, and antiaircraft vehicles. These are not rudimentary weapons issued to Soviet client states in the third world: It is all first-class military equipment. According to one respected defense analyst, Edward Luttwak, the Cuban intervention forces are being trained in armored warfare and will likely be deployed from Southern Yemen against neighboring Oman, the small pro-Western state at the tip of the Arabian Peninsula. Some Cubans are already in Southern Yemen, as Secretary Vance has recently admitted, and there is a growing danger that Southern Yemen and North Yemen may unite.

As I have suggested in recent weeks, Oman is a highly suitable and strategic location for an American presence in the Persian Gulf area. It commands the south bank of the Straits of Hormuz, through which the Persian Gulf's oil passes in tankers bound for the industrialized world. If the Soviets should attempt to use their Cuban proxies to seek control of Oman, it will be because they were well-trained by the Soviet brigade in Cuba and then well-supplied by the Soviet military stockpile in Aden, the capital of Southern Yemen.

Under such circumstances, the Soviet Union would then be able to control the vital chokepoint of the Straits of Hormuz, and could further expand into the crucial but weak states of the gulf, including Saudi Arabia itself.

Although Mr. Carter may not wish to admit it, the legions the Soviets are now training in Cuba represent a serious threat to vital U.S. interests. Why won't President Carter publicly recognize this threat?

Perhaps the answers to these embarrassing questions lie in Mr. Carter's domestic political priorites. Is his quest for renomination so important that this information should be kept from the American people? Or will he once again find that Soviet assurances are false and be forced to admit that he has been surprised by their duplicity?

It's time for Jimmy Carter and his foreign policy advisers to stop their doubletalk about American security and to level with the American people about what the Soviets are really doing with their Cuban puppets in the Middle East.

The connection between Cuba and the Middle East is now plain for all to see, but Mr. Carter only further jeopardizes our real interests by failing to hold the Soviets and Cubans publicly accountable. He ought to stop trying to capitalize on the policy failures of his three years in office, a period during which this country has weakened its military capabilities because of a lack of leadership and the absence of a sound, principled foreign policy.

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SOVIETS AIM CUBANS AT OMAN, REAGAN SAYS

ORLANDO, FLA.—Ronald Reagan charged Thursday that the Soviet Union apparently is training its "Cuban proxies" for a takeover of Oman, a key Persian Gulf nation.

Campaigning in Florida for the Republican nomination, Reagan accused President Carter of withholding information about Soviet intentions in that region of the world.

"I think it would be nice if he (Carter) let the American people know about this," Reagan said.

No comment was immediately available from the White House.

Reagan said he received his information from a Georgetown University defense analyst and other "intelligence sources." But he did not identify his sources.

Reagan asserted that military equipment the Soviet forces in Cuba are using for training purposes is identical to equipment being stockpiled by the Soviets in South Yemen, a Soviet satellite on the southwest corner of the Arabian peninsula near Oman.

"If the Soviets should attempt to use their Cuban proxies to seek control of Oman, it will be because they were well-trained by the Soviet brigade and then well-supplied by the Soviet military stockpile," he said at a news conference in Orlando.

In that case, Reagan said, the Soviets could control a vital point on the Straits of Hormuz, through which Persian Gulf oil passes on tankers bound for the Western world.

He repeated his previous suggestion that the United States blockade Cuba to prevent Soviet-trained forces from leaving the Caribbean island.

Late last month, Reagan, in an interview on the CBS-TV program "60 Minutes," urged a blockade of Cuba as a show of strength by the Carter administration.

"I am not talking war and I am not a warmonger," he said at the time. "I am talking of my fear that unless the United States sends the proper signal to the Soviet Union, that they are going to make the wrong choice, are going to guess wrong, and finally are going to make moves that will leave us no choice."

When Carter made a nationally broadcast address last October to declare the administration would not accept the "status quo" of Soviet troops in Cuba, the President said Soviet leaders has assured him that the unit on the Caribbean island was a training center, not a combat force.

Carter also said at the time the Soviet leaders has given assurances that ". . . the unit in question is a training center, that it does nothing more than training, and can do nothing more."

The President also said he was told that ". . . the Soviet personnel in Cuba are not and will not be a threat to the United States or to any other nation."

In that address last Oct. 1, Carter also said, ". . . We shall not rest on these Soviet assurances alone."●

COMMUNIST GROUPS ACTIVE IN THE CAROLINAS

—

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. McDONALD. Mr. Speaker, over the past decade a variety of Communist and allied groups have endeavored to bring about revolutionary change in the States of North and South Carolina.

In evaluating this Marxist attempt to penetrate industry and government, it is noticeable that in many instances, the activities of American revolutionaries parallel those of their Italian comrades bringing terror to northern Italy and the industrial plants of Milan and Turin.

Since this body is still without a committee charged with the specific concerns of our internal security, I attach the following study for the information of my colleagues:

During the past decade, terrorism on a world-wide scale, much of it orchestrated by the Soviet Union, has become an important weapon used to destabilize Free World governments.

In the United States, acts of political terrorism have taken place in locations ranging from Los Angeles and San Francisco to Seattle, from Portland, Oregon, to Denver and Chicago, and from Talahassee to New York and Boston. Avowedly Marxist organizations across the country provide financial, logistical and propaganda support to terrorists operating with Moscow's support, often filtered through Cuba.

The response of three successive Administrations to terrorism, from Nixon through Carter, has been to dismantle most of the United States domestic intelligence gathering organizations. This has been accompanied by an equally strong attack by the American Civil Liberties Union and National Lawyers Guild on state and local law enforcement intelligence-gathering activities. The result has been to leave the United States defenseless against the threat of domestic subversion and terrorism.

Those seeking revolutionary change in the United States have seized this opportunity to operate free of restraints. Perhaps using North Carolina as an experimental laboratory to test their organizing theories and techniques, they have developed confrontational situations that move individual acts of terrorism up to a systematic campaign of terror. Furthermore, having met with some success, the revolutionary movements in North Carolina are planning to develop still more of these potentially explosive confrontations.

During the past few months, the activities of self-admitted Communist revolutionaries in North Carolina have paralleled those already carried out by Communist revolutionaries in Italy, trained at KGB-run terrorist schools in Czechoslovakia and Iraq. These elements combine penetration of labor unions and plant organizing with assassinations, bombings, extortion and other acts of political terrorism. The names of the groups in Italy and in North Carolina are different, but the targets are similar: In Italy they are the auto and industrial plants and their unions in Turin and Milan; in North Carolina they are the textile mills, democratic institutions and communities of Greensboro, Raleigh, and Durham.

Reverend Benjamin Franklin Chavis is on parole from the North Carolina prison system. Convicted of arson and riot conspiracy, a conviction upheld in every appeal through to the U.S. Supreme Court, Rev. Ben Chavis is an active co-chairman of a major front group of the Communist Party, U.S.A. which is called the National Alliance Against Racist and Political Repression (NAARPR) that is targeted specifically at minority groups and prisoners.

Rev. Chavis was directing this fiery rhetoric to a crowd of some 5,000 demonstrators who had assembled in Greensboro, North Carolina, to commemorate the deaths of five Communists in a gunbattle with a local neo-Nazi and Ku Klux Klan coalition. This rhetoric expressed the growing militancy common to the dozen or so revolutionary Marxist groups now operating in North and South Carolina. The revolutionaries are competing with one another to organize on the college campuses; among Indian, Negro and moderate-income white communities; and to capture control of various trade union locals. The purpose of all this effort is not any sort of utopian plan for a new golden age, but to concentrate power and control over society, business and government in the hands of a small revolutionary clique.

The Carolinas have been targets of Communist and socialist organizing since the 1920's. There have been a number of reasons why the Communists regard the Carolinas as ideal territory. First, there are a large number of colleges and universities from which Marxist movements always have drawn most of their recruits. Second, they have an optimum mixture of small and medium-sized industries, particularly textile mills; and a substantial rural population of moderate-to-modest income families, both black and white, which radicals hope to recruit. Third, the presence of American Indian and Negro minorities provides special targets for disrupting the fabric of society. Fourth, the radicals consider the existence of a number of small extremist neo-Nazi and Ku Klux Klan splinter groups that can be manipulated into violence to be a point in favor of their plans.

Under the pretext of seeking to increase the civil rights of Negroes, Communist Party organizers in the South helped spawn the Student Non-violent Coordinating Committee (SNCC) in 1960. The "non-violent" aspects were quickly dropped when under the leadership of Stokely Carmichael and H. "Rap" Brown, SNCC spearheaded the violence and race hatred of the "black power" movement.

The problem of revolutionary violence predated formation of the SNCC. Among the first to use the pretext of "armed self-defense" and deliberate baiting of the Ku Klux Klan was Robert Williams in Monroe, N.C.

Williams fled to Red China after being indicted in 1961 for kidnapping during a racial disturbance. His writings in support of sabotage and armed insurrection which filtered back into the United States from Peking helped set a climate for later militants and for the violence of arson and riot typified by the 1971 case of the Wilmington Ten.

Starting at the beginning of the 1970's, a variety of Marxist and Marxist-Leninist organizations moved back into the Carolinas with two tactics; first by building defense efforts for several carefully selected criminal and militant defendants, and secondly by attaching themselves to union organizing efforts among hospital workers, public employees and textile workers.

Among the most active groups taking part in these efforts have been Marxist "professional" groups such as the National Lawyers Guild and the Medical Committee for Human Rights; "New Left" formations like the New American Movement; the pro-Moscow Communist Party, U.S.A.; the Peking-affiliated Communist Party, Marxist-Leninist; and smaller Communist splinter groups such as the Revolutionary Communist Party and the Communist Workers Party.

The overwhelming number of Americans will not associate with overtly Communist or socialist groups. To get around that hurdle, revolutionary groups operate a broad assortment of front organizations designed to appeal to special interests and persuade them to accept, often unknowingly, Communist leadership and guidance.

Among the Communist Party, U.S.A. fronts that have been most active in the Carolinas are the National Alliance Against Racist and Political Repression (NAARPR) and the Southern Organizing Committee for Economic and Social Justice (SOCESJ). Peking's pet Communist Party, Marxist-Leninist, controls the Southern Conference Educational Fund (SCEF); and the Revolutionary Communist Party is the parent of the Unemployed Workers Organizing Committee (UWOC).

Even with their battery of front groups, the revolutionaries organizing in the Carolinas have not been successful in drawing large numbers of people to their cause. This failure has sparked a dangerous competitive militancy among many of the smaller revolutionary groups. Incendiary rhetoric, public displays of weapons, public challenges to Klan and neo-nazi extremists are intended to prove that their own particular organization can best "defend" the interests of Carolinans.

But in fact, this escalation of militancy has had the effect not of attracting wider support, but of appealing to the most violent members of other radical organizations and concentrating them in the most extreme of the splinter sects. Obviously, concentrating the mentally and politically unstable in a situation outside the controls of a hospital ward has a high probability of generating problems.

As a tactical device intended to attract the support of members of the Indian and black minorities, a number of the Communist groups organizing in the Carolinas have engaged in calculated campaigns to antagonize Klan and neo-Nazi groups. The revolutionaries believe that if the Nazis and KKK can be provoked to violence, the position of revolutionaries as "defenders" of minorities and as leaders of coalitions with moderates against extremism will be enhanced.

In November 1979, the Marxist Nazi-baiting program succeeded in sparking a spectacular outbreak of bloodshed.

On Saturday, November 3, 1979, in Greensboro, N.C., an anti-Ku Klux Klan march and rally called by the little-known Communist Workers Party (CWP) erupted into violence. A shoving and scuffling match between leaders of the CWP and a group of about fifteen members of a KKK and neo-Nazi erupted into violence. Press reports said the shootout was touched off when a CWP member fired a handgun during the scuffle. The Klansmen and Nazis then armed themselves with weapons concealed in the trunk of a car and opened fire. Five leaders of the Communist Workers Party were killed and ten were wounded. Photographs of the shootout and its aftermath show that both the members of the Communist Workers Party and the Nazis were armed.

The question asked by Americans afterwards was who and what is the Communist Workers Party and how did this gunfight come about?

The Communist Workers Party has its national headquarters in a rundown commercial building at 1 East Broadway in New York City, in Chinatown at the foot of the Bowery. Active CWP chapters are found in Chicago, Philadelphia, Berkeley and Los Angeles, as well as in Greensboro. Until October 1979, the Communist Workers Party was known as the Workers Viewpoint Organization and published a monthly newspaper with the same name. The history of the growth of the Workers Viewpoint Organization is common enough among radical fringe groups. The group started out in the early 1970's as a Maoist study group composed mostly of Asian-Americans led by Jerry Tung.

In 1972, Workers Viewpoint formed an alliance with Nelson Johnson's Greensboro, N.C., group, the Youth Organization for Black Unity (YOBU). Mergers with other small Maoist communist groups followed. Workers Viewpoint cadre were active in various left causes including support of Maoist revolutionary terrorist organizations in southern Africa through the African Liberation Support Committee.

Workers Viewpoint announced its change of name to the Communist Workers Party in October 1979, with Nelson Johnson as its chairman and Jerry Tung as general secretary.

None of the CWP leaders killed in Greensboro had been converted to this extreme form of Communism straight from being free market supporters of capitalism. All of them had been active for years in militant and revolutionary groups that had taken somewhat less extreme positions than had the CWP.

For example, James Waller, 37, a medical doctor, had been an early white member of the Student Non-violent Coordinating Committee (SNCC). He had been active in the Medical Committee for Human Rights (MCHR) in New York, and went to the Carolinas as an organizer of "brown lung" [byssinosis] disease screening clinics for textile mill employees. In 1978, then a member of the Amalgamated Clothing and Textile Workers Union (ACTWU) Local 11132 at Cone Mills Haw River plant, Waller led a wildcat strike of some 200 employees.

William Sampson, 31, was an ACTWU shop steward at the Cone Mills White Oak plant near Greensboro. He had been a student activist at Duke University and was a member of the New American Movement (NAM) which favors using "Euro-Communist" style tactics to build a broad base of support for Marxist revolution.

Sandra Smith, 29, the only black killed, had moved to Greensboro a decade earlier to become a campus militant with YOBU. Later Smith was active as a Workers Viewpoint militant in the Greensboro Association of Poor People. In 1977, while employed at a Cone Mills textile plant, Smith had been active in a union representation drive.

Cesar Cauce, an employee of the Duke University Medical Center, was active in an organizing drive by the American Federation of State, County and Municipal Employees. Michael Nathans, a medical doctor who died of his wounds two days after the shootout, had previously been a member of the Medical Committee for Human Rights (MCHR) and the revolutionary communist Progressive Labor Party (PLP). Among the wounded Communist Workers Party members, Paul C. Bermanzohn, 30, another medical doctor, had also been active in the left at Duke University since the early 1970's. Bermanzohn, like Sampson, had been a member of the New American Movement.

All of the slain CWP activists except Cauce were engaged in the CWP's program of infiltrating the Cone textile plants and textile union. Their emphasis was not on running CWP cadre and sympathizers for the leadership of union locals, but on taking over at the shop steward and grievance committee level.

Through the summer of 1979, the Communist Workers Party cadre and the members of its front groups, the Revolutionary Youth League and the African Liberation Support Committee, carried out public assaults on the local Ku Klux Klan. These earlier incidents set the stage for the November shootings.

The first incident took place on July 8, 1979, in the small town of China Grove which lies some 70 miles southwest of Greensboro. The Workers Viewpoint Organization, Revolutionary Youth League and African Liberation Support Committee assembled at a local KKK film showing of the classic movie, "Birth of a Nation." Approximately 75 Communist militants visibly brandishing clubs, lead pipes and bottles scuffled with the 15 Klansmen and their supporters. The KKK retreated and there were no serious injuries.

Having successfully blocked the Ku Klux Klan event, the revolutionary contingent marched through China Grove's black community displaying pistols, shotguns and rifles, "indicating," as the Workers Viewpoint newspaper said, "the demonstrators were prepared for armed confrontation."

Workers Viewpoint boasted that "The rally after the march was defended by more than 20 black and white protesters armed with shotguns and rifles."

In September 1979, some Ku Klux Klan members met in Louisburg, N.C., with members of the National Socialist Party, a small splinter group descended from the old American Nazi Party. A coalition, the United Racist Front, was formed whose members included at least one man arrested in the November gunfight in Greensboro.

Soon after the Nazi/Klan conference, Communist Workers Party chairman Nelson Johnson, himself a veteran of the 1969 student riots in Greensboro, announced a "Death to the Klan" march in Greensboro and dared the Klan to come. Johnson issued an "open letter to the Klan" which said, "We are having a march and conference on Nov. 3, 1979, to further expose your cowardice * * *. Yes, we challenge you to attend our November 3 rally in Greensboro."

How was it that the police were not on hand in advance to keep the CWP and Nazi/Klan extremists apart? Part of the blame is due to the deliberate misrepresentation of the Communist Workers Party.

The Workers Viewpoint/Communist Workers Party group had received a parade permit from city authorities on October 19th. This parade permit listed the actual true starting point of the march as the intersection of Everitt Street and Carver Drive; but the CWP, acting deliberately to confuse the issue, distributed handbills and placed an announcement in a local newspaper which said the march would assemble at a community center a half mile from the intersection. The local police, who did not have any undercover police officers in the CWP, assumed that there was a last-minute change of plan. The CWP's deceit ensured that the police were spread out along the parade route looking for possible KKK disruptions there and at the community center. They were not in position at the real assembly point where they might have been able to prevent the shootings.

The problem was that the Nazi/Klan coalition sent one of its members to city hall to look at the parade permit. And so the two armed extremist groups faced each other on an intersection. The United Racist Front car caravan of about 15 Nazis and Klansmen arrived at the march assembly point where 50 Communist Workers Party cadre, led by Nelson Johnson, had gathered. A brief flurry of car-kicking, rock-throwing and cursing broke out punctuated by a shot which initial press reports stated was fired by a member of the Communist Workers Party. The Nazis and Klansmen ran to one of their cars which was serving as a mobile arms cache, removed shotguns and rifles, and opened up on the Communist Workers group. The fusillade lasted less than two minutes. Police converged on the scene. Members of both groups were arrested. Five people were killed; and ten, including a Klansman, were wounded.

The activities of revolutionary groups in North Carolina, particularly the organizing in local communities, the penetration and subversion directed at trade unions, and the deliberate courting of armed confrontations with neo-Nazi extremist groups, are in some ways parallel to those in Italy that have fueled such revolutionary terrorist groups as the Red Brigades and Front Line.

Both the Italian terrorists and their American counterparts have dutifully followed Lenin's teachings that armed robbery [which they call "expropriations"] and terrorism [which they call "armed struggle" and "armed self-defense"] are appropriate and desirable revolutionary tactics so long as they are under the control of the revolutionary party.

The Red Brigades and Front Line have made the ambushing of police officers, prison guards, prosecutors and other officials of the system of justice a speciality. Often the terrorists simply murder their victims; but in a number of cases, particularly when their target is a businessman or employee of a large corporation, these Italian terrorists groups cripple their victim by shooting him in the legs. These painful, crippling "kneecappings" are intended to terrify and demoralize the public.

In February 1980, Front Line murdered the chief engineer of the Icmesa chemical plant near Monza, Italy. Front Line said the murder was "retribution" for the 1976 explosion at the plant which loosed highly toxic dioxin that contaminated a large area and seriously injured many people. This murder took place only a week after the Red Brigades shot the chief engineer of the government-owned Montedison Petrochemical Company's Mestre plant to death as he left his home for work.

American and European intelligence experts believe that the Italian terrorists are trying to attract support from the ecology and environmentalist movements through these murders of chemical plant engineers. Icmesa is owned by the Hoffman-La Roche Company that has an ethical pharmaceutical plant in New Jersey.

In the fall of 1979, a Milan publication, Panorama, published two highly detailed articles analyzing the ideology and operations of the "Autonomy" revolutionary movement which provides the recruitment grounds for the Red Brigades and Front Line. As for the training in terrorism, in January 1980, the chief of the Italian Government's Office of Security and Public Order said that he had evidence that at least twenty-four to twenty-eight Italian terrorists had been trained at secret terror centers in Czechoslovakia. U.S. intelligence sources have said that the instructors at those Czech terror centers are Soviet KGB men who are sometimes assisted by East German or Cuban instructors.

When the ultra-militants of Italy's New Left, the Autonomy movement, found little support for their program among laborers and unskilled factory workers, they altered their definition of the "working class" so as to expand their targets to groups more likely to listen. So for Autonomy activists, the "working class" means students, office and clerical employees, domestics, skilled technicians and similar categories.

And, having to cast about desperately to find something to interpret as a "rising tide" of revolutionary fervor among working people, the Italian Autonomy cadre and the Front Line terrorists interpret all labor organizing activity, especially strikes, as a sort of "creeping insurrection." Every shop floor grievance is seen as "class struggle" in miniature. The parallel with the U.S. revolutionary left ideology is striking.

For their targets, the Italian terrorists have lodged themselves in the Milan-Turin-Genoa industrial triangle of Northern Italy where the Fiat corporation has been their chief target.

In North Carolina, the Communist Workers Party (CWP) has focused on the Cone textile plants in the Greensboro area. Avoiding direct competition with rival militants, the Communist Party, Marxist-Leninist and the Revolutionary Communist Party have made the J. P. Stevens textile company their chief target. The Carolina Communists have been trying to ride piggyback on unionizing drives by the textile workers union. In each plant they have infiltrated, the revolutionaries have tried to act as "super-unionists," working to put their cadre into shop steward and grievance committee posts and backing representation drives in non-union plants. After the desired successes in these initial campaigns, other Carolina companies will be targeted.

Italy's Front Line terrorists who have their greatest strength in Turin combine open public labor organizing activities with staging violent confrontations with police and violent neo-fascist groups. Similar programs have been underway in this country for several years by such groups as the Workers Viewpoint Organization/Communist Workers Party; the Communist Party, Marxist-Leninist; the Progressive Labor Party; Revolutionary Communist Party and Revolutionary Socialist League. Both the Italian and U.S. revolutionaries stage confrontations with police and rival extremist groups of a neo-fascist nature because it makes their cadre and new recruits accustomed to using violence.

The Italian and American revolutionaries who penetrate businesses and plants take advantage wherever possible of boredom and employees disenchantment with the established trade union leaders. Where serious grievances do not exist, they manufacture them. Ultimately, the revolutionaries reject the "legitimacy" of the established unions. They want to destroy the unions, but in the meantime they will try to use them as stepping off points for revolution.

Front Line, though small in numbers, has an elaborate organizational structure. First are the neighborhood groups assigned to specific territorial areas. These are the first level of membership for apprentice terrorists. The neighborhood groups carry out espionage and surveillance missions against police officers, businessmen, plant managers and others living or working in their area. They engage in street violence and rioting against rival political groups; and they carry out the more casual, less-skilled acts of "armed propaganda" such as firebombing the homes and automobiles of businessmen.

Certain of the most trusted members of the neighborhood groups are organized into what Front Line calls "proletarian combat squads." These carry out criminal activities that the revolutionary group does not want to publicly acknowledge since they might "tarnish their image." The squads engage in armed robberies of banks, post offices and businesses. The stolen money goes partly to finance Front Line and the Autonomy group's projects, and partly into the pockets of the gang. In addition to the ideological cadre, Front Line's squads include veteran criminals recruited during their prisoner solidarity activities who know how to steal cars, acquire and use guns, and are accustomed to a semi-clandestine criminal existence. The "proletarian combat squads" have elementary logistical support structures such as "safe houses," an extra apartment or house in which to store guns, extra clothing and disguises, and small printing presses for producing forged documents.

The innermost level of Front Line's structure are the "assault groups" which carryout the assassinations and maimings. New members are chosen from reliable proven members of the "combat squads" who have successfully participated in robberies and miscellaneous acts of thuggery and mahem. Obviously, it is most difficult for law enforcement authorities to insert undercover agents into the inner circles of the group.

Inside the factories, the terrorist cadres engage in industrial espionage. That is, they compile detailed information on plant operations, collect data on the plant management from the top executives and board members down to managers and foremen, and then use this information to plan activities that might gain notoriety in the press, embarrass the plant management or which might be supported by the more disgruntled plant employees. Front Line statements have often been crammed with minutia about factory floor labor disputes in order to give the illusion that their secret cadre are everywhere.

In the fall of 1979, Italian police were able to capture part of the Red Brigades' files on the Fiat corporation. Among the documents discovered were confidential company organizational charts, development plans, expansion project proposals, and other materials probably removed from the desks of high-level executives in Fiat's corporate headquarters.

The seizure of the Red Brigades' spy files also revealed that the terrorists had advance warning of the Fiat management's decision to fire sixty suspected terrorists and militants in 1979. Thanks to their infiltrators in the executive offices, the two terrorist groups carried out reprisals against plant managers and supervisors suspected of having helped in the firing of the revolutionaries.

The example of the development of revolutionary and terrorist activity in Italy—from the formation of leftist study groups and splinter parties through infiltration of trade unions and selected companies to violent confrontations with police and extremist neo-fascist groups and terrorism—shows the direction in which the situation in the United States also could develop.

In light of the widespread support given to the Communist Workers Party by other leftist groups since the Greensboro gunbattle, there appears to be a real chance that the armed confrontations in North Carolina may escalate into clandestine terrorism.

Having worked themselves along a path so closely parallel to that trod by the Italian New Left revolutionaries, the Greensboro Communists were ready to still further exploit the deaths of their comrades.

Immediately after the gunfight, a dozen men were arrested for first degree murder and/or conspiracy to commit murder. Three more were arrested during the following investigation. Of these, seven voluntarily stated they were members of the Ku Klux Klan and three more said they were members of the National Socialist Party.

It should be emphasized that neither the Communist Workers Party march nor the Klan/Nazi group attack had any connection with a local Greensboro issue. The "Death to the Klan" march was held in Greensboro simply because that is where CWP chairman Nelson Johnson lives and the local CWP chapter is based. The members of the United Racist Front who responded to the CWP's baiting were not from Greensboro, but from Winston-Salem, Lincolnton and other towns and cities. Neither was the incident a racial confrontation. Four of the CWP leaders killed were whites. The confrontation was really the result of one violent street gang challenging another to come to a "rumble."

Communist Workers Party members and supporters arrested for possession of weapons and other charges included a group of fifteen persons from Philadelphia who had traveled as part of a 25-car caravan for the "Death to the Klan" march. These included Jody Ansell, Daniel Bartoletti, Christine Chin, Howard Chin, Steve Clark, Joseph E. Cook, Jr., Robert Dobey, David W. Fay, Carl Foushee, Lawrence Goode, Fred Gumminger, Phyllis Jones, Jerome Ludder, Hollis McCoy and Olphiand Ortega.

A second group of CWP activists had traveled to Greensboro from Durham. Those from the Durham group arrested included Leonard Briggs, Thomas Clark, Frank Cuthbertson, Francis Davis, Charles Finch, Gershon Gell, Christopher Lewis and Gregory Plante.

Following the November gunfight, a number of Communist Workers Party militants began claiming they were being "harassed" by police and local businessmen. The claimed harassment included the firings of CWP members Robert Manvella and Signe Waller, widow of James Waller, from their textile mill jobs, and the arrests on December 10, 1979, of four party members who were charged with putting up illegal advertising posters. Two of these CWP activists, including Dale Sampson, whose husband died in the gunfight, were also charged with carrying a concealed deadly weapon.

As far as the CWP propagandists were concerned, the refusal of Greensboro authorities to drop incitement to riot charges against Nelson Johnson and two others arrested after the shootings, and the arrests of armed CWP members at a funeral march demonstration were also examples of "harassment."

The violent confrontation in Greensboro between the small Communist Workers Party splinter group and the Nazi/Ku Klux Klan coalition has proved a boon to the organizing efforts of the Communist Party and its allies in reactivating their old alliances with the civil rights movement in the South. Despite disagreements with the political ideology of the CWP, the Moscow-line Communist Party, U.S.A., the oldest and most influential of the revolutionary parties, is making use of the violence for its own purposes.

A broad spectrum of civil rights and revolutionary groups attended an "emergency" meeting of the National Anti-Klan Network (NAKN) in Atlanta, Georgia, in mid-December. The purpose of the meeting was to plan a demonstration in Greensboro. The date chosen was February 2, 1980, which not coincidentally was the twentieth anniversary of the first lunch counter sit-ins in Greensboro.

According to published interviews with Rev. C. T. Vivian, an official of the Southern Christian Leadership Conference, the National Anti-Klan Network, the Atlanta conference, and the February 2, 1980, demonstration in Greensboro were the ideas and creations of Anne Braden and Marilyn Clement, the executive director of a radical litigation group called the Center for Constitutional Rights.

Since the 1950's, Anne Braden, with her late husband, Carl, has been the most effective organizer in the South for the Communist Party, U.S.A. A resident of Louisville, Kentucky, Braden for many years ran a Communist Party front called the Southern Conference Educational Fund (SCEF). With the staff of a Communist school for training organizers, the Highlander Center of Monteagle, Tennessee, she played a key role in setting up Rev. Martin Luther King, Jr.'s Southern Christian Leadership Conference.

Braden and members of the Center for Constitutional Rights, a group of radical lawyers in New York led by William Kunstler and Arthur Kinoy who has been key in providing legal back-up for civil rights demonstrators in the early 1960s, saw that the time was ripe to use the "ban the Klan" campaigns and sentiment to revive once again a coalition of Southern activists guided by the Communist Party.

On the pretext of confronting the Ku Klux Klan, the Southern Christian Leadership Conference and assorted militants drew nearly 3,000 participants to an anti-Klan march in Decatur, Alabama, in May 1979. Following that march, Braden organized a meeting of representatives of 18 groups in Norfolk, VA, who formed the National Anti-Klan Network. The self-stated purpose of the coalition was to "combat the Klan on several fronts using direct action, legal challenges and political organizing."

"Direct action" is the radical euphemism for confrontation. As for the legal and political organizing, Mrs. Braden has made it clear that the coalition has an ulterior purpose and target. The network is not to be targeted merely against the various small neo-Nazi and KKK groups that engage in cross-burning, intimidation and harassment. No, this Communist Party veteran told those who attended the December 1979 meeting in Atlanta that their target was really an ideological "thought-crime" that she terms "Klan mentality."

In a speech that writer and novelist George Orwell would have appreciated, Mrs. Anne Braden defined this "Klan mentality" as the view held by "the white people of this country that if taxes are eating up their paychecks it is not because of the bloated military budget, but because there are too many government programs for Blacks and minorities."

In plain English, Braden says any white American who supports a strong national defense and who opposes high taxes being spent for social welfare programs which actually violate both the spirit and letter of the United States Constitution will be smeared as having a "Klan mentality."

Few participants in that Atlanta conference which set up the organizing for a Greensboro demonstration were from the Carolinas. In addition to Lousiville, Kentucky Communist Anne Braden, the leading participants in the meeting included Maceo Dixon, an official of the Trotskyist Communist Socialist Workers party, Marilyn Clement of the Center for Constitutional Rights in New York, Rev. Arthur Turner of the SCLC chapter in Decatur, Alabama, SCLC national president Rev. Joseph Lowery of Atlanta, Lynn Wells, a leader of the Peking-line Communist Party, Marxist-Leninist (CPML) and its front group, the Atlanta-based Southern Conference Educational Fund (SCEF), and Ken Chastain, a SCEF activist now organizing among Lumbee Indians in North Carolina.

Greensboro participants included Communist Workers Party central committee member Phil Thompson and Bob Smith of an ad hoc Greensboro group called Concerned Citizens Against the Klan.

The National Anti-Klan Network set up a special taskforce, the February 2 Coalition, which urged activists from across the South and Northeast to go to Greensboro "to commemorate the last 20 years of struggle and take part in launching this offensive."

As it turned out, the demonstration in many ways was a disappointment to the organizers who had hoped that 30,000 people would go to Greensboro on February. 2, 1980. Only some 5,000 demonstrators arrived on a mild winter's day to carry banners in what was termed the "National March Against the Klan." Nevertheless, the bloodshed in November ensured that the march received maximum coverage from national newspapers and the television networks.

In an attempt to enforce "respectability," affirm and strengthen their own position in the coalition, and attract the largest possible crowd, leaders of the Southern Christian Leadership Conference in the week before the march demanded that the Communist Workers Party go on local Greensboro television and publicly ask that demonstrators not bring any sort of weapon with them. When no other group of revolutionaries was asked to make the same pledge, the CWP balked. Communist Workers Party spokesman Phil Thompson explained:

"We will never betray the right to bear arms, especially in Klan territory. We agreed we would have a peaceful and nonviolent demonstration. Upholding the right to bear arms is not in violation of our agreement."

Communist Party organizer Anne Braden supported keeping the CWP within the coalition and opposed the SCLC move. Braden said that splits and quarrels should not be displayed in public, and that differences were best resolved within the structure of the coalition. "Unity with all with whom unity is possible," said Lenin.

Although the SCLC technically won and the Communist Workers Party was dropped from the official role of the coalition, it made no difference since a large CWP contingent marched in the demonstration to the cheers of other revolutionary groups.

For its part, the Communist Party went out of its way to show its disapproval of the SCLC action and show all radical groups that it supported the CWP. Via one of the chief speakers at the demonstration, Rev. Ben Chavis, a leader of the Communist Party's National Alliance Against Racist and Political Repression (NAARPR), strong unity overtures were made.

Rev. Chavis, who won international notoriety after his conviction with the other Wilmington Ten arson and riot conspirators in a Communist-directed campaign depicting him as an innocent "political prisoner," opened his speech by saying:

"I want to dedicate my remarks to Jim Waller, Bill Sampson, Ceasar Cauce, Mike Nathan and Sandy Smith—the CWP 5. Those four brothers and sisters that have given their lives that we may live. It matters not what their political ideologies were."

Chavis continued: "Greensboro has a leader and that is Nelson Johnson of the CWP. Anytime Nelson calls me to Greensboro, I will be here. Anytime Nelson calls, people from around the world will be in Greensboro."

The speech in Greensboro of Rev. Ben Chavis, one of the best known and most active spokesmen for this Communist Party front group, demonstrated that the Soviet-aligned Communist movement has not lessened its desire for revolution. Said Chavis:

"I want to send a message to Jimmy Carter. There ain't going to be no reinstatement of the draft. We're not going to fight no more wars for capitalism; we're not going to fight no more wars for imperialism. We're going to be drafted into the freedom struggle. We're going to march; we're going to march! We're going to tear this system down! We must blot out capitalism and imperialism once and for all!"

When she took the speaker's platform, Anne Braden, who had been the one key organizer who had put the anti-Klan and Greensboro demonstration coalitions together, emphasized that their attacks on the tiny Nazi and Klan groups are only a means to a revolutionary end.

Braden said that the problem of interracial violence was not merely the members of the neo-Nazi and Ku Klux Klan group "who killed five people here on the streets of Greensboro." "The source of the problem," she said, "is people in high places—in the halls of Congress, in the boardrooms of this country's corporations."

Braden's rhetoric was echoed by Texas Farm Workers Union spokesman Jesus Moya who termed the Ku Klux Klan "the instrument of the growers * * * [and] of the bankers." And the coalition's Greensboro field coordinator, Phil Gardiner of the National Anti-Racist Organizing Committee, asserted that "Racism is bound up with capitalism," and that in times of economic crisis, capitalism makes "scapegoats" of "blacks and other minorities."

The process of continuing confrontation is still underway. The Communist Workers Party and their allies announced another anti-Klan and anti-Nazi rally for April 17, 1980. Following the February 2nd Greensboro demonstration, Harold Covington, the leader of the National Socialist Party, announced his group was sponsoring a motorcade and "anti-communist demonstration" on the same day in Greensboro. The potential for violence, not just on the day of the counter-demonstrations, is obvious.

The facts presented in this pamphlet show that while small in numbers, the Communist Party, U.S.A. still retains the ability to mobilize Marxists and revolutionaries from an alphabet soup mixture of organizations and to lead them in programs designed to undermine and destroy American society and its institutions.

It is also apparent that we are not doing enough to inform ourselves about this threat, to initiate counter-measures, and to provide support to the State and local law-enforcement groups who are in the front line of this struggle.

The facts speak for themselves. The Carolinas have been made the prime target for Communist subversion and aggression inside the United States. This aggression has been escalated from plant-gate and street corner oratory to the penetration of plants and labor unions and on to death in the streets.

It should be obvious that this situation is reversible, i.e., that Communist subversion and aggression can be defeated by intelligence collection to provide advance warning of new schemes to foment disorder, by firm and just application of all appropriate laws, and most of all, by an educated citizenry from the employees on the shop floor to middle and top management, from the local police officer to elected officials, from the average citizen to clergymen and newspaper editors.

African Liberation Support Committee (ALSC).—A coalition of black Marxist and radical groups formed in 1973 to support revolutionary movements in Southern Africa. By 1976, the ALSC had fractionalized and lost many members as a result of a takeover of many chapters by the Workers Viewpoint Organization (WVO) and other Maoist Communist groups.

American Civil Liberties Union (ACLU).—Formed by a group of socialist Quakers to support draft resistance during World War I, the ACLU paradoxically considering its name, does not exclude from membership members of Communist or other totalitarian groups. A number of the most active ACLU lawyers hold dual membership in the National Lawyers Guild, a Communist legal front. The ACLU's Privacy Project, led by identified Communist Party member Frank Donner, took a leading role in the commencement of the attacks on the U.S. domestic intelligence agencies.

Center for Constitutional Rights (CCR).—A New York-based litigation group composed of activist members of the National Lawyers Guild led by Peter Weiss, William Kunstler and Arthur Kinoy. CCR lawyers have represented a broad range of violence-oriented groups and accused members of revolutionary terrorist groups ranging from the SDS Weathermen and Symbionese Liberation Army through members of the West German Baader-Neinhof Gang and the Palestine Liberation Organization.

Communist Party, U.S.A. (CPUSA).—The official Moscow-line Communist group active through a multiplicity of front-groups including the National Lawyers Guild (NLG), National Alliance Against Racist and Political Repression (NAARPR), Southern Organizing Committee for Economic and Social Justice (SOCESJ), Young Workers Liberation League (YWLL), Women for Racial and Economic Equality (WREE) and the U.S. Peace Council (USPC). Among the most active CPUSA organizers are Angela Davis and Charlene Mitchell (NAARPR), Anne Braden (SOCESJ), and Mike Myerson (USPC).

Communist Party, Marxist-Leninist (CPML).—Founded as the October League in 1971 by merger of a Los Angeles Maoist Communist group with the Georgia Communist League, a group of white former members of the Student Non-Violent Coordinating Committee (SNCC), the CPML is the official Peking-line Communist group in the U.S. Other Peking-backed U.S. Communist groups are undergoing a merger process with the CPML. Its principal front group is the Southern Conference Educational Fund (SCEF), led by Lyn Wells.

Communist Workers Party (CWP).—Changed its name from Workers Viewpoint Organization in the fall of 1979. It was founded in New York in the early 1970's principally as a group of Maoist Asians and Asian-Americans. In 1972, the Workers Viewpoint Organization formed an alliance and merged with the Youth Organization for Black Unity (YOBU) based in Greensboro and led by Nelson Johnson, now the CWP national chairman.

Front Line (Prima Linea).—An Italian terrorist group associated with the "Autonomy" revolutionary organizing movement in neighborhods and plants in Turin, Milan and other Italian industrial centers.

February 2 Coalition (F2C).—A broad coalition formed at the December 14-15, 1979, meeting in Atlanta, GA, of the National Anti-Klan Network (NAKN), a project initiated by Anne Braden of the Communist Party, U.S.A. The F2C co-chairmen were Lucius Walker, chairman of the Interreligious Foundation for Community Organization (IFCO); and Rev. C. T. Vivian of the Southern Christian Leadership Conference (SCLC).

International Committee Against Racism (ICAR).—A front group for the militant revolutionary Communist Progressive Labor Party (PLP) whose cadre, often appearing in a paramilitary dress of red T-shirts, construction helmets, and brandishing clubs, heavy leather belts and/or lead pipes wrapped in copies of the PLP newspaper Challenge/Desafio have battled police in Boston, California and other locations.

Inter-religious Foundation for Community Organization (IFCO)—An incorporated group of radical left-wing clergy and laity who seek to bring about revolutionary social change; led by the Reverend Lucius Walker.

Ku Klux Klan (KKK).—Any of several rival groups which use violence and intimidation against Negroes, Mexican-Americans and other minorities. In a number of areas, KKK groups have formed alliances with local neo-Nazi groups.

Medical Committee for Human Rights (MCHR).—Founded by Communist Party physicians in the early 1960's to provide medical services to participants in civil rights demonstrations and confrontations in the South; in the early 1970's, MCHR chapters were taken over by a variety of Maoist Communist groups, including the PLP and Revolutionary Communist Party (RCP). MCHR members from the PLP and RCP have taken part in support efforts for unionization of health care employees and nurses in New York, Boston and Durham, NC.

National Alliance Against Racist and Political Repression (NAARPR).—The Communist Party, U.S.A.'s principal front directed at the civil rights and prisoner organizing movements. NAARPR leaders include CPUSA members Angela Davis, Charlene Mitchell and Anne Braden. Another of its leaders is Rev. Benjamin F. Chavis, convicted of arson conspiracy with nine others involved in a race riot in Wilmington, North Carolina, in which a Greek-American's grocery store was destroyed.

National Conference of Black Lawyers (NCBL).—An organization of Marxist and revolutionary lawyers which serves as an adjunct to the National Lawyers Guild (NLG). The NCBL is an active member of two international Communist legal fronts—the Soviet-controlled International Association of Democratic Lawyers (IADL) and the IADL's Havana-based subsidiary, the Association of American Jurists (AAJ).

National Lawyers Guild (NLG).—Formed in 1936 with the aid of the Comintern, the NLG remains the principal legal bulwark of the CPUSA, its fronts and controlled unions. While there are a small number of Maoists, Trotskyites and independent Marxists and "New Leftists" in the NLG, its international positions and real domestic control lies with the supporters of the Soviet and Cuban Communist regimes. With the CPUSA, the NLG organized the legal defense for the Wilmington 10, and more recently for Joan Little, acquitted of murdering a jail guard in North Carolina.

National Socialist Party (NSP).—A tiny North Carolina neo-Nazi group led by Harold Covington, members of which participated in a shootout with the CWP on November 3, 1979. The NSP formed a coalition with local KKK members in North Carolina called the United Racist Front (URF) in 1979.

New American Movement (NAM).—A Chicago-based Marxist revolutionary group led by the former chief organizer of the CPUSA in Southern California, Dorothy Healey, and her son, Richard. NAM affects modern, low-key terminology about "public ownership" of utilities and businesses, and Italian-style "Euro-Communism" of building an electoral base in local communities as the key to developing support for a future revolution. NAM is active in Durham and Chapel Hill, N.C. In 1977, members of NAM's Marxist-Leninist Caucus broke away, with some members joining with the Workers Viewpoint Organization, now the Communist Workers Party (CWP).

Progressive Labor Party (PLP).—A small self-stated revolutionary communist party formed in the early 1960's by militants expelled from the CPUSA. The PLP and its principal front, the International Committee Against Racism (ICAR), have extensive records of engaging in violent confrontations with police and KKK groups.

Revolutionary Communist Party (RCP).—Based in Chicago and led by Bob Avakian, the RCP utilizes the rhetoric of violent revolution not used by the more subtle Moscow-line Communists in public since the 1920's. The RCP is militantly Maoist and does not support the present Red Chinese leadership because of their opening of diplomatic and trade relations with the U.S. RCP has a nationwide public record of violent confrontations with police. It has been attempting to organize among coal mine workers, and among textile plant employees. RCP fronts include Vietnam Veterans Against the War (VVAW) and the Unemployed Workers Organizing Committee (UWOC).

New Left.—A term applied to a wide variety of political trends and groups which have developed since the early 1960's. Unlike the "old left," by which is meant the disciplined Marxist-Leninists of the Moscow-controlled Communist Party U.S.A., the Trotskyite Socialist Workers Party and the Maoist Party, the "new lefts" draw their inspiration from Castro's Cuba, from the "Euro-Communist" parties of Spain and Italy, from Tito's Yugoslavia, from Vietnam, and from the myriad of Cuban and Soviet-backed revolutionary terrorist groups in Latin America, Africa and Asia.

Revolutionary Socialist League (RSL).—A militant Trotskyite Communist party which with its front, the Black and White Defense Committee, has engaged in violent confrontations with police and KKK groups.

Socialist Workers Party (SWP).—The largest of the Trotskyite Communist groups, the SWP, its youth arm, the Young Socialist Alliance (YSA), and fronts such as the National Student Coalition Against Racism (NSCAR) have been active in the February 2 Coalition. The SWP has an active program of requiring its members to penetrate and subvert a wide variety of other groups ranging from labor unions through community groups to activist organizations such as the National Organization for Women (NOW), in the same manner as the Moscow-line CPUSA.

Southern Conference Educational Fund (SCEF).—Based in Atlanta, SCEF is now a front of the Peking-line Communist Party, Marxist-Leninist. From the late 1930's until 1973, when it was "captured" by the CPML, SCEF was controlled by the Moscow-line Communist Party, U.S.A. After being driven out of SCEF, Anne Braden and the CPUSA formed the Southern Organizing Committee for Economic and Social Justice (SOCESJ).

Southern Christian Leadership Conference (SCLC).—A militant civil rights organization founded by Rev. Martin Luther King, Jr. Under its current national president, Rev. Joseph Lowery, the SCLC has attained international notoriety for its meetings with and support for Soviet-backed Middle Eastern terrorists.

Southern Organizing Committee for Economic and Social Justice (SOCESJ).—A small Communist Party front group based in Louisville, KY, organized by Anne Braden after the 1973 capture of SCEF by the rival Peking-line Communist Party, Marxist-Leninist (CPML).

Student Non-Violent Coordinating Committee (SNCC).—A civil rights group founded at Fisk University by militants in support of the first lunch-counter sit-in by four freshmen at A&T College in Greensboro, NC, on February 1, 1960. The founding chairman of SNCC at Fisk was Marion Shepilov Barry, who adopted as his middle name the surname of a member of the Central Committee of the Soviet Communist Party who was expelled because of his unyielding support of Stalin's faction against Khrushchev, SNCC, with only about 150 members by the end of 1964, had a core group of some 30 white members, a significant number of which were associated with pro-Moscow or pro-Peking Communist groups. In 1965, the increasing membership of "black nationalist" extremists in SNCC forced out all the white members, who with the assistance of Carl and Anne Braden, the CPUSA's chief organizer in the South and leaders of the SCEF, formed the Southern Students Organization Committee (SSOC), which became the Southern affiliate of Students for a Democratic Society. By the late 1960's, SNCC had become a violence-prone extremist organization under the leadership of Stokely Carmichael and H. "Rap" Brown, with SNCC leaders traveling to Cuba and Czechoslovakia to meet with foreign Communist and revolutionary terrorist leaders.

Workers World Party (WWP).—A militant Trotskyite Communist party, the WWP stridently supports the regimes in Cuba and North Korea and virtually every Soviet and Cuban-backed revolutionary terrorist group in the world. The WWP and its youth arm, Youth Against War and Fascism (YAWF), have consistently engaged in violent confrontations and street-fighting with police. The WWP has an active chapter in Norfolk, VA; and for major demonstrations, the WWP buses its disciplined cadres from Buffalo, New York City, Baltimore and Atlanta to North Carolina.

Youth Organization for Black Unity (YOBU).—A Maoist group formed in Greensboro in the late 1960's by Nelson Johnson. In 1972, the YOBU began a merger process with the Workers Viewpoint Organization.

Draft of a Letter Prepared for the Chairman of the House Internal Security Committee, Congressman Richard Ichord, to Congressman Richardson Preyer of North Carolina, Member of the House Internal Security Committee

The exact letter is not available since the files have been sealed with the termination of the Committee, but this is a copy of the letter prepared for the Chairman to be sent to Congressman Preyer.

In December 1974, the House Internal Security Committee was terminated and the functions transferred to the House Judiciary Committee as a result of actions taken by the Democratic Caucus and imposed in the full House in the initial part of the first session of the 94th Congress in 1975. The House Internal Security Committee was thus terminated by a parliamentary maneuver, not an up and down vote in the House of Representatives.

Since 1975, the Judiciary Committee has taken no action on this matter or other internal security matters.

Thus, the maneuver to transfer the committee to Judiciary was in fact a maneuver that terminated the internal security function of the House of Representatives.

The Committee on Internal Security staff has informed me that there are reliable indications that a number of projects, initiated and directed by the Communist Party, USA (CPUSA) and its fronts, will be activated in North Carolina this year. I thought you would be interested in the details.

The newly formed CPUSA front, the National Alliance Against Racist and Political Repression (NA) informed its membership and supporters in a December 3, 1973 letter: "In view of the fact that North Carolina represents repression in its most comprehensive form, our programatic thrust will be directed toward that state. We will be sending in organizers, producing literature, and working toward a Spring 1974 offensive."

The National Alliance was formed in Chicago in May 1973 at a conference dominated by members of CPUSA and its youth arm, the Young Workers Liberation League (YWLL). The "co-chairpersons" of the NA are Carl Braden, Bert Corona and Angela Davis; the executive secretary is Charlene Mitchell; and the treasurer, a "vice-chairperson", is Rev. Ben Chavis.

As it now appears probable that these people, the officers of the NA, will be active in North Carolina this spring and summer masquerading as liberal seekers of social change, I believe you will be interested in their involvement with the CPUSA.

Carl Braden, now employed by the Southern Institute for Propaganda and Organizing, was until October, 1973 information director of the Southern Conference Education Fund (SCEF). SCEF has for three decades been the prime organization for the introduction of Communist ideology into the South. Previously Braden had served as that organization's Executive Director (1966-70) following many years service with SCEF as a Field Organizer. In 1954, Carl Braden and his wife, Anne McCarty Braden, were identified as members of CPUSA in a Louisiana state sedition prosecution in which Carl Braden was convicted (a conviction which was subsequently reversed) of dynamiting a home. The aging and belligerent Braden took a leadership role in the formation of the National Alliance.

Bert Corona, or more correctly, Humberto Noe Corona, 55, was a founder and president of the Mexican-American Political Association (MAPA) in the 1960's. Presently Corona is the executive director of the Centro de Accion Social Autonoma (CASA) in Los Angeles, an organization working with illegal aliens in the Southwest.

An instructor at several schools within the University of California system, Corona has been associated with many radical and militant groups in the Southwest, including the Brown Berets. A sponsor of the statewide (California) Conference for New Politics in 1966, Corona was in 1967 a participant in the national convention of the Federal Alliance of Free Cities (the Alianza) in Albuquerque, New Mexico, a roll-call gathering of racial and political militants called by Reies Lopez Tijerina.

During the 1940's, Corona was an organizer for the International Longshoreman's and Warehouseman's Union (ILWU), and was identified in Congressional testimony (HCUA 12/53) as a caucus member of CPUSA in that union.

Corona is also a former member of the board of directors of the Los Angeles Communist School and the Citizens Committee for the Defense of Mexican-American Youth, cited as a "communist front for racial agitation that functioned in Los Angeles in 1943 during the so-called zoot suit disturbances in that city."

Angela Davis, 29, is a member of CPUSA's national committee and has had a life-long involvement with the Communist Party. Born in Birmingham, Alabama, in 1944, her parents were active in the civil rights movement. Her mother, Sallye B. Davis, still a teacher in the Birmingham public school system, had been an active member of the Southern Negro Youth Congress (SNYC) before Angela was born. (SNYC was affiliated with two Communist front organizations, the Southern Conference for Human Welfare (SCHW), which is now operating as the Southern Conference Educational Fund (SCEF), and the National Negro Congress (NNC).

The circumstances of the Davis trial for a murder-kidnaping in Southern California need no recapitulation, other than to say that the defense effort organized by CPUSA projected Davis into the role of an international communist leader.

Charlene Mitchell, or Mrs. William H. Mitchell, nee Alexander, 43, has been active in the organizational work of the Communist Party for 27 years. A member of the Central Committee, she was the Party's candidate for President of the U.S. in 1968. In 1970 she took a leadership role in the National United Committee to free Angela Davis (NUCFAD) and was the prime convenor of the National Alliance founding conference.

Reverend Ben Chavis, 26, is a native of Oxford, North Carolina. A leaflet put out by SCEF on Chavis states, "He is on the staff of the Commission for Racial Justice of the United Church of Christ. Members of his family have been fighters for racial justice in North Carolina for many years. His father was a militant in Oxford and his mother is still active in the struggle there. Two of his sisters, one in Raleigh and one in Charlotte, are involved in the black liberation movement."

Ben Chavis has been active in agitation in North Carolina since 1969; in 1972 he was charged with conspiracy to make fugitives of two men charged with murder, and with aiding their flight. Tried in 1973 in Wilmington, North Carolina, Chavis was acquitted of the charges. Reverend Chavis now worked out of the United Church of Christ offices in Washington, D.C. While we have no evidence that Chavis is himself affiliated with CPUSA, he has been a sponsor of national and international communist fronts and events including the United Defense Against Repression (UDAR), the National Alliance, and the Tenth World Youth Festival.

While at this time there is little hard information on the National Alliance's targets in North Carolina, confidential sources indicate that they will attempt to organize around the following issues:

(a) "The Tarboro Three." On December 9, 1973, following their conviction on a rape charge, three negroes were sentenced to death by Judge John Webb. The NAACP Legal Defense Fund and the United Church of Christ's Commission on Racial Justice (UCC-CRJ) have already mounted protests against this sentence in particular, and North Carolina's reinstated capital punishment statute.

My understanding is that Reverend Chavis is planning to organize a nationwide campaign around "The Tarboro Three" and use it in the same way as CPUSA used the Scottsboro case in the '30's.

Obviously, the fact that three men have been convicted of rape is immaterial to the communists and their supporters; frankly, their view of interracial rape is more than bizarre; it is political. In 1972, SCEF's tabloid, the Southern Patriot, detailed the "party line" in an article entitled "Keeping People Divided: History of the Rape Charge."

In this article, it was stated that rape charges are instituted by "the ruling class" to insure that "black and white people would not get together to challenge the handful of whites who controlled the South." The article continued:

"A group of Southern white women played an important role in changing the atmosphere during the 1930's. They declared that they were tired of being used as the pretext for terrorizing black people. Furthermore, they said they did not care to be objects that white men supposedly protected; that they would protect themselves. Lynchings declined sharply—and the women had struck a blow for their own liberation from the traditional role of white Southern womanhood. But the charge of rape remained on the Southern statute books—and the lynchers merely moved inside the courthouses."

b. The Capital Punishment Statute of North Carolina: At this time radicals claim that North Carolina has one of the strongest capital punishment laws in the U.S. At this time there are 22 persons under sentence of death in the State; fifteen are negro, six are white and one is an American Indian. The National Alliance, working with SCEF, will campaign for the repeal of capital punishment.

c. Prison conditions: Prison and parole conditions generally will come under attack; in particular conditions at Odom Farm Correctional Camp and at the Central Prison, Raleigh, will serve as a focal point for agitation. Demands will, I understand, be related to prison food (North Carolina, the communists say, is so "unenlightened" that it serves its convicts pork—with no alternative), to disciplinary hearings and to the creation of a prisoner's union. In this area the National Lawyers Guild (NLG) and the North Carolina Political Prisoners Committee of Charlotte will work with SCEF and the National Alliance.

Campaigns will be conducted around individual prisoners, either seeking new trials or making demands for pardons and a campaign will be organized directed against the setting up of a "behavior-modification" facility for prisoners at Butner, North Carolina.

These, then, are the issues which will be exploited in North Carolina in the months to come. The scenario that the agitators will use is predictable—picket lines, demonstrations, rallies etc. And because of the emotional nature of some of the issues the danger of confrontations between demonstrators and police is very real.

Added to this predictable scenario the National Alliance will be calling for a "world-wide" boycott of furniture, textiles and tobacco products manufactured in the State. This has already received some minimal publicity in the Southern Patriot (November 1973) and will be more widely publicized after February 9, when the NA's executive committee meets in Raleigh.

In brief, the situation is that less than a dozen CPUSA organizers are aiming to enlist the aid of alienated individuals in North Carolina to protest and agitate for revolutionary social change.

On February 3, 1980, Rev. Ben Chavis received a "golden key to the city" from District of Columbia Mayor Marion Shepilov Barry.●

IKE SKELTON

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. BRINKLEY. Mr. Speaker, on February 26, 1980, the U.S. Civil Defense Council presented its prestigious National Security Award to a man whose influential role in the field of civil defense is unparalleled—my good friend and distinguished colleague, IKE SKELTON.

IKE's leadership in this vital area of our Nation's defense gained national recognition last year, when he successfully engineered House passage of his landmark legislation to provide an increased, multiyear civil defense authorization level. In years past, IKE has cosponsored with me legislation which would provide statutory authority for a dual-use civil defense mission to allow preparation for, response to, and recovery from natural disasters as well as nuclear attack.

In accepting his well-deserved National Security Award, IKE delivered to the 1980 U.S. Civil Defense Council's midwinter conference banquet a challenging, scholarly address that spurs our country to action and calls upon each of us to join him in striving to insure survivability through civil defense for American citizens in times of peace as well as in war.

I commend to the attention of my colleagues IKE's thoughtful and inspiring remarks, which follow:

At a dinner, on an occasion not unlike tonight in 1815, a congressman was the honored guest. Henry Clay was being honored on his successful negotiations of a peace treaty with Britain, ending the War of 1812. When he was called upon to speak that evening, his remarks about the state of the country were positive and filled with hope. He said "government has thus acquired strength and confidence. Our prospects for the future are of the brightest kind". I wish that my remarks tonight could be words of hope and optimism, but in reality, my words deal with unpleasant circumstances and threatened dangers. Tonight, the international sword of Damocles hangs over the head of America.

Iran and Afghanistan could be mere preludes to even greater national dangers. The Soviet military build up, its obvious change in policy toward open aggression, its Marxist infiltration of surrogate troops and advisers to other countries, tell us that all is not well on the international front. The Russian activities cloud the brightness of world peace and cause us to realize that the world is approaching days of great danger. That is why we are here. That is why we strive so hard as civil defense leaders to break into the consciousness of the American thinking.

It would be mere repetition to relate the numerical build up of Russian military forces. Also, we know that the Soviet civil defense system is an elaborate one—designed to protect leaders, workers, and industry.

A close study of the Soviet Union causes two facts to leap out at us. The first is that Russia has an obsession with military security—the other is the one thing Russia respects is strength.

Thus, we must be strong defensively. Much is made of the American Minuteman missile, the F-15, and the Trident submarine. But, they are only part of the picture.

In olden days, a warrior defended his land with a sword in one hand and a shield in the other. In today's modern world, the sword is the missile, the submarine and the airplane—the shield is civil defense. Russia has both the sword and the shield—America has only the razor sharp sword, but little that we can truly call a civil defense shield. Russia spends around $2 billion on civil defense annually. America expends only 45¢ per person, $100 million per year.

Let me tell you a bit of irony. Our Government spent $124 million on hardening the missile silos in western Missouri to better protect the minutemen missiles located in them from a nearby enemy nuclear blast. But, we find there is reluctance to protect the people of western Missouri or anywhere else from the same eventuality—an enemy nuclear attack. How ironic. How things must change before the shield is equivalent to the sword in the defense of our Nation.

The President, in late 1978, through Presidential Decision 41, declared that civil defense should become part of our overall strategic national defense. As such, it could form a strong part of our national security—a real deterrent to adventurism—to aggression.

What prevents aggression? To provide for deterrence.

What provides deterrence? To be strong.

What is required to be strong? To be prepared.

When I was a 12 year old boy, I learned the words "be prepared" as the boy scout motto. I lived with that motto through the years that I climbed through the boy scout ranks from a tenderfoot to eagle scout. During those days, some of the required merit badges that I struggled to obtain were swimming, life saving, safety and first aid. Through the decades, scouts and former scouts all over our nation have faced circumstances that required them to use the skills learned from those awards.

Thus, with that knowledge, tonight, I recommend that these volunteer youth organizations in America, such as the boy scouts, the girl scouts, the camp fire girls and the 4-H offer civil defense badges or awards to acquaint them, the young leaders of our nation, with emergency preparedness concerning nuclear defense. As a result of a study at the Oak Ridge National Laboratory, we know that there are many self-help measures that individuals can do to protect their families and themselves against nuclear blasts. These skills are readily adaptable to scout-like instruction and training. For instance, a fallout shelter can be built with materials found in the garage or woodshed—a homemade geiger counter can be fashioned out of a sawed off soda pop can with items usually found at home or at the nearby hardware store. In other words, I want our young Americans to be prepared for the unthinkable—as part of a national defense plan, and, should attack come, heaven forbid, to be able to save lives.

I have already written the director of the United States Federal Emergency Management Administration of this proposal, urging assistance in this endeavor to prepare our American youth for these civil defense skills.

Further, I would hope that this fine organization, the American Civil Defense Council, would offer an annual competition among American youths and present an annual award to the young man or the young woman who excells in the study and skills of nuclear civil defense preparedness.

To be prepared in a larger sense is to have an adequate civil defense law on the books with sufficient funding to provide necessary training, crisis relocation, proper warning systems, and communications. Such a civil defense system should have a dual purpose. It should also guard the American citizen from the destruction and injury caused by tornadoes, hurricanes, floods, and nuclear reactor problems such as the one at Three-Mile Island.

To those of us who understand the importance of civil defense, to those of us who realize it can truly be part of our strategic deterrence, to those of us who know of the dangers that lie in the absence of strong civil defense systems, should the unthinkable happen and enemy atomic weapons rain down upon the citizens of this country, there would be no consolation in our saying "I told you so".

If we are successful in our endeavor to build a strong American civil defense, including involvement by the young people of our country, proper training, strong lines of communication, and adequate warning systems, we will have built the shield of civil defense that would complement our strong offensive weapons—the missiles, the submarines and, the airplanes—and thus have a strong deterrent to aggression. A strong deterrent will provide national security. A strong deterrent will provide world peace.

In one of your future dinners when you honor someone, as you have me tonight, I hope that he will be able to speak about the state of affairs in the words of Henry Clay and say about our great land—"Government has thus acquired strength and confidence. Our prospects for the future are of the brightest kind".●

HON. JOHN J. DUNCAN

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. CARTER. Mr. Speaker, it was my good fortune to be elected with the Honorable JOHN J. DUNCAN of the Second District of Tennessee in 1964. It has been my pleasure to have served with him for the past 15 years. He is a man of wit, of honor, and integrity. I shall always remember the trip in 1965 which he, Congressman BILL STANTON of Ohio and I made to Vietnam and on around the world at our own expense.

The Second District of Tennessee should be extremely proud of Congressman JOHN J. DUNCAN. He very much resembles in actions and words the late and beloved Cordell Hull.

I include for the RECORD a column by "the Old Timer" of the Daily Post Athenian which is published in Athens, Tenn.:

[From the Daily Post Athenian]

ABSCAM VERSUS REFRESHING DUNCAN

(By Chuck Redfern)

With the faith-shattering stories that emit from our nation's Capitol about Congressmen being involved in "Korea-gate" bribes and the latest Abscam bribery expose, it is downright refreshing to see the likes of Congressman John J. Duncan of the second district.

There have been times when the Old Timer may have been accused of showing some political partiality in his writing, but this is one time when we are speaking of a gentleman who seems to have won the respect and vote of both Republicans and Democrats.

The second district is considered GOP country, but there are thousands of Democrats in the district who have faith in Congressmen Duncan and help re-elect him every two years.

For newcomers and those who are just becoming eligible to vote, let me tell you something about an elected official who was honored in McMinn County the other night.

He is so unlike the flamboyant representatives and senators that we often see on television, a person might mistake him for an ordinary businessman, father, grandfather, church-going citizen—and he is all of those.

Some of his strongest supporters say that John Duncan may not be possessed with a large chunk of charisma, that he does not always have the eloquent delivery of a revival preacher, that he seldom makes headlines and he is content to be a good Congressman, without feeling that he has been called to become President or even a Senator.

What they are telling us is that John Duncan goes about his job of representing the citizens of his district as the Constitution of the United States meant for that office to be. He is pure and simply a United

States representative for the taxpayers of east Tennessee.

When many of his fellow Congressmen are flying around the world on junkets (to the warm countries in the winter and the cool countries in the summer), John Duncan is either freezing with us in the winter or just plain sweating with us in the summer months as he makes his weekly trips from Washington, D.C. to Tennessee in search of what the people he represents are thinking about and wanting to have happen in our Government.

Duncan wears out his staff in Tennessee with night and day trips to schools, hospitals, business and workers meetings, open forums throughout his district and untold number of picnics, dinners, and special events.

He is seemingly tireless in his contact with "his" people . . . "his" Tennesseans. Often, he brings his whole family with him to let them become acquainted with the people he serves and vice versa.

The Congressman is a stickler in answering his mail which is a switch from many elected officials. His staff in Washington must acknowledge all mail within 48 hours and seek out answers to constitutent's questions with all possible haste.

Many inquiries are personal problems dealing with the government while others are questions relating to legislation or bureaucracy rulings.

Born in a small town in Tennessee, John Duncan is one whose values stem from conservative and financial stability in his upbringing. Although he is a man of compassion, he believes in a dollar's work for a dollar's pay. He abhors the runaway inflation largely created by the federal government's lack of financial restraint and waste.

Visitors to the nation's capital will find the office of John Duncan as open and friendly as the man who was put there by the voters. No one is turned away with a cold "he's too busy to see you" approach.

While the congressman does his duty in answering roll call and voting on the hundreds of bills presented each year, he finds time to greet and be with his Tennesseans.

There must be times when a man with his convictions feels so frustrated with the majority of Congress and their continued breach of public faith, their restless search for more taxes to spend in frivolous ways that he would want to chuck it all and retire to the good life of East Tennessee.

One could not fault him for harboring such thoughts nor blame him if he called it a day but it is too bad we can't clone John Duncan and keep such a man representing us from now on.

It is even more desirous to have several hundred John Duncans in Congress but it not only takes men of his character to run for office, it takes a voting public that is demanding of such integrity to elect them. Unfortunately, such congressmen are in the minority in Washington.

In the meantime, it was good to have John J. Duncan, U.S. Representative for the Second District, among us again and to see him honored by an appreciative crowd of Tennesseans. He is respected by his peers as well and rightly so.

They know where John Duncan stands and who he represents. Wouldn't it be nice if the same were true of all our elected officials in Washington, D.C.?●

SUPPORTING ANDREI SAKHAROV

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. BROWN of California. Mr. Speaker, today the Wall Street Journal carried a very sensitive and sound editorial concerning the actions against and reactions to Soviet attempts to silence Dr. Andrei Sakharov.

I have previously discussed this matter and, as you know, have introduced legislation linking the fate of United States-Soviet scientific exchanges to the fate of Andrei Sakharov. The Subcommittee on Science, Research and Technology, which I chair, will receive an informal report next week from Dr. Phillip Handler and other members of the U.S. delegation to the Scientific Forum being held in Hamburg at this moment, and decide on our future actions at that time.

At this time, I commend this editorial to my colleagues:

[From the Wall Street Journal, Feb. 28, 1980]

THE SAKHAROV FORUM

Andrei Sakharov was recently sent on internal exile from Moscow, and even more unpleasant developments may await the Soviet Union's most prominent domestic dissident. But the Carter administration seems to have exhausted its diplomatic arsenal in protesting the Afghanistan invasion. Western action on behalf of Dr. Sakharov will have to come from the private sphere, and particularly from the scientific fraternity of which he is such a distinguished member. In spite of its ambivalence toward political action, this fraternity does command considerable power of persuasion. Now is the appropriate time to use it.

In several ways, in fact, the world scientific community is making an impressive effort on Dr. Sakharov's behalf. His exile has dominated proceedings of the Scientific Forum, a 30-nation gathering which ends this Friday in Hamburg (Western delegations to this two-week offshoot of the 1975 Helsinki Accord are largely scientists unconnected with government.) The opening public session featured a number of strong statements on his behalf, even from scientists of countries which previously had not taken the lead on human rights issues. Separately the (U.S.) National Academy of Sciences, of which Dr. Sakharov is a foreign associate, announced Monday it would suspend bilateral contacts with the Soviet Academy of Sciences for six months. In a survey conducted by the policy-oriented Federation of American Scientists, more than 75 percent of the scientists responding said they would forego official exchanges with the Soviets, the Federation announced Tuesday.

These actions deserve praise, but they can't be considered the end of the story or even much more than a minimal response. From the testimony of his friends, Dr. Sakharov is not just another scientist who has gone into politics; he is one of the great men of our time. His distinguishing trait is a morality compelling him to exert himself against injustices, great and small, while maintaining total clarity about the limited prospects for political reform. One American supporter calls him "the last and finest example of the Russian intelligentsia."

Even the Soviet government seems dimly to recognize his quality, treating him, by its standards, with kid gloves. Although a kind of bill of attainder stripped him of his medals, he still retains his membership in the Soviet Academy of Sciences, with its salary and considerable perquisites. But this treatment hasn't kept armed agents from bursting into Dr. Sakharov's new apartment or police from roughing him up during a visit to a Gorky police station. The Soviets have a long tradition of brutality toward their best people.

Some clues to Dr. Sakharov's fate might emerge at the March 4 to 6 regular meeting of the Soviet Academy, especially it the attempt is made to expel him. This course of events may will be determined by the firmness with which international science and Western public opinion continues to rally to his support.●

MORE INDUSTRIES SUPPORT CAPITAL COST RECOVERY ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, since Congressman BARBER CONABLE and I introduced H.R. 4646, the Capital Cost Recovery Act, last year, business leaders and industries all across the country have joined us in our efforts to promote increased capital formation. Furthermore, 285 of our colleagues in the House have added their names as cosponsors of this bill. At this time, I am especially pleased to announce that two more important business groups have joined us in this effort.

The National Association of Furniture Manufacturers have joined with Semiconductor Circuits, Inc. in endorsing H.R. 4646, as one of the essential factors necessary to increase economic growth and productivity. I am pleased to have the endorsement of these two outstanding groups in our efforts to improve our country's sagging economy.

I would like to thank these two groups for their support, and at this point in the RECORD I include the letter of endorsement from Semiconductor Circuits, Inc. I urge my colleagues to take note of the points Mr. LaBrie makes:

JANUARY 28, 1980.

Re H.R. 4646 and S. 1435, Desperately Needed Capital Formation Incentives.

Hon. JAMES R. JONES,
Hon. BARBER B. CONABLE, JR.,
Hon. JOHN H. CHAFEE,
Hon. BOB PACKWOOD,
U.S. Senate and House of Representatives, Washington, D.C.

GENTLEMEN: Just imagine a headline saying, "Productivity Increases and Inflation Decreases in America." The 11 January 80, Wall Street Journal reported, on Page 3: "Firms Plan Slim, Inflation-Adjusted Rise Of 1% to 2% For Spending During 1980." A copy of that article is attached for your information. If the source of that report is partially correct, then very few businessmen in the United States really believe that the Congress is prepared to do anything to help, in the needed capital formation, to spirit producitivity and decrease inflation in this country.

Past legislation has resulted in an economy within the United States that generates less than one-half of the capital formation per GNP of any other industrialized nation within the free world. The only solution to the inflationary spiral is productivity. In order to achieve productivity, we, the business community, require action in 1980 that will allow us to increase our productivity. Thinking about it this year, and next year, is not sufficient. We are falling desperately behind the rest of the free world and need this legislation in 1980 to generate a spurt of capital formation spending that will increase our productivity. Unless this is done now, we will just delay reducing inflation and increasing the American workers standard of living. It is also the only way that we can generate a much stronger dollar. Increasing the interest rates has not really worked as it was intended. All that has been accomplished for the business community, is to impair debt financed capital formation.

Please help this country to succeed by motivating the business community to increase its productivity by, in fact, issuing pro-business legislation, such as capital formation, and increase depreciation in 1980.

Very truly yours,

Paul J. LaBrie,
President.●

DELAWARE VOICE OF DEMOCRACY WINNER

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. EVANS of Delaware. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies' auxiliary conduct a Voice of Democracy contest. This year, more than 250,000 school children participated in the contest, competing for five national scholarships.

The contest theme was, "My Role in America's Future." I want to commend the VFW and ladies auxiliary for conducting this important competition. The Veterans of Foreign Wars, through their work, are helping to develop a greater pride in our country by young people. It seems to be in vogue these days to knock America and focus attention on its faults. The VFW, however, focuses attention on our strengths and the reasons why America is the greatest country on the face of the Earth.

This year, the Voice of Democracy contest in Delaware was won by Regina Ciritella of Wilmington, Del. Miss Ciritella spoke eloquently of involvement and responsibilities. I insert her address in the Record for the benefit of others:

Regina Ciritella, Delaware Winner, of 1979-80 VFW Voice of Democracy Scholarship Program

My personal experience in these United States is so minimal that at first it didn't seem as if there were that much I myself could do to affect its future. This country has always fascinated me because of its large size. There are so many different people here, and yet this country functions as a whole. When people study history, most of what they learn is taught in a general view. There are a few people who are studied individually because of the effect their lives had on the people they were involved with. People like George Washington, Abraham Lincoln, Susan B. Anthony, or Martin Luther King. I never looked at myself as being able to influence my country in such a grand style as they did. But now I realize that isn't fair to say, about me or about anyone.

I believe the education I've had in this country has formulated my present attitude. That attitude is that every single person in this country affects the future of us all in some way. And that includes me.

I asked myself the question, "What are my responsibilities as a citizen growing up in America?" It occurred to me that there are two that stand out as very important. These two responsibilities are so closely related that it's very difficult to see any difference between them. They both are vital to each other, they are a team. The first cannot work without the second, and second doesn't exist without the first.

My first responsibility is to get an education. I have a responsibility to learn all about the things I am or may come in contact with. Besides studying such topics as Physics, English, and Sociology (to name a few) it's important to study this country: to study America's history, its people, and its makings. My second responsibility involves what I do with this knowledge. I must do something with what I've learned. It seems that the one word that is most important in carrying out my responsibilities, is the one word that turns most people away. The word is involvement. I must involve myself in the things I've studied. It's my second responsibility. It's my choice. And when I choose to become involved, I choose to affect the future.

There are many young people who involve themselves outside of the classroom with people who share their ideals. There are students involved with groups against nuclear power, and in groups for nuclear power. There are young people who express beliefs about such issues as discrimination, drugs, and abortion. There are students involved in groups for women's rights, and students involved in bettering their neighborhoods and their environment.

In addition to these groups that young people give their time freely to, some jobs may allow young people to contribute to and understand more fully their role in America's future.

For example, in many of our cities students can find jobs as errand runners for various law firms. They run messages, affidavits, and other materials to other law firms and to different courts. They have a first hand look at how this country's judicial system works, and at the same time are learning the practical value of the dollar.

Another example of how a job can show a young person's integrity is counseling at a summer camp. In this situation young people spend time asserting their leadership qualities, giving example to younger children, and developing a sense of worth at having accomplished something good. These young people have the responsibility of controlling the children they are in charge of. Probably the best part of this job is the chance to share, the chance to share talents and imagination. And sharing is involvement.

Through these issues and jobs it is possible for me and others to take a stand, and through them I can have a role in America's future. Therefore I am on my way to fulfilling my two responsibilities.

People can study, think, and talk all they like. But if no one gets involved, then it doesn't mean a thing.●

THE NO. 1 PROBLEM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. KEMP. Mr. Speaker, the central economic problem we face today is the combination, the collision, of inflation on the progressive Federal Tax Code. Inflation is sapping our ability to save and invest in the future of our families and our country, and at the same time it is lifting us into progressively higher tax brackets that smother our incentive to work and save. Jude Wanniski brought this important issue to the fore in a recent New York Times article, and I recommend that all my colleagues take time to read his pertinent analysis.

The article follows:

The No. 1 Problem

(By Jude Wanniski)

Morristown, N.J.—The central problem of our era is the collision of inflation and the progressivity of tax systems. Myriad social, moral, economic and national-security problems beset the United States and the rest of the world because global political leaders for the most part have not identified the inflation-progressivity connection as central, or even serious.

Inflation by itself is a poisonous condition. Politicians and commentators will assert that while inflation is not good, society "learns to live with it." This is true only in the sense that society can somehow learn to live with swindlers and con men, which is accomplished only by defensive tactics: The individual must clothe himself with deep suspicions of his fellow man, especially those who seem most likeable, for they may be the most adroit swindlers.

Inflation—that is, a decline in the value of money—causes honest individuals to swindle each other inadvertently. Money, after all, is a medium of exchange. A dollar is a unit of account. Individuals in the marketplace produce apples and oranges, bread and wine, and exchange their surpluses in trade. When the value of the unit of account changes in the midst of transactions, one individual gains at the expense of another. The relationship between effort and reward is weakened. The natural desire to save for the future is frustrated by the erosion of dollar-denominated assets. The individual who lives for the moment is rewarded instead.

Progressive taxation—that is, the system in which tax rates increase as income rises—is similarly destructive. The individual faces a system in which increased personal effort yields progressively reduced rewards. The harder you try, the less you get. Again, the system frustrates human nature, weakening the link between effort and reward. Man's instinct, to grow, to expand, confronts an institutional burden. Yes, individuals do work for nonmonetary rewards as well, but the impact of steep tax progressions on incentives overwhelms this effect by draining society's vitality.

But it is inflation that has brought most Americans face-to-face with the theoretical warnings of libertarians of an earlier era. It was one thing when only the very rich encountered steep rates of tax progressions.

Now, everyone understands the debilitating mental calculations that such rates force individuals to make, and how they poison initiative. At 13 percent inflation, it will not be many years before the teenager earning the minimum wage faces marginal-income-tax rates and payroll-tax rates originally designed for the Rockefeller class. It is this collision of inflation and tax progressivity, only recently experienced in this country, that is the central problem of our era.

This unprecedented combination of inflation and tax progressions adversely influence every individual and every relationship in society. Even if Jones has all of his savings in gold and all of his income tax-free municipals—even if he is the smartest, richest guy in society—he cannot isolate himself from the anxiety of all those around him who have been victims of the system. The worst victims are those who have no income to tax, no savings to melt away in the inflation. The margins of society—the first fired, the last hired—must have opportunities created by those who are not on the margins but who are discouraged by the system in their endeavor to create opportunities for others.

For the most part, the liberals have been right all along. It has been "The System" that has been responsible for so much of our crime, poverty, pornography, drugs, prostitution, divorce, suicide, mental illness, alcoholism, abortion and child and wife abuse. The central problem invites us to the black market, to cheating on taxes, to gambling, to graft, to political corruption. In draining away our economic strength and national vitality, the central problem exposes us as a crippled power to the Soviet Union, which has many problems but not this central one.

How is it that policy makers and their economic advisers do not see that this is the No. 1 problem? Perhaps it is because they do not realize that everything an individual does or does not do influences what all other individuals do or do not do. To them, we are not individuals. We are "an economy."

We must have an inflation to control recession and have a recession to control inflation. So they take turns, the Keynesians and the monetarists, devising schemes to intensify the collision of inflation and tax progressivity. To stop inflation, they say they must end deficits, which they can do by inflating us into higher tax progressions that may cause recessions that can be ended either by deficits or monetary expansions that cause inflation, etc. There are no individuals in any of these equations—only an economy.

Once we accept the idea that this combination of inflation and tax progressivity is in itself the central problem, the solutions are at hand. Reduce the progressivity of the tax system, or eliminate it with a proportionate rate that does not punish extra effort. End the inflation, and with it the notion that inflation is good for the economy, by redefining the dollar in terms of a single commodity, preferably gold since we possess so much of it.

The central problems will go away, and with it the malaise. Will there be a deficit? Maybe not. But if so, so what? Restoring the links between an individual's effort and reward, and enabling individuals to save in dollar assets that hold their value, will encourage millions of Americans to increase their efforts and increase their savings, which will open opportunities for millions more. Deficits would soon go away, and so would the worst of our social problems. Instead of a society smothered, crushed by disincentives, with all its tensions, there would be air, light and hope.

For the individual American, who now spends all of his or her time in this sea of social tension, consumed in survival tactics, the very first dividend for solving this central problem will be a moment of "spare time," a concept that has become almost obsolete. With moments of spare time multiplied, moments free of tension or anxiety over what The System will do to you next, the drugs and alcoholism and divorce and personal abuses may begin to recede. We will once again feel confident about ourselves as a nation, and the Russians would view us in a different light.

There is no alternative to solving this central problem, however. It must be done or the slide will continue. So far, it does not look like 1980 will be the year.●

CINCINNATI PEDIATRIC SOCIETY

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. GRADISON. Mr. Speaker, as we remember 1979 as the International Year of the Child and begin the Year of the Family, I would like to take this opportunity to recognize the efforts of a Cincinnati group committed to promoting the welfare of children. The Cincinnati Pediatric Society has been active for years on local, State, and National levels with regard to issues of concern to the pediatric population. Most recently, the society has addressed the fields of accidents, immunization, health education, and nutrition. A few examples of past and current programs will demonstrate their dedication and effectiveness.

In the area of automotive safety for children, the society conducted the primary organization efforts which resulted in funding for a lend-a-seat program for hospitals with maternity units within Ohio. In addition, a bill is currently before the Ohio Legislature which would mandate the use of automobile restraint devices for infants and children under 4 years of age or 40 pounds. Also, a program has been developed in Cincinnati to distribute child automobile restraint information to mothers in the maternity units of local hospitals.

The society has become involved in a citywide program for burn prevention with the Community Action Commission and the U.S. Consumer Product Safety Commission. Activities will include meetings with several groups to discuss the prevention of burns and appropriate first aid procedures.

The Cincinnati Pediatric Society has worked closely with the local health systems agency to insure that children are considered in the planning process. They have prepared an extensive child health plan for the 11 counties in the area to be used as a resource document and to identify issues of concern and need. The child health planning effort in Cincinnati is unique in that it is one of a handful of local groups involved in collecting a child health data base for long-term planning. They stress the importance of preventive child care in the quest for cost containment and a healthier society.

The society has almost completed an immunization study of a random sample of 923 children to provide an accurate and reliable picture of the level of preschool immunization. The information from the study will be analyzed using a variety of computer programs and will be submitted for publication.

In August 1979, the society organized and produced a child health fair at the Cincinnati Zoo. Approximately 25 local groups participated, including the American Red Cross, the Drug and Poison Information Center, the Sickle Cell Awareness Group, and the United Services for Effective Parenting. Puppet shows on dental health, coloring books about blood types, examples of safe sporting equipment, craft projects, an international children's art show, and clowns and games provided entertainment and educational means by which the children could learn about how to stay healthy.

Programs currently being considered include a kindergarten roundup for children in the Cincinnati public school system, a project with the Psychiatric Department of Children's Hospital Medical Center to develop a psychiatric emergency team, and a joint program with the local obstetrics/gynecology society.

Again, I would like to commend the pediatric society for their innovative yet practical approaches to dealing with the unique health problems of children. It is my hope that their programs will not only continue to provide services in Cincinnati, but also inspire other localities to undertake similar measures.●

POTENTIAL ENERGY RESOURCES ON FEDERAL LANDS AND BARRIERS TO THEIR DEVELOPMENT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. SANTINI. Mr. Speaker, the American Institute of Mining, Metallurgical, and Petroleum Engineers held its 109th annual meeting in Las Vegas, Nev., earlier this week. Several well-presented speeches were given by knowledgeable speakers, but the remarks of William H. Dresher were especially pertinent. Dr. Dresher is dean of the College of Mines and director, Bureau of Geology and Mineral Technology, State of Arizona, and is considered an expert by the academic and mining professionals.

For the benefit of those who did not hear Dr. Dresher, I will excerpt the last portion of the statement, which highlights why we are in this energy mess. The speech is entitled "Potential Energy Resources on Federal Lands and Barriers to Their Development":

EXCERPT FROM THE SPEECH "POTENTIAL ENERGY RESOURCES ON FEDERAL LANDS AND BARRIERS TO THEIR DEVELOPMENT"

Until recently two questions seemed too unimportant to answer . . . how much of the nation's energy resources are contained in the public lands and what portion of these lands are legally available for energy mineral extraction. The second of these questions was answered, in 1975, when two Department of the Interior employees, Gary Bennethum and Cortland Lee, working on their own time, found that nearly three quarters of the public lands had been administratively ruled off base for mineral exploration, development, and production. Perhaps even more astounding is that much of the withdrawal has occurred since 1967. The first of these questions, how much of the nation's energy resource is contained on the federal lands, was answered by a team led by former Assistant Secretary of the Interior, William Fisher, at the University of Texas at Austin. In 1977, as part of the team's analysis of the president's National Energy Plan, they discovered that approximately 50 percent of the nation's known energy resources were on the public lands. It is perhaps significant to note that both of these teams worked exclusively from federal data as published in readily available documents.

Briefly, the University of Texas team found that: 40 percent of the total U.S. coal reserve with more than 70 percent of the low-sulfur, low-cost coal reserves of the West is on federal land; 72 percent of the oil shale resource is on federal land; 85 percent of the tar sand resource is on federal land; 15 percent of the developed oil reserves, about 15 percent of discovered oil resources, and perhaps a third of all undiscovered oil resources are on federal land; and 20 percent of discovered gas reserves, 20 percent of discovered gas resources, and perhaps 45 percent of undiscovered gas resources are on federal lands.

Today only 10 to 15 percent of U.S. energy production comes from the federal estate and most of this is from the outer continental shelf off the coast of Louisiana and Texas.

In spite of the known energy mineral content of the federal lands and in spite of the desperate circumstances of our country today, little is being done to increase energy production from the federal lands. In fact, quite the reverse is true; additional lands are continually being withdrawn or proposed for withdrawal under environmental- and preservation-motivated programs of the federal land management agencies. Several cases in point illustrate the present attitude of the federal government towards energy development on the federal lands.

The first case is the Idaho-Wyoming-Utah overthrust belt region which has become one of the most important onshore regions for oil and gas exploration. Significant discoveries have been found since 1966 when Phillips Petroleum Company found oil at Bridger Lake In Utah. Since that time, important discoveries have been made by American Quasar Petroleum, Amoco, and others totaling 600 million barrels of oil and 2 trillion cubic feet of gas. The area comprises approximately 23,700 square miles or 15 million acres. Over 10 million of these acres are controlled by the federal government. The petroleum industry estimates the potential reserves of the region to be 8 to 24 billion barrels of recoverable oil and 50 to 92 trillion cubic feet of natural gas. The USGS estimates are somewhat lower at 1 to 3 billion barrels of oil and 4 to 12 trillion cubic feet of gas. However, a 1976 Department of the Interior study found that in spite of the high energy-production potential of the overthrust belt region and the severe needs of the nation, 47 percent of the federally controlled acreage is closed or severely restricted for oil and gas production. Added to this, in 1977 the Forest Service under the RARE II program identified 63 tracts in this region totaling 3.1 million acres which were deemed worthy of wilderness consideration. The Rocky Mountain Oil and Gas Association has estimated that these 63 tracts themselves contain 1 to 6 billion barrels of oil and 4 to 40 trillion cubic feet of gas! The Department of Energy has estimated that 40 percent of the RARE II lands are of "major interest" for energy production.

The second case is the Tar Sands Triangle in southern Utah. This is an area of approximately 12 by 18 miles which the Utah Geological and Mineral Survey estimates to contain between 12.5 and 16.0 billion barrels of oil and is this country's single largest deposit of tar sands. While the extraction of oil from tar sands has thus far been uneconomical, there have been proposals to undertake experimental oil recovery in the Gordon Flats area by a "fireflood" technique. Unfortunately, about 45 percent of the tar sand deposit and 35 percent of the Gordon Flats Fireflood unit lie within the Glen Canyon National Recreation area. In the National Park Service mineral management plan now in preparation for the Glen Canyon National Recreation Area, the statement is made that ". . . leasing of the deposit and extraction of oil in this area will be prohibited . . ." Also in the plan is the statement that ". . . neither the exploration for and identification of oil and gas reserves nor the conclusive determination that none are present will be allowed . . ." and that therefore, ". . . our knowledge of oil and gas resources within these areas will remain speculative indefinitely." The USGS has estimated the speculative recoverable oil resource in this area to be between 51 and 155 million barrels. No estimate is available for gas. Similar conclusions are made in the mineral management plan with regard to the coal and uranium resources also present in the recreation area. Over 9 million tons of coal and 14.5 million pounds of uranium are estimated to occur within the Recreation Area. Under the nondegradation clause of the 1977 Amendments to the Clean Air Act, it is also doubtful that federal law will permit the development of any of the energy resources which are on lands adjacent to the wilderness or recreation areas.

On other fronts, the leasing of coal on the federal estate has been encumbered since February 27, 1977, when the Secretary of the Interior, as one of the first acts of the new administration and as a result of the NRDC vs. Huges case, took personal responsibility for lease applications. There has not been a coal prospecting permit issued since 1971. The Bureau of Land Management, in its fiscal year 1980 budget proposal, estimated that no significant amount of coal would be leased until at least 1984 and probably not before 1985. Under the February, 1978, settlement of the NRDC vs. Huges case, the federal government must submit lease applications to the National Resources Defense Council (NRDC), a private citizens' group, for approval before such a lease can be issued. The leasing of outer continental shelf tracts has also been greatly delayed and impeded by federal red tape and the requirement that the USGS evaluate each lease tract prior to its offering for bid.

As a technologist and a pragmatist, it is hard for me to accept the "crisis" atmosphere of the energy issue when so many are accepting the proclamation of so few "up is down" and the "moon is made of green cheese". It is time for thinking people to knuckle down and accept the fact that the "emperor has no clothes" and accept the fact that we have an energy problem and that it can be solved if we face up to it in a forthright manner. Only in this manner can we, the American people, get on with our business of assuring ourselves a viable future as an industrial society based on the free enterprise system. I am told that the Chinese word for "crisis" has two meanings—one is disaster, the other is opportunity. Under our present Federal government regulatory mode of control, we are clearly not on the opportunity path. Can disaster be far behind?●

INFLATION AND THE PROGRESSIVITY OF TAX SYSTEMS

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. COURTER. Mr. Speaker, all of us have been wrestling with the problems of inflation, taxes, and their effects on American society. In reading the OP-ED page of the New York Times of February 27, 1980, I came across an article by a fellow New Jerseyite who is eminently qualified to address these issues. Mr. Jude Wanniski is a former associate editor of the Wall Street Journal and I commend to my colleagues this incisive article which I enter in the RECORD. Thank you Mr. Speaker.

The article follows:

THE NO. 1 PROBLEM

(By Jude Wanniski)

MORRISTOWN, N.J.—The central problem of our era is the collision of inflation and the progressivity of tax systems. Myriad social, moral, economic and national-security problems beset the United States and the rest of the world because global political leaders for the most part have not identified the inflation-progressivity connection as central, or even serious.

Inflation by itself is a poisonous condition. Politicians and commentators will assert that while inflation is not good, society "learns to live with it." This is true only in the sense that society can somehow learn to live with swindlers and con men, which is accomplished only by defensive tactics: The individual must clothe himself with deep suspicions of his fellow man, especially those who seem most likeable, for they may be the most adroit swindlers.

Inflation—that is, a decline in the value of money—causes honest individuals to swindle each other inadvertently. Money, after all, is a medium of exchange. A dollar is a unit of account. Individuals in the marketplace produce apples and oranges, bread and wine, and exchange their surpluses in trade. When the value of the unit of account changes in the midst of transactions, one individual gains at the expense of another. The relationship between effort and reward is weakened. The natural desire to save for the future is frustrated by the erosion of dollar-denominated assets. The individual who lives for the moment is rewarded instead.

Progressive taxation—that is, the system in which tax rates increase as income rises—is similarly destructive. The individual faces a system in which increased personal effort yields progressively reduced rewards. The harder you try, the less you get. Again, the system frustrates human nature, weakening the link between effort and reward. Man's instinct, to grow, to expand, confronts an institutional burden. Yes, individuals do work for nonmonetary rewards as well, but the impact of steep tax progressions on incentives overwhelms this effect by draining society's vitality.

But it is inflation that has brought most Americans face-to-face with the theoretical warnings of libertarians of an earlier era. It was one thing when only the very rich encountered steep rates of tax progressions. Now, everyone understands the debilitating mental calculations that such rates force individuals to make, and how they poison initiative. At 13 percent inflation, it will not be many years before the teenager earning the minimum wage faces marginal-income-tax rates and payroll-tax rates originally designed for the Rockefeller class. It is this collision of inflation and tax progressivity, only recently experienced in this country, that is the central problem of our era.

This unprecedented combination of inflation and tax progressions adversely influence every individual and every relationship in society. Even if Jones has all of his savings in gold and all of his income tax-free municipals—even if he is the smartest, richest guy in society—he cannot isolate himself from the anxiety of all those around him who have been victims of the system. The worst victims are those who have no income to tax, no savings to melt away in the inflation. The margins of society—the first fired, the last hired—must have opportunities created by those who are not on the margins but who are discouraged by the system in their endeavor to create opportunities for others.

For the most part, the liberals have been right all along. It has been "The System" that has been responsible for so much of our crime, poverty, pornography, drugs, prostitution, divorce, suicide, mental illness, alcoholism, abortion and child and wife abuse. The central problem invites us to the black market, to cheating on taxes, to gambling, to graft, to political corruption. In draining away our economic strength and national vitality, the central problem exposes us as a crippled power to the Soviet Union, which has many problems but not this central one.

How is it that policy makers and their economic advisers do not see that this is the No. 1 problem? Perhaps it is because they do not realize that everything an individual does or does not do influences what all other individuals do or do not do. To them, we are not individuals. We are "an economy."

We must have an inflation to control recession and have a recession to control inflation. So they take turns, the Keynesians and the monetarists, devising schemes to intensify the collision of inflation and tax progressivity. To stop inflation, they say they must end deficits, which they can do by inflating us into higher tax progressions that may cause recessions that can be ended either by deficits or monetary expansions that cause inflation, etc. There are no individuals in any of these equations—only an economy.

Once we accept the idea that this combination of inflation and tax progressivity is in itself the central problem, the solutions are at hand. Reduce the progressivity of the tax system, or eliminate it with a proportionate rate that does not punish extra effort. End the inflation, and with it the notion that inflation is good for the economy, by redefining the dollar in terms of a single commodity, preferably gold since we possess so much of it.

The central problems will go away, and with it the malaise. Will there be a deficit? Maybe not. But if so, so what? Restoring the links between an individual's effort and reward, and enabling individuals to save in dollar assets that hold their value, will encourage millions of Americans to increase their efforts and increase their savings, which will open opportunities for millions more. Deficits would soon go away, and so would the worst of our social problems. Instead of a society smothered, crushed by disincentives, with all its tensions, there would be air, light and hope.

For the individual American, who now spends all of his or her time in this sea of social tension, consumed in survival tactics, the very first dividend for solving this central problem will be a moment of "spare time," a concept that has become almost obsolete. With moments of spare time multiplied, moments free of tension or anxiety over what The System will do to you next, the drugs and alcoholism and divorce and personal abuses may begin to recede. We will once again feel confident about ourselves as a nation, and the Russians would view us in a different light.

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INCOME TAX PROTECTION FOR OLDER AMERICANS

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1980

● Mr. WYDLER. Mr. Speaker, as the Federal tax system becomes more and more complicated, I believe it is correspondingly more important that our senior citizens be aware of all the deductions available to them and all of the provisions of the tax law which will benefit them and prohibit overpayment.

I would like to share with the "Senior Citizens of the Fabulous Fifth" tax hints so as to possibly make the tax burden lighter on them.

I offer the following material as a means of assistance:

INCOME TAX DEDUCTION CHECKLIST

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3 percent limitation): Abdominal supports (prescribed by a doctor), arch supports (prescribed by a doctor), acupuncture services, artificial limbs and teeth, ambulance hire, back supports (prescribed by a doctor), anesthetist, and braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs, chiropodist, chiropractor, Christian Science practitioner, authorized, convalescent home (for medical treatment only), and crutches.

Dental services (e.g., cleaning, X-ray, filling teeth), dentures, and dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physicians statement needed).

Gynecologist.

Hearing aids and batteries, home health services, and hospital expenses.

Insulin treatment, and invalid chair.

Lab tests, and lipreading lessons (designed to overcome a handicap).

Medicare A, voluntarily paid, if you are 65 or older and not entitled to social security benefits.

Neurologist, and nursing services (for medical care, including nurses paid by you).

Occupational therapist, ophthalmologist, optician, optometrist, oral surgery, and osteopath licensed.

Pediatrician, physical examinations, physical therapist, physician, podiatrist, psychiatrist, psychoanalyst, psychologist, and psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor), seeing-eye dog and maintenance, speech therapist, splints, supplementary medical insurance (part B) under medicare, and surgeon.

Telephone/teletype special communications equipment for the deaf), and transportation expenses for medical purposes (8¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines, and vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs, and whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate, general sales, State and local income, and personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcyles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, untaxed part of unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonoperating foundations, veterans organizations, fraternal societies, or nonprofit cemetery companies, are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 8 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

INTEREST

Home mortgage, personal loan, auto loan, and installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge."

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions—You may claim either a credit (line 38, Form 1040) for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The Credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national Committee of a national political party, (3) State committee of a national political party, (4) local committee of a national political party, or (5) certain newsletter funds set up and maintained by a person who holds, has been elected to, or is a candidate for nomination or election to a public office. The amount of the tax credit is one-half of the political contribution, with a $50 ceiling ($100 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	$3,300
Single (age 65 or older)	4,300
Qualifying widow(er) under 65 with dependent child	4,400
Qualifying widow(er) 65 or older with dependent child	5,400
Married couple (both spouses under 65) filing jointly	5,400
Married couple (1 spouse 65 or older) filing jointly	6,400
Married couple (both spouses 65 or older) filing jointly	7,400
Married filing separately	1,000

Additional Exemption for Age.—Besides the regular $1,000 exemption, you are allowed an additional exemption of $1,000 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $1,000 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1980, you will be entitled to the additional $1,000 exemption because of age for your 1979 Federal income tax return.

"Zero Bracket Amount".—The "zero bracket amount" is a flat amount that depends on your filing status. In 1979, this amount was increased for each filing status. If you are married filing jointly or a qualifying widow or widower, your zero bracket amount is $3,400. If you are single or a head of household, your zero bracket amount is $2,300. If you are married filing separately, it is $1,700. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules, Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence. —You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. The exclusion is elective, and you may elect to exclude gain only once. If you were age 55 or older before the date of the sale, you may elect to exclude up to $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, payment of tax on the gain on the sale of your personal residence in excess of the excluded amount will be deferred if, within 18 months before or 18 months after the sale, you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you have a dependent child who shares your principle place of abode in the United States, you may be entitled to a special payment or credit of up to $500. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $10,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, strike benefits, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

HOUSE OF REPRESENTATIVES—*Monday, March 3, 1980*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Bless the Lord, all His hosts, His ministers that do His will. Bless the Lord, all His works, in all places of His dominion. Bless the Lord, O my soul.—Psalms 103: 21, 22.

Gracious Lord, we thank You that the power of Your creation is not limited to heaven and the world of the spirit, but Your redemptive activity surrounds our daily life. Help us to be aware of Your ministry and Your love wherever we are or whatever we do, and remind us that there is no area of existence not under Your dominion. May we, with all humility, be instruments of Your purpose to govern this Nation with justice and mercy as You give us strength. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title.

H.J. Res. 434. Joint resolution to authorize and request the President to issue a proclamation designating April 6 through 12, 1980, "National Medic Alert Week."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 10. An act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; and

H.R. 24. An act to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate to a bill of the House of the following title:

H.R. 3756. An act to authorize appropriations for certain insular areas of the United States, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1086. An act for the relief of Bharat Persaud; and

S. 2194. An act to amend the Foreign Assistance Act of 1961 to authorize special Azores earthquake relief and reconstruction assistance.

COL. HAROLD GOULD, A REAL SOLDIER

Mr. FUQUA. Mr. Speaker, it is my sad duty to inform my colleagues of the death of Col. Harold Gould on Sunday night, March 2.

For the past year Colonel Gould has served as executive director of the House Committee on Science and Technology, in which capacity he has been my close friend and valued adviser and a magnificent influence on the members of the committee and its staff.

It is difficult to put into words the deep sadness I feel at the loss of Colonel Gould, who served his country ably in two important careers: As an enlisted man and officer of the U.S. Army from 1938 until 1965, and then as a trusted and loyal staff member of this House and the Committee on Science and Technology.

Colonel Gould joined the staff of the then-Committee on Science and Astronautics on detail from the Army in January 1963, just as I was beginning my first term of service in this House.

Together we participated in decisions leading us through the exciting era of space exploration, watched the name of the committee change and its responsibilities expand, and witnessed many other changes in the world, in Congress, and in ourselves.

I could not have asked for better, wiser, or steadier counsel during my early years as a Member of this House and the Science and Technology Committee nor a more effective, dedicated, and loyal director to assist me in administering the affairs of the committee when I assumed the chairmanship.

Seldom in life are we privileged to meet and work with individuals of the caliber of Col. Harold Gould and I feel truly blessed to have had that opportunity for the past 17 years.

I am sure I speak not only for myself, but for the entire membership of the Committee on Science and Technology and its staff, as well as any others who have had the good fortune to know and work with Hal Gould in saying he will be long remembered and deeply missed by all of us.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the bill on the Consent Calendar.

INHERITANCE OF TRUST OR RESTRICTED LAND ON STANDING ROCK SIOUX RESERVATION, NORTH DAKOTA AND SOUTH DAKOTA

The Clerk called the bill (H.R. 2102) pertaining to the inheritance of trust or restricted land on the Standing Rock Sioux Reservation, North Dakota and South Dakota.

There being no objection, the Clerk read the bill, as follows:

H.R. 2102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to the extent that the laws of descent and devise of the State in which trust or restricted land is located on the Standing Rock Indian Reservation in North Dakota and South Dakota (hereinafter the "reservation") are inconsistent with this Act, the provisions of this Act shall govern the right to inherit such trust or restricted land.

SEC. 2. Only persons who are enrolled members of the Standing Rock Sioux Tribe of North and South Dakota (hereinafter the "tribe"), who are members of a federally recognized Indian tribe, or who are otherwise recognized as Indians by the Secretary of the Interior (hereinafter the "Secretary"), shall be entitled to receive by devise or descent any interest in trust or restricted land within the exterior bounds of the Standing Rock Indian Reservation as defined by the Act of March 2, 1889 (ch. 405, 25 Stat. 888), except as provided in section 4 of this Act.

SEC. 3. Notwithstanding the laws of descent of the State in which trust or restricted land is located on the reservation, whenever any Indian dies leaving any interest in trust or restricted land within the reservation, and the trust or restricted land has not been devised by an approved will consistent with the provisions of section 2 of this Act, such interest shall descend to the following persons, subject to their being enrolled members of the tribe or otherwise eligible as heirs under section 2 of this Act:

(a) one-half of the interest shall descend to the surviving spouse. The other one-half of the interest shall descend in equal shares to the children of the decedent and to the issue of any deceased child of the decedent, by right of representation;

(b) if there is no surviving spouse, the interest shall descend in equal shares to the children of the decedent and to the issue of any deceased child of the decedent, by right of representation;

(c) if there are no surviving children or issue of any child, the interest shall descend to the surviving spouse;

(d) if there is no surviving spouse and no surviving children or issue of any child, the interest shall descend to the parents of the decedent;

(e) if there is no surviving spouse, and no surviving children or issue of any child, and no surviving parents, the interest shall descend equally to the brothers and sisters of the decedent;

(f) if there is no surviving spouse, no surviving children or issue of any child, no surviving parents, and no surviving brothers or sisters, the interest shall escheat to the tribe;

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

(g) any interest which descends in accordance with this section shall be subject to the right of a non-Indian surviving spouse as provided in section 4 of this Act;

(h) as used in this Act, "children" and "issue" shall include adopted children and acknowledged illegitimate children.

SEC. 4. Notwithstanding the provisions of section 9 of this Act, the non-Indian surviving spouse of an Indian decedent who leaves any interest in trust or restricted lands within the reservation shall be entitled to take an undivided one-half interest in all such trust or restricted lands during his or her lifetime.

SEC. 5. The provisions of this Act shall apply to all estates pending before the Secretary on the date of this Act and to all future estates, but shall not apply to any estate heretofore closed.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

That to the extent that the laws of descent and devise of the State in which trust or restricted land is located on the Standing Rock Indian Reservation in North Dakota and South Dakota (hereinafter the "reservation") are inconsistent with this Act, the provisions of this Act shall govern the right to inherit such trust or restricted land.

SEC. 2. Only persons who are enrolled members of the Standing Rock Sioux Tribe of North Dakota and South Dakota (hereinafter the "tribe"), who are members of a federally recognized Indian tribe, or who are otherwise recognized as Indians by the Secretary of the Interior (hereinafter the "Secretary") or the tribe shall be entitled to receive by devise or descent any interest in trust or restricted land within the boundaries of the reservation as defined by the Act of March 2, 1889 (25 Stat. 888), except as provided in section 4 of this Act.

SEC. 3. (a) Whenever any Indian dies leaving any interest in trust or restricted land within the reservation and the trust or restricted land has not been devised by an approved will consistent with the provisions of section 2 of this Act, such interest shall descend to the following persons, subject to their being eligible heirs pursuant to section 2 of this Act:

(1) one-half of the interest shall descend to the surviving spouse and the other one-half shall descend in equal shares to the children of the decedent and to the issue of any deceased child of the decedent by right of representation;

(2) if there is no surviving spouse, the interest shall descend in equal shares to the children of the decedent and to the issue of any deceased child of the decedent by right of representation;

(3) if there are no surviving children or issue of any child, the interest shall descend to the surviving spouse;

(4) if there is no surviving spouse and no surviving children or issue or any child, the interest shall descend to the parents of the decedent;

(5) if there is no surviving spouse, and no surviving children or issue of any child, and no surviving parents, the interest shall descend equally to the brothers and sisters of the decedent; and

(6) if there is no surviving spouse, no surviving children or issue of any child, no surviving parents, and no surviving brothers or sisters, the interest shall escheat to the tribe.

(b) Any interest which descends in accordance with this section shall be subject to the right of a non-Indian surviving spouse as provided in section 4(a) of this Act.

(c) As used in this Act, the words "children" and "issue" shall include adopted children and acknowledged illegitimate children.

SEC. 4. (a) Notwithstanding the provisions of section 2 of this Act, the non-Indian surviving spouse of an Indian decedent who leaves any interest in trust or restricted lands within the reservation shall be entitled to take not more than an undivided one-half interest in all such trust or restricted lands during his or her lifetime.

(b) If a decedent has devised an interest in trust or restricted land located within the reservation to a person prohibited by section 2 from acquiring an interest in such trust or restricted land and the consequence of such prohibition is that the interest in land would escheat to the tribe pursuant to section 3(a)(6) of this Act, the devise shall be prohibited only if, while the estate is pending before the Secretary, the tribe pays to the Secretary on behalf of such devisee the fair market value of such interest as determined by the Secretary. The value of any life estate reserved to a surviving spouse under the provisions of subsection (a) of this section shall be reflected in the Secretary's determination. The interest for which such payment is made by the tribe shall thereafter be held by the United States in trust for the tribe.

SEC. 5. The provisions of this Act shall apply only to estates of decedents whose deaths occur on or after the date of enactment of this Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

A BALANCED BUDGET MUST BE THE GOAL FOR THIS YEAR

(Mr. MAVROULES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAVROULES. Mr. Speaker, according to the administration, the plight of our economy has now reached the crisis stage, a fact long known by the American people.

Over the past weekend, Federal agencies have been at work trimming the proposed fiscal year 1981 budget by $20 billion. But here on the Hill, for the past several days we have heard only words calling for a balanced budget and a cap on Federal spending, with no action to back them up.

As we all know, talk can be very cheap indeed. It is quite easy to cosponsor a resolution calling for fiscal austerity.

It is much harder to realize that goal and go against the grain of the many so-called fiscal constituencies who will be knocking at our doors, asking that their particular programs be spared from the cleaver. But that is exactly what is called for now, with inflation running at 20 percent.

Without a committed effort by this body to cut back Federal spending, program by program, resolutions calling for that are as good as a snake oil remedy, as the distinguished majority leader of the Senate aptly called them, that will cure nothing.

If a balanced budget is a goal, let us have it this year.

Let us endure the short-term problems associated with Federal spending cutbacks this year, so that down the stretch the entire Nation will benefit from a balanced, noninflationary economy.

TRIBUTE TO KENNETH R. HARDING ON HIS RETIREMENT AS SERGEANT AT ARMS

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, I rise today to pay tribute to a man who will be sorely missed by the Members of the House of Representatives. The impending retirement of Sergeant at Arms Kenneth R. Harding will leave all of us a little poorer.

Ken Harding has become an institution in these Halls of Congress, serving as Assistant Sergeant at Arms from 1954 to 1972, and as Sergeant at Arms continuously since his first election to the office on October 1, 1972.

My association with Ken Harding dates back to my first days in the Congress in January of 1965. When I was still wet behind the ears, Ken was always there with guidance and kindness and patience. He shared with me his intimate knowledge of the workings of this body, and helped me in any way that he could, never hesitating to go that one extra step.

Through the years, Ken and I have shared some very special moments, and I am privileged to be able to call him my friend. He is a truly fine gentleman and a great asset to this body.

While it is unfortunate that future Congresses will not have the benefit of Ken Harding's wisdom and understanding, I know that all of you share with me in wishing Ken and his family the best of everything in his future endeavors.

OPPOSING UNITED NATIONS ACTION ON WEST BANK AND JERUSALEM

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, I rise to express my anger and disappointment at this Nation's support for a one-sided U.N. Security Council resolution calling on Israel to dismantle its settlements in the territories taken in 1967, including the old city of Jerusalem. The resolution also calls on members of the United Nations not to offer Israel any foreign aid which might be used specifically in connection with the settlements.

Mr. Speaker, none of us is surprised that the Security Council would consider such a resolution. But I must express my shock at the U.S. acquiescence in the anti-Israel barrage.

The resolution makes no distinction between Israel's security settlements along the Jordan River and its more questionable settlements like Elon Moreh. It makes no distinction between settlements in Hebron and Israeli built housing in East Jerusalem. No, in this resolution all Israeli structures in the territories have to be removed. Israelis are told to tear down apartment houses in Israel's capital, even recently restored Jewish dwellings in the old city.

Mr. Speaker, I am not saying that the United States must support Israeli settlements all over the West Bank. Many friends of Israel, and many Israelis, have serious reservations about the wisdom of Israeli settlements in areas populated heavily by Arabs. But at the same time it is clearly not helpful for the United States to label all Israeli settlements illegal. Nor is it fair, or even reasonable, to question Israel's claim to its own capital city, Jerusalem.

This new U.S. diplomatic course is especially distressing at a time when our Nation sorely needs all the friends it can get. Israel has consistently been a friend and ally of the United States. It hardly behooves the United States to join the enemies of Israel in a grossly unbalanced attack on the Jewish State and its policies. I sincerely regret that the administration has embarked on this course, and I hope that other Members of Congress will join in protesting it.

□ 1210

CENSURE OF ISRAEL A GRAVE MISTAKE

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, on Saturday, the United Nations Security Council voted to censure Israel for maintaining Jewish settlements on the West Bank. The Carter administration sided with the other Security Council members, including the Soviets, in a unanimous vote. This marks the first time in U.N. history that the United States has voted against our ally, Israel, on a matter of this type.

The action of the Security Council can have no other effect than to encourage the radical element—Yasir Arafat and his followers, who say that within 5 years they will hoist the PLO flag over Jerusalem. But, Mr. Speaker, the Carter administration must understand that the West Bank is essential to Israel's security and that Jerusalem should never be returned to Arab control, but rather should be recognized as Israel's capital city.

The Carter administration's participation in this resolution of censure puts a cloud over our special, historic relationship with our ally Israel, the only stable democracy in the Middle East.

It is a grave mistake, Mr. Speaker, an action that all Americans should condemn.

"AMERICAN UNITY PRAYER FOR THE HOSTAGES," BY RUTH CARLON

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FISH. Mr. Speaker, for some time now, a radio station in my congressional district has played a recording of a poem entitled "American Unity Prayer for the Hostages." Each morning, radio station WKIP, in Poughkeepsie, N.Y., plays this poem which was written by my constituent, Mrs. Ruth Carlon of Poughkeepsie.

I find this prayer very appealing and my constituents, concerned as are all Americans about the continued internment of the American hostages in Iran, have responded. It has become clear to me how deeply people believe in the power of daily prayer as a force to free our hostages in Iran.

I include the text of the "American Unity Prayer for the Hostages." I urge my colleagues to refer this prayer to radio stations in their own areas and to ask that it be broadcast.

AMERICAN UNITY PRAYER FOR THE HOSTAGES

We beseech you heavenly Father
  Please Lord hear our plea
Help free the hostages who are held
  In Tehran at the Embassy.

Soften the heart of their captors
  With your spirit of mercy and peace
Grant them to see that vengeance is yours
  Please Lord help this hatred cease.

Lead all of us in a spirit of love
  To penetrate hatred's wall
In mankind of every race and creed
  Please Lord give your mercy to us all.
  Amen.

INFLATION LAUNCHING CENTER

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, as we prepare to deal with a new and unbalanced budget for the coming year I should like to suggest that this imposing room—where we meet and enact our appropriations—have its name changed from the "House Chamber" to the more descriptive title of "Inflation Launching Center." In addition, and as an aid to my colleagues in dealing with the inevitable inflation to follow adoption of our new budget resolution, they should know that once you pass a trillion, which is 1,000 billions, you reach a quadrillion, which equals 1,000 trillions. From there, keep adding zeroes to make quintillion, sextillion, septillion, etc. etc. etc.

THE "CARTER QUARTER": A SYMBOL OF CONGRESSIONAL DEMOCRATS

(Mr. MARRIOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MARRIOTT. Mr. Speaker, the new dollar coin, kiddingly called the "Carter Quarter," is really a fitting symbol for the majority party in Congress.

Although it is called a dollar, the new coin is only a little larger than a quarter.

The majority party has had control of both Houses of Congress for a little more than a quarter of a century; in that time, they have reduced the purchasing power of the dollar to a little more than a quarter of what it was in 1955.

Actually, the new coin is worth even less than that. The metal they are made of is valued at about 3 cents. Compare that to the old silver dollars the majority party did away with a few years ago. Each of them is worth about $20 each today, just for the silver in them.

The majority party has debased our currency and debased our economy.

Both Susan B. Anthony and the American people deserve better than what they are getting.

A change in the White House this year must be matched by a change in the party controlling Congress—for, no matter who the President is, he cannot spend more than Congress will appropriate.

We have had a quarter century of Democrat control of Congress, control that has seen a growth in spending, a growth in deficits, a growth in bureaucracy, and a growth in regulation and paperwork—but a shrinking economy, shrinking productivity, shrinking American influence in the world, a shrinking defense program, and a shrinking dollar.

Let us turn things around by electing a Republican majority to Congress in 1980.

AMERICAN FAMILIES NEED TAX CUT

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, yesterday the Washington Post suggested that tax increases were a way to control inflation.

Well, tax increases have not worked for the last 4 years. The people in charge of Congress have increased the tax burden by $166 billion—over $2,000 per family. Without a tax cut, the tax burden on the American people in 1981 will rise by $76 billion.

With inflation surging upwards at 20 percent in January and February of this year, American families need a tax cut just to be able to afford groceries. They face a choice now between heating or eating. Without a tax cut more and more middle-income families will not be able to make ends meet.

Two weeks ago more than one third of the House of Representatives signed a letter to the Speaker demanding a vote on a real tax cut for working Americans.

We are not asking for much—just a recorded vote so the American people will know which Congressmen want to solve inflation by raising taxes, and which want to help families fight it by lowering taxes.

Tax increases have not solved inflation—they have added to it. We need a change, because the American people are in pain. They feel the pain of inflation when they buy grocercies. They feel the pain of higher taxes every time they earn a raise. We must cut taxes and give American families a fighting chance against inflation.

MEMBERS SHOULD REFRAIN FROM VOTING WHILE UNDER INDICTMENT

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, today I offer a House resolution which will send a clear signal to the American people that this body is prepared to deal strongly with those Members who are under suspicion of criminal wrongdoing.

My resolution states that if a Member of the House of Representatives is indicted by a grand jury on a felony charge, that Member should not participate or vote in committee or in the House, or in the Committee of the Whole House.

This resolution is not intended to presume guilt on any Member of this body who may face grand jury indictment. Rather, it provides a way for this body to maintain its integrity while any of its Members are under suspicion of criminal wrongdoing. In many professions, a person under investigation is suspended until the case is dispensed with. That is the purpose of my resolution.

The recent alleged wrongdoing by some Members has seriously undermined the American people's confidence in the House of Representatives as a whole, and in each of its Members individually. I believe it would be in the best interest of the people, those members who may face grand jury indictments, and the entire House that any Representatives charged refrain from voting or participating in their committees or on the floor of the House until charges are dismissed, all judicial proceedings are terminated, or the Member is found innocent.

BALANCED BUDGET

(Mr. HOPKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOPKINS. Mr. Speaker, at this moment, behind closed doors, members of the House Budget Committee from both sides of the aisle are meeting in an effort to draw up a so-called balanced budget of one form or another.

Apparently, those brave souls are not alone. In fact, to read a headline in yesterday's Washington Star, you would think that every Member and every House committee had suddenly dropped everything to pursue—of all things—a balanced Federal budget for the 1981 fiscal year.

That headline reads: "Everyone in House Working on Plan To Balance Budget."

I only wish it was true. So do the 87 percent of my constituents who pleaded for a balanced budget on my recent districtwide questionnaire.

But unfortunately, simply wishing for a balanced budget will not make it so. It will take old-fashioned guts and courage. For a while everyone says he or she wants to balance the budget, we all have our favorite programs which we think deserve higher, not lower, funding. These too will have to be cut.

Mr. Speaker, it will not be easy. but I truly hope that this distinguished body is up the task of restoring some sanity to our Nation's fiscal policies. 200 million Americans hope so too.

BALANCED BUDGET FEVER AND THE DEPTH OF THE SNOW

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I want to welcome you back from what was reported to be a bout with the flu last week. I can sympathize with you. I have been down with the same sort of bug for the past 2 weeks. But Mr. Speaker, I want to warn you to protect your health, because while you were away last week, some sort of virulent fever has gone through the Democratic ranks. For want of a better word, I will call it "Balanced Budget Fever." All of a sudden the Democratic Study Group and other liberals who have never been within 100 miles of a balanced Federal budget seem to understand that they need to take steps to balance the budget and stop 18 percent inflation.

On the Republican side we have been pleading with you for years to do this. So I have two suggestions: One is that if we are going to balance the budget in this Congress, we should perhaps reconsider who should be Speaker and elect the gentleman from California (Mr. ROUSSELOT), who has been trying to get the budget balanced for years with his famous amendments; and the other suggestion I would make to you is that snow is not the only thing around the Nation's Capital today that is piled high and deep.

MINORITY NEEDS TO SPEAK UP

(Mr. JACOBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JACOBS. Mr. Speaker, I take this time to speak up on behalf of the gentleman from Arizona (Mr. RHODES), the minority leader, and to suggest to the minority Members that the present minority leader's campaign for putting more than his "eye" (respects to previous remarks of the present Speaker) on the Speaker's chair is jeopardized by the remarks of the gentleman from Maryland (Mr. BAUMAN). It is all a fantasy, but just for the record I thought we ought to get it straight.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted the Speaker on Thursday, February 28, 1980, the Speaker did on that day sign the following enrolled bills:

H.R. 891. An act for the relief of Barbara Laws Smith;

H.R. 948. An act for the relief of Maria Corazon Samtoy;

H.R. 1559. An act for the relief of Nelia Ruiz Hedlund;

H.R. 3139. An act for the relief of Pedro Gauyan Nelson;

H.R. 3873. An act for the relief of Jan Kutina;

H.R. 5235. An act to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services, and for other purposes;

H.R. 6374. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ambassador Kenneth Taylor;

S. 1850. An act to authorize the conveyance of land in the city of Hot Springs, Ark.;

S.J. Res. 43. Joint resolution to proclaim March 21, 1980, "National Energy Education Day"; and

S.J. Res. 109. Joint resolution to provide for the designation of October 3, 1980, as "American Enterprise Day."

☐ 1220

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP, HELD IN SAN DIEGO, CALIF.

The SPEAKER. Pursuant to the provisions of Public Law 86-42, as amended, the Chair appoints as members of the U.S. delegation of the Canada-United States Inter-Parliamentary Group, held in San Diego, Calif., May 23 to 27, 1980, the following Members of the House.

The gentleman from Florida (Mr. FASCELL), chairman; the gentleman from California (Mr. JOHNSON), vice chairman; the gentleman from Massachusetts (Mr. BOLAND); the gentleman from Florida (Mr. GIBBONS); the gentleman from New York (Mr. HANLEY); the gentleman from Minnesota (Mr. OBERSTAR); the gentleman from Washington (Mr. BONKER); the gentleman from California (Mr. LLOYD); the gentleman from Michigan (Mr. BROOMFIELD); the gentleman from New York (Mr. HORTON); the gentleman from New York (Mr. McEWEN); and the gentleman from Kansas (Mr. WINN).

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
March 3, 1980.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House received in the Office of the Clerk on Friday, February 29, 1980 at 3:15 p.m., and said to contain a message from the President wherein he transmits the 12th annual report of the Department of Transportation.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.
By W. Raymond Colley,
Deputy Clerk.

Enclosure.

TWELFTH ANNUAL REPORT OF DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation, the Committee on Interstate and Foreign Commerce, and the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I transmit herewith the Twelfth Annual Report of the Department of Transportation. This report has been prepared in accordance with Section 11 of Public Law 89-670 and covers fiscal year 1978.

Jimmy Carter.

The White House, *February 29, 1980.*

RESIGNATION AS MEMBER OF COMMITTEE ON THE JUDICIARY

The SPEAKER laid before the House the following resignation as a member of the Committee on the Judiciary.

House of Representatives,
Washington, D.C., February 28, 1980.

Hon. Thomas P. O'Neill, Jr.,
Speaker of the House,
H-205 Capitol,
Washington, D.C.

Dear Mr. Speaker: I hereby resign as a member of the House Committee on the Judiciary effective immediately.

Sincerely,
Richard Shelby.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C., *March 1, 1980.*

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Under Rule III, Clause 4 (Section 647) of the Rules of the House of Representatives, I herewith designate Mr. W. Raymond Colley, Deputy Clerk, to sign any and all papers and do all other acts for me under the name of the Clerk of the House which he would be authorized to do by virtue of this designation, except such as are provided by statute, in cases of my temporary absence or disability.

If Mr. Colley should not be able to act in my behalf for any reason, then Mr. Thomas E. Ladd, Assistant to the Clerk, should similarly perform such duties under the same conditions as are authorized by this designation.

These designations shall remain in effect for the remainder of the 96th Congress or until revoked by me and supersede the designations contained in my letter to you, dated January 15, 1979.

Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(1) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

NATIONAL BICYCLING DAY

Ms. OAKAR. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 414) authorizing the President to proclaim May 1, 1980, "National Bicycling Day."

The Clerk read as follows:

H.J. Res. 414

Whereas, for more than a century, Americans of all ages have used the bicycle for personal transportation, health, fitness, and enjoyment;

Whereas more than one hundred million Americans engage in bicycling for recreation and transportation;

Whereas, for more than twenty years, the bicycle industry of the United States has celebrated the month of May as American Bike Month, observing the joys and utility of this unique, human-powered vehicle;

Whereas no single vehicle is more widely used by the youth of our Nation;

Whereas, with the increasing complexity of our national energy situation, Americans of all ages have discovered the great variety of practical uses of the bicycle for commuting, shopping, touring, improving physical fitness, camping, and enjoying the out-of-doors; and

Whereas the bicycle can be expected to play an increasingly important role in our Nation's energy conservation program: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating May 1, 1980, as "National Bicycling Day", and calling upon the people of the United States to observe such day with appropriate activities.

The SPEAKER pro tempore (Mr. Mavroules). Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Ohio (Ms. Oakar) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. Courter) is recognized for 20 minutes.

The Chair recognizes the gentlewoman from Ohio (Ms. Oakar).

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 414 would designate May 1, 1980, as National Bicycling Day. The resolution was passed by voice vote of the Committee on Post Office and Civil Service on February 27, 1980.

House Joint Resolution 414 has over 218 cosponsors in accordance with the full committee policy on commemorative legislation.

Mr. ANDERSON of California. Mr. Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from California for purposes of debate only.

Mr. ANDERSON of California. I thank the gentlewoman for yielding.

Mr. Speaker, I rise in support of House Joint Resolution 414, which designates May 1 of this year as "National Bicycling Day." Our colleague from Ohio, Congressman Guyer, is to be commended for offering this resolution and working so hard to get it passed. I can say from experience that it is not easy getting 218 Members to agree to cosponsor a bill.

Certainly, though, his was a worthwhile effort because it is causing the membership, right now, to focus on the contributions bicycles make to our society. They are many. Undeniably, they are fun. That much is probably known by every person in this Chamber who remembers his childhood days. Many of us continued riding bicycles even after entering the adult world, and we know they continue providing enjoyable recreation for people of all ages. And unlike too many other forms of recreation, bicycles are good for you. Even while you are enjoying riding around, they provide you with healthy exercise.

Bicycles are healthy not only for the user, but for the nonuser as well. People riding bicycles are not polluting the environment. And bikes are healthy, as a mode of transportation, to American society as a whole. Everytime someone rides a bicycle instead of an automobile, he helps our country reduce the amount of oil we need to import from other nations. He helps reduce our balance-of-trade deficit and is striking a blow in the struggle that will allow our country to do what it thinks is right in foreign affairs, unafraid of some other nation's "oil card."

All of this might sound a little melodramatic. But we should all think about it, and realize that it is true. Last year when I tried to get the funding for the Federal bicycle program increased, I cited the statistic that if only 1 percent of all auto trips of 5 miles or less in this country were made by bicycle, we would save about 131 million gallons of gasoline a year. Now, at that time, the prices of gasoline was not quite what it is today.

So saving 131 million gallons might not have seemed like so much. But with today's prices of gasoline, let us say $1.25 per gallon, a savings of 131 million gallons converts to a cost savings to the American consumer of nearly $164 million. That is worth repeating. If only 1 percent of auto trips of 5 miles or less were made by bicycle instead, the American public would save nearly $164 million.

Clearly, the bicycle is more than a child's toy. That is why I cosponsored this resolution, and that is why I congratulate Congressman GUYER on offering it. The bicycle can make a very important contribution to the well-being of this country. Anything that might make more people realize this, and particularly, Mr. Speaker, more of our colleagues who are really in a position to do something about it, is something that I will support to the best of my ability.

Ms. OAKAR. Mr. Speaker, I thank the gentleman, and I reserve the balance of my time.

Mr. COURTER. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 414, proclaiming May 1, 1980, as "National Bicycling Day."

America's love affair with the bicycle is blossoming.

The spurt in popularity of the two-wheelers began to surge during the Nation's fuel crisis in 1973 and 1974.

The Bicycle Manufacturers Association reported the number of American bicyclists is now well over 100 million. This means that nearly one-half the people of this country now ride bicycles.

We have seen the bicycle evolve into a sophisticated vehicle as a means of transportation for commuting as well as a health, recreational, and energy conserving device.

What all this indicates is that the bicycle is still opening doors to our future. And whether performing tasks or just providing the freedom of a coast down hill, the bicycle is without doubt part of our plans for a better world. I urge my colleagues to support this resolution.

Mr. GUYER. Mr. Speaker, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Speaker, as a prime sponsor, I want to thank the 223 cosponsors who made this possible to be on the floor here today. I think it is a welcome departure from all of the sordid headlines, the problem of our hostages, invasion, and bloodshed around the world, to have something that is truly American and refreshing.

It might be interesting for the Members to know that it not only deals with the problem of energy, transportation, physical fitness, health and recreation, but this simple measure would signal to all America a fitting proclamation which the industry itself has traditionally done for more than 20 years declaring May a month for the American bike.

I can well recall the first bicycle I received at Christmas time and the elation and the joy that I had, and I have not diminished that joy now.

It might be well to put into the record also that if just 1 percent of all trips of 5 miles or less that are normally made by automobiles were made by bicycles, it would save 134 million gallons of gas a year. And if all the trips of 2 miles or less normally made by cars were entirely made by bicycles, it would save 2½ billion gallons of gas a year.

I do not think I need to expand upon this. Young and old alike, I think, will take this measure to their hearts.

The nice thing about it, it does not cost 1 penny. It just simply asks the President to authorize May 1, which by the way is on a Thursday this year, for this purpose. The bicycle might just be a great friend in need and deed.

I thank the gentleman for yielding.

Ms. OAKAR. Mr. Speaker. I yield such time as he may consume to the gentleman from Ohio (Mr. HALL).

Mr. HALL of Ohio. Mr. Speaker, I rise in support of House Joint Resolution 414, which authorizes the President to proclaim May 1, 1980, as "National Bicycling Day."

As a cosponsor of this resolution, I have been pleased to work with my colleague from Ohio (Mr. GUYER) to secure additional cosponsors of National Bicycling Day. It is my understanding that 224 Members of Congress joined as cosponsors.

May traditionally has been recognized as American Bike Month by bicycle organizations and enthusiasts. An official proclamation of May 1 as National Bicycling Day will focus nationwide attention on the contributions of bicycling to the quality of life in the United States.

With the need to conserve gasoline, the bicycle is an increasingly attractive means of transportation for short commuting. Sixty-two percent of all automobile trips in the United States are 5 miles or less. If only 1 percent of these trips was made by bicycles, we could save 131 million gallons of gasoline per year.

There are over 105 million American cyclists. Over 9 million bicycles were sold in the United States in 1978, and between 1972 and 1978, bicycles actually outsold cars in this country.

"Pedal power" clearly is on the upswing in our Nation, and more bikeways are being built in our communities. The Dayton, Ohio, area, which I represent, has 23 bikeways and presently is completing a "river bikeway" of 24 miles.

In addition, we are pleased that the Nation's largest manufacturer of bicycles, Huffy Corp., has its corporate offices in Dayton. By this summer, Huffy's manufacturing plants in Ohio, California, and Oklahoma will be turning out approximately 4 million bicycles each year.

Many worthy commemorative resolutions are introduced in each session of Congress. Certainly, it is difficult for a Member of Congress to decide which to support. For this reason, it is gratifying that a majority of the House of Representatives decided to cosponsor National Bicycling Day so that it could receive favorable committee consideration and be brought to the House floor for a vote. In doing this, they have chosen to honor a pastime in which the participants save energy, do not pollute, lose weight, and stay healthy.

I commend the gentleman from Ohio (Mr. GUYER) for his efforts on behalf of National Bicycling Day, and I urge my colleagues to vote in favor of this resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio (Ms. OAKAR) that the House suspend the rules and pass the joint resolution (H.J. Res. 414).

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIONAL CYSTIC FIBROSIS WEEK

Ms. OAKAR. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 445) to designate the third week of September as "National Cystic Fibrosis Week," as amended.

The Clerk read as follows:

H.J. RES. 445

Whereas cystic fibrosis is the number one genetic killer of children in America, and between one thousand five hundred and two thousand five hundred are born each year in this country with the disease; and

Whereas public understanding of cystic fibrosis is essential to enhance early detection and treatment of the disease and reduce the misunderstanding and confusion concerning the symptoms of cystic fibrosis; and

Whereas a national awareness of the cystic fibrosis problem will stimulate interest and concern leading to increased research and eventually a cure for cystic fibrosis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That "week of September 21, 1980," is designated as "National Cystic Fibrosis Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The SPEAKER pro tempore. Is a second demanded?

Mr. COURTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. OAKAR) is recognized for 20 minutes, and the gentleman from New Jersey (Mr. COURTER) is recognized for 20 minutes.

The Chair recognizes the gentlewoman from Ohio (Ms. OAKAR).

□ 1230

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 445 would designate the week of September 21 to 27, 1980, as "National Cystic Fibrosis Week."

House Joint Resolution 445 was passed by a voice vote of the Committee on Post Office and Civil Service on February 27, 1980. The resolution has more than 218 cosponsors in accordance with the full committee policy on commemorative legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. COURTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 445, designating the third week in September as "National Cystic Fibrosis Week."

Cystic fibrosis is a genetically determined chronic disease that affects 1 in 2,000 babies born in the United States each year.

The cruel reality of cystic fibrosis is that it is still incurable. It is a vicious inherited disease. By enacting House Joint Resolution 445, we will be encouraging more public understanding and support for future research for cures, treatment, and early detection.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I am pleased to rise in support of House Joint Resolution 445, which will designate the third week of September as National Cystic Fibrosis Week. I had the honor of introducing this resolution last November, and over 220 of my colleagues have joined me in calling attention to the No. 1 genetic killer of young people in America.

Cystic fibrosis begins its attack on lives at birth, and few of its victims survive into their twenties. I have met many young people who have cystic fibrosis, and they are some of the strongest children I know. Strongest not in body, for their disease has attacked their lungs and digestive systems, and made it hard for them to keep up their growth with their age group. No, these children and young adults are strong in spirit, and it is their determination to fight that keeps them alive longer than medical science used to believe possible. Unfortunately, that still is not long enough—because cystic fibrosis still takes their lives, sooner or later.

During National Cystic Fibrosis Week, from September 21 through 27 of this year, there will be a national public education campaign about this disease. Parents will learn about the importance of early diagnosis and care for cystic fibrosis, and how to recognize the symptoms of the disease. Teachers and employers will learn about the potential that people with cystic fibrosis have to contribute to our society. And all of us will learn about the importance of supporting more research into this fatal disease.

I have enjoyed working with the Cystic Fibrosis Foundation in the fight against cystic fibrosis, and I urge all my colleagues to join with me today in supporting this important resolution.

Mr. COURTER. Mr. Speaker, I thank the gentleman for his appropriate comments.

Mr. Speaker, I yield back the balance of my time.

● Mr. LaFALCE. Mr. Speaker, I would like to express my strong support for House Joint Resolution 445 to designate the third week of September as "National Cystic Fibrosis Week."

Cystic fibrosis is an inherited disease affecting the pancreas and respiratory system. It is the No. 1 genetic killer of children in our country and despite significant progress in treatment and diagnosis, much remains to be done. The medical community as well as the families of those afflicted with the disease will benefit greatly from an increased public awareness of cystic fibrosis.

Our designation of 1 week a year for awareness purposes will not cost the Federal Government any money. The benefits of an increased knowledge of the symptoms of cystic fibrosis cannot be measured in dollars and cents, nor can the understanding of the daily treatment regimen and recommended lifestyle of the CF child be assigned a tangible value. But the importance of early detection is great as is a supportive public to the child and his family.

A metabolic dysfunction, cystic fibrosis has no known cure. Antibiotics and close monitoring can improve comfort and life expectancy, but frequent hospitalization and bouts of extreme pain are not unknown to the CF child.

Often referred to as having a "hidden handicap," a child afflicted with CF wants to lead as normal a life as possible. I believe a week of public awareness programs can help achieve that goal. I hope my colleagues concur and will vote today for passage of National Cystic Fibrosis Week.●

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio (Ms. OAKAR) that the House suspend the rules and pass the joint resolution (H.J. Res. 445), as amended.

The question was taken.

Mr. CONTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIONAL DIABETES WEEK

Ms. OAKAR. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 463) designating the week of October 5 through October 11, 1980, as "National Diabetes Week."

The Clerk read as follows:

H.J. RES. 463

Whereas diabetes kills more Americans than all other diseases except cancer and cardiovascular diseases; and

Whereas ten million Americans suffer from diabetes and $5,300,000,000 annually are used for health care costs, disability payments, and lost wage costs due to diabetes; and

Whereas a national awareness of the diabetes problem may stimulate interest and concern leading to increased research and eventually a cure for diabetes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 5 through 11, 1980, is designated as "National Diabetes Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Ohio (Ms. OAKAR) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. COURTER) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 463 would designate the week of October 5 through 11, 1980, as "National Diabetes Week."

House Joint Resolution 463 was passed by voice vote of the Committee on Post Office and Civil Service on February 27, 1980.

The resolution has more than 220 cosponsors in accordance with the full committee policy on commemorative legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. COURTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 463, designating the week of October 5 through 11, 1980, as "National Diabetes Week."

Diabetes seems to be a grab bag of different disorders. Some diabetics produce too little or no insulin. Some produce a great deal of insulin but release it at the wrong times or fail to respond to it. Some have symptoms of diabetes, such as frequent urination, thirst, or hunger. Some are symptomless. But all of these patients have one thing in common: Abnormally high sugar concentration in blood. Nearly all diabetics are subject to complications such as heart disease, blindness, cataracts, blood vessel damage, nerve disorders, and kidney damage.

I urge my colleagues to support this resolution in order to stimulate public awareness of this disease in hopes that some day diabetes will cease to be a threat to the millions of people who now have the disease.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, I thank the gentleman for yielding this time.

Mr. Speaker, today the House takes up House Joint Resolution 463, legislation commemorating the week of October 5 to 11, 1980, as "National Diabetes Week."

Mr. Speaker, I do want to commend the more than 220 of my colleagues who have signed the sponsorship for this resolution to make it possible to bring it to the floor.

Last year was the first time that the Congress enacted a National Diabetes Week and it is especially appropriate that we should do so again this year. During the past year, researchers have made five significant breakthroughs in diabetes research. It is my hope that the increased public awareness of this disease will stimulate interest which will ultimately lead to a cure for diabetes.

While most Americans have some general knowledge about diabetes, not enough of us understand what a serious and deadly disease it is. Ten million Americans suffer from diabetes and 300,000 Americans die each year as a result of it. Diabetes is the third leading cause of death by disease in this country, after heart diease and cancer, and it often leads to heart attack, stroke, kidney damage, gangrene, nerve damage and blindness.

Diabetes has an impact on our economy, too. Nearly $7 billion is lost annually through unearned wages, health care costs and disability payments.

I am proud to be the sponsor of this commemorative resolution and I hope that every Member of the House will join with me today in voting in favor of House Joint Resolution 463. Our recognition of this disease can make a difference for the millions of Americans who suffer from diabetes and those who will be its victim in the future.

☐ 1240

Mr. COURTER. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise along with my colleagues, in support of House Joint Resolution 463, a resolution which designates the week of October 5th as "National Diabetes Week."

Diabetes is a chronic disease caused by either an insufficient supply of insulin in the body or by defects in the action of insulin. Produced by the pancreas this insulin is a key hormone in the control of many of the complex physical and chemical processes involved in the maintenance of life, in particular those processes which involve blood sugar or glucose.

Before the discovery of insulin in 1921 by Dr. Frederick Banting, the prognosis for the diabetic was a tragic one. In fact life expectancy without outside sources of insulin to preclude excessive glucose accumulation in the bloodstream ranged between 2 months and 2 years. And although the discovery of insulin has extended life expectancies dramatically, we must remember that this is merely a treatment, not a cure.

In the United States diabetes is still the fifth leading killer. It is the leading cause of new blindness and is a major direct and indirect cause of heart attacks and strokes. As many as 10 million Americans have been or will be affected by this debilitating disease and its prevalence is rising at the rapid rate of 6 percent per year.

The only effective way to deal with diabetes is to continue the arduous task of research in order that a cure can be found. I am happy to point out that advances made in the last 10 years in this field have outpaced accomplishments of the previous 50. Yet more attention still needs to be focused on both increasing awareness of the disease and continuing the quest for a cure. Through my position on the Labor-HEW subcommittee and as ranking minority member of the full Appropriations Committee, I pledge to not only expose the problem of diabetes, but to secure appropriate funding levels for the six national institutes which carry on biomedical research. We must continue to work through every appropriate channel in order that we can offer the victims of this dreaded disease not only treatments, but cures.

Mr. COURTER. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, about 3 years ago one afternoon my youngest son, a teenager, came to me and complained about having a tremendous problem with thirst. I kind of passed it off not thinking too much about it but suggested, after this continued a day or two, that he see our local doctor. He did so and a quick examination disclosed that he was a victim of diabetes. He went immediately to the hospital where his sugar count was found to be quite high. He then began a long and slow process of being reregulated and brought back into balance. From that day to this he still takes a daily injection of insulin and has learned to live with the disease we call diabetes.

While I think that is a typical case, the thing about diabetes today is that it has become more and more a young people's disease. If one studies it, one finds that the age level and incidence is going down and down, and the cases are being found not only in teenagers, but in preschool children and children just beginning school who fall in this group as well. They have to spend a lifetime learning how to live with it.

We hope that the breakthroughs the gentleman from New Jersey (Mr. FORSYTHE) referred to will be made and will open the possibility for normal life for these people once again.

The thing that concerns me most is that there are literally thousands of people in this country today who have diabetes and are unaware of it. I think that is where the focus on National Diabetes Week begins, to get people aware of the problem. It is the unknown diabetic who can be struck by coma, who can begin to have irreversible vision problems. heart problems, and all of the things that go with diabetes that can be checked and stopped if they know about it. I think this is one important step we can take to bring up the level of public awareness and that can save a lot of lives and a lot of misery and many people's health if we unanimously approve this resolution today.

Mr. COURTER. Mr. Speaker, I thank the gentleman for his very useful and important comments, and I yield back the balance of my time.

● Mr. LaFALCE. Mr. Speaker, 10 million Americans suffer from diabetes, a disease which ranks behind only cancer and cardiovascular disease as our Nation's third killer disease.

Our national economy and the livelihoods of millions of workers are either partially or entirely victimized by diabetes, with $5.3 billion annually lost through wages and costs for health care and disability payments. The prevalence of diabetes is increasing by 6 percent per year, a rate which means that a child born today in the United States faces a 1-in-5 chance of contracting diabetes if he or she lives to age 70. The disease affects people of all incomes, races and ages, yet it goes untreated and unacknowledged by far too many, leading to much unnecessary suffering and death.

The designation of the week of October 5 through 11, 1980 as "National Diabetes Week" would serve to focus attention on the symptoms and treatments for the disease. If treated properly, the diabetic can lead a normal, productive life thanks to insulin and a controlled diet. But, diabetes reduces life expectancy approximately 30 percent from the time of onset, and every month and year it continues without treatment is time that cannot be recaptured through medication.

The causes and means of prevention of diabetes are unknown. While it is important to alert possible diabetics to symptoms and treatments, another crucial goal of this resolution is to focus attention on the need for increased research into the causes and cures of the disease. The inability of major research centers to raise funding for long-term projects on this disease is a problem which an increased awareness of the seriousness of diabetes might help remedy.

I urge passage of "National Diabetes Week". ●

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio (Ms. OAKAR) that the House suspend the rules and pass the joint resolution (H.J. Res. 463).

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolutions just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

GOLD MEDAL FOR GERALD F. SPIESS

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4960), to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Gerald F. Spiess, as amended.

The Clerk read as follows:

H.R. 4960

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is hereby authorized to present, on behalf of the Congress, to Gerald F. Spiess, transatlantic sailor, one gold medal of appropriate design in recognition of his distinguished feat as a sailing pioneer. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck one gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There is authorized to be appropriated not to exceed $15,000 after October 1, 1980, to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the cost of the gold medal, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medal provided for in this section is a national medal for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

The SPEAKER pro tempore. Is a second demanded?

Mr. GREEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from New York (Mr. GREEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4960 would authorize the President to present on behalf of Congress a specially struck gold medal to Gerald F. Spiess. This medal is in recognition of his distinguished feat as a sailing pioneer in sailing a homemade 10-foot boat across the Atlantic.

For 2½ years Gerald Spiess quietly worked in his garage in Minnesota building a small boat called the *Yankee Girl*. Last year, with no fanfare he hitched his boat to his car, towed it to Virginia and set sail. Fifty-four days later he landed in England. Not only had he sailed the smallest boat ever to cross the Atlantic, but he made the crossing in 12 days less than the previous record-holder.

Gerry Spiess did not undertake this voyage to become famous or to set records. Even his fellow workers and many friends were unaware of his plans. He did it for the challenge.

This voyage typifies the American spirit. His determination to succeed is exemplified by the 5 years of careful planning that preceded his voyage. Excellent workmanship and ingenuity were required to prepare such a small boat for its perilous voyage. Great courage and cool-headedness were required to navigate across the ocean. In so doing, Gerald Spiess captured the imagination of the world.

Two technical amendments were made to the bill. There will be only one gold medal made for presentation to Gerald Spiess and one amendment reflects that. The second amendment corrects the appropriations language.

As usual, bronze duplicates will be made and sold to defray the cost of the gold medal.

Mr. Speaker, I urge the passage of H.R. 4960.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. VENTO), the distinguished sponsor of the bill and a member of our subcommittee. I am proud to announce that Gerald Spiess lives in Mr. VENTO's district and is a constituent of Mr. VENTO's.

Mr. VENTO. I thank the gentleman for yielding.

I want to especially thank the subcommittee chairman and the ranking member for their cooperation and participation during the consideration of hearings on the proposal to award a gold medal to Gerald Spiess.

Mr. Speaker, I think most of my colleagues would probably be rather surprised that Minnesota happens to be the center of sailing and of people that are very interested in it, but it emerges, of course, from the lakes that lace our various areas and we are very proud of the effort and the reflection that is evidenced by Mr. Spiess' effort in terms of producing hand-crafting a very small craft, and then making a 54-day crossing from Virginia Beach to Falmouth, England. He typifies, I suppose, in many respects, the characteristics that would be remembered during the 1920's with the Lone Eagle and Charles Lindbergh. Certainly his attitude is very positive and he is a very humble person, and a person that we award for the feat in terms of what he has done.

This 54-day journey was made with some stress on this person. He wrote in some of his accounts reported in newspapers the excitement, the frustration that he felt during that trip. Certainly for him many of those days he was subjected to a terrible battering at sea in this small craft, not knowing his direction, not making very much progress. On other days, of course, he had high expectations. Little did he expect that he would be welcomed by such a crowd when he arrived in England. Nevertheless, it is a spirit I think all of us would genuinely like to recognize that still exists in this country and, again, is typified, I suppose, by the actions that occurred at the Olympics and the high number of Minnesotans that participated in those winter Olympics, especially with regard to winning the gold medal in the Olympic ice hockey.

But, in any case, Mr. Speaker, I hope my colleagues will join with me. This is one way that we can provide some recognition for what I think all of us would characterize as an unusual and useful feat in terms of focusing attention on individuality which exists so much and so strong yet in this country and is typified by Mr. Spiess.

□ 1250

I might add for my colleagues' benefit, not only is he a constituent but he was a neighbor who lived very close to me in the East Side community of St. Paul. We are very proud, especially proud that that environment did produce this type of seaman.

Mr. GREEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, several years ago the Consumer Affairs Subcommittee of the Committee on Banking, Housing and Urban Affairs, and the Bureau of the Mint agreed upon informal guidelines for weighing the merits of the numerous requests for national medals. It was decided that under these guidelines, national medals would honor only those events that have contributed to and advanced the history of the United States in a national, significant sense; or those individuals whose deeds or contributions have embellished our history and represented the finest of accomplishments in the service of the country.

Mr. Speaker, there is no doubt in my mind that the individuals proposed to be honored and commemorated by the two bills we are considering today, most definitely meet these guidelines.

Mr. Gerald Spiess now holds the world record for constructing and sailing the smallest craft to ever cross the North Atlantic. He represents American ingenuity and courage at its best. His *Yankee Girl* is 2 feet shorter than any other boat which has sailed across the Atlantic. Even more incredible is the fact that Mr. Spiess made this extraordinary trip in 12 days less than the previous record-holder, Robert Manry, who sailed his boat, the *Tinkerbelle* across the Atlantic in 1965.

Mr. Spiess has been hailed worldwide for not only the records he established, but for the unique engineering and design of the *Yankee Girl*. He spent 5 years in the detailed planning of his boat and its equipment. Mr. Spiess is a fine gentleman, who made a dangerous and courageous voyage.

People all around the world have praised Mr. Spiess' incredible feat, but Americans in particular have always had a special place in their hearts for adventure seekers who confront almost impossible odds in their extraordinary challenges.

I share the belief that Mr. Gerald Spiess should be awarded a gold medal to commemorate his heroic, record-setting voyage across the Atlantic.

Mr. Speaker, I will conclude by pointing out that these gold medal bills include provisions that would allow the Treasury to sell bronze duplicates of the gold medals in order to recoup the cost of striking the gold medals and thereby avoiding costs to the taxpayers.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 4960, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GOLD MEDAL FOR SIMON WIESENTHAL

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5548) to authorize the President of the United States to present on behalf of Congress a specially struck gold medal to Simon Wiesenthal, as amended.

The Clerk read as follows:

H.R. 5548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized to present, on behalf of the Congress, to Simon Wiesenthal, a gold medal of appropriate design in recognition of his contribution to international justice through the documentation and location of war criminals from World War II. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There is authorized to be appropriated not to exceed $15,000 after October 1, 1980, to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal. The appropriation made to carry out the provisions of subsection (a) shall be reimbursed out of the proceeds of such sale.

(c) the medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

The SPEAKER pro tempore. Is a second demanded?

Mr. GREEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from New York (Mr. GREEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5548 would authorize the Treasury to strike a gold medal for the President to present on behalf of Congress to Simon Wiesenthal. This medal would commemorate Mr. Wiesenthal's contributions to international justice through his untiring efforts to bring Nazi war criminals to justice.

Simon Wiesenthal faced the hatred, starvation and terrible mistreatment of Nazi death camps and survived. He has dedicated his life to bringing to justice those who committed these atrocities. He has done so, not out of a motive of vengeance, but to reaffirm fundamental human rights.

Mr. Wiesenthal's lonely work is important not merely for documenting and locating the war criminals responsible for systematically murdering 11 million men, women, and children and attempting to eliminate an entire people. His efforts help remind everyone that we must always be on the alert to prevent such tragedies from recurring.

Two amendments have been made to H.R. 5548. The first was a technical amendment to insert the proper language authorizing the sale of bronze duplicates to defray the cost of the gold medal. The second inserts the proper appropriations language.

Mr. Speaker, I urge my colleagues to vote for H.R. 5548.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 5548.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. ANNUNZIO. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding. I wonder if the gentleman could explain to the House the economics of how these medals are financed. The other day he and I had a private discussion on this, and I think it might help some of the Members to understand that. Perhaps the gentleman has not studied the matter.

Mr. ANNUNZIO. I am happy that the gentleman from Maryland has asked that question. So that we can get the record straight. There was a time when we would appropriate $15,000 for a gold medal, but since the price of gold has gone up, it has now gone up to $20,000. What we do is strike these gold medals, and then bronze duplicate medals are sold to the public. There are enough bronze medals sold to recover the original cost of the medal. These medals are of no cost to the taxpayers.

Mr. BAUMAN. If the gentleman will yield further, are most of the medals self-sustaining in that respect in that they sell enough bronze medals to cover the entire cost of striking a gold medal as well as the bronze?

Mr. ANNUNZIO. I want to say to the gentleman from Maryland that those medals that we have struck in recent years have been paying for themselves.

Mr. BAUMAN. Perhaps the gentleman could comment on the John Wayne medal that was struck last year.

Mr. ANNUNZIO. The information I have on the John Wayne medal is that they are selling the large bronze medals for $8. We have sold 40,395 3-inch medals that will be sold for $8 each. We have 254,194 of the $1\frac{5}{16}$-inch medal that will be sold for $1 each. So there is more than ample money to pay for everything.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I will be happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding. Could the gentleman tell us what is the experience apart from what is available? How many have been sold?

Mr. ANNUNZIO. Of what?

Mrs. FENWICK. Of any medal. Of the John Wayne, let us say.

Mr. ANNUNZIO. I have recited the figures.

Mrs. FENWICK. I thought they were for sale.

Mr. ANNUNZIO. Those are medals that have already been sold.

Mrs. FENWICK. Oh, these are orders that have been sold?

Mr. ANNUNZIO. Yes.

Mrs. FENWICK. 40,000 at $8?

Mr. ANNUNZIO. 40,395 at $8, and 254,194 at $1.

Mrs. FENWICK. 254,000 at $1?

Mr. ANNUNZIO. Yes. The $8 medal is 3 inches, and the $1 medal is one and five-sixteenths inches.

Mrs. FENWICK. I thought these were what was struck. I had not realized that those were the number that were sold.

Mr. ANNUNZIO. I have been told that we already have the money.

Mrs. FENWICK. I thank the gentleman.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

What is our cost for the sale of these? How much do we make on each one?

Mr. ANNUNZIO. I do not have the exact breakdown, but the cost to us of the John Wayne medal is $15,000.

Mr. VOLKMER. Wait a minute. We also strike and make up the bronze, do we not? And those two hundred and some thousand—they had to cost us something.

Mr. ANNUNZIO. I have been checking with the mint, and I have been told that the bronze medals cost us about a nickel each, 5 cents.

Mr. VOLKMER. Maybe for the bronze. We have got the cost of labor and material and everything else, and the equipment. Then the other thing I would like to know, if the gentleman has the knowledge, is let us take the John Wayne medal. If the gentleman does not have the information now, I would like to have it be produced by someone maybe over in Treasury or somebody. How many were sold to coin manufacturing companies like the Franklin Mint, or anything like that? How many of them were sold to them for resale?

Mr. ANNUNZIO. I think private firms purchased 100,000.

Mr. VOLKMER. 100,000. Then, as I understand it, they resell them out after they put a little silver or gold or something on them. Then they resell them for about $50 or $100; is that right?

Mr. ANNUNZIO. I do not know if that is right, but as the gentleman knows, if he has been reading some of my press releases and remarks in the CONGRESSIONAL RECORD, even on the Carson City dollars I opposed the selling in bulk of 500. I wanted smaller amounts. I am opposed to the sale of any of these medals in bulk.

Mr. VOLKMER. Yes, but there is nothing we can do about it.

Mr. ANNUNZIO. That is right.

Mr. VOLKMER. As I understand it there is nothing we can do about it unless we put it in legislation.

☐ 1230

Mr. ANNUNZIO. I keep protesting and I keep writing letters, but there is nothing we can do about it.

Mr. VOLKMER. Surely we can write law that says they cannot sell more than so many to any one individual firm or corporation. That is not unconstitutional. I am sure we could restrict the sale to no more than one or two to anybody.

Mr. ANNUNZIO. I appreciate the suggestion of the gentleman from Missouri. The committee will take it under consideration.

Mr. VOLKMER. How many other gold medals do we have legislation pending for? In other words, in the committee. How many others do we have pending right now that are for gold medals?

Mr. ANNUNZIO. There are about three that have been approved by the committee, that will come to the floor.

Mr. VOLKMER. Does the gentleman know how many others we have that have not been approved?

Mr. ANNUNZIO. I know of two others.

Mr. VOLKMER. The gentleman does not think that by doing them for people who have——

Mr. ANNUNZIO. With the exception, I want to tell the gentleman from Missouri, the other day I introduced legislation for the Olympic medals. Those are pending before the committee. Three have been passed and two are pending. One for the hockey team.

Mr. VOLKMER. One for each member of the hockey team?

Mr. ANNUNZIO. No. One for the team and one for——

Mr. VOLKMER. Who would get the one for the hockey team?

Mr. ANNUNZIO. Probably the Olympic Committee——

Mr. VOLKMER. The Olympic Committee?

Mr. ANNUNZIO. The Olympic Committee.

Mr. VOLKMER. Maybe the coach, but what about the other—I guess the speed skater would get his?

Mr. ANNUNZIO. Yes.

Mr. VOLKMER. Heiden would get his?

Mr. ANNUNZIO. Heiden would get his.

Mr. VOLKMER. What about past Olympic champions? Do they each get one, too?

Mr. ANNUNZIO. No. We are talking about the present.

Mr. VOLKMER. Are we not saying that we are slighting the others? That may not be pertinent on this legislation.

Mr. ANNUNZIO. The gentleman is a Member of Congress. He may introduce the legislation. All bills are referred to my committee on gold medals. I do not go looking for them.

Mr. VOLKMER. I think Harry Truman did a lot more for this country than a lot of other people.

Mr. ANNUNZIO. Harry Truman?

Mr. VOLKMER. The gentleman has heard of him.

Mr. ANNUNZIO. Did he not get a gold medal?

Mr. VOLKMER. No, he does not have a gold medal, but I think I will put in for one.

Mr. ANNUNZIO. The gentleman is from Mr. Truman's State, probably from the district of Mr. Truman. The gentleman may introduce a bill like the gentleman from Minnesota (Mr. VENTO) did for Gerry Spiess.

Mr. VOLKMER. Mr. Speaker, I think Harry Truman is a little more important than Gerry Spiess.

Mr. ANNUNZIO. No question. We are talking about how important a man is. You cannot act on legislation that you do not have before your committee.

Mr. VOLKMER. I appreciate that.

Mr. ANNUNZIO. I do not have the legislation.

Mr. VOLKMER. I appreciate that, Mr. Speaker, but I am sure the gentleman will receive it.

Mr. GREEN. Mr. Speaker, as a member of the President's Commission on the Holocaust and a cosponsor of this bill, I urge its passage.

Many other nations have already honored Simon Wiesenthal for his lifelong, dedicated struggle to bring some 1,000 Nazi war criminals to trial. Not only is it imperative that we so honor Mr. Wiesenthal with a gold medal, but most importantly, in this way his contributions to mankind will be immortalized for the benefit of future generations.

In his lifelong pursuit of justice for the victims of the holocaust, Simon Wiesenthal has carried a message of tolerance and peace as well as retribution. He has awakened us all to the pervasive evil of the Nazi "Final Solution," so that we might never again be indifferent to the suffering of others.

Mr. Wiesenthal survived 4½ years in several Nazi concentration camps. When Wiesenthal was finally liberated from Mauthausen in Austria he vowed to devote his life to seeking out those responsible for the calculated and systematic murders of 11 million men, women and children. After the war he gathered information for the War Crimes Section of the U.S. Army and in 1947 established his Jewish Documentation Center in Vienna. The center compiled lists of concentration camp survivors, lists of Nazi war criminals, affidavits from witnesses to Nazi crimes, and intelligence on the movements of Nazi fugitives.

Through Mr. Wiesenthal's meticulous and painstaking research, more than 1,100 Nazis, including Adolf Eichmann and the officer who arrested Anne Frank, have been brought to trial. By persisting in his pursuit of mass murderers like Josef Mengele and Franz Wagner, Simon Wiesenthal has made it known that, as long as Nazi criminals remain alive, they will never be safe and they will always be answerable for their crimes.

Mr. Speaker, by honoring Mr. Wiesenthal with a gold medal, we as a nation vow never to allow ourselves to drift to a point where we would ever again tolerate such atrocities.

Mr. DODD. Mr. Speaker, on October 11, 1979, I introduced H.R. 5548, a bill that authorizes the minting of a congressional medal in honor of Simon Wiesenthal. Since that time the Senate has passed a similar bill and 53 Members of the House have cosponsored H.R. 5548, believing as I do that Simon Wiesenthal's actions exemplify and perpetuate the American principles of justice and individual rights.

Simon Wiesenthal is best known to the world as a Nazi hunter, but that label is insufficient testimony to his work that has influenced a world and changed the attitudes of generations. Today we have an opportunity to honor him with a congressional medal—national symbol of appreciation for his vital contribution to the advancement of human freedoms.

As we all know, human memory is notoriously short and selective. We tend to remember yesterday's news best and allow distasteful events to fade from our memories. More than 40 years ago the Nazis began their inhuman reign of terror. Many people would like to forget the holocaust, others would like to deny that the horrors of the "Final Solution" ever occurred. But a few exceptional people have dedicated their lives to poking the embers into life; illuminating Nazi crimes against humanity so that similar acts of genocide can be prevented.

Simon Wiesenthal is such a person: a man who has awakened us all to the pervasive evil of the Nazi-perpetrated holocaust, so that we might never again be indifferent to the suffering of others. In his lifelong pursuit of justice for the victims of the holocaust, Simon Wiesenthal has carried a message of tolerance and peace as well as retribution and strengthened the resolve of our Nation to defend the rights of all people.

The story of Simon Wiesenthal is a miraculous one. He survived 4½ years of living hell with his faith intact—his faith that the memory of the dead would serve to guide the living away from the madness he had experienced.

Shuttled from one concentration camp to another, he was found in 1945 at the Mauthausen camp in Austria by American troops. The soldiers discovered Wiesenthal huddled in the corner of a fetid smelling compound, too weak to move. He was 6 feet tall and weighed only 90 pounds.

When Wiesenthal left Mauthausen he began his search for those responsible for the systematic murders of 11 million men, women, and children. For more than a year after the end of the war he gathered information for the War Crimes Section of the U.S. Army. Then, in 1947, Wiesenthal opened his Jewish Documentation Center in Vienna. Wiesenthal and his coworkers compiled lists of concentration camp survivors, lists of Nazi war criminals, affidavits from witnesses to Nazi crimes, and intelligence on the movements of Nazi fugitives.

Through Wiesenthal's painstaking research more than 1,100 Nazis, including Adolf Eichmann and the officer who arrested Anne Frank, have been brought to trial. Rather than physically tracking his quarry, Wiesenthal has spent countless hours poring through masses of files and records and waiting for tips that could lead to the arrest of some of the 100,000 Nazi war criminals still at large.

There can never be complete restitution for the crimes committed by the Nazis, but Simon Wiesenthal has persisted in his pursuit of mass murderers like Josef Mengele and Franz Wagner and let the world know that as long as Nazi criminals remain alive, they will never be safe and always be answerable for their crimes.

More than mere vengeance, Simon Wiesenthal is motivated by the need to prevent future holocausts. The passing of the years will eventually preclude prosecution of Nazi war criminals, but Simon Wiesenthal's work will stand as a reminder of how easily the Nazis perverted justice while the world watched.

Wiesenthal has said:

> Our tragedy in the Nazi camps was that the world forgot us. It was that terrible silence of the world that enveloped us.

Simon Wiesenthal has shattered that silence for 35 years, repeatedly reminding us of our responsibility to safeguard the rights of others.

In California, the Simon Wiesenthal Center for Holocaust Studies was created in recognition of the importance of Wiesenthal's work to disseminate information not only about the tragedy of the holocaust but also violations of individual rights occurring in the world today. Through the library, exhibits, and programs of the center, the dead communicate their despair to future generations that may be able to avert other acts of genocide.

But despite the warnings of history, we still stand the chance of repeating the crime of apathy. Today and every day many of us are reluctant to acknowledge the atrocities occurring in other nations. But Simon Wiesenthal will not let us forget our responsibilities. He will not allow us the excuse of naivete.

Wiesenthal's search for justice may be rooted in the past, but his attention is firmly focused on the plight of those whose rights are being violated in today's world. For every file that Simon Wiesenthal has compiled on Nazi war criminals another is being filled with human rights violations perpetrated in the Soviet Union and Eastern Europe, another on acts of mass violence in Southeast Asia, and still another on the disappearance of thousands of dissidents in South American countries.

It is only fitting that our Nation should pay homage to a man who has shown Americans that they cannot hide behind their democratic principles. We must be ready to defend the ideals of our free society and resist the sin of complacency for the sake of our Nation and the rest of the world.

To the ranks of doctors, poets, statesmen, athletes, soldiers, heroes, entertainers, and explorers who have received congressional gold medals I am asking that you add the name of a humanitarian whose life has been a testament to the resiliency of the human spirit.

For his courageous search after justice, for his dedication to humanity, for his perseverance, and for his inspirational vision of a better world, I ask you, my colleagues, to support the minting of a congressional gold medal in Simon Wiesenthal's honor.

● Mr. DOWNEY. Mr. Speaker, I want to join my colleagues in honoring Simon Wiesenthal for the work that he has done. Twice a prisoner in Nazi concentration camps, he knows the stark reality of what occurred there. He has suffered the pain along with millions of others.

Most of those confined to concentration camps such as Auschwitz did not survive the ordeal as did Simon Wiesenthal. The people who did not live to see the outside of a prison camp are the ones for whom Simon Weisenthal seeks a justice in death that they did not receive in life.

Since World War II he has been active in searching and assisting in finding Nazi persecutors. Through organizations such as the Jewish Documentation Center, which he founded, Simon Wiesenthal has served humanity and justice by bringing to light war criminals so that they can stand trial for their crimes.

Simon Wiesenthal's search has been a never-ceasing one. He has been active since the war and still continues despite all hardships and setbacks.

Honored already with the Medal of Freedom from the Netherlands and the International Medal of Honor, Simon Wiesenthal also has earned the recognition and admiration of this country and of the U.S. Congress. If anyone living today deserves a special medal, it is this tireless man for his past and future efforts in the name of justice.●

● Mr. ALBOSTA. Mr. Speaker, I rise today to express the tremendous significance of H.R. 5548, a bill authorizing the President to present a gold medal to Simon Wiesenthal, and to make known my admiration for Mr. Wiesenthal's courage and unsurpassed fortitude.

The contributions of Simon Wiesenthal, 71, are well known to this body. Since his release in 1945 from Mauthausen Concentration Camp, he has devoted his life to bringing Nazi war criminals to justice. The successful capture of Adolf Eichmann brought fame and renewed interest to Mr. Wiesenthal's efforts to locate perpetrators of World War II crimes.

But his achievements go much further than this. His goal has long been to open the eyes of people—people everywhere—to the horrors of the holocaust. Only through this constant reminder, Mr. Wiesenthal has told us, can our future generations be certain of preventing similar tragedies. To this end, Simon Wiesenthal has established the Center for Holocaust Studies in California, which, under the auspices of Yeshiva University, aims at honoring past generations, and protecting the rights of those still living.

Mr. Speaker, Simon Wiesenthal is a man who has dedicated his life and talents to future generations by making the world take an honest look in the mirror. For this I think he deserves our praise.●

● Mr. WAXMAN. Mr. Speaker, on May 5, 1945, the American Army liberated the Nazi concentration camp at Mauthausen. Of the 149,000 prisoners condemned to the camp, only 34 were still alive when the Americans entered. Simon Wiesenthal, weighing less than 100 pounds, was one of them. Though 89 members of his family had perished, he had survived. Once his physical health was restored, he began the work which haunts him and the people he relentlessly pursues—the fight to bring to justice the Nazi war criminals responsible for the holocaust.

The great moral and political challenge of nazism, once it was defeated, was to insure that the monstrous crimes it perpetrated would never happen again, that all nations would enforce the judgment of history that nazism was a crime against humanity, and that none would provide safe refuge for those who murdered in its name.

Simon Wiesenthal has committed his life to these goals, with notable success—and failures as well. He was responsible for the capture of Adolf Eichmann, who implemented the infamous "Final Solution" of exterminating European Jewry. Thousands of lesser figures have been prosecuted because of the information developed by Mr. Wiesenthal's Jewish Documentation Center in Vienna. He has asked governments to act against Nazi war criminals, and was a critical factor in convincing the West German Parliament to repeal its statute of limitations for such crimes. But despite all his efforts, regimes in South America continue to harbor Nazis. For lack of resources, and because of political obstacles, over 160,000 cases in Mr. Wiesenthal's files remain to be investigated.

But Simon Wiesenthal's very existence guarantees that these men and women can never have peace, can never rest, because they cannot, in the end, escape the verdict of the world over the nature of their acts.

It is entirely fitting that our Government authorize the striking of a gold medal in honor of Simon Wiesenthal and in commemoration of his work. It is terribly important that we never forget what happened in Europe, and why.

Mr. Speaker, I urge adoption of the resolution.●

Mr. GREEN. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 5548, as amended.

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4960 and H.R. 5548.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois (Mr. ANNUNZIO)?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order, all by the yeas and nays: House Joint Resolution 414; House Joint Resolution 445; House Joint Resolution 463; H.R. 4960; and H.R. 5548.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

NATIONAL BICYCLING DAY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 414).

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio (Ms. OAKAR) that the House suspend the rules and pass the joint resolution (H.J. Res. 414) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 318, nays 3, not voting 112, as follows:

[Roll No. 108]

YEAS—318

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cavanaugh
Cheney
Clay
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Flippo
Florio
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holt
Hopkins
Horton
Howard
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffries
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, Md.
Lowry
Lujan
Luken
Lundine
McCormack
McDade
McHugh
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patterson
Paul
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Rinaldo
Robinson
Rose
Rosenthal
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whittaker
Williams, Mont
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—3

Ashley
McKay
Obey

NOT VOTING—112

Abdnor
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Badham
Beard, Tenn.
Biaggi
Boggs
Bonker
Bouquard
Brademas
Byron
Campbell
Chappell
Chisholm
Clausen
Coelho
Collins, Ill.
Conyers
Crane, Daniel
Crane, Philip
Davis, S.C.
de la Garza
Deckard
Dellums
Devine
Diggs
Dodd
Donnelly
Dornan
Dougherty
Eckhardt
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fithian
Foley
Ford, Mich.
Fowler
Garcia
Gephardt
Giaimo
Gilman
Goldwater
Goodling
Grassley
Gray
Hinson
Holland
Hollenbeck
Holtzman
Hubbard
Huckaby
Ireland
Jeffords
Jenkins
Johnson, Colo.
Jones, N.C.
Kazen
Kogovsek
Leach, La.
Lee
Leland
Lewis
Long, La.
Lott
Lungren
McClory
McCloskey
McDonald
McEwen
McKinney
Mathis
Michel
Murphy, Ill.
Myers, Pa.
Pashayan
Patten
Petri
Pursell
Ratchford
Richmond
Ritter
Roberts
Rodino
Roe
Rostenkowski
Roybal
Santini
Schulze
Sensenbrenner
Simon
Spence
Stewart
Studds
Thomas
Treen
Walker
Weaver
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wright
Wydler
Zeferetti

☐ 1320

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Abdnor.

Mr. Chappell with Mr. Goldwater.

Mr. Jones of North Carolina with Mr. Michel.

Mr. Brademas with Mr. Gilman.

Mr. Rodino with Mr. McKinney.

Mr. Santini with Mr. Wydler.

Ms. Ferraro with Mr. Anderson of Illinois.

Mrs. Boggs with Mr. Campbell.

Mr. Myers of Pennsylvania with Mr. Devine.

Mr. Richmond with Mr. Goodling.

Mr. Rostenkowski with Mr. Lott.

Mr. Dodd with Mr. McClory.

Mr. Fary with Mr. Thomas.

Mr. Foley with Mr. Walker.

Mr. Giaimo with Mr. Dougherty.

Mr. Kazen with Mr. Evans of Delaware.

Mr. Long of Louisiana with Mr. Dornan.

Mr. Zeferetti with Mr. McEwen.

Mr. Weaver with Mr. Philip M. Crane.

Mr. Charles H. Wilson of California with Mr. Andrews of North Dakota.

Mr. Wright with Mr. Grassley.

Mrs. Chisholm with Mr. Hinson.

Mrs. Collins of Illinois with Mr. Beard of Tennessee.

Mr. Conyers with Mr. Clausen.

Mr. Mathis with Mr. Lee.

Mr. Whitten with Mr. Deckard.

Mr. Garcia with Mr. Daniel B. Crane.

Mr. Ford of Michigan with Mr. Badham.

Mr. Diggs with Mr. Lewis.

Mr. Dellums with Mr. Spence.

Mr. Patten with Mr. Whitehurst.

Mr. Ratchford with Mr. Pursell.

Mr. Breaux with Mr. Petri.

Mr. Davis of South Carolina with Mr. Hollenbeck.

Mr. Roybal with Mr. McCloskey.

Mr. Simon with Mr. Lungren.

Mr. Anthony with Mr. Jeffords.

Mr. Biaggi with Mr. Pashayan.

Mr. Donnelly with Mr. Ritter.

Mr. de la Garza with Mr. Treen.

Mr. Gray with Mr. Sensenbrenner.

Ms. Holtzman with Mr. Schulze.

Mr. Huckaby with Mr. Williams of Ohio.

Mr. Bonker with Mrs. Bouquard.

Mr. Evans of Georgia with Mrs. Byron.

Mr. Fowler with Mr. Leach of Louisiana.

Mr. Kogovsek with Mr. Eckhardt.

Mr. Coelho with Mr. McDonald.

Mr. Murphy of Illinois with Mr. Studds.

Mr. Roberts with Mr. Stewart.

Mr. Evans of Ohio with Mr. Holland.

Mr. Ireland with Mr. Gephardt.

Mr. Hubbard with Mr. Jenkins.

Mr. Leland with Mr. Fithian.

Mr. Whitley with Mr. Charles Wilson of Texas.

Mr. Andrews of North Carolina with Mr. Johnson of California.

Mr. ASHLEY changed his vote from "yea" to "nay."

Mr. BURGENER changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

NATIONAL CYSTIC FIBROSIS WEEK

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 445) as amended.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio (Ms. OAKAR) that the House suspend the rules and pass the joint resolution (H.J. Res. 445) as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 323, nays 0, not voting 110, as follows:

[Roll No. 109]

YEAS—323

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cavanaugh
Cheney
Clay
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Flippo
Florio
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Horton
Howard
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffries
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, Md.
Lowry
Lujan
Luken
Lundine
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Paul
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Reuss
Rhodes
Rinaldo
Robinson
Rose
Rosenthal
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whittaker
Williams, Mont.
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—110

Abdnor
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Badham
Beard, Tenn.
Biaggi
Boggs
Bonker
Bouquard
Brademas
Byron
Campbell
Chappell
Chisholm
Clausen
Coelho
Collins, Ill.
Conyers
Corman
Crane, Daniel
Crane, Philip
Davis, S.C.
de la Garza
Deckard
Dellums
Devine
Diggs
Dodd
Donnelly
Dornan
Dougherty
Eckhardt
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fithian
Foley
Ford, Mich.
Fowler
Garcia
Gephardt
Giaimo
Gilman
Goodling
Grassley
Gray
Hinson
Holland
Holtzman
Hubbard
Huckaby
Ireland
Jeffords
Jenkins
Johnson, Colo.
Jones, N.C.
Kazen
Kogovsek
Leach, La.
Lee
Leland
Lewis
Long, La.
Lott
Lungren
McClory
McCloskey
McDonald
McEwen
Mathis
Michel
Murphy, Ill.
Myers, Pa.
Pashayan
Patten
Petri
Rangel
Ratchford
Richmond
Ritter
Roberts
Rodino
Roe
Rostenkowski
Roybal
Santini
Schulze
Sensenbrenner
Simon
Spence
Stewart
Studds
Thomas
Treen
Walker
Weaver
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wright
Wydler
Zeferetti

□ 1330

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Goodling.

Ms. Ferraro with Mr. Wydler.

Mr. Brademas with Mr. Anderson of Illinois.

Mr. Corman with Mr. Campbell.

Mr. Wright with Mr. Philip M. Crane.

Mr. Zeferetti with Mr. Devine.

Mr. Fary with Mr. Dougherty.

Mr. Evans of Indiana with Mr. Gilman.

Mr. Giaimo with Mr. Grassley.

Mr. Kazen with Mr. Ritter.

Mr. Long of Louisiana with Mr. Schulze.

Mr. Myers of Pennsylvania with Mr. Sensenbrenner.

Mr. Patten with Mr. Hinson.

Mr. Rangel with Mr. Badham.

Mr. Richmond with Mr. Abdnor.

Mr. Rodino with Mr. Clausen.

Mr. Rostenkowski with Mr. Daniel B. Crane.

Mr. Santini with Mr. Dornan.

Mr. Weaver with Mr. Jeffords.

Mr. Whitten with Mr. Lott.

Mr. Mathis with Mr. Lungren.

Mrs. Chisholm with Mr. Walker.

Mr. Chappell with Mr. Treen.

Mrs. Bouquard with Mr. Lewis.

Mr. Biaggi with Mr. McClory.

Mr. de la Garza with Mr. Thomas.

Mr. Dodd with Mr. Whitehurst.

Mr. Foley with Mr. Williams of Ohio.

Mr. Huckaby with Mr. McCloskey.

Ms. Holtzman with Mr. Andrews of North Dakota.

Mr. Garcia with Mr. Beard of Tennessee.

Mr. Davis of South Carolina with Mr. Deckard.

Mrs. Boggs with Mr. Evans of Delaware.

Mr. Coelho with Mr. Pashayan.

Mr. Murphy of Illinois with Mr. Petri.

Mr. Ratchford with Mr. McEwen.

Mr. Andrews of North Carolina with Mr. Spence.

Mr. Dellums with Mr. Michel.

Mr. Diggs with Mr. Lee.

Mr. Gray with Mr. Donnelly.

Mr. Eckhardt with Mr. Ford of Michigan.

Mr. Fowler with Mr. Simon.

Mr. Bonker with Mrs. Collins of Illinois.

Mr. Evans of Georgia with Mr. Jenkins.

Mr. Ireland with Mr. Holland.

Mr. Stewart with Mr. Gephardt.

Mrs. Byron with Mr. McDonald.

Mr. Roberts with Mr. Whitley.

Mr. Breaux with Mr. Studds.

Mr. Roybal with Mr. Leach of Louisiana.

Mr. Fithian with Mr. Charles H. Wilson of California.

Mr. Kogovsek with Mr. Leland.

Mr. Anthony with Mr. Charles Wilson of Texas.

Mr. Hubbard with Mr. Jones of North Carolina.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "Joint resolution to provide for designation of the week of September 21–27, 1980, as 'National Cystic Fibrosis Week'."

A motion to reconsider was laid on the table.

NATIONAL DIABETES WEEK

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 463).

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio (Ms. OAKAR) that the House suspend the rules and pass the joint resolution (H.J. Res. 463) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 326, nays 0, not voting 107, as follows:

[Roll No. 110]

YEAS—326

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cavanaugh
Cheney
Clay
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Flippo
Florio
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Horton
Howard
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffries
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Paul
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Rinaldo
Robinson
Rose
Rosenthal
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stockman
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whittaker
Williams, Mont.
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—107

Abdnor
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Badham
Beard, Tenn.
Biaggi
Boggs
Bonker
Bouquard
Brademas
Byron
Campbell
Chappell
Chisholm
Clausen
Coelho
Collins, Ill.
Conyers
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Devine
Diggs
Dodd
Donnelly
Dornan
Dougherty
Eckhardt
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fithian
Foley
Ford, Mich.
Fowler
Garcia
Gephardt
Giaimo
Gilman
Goodling
Grassley
Gray
Hinson
Holland
Holtzman
Hubbard
Huckaby
Ireland
Jeffords
Jenkins
Johnson, Colo.
Jones, N.C.
Kazen
Kogovsek
Leach, La.
Lee
Leland
Lewis
Long, La.
Lott
McClory
McCloskey
McDonald
McEwen
Mathis
Michel
Murphy, Ill.
Myers, Pa.
Pashayan
Patten
Petri
Ratchford
Richmond
Ritter
Roberts
Rodino
Roe
Rostenkowski
Roybal
Santini
Schulze
Sensenbrenner
Simon
Spence
Steed
Stewart
Studds
Thomas
Treen
Walker
Weaver
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wright
Wydler
Zeferetti

☐ 1340

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Abdnor.

Mr. Brademas with Mr. Schulze.

Mr. Addabbo with Mr. Sensenbrenner.

Ms. Farraro with Mr. Thomas.

Mr. Chappell with Mr. Treen.

Mr. Richmond with Mr. Beard of Tennessee.

Mr. Rodino with Mr. Campbell.

Mr. Rostenkowski with Mr. Philip M. Crane.

Mr. Santini with Mr. Devine.

Mr. Wright with Mr. Evans of Delaware.

Mr. Charles H. Wilson of California with Mr. Gilman.

Mr. Weaver with Mr. Goodling.

Mr. Ford of Michigan with Mr. Jeffords.

Mr. Fary with Mr. Lee.

Mr. Foley with Mr. McClory.

Mr. Dodd with Mr. Pashayan.

Mr. Giaimo with Mr. Ritter.

Mr. Ireland with Mr. Wydler.

Mr. Kazen with Mr. Walker.

Mr. Mathis with Mr. Spence.

Mr. Long of Louisiana with Mr. Lewis.

Mrs. Bouquard with Mr. Lott.

Mrs. Boggs with Mr. McCloskey.

Mr. Biaggi with Mr. Clausen.

Mr. Evans of Indiana with Mr. Badham.

Mr. Garcia with Mr. Andrews of North Dakota.

Mr. Stewart with Mr. Anderson of Illinois.

Mr. Breaux with Mr. Grassley.

Mr. Roybal with Mr. Hinson.

Mr. Steed with Mr. Deckard.

Mrs. Chisholm with Mr. Dornan.

Mr. Coelho with Mr. Dougherty.

Mr. Conyers with Mr. McEwen.

Mr. Davis of South Carolina with Mr. Petri.

Mr. Leland with Mr. Whitehurst.

Mr. Simon with Mr. Williams of Ohio.

Mr. Patten with Mr. Daniel B. Crane.

Mr. Ratchford with Mr. Whitley.

Mr. Bonker with Mrs. Byron.

Mrs. Collins of Illinois with Mr. McDonald.

Mr. Murphy of Illinois with Mr. Leach of Louisiana.

Mr. Roberts with Mr. Donnelly.

Mr. Dellums with Mr. Eckhardt.

Mr. Diggs with Mr. Evans of Georgia.

Mr. Fithian with Mr. Fowler.

Mr. Ford of Michigan with Mr. Charles Wilson of Texas.

Mr. Kogovsek with Mr. Jenkins.

Mr. Huckaby with Mr. Hubbard.

Ms. Holtzman with Mr. Holland.

Mr. Gray with Mr. Studds.

Mr. Jones of North Carolina with Mr. Gephardt.

Mr. Andrews of North Carolina with Mr. Anthony.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GOLD MEDAL FOR GERALD F. SPIESS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 4960, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 4960, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 212, nays 116, not voting 105, as follows:

[Roll No. 111]

YEAS—212

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Bingham
Blanchard
Bolling
Boner
Bonior
Bowen
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Carney
Carter
Cavanaugh
Cheney
Clinger
Collins, Tex.
Corcoran
Corman
Cotter
Coughlin
Courter
Daschle
Davis, Mich.
Derrick
Derwinski
Dicks
Dixon
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Calif.
Erdahl
Fascell
Fazio
Findley
Fisher
Flippo
Florio
Frenzel
Fuqua
Gaydos
Gephardt
Gibbons
Ginn
Goldwater
Gonzalez
Gradison
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Hightower
Hillis
Horton
Howard
Hughes
Hutto
Hyde
Jenrette
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kelly
Kildee
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Levitas
Lowry
Luken
Lundine
McDade
McHugh
McKinney
Maguire
Markey
Marks
Martin
Matsui
Mattox

Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Reuss
Rhodes
Rinaldo
Robinson
Rose
Rosenthal
Royer
Russo
Sabo
Scheuer
Schroeder
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stockman
Stratton
Swift
Thompson
Traxler
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Wampler
Watkins
Weiss
White
Williams, Mont.
Wilson, Bob
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Zablocki

NAYS—116

Archer
Ashbrook
Bafalis
Bauman
Bennett
Bereuter
Bethune
Boland
Broomfield
Brown, Ohio
Burton, John
Butler
Carr
Clay
Cleveland
Coleman
Conable
Conte
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
de la Garza
Dickinson
Dingell
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Fenwick
Fish
Ford, Tenn.
Forsythe
Fountain
Frost
Gingrich
Glickman
Gore
Gramm
Guarini
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heftel
Hollenbeck
Holt
Hopkins
Ichord
Jacobs
Jeffries
Jones, Okla.
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lent
Livingston
Lloyd
Loeffler
Long, Md.
Lujan
Lungren
McCormack
McKay
Madigan
Marlenee
Marriott
Miller, Ohio
Murphy, Pa.
Murtha
Myers, Ind.
Nichols
Obey
Paul
Quayle
Rangel
Regula
Roth
Rousselot
Rudd
Runnels
Satterfield
Sawyer
Sebelius
Seiberling
Shannon
Sharp
Shuster
Smith, Nebr.
Snyder
Solomon
Stangeland
Stenholm
Stokes
Stump
Symms
Synar
Tauke
Taylor
Trible
Ullman
Volkmer
Walgren
Waxman
Whittaker
Winn
Young, Fla.
Young, Mo.

NOT VOTING—105

Abdnor
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Badham
Beard, Tenn.
Biaggi
Boggs
Bonker
Bouquard
Brademas
Byron
Campbell
Chappell
Chisholm
Clausen
Coelho
Collins, Ill.
Conyers
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Devine
Diggs
Dodd
Donnelly
Dornan
Dougherty
Eckhardt
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fithian
Foley
Ford, Mich.
Fowler
Garcia
Giaimo
Gilman
Goodling
Grassley
Gray
Hinson
Holland
Holtzman
Hubbard
Huckaby
Ireland
Jeffords
Jenkins
Johnson, Colo.
Jones, N.C.
Kazen
Kogovsek
Leach, La.
Lee
Leland
Lewis
Long, La.
Lott
McClory
McCloskey
McDonald
McEwen
Mathis
Michel
Murphy, Ill.
Myers, Pa.
Pashayan
Patten
Petri
Ratchford
Richmond
Ritter
Roberts
Rodino
Roe
Rostenkowski
Roybal
Santini
Schulze
Sensenbrenner
Simon
Spence
Stewart
Studds
Thomas
Treen
Walker
Weaver
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wright
Wydler
Zeferetti

The Clerk announced the following pairs:

Ms. Ferraro with Ms. Holtzman.

Mr. Brademas with Mr. Jenkins.

Mr. Addabbo with Mr. Kogovsek.

Mr. Biaggi with Mr. Leach of Louisiana.

Mr. Giaimo with Mr. Fowler.

Mr. Chappell with Mr. Garcia.

Mrs. Boggs with Mr. Weaver.

Mr. Evans of Indiana with Mr. Huckaby.

Mr. Fary with Mrs. Byron.

Mr. Kazen with Mr. Andrews of North Carolina.

Mr. Long of Louisiana with Mr. Conyers.

Mr. Charles H. Wilson of California with Mr. Davis of South Carolina.

Mrs. Chisholm with Mr. Simon.

Mrs. Bouquard with Mr. Stewart.

Mr. Myers of Pennsylvania with Mr. Studds.

Mr. Patten with Mr. Diggs.

Mr. Richmond with Mr. Dellums.

Mr. Rodino with Mr. Leland.

Mr. Rostenkowski with Mr. Whitten.

Mr. Santini with Mr. Whitley.

Mr. Dodd with Mr. Evans of Georgia.

Mr. Gray with Mr. Eckhardt.

Mr. Ireland with Mr. Donnelly.

Mr. Jones of North Carolina with Mr. Murphy of Illinois.

Mr. Mathis with Mr. Ratchford.

Mr. Fithian with Mr. Abdnor.

Mr. Foley with Mr. Goodling.

Mr. Ford of Michigan with Mr. Schulze.

Mr. Bonker with Mr. Spence.

Mr. Coelho with Mr. Thomas.

Mrs. Collins of Illinois with Mr. Treen.

Mr. Zeferetti with Mr. Walker.

Mr. Wright with Mr. Whitehurst.

Mr. Roybal with Mr. McEwen.

Mr. Roe with Mr. Petri.

Mr. Roberts with Mr. Ritter.

Mr. Anderson of Illinois with Mr. Anthony.

Mr. Lee with Mr. Charles Wilson of Texas.

Mr. Lott with Mr. Holland.

Mr. Wydler with Mr. Hubbard.

Mr. Devine with Mr. McDonald.

Mr. Philip M. Crane with Mr. Badham.

Mr. Hinson with Mr. Jeffords.

Mr. Sensenbrenner with Mr. Williams of Ohio.

Mr. McClory with Mr. Lewis.

Mr. Michel with Mr. Pashayan.

Mr. Beard of Tennessee with Mr. Andrews of North Dakota.

Mr. Clausen with Mr. Daniel B. Crane.

Mr. Deckard with Mr. Dornan.

Mr. Dougherty with Mr. Evans of Delaware.

Mr. Gilman with Mr. Grassley.

Mr. McCloskey with Mr. McDonald.

Messrs. HANCE, BOLAND, and MARRIOTT changed their votes from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

☐ 1350

GOLD MEDAL FOR SIMON WIESENTHAL

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 5548, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 5548, as amended, on which the yeas and nays are ordered.

This vote is under the 5-minute rule.

The vote was taken by electronic device, and there were—yeas 289, nays 38, not voting 106, as follows:

[Roll No. 112]

YEAS—289

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Carney
Carr
Carter
Cavanaugh
Cheney
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Derrick
Derwinski
Dickinson
Dicks
Dixon
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Fascell
Fazio
Findley
Fish
Fisher
Flippo
Florio
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Horton
Howard
Hughes
Hutto
Hyde
Jacobs
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd
Loeffler
Lowry
Luken
Lundine
Lungren
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Rinaldo
Robinson
Rose
Rosenthal
Roth
Rousselot
Royer
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Swift
Symms
Synar
Tauke
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren

Wampler
Watkins
Waxman
Weiss
White
Williams, Mont.
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki

NAYS—38

Bennett
Butler
Clay
Cleveland
Dannemeyer
de la Garza
Dingell
Edwards, Ala.
Erlenborn
Fenwick
Ford, Tenn.
Gingrich
Hammerschmidt
Hansen
Harsha
Ichord
Jeffries
Kindness
Leath, Tex.
Long, Md.
Lujan
McCormack
Marlenee
Miller, Ohio
Myers, Ind.
Paul
Rudd
Runnels
Satterfield
Sebelius
Smith, Nebr.
Stangeland
Stokes
Stump
Taylor
Volkmer
Whittaker
Young, Fla.

NOT VOTING—106

Abdnor
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Badham
Beard, Tenn.
Biaggi
Boggs
Bonker
Bouquard
Brademas
Byron
Campbell
Chappell
Chisholm
Clausen
Clinger
Coelho
Collins, Ill.
Conyers
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Devine
Diggs
Dodd
Donnelly
Dornan
Dougherty
Eckhardt
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fithian
Foley
Ford, Mich.
Fowler
Garcia
Giaimo
Gilman
Goodling
Grassley
Gray
Hinson
Holland
Holtzman
Hubbard
Huckaby
Ireland
Jeffords
Jenkins
Johnson, Colo.
Jones, N.C.
Kazen
Kogovsek
Leach, La.
Lee
Leland
Lewis
Long, La.
Lott
McClory
McCloskey
McDonald
McEwen
Mathis
Michel
Murphy, Ill.
Myers, Pa.
Pashayan
Patten
Petri
Ratchford
Richmond
Ritter
Roberts
Rodino
Roe
Rostenkowski
Roybal
Santini
Schulze
Sensenbrenner
Simon
Spence
Stewart
Studds
Thomas
Treen
Walker
Weaver
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wright
Wydler
Zeferetti

The Clerk announced the following pairs:

Ms. Ferraro with Mr. Lott.

Mr. Zeferetti with Mr. Wydler.

Mr. Addabbo with Mr. Michel.

Mr. Biaggi with Mr. McClory.

Mr. Giaimo with Mr. Clausen.

Mr. Rodino with Mr. Campbell.

Mr. Santini with Mr. Andrews of North Dakota.

Mr. Richmond with Mr. Philip M. Crane.

Mr. Brademas with Mr. Devine.

Mrs. Boggs with Mr. Evans of Delaware.

Mr. Dodd with Mr. Grassley.

Mr. Dellums with Mr. Hinson.

Mr. Diggs with Mr. Lewis.

Mr. Gray with Mr. McEwen.

Mr. Ireland with Mr. Walker.

Mr. Kazen with Mr. Thomas.

Mr. Jones of North Carolina with Mr. Spence.

Mr. Long of Louisiana with Mr. Sensenbrenner.

Mr. Foley with Mr. Schulze.

Mrs. Chisholm with Mr. Ritter.

Mr. Chappell with Mr. Gilman.

Mr. Conyers with Mr. Goodling.

Mr. Myers of Pensylvania with Mr. Badham.

Mr. Murphy of Illinois with Mr. Anderson of Illinois.

Mr. Patten with Mr. Abdnor.

Mr. Roberts with Mr. Jeffords.

Mr. Rostenkowski with Mr. Lee.

Mr. Breaux with Mr. Petri.

Mr. Roybal with Mr. Deckard.

Mr. Wright with Mr. Dornan.

Mr. Charles H. Wilson of California with Mr. Dougherty.

Mr. Mathis with Mr. Daniel B. Crane.

Mr. Leland with Mr. Clinger.

Mr. Huckaby with Mr. Beard of Tennessee.

Mr. Evans of Indiana with Mr. McCloskey.

Mr. Fary with Mr. Pashayan.

Mr. Bonker with Mr. Treen.

Mrs. Byron with Mr. Whitehurst.

Mr. Coelho with Mr. Williams of Ohio.

Mrs. Bouquard with Mr. Andrews of North Carolina.

Mrs. Collins of Illinois with Mr. Davis of South Carolina.

Mr. Ratchford with Mr. Simon.

Mr. Garcia with Mr. Stewart.

Mr. Whitten with Mr. Studds.

Mr. Ford of Michigan with Mr. Fowler.

Mr. Evans of Georgia with Mr. Eckhardt.

Ms. Holtzman with Mr. Holland.

Mr. Jenkins with Mr. Leach of Louisiana.

Mr. Kogovsek with Mr. Donnelly.

Mr. Fithian with Mr. Weaver.

Mr. Whitley with Mr. Charles Wilson of Texas.

Mr. Hubbard with Mr. McDonald.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 1792) to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized to present, on behalf of the Congress, to Simon Wiesenthal, a gold medal of appropriate design in recognition of his contribution to international justice through the documentation and location of war criminals from World War II. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There is authorized to be appropriated not to exceed $15,000 after October 1, 1980, to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal. The appropriation made to carry out the provisions of subsection (a) shall be reimbursed out of the proceeds of such sales.

(c) The medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

The Senate bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5548) was laid on the table.

CAN CONGRESS TAKE SOLID ACTION TO STOP INFLATION?

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, the House Budget Committee's Task Force on Inflation, of which I am a member, today approved a comprehensive report and recommendations for action by Congress to stop inflation.

The full budget committee will consider approval of the report on Wednesday.

While agreeing with some of the report's approximately 40 recommendations, I do not agree with its proposal for Federal credit allocation, its failure to propose an end to automatic yearly spending increases for Federal entitlement programs comprising over $400 billion of the budget, and its ready acceptance of other Government controls over the economy as band-aids to curb inflation.

I am also taking steps to rectify omission from the report of input from numerous private citizens who contributed to this anti-inflation effort.

With inflation now at the unprecedented peacetime level of 18 percent, it is well past time for Congress to take constructive action.

The question is, Can Congress put politics aside to curb excessive Government spending and monetary growth policies which cause inflation?

Mr. Speaker, when Chairman PAUL SIMON announced the working plan for hearings of the Task Force on Inflation last May, which culminated in the report approved by a majority on the task force today, he invited members to propose witnesses for those hearings during June and July last year.

I was pleased to submit a list of 28 proposed witnesses from many walks of life, who could provide expert analysis and proposals on the subject of inflation.

Because of the constraints of time and expense, none of the recommended witnesses could come to Washington to testify in person. But 14 of them submitted written statements which appear in three of the eight published volumes of hearings of the Task Force on Inflation, which are available from the House Budget Committee.

Many of the economists, bankers, corporate executives, and other citizens who submitted statements to the task force, providing very useful insight into the causes and cures of this inflation dilemma, came to quite different conclusions from the report which was approved today.

I shall summarize some of the more important and consistent themes, which should have received proper attention in the report, concerning politically motivated profligate spending of the Federal Government, curbing debasement of U.S. currency through tighter control over monetary growth, and congressional action to stop over regulation of the productive sector of our economy.

INFLATION IS MADE IN WASHINGTON

Nobel Prize winning economist Milton Friedman told the task force:

> The inflation that is bedeviling the nation . . . has not been produced by Arab sheiks or by any other influence emanating from abroad. It has been produced by the Administration and Congress in response to public pressures for higher spendings on a wide variety of governmental programs combined with pressure to lower taxes. Congress has found inflation the politically easiest way to meet these pressures. Inflation enables Congress to vote higher government spending without having to vote higher taxes—inflation automatically provides the higher taxes. Inflation enables Congress to vote tax cuts while taxes actually go up because of inflation. Inflation is a form of hidden taxation that destroys the strength of the nation. . . .
>
> Inflation cannot be eliminated overnight but it can be eliminated gradually and responsibly over something like a five-year period. The policies required to do so are well known: a gradual slowing in the rate of monetary growth, and a gradual reduction in government spending as a fraction of the national income. The problem is not one of means. The problem is one of the political will to take the required measures, and of the political courage and wisdom to avoid such expedients as price and wage control which only increase the harm done by inflation.

The themes of political motivation by some elements in Congress to continue inflation, and the bankruptcy of Federal Government controls of wages, prices, and other aspects of the economy were also discussed by other nationally respected experts.

Gerald H. Trautman, chairman of the board and chief executive officer of the Greyhound Corp., stated:

> The single overriding cause of inflation in this country is Government spending that will not stop, long after resources have been exhausted. This, in turn, is followed by the Federal Government running its printing presses overtime to cover its fiscal nakedness with debased dollars. Concurrent with this is Government's penchant for regulating, overregulating, duplicate regulating and counterregulating. Even consumer advocates admit that this regulatory morass has not resulted in significant benefit to consumers, but only a massive diversion of production capital, energy, time and resources into nonproductive paperwork whose only impact has been to cause the price of goods and services to soar. And finally, the third element in the inflationary mix is the headlong race by the Federal Government to rush down the British road to enhance and promote the concept of "entitlement" to every citizen who wants to believe there really is such a thing as a free lunch.
>
> If your committee genuinely seeks the causes of inflation it need seek no further. Inflation is not an economic problem; it is a political problem. Thanks to its profligate spending habits, the Congress has drained the nation and the economy of its vitality and has finally succeeded in "institutionalizing" inflation in America.

ENTITLEMENT PROGRAMS

The task force report briefly mentioned in passing the enormous $404 billion a year budgetary impact of "uncontrollable" spending programs, including "entitlement" programs cited by Mr. Trautman and others as a major cause of our current institutionalized and politically motivated inflation.

These social welfare income transfer programs comprise 76 percent of the total Federal budget, and 84 percent of its annual growth. They include such programs as social security, food stamps, aid for families with dependent children (AFDC), supplemental security income, child nutrition programs, housing subsidies, medicaid, unemployment compensation, Federal retirement and disability programs, veterans benefits, and so forth.

Most of these programs are indexed to provide automatic cost of living adjustments in their received benefits—a fact which makes their annual cost "uncontrollable" until Congress removes the indexing feature, a recommendation notably missing from the list of proposed actions in the task force report.

According to economist Kenneth Clarkson of the University of Miami's Law and Economics Center, indexing of food stamps and other welfare programs has an additional pernicious effect apart from contributing to inflation:

> There are no such automatic adjustments for individuals who must work and must buy their own food. Consequently, this provision makes welfare more attractive than participating in the workplace, thus encouraging continued and increased participation in welfare programs during periods of inflation.

Edward M. Carson, president and chief executive officer of First National Bank of Arizona, has in my judgment correctly evaluated another important aspect of this problem. He told the task force:

> The infusion of so much money into our economic and social framework has changed the basic value system of the country. The result has been an economic environment where consumption exceeds production and savings do not support the need for capital formation. Pressures on price levels, combined with the need of new investment, clearly cause a chain of events where productivity declines and unit labor costs increase.
>
> As productivity declines and unit labor costs increase, unemployment becomes a political problem. A series of inappropriate and, to a large extent, counterproductive legislative measures have followed, creating a broad based concern on the part of the public. This has led to increased Government regulation and the snowball rolls on and on.

Gilbert F. Bradley, chairman of the board of Valley National Bank of Arizona, pointed to the political crux of the entitlement program situation:

> The real problem now stems from the fact that the Government, through the creation of major social programs, has created large constituencies for each program. These constituencies have become expert lobbyists. As a result, there is a general attitude among the populace that the budget must be cut, but it should be cut out of the pocket of someone else. This attitude, unless changed, will make it impossible for a weak Congress to have economic stability. That is, of course, balance the budget during times of expansion.

Obviously Congress must take the first responsible step toward controlling inflation by reassuming control over 76 percent of the budget which by the admission of the majority on this task force is not controllable so long as automatic cost-of-living increases are built into social welfare entitlement programs.

Because of the indexing provisions of these programs, they increased more than $278 billion in just the 10-year period between 1970 to 1980. The total of all Federal deficits accrued over the 15-year period was $312 billion, compared to a cumulative deficit of just $32 billion over the 15 years prior to 1965. Obviously Congress could end deficit spending and balance the Federal budget if it has the political courage to end automatic increases for social welfare programs through indexing, and to vote on all future increases on a case-by-case basis.

Certainly this action is essential to curb the spiraling national debt, now approaching $900 billion, with annual interest of $65 billion, the third highest expenditure in the entire Federal budget.

As was noted in the statement of Wesley Hillendahl, vice president of the Bank of Hawaii, that debt service is an additional burden upon citizens and the productive economy which induces the equivalent effect of inflation. He said:

> While we will never know the answer to the question of our standard of living if we had continued to operate in a relatively free market, limited Government economy, it is clear that the consequences of increasing reliance on an expanding Government must be faced up to sooner or later. With more than $3 trillion in existing public and private debt and the prospects of raising another $4.5 trillion over the next 10 years, chances are we will be facing these consequences fairly soon, since no free society has been known to survive the effects of the accelerating double-digit monetary inflation which must underlie such an expansion of credit.

OVER-REGULATION OF PRODUCTIVE ENTERPRISE

The Task Force on Inflation clearly failed in its report to place enough emphasis on the damage of Federal Government over regulation of productive enterprise, in the name of health, safety, and environmental causes.

Governmental regulation is currently estimated to cost industry and consumers more than $121 billion a year in higher production costs and prices, not considering the time and effort which every company must invest in order to comply with such Government regulation.

The benefit of such regulation in relation to cost has not been a Government consideration.

In his statement to the task force, Peter Steen, president of Inspiration Consolidation Copper Co., noted the extremely damaging effects of Federal regulations and misguided tax policies on the production costs, capital investment, and competitive status of the U.S. copper industry versus lower-cost foreign competition.

The example he cited is multiplied ten-thousand-fold throughout our productive economy as the result of Federal Government regulatory control made possible by congressional passage of open-ended or unduly restrictive environmental or other statutes:

> In 1969 the Federal Government estimated that it would cost the industry $34 million

> to $81 million to remove 98.8 percent of the SO_2 [sulfur dioxide] effluent from the entire nonferrous metals industry. So far it has cost $1.1 billion and 90 percent abatement has yet to be achieved.
>
> Another $4.5 billion will be spent by 1987 in capital and operating costs; and in spite of this, production will be forced to drop 36 percent of its current production rate in order to meet existing EPA and OSHA requirements.

Mr. Steen voiced the view of most productive sector leaders with whom I have spoken when he said that the multitude of regulatory bodies and regulations are not only having a disastrous effect on his industry's production, but are also creating an unstable atmosphere that has curtailed investment:

> [U]nless we can effect more favorable conditions for investment in mining ventures, we will see very few new products or improvements taking place. We will see a gradual reduction in our ability to produce the metals that are vital to this country's economy and security. We will become more and more dependent on supplies of these minerals coming from foreign producers, and as the industry shrinks, what jobs will be available for the people who have spent their lives in mining and know no other occupation?

WAGE-PRICE CONTROLS

The report's recommendation to strengthen the administration's "voluntary" wage-price guidelines clearly goes against much good analysis and recommendations to the contrary from several experts who provided input to the task force.

Alan Reynolds, vice president of the First National Bank of Chicago, stated:

> I would strongly urge the dismantling of any wage-price guideline or control program. Markets would immediately generate a favorable response, since such an end to scapegoating would be evidence of a new sincerity in Government—a willingness to take responsibility for maintaining the value of Government's own product, the dollar.
>
> Guidelines or controls have no lasting contribution to make inflation, except to make it worse by reducing the price system's signals and incentives to repair shortages. So long as money is pouring into the economy, someone will spend it and someone will receive it. Guidelines only affect who gets what share of the new money. Excess demand is diverted into uncontrollable channels, like squeezing a balloon. Similarly, controls on specific uses of credit, without restraint on overall money growth, are just dangerous devices for redistributing wealth toward politically favored individuals or groups.

RECOMMENDATIONS

As the result of input to the task force from economists, bankers, corporate executives, and other citizens, Congress should in my judgment take the following decisive positive action as minimum steps in any meaningful effort to curb rampant inflation:

First. Enact legislation limiting annual Federal spending to no more than 15 percent or 18 percent of the gross national product, in order to restrain overall spending and limit spending growth to times of increased national productivity;

Second. Enact legislation to limit monetary growth to the increase in real gross national product;

Third. Enact legislation requiring specific sound cost-benefit criteria for all Federal regulations, so that every regulation must have demonstrated benefits exceeding their economic cost, and congressional review of all proposed Federal regulations with an economic impact exceeding $100 million; and

Fourth. Repeal indexing features of all entitlement programs, so that increased spending must be specifically approved by the Congress. This is the only way for Congress to regain control over the entire budget and Federal spending increases, as required under the Constitution.

List of Individuals Submitting Statements to the Task Force on Inflation at the Recommendation of Honorable Eldon Rudd

Karl Abel, President, Salt River Project, Phoenix, Arizona (Volume 4, p. 190).

Patrick M. Boarman, Professor of International Studies, Monterey Institute of International Studies, Monterey, California (Volume 2, p. 741).

James T. Bennett, Professor of Economics, George Mason University, Fairfax, Virginia (Volume 2, p. 713).

Edward M. Carson, President, First National Bank of Arizona, Phoenix, Arizona (Volume 2, p. 682).

Kenneth W. Clarkson, Professor of Economics, Law and Economics Center, University of Miami, Coral Gables, Florida (Volume 2, p. 898).

Milton Friedman, Paul Snowden Russell Distinguished Service Professor of Economics, The University of Chicago, Chicago, Illinois (Volume 2, p. 689).

Fred Hervey, President, The Circle K Corporation, Houston, Texas (Volume 2, p. 684).

Wesley Hillendahl, Vice President and Director of Business Research, Bank of Hawaii, Honolulu, Hawaii (Volume 2, pp. 660, 681).

Gilbert F. Bradley, Chairman of the Board, Valley National Bank of Arizona, Phoenix, Arizona (Volume 2, p. 679).

Alan Reynolds, Vice President, The First National Bank of Chicago, Chicago, Illinois (Volume 2, p. 673).

Peter Steen, President, Inspiration Consolidated Copper Company, Phoenix, Arizona (Volume 4, p. 191).

Don Tostenrud, Chairman of the Board, The Arizona Bank, Phoenix, Arizona (Volume 2, p. 657).

Gerald H. Trautman, Chairman of the Board, The Greyhound Corporation, Phoenix, Arizona (Volume 2, p. 685).

Howard Wuertz, President, Arizona Cotton Growers Association, Phoenix, Arizona (Volume 6, p. 42).

SCHOOL VIOLENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Courter) is recognized for 10 minutes.

Mr. COURTER. Mr. Speaker, as the Congress is rightfully preoccupied with the Soviet invasion of Afghanistan and with terrorism directed at our diplomatic personnel in Iran and Colombia, I want to bring to your attention a form of terror that haunts many children and adults in this country, on a daily basis. I am referring to the phenomenon of violent crime in our schools.

In her report for the Law Enforcement Assistance Administration entitled, "Criminal Victimization in Urban Schools," Ms. M. Joan McDermott states:

> Survival in school once meant passing exams. Today survival in many American schools means escaping from thousands of criminals who roam hallways and playgrounds with unrestricted ease and terrorize students and teachers alike.

There is no easy, quick-fix solution to this problem which should remain the primary domain of State and local authorities. However, I do believe a greater impetus can be given to solving or reducing this problem from the Federal level. Therefore, I am introducing today, a resolution, calling upon the Department of Justice and the new Department of Education, using the resources currently available to them, to work together in assisting local educational and law enforcement agencies to eliminate violent crime in our Nation's schools. Many of our school systems do receive some form of Federal assistance and I, therefore, believe we have an interest in insuring the safety of administrators, teachers, and students alike. I call upon my colleagues to support this resolution. Thank you, Mr. Speaker.●

TRIBLE PROPOSES FISCAL YEAR 1981 NAVY SHIPBUILDING PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. Trible) is recognized for 30 minutes.

Mr. TRIBLE. Mr. Speaker, our Nation must maintain a military power and naval capacity second to none. America must possess a Navy with global reach, offensive striking power, flexibility and—above all—the ability to defeat the enemy. We must be able—today and in the future—to counter the increased Soviet threat, insure continued access to the critical and strategic raw materials of the world, and fulfill the requirements of our national strategy in an increasingly unstable world.

Our increased naval requirements, underscored by recent events in Southwest Asia, have led President Carter to state that America must attain and maintain a 550-ship Navy. Unfortunately, the President's rhetoric is not backed up by his 1981 shipbuilding request or his 5-year shipbuilding plan.

President Carter has asked for less money for naval shipbuilding in fiscal year 1981 than the Congress authorized in fiscal year 1980—$6.1 billion as opposed to $6.6 billion—recommends the construction of fewer fighting ships than the Congress authorized last year—8 combatants as opposed to 12—and continues to emphasize smaller and less capable combatants and support ships.

In order to attain and maintain a 550-ship Navy, the United States must build 18 to 25 ships per year and must spend approximately $8 billion per year in constant fiscal year 1981 dollars over the next 5 years. This would represent a $2 billion increase over President Carter's request for 1981. Vice Adm. M. S. Holcomb, Director of Navy Program Planning, testified before the Seapower Subcommittee that the United States would have to spend $10 to $15 billion more than the Carter administration has recommended for the 5-year period fiscal years 1981-85 in order to achieve a 550-ship fleet.

Today, I am introducing legislation proposing an alternative shipbuilding program for 1981 which will permit us to meet our international commitments and attain the 550-ship goal which President Carter has endorsed. The Trible alternative authorizes more ships and more capable ships. Rather than making out-year promises the plan contemplates an orderly acquisition of the vessels most necessary to project American power and presence in the world.

Overall, the Trible shipbuilding program for fiscal year 1981 proposes the construction of 19 ships and the reactivation of 2 additional warships. The total Trible package would add 21 ships to our naval fleet and would cost $8.439 billion. The Carter 1981 request, on the other hand, would add 17 ships and would total $6.118 billion.

The Trible alternative recommends the authorization of three SSN-688 attack submarines, instead of the one attack submarine requested by President Carter. The Navy must possess a minimum force level of 90 attack submarines in order to perform its mission. In order to attain a force level of 90 attack submarines, we must build at least three submarines each year because of the block obsolescence of the 637-class in the early 1990's. The procurement of three submarines will adequately support our present shipbuilding base. The acquisition of three 688's also offers an additional advantage. It is, in fact, less expensive to buy them now rather than later.

The Trible alternative also recognizes the high priority of the Navy's CG-47 Aegis cruiser program. It is important to put the Aegis air defense system to sea in substantial numbers and at the earliest possible date. The air warfare threat has grown dramatically with the addition of the Backfire bomber and sophisticated cruise missiles to the Soviet arsenal. The Trible alternative adds a third CG-47 Aegis cruiser in fiscal year 1981.

In addition to increased funding for submarines and cruisers, the Trible plan significantly strengthens our Navy in the short term by reactivating the aircraft carrier *Oriskany* and the battleship *New Jersey*. The immediate reactivation of the *Oriskany* and the *New Jersey* will—in the short term—significantly improve the quality and flexibility of our naval forces and will signal to the world our continued commitment to naval supremacy.

Recent events in Southeast Asia have underscored the value of aircraft carriers and the inadequacy of a 12-carrier fleet. America's interests dictate a continued carrier presence in the Indian Ocean. However, this presence can be maintained only by reducing the number of carriers in the Pacific and the Mediterranean. This swing strategy results in strategic weaknesses on the oceanic flanks of the Soviet Union. Admiral Long, Commander in Chief, Pacific, recently testified before the House Armed Services Committee that the Navy should have two additional carrier task forces in the Pacific fleet in order to carry out its assigned mission.

By reactivating the carrier *Oriskany*, we can augment our existing carrier forces in the short term. The *Oriskany* is in the best condition of our five remaining *Essex*-class carriers and has a remaining service life of at least 15 years. This vessel could be used as an attack carrier in contingency operations around the world and would provide substantial additional firepower to our fleet. The *Oriskany* could accommodate 50 airplanes, including F-8 fighters, A-4 bombers, and AV-8 aircraft.

In the near future, I hope that the United States can introduce a new class of aircraft carriers. Various carrier options should be fully considered now and we should begin in 1983 to procure the lead ship in a class of carriers to follow the *Nimitz* class.

I also recommend that we return to active service the *Iowa*-class battleship *New Jersey*. The reactivation of the other three *Iowa*-class battleships (*Iowa*, *Missouri*, and *Wisconsin*) should follow in series in fiscal years 1982, 1983, and 1984.

The reactivation of these formidable fighting ships would immediately signal to the world our intention to meet the increased Soviet threat. These 58,000-ton ships would create an imposing presence in the world. Even to the most untrained eye, battleships look like they mean business. Their 16-inch guns can propel 2,500-pound projectiles about 25 miles and can provide important firepower in many contingencies.

It will cost approximately $200 million to return the *New Jersey* to service as is. For an additional $300 million, the capability of this battleship could be dramatically increased by installing vertical-launched Tomahawk missiles and close-in weapons systems, updating their existing radars and operating helicopters and/or VSTOL aircraft off their stern. The battleships have a remaining service life of more than two decades.

The Trible alternative also calls for the procurement of a fleet oiler and provides long-lead funding for a mine countermeasure ship (MCM). Our fleet oilers are the support area of greatest weakness. An orderly acquisition of these ships is essential to meet the demands of combat readiness.

Today there are only three active mine sweepers in our inventory. Even if the service life of the MSO class is extended, we must pursue a robust construction program in the near future to achieve a force level of 25. The Trible plan lays the essential groundwork for this effort by providing moneys for the reestablishment of a domestic capability to produce the propulsion systems for these vessels. The acquisition of MCM ships should commence in fiscal year 1982.

The Trible shipbuilding program for 1981 eliminates the long-lead funds for the development of the fleet attack submarine (FA-SSN). It is the clear consensus of the Seapower Subcommittee that we should reject a program to build slower, less capable submarines. It would be foolish for the United States to build less capable boats when the Soviet Union is building submarines which can run faster and dive deeper than those of our *Los Angeles* class. The effort to develop the FA-SSN should be nipped in the bud.

The Trible plan also deletes the authorization for two T-AKX ships for the pre-positioning of war-fighting materials. I enthusiastically support the implementation of a rapid deployment strategy. However, the plan and procurement of pre-positioning ships has not been carefully designed. The Carter 5-year shipbuilding plan, for example, calls for the acquisition of 15 T-AKX vessels. Already, in testimony before the Seapower Subcommittee, the Navy has stated that only 12 such ships are required. Finally—and most importantly—there are commercial assets that are readily available which can satisfy at least 33 percent of our requirements. Let us buy these ships and begin a more carefully considered procurement of T-AKX vessels in fiscal year 1982.

That is the Trible alternative. It begins the critically important process of attaining and maintaining a 550-ship Navy. It exploits available assets. It emphasizes both capability and support. In short, it will help assure us a balanced fleet capable of protecting our vital national interests.

Fiscal year 1981 shipbuilding program

Type of ship	Carter	Trible
Trident (ballistic missile submarine	1	1
SSN-688 (attack submarine)	1	3
CV (aircraft carrier) SLEP[1][2]	1	2
BB (battleship)[3]	0	1
CG-47 (guided missile cruiser)	2	3
FFG-7 (guided missile frigate)	4	4
LSD-41 (amphibious ship)	1	1
MCM (mine countermeasure ships)[4]	0	L.L.
TAGOS (SURTASS)	5	5
AO (oiler)	0	1
T-AK (cargo ship conversion)	1	1
T-AKX (commercial roll-on roll-off ships)	2	0
ARS (salvage ship)	1	1
Total new ships	17	19
Total conversion	2	4

[1] SLEP—service life extension program.

[2] Reactivation of aircraft carrier *Oriskany*.

[3] Reactivation of battleship *New Jersey*.

[4] Long lead funding for propulsion.

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, due to an absence on official business in my district for part of last Thursday, I placed a personal explanation in the RECORD to give my positions on the vote on which I was not recorded. That explanation, as it appeared, was not complete. Therefore, I wish to state again that, had I been present, I would have voted as follows on Rollcalls No. 89 through No. 96:

No. 89, "yes" on the motion to approve the Journal; No. 90, "no" on the motion to recommit House Resolution 541, the resolution to provide funds for the Armed Services Committee; No. 91, "yes" on the motion to order the previous question on House Resolution 552, the resolution to provide funds for the Rules Committee; No. 92, "yes" on House Resolution 554, the resolution to provide funds for the Agriculture Committee; No. 93, "yes" on House Resolution 556, the resolution to provide funds for the Small Business Committee; No. 94, "yes" on House Resolution 535, the resolution to provide funds for the Science and Technology Committee; No. 95, "yes" on House Resolution 546, the resolution to provide funds for the Merchant Marine and Fisheries Committee; and No. 96, "yes" on House Resolution 538, the resolution to provide funds for the Ways and Means Committee.●

ARMANDO RODRIGUEZ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 10 minutes.

● Mr. VAN DEERLIN. Mr. Speaker, Armando Rodriguez has recently been criticized for telling a joke some thought was sexist. Be that as it may, I would hate to have anyone in Washington get the wrong idea about his commitment to women's rights.

We are proud of Armando Rodriguez in his home city of San Diego. He is as fine a man as I know, and in his heart a passion for social justice burns with a brilliant flame. But I will let Armando speak for himself. The following speech, made last October before the National Association of Cuban American Women, clearly sets forth his views on women's rights:

SPEECH BY ARMANDO RODRIGUEZ

I'd like to thank your organization for inviting me to speak here today. I've been looking forward to this since I received your invitation.

As you know, I'm one of the five Commissioners of the Equal Employment Opportunity Commission (EEOC). It is our job to enforce Title VII of the 1964 Civil Rights Act which outlaws employment discrimination on the basis of sex, national origin, race, color, or religion. I have some very definite things to say about sex discrimination, particularly because I share in the prediction by Eleanor Holmes Norton, Chair of EEOC, that the 1980's will be the "decade of the woman" in the fight against employment discrimination. To understand why, we must be aware of some significant statistical data.

SOME STATISTICS

In this day and age it should be clear to all that a majority of women work because of economic need. Increasingly, women do not rely on men to provide income, and this is evidenced by the fact that nearly two-thirds of all women in the labor force in 1978 were either single, widowed, divorced, separated or had husbands whose earnings were less than $10,000.

There were approximately 42 million women in the labor force last year, constituting two-fifths of all U.S. workers. Of this number, 1.8 million were Hispanic; this means that forty-five percent of Hispanic women were working, and they accounted for nearly 40 percent of all Hispanic workers.

In terms of unemployment, adult Hispanic women were among the most severely hit, suffering a 9.8 percent jobless rate as compared to 5.2 percent for white women. Of course, teenage Hispanic women suffered much greater unemployment at a rate of 22.0 percent while the figure for white teenage women was 14.4 percent.

It has always been the case that women in general and minority women in particular are concentrated into low-paying, dead end jobs. Consequently, the average woman worker earns only about three-fifths of what a man does. The menial jobs to which Hispanic people are so often relegated have had their most devasting impact on the Hispanic woman worker. For example, in 1978 the median earnings of full-time, year-round women farm workers were $1,653; for private household workers, $2,174; for sales workers, $6,825; and for clerical workers, $8,601.

The economic responsibilities shouldered by women as bread winners is profound indeed. For example, among all poor families last year, approximately fifty percent were headed by women. The percentage of women who are the chief income producers is much greater among poor minority families. But even where women are not the heads of households, it is frequently the wife's earnings which raise a family out of poverty.

These statistics are very important. Through them we have scientific proof of women's dramatic economic contribution not only to their families, but to the society as a whole. But how are women rewarded for their hard work and positive impact upon the economic order? One way of answering this question is to cite the fact that in 1977, fully employed women high school graduates had less lcome on the average than fully employed men who had not so much as completed elementary school—$8,462 and $9,332 respectively. In the same year, women with four years of college also had less income than men with only an eighth grade education—$11,134 and $11,931 respectively.

INJUSTICE OF SEX DISCRIMINATION

For those of us who are men, one of the most painful, personally revealing dilemmas we struggle with is the extent to which we promote the exploitation of women. Whether because it is difficult to reverse ingrained habits of a lifetime or out of sheer selfishness and ignorance, men are slow to concede the existence of sex discrimination and even slower to admit their personal roles contributing to its perpetuation.

The shocking depths of this problem are clearly exposed in the workplace, an area in which I as a Commissioner of the Equal Employment Opportunity Commission can have an impact. It is no news to this distinguished assembly of Hispanic women that our economy is plagued with sex-based discrimination in almost every condition of employment. We see this in areas of hiring, promotion, transfers, layoffs, discharges, training programs, opportunities for testing, job segregation, early retirement, maternity leave, underrating, underpayment, sex harassment, and retaliation for asserting rights.

Our sense of righteousness is provoked when reading about the uncivilized sweat shops of the nineteenth century and the barbaric violence invoked by industrial bosses to break up labor unions demanding basic economic human rights. I submit that in the next century, when our children's grandchildren study their history books, they will learn—with equal indignation—about the rampant discrimination imposed upon women workers today.

They will read how it is commonplace for women to be disproportionately clustered into the lowest graded jobs, promoted in fewer numbers and with less frequency than men, foreclosed from participating in job programs which help them ascend from the low ranks, laid off in far greater numbers than men in times of economic stress, and completely overlooked by recruitment drives.

They will find hard to believe that in this decade there are job advertisements for stenographers, typists and keypunch operators describing women as "the other half of the team." There are even employers who place employment test results on different colored cards, one color for men and another for women—a little device vastly improving the efficiency of sex discrimination. It is frightening that some companies use personnel requisition forms which provide boxes for supervisors to designate with a little "X" whether they prefer a man or a woman to be hired.

You know, we like to think ourselves so advanced and better than past generations, but I assure smug male historians that their discipline will look back on this epoch as tragically uncivilized.

The pervasiveness of sex based job discrimination is not limited to the examples I have just briefly mentioned. I think it is important to be honest about the severity of the problem and expose its ugly consequences.

For example, it is typical that women, once conferred with the title of supervisor, continue to be stereotyped and are given responsibility over almost exclusively female populations, like clerical pools. About the only time the so-called "Female occupations" are supervised or filled primarily by men is when the positions are within the higher pay grades. Consequently women are not even allowed to progress within the occupations into which they have been traditionally segregated.

Given this pattern, it is not surprising that women have been virtually excluded from supervisory positions. Moreover, it is the incumbents of such positions who usually do the selecting, and their superiors instruct them to look for candidates who "have done a good job," "handled people and new situations well," and "do not require a lot of supervision." These vague criteria, combined with an almost invariable preference for men to fill job vacancies, breathes life into a vicious cycle.

There seems no end to the variety of ways in which women are denied employment opportunities. We all know how important training programs are to a worker's upward mobility. Thanks to the impact of special company-provided training, numerous unskilled, blue collar employees succeed in advancing to significant supervisory positions in fields unrelated to those into which they were first hired. But in keeping with the overall pattern, women are infrequently given the opportunity to participate in training programs as compared to participation by men.

The job disparities endured by working women cannot be dismissed by easy explanations such as lack of seniority, job qualifications or business necessity. Frequently, the women employees of a factory, plant or other workplace have substantially greater seniority than males in each pay grade.

Employers have attempted justifying sex discrimination, often on the grounds that they do their women employees a favor by hiring them into low pay grades and keeping them there. By having their accountants play games with numbers, they contend that women workers are actually better off than men in terms of salary, benefits, hours, etc.

But such efforts are self-serving subterfuges, and the EEOC and Federal Courts have seen right through them.

Another futile defense is the claim that women employees do not advance, because they simply are not interested in promotion. This one takes the cake. It is more poor camouflage, especially in those many instances where it is a male supervisor who initially determines whether a worker is interested in promotion. If the supervisor who prefers men over women tells his superiors that woman workers are not interested in promotion opening, women will not be interviewed, much less be candidates to move up.

FIGHTING BACK

But what happens when a woman decides to fight back? The retaliation by her employer can be a nightmare. Management, supervisors and other members of the male workforce can bring to bear tremendous pressure upon any woman having the "temerity" to protest internally or go the extra step and file a charge of sex discrimination with my agency, the EEOC.

It is common for the men to begin by attacking the personality of the complaining party, labeling her a "trouble maker," "irrate," and "irrational." The claim will be made that she "has a chip on her shoulder," lacks the "ability to get along," is "abusive to co-workers," just "impossible to work with" and "in need of psychiatric help."

There are countless ways for management male co-workers to harass and generally make life miserable for a woman with the courage of her convictions. When the retaliation leads to escalated protests, management representatives choose to generally disregard them. They also refuse demands for disciplinary action against the male perpetrators. This results in the tacit encouragement of tormenting, teasing and intimidating the aggrieved.

The harassment can become so vicious as to take on cruel sexual connotations. Insulting a woman sexually or groundlessly casting doubt on her morality, the culprits excuse themselves, ludicrously insisting that "a woman must expect such things in a man's world, after all a woman to whom sexual innuendos are made should feel 'flattered'."

The pressures of such an unsavory work environment can actually lead to emotional and psychological side effects.

The employer can seize upon manifestations of psychological strain and assert that the worker is problematic, or worse, in need of psychiatric help. It is hard to imagine a more exasperating, "catch-22" situation.

In investigating some of these cases, our agency finds such misleading internal reports as, "the employee became incensed with employees she came in contact with and flew into a rage; her underlying problem is her failure to accept guidance, direction and suggestions." In reality, the woman worker has been taunted and provoked beyond toleration, but the memos are silent on this point. It is fair to say that too often this is a pattern and practice among management officials.

What emerges is a picture of a woman who is in fact angry, has actually insulted her superiors and co-workers, and eventually becomes difficult to deal with. The reality, however, is that such conduct, unpleasant and inexcusable in the normal working relationship, is understandable, indeed justifiable, given the high level of provocation. To my way of thinking, not to be regarded seriously or professionally by co-workers for no just reason is infuriating and sufficient provocation of itself.

If someone in management finally does get around to doing anything about the employee's complaints of harassment, the method used to resolve the problem can also be discriminatory. The bosses usually refuse to take steps of deterrence against the provokers, so it is the aggrieved who is again victimized. This time she is transferred to a new department. The inconvenience and burden of the move is borne by her as though she were the wrongdoer and deserved to be punished.

What I have just tried to do is describe in detail some of the most common forms of sex discrimination in employment and the problems often suffered by women courageous enough to demand their rights. Believe me, the last thing I want to do is discourage anyone from seeking redress under Title VII! At the same time, I think it was essential to cover the preceding retaliatory aspects of the problem in order to accurately depict the sordid depths to which it can go. As you can see the task before the EEOC is monumental.

SEXUAL HARASSMENT

I would also like to direct some remarks to the reprehensible reality of sexual harassment in the workplace. Up until recently this problem was rarely talked about, although it runs the gamut from unwanted advances to a demand for sexual favors in exchange for a promotion or simply continued employment. Obscene remarks directed at women workers, undesired touching or hugging, or a practice of saying things with double meanings also qualify as sexual harassment.

While this is an old problem, the response of women to it is new. EEOC and the federal courts have recognized that an employer is liable under Title VII when refusal of a supervisor's unsolicited sexual advances is the basis of an employee's termination.

The extent of sexual harassment is astonishing. In a recent survey of 155 women aged 19 to 61, the New York City based Working Women's Institute found that 70% had experienced sexual harassment at some point in their working careers. But while the courts are growing more sympathetic to this problem, the legal system has yet to resolve the pitfalls of lodging protests.

The Institute's survey revealed not only that half of the women who complained had employers who took no action whatsoever to eliminate the problem, but that one-third were retaliated against by the assignment of unpleasant employment tasks, etc. Moreover, turning down an invitation for sex often led to denial of employment, skipped promotions, or outright termination.

Women's organizations and sociologists say that sexual harassment is on the increase as more women enter the labor market in competition with men. They believe that sexual harassment is an assertion of the insecure male's declining sense of power over women.

The problem more deeply impacts recent divorcees and women who have children to support. In short, the most economically vulnerable are the ones most defenseless when confronted by this disgusting form of discrimination—and that largely means minority women.

The law is slowly making favorable changes in this area. Thus in addition to law suits now possible under Title VII of the Civil Rights Act of 1964, states like California and Wisconsin allow the award of unemployment insurance to employees who leave their jobs under the pressure of sexual harassment. The law of the other States has not as yet chosen to take such an enlightened, fair approach.

We need other changes in the law. For example, at present the courts insist that for a suit to survive dismissal, women must first complain about harassment through appropriate company channels. However, most victims would rather not follow such a perilous course. It is not unlikely that their compliance with the internal process will result in being transferred, terminated or otherwise retaliated against by a company run by men and which can be expected to side with the offender. To bring charges against a male boss or co-worker can be a rough and lonely battle somewhat similar to rape cases.

Together we must devote ourselves to seeking changes in the law, lest the promise of judicial recourse become little more than an illusion.

PREGNANCY DISCRIMINATION ACT

On October 31, 1978, President Carter signed into law the Pregnancy Discrimination Act. It applies to both private and Government employers and is actually an amendment to Title VII of the 1964 Civil Rights Act.

The basic principle of the Pregnancy Discrimination Act, as explained in our Guidelines, is that women affected by pregnancy, childbirth and related medical conditions must be treated the same as other applicants and employees on the basis of their ability to work. In the past many employers often took advantage of a woman's pregnancy-related medical condition and seized upon this as a feeble excuse for all manner of employment discrimination including, but not limited to, refusal to hire or promote, denial of fringe benefits, and yes, even outright termination.

Women endured all these abuses simply for bearing their children. It is hard to think of anything more antithetical to the family structure and the welfare of our society.

Now that we have the new Act, a woman is protected against being fired, refused employment or denied promotions merely because she is pregnant or has had an abortion. She usually cannot be forced to go on leave as long as she can still work. If other employees who take disability leave are entitled to get their jobs back when they are able to work again, so are women who have been unable to work because of pregnancy.

The Pregnancy Discrimination Act also extends its blanket of protection to the area of fringe benefits. Disability benefits, sick leave and health insurance are now all subject to the Act's equitable purpose. Therefore, a woman unable to work for pregnancy-related reasons is entitled to disability benefits or sick leave on the same basis as employees unable to work for other medical reasons. In addition, any health insurance provided by an employer for his/her employees must cover expenses for pregnancy-related conditions on the same basis as costs are covered for other medical conditions.

Some of you might wonder why Title VII had to be amended in the first place by incorporating the Pregnancy Discrimination Act. You may be asking yourselves, "if Title VII forbids sex discrimination in employment, doesn't it include discrimination arising out of pregnancy?" Despite your clear and logical reasoning, the United States Supreme Court managed to disagree with you in a much criticized 1976 case known as General Electric Co. v. Gilbert. In that case, the high court ruled that General Electric's exclusion of pregnancy related disabilities from its comprehensive disability plan did not violate Title VII.

This decision flew in the face of EEOC interpretive guidelines and the rulings by no less than eighteen District Courts plus all seven Circuit Courts of Appeals which passed on the issue. For those of you who find hard to understand the Supreme Court's action, you may be content to know you are in good company.

In response to the General Electric decision, Congress enacted the Pregnancy Discrimination amendment to Title VII, and seems to have indirectly scolded the Supreme Court for misconstruing Congress' intent in the Civil Rights Act of 1964. As reflected in the reports of the House and Senate committees holding hearings on the pregnancy discrimination bill before it became law, Congress believed that the EEOC and lower Federal courts had "rightly implemented the Title VII prohibition of sex discrimination in the 1964 act." Congress went on to pass the bill, and in effect overruled the Supreme Court—a lesson to be learned when the judiciary meddles excessively in the business of Congress.

FILING A CHARGE

Now, I have talked about a lot of problems here today—but big deal; I'm the last one who needs to tell you things you already know. That's why I'm also here to encourage you to use my agency to help resolve your problems.

If you believe you have been discriminated against because of your sex or because of your national origin, race, color, religion, or age, or if you feel you have been denied pay equal to that of men, then by all means file a charge with the EEOC. It is important that you do this as soon as possible, because if six months go by from the time of the act(s) of discrimination, we probably won't be able to help you.

To file a charge of employment discrimination, you should visit, write or telephone your nearest EEOC office. You have one here in Newark on Broad Street, and I can give you a sheet with its complete address and phone number.

It's been a pleasure having this chance to talk with you. I appreciate your invitation—maybe you'll have me back.●

COMMISSION ON SECURITY AND COOPERATION IN EUROPE TO HOLD HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, I should like to announce along with our distinguished colleague Congressman JONATHAN BINGHAM, that Under Secretary of Commerce Luther Hodges, Jr., Assistant Secretary of State Deane Hinton and other experts on East-West trade will testify March 6, 1980, at a hearing conducted jointly by the Commission on Security and Cooperation in Europe the House Foreign Affairs Subcommittee on International Economic and Trade Policy on Basket Two of the Helsinki Accords.

Basket Two, the second section of the document signed by 33 European nations, the United States and Canada outlined a framework for expanding economic and commercial cooperation, including a reduction of obstacles to trade, freer flow of economic information, improved working conditions for foreign businessmen and encouragement of joint projects.

The Commission's first hearings were held in January 1977, prior to a review session held at Belgrade, Yugoslavia. This day of hearings—to be followed by others on the human rights, emigration, and religious liberty provisions of the 1975 agreement—will focus on the current status and prospects of U.S. commercial and economic ties with the Soviet Union and Eastern Europe; implementation of Basket Two prior to the Afghanistan invasion and afterward; efforts to promote better implementation; and the impact the Soviet violation of the Helsinki Accords in Afghanistan will have on the review session scheduled to occur in Madrid this fall.

This hearing will take place in room 2172, Rayburn House Office Building at 10 a.m., Thursday, March 6.

ECONOMIC AID TO NICARAGUA

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HANLEY. Mr. Speaker, by a narrow vote of 202 to 197, the House on Wednesday approved $75 million in economic aid to Nicaragua. It was a measure urgently requested by the President. It was strongly supported by the majority leadership of the House. It was ably and eloquently defended by the chairman of the Foreign Affairs Committee, and his colleagues in the majority and the minority.

How ludicrous to believe that anyone in the above categories supports communism in the Caribbean. How foolish of the House to respond to suggestions that this was the case.

Seventy-eight Members of the majority party, many of them senior Members from safe electoral seats, voted with the minority to embarrass the President and the leadership of the House. Were it not for the minority Members who followed JOHN BUCHANAN, the measure would have been defeated. Can you imagine the message such action would have sent to the moderates in the Third World who are being crushed between the extremists on the right and the left?

We have some colleagues here who cannot be redeemed by reason, and we have here also the natural partisans whose mission it is to embarrass the President and disgrace the majority leadership. With the help of 78 Democrats, this mission was nearly accomplished on Wednesday.

It behooves the rank and file Members of the majority, of long and short tenure alike, to reflect on our responsibility to follow the leader from time to time. We ought not to pine for leadership lost, when it is really our unwillingness to follow which lies at the heart of our legislative problems.

"LOVE, SECURITY, AND SUPPORT"—THE HESTER FAMILY OF SYRACUSE, N.Y.

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, on the subject of family life and domestic tranquility, fair it is to say that the past several decades have produced a situation which warrants alarm when we analyze our societal failures, ranging from juvenile delinquency, rising crime rate, divorce rate, abortion, disruption of the traditional family unit. On a day-to-day basis, all of us are exposed to much in the media related to these subjects, each one of which tends to be disappointing, disillusioning, and perhaps even depressing.

The February 24, 1980, issue of the Syracuse Herald-American published in my home community provided some rather interesting and heartening reading about a family unit the caliber of which is what the traditional backbone of American society was. It is a story about the beautiful Hester family and their 15 children. The success of this magnificent family unit, I believe, is contained in the parents' remark "what they do get is a great deal of love, security, and support."

I provide this material for the RECORD in the hope that my colleagues and others will enjoy encouragement from it in the sense that I have.

FIFTEEN IS NOT ENOUGH FOR HESTER FAMILY

CLAY CLAN CHEERS THE NEWS THAT MOM IS EXPECTING NO. 16

(By Paula A. Walker)

"Cheaper by the Dozen" and "Eight is Enough" move over—here come the Hesters of Clay!

While they are not the principals in a new book nor are they characters in the fall preview television lineup, they certainly could be.

After all, it's not every day a family comes along that has two parents, 15 children, and a black cat named "Felix." An author or a scriptwriter could create a winner with the aforementioned ingredients, but might even want to add one other detail: have the mother get pregnant again.

Well, that's just what's happened to the Hesters. The 17-member clan soon will have an 18th member come September and the close-knit family is ecstatic.

Mr. and Mrs. Hester—Richard and Mary Ann—were surrounded by cheering offspring when they announced recently there would be another Hester seated at their trestle dining room table.

ALL BUT TWO AT HOME

"We like a lot of kids," Mrs. Hester said, and then rattled off the names and ages of all, confusing the ages of only two of them.

There is Mary Lou, 21; Maureen, 20; Susan, 19; Siobhan, 17; Richard Jr., 16; Brian, 14; Sean, 13; Paul, 12; Mary Ann, 11; Edward, 10; Matthew, 8; Barbara, 6; Owen, 4, and the twins, Timothy and Teresa, 2.

"We have a series of six kids born in consecutive calendar years," Hester chuckled.

Except for Mary Lou, a nurse in New Jersey, and Maureen, who is a budding actress in New York City, all of the Hesters call 4343 Old Meadow Road, Clay, home.

They have converted their three-bedroom raised ranch with a family room, a den, and one and a half baths into what must be one of the most populous one-family homes in the country.

Bunk beds and double beds abound, and still there is one bed that usually is empty. The four boys who sleep in the double-deckers in the converted family room sometimes double up to sleep together.

"Especially on Saturday nights," when they get to watch television past bedtime, explained their sister, Siobhan. "They watch science fiction movies from the floor where they are all piled into sleeping bags," she said. Inevitably, at bedtime, the celluloid spooks wreak havoc with their young imaginations and the bed-hopping begins.

BREAKFASTS "MUSHY"

"Then they sleep together because they get scared," explained the Onondaga Community College freshman.

She shares the den/bedroom with the oldest at home, Susan, who is an actuarial accountant and her father's secretary at the Maloney and O'Sullivan, Inc., investment firm in Baldwinsville.

When asked about the most hectic time of day, both Mrs. Hester and Siobhan sighed, saying, "mornings before school," and "afternoons when they get off the school bus" respectively.

Taking time to relive those moments, Mrs. Hester explained getting them all into their clothes and then getting food into all of them can get "wild." Breakfasts for the youngest (everyone from Paul down to Teresa is considered a "little" kid) usually means oatmeal, which Mary Ann calls "mushy."

RITES OF PASSAGE

But, on Sunday mornings, Hester buys the local donut shop out of about six dozen donuts, which don't last long when 15—and sometimes 17 when Mary Lou and Maureen are home for the weekend—people sit down to breakfast.

"We don't all eat at the same time," Mrs. Hester said, because even with a trestle table, it is logistically impossible to seat everyone at once. When Hester is not traveling as part of his job as vice president for actuaries at the firm, he presides over meals with his wife and the older children.

Paul, the senior at the younger children's mealtime, is longing to reach the eighth grade so he, too, can be invited to eat with the elders.

"We have a family tradition," Mrs. Hester, a native of Manhattan's West Side, explained while Edward and Matthew snuggled against her as she sat in her favorite chair.

"The Christmas of the year each child is in the eighth grade, my husband and I present him or her with a mug," she said, "Then they either can have coffee or tea with breakfast and maybe during the afternoon."

Acknowledging that the children are more interested in the rites of passage into '"adulthood" rather than the taste of tea leaves or coffee beans, she said it would be impossible to drop the tradition now.

GROCERIES AVERAGE $100

One tradition no family, even a childless one, can drop is grocery shopping.

The Hesters' grocery bill usually comes to about $100 each week, with Mrs. Hester supervising the buying trips to a Seneca Mall grocery store.

"It requires careful shopping to keep the bill at $100," she said, "but my mother was a very careful shopper and I picked that up from her."

They always have used powdered instead of whole milk, prompted by Mary Lou's inability to drink whole milk as a baby. Meat is another expensive food item the Hesters have cut down on.

"We don't eat meat every night," Mrs. Hester said, "and we're able to save a lot by buying ground meat with soy filler in 30-pound lots." The meat extender reduces the cost of the meat by about 70 cents a pound.

They eat virtually no junk food, snacking on carrot sticks, other vegetables and fruits, instead. Soda is not a regular on the family's grocery list and the children take their lunches to school.

Sean, Paul, Mary Ann, Edward, Matthew and Barbara all attend St. Joseph the Worker elementary school in Liverpool and each takes turns making peanut butter and jelly sandwiches which, with a piece of fruit, usually makes up lunch.

ANNOYED BY "FAVOR"

Richard and Brian attend Liverpool High School and Owen, Timothy and Teresa keep each other company at home until the rest return.

When asked if their house was the neighborhood hangout, Mrs. Hester said, "it's not quite that, but I do encourage them to invite their friends home" so she knows where they are. She then pointed to the three small visitors who were painting at the dining room table with six of her own children.

"Sometimes if I have an errand to do," she said, "their mother, who is my neighbor, will watch a few of my kids and sometimes I do the same for her."

Mrs. Hester becomes annoyed when people ask to "take a few of my kids off my hands, like they're doing me some sort of favor," as she explained from her living room.

'My husband and I had all of our children because WE wanted them," she said. "Each one is special to us and each one is different—even the twins. Timothy loves the snow and Teresa absolutely hates it."

DECISION CAME EASILY

Hester, originally from Northern New Jersey, met his wife on a blind date. She was the sister of his classmate at Manhattan College.

"He had seen a picture of me, asked me to a dance, and I sort of accepted," Mrs. Hester said, glancing at her wedding portrait on the living room wall. "I said I'd go if I could find something to wear. Well, I found something to wear. We were engaged a short time later and the rest is history."

The decision to have a large family came easily. "On one of our dates, my husband said he wanted 12 children," she laughed. "As the kids began to arrive I knew we were going to have at least 12, but later on, I wasn't so sure."

There were a few miscarriages after Matthew was born—the 11th—and the Hesters were afraid to hope for another offspring.

"Well, then I got pregnant again and Barbara was born," she said, stroking her 12th child's golden hair. "My husband presented me with a dozen roses," she remembered. "It was symbolic, you know, and even then we didn't stop."

Following the birth of the twins, there were several more miscarriages and the family thought their numbers were fixed.

AWARE OF RISKS

Mrs. Hester recently began feeling poorly, was napping quite a bit, and the children became concerned.

A visit to the doctor a few weeks ago confirmed what Mrs. Hester suspected—the 16th little Hester was on the way and should arrive by September.

As Roman Catholics, the couple does not practice birth control, as determined by church law.

"I feel lucky that we're getting this one," she said. "When the baby comes, I'll be 43 years old." She is aware of the risks of having a baby during middle age. Physicians, she said, have informed her of Down's Syndrome and the availability of amniocentesis which can determine if the fetus is healthy or not.

However, the results of any such test never would prompt any other decision but to have the child, they say.

"You gotta love kids to have 15 of them," Hester observed.

The sheer numbers of offspring and the fund limitations mean the children don't always get dental checkups every six months, "but then neither do most kids," she said.

What they do get is a great deal of love, security and support.

MONEY STRETCHED FOR EXTRAS

Edward, who loves to bake, gets cake mixes galore and whips up desserts at every opportunity. He also takes flute lessons, selecting that instrument at his mother's request so his maneuverability on the school bus is not hampered by something large and brassy, like a baritone saxophone.

Paul used to stay after school to practice for basketball team tryouts, while Mary Ann was "rah-rah-ing" her cheerleading squad cries.

"Everybody doesn't get to have music lessons and such things because they're a bit expensive, but if they demonstrate they want to stick with the lessons and are really serious, we come up with the money," Mrs. Hester said.

One of the love stories in the clan is the closeness Mary Lou and 4-year-old Owen have for each other. Owen and his mother spent a week at Mary Lou's New Jersey apartment, so the brother and sister could spend time alone together.

In remembering the rest of her brothers and sisters, the soon-to-be-married eldest offspring sent every little Hester a Valentine's card.

Her mother speaks of her with pride, noting she worked her way through nursing school "because we just don't have the money to pay for that, too."

KINDNESS REPAID

When her parents moved to Syracuse about 18 months ago, they kept their New Jersey home open three extra months so Mary Lou wouldn't have to increase her expenses by moving into a campus dormitory.

"She appreciates her father's decision to help her in that way," Mrs. Hester said, explaining the strong sense of responsibility her children have. "She has been sending her father $100 a month to offset the cost of keeping that huge house open for her. It's not something he asked for. It's something she said she wants to do to thank and repay him."

Not wanting her family to appear as "too good to be true," Mrs. Hester said there definitely are times when discipline is required and it comes swiftly, sometimes in the form of a spanking.

There was a problem with one of the children cutting classes in school. A bargain to stop "skipping" was reached between mother and child, but the following day, the bargain was broken.

"I blew my top," she said, telling her child if school was not important enough to attend, then the child would have to leave home. More exactly, the words "get out" were used.

"A deal is a deal", she said, "and it was broken. That means I'm being lied to and that I will not have."

The matter was resolved, the truant is back in school, and Mr. and Mrs. Hester are hoping that experience is the worst they'll have to face, but recognize there are many more serious ordeals possibly awaiting them.

ENJOYING LUXURY

For now, Mrs. Hester is luxuriating in her home, being waited on, as much as a mother of 15 can be, by her children who want very much to have a new baby.

The Hesters are not sure if they will be living in Clay by then, because they are searching for a very large home, preferably on the city's West Side.

One thing's for sure, though; pediatrician Dr. Robert Pastel of Liverpool will attend to the new Hester when it arrives, because the Hesters like his philosophy and his methods—Dr. Pastel has 13 children of his own.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BIAGGI (at the request of Mr. WRIGHT), for February 25 through March 5, 1980, on account of medical reasons.

To Mr. CHAPPELL (at the request of Mr. BENNETT), on account of official business in district.

To Mr. GILMAN (at the request of Mr. RHODES), for today, March 3, 1980, on account of official business.

To. Mr. RATCHFORD (at the request of Mr. WRIGHT), for this week on account of illness.

To Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family

To Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for today, on account of official business.

To Mr. SCHEUER (at the request of Mr. WRIGHT), for Thursday, February 28, on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HAMMERSCHMIDT, for 30 minutes, today.

(The following Members (at the request of Mr. HOPKINS) to revise and extend their remarks and include extraneous material:)

Mr. COURTER, for 10 minutes, today.

Mr. TRIBLE, for 30 minutes, today.

(The following Members (at the request of Mr. ATKINSON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. CAVANAUGH, for 5 minutes, today.

Mr. NELSON, for 5 minutes, today.

Mr. VAN DEERLIN, for 10 minutes, today.

Mr. FASCELL, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HOPKINS), and to include extraneous matter:)

Mr. COUGHLIN.

Mr. RHODES.

Mr. KEMP.

Mr. MARRIOTT.

Mr. MICHEL in two instances.

Mr. RITTER in two instances.

Mr. HOLLENBECK in two instances.

Mr. BAUMAN in 10 instances.

Mr. SYMMS.

Mr. COLLINS of Texas in three instances.

(The following Members (at the request of Mr. ATKINSON), and to include extraneous matter:)

Mr. ROBERTS.

Mr. ALBOSTA.

Mr. STARK.

Mr. PICKLE in 10 instances.

Mr. DE LA GARZA in 10 instances.

Mr. DRINAN.

Mr. CAVANAUGH in six instances.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. ROSENTHAL in 10 instances.

Mr. SWIFT.

Mrs. BOUQUARD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. ZABLOCKI.

Mr. FUQUA.

Mr. MCDONALD in five instances.

Mrs. SCHROEDER in eight instances.

Mr. EDGAR in two instances.

Mr. MCCORMACK.

Mr. HARRIS.

Mr. MOAKLEY.

Mr. VAN DEERLIN.

Mr. WEAVER.

Mr. BRADEMAS.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1086. An act for the relief of Bharat Persaud; to the Committee on the Judiciary; and

S. 2194. An act to amend the Foreign Assistance Act of 1961 to authorize special Azores earthquake relief and reconstruction assistance; to the Committee on Foreign Affairs.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 891. An act for the relief of Barbara Laws Smith;

H.R. 948. An act for the relief of Maria Corazon Samtoy;

H.R. 1559. An act for the relief of Nelia Ruiz Hedlund;

H.R. 3139. An act for the relief of Pedro Gauyan Nelson;

H.R. 3873. An act for the relief of Jan Kutina;

H.R. 5235. An act to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services, and for other purposes;

H.R. 6374. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ambassador Kenneth Taylor;

H.J. Res. 267. Joint resolution to provide for designation of Friday, March 7, 1980, as "Teacher Day, United States of America"; and

H.J. Res. 434. Joint resolution to authorize and request the President to issue a proclamation designating April 6 through 12, 1980. "National Medic Alert Week."

SENATE ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bill and joint resolutions of the Senate of the following titles:

S. 1850. An act to authorize the conveyance of lands in the city Hot Springs, Ark.

S.J. Res. 43. Joint resolution to proclaim March 21, 1980, "National Energy Education Day"; and

S.J. Res. 109. Joint resolution to provide for the designation of October 3, 1980, as "American Enterprise Day."

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on February 29, 1980, present to the President, for his approval, bills of the House of the following title:

H.R. 891. An act for the relief of Barbara Laws Smith;

H.R. 948. An act for the relief of Maria Corazon Samtoy;

H.R. 1559. An act for the relief of Nelia Ruiz Hedlund;

H.R. 3139. An act for the relief of Pedro Ganyan Nelson;

H.R. 3873. An act for the relief of Jan Kutina;

H.R. 5235. An act to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services, and for other purposes; and

H.R. 6374. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ambassador Kenneth Taylor.

ADJOURNMENT

Mr. ATKINSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 9 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 4, 1980, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning foreign currencies and U.S. dollars utilized by them during the third and fourth quarters of calendar year 1979 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SUPPLEMENT TO REPORT FILED ON 1979 LEADERSHIP TRIP TO EASTERN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 4 AND 16, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
John Brademas	8/15	8/16	France					123.3	29.28	888.3	209.28
Charles Vanik	8/15	8/16	France					123.3	29.28	888.3	209.28
Gillis Long	8/15	8/16	France					123.3	29.28	888.3	209.28
Robert Carr	8/15	8/16	France					123.3	29.28	888.3	209.28
Donald Pease	8/15	8/16	France					123.3	29.28	888.3	209.28
James C. Healey, Jr.	8/15	8/16	France					123.3	29.28	888.3	209.28
Edward Davey	8/15	8/16	France					123.3	29.28	888.3	209.28
Mimi McGee	8/15	8/16	France					123.3	29.28	888.3	209.28
Eleanor Kelley	8/15	8/16	France					123.3	29.28	888.3	209.28
Stephen Ariel Weiss	8/15	8/16	France					123.3	29.28	888.3	209.28

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Feb. 19, 1980.

JOHN BRADEMAS,
Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Bruce A. Lehman, staff	10/23	10/31	France	3,402	810.00		1,399.00			3,402.00	2,209.00
Garner J. Cline, staff	11/15	11/20	Switzerland	850.15	510.00	620.20	376.22			1,470.35	886.22
	11/20	11/22	France	1,180	288.00					1,180.00	288.00
							1,905.00				1,905.00
Henry J. Hyde, MC	11/18	11/20	Switzerland	337.30	204.00					337.30	204.00
	11/20	11/21	France	796.80	192.00	1,125	274.40			1,921.80	466.40
							2,202.00				2,202.00
Don Edwards, MC	12/9	12/11	Thailand	4,594.50	225.00					4,594.50	225.00
	12/11	12/24	India	5,993	739.85					5,993.00	739.85
							2,212.80				2,212.80
Committee total					2,968.85		8,369.42				11,338.27

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Feb. 21, 1980.

PETER W. RODINO,
Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1980

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Rudolph V. Cassani	9/29	10/6	England		690.00		933.00				1,623.00
Paul Laskin	10/13	10/21	England		0		850.00				
	10/21	10/27	Switzerland	985.20	600.00						1,450.00
Lawrence J. O'Brien, Jr.	10/22	10/27	Germany	168.53	300.00		1,816.00				2,116.00
Sidney Wallace	9/29	10/10	England	569	1,265.00		933.00				2,198.00
	11/3	11/17	England	772.18	1,610.00		707.00				2,317.00
Committee total					4,465.00		5,239.00				9,704.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 11, 1980.

JOHN M. MURPHY,
Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, JOINT COMMITTEE ON TAXATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
David H. Brockway	11/5	11/5	Great Britain		50.00		241.86				291.86

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

AL ULLMAN,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3599. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescissions and deferrals and revised deferrals of budget authority contained in the message from the President dated January 28, 1980 (House Document No. 96-259), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 96-273); to the Committee on Appropriations and ordered to be printed.

3600. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under the German Offset Agreement, for the quarter ended December 31, 1979, pursuant to section 819 of Public Law 96-154; to the Committee on Armed Services.

3601. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

3602. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

3603. A letter from the Director, Selective Service System, transmitting his semiannual report for the period ended September 30, 1979, pursuant to section 10(g) of the Military Selective Service Act, as amended; to the Committee on Armed Services.

3604. A letter from the National Commander, Civil Air Patrol, transmitting the annual report of the Civil Air Patrol for calendar year 1979, pursuant to section 7 of the act of July 1, 1946; to the Committee on Armed Services.

3605. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for increased United States participation in the International Development Association, to provide for United States participation in the African Development Bank, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

3606. A letter from the Secretary of Housing and Urban Development, transmitting the sixth annual report on the HUD coinsurance program, pursuant to section 244(f) of the National Housing Act; to the Committee on Banking, Finance and Urban Affairs.

3607. A letter from the vice president, Chesapeake and Potomac Telephone Co., transmitting a statement of receipts and expenditures of the company for calendar year 1979, and a comparative general balance sheet for 1979, pursuant to chapter 1628, Acts of Congress 1904, and paragraph 14 of the act of March 4, 1913, respectively; to the Committee on the District of Columbia.

3608. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations to govern the modern foreign language and area studies program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3609. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin defense articles to the Government of Papua New Guinea, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3610. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of France for permission to transfer certain U.S.-origin military equipment to the Governments of Australia, New Zealand, Japan, Spain, Sweden, Switzerland, Austria, South Korea, Israel, Jordan, Saudi Arabia, Morocco, Egypt, Tunisia, and Kuwait, pursuant to section 3(d) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3611. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3612. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3613. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3614. A letter from the Director of Administration, Department of Energy, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3615. A letter from the Acting Administrative Director, U.S. Arms Control and Disarmament Agency, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3616. A letter from the Director of Public Information, Commodity Futures Trading Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3617. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3618. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the activities of the Federal Open Market Committee of the Federal Reserve System under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3619. A letter from the Secretary, Federal Trade Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3620. A letter from the Chairman, Foreign Claims Settlement Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

3621. A letter from the Chairman, National Credit Union Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3622. A letter from the Acting Assistant Secretary of Housing and Urban Development, transmitting notice of a proposed new system of records for the Department, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3623. A letter from the Comptroller General of the United States, transmitting a report on ways to improve management and oversight of the income security system (HRD-80-33, February 29, 1980); to the Committee on Government Operations.

3624. A letter from the Chairman, Federal Election Commission, transmitting proposed regulations to govern implementation of the 1979 amendments to the Federal Election Campaign Act, pursuant to section 311(d) of the act and section 303 of the Amendments (Public Law 96-187); to the Committee on House Administration.

3625. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Emergency Fund Act (Act of June 26, 1949, 62 Stat. 1052); to the Committee on Interior and Insular Affairs.

3626. A letter from the General Counsel, Department of Transportation, transmitting a proposed amendment to the previously-transmitted draft of proposed legislation to provide for the protection of the employees of the Rock Island Railroad, and for the financing of the costs of such protection; to the Committee on Interstate and Foreign Commerce.

3627. A letter from the General Counsel, Department of Energy, transmitting notice of various meetings relating to the international energy program to be held on March 3, 4, and 5, 1980, in Paris, France; to the Committee on Interstate and Foreign Commerce.

3628. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the annual report covering calendar year 1978 on progress in the prevention and control of air pollution, pursuant to sections 313, 202, 306(e), and 127 of the Clean Air Act, as amended; to the Committee on Interstate and Foreign Commerce.

3629. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission will be unable to render a final decision in Investigation and Suspension Docket No. 9215 (Sub-No. 1), ConRail Surcharge on Paper from Mehoopany, Pa., within the specified 7-month time limit, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

3630. A letter from the Director, Community Relations Service, Department of Justice, transmitting a report on the activities of the Service for fiscal year 1979, pursuant to section 1004 of the Civil Rights Act of 1964; to the Committee on the Judiciary.

3631. A letter from the Secretary of Commerce, transmitting drafts of proposed legislation to authorize appropriations for the fiscal years 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

3632. A letter from the Secretary, Foundation of the Federal Bar Association, transmitting the audit report of the Foundation for the fiscal year ended September 30, 1979, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

3633. A letter from the Secretary of Transportation, transmitting notice of his conclusion that the report on the study of the possibility of relieving the Indiana Toll Road Commission of obligations resulting from the prior use of certain Federal funds is no longer necessary, because the issues for study have been satisfactorily resolved, pursuant to section 157 of Public Law 95–599; to the Committee on Public Works and Transportation.

3634. A letter from the Secretary of Transportation, transmitting the report on the Columbia River Bridge feasibility study, pursuant to section 158 of Public Law 95–599; to the Committee on Public Works and Transportation.

3635. A letter from the Under Secretary of Energy, transmitting volume I of the report on Federal policies to promote the widespread use of photovoltaic systems, pursuant to section 10(c) of Public Law 95–590; to the Committee on Science and Technology.

3636. A letter from the Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notice of a delay in the submission of the annual report on the world weather program, required by Senate Concurrent Resolution 67 of the 90th Congress, together with a draft of proposed legislation to revise the reporting requirement; to the Committee on Science and Technology.

3637. A letter from the Director, National Science Foundation, transmitting a draft of proposed legislation to authorize appropriations for the National Science Foundation for fiscal years 1981 and 1982; to the Committee on Science and Technology.

3638. A letter from the Acting Special Representative for Trade Negotiations, Executive Office of the President, transmitting recommendations as to the appropriate temporary rates of duty for articles affected by the termination of the 1978 bilateral trade agreement between the United States and India, pursuant to section 125(e) of the Trade Act of 1974 (H. Doc. 96–274); to the Committee on Ways and Means and ordered to be printed.

3639. A letter from the Comptroller General of the United States, transmitting a report on the need for the Federal Trade Commission and the Department of Justice's Antitrust Division to improve Federal antitrust enforcement (GGD–80–16, February 29, 1980); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and the Judiciary.

3640. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the 18th report on abnormal occurrences at licensed nuclear facilities, pursuant to section 208 of Public Law 93–438; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

3641. A letter from the Chairman, Select Commission on Immigration and Refugee Policy, transmitting the first semiannual report of the Commission, pursuant to section 4(d) of Public Law 95–412, as amended; jointly, to the Committees on the Judiciary and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on Feb. 28, 1980 the following report was filed]

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6152. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; with amendment (Rept. No. 96–791). Referred to the Committee of the Whole House on the State of the Union.

[Submitted Mar. 3, 1980]

Mr. HANLEY: Committee on Post Office and Civil Service. House Joint Resolution 414. Resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day" (Rept. No. 96–792). Referred to the House Calendar.

Mr. HANLEY: Committee on Post Office and Civil Service. House Joint Resolution 445. Resolution to designate the third week of September as "National Cystic Fibrosis Week"; with amendment (Rept. No. 96–793). Referred to the House Calendar.

Mr. HANLEY: Committee on Post Office and Civil Service. House Joint Resolution 463. Resolution designating the week of October 5 through October 11, 1980, as "National Diabetes Week" (Rept. No. 96–794). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 6671. A bill to unify the rules for preventing collisions on the inland waters of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BIAGGI (for himself and Mr. Young of Alaska):

H.R. 6672. A bill to authorize appropriations for the Coast Guard for fiscal year 1981, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LATTA:

H.R. 6673. A bill to suspend for a 3-year period the duty on water chestnuts and bamboo shoots; to the Committee on Ways and Means.

By Mr. LEVITAS (for himself, Mr. Johnson of California, Mr. Harsha, and Mr. Boner of Tennessee):

H.R. 6674. A bill to amend the National Visitor Center Facilities Act of 1968 to authorize additional funds, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MOAKLEY (for himself, Mr. Oberstar, Mr. Pepper, Mr. Miller of California, Mr. Murphy of Pennsylvania, Mr. Scheuer, Mr. Nolan, Mr. Fish, Mr. Beilenson, Mr. Corman, Mr. Lundine, Mr. Gray, Mr. Waxman, Mr. Stark, and Mr. Fary):

H.R. 6675. A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 6676. A bill to authorize appropriations for Federal civil defense programs for fiscal year 1981, and for other purposes; to the Committee on Armed Services.

By Mr. SWIFT:

H.R. 6677. A bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a regional power planning process, to assure the Pacific Northwest of an efficient and adequate power supply, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. TRIBLE:

H.R. 6678. A bill to authorize appropriations during the fiscal year 1981 for the procurement of naval vessels; to the Committee on Armed Services.

By Mr. VANDER JAGT:

H. Con. Res. 292. Concurrent resolution expressing the sense of the Congress with respect to taxing social security benefits; to the Committee on Ways and Means.

By Mr. COLEMAN:

H. Res. 590. Resolution to amend the Code of Official Conduct of the House of Representatives respecting Members who have been indicted for criminal offenses; to the Committee on Standards of Official Conduct.

By Mr. COURTER:

H. Res. 591. Resolution urging the Secretary of Education and the Attorney General of the United States to take all appropriate steps to help local educational agencies eliminate violent crime in the Nation's schools; jointly, to the Committee on Education and Labor and the Judiciary.

By Mr. FINDLEY:

H. Res. 592. Resolution expressing the sense of the House of Representatives that the President of the United States should announce a state of economic emergency and take certain actions to reduce the rate of inflation, that the House of Representatives Committee on the Judiciary should, without delay, report a joint resolution proposing a constitutional amendment to assure fiscal responsibility, and that the members of the Federal Reserve Board should increase their regulation of the monetary system; jointly, to the Committees on Banking, Finance and Urban Affairs, Government Operations, and the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

355. By the SPEAKER. Memorial of the Legislature of the Commonwealth of Virginia, relative to the provision of insurance by farm credit institutions pursuant to the Farm Credit Act of 1971; to the Committee on Agriculture.

356. Also, memorial of the Legislature of the State of Idaho, relative to supporting the President's policy with respect to the American hostages in Iran; to the Committee on Foreign Affairs.

357. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to reimbursement of the States for all costs incurred with respect to federally mandated programs; to the Committee on Government Operations.

358. Also, memorial of the Legislature of the State of Idaho, relative to proposed expansion of the Birds of Prey National Conservation Area; to the Committee on Interior and Insular Affairs.

359. Also, memorial of the Legislature of the State of Nebraska, rejecting the proposed amendment to the Constitution of the United States relative to voting representation in the Congress for the District of Columbia; to the Committee on the Judiciary.

360. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to enacting tax laws providing incentives to purchase certain insurance coverage to contain the rise in health care costs; to the Committee on Ways and Means.

361. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to the allocation of funds derived from the proposed Windfall Profits Tax on Domestic Oil; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DANIELSON:

H.R. 6679. A bill for the relief of James A. Schultz; to the Committee on the Judiciary.

By Mr. FORD of Tennessee:

H.R. 6680. A bill for the relief of Bronislava Dorfman; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 6681. A bill for the relief of Malka Noy and her children Jakob Noy, Jasia Noy, Nirit Noy, and Limor Noy; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Loeffler.

H.R. 1015: Mr. Myers of Pennsylvania.

H.R. 1297: Mr. Charles Wilson of Texas and Mr. Dornan.

H.R. 2073: Mr. Ottinger.

H.R. 3047: Mr. Myers of Pennsylvania.

H.R. 4223: Mr. Carr and Mr. Markey.

H.R. 4767: Mr. Harkin, Mr. Fazio, Mr. Miller of Ohio, Mr. Moakley, Mr. Duncan of Tennessee, Mr. Forsythe, Mr. Grisham, Mr. Frenzel, Mr. Hyde, Mr. Walgren, Mr. Matsui, Mrs. Spellman, Mr. Barnes, Mr. Roybal, Mr. Treen, Mrs. Heckler, Ms. Oakar, Mr. Downey, Mr. Wirth, Mr. Ottinger, Mr. Goodling, Mr. Beard of Rhode Island, and Mr. Mitchell of New York.

H.R. 5477: Mr. Matsui, Mr. Oberstar, and Mr. Leach of Louisiana.

H.R. 5548: Mr. Moorhead of Pennsylvania.

H.R. 5771: Mr. Bowen.

H.R. 5876: Mr. Ford of Tennessee, Mr. St Germain, Mr. Fish, and Mr. Walgren.

H.R. 6293: Mr. Abdnor, Mr. Bevill, Mr. Broomfield, Mr. Burgener, Mr. Cleveland, Mr. Clinger, Mr. Corcoran, Mr. Robert W. Daniel, Jr., Mr. Dougherty, Mr. Forsythe, Mr. Goodling, Mr. Hance, Mr. Hanley, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lee, Mr. Long of Louisiana, Mr. Lott, Mr. McDonald, Mr. Mollohan, Mr. Moorhead of California, Mr. Neal, Mr. Porter, Mr. Quillen, Mr. Rhodes, Mr. Robinson, Mr. Sensenbrenner, Mr. Stangeland, Mr. Stratton, Mr. Vander Jagt, Mr. Whitehurst, Mr. Won Pat, and Mr. Young of Florida.

H.R. 6314: Mr. Guyer and Mr. Hall of Texas.

H.R. 6503: Mr. Ottinger and Mr. Guarini.

H.R. 6635: Mr. Panetta and Mr. Downey.

H.J. Res. 69: Mr. Edgar.

H.J. Res 134: Mr. Rudd.

H.J. Res. 219: Mr. Hall of Ohio, Mr. Luken, Mr. Hance, Mr. Dellums, and Mr. Frost.

H.J. Res. 372: Mr. Fary, Mr. Kostmayer, Mr. AuCoin, Mr. Bowen, Mr. Davis of South Carolina, Mr. Porter, Ms. Ferraro, Mr. Murphy of Pennsylvania, Mr. Albosta, Mr. Clay, Mr. Ginn, Mr. Hefner, Ms. Oakar, Mr. John L. Burton, Mr. Smith of Iowa, Mr. Jenrette, Mr. Nelson, Mr. Applegate, Mr. Slack, and Mr. Philip M. Crane.

H.J. Res. 445: Mr. Ambro, Mr. Wyatt, Mr. Peyser, Mr. Solarz, and Mr. Lungren.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

291. By the SPEAKER: Petition of Amerikos Lietuviu Taryba Lithuanian American Council, Inc., Brocton, Mass., relative to expressing support of congressional action recommending that the issue of Baltic States self-determination be raised at the upcoming Madrid conference; to the Committee on Foreign Affairs.

292. Also, petition of the American Legion Auxiliary, Thomas J. Hanly, Jr., Unit No. 350, Metairie, Louisiana, relative to voluntary prayer in public schools; to the Committee on the Judiciary.

293. Also, petition of David Spone, Westport, Conn., relative to reduction of Federal taxes; to the Committee on Ways and Means.

SENATE—*Monday, March 3, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. CARL LEVIN, a Senator from the State of Michigan.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 3, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECESS TO TUESDAY, MARCH 4, 1980, AT 11 A.M.

The ACTING PRESIDENT pro tempore. Pursuant to the previous order, the Senate will now stand in recess until Tuesday, March 4, 1980, at 11 a.m.

Thereupon, at 12:01 p.m., the Senate recessed, under the order of Thursday, February 28, 1980, until Tuesday, March 4, 1980, at 11 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

EXTENSIONS OF REMARKS

PAUL SARNOFF SPEAKS OF SOVIET ROLE IN WORLD COMMODITY MARKETS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. McDONALD. Mr. Speaker, Mr. Paul Sarnoff is director of research for New York commodities for Conti Commodity. He was recently interviewed by Mr. Andrew G. Racz of Racz International on the subject of "Is There, Today a Silver Cartel?" Printed below are parts of his interview as they pertain to Soviet involvement with the world commodity involvement, and in particular the silver market. The extracts are from Racz International, a fortnightly newsletter dated December 19, 1979. I commend his thoughtful comments to the attention of my colleagues who are concerned over the present world oil crisis. The world silver crisis could be worse.

The interview follows:

Mr. Racz. Maybe it's an unfair question, but do you advise the government or do you express your views in Congressional Testimonies?

Mr. Sarnoff. I have personally submitted a paper to Larry McDonald who is the author of a bill put into Congress, H.R. 4665, which advocated the purchase of 240 million ounces of silver for the stockpile. The purpose of the stockpile is to have readily available strategic material in time of emergency, and we do not have enough silver in the stockpile today for emergencies. There is no sense in our selling silver, and in fact there is a lot of sense in the government buying silver.

Mr. Racz. Coming back to this point, the United States is a net purchaser or a net acquisitor of 100 million ounces of silver. Who are our competitors in purchasing silver?

Mr. Sarnoff. Broadly speaking, the trading world is divided into two spheres: the capitalistic sphere headed by the United States, and the communist sphere headed by the Soviet Union. The obvious competitor we have in the marketplace is the Soviet Union. I have personally determined that they had been buying silver through Swiss banks for some months prior to the silver price explosion in September-October, 1979, and I also feel that it is their presence somewhere in the physical market that is helping maintain the price at these particular levels. Confirmation of this also comes from the fact that a month or so ago when the government had announced that the stockpile bill would have 15 million ounces for sale, the country of Peru, which is one of our suppliers, blatantly said that they would be very happy to buy the whole 15 million ounces.

Mr. Racz. In other words, they were short.

Mr. Sarnoff. No, they're not short—they had a ready buyer in the wings. Peru produces 43 to 44 million ounces. They produce as much as we produce, but they only need a few million ounces for themselves; they always sell off the balance. Now who are they going to be selling to? There's no doubt in my mind that the purchaser for the 15 million ounces, if we had sold it to Peru, would have been the Soviet Union—they wouldn't sell it back to us.

Mr. Racz. What are the strategic uses of silver which would indicate that major powers like the Soviet Union and the United States, taking a five-to-ten-year viewpoint, have to become actual, heavy buyers on the physical market for silver?

Mr. Sarnoff. Well, besides ordinary photography, there's a kind of photography that people don't normally think about, which is X-ray photography.

Mr. Racz. Vital medical use.

Mr. Sarnoff. Yes, medical use. Silver is crucial to that particular process. Silver is crucial to application of solar fuel cells and certain kinds of batteries. It is a very fine conductor of electricity, much more dependable than the base metals, and so in advanced applications of missiles and so forth, you would have to have silver rather than the lower down metals.

Mr. Racz. May I ask you, do the Russians understand the implications of high oil prices?

Mr. Sarnoff. The Russians are very smart about the currency and the Russians are very smart about trading metal.

Mr. Racz. In what way, sir?

Mr. Sarnoff. Because they are using the Swiss banks to do both currency operations for them and precious metals buying and selling, and there are no advertisements that they are going to buy or sell. In other words, they don't show their hand, which we do. We show our hand in everything we do, which to me is just not practical in business.

Mr. Racz. What is the Russian policy about currencies today? Where do you think they hold their reserves?

Mr. Sarnoff. Well I think that it was back in 1965 when they founded the Moscow Norodny Bank, and I think at that time they decided to go into the currency market from the standpoint of making money on the currency market to aid their fund of Western currencies—in other words the Russians like to trade. They are trading in the market and they don't particularly care, I would say, which currency they attack or support. They are interested in making money on the Western dollars.

Mr. Racz. Mr. Sarnoff, I know you are not a political analyst; obviously you are not in the circle of the State Department to get information, but you are one of the most respected observers and you have what Albert Einstein had—a brain! He had nothing else and you know it's not exactly a negative at any point. Do you think that the Kremlin, and I mean the whole Soviet leadership, fully understands the combination of long-range strategy, political planning, oil policy, gold, currencies, silver, and have a master plan, which is of course adjustable to market conditions?

Mr. Sarnoff. I think that there is a tendency among Americans to underestimate the intelligence and the planning ability of the Soviet Union because Americans are accustomed to awards in the capitalistic sense. I think that you can go all the way back to Lenin in 1918. There are among the Soviet hierarchy experts who are every bit as good as planners anywhere in any of the countries of the world.

Mr. Racz. But in a round-table conference, do the Russians think world-wide oil, silver, gold, currencies, politics—are they superior in this new kind of monetary-power-politics?

Mr. Sarnoff. They are superior to us in the sense that they can design a policy and implement it much better than we can because we are a democratic nation while they are a socialistic one.

Mr. Racz. Do we have a major master plan like the Russians?

Mr. Sarnoff. No we do not. We have a chaotic hodge-podge plan here. For example, let's just take in the one area that we're talking about. The Soviet Union realizes that they have a preponderance of certain minerals and a shortage of other minerals. Therefore, they have made a plan every five years to make sure they have a sufficient reserve of those minerals in time of need. We do not make any plans of this sort in an effective manner because of the nature of the political process. In other words, you have agencies that are authorized by Congress and then these agencies are influenced by political lobbying, should I say, by the various interests. For example, just taking silver alone, the silver users' lobby, the Silver Users Association, managed to lobby over the years and our stockpile of silver, which in the late 1960's was about 2 billion ounces, was depleted to the present 139½ million ounces at an average price of $1.69 an ounce.

Mr. Racz. Mr. Sarnoff, you threw up a very simple figure which I was molding in my mind. You take a 100 million ounce shortfall this year in American silver, but it will be 100 million next year, and another 100 million, or let's say less, 70 or 80 million the year after.

Mr. Sarnoff. Well, we cannot assume realistically that we will have a 100 million shortfall next year.

Mr. Racz. Well, let's say 50 million. All right?

Mr. Sarnoff. Well, we will have 70 or 80 million, yes.

Mr. Racz. Let's go down to 50, and 50 for the following year. Let's assume that the Soviet Union's is 100 million this year, 50 million next year, okay. Now, the Soviet Union as you said is a fast-moving bureaucracy in many respects. Wouldn't it be fair to say that the Russians will say, well we don't want a silver problem every year. Silver is $20-$25 today, let's clean up the market so for the next four years if the Americans have a shortfall maybe we will be the sellers and let the Americans be the buyers. Is it a possibility?

Mr. Sarnoff. I know the Russians have a need for silver, and it could be that they may be buying it at an accelerated rate because they feel the price may be higher next year. But the point is this, that I can't see any time at all, ever, that the Russians will be a seller of silver to the West because they have never sold.

Mr. Racz. So let's assume they will not be, but the Russians as you said, stand on one side with gold to sell, platinum to sell, and silver to buy.

Mr. Sarnoff. Sure.

Mr. Racz. Is it a possibility that a policy decision has been made to take advantage of the oil-induced high gold price and have a silver stockpile for the next five years on the current market?

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. Sarnoff. Not necessarily, because the gold sales are declining rather than accelerating: In other words, the Russians have planned how much in Western currency they want for the coming year when they have this current grain shortage or whatever. So they are interested in selling a certain amount of gold, a certain amount of platinum-group metals, but as the price goes up, they have to sell less of their assets to get the same amount of dollars.

Mr. Racz. So in other words, the Russians are in a much better position for the silver market than the United States is in.

Mr. Sarnoff. Without question. To the Russians the one ounce of gold that they *sold* a *year* ago at $200 or whatever, would buy only a small amount of wheat, only 20 bushels or something. Now they sell one ounce of gold and they can buy a hundred bushels of wheat.

Mr. Racz. So in other words, they are shifting the commodity markets from one aisle of the Chicago market to another; the same traders, the same bank accounts in Switzerland.

Mr. Sarnoff. Absolutely.

Mr. Racz. In other words, Bobby Fischer defeated Spassky, but this chess game we are apparently losing.

Mr. Sarnoff. We have to be a loser because we don't have the proper people, we don't have the proper coordination, we don't have the proper intelligent approach to the problems of non-ferrous mineral needs.

Mr. Racz. Mr. Sarnoff, I would like to thank you for the interview in which we will try to include, of course, some of your eminent speeches. The gist of the remarks you have made is that the metal markets today are not just for speculators and commodity players. The typical market today is just as much a political arena as the oil market, or the diplomatic front at the United Nations and the Chancellories all over the world. The 1980's obviously will see the monetary market change. A new force is at work, and in the late 30's, we have seen that a new breed of scientists gained international reputations—Professor Albert Einstein, and of course my two countrymen, Professor Teller, still a very vigorous speaker at the age of 78, and John von Niemann, the people who created the atomic bomb and saved, directly or indirectly, Western civilization. Now, a generation later, we are in a war—the first world war of monetary forces, directed against Western civilization; a war which is totally unnecessary; a war which has no winner. In this area people like yourself, with unique ability, unremitting hard work, foresight and dedication, will come to the fore, and I trust that your name and your work will be remembered by history, perhaps more than some of the contemporary politicians who make decisions that affect our lives.●

ADMINISTRATION DRAFT REGISTRATION PLAN FOCUSES ON WRONG QUESTION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mrs. SCHROEDER. Mr. Speaker, if our country were faced with a military mobilization, the first problem would not be cranking up inductions and enlistments, but getting ready to train the inductees and enlistees that would flood the military. One need only look at our experiences in World War I and World War II for evidence.

This is why, although you will find it nowhere stated in the President's February 12, 1980, report to Congress calling for draft registration, the Department of Defense uses M+30 days as their basic mobilization figure. It will take DOD 30 days from the date a national emergency or war is declared to get our training facilities ready for the enlistees and inductees.

Thus the argument over M+17 versus M+10 days is not very meaningful because DOD cannot accept the first inductee until M+30. What they will do with the flood of enlistees is anybody's guess.●

HOW ABOUT DRAFTING 50-YEAR-OLDS INSTEAD?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. STARK. Mr. Speaker, I read a revolutionary comment in the Thursday, February 28 Los Angeles Times. James A. Stegenga suggests: "How About Drafting 50-Year-Olds Instead?"

What bothers me about Stegenga's article is that it makes sense. I hope that great numbers of Americans do not see it, for it is very persuasive. I am putting it in the Record at this point in the hopes that it will remain buried forever.

The article follows:

How About Drafting 50-Year-Olds Instead?

(By James A. Stegenga)

All the schemes suggested so far for reviving the draft envisage calling up 19- or 20-year-olds to meet the military's manpower needs. But, if it really is necessary to resume conscription, a case can be made for drafting 50-year-olds instead.

Instead of calling up a couple hundred thousand immature 19-year-olds each year who will have to be mothered and socialized to accept the privations of military life and the duties of soldiering, the military could draft emotionally mature men who have spent 25 to 30 years working in organizations, understanding and accepting legitimate restrictions, suffering fools and shouldering responsibilities.

The 50-year-old recruits would be more self-disciplined; thus the military would be spared the time and effort now expended keeping exuberant and only partly civilized teen-agers on their tight leashes. The mature soldiers would be more capable, too. More of them would know technical trades. More would know how to read training manuals, blueprints, maps and the colonel's mind. They would be more experienced at working smoothly with other people, solving problems under pressure, staying healthy, improvising, running machines, doing their own laundry, fixing stuck windows, following orders, staying awake at night and all the other chores of soldiering.

But, you ask, don't people have to be young and strong to survive basic training and handle those heavy weapons and obstinate vehicles? Not really. Maybe 50 or 100 years ago the cannon fodder still had to be young bucks with strong backs so that they could lug 100 pounds of gear on foot all over the European landscape. Today's soldier and his junk are mostly transported. Anyway, many of my 50-year-old friends are in better shape than some of the 19-year-olds I see on campus every day. Besides, everyone knows that the toughest guys in any military unit aren't the kids, but the very much grown-up sergeants and colonels ("grizzled," they're called). Ask yourself whom you'd rather go into combat with: the gawky kid down the street or your corner grocer who used to be a truck mechanic?

Perhaps military service would even be less of a disruption in the 50-year-old's life than it is for the 19-year-old. Most 50-year-olds are past their child-rearing years (except those who are supporting 30-year-old career students). Your typical 50-year-old also has passed that time in his life when he was burning with zeal and ambition to trisect the angle, end poverty or invent the 100-miles-to-the-gallon carburetor. He is typically reconciled to putting in time, and thus might not resent the intrusion of Uncle Sam so much as the youngster with a Life Plan that would be disastrously upset by a two-year interruption that he would regard as a total waste of time. The elder might welcome the change as an opportunity, a subbatical after 25 years on the asembly line or in the same dreary office. The 50-year-old who hasn't already gone over the wall during his midlife crisis is probably ready to be seduced by the recruiter's promise of adventure, travel and escape.

This 50-year-old recruit would have a lot more of a stake in the system to protect than the 19-year-old, too. Having spent his life producing and benefiting from the American Way, he'd be a more reliable defender of the realm than the youth who hasn't begun to appreciate what's worth defending.

At the same time, the 50-year-old recruit is apt to be less deferential toward authorities his own age who propose unnecessary, unwise, impractical or improper foreign-policy adventuring. More so than his 19-year-old son or niece, the 50-year-old soldier is likely to ask the old civilians in Washington: "You're sending me *where* to do *what*? You gotta be kidding!"

Wouldn't it be an advantage to have more skeptical and questioning troops? Isn't that why we have a citizen army, to make sure that the common sense of the citizenry is brought to bear? Maybe some of our recent imbroglios would have been avoided if the architects had been obliged to worry about how their proposals would go over with older and wiser warriors whose bodies were on the line.

We are understandably and appropriately uncomfortable when we notice that our military forces are blacker and poorer than the civilians back home. By the same token, we ought to be uncomfortable that our soldiers are so much younger than our population. Where is it written that the young should do the sacrificing, killing and dying for the old? Is it too harsh to suggest that, when soldiers must die in warfare, it's better (or at least not quite as sad) for 50-year-olds to miss their last 20 years than for 20-year-olds to miss their last 50?

Consider, finally, some collateral social benefits of drafting 50-year-olds. It would be good for their health to do some physical training, lose their paunches and strengthen their cardiovascular systems.

And it might be good for the nation's economic health if each year 200,000 men (and women, too) who are now clogging the upper reaches of hundreds of civilian bureaucracies and corporations took a two-year leave, clearing the way for new people and new ideas.

The chance to command a basic-training company of adult dentists, mechanics, car salesmen, corporate pooh-bahs and society matrons might almost tempt me to reenlist in a different, interesting, more just and probably better Army—without waiting for a few years to be drafted for the second time.●

TOM STEED—A "FIRST-CLASS CONGRESSMAN"

HON. JOHN M. SLACK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. SLACK. Mr. Speaker, I have had the honor and privilege of serving with Tom Steed as a member of the Appropriations Committee during the past 20 years, and on several occasions as a member of his Appropriations Subcommittee. From that close vantage point I have admired his capacity to command the facts and to place them squarely in support of a firm and fair position.

The true leadership quality includes a recognition that there is frequently more than one attractive side to a question. Tom Steed has always dealt with such situations by mixing courtesy with a sound defense of his conclusions.

During recent years the functions of the Federal Government have increased annually, and the Federal budget has grown apace. The appropriations job, like many others in Congress, has grown bigger each year. To administer our affairs responsibly, we must have Members in key positions who are bigger than the jobs they must do.

That is exactly what the record reflects about Tom Steed. He has always been bigger than any job he has been required to do.

The story is frequently told about the time he was asked by a reporter why he was flying first class instead of at the coach rate.

Tom told the reporter: "Because I'm a first-class Congressman."

A great many things could be said about a Member who served in the House for 32 years and successfully discharged heavy responsibilities every day. But that one statement tells it all. He has been a first-class Congressman, period.

All that remains is to wish him a long and satisfactory retirement in company with his family and friends. We will miss him, and those of us privileged to work closely with him will remember his staunch spirit for many years into the future.●

HARLEY STAGGERS

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, Harley Staggers has served with distinction and honor in this legislative body for the past 32 years. He has witnessed the coming and the passing of six Presidents, and with each change a new era emerged. Throughout each era, the gentleman from West Virginia has maintained his firm and steady grip on the important issues that pass through the Committee on Interstate and Foreign Commerce. His stature has grown with each passing year, and his leadership will be sorely missed by all Members of Congress.

The delegation from West Virginia, with its relatively small number, has produced several of the wisest and most able legislators in the history of our Nation. Surely, Harley Staggers must be included among that select number. As we move into this new decade, many of the positive aspects of this Nation's economic and industrial base can be directly attributed to Harley Staggers' hard work and foresight.

Harley Staggers has served the people of West Virginia, this legislative body, and most importantly, this Nation, with a spirit the likes of which will not be seen soon again in this Chamber.●

A GRIM REMINDER

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. HOLLENBECK. Mr. Speaker, February 16 marks a day of pride and reflection for Lithuanians throughout the world. On this day in 1918, Lithuania gained its long awaited independence. Oppressed for centuries because of their vulnerable geographic location, Lithuanians have suffered invasions from the east by the Russians and from the west by the Teutonic knights. They have demonstrated incredible spiritual and ethnic fortitude by surviving these repeated onslaughts.

Ever since this gallant Baltic country was forcibly incorporated into the Soviet Union, after only 22 years of independence, Lithuanians have struggled to throw off the chains of their oppressors. Thousands of these freedom fighters have sacrificed their lives in an attempt to secure independence for their beloved country. From 1944 to 1952 alone, some 50,000 Lithuanian freedom fighters gave their lives as part of a grassroots resistance movement. However, the cessation of armed hostilities did not result in the end of resistance to Soviet domination. Rather, it created the impetus for the introduction of passive protest.

Even today, Lithuanians are risking their lives in outright defiance of the Communist regime. The protests of the Lithuanian people for their rights to self-determination as well as religious and political freedom continues, despite Soviet oppression. With this in mind, we must attempt to match the courage of Lithuania by reaffirming our dedication to the principles of self-determination and human rights.

It is our duty to confront the Soviet Government with the fact that, despite being cosigners of the Helsinki accords, they have willfully ignored many of the provisions guaranteeing basic human rights. We must continue to speak out against the infringement of human rights and not succumb to any temptation which permits us to neglect the inhumane treatment of those less fortunate throughout the world. We must continue to fight vigorously for the inalienable rights of all mankind.

February 16 marks a grim reminder to all of us that there are people in the world who do not possess even the most basic of human rights. We must extend whatever support we can to the people of Lithuania and their dreams for freedom. Let us hope for the day when our Lithuanian friends can celebrate a renewed independence in modern times, rather than commemorate the anniversary of an independence since lost.●

FRENCH PRESIDENT DISCUSSES FRANCE'S CHOICE OF NUCLEAR POWER

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. McCORMACK. Mr. Speaker, the continued inability of the administration to develop and implement meaningful and effective energy policies and programs for this country is a concern to us all. Instead of moving forward with technologies that are understood and workable today, differing factions within and without the Government continue to heighten public confusion on this subject. The result is that no meaningful progress is being made. This lack of direction in solving our immediate and near-term energy problems is even more apparent when we examine the efforts of foreign governments faced with similar problems.

One of the foreign nations which is making clear and decisive progress in its efforts toward energy independence is France. In a recent interview given by President Valery Giscard d'Estaing, this national effort was brought into clear focus. The French position, and the comments by President Giscard d'Estaing, are clear and well founded, and set an example that we in the United States should emulate. I urge my colleagues to read this interview, portions of which follow. I believe President Giscard d'Estaing's comments will help us understand the necessity for moving forward in an expeditious manner with a viable energy program in this country. In particular, it should help us understand why greater reliance on nuclear energy must be an essential part of our energy policies.

The interview with President Giscard d'Estaing follows:

TEXT OF INTERVIEW GIVEN BY MR. GISCARD D'ESTAING, BROADCAST ON EUROPE NO. 1, JANUARY 18, 1980

Question. Mr. President, France' has no oil, and oil is becoming increasingly expensive and scarce. France therefore needs an alternative energy source, hence the choice of nuclear power. Is this an option that's been taken at the expense of other energy sources, other investments?

Answer. France has no oil, it's true, as everyone knows, though in actual fact it does have a very small amount. The research program to be pursued in France should enable our country to tap a not insignificant quantity of oil and gas on the mainland and off the coasts, since there may be off-shore deposits. The two sources together might amount to something like 10 million metric tons a year. This is my target. But it is a very long way from our national consumption which is going to be in the range of 240 to 250 million oil-equivalent tons in coming years. As you say, the world's oil is going to become more scarce and is costing more every year.

Therefore we had to look for national sources of energy for France. We did so in several directions. First of all there are, of course, new sources of energy.

I've set up a Solar Energy Commission but people must realize that these new forms of energy will not be in general use before the years 2000 or 2010. The National Academy of Sciences in the United States published a report on this yesterday and even they do not believe that solar energy will make the kind of contribution to our energy needs that we would like to see until the year 2010.

Don't you think that people have been expecting too much from solar and wind [energy]?

At present there are no strong technological discoveries that enable us to harness easily, and in particular to store, these forms of energy. So we're making an effort—all countries are—and France is in the vanguard in this respect. But it has to be understood that this is a relatively long-term project.

The second source of energy, if we can call it that, is energy conservation. There has been a world-wide waste of energy in recent times so that rather than produce more for it to be wasted, the first thing to do is to stop the waste. In the French program, energy savings account for very sizable quantities since they are almost on the same order as our nuclear electricity output.

I'm not going to swamp you with figures but we have prepared a program for 1985 under which, as you know, we expect to have energy savings equivalent to 35 million tons of oil, and a nuclear electricity output equivalent to about 43 million tons of oil. So it's almost on the same scale.

The third source in nuclear electricity. Why nuclear electricity? At the present time there is no other readily available technology. There won't be for 20 or probably 30 years. Moreover, it is an investment that pays off highly since the higher oil price means that one kilowatt-hour produced in a nuclear plant will cost about 13 or 14 centimes whereas the kilowatt-hour produced from oil will cost on the order of 24 to 25 centimes. So there is a very significant difference in price. Lastly nuclear electricity enables France to be more independent from the energy viewpoint, that is so nobody can tell us what to do.

As you saw with the recent oil crises, those who have oil can dictate to those who don't. It is very important to improve our energy independence. These are the reasons, then, which have led to our electronuclear program.

You asked whether this would be at the expense of other investments. First of all, what is it going to cost *in toto*? Electricité de France [the national power utility] is spending 16 billion francs [$4 billion] this year for this program and when the construction of power plants is at its high, it will be a maximum of 20 to 21 billion francs [$5 to $5.25 billion], which is relatively little compared with total investments in France. And, as I said a moment ago, these investments give good returns.

Lastly we are going through a period in which we have to support economic activity, and the fact that a major national utility has a large-scale investment program is not something that diminishes investments elsewhere, on the contrary, it helps our country's economic activity.

Q. What state do you think France would now be in if it had not opted for nuclear energy and if its program for the construction of nuclear power plants had been seriously slowed, if not halted, as has happened in the case of most of our European neighbors?

A. The program provides a test for a country's foresight and clearsightedness. The decision to go ahead with the building of nuclear power plants * * * has resulted in their being ready for service five years later. There comes a point, therefore, when a decision is made that is sometimes politically quite difficult. Let me remind you that five years ago most French people were not in favor of nuclear energy. They have progressed since then so that today the majority (57 percent) are in favor of it. * * *

At the time, however, they were not.

Decisions were made, therefore, whose beneficial effects were not to be felt for five years. Had we not followed this plan, we would either have had power cuts or investments that would have increased our dependence on foreign countries. If we had not built conventional [nuclear] power plants we would have had electricity cuts.

At present 17 percent of the electricity consumed daily by the French people is produced by nuclear energy. For every six light bulbs burning in a house, the electricity for one of them is produced by nuclear energy.

Of course, we could have built standard non-nuclear power plants, but what a waste that would have been. They would have increased our dependence on oil and led to electricity production costs that even now are 50 percent higher than nuclear-produced electricity. Such a decision would have shown a lack of foresight.●

FIGHTING INFLATION

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. RHODES. Mr. Speaker, while there has been much talk of prudence and barebones budgeteering in this Congress, the facts are that Federal spending is on an inflationary, budget-busting course.

The deficit for the first 4 months of this fiscal year already is $2 billion higher than the total deficit for all of fiscal 1979. At the present rate, the 1980 deficit estimate will be shattered by July 1.

Daniel Webster once said that: "A disordered currency is one of the greatest political evils." Today we have an inflation rate of 18 percent, which if continued will slash the buying power of the dollar in half in just 4 years. Our currency is in peril.

A balanced budget would be a potent weapon against inflation, as it would demonstrate to the American people that Congress is intent on really fighting it. We are going the other way, deeper into deficit.

Mr. Speaker it is time for Congress to stop talking about fiscal responsibility and fighting inflation, and to start reviewing the budget and making the cuts necessary to bring it into balance. We should start by reducing the fiscal year 1980 budget deficit. We cannot afford spending as usual, and we must take real steps, no matter how painful to government, to stop deficit spending.●

U.S. WORKERS LOSE 65 JOBS TO RED CHINESE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. BAUMAN. Mr. Speaker, last month the House passed the bill, House Concurrent Resolution 204, which has provided for a most-favored-nation status for the People's Republic of China. At that time, I spoke in opposition to that legislation and cited the danger that measure posed for a number of industries in this country and two factories in my district in particular. I am deeply distressed to report to you that one of those plants in my district has closed because the Chinese have decided to flood our markets with their cheaper products. In this case there are 60 jobs lost, but who is going to explain to these and thousands of other American workers who lose their jobs why we force them to compete with the virtual slave labor of the Chinese economy?

Let me state that I believe in free trade when it really is free and fair. But free trade is based upon the premise that when various economies are allowed to exchange freely what they produce, they themselves will naturally produce more efficiently and trade it for what others can produce more efficiently than they can. Carried within that basic premise is the notion that the economies involved are themselves free and operate on the market principle.

Obviously, Communist countries do not operate on the free market principle. Resources in their economies are directed to whatever purpose the central planning agency decides and for whatever policies they are trying to carry out. There are no economic rules, but Government policies that determine how much textiles will be produced or how much fireworks. Though I doubt it, perhaps the Chinese can produce fireworks more efficiently than we can. The point is, we will never know what sacrifices they may be making to drive our fireworks companies out of business, we will only know that we will have a lot of people out of work. I would like to insert into the Record a copy of a letter I received from a constituent of mine. This man and his employees may be the first victims of this disastrous policy, and I sincerely hope they are the last, but I doubt it.

The letter follows:

Elkton Sparkler Co., Inc.,
North East, Md., February 12, 1980.

Congressman Robert Bauman,
Rayburn House Office Building,
Washington, D.C.

Dear Congressman Bauman: Last April I wrote you regarding the position our Company would be in regarding the shipment of "sparklers" from China. At that time we expressed our fears about being able to compete with exports from a communist nonmarket economy.

It turns out that our fears were well founded. China has evidently decided that they want to control all fireworks items in the United States market, including sparklers.

The price they have set on sparklers is less than 50 percent of the price we have been selling at. It is absolutely impossible for us to compete with a labor rate of about $1.00 per day, and as a result we have decided to close our factory.

All of our 65 employees have been told to sign up for unemployment compensation. Until we can determine what small part of the market will remain for us, we have no choice but to discontinue production.

Anything you can do for us would be appreciated.

Yours very truly,
Charles H. Shivery,
President.●

ADMINISTRATION DRAFT PLAN ASSUMES ZERO VOLUNTEERS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mrs. SCHROEDER. Mr. Speaker, an entirely absurd aspect of the military mobilization assumptions in the administration's draft registration plan is that it assumes zero volunteers in the event of a national emergency.

You would not find that assumption boldly stated in the President's February 12, 1980, report to Congress. But simply read the figures—the projected mobilization numbers and timetables exclude volunteers.

This is yet another reason why the plan is misleading, a colossal waste of money, and hardly the symbol one would want to run up the flagpole.●

ONE HUNDRED YEARS OF SERVICE

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. VAN DEERLIN. Mr. Speaker, Sidney Loman has seen more of American history in person than most people have read in books—and, in cooperation with the Boy Scouts, he has made some of it himself.

In 1931, he organized the first troop of black Scouts in the country. By then, he had already been a Scoutmaster for 10 years. He formed his first troop a few years earlier, after being wounded during service with the American Expeditionary Force in France, Mr. Loman had volunteered for that service at the age of 37. How many 37-year-olds today are clamoring to join the Armed Forces in response to our current international problems?

These are only a few of the reasons I am very proud to have him as one of my constituents in San Diego. His remarkable career spans much of the history of the West. He worked on the farms, ranges, and oilfields, helped build Mississippi River levees and rescued people from the 1900 Galveston flood. Above all, his was a life of service to his fellow human beings. He has served as a reserve officer in the San Diego Border Patrol, but, mainly, he has helped young boys to develop character and expand their horizons in the Boy Scouts.

Today, on Mr. Loman's 100th birthday, he is the oldest Scoutmaster in the Nation. He has been for the last 10 years, and I sincerely hope he will continue to be for the next 25 years.

Citizens like Sidney Loman are irreplaceable.●

WILL JUSTICE DEPARTMENT SUCCEED AGAINST PENSION FUND WRONGDOERS?

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. PICKLE. Mr. Speaker, having monitored the Government's efforts since 1975 to clean up the Central States Teamster Pension Fund, I noted with interest a story about possible kickbacks to Teamster officials on a loan to a New York country club.

The loan took place in an era we call pre-ERISA, the congressional pension reform law. So I am not surprised about the loan itself, nor do the allegations of wrongdoing in 1974 come as a shock.

As the Members know, since 1977, and simultaneously with full hearings on Government efforts to clean up the fund by the House Ways and Means Subcommittee on Oversight, chaired by Sam Gibbons of Florida, the fund assets have been under the control of independent fund managers.

In connection with this reform, which was accompanied by other pledges from the Teamsters Union top officials in return for the IRS restoring the fund's tax-exempt status, the fund was supposed to become open and cooperative with the Labor Department, the IRS, and yes, even the Justice Department.

Sadly, this is not the case. As I stated during a self-initiated sham cleanup in 1976, it looks like the trustees of the fund just went in and changed jerseys and numbers—the players are still the same.

To prove my suspicion, let me quote from a February 28, 1980, article in the Wall Street Journal:

> Last year, during a civil lawsuit against C&S (the club receiving the Teamsters loan) by the Labor Department, the pension fund unsuccessfully sought to prevent C&S's lawyer from providing details of the loan to labor investigators.

Business as usual is my conclusion—the fund trustees do not have the welfare of the members as a priority, but the protection of their cronies both inside and outside the labor movement.

Another point that I would make at this time is that throughout the hearings conducted by Mr. Gibbons, we were told by the Justice Department that they were looking into law violations by the Teamsters, but gave us little details.

Not wanting to prejudice the Justice Department's work, our subcommittee never pressed the Justice Department for more information.

Now, this Wall Street Journal story indicates that the Justice Department is beginning to move.

My warning is this—The task of the Department will not be easy. They will be going against the best, both in courtroom tactics, and in delaying tactics. this is the obvious, for this has been the history of the Labor and IRS efforts against the Teamsters. And now the Justice Department also has the extra burden of the IRS refusing to share vital information about the financial dealings of these characters. The problem is caused not just by the IRS in all fairness to the agency, but by the well-intentioned disclosure reforms passed in 1976.

The Oversight Subcommittee will be following the Justice Department's work carefully. We wish them well.

I insert the full Wall Street Journal story in the Congressional Record at this point:

[From the Wall Street Journal, Feb. 28, 1980]

U.S. Probe Seeks To Find if Cayman Bank Laundered Kickbacks to Teamster Aides

(By Jim Drinkhall)

The Justice Department's Organized Crime Strike Force is conducting a grand jury probe to determine whether "hundreds of thousands" of dollars in kickbacks to Teamster officials were laundered through Arawak Trust Co. (Cayman) Ltd., a Cayman Island bank, in connection with the official's approval of a Central States Pension Fund loan to a country club, according to court documents.

The documents also show that a federal judge has issued an order to show cause why Arawak Trust shouldn't be held in contempt for refusing to turn over records demanded by grand jury subpoenas.

The order to show cause and other records were filed in federal district court in Brooklyn, N.Y.

ACTION MAY BE UNPRECEDENTED

Lawyers familiar with such bank secrecy countries as the Cayman Islands say it may be the first time the government has attempted to obtain previously unreachable foreign bank records by taking action involving the bank's U.S. correspondents and one American bank that holds an ownership interest.

Those served with copies of the show cause order, but which weren't named as parties to the action, were a unit of Buffalo, N.Y.-based Marine Midland Banks Inc., which holds an interest in Arawak; a New York City-based unit of Kleinwort, Benson, Lonsdale Ltd. (London), also a part owner of Arawak, plus several U.S. correspondent banks.

The government apparently will argue at a court hearing Monday that the grand jury has jurisdiction over the Cayman bank because of its dealings with and connections to U.S. banks.

A lawyer for the pension fund said that it was "formal policy" to consider answering questions only if they were put in writing. Written inquiries by this newspaper in the past have gone unanswered.

LOAN IS CENTER OF PROBE

A spokesman for Marine Midland confirmed the bank's ownership interest but otherwise declined comment.

At the center of the probe is a $4.5 million Central States Pension Fund loan made in December 1974 to C&S Golf & Country Club Inc., a 158-acre complex in the village of Muttontown on Long Island.

Fund records show that in January 1977, the fund foreclosed on C&S saying that it owed $4.9 million, and that repayments hadn't been made. Just prior to the foreclosure, a fund ordered appraisal showed that the property was valued at $2.6 million.

At the time, C&S was owned by Carl Simone, a Long Island contractor. Mr. Simone's lawyer declines comment on the investigation.

Last year, during a civil lawsuit against C&S by the Labor Department, the pension fund unsuccessfully sought to prevent C&S's lawyer from providing details of the loan to labor investigators.

RECIPIENTS UNIDENTIFIED

In an affidavit, strike force lawyer James B. Harmon Jr. says the force's probe is seeking to determine whether "kickbacks to officials of the Central States fund were laundered through Arawak Trust Co. (Cayman) Ltd. as part of a scheme to defraud the fund." (The recipients of the alleged kickbacks weren't identified.)

Arawak, located in the Cayman Islands, British West Indies, is owned by, among others, Marine Midland Overseas Corp., a unit of Marine Midland Banks Inc., a 28% holder, and Kleinwort Benson Ltd., a unit of London-based Kleinwort, Benson, Lonsdale Ltd., a 24 percent holder, the affidavit says. The owners of the remaining interest in Arawak weren't identified.

A spokesman for Kleinwort Benson Ltd. in New York said he couldn't talk about the court action.

The affidavit further says that earlier this month, Arawak's directors voted to decline to make available to the Brooklyn grand jury the bank account records of Seahouses Ltd. (Cayman) and Christine Ltd. (Cayman), where part of the alleged loan proceeds went.●

ADMINISTRATION DELAYS DRAFT PLAN PAPERS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mrs. SCHROEDER. Mr. Speaker, earlier this month I requested certain background materials from OMB on the preparation of the Presidential recommendations for selective service reform.

The administration is now saying "due to unusual circumstances" they will not be able to provide the materials in a timely fashion.

The administration appears to have more than enough staff to attempt to ramrod the President's draft registration plan through the Congress, but when we want to see some of their background materials, they are unable to provide them.

Letters from Mrs. SCHROEDER and the Executive Office of the President follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 9, 1980.

JAMES T. MCINTYRE, JR.,
Director, Office of Management and Budget,
Washington, D.C.

DEAR MR. MCINTYRE: Pursuant to the provisions of the Freedom of Information and Privacy acts, I hereby request to be provided with any and all documents, reports, memoranda, letters, issue papers, Steering Committee schedules, Steering Committee minutes, Designs for each of the ten issues, drafts of recommendations, and similar materials relating to the preparation of the President's Plan for Selective Service Reform.

Sincerely,

PAT SCHROEDER.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., February 27, 1980.

Hon. PATRICIA SCHROEDER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN SCHROEDER: This letter is to notify you that due to unusual circumstances, an extension of up to ten working days will be necessary to process your request under the Freedom of Information Act, received in this office February 12, 1980. This additional time is required because, in order to respond to your request, there has been a need for consultation with several units within OMB and with other agencies having a substantial interest in the determination of the request. The authority for this extension is Section 552(a)(6)(B) of Title 5 of the United States Code.

Our response will be dispatched on or before March 12, 1980.

Sincerely,

LINDA L. SMITH,
Assistant to the Director
for Administration.●

H.R. 5225, FIREARMS LAW REFORM ACT

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. BAUMAN. Mr. Speaker, a wide variety of Americans have recently become subject to the terror of a knock on the door in the middle of the night. These Americans represent, by any definition, the mainstream of American society. They are the ones that government turns to time and again for sacrifice when our Nation is imperiled or when sacrifice is demanded. Throughout our history it has been this kind of hard-working American that has come through in the pinch.

In the past several months I have been approached by a number of people in my district who observe our judicial system. They have been filled with outrage over the activities of the Bureau of Alcohol, Tobacco, and Firearms of the U.S. Treasury and their campaign of persecution against gun dealers. Each of these citizens have conceded some level of technical propriety on the part of the BATF and they have urged the Congress to repeal those sections of the Gun Control Act of 1968 that allow the kind of well-documented judicial travesty associated with the enforcement of that law. Many officials detest having to be associated with the prosecution of such cases but that they have no choice in the matter as long as the law remains as written and the BATF continues its campaign of persecution.

As many of my colleagues realize, there has been legislation introduced, H.R. 5225, to correct this situation. I am proud to state that I am a cosponsor of this legislation and that I intend to support it fully. There has been some level of confusion, however, concerning the provisions of this bill and I therefore insert a copy of a letter I received from the National Rifle Association concerning this bill. I commend this reading to my colleagues as I am certain it will further their education on this important topic.

The letter follows:

NATIONAL RIFLE ASSOCIATION
OF AMERICA,
Washington, D.C., December 17, 1979.

Hon. ROBERT E. BAUMAN,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BAUMAN: The National Rifle Association and its membership would like to thank you for sponsoring H.R. 5225. We have enclosed material that will be of use to you in answering constitutent requests.

This bill, entitled the "Firearms Law Reform Act", represents a major step to-

wards eliminating the abuses that have occurred in the enforcement of the Gun Control Act. It will also eliminate a considerable amount of unnecessary paper work.

It will not interfere with the major provisions of the Gun Control Act that deal with identification of purchasers, mail order sales, sales to minors, and related areas. The bill instead concentrates on areas of the law that have not proven to be of any law enforcement utility, or which are so broadly drafted that the enforcement agency, the Bureau of Alcohol, Tobacco and Firearms, has abused the discretion granted by the law.

As you may be aware, there have been widespread complaints from law-abiding firearms owners that BATF is abusing their rights by their enforcement tactics. Some of these abuses were exposed at hearings held by the Treasury Subcommittee of the Senate Appropriations Committee this summer.

NRA has naturally received most of these complaints. Early in 1978 it became apparent that these were not isolated incidents of individual agents acting improperly, but rather were patterns of abuses, involving only certain sections of the law. Eighteen months of research has established to our satisfaction that:

1. BATF agents have been arresting large numbers of citizens on purely technical grounds, and in situations bordering on entrapment;

2. There is reason to believe that many of these arrests, and firearms confiscations, are for the purposes of producing high, arrest and confiscation statistics for their superiors and the Congress;

3. The Bureau has been confiscating antique firearms that are not subject to federal regulation, and firearms such as expensive hunting rifles that are extremely unlikely to be used in crimes. Many of the latter are "retained for official use" rather than destroyed;

4. The Bureau is attempting to achieve by unilateral action that for which it was unable to obtain legislative authority, such as drastically reducing the number of small businesses with firearms dealer's licenses, and;

5. The Gun Control Act itself is so poorly written as to invite many of these abuses by the enforcement agency.

The new Director of BATF has promised reforms. However, the problem is too widespread for its solution to be entrusted to administrative action. Abusive practices halted by one order can easily be resumed by another. We have also seen past promises of "reform" which either were undercut by the implementing orders, or simply were ignored by agents in the field.

The problem can only be resolved by changes in the Gun Control Act itself. The Volkmer and McClure bill addresses itself to these problems.

Every provision in the bill is either directed at documented abuses or at sections which require considerable paper work and have never demonstrated any law enforcement utility (such as records of ammunition sales).

* * * * *

A widespread show of Congressional interest will certainly increase the chance of hearings into the problems that exist with the Gun Control Act. Equally important, it will demonstrate to BATF that the Congress is unwilling to condone its past agency activities and expects real reforms to be made.

We would be glad to provide you with additional information on the need for this legislation.

Sincerely,

NEAL KNOX,
Executive Director.●

TRIBUTE TO CHARLES M. JOHNSTON

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● **Mr. ROBERTS. Mr. Speaker, last month the Veterans' Administration and the veterans of America lost a valuable worker and a true friend. Charles M. Johnston, a General Counsel, announced his retirement after 38 years in military, State, and Federal service.**

Holding that position since 1965, Charlie Johnston has played a major role in guiding the Veterans' Administration and advising the Congress in tailoring legislation to meet the changing needs of three generations of American veterans. He has been directly involved in the writing and passage of 12 major legislative enactments. These achievements run the whole gamut of veterans' benefits and services: The cold war GI bill and Vietnam era improvements; expansion of the War Orphans Educational Assistance Act; veterans nursing home care program; medical care for survivors and dependents of totally disabled service-connected veterans (CHAMPUS); premium pay for VA nurses; nursing home care added to veterans State home program; transfer of the national cemetery system to the VA from the Department of the Army; VA assistance in establishing new medical schools; grants to affiliated medical schools and assistance to health manpower training institutions; exchange of medical information program, special pay for VA physicians and dentists; expand the mission of the VA Department of Medicine and Surgery to include education and training and medical research to benefit the VA and the Nation; and adaptive equipment for automobiles of disabled veterans and testing program.

Born in Marshall, Tex., Charlie Johnston received his B.A. and L.L.B. from the University of Texas. From 1942 to 1946 he served with the U.S. Army Headquarters, 3d Battalion, 386th Infantry, 97 Infantry Division. During that time he was awarded the Combat Infantryman's Badge, the American Theater Campaign Medal, the European Theater Campaign Medal with two Bronze Stars, and the Asiatic/Pacific Campaign Medal. From 1959 to 1966 he served in the U.S. Army Reserve Congressional Command and Operations Group.

Charlie Johnston practiced law in Austin, Tex., from 1956 to 1964 where he also served in the Texas State Legislature and the State of Texas Highway Department. From 1957 to 1960 he was assistant to Senator Ralph Yarborough, Democrat of Texas, in the U.S. Senate, and served as counsel on the Veterans' Affairs Subcommittee of the Senate Committee on Labor and Public Welfare from 1961 to 1965. While on the Senate subcommittee staff he edited the original publication of "Medal of Honor 1863-1963" in the name of the Congress of the United States. This treatise was the first publication that included the history and all citations awarded service personnel for the first 100 years of the medal's existence. Later he expanded and updated the same publication to include Medal of Honor recipients through 1968. From the Senate Subcommittee on Veterans' Affairs he moved to the Veterans' Administration where he has served as General Counsel to the present time.

Mr. Speaker, recently it seems that we are losing an increasing number of old and trusted friends within the VA as the so-called class of 1946, the men and women who entered public service following World War II, graduate into retirement. There are many we would want to commend and thank for a lifetime of public service. In this regard, Charlie Johnston is an outstanding example of this generation of public servants who have worked so loyally to **improve the welfare of the American veteran. He has made a lasting mark on the function of government and the laws of the land.**●

THE DRAFT: BLOOD'S A LOT CHEAPER THAN OIL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● **Mrs. SCHROEDER. Mr. Speaker, Henry Gibson is upholding the tradition of Ambrose Bierce, Mark Twain, and H. L. Mencken. An article by him follows:**

[From the Washington Post, Mar. 2, 1980]

GREETINGS FROM YOUR PRESIDENT

(By Henry Gibson)

Hi, kids, this is your president
And I just want a minute to say
You are the future. I'm proud of you.
So register today.

Now don't get me wrong, we're not going to war.
But in case I must, well, intervene,
I'd just like to know how to get in touch
Tonkin-quick like, know what I mean?

See, Rosalynn and me, we're opposed to the draft
So each day we ask peace from the Lord.
But should war ever come, by gosh, I'd look dumb
If there were rust on my sword.

So I spoke to our Maker, Miz Lillian, too,
And asked; What shall I give our nation?
And you know what the two of them whispered to me?

Why not the best? Registration.

When the God-fearing folks of Afghanistan
Were attacked by those atheist Reds
I knew it was time to stop praying and act.
Prayers just go over the heads.

In a flash, God revealed the doctrine to me:
Strength is theirs who honor its Source!
Repel by all means attacks on the Gulf
By any outside force.

Here's what you'll get in return for your time
Besides our appreciation:
Less pay, less say, the suspension of rights,
Death in an interesting nation.

So register now, for Chevron and Christ,
For Mobil, for Exxon, for Shell,
For Texaco, Conoco, Arco and Hess,
Hurl the damned heathens to hell!

Smite down the infidels! Blast their blockade!
Come on, kids, defend foreign soil
In the name of the Father, Sun, holy Gulf.
Blood's a lot cheaper than oil.●

WHERE ARE OUR ALLIES?

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. DOWNEY. Mr. Speaker, like many Members, I have been conducting a series of town meetings recently on the subject of energy conservation.

My intent is to do everything within my power to convince people of the need to conserve. I know that the other Members do not need descriptions of how difficult this task is. We are all attempting to deal with our tendency as a nation to minimize how serious the world shortage of liquid fossil fuels is, and to continue to look for a quick fix solution.

My purpose here is to point out to my colleagues an article by Dr. Daniel Yergin in the February 2, 1980, issue of the New Republic, which I found particularly helpful when preparing for my public meetings, and in fielding questions in these areas. Dr. Yergin's work in producing the Harvard Business School study, "Energy Future," is well known. This article, on the effects of the U.S. fuel shortage, of our inability to muster world support for sanctions against Iran, is the perfect update for that book. I offer it to my colleagues in hope it may help you, too, to field the difficult questions of why we appear so powerless against Iran:

[From the New Republic, Feb. 2, 1980]

HOSTAGES OF ENERGY

(By Dr. Daniel Yergin)

Surprise. The other major oil-importing democracies have demonstrated less than an overwhelming eagerness to join us in our proposed sanctions against Iran. It turns out that they are quite concerned about their access to Iranian oil, and they fear what an Iranian oil shutoff would do to the world oil market at this hysterical time.

Americans may gnash their teeth at such pusillanimity, but our allies do have impressive reasons for seeing the U.S. proposal as a half-baked scheme. The U.S. initiative was formulated in a way that almost ensured rejection. We were asking our allies for a gesture, while displaying little understanding of the energy positions of the other industrial countries and how they relate to our own energy position.

One thing should have been clear since the crisis began on November 4: the United States's ability to deal with the crisis would be much greater if American demand for foreign oil were reduced. It is obvious that we need to reduce our imports by roughly what Iran is exporting—two million barrels a day—before we can reasonably expect the other consumers to go along with us in an embargo. Reducing imports would in effect add that much new "supply" to the world market as an alternative to Iranian oil. It also would be the first significant counterpressure on the current prices. The Japanese apparently inquired—with some justification—whether America would help to replace the 500,000 or so barrels a day they would lose from Iran. Part of the answer, unfortunately, is already in U.S. legislation, which forbids the export of Alaskan oil—i.e., to Japan. The only other way we could help "replace" that 500,000 barrels is by reducing our take on the world market.

Without such a reduction the effort to punish the Iranians by cutting off trade actually would end up hurting oil consumers more than the target. Our unilateral embargo against Iranian oil, announced last November, illustrates the problem. It has not hurt Iran. What it has done is to produce a shuffling around of barrels on the world oil market, probably contributing to upward pressures on price. This is not an argument in favor of buying Iranian oil. It is an argument about how to make a ban effective.

These difficulties in producing an effective sanction against Iran are the latest, and perhaps among the most costly, examples of a continuing failure: the inability to connect what is happening on the international scene (both politically and in the oil market) with U.S. domestic energy policy. We are the world's largest consumer of oil. The United States is the Saudi Arabia of consumption. For that reason, how much the U.S. consumes has as great an effect on the rest of the world as how much Saudi Arabia produces. America uses a third of all the oil used in the world every day. One out of nine barrels of oil used in the world is burned as gasoline on American roads. About 45 percent of our oil is currently imported, making us the largest buyer of oil in the world—taking about a quarter of OPEC's entire production. Our oil imports actually doubled between 1972 and 1978. A reduction in our imports of two million barrels a day would have the same effect as adding a second Kuwait to the supply side—or more to the point, a new Iran. Current levels of dependence make us highly vulnerable.

The fact that this connection is not clear—and is not a basis of U.S. policy—constitutes a major political failure. Reasonable excuses can be offered to explain away this failure up to January 1979. This was a period of Indian summer in the oil market. The Carter administration had introduced a sensible energy package in 1977, only to see it torn up from all sides. But the overthrow of the Shah of Iran set in motion the second energy shock, and should have produced a series of new responses. Early on, last April, Carter took one vital step—he announced the staged decontrol of domestic oil prices. For this he deserves a lot of credit.

But the rest of the year was a time of missed opportunity. The synthetic fuels program, announced in July, meant a major diversion of attention and money away from the problem at hand to something that will have no impact until the 1990s. It is as if the patient was suffering a massive hemorrhage (and the United States is such a patient)—$1.7 billion a week to pay for oil imports—and the prescribed remedy was setting up a Keogh retirement plan.

No doubt it was thought that the massive synfuels program would be politically popular. But there seems to have been a great increase in public sophistication about energy during 1979. In the last year, I have spoken about energy in almost every part of the country, and I carry away a strong sense that the public's willingness to face this problem has grown greatly. Indeed, I think that the public's courage about energy is now greater than that of its political leaders in Washington. Opinion polls bear me out. The Carter administration and the Congress are afraid of public intolerance that no longer exists. The ayotollah and his students have had a profound impact. The public has been taught a vivid lesson on the dangers of overdependence.

The current crisis has provided an opportunity to take the emergency steps necessary to help protect us against this overdependence. The place to start is with gasoline. Remember: One out of nine barrels of oil used in the world every day is burned as gasoline on American highways. There are three things that can be done about gasoline consumption. One is to do nothing. That would be the worst course. It would mean gas lines and no significant reduction in U.S. consumption—and therefore higher prices and continuing high dependence on the Persian Gulf. That is the current course.

The other two possible responses are a gas tax and rationing. Neither is perfect. Both are better than doing nothing. Until recently, I tended to favor a gas tax. It involves less direct administration, and appears more flexible. A gas tax can be rebated or, as Congressman John Anderson has argued, can be used to replace another tax such as social security. It makes sense to tax something that is scarce and insecure.

But changing circumstances make the case for rationing much stronger. We are now in an energy emergency. A gas tax may be too uncertain in such circumstances, since no one knows how much demand will go down in response to any price hike. Moreover, prices have been moving up smartly because of what's happening on the world market—and will continue to do so as a result of decontrol. There are important equity issues involved. A rebate system could be just as complex to administer as rationing, but some argue that the Congress is suffering from "tax exhaustion."

Rationing involves obvious administrative questions, including the headache of exemptions. It also would take a longer time to start up. On the other hand, it does provide more clearly apparent equity, since everyone would receive a basic entitlement. A target—two million fewer barrels a day, a reduction of a little over 25 percent—could be set and achieved. The administration of such a program may be less complex than many critics suggest. The most sensible plan might well be a hybrid—a basic rationing entitlement, with additional gasoline available, but carrying a tax of anywhere from 25 to 50 cents more per gallon. The rationing could eventually phase out into a tax. And perhaps we should try the gasoline tax first. What we should not do is argue endlessly over which is better. We should take a major step to restrain gasoline demand.

Any such step to reduce our gasoline consumption dramatically would strenghten our hand considerably with the other Western countries. It certainly would improve our position with the producers, and it would give us more maneuverabililty in coping with unfolding events. It also would save this country a pile of money—almost

$500 million a week. If this type of action had been taken a year ago, we might very well be paying about the same price for oil today that we paid at the end of 1978.

Most politicians seem to operate on the assumption that the Declaration of Independence assures life, liberty, the pursuit of happiness, and cheap and abundant gasoline. But expense and insecurity now govern our oil supplies. To date, the only candidate who had the courage to face up to the true implications of our position is John Anderson, with his 50 cents a gallon tax. The rest are off thundering the most irrelevant nonsense. To talk about coal is to talk about something that will take a decade to become a significant substitute for imported oil. Nuclear power does not have a great deal to do with imported oil in any event.

The impatience and unease of the public grows. I suspect that those public officials who ducked the issue will be panelized next November by their constitutents, who by then will be able to tell the difference between those who tried to protect the country and its energy position and those who prevaricated.

How will the current flailings look from the perspective of some years from now? The fabled breed known as future historians will be amazed that such obviously sensible steps were not taken. Beyond that, they surely will not be able to contain their irony and scorn at the costly irrelevance of our national debate on energy—and their disdain at the irresponsibility of those who simply would not face a rather ugly reality.●

THE PRESIDENT'S IRANIAN RETREAT

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. BAUMAN. Mr. Speaker, the appointment of a U.N.-sponsored commission to investigate the alleged crimes of the Shah of Iran is but the latest development in a series of concessions by President Carter. The continuing Iranian crisis—now in its unbelievable fourth month—has been a study in appeasement by the administration, and this latest move is simply the most glaring example of the retreat from the President's earlier tough rhetoric.

After repeatedly promising the American people that such a commission would only be authorized simultaneously with the release of the hostages, the President by allowing the commission to proceed before the hostages' release has compromised what little leverage was left to the United States. The ayatollah's response, that the hostages' fate would not be decided until April, demonstrates the regard the Iranians have for our latest retreat.

America, it seems, is being made the fool—and Mr. Carter's continued cave-ins can only exacerbate the international community's perception of this fact. I include now in the RECORD a column by Mr. George Will which appeared in the February 21 Baltimore Sun. In it Mr. Will accurately assesses our most recent retreat—as well as the blame for it. Constancy, and not expediency, is required by the President. As Mr. Will states, those who have praised the President's restraint under the guise of retreat have unfortunately lost their right to complain at this late point.

The column follows:

THE RETREAT TO POLITICAL RANSOM

WASHINGTON.—The day the United Nations announced the "commission of inquiry," the world press carried an interesting photograph from Iran. A shopkeeper "accused" of "profiteering" was strapped by the ankles to a horizontal bar, with his shoulders on the pavement, while some dispensers of "revolutionary justice" lashed his feet. Perhaps if the commission has some spare time, it will want to inquire about jurisprudence and penology in Mr. Bani-Sadr's Iran.

It is, the U.N. stresses, a "commission of inquiry," not a "tribunal." It is concerned with "findings," not "judgments." But Americans should not take comfort from such scholasticisms. The United States said it would neither negotiate with nor reward terrorists. Now it is negotiating the reward. And Americans have approved, overwhelmingly, the conduct that led to this.

While talking about "tightening the screws" and making Iran pay "an increasingly higher price" each day, the United States avoided virtually all measures that might punish Iran, and even abandoned the sanctions it made such a show of seeking. Now it is paying political ransom to political kidnappers.

The forming of the commission may be only the first of many payments, and it may have bought nothing. A newspaper headline of February 19 says: "Bani-Sadr Fails To Set Release Date For Hostages." The verb "fails" implies that President Abolhassan Bani-Sadr tried. Maybe he did. American diplomats says he is a "moderate."

But remember Stalin, as described by such American diplomats as Cordell Hull (Stalin is "a wily politician who could well grace a seat in our U.S. Senate") and Averell Harriman (Stalin is "a strong party political boss who could run a Tammany machine like Mayor Hague"). I am not suggesting that Mr. Bani-Sadr is a Stalin. I am suggesting that America's proclivity for wishful thinking should be remembered when "moderation" is ascribed to Iran's new president, who says of Iran's terrorists, "They are brothers and we love them well."

It is periodically said that the United States must be conciliatory toward the Soviet Union lest Kremlin hawks devour Kremlin doves. Now it is said that the United States must make concessions to "strengthen Bani-Sadr's hand" in dealing with "extremists."

Already the United States has retreated from its pledge that it would not even discuss an investigatory commission until the hostages were released. (In November, Mr. Bani-Sadr called for an investigation, but President Carter said that "only after the hostages are released will we be willing to address Iran's concerns.")

Next, the United States retreated from the position that the hostages would have to be released before the commission began meeting.

What good has the retreating done?

As recently as last weekend, Mr. Bani-Sadr endorsed the hostage seizure. He said it was deplorable from "humanitarian" and "legal" standpoints, but not "from the political point of view" and that "today the political aspect of the problem is predominant."

As this is written, Mr. Bani-Sadr is demanding that the hostages be held until the commission completes its work and the United States condemns itself. His only promise is that when all this is done "we shall see what we shall do."

When Mr. Carter recently was asked about his willingness to discuss (and, by implication, to judge and condemn) past U.S. policy toward Iran, he said it would not be appropriate "right now," not "at this sensitive moment."

But the moment for that, too may come. The New York Times reports: "Although the State Department has ruled out any declaration of guilt, officials indicated that it might be possible to find language to finesse the point."

The payment of political ransom probably will prompt demands for another form of ransom: "reparations." Already, the administration has hinted that aid might be part of Iran's reward for releasing the hostages.

Arguably, the United States is so weak, militarily, and so isolated, diplomatically, that it never had any choice but to devise an agenda of appeasement. But such agendas never stop lengthening.

So if, when the commission is finished, Iran still "fails" to release the hostages, and instead raises the price, the United States will have to pay. And Americans who have vigorously applauded U.S. "restraint" have forfeited their right to complain.

Since November 4, Americans' applause for their government has been another echo of September, 1938. When Edouard Daladier, the French premier, returned to Paris from Munich, he hoped to avoid encountering crowds. When he encountered some, he exclaimed, disgustedly: "They do not understand what we have done!" The crowds were applauding.●

REVENUE SHARING

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. EDGAR. Mr. Speaker, the Pennsylvania Association of County Commissioners has taken the lead on helping to educate Members of Congress on the need to reauthorize revenue sharing. As a strong supporter of revenue sharing, I am pleased to share the research efforts of our State's county commissioners with the House:

COUNTIES AND REVENUE SHARING

At first glance Pennsylvania counties may appear to have little in common. From Forest County, with its 5,000 population, to Philadelphia with its 2,000,000, the counties of Pennsylvania reflect a divergence which is a hallmark of the state as a whole. The Commonwealth is known for its large cities and industrial production, yet at the same time claims the largest rural population of any state in the nation.

Regardless of their location or size, every one of the 67 counties shares a recent history of growing demands for public services, coupled with an increasing number of programs mandated by Federal and State governments. Urban or rural, large or small, Pennsylvania counties have been transformed from record-keepers into major providers of services. Nowhere is this change better reflected than in the size of county budgets. Many have doubled or even tripled (even after accounting for inflation) during the past ten or fifteen years.

This phenominal growth can be largely attributed to the onslaught of new Federal and State mandates. In fact, a typical county's budget is funded with two dollars from Washington or Harrisburg to every one raised locally. This influx of outside funding has done more than just increased the budget size; almost to a one, they have added complex reporting and compliance requirements. All this red-tape is especially frustrating considering the limited, "categorical" nature of the funds. Certain grants are intended for certain purposes, and the availability of funds rarely corresponds to the areas of greatest need.

The singular exception to this barrage of restricted, narrow-purpose funding has been General Revenue Sharing. While other Federal Programs have reduced county officials' ability to respond to public needs, Revenue Sharing has succeeded in doing just the reverse. Instead of being another categorical grant, GRS is a unique and successful blend of block-grant and entitlement aid. The block-grant concept provides funds with few restrictions on their use, and the entitlement formula assures local and State governments of their proportionate share, without the need for elaborate grant proposals. Indeed the program has been especially welcomed by many units of local government which are normally ill-prepared to compete for Federal assistance and whose needs, therefore, are often not addressed.

Since Revenue Sharing began in 1972, Pennsylvania counties[1] have received over $883 million. In the current fiscal year alone, their entitlement exceeds $112 million. By almost any standard, that is a lot of money to be distributed, and it is entirely appropriate to question how it has been spent.

In the early years, many locals officials hesitated to earmark Revenue Sharing dollars for anything other than "one-shot" expenditures, such as capital projects. However, as these officials came to appreciate the unusual flexibility which these funds afforded them, the use has diversified. This process was helped significantly by changes several years ago which permitted GRS to be used as local matching funds for most Federal categorical grants. This change allowed recipients of Revenue Sharing to not only benefit from the program's inherent lack of constraints, but, further to obtain other needed restricted-use funds.

The Pennsylvania State Association of County Commissioners has received information from 16 counties on how they have budgeted Revenue Sharing funds in 1980. This data is not a scientific sample, yet it does reflect how some counties (ranging in population from 5,000 to 600,000) will be utilizing CRS dollars this year. The chart summarizes the responses by category.

Application	Percent of total G.R.S. expenditures
Health and human services: Includes geriatric nursing care, mental health, mental retardation, youth, aging, drug and alcohol, health services, housing, etc.	28.8
Physical plant maintenance and capital projects: Includes upkeep of county buildings as well as construction of new facilities	26.1
Debt service: Includes payment of principal and interest on county bonded indebtedness	13.1
General government operations: Includes support of traditional county government expenses	10.9
Public safety: Includes corrections, courts and emergency communications	9.8
Community services: Includes grants to local fire companies, libraries, historical societies, educational programs, etc.	7.0
Business and community development: Includes redevelopment programs, efforts to attract new industries, regional planning, and transportation services	3.4
G.R.S. administration: Includes costs of complying with Revenue Sharing regulations, such as audit and advertising expenses	0.7
Year-end balance: Unapportioned balance at close of county fiscal year	0.2
Total	100.0

NOTE.—These figures offer some valuable insight, even if they are somewhat distorted. Two of the 16 counties committed in excess of 90 percent of their entitlements to "Physical Plant" expenditures, while another allotted 100 percent of its funds to "Debt Service". The amount of funds involved in these three instances alone represents nearly 36 percent of all the Revenue Sharing funds in this sample.

It is apparent that counties have significantly redirected their Revenue Sharing funds into service areas, primarily to health care and social service providers. Eleven of the sixteen counties have appropriated the majority of their G.R.S. dollars for activities in the "Health and Human Services", "Public Safety", "Community Services", and "Business and Community Development" categories. In fact, the eleven counties' appropriation of Revenue Sharing funds to these categories averages 90 percent of their total entitlement.

Perhaps a clearer picture of how counties prioritize their Revenue Sharing funds can be obtained by examining how many counties in the survey commit funds to each of the categories.

Category	Number of counties appropriating
Health and human services	11
Physical plant maintenance and capital projects	5
Debt service	2
General government operations	7
Public safety	9
Community services	9
Business and community development	6
G.R.S. administration	4
Year-end balance	4

To reiterate, counties included in this sample are not presented as a representative sample of all Pennsylvania counties, and it is important not to over-analyze the data. However, when adjusting for those few counties which have earmarked all of their funds to only one category, the general tendency of counties to use G.R.S. for services (as opposed to government operation) is clear. It is likely that this use of Revenue Sharing is reflective of most counties not in the sample, as well.

As noted previously, many of the programs counties support with GRS are not also receiving other public funds. In many instances, these involve important community activities and services. The effects of losing Revenue Sharing would, of course, vary from county to county, but the loss would be severely felt in all cases.

If that is true for the local share, what would happen if the State's share is eliminated? In Pennsylvania, at least, the answer is fairly simple: local governments would suffer the most. Of the nearly $112 million which the Commonwealth will receive this fiscal year, virtually 100% is to be passed-through to political subdivisions. Counties are most concerned with the $24 million the State reimburses them for county court cost expenses, as well as the $3.4 million for local health departments (five counties operate health agencies). The remaining $85 million is to be used for public education and sewage treatment facilities, with a small percentage ($.5 million) for capital improvements and G.R.S. compliance expenses.

This use of the State's entitlement is not new. Of the $814,176,692 which the Commonwealth has received since Revenue Sharing began, the vast majority has been in turn directed to its political subdivisions.

The Pennsylvania State Association of County Commissioners supports the re-enactment of General Revenue Sharing. We do so because it is, in our judgment, an innovative and successful approach to Federal assistance. In the few short years it has existed, Revenue Sharing has enabled many local governments to establish vitally-needed services and programs which otherwise would not have been possible. Our track record in maximizing the benefit of these block grant entitlement funds is open to public scrutiny, and we are proud of it.

Our support for re-enactment is qualified, however. We request the Pennsylvania Congressional Delegation to vote to renew General Revenue Sharing, provided:

1. The State share is not eliminated. For the reasons cited, our Association joins with other statewide local government organizations as well as the National Association of Counties in calling for continuation of the State entitlement. We believe the success of this program can be attributed, at least in part, to the ability of Federal, State and local governments to cooperate in the best use of G.R.S. funds. This has been especially true in Pennsylvania.

2. No new strings are attached. Although this is a block grant, entitlement program, it is not money provided without conditions. There are already a number of requirements for recipient governments, including: an audit once every three years of all funds (not just Revenue Sharing), as well as audits of any agency to which a county might, in turn, allocate in excess of $25,000; public hearings, before and after the use of G.R.S. funds is determined for the succeeding fiscal year, and compliance with Davis-Bacon and other Federal standards. We do not object to these existing conditions, but we oppose any further erosion of the flexibility and addition of red-tape which has made Revenue Sharing one of the most efficient Federal programs in existence.●

THE CIGARETTE SAFETY ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. MOAKLEY. Mr. Speaker, today I am introducing a revised version of the Cigarette Safety Act which seeks to insure that cigarettes have a minimum capacity for igniting smoldering upholstered furniture and mattress fires.

The need for such legislation is obvious. According to the U.S. Fire Administration, cigarettes represent the No. 1 national cause of both injuries and fire deaths in residential dwellings. Each year there are over 70,000 smoking-related fires across the country and a resulting 1,800 deaths, 4,000 injuries, and $180 million in economic losses. These fires could have been prevented.

This legislation mandates the Consumer Product Safety Commission to develop a performance standard that will reduce the potential of cigarette-related fires from occurring. As the bill states, this performance standard is to be based on tests currently being conducted by the National Bureau of Standards Center on Fire Research.

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[1] Reference to counties' share includes funds received by the City-County of Philadelphia.

Potential methods include a time period in which the cigarette must self-extinguish or a measurement of the cigarette's burn penetration of a test substance.

In my original bill, I designated cigarettes to self-extinguish within 5 minutes when not being smoked, but now I feel it is best to give CPSC flexibility in developing a performance standard based on the best available and most current research.

Past research has shown that a freshly lit cigarette will burn for approximately 20 to 45 minutes when placed on a flat surface. This is a reasonable period of time in which a burning cigarette must remain in contact with upholstered furniture and mattresses before a fire will result.

Unfortunately, the cigarette manufacturing companies have not addressed this problem, and I believe the serious nature of this problem demands congressional action.

I would like to stress that this is not an antismoking bill. I believe the decision to smoke or not to smoke should be left up to the individual. A performance standard should not interfere with an individual's smoking habits, but rather address a proven fire hazard. Also, this act requires that the final safety standard be accomplished without the addition of any toxic elements to the cigarette.

Support for this legislation has come from across the country and includes groups made up of individuals who work daily with the problems of smoking-related fires, such as the International Association of Fire Chiefs, International Association of Firefighters, and the American Burn Association. A complete list of supporters follows this text.

I believe this legislation can go a long way in reducing the damage to life and property due to smoking-related fires, and I urge my colleagues to join me in working to reduce this danger by supporting this legislation.

A text of the bill and extraneous material follows:

SUPPORTS OF THE CIGARETTE SAFETY ACT

International Association of Fire Chiefs.
International Association of Firefighters.
National Fire Protection Association.
American Burn Association.
American Trauma Society.
Decorative Fabrics Association.
Action on Smoking and Health.
Business and Institutional Furniture Manufacturers Association.
Northern California Burn Council.
California Fire Chiefs Association.
Federated Fire Figthers of California.
The Fifteen Junior Leagues of California.
San Francisco General Hospital Trauma Center.
California Furniture Manufacturers Association.
Burn Foundation of Greater Delaware Valley.
Health Systems Agency of Southeastern Pennsylvania.
Illinois Fire Inspectors Association.
Chicago Firefighters Union Local 2.
Cincinnati Insurance Board.
Cobb County (Georgia) Firefighters.
Oregon Fire Standards and Accreditation Board.
Jaycees of Connecticut.

H.R.—

A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cigarette Safety Act".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "cigarette", "commerce", "United States", and "little cigar" have the meanings prescribed in paragraphs (1), (2), (3), and (7), respectively, of section 3 of the Federal Cigarette Labeling and Advertising Act;

(2) "sale or distribution" includes distribution of samples or any other distribution not for sale;

(3) "Commission" means the Consumer Product Safety Commission; and

(4) "cigarette safety standard" means any performance standard or cigarette safety rule promulgated by the Commission.

FINDINGS

SEC. 3. (a) The Congress finds that—

(1) the United States Fire Administration has determined that the careless use of smoking materials is the leading cause of fire-related death and injury in residences in the United States;

(2) fires caused by cigarettes and the careless use of smoking materials in the United States annually—

(A) kill approximately one thousand eight hundred people,

(B) injure approximately four thousand people, and

(C) result in property damage amounting to approximately $180,000,000;

(3) laboratory experiments have shown that a cigarette will burn continuously for approximately 20 to 45 minutes when placed on a flat surface and that this is a reasonable period of time in which a burning cigarette must remain in contact with upholstered furniture and mattresses before a fire will result;

(4) as presently marked, cigarettes and little cigars are a dangerous ignition source which present an unreasonable risk of injury; and

(5) it is feasible and practical to produce cigarettes and little cigars which do not present an unreasonable risk of injury.

(b) The Congress declares it to be the policy of the United States—

(1) to reduce the loss of life and property in the United States by requiring that cigarettes and little cigars manufactured for sale or distribution in commerce be processed to ensure that such cigarettes or little cigars—

(A) if ignited, will stop burning within a time period designated by the Commission, if such cigarettes or little cigars are not smoked during such period, or

(B) meet some other performance standard promulgated by the Commission to insure that such cigarettes or little cigars do not ignite smoldering upholstered furniture and mattress fires; and

(2) that such processing be accomplished without the addition of any toxic elements to a cigarette or little cigar.

RULEMAKING

SEC. 4. (a)(1) The Commission shall promulgate, within 24 months after the date of enactment of this Act, final consumer product safety standards for cigarettes and little cigars which set performance standards ensuring that such cigarettes and little cigars have a minimum capacity for igniting smoldering upholstered furniture and mattress fires.

(2) Performance standards for cigarettes and little cigars shall be developed by the Commission based on objective studies, including studies conducted by the Bureau of Standards of the Department of Commerce.

(b) The Commission shall commence the proceedings for the development of the cigarette safety standards under this Act by the publication in the Federal Register of an advance notice of proposed rulemaking which shall—

(1) state that Congress has declared that a safety standard for cigarettes and little cigars is necessary and that such standard shall be promulgated by the Commission; and

(2) invite interested persons to present their views concerning such standards, orally or in writing, during a period of not less than thirty days immediately following publication of such notice.

(c) Within 12 months after publication of the notice required by subsection (b), the Commission shall publish in the Federal Register general notice of proposed rulemaking under section 553(b) of title 5, United States Code. Such general notice of proposed rulemaking shall include the terms and substance of the proposed cigarette safety standard.

(d) Within twenty-four months after the date of enactment, the Commission shall promulgate the standard after interested persons have been given an opportunity to participate in the rulemaking through submission of written data, views, or arguments with an opportunity for oral presentation. A transcript shall be kept of any oral presentation.

(e)(1) The final rule promulgating the cigarette safety standard shall specify the date such standard is to take effect, not to exceed forty-eight months after the date of enactment of this Act. If the Commission finds that by eighteen months after the date of enactment of this Act that it is unable to issue the rule within twenty-four months of the date of enactment, it shall prepare and transmit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, outlining the reasons for the extension and designating the additional time period required, not to exceed one year, to issue a rule, and the Commission shall issue a notice of extension in the Federal Register.

(2) For purposes of this Act, the rulemaking provisions of sections 7 and 9 of the Consumer Product Safety Act, and rulemaking sections of any other acts administered by the Commission, shall not apply. Notwithstanding any other provision of law, the Commission shall not be required to make findings pursuant to these sections.

(3) The Commission may by rule prohibit a manufacturer of cigarettes or little cigars from stockpiling such products to which the standard promulgated pursuant to this section applies. For purposes of this paragraph, the term "stockpiling" means manufacturing or importing a product between the date of promulgation of such consumer product safety standard and its effective date at a rate greater than the rate at which such products were produced or imported during the one-year period immediately preceding the date of enactment of this Act.

JUDICIAL REVIEW

Sec. 5. (a) Any person who is adversely affected or aggrieved by the standard promulgated pursuant to this Act may, at any time prior to the 60th day after the Commission promulgates the final rule, file a petition with the United States Court of Appeals for the circuit in which such person resides or has his principal place of business for a judicial review of this rule. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commission. The Commission shall file in the court the record of the proceedings on which the Commission based its final rule as provided in section 2112 of title 28, United States Code.

(b) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there was no opportunity to adduce such evidence in the proceeding before the Commission, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Commission in a hearing or in such other manner, and upon such terms and conditions, as the court deems proper. The Commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, and its recommendations, if any, for the modification of the final rule.

(c) Upon the filing of the petition under this section, the court shall have jurisdiction to review the final rule of the Commission, as modified, in accordance with chapter 7 of title 5, United States Code. If the court ordered additional evidence to be taken under subsection (b) of this section, the court shall also review the Commission's final rule to determine if, on the basis of the entire record before the court pursuant to subsections (a) and (b) of this section, it is supported by substantial evidence. If the court finds the final rule is not so supported, the court may require its modification or reversal.

(d) The judgment of the court affirming, setting aside or modifying, in whole or in part, the Commission's final rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

(e) Section 11 of the Consumer Product Safety Act and the judicial review section of any other Act administered by the Commission do not apply to judicial review of the Commission's final cigarette safety standard.

REMEDIES

Sec. 6. The cigarette safety standards, as promulgated in a final rule, shall be deemed to be a consumer product safety standard as defined under section 3 of the Consumer Product Safety Act, and shall be subject to all remedial and penalty provisions of the Consumer Product Safety Act.

CONFORMING AMENDMENTS

Sec. 7. Section 3(a)(1)(B) of the Consumer Product Safety Act is amended by adding after the word "product" the following: "except that cigarettes and little cigars are deemed to be consumer products for the purposes of regulating them as an ignition source".

AUTHORIZATION OF APPROPRIATIONS

Sec. 8. For each of the first three fiscal years beginning after the date of enactment of this Act, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

TRIBUTE TO TONY T. DECHANT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mrs. SCHROEDER. Mr. Speaker, I hope that my colleagues will join me in paying tribute to one of my constituents, Tony T. Dechant.

Mr. Dechant is stepping down after 35 years with the National Farmers Union, 13 years of service as the president. During his tenure, Mr. Dechant has been one of the Nation's leading champions of the family farm. He has traveled around the world, as well, to promote international commodity agreements to improve farm income.

Tony Dechant has been active in other areas of community service as well. He is the president of Green Thumb, Inc., an organization that enploys 14,000 elderly rural citizens to carry out beautification and environmental programs in 47 States. He is the director of the Consumer Energy Council of America, and a member of the President's Committee on Employment of the Handicapped.

I would like to commend Tony Dechant for his 35 years of excellent service to the National Farmers Union, the family farm, and the community.●

NUCLEAR ACCIDENTS

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. WEAVER. Mr. Speaker, today I am inserting in the Record two more reports of this country's many accidents at nuclear facilities. Three Mile Island was not the first, only the most serious, of a long history of nuclear accidents. I commend this and all of this series for my colleagues' perusal.

The reports follow:

1945 Atomic Accident

(June 4, 1945, Hypo, criticality accident, Los Alamos, N. Mex.)

Source: TID-5360—"A Summary of Accidents and Incidents Involving Radiation in Atomic Energy Activities, June 1945 Through December 1955," by Daniel F. Hayes, dated August 1956, pages 10 and 11.

The immediate supervisor was absent from the scene when the experiment was begun. According to one of the operators, the water level was raised above the polonium-beryllium source with the supply valve nearly full open. At this point, a slight increase in counting rate was observed, which corresponded with what had been observed previously when the source alone was immersed in water. A few seconds later the counting rate began to increase at an alarming rate. At this point the supervisor returned and walked to within 3 feet of the tank and noted a blue glow surrounding the box. Simultaneously the two operators were hastily closing the supply valve and opening the drain valve. The building was then evacuated.

The three individuals involved received excessive radiation exposures, estimated in the case of two as about 66.5 rep, and in the third as 7.4 rep. The doses delivered to the head and neck of these individuals may have been considerably greater. The involved individuals were hospitalized for observation, but no untoward symptoms appeared. No significant changes in blood counts were observed and sperm counts on one occasion some time after the incident were normal. It is not believed that the individuals concerned received any significant radiation damage. There was no damage to equipment, no loss of active material, and no local contamination problem.

It seems most probable that the unanticipated increase in reactivity occurred because of water seeping between the blocks of active material and increasing the internal moderation of the assembly. Sufficient heating occurred to melt and deform the plastic bottom of the assembly container, and the water between the blocks must have vaporized, thus stopping the reaction. More water would then seep in and the cycle would repeat. It was estimated that three such cycles occurred before the water level in the tank fell sufficiently low to prevent further reaction.

* * * * *

While no further experiments of this specific type were performed, similar experiments after 1946 were carried out with remote control systems without exposure to personnel.

1946 Atomic Accident

(May 21, 1946, Dr. Louis B. Slotin, Los Alamos, N. Mex.)

Source: Excerpt from ORNL–2748 Part A ("Radiation Accidents: Dosimetric Aspects of Neutron and Gamma-Ray Exposures")—Pages 6, 8.

The circumstances surrounding the second major radiation exposure at Los Alamos on May 21, 1946, were quite similar to those in the first accident. Personnel film badge data were not available and data from badges located on the walls of the room were not very helpful. Eight persons were exposed to significant doses in this incident. It is felt that none of these victims received uniform total body exposures because of various amounts of partial body shielding.

The neutron doses to the exposed people have been estimated as in the case of the LASL–1 accident, i.e. by using neutron spectral data obtained from the Godiva reactor together with Na^{24} activation data for the blood of the patients. It has been assumed that the gamma-to-neutron dose ratio was 1/10 for all those exposed. This is probably a good assumption except for case LA-9 who returned to the scene of the accident twice after his initial exposure.

* * * * *

Source: Excerpt from TID-5360 ("A Summary of Accidents and Incidents Involving Radiation in Atomic Energy Activities, June 1945 through December 1955")—Page 4.

A senior scientist was demonstrating technique of critical assembly and associated studies and measurements to another scientist. The particular technique employed in the demonstration was to bring a hollow hemisphere of beryllium around a mass of fissionable material which was resting in a similar lower hollow hemisphere.

The system was checked with two one-inch spacers between the upper hemisphere and the lower shell which contained the fissionable material; the system was subcritical at this time.

Then the spacers were removed so that one edge of the upper hemisphere rested on the lower shell while the other edge of the upper hemisphere was supported by a screw driver. This latter edge was slowly permitted to approach the lower shell. While one hand held the screw driver, the other hand was holding the upper shell with the thumb placed in an opening at the polar point.

At this time, the screw driver apparently slipped and the upper shell fell into position around the fissionable material.

There were eight people present in the room where this demonstration was being carried out. Of these, two were directly engaged in the work leading to this incident.

The "blue-glow" was observed, a heat wave felt, and immediately the top shell was slipped off and everyone left the room.

Scientist (A) who was demonstrating the experiment received radiation dosage sufficient to result in injuries from which he died 9 days later. The scientist (b) working with the deceased received radiation dosage sufficient to cause serious injuries and some permanent partial disability.

The other six employees in the room were exposed beyond the established daily limit, but suffered no observable permanent injury.●

REGISTRATION IS EMPTY GESTURE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. EDGAR. Mr. Speaker, the question of establishing a mandatory registration system is uppermost in everyone's mind. Last fall overwhelming opposition by the public and Congress blocked a provision of the Department of Defense authorization bill which would have established a mandatory registration system. The recent Soviet act of aggression against the sovereign state of Afghanistan has refueled the debate, however, and the President has asked Congress to approve and fund mandatory registration.

I read with great interest the article on registration by my colleague, Representative LARRY COUGHLIN, which appeared in the Philadelphia Evening Bulletin last Friday. I closely identify and support his perceptive arguments against mandatory registration and for a universal national service which would allow young people the choice between serving their country in a civilian or military capacity. I commend this persuasive article to the attention of my colleagues:

REGISTRATION IS EMPTY GESTURE

(By LAWRENCE COUGHLIN)

The Carter draft registration plan is cosmetic, not substantive. It's an empty gesture that sends no signal to the Soviet Union and the wrong signal to the American people.

To the Soviet government, the proposal is no deterrent and does not signify a toughening of American will. To our people, it falsely implies a sense that we are doing something constructive when we're really not.

In hearings before my Appropriations subcommittee, Selective Service and Department of Defense officials admitted that registration would not effectively speed mobilization—maybe seven days would be saved.

In fact, Selective Service recommended against instituting the plan, stating in its draft memorandum: "Our analysis suggests that the post-mobilization option is preferable." That's the registration of individuals once the nation has mobilized.

The Soviets are aware of this, but the American people are being misled to believe that the Carter pre-mobilization registration will advance our preparedness—which it won't.

The hearings also elicited facts that show there are no provisions for classification of registrants to determine the true available manpower pool and there are not sufficient training facilities for large numbers of inductees.

I am sure the Soviets are sufficiently sophisticated to understand this, but again the American people are being misled to believe that this would strengthen our defense posture—which it won't.

Most important, the Carter plan does not fit any crisis scenario of today, each of which demands very rapid response, and falls abysmally short of accomplishing two varied yet important goals:

1. To direct registrants merely to go to local post offices and fill out forms neither advances our immediate military capabilities—it would take more than three months to induct and train registrants—nor does it help to beef up our Reserves or National Guard which are our prime readily available backup forces.

2. To recommend registration without defining an equitable draft to which registrants would be subject invites skepticism and divisiveness, rather than the unity we need at this time.

In a time when honesty and credibility never were more important to the American people, I find Mr. Carter's refusal to go beyond his post office registration plan to be questionable and misleading.

So far as actual manpower requirements are concerned, the Department of Defense maintains that 98.5 percent can be met through the present all-volunteer system.

In light of these facts, Mr. Carter fails to make the case for expending an additional $35 to $40 million in taxpayers' funds over two years for his plan rather than waiting for a post-mobilization callup.

If the all-volunteer concept will not do the job in case of emergency or war, Mr. Carter should prepare the American people for what we must do. His vision must extend beyond filling out forms at the post office.

I was appalled in questioning administration witnesses to learn that the concept of universal alternative service was inadequately addressed. Other key questions were ignored in a report that I would give a flunking grade if I were a high school teacher.

Along with 25 other House members, I am cosponsoring a measure for national service—universal alternative service.

Under this proposal, men and women would register for service in the government with a choice of at least four alternatives: immediately military service, time spent in fulfilling military reserve requirements, service in civilian functions such as hospitals or the Peace Corps or entering the draft pool.

I recognize that this legislation would require a change in our philosophy and concept which are to depend on volunteers in peacetime and go to induction only in wartime.

Full hearings, intensive study and accurate projections, however, are necessary to assess a universal service program.

Thus far, the Administration largely has ignored alternative service in considering manpower needs and congressional committees have failed to schedule hearings. Other alternatives such as a reserve draft also have been ignored.

We need a constructive, practical and achievable program to meet manpower needs.

Enough of cosmetic symbols.●

DRAFT REGISTRATION IN TROUBLE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mrs. SCHROEDER. Mr. Speaker, I am indeed pleased to see in the House growing concern over the administration's surprise turnabout on draft registration.

An article from the Washington Post follows:

[From the Washington Post, Mar. 2, 1980]

REGISTRATION IN TROUBLE IN CONGRESS

(By George C. Wilson)

President Carter, with his call for draft registration, looks like a commander who struck off in a new direction, looked behind him and saw to his dismay that the troops were not following.

Carter and House Democratic leaders are now trying to whip the rebellious troops into line. The troops in this case are the 435 members of the House, and particularly the 54 on the Appropriations Committee who are the immediate target.

Carter and his lieutenants will exhort them to follow the president, not the subcommittee that refused last week to go along with registering 8 million men and women for the draft this year.

The test of strength, expected as early as this week, is significant from several standpoints.

First, it will test whether Carter can continue to count on Congress to support foreign policy initiatives as long as he ties them to Iran or Afghanistan. The administration contends that starting draft registration this year will send a signal of American resolve to the Soviets.

"Time is on our side," contended Rep. Bob Carr (D-Mich.), an opponent of draft registration. He said it will become increasingly harder to wrap draft registration in the flag "as Iran and Afghanistan go off the front pages and inflation moves onto the front pages."

"I don't think the thing has jelled yet," said Rep. Joseph M. McDade (R-Pa.), when asked to predict how the full Appropriations Committee would vote on the registration issue.

McDade voted against the president last week when the independent offices subcommittee blocked the money that Carter needs to begin registering young people for the draft. McDade thinks the original proposal from the Selective Service—to wait until after an emergency to start registering—makes more sense than Carter's plan to do this immediately. Carter's plan would save seven days and costs an extra $14 million.

"The House Appropriations Committee is a special kind of committee, continued McDade, a veteran member. "It tends to be terribly interested in national security issues, but also terribly interested in budgetary considerations, and rightly so."

On the draft registration, he said, members are not dealing with a complicated missile or bomber that some intimidating experts insist is vital to the country's defense. Registering people amounts to setting up a government bureaucracy.

"You're talking about something most of us have done." McDade said. "We have a more basic familiarity with what we're dealing with here."

House Democratic Leader Jim Wright of Texas, as he goes around pressuring lawmakers to support the president on registration, is not talking about bureaucratic efficiency but about the patriotic duty to support the president. Voting against Carter, Wright contends, would make the United States look "vacillating and undecided."

Rep. Patricia Schroeder (D-Colo.) scoffs at Wright and his allies "as they work over the Appropriations Committee at 100 miles an hour." "Members are wondering why they have to leap through all these flaming hoops," she said. "For something the administration opposed five months ago."

The answer from White House lobbyists, Schroeder added, "amounts to saying, 'If the commander-in-chief says eat your foot, eat your foot. Don't confuse the situation with the facts.'"

Even if the House and Senate members should leap through all those "flaming hoops" this year, Schroeder asserted, the only registration Congress will finance is for men, not women, Wright agrees with Schroeder on this point, if nothing else.

"Then the American Civil Liberties Union, et al, will go sue," Schroeder predicted, the courts will throw out men-only registration as discriminatory "and those who voted for it are going to look like dummies."

Last year, the representatives and senators enjoyed the political luxury of supporting their commander-in-chief by voting against registration of men. Rep. G. V. (Sonny) Montgomery (D-Miss.) sponsored this proposal—one that would have delayed the politically unpopular registration process until after the 1980 election.

As representatives filed into the House on Sept. 12 last year, they were handed a White House Office of Management and Budget fact sheet from administration lobbyists. It said:

"Peacetime registration is not needed to assure adequate military manpower in a future mobilization." The Selective Service System, it continued, "has developed a perfectly feasible plan" to register people after an emergency is declared, not before.

Thus reassured by the commander-in-chief and grateful for the political escape hatch, the House voted 252 to 163 against the Montgomery registration requirement.

Schroeder, who last year was allied with the White House in the registration battle, pushed through an amendment requiring the president to study a series of manpower issues, including draft registration. The Senate went along, and the report was due in February.

Schroeder and anti-registration lobbyists took a keen interest and indications pointed to a proposal for registering people if an emergency is declared, but not before.

"You'll like the conclusion of our report," Selective Service director Bernard D. Rostker promised Barry Lynn, leader of a coalition of national organizations against registration and the draft. Lynn said that conversation took place in early January.

Schroeder said she, too, received all kinds of similar assurances from administration officials, including John P. White, deputy director of the White House Office of Management and Budget.

The Selective Service report dated Jan. 15 suddenly became unavailable when Carter, in his Jan. 23 State of the Union address, ignored its key recommendations and called for registering young people now.

The President's registration decision apparently stunned many administration officials—including White, who was the key executive working on the manpower report.

"White told me he did not know that the President was going to call for registration until 6 p.m. of the night of the State of the Union address," Schroeder said.

White, in a separate interview, declined to go into the inner decisionmaking itself, but said the Selective Service recommendation to wait until after an emergency to start registering was rejected because this option assumed "the system is up and running and all working well."

Besides, said White, the President in calling for registration "is indicating to the world our resolve."

As word spread around the capital that Carter had rejected the advice of his own Selective Service director in calling for immediate registration, the agency's report became a hot item. The administration tried to keep it hidden, denying Schroeder's request for a copy. She became incensed and filed a Freedom of Information Act request on Feb. 9 to get it.

"The post mobilization option," the Selective Service report continued, "should substantially exceed defense requirements, employs the fewest number of full-time personnel and costs the least.

"While costs and staffing should not be the determining factor, the reduced delivery times provided by other options is redundant and unnecesary."

Selective Service also said in its report that its general counsel concludes that to meet "current constitutional law requirements of equal protection, any system of registration for an induction into the armed forces must include both men and women."

Manpower chief White said the Justice Department disagrees, contending that men alone could be registered without infringing on their rights.

The registration battle, which will be fought out again in the Senate if the House goes along with Carter, also will test the political muscle of college students and others who would be required to register. Under Carter's plan, men and women born in 1960 and 1961 would have to register at their local post offices.

In one angry and perhaps untypical reaction within that constituency, Jordan Fox, president of the Student Government Association at the University of Maryland, called a campus news conference last week to tell fellow students that Selective Service's findings showed "we've been had."

Carter, who met with Fox and other student leaders at the White House on Feb. 15, said: "I know it has been a highly volatile question of the registration for the draft. I have no apology to make for it. I think it is the right decision."

Appropriations Chairman Jamie L. Whitten (D-Miss.) warns that voting down the registration bill would amount to "refusing money for what the president has authority to do."

"If we don't do it," agreed Chairman Edward P. Boland (D-Mass.) of the subcommittee, "we'll be sending the wrong signal to the Russians."

But Rep. Lawrence Coughlin of Pennsylvania, ranking Republican on the appropriations subcommittee, who joined five other colleagues last week in blocking money for registration, disagrees.

The Carter plan, Coughlin said, amounts to "misleading our people that we are doing something significant when we're not."●

WHY THE ECONOMIC DOCTORS FAILED

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. SYMMS. Mr. Speaker, one of the brightest minds to come to Congress in many years is Congressman Dave Stockman of Michigan.

I hope many of my colleagues will read this very thoughtful article by Mr. Stockman printed in the Washington Post, March 2, 1980.

Mr. Stockman is very perceptive in his analysis of the rising price problem—and very correctly supplies us with the solution.

The economic witchdoctors of the world are still preaching that the wet sidewalk causes rain. That, Mr. Speaker, is not so—three cheers for Mr. Stockman—it really is true that rain caused the sidewalk to get wet—and price controls as always do not work.

The article by Mr. Dave Stockman follows:

WHY THE ECONOMIC DOCTORS FAILED

A lynching party is being organized for American economic freedom and prosperity.

Query: When do erstwhile liberal Democrats propose such essentially totalitarian measures as comprehensive economic controls and gasoline rationing? Under the same conditions that otherwise capable psychiatrists order up electric shock therapy: After all conventional diagnosis fails and when familiar analytic models connecting causes and symptoms lose all explanatory power.

Such is the condition today of middling establishment Keynesians. The economic doctors who failed are now reduced to attributing the nation's mounting inflationary disorder to a case of delerium economens—an outbreak of public irrationality, fevered psychologies and animal spirits—that lies beyond the reach of conventional policy remedies. These fevers can be expurgated from the body economic, therefore, only by lowering the mailed fist of governmental coercion on the price of labor and goods and on the volume of petroleum consumption.

But even a brief examination of the direct targets of this maneuver exposes the sheer economic demonology on which it rests. Since September 1979, for example, our oil-imports bill has been running at 2.7 percent of gross national product. During the relative economic calm of 1977, it had stood at 2.4 percent of GNP. Can a nearly unmeasurable uptick in the burden of foreign oil payments on our national income be responsible for a tripling of the inflation rate since 1977?

Moreover, do the even more heavily "dependent" West Germans and Japanese—whose oil-import bills amount to 4.4 percent and 4.9 percent of their national incomes, respectively—employ supernatural measures to keep their inflation rates at a fraction of ours? The fact is, gasoline rationing bears as much relevance to our real inflation problem as did the bleeding cure to typhoid fever.

The same is true of the alleged wage-price spiral. This new form of economic cancer, as some call it, is not bred by the external economic environment nor influenced by public policy. Instead, it bootstraps itself ever upward on its own internal fuel—the grasping, irrational, shortsighted income demands of firms and workers. In the name of the national good, then, these selfish claims must be squelched and a million wages and prices forcibly harmonized to a lower standard.

This lock-step wage-price spiral is pure fiction. Prices do respond, of course, to something called unit labor costs, or what is essentially the difference between production growth and nominal wage growth. But both variables are affected by policy, and the residual—unit labor cost—does not explode exponentially like a metastasizing cancer.

In 1972, for example, unit labor costs rose 2.8 percent. By 1974-75, they were soaring at a 13 percent rate, but plummeted back to below 6 percent in 1977. In recent quarters, the trend has again surged into the double-digit range. To postulate that the blind, collective greed of wage and salary earners oscillates with such patterned regularity strains credulity.

Yes, something is suppressing production of growth and fueling inflated income claims, but it is not a mysterious pandemic. Today's hyperinflation is the fruit, thank heavens, of massive public rationality—a predictable response to identifiable and hence alterable government policies.

That these policies are destructive, however, remains incomprehensible to the Keynesians because to admit that would require renunciation of the great god of Demand Management— a deity that has utterly failed in no small part because it was attributed powers it never possessed.

Take the matter of declining productivity and stagnating real output growth—the crux of our present problem. In the orthodox model, investment, innovation and production are elicited by an amorphous economic blob called aggregate demand, which hangs over the marketplace like a magnetic fog. If the federal economic managers arrange sufficient demand, a corresponding supply of consumption and capital goods will automatically roll out of the nation's farms, factories, export terminals and beauty shops.

But both common sense and the classical doctrines suggest otherwise—that the supply of output is driven by the desire of producers for income. Additional production will not come forth—even in response to floods of demand—if its income reward is withheld or excessively taxed away.

Average tax levels are now at the highest point since 1944. Marginal rates of taxation on many forms of labor and capital income range between 40 and 70 percent.

Thus, there is a reason why the U.S. economy is producing far below its real potential: while the policy-makers have been busy performing rituals at the altar of Demand, the tax collectors—emboldened by inflation-fed growth in nominal incomes—have been freely roaming the countryside looting the rewards for production, or forcing the people to waste vast resources hiding their incomes in stashes, cookie jars and shelters.

More important, if the god failed—the priests lied when they professed powers to conjure up increased demand. Government policy managers absolutely cannot stimulate, induce or create additional aggregate demand. What they can do is inject fiat credit into the economy to finance public works, make-work CETA jobs or "stimulative" tax cuts; or, in the alternative, they can simply rearrange the right to spend society's current income stream by taxing producers or borrowing from savers to pay for demand-stimulation programs.

The latter approach hasn't been tried much because it would require a vote to raise taxes or the visible preemption of private borrowers in the credit market. Consequently, most of our demand stimulation has been financed by printing more money.

But to make Diocletian's old trick work in modern times, the Keynesian managers had to assume that the American people were gullible about clipped coins and that a depreciation-proof shield rises invisibly along our national borders. Neither assumption has held up.

The dollar is the lifeblood of $8 trillion in annual free-world economic activity and has a global constituency. Today's hyperinflation is nothing more than the revolt—from Calcutta to Cleveland—of that constituency.

A few years back, dollar holders fled to harder currencies. The dollar exchange rate subsequently sank to unprecedented lows, causing the dollar price of some $200 billion in annual U.S. imports to surge, and then to ratchet through our entire domestic price structure. The monthly price-index bulletins worsened.

In an understandable defensive maneuver, the strong-currency countries then began pumping up their own money supplies to soak up our unwanted dollars. Now the world is fleeing from paper currencies altogether—seeking refuge in gold, real estate, antiques and commodities of every description.

This even more ominous second flight is being registered in the price indicators, too. The past year's 25 percent rise in commodity prices (excluding oil) is not mainly due to physical shortages occasioned by droughts, plagues, resource depletion or the ayatollah-OPEC menace. Even in the case of the oil-price explosion, the free world set an all-time production record in 1979, and actual consumption was flat. But the above-ground oil inventory mushroomed dramatically and worldwide storage tanks now bulge. This occurred partly in response to genuine fears about further production outages, but mainly because dollar holders became convinced that oil inventories—like gold, silver, sugar and copper contracts—were a more promising place to park their liquid assets than currency-denominated bank accounts.

What is to be done? Cut taxes—across the board and deeply. Stop redistributing income and goldplating the public sector in the guise of demand stimulation. Fix the dollar's value to something grounded in the planet rather than political institutions—gold, mercury or sweet potatoes. And enroll the defrocked priests of Keynesianism in a job retraining program—they deserve mercy, too.●

GEN. THADDEUS KOSCIUSZKO DAY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. HOLLENBECK. Mr. Speaker, today marks the anniversary of the birth of one of our greatest Revolutionary War heroes, Gen. Thaddeus Kosciuszko. To allow this date to go unrecognized would be a great loss, for it is extremely rare to have the opportunity to recount the achievements of such an outstanding individual. As we all know, General Kosciuszko distinguished himself as a Polish Army officer in the American Revolution and for his leadership as a statesman during the Polish national insurrection of 1794.

In 1776 relying upon his own resources, Kosciuszko journeyed to America to volunteer his energies to the fight for liberty. During the course of the war he served with great distinction in the Carolinas, and in the battles of New York and Yorktown. Following the success of his American campaigns he returned to his native Poland and was selected to lead the insurgency movement against the Russian attackers.

Despite his success as a military strategist, he embodied a philosophy of brotherly love and equality which was far ahead of his time. I need only point to one example to prove General Kosciuszko's deep sentiments for his fellow man. Following his imprisonment in Russia, he sold his real estate holdings in the United States and after combining this sum with his accumulated American military pension he bought slaves and promptly declared each a free man.

When the Members of Congress bestowed upon General Kosciuszko the privileges of American citizenship and awarded him official recognition for his historic role in the American Revolution, they did so with a clear appreciation for the value of his contribution to the American cause. By taking time on February 12 of each year to honor General Kosciuszko, we are restating our immeasurable debt to this great man and are following in the tradition established by this legislative body in 1783.

It is with great pride that I take this opportunity to join with our Polish friends to once again recognize the outstanding achievements of this gallant gentleman.●

ICC—WORKING FOR HIGHER ENERGY PRICES

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. PICKLE. Mr. Speaker, one Government agency is doing a great deal to hinder our energy efforts and that is the Interstate Commerce Commission. Let me give a little background to explain this statement.

Utilities in Texas have traditionally burned natural gas to turn the generators which make electricity. This is a very wasteful practice that wastes about 66 percent of the heat in natural gas. These plants could also burn fuel oil. Since no one wants to waste natural gas, and since burning fuel oil would just mean more oil imports, many utilities in Texas decided after 1973 to switch to coal.

Why coal? In 1973 and 1974 the answer was obvious. Coal was abundant, it was produced domestically, and cost was reasonable.

Presidents Nixon, Ford, and Carter have all urged that we use more domestic coal and less foreign oil.

Texans, patriotic by nature, heard their leaders' pleas and started building billion-dollar plants to burn coal. Four utilities in particular did this—

the public utilities of San Antonio, Austin, and the Lower Colorado River Authority, and the private firm Houston Power & Light.

But the Interstate Commerce Commission, listening to the railroads, decided that the pocketbook of the Burlington Northern Railroad Co. was more important than the Nation's energy future. The ICC ruled, despite pleas from the Department of Energy, that the coal users should pay the railroads so much money that the coal users would be subsidizing the railroads' unprofitable business.

So, over the past 3 years, the ICC has allowed the Burlington Northern to charge more, and more, and more to move coal from Montana and Wyoming to Texas. Unfortunately, there is no other way to move coal to Texas. In other words, the Burlington Northern has a monopoly.

Mr. Speaker, to escape the unreasonableness of the ICC, utilities in Texas are beginning to use imported coal. That's right—imported coal.

Here we are, with the greatest coal reserves in the world, and the ICC forces utilities to import coal.

Recently the attorney general of Texas, Mark White, testified before the Senate Committee on Commerce, Science, and Transportation. The gist of his testimony is that congressional action should be taken to end this ICC travesty.

I endorse Mr. White's position.

I insert his testimony in the CONGRESSIONAL RECORD. Personally, I pledge to follow through on his legislative suggestion.

STATEMENT OF MARK WHITE, ATTORNEY GENERAL, STATE OF TEXAS

As chief legal officer of the State of Texas I appreciate this opportunity to present our office's views on the important issues raised by S. 1946 and specifically by the Long Amendment to that bill. I had the opportunity in connection with S. 796 to discuss with you some of the impacts which rail rates and especially western coal rates are having in Texas. Therefore, I will not dwell again on the details of those specific problems.

The American Railroad Industry has been in difficult financial circumstances. However, the financial condition of individual railroads varies greatly. Further, the western roads, generally, and especially those involved in western coal movements have shown strong financial performance in recent years. It has generally been conceded that one of the causes of the problems faced by the railroad industry has been excessively broad and rigid regulation at the federal level. However, we must not lose sight of the fact that there are many other sources of those problems. They range from differing levels of subsidy to the various modes of freight transport from the several levels of government, to management inadequacies in the railroad industry itself, to changing conditions in the American economy as a whole. A regulatory bill cannot hope to deal with all of these problems. For example, we as a nation have held oil and, therefore, diesel fuel prices to artificially low levels for the past several years. One effect of that policy has been to make trucks, which are less fuel efficient, more competitive with trains than they otherwise would have been. This bill cannot overcome either that problem or many of the other problems.

Further, this bill cannot compel good management on the part of the railroads. In fact, this bill constitutes a recognition of the fact that the federal government cannot effectively manage the nation's railroads. The proper goal of this bill is to keep federal government from being an obstacle to the railroad's attainment of profitability in a competitive environment. Some railroads, even with that obstacle removed, may be unable to accomplish profitable operation and, in that event, the shareholders will be the losers. This reflects a market allocation of resources and constitutes a risk of doing business. This is not necessarily bad. However, to the extent that the currently existing federal regulatory scheme impairs the railroad's ability to attain and maintain profitable operation in a competitive environment this bill should be designed to all to alleviate that situation.

The foregoing leaves open the question of the proper role of government where effective competition does not exist. This office believes that federal regulation of interstate railroad's operations and rate structures is entirely appropriate in the absence of effective competition from other railroads or other modes of transport. This view is founded not only on considerations of equity but also upon a desire to avoid the economic distortions which result from monopoly pricing.

As this hearing deals only with the Long Amendment to Senate Bill 1946 we will focus our comments on that amendment and the issues which it raises. The fundamental issue raised by the Long Amendment is that of maximum permissible rates for rail transportation.

S. 1946 constitutes a fundamental procedural departure from the 4R Act in that it substitutes various cost based standards for the 4R Act's "market dominance" test. However, the thrust of the two approaches is similar, removal of Commission control from the railroad's rate decisions where and only where shipper's interests are adequately protected by market forces. Parenthetically, Texas welcomes the provisions of S. 1946 which explicitly authorize contract rates as a way of expanding the scope of sustantive market control of rail rates.

The Long Amendment requires the Commission to define a revenue to variable cost ratio which will serve as a trigger for the imposition of the burden of proof as to the reasonableness of a proposed rate on the railroad making such proposal. In doing so it recognizes an extremely important principle. A railroad unquestionably should be required to justify rates in excess of the levels authorized by the other provisions of S. 1946. However, we would suggest one caveat concerning the use of cost based standards and one simplification of the Long Amendment.

Both the Long Amendment and Section 102 of S. 1946 rely on ratios of revenue to variable cost as triggers. The ratios in those two provisions are to be separately evaluated and established although they reflect similar considerations. Under the Long Amendment if the expected revenue from a movement divided by the expected variable cost of that movement exceeds a ratio established by the Commission then the burden of proof as to the rate's reasonableness is imposed upon the railroad. The crucial point to be remembered in regard to this type of regulatory device is that no matter how carefully the Commission considers and formulates its triggering ratio there will be a substantial motivation for the railroad to state its costs in such a manner that the highest possible variable costs are reflected in movements whose rates are relatively high. In addition, the use of such a formula removes the incentive for the railroads to reduce their costs if the demand for a particular service is such as to enable them to increase rates with impunity, i.e., a market dominance situation. Thus, the use of such a formula imposes a heavy but necessary burden on the Commission to scrutinize with great care any cost assertions made by the railroads. Notwithstanding the weight of that burden, it is crucial that costs control rate making decisions where the pertinent issue is protection of consumers against abuse of monopoly power and that those costs carefully be examined to guard against overstatement and inflation through poor management. Therefore, it is not our position that the standards used in S. 1946 should not be cost based. Our intent is merely to point to a fundamental problem faced by all regulators who attempt to apply cost based standards.

This office suggests that the Long Amendment's use of a separate triggering ratio in regard to the imposition of the burden of proof on the railroads is an unnecessary complication in the regulatory scheme. We advocate that the burden of proof be placed on the railroads for any proposed new rate or rate increase which would exceed the levels specifically authorized under subsections (e), (f), or (g) of this Section. This would remove a burden from the Interstate Commerce Commission and would prevent a regulatory gap between the rate levels specifically authorized and the rate which would result under the contemplated revenue to variable cost ratio in a triggering of the burden of proof. It is not unreasonable to suggest that the railroads should bear that burden of proof for any rate which exceeds the levels specifically authorized by the statute. The vast majority of the evidence relevent to the reasonableness of that rate will be in the possession of the railroad proposing the rate and the benefit of the proposed rate will inure to that railroad. Thus the burden as to the reasonableness of such a rate should lie with the railroad in all cases rather than only in cases where the proposed rate exceeds some separately set ratio of revenue to variable cost.

Having suggested that the Long Amendment be revised to delete the separate triggering ratio it is necessary to examine another more fundamental issue. S. 1946, including the Long Amendment, is and should be designed to do two things. First, the railroads must be given an opportunity to succeed or fail in the competitive world of freight transportation unimpeded by nonessential regulation. Second, the Commission must preclude abuses by the railroads where sufficient competition does not exist to afford such protection. These comments will not deal in any detail with the first of those issues. The railroads are perfectly capable of explaining any difficulties which the proposed legislation may create in their efforts to adapt to competitive circumstances.

In any event, the Long Amendment is directed to the second issue. This office favors the Long Amendment as written and would support it even more strongly if revised as suggested above. However, it must be stated that neither S. 1946 generally nor the Long Amendment specifically will result in the provision of any significant protection to captive shippers.

In order to accomplish that the bill must address more than just the burden of proof. The Long Amendment would provide an appropriate medium for doing so. Stated generally, that additional issue is the definition of a maxium reasonable rate for rail freight movements. If shippers are to be adequately protected from abuses of monopoly power it is essential that Congress provide guidance, indeed, provide a clear mandate to the Commission in regard to the issue of maximum rates. Specifically, the issue which has plagued coal shippers has been the implementation by the Commission of rates which constitute and are intended to constitute subsidies to the railroads in regard to the shipment of other commodities. The Commission has held the rates set at subsidy levels are reasonable and are mandated by the so-called revenue adequacy provision of the 4R Act, now Section 10704(a)(2). This should not be allowed. For the Commission to allow the railroads to set or to set (as it has done in several cases) rates which impose cost subsidy obligations on shippers who are captive to specific railroads is to allow the sort of abuses which the ICC was founded to prevent.

The 4R Act included some rather detailed provisions in regard to the definition of minimum reasonable rates. However, neither in the existing statutes nor in S. 1946 is there a definition of a maximum reasonable rate. The Commission in recent years, especially in coal rate cases, has set captive shipper rates at levels which constitute subsidies to the railroads in regard to their operation of less profitable traffic. They have done this under the banner of Section 10704(a)(2).

The argument advanced in support of that procedure is that the railroads operate certain services at rates only marginally above variable cost. It is contended that the rates on these routes are held down by competition. It is further contended that as a result of these operations the overall revenue level of the railroad in question is inadequate. From this the railroads argue and the Commission concludes that the railroads should charge rates to their captive shippers above the level necessary to pay their costs and return a reasonable profit in order to secure rates which on the average yield adequate revenues.

That a regulatory body charged with responsibility of protecting against abuse of monopoly power would accept such an argument is remarkable. But the Interstate Commerce Commission has indeed accepted that argument. Thus, although the Long Amendment would be some improvement over the provisions of S. 1946 it does not go nearly far enough. In the absence of some clear directive to the Commission as to what Congress means when it says that a rate must be reasonable, the Commission will continue to permit the railroads to abuse their monopoly power. This will occur at the expense of people like the citizens of San Antonio whose electric utility rates will skyrocket unjustly and unnecessarily as a result of Commission and railroad action.

The argument advanced by the railroads in support of the imposition of subsidy burdens is specious. If a railroad is operating a particular service at an unprofitable rate the railroad should seriously attempt to find a way to make that operation profitable either by raising the rate, reducing costs, or improving service, or failing that, the railroad should cease that operation. A railroad may deem it appropriate to continue operating an unprofitable service in the short run because it believes that service will become profitable in the future. If that is the case the Commission should certainly allow it to do so. However, that is a business decision which entails both risk and cost. That risk and cost should properly fall on the shoulders of the railroad making the decision, not the shoulders of shippers who are compelled by circumstances to rely upon that railroad for other services.

If, as a matter of national policy, it is determined that a particular railroad should continue to operate a service despite the fact that it cannot be made profitable then the nation as a whole should bear the cost of that policy decision and not some selected group of shippers.

Further, the action of the Commission in allowing the railroads to make up for any revenue shortfall by reliance on captive traffic serves only to exacerbate the underlying problem by removing any incentive for those railroads to improve the financial performance of their other traffic. If a railroad knows that it need only to look to its captive shippers to make up any revenue shortfalls on unprofitable routes then it has no motivation to attempt to improve the financial performance of those unprofitable routes.

The railroads have also asserted that because those unprofitable routes pay some part of fixed cost (although not their fully allocable share) their operation actually benefits the captive shipper upon whom the subsidy burden is being imposed. This is said to be true because otherwise the captive shipper would have to pay all of the fixed cost. Again this argument is specious. It ignores a fundamental law of economics: all costs are variable in the long run. We do not know and the Commission certainly does not know what the total fixed costs of the railroads would be if they ceased operating services which could not, with efficient and imaginative management, be made profitable. The necessary adjustments would range from possible shortline operation on selected segments of track to reduction of the ranks of central office staff and executives. Clearly the fixed costs would not remain the same. Further, that argument would treat the railroads as if they were factories producing varing levels of homogeneous products. The existing plant and equipment of such a factory entail certain fixed costs. Those fixed costs will exist and will be prorated over whatever level of output is produced and sold. (It should be noted that the owner of such a factory can sell his plant and construct either a larger or smaller plant in the long run.) But a railroad is not such a factory. There are many different services produced by a railroad using many different facilities. Sometimes those facilities overlap in the production of various services and sometimes they do not.

Thus, it is clear that the fixed costs of a railroad are not necessarily and, in fact, are not generally jointly incurred for the pro rata benefit of all traffic.

A well operated railroad does not require that a subsidy be imposed on its captive shippers. The reliance upon subsidies by the Commission creates a disincentive to "honest, economical, and efficient" operation of the railroads as mandated by Section 10704(a)(2) of the 4R Act and, further, is grossly inequitable. Thus, it is our position that, although S. 1946 and the Long Amendment may be positive steps in regard to the resolution of some of the issues surrounding federal regulation of the railroads, they will be small steps unless a specific provision delineating maximum reasonable rates is included.

The following language is suggested as a substitute for the language contained in the Long Amendment. It reflects the change suggested above in regard to the use of the standards for rates set forth in other subsections of the section to be amended as triggers for the imposition for the burden of proof. It also includes specific language defining a maximum reasonable rate under this statute.

"The burden of proof as to the reasonableness of a proposed rate increase which exceeds or would exceed that authorized by paragraph (1) of this subsection or a proposed new rate which exceeds or would exceed that authorized by subsection (e) of this section shall be upon the proponent carrier. In that regard the proponent carrier shall prove not only its needs for such rate increase or new rate, but also that such rate increase or new rate does not exceed the level necessary to pay the variable cost reasonably incurred or to be incurred by the proponent carrier in connection with the transportation or service to which such rate applies, the share of fixed cost reasonably incurred or to be incurred by the proponent carrier which is fairly allocable to such transportation or service, and a reasonable and economic profit or return on capital employed in the business of the proponent carrier, which level shall constitute the maximum reasonable rate on such transportation or service for purposes of this section."

Note that the word "reasonable" modifies both cost elements in the suggested definition of maximum reasonable rate. This was done to ensure that those costs are not inflated by either misallocation, overstatement, or inefficiency of operation. Such a standard is crucial to the effective implementation of cost based regulatory criteria. The burden imposed on the Commission by that standard is substantial but, nonetheless, crucial.

The following constitutes additional language which is offered as an amendment to Section 10704(a)(2). The purpose of the following is to incorporate in the revenue adequacy provision of the 4R Act a statement of policy in regard to the use of subsidy burdens in implementing the provisions of that paragraph.

"Provided, however, that the standards and procedures established by the Commission pursuant to this paragraph shall not include the utilization of subsidy burdens imposed upon some shippers as a means of securing overall revenue adequacy for such rail carriers."

This office would like very much to see the railroads have the opportunity to make themselves prosperous and profitable and believes that they can do so even in the face of significant competition. We do not believe, however, that subsidies are necessary to the profitable operation of this nation's railroads as private business. If a particular railroad cannot operate in the long run without subsidization that fact reflects the judgment of the marketplace which judgment should be respected. If a railroad is deemed to need subsidies in the short run to overcome financial difficulties and if such assistance is deemed to be in the national interest that subsidy should be paid from the national treasury not from the pockets of a certain class of shippers. The Commission should be removed from its position as an impediment to competent, profitable management of the railroads in a competitive environment. It should retain and fully implement it's responsibility to protect against undue discrimination and against abuse of monopoly power.

In the past the Commission has been used and has acted as a vehicle to implement social policy unrelated to the basic responsibilities of and to the justifications for Commission authority over railroad activities. Neither the Commission nor the Congress should attempt to utilize the Commission's authority to accomplish social goals unrelated to the basic tasks of the Commission: prevention of discrimination and of abuse of monopoly power. In this regard we would direct your attention to Section 111 of S. 1946 which provides for special treatment of grain shipments in regard to the setting of demand sensitive rates.

In the vast majority of cases the movement of grain by any railroad is done under competitive circumstances. Thus, the market should be allowed to determine when, how, and at what rate grain is shipped. If the railroads' ability to haul grain profitably is impaired they will press for further subsidies from captive shippers, which subsidies the Interstate Commerce Commission has shown a willingness to grant. Thus, to the extent subsidies are granted, the burden of that regulatory provision falls on other shippers such as San Antonio and its electric rate payers. Otherwise the burden falls on the railroads. In any event, such a provision perpetuates precisely the kind of regulatory distortions which S. 1946 is otherwise designed to alleviate.

A chart showing earnings in various U.S. industries appears in the February 18, 1980, issue of U.S. News and World Report. Three entries are of particular interest. Coal Mining showed $29.1 million in the fourth quarter, 1979, earnings, down 46 percent from that quarter of 1978, with profits at 2.4 percent of sales. The Trucking Industry had fourth quarter earnings of $23.2 million in 1979, down 42 percent from 1978. Trucking Industry profits were 2.3 percent of sales. The Railroad Industry's fourth quarter earnings of $505.3 million were up 41.4 percent over 1978, with profits at 9 percent of earnings. Out of 29 listed industries the railroads were third in percentage improvement in earnings and sixth in profits as a percentage of sales. Our purpose is not to suggest that no problems exist in the Railroad Industry, but rather to suggest that that industry does indeed have strong potential to remain viable as a private, competitive enterprise. However, clear guidance from the Congress and diligent oversight by the Commission remains necessary to guard against discriminatory practices and abuses of monopoly power during that industry's resurgence.

In summary, the Attorney General of Texas supports S. 1946 as amended by the Long Amendment. We suggest that the Long Amendment be altered so as to delete the requirement that a separate revenue to variable cost ratio be established. Most importantly, however, the Attorney General of Texas would assert that in the absence of a specific provision defining and limiting the maximum reasonable rate which the Commission may approve, neither S. 1946 generally nor the Long Amendment specifically will serve to provide any significant protection against the abuse by the railroads of the monopoly power which they possess. We appreciate very much the opportunity to present our views on these critically important matters.●

WILLARD SCOTT: ALEXANDRIA'S OWN

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. HARRIS. Mr. Speaker, one of Washington's most enduring and most endearing personalities is Willard Scott, weatherman and advocate of community service on WRC-TV's Newscenter Four. As many of you know, Willard is enjoying the fruits of success, and will be leaving Washington television for the national scene, as a regular member of NBC's "Today Show" team.

Willard was born and reared in the city of Alexandria, which I represent, and Alexandrians are extremely proud of the contributions of their favorite son. Willard's good humor and enthusiasm for community improvement have touched the entire metropolitan area, and will now benefit a nationwide audience.

I join with all of northern Virginia in wishing Willard the best of luck on his new assignment. I know he will keep in touch with us, and we will continue to enjoy his humor and talent.●

SOLZHENITSYN: ANOTHER WARNING

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. MICHEL. Mr. Speaker, 5 years ago, Alexander Solzhenitsyn warned the Western world it is necessary to face the threat of Communist imperialism. The West foolishly ignored his warning. We are now faced with the results of our folly in the Persian Gulf, in Cambodia, in Vietnam, and in Africa.

Solzhenitsyn recently wrote a new warning. It would be an insult to the literary genius of this great man for me even to attempt to summarize what he said. I will therefore say only that I am convinced that 100 years from now, many of the famous political names we see on the front pages of newspapers will be remembered—if they are remembered at all—because they lived in the age of Solzhenitsyn.

At this time, I insert in the RECORD, "Solzhenitsyn on Communism" from Time, February 18, 1980:

SOLZHENITSYN ON COMMUNISM

(NOTE.—Some Soviet dissidents still argue that their country's Marxist-Leninist system can be reformed from within. Not Alexander Solzhenitsyn: he has never swerved from his belief in the inherent evil of Communism. Last week, the Nobel-prizewinning novelist composed this essay for Time in response to the crisis in East-West relations created by the Soviet conquest of Afghanistan. Solzhenitsyn argues that Afghanistan is merely the latest demonstration of the U.S.S.R.'s insatiable desire for world conquest. As in his grim 1978 Harvard commencement address, he chides the West for weakness. But the West may yet prevail he says, if it will recognize that Communism and the people oppressed by it are not one and the same.

(Many Americans will find Solzhenitsyn's views too harsh, his vision too chilling. But the reflections of Russia's greatest living writer on today's crisis merit wide attention.)

The West began its perilous miscalculation of Communism in 1918: from the very beginning the Western powers failed to see the deadly threat that it represented. In Russia at that time, all previously warring factions—from the government forces to the Constitutional Democrats and the right-wing Socialists—united against Communism. Though the peasants and workers were not formally allied with these groups, and were not coordinated, thousands of peasant revolts and dozens of worker uprisings reflected the masses' opposition to Communism. A Red Army was mobilized by executing tens of thousands of men who tried to evade Bolshevik conscription. But this Russian national resistance to Communism received scant support from the Western powers.

The most fantastically rosy notions about the Communist regime circulated in the West, and so-called progressive public opinion greeted it with joy, in spite of the fact that by 1921, 30 Russian provinces were undergoing a Cambodia-like genocide. (In Lenin's lifetime, no fewer innocent civilians perished than under Hitler, and yet today American schoolchildren, who invariably regard Hitler as the greatest villian in history, look upon Lenin as Russia's benefactor.) The Western powers vied with one another to give economic and diplomatic support to the Soviet regime, which could not have survived without this aid. Europe took no notice of the fact that some 6 million people in the Ukraine and the Kuban River basin had died of hunger.

In 1941, the worth of this much-touted regime became apparent to the world: from the Baltic to the Black Sea the Red Army retreated as if swept away by the wind, in spite of its numerical superiority and its excellent artillery. There was no precedent for such a rout in a thousand years of Russian history and, indeed, in all military history. In the first few months of the war, some 3 million soldiers had fallen into enemy hands! Here was a clear statement of our people's desire to be rid of Communism. The West could not have failed to understand if only it had wanted to see. But in its nearsightedness, the West held that the sole threat to the world resided in Hitler and that his overthrow would end all danger. The West did what it could to help Stalin forcibly harness Russian nationalism for the Communist cause. And so, in World War II, the West defended not freedom in general but merely freedom for itself.

In order to buy Stalin's friendship at the end of the war, the West turned over 1.5 million people who were then in Allied hands and who did not wish to return to Stalin's tyranny. Among them were Russian divisions, Tartar and Caucasian battalions, we well as P.O.W.s and forced laborers numbering in the hundreds of thousands, including old men, women and children. Stalin manipulated Roosevelt with ease, effortlessly assuring himself of control over Eastern Europe: Yalta marked the beginning of a 35-year streak of American defeats, only briefly interrupted in Berlin and Korea. (When there was the will to resist, victory followed.) As I have written on earlier occasions [in 1975 in an article entitled "The Big Losers in the Third World War" and in the book *Warning to the West*], the entire period from 1945 to 1975 can be viewed as another world war that was lost by the West without a battle and in which some two dozen countries were abandoned to Communism.

There are two reasons for this string of capitulations. First is the spiritual impotence that comes from living a life of ease; people are unwilling to risk their comforts. Second, and just as important, is the prevailing, total incomprehension of the malevolent and unyielding nature of Communism, which is equally dangerous to *every* country. The West often seeks an explanation for the phenomenon of 20th century Communism in some supposed defects of the Russian nation. This is ultimately a racist view. (How then can China be explained? Viet Nam? Cuba? Ethiopia? Or the likes of Georges Marchais?) Flaws are sought everywhere but in Communism itself. Its aggressiveness is explained by, for example, Averell Harriman, in terms of a national dread of foreign aggression; this is said to account for the building of a vast arsenal and the seizing of new countries.

Western diplomats depends on unsound hypotheses that involve supposed "left" and "right" factions of the Politburo, when, in reality, all of its members are united in seeking world conquest and are undiscriminating in the means they use. Insofar as struggles do occur within the Politburo, they are purely personal; they cannot be used for diplomatic leverage. The average Soviet citizen, deprived though he is of information about the world and of the benefits of Western Kremlinology, understands this perfectly well. Illiterate Afghan herdsmen are equally on target when they burn portraits of Marx and Lenin, instead of accepting the tale that their country was occupied simply because Leonid Brezhnev happened to be ailing.

Try asking a malignant tumor what makes it grow. It simply cannot behave otherwise. The same is true of Communism; driven by a malevolent and irrational instinct for world domination, it cannot help seizing ever more lands. Communism is something new, unprecedented in world history; it is fruitless to seek analogies. All warnings to the West about the pitiless and insatiable nature of Communist regimes have proved to be in vain because the acceptance of such a view would be too terrifying. (Did not the Afghan tragedy in fact take place two years ago? But the West shut his eyes and postponed recognizing the problem—all for the sake of an illusory détente.) For decades it has been standard practice to deny reality by citing "peaceful coexistence." "détente," "the Kremlin leadership's pursuit of peace." Meanwhile Communism envelops country after country and achieves new missile capabilities. Most amazing is that the Communists themselves have for decades loudly proclaimed their goal of destroying the bourgeois world (they have become more circumspect lately), while the West merely smiled at what seemed to be an extravagant joke. Yet destroying a class is a process that has already been demonstrated in the U.S.S.R. So has the method of exiling an entire people into the wilderness in the space of 24 hours.

Communism can implement its "ideals" only by destroying the core and foundation of a nation's life. He who understands this will not for a minute believe that Chinese Communism is more peace-loving than the Soviet variety (it is simply that its teeth have not yet grown), or that Marshal Tito's brand is kindly by nature. The latter was also leavened with blood, and it too consolidated its power by mass killings, but the weak-hearted West preferred not to take any notice in 1943-45. He who understands the nature of Communism will not ask whether the world's aid is reaching the starving Cambodians through the good offices of the Heng Samrin regime. Of course it does not. It is confiscated for the army and government. The people can starve.

Communism needs the whole charade of détente for only one purpose: to gain additional strength with the help of Western financing (those loans will not be repaid) and Western technology before it launches its next large-scale offensive. Communism is stronger and more durable than Nazism, it is far more sophisticated in its propaganda and excels at such charades.

Communism is unregenerate; it will always present a mortal danger to mankind. It is like an infection in the world's organism: it may lie dormant, but it will inevitably attack with a crippling disease. There is no help to be found in the illusion that certain countries possess an immunity to Communism: any country that is free today can be reduced to prostration and complete submission.

Nevertheless, healers frequently turn up to pronounce the following reassuring diagnosis of the acute infection that is Communism: "This malady is not contagious; it is a hereditary Russian disorder." The cure they propose involves avoiding angering the Brezhnev regime at all costs. Instead, it must be supported and equipped. They insist that the enemy to be opposed is any manifestation of the Russian national consciousness, when, in reality, it is the only force that is realistically capable of weakening Soviet Communism from within. The case against the Russian national consciousness is systematically being argued by noted American academics and journalists, who are using irresponsible and tendentious data supplied by some recent émigrés from the Soviet Union.

Such propaganda is sheer madness and serves only to disarm the West. After the forces of Russian nationalism were betrayed by the West in the Russian civil war and once again in World War II, here is an open call to repeat this betrayal yet a third time. This would have ruinous consequences for the Russian people and for the other peoples of the U.S.S.R. It would be just as ruinous for the West. Today the Communist leadership with its decrepit ideology once again dreams of saddling and bridling Russian nationalism in pursuit of its imperial goals. The West must not now equip a horseman intent on the West's destruction.

Communism is inimical and destructive of *every* national entity. The American antiwar movement long nurtured the hope that in North Viet Nam nationalism and Communism were in harmony, that Communism seeks the national self-determination of its beloved people. But the grim flotilla of boats escaping from Viet Nam—even if we count only those that did not sink—may have explained to some less ardent members of the movement where the national consciousness resides and always did reside. The bitter torment of millions of dying Cambodians (to which the world is already growing accustomed) demonstrates this even more vividly. Take Poland: the nation prayed for just a few days with the Pope; only the blind could still fail to distinguish the people from Communism. Consider the Hungarian freedom fighters, the East Germans who keep on dying as they try to cross the Wall, and the Chinese who plunge into shark-infested waters in the hope of reaching Hong Kong. China conceals its secrets best of all; the West hastens to believe that this, at least, is "good, peace-loving" Communism. Yet the same unbridgeable abyss, the same hatred separate the Chinese regime and the Chinese people.

An identical chasm exists between Communism and the Russian national consciousness. It pains us that the West heedlessly confuses the words Russian and Russia with Soviet and U.S.S.R. To apply the former words to the latter concepts is tantamount to acknowledging a murderer's right to the clothes and identification papers of his victim. It is a thoughtless blunder to consider the Russians the "ruling nationality" in the U.S.S.R. The Russians were the recipients, under Lenin, of the first crushing blow. They suffered millions of victims (with the most outstanding killed off selectively) even before the genocidal collectivization of agriculture. At the same time Russian history was reviled. Russia's culture and its church were crushed. Russia's clergy, nobility, merchants and finally its peasantry were destroyed. Though the regime's blows fell next on the other nationalities, the Russian countryside today has the lowest standard of living in the U.S.S.R., and Russian provincial towns have the lowest priority in the distribution of consumer goods. In huge areas of our country, there is nothing to *eat*, and the purchases of U.S. grain do not improve the people's diet (the grain goes to military stockpiles). The Russians make up the bulk of the slaves of the Soviet state. The Russians are exhausted; their debilitation is becoming hereditary, their national consciousness has been debased and suppressed.

Nothing could now be further from the heart of the Russian people than a militant nationalism; the idea of an empire is repulsive to them. But the Communist regime watches its slaves carefully and takes special pains to suppress their non-Communist consciousness. The result: enormous labor camp terms for the proponents of freedom (Igor Ogurtsov—20 years, Vladimir Osipov—16 years, Yuri Orlov—seven years); the new arrests of priests, the spiritual teachers of the people (Gleb Yakunin and Dmitri Dudko); the destruction of the innocent Christian Committee for the Defense of Believers' Rights; the continuing mass imprisonment of young Christians; the exile of Andrei Sakharov.

In expectation of World War III the West again seeks cover, and finds Communist China as an ally! This is another betrayal, not only of Taiwan, but of the entire oppressed Chinese people. Moreover, it is a mad, suicidal policy: having supplied billion-strong China with American arms, the West will defeat the U.S.S.R., but thereafter no force on earth will restrain Communist China from world conquest.

Communism stops only when it encounters a wall, even if it is only a wall of resolve. The West cannot now avoid erecting such a wall in what is already its hour of extremity. Meanwhile, however, 20 possible allies have fallen to Communism since World War II. Meanwhile, Western technology has helped develop the terrifying military power of the Communist world. The wall will have to be erected with what strength remains. The present generation of Westerners will have to make a stand on the road upon which its predecessors have so thoughtlessly retreated for 60 years.

But there is hope. All oppressed peoples are on the side of the West: the Russians, the various nationalities of the U.S.S.R., the Chinese and the Cubans. Only by relying on this alliance can the West's strategy succeed. Only together with the oppressed will the West constitute the decisive force on earth. This is also a matter of principle, if the West is to uphold freedom everywhere and not merely for itself.

This strategy will obviously entail radical conceptual changes and the rethinking of tactics on the part of Western politicians, diplomats and military men.

Five years ago, all my warnings were ignored by official America. Your leaders are free to ignore my present predictions as well. But they too will come true.●

UNCLE SAM WANTS YOU. WHO? ME?

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● **Mr. SANTINI.** Mr. Speaker, it is with great pride that I present the winning speech for the State of Nevada in the Voice of Democracy contest sponsored by the Veterans of Foreign Wars.

This winning speech was written and presented by Eric Petersen, a senior at Procter Hug High School in Reno, Nev. A semifinalist in the National Merit Scholarship contest, winner of numerous debating tournaments, and president of his high school's ski club, Eric has taken the well-known "Uncle Sam Wants You" slogan and expanded it to call for citizen involvement in the political process.

Eric's creative talents and political maturity are praiseworthy in themselves, and in view of his youthfulness they are indicative of a bright and promising future for our country in his hands and those of his peers. Therefore, it is with great pleasure that I present his award winning speech for your review:

"UNCLE SAM WANTS YOU!" WHO? ME?

Such was my first reaction to that famous recruitment poster with the old man shaking his finger at anyone who looked at it.

I developed a second reaction a few years later, and it was infinitely more sophisticated, or so I thought. It was basically a very superior "of course he does, but why should I waste my valuable time?"

The other day I was reading in my government book when I came across the old guy's stern countenance once again. The words were still the same "Uncle Sam Wants You." No, he hadn't changed, Uncle Sam was still the same guy representing the same country, but I had changed, I had become more mature than I had been in previous encounters with this poster.

I no longer look on the line "Uncle Sam Wants You" as applying to me alone, rather, it applies to me and everyone else in this country as well. I see it from this different perspective because of the information about our political and economic systems that I have gathered during the past few years. I realize that this country is a country of the people not only because it says so in the Constitution, but because without the people this country would cease to exist. Our country wants, in fact it needs, everyone.

I preface my discussion of my role in America's future with these remarks because I believe that they make clear the fact that my role, and that of any other person, no matter how small it may seem, is still significant to the well being of the entire country.

I don't know any specifics about my future, I have no crystal ball, but I do know I will be following my cardinal rule: Get involved, stay involved.

It is this involvement by individuals that America will need in the future. Involvement of many people in many areas. For me to fill my role in America's future, involvement will be a necessity.

I intend to be involved in American politics. I didn't say I want to be a politician, I want to be involved in politics. Not everyone is a politician, but everyone should be involved in politics. I intend to be involved by staying informed on events occurring in this country and the world, voicing my opinions on those events, and I intend to vote.

It saddens me to know that over half the people in this country don't vote. Voting is the one form of involvement that takes the least time, and yet so many people still consider it too much trouble. I never intend to be part of this apathetic group.

I also intend to be involved as an active participant in our economic system. America's free enterprise system was built by, and is maintained by, active individuals. Its future depends on the active individuals in my generation. I will be one of the individuals our free enterprise system can depend on.

I see it as my responsibility to stay involved. I may not be President of the United States, I may not run a multinational corporation, but as long as I am involved I will be important to myself, and to my country.

The poster is still there, the finger is pointing at me. Uncle Sam wants me to be involved, to make my role in America's future important.●

FOREIGN ASSISTANCE APPROPRIATIONS FOR 1980

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. LEHMAN. Mr. Speaker, the other day I came across TRB's column in the March 1 issue of the New Republic. While the main focus of the column was the report of the Independent Commission on International Development Issues—the Brandt commission—it had some hard things to say about the U.S. foreign assistance effort. For instance:

> * * * The United States instituted the Marshall Plan in 1947, an inspiring chapter, with contributions amounting to two percent or more of gross national product. It saved Europe. Since that time * * * [the U.S.] percentage has been slipping in proportion to wealth * * *. It gives about one-quarter of one percent of GNP (0.27 percent); Norway and Sweden give 0.90 percent; the Netherlands 0.82 percent, Denmark 0.75 percent, and so on down to Italy, which gives 0.07 percent. Says Brandt, in the introduction of the study: "I do not believe that the American people could be indifferent to poverty and starvation anywhere in the world * * *. Yet the U.S., which in the early 1960s was a leader in this field, has substantially reduced its international development efforts. As a proportion of its GNP its foreign aid has dropped to a very low level."

TRB goes on to discuss the importance to the United States of progress and stability in the Third World:

> * * * We are suddenly reminded in the case of Pakistan and Afghanistan how important the emerging countries are to us. We are the richest nation and we are vulnerable to the jealousy and rancor of poorer countries who are the center of unrest and communist appeal. We help ourselves if we help them * * *. The United States needs trade. A third of American exports go to Less Developed Countries (LDCs). Over a million U.S. jobs depend on such exports. Every third acre in America today produces food for export * * * in the interdependent world it is impossible to sell goods to countries too poor to buy * * *.

Mr. Speaker, when the House takes up the conference report on H.R. 4473 tomorrow, I would urge my colleagues to keep these comments in mind. While certain provisions may not meet with everyone's approval, there are a variety of reasons to support the conference report.

There are the humanitarian reasons, such as increased ability to help the refugees in Cambodia and Thailand, and to relieve suffering throughout the world. This is part of the American spirit.

There are the self-interest reasons, such as the benefits to U.S. companies of procurement for development activities, and improved economic conditions in countries wishing to do business with the United States. This, according to many analysts, is a net profit to the United States.

And, finally, there are the critical long-term issues of world resources, food, water, and population—issues which greatly involve developing countries but which these countries cannot possibly manage without help. This is a matter of survival.

The continuing resolution now funding fiscal year 1980 foreign assistance is not enough. We must see that the 1980 bill is enacted as soon as possible. Our subcommittee has worked very hard to reach agreement with the Senate, and I believe this conference report deserves the support of every Member.

Mr. Speaker, for those who have not seen the TRB column, I would like to insert it in full following my remarks:

[From the New Republic, Mar. 1, 1980]

BRANDT'S MESSAGE

Willy Brandt had just talked to Chancellor Schmidt by telephone. It was breakfast time in Washington but early afternoon in Germany. In an hour the 1971 Nobel Peace Prize winner would be taking his new book with its disturbing statistics over to the White House. Willy would see Jimmy. (Chancellor Schmidt will be over here himself, incidentally, March 4-6, and will doubtless discuss Afghanistan and Western solidarity.) In the meantime we looked at Brandt. What a face for caricature! Big jaw, high cheek bones, wonderful grin, dimples; he exudes political personality. He hasn't much more of an accent than Henry Kissinger. He would sweep the New Hampshire primary, I think, if he were a candidate.

As we sat there eating hotel scrambled eggs it was hard to remember about those one billion people on Planet Earth who are hungry or near starvation. Or the Brandt statistic that the World Health Organization could probably abolish malaria around the globe for $450 million, but is short of funds. Meanwhile the world's annual military spending is about $450 billion. One one-thousandth of the arms cost and, pfft—no more malaria! Too bad the WHO can't get it.

Brandt's book is the kind of detailed global report that a Martian spy would love about the present condition of Planet Earth. Several years ago World Bank president Robert McNamara asked Brandt to head a commission of 17 luminaries to study the relationship of the industrialized nations and the developing countries. Its 300 pages are pretty dull, per se, like safety directions on a bundle of dynamite sticks. It is called *North-South: A Program for Survival*, and is sold by the MIT Press in paperback for $4.95. It is positive in tone. It presents the problems and then follows right up with what to do about them: a summit of 25 world leaders to discuss the problems, for example; a new World Development Fund; the expenditure of a lot more money on aid programs (an idea which Congress will promptly pigeonhole).

This is a somber discussion by no-nonsense realists with a mood that fits the present anxiety in Washington very well; it is the kind of atmosphere that existed before World War II. Up and doing! the report constantly exhorts; let us be up and doing! But there the intractable problem is, the so-called "North" (including Eastern Europe) with a quarter of the world's population and three-fourths of its income; the North with over 90 percent of the world's manufacturing industry; the United States, as one example, with six percent of the world's population and using a third of its energy. World population is growing all the time; less rapidly than it did but with a million new people added every five days. Most of them are born in the hungry, underdeveloped, angry, jealous third world. (Example of the report's style: "Whether the nightmarish vision of a hopelessly overcrowded planet in the next century can be averted depends gravely on what is done now to hasten the stabilization of population.")

Meanwhile Congress is about to go through its annual battle over the administration's foreign aid bill. The United States instituted the Marshall Plan in 1947, an inspiring chapter, with contributions amounting to two percent or more of gross national product. It saved Europe. Since that time the U.S. and 16 industrialized countries have formed the Development Assistance Committee with the goal of giving a certain percentage of their GNP every year in foreign aid. The United States does not meet the quota: its percentage has been slipping in proportion to wealth; it is 13th among the 17 countries. It gives about one-quarter of one percent of GNP (0.27 percent); Norway and Sweden give 0.90 percent; the Netherlands 0.82 percent, Denmark 0.75 percent, and so on down to Italy, which gives 0.07 percent. Says Brandt, in the introduction of the study: "I do not believe that the American people could be indifferent to poverty and starvation anywhere in the world. . . . Yet the U.S., which in the early 1960s was a leader in this field, has substantially reduced its international development efforts. As a proportion of its GNP its foreign aid has dropped to a very low level."

This is folly for the United States on two counts. We are suddenly reminded in the case of Pakistan and Afghanistan how important emerging countries are to us. We are the richest nation and we are vulnerable to the jealousy and rancor of poorer countries who are the center of unrest and communist appeal. We help ourselves if we help them. Secondly, the United States needs trade. A third of American exports go to Less Developed Countries (LDCs). Over a million U.S. jobs depend on such exports. Every third acre in America today produces food for export. It is hard when Americans are unemployed not to demand tariff barriers, and Congress shows signs of drifting toward protectionism—in shoes, textiles, and perhaps autos. But in the interdependent world it is impossible to sell goods to countries too poor to buy. The Brandt commission goes into the economics of it and the problem is stressed by Douglas Bennet, administrator of the Agency for International Development (AID). The LDCs currently owe big sums to Western commercial banks, he notes. Can they pay? Nobody knows. LDC debt was $58 billion in 1970; $370 billion today. Interest payments currently take 12 percent of LDC export income. It is touch and go whether a dozen LDCs can meet their debts.

That's the story Willy Brandt gave us at breakfast. That's the story I am sure he took to the White House. He referred three times to Europe's yearning for the SALT treaty: the treaty that 34 senators can block, whose delay had to do with the present crisis with Russia. The Brandt report is determinedly hopeful. Yes, "immense risks are threatening mankind," but there are obvious solutions for determined leaders. Having said this the Commission adds: "Prospects for the future are alarming. At the beginning of the 1980s the world community faces much greater dangers than at any time since the Second World War."●

ARTICLE BY GEORGE WILL

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. RITTER. Mr. Speaker, George Will's article on wage and price controls, which appeared in the February 28 Washington Post, is food for thought as we draw closer to this misleading and destructive idea. I submit the article for your closer review:

[From the Washington Post, Feb. 28, 1980]

. . . About as American as, Well, Prohibition

(By George F. Will)

A characteristically American chorus is clamoring for the government to do to inflation what it once did to booze: "Outlaw it!" That is, enact wage and price controls. But controls are a tiger hard to climb off—or on.

The powers President Nixon used expired long ago, and if President Carter seeks similar powers, he will ignite an explosion of preemptive wage and price increases. And an army of interest groups will climb Capitol Hill to negotiate their special treatment. The resulting law will be biblical (in thickness, that is).

Controls are supposed to "break" the public's "inflationary expectations." But today such expectations are rational. Rational because no effective attack on inflation will come from those who believe that inflation is a psychological problem—a matter of "expectations." Rational because inflation must be made worse by Carter's policy of blaming OPEC while busting the budget.

Thirteen industrial nations are more dependent than the United States is on OPEC oil, and 11 have lower inflation. Japan gets 99.8 percent of its oil from OPEC and has 4.2 percent inflation. West Germany: oil 96.8 percent, inflation 5.7 percent. Belgium: oil 100 percent, inflation 5.1 percent. United States: oil 46.8 percent, inflation (the annual rate in January) 18 percent.

By September, Carter will have presided over three fiscal years involving at least $130 billion in deficits. Yet in fiscal year 1981, federal taxes will consume 21.6 percent of gross national product, almost at the all-time high of 22 percent in 1944, during full war mobilization. Carter's tax take is the real moral equivalent of war.

After one month in office, Carter revised President Ford's projected budget authority for FY 1977 and 1978 upward by $55 billion. Since then, the inflation rate has nearly quadrupled. The collapse of the bond market, a result of soaring interest rates, will turn corporations seeking capital toward bank loans. That may drive the prime rate toward 20 percent. Federal and federally guaranteed borrowing will top $100 billion in FY 1981, crowding some private borrowers out of the market.

The problem isn't the public's "expectations." The problem is that in the fiscal year ending this September, federal outlays will increase at a rate exceeded only once in the last quarter-century—in 1967, when the Vietnam War and Great Society programs were growing simultaneously. Furthermore, the administration's expectations are changing—fast. in January 1979, it projected FY 1984 outlays at $674 billion. Just 12 months later, it raised the projection to $839 billion—a jump of $165 billion.

Paul Volcker, chairman of the Federal Reserve Board, was undersecretary of the Treasury in 1971 and urged Nixon to impose a wage-price freeze. Now Volcker says controls are "a substitute for dealing with the problem." That is precisely what recommends them to elected officials.

Dealing with the problem would mean dealing with the budget, which would mean cutting it while increasing defense spending. That would mean pain, and that means it probably won't happen. Look, instead, for the public to get what it sort of wants: controls.

These are difficult days for leaders who worship at the altar of public opinion. The public is calling, simultaneously, for an attack on "big government" and for government to take a big bite from freedom by seizing from private individuals and groups the right to price labor, goods and services. Business Week magazine, which has been known to take a dim view of the government's competence, goes further, calling for controls, gasoline rationing and a "windfall profits" tax on banks.

Republicans believe that Carter has risen in the polls on the steppingstones of foreign policy disasters in Iran and Afghanistan, and they expect that this summer he will switch to emphasizing problems produced domestically by his economic policies. Having got through the primaries playing commander-in-chief regarding Iran, he will come forward as the commander-in-chief for a "national emergency" that requires wage and price controls and perhaps rationing of credit.

So there is nervousness in Republican ranks. Most Republicans believe controls would be cosmetic measures to get Carter past Nov. 4, but no Republican wants to be seen as an obstacle to "doing something" about inflation.

Besides, outlawing inflation is as American as, well, Prohibition. Or as the state legislator who proposed a law to make the geometric ratio "pi" (3.1416) equal to 3, even, so that the state's schoolchildren would have an easier time with their homework.●

COMBAT READINESS IS NOT A SYMBOL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mrs. SCHROEDER. Mr. Speaker, Martin Anderson, a senior fellow at the Hoover Institute, recently provided a number of proposals for beefing up our country's military preparedness.

The President and the Secretary of Defense have both conceded that the administration proposal for draft registration is symbolic and will not make any major addition to our military preparedness.

Yet there are other options, as Mr. Anderson points out.

So why does the administration persist in trying to sell Congress on its draft registration plan?

Mr. Anderson's article follows:

[From the Washington Post, Feb. 3, 1980]

Build Up the Reserves, Not Registration Lists

(By Martin Anderson)

President Carter's call to "begin registration" for the military draft was obviously a part of his effort to send the Soviets a message about our concern for their naked aggression in Afghanistan. But in this case he is sending Moscow the wrong message.

Carter is right in his belated recognition of the potential military threat that the

Soviet Union poses to world peace and to our own security. But taking down the names and addresses of the young people of America under the threat of five years in jail or a $10,000 fine is a weak and possibly dangerous response.

What the Soviets would understand is a clear, effective move to strengthen the combat capability of the armed forces of the United States. Registration does not do this. Rather, if enacted, it could easily lull us into a truly dangerous state of complacency.

If there ever was a sudden threat to our national security, any form of a military draft would be virtually worthless. Even with the names and addresses of young men and young women neatly typed on computer printouts, it would take at least three to four months to contact them, induct them and hastily train them—if the training facilities were ready. Without advance registration, it would take a few weeks longer. The end result—with or without registration—would be hundreds of thousands of teenage soldiers, some serving reluctantly, most with no experience and little training, flooding into the ranks of the armed forces many months too late.

As the Defense Manpower Commission noted in its report to the President and the Congress on April 19, 1976: "The changing nature of war and its technology will not allow for any lengthy period of time for national mobilization for a major conflict. Thus, the national security relies on the ability to mobilize our reserve forces from a peacetime 'citizen soldiers' status to a combat-ready status in a relatively short time."

What is vital to our national security is a large, well-trained reserve force, one that is really ready, one that can be called into service in a matter of days in case of an emergency.

Registration for the draft would not do this, but it will do something else. The conventional wisdom that seems to be held by many in the upper ranks of government, the academic world and the media is that our all-volunteer force has problems, especially in the reserves, and that the military draft will solve them. Half of that wisdom is true. We have severe problems, particularly in the reserves. We should have 1 million men and women in the active reserves; we have about 800,000. There should be 700,000 members of the Individual Ready Reserve; we have about 200,000. But the draft, or its advance proxy, registration, will not solve these deficiencies in a timely or sensible fashion.

As Richard Danzig, the principal deputy assistant secretary of defense for manpower, reserve affairs and logistics, stated a few weeks ago, "although, if constantly updated, peacetime registration would give us a ready list of people that we could call instantly in an emergency, I think our capacity to call them would exceed our ability to begin training . . . we would not be able to accept draftees within the first weeks of an emergency mobilization."

The danger is that so many people sincerely believe that our military manpower problems can be solved, by the draft. If registration is enacted, they will view this as leading directly to the reinstitution of the draft, sigh contentedly and turn their efforts and talents to solving other problems. The passage of a draft registration law will only give a false sense of security to our people and to many of our political leaders. It will be used as a reason by some, and as an excuse by others, for not taking the hard steps that will strengthen our reserve forces to the point where they can effectively back up our active forces.

It will also give a false signal to the Soviets. The political-military leadership of the Soviet Union understands and respects military power. They are fully capable of distinguishing between the military capability of computer lists as potential additions of young, inexperienced draftees and that of a significantly strengthened reserve force. They will view registration more as a stamping of our feet than as a shouldering of arms. And they will act accordingly.

What we should do is:

Immediately bring our active forces up to full combat capability. While our active forces are very close to their targeted manpower levels, the quality of their weapons and other equipment—including tanks, planes and ships—often falls far short of the military needs of the 1980s.

Announce that from now on the reserves are serious business, not a paid routine gambol. Anyone staying in the reserves or the National Guard should fully realize that in the event of a military threat to this country they will be called first to supplement our active forces. And that they will be called regardless of whether they are married, have children or know a congressman.

Arm the reserves and National Guard with modern weaponry and other equipment that is fully comparable to what the active forces will have.

Take steps to encourage more people to join the reserves and, for those already serving, to reenlist. These steps should include improved recruiting efforts, competitive levels of pay, reenlistment bonuses and improved management of our current reserve forces. For example, current planning in the Department of Defense assumes that only 70 percent of the Individual Ready Reserve would show up if we mobilize. This percentage could be increased significantly if assignments were made in advance and addresses were kept current. Some of these relatively simple measures are now beginning to be taken, but there is still vast room for improvement.

Institute an effective program of lateral entry into the armed forces so that more mature men and women, from their late 20s through their 40s, and, in special cases, up to 65, can enlist for a period of time—both in the active forces and the reserve forces. This could provide the armed forces with a potential pool of talented people that could be utilized in many positions, and could reduce their almost total reliance on people coming up through the ranks. Further, it is the one effective way to ensure that the upper ranks of the military do not become isolated from the rest of our society.

And, finally, the president of the United States should address the nation and explain clearly and comprehensively exactly why he feels that the Soviet invasion of Afghanistan is such a threat to world peace and the United States. The history of this country's response to a call to arms shows that Americans have always turned out in overwhelming numbers when they felt their country was threatened and they believed that our cause was just. There is no evidence to suggest that this would not also be the case today. If the only way we can induce our citizens to participate in the defense of this country is to threaten them with five years in jail or a stiff fine, then our leadership has failed to convince them of the seriousness of the situation and the validity of the course of action proposed to deal with it.

Enactment of the draft registration law would diminish our national security by increasing the chances that our reserve forces will be left in limbo, at a time when we need to strengthen them the most. It would in time lead to a new military draft, one that would almost certainly include women. And it would call into question the commitment this nation made almost a decade ago when we decided to raise an armed force in a manner consistent with the principles of freedom on which this country was founded.

If we really wish to respond to the Soviet move in Afghanistan, let us do it directly by arming and training a combat-ready active and reserve force that is second to none. Let's forget about making lists.●

STATUS OF THE CONGRESSIONAL BUDGET FOR FISCAL YEAR 1980

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. GIAIMO. Mr. Speaker, the House Budget Committee today is notifying the Speaker of the House of the current levels of congressional action on the budget compared to the spending ceilings and revenue floors established by the Second Budget Resolution for Fiscal Year 1980, which was adopted on November 28, 1979. Under the Budget Act a point of order lies against any measure that would cause the spending ceilings or the revenue floor established by a concurrent resolution on the budget to be breached.

The appropriate level of revenues set in the Second Budget Resolution for Fiscal Year 1980 is $517,800 million. This is a floor on the amount of revenues that must be raised. The current level for revenues is $515,337 million, $2,463 million under the revenue floor. This means any further legislation which would cause revenues to be reduced further would be subject to a point of order under section 311(a) of the Budget Act, since the revenue floor in the second resolution has been breached.

This situation has occurred because the level of revenues contained in the budget resolution assumed enactment of certain revenue-generating legislation, particularly in the windfall profit tax bill, on which conferees have concluded action but which is not yet included in the current revenue level. I strongly urge swift enactment of this much-needed legislation.

The appropriate level of budget authority in the Second Resolution for Fiscal Year 1980 is $638,000 million, and outlays $547,600 million. Today's report indicates that the following amounts are currently remaining to cover any additional spending legislation in fiscal year 1980: Budget authority, $5,200 million; outlays, $690 million.

However, these levels are subject to change since this report does not include any reestimates of the fiscal year 1980 spending levels that were recently submitted by the President. In his January 28, 1980, budget submission, the President reestimated spending in over 1,700 budget accounts. A complete review of these revisions is now being conducted by the Budget

Committees and the Congressional Budget Office.

While this review is not completed I can say now that significant increases in outlays are expected to exceed the ceiling set in the Second Budget Resolution. This is due to changes in the economy, including higher interest rates and inflation rates than were assumed in the Second Budget Resolution. These economic factors drive up the cost of entitlement programs and other areas such as interest on the debt.

If the ceiling is breached and it becomes necessary for Congress to handle emergency funding situations or other supplementals—which Congress faces from time to time—it will be necessary to revise the second budget resolution at the same time we are considering the first budget resolution for fiscal year 1981.

In order to keep Congress advised of the effect of its spending and revenue actions compared to the overall totals set in the second budget resolution, section 308(b) of the Congressional Budget Act of 1974 requires periodic reports to be issued to the Congress. As chairman of the House Budget Committee, from time to time I submit to Congress these parliamentarian's status reports reflecting the current level.

A copy of this letter and the committee's report follow:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., February 28, 1980.

Hon. Robert N. Giaimo,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the budget. This report for fiscal year 1980 is tabulated as of close of business February 27, 1980. The spending and revenue estimates in this report are based on the economic assumptions consistent with the 1980 second budget resolution.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	625,226	540,066	515,337
2. Entitlement authority and other mandatory items requiring further appropriation action	7,510	6,790	
3. Continuing resolution authority	65	54	
4. Conference agreements ratified by both Houses			
Current level	632,800	546,910	515,337
Second Concurrent Resolution	638,000	547,600	517,800
Current level is under resolution by	5,200	690	2,463

Sincerely,

Robert D. Reschauer,
(For Alice M. Rivlin, Director).

PARLIAMENTARIAN STATUS REPORT SUPPORTING DETAIL, FISCAL YEAR 1980, AS OF CLOSE OF BUSINESS FEB. 27, 1980

[In millions of dollars]

	Budget authority	Outlays
I. Enacted		
Permanent appropriations and trust funds	310,856	281,642
Outlays from balances of prior-year authority associated with appropriation bills		110,504
Offsetting receipts	−74,827	−74,827
Enacted previous session	389,139	222,746
Enacted this session: Aviation and Noise Abatement Act (Public Law 96–193)	57	
Total, enacted	625,226	540,066
II. Entitlement authority and other mandatory items requiring further appropriation action		
Function 050:		
Retired pay	201	200
Civilian and military pay raise	2,831	2,788
Fuuction 150: Pay raise limitation, Export-Import Bank		([1])
Function 350: Pay raise limitation, Federal Crop Insurance Corporation		([1])
Function 370: Pay raise limitation:		
Federal Home Loan Bank Board		1
Federal Savings and Loan Insurance Corp		1
Function 400:		
Retired pay, Coast Guard	4	4
Pay raise limitation: St. Lawrence Seaway		([1])
Function 500:		
Student loan insurance fund	31	
Guaranteed student loans-increase special allowance rate (Public Law 96–49)	36	36
Human Development, social services	168	25
Function 550: Grants to States for medicaid	1,464	1,191
Function 600:		
Child nutrition	94	
Department of Labor:		
Advances to unemployment trust fund	430	430
Offsetting receipts	−430	−430
Black lung disability trust fund	463	463
Assistance payments program	226	101
Public assistance amendments (H.R. 3091)	52	52
Pay raise limitation:		
Railroad retirement account		1
Social security trust fund (OASI)		62
Civil service retirement trust fund		1
Milwaukee R.R. supplementary unemployment benefits (Public Law 96–101)	2	2
Function 700: Veterans disability benefits (H.R. 2282)	670	616
Function 800:		
Payment to Civil Service trust fund	357	357
Offsetting receipts	−357	−357
Function 850: Federal payment for D.C. retirement benefits (Public Law 96–122)	52	52
Function 920: Allowance for civilian agency pay raise	1,218	1,195
Total, entitlement authority	7,510	6,790
III. Continuing resolution authority		
Continuing Resolution (Public Law 96–123):[2] Federal Trade Commission	65	54
Total, continuing resolution authority	65	54
IV. Conference agreements ratified by both Houses		
Total current level as of February 27, 1980	632,800	546,910
Second Budget Resolution	638,000	547,600
Amount remaining:		
Over ceiling		
Under ceiling	5,200	690

Note: Detail may not add due to rounding.

[1] Less than $500 thousand.

[2] Foreign Assistance appropriations and appropriations for certain ongoing Labor-HEW programs under the continuing appropriations authority in Public Law 96–123 are funded for the full fiscal year and are, therefore, included in category I as enacted previous session.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1980 CONGRESSIONAL BUDGET ADOPTED IN S. CON. RES. 53—REFLECTING COMPLETED ACTION AS OF FEB. 27, 1980

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	638,000	547,600	517,800
Current level	632,800	546,910	515,337
Amount remaining	5,200	690	−2,463

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $5,200 million for fiscal year 1980, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 53 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $690 million for fiscal year 1980, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 53 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1980, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 53, since the current level is already under the revenue floor.●

PERSONAL EXPLANATION

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. PEYSER. Mr. Speaker, on February 20 I inadvertently missed rollcall vote No. 61, final passage of H.R. 3994 to amend the Solid Waste Disposal Act. Had I been present I would have voted "aye."●

MARTHA NIEMANN: BUSINESS AND THE EMERGING GENERATION

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. PURSELL. Mr. Speaker, one of the most important transitions in life is from the academic world to the world of work. And one of the most important tasks for business is relating to young Americans as they emerge as productive employees and consumers, forging their independent lives.

Martha Niemann, a recent graduate of the University of Michigan and one of the outstanding young people it has been my pleasure to work with at UM, has made the transition to professional life with considerable success. Ms. Niemann, who works with the Insurance Economics Society of America in Chicago, has generated considerable interest in her chosen field with a recent speech on the relationship between industry and the generation just emerging in the business world.

This speech has been reprinted in a variety of publications, including the January 12, 1980, edition of the National Underwriter, and which I insert in the Record, and has resulted in invitations to Ms. Niemann to address groups throughout the country and as far away as Hartford and Hawaii.

I recommend Martha Niemann's words to my colleagues. She makes a great deal of sense when she speaks to some of the central issues facing the Congress: Taxation, education, Government regulation. As a particularly dedicated and articulate spokesperson for her generation, I think many of Ms. Niemann's comments transcend the bounds of the insurance industry and speak to the larger issue of the relationship of our young adults to society at large.

The speech follows:

Industry Told To Address Younger Generation

What does my generation as consumers think of the insurance business?

Believe it or not this is the first look I have taken at my generation as consumers. I've never thought of myself in that category . . . falling under that collectivist label that makes a herd out of individuals. Me. A Consumer? Never.

I was, and still am, I suspect, a University of Michigan student, a football fanatic, specifically a GO BLUE fan. Others of my generation sing On Wisconsin; Cheer, Cheer, Old Notre Dame, and are you ready Razorbacks.

This is what directly interests my generation . . . this and concerns over career climbing, graduate school, striving for precious A's to get us into the right Law School. Even touring Europe before settling down.

Sure, we all know about Ralph Nader and how to consult the Consumers Guide when buying a car or a stereo or even insurance. But, I must add, we proceed to buy what our heart desires, anyway.

To my generation, Naders Raiders are of another time . . . crowd gatherers from the past . . . champions of groupie consumers, which I stress, we are not.

What we are, according to what everybody tells us, is the best educated generation that the world has ever known . . . that's fine and dandy . . . as students we just love to hear it . . . even believe it. But then comes the big awakening. We graduate. What had always seemed to be in the distant future all of a sudden became the present. And it's frightening.

Yes, suddenly we find ourselves out in the real world, no longer protected by the cloistered college campus. The real world . . . full of forces that, like clorox, fades our Go Blue blue jeans faster than we ever expected.

In the first of many job interviews, as we present our vaunted BA, and even MA credentials after our names, we are brought up short when the vp for personnel asks: "but what can you do?"

"Do?" Swallowing our pride, we ask it of ourselves, "just what can we do?" We have no experience doing anything. How quickly we find, and not unharshly either, that nobody wants a history major.

AN OPPORTUNITY

I was forced to answer an ad under s for secretary. Now, a secretary I am not. But the ad offered an "opportunity to develop writing skills." Now that was something I thought I could "do," or shall I say, wanted to do. The Michigan BA helped, of course, but I was hired on the spot because the interviewers said, aside from my typing, I could do something. They said I could write.

That's how I entered the insurance business (in jest, I always say, I entered by default.). However, two years were to pass before I was to call it "my" insurance business.

Before I was given the "opportunity to develop my writing skills" I was assigned to type the final draft of the writing skills of others. I also typed invoices, ran the addressograph, filed correspondence, did bookkeeping. And after I completed those tasks, and only after, I was asked to write an article . . . an article which I knew absolutely nothing about: The Department of Health, Education and Welfare.

When I told the boss that I drew a total blank on that subject, thinking he would assign it to another, he said "Do it anyway. I want an article concerning your first look into this subject."

Before I could come down from cloud nine while reading and rereading my first byline he asked me to write about my first look on such heavies as: inflation, income taxes, the insurance industry, retirement, why we (my generation) don't vote . . . in all, 22 topics to date.

This is how the theme for my column, My First Look, evolved. It appears monthly in the publication of my employer, the Insurance Economics Society of America.

I feel that communicating with my generation requires a combination punch: a left to the solar plexis and a right between the eyes. Telling them that their dollar will be worth 50 cents in five years hits them where it hurts the most. Following up with the math that the inflation rate divided into 72 gives the number of years it takes to slash one dollar in half will indeed penetrate their heads. 15 percent inflation into 72 means that the dirty deed is done in five years. 18 percent into 72 is four years.

My generation will fight inflation if your generation which controls the media will teach this simple arithmetic. The incentive? An inflation rate as low as when we were born. Under Eisenhower the 2 percent inflation rate meant an entire working lifetime before the dollar would be cut in half. Divide 2 percent into 72. Since my generation has known nothing but constantly climbing prices, that history book 2 percent inflation sounds mighty good. It's an impossible dream, that my generation of Don Quixotes could get fired up about.

Our biggest trade association, the American Council of Life Insurance, has embarked on an advertising campaign—let's call it what it is—to get people to drive down the inflation rate. In my opinion, they will be making a big mistake—the mistake all others before them have made—if they do not stop my jogging generation in their tracks with the simple but bitter truth contained in the rule of 72.

My generation, and I suspect it is true in each previous one, think about the buck in their pockets. We can't get too excited about the esoterics of M-1 or M-2, or a trillion dollar national debt, or mortgage loan portfolios and the like. If the insurance industry is going to speak to us—I implore you—speak to us!

My generation readers couldn't believe that we have to pay 50 cents for what some of you got for 5 cents, until I researched the 1940's jingle:

Pepsi Cola hits the spot,
Twelve full ounces That's a lot,
Twice as much For your nickel too,
Pepsi Cola is the drink for you.

Since the theme of this LIMRA meeting is the effects of regulation on health insurance, including cost, I'd bet that there is a similar and substantial regulation cost factor in today's 50 cent coke that did not exist in yesterday's nickel coke.

The cost of regulation in any business really does not become comprehensive until one looks at our costly, form ladened, tax system. In My First Look At The Tedious Task of Tackling Taxes, I wrote specifically for my generation:

"With questionable courage and shaky resilience, I dare to be Daniel, and plunge into this den of paper 'lions,' determined to triumph over this tedious task of tackling tax forms. Wading through our stack, I can't help contemplating the amount of time, money, and aspirin that must be consumed each year by business striving to keep pace with the ever growing, ever multiplying, ever interfering, ever demanding government generated paperwork. I can see why American small business objects to spending $15-$20 billion annually to complete government paperwork. To this, $100 billion from big business must be added."

BIG BAD BUSINESS

Imagine. One hundred billion in direct and hidden taxes from big business . . . big bad business . . . as we liberal arts students thought. Yes, you were right all along. We were anti-business. Anti-insurance business, too. An attitude we inherited directly from the students of the 60's.

In fact if the Martha Niemann of 1977 could see where the Martha Niemann of 1979 is now standing, she would surely have disowned herself.

When the '77 Martha graduated, she, like most of her generation, was bound and determined to find a job whose motive was not the almighty buck.

She now finds herself not only employed in the business whose product is the buck, but stands before you as the convert and spokesperson for that very business of the buck.

The buck that pays for the new baby's entrance into the world.

The buck that pays the disabled and keeps their families together.

The buck that keeps the roof over the heads of widows, that feeds their children and educates them too.

The buck designed to give peace of mind and security and freedom to men and women of all generations.

My generation doesn't know about this buck. Before I joined the Insurance Economics Society I knew nothing of this buck either, this good buck, the buck that I have since found not to be unholy. Even now it still catches in my throat, a bit . . . but it unquestionably is a good buck.

Indeed, I have been converted. It required no miracle. I merely learned—in order to do my job with the Insurance Ecomomics Society I had to learn—something about our economic system that has made this country great.

Those who believe that my so called best educated generation learned economics in college suffer a delusion. Economics is not a requirement for a BA degree at Michigan. My state university that educated a President did not teach me economics.

Because of that I have a question. The U of M, like most universities, was built by the endowments of American business. The question is why did they build our dormitories but forsake the building of our minds, leaving us lacking in knowledge of the free enterprise system. I ask further: Is it no wonder that we fail to understand or support the economic philosophy that "there is no such thing as a free lunch" when we were raised since kindergarten on the free lunch? But we were never taught how the free lunch was funded.

Perhaps when we have the answers to these questions, we will then have the method to communicate with my generation. Not as a group of consumers, but as individuals, freedom loving-leaders of tomorrow's America.

Yes, my generation will take its place as the leaders of tomorrow. There is nobody else to pass the baton to. Whether or not we are prepared to run with the baton, the baton of leadership, depends upon you, our coaches. You must train us.

For example, the future of your health insurance business and my health insurance business will rest in the hands of tomorrow's leaders, in my generation's hands. If you are successful in reaching your ideological objectives of serving our needs through the private sector, then your job is only half done. What you must do further is to communicate to us just how you are serving us.

If you are paying claims of $60,000 to $70,000 to make a paralyzed child walk again, why not tell us about it?

One of the Society's member companies has a current TV commercial which shows that the world famous rehabilitator, Dr. Howard Rusk, did exactly that; made an almost dead boy walk and talk again. Now that story can never be told too many times.

After all, you should know that age old three part formula of communication. It worked with your generation and it will work with mine, too.

First, tell us what you are going to tell us.

Second, tell us.

Third, tell us what you told us.

A "telling us what you are going to tell us" letter crossed my desk Nov. 12, from the Health Insurance Institute. It announced the coming of "advertising messages in key consumer magazines that will highlight the performance of private health insurers in meeting the health care financing needs of the public." Now that's in line with this thesis, so naturally I applaud it.

The second part, the "tell us" part, is the hard part, especially when you are talking to my quick study generation. The difference between you and your adding machines and us and our hand calculators is that you were trained "to say it in 25 words or less," and we say it in one word: Hair, Grease, Disco, Annie, or at most, one line, "you've come a long way, baby."

Want to tell us about a complex subject like Social Security? Try this: "$30-$3,000." That's all. You need say no more. When we see it on Bumper Stickers and T-Shirts, we'll get the message that the maximum Social Security tax was $30 a year when you graduated and will be $3,000 a year when our little leaguers go up to bat.

My boss and I worked out $30-$3,000 for his annual seminar at the University of Tennessee, and I suggested he "sock-it-to-em" with a telegram which read:

Class of 79.

Congratulations on your graduation.

Welcome to the work force.

Your Social Security Bill: $1403.77 for 1979, $1587.67 for 1980, $1975.05 for 1981, $3045.90 for 1987.

Planning self-employment: Add 50 percent.

Planning own business: Add 100 percent.

See you April 15, Uncle Sam.

At these prices don't think for a minute we won't hear your warnings on the Social Security disability fund and the Medicare fund.

Or you might try a word with a number. Look how we, throughout the entire country, picked up on "Proposition 13." What other initiative or referendum was communicated more effectively throughout the world?

Now if you take the pragmatic philosophy behind Proposition 13 and confront the political philosophy of a payroll tax to fund national health insurance, you come up with the very theme that has made my employer, the Insurance Economics Society, so successful, dating back 62 years to 1917. Our effective theme was then, and is now: no state or Federal disability or life or health insurance taxes.

It has been my privilege to have worked in modernizing this theme for my generation and reducing the entire message to these three words:

No Health Tax

And it is my further privilege to announce that I have been given the responsibility to spread these three words to every state legislature, to Congress and to every voter during the 1980 election campaign, a campaign in which your business, the health insurance business, is to be a major domestic issue and topic for debate.●

MARINE STRIKE FORCE ENDORSED BY SENIOR FELLOWS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. COUGHLIN. Mr. Speaker, in today's edition of the Washington Post, an article written by senior fellows at the Brookings Institute and the Institute for Foreign Policy Analysis supports the establishment of the Marine Rapid Deployment Force advocated by myself and 103 other colleagues last December.

The writers caution the administration to consider two issues it has thus far failed to address: the size of the Marine force and the character and strengths of potential adversaries. I commend this article to my colleagues and share the author's hope that the administration seriously review Marine Corps needs to insure that the Rapid Deployment Force has the necessary tactical mobility and firepower required to defeat diverse opponents.

The article follows:

SEND IN THE MARINES

(By Martin Binkin and Jeffrey Record)

Increasingly, the U.S. Marine Corps has the look of an idea whose time has come. Events in the Persian Gulf and Southwest Asia argue strongly for the creation of a military force capable of prompt intervention in remote areas of the world where U.S. ground forces are not already deployed. The need for such a force has long been recognized by many observers. Official—albeit belated—recognition is apparent in the administration's proposed rapid deployment force (RDF). The force is to be capable of swift intervention in areas other than Europe and Korea across a broad spectrum of contingencies ranging from the small-scale *coup de main* to a large-scale invasion.

The core of the RDF is to consist of selected airborne, amphibious assault and other existing light Army and Marine Corps infantry units whose inherent strategic mobility is to be further enhanced by 150 or so new intercontinental transport aircraft (known as the CX) and by the pre-positioning of a Marine division's equipment aboard 14 specially designed ships to be maintained on station in the Indian Ocean and other potential crisis areas. As envisaged by the administration, the largely airliftable and air-supportable RDF would form the cutting edge of any major U.S. military intervention in the Third World, to be followed by the commitment of Army tank and mechanized infantry forces, whose heaviness compels their movement by sea.

However, in its zeal to increase the speed with which existing U.S. light ground forces could be brought to bear in the remote areas, the administration has failed to address two important issues: the size of the RDF and the character of its potential opponents. The United States currently maintains far more light-infantry formations then would be required or could be moved to likely future "RDF" contingencies in the Persian Gulf and along the littorals of the Indian Ocean. Moreover, precisely because they are light infantry—foot mobile units thin on tanks, armored personnel carriers and self-propelled artillery—they are ill suited for combat against Soviet or Soviet-model client armies that characterize potential U.S. adversaries in the Middle East. Of what value is the timely arrival of the wrong kind of forces?

The United States today fields five active divisions (two Army and three Marine) and a variety of smaller units that are earmarked primarily for contingencies outside of Europe and Korea. These forces greatly surpass the capacity of present and planned strategic airlift and sealift resources to move them overseas in a timely fashion. Additionally, because these forces have been designed to be compatible with strategic airlift and amphibious-assault shipping, they are light and hence best suited for low-intensity combat in terrain that precludes or severely constrains the effective use of armored fighting vehicles.

Yet in the Middle East and Southwest Asia, they would in all likelihood be facing numerically superior, highly mobile and heavily armored ground forces possessing great firepower and tactical mobility in terrain often tailor-made for tank warfare. While tactical air-power enthusiasts hold that close air support can make good the deficiencies of light ground forces, the October War of 1973 refutes that contention. In that conflict, the Israeli Air Force was virtually neutralized by the sense and mobile tactical air defenses of the Soviet-model Egyptian and Syrian armies.

Thus it appears that the administration may be contemplating the assignment to the RDF of forces both excessive in size and improperly structured to deal with likely adversaries. For the contingencies envisioned, three properly configured and equipped divisions would provide a quick-reaction force capable of meeting initial intervention requirements. These forces should retain existing limited capabilities for forcible entry by either airborne or amphibious assault; the principal challenge, however, is to provide them the tactical mobility and firepower needed to defeat heavier opponents without imposing the kind of unacceptable penalties in strategic mobility that equipment-laden Army tank mechanized infantry divisions have already paid.

The most logical approach would be to give the three-division Marine Corps the rapid deployment mission—lock, stock and barrel. As a force in readiness, the corps has always been oriented primarily towards contingencies in the Third World. It is the sole repository of U.S. amphibious-assault capabilities and easily adaptable to both the airborne and air-assault mission.

As for the problem of staying on a Middle Eastern battlefield (versus getting to it on time), a solution appears at hand in the development of light-weight tanks and other armored fighting vehicles utilizing new advances in small-caliber antitank guns and ammunition. The Marine Corps has already constructed prototypes of a 14-ton minitank whose 75mm gun can destroy any known main battle tank. Some six or eight of the smaller tanks could be carried by a C5A, compared with only one of the Army's new, bulky 60-ton XM1 main battle tanks. Indeed, the lack of restraint in the Army's approach to the design of armored fighting vehicles has precluded the rapid deployment of the Army's heavy divisions, leading to growing doubts over the cost-effectiveness of the administration's proposed $6 billion program to build the CX, which, like the existing C5A, will be able to carry only one Army tank. Might not that $6 billion be better spent on the acquisition of smaller armored fighting vehicles much more compatible with existing U.S. strategic airlift capabilities?

A rapid deployment force should be based on a restructured and reequipped Marine Corps.●

RADIO MOSCOW: THE JOKE IS ON US

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. MICHEL. Mr. Speaker, during the period between 1945 and the late 1950's, there were many jokes told about the alleged backwardness and unoriginality of the Soviet Union. We were told that the Soviet rulers were hopelessly incompetent. Suddenly when Sputnik circled the Earth, we discovered that this supposedly backward nation had a sophisticated technological base—not quite as good as ours, but solid enough to beat us into space.

When American industrial strength and technological knowledge once more put the United States ahead in the space race, the jokes about the Soviet Union began again. We were told that their space program depended solely on German scientists captured during World War II. We were told that Soviet scientists couldn't go beyond a certain point in developing nuclear missiles because they just didn't have the know-how.

Well, all of those jokes proved to be on us. The Soviet rulers, who can and do ruthlessly exploit every segment of their economy for military uses, have shown us they can match us in certain technological areas.

All during these years we've been hearing another joke. This one concerns Radio Moscow. We have all laughed at what we are told is the crude propaganda of Radio Moscow. Who could believe anything so obviously biased? Well, it would seem that while we were laughing, the Soviets were slowly improving the quality and the quantity of their international broadcasting. Far from being crude, it shows an increased sensitivity to its audiences' preferences.

Radio Moscow is on the air 1,550 hours a week.

The Voice of America (VOA), Radio Free Europe (RFE), and Radio Liberty (RL)—the American international broadcasting stations—have a combined total of 1,812 hours. But the Soviets broadcast in 63 languages. We broadcast in only 45 languages.

The Soviets broadcast in two tongues used in Afghanistan. Neither the British Broadcasting Corp. nor the Voice of America broadcast in these tongues.

In short, while we have been laughing and ignoring Soviet propaganda advances, while we relegate our own international radio stations to a back seat, while we ignore the undeniable fact that we are engaged in a war of ideas and that the Soviets are willing to commit everything needed to that war—while these things go on, some of us are still laughing at alleged Soviet propaganda backwardness?

What's so funny? We must immediately analyze our broadcasting needs and start funding our stations as we should. Any officials in VOA, RFE, RL, or the RFE-RL parent organization, the Board for International Broadcasting, who do not comprehend the importance of international broadcasting to our national security, should be replaced by men and women who recognize taxpayers are not funding these stations in order that they may simply imitate commercial broadcasters.

We have to use these radio stations to bring our point of view to the rest of the world—forcefully, persistently, intelligently, shrewdly, and effectively. This can and must be done. If it takes additional funds to do it, so be it.

At this point, I wish to insert in the RECORD, "On Radio Moscow, Guess Who Gets the Rap for Afghan Crisis," from the Wall Street Journal, February 21, 1980:

ON RADIO MOSCOW, GUESS WHO GETS RAP FOR THE AFGHAN CRISIS

(By Eric Morgenthaler)

MOSCOW.—When West Virginia Gov. John D. Rockefeller IV recently got his state's liquor authorities to cancel all orders for Russian vodka to protest the invasion of Afghanistan, even Radio Moscow conceded that there was "some sense" in the move.

"It is about time some people in America sobered up a bit—the governor of West Virginia included," said Igor Dmitriyev in a commentary beamed to North America. "To have them sober up a bit is so important that I don't mind if it is done at the expense of Russian vodka."

Radio Moscow? Making a joke?

Well, yes. Times are changing, even here. And Radio Moscow—the Soviet Union's shortwave voice to the world—is making an effort, of sorts, to shake its well-deserved image as a humorless, heavy-handed propaganda machine. It is developing what for the Soviets is a new sound: It is becoming more relaxed.

"A HUMAN VOICE"

"We are trying to speak in a human voice," says Vladimir Zhuravliov, programming chief of Radio Moscow's English-language World Service. "We are trying to get rid of such words as imperialism and capitalism. We don't use them at all, really. We don't think it's a human language."

Russian propaganda broadcasts in English date back to the revolution of 1917, when appeals were made to the workers and peasants of the world to recognize the new Soviet republic. Regular English-language broadcasting started in 1930, and broadcasting to North America began during World War II.

The slick and low-keyed approach, however, began in October 1978 with the start of the so called World Service. An imitation in name and format of the venerable British Broadcasting Corp's World Service, the Soviet version broadcasts throughout the world in English for 19 hours a day with a mixture of news, commentary and music. The British publication, The Economist calls it "better packaged than anything the Russians have done before."

Despite the new packaging, the tone hasn't changed that much. The message from Radio Moscow, as from all official Soviet media, is still strictly the Communist Party line. The world it depicts is generally one in which a peace-loving Soviet Union is put upon daily by the hostile forces of an evil outside world. Thus, as Radio Moscow tells it, one of today's most pressing crises is the "armed interference in Afghanistan"—by the U.S., Pakistan and China.

LEADER IN THE FIELD

If that version of events sounds a bit surreal, it is all part of the game of trying to win the world's hearts, minds and ears. The Soviets play the game vigorously, broadcasting to foreign lands in more languages and for more hours than any other country.

Radio Moscow itself is on the air for about 1,550 hours a week, and it has programming in 63 languages; its English-language World Service accounts for 133 of those hours. Other Soviet radio operations raise the number of hours of external broadcasting to 2,020 a week.

The nearest competitor is the U.S.—whose Voice of America, Radio Liberty and Radio Free Europe broadcast in 45 languages for about 1,812 hours a week. China is third in the number of hours broadcast. West Germany is fourth and the BBC is fifth.

The Russians are particularly active in broadcasts to the Third World. They broadcast in 11 African vernacular languages, for instance, compared with three for the BBC. The Russians broadcast in both Dari and Pashto, Afghanistan's two tongues; neither the BBC nor the Voice of America transmits in either (although the Persian-language broadcasts of each can be understood by most Afghans).

In its Third World broadcasts, Radio Moscow usually doesn't bother with the sort of civility it is trying to inject into the English-language reports. Thus, a recent broadcast to Afghanistan in Pashto quoted a Soviet Moslem leader as saying: "The American imperialism has embarked on arming the rebels and sending them into the territory of Afghanistan, thereby interfering in the affairs of a sovereign state and causing bloodshed which is condemned by God." (God has been enjoying something of a revival on Radio Moscow lately, apparently because of the ferment in the Middle East.)

Such shrillness might go well among uneducated Afghan tribesmen, but it probably wouldn't settle quite as easily with an educated audience. And it is apparently a quest for the English-speaking educated that led Radio Moscow to introduce its World Service—with its softer, more urbane approach to affairs.

Aside from news on the hour, news headlines on the half-hour and the predictable political commentary, the World Service provides news and feature programs about less-politicized sides of Soviet life. These include a "Stamps and Hobbies" program and a "Mailbag" show on which a Soviet commentator with a Chicago accent answers listeners' questions about the U.S.S.R. Almost half of every hour is turned over to music—popular as well as classical, Western as well as Soviet.

"What we are trying to do is reach as many people as possible to tell them our side of the story on certain international events," says Vladimir Pozner, a leading World Service commentator, who speaks almost accentless American English (the product of boyhood years spent in the U.S., where his father was a diplomat). "We also want to tell them about ourselves, instead of having them hear about us from someone else."

TYPICAL FARE

What a listener might hear about is the latest anti-smoking campaign in Russia, the price of gasoline and the income taxes Soviet citizens pay. He might hear about Soviet attitudes toward homosexuality (it's "illegal") or of a Soviet scientist's thoughts on bringing the mammoth back from extinction (it's possible). An offering frequently used to rebut what Radio Moscow calls "the alleged absence of criticism of government" is a program of consumer complaints about the difficulties of shopping.

As often as possible, life here is presented as preferable to life in the West. But a continuing effort is made to present Soviet life in Western terms—even when the analogy is, at best, strained. Thus, Radio Moscow recently has been playing up the current "election campaign" for local offices in the Soviet Union; the true state of affairs is only hinted at, with the remark, "The members of the Communist Party and nonparty people have a common political platform."

The World Service thinks its new approach is succeeding. Officials say they don't know how many listeners they have, but they get some 1,000 letters a month from listeners all over the world. (The entire Radio Moscow operation gets 300,000 letters a year.) And some listeners seem to like the changes. One American who has followed the station for a long time notes approvingly that over the years the announcers have become "less bellicose" and have begun acting "as if they halfway care about listeners' reactions to their programs."

MUCH IS THE SAME

But for all the changes, Radio Moscow remains Radio Moscow. On Dec. 18, a Radio Moscow broadcast ridiculed the "hullabaloo" in the West over Soviet troops reportedly in Afghanistan. It said relations between the two countries "are based on complete noninterference in each other's affairs" and dismissed the "noisy propaganda" about the "imaginary" troops with a quote from Afghanistan's premier, Hafizullah Amin.

Ten days later, with Mr. Amin dead in a coup and more than 40,000 of those Soviet troops quite visibly tromping the hills and roads of Afghanistan, Radio Moscow changed its tune.

Mr. Amin actually had been a "lap dog" of the Central Intelligence Agency, listeners were told. With him gone, the Soviets moved into Afghanistan to help it "in rebuffing external aggression" from the U.S., China and Pakistan. And despite what those "inflammatory broadcasts from the West and China" say, the Afghans really like their Russian visitors. They are, as a Kabul man put it, "representatives of a great fraternal nation" come to assist "in the dark period of the Afghan people's struggle for freedom and progress." ●

THE 102D ANNIVERSARY OF BULGARIAN LIBERATION DAY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. ZABLOCKI. Mr. Speaker, today marks the 102d anniversary of the signing of the Treaty of San Stefano between Russia and the former Ottoman Empire, which ended 500 years of foreign domination over the people of Bulgaria. It is a privilege to join with my colleagues in commemorating that event and in expressing warmest congratulations, as well as high regard for, Americans of Bulgarian descent.

Bulgaria has had a troubled and turbulent history—often suffering the consequences of foreign conquest and oppression. Having first been subjugated to the rule of the Byzantine and Ottoman Empires, Bulgaria emerged in the 19th century as a state constantly caught in the crossfire of conflicting great power rivalries and ambitions. In the 20th century, its people suffered the devastating effects of two Balkan and two World Wars, which were then followed by a period of extended Soviet occupation and domination over the country's domestic and foreign policies.

To a large extent, Bulgaria has experienced the worst of two worlds: Their domestic freedoms have been severely restricted, while its leadership has been depicted in the international press as being the Soviet Union's most loyal and subservient ally. Only the Bulgarian people themselves seem not to have been consulted in the process.

In commemorating this anniversary, therefore, we should focus on the friendship of the Bulgarian people and extend to them our hopes and prayers that the dream of freedom from foreign domination will never fade.●

PERSPECTIVE OF FOREIGN POLICY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. RITTER. Mr. Speaker, I think Irving Kristol's article on " 'Moral Dilemmas' in Foreign Policy" in the February 28, Wall Street Journal is one perspective on foreign policy that we tend to overlook. I submit the article for my colleagues in hopes that they will find it as challenging in the communication of correct thinking on U.S. foreign policy as I did.

The article follows:

"MORAL DILEMMAS" IN FOREIGN POLICY

(By Irving Kristol)

It was George Orwell who once said: "We have now sunk to a depth at which the restatement of the obvious is the first duty of intelligent men." This, it seems to me, is our situation with respect to the "moral dilemmas" of American foreign policy today—except that any such re-statement of the obvious is likely to be regarded as unthinkable by most of our intelligent men.

Take the case of the Shah, whose "crimes" will soon be exposed by an ad hoc international commission, established with our approval. The rank hypocrisy of such an exercise in political theater is instantly nauseating—two of the nations represented on that commission (Syria and Algeria) have records on human rights far more illiberal than the Shah's. Moreover, we know beforehand exactly what the findings of this commission will have to be. They will be to the effect that the Shah restricted political rights, imprisoned or exiled his opponents, appropriated a portion of the nation's income for his family's personal use, permitted (or ordered) his secret police to torture some hundreds of his opponents, etc.

CERTAIN POINTS OMITTED

We also know beforehand what such a commission will not say. It will not point out that all of these wickednesses of the Shah have also characterized every government the Iranian people have known since time immemorial, and usually to a greater degree. Nor will it point out that the Shah instituted a land reform in which vast areas belonging to the crown and clergy were distributed to the peasantry. (It was, incidentally, this land reform which brought him the hatred of all those ayatollahs.) Or that he strove energetically, and with considerable success, to use Iran's wealth from oil to modernize the Iranian economy. Or that he tried to modernize the Islamic culture of Iran, giving women greater individual freedom and the universities greater academic freedom than they had ever possessed. Or that during his reign, foreign periodicals, scholars, and journalists were free to circulate in Iran to a degree not known before, or since. Or that his regime actually sent to Europe and America, on government subsidy, more than one hundred thousand college students, to acquire skills and knowledge essential to the modernization of their country. Or that, on the whole, his despotism compared quite favorably with the despotic rule that now prevails in such other countries as Algeria, Syria, Iraq, Saudi Arabia, or our latest ally, Pakistan.

Even to suggest that such discriminating judgments, however valid, are appropriate in the case of the Shah is bound to make us feel uncomfortable and to invite opprobrium. Is it not a betrayal of the democratic idea to imply that some dictatorships are better than others—that some dictatorships may claim a degree of political legitimacy that even liberal democrats ought to respect? We really do not know how to cope with such a question. Our common sense tells us that it would be more than a little absurd—and in any case highly impractical—to declare that all of the world's undemocratic regimes are equally anathema to us. That would be like saying that we Americans are just too good for this world, so that any foreign policy would represent an expense of spirit in a waste of shame. On the other hand, how do we go about making the necessary distinctions between non-liberal and undemocratic regimes with which we might, in relatively good conscience, have amicable relations, and others which, at best, might be allies of convenience but nothing more?

Interestingly enough, prior to World War I the way in which this question should be answered was quite obvious. That answer was provided by the traditions of liberal constitutionalism. To the degree that any authoritarian regime was "enlightened"—i.e., to the degree that it could be judged to be creating economic, political, and cultural preconditions for possible self-government by the people—it was worthy of cautious respect. If it displayed no such "enlightened" intentions, it was "benighted."

The disappearance from our thinking of these old-fashioned categories has created change from what he has been saying over the past few months. But Mr. Anderson hoped it would help clear up some confusion about what he told a group of aerospace analysts who were invited to Lockheed's Missiles & Space Co. facility in Sunnyvale, Calif., on Tuesday.

Yesterday morning, Lockheed's stock price started dropping. In composite trading on the New York Stock Exchange, Lockheed closed at $33.25; off $5.25 on 260,100 shares. A Lockheed public relations official said at first that Lockheed knew of nothing to account for the price drop. Later, a second spokesman said that Mr. Anderson had spoken to the analysts the day before and told them that the company expects a year's delay in the financial recovery of its TriStar program.

And there are still others, increasing in number, who are hostile in principle to the very idea of liberal constitutionalism—the Communist regimes are of this type, and so, of course, is the present "Islamic-Marxist" regime in Iran. These latter, indeed, ought not to be classified as "authoritarian" at all, but can fairly be described as "totalitarian," since they represent a principled antithesis to constitutional democracy.

It is the fundamental fallacy of American foreign policy to believe, in face of the evidence, that all peoples, everywhere, are immediately "entitled" to a liberal constitutional government—and a thoroughly democratic one at that. It is because of this assumption that our discussions of foreign policy, along with our policy itself, are constantly being tormented by "moral dilemmas," as we find ourselves allied to non-liberal and non-democratic regimes. These dilemmas are guilt-inducing mechanisms which cripple policy—an attitude that no nation can sustain for long—or else we take flight into sweeping crusades for "human rights," which quickly brings us up short before intractable realities.

Now, there is nothing inevitable about this state of affairs. As a matter of fact, it is only since World War I—a war fought under the Wilsonian slogans of "self-determination for all nations" and "make the world safe for democracy"—that American foreign policy began to disregard the obvious for the sake of the quixotic pursuit of impossible ideals. Before World War I, intelligent men took it for granted that not all peoples, everywhere, at all times, could be expected to replicate a Western constitutional democracy. This was a point of view, incidentally, shared more or less equally by conservatives, liberals, and socialists.

It was only with World War I and its aftermath that thinking about foreign policy lost its moorings in the real world and became utterly ideologized. For socialists, this transition was accomplished by the transformation of liberal-democratic socialism into totalitarian communism, a form of government that, while relying on sophisticated modes of coercion, is yet so primitive in its political substance—so tribal, one might say—that it is in truth a possibility for all nations, at all times. It is a possibility, of course, purchased at the cost of the liberal, the democratic, and the socialist ideals themselves, but the prospect of immediate power has persuaded socialists throughout the world that this is a profitable trade-off.

For Americans, the transition occurred via the utopian enthusiasm of Woodrow Wilson, preaching "self-determination," "human rights," "one man, one vote," "a world without war" as if these were in fact unproblematic possibilities. The consequence has been a foreign policy that is intellectually disarmed before all those cases where a government is neither totalitarian nor democratic, but authoritarian in one way or another, to one degree or another. We could, if we were sensible, calmly accept this basic reality of world politics, while using our influence to edge unenlightened despotisms toward more enlightened behavior, or enlightened despotisms toward more liberal and humane behavior. Instead, we end up in either an unstable, guilt-ridden and seemingly "immoral" alliance with them or displaying a haughty censoriousness that helps "destabilize" them.

MANDATE OF HEAVEN

Such instability and such diplomatic "destabilization" offers the totalitarian opponents of these authoritarian regimes wonderful opportunities, which they are quick to take advantage of. And, as our illusions, along with our waverings of purpose, breed defeat after defeat, we come to believe that it is, after all, totalitarianism that today has the Mandate of Heaven, or at least the Mandate of History. We come to believe—what is fast becoming an article of liberal faith—that totalitarianism, which effectively represses dissent, is actually a more legitimate form of government than the older types of authoritarianism, which repress dissent less effectively, and that is positively immoral to support the latter as against the former. Note with what good conscience we embraced Mao's China as an ally, while uneasily chastising the government of Taiwan for violations of political liberties.

The abstract slogans of the Cold War, which President Carter and others are in the process of refurbishing, are an improvement over the abstract slogans of "detente" and "swords into ploughshares," since they at least take account of the totalitarian reality. But this will not help our situation all that much. For it is not a question of our mouthing the wrong abstract slogans but of trying to base a foreign policy on abstract slogans in the first place. The world is heterogeneous and complex—and until we learn to cope with this complexity, and rid ourselves of a guilt complex engendered by our refusal to confront this very complexity, we shall never have a foreign policy worthy of the name.●

ADMINISTRATION WAFFLES ON DRAFT PLAN AGAIN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mrs. SCHROEDER. Mr. Speaker, those Members of the House who have been pressured by the White House to line up in support of the administration's draft registration plan would do well to remember that the President opposed draft registration last fall, reversed field in his state of the Union address, and now—

[From the Washington Post, Mar. 2, 1980]

If Carter Only Made Things "Perfectly Clear"

(By Edward Walsh)

Question for the American people: Which of the following best describes current U.S. policy toward the Soviet Union?

A. The Soviet invasion of Afghanistan poses the greatest threat to world peace since World War II and has been a brutal exercise in aggression and the attempted subjugation of a small, neighboring country. The United States not only condemns the Soviet action, but intends to punish the Russians for their aggression and will repel further Soviet moves in the Persian Gulf region by whatever means necessary, including military force.

B. The United States has no desire to return to the Cold War, let alone a real war, and recognizes that its relationship with the Soviets has cooperative as well as competitive aspects. In particular, the United States remains committed to arms control negotiations and sees the strategic arms limitation treaty as in the best interests of both countries.

The correct answer, judging by the words of the man charged with articulating American foreign policy, is both. In the two months since Soviet troops stormed into Afghanistan, President Carter, in various forums and ways, has said all of the above.

Moreover, the president and his advisers argue that there is nothing inconsistent in these positions. Soviet-American relations have always been subtle and complex, and even when he was using his harshest rhetoric to condemn the Soviet invasion of Afghanistan, Carter never said he was ready to go to war with the Russians.

The only trouble is that, if you weren't listening carefully or are not tuned in to the fine points of foreign policy making, you may not have fully understood that.

From the beginning of the Carter administration, the president has been accused of giving out seemingly contradictory signals, much to the confusion of the American people and U.S. allies. White House aides, naturally, take great exception to this assertion, noting that there are usually many sides to all of the issues Carter must deal with and speak about.

But it is a president's job to articulate a view of the world and a direction for the country in as clear and understandable a fashion as possible. It is a part of the job Jimmy Carter has never proved to be very adept at, and it has cost him.

The record of the administration is littered with examples.

One of the first things Carter did as president was to declare "the moral equivalent of war" on the nation's energy problems. He stressed the necessity for sacrifice by all segments of American society and said there was no alternative if the nation was to avert "an impending catastrophe."

But within a matter of days, the talk of sacrifice was forgotten amid a flood of optimistic projections on how the energy program could be a boon to the average consumer. Within a matter of months, the energy proposals were hopelessly bogged down in Congress and the president had little to say about it.

Three years later, this tendency seems not to have changed.

"Let our position be absolutely clear," Carter said in his State of the Union address to Congress Jan. 23. "Any attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America. And such an assault will be repelled by any means necessary, including military force."

This was called by some the "Carter doctrine," and it seemed perfectly clear. It was a unilateral declaration of U.S. policy, without reference to other nations, and was backed up with an explicit threat to use American military force to make it stick.

But a week after he made this declaration, the president was asked in an interview whether the U.S. has the military power to support such a doctrine.

"Obviously, we don't intend, and never have claimed to have the ability unilaterally to defeat any threat to that region with ease," he answered. "What we called for was an analysis by all of those nations who are there who might be threatened . . . But I don't think it would be accurate for me to claim that at this time, or in the future, we expect to have enough military strength and enough military presence there to defend the region unilaterally. absent the kind of cooperation that I have described to you."

In the same State of the Union address to Congress, Carter said, "I have determined that the Selective Service System must now be revitalized." He called for the resumption of registration for the draft, said he "hoped" that military conscription would not become necessary but added that "we must be prepared for that possibility."

But in the weeks since that speech, as criticism of the registration proposal has mounted, the president has shifted his emphasis. Gone from most of his public pronouncements are references to the need for preparedness, and in their place are repeated assertions that "I see no need at this time to move toward an actual draft."

In the meantime, the registration proposal continues to sink into deeper trouble in Congress while its principal advocate continues to stress that it will probably never have to be used anyway. [Italics supplied.]

Now the administration appears headed for what could be an even more confusing set of foreign policy signals.

In a speech to the American Legion Feb. 19, Carter publicly resurfaced the question of the SALT II treaty, which was withdrawn from Senate consideration after the Soviet invasion of Afghanistan. The president reaffirmed his support for the treaty, and a few days later Secretary of State Cyrus R. Vance confirmed reports that the administration was exploring the possibility of resuming the effort for Senate approval of the accord in late spring or early summer.

This raises the possibility that, come summer, the Carter administration will be pushing for approval of an arms control treaty with the Soviets at the same time it is leading a worldwide effort to boycott the Summer Olympic Games in Moscow.

To the makers of foreign policy, this makes perfect sense. The Olympic boycott is a punitive measure, meant as a slap at the Soviets for the Afghan invasion. The SALT treaty was withdrawn from Senate consideration not as punishment, but because approval of the accord was impossible in the post-invasion atmosphere. The treaty was never seen as a favor to the Soviets, but as a measure that is important to U.S. security.

But it is one thing to make such distinctions—and another to explain to the public why the summer versions of Eric Heiden and the American hockey heroes should be denied their dreams of Olympic competition while it is perfectly fine for the United States to sign a treaty with an aggressor nation. Certainly, nothing in Carter's record suggests an ability to make that case in a clear and persuasive manner.

As a candidate four years ago, Carter demonstrated a wondrous capacity for fuzziness. He could, when the situation called for it, seem to be on several sides of an issue at the same time. That ability served him well as a political candidate. It is far less an asset when he is speaking for the nation.

The issues a president faces are many sided, and his powers far more limited than generally assumed. But one of the great powers a president retains is a national platform from which to explain and persuade, what Theodore Roosevelt called the "bully pulpit."

Jimmy Carter came to office determined to use that pulpit to achieve his objectives. Three years later, with Congress picking over yet another set of energy proposals, he still has not mastered that art form.●

THE M-X MISSILE: CAN IT WORK?

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1980

● Mr. DRINAN. Mr. Speaker, an excellent article on the M-X missile by Herbert Scoville, Jr., president of the Arms Control Association and past Assistant Director of the Arms Control and Disarmament Agency, appears in the February 20, 1980, issue of the New York Review. In it, he describes the consequences of its deployment in the context of mutual United States-Soviet nuclear deterrence. Scoville comes to a number of significant conclusions based on a serious and thorough look at the impact of the development of the missile system.

First, construction of the M-X would be the largest construction project in the history of our Nation—larger than the Panama Canal or the Alaskan pipeline. The cost of the entire system with 200 missiles is officially estimated to be $33 billion, but some—including Senator HELMS—estimate that it may cost over $100 billion. Scoville argues convincingly that before the M-X missile would be completed, it will have already become outdated because of the probable Soviet development of maneuverable missile reentry vehicles (MARV), a missile that can change its course as it approaches its target—the M-X—to compensate for changes in the location of the M-X as it moves around on its racetrack. Without a SALT II Treaty to limit the number of Soviet warheads aimed at U.S. land-based missiles, the Soviet Union can be expected to dramatically increase the production of its own missiles to target warheads at all possible locations of the M-X.

In fiscal year 1980, the Congress appropriated $670 million for research and development, with another $57 million for construction. The President has requested a whopping $1.551 billion in the coming fiscal year for research and development with approximately $17 million for construction, for a total of nearly $1.6 billion.

Before we continue with the production of the M-X missile system on this scale, I urge my colleagues to seriously reexamine the merits of embarking on this program. It is foolhardly for us to proceed when experts have not adequately answered fundamental questions such as "Will the system work?" The article follows:

[From the New York Review, Feb. 20, 1980]

AMERICA'S GREATEST CONSTRUCTION—CAN IT WORK?

(By Herbert Scoville, Jr.)

Although the SALT II Treaty is now in limbo and may never be resurrected in its present form, a furious debate is still continuing over the MX missile, the latest brainchild of the Pentagon planners and scientists. This will be the most expensive weapon ever produced—some estimates run as high as $100 billion to deploy 200 missiles. Building its "race track" bases will involve the largest construction project in U.S. history. Because the MX threatens a first strike at the heart of the Soviet strategic forces—its land-based ICBMs—it could increase risks of a nuclear Armageddon. Because it could lead the Soviet Union to build strategic missile systems that we cannot verify, it could also undercut all future attempts to control strategic weapons, and could result in the U.S. and the Soviet Union running blindfolded in an endless nuclear arms race.

WHAT IS IT?

The MX missile that President Carter approved for full-scale development is the largest of all designs that were being considered for a new land-based intercontinental ballistic missile (ICBM). (Figure 1 compares it with the Minuteman III ICBM.) The MX will weigh 190,000 pounds and will initially be capable of launching to the Soviet Union ten of the new models of the Minuteman III nuclear warhead, each with an explosive force, or "yield," of about 350 kilotons. An even higher yield will be substituted in the 1980s. The missile will have a range of 6,000 nautical miles and a new guidance system which will give it an accuracy significantly better than that of the advanced Minuteman III. As currently proposed the full MX deployment will comprise 200 missiles with 2,000 warheads, powerful and accurate enough to threaten the entire Soviet ICBM force of 1,400 missiles.

Carter has also approved the so-called "race track" scheme to provide bases for these missiles. Each of the 200 missiles will be assigned to its own road loop with twenty-three blast-resistant shelters. These twenty-three shelters will be separated by a minimum of 7,000 feet in order to ensure that a single Soviet warhead cannot destroy more than one shelter. (See Figure 2.) Thus, unless the Soviets have a way of knowing which shelter in a "race track" holds the single missile, they would have to destroy all twenty-three hardened shelters in order to be sure of disabling the missile. Success depends on fooling the Russians in a multibillion-dollar shell game. Depending on local terrain the "race tracks" will be deployed in Nevada and Utah in clusters of about four with a single external assembly area. (See Figure 3 for a typical deployment area.)

After having been assembled outside the "race track" the missile will be placed horizontally on a transporter-erector-launcher (TEL) 180 feet long and weighing 670,000 pounds, and then moved into its "race track" by a special railroad. In order to show the Russians that only one missile is in each "race track," a barrier will be placed across the railroad after the missile and TEL are inside. This is supposed to prevent additional missiles from being moved secretly onto the track in violation of a SALT ceiling—should we ever again agree to such a ceiling. Final assembly and maintenance of the missile will be conducted within this barrier.

The TEL with the missile aboard will be covered with a 210-foot shield weighing 140,000 pounds to conceal the missile from external observation as it moves along the road loop from one shelter to another. Thus the total weight of the TEL, missile, and shield, which must be transported around the "race track," will be more than one million pounds. The missile and TEL will be dropped off in one of the shelters, but the shield will slowly lumber on to all twenty-three shelters so that the Soviets cannot know which shelter houses the actual missile. To make the deception more effective, it may at a later time be necessary to substitute a concrete dummy under the shield to simulate the weight of the missile and TEL. But each shelter will have four portholes in the roof which can be opened from time to time to permit a Soviet observation satellite to see that only a single shelter in a "race track" contains a missile and that all others are empty.

The transporter and the missile without the shield will be designed to move unmanned and by remote control along the road at a speed of thirty miles an hour, so that even after warning that the Soviets have launched an attack, a missile could, in theory, be moved to any one of the twenty-three shelters in the twenty minutes before the Soviet warhead arrives. It will be possible to fire a missile from the TEL while on the open "race track" as well as directly from the shelters.

Each "race track" will be approximately fifteen miles long and cover an area greater than thirty square miles. Thus 200 MX "race tracks" will cover an area of at least 6,000 square miles; considerable additional land will be needed for other facilities, exterior roads, and rail lines. Construction camp areas will also be required. According to the Environmental Impact Statement more than 20,000 square miles may be involved for this system. Security fencing will only be provided for an area of about 2½ acres around each shelter so the Defense Department claims that only about twenty-five square miles of the entire complex will be denied to public use. However, this would appear somewhat disingenuous since the remainder of the area will be covered with roads capable of handling or moving a TEL vehicle weighing a million pounds—hardly ideal campgrounds. Even if it is not fenced, the entire area will need some type of security to prevent sabotage.

The construction necessary for this system will be stupendous and will dwarf any other in the sparsely inhabited states of Utah and Nevada. Some 10,000 miles of heavy duty roadway will be required, and perhaps 5,000 additional miles of road. This is more than one third the length of the total Federal Interstate Highway System which has been built since the 1950s. The MX will thus require the biggest construction project in the nation's history, bigger than the Panama Canal and much bigger than the Alaskan pipeline. Recent studies show that some 172 billion gallons of water will be required for construction and twenty years of operation of the system in a region where water is precious. (Indeed the four senators from Nevada and Utah have recently urged President Carter to seek alternatives to the MX "race track" basing scheme.)

The cost of the entire system with two hundred MX missiles is now officially estimated to be $33 billion, but we can be sure this estimate is low. Only very preliminary work has been done on the detailed design of these systems. The history of other military programs suggests the costs will be at least twice as large. Senator Helms, an eager supporter of most military appropriations, has estimated them at over $100 billion.

THE DECISIONS

The MX program shows how erratic the Carter administration has been in its nuclear security policies. In 1977 and 1978 Carter's officials expressed skepticism about the MX, but as SALT began to run into political trouble, the MX program was increasingly viewed as a "bargaining chip" to appease senators who opposed the treaty. Then on June 8, 1979, and only eleven days before Carter signed the SALT II Treaty in Vienna, his administration announced the decision to develop the MX missile. Although the White House vigorously denied it, there seems no doubt that their decision was made to reduce opposition in the Senate to the SALT II Treaty. But even if the treaty had been promptly ratified, the decision to build the MX would have done much to make SALT unworkable.

How was the MX justified? The administration argued that without the MX our current Minuteman ICBMs would become vulnerable to a Soviet attack in the 1980s. Yet Carter's decision of June 1979 did not deal with the method of basing the MX—which is what determines vulnerability—only with the characteristics of the MX missile itself. The administration, moreover, chose a 190,000-pound missile, the largest of all the proposed new MX designs, and the one that makes invulnerability *more* difficult to achieve, since the larger the missile the more difficult and expensive it would be to make it mobile and to build a number of hardened launch points from which it could be fired.

The only rationale for so huge a missile would be to carry more warheads with greater explosive power. Along with the higher accuracy of the new missiles, this will give the United States for the first time the power to threaten all of the Soviet Union's landbased ICBMs. Since ICBMs comprise more than 70 percent of the entire Soviet strategic force, the US will be viewed by the Soviet Union as seeking the power to make a first strike on the Soviet deterrent. Administration spokesmen deny that this is our intention. They claim that there are other blast-resistant targets in the USSR besides ICBM silos—such as command posts or nuclear weapon storage sites—that would require MX warheads. However the small number of such targets would not require us to build 2,000 MX warheads. They could be adequately dealt with by our existing Minuteman III missiles with their new guidance system and their new warheads of higher explosive power. The conclusion is inescapable that the military wants the MX in order to threaten Soviet ICBMs.

Carter's National Security Adviser Zbigniew Brzezinski argues that the improved strategic power of the MX will "reduce Soviet incentives to initiate an attack against our forces by giving us the ability to respond in kind." This argument makes no sense at all. First, the knowledge that U.S. missiles could destroy their silos would increase, not decrease, Soviet incentives to make a preemptive attack in the first stage of any conflict. Next, a silo-busting force is of value only for a "first strike" since an attack in response would only hit empty silos. The Soviets would have launched some of their missiles from their silos in their first strike, and they would fire any remaining missiles when their radars detected that the U.S. was launching its retaliatory strike. Why should they leave their ICBMs in their silos to be destroyed after a large-scale nuclear war has broken out?

Defending the MX decision, Brzezinski claimed that "proceeding with this new system should improve Soviet incentives in SALT III by demonstrating our determination to maintain essential equivalence." One might have hoped that after the sad experience of Nixon and Kissinger in buying weapons as negotiating bargaining chips, the Carter administration would not fall into the same trap. In the early 1970s the U.S. refused in the SALT I negotiations to limit MIRVed missiles—missiles that can launch multiple warheads at separate targets. Instead it deployed MIRVed missiles for several years before the Soviets had even tested their first model. This deployment, it was argued, would pressure the Soviets into favorable negotiations in SALT II.

But of course the opposite happened. Inevitably, the Soviets followed in our footsteps with a MIRV program of their own. In 1973, a year after SALT I was signed and five years behind the United States, the Soviets tested their first MIRVs and in 1975 began deploying them on their ICBMs. Because their missiles were larger than our Minutemen, they could put more warheads on them, with higher yields, and thus would have a potential advantage over the U.S. For example their heavy SS-18 missile has been tested with ten warheads, and intelligence experts say it could carry thirty. The lighter SS-19 has been tested with six but could carry twelve. With their currently tested numbers of warheads, the SS-18 and SS-19 would in theory be able to knock out our Minuteman force. With the increased numbers of warheads that they can be designed to carry, the MX "race tracks" themselves would be threatened.

Although Secretary Kissinger opposed including MIRV limits in SALT I, he later admitted that he wished he had understood the MIRV problem better. Now he and the Carter administration profess to be alarmed and Carter is prepared to spend well over $30 billion to make our ICBMs invulnerable—mainly because we did not halt the MIRV race before it got out of hand.

The Carter administration did not choose the "race track" basing system—the key element in reducing vulnerability—until September 7, 1979. A year earlier the Defense Department favored a quite different scheme: each missile would be moved in a vertical position in its launch canister from one empty blast-resistant silo to another on a random basis. Thus if the deception were good enough, the Soviets would never know which silo held the missile—the old shell game. More careful analyses however demonstrated that this approach was literally full of holes. It was probably not verifiable by the USSR and probably contravened the SALT Treaty limiting the number of launchers. In the past years a number of other schemes have been circulated and found wanting. Although the "race track" scheme is now said to have been firmly decided on, the more this plan is scrutinized, the more likely it is that it too may be superseded by some other scheme.

THE CONSEQUENCES

The White House has been caught in contradictions over the MX decision. On the one hand the administration has, until the recent Afghanistan crisis, wanted to present the ratified SALT II Treaty as its major accomplishment in foreign policy. Yet Carter also wanted to appease the "hardline" critics of SALT II and to counter potential Republican presidential candidates by showing how tough he was toward the Soviet Union. Concerned about arguments emphasizing the power of the huge Soviet ICBMs and their alleged threat to our smaller Minuteman ICBMs, the administration sought to match this Soviet capacity even as it claimed that large ICBMs are of no military significance. The attempts to buy off opposition to SALT by premature commitments to the MX had little success. Neither the June nor the September decisions to develop the MX quieted SALT's critics.

The "hardliners" are never satisfied. Next Carter agreed to a rise of 3 percent in the defense budget as part of the price of the SALT treaty. Now his new defense budget is 5.4 percent higher this year even after allowing for inflation. The Afghanistan crisis will drive it even higher.

In September SALT opponents used such excuses as the presence of 3,000 Soviet combat troops in Cuba to delay a vote on the treaty. Next the crisis in Iran put off the Senate floor debate into 1980, and recently, on January 3, President Carter has asked Senator Byrd to delay Senate consideration in light of the Soviet invasion of Afghanistan. Although Carter once protested that SALT should not be linked to other Soviet actions, that is precisely what he has done.

SALT II will almost certainly be deferred until after the election and in its current form the treaty is probably dead. The opportunity for limiting strategic weapons has been frittered away even though President Carter still professes to believe that SALT II is in the national security interest.

THE THREAT

The primary military argument for the MX is that it will, in the 1980s, eliminate the potential vulnerability of our fixed land-based ICBMs to a Soviet attack using ICBMs of unprecedented power and accuracy. However this threat is more theoretical than real. It is one thing for the Soviet Union to have a missile warhead able to knock out a single blast-resistant silo. It is quite another to be confident of destroying 1,000 U.S. silos with 1,000-2,000 warheads in a near simultaneous attack at a time specified well in advance. The opportunities for failure are enormous, particularly since additional warheads cannot be fired at the same target to compensate for warheads that don't reach their target. The explosion from the first salvo, even if inaccurate, would destroy the others. Furthermore, even were such an attack completely successful, the U.S. would still be in a position to destroy most Soviet military targets, its industry, and its society with its thousands of submarine- and air-craft-launched missile warheads.

In his Annual Report for Fiscal 1979 of February 2, 1978, Secretary of Defense Harold Brown cogently explained why the vulnerability of the Minutemen ". . . would not be synonymous with the vulnerability of the United States, or even of the strategic deterrent." He wrote:

> In recognizing that the Minute-Man vulnerability problem is a serious concern for us, we also realize that the Soviets would face great uncertainties in assessing whether they would have the capability we fear—and still greater uncertainties as to its military or political utility.
>
> On all the technical judgments—how accurate the missiles are, how reliable, how well the system would work in actual practice, whether they could explode two reentry vehicles on each silo without excessive fratricide, or only one—we, quite properly, are conservative, from our point of view.
>
> Similarly, the Soviets must make cautious assumptions from their perspective. In particular, they must recognize the formidable task of actually executing (as planned) a highly complex massive attack in a single cosmic throw of the dice.
>
> Even if such an attack worked exactly as predicted, the Soviets would face great risks and uncertainties.
>
> First, they would necessarily have to consider whether the U.S. missiles would still be in their silos when the attack arrived, or whether, given our capability to have unambiguous confirmation of a massive attack, we would launch from under the attack.
>
> Second, and more important, an attack intended to destroy U.S. silos could kill at least several million Americans and would leave untouched at least the alert bombers and at-sea SSBNs with thousands of warheads. The Soviets might—and should—fear that, in response, we would retaliate with a massive attack on Soviet cities and industry. The alleged "irrationality" of such a response from a detached perspective would be no consolation in retrospect and would not necessarily be in advance an absolute guarantee that we would not so respond.
>
> In any event, any Soviet planner considering U.S. options would know that, besides massive retaliation, the surviving U.S. forces would also be capable of a broad variety of controlled responses aimed at military and civilian targets and proportioned to the scale and significance of the provocation.

Thus the administration's principal spokesman argued that the Soviet threat to our current ICBMs was open to grave doubt. Although the Soviet forces will be greater in the 1980s than when he made that statement, its logic will be equally applicable then.

U.S. strategy still depends on a "triad" of submarine missiles, intercontinental bombers, and land-based missiles. Carter, by emphasizing the invulnerability and mobility of the Trident submarines, could have made a powerful argument that the U.S. would remain secure even if one leg became potentially vulnerable. However, now that our land-based missiles—and only our land-based missiles—are becoming theoretically vulnerable because we failed to limit MIRVs in SALT I, Carter has allowed his administration to be stampeded into building a premature, expensive Rube Goldberg system that in the long run will not work.

THE BASING SYSTEM

If the MX system were to be installed by the early 1980s, one might argue that—in view of the Soviet forces estimated for those years—it could protect the land-based missiles on its "race track" loops. But the entire MX system will not be in operation until the end of the 1980s and it would have to remain effective in the 1980s if its deployment is to be justified.

In fact, the MX will, before very long, be outmoded. Its effectiveness depends on having more launch points than the Soviets have ICBM warheads to attack it. The SALT II Treaty would have put a finite limit of approximately 6,000 on such Soviet warheads. This was probably not enough to give the Russians confidence they could destroy the 4,600 shelters on the proposed MX "race track" loops. But even if ratified, SALT II would have expired in 1985, some five years before the MX system will be fully in operation. Pity the poor U.S. Salt negotiator in the 1980s having to persuade his Soviet counterpart that the USSR must sign or extend a treaty in order to make our MX program, costing between 30 and 100 billion dollars, an effective weapons system. If SALT II is not ratified, no multiple launch point scheme has a chance of assuring invulnerability. It will be out of date before the first MX can be deployed in 1986. By that time, according to official U.S. estimates of Soviet MIRV capacity, the Russians could easily have 10,000 warheads, more than enough to hit every shelter that is planned for every MX "race track."

Furthermore, since the MX missile threatens the Soviet ICBM force, more than 70 percent of its deterrent, the Soviet Union will almost certainly make some response to it, even if this means renouncing the SALT II Treaty. Efforts to limit strategic weapons would collapse.

During the next ten years, moreover, Soviet technological advances could easily render pointless some of the key features of the "race track" scheme. An important element raising the cost of the system will be the requirement for the TEL, carrying its one missile, to move unmanned at thirty miles an hour around the "race track" from shelter to shelter as soon as word comes that the Soviets have launched a strike. In such a situation the missile will not be covered by a shield and its location will be exposed to satellite observation. Today's technology already would permit a missile to attack such a moving target. The U.S. has for several years had under development a maneuverable missile reentry vehicle (MARV), which could change its course as it approaches the target area and so could attack any point within the "race track." Such Soviet MARVs could be directed by a satellite in a very high geosynchronous orbit, 22,000 miles above the earth. The satellite could maintain continuous observation of U.S. ICBM fields and guide the reentry vehicle to the spot where the MX missile is located.

This is not Star Wars technology; the U.S. knows how to use such a satellite today and the Soviet Union could certainly do so by the 1990s. In that event the vast machinery designed to keep the MX invulnerable would be useless.

VERIFICATION

Many features of the "race track" basing scheme are designed to avoid Soviet claims that the system will violate the SALT Treaty provisions forbidding both sides to conceal weapons from the technical devices used by the other side for verification. The open road loops, external missile assembly facilities, the barriers on the rail track entering the road loop, and the portholes in the shelters—all are there to counter Soviet claims that missiles are concealed from verification. And perhaps the Soviet strategists will be satisfied that only one missile is in each "race track," confident that any significant U.S. cheating would be leaked, either through Aviation Week or other sources.

However the problem for the U.S. is not Soviet verification of U.S. missiles but U.S. verification of Soviet missiles. The USSR will be under strong pressure to make its own ICBMs less vulnerable since the MX missile is designed specifically to threaten the ICBM part of the Soviet deterrent. The Soviet leaders may also turn to a "multiple launch point" system although it may be impossible for their scheme to meet U.S. standards for verification.

All currently deployed Soviet ICBMs, with the exception of a few almost obsolete SS-13s, still use liquid fuel, unlike the U.S. missiles which use solid fuel. These large liquid-fueled ICBMs cannot be transported in a horizontal position with their fuel aboard. Fueling takes many hours. The Soviets might feel forced to adopt a different type of multiple launch point system in which the missile was transported from one silo to another in a vertical position and then fueled in place. This was an idea earlier considered by the U.S. and discarded because it could not be made verifiable and because it might contravene the SALT ceilings on the number of launchers. The Soviets if they decide they have to take some action to reduce the vulnerability of the ICBM to the new MX missile, may risk building a system in which numbers are unverifiable. The SALT II Treaty, even if ratified, would have expired before the Russians could begin to deploy such a system.

Unfortunately for the U.S., its MX will be vulnerable to a Russian attack unless some type of arms limitation can be counted on to continue to place an upper limit on the number of Soviet warheads. Without an agreed upper limit the U.S. "race track" scheme—or any other involving multiple launch points—will sow the seeds of MX self-destruction—and most important would destroy the entire SALT process for many years. Since there will be no reliable way of determining how many missiles either nation has, we may expect an unending arms race with both participants blindfolded.

If the SALT II Treaty is not in effect and the Soviets considerably increase the number of their warheads aimed at our silos, as they easily could do by 1985—just by putting more warheads on each missile—then the U.S. would have to increase the size of the MX basing scheme in order to match the increase in Soviet warheads. A race would take place in which the U.S. would build more hardened launch points and the Russians more warheads. Secretary Harold Brown admitted in his White House briefing on the MX on September 7, 1979, that it might cost more for the U.S. to build more shelters than for the Soviets to put more warheads on their missiles.

Instead of increasing the size of our "race track" basing scheme, we might try to supply an ABM defense for it. Lt. General Thomas Stafford, Air Force Deputy Chief of Staff for Research and Development, testified that this was a useful solution for maintaining the invulnerability of the "race track" system, since the system could be designed to defend only the occupied shelters, ignoring the unoccupied ones. However, additional ballistic missile defenses are banned by the ABM Treaty of 1972. Renegotiating that agreement would open a Pandora's box. If the Soviets were free to deploy ABMs, this could undermine confidence in the submarine missile component of our deterrent triad as well as the ICBM one. Thus President Carter's decision to proceed with the MX "race track" may in the long run not only prevent meaningful limitations on offensive strategic weapons but also destroy the ABM Treaty as well.

A promising alternative to the land-based MX and its many dangers has recently been proposed:[1] this would consist of cheap mini-submarines carrying two missiles and deployed from one to three hundred miles from the American coast. Since the location of the submarines would be unknown to the Soviets, the missiles on them could not be attacked. There would thus be no incentive for a race in which the U.S. would build more and more launchers and the Soviets would add more and more warheads. The submarines would be deployed outside U.S. territory, thus reducing destruction in the event of war. The Soviets could verify the numbers of both submarines and missiles by the same satellite observations and other means now used for deep ocean submarines such as the Polaris.

The system, moreover, could be so designed that it would not threaten the Soviet Union's own deterrent missiles and would not therefore upset the strategic balance. Such submarines, unlike ocean-going submarines, could be in direct communication with command authorities. They could carry two MX missiles, but the smaller Trident I missile would be available earlier, and would be less expensive and less threatening. As each new submarine came into operation, it would add to the ability of the U.S. deterrent forces to survive attack. With any multiple launch point land-based system, no gain will result until the number of launch points approaches the number of Soviet warheads. And relying on mini-submarines for deterrence would obviously avoid all the threats to American land and environmental resources that are posed by the vast construction required for the MX multiple launch point basing system.

That MX system can only lead to vast, uncontrolled arms competition that will undermine the security of the U.S. and increase the dangers of nuclear conflict. Perhaps the greatest test facing Carter now is whether he has the political courage to confront the facts and implications of this monstrous project and bring it to a halt.●

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[1] See for example "SUM" by Sidney Drell, in *Arms Control Today*, Sept. 1979.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

MEETINGS SCHEDULED

MARCH 5

8:00 a.m.

Armed Services
Research and Development Subcommittee
To hold closed hearings on S. 2294, authorizing funds for fiscal year 1981 for research and development programs administered by the Department of Defense.
224 Dirksen Building

Judiciary
Criminal Justice Subcommittee
To hold hearings on S. 1717, to provide procedural safeguards in relation to the interception of wire and oral communications for law enforcement.
2228 Dirksen Building

9:30 a.m.

Environment and Public Works
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

Labor and Human Resources
*Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings on S. 1129, 2021, 2218, and 2286, bills to provide career employment opportunities for disadvantaged youth; and S. 1312, proposed Work and Training Opportunities Act.
4232 Dirksen Building

Select on Small Business
To resume oversight hearings to review the capital formation recommendations of the White House Conference on Small Business.
424 Russell Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
324 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Surface Mining Reclamation and Enforcement.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Labor-Management Services Administration, Pension Benefit Guaranty Corporation, Occupational Safety and Health Administration, and the Mine Safety and Health Administration.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Trade Representative, and the Federal Trade Commission.
S-146, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution of the fiscal year 1981 Congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2248, authorizing funds for fiscal year 1981 for the U.S. Travel Service.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15; and other pending calendar business.
3110 Dirksen Building

Foreign Relations
To hold closed hearings on proposed arms sales to the Middle East.
S-116, Capitol

Foreign Relations
To hold hearings on the military situation in Southwest Asia and the Persian Gulf area.
4221 Dirksen Building

Select on Intelligence
To resume hearings on S. 2284, proposed legislative charter governing the intelligence activities of the U.S.
457 Russell Building

1:00 p.m.

Appropriations
Military Construction Subcommittee
To continue joint hearings with the Armed Services' Subcommittee on Military Construction and Stockpiles on proposed budget estimates for fiscal year 1981 for military construction programs administered by the Department of Defense; and on the substance of S. 2333, authorizing funds for fiscal year 1981 for activities thereof.
1224 Dirksen Building

Armed Services
Military Construction and Stockpiles Subcommittee
To continue joint hearings with the Appropriations' Subcommittee on Military Construction on S. 2333, authorizing funds for fiscal year 1981 for military construction programs administered by the Department of Defense.
1224 Dirksen Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Employment Standards Administration, Bureau of Labor Statistics, and President's Committee on Employment of Handicapped.

1114 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1981 congressional budget.

6202 Dirksen Building

Judiciary

Antitrust, Monopoly, and Business Rights Subcommittee

To hold joint hearings with the Select Committee on Small Business on S. 2251, to prohibit restrictions on the use of credit instruments in the purchase of gasohol.

2228 Dirksen Building

Small Business

To hold joint hearings with the Judiciary Subcommittee on Antitrust, Monopoly, and Business Rights on the substance on S. 2251, to prohibit restrictions on the use of credit instruments in the purchase of gasohol.

2228 Dirksen Building

Select on Intelligence

Budget Authorizations Subcommittee

To resume closed hearings on proposed budget estimates for intelligence activities of the U.S.

S-407, Capitol

MARCH 6

9:00 a.m.

Agriculture, Nutrition, and Forestry

To resume hearings on S. 2199, 2258, 2264, 2277, and 2315, bills to alleviate the economic impact of the Soviet grain embargo on American farmers.

324 Russell Building

Armed Services

General Procurement Subcommittee

To resume open and closed hearings on S. 2294, authorizing funds for fiscal year 1981 for the DOD, focusing on the U.S. Army's procurement programs, with the exception of air defense.

212 Russell Building

Finance

*Revenue Sharing, Intergovernment Revenue Impact, and Economic Problems Subcommittee

To hold hearings on proposed general revenue sharing extension.

2221 Dirksen Building

9:30 a.m.

Banking, Housing, and Urban Affairs

*Housing and Urban Affairs Subcommittee

To hold hearings on proposed legislation authorizing funds through fiscal year 1985 for the urban mass transportation program.

5302 Dirksen Building

Commerce, Science, and Transportation

Business meeting, to mark up S. 2245, to streamline regulations of the motor carrier industry by reducing procedural barriers for entering the industry providing greater freedom to set rates in response to market demands, providing greater opportunities for carriers to earn adequate profits, and providing more choices for shippers in obtaining transportation services, and pending calendar business.

235 Russell Building

Environment and Public Works

Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

4200 Dirksen Building

*Labor and Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To continue hearings on S. 1129, 2021, 2218, and 2286, bills to provide career employment opportunities for disadvantaged youth; and S. 1312, proposed Work and Training Opportunities Act.

4232 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain international security assistance programs of the Department of State.

1114 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Credit Union Administration and Neighborhood Reinvestment Corporation.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Humanities, and the Navaho and Hopi Indian Relocation Commission.

1223 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1981 Congressional budget.

6202 Dirksen Building

Energy and Natural Resources

Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15; and other pending calendar business.

3110 Dirksen Building

Select on Indian Affairs

To hold hearings on S. 1507, to provide for the purchase of certain facilities, lands, and water rights in and around the San Luis Rey River, San Diego, Calif., to be held in trust for, and operated and maintained by certain bands of Mission Indians.

5110 Dirksen Building

10:30 a.m.

Armed Services

Manpower and Personnel Subcommittee

To hold hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement of the DOD, focusing on land, air and naval force structure programs.

1124 Dirksen Building

Judiciary

Administrative Practice and Procedure Subcommittee

Business meeting to consider the proposed Public Participation Expense Act of 1979.

424 Russell Building

2:00 p.m.

Armed Services

To meet in closed session, to receive a briefing on the general worldwide security situation.

S-407, Capitol

Environment and Public Works

Environmental Pollution and Resource Protection Subcommittees

To resume joint markup on S. 1480, to provide for the adequate and safe treatment of hazardous substances released into the environment.

4200 Dirksen Building

Foreign Relations

To resume hearings on conventional arms transfer policy.

4200 Dirksen Building

MARCH 7

8:30 a.m.

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold hearings on S. 2045, proposed Judicial Conference and Councils in the Sunshine Act.

6226 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the revenue sharing and the New York City funding programs administered by the Department of the Treasury.

1318 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Health and Human Services.

S-128, Capitol

Environment and Public Works

Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

4200 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To hold hearings on title II, education related programs of the proposed Youth Act of 1980.

4232 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment figures for February.

318 Russell Building

MARCH 10

10:00 a.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To resume hearings on S. 2352, extending the authority of the Council on Wage and Price Stability through fiscal year 1981, and authorizing funds for fiscal years 1980 and 1981 for activities thereof; to be followed by oversight hearings in conjunction with the aforementioned bill on the Administration's anti-inflation programs, and on recent proposals for mandatory wage and price controls.

5302 Dirksen Building

*Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2144, proposed Health Professions Educational Assistance and Nurse Training Act.
4232 Dirksen Building

1:00 p.m.
Banking, Housing and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for general administration and legal activities of the Department of Justice.
S-146, Capitol

MARCH 11

8:30 a.m.
Energy and Natural Resources
To resume closed hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
S-407, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold oversight hearings on the role of research and extension in encouraging alternative energy technology which will impact on the agricultural communities.
324 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Selective Service System (Registration).
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs administered by the Secretary of Energy.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Bureau of Investigation, Department of Justice.
S-146, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1981 Congressional budget.
6202 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
Business meeting, to resume markup on S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To hold hearings on S. 1699, proposed Energy Impact Assistance Act.
3302 Dirksen Building

Labor and Human Resources
Business meeting, to mark up S. 1076, to improve the regulation of multiemployer pension insurance plans, and to provide sufficient funds to pay benefits.
4232 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Immigration and Naturalization Service, Department of Justice.
S-146, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1981 Congressional Budget.
6202 Dirksen Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings to review wilderness and rangeland management programs administered by the Bureau of Land Management.
3110 Dirksen Building

MARCH 12

8:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on S. 2249, to increase the minimum level of price support on quota peanuts for the 1980 and 1981 crops.
324 Russell Building

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the National Bureau of Standards.
235 Russell Building

Labor and Human Resources
*Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 1312, proposed Work and Training Opportunities Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Indian Education, and the Institute of Museum Services.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Drug Enforcement Administration, Department of Justice
S-146, Capitol

Banking, Housing, and Urban Affairs
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1981 Congressional budget.
6202 Dirksen Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 2025 and H.R. 5926, bills to establish the Biscayne National Park in Florida; S. 2299, to add lands to Valley Forge National Historical Park in Pennsylvania; S. 1431 and S.J. Res. 119, measures to establish a Vietnam Veterans' Memorial in New Mexico and the District of Columbia, respectively; and S. 1924, to designate the Salinas National Monument in New Mexico.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
Business meeting, to continue markup on S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 1699, proposed Energy Impact Assistance Act.
3302 Dirksen Building

Labor and Human Resources
*Health and Scientific Research Subcommittee
To resume hearings on S. 2144, proposed Health Professions Educational Assistance and Nurse Training Act.
4232 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Prison System, and Office of Justice Assistance, Research and Statistics, Department of Justice.
S-146, Capitol

MARCH 13

9:00 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to establish Commissions on National Youth Service and Volunteerism.
4232 Dirksen Building

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To hold oversight hearings on the impact of payroll taxes on inflation.
5302 Dirksen Building

*Labor and Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 1129, 2021, 2218, and 2286, bills to provide career employment opportunities for disadvantaged youth.
6226 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the International Development Cooperation Agency, and certain programs of the Agency for International Development.
1114 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary, and the Office of the Solicitor.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

*Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 2123, proposed Colorado National Forest Wilderness Act.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
Business meeting, to continue markup on S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.
4200 Dirksen Building

MARCH 14

8:30 a.m.
Energy and Natural Resources
To resume closed hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
S-407, Capitol

9:00 a.m.
*Veterans' Affairs
To hold hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities.
412 Russell Building

Banking, Housing, and Urban Affairs
To resume hearings on S. 2352, extending the authority of the Council on Wage and Price Stability through fiscal year 1981, and authorizing funds for fiscal years 1980 and 1981, for activities thereof; to be followed by oversight hearings, in conjunction with the aforementioned bill, on the Administration's anti-inflation programs, and on recent proposals for mandatory wage and price controls.
5302 Dirksen Building

Labor and Human Resources
Education, Arts, and the Humanities Subcommittee
Business meeting, to resume markup of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.
4232 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agriculture Credit and Rural Electrification Subcommittee
To resume hearings on S. 1465, proposed Farm Credit Act Amendments of 1979.
324 Russell Building

Veterans' Affairs
*Business meeting, to consider those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee by March 15.
412 Russell Building

MARCH 17

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on S. 864, 1499, 1663, 1744, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2322, authorizing funds for fiscal year 1981 for certain maritime programs of the Department of Commerce.
235 Russell Building

Select on Indian Affairs
To hold hearings on S. 1181, proposed Tribal-State Company Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction of S. 1722, to codify, revise, and reform the criminal code, and an application of a magistrate's concept on Indian reservations.
457 Russell Building

MARCH 18

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development.
1114 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for alternative fuels program of the Department of Energy.
1223 Dirksen Building

*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on S. 864, 1499, 1663, 1744, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold oversight hearings on the implementation of the Outer Continental Shelf leasing program.
3110 Dirksen Building

Select on Indian Affairs
To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code, and an application of a magistrate's concept on Indian reservations.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

2:30 p.m.
Finance
Health Subcommittee
To hold hearings on S. 1968, proposed Health Incentives Reform Act.
2221 Dirksen Building

MARCH 19

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on proposed legislation authorizing funds through fiscal year 1985 for the urban mass transportation program.
5302 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Select on Indian Affairs
To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code, and an application of a magistrate's concept on Indian reservations.
457 Russell Building

10:15 a.m.

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 1652, to provide consumers with nutrition and ingredient information on food labels, and to remove the burdens on the food industry in providing such information.
4232 Dirksen Building

2:30 p.m.

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds through fiscal year 1985 for the urban mass transportation program.
5302 Dirksen Building

Finance
Health Subcommittee
To continue hearings on S. 1968, proposed Health Incentives Reform Act.
2221 Dirksen Building

MARCH 20

9:00 a.m.

Veterans' Affairs
Business meeting, to consider S. 1188, to revise the vocational rehabilitation programs administered by the Veterans' Administration.
412 Russell Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development, and for the Peace Corps.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold oversight hearings on the scope of rental, multifamily, and public housing.
5302 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume oversight hearings on the implementation of the Outer Continental Shelf leasing program.
3110 Dirksen Building

2:00 p.m.

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1318 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for the Department of Energy.
3110 Dirksen Building

MARCH 21

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency, and for the Council on Environmental Quality.
1318 Dirksen Building

MARCH 24

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the U.S. embargo of grain and technology exports to the Soviet Union.
5302 Dirksen Building

Energy and Natural Resources
To hold oversight hearings on the activities of the Department of Energy.
3110 Dirksen Building

2:00 p.m.

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Census, general administration, and economic and statistical analysis, Department of Commerce.
S-146, Capitol

MARCH 25

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development; the international narcotics control program of the Department of State; and for the Inter-American Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Development Administration, and Regional Planning Commission, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
*Parks, Recreation, and Renewable Resources Subcommittee
To receive testimony from Administration officials on the following land conveyance and other measures affecting the Forest Service and the Bureau of Land Management: S. 1506, 2261, 1923, 1972, 1985, 1997, 2209, 1910, 1715, 2307, H.R. 1762, 3928, 1967, and 920.
3110 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to resume consideration of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.
357 Russell Building

2:00 p.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Cost Accounting Standards Board, and the General Accounting Office.
S-128, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 26

9:00 a.m.

Labor and Human Resources
Child and Human Development Subcommittee
Business meeting, to mark up S. 1843 and H.R. 2977, proposed Domestic Violence Prevention and Services Act; and proposed legislation to establish Commissions on National Youth Service and Volunteerism.
4232 Dirksen Building

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Industry and Trade Administration, Minority Business Development Agency, and the U.S. Travel Service, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Oceanic and Atmospheric Administration, Department of Commerce.
S-146, Capitol

MARCH 27

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Veteran's Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from AMVETS, Paralyzed Veterans, Blinded Veterans, WWI Veterans, and Military Orders of the Purple Heart.
1202 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Smithsonian Institution.
1223 Dirksen Building

*Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Patent and Trademark Office, and science and technical research, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 1784, to improve the electric generating efficiency of joint Federal-civilian pooling practices in Alaska.
3110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Telecommunications and Information Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 28

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation, and for the Office of Science and Technology Policy.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

MARCH 31

10:00 a.m.
*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.
5302 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Chrysler loan guarantee program.
S-146, Capitol

APRIL 1

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

APRIL 2

9:30 a.m.
Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.
412 Russell Building

10:00 a.m.
*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Commission on Air Quality, the American Battle Monuments Commission, and U.S. Army cemeterial expenses.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs, and the urban development action grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

APRIL 3

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.
1224 Dirksen Building

Energy and Natural Resources
To hold hearings on the environmental effects of carbon dioxide present in the atmosphere.
3110 Dirksen Building

APRIL 15

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal inspector for Alaska pipeline, and the Energy Information Administration, of the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

*International Finance Subcommittee

To hold hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.

5302 Dirksen Building

Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Energy Regulatory Commission and for the Energy Information Administration, both of the Department of Energy.

6226 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

APRIL 16

9:30 a.m.

Veterans' Affairs

Business meeting, to consider proposed legislation on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.

412 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Gallery of Art, and the Commission of Fine Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.

5302 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 17

9:30 a.m.

*Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the development of children who benefit from adoption by facilitating their placement in adoptive homes.

457 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Forest Service, Department of Agriculture.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1114 Dirksen Building

Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Regulatory Administration, and the Office of Hearings and Appeals, both of the Department of Energy.

5110 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1318 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146 Capitol

APRIL 18

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Emergency Management Agency.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

APRIL 22

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Regulatory Administration, Department of Energy.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury, and on the U.S. Postal Service.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Appropriations

Treasury, Postal Service and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

APRIL 23

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 24

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee.

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1114 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

APRIL 29

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, U.S. Tax Court, and President's Commission on Pension Policy.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

APRIL 30

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Elections Commission, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped, and the Administrative Conference of the U.S.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 1

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.
1114 Dirksen Building

*Labor and Human Resources
Child and Human Development Subcommittee
To hold hearings on issues Congress might consider which would affect youth in the coming decade.
6226 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

MAY 6

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.
1224 Dirksen Building

MAY 13

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.
1224 Dirksen Building

MAY 14

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

MAY 29

9:30 a.m.
*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

CANCELLATIONS

MARCH 13

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 18

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee

To continue hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.

5302 Dirksen Building

MARCH 19

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed legislation *authorizing* funds for fiscal year 1981 for programs under the National Climate Program Act.

235 Russell Building

MARCH 21

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.

235 Russell Building

MARCH 25

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MARCH 27

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for the Department of Transportation.

1224 Dirksen Building

11:30 a.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 4, 1980*

The House met at 12 o'clock noon.

Dr. Carroll Hubbard, Sr., Southern Baptist Theological Seminary, Louisville, Ky., offered the following prayer:

God of grace and God of glory, we are grateful for unmeasured blessing upon us individually and upon our country.

Amid chaos and confusion, may we fix our minds upon Thee. When it is so easy to talk, help us to develop the art of listening, that in quietness and confidence we may find strength.

Grant to men and women in this historic Chamber clarity of thought, nobility of vision, singleness of purpose, and resoluteness of will to follow the right as it is given them to know right.

Continue, O Lord, to show favor to America that she may be a light to mankind. Write upon our memories the words of an ancient poet, "*Blessed is the nation whose God is the Lord, the people whom He has chose as His heritage!*"—Psalms 33: 12.

Give us compassion for oppressed and suffering people everywhere.

We pray in the Redeemer's name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on February 28, 1980, the President approved and signed joint resolutions of the House of the following titles:

H.J. Res. 469. Joint resolution designating February 19, 1980, as "Iwo Jima Commemoration Day"; and

H.J. Res. 477. Joint resolution to authorize and request the President to issue a proclamation honoring the memory of Walt Disney on the 25th anniversary of his contribution to the American dream.

A MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3398) entitled "An act to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1725. An act to amend the Economic Opportunity Act of 1964 to establish a comprehensive energy conservation services program designed to enable low-income and near-poor individuals and families to participate in energy assistance programs; and

S. 2269. An act to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes.

DR. CARROLL HUBBARD, SR.

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, it is my distinct honor and privilege to have here with me today my father, Dr. Carroll Hubbard, Sr., who teaches at Boyce Bible School, Southern Baptist Theological Seminary, Louisville, Ky., and who gave the invocation for us and serves as guest chaplain today.

Being Members of Congress, almost all of us are somewhat limited when it comes to visiting with our families since most of us move away from our home areas to Washington, remaining here a great part of the year. For this reason, today is a special occasion for my family and me. My wife Joyce and our daughters Kelly and Krista are enjoying our opportunity to visit with my father. I welcome him today and thank him for this special occasion of togetherness during his stay.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. HUBBARD. I yield to my colleague, the gentleman from Kentucky.

Mr. MAZZOLI. I thank my friend and colleague from Kentucky for yielding to allow me to join with him in welcoming to our Chamber his distinguished father, Reverend Hubbard. It was my pleasure to have met his dad when we were first serving in the Kentucky State Senate in 1967. He happens to be a distinguished member of my constituency, and for that I am very much honored.

I would like to extend to the gentleman's father and to his family, who join us today, all best wishes for continued good health.

Mr. HUBBARD. I am, naturally, very grateful to the gentleman from Kentucky, my friend, Mr. MAZZOLI.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

CLARENCE S. LYONS

The Clerk called the bill (H.R. 3818) for the relief of Clarence S. Lyons.

There being no objection, the Clerk read the bill, as follows:

H.R. 3818

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clarence S. Lyons, of Louisville, Kentucky, the sum of $100,000. The payment of such sum shall be in full settlement of all claims of the said Clarence S. Lyons against the United States arising out of the injury of his right eye which he sustained while working in the prison industries at the United States Public Health Hospital, Lexington, Kentucky, in March 1943. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1: Strike "$100,000." and insert "$44,773.95".

AMENDMENT OFFERED BY MR. MAZZOLI AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. MAZZOLI. Mr. Speaker, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MAZZOLI as a substitute for the committee amendment: Page 2, line 1, strike out $44,773.95" and insert in lieu thereof "$36,858.".

The amendment offered as a substitute for the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MORRIS AND LENKE GELB

The Clerk called the bill (H.R. 4285) for the relief of Morris and Lenke Gelb.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SENSENBRENNER. Mr. Speaker, I object.

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Two objections are heard.

This concludes the call of the Private Calendar.

AGRICULTURAL RENEWABLE ENERGY DEVELOPMENT AND MANAGEMENT ACT OF 1980

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. ALEXANDER. Mr. Speaker, I am today introducing a bill, together with my colleagues BERKLEY BEDELL, of Iowa, and CECIL HEFTEL, of Hawaii, that would establish, within the Department of Agriculture, the position of Assistant Secretary for Renewable Energy Development.

When the President recently announced his alcohol fuels goal of 500 million gallons of alcohol fuel production capacity by the end of 1981, he noted that energy production would now become a major objective of farm policy—alongside the production of food, feed, and fiber.

Americans are paying almost $9 million an hour for foreign oil imports, and it is time to provide the American farmer with the opportunity and economic incentives that will put him into the fuel business in competition with OPEC. A key factor in this effort will be the establishment of an administration for renewable energy development in the Department of Agriculture. This policy level position will demonstrate the Department of Agriculture's commitment to securing the Nation's energy future. I urge my colleagues to move expeditiously to enact this legislation.

AGRICULTURAL RENEWABLE ENERGY DEVELOPMENT AND MANAGEMENT ACT OF 1980

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, I appreciate this opportunity to join with my distinguished colleagues Mr. ALEXANDER and Mr. HEFTEL in introducing the Agricultural Renewable Energy Development and Management Act of 1980. This legislation is designed to enable the Department of Agriculture to assist the Nation's farms and rural communities in achieving energy self-sufficiency as quickly and efficiently as possible by creating the position of Assistant Secretary for Renewable Energy Development within USDA.

During the past year, I have been actively involved in the area of alcohol fuel production from grains and other renewable resources. As a result of my visits with people involved in this area, and as a natural outgrowth of representing a heavily agricultural district, I have been able to see firsthand how critical it is that the farm sector be equipped to produce its own energy. Perhaps more than any other sector, the agricultural sector is vulnerable to supply interruptions and skyrocketing prices, and it is in the interests of every American that steps be taken so that our food production capabilities are not compromised by our present dangerous dependence on foreign oil.

I firmly believe that the legislation we are introducing today will help to bring energy self-sufficiency to our farms and rural communities by giving renewable energy the high profile it deserves within the Department, as well as helping to coordinate the Department's activities in this area. Duplication within the Department and among other agencies could be better avoided with an Assistant Secretary being responsible for overall oversight of the renewable energy program.

The agricultural sector is uniquely suited to produce its own energy. The production of alcohol fuel, methane from animal wastes, and the use of windpower and passive and active solar devices are but a few of the renewable energy forms that can be easily integrated into the rural system. Certainly, this country does not have any time to waste in moving ahead with everything it can muster to free the Nation, and especially its most productive sector, from its dependence upon high prices and insecure supplies of fossil fuels.

RESCINDING OUR VOTE ON ISRAEL'S SETTLEMENTS

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, last Saturday the United States reversed its policy concerning Israel and the Mideast peace process. Our United Nations representative voted in favor of a resolution calling on Israel to dismantle its settlements on the West Bank, Gaza, and East Jerusalem. Many of us were shocked by this bizarre change in policy. Many of us were dismayed by this attack upon Israel's security. Many of us has assumed that the status of East Jerusalem, as well as of the West Bank and Gaza, would be determined during the negotiations for a comprehensive Mideast peace settlement.

Well Mr. Speaker, last night the President announced that we did not really mean it when we voted for that U.N. resolution. We had, said Mr. Carter, simply fouled up on one of the most important and sensitive foreign policy matters now confronting the United States. We actually meant to abstain from the vote, said the President, and we were sorry for any problems we might have caused.

If this were a more minor matter, one might simply dismiss it as another case of unprofessionalism in an administration famous for amateur performances. But this is absolutely inexcusable. One cannot make such a blatant error and then expect the world, including the Israeli cabinet, to accept a simple apology.

The administration has been speaking with a myriad of conflicting voices on foreign policy ever since it was inaugurated over 3 years ago. It is time for this bungling to stop.

☐ 1210

PEACETIME REGISTRATION AND THE DRAFT

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, the Gallup poll recently showed that a great majority of the American people favor peacetime registration and a majority even favor the draft.

Gen. Bernie Rogers, our NATO Commander, testified before the Committee on Armed Services. He said that by having peacetime registration 90 days time would be saved in the event of an emergency callup.

Mr. Speaker, at a briefing at the White House yesterday on registration, it seems to me that the administration is backing off from their 7 to 17 days time registration, the time in which it could be accomplished. Really, 90 days seems more realistic for registration with the Selective Service System. In my opinion the Congress cannot possibly gamble with the security of the Nation by turning down peacetime registration.

RESIGNATION OF SERGEANT AT ARMS KENNETH HARDING

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, it was with mixed emotions that I have learned, as we all have learned, of the resignation of our Sergeant at Arms, Kenneth Harding. Kenneth Harding was a very able, courteous, and efficient official of the House.

My association with Ken Harding dates back to 1946—2 years before I was first elected to the House of Representatives. At that time, both he and his father, who was then executive director of the Democratic National Congressional Committee, visited the Fourth District of Wisconsin and demonstrated a direct personal interest in the outcome of that congressional contest (which was won, I must confess, by a Republican).

Two years later, in 1948, that error was corrected and since then I have had the distinct privilege of working closely with Ken Harding.

As Members are aware, Ken has served this House in various capacities: First as assistant to the chairman of the Democratic National Congressional Committee (1946–54), then as executive director of that committee (1954–72), and finally as Assistant Sergeant at Arms (1954–72). He was elected to the top position in 1972 and has served with distinction until his retirement last week.

Satisfying the demands of 435 Members of Congress is not an easy assignment, but Ken Harding did it and Members on both sides of the aisle recognize that he carried out his duties impartially and professionally. Moreover, he has been a pillar of strength to all of us, and we will miss his sound advice and his unfailing, unflappable good humor.

In short, he has earned our admiration and respect.

To Ken Harding, his lovely and devoted wife Jane, who has supported his activities so graciously and effectively over the past three decades, and to his four sons I extend my warmest congratulations and renewed thanks. I, therefore, want to join my colleagues in wishing him and his wife happiness and health and success in every endeavor during retirement.

AMERICAN PEOPLE PREPARED TO TAKE DRASTIC ACTION TO HALT INFLATION

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, it was my privilege to return to my district this weekend and speak to the people. Mr. Speaker and—addressing the President of the United States—Mr. President, the people are prepared to bite bullets in order to overcome the inflation in which we find ourselves.

Mr. Speaker, I am sorry to report that I was but 1 of only 45 Democrats last year who voted for reconciliation in the budget process. I still believe the budget process can work, but it may work too late.

Mr. Speaker, I am sending the President a letter in which I suggest to him several fairly drastic, but I think necessary, steps which he must take, not after the primaries, not next year, but this year in order to balance the budget and to pursue what I think is absolutely necessary: That is an abatement of this ravenous and undermining inflation.

FURTHER SHOCKING INEPTITUDE BY THE CARTER ADMINISTRATION

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the President's admission in this morning's press that the United States voted mistakenly against Israel in the U.N. is a further indication of the administration's waning commitment to the national security interests of our valued ally.

The publicly admitted reason for the vote—a mistake by Secretary Vance in instructing the U.S. Ambassador to join the U.N. call for dismantling Israeli settlements in Arab-occupied lands—is proof enough that the administration is unsure of its commitments in foreign policy and to Israel.

There will surely be widespread suspicion that the President himself personally agreed to the vote—only to later repudiate the action for domestic political reasons in response to Israel's understandably angry reaction to the vote.

Whatever the reason or motive for the President's action, this entire episode is yet another sad commentary on the shocking ineptitude and lack of direction by the Carter administration.

CONGRESS RELINQUISHES CONTROL OVER 75 PERCENT OF FEDERAL SPENDING

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, as the Congress begins work on the 1981 fiscal budget, we do so with the frustrating knowledge that the Congress has relinquished control over 75 percent of Federal spending. This increasing loss of control is the result of a tremendous growth of the so-called entitlements program, so-called because the recipients are illegally entitled to substantial benefits. These programs range from the massive social security system and interest on the national debt to the relatively small indemnity program for the beekeepers whose bees are killed by pesticides.

Mr. Speaker, current estimates indicate that altogether these programs will cost the American taxpayer $340 billion in the fiscal year 1980. With automatic increases tied to the inflation rate, currently running at 18 percent, the cost for these programs is certain to soar even higher in 1981. It took the Ghost of Christmas Future to reform Scrooge. The question is, will the terrifying Ghost of Deficits of the Future be enough to reform this Congress?

INEPT DIPLOMACY

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, as a former Foreign Service officer and former delegate to the United Nations, it is with real sadness that I read today of the mistaken vote cast by the U.S. Ambassador to the U.N.

According to the White House explanation issued last night, a mistake in communications occurred in transmittal of instructions from the State Department to our delegation at the U.N.

It is difficult not to conclude that the way in which the State Department is being set up as having incorrectly transmitted the President's instruction is a red herring designed to cover up the White House's own confusion. Secretary Vance and Ambassador McHenry are seasoned experts who, in my experience, are not likely to have misunderstood clear Presidential directions.

It would appear, therefore, that either the President's instructions were imprecise or that the criticism of Senator KENNEDY and others caused retraction of the White House position.

Unfortunately the issue at stake is not of slight consequence. Nor was it brought up and considered in a hasty fashion. The issue had been under consideration for weeks at the U.N. and the vote had actually been delayed for several days so the United States could get its act together.

The unfortunate vote signals an abrupt change in U.S. policy toward Israel and represents another in a long series of White House diplomatic gaffes.

This time, however, the administration abandoned its past corrective practice of announcing "what the President meant to say was" and "what the President meant to do was" in favor of bucking the blame to the State Department. The denial of personal responsibility is reprehensible and does little to enhance the already widespread perceptions abroad of an inconsistent and too often incoherent American foreign policy.

What Ambassador McHenry's unfortunate vote and President Carter's flaccid retraction underscores is the need for a Chief Executive who has a depth of experience in foreign policy. This country cannot afford 4 more years of vacillating ineptitude.

REMEDIAL READING FOR THE STATE DEPARTMENT

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, our addlebrained State Department has struck again. Apparently following Vance's law of punish your friends and reward your enemies, Ambassador McHenry voted for a U.N. Security Council resolution endorsing the Palestinian stand on the West Bank and Jerusalem.

This morning, the press reports that this vote was a mistake because the State Department did not believe the resolution applied to the status of East Jerusalem.

If that really is the case, perhaps the Foreign Affairs Committee should include funds in the State Department authorization bill for a required course in remedial reading for all policymaking personnel so that another "mistake" of this nature will not occur.

MIDEAST MISMANAGEMENT

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, President Carter admitted last night that the United States had incorrectly voted in favor of a United Nations resolution last Saturday that called upon Israel to dismantle its settlements in occupied Arab territories and in the old city of Jerusalem.

The administration's foulup of this highly sensitive foreign policy issue is shocking. At a time when Mideast tensions are high and the delicate West Bank negotiations are reaching a critical point, the administration has inflicted a devestating blow upon the Camp David accords and upon our entire Mideast policy. How such a glaring mistake, with its obvious global ramifications, could have eluded White House attention makes us question "just who is running our ship of State?"

By ignoring the advice of White House officials and the President's own Special Mideast Mediator, Ambassador Sol M. Linowitz, Mr. Carter sided with United Nations Ambassador McHenry in support of the anti-Israel resolution. This decision has deeply angered Israeli officials and brings into question whether Ambassador McHenry and his followers have not lost sight of the long term U.S. interests at stake in this debate. I urge the President to quickly move to eliminate the uncertainty his action has caused and to repair any damage to the peace talks by fully clarifying U.S. policy.

I hope in the future that the White House will insure that such explosive issues are given the full attention and due deliberation they demand.

HELP STOP INFLATION BY REDUCING CONGRESSIONAL STAFFS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, today as we are in consternation over the confused and completely inefficient efforts of the administration abroad. I would like to urge also that the administration give more consideration and more deliberation to solving inflation here at home. We have an 18-percent inflation rate, and all they have done is suggest cutting $20 billion in expenses.

Where they ought to start cutting expenses is with committee staff right here in Congress. Last week, we voted on cutting 21 committee staffs, and we did not cut a single one.

Congress must take the lead because the President does not know how to, so some way or another we need to lead the way by cutting committee staffs right here on our own House floor.

U.S. VOTE IN UNITED NATIONS ON ISRAEL A SHAMEFUL ACT

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HOLTZMAN. Mr. Speaker, the vote by the United States in the United Nations on March 1 was a shameful act, and a disturbing and dismaying break with precedent. For the first time in the history of the United States, we sided with the implacable enemies of Israel who have vowed, since 1948, to destroy that State.

Mr. Speaker, I am disturbed that the United States seems to be embarking on a policy to curry favor with Moslem countries at the expense of the survival of the State of Israel. If we have not learned from the recent events in the Middle East, from the events in Iran, from the Soviet aggression in Afghanistan, that Israel is the one stable ally that we can depend on, then this administration has learned nothing and the danger to this country will be great indeed.

I also regret the explanation of the vote by the administration. It is simply not credible, and I would hope that this administration would think very carefully in the future before endangering and undermining the security of the best and only friend we have in the Middle East.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I would just like to commend the gentlewoman for her remarks, and associate myself with her remarks in the RECORD.

BALANCE THE BUDGET LAW ALREADY ON BOOKS

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, last week the leadership of my party asked the President to revise and submit a balanced budget to the Congress of the United States. He responded by saying to his Cabinet members that they ought to find some way of balancing the budget. Last week, also, some majority Members of the other body called for an economic summit—Camp David variety—to come up with ways of solving our inflation problem.

I would like to remind this body that there is already on the books a law that Senator BYRD of Virginia and I got adopted in September 1978, calling for a balanced budget for fiscal year 1981. I think the President ought to abide by that law, or else ask for its repeal. In the meantime, it is the law of the land, and we should balance the budget. But, I do commend all the people who are now concerned about the economic situation, for their concern, and I am going to support that concern. It is too bad all are so late awakening to the catastrophic condition of our inflation-ridden economy.

□ 1230

WHO CONDONES VOTE STEALING?

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, later today the House will take up House Resolution 575, a resolution to dismiss the election contest of Jimmy Wilson against BUDDY LEACH in Louisiana's Fourth Congressional District.

In my opinion it would be a serious mistake for the House to pass this resolution.

It would be another example of this House condoning fraud and unethical conduct. Passage of the resolution would be another example of the majority party sweeping allegations of wrongdoing under the rug.

Mr. Speaker, court testimony shows that more than a sufficient number of votes were bought to affect the outcome of this election.

For this reason it is important that the House Administration Committee proceed with a full hearing on this contested election.

The American people want and deserve honesty in government. We must have a full and open hearing to honor that trust.

NEW BRACELETS AVAILABLE IN HONOR OF HOSTAGES

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, the unconscionable and tragic confusion at the U.N. over our wavering friendship to gallant Israel and the President's admission of error in that bad Saturday night vote, came on the same day that this House voted to strike a gold medal for the incomparable Nazi hunter, Simon Weisenthal. What timing.

Confusion dominates the Carter doctrine, and today is a landmark day in that sea of helpless indirection. The nightmare in Iran rages on.

Here is a simple arithmetic problem: Take this leap year of 366 days and divide by 3, and you get 122 days. Well, today is the 122d day our hostages have been held in miserable captivity in our Tehran Embassy. That is one-third of a year. Imagine—a third of a year. Who in this House or in the Senate would have believed this possible, on November 4 of last year?

My son picked up 2,000 Tehran "hostage bracelets" in Los Angeles this morning. They will be flown back here this afternoon, and I remind any Members who wish to wear this remembrance bracelet to phone my office.

When I circulated 435 bracelets bearing the name of persecuted Soviet dissident Anatoly Shcharansky a year ago, there were a lot of takers, but I do not see a single Member wearing a bracelet today to keep his name alive. So, please, if you request a "hostage bracelet," wear it.

My opponent in 1978, Peck's bad boy, says that my contribution to an international crisis is to create jewelry. A small inexpensive bracelet keeping alive the name of 1 of our 53 hostages is no more a piece of jewelry than a Star-of-David or a crucifix. Five million people who cared wore a POW/MIA bracelet for our men in Communist dungeons in Hanoi. Those Americans never considered those memorial bracelets as jewelry. What a shallow and cheap shot. God forbid a third of a year from now, in July, that we have to do something like this for Ambassador Ascencio in Bogota. When will this humiliation end?

FOREIGN AID BILL—A GOOD PLACE TO START BALANCING THE BUDGET

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, without, I hope, being accused of usurping the authority of the majority leader or any other leadership on the other side that the Members may have, I did want to announce what I understand to be a change in the program today. I have discovered that the $8 billion foreign aid appropriation conference report will not be brought up.

Some of the Members today received a letter from me and other colleagues regarding a part of that bill, the $75 million for Nicaraguan aid.

Apparently the reason the conference report will not be brought up today is because the House has run out of money. Let us think about that. You finally ran out of money, and under the Budget Act, which now is the law of the land, the bill could not be brought up because there is not enough remaining budget outlay authority under the Budget Act. I do not know if the bill will ever come up, but if and when it does come up, I suggest to the Members that if we are to be asked to cut social security payments, housing, and medical programs and all the other domestic programs for our people, the foreign aid bill is the place to begin balancing the budget.

Mr. Speaker, the Nicaraguan aid money ought to be one of the first items in the category of budget cuts.

PROPOSAL TO RESCIND FUNDS APPROPRIATED FOR ATOMIC ENERGY DEFENSE ACTIVITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-275)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed.

(For message, see proceedings of the Senate of today, Tuesday, March 4, 1980.)

EXPRESSING SENSE OF THE CONGRESS WITH RESPECT TO TUNISIA

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 282) expressing the sense of the Congress with respect to the recent foreign-inspired attempts to undermine the stability of Tunisia, as amended.

The Clerk read as follows:

H. Con. Res. 282

Whereas Tunisia has demonstrated its desire to foster and maintain close and friendly relations with the United States;

Whereas Tunisia under President Bourguiba has achieved impressive progress in economic growth and has sought to achieve, consistent with the policy of the Foreign Assistance Act of 1961, self-sustaining economic growth with equitable distribution of benefits for its people;

Whereas Tunisia, despite its policy of pursuing amicable relations with its neighbors, is now the victim of foreign subversion and possible aggression; and

Whereas Tunisia merits and needs the support of its friends and allies in facing this threat to its independence and territorial integrity: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that recent foreign-inspired attempts to undermine the stability of Tunisia constitute a serious threat to international peace and security and to the national security interests of the United States, of the nations of the North Atlantic Treaty Organization, and of all nations in the Mediterranean area.

Sec. 2. It is further the sense of the Congress that the United States should take steps to help Tunisia meet this unprovoked threat to its freedom and security by furnishing appropriate levels of economic and security assistance.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. Zablocki) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. Broomfield) will be recognized for 20 minutes.

The Chair now recognizes the distinguished chairman of the committee, the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I rise in support of House Concurrent Resolution 282, expressing the sense of Congress with respect to the recent foreign-inspired attempts to undermine the stability of Tunisia.

House Concurrent Resolution 282, which I recently introduced along with 17 cosponsors, is designed to provide a strong congressional message of support for Tunisia, a longstanding friendly country. In a time when Tunisia faces an unprovoked threat to its territorial integrity, the United States needs to formulate a firm foreign policy position and should stand ready to assist in preserving Tunisia's independence.

The resolution I have sponsored is designed to encourage such a response. It cites the many reasons why Tunisia merits our support. Tunisia has demonstrated close and friendly relations with the United States. It has achieved significant progress toward self-sustaining economic growth. Finally, despite its willingness to pursue amicable relations with its neighbors, Tunisia finds itself the victim of foreign subversion and possible aggression.

In the light of these factors, Mr. Speaker, House Concurrent Resolution 282 states the sense of the Congress that recent foreign-inspired attempts to undermine the stability of Tunisia constitute a serious threat to international peace and security and to the national security interests of the United States, of the nations of the North Atlantic Treaty Organization, and of all nations in the Mediterranean area.

It is also the sense of Congress that the United States should take steps to help Tunisia meet this unprovoked threat to its freedom and security by furnishing appropriate levels of economic security and assistance.

Mr. Speaker, Tunisia deserves our support in this time of trouble. I urge immediate approval of House Concurrent Resolution 282.

□ 1240

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution we have before us today expresses our deep concern over recent foreign inspired attempts to undermine the stability of Tunisia, a regionally moderate nation and an old friend of the United States.

As my colleagues well know, a party of antigovernment rebels recently attacked Tunisian territory, visibly shaking the government in that country. As a result, the Tunisian Government has appealed to the United States for security assistance. In this regard, the resolution we have before us expresses the sense of the Congress that the United States, which has extended economic and technical assistance in the past to Tunisia, should help that country meet this unprovoked threat to its freedom and security by furnishing appropriate levels of military and economic assistance.

Moreover, the resolution before us recognizes the importance of a stable Tunisia in maintaining the security interests of the United States, NATO, and countries in the Mediterranean area.

Unfortunately, not only the antigovernment attack on Tunisia has raised new concerns about the future of that pro-Western government. Most recently, the sudden illness of Tunisian leadership has also underscored security concerns in that country, especially in view of Libya's continued propaganda assaults upon the Tunisian Government. As a result of this potentially destabilizing situation in Tunisia, not to mention events in Iran and Afghanistan, I believe that it is important that my fellow colleagues join together in expressing our unswerving commitment to our longtime friend Tunisia and adopt the resolution before us today.

Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. Lagomarsino), a member of our committee.

Mr. LAGOMARSINO. Mr. Speaker, I rise in strong support of this resolution on Tunisia. I want to associate myself with the remarks of the gentleman from Michigan (Mr. Broomfield) and my chairman, the gentleman from Wisconsin (Mr. Zablocki).

I think it is very important that the independence of Tunisia be maintained and that the United States do what it responsibly can to maintain that freedom and independence for this very important country in the Mediterranean area.

Mr. Speaker, I urge my colleagues to support the resolution.

Mr. BROOMFIELD. Mr. Speaker, I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution under consideration, House Concurrent Resolution 282.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 282), as amended.

The question was taken.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 7, not voting 37, as follows:

[Roll No. 113]

YEAS—389

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead Calif.
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—7

Collins, Tex.
Daniel, Dan
Johnson, Colo.
Marlenee
Mottl
Paul
Stump

NOT VOTING—37

Abdnor
Addabbo
Anderson, Ill.
Andrews, N. Dak.
Anthony
Ashbrook
Bevill
Biaggi
Bonker
Bowen
Clausen
Davis, S.C.
Dellums
Dingell
Duncan, Oreg.
Flippo
Ford, Mich.
Giaimo
Heckler
Jones, N.C.
Kastenmeier
McDonald
Mathis
Moffett
Murphy, Ill.
Pashayan
Pursell
Ratchford
Rhodes
Rostenkowski
Simon
Staggers
Stewart
Treen
Vander Jagt
Weaver
Wilson, Bob

☐ 1300

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo and Mr. Rostenkowski for, with Mr. McDonald against.

Until further notice:

Mr. Biaggi with Mr. Anderson of Illinois.
Mr. Kastenmeier with Mrs. Heckler.
Mr. Staggers with Mr. Pursell.
Mr. Weaver with Mr. Treen.
Mr. Bowen with Mr. Pashayan.
Mr. Dellums with Mr. Vander Jagt.
Mr. Duncan of Oregon with Mr. Andrews of North Dakota.
Mr. Flippo with Mr. Abdnor.
Mr. Giaimo with Mr. Ashbrook.
Mr. Ratchford with Mr. Clausen.
Mr. Stewart with Mr. Bob Wilson.
Mr. Simon with Mr. Murphy of Illinois.
Mr. Bonker with Mr. Davis of South Carolina.
Mr. Bevill with Mr. Anthony.
Mr. Dingell with Mr. Jones of North Carolina.
Mr. Ford of Michigan with Mr. Mathis.
Mr. Moffett with Mr. Rhodes.

Mr. JOHNSON of Colorado changed his vote from "yea" to "nay."

Mr. SHELBY and Mr. JONES of Tennessee changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISMISSING THE ELECTION CONTEST AGAINST THOMAS DASCHLE

Mr. THOMPSON. Mr. Speaker, I call up a privileged resolution (H. Res. 576), dismissing the election contest against THOMAS DASCHLE, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 576

Resolved, That the election contest of Leo K. Thorsness, contestant, against Thomas Daschle, contestee, First Congressional District of the State of South Dakota, be dismissed.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, under the U.S. Constitution and the rules of the House, the Committee on House Administration is charged with the responsibility for investigating contested elections. In this Congress, five contested elections were filed. In each case I appointed as chairman an ad hoc panel to conduct the investigation.

In the contest before the House today, Thorsness against DASCHLE, the panel was chaired by our distinguished colleague, the gentleman from California (Mr. FAZIO). Also serving with the gentleman from California (Mr. FAZIO) were committee members, the gentleman from South Carolina (Mr. DAVIS) and the gentleman from Minnesota (Mr. FRENZEL).

Mr. Speaker, I now yield such time as he may consume to the gentleman from California, the chairman of the panel (Mr. FAZIO).

Mr. FAZIO. Mr. Speaker, I thank the gentleman from New Jersey, the chairman of the Committee on House Administration.

This election contest was filed by Mr. Leo K. Thorsness against THOMAS A. DASCHLE for the seat in the First Congressional District of South Dakota. In the election held on November 7, 1978, THOMAS DASCHLE received 64,661 votes to Mr. Thorsness' 64,647 votes, a margin of 14 votes.

Acting under provisions of the laws of the State of South Dakota, Mr. Thorsness requested a recount for certain selected districts, at which time the margin of votes grew larger in Mr. DASCHLE's favor. Thereupon, a complete districtwide recount was made and Mr. DASCHLE's margin of victory grew to a total of 105 votes.

The election results were subsequently certified on November 27, 1978, by the secretary of state and the Governor, and credentials were issued to THOMAS DASCHLE. Mr. DASCHLE was sworn in and took office on January 15, 1979, after presenting his credentials to the House.

On December 26, 1978, Mr. Thorsness filed a "notice of contest" against Mr. DASCHLE with the Clerk of the House. The notice of contest alleged that a fair and impartial review of more than 2,000 ballots still in dispute would show that the contestant, Mr. Thorsness, did in fact receive a plurality.

At the same time, the contestant appealed the determination of the recount board to the supreme court of South Dakota.

On January 25, 1979, the contestee, Mr. Daschle, filed a motion to dismiss the contest alleging, among other things, a failure to make a showing of grounds sufficient to change the results of the election.

On March 1, 1979, the ad hoc election panel, consisting of myself as chairman, the Honorable Mendel Davis and the Honorable Bill Frenzel, held an open hearing for the purpose of receiving oral arguments on the motion to dismiss. Both contestee and contestant were represented by counsel. The contest centered on the issue of whether "a fair and impartial review" of the disputed ballots would result in a plurality for the contestant.

The ad hoc election panel again met, on December 13, 1979, with all members present, to consider the motion to dismiss. After a thorough review of the record and after due deliberation and notification from the South Dakota supreme court that it had determined Daschle to be the winner, the panel voted 3 to 0 to recommend to the full committee that the contestee's motion to dismiss be granted.

On February 12, 1980, a quorum being present, by unanimous voice vote, the Committee on House Administration adopted the panel's resolution to recommend dismissal of the contest to the House.

In assessing the record of the contest the panel noted that contestant Thorsness' case hinged on the allegation that "a fair and impartial review" of the contested ballots would prove him the winner. The panel held that in light of the exhaustive de novo recount by South Dakota's highest court, it would seem both redundant and presumptuous for the panel to recount the ballots and substitute its judgment for that of the courts. While we certainly have that authority, we found no reason to use it.

The contestant was unable to produce any documentary or other evidence of sufficient weight to demonstrate to the satisfaction of the committee that the allegations, if true, would have changed the election result. It was the committee's unanimous opinion that the case should therefore be dismissed.

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. Frenzel) for any comments the gentleman wishes to make.

Mr. FRENZEL. Mr. Speaker, I thank the distinguished chairman of the elections panel for yielding.

Mr. Speaker, I rise in support of the privileged resolution. The contestant and the contestee have had their day in court. The supreme court of the State of South Dakota has ruled in favor of our colleague, the gentleman from South Dakota (Mr. Daschle).

The panel has made a good decision. The committee has made a good decision. The minority believes that the House should ratify that decision by passing the privileged resolution today.

Mr. Speaker, I thank the gentleman for yielding.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISMISSING THE ELECTION CONTEST AGAINST ANTHONY CLAUDE LEACH, JR.

Mr. THOMPSON. Mr. Speaker, I call up a privileged resolution (H. Res. 575) dismissing the election contest against Anthony Claude Leach, Jr., and ask for its immediate consideration.

□ 1310

The Clerk read the resolution as follows:

H. Res. 575

Resolved, That the election contest of Jimmy H. Wilson, contestant, against Anthony Claude Leach, Junior, contestee, Fourth Congressional District of the State of Louisiana, be dismissed.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. Thompson) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in this case I also appointed an ad hoc panel of House Administration Committee members to conduct the investigation of the Wilson against Leach matter. The panel was chaired by our colleague John Burton. Also serving with Chairman Burton were Joseph G. Minish and Robert E. Badham.

Mr. Speaker, at this point I yield for purposes of debate only such time as he may consume to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Speaker, the election contest before the House today was filed by Mr. Jimmy H. Wilson against Mr. Anthony Claude Leach, Jr., for the seat in the Fourth Congressional District of Louisiana. The official canvass of the Fourth District of Louisiana showed that in the November 7, 1978, election Mr. Leach received 65,583 votes and Mr. Wilson received 65,317 votes, a difference of 266 votes. Mr. Leach was certified by the State of Louisiana as the elected representative from the Fourth District and he presented his credentials and was sworn in and took office on January 15, 1979.

On December 20, 1978, Mr. Wilson filed with the House of Representatives a notice of contest. The matter was referred under the rules of the House to the Committee on House Administration. The chairman of the committee appointed an ad hoc panel which I chaired and on which I was joined by Mr. Joseph Minish and Mr. Robert Badham of the committee. The panel reviewed the evidence and held hearings on the matter, reporting its findings to the full committee. After careful deliberation the committee voted to recommend to the House that the contest be dismissed.

This is not an instance where the incumbent's involvement in the alleged vote fraud is at issue. He has been acquitted of all such charges by a Federal district court jury, and just as important, the contestant has withdrawn any allegation of his involvement. As is clear from the case of Evans against Turner, which is reprinted as appendix A in the committee's report, it would be inappropriate to ascribe to Mr. Leach any fraud or irregularities involving third parties.

So it is clear that the question before the House today is not his guilt or innocence; that has already been decided. The question today is simply the sufficiency of the contestant's evidence.

It is clear under the governing statute and House precedent that a contestant has a substantial burden to carry. A contestant must provide the House with evidence not only that fraud or irregularity existed but that the fraud or irregularity was sufficiently widespread to have changed the outcome of the election.

In the present contest, the contestant, Mr. Wilson, consequently, was required to allege and support with specific evidence that at least 266 votes, the margin of the incumbent's victory, were illegally cast for the incumbent. It is the judgment of the majority of the committee that the contestant has not met this burden.

The record fails to substantiate the claim that more than 266 votes were fraudulently cast for the incumbent. In fact the evidence falls short of this mark. The evidence offered specifically identified only 32 potentially illegal votes. And even going outside the record, as the committee has done, to review the evidence generated by the FBI in its investigation of vote buying in the election, at most only an additional 34 votes become suspect.

The contestant relies on a notebook which was offered in evidence at the trial of Mr. Leach to support his claim that the outcome of the election was affected. He claimed that the notebook contained the names of 440 voters who were paid to vote in the election for the incumbent.

The FBI, however, interviewed 283 of the 440 voters named in the notebook. The vast majority of those interviewed, 225 of the 283, stated that they were not paid to vote. Only 58 admitted receiving payment and of those 17 were not instructed on how to vote and only 14 were instructed to vote for Mr. Leach.

A thorough investigation by the U.S. attorney's office and the FBI revealed only 14 votes illegally cast for the incumbent. The contestant has provided the House with no reason to believe a further investigation by the House would be more successful.

That an election contestant feels that he may, some day and in some unspecified way, show sufficient fraud is not the point; he must demonstrate to the House a likelihood that further investigation will bear fruit. The contestant has not done so. Given the substantial burden of proof imposed, the contestant has been unable to demonstrate that the result of the election would be changed by whatever deplorable illegal activity might have occurred in the election.

Given the choice between dismissing the contest or embarking on a fishing expedition, House precedent and reason call for the dismissal of the contest. In that recommendation, a majority of the committee concurred.

I would, before yielding for purposes of debate only, like to say that the committee's report was delayed for some time because, after allegations were brought and indictments were brought by a Federal grand jury, our discussions with the Department of Justice indicated their very strong desire that we not proceed further until the legal proceedings had come to an end. It is for that reason we were forced into a delayed time.

I would also like to commend my colleague, the ranking minority member of the subcommittee task force for the time and effort that he has put into this matter. I would like to further commend him, for in this matter he rose above the position of partisanship and press conferences and addressed himself to the issues as best he could, and to some questions that were in his mind. Although we disagree on the final disposition of this matter, I know he does this from a point of view that he just feels another disposition other than dismissal would be in order. We feel also, as a matter of conscience, given the statutes and the precedents of the House, that the dismissal is the only course of conduct that the committee or the House could take.

Mr. THOMPSON. Mr. Speaker, I yield for purposes of debate only 10 minutes to the gentleman from California (Mr. BADHAM).

□ 1320

Mr. BADHAM. I thank the distinguished chairman. I hope I will have the opportunity to thank him more as time progresses.

Mr. THOMPSON. I would say to my distinguished colleague, the gentleman from California, that I hope so, too. Let us see how we do with the first third.

Mr. BADHAM. That is certainly agreeable to me, I will say to my distinguished chairman.

Mr. Speaker, we are confronted here today with a most trying and difficult situation that involves a Member of this House, the integrity of this House, and the situation that we might be facing in the future when allegations are brought against Members of this House, as have been brought recently in the so-called Abscam, and about how we proceed as a body that is responsible for its own membership, and the terms of membership as opposed to court proceedings that are for the purpose of uncovering criminal matters.

First of all, let me state as a member of the panel in the matter of the contested election of the gentleman from Louisiana (Mr. LEACH) that I and my colleagues on the committee can find no fault with the actions of Mr. LEACH because Mr. LEACH is not on trial in these proceedings, or in the panel, or in the resolution before the House, because, as my distinguished friend and colleague, the gentleman from California, Mr. BURTON, has so aptly pointed out, Mr. LEACH has been acquitted by a Federal jury in Louisiana of 12 men tried and true by a vote of 12 to 0. So, again, this is not a criminal proceedings in any stretch of the imagination.

What we have before us, on the contrary, is a contest of election which, as in previous contests that have been brought before this body. We understand this procedure prescribes very difficult hurdles for a contestant to surmount. First of all, the contestant must demonstrate in a specific allegation that a sufficient number of votes were illegally cast so as to change the outcome of the election. In this case when specific allegations were brought by Mr. Jimmie Wilson of the 4th District in Louisiana, he surmounted the hurdles and established a prima facie case.

In the particular election contest at hand, we have specific allegations made by the contestant that over 400 votes were illegally cast and the election was fraught with fraud. There is nothing in the brief of the contestee, Mr. LEACH, that would tend to deny this. In sworn testimony by over 20 people who were convicted in court or entered guilty pleas in Federal court trial in the State of Louisiana, that these votes were, indeed, illegally cast. The majority and, indeed, my good friend, the chairman of the panel, the gentleman from California, Mr. BURTON, has made the statement that it is true that the guilty pleas add up to approximately 33 illegally cast votes. The prosecution allowed each of the defendants to plead guilty to only one count of vote-buying. Sworn testimony in the Federal court in Louisiana indicates otherwise, but these guilty were allowed to plead on one count alone and that added up to about 33 votes.

I would now like to read into the RECORD a portion of the transcript of sworn testimony by the former mayor of the town in which all of this went on. The gentleman who was the mayor was a fellow named Ralph D. McRae, Jr., who served as mayor of the town of Leesville. Mr. McRae testified to the following:

> Mr. Ralph D. McRae, Jr., called as a witness by counsel for the government for the purpose of giving evidence, being first duly sworn, testified as follows:
>
> DIRECT EXAMINATION
>
> By Mr. LYDICK:
>
> Q. Would you tell us your name, please?
>
> A. My name is Ralph D. McRae, Jr.
>
> Q. And how do you spell the last?
>
> A. M-c capital R-A-E.
>
> Q. Where do you live, Mr. McRae?
>
> A. I live in Leesville.
>
> Q. Were you raised in the Leesville area?
>
> A. Yes, sir.
>
> Q. How long have you lived in Leesville?
>
> A. All my life except for the time spent in the Service and at college.
>
> Q. How old are you?
>
> A. I am thirty-five.
>
> Q. Are you married?
>
> A. Yes, sir.
>
> Q. Do you have any children?
>
> A. Yes, sir.
>
> Q. How many?
>
> A. I have three.
>
> Q. Have you ever served in the Armed Forces?
>
> A. Yes, sir.
>
> Q. In what capacity and during what period of time?
>
> A. I was an infantry officer and a pilot from June, 1966 until August, 1972.
>
> Q. Were you decorated while in the Service?
>
> A. Some, yes, sir.
>
> Q. What decorations did you receive?
>
> A. Distinguished Flying Cross, Bronze Star, Vietnamese Cross of Gallantry. I have at over twenty-eight Oak Leaf Clusters, Army Accommodation Medal, numerous campaign and service ribbons.

Now, this is not your ordinary, run-of-the-mill, vote buyer; and he said in sworn testimony, unrefuted, unchallenged the following:

> *Question*. Did you talk with other people about the term commercial voters?
>
> Answer. Yes, sir.
>
> *Question*. What did that term commercial voters mean between the people that you talked with?
>
> Answer. Sir, the term refers to a person who has, in the past, or expects to be paid to vote.
>
> *Question*. Do you recall where it was?
>
> Answer. Yes, sir. It was in an automobile.
>
> *Question*. What was said on that occasion?
>
> Answer. On that occasion Mr. Leach told me that he had reconsidered and he would like for me to help him in the commercial area in District Two. I told him I thought five thousand dollars would do it.
>
> *Question*. Did you have any additional discussions at that time concerning that money?
>
> Answer. Yes, sir. I told him that the way I arrived at the five thousand dollars was I felt that we could get by with paying five dollars a vote, and we would need about twenty-five hundred dollars to pay the voters and twenty-five hundred dollars to pay the drivers.
>
> *Question*. What occurred during that meeting, Mr. McRae?
>
> Answer. Well, that meeting was kind of a repeat of the first. Mr. Leach was in a hurry. He was on his way someplace. Shreveport, I guess. And he asked me how it was going. I told him I thought things were in pretty good shape. And he gave me a thousand dollars at that time.

Again I want to stress that Mr. LEACH is not on trial. What is on trial are two things here: The integrity of the U.S. House of Representatives and the integrity of the election held in the Fourth District of Louisiana on November 7, 1978. While Mr. LEACH is not on trial; the election process of this country is; and it was found to be faulty; admittedly fraudulent by the majority of the panel. This puts us in a terrible dilemma. First of all, from a question of timeliness, the House of Representatives Committee on House Administration's panel on this contested election had to delay any sort of investigation until the case was prosecuted fully in the Federal courts, and only then on resolution of that could we then legitimately, without obstructing prosecution in the Federal courts, conduct our own investigation if one was to be held. Now we are in the 2d session of the 96th Congress. The case almost a year and a half old, and the question comes out, then, Could we at this point investigate? That is the question that should be answered by the House of Representatives because the panel could not and did not. Neither did the full committee.

But, Mr. Speaker, I say that we have a situation where fraud was conducted in an election for membership to this body.

Such being the case, it falls squarely upon us to investigate fully and to determine whether or not a person was beneficiary of a fraudulent election. The people of that district have the right to be represented in a true election.

Mr. Speaker, I feel that this resolution to dismiss must be opposed because not only has the matter not been investigated from the standpoint of the integrity of the House of Representatives, but I might add that the criminal prosecution and the criminal investigation of this same election on November 7, 1978, is not only still under investigation, but the grand jury, a Federal grand jury in Louisiana, has within the past week accepted another guilty plea to another count of vote buying in that election race of 1978, and two others indicted on February 29 in Shreveport on multiple counts of vote buying in Sabine Parish. The indictment named names of people who were given money to vote for candidates in that congressional race in the primary and in the general election.

□ 1330

Mr. THOMPSON. Mr. Speaker, I yield to the gentleman from California (Mr. BADHAM) an additional 20 minutes for purposes of debate only.

Mr. BADHAM. I thank the distinguished gentleman.

Mr. Speaker, both in the primary and in the general election—and a Mrs. Lorraina Sepulveda was indicted by that same grand jury on nine counts of vote buying in that same election. It is to be noted that both grand juries above mentioned are still in session. The Shreveport one announced it had heard 52 witnesses and it would reconvene this matter on March 17, 1978.

Mr. Speaker, I cannot believe, in all conscience, that the Members of the body in which we are privileged to serve can condone this and call it just a little bit of fraud, as was the gist of the Kentucky case.

For purposes of debate I now yield of my time 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr FRENZEL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think this is an important vote for the House of Representatives. I have the feeling some of the Members may want to look on this as something very routine—a normal dismissal of a contest for election.

It is a good deal more than that because of the widespread fraud which did occur in this particular district. I believe that fraud cast a kind of a shadow over the whole House of Representatives.

This matter is one that should not be dismissed without a great deal of thought, a great deal more investigation, and, certainly, until the completion of the legal actions that are going forward in the State of Louisiana.

Mr. Speaker, I look upon this resolution as not being pernicious but certainly being very premature under the circumstances.

In the Committee on House Administration there is a precedent that we are very careful about accepting election contests. We try to make sure that we do not overturn the opponent will of the people unless we have very strong evidence that the will of the people was somehow controverted by fraud, miscount or some other reason. That is a good precedent. We should stick to it.

However, Mr. Speaker, we have a case where there was widespread fraud. There were 22 guilty pleas. Not one or two or an isolated one. Not disadvantaged, uneducated people. The ex-mayor of the town is involved in this election fraud.

Mr. Speaker, I would like to repeat the words of my distinguished colleague from California (Mr. BADHAM). We are not talking here about our colleague, BUDDY LEACH. The gentleman's innocence has been determined by a jury of his peers and of that we are glad. However, we are talking about the process that brought Mr. LEACH into this body.

Mr. Speaker, if we compare the Daschle case which has just been dispatched by this House, we will recall that there we let the State supreme court make the decision. We deferred action until all the local dust had settled.

In this case, as was pointed out by gentleman from California (Mr. BADHAM), grand juries are still in operation. There were two guilty pleas accepted last week. Obviously gand juries are still sitting on this matter. The matter has not been completed in Louisiana and there is no reason for this House to dismiss the complaint.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BADHAM. Mr. Speaker, I yield 2 additional minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, the contestee has submitted documentation showing 440 allegedly bought votes. That contest was won by our colleague, the gentleman from Louisiana (Mr. LEACH) by 266 votes. The 22 people who pleaded guilty are certainly not going to plead guilty for any more than they have to, so we have a very small number of votes that have been admittedly bought.

However, Mr. Speaker, I think, when we have 22 guilty pleas previously, a couple of more now and a grand jury still sitting, there is a strong presumption that more than 266 votes may have been involved.

Mr. Speaker, because the election process is so fundamental and our representativeness is so fundamental, I think it would be a terrible mistake, and a terrible precedent, for this House to dismiss this case at this time.

Obviously, the House should retain jurisdiction of this contest until all of us are absolutely certain that there is no pall, no shadow hanging over the election of our colleague.

Therefore, Mr. Speaker, I recommend very strongly, as strongly as I can to this body, do not take this measure lightly. It is not some kind of indictment of the gentleman from Louisiana (Mr. LEACH). It is simply an earnest desire on our part to find out what indeed happened in that election district. We have not yet found out.

Mr. BADHAM. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, at this time I rise to express my strong opposition to the pending motion in the House to dismiss the election contest from the Fourth Congressional District of Louisiana.

I am certain that many of my colleagues have shared my shock and outrage at the various revelations which have been made through court testimony and FBI reports as to how improper influences were exerted to affect the outcome of this race for a seat here in the U.S. House of Representatives. One could easily come to the conclusion that this was one of the most sordid election contests in modern times—and, yet, the majority on the Committee on House Administration would have us believe that there was not enough wrongdoing to question the 266-vote margin in this election.

On the basis of information obtained to date, it would, of course, be impossible to say how many fraudulent votes were cast in favor of the alleged winner in this race. We do know that 24 individuals have been convicted of vote-buying activities and a notebook was offered in evidence at one of the trials in this case containing the names of 440 voters who were purportedly paid to vote for the contestee in the general election. Various investigations and court proceedings are still underway in this matter.

Under these circumstances, I must disagree with the conclusion of the majority of the Committee on House Administration that the "contestee LEACH received the majority of the votes cast and was duly elected by the voters of the Fourth Congressional District." I do not think that the House should give its stamp of approval to the outcome of a race which is so shrouded in uncertainty and chicanery.

Therefore, I urge the House to reject this motion dismissing the election contest against Mr. LEACH and I further urge that the Committee on House Administration then examine the case on its merits by conducting a full inquiry into all available evidence—something which the committee has not done to date.

Mr. BADHAM. Mr. Speaker, I now yield 3 minutes to the gentleman from South Carolina (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, the House is today taking up House Resolution 575, dismissing without full investigation the election contest against our colleague from Louisiana. As a small step toward restoring public confidence in this institution, this resolution should be defeated.

The House Administration Committee majority sees its responsibility in election disputes as one of separating challenges which "merit a full investigation from those where further investigation appears to be unwarranted," and I concur.

In this case, the record is clear that further investigation is in fact warranted. The committee report states that:

> It is apparent that fraud and irregularities were involved in the election in question.

And bases its recommendation for dismissal on the grounds that there is no hard evidence that the contestee himself was directly involved with the vote buying that evidently went on. Nothing in the statute, however, suggests that a fraudulent election is any less so whether or not the beneficiary of that fraud actively participates.

The majority contends that since there are only 58 proven cases of vote buying and the margin of the contestee's victory was 266 votes, there is no reason for further investigation. Again, however, the record suggests strongly that the votes still in question may well have changed the outcome of the election.

Mr. Speaker, I make no accusation against any Member of this House, but I believe we owe it to the American people—and to ourselves—to avoid even the appearance of coverup where the integrity of this body is at stake.

Mr. BADHAM. Mr. Speaker, I would just like to say that the remarks made by the Members who have served on the Committee on House Administration with me are remarks that are proper. I would again recite the facts that the House of Representatives has never taken an investigative posture or role in this case; that indictments are still coming down from the Federal grand juries at work in the State of Louisiana; that the FBI did only a very cursory examination and did not even inquire of people under oath as to the reasons for and matters surrounding their activities and their presence in various notebooks.

□ 1340

I think it would be a shame for the House of Representatives at this juncture to give up the jurisdiction of this case.

I would like to thank the distinguished chairman of the panel, the gentleman from California, for his understanding in this matter, and the committee chairman for allowing the minority to have this time, because I think it is serious and I think the integrity of this House is further cast in a light that is not altogether good for this House with the people of the United States, whom we represent.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BADHAM. I yield to my colleague from California.

Mr. ROUSSELOT. Mr. Speaker, could the gentleman tell us, did the committee have any kind of hearing of fact on this?

Mr. BADHAM. I can respond to the gentleman by saying, yes, we did have a hearing in that the representatives of the contestant and the representatives of the contestee were both allowed time before the committee to make statements and plead their case, as it were, but as far as investigation or hearings into the actual fact, I will have to say "no."

Mr. ROUSSELOT. So, as the gentleman has already stated then, there really was not an adequate investigation on our part?

Mr. BADHAM. That is correct.

Mr. ROUSSELOT. Well, it is certainly unfortunate because we have enough problems as it is with credibility these days, and that is certainly too bad. I am sorry to hear that.

Mr. BADHAM. I thank the gentleman.

May I inquire of the Speaker as to how much time I have remaining?

The SPEAKER pro tempore. The gentleman has 8 minutes remaining.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield for a question?

Mr. BADHAM. I will be happy to yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, along with other Members of the House I have been sitting through this debate, trying to read the committee report and form a judgment. There were two points that I am still not clear about, and certainly I want to make a judgment based on the facts and not some partisan consideration. I am sure the gentleman from California feels likewise.

In the opening statement of the gentleman from California he read or referred to testimony from a Mayor McRae of Leesville, I believe it is, Louisiana. Does the gentleman from California know whether Mayor McRae's testimony was given at the trial of Congressman LEACH, which resulted in his acquittal?

Mr. BADHAM. Yes. The record will show that the testimony that I referred to was given by former Mayor McRae of Leesville in the trial of Congressman LEACH.

Mr. LEVITAS. The reason I asked the question is, if that testimony were to be believed by myself or by a jury, then it was pretty clear that Congressman LEACH was guilty of the crime alleged; and since the jury acquitted him, it must have been based on some judgment by that jury that Mr. McRae's testimony was not credible.

Mr. BADHAM. I find the gentleman's analysis striking. I find the gentleman's analysis extremely logical, and I have a hard time believing the whole thing, too.

Mr. LEVITAS. May I ask another question?

Mr. BADHAM. I would be delighted to yield.

Mr. LEVITAS. The other question is this, and it was a point which both the gentleman from South Carolina and the gentleman from California made; that is, there was another reason that perhaps the committee should retain jurisdiction. That relates to the fact that there are ongoing investigations by other grand juries involving this same matter.

I wonder if the gentleman from California (Mr. BADHAM) or the gentleman from California (Mr. JOHN L. BURTON) would care to give some guidance to those of us who are not on the committee as to the significance of the ongoing grand jury investigations?

Mr. BADHAM. Well, I think it is somewhat clear that the Federal Justice Department is not satisfied that all the wrongdoing pertinent to that particular election has been uncovered and brought to the Federal court.

I would be happy to yield to the gentleman from South Carolina for further response.

Mr. CAMPBELL. Mr. Speaker, the point being that in the committee report we state that there was—paraphrasing—there were not enough votes that were proved to have been bought to overturn the result of the election. Now, in the process of pleading, plea bargaining, many of the people involved plead to one instance of vote buying when in fact there had been a number of instances under question. The fact that now there are other instances coming to light strengthens the argument that there were in fact enough votes in question, and that in fact if the investigation were to continue and we were to consider all of the numbers that were in question as fraudulent votes, that it would probably be enough to change the result of an election. Not knowing that fact at this time, we are making the argument that this committee should retain jurisdiction until such time as it is closed out, and that we are satisfied completely that there are enough votes.

I am not condoning a little sin in the process, but that is the way the committee has operated on this, and we have tried to look at all elections along those lines.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. BADHAM. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for yielding. I have got my own time. I was just standing.

Mr. BADHAM. Mr. Speaker, I reserve the balance of my time.

Mr. THOMPSON. Mr. Speaker, how much time does my colleague, Mr. BADHAM, have remaining?

The SPEAKER pro tempore. The gentleman from California (Mr. BADHAM) has 2 minutes remaining.

Mr. THOMPSON. Could it be agreed that the gentleman reserve the balance of his time, but that the last 2 minutes be given to the chairman of the panel, the gentleman from California (Mr. JOHN L. BURTON)?

Mr. BADHAM. I have no objection to that.

Mr. THOMPSON. We want to be fair in this debate.

Mr. BADHAM. If the gentleman will yield, I have always agreed that the gentleman, the distinguished chairman, is eminently fair.

Mr. THOMPSON. I thank the gentleman.

Mr. BADHAM. And the distinguished gentleman, the chairman of the panel, also.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Speaker, I would ask the distinguished chairman of the full committee if I may be yielded such time as I may consume.

Mr. THOMPSON. The chairman yields such time as he may consume to the gentleman from California, with the request that the chairman be informed as to when we approach the last 3 minutes.

Mr. JOHN L. BURTON. Mr. Speaker, the precedents of the House must be followed. We have a duty to ourselves. I think we also have a duty to the contestants, we have a duty to the voters of that congressional district, and certainly, in the words of our great friend and colleague, the chairman of the Republican Policy Committee, Representative SHUSTER of Pennsylvania, who said:

> The position is that the people of the Fourth District of Louisiana have a right to a final determination of this question, or this matter.

☐ 1350

Mr. Speaker, I submit that is what we are doing.

Unsupported allegations of fraud or irregularity are insufficient to overturn an election. This is in the matter of Mr. Pierce, who was a contestant, versus Mr. PURSELL, a member of the minority party, an incumbent. I was on that panel. I chaired that panel, and we held in favor of a member of the opposition that unsupported allegations of fraud or irregularity were insufficient, that there must be specificity, and that we cannot just go on a fishing expedition.

I think my good friend, the gentleman from California (Mr. BADHAM), will admit that he is not sure what we would do if we did not dismiss today, but we probably should go somewhere and look at something. Notwithstanding the fact the FBI investigation was alleged to be cursory, however, I submit it is a crime to lie to a law enforcement official in his official capacity, whether one is under oath or not.

We were asked to take the testimony of an admitted felon, former Mayor McRae, but the jury listened to it and did not agree to it at the time they acquitted Mr. LEACH of any wrongdoing.

Allegations of fraud or irregularity absent a showing of the contestee's involvement must be supported by evidence sufficiently specific—and I underline that—to support a finding that final and further investigation will likely bear fruit.

Nobody is saying this is likely to bear fruit. They are saying we should go on a fishing expedition in order to find out whether it bears fruit.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. Mr. Speaker, if I could finish this first, I will be happy to yield. Let me finish this reference to Evans against Turner, and then I will be happy to yield to my friend, the gentleman from California.

The case of Evans against Turner in the 56th Congress was very persuasive at least on this Member as we were trying to determine what the facts are and if there were any irregularity in election, and yet the person thought to be penalized, if you will, was not a participant in those irregular activities.

In this case, Mr. Speaker, there was a circulation of a general circular proposing bribery, of which the contestee was not cognizant, and it did not vitiate the election although it was accompanied by acts of bribery.

On February 5, 1900, Mr. Romulus R. Linney, of North Carolina, from the Committee on Elections No. 1, submitted a report in the Kentucky case of Evans against Turner. The grounds of the contest alleged by the contestant were fraud and bribery, the specifications of which were denied by the sitting Member.

Again, Mr. Speaker, it seems to be right on all fours with this matter.

The opinion states that the sitting Member had been returned by a plurality of 568 votes, a close election. The committee decided the contestant had not successfully attacked that vote, and enough votes were not vitiated.

Again, Mr. Speaker, that is the finding the majority panel made.

> The evidence offered by the contestant tends to prove the allegations of fraud and bribery, and much of it discloses the resort to methods which were disreputable—

As was the case here with whatever actions other people were taking.

To continue, Mr. Speaker:

> it is in evidence that on the morning of the election a circular was issued and generally distributed in the city of Louisville among the political workers of the contestant, printed on the paper of the Congressional Campaign Committee, on that date, and containing a proposition to place $100 in each precinct, and requesting Captains of each ward, if they did not get the money by 6:30 on the morning of the election, to come to headquarters. The circular was issued by enemies of the contestant. This is a novel method in the history of political struggles in the United States, and in the opinion of the committee demands the unqualified condemnation of the committee.

And, Mr. Speaker, I would say the activities that were engaged in by persons were admitted felons, including one whose testimony was read to the House or to those who are persons unknown at this time, are equally reprehensible to this Member of Congress and, I am sure, to the entire House.

Returning to the finding, Mr. Speaker:

> This evidence tends strongly to establish the contention of the contestant but does not show the contestee was a party to the fraud.
>
> There is no evidence tending to show that the contestee had anything to do with the fake circular, and there is much evidence offered by the contestee showing the propositions of bribery came from persons who were organized for the purpose of obtaining money from someone—anyone from whom they could obtain it. Upon a careful consideration, the committee was unable to determine the exact number of votes tainted and vitiated by fraud and bribery.

Then, Mr. Speaker, without debate or division, I might add, the House agreed to the resolutions confirming title on the sitting Member.

Mr. Speaker, I would also like to point out that the allegations concerned a certain area in Vernon Parish, ward 1, precinct 11, called the "Crossing." Historically, in 1971 Representative LEACH got 71.6 percent of the vote against two candidates. In 1975 that total was raised when he was a State senator by 15 percentage points, and he received 86.7 percent of the vote. In this election it was increased by less than 7 percent, by 6.3 percent or half of the increase over the prior 4 years, and he received 93 percent of the vote.

I mention this just to indicate that the historical support here was predominantly, if not totally, black. It was a black constituency that the incumbent had, and it is highly unlikely that he would have to buy allegiance at this time. It was evident in fact that he was so popular in the community that a variety of candidates—I think, including the school board and the county sheriff or parish sheriff, who parenthetically received 15 percent of all Federal revenue sharing right off the top in the State of Louisiana, and in fact including the distinguished senior Senator—were attaching themselves to his coattails, and he was leading several slates.

Mr. Speaker, I believe that the people do, as our good friend, the gentleman from Pennsylvania (Mr. SHUSTER), said, have a right to a resolution of this matter. It is our opinion that the only resolution can be dismissal, and to go on a fishing expedition, I think, is unfair and does not resolve the matter for them nor for the incumbent.

Again the testimony of an admitted felon who was relied upon here was listened to by a jury of 12 men and women, good and true, and it is a fact in judicial law that they were there watching the demeanor of and were able to assess the credibility of that person and chose to believe that person was not in fact telling the truth. I think we are in a situation where we cannot gainsay that.

Mr. BADHAM. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I am happy to yield to the gentleman from California.

Mr. BADHAM. Mr. Speaker, I would like to inquire of the Chair if it is not true that we are to use our remaining 2 minutes after the time the gentleman speaks?

Mr. JOHN L. BURTON. Mr. Speaker, may I inquire, how much time do I have remaining.

Mr. HUBBARD. The Chair will state that the gentleman from New Jersey (Mr. THOMPSON) has 12 minutes remaining.

Mr. JOHN L. BURTON. Mr. Speaker, I would be happy to yield 1 minute to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, may I begin by saying that the gentleman from California (Mr. BADHAM) made a good point.

Mr. JOHN L. BURTON. Mr. Speaker, if I may interrupt, I will ask the Chair to remind me when I have 5 minutes remaining. I yield 1 minute now to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, as the Members know, I am not a member of this committee, but I have been trying to listen to find out what the criteria is that was used for this resolution.

I heard the gentleman from California tell us that unless there is sufficient evidence that shows there is in fact a true contest of an election, the resolution before us would be appropriate, and I would like to ask two questions of the gentleman from California.

First, do we have in this House in past experience a situation which parallels this, that is, one in which 24 people have already been convicted either by a plea or by a conviction of a court of vote fraud?

Second, I would like to ask the gentleman, is it not true that most of us who have been involved with legal proceedings know that plea bargaining usually amounts to a lessening of the charges that were originally brought and may in fact not really limit themselves to all of the charges that were brought?

□ 1400

Mr. JOHN L. BURTON. If the gentleman will yield, I will be happy to answer the question.

Mr. LUNGREN. I yield to the gentleman.

Mr. JOHN L. BURTON. The 34 was the number that totaled those in the indictment, not the plea bargaining. So the 34 was what they were indicted for. They plea-bargained that down to a lesser number. The number 34 was the number of illegal votes that were named or alleged in the indictments. So that answers that question.

Mr. LUNGREN. There were 24, I understand, who have been convicted to this point, although 2 more are in the process.

Mr. JOHN L. BURTON. Thirty-four was the total number of tainted votes that were alleged in the indictments and, as the gentleman knows, an indictment is an accusation and not a fact.

Mr. LUNGREN. My question then is this: Is the gentleman suggesting that the 24 who have been convicted is the total sum and substance of all of the possible fraud? And I mean by "possible," for which there is some credible evidence that existed in that election. Is that what we are to believe and, therefore, are consistent in saying that in no way could there have been 266 falsehoods?

Mr. JOHN L. BURTON. I think we would be consistent in saying that in no way do we know in any election in the Nation there may or may not have been a fraudulent vote cast.

I would just respond by saying—and then I will yield to the gentleman from Louisiana for debate only—that under the rules of the House, and as the chairman of the task force involving a member of your party, a member of this party over here, we ruled at that time that there would have to be specific allegations that lead you somewhere and you cannot just say there has been some fraud and to go about it. Even our good friend, the gentleman from California (Mr. Badham), was at a specific loss to tell us what to do except that our committee somehow could have done a better job than the FBI. I do not believe that we could have. I believe, with the precedents of the House, with the allegations that were made, specific allegations that were made by Mr. Wilson, that the numbers do not add up to a total. That in no way says a little fraud is not a bad thing. A little fraud, like a little bit of learning, is a dangerous thing.

Mr. Speaker, I yield to the gentleman from Louisiana (Mr. Breaux) for purposes of debate only.

Mr. BREAUX. I thank the gentleman for yielding.

Mr. Speaker, I take this time, although I did not plan to, just to make a couple of observations.

I think, somehow, that the gentleman from Louisiana (Mr. Leach) really becomes a victim of the political climate, and I think, in making him the victim of the political climate, we really make the House a victim of the political climate. I say that because I think that our minds are really made up on this issue and it is basically being made up because of which party we happen to belong to. This election contest is not being decided based on how we should interpret the law that we passed in this area, but it is being decided based on how many press releases we can issue on Congressman Leach's election.

I think we do ourselves a disservice in this area. We passed a law which should govern what action we should take in this regard, and it says that the person who is challenging must show grounds sufficient to change the result of the election, not the fact that there was fraud, or that there were votes bought in the election. That is admitted. A trial has cleared Congressman Leach of any wrongdoing in that regard completely. In fact, the challenger does not even contest Leach's involvement any more.

But if you accept as fact all of the votes that the challenger says were bought were in fact bought, it does not affect the outcome of the election. And the law that we in this House passed clearly states that the challenger must show that enough votes were fraudulently cast to change the outcome of the election. That clearly has not been done.

We have been looking at this election for over a year; the U.S. attorney has; the FBI has; and you can book it that the challenger has. And despite all of that, despite all of those interviews, they still have not come up with a standard that we ourselves have placed on the challenger, that he has to show that there were votes bought and that it would in fact change the result of the election.

So are we interested in doing a service to this House and to this body and not just to our party? I think we have to look at those facts, forget the press releases, and do justice to the gentleman whose career, really, is at stake and indeed the integrity of this House is at stake.

Mr. THOMPSON. Mr. Speaker, I yield such further time as he may consume to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Louisiana (Mrs. Boggs).

Mrs. BOGGS. I thank the gentleman from California and the gentleman from New Jersey.

Mr. Speaker, I would like to address myself to the climate that we have indeed created here or have simply reflected here, and there is another climate that we have to think about aside from the integrity of this House, and that is the integrity of the people of Louisiana and the integrity of all of the people who have worked for so many years in trying to make certain that all of the chores of democracy have been properly done, that the voters are properly registered, that the voters know what the issues are, that the voters know where the polling places are, that they have easy access to the vote, that the vote will be administered over by honest and efficient commissioners, that the vote will be properly counted, honestly counted and promptly promulgated.

There have been groups in Louisiana which have been working in these regards for over 40 years. We were one of the first States to having voting machines, we were one of the first States to have permanent registration since 1941. We worked diligently to enlarge the franchise, particularly to blacks and other minorities, and many of the people who have worked in this regard also worked very diligently in the campaign of the gentleman whose contest is before us today.

So I do think we have to remember these elements as well.

I have been a member of the Elections Subcommittee of House Administration, and I have worked with many of the Members who have spoken previously today. I think I have agreed on that committee very, very often with the gentleman from Minnesota (Mr. Frenzel). I have also agreed with the gentleman from California (Mr. John L. Burton). And I do think that we all know that in other contests that we have looked at, we agreed that it was not worth the time and the effort and the moneys that would have to be expended to attorneys and other investigators to look into cases where not sufficient amounts of evidence had been shown that the election could be overturned by the number of votes that were in contest.

I hope that my colleagues will join me in voting to dismiss this contest.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. Thompson) has 4 minutes remaining, and the gentleman from California (Mr. Badham) has 2 minutes remaining.

Mr. BADHAM. Mr. Speaker, I yield 30 seconds to the gentleman from South Carolina (Mr. Campbell).

Mr. CAMPBELL. I thank the gentleman for yielding.

Mr. Speaker, one point should be made. There was a statement made concerning partisanship of this nature, and I think that the majority side would agree that we have heard many contested elections this year and that we on the minority side have in every instance agreed with the majority in all cases in dismissing challenges by, in all cases, the minority candidates. And, this happens to be one that we stand on the merits of the case, and I do not think that it should be inferred that this is strictly partisanship on the part of the minority. Rather, it is a stand against fraud in the election process.

Mr. BADHAM. Mr. Speaker, I reserve the balance of my time.

Mr. JOHN L. BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to respond that the members of the committee have never raised this on a partisan level, and I commended the gentleman from California (Mr. BADHAM) for it. The gentleman from California (Mr. BADHAM) was out of the country on official business at the time that your leadership held a press conference before our first meeting on it, to let us know what they were going to do. So any remarks certainly would not go to any of the minority members of either the task force or the committee. So the gentleman is to be commended for approaching this with an open mind. It was the Republican leadership which chose to make this a partisan issue and practically decide what the votes were going to be before we had our hearing on it. I wanted to make that straight, to differentiate the gentleman from the position of the leadership. I think the gentleman did approach it, as we did, with as open a mind as possible, but it was their leadership press conference that sought to put this in a somewhat partisan light. I do not think the members of the committee did, because it was not an easy situation for them.

Mr. BADHAM. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would like to just mention a couple of comments that were made by the Members from Louisiana, that really one of the basic items here at question is the book of 440 people, allegedly the commercial vote, were they taken to the polls as just innocent black folks being driven to the polls, or were they actually paid? That is where the whole thing turns. We have had no investigation of that.

Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. I thank the gentleman for yielding.

Mr. Speaker, we are not questioning the integrity of the gentleman from Louisiana (Mr. LEACH). We are not even asking for a final disposition here today. We are simply saying that this should not be swept under the rug. We are simply saying that there is evidence of fraud. After all, several people have already been convicted. There is an ongoing, continuing FBI investigation. Eight people are still under investigation. So there is evidence of fraud; the question of how many votes were bought is still at issue. We have no issue over whether or not some votes were bought, that is agreed upon.

□ 1410

The issue is how many votes were bought, and we think that not only Republicans but Democrats, as well, should join in not permitting this to be swept under the rug. The issue is not Mr. LEACH's integrity.

The issue is the integrity of the electoral process.

Let us vote down this resolution so that the committee can proceed with a full hearing into this contested election.

Mr. THOMPSON. I yield 2 minutes to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. I thank the chairman of the Republican policy committee of the House for his nonpartisan statement.

I also thank him for the bipartisan statements that were made before we even had our first hearings. I would refer him to his own statement:

> The position is that the people of the Fourth District have a right to a final resolution of this matter.

This is what we are trying to do. We differ as to whether or not a House committee could do a better investigatory job than the FBI. We do not think we could.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to my friend, the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. I thank the gentleman for yielding.

I would ask the gentleman is it not true that Republicans on the committee vigorously supported dismissing the election contest brought by a Republican, Leo Thorsness? So our position is not simply a partisan decision.

Mr. JOHN L. BURTON. I will not talk about the Republicans on the committee. I commended them. It was the leadership on the gentleman's side that chose to put this in partisan perspective before we had our first committee hearing, assuming we were going to give them 5 minutes and not let them talk. The gentleman from California (Mr. BADHAM) was told—well, he was out of the country on official business—like his vote had already been counted at a certain place. I do not think that was proper.

We voted to dismiss counts. In fact, we are following precedents laid down in the matter of Pierce against Pursell where I, as a Democrat, chaired the subcommittee and ruled against the Democrat contestee.

So these matters have been nonpartisan, but it was the leadership of the other side that sought to put this here.

The people of the State of Louisiana, who have to be as outraged and shocked as anybody that there could be a tainted election in that State, need a resolution of this problem. They have never seen the likes of this in any election prior to this, and hope they never see any tainted elections again.

I just believe that the motion to dismiss is the right thing for the integrity of the House and the right thing for the integrity of Mr. LEACH. I think it is very important that this has been cast by some Members under a partisan pall.

Mr. THOMPSON. Mr. Speaker, I think enough has been said on the question, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. JOHN L. BURTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 241, nays 153, answered "present" 3, not voting 36, as follows:

[Roll No. 114]

YEAS—241

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hefner
Heftel
Hightower
Holland
Howard
Hubbard
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Roybal
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Seiberling
Sharp
Shelby
Skelton
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Weiss
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—153

Archer
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holtzman
Hopkins
Horton
Hyde
Jeffords
Jeffries
Johnson, Colo.
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Lewis
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McEwen
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Myers, Ind.
O'Brien
Paul
Petri
Porter
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Stanton
Stockman
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—3

Leach, La.
Livingston
Moore

NOT VOTING—36

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Anthony
Ashbrook
Barnard
Bevill
Biaggi
Bonker
Bowen
Davis, S.C.
Ford, Mich.
Giaimo
Hawkins
Holt
Huckaby
Ichord
Jones, N.C.
McDonald
Mathis
Murphy, Ill.
Neal
Pashayan
Ratchford
Rostenkowski
Schroeder
Shannon
Simon
St Germain
Stewart
Treen
Waxman
Weaver
Williams, Mont.
Wilson, Bob

☐ 1430

Mr. BENNETT changed his vote from "yea" to "nay."

Mr. OBEY changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DELAY IN CONSIDERING CONFERENCE REPORT ON FOREIGN ASSISTANCE APPROPRIATION ACT, 1980

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Speaker, the conference report on the Foreign Assistance Appropriation Act for fiscal year 1980 had originally been scheduled for floor consideration today.

Yesterday, however, the Senate Budget Committee unexpectedly filed the budget reestimates for fiscal year 1980 which showed that there is no room remaining in the congressional budget ceiling for any appropriations. It is my understanding that similar budget reestimates will shortly be filed in the House.

For these reasons, the leadership, working with the Appropriations Committee, has decided to wait until adoption of a third budget resolution before considering the Foreign Assistance conference report.

I am anxious to see that the conference report is adopted as soon as possible and I hope that the Congress can quickly consider a third budget resolution.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BEILENSON. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON S. 643, REFUGEE ACT OF 1980

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 586 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 586

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (S. 643) to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes, and all points of order against said conference report for failure to comply with the provisions of clause 3, rule XXVIII, are hereby waived.

The SPEAKER pro tempore. The gentleman from California (Mr. Beilenson) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee (Mr. Quillen), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 586 is the rule providing for the consideration of the conference report on S. 643, the refugee act of 1980, the House version of which, H.R. 2816, passed on December 20 by a vote of 328 to 47. The rule waives clause 3 of House rule XXVIII which prohibits the inclusion in a conference agreement of matters beyond the scope of the legislation committed to conference.

House Resolution 586 is noncontroversial. House conferees of both parties supported its adoption in testimony before the rules committee. It is necessitated by the correction of drafting oversights in conference and by technical violations associated with conference committee decisions.

I urge my colleagues to adopt House Resolution 586 so that we may proceed with the conference report.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from California (Mr. Beilenson) has explained the provisions of the House resolution before us. I would like to point out to the Members of the House that during this period we are all resolved to limit federal expenditures.

This conference report provides $90 million more than authorized by the House. I think we should look at every penny that goes in every bill and bring down our spending to a balanced budget, yes, even a surplus budget in order to turn things around in this country today.

The inflation rate is sky-high. We have high interest rates and high taxes.

We must do the job and do it right.

Mr. Speaker, I have no objection to this rule as presented.

Mr. Speaker, at this time I yield 5 minutes to the gentleman from Virginia (Mr. Butler).

Mr. BUTLER. Mr. Speaker, I think I should begin by explaining to my colleagues why we are here on this rule. There are eight areas of possibly exceeding the scope or the area of disagreement which require this waiver. Now, none of these, I judge, are enough to justify rejecting the conference report for that alone.

☐ 1440

But it does say something about the quality of the work product of this conference. The main area of concern to me with reference to the portions of the conference report which are outside the area of disagreement is the creation of an Ambssador at Large to deal with the refugee problem. This particular portion of our conference report was not considered by the subcommittee, was not considered by the full committee, was not considered on the floor, was not considered in the Senate, but it was added in the conference. This is a pretty significant change in the statute—the creation of an Ambassador at Large of any sort. I am not sure what that means. I am not at all sure what its responsibilities are, but I think it is a big step to take without hearings. That is the first objection I have to this conference report.

But I have two far more fundamental reasons why I think we should reject this conference report and why I will suggest that we vote against it in general debate on the report. In the first place, let me reassure you, do not worry about not taking care of the poor refugees this year. This legislation will happen. We can send it back and clean it up and do it right and pass this legislation without worrying about that for a moment. You should also bear in mind we have already appropriated the appropriate funds for the fiscal year in which we are now—fiscal 1980.

Mr. Speaker, the reason I am insisting on the Members' attention at this moment is once more in the continuing battle between the House of Representatives and the Senate on the legislation veto. We have lost it in conference. Once more the House has passed a legislative veto; once more it has come back from the conference without the legislative veto. The difference this time, is that the main objectors to the legislative veto were the House conferees. I do not think we will have any real problem with the Senate if we put our feet on the ground and insist on the legislative veto in this particular instance. The legislative veto we have was a carefully crafted amendment by the gentleman from California (Mr. Moorhead). You will recall that what we are concerned with in this particular legislative veto is the number of refugees we shall admit to this country. We place in this legislation what amounts to a ceiling of 50,000. Then we have to go through certain exercises before we can increase that 50,000. Basically, those exercises are a decision by the executive branch and extensive consultation and hearing by the Judiciary Committees. The problem with that is—and I congratulate the gentleman from New York (Mr. Fish), particularly for the manner in which we have crafted the consultation provision—we are still left with the fact that the President of the United States does not have to heed the wishes of Congress in this regard. So that is what prompted the gentleman from California (Mr. Moorhead) to insert on this floor, over the objections of several very respected members a legislative veto in this bill which would bring it back to the House of Representatives and back to the Senate to pass judgment on whether the President's decision to increase the number of refugees above 50,000 in any year would be permitted.

I want to assure the Members that this is one of the most important things that we have before this Congress. The real reason to justify a legislative veto is because it would restore to the Congress of the United States control of the number of refugees, and that is where the Constitution places it.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. I yield 5 additional minutes to the gentleman.

Mr. BUTLER. I thank the gentleman. I want to emphasize again the importance of this legislation and the real reason we need this legislation is to return to the Congress control over the number of refugees. If the President of the United States in a moment of euphoria says to the rest of the world, "We will take in 168,000 people," without serious consultation, without congressional approval, we can do something about it if we have this legislative veto. But in the absence of that legislative veto, we really have not retained the control that Congress ought to have. So the first reason I urge the Members to reject this conference report will be because the conference has rejected the traditional legislative veto, which the House so badly needs and has so frequently affirmed.

The second reason I would ask you to vote against this is because it has authorization within this bill for $90 million of additional money for the Cuban refugee program beyond the House-passed bill. After April 1, 1981, under this bill no refugee will be entitled to the assistance provided by this act unless he or she has been in the country for less than 3 years, except that certain Cuban refugees who entered before October 1, 1978, and may have arrived as long ago as 18 years, may provide the basis for reimbursement of certain non-Federal costs. The amount of dollars it is estimated this legislation will authorize for the Cuban exception which accrues after April 1, 1981, is $90 million. Authorization for this $90 million was not included in the House bill. It was specifically rejected in the committee in response to the oratory of the chairman of our subcommittee, the gentlewoman from New York. In response to the resounding echo of the gentleman from New York (Mr. Fish), the ranking member of the subcommittee, we rejected it in committee.

It was not even offered on the floor, although its principal proponents were here. The House position was clear in the conference. The purpose of this legislation, this refugee bill, is to bring all the refugee programs under one roof, one program, one set of standards. This is the way the bill passed the House. Now it comes back from the conference with one exception for old Cuban refugees, being those who have been here longer than 3 years and possibly as long as 18 years, at a cost of 90 million in additional dollars. We have already spent over $1.4 billion on the Cuban refugee program. Seventy-five million dollars will be spent under this bill between now and April 1, 1981, with an additional $90 million after that date as added by the conference. That is just too much. The House has been fighting to terminate this program for many years. The House Committee on Appropriations has very recently undertaken to terminate it, only to be beaten down by conference with the Senate. This is no time to perpetuate the program which the House has so clearly rejected. It is no time to perpetuate it by a $90 million exception of this sort. So when we get to general debate, I will ask the Members to reject this conference report for three reasons: one, because it creates an Ambassador-at-Large which we never really talked about and enshrines it in the statute. It reverses the legislative veto which the House of Representatives has so firmly endorsed.

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Finally, it adds $90 million in additional cost for the Cuban refugees after it was firmly rejected by the committee and not even offered on the floor.

Mr. Speaker, I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I think neither of us have any additional requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Ms. HOLTZMAN. Mr. Speaker, I call up the conference report on the Senate bill (S. 643) to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of February 22, 1980.)

The SPEAKER pro tempore. The gentlewoman from New York (Ms. Holtzman) will be recognized for 30 minutes, and the gentleman from New York (Mr. Fish) will be recognized for 30 minutes.

The Chair recognizes the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, in calling up this report today, I am pleased to inform my colleagues that your conferees were extremely fortunate in retaining most of the key provisions contained in the House version of this legislation.

The successful outcome of the conference was due, in large measure, to the diligent and persevering efforts of the distinguished chairman of the Judiciary Committee (Mr. Rodino) and the ranking minority member of the conference and the Subcommittee on Immigration, Refugees and International Law (Mr. Fish). I should also note the cooperation and support we received from our fellow conferees from the Foreign Affairs Committee.

In title II, which sets up a statutory framework for the admission of refugees and for their adjustment of status, the conference report adopts the House provisions—both substantively and organizationally—virtually in their entirety

First, the conference report adopts the House definition of the term "refugee," which essentially conforms to that used under the United Nations Convention and Protocol relating to the status of refugees. This new definition finally eliminates the geographical and ideological restrictions applicable to refugees contained in our law since 1952. The new definition also includes presidentially specified persons within their own country who are persecuted or threatened with persecution. This will give our Government the flexibility to deal with crises such as the evacuation of Vietnam in 1975 and to respond as well to situations in countries such as Cuba or Chile today where there are political detainees or prisoners of conscience of special humanitarian concern to the United States. The conferees also accepted House language specifically to exclude from the definition of "refugee" those who themselves engaged in persecution.

Second, the conference report finally establishes a statutory scheme for the admission of refugees in both normal flow and emergency situations to replace the conditional entry and parole provisions of present law. Until fiscal year 1983, the report provides for a normal flow of refugees of 50,000 annually except in situations where the President, before the beginning of the fiscal year and after consultation with Congress, determines that an increase is "justified by humanitarian concerns." A sunset provision terminates the 50,000 normal flow beginning in fiscal year 1983; after that date all refugee admissions will be subject to consultation.

The report also provides for the admission of refugees in unforeseen emergency situations arising after the beginning of the fiscal year. The President can allow additional refugees in under this section only after consultation with Congress and if justified by "grave humanitarian concerns."

Third, the report adopts the detailed House provisions regarding consultation with Congress, which up to now has been informal and solely a matter of courtesy or custom. In addition to mandating that specific information be provided to the consultative Members, the conferees retained the House requirement that a Cabinet member participate in the process. Importantly, the report also adopts the House language requiring that the substance of the consultations between the Cabinet member (and any other official, such as the Coordinator for Refugee Affairs) and the Judiciary Committees be printed in the CONGRESSIONAL RECORD. Finally, the conferees agreed to accept the House provisions which require a hearing on proposals to increase normal flow refugee admissions, and, if possible, when increases are proposed in emergency situations.

Although the conferees did not agree to the House language providing for a one-House veto of additions to normal flow admissions, because the House provisions on consultation, printing the substance of consultations in the RECORD, and hearings were adopted, the conferees believe the report still gives Congress ample control over refugee admissions. I would note that all these new requirements are in addition to the control Congress can already exercise through the appropriations process.

Fourth, the conference report also adopts House language which makes it explicitly clear that the Attorney General's parole authority should not be used to admit groups of refugees. The legislative intent of both Houses is that the statutory scheme established by the conference agreement should be the mechanism for handling refugee admissions. Nonetheless, the parole authority is not terminated, and still can be utilized to admit individual refugees in certain compelling situations. Further, the conference report in no way diminishes the Attorney General's authority to parole into the country aliens who do not come within the new refugee definition.

The conferees contemplate that existing refugee parole programs (such as the Cuban and Western Hemisphere programs) will continue until a consultation on future refugee admissions is held under the provisions of the instant legislation.

Fifth, the conferees adopted the House position that all refugees—both normal flow and emergency situation—should be admitted by the Attorney General as "refugees," not as lawful permanent residents. With the creation of a new refugee status, officials will have an opportunity to conduct better and more intensive screening before granting permanent residence. The conferees did agree, however, to reduce the time prior to adjustment of status from the 2 year period in the House bill to 1 year. This 1 year of refugee status would count toward the 5 years required for naturalization, however, so the individual would not be disadvantaged during the waiting period.

Importantly as well, it is the clear intention of the conferees that, for purposes of State or local licensing laws, those in refugee status should be considered as lawful permanent residents and should not be subject to any form of employment discrimination.

Finally, the conference report also adopts the House provisions relating to asylum and withholding of deportation. These provisions are consistent with our international obligations under the United Nations Convention and Protocol, and the conferees intend that the new sections be implemented consistent with those international documents.

I would note that this marks the first time a statutory asylum procedure has been mandated in our immigration law. Currently, asylum can only be provided administratively.

With regard to domestic resettlement assistance, I can inform my colleagues that we were able to preserve, almost intact, the structure and the specificity of the House bill. The conference report reflects the judgment of the conferees that a statutory office in HEW is necessary to insure program accountability, particularly in view of the increasing numbers of refugees coming to this country and the large amount of funds which will be expended under this resettlement program. While the conference report does not specify that the director of this office is to report directly to the Secretary of HEW, it is our intent that he or she should continue to do so unless there is a major reorganization within that Department.

In addition, the conference report creates the office of U.S. Coordinator for Refugee Affairs but does not place the office in any particular cabinet department or agency. As my colleagues will recall, the House bill would have instead created an office of refugee policy in the White House responsible for the development and coordination of U.S. refugee policy. The conferees felt that such a move at this time could jeopardize ongoing refugee programs and the effort to internationalize refugee problems. In rejecting this House approach, the conferees have requested the President to review the function and placement of the office and to advise the Congress within 1 year as to his decision concerning its appropriate location in the executive branch. The conference agreement makes it clear that the Director of the HEW office is to consult closely with the coordinator with regard to the provision of domestic resettlement assistance—including the awarding of reception of placement grants over the next 2 fiscal years.

Despite my strong belief that the authority for making initial resettlement grants should be immediately transferred from State to HEW, the conferees did accept the House version which delays such a transfer for a 2-year period. During that period the President is required to provide for a study of this matter and I can assure my colleagues that the results of such study will be carefully scrutinized by my subcommittee.

It is my expectation that during this 2-year period the Departments of State and HEW together with the Coordinator will work closely together in developing uniform standards and criteria to assist in monitoring voluntary agency performance under these grants. In my judgment, the establishment of such criteria—in consultation with Congress—is particularly essential in light of the recent findings contained in the service delivery assessment report prepared for the Secretary of HEW in January of this year. That report was critical, in several respects, of the resettlement efforts by the voluntary agencies and it stressed the need for greater coordination between these agencies, social service agencies, and other service providers at the local level.

The conferees adopted a compromise formula regarding reimbursement of State and local governments for cash and medical assistance to refugees. In effect, the conference reports splits the difference between the Senate and House versions by providing a reimbursement period of 3 years after the refugee's arrival in this country. It also provides that the 3-year limitation shall not apply during fiscal year 1980 and the first 6 months of fiscal year 1981. The conference report also specifies a 3-year authorization period for the domestic assistance authorized in the legislation and provides authority for the continued phasedown of the Cuban refugee program, as agreed to earlier between the Appropriations Committees of the Congress and the administration.

Finally, the conference agreement authorizes reimbursement to State and local governments for costs incurred on behalf of aliens who applied for asylum prior to November 1, 1979, and whose claims have not been finally adjudicated.

Mr. Speaker, let me say once again, to assure the Members of the House, that despite the comments made by the gentleman from Virginia (Mr. BUTLER) the conference report basically adopts the House position on the refugee bill.

I think with the exception of possibly two or three provisions, the conference report is virtually a duplicate of the bill passed here on the House floor. I think it is important to recognize that. The House position, except for two or three cases, has been sustained.

Mr. Speaker, with regard to the point raised in opposition to the conference report, let me say this: It is true that the conference report creates the Office of U.S. Coordinator for Refugee Affairs and grants the rank of Ambassador at Large to the U.S. Coordinator.

The granting of the title Ambassador at Large affords the U.S. Coordinator nothing more than ability to carry out existing policy. At the present time there is a Coordinator for Refugee Affairs who is located in the Department of State. This person carries the title of Ambassador and it was at the suggestion of the administration that the conference adopt the provision granting the rank of Ambassador at Large to the new U.S. Coordinator for Refugee Affairs.

Mr. Speaker, the purpose of granting that title is simple and obvious; it will enable the U.S. Coordinator to deal effectively with foreign governments on the issue of refugees. After all, the problem of refugees is not only one involving domestic resettlement but it involves dealing with foreign governments and with international agencies over the question of third country resettlement, their care and maintenance in asylum countries and the like. It is crucial that the coordinator be given that title and this conference report appropriately does so.

Second, Mr. Speaker, with respect to the issue of legislative veto, the fact of the matter is that this conference report gives the Congress much greater and more explicit power than it has had before with regard to the numbers and nature of refugees to be admitted to this country. The consultation process is a result of the important contribution made by the gentleman from New York (Mr. Fish). It is explicit with regard to the period of time involved, the kind of information to be provided the Congress by the executive branch and also the right of Congress to obtain additional information.

In addition, Mr. Speaker, there is a provision for public hearings on the number of refugees to be admitted, which will allow for careful congressional and public scrutiny with regard to the numbers of refugees to be admitted and the countries from which they are to be admitted to the United States.

With regard to the issue of the Cuban program, Mr. Speaker, I think the gentleman from Virginia did not intend to be misleading but I think the effect of his comments is misleading. We are not choosing between zero for the Cuban program, or $90 million. We are choosing between two different approaches. One is a phaseout, that would end after fiscal year 1983, of the Cuban program. That phaseout was agreed to previously by the administration and by the Appropriation Committees of both Houses. Actually that phaseout would be cheaper than the formula adopted in the original House bill which would have allowed for a 2-year extension of the Cuban program at 100-percent funding and a cutoff thereafter. We have estimates from the Congressional Budget Office and HEW attesting to the fact that the provisions of the conference report will actually be cheaper.

Mr. Speaker, I want to repeat to my colleagues that we are not choosing between no Cuban program and a Cuban program. We are choosing between a phaseout over 4 years or a phaseout over a year and a half with 100-percent funding for that period.

In summary, Mr. Speaker, I believe this conference report represents a reasonable and humanitarian compromise on the various areas of disagreement between the two bodies. This is indeed landmark legislation in that it establishes for the first time in this Nation's history a comprehensive and coherent refugee policy. It is therefore with a sense of pride that I present this conference report to the House and I urge its overwhelming approval by my colleagues.

Mr. Speaker, at this time I yield 5 minutes to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. Rodino).

Mr. RODINO. Mr. Speaker, I thank the gentlewoman for yielding to me.

Mr. Speaker, I would merely like to address myself to the general subject matter of this legislation. This conference report relates to a matter which is of prime concern to all of us who are here in the Congress who have the responsibility for legislating in the area of immigration and refugee policy.

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Up until this time our Government never really had a coherent and comprehensive refugee policy. Now, for the first time, under the able leadership of the chairperson, the Subcommittee on Immigration, Refugees, and International Law, the Congress has developed a bill which I was proud to sponsor along with her, which establishes such a policy.

First, it confirms what this Government and the American people are all about.

I think that, notwithstanding the fact that there were differences between the House version and the Senate version, those differences were reconciled in a manner of reasonable compromise.

Mr. Speaker, notwithstanding the fact that some Members may find that this conference report does not meet with their approval in its entirety, nonetheless I think that upon review they will have to admit that this is important and urgently needed legislation. I would commend the gentlewoman from New York, the chairperson of this subcommittee, along with the ranking minority member, the gentleman from New York (Mr. Fish), the distinguished chairman of the Foreign Affairs Committee (Mr. Zablocki), and the Members who worked on this such as the ranking minority member of the full Committee on the Judiciary, the gentleman from Illinois (Mr. McClory).

By their deep dedication and untiring efforts, the United States once again has demonstrated its concern for the homeless, the defenseless, and the persecuted peoples who fall victim to tyrannical and oppressive governmental regimes.

I also wish to applaud my fellow conferees for their cooperation and their understanding in finding equitable solutions to the minor differences in House and Senate versions of this bill. I firmly believe that the product of our labors has enabled us to present to the House landmark legislation in an area which for years has been dealt with on an ad hoc, piecemeal basis, many times reacting to a situation when it was upon us.

As I mentioned to the House when I introduced this bill—we must not delude ourselves, refugee situations which at one time appeared to be temporary and comparatively easy to resolve, now loom as a fact of life. We can no longer apply quick and ready responses to isolated situations. The nature of the world refugee problems today are continuous. They require concerted and cooperative actions on the part of all free nations of the world.

Ever since World War II, when our country took prompt and humane action to respond to the displaced person and refugee upheavals caused by this conflict, the United States has provided a haven for over 2 million unfortunate people driven from their homes and expelled from their countries.

By enacting the Refugee Act of 1980, the United States reaffirms its traditional policy of providing sanctuary to the uprooted. It also clearly reaffirms our deep commitment to our national policy on human rights and signals to our fellow nations that we are ever willing to share with them the burden of helping those people less fortunate than we are.

We can honestly say to ourselves—There, but for the grace of God, go I—I urge you to adopt this conference report and become a full partner in bringing out of this Congress one of the most important pieces of humanitarian legislation ever enacted by a U.S. Congress.

Mr. FISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this conference report. As we all know, the admission of refugees to this country has been a very significant part of our immigration process. Yet today, we have no regular system to provide for such admission nor any uniform and comprehensive program to assist refugees once admitted to resettle in this country, both issues of national concern. These issues are addressed in this legislation steered through the Congress by the able chairperson, the gentlelady from New York.

Adoption of this conference report and enactment of the Refugee Act of 1980 will correct this situation by establishing a statutory procedure for refugee admissions and resettlement in this country. After a decision is made by the executive branch to admit refugees, consultation is mandated under the bill with Members of the Congress as to both the numbers of refugees to be admitted and as to the allocation of such numbers among persons around the world who qualify as refugees under the new expanded definition contained in the bill.

The gentlelady from New York, Subcommittee Chairwoman Holtzman, has stated the House position prevailed to a significant extent. I just want to emphasize certain points which I feel are most significant.

We were concerned that the Congress maintain a significant role in the decision as to how many numbers of refugees are admitted to this country. As I said, this bill requires consultation with Members of both Houses, and it sets forth, in specific detail, information which must be provided as a part of this consultation process. It includes the following:

First. A description of the nature of the refugees situation;

Second. A description of the number and allocation of the refugees to be admitted and an analysis of conditions within the countries from which they came;

Third. Proposed plans for their movement and resettlement and the estimated cost of their movement and resettlement;

Fourth. An analysis of the anticipated social, economic, and demographic impact of their admission to the United States;

Fifth. A description of the extent to which other countries will admit and assist in the resettlement of such refugees; and

Sixth. An analysis of the impact of the participation on the foreign policy interests of the United States.

Consultation with the Congress will determine admission in excess of 50,000 refugees per year in fiscal years 1980, 1981, and 1982. A sunset provision then terminates this normal flow authority. Thereafter, Executive decisions for admission of all refugees will be subject to consultation. It is expected by then the Congress will review the refugee situation and legislate appropriately. I should note that the allocation of refugee numbers, including the 50,000 normal flow also is subject to consultation and we expect that prior to each fiscal year we will be consulted with respect to allocation.

The bill also provides that after the required information is submitted to the Congress a hearing be held on the issue of additional refugee numbers unless public disclosure of the details of the proposal jeopardizes the lives or safety of individuals. A statement setting forth the substance of such consultation process will be printed in the CONGRESSIONAL RECORD.

I also wish to point out that the bill establishes an Office of Coordinator for Refugee Affairs to be headed by an Ambassador at Large, an office presently created by Executive order. It will be the duty of the Office to develop overall U.S. refugee admissions policy and to coordinate all U.S. admissions and resettlement programs. We adopted the rank of Ambassador at Large for the coordinator to enable him to negotiate with foreign governments. It is clearly in our self-interest to continue efforts to encourage participation of other countries in refugee resettlement efforts. Obviously, the United States cannot accept all refugees seeking resettlement, and the world community must respond. We expect the coordinator to negotiate with foreign governments to assure internationalization of any refugee resettlement program. We also expect him to be the chief policymaker and to coordinate the efforts of various Government departments relating to the admission and resettlement of refugees.

The bill also forbids the use of parole for refugees except in individual cases involving compelling reasons in the public interest. Therefore, we expect very few refugees to be admitted who would come in outside the structure established in this legislation.

I regret that the one-House veto provisions contained in the House version of this bill were not retained by the conferees. However, I do feel that this bill goes far in involving the Congress in the process of refugee admission through its consultation structure and certainly is a significant improvement over the present ad hoc procedures.

I urge my colleagues to support the adoption of this conference report.

Mr. Speaker, I yield 3 minutes to the ranking minority member of the committee, the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I do not want to question the efforts that have been made in our behalf by the conferees, on the part of the House. However, I think that the legislation before us is deficient and does not meet the standards that we should demand on this important and urgent issue of refugees. In the first place, we are making permanent, a refugee program which is going to provide for the admission of large numbers of refugees, which is inconsistent with any past policy we have had.

This is being done in a very abrupt way, at a time when we have a National Commission on Refugee Policy, which was established by the President, and which has not had an opportunity to report. It would seem to me that all we should be doing at the present time is to provide some kind of interim legislation which would authorize a program for the present accommodation of refugees from Southeast Asia. To suggest that we should here and now establish a new mechanism for receiving refugees in large numbers over a relatively long period of time seems to me to be a most unfortunate step for the Congress to be taking at this time.

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Furthermore, Mr. Speaker, while this legislation establishes legislatively that we should admit 50,000 refugees as a basic number, that number can be increased upward and there is no top limit suggested in the legislation. The increase can be made by the President by merely arranging a consultation with the House and Senate Judiciary Committees.

An amendment was offered in my behalf when the measure was before the House to require that the Committee on the Judiciary of the House should approve any increased number of refugees beyond the 50,000 figure specified in the bill. Such an increase represents legislative action that should require legislative approval, and it seems to me at a minimum that approval by the Committee on the Judiciary of the House would be in order. So I think the legislation is deficient in that respect.

Also I think it is most unfortunate that we are establishing in the Department of HEW, or whatever they call it now, a prime role, a major role, with regard to resettlement assistance and all kinds of benefits for refugees. It seems to me that again we are establishing on a permanent basis a role and a function which has never existed and which is going to enlarge the bureaucracy of HEW in a way which I think we are going to live to regret. I think the existing authority in the State Department is much the more appropriate place for us to handle this responsibility.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I am pleased to yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I know the gentleman has a concern for the resettlement of refugees, and the gentleman knows that under this bill and in fact under existing programs HEW is responsible for administering hundreds of millions of dollars in the form of welfare payments to States, medicare payments to States, and various other kinds of payments to States.

Surely the gentleman would agree that this kind of administrative function should be done in an orderly manner, which is exactly what the conference report does.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. McCLORY) has expired.

Mr. FISH. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, let me just say this: It seems to me that the traditional role and traditional function of HEW with regard to persons who are permanently here after their stay in an area of first asylum, as we call it, could be continued without establishing this new role, this new office, and these new prerogatives. The report authorizes the appointment of a Director in the new Department of Health and Human Services with a very broad mandate in areas where the old Department of HEW has not been involved before.

It seems to me that what we are doing is enhancing and enlarging their role and building onto their functions and authority. I think we are going to live to regret that.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I am pleased to yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we are not enlarging the authority of HEW in this bill. All we are doing is rationalizing the authority in advance.

Mr. McCLORY. Mr. Speaker, I would disagree emphatically with the gentlewoman from New York. It enlarges their role substantially with regard to training and with regard to educational benefits. Sections 411 and 412 expand the Department of Health and Human Services in a manner which I believe will be both bureaucratic and expensive.

I do not see in the conference report that we extend authority to carry out any of these functions overseas, which was in the bill before. Hopefully that was taken out of the bill, because if we gave that authority, we would increase the overseas operations on a large scale for HEW—now the Department of

Health and Human Services—which is an authority I am sure they would love to have.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. Surely, I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, HEW does not administer labor training grants. The Office of HEW is designed to have a focus for the hundreds of millions of dollars that go at the present time to State and local governments.

Mr. McCLORY. Mr. Speaker, I am pleased with this report to the extent that we have diminished the role of HEW. I think if we could have eliminated its role, we would have done far better.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The Chair will state that the gentlewoman from New York (Ms. Holtzman) has 20 minutes remaining, and the gentleman from New York (Mr. Fish) has 20 minutes remaining.

Ms. HOLTZMAN. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, I thank the gentlewoman from New York for yielding 3 minutes to me.

Mr. Speaker, I rise in support of the conference report on S. 643, the Refugee Act of 1980.

The conference report represents the last step in a long and arduous path along which the effort to reform U.S. refugee policy with respect to the refugees immigrating to the United States has traveled.

At the outset, Mr. Speaker, I would join with the chairman of the Committee on the Judiciary in commending the managers on the part of the House from the Committees on the Judiciary and Foreign Affairs for their excellent stewardship of this legislation. In particular, I want to commend the distinguished gentlewoman from New York (Ms. Holtzman) for her able leadership as chairperson of the conference.

The conference report in my view successfully balances the foreign policy and domestic aspects of the U.S. refugee program. With respect to the U.S. foreign policy interests, the conference report retains the House version of the definition of "refugee." The House amendment specifically broadened the U.S. definition to bring it into line with the definition recognized by the United Nations, and included presidentially specified persons within their own country who are being persecuted or who fear persecution.

The conference report also makes it clear that the Office of Refugee Resettlement within the Department of Health and Human Services established in this legislation will carry out its function under the general policy guidance of the U.S. Coordinator for Refugee Affairs, who is an Ambassador at Large in the Department of State. This provision recognizes that the U.S. involvement in refugee activities is first and foremost a matter of foreign policy.

Mr. Speaker, I believe the gentleman from Illinois (Mr. McClory) should reconsider this. This does not open the door for a massive influx of refugees into this country.

With respect to the domestic side of this issue, the conference report retains the best features of both versions of the legislation, and in cases where compromises were necessary the agreements reached are fair and equitable to refugees immigrating to the United States and State and local governments. And it is, I think, fair legislation as it is concerned with the American taxpayer.

Mr. Speaker, this legislation represents months of hard work which resulted in a much needed reform and reorganization of our procedures for admitting refugees into this country. Therefore, I urge adoption of the conference report.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I think this legislation provides a new concept with regard to refugees. Heretofore we have considered refugees as being admitted in small numbers, but here we are dealing with refugees at a projected level of 168,000 per year on a relatively permanent basis.

We are taking into consideration persons who are refugees because they do not like the economic systems of the countries in which they are living, and it seems to me we are acquiescing in receiving discontented people as refugees in addition, of course, to the boat people and other unfortunates who are forced to flee from their homelands.

Mr. Speaker, this legislation establishes a new policy, and it comes before the report of the National Commission on Refugee Policy, which I think is unfortunate.

Ms. HOLTZMAN. Mr. Speaker, I yield 6 minutes to the gentleman from California (Mr. Danielson):

Mr. DANIELSON. Mr. Speaker, I thank the gentlewoman from New York for yielding this time to me.

Mr. Speaker, I shall not speak in length on the technicalities of the refugee-handling structure which is created by the bill. A great deal of work has been done on this. It is good work, and I think fundamentally a good structure has been set up to handle our refugee problem.

But I do wish to address myself to one area, one subject matter in particular, and that is the shameful manner in which our National Government under this bill, will be addressing itself to the refugee problem.

Mr. Speaker, refugees are a national commitment. We all derive great pride, great satisfaction, and a sort of feeling of grace, you might say, because we have seen these unfortunates in Southeast Asia who have been compelled to leave their homes—people who are hungry, people without clothing, people without medical care, and people with nowhere to turn.

□ 1520

And as the ultimate good samaritan, the United States has said, "Send me your poor," et cetera, "and I will welcome them." Well, that is well and good, and I am proud of it, too, because traditionally America is the land of people in need, people who are troubled and seek refuge. My own grandparents left Sweden and came here because of several things that they could not put up with in addition to poverty. But before we indulge in too big a feeling, too grand a feeling of satisfaction, before we look upon ourselves as being the ultimate humanitarians and with a sense of false pride say, "Look how well we have treated these poor people," let us evaluate what we have done, what we are doing, and what we intend to do. Our Nation, the National Government, has invited these refugees to America. And that is well and good. But before we break our arms by patting ourselves on our backs, let us look at what we have done with the cost. After all, bringing refugees here is one thing; paying for the cost of assimilating them is quite another thing.

Under this bill our Federal Government says, "Send me all of your poor, send me your flotsam, send them to our shores. But once they are here, let us put the cost of supporting them on the backs of the local taxpayers." This is a Federal commitment. It is a national commitment, but who is going to pay the cost? I will tell you who is going to pay the cost. It is the taxpayers in the cities and the counties of America, the areas where they settle, who are going to pay the cost. And I ought to know. I come from California, and out of 300,000-odd refugees who have arrived from Southeast Asia in the United States, as many as probably 125,000 now reside in California.

The commitment that we have, as of January 31, 1980, is 304,017 Indochinese refugees in the United States. That is the equivalent of a city the size of Tucson, Ariz. While these refugees were first settled throughout the United States, today 11 States—not 50, but 11 States—California, Florida, Illinois, Louisiana, Minnesota, New York, Oregon, Pennsylvania, Texas, Virginia, and Washington, now have 70 percent of that population. Five of the 11, California, Illinois, Pennsylvania, Texas, and Washington, have more than half, 54 percent. According to HEW, the State of California alone had one-third, 99,554. But HEW admits that that figure is incorrect. That is the aggregate of the number who were originally settled in California plus some adjustment they made as of January 31, 1979, a year ago.

Mr. Speaker, I am sorry that I am not going to be able to tell you all of the information which I think is so important to this Congress, so I do have permission to revise and extend my remarks, and I shall do so. But I would like to point out one thing in closing. When we speak about refugees, refugees are not fungible. In our country, where the population is, in large part, made up of people of a European-type background, or from the northern portion of Asia, here we are, bringing in a lot of people from Vietnam, Laos, Cambodia and the like, who are perfectly decent people but they do not fit our society, they do not fit our economy, and the task of assimilating them is horrendous.

A recent study in Los Angeles County showed that 88.5 percent of our refugees from Southeast Asia cannot speak English. We have also found that the vast majority of them had no occupation in their home country. They were people without status in their own society, without a job in their own economy. The highest skill they ever learned was to drive a water buffalo through a rice paddy, and, Mr. Speaker, we do not have water buffaloes in California. They would have to go to school to get a license to drive water buffalo in California today.

I have the figures which I will include in the revision of my speech, and I hope that the Speaker and the Members of Congress will read this, because the burden of supporting these refugees is going to fall flat on the back of the local cities and counties in which they reside.

REFUGEES—A NATIONAL COMMITMENT

The United States has made a national commitment to aid and resettle the Indochinese people who have been forced from their homelands, and as a result of that commitment we now have 304,017 Indochinese refugees in the United States as of January 31, 1980. These figures were supplied to me by the Office of Refugee Assistance in the Department of Health, Education, and Welfare. That is the equivalent of a city the size of Tucson, Ariz. While these refugees have been resettled throughout the 50 States, 11 States (California, Florida, Illinois, Louisiana, Minnesota, New York, Oregon, Pennsylvania, Texas, Virginia, and Washington) now have 70 percent of that population, and 5 of these 11 States (California, Illinois, Pennsylvania, Texas, and Washington) have over half—54 percent. According to the HEW figures, the State of California alone has one-third (99,554) of the total refugee population in the United States.

I hasten to point out that the HEW figure, 99,554, is not accurate and not even HEW contends that it is accurate. That figure is nothing but an estimate composed of the numbers of refugees which were originally settled in California, plus adjustments for secondary migration which HEW and the Immigration Service estimated as of the end of January 1979, more than 1 year ago. A more accurate figure is estimated by the State of California to be somewhere up to as many as 125,000.

Our Nation's commitment to resettle these refugees includes providing financial and medical assistance as well as encouraging and aiding a variety of other programs. Recent HEW figures (November 1, 1979) indicate that, nationwide, 37.02 percent of the refugees (more than 112,540) were receiving medicaid (this is the most all-inclusive aid figure). Comparable figures in the States ranged from Florida with a low of 6.21 percent to Idaho with a high of 69 percent.

Refugees are a national commitment, but the logistical problem of housing, training, and placing the refugees once they arrive in America, fall to the States, to local units of government, and to volunteer agencies such as the Red Cross, the churches, and the like. Without this law, a large portion of the costs would also fall to the States and local units of government. In a February 19, 1980, letter that I received from New Jersey Gov. Brendan T. Byrne, he reported that the State of New Jersey estimates its own resettlement costs at $2.3 million for fiscal year 1980.

Orange County, Calif., estimated that its administrative costs alone for the aid program were $1,187,625 for the 6-month period from July to December 1979. Orange County estimates its refugee population at 34,894 while the entire State of New Jersey anticipates 4,400 by the end of 1980. I remind you that Orange County, Calif., alone has nearly 20 percent more refugees than the entire State of Texas, which has 29,122 refugees and is the State with the second most heavy refugee load.

All of the States remain highly committed to the resettlement of the refugees, and none has shirked its duties to provide aid and assistance, but the strains on the local governments, agencies, and volunteers are beginning to show.

The State of Oregon reports that approximately 51 percent of the refugees in the State were on welfare as of December 1979. That State had a program that tried to identify an employable person in each family before they placed them on aid. This person was assigned to a job counselor whose top priority was finding employment for this refugee. In the early days of the program, they had a 70-percent placement rate, but that has now fallen to 40 percent. Part of this problem is the result of the fact that the newer refugees have fewer job skills, less education, and less fluency in English, some have none; and part of the problem is that the volunteer agencies and sponsors are beginning to feel the strains of housing, transporting, and placing the refugees.

The State of Washington reports that some 80 percent of the new refugees are being placed on aid within the first few weeks after their arrival. Oregon reports a similar problem with 90 percent of the new refugees coming into the State being placed on aid within the first 2 weeks of their arrival.

The strains of resettlement fall upon the individual refugees as well as the local agencies and sponsors. In a Los Angeles County survey, 62 percent of the heads of refugee households had an English language handicap so severe that it resulted in an inability to function effectively in our society. An informal and random sampling of 856 cases in Orange County, Calif., just completed, indicated that approximately 11.5 percent spoke English and the remaining 88.5 percent of the people did not speak English. The Los Angeles survey also showed that 25 percent of the refugees said that they were unemployed and had no established occupation in their homeland. No one can be expected to make up for these deficiencies in the space of 6 months or even 2 years.

This is a long-term problem which requires long-term solutions, and, more specifically, it is a national problem that deserves national consideration and national support.

Another element in the national commitment to resettling these refugees is the phenomena of secondary migration. A number of States are experiencing an influx of refugees who were originally settled in other States. The reasons for this secondary migration are varied—the inability to become assimilated, to find a job and a home in the community in which they are originally settled, the desire to reunite with family and kin, a search for more job opportunities, and a desire to find a climate similar to the one in their homeland. Whatever the individual refugee's reason for wishing to move to another State, we must recognize his right to resettle a second or even a third time, but we should take into account the fact that this secondary migration will place a greater burden on a few States.

The State of Washington found, in a September 1979 survey, that 24 percent of its refugees were secondary migrants. In Los Angeles County, the estimate is that 48 percent of its welfare case load represents secondary migrants, and nearby Orange County estimates 38 percent of its welfare case load is composed of secondary migrants. There is also proof that the secondary migrants need aid for longer periods of time than those who were assimilated in the area in which they were originally settled. The Los Angeles County survey revealed that the average length of time in the United States of all their welfare cases was 34 months, but those who were secondary migrants averaged 43 months in the United States while those who had settled originally in Los Angeles County averaged only 25 months.

Whatever the reasons for these problems, the cost of providing aid for these people should not be shifted to the local taxpayers when the commitment to resettle these refugees is a national one. The inequities in doing this are too great. The burden to the local taxpayer in New Hampshire is not great for there are only five refugees settled there, according to HEW, but in Texas where there are 29,122 refugees, or Pennsylvania where there are 12,345, or California where there are up to 125,000 according to California's most recent estimate, we are dealing with a problem of much greater magnitude, and one which deserves a national solution, and the national Government should pay the costs of its humanitarian acts, its magnanimity, not the local taxpayer.

Mr. FISH. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, when this bill was before the House of Representatives on December 20, I opposed this bill on the grounds that it separated out our policy on refugees from our policy on legal immigration and the fact that there are millions of illegal immigrants in this country.

The conference committee report does not solve the problem of coordination of policy of various groups of aliens in this country and should be rejected for that reason.

But there is also another reason to reject this conference report. In three material parts on the powers of Congress to review the actions of the administration on refugees the conference committee decided to go along with the weaker version of congressional powers.

For example, the House version of the bill provided for a sunset of the 50,000-per-year normal refugee flow. The conference gave that away. The Senate version of the bill required a hearing and a report within 30 days by the Committee on the Judiciary of both the House and the Senate. The House version did not. The conference report does not.

Finally, the House version of the bill provided for a one-House veto for any action of the administration exceeding the normal flow of 50,000 refugees per year. And the one-House veto was negotiated away by the conference committee as well.

On several occasions this year on unrelated matters, the House of Representatives has very strongly supported a congressional veto over actions of the executive branch of Government because, basically, many of the decisions that are being made by the executive branch of Government are legislative in nature.

How many refugees we admit to this country over and above the normal flow established by Congress I would submit is a legislative decision that this House and this Senate ought to be able to veto if the people of the United States do not want to have a higher normal flow of refugees.

To the Members of the House who have strongly supported a congressional veto over the actions of the bureaucracy, I would urge them to cast a no vote on this conference committee report, to send it back to the conference committee so that the powers of the Congress to review the actions of the administration will be strengthened and so that we can have a meaningful say in what our refugee policy is once this bill is passed and signed into law.

Mr. FISH. Mr. Speaker, I yield myself 1 minute to point out to the gentleman from Wisconsin that, in the consultation process, a hearing is required to review the determination by the President after he asks for the consultation; so that there will be an opportunity not only for a hearing before the subcommittee, but the results of the consultation will be, as I said earlier, published in the CONGRESSIONAL RECORD.

The purpose of this bill was not the coordination of all legislation having to do with aliens. We have an Immigration and Naturalization Act several inches thick which is under review by the select committee at this time. This bill pertains to one class of aliens, and that is refugees, in which the coordination is clearly specified in the Ambassador at Large.

Also, mention is made of the fact that the sunset of the House was dropped. I would like to point out that the House sunset went back to 17,000; the Senate sunset provisions, which were adopted, went back to zero. Theirs is the much stricter sunset provision that is in the conference report.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LUNGREN).

□ 1530

Mr. LUNGREN. Mr. Speaker, I rise in strong support of this conference report.

Mr. Speaker, I share a concern about a number of things which have been pointed out here as not being in this particular conference report. But upon reviewing them, I do not think they form the basis for rejecting this conference report.

As was pointed out a minute ago with respect to the sunset provision, it does not drop the figure down to 17,400, as we had in the previous House bill. Instead it brings the authority back to the Congress for establishing that figure as of 1983.

So we are not rejecting the right of Congress to act. Rather, we are putting it right back where it should be in the House of Representatives where we will have to consider it at that time and make a judgment with respect to the circumstances that exist at that point in time.

I was one who supported the one-House veto. I did think that was important, but again, I do not think that is of overriding importance with respect to the underlying significance of his entire bill.

For too long a period of time in responding to the refugee crisis, we have had a lot of words on the Federal level but we have not followed up with action. We have imposed upon local and State governments to take up the slack where we have allowed it to be created.

We have said to the world we will take in these refugees, and yet we have not followed up on the Federal level.

This report is an attempt to do that. Admittedly, it is an imperfect attempt, but I think it is far, far better than any official policy we have had to this point in time. I think it is time that we tell State and local governments that we are willing to do something, and we are so willing to do something that we will pass this report so that we can give them some assurance when the Federal Government says that it will act and asks local communities to take these people into their own communities, that we will follow up our promise with performance. It is something that has been tremendously lacking in the past.

It is something we must address, and it is something which I think this conference report does address, admittedly not perfectly. Certainly this conference report does take a major step toward addressing a problem which does exist.

It does not concern itself with the illegal alien question. But it never was intended to. The House bill was not intended to. I would not suggest there is any reason to reject it on that basis.

Mr. FISH. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MOORHEAD), a member of the committee.

Mr. MOORHEAD of California. Mr. Speaker, at the time this bill came up on the floor of the House of Representatives, I spoke in favor of it and strongly supported it.

I think that it is important that we have an orderly and uniform refugee policy in the United States.

I think it is also vitally important that the U.S. Government have a program of reimbursing the State governments for the costs of the Federal program which they have brought into effect.

Most of us will agree that it is important that when there are refugees who can lose their lives because of difficulties, political programs overseas, that the United States should be a refuge for them. But it is important that that policy be carried out in such an orderly fashion that we can take care of those refugees who come to our shores and that we do not have so many that we can't handle them without damage to our own people.

I feel that the legislative veto, which we had built into the act on the floor of the House of Representatives when the bill passed a month or so ago, was important for us, because Congress had a role in the number of refugees who were to come at a given time.

Under this legislation, the President is authorized to admit 50,000 refugees each year, but can increase that number to any figure that he desires to. Now, it is true there is consultation with the Congress that is now provided in the legislation, but actually, the Congress can do nothing about it in the final analysis if the President decides against them.

I feel that that is giving up the authority of the House of Representatives to provide for our communities the kind of orderly refugee handling that they need and that is required for them.

In some of the communities in California as high as 25 percent of the students in schools at the present time cannot speak or read the English language.

We have had such an influx in some of our communities that there is a welfare problem, school problem, and many other problems that are beyond the local officials coping with. That is why it is important that we have this bill, but with a legislative veto.

I frankly hope that we can get that legislative veto back in the legislation so that Congress can play a role and so that we can control the number of refugees coming to our shores each year.

Mr. FISH. Mr. Speaker, at this time I yield 10 minutes to the gentleman from Virginia (Mr. BUTLER), a member of the subcommittee.

Mr. BUTLER. Mr. Speaker, I will not take the full 10 minutes, but I do want to reemphasize again the reasons why I think it is appropriate to reject this conference report.

I reiterate again that by rejecting this conference report we do not for one moment, terminate legislative efforts to handle the refugee problem this year.

The particular objections which I have emphasized and which have been emphasized on the floor today can be quickly resolved in another conference.

The problem we ran into in this particular conference was that with reference to the legislative veto the particular advocates, the strongest advocates of rejecting the legislative veto were our conferees, the House conferees, and that did create some problems for us, as the Members might recognize.

I think it is important to remind our conferees and to remind the House that we stand behind the legislative veto once more.

I think the argument of the gentleman from California (Mr. MOORHEAD), who actually crafted the legislative veto provisions of this legislation, the legislative veto provisions which were in the House bill and rejected by the conference, were very finally presented. I think that the point he makes is a very good one.

I want to emphasize one more time the importance of this legislation is for the Congress of the United States to retain control of the number of refugees, and the device we selected in the House was the legislative veto; and without that legislative veto, it has no real significance.

Now, the other argument that was presented, particularly by the gentleman from Illinois (Mr. MCCLORY), emphasizing the problems with the procedure here, I emphasize again what I said earlier. When we create in statute an Ambassador at Large for all of the responsibilities we impose on him, whatever they are, without hearings, without careful consideration, I think we are making a serious mistake. We do not need an Ambassador at Large.

We can handle it much better by an Executive order of the President, which is the way it is done now, as a coordinator to pull the programs together until we get legislation to handle it and we get reports from the Immigration Study Commission, which the gentleman from Illinois mentioned.

I think the third and most significant reason why I would urge this body to vote against this is because it does, the effect of this acceptance of the conference report and Senate amendments, is to impose an additional $90 million for Cuban refugees to authorize an additional $90 million for the cost of this program. We do not need that.

Now, the reference of the gentlewoman from New York (Ms. HOLTZMAN) suggested that I was maybe misrepresenting the facts. She implied she had checked with the Congressional Budget Office, and so have I checked with the Congressional Budget Office.

□ 1540

I now represent to this House that after April 1, 1981, no refugee will be entitled to assistance provided by this act unless he or she has been in the country for less than 3 years, except that certain Cuban refugees who entered the United States before October 1, 1978, and may have arrived as long ago as 18 years may provide the basis for reimbursement of certain non-Federal costs.

In order to emphasize again what I am talking about, I urge you to pick up the conference report and turn to page 17 of the conference report. You will see at the bottom of the page, subparagraph (c):

> in lieu of any assistance which may otherwise be provided under such section—

And that is a reference to the appropriate section—

> with respect to Cuban refugees who entered the United States and were receiving assistance under section 2(b) of the Migration and Refugee Assistance Act of 1962—

Which we are now changing—

> before October 1, 1978.

Let me repeat, in lieu of any assistance which may otherwise be provided under such section with respect to Cuban refugees who entered the United States and were receiving assistance before October 1, 1978, the Director of the Office of Refugee Resettlement is authorized to provide reimbursement. Then it ticks them off.

In fiscal year 1980, it is 75 percent. We are already in 1980 and we have already appropriated that 75 percent.

In fiscal year 1981, for 60 percent.

In fiscal year 1982, for 45 percent, and for fiscal year 1983, for 25 percent.

Now, see, we have got 4 years into the future for 25 percent, and still quoting:

> of the non-Federal costs of providing cash and medical assistance to such refugees.

Now, those Cuban refugees is what it is talking about; so we have made an exception for Cuban refugees and the magic date is April 1, 1981. As far as this bill is concerned, when we put the Cuban refugees in a special class, and we put them in a special class for fiscal years 1981, 1982, and 1983, it is going to provide that the Cuban refugees who have been here even more than 3 years may get this reimbursement for these certain non-Federal costs.

Now, the purpose of the bill, and this is the argument that was presented by the gentlewoman from New York in our committee hearing, the purpose of the refugee bill before us is to do away with the various ad hoc programs that may have been in existence to assist various Cuban refugees and provide a uniform program for all refugees, no matter where they came from; so whether they came from Cuba, Vietnam, the Soviet Union, or anywhere else, the same reasons will apply to you and the States will get the very same benefits, regardless where the refugees came from.

The purpose of the amendment offered in the committee, and I am quoting again from the gentlewoman then in opposition to it:

> The purpose of this amendment is to provide to continue the special program for Cuban refugees for another four years.

It puts them in a special class.

I represent to you the amount of dollars that this legislation will authorize for this Cuban exception which accrues after April 1, 1981, is $90 million.

Now, this $90 million was not included in the House bill. It was specifically rejected in the committee and the subcommittee. It was not offered on the floor. Now it comes back from the conference with one exception, for old Cuban refugees, those who have been in this country for longer than 3 years and possibly 18 years, at a cost of $90 million in additional dollars.

Now, I emphasize this is an authorization, but it is there. Now, we have already spent over $1.4 billion on the Cuban refugee program. We are going to spend $75 million between now and April 1, 1981, and if we adopt the conference report, there will be an additional $90 million to be added by the conference. Now, that is just too much, that is too much.

Now, the House has been fighting to terminate this program. The appropriations committee endeavored to terminate this program and the Senate imposed it all on them.

I want you to read, we have a special refugee resettlement study in the United States, a special study made by the Social Security Administration. It points out that this is the largest program in U.S. history, including from 1958 to the present 750,000 persons. It has created the largest living refugee resettlement program in U.S. history. A baby born at the time of the exception in the Cuban refugee program would now be of voting age. I might add, under certain circumstances that same child might be eligible under these provisions for continued Cuban refugee assistance.

Now, we have already spent $1.4 billion on this program. Another $90 million is too much.

I remind you again of the three reasons why I think we should reject this conference report. In the first place, it creates an Ambassador at Large to operate without careful hearings and consideration.

It rejects the House effort to control the number of refugees by rejecting the legislative veto.

Finally, and the third reason, it adds $90 million for Cuban refugees after April 1, 1981, and that is too much.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. I am happy to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding to me. I just want to associate myself with the remarks of the gentleman from Virginia and the gentleman from California (Mr. MOORHEAD).

Certainly the gentlewoman from New York deserves a commendation for helping to shape a bill in a very elusive, difficult area; but, nevertheless, I do not support this bill, because there are many serious problems that we have not resolved and I think they are resolvable.

The definition of refugees is one that is very broad. I think that any reading of it would indicate some 14 million eligibles. I do not know what in this bill will adjust priority to Soviet refugees over Vietnamese refugees or over African refugees. We could have an inundation of refugees and the sorting out of priorities will have to be done by some standards. None are provided.

If the gentleman from California (Mr. DANIELSON) thinks we have had language difficulties, I suggest the gentleman has seen nothing yet, when the refugees come in who are entitled to under this bill.

Ms. HOLTZMAN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, after hearing all the speakers on the floor, I wonder what conference report they are talking about. This is a bill that initially passed the House overwhelmingly. It is virtually identical to the bill that originally passed and, passed the Senate unanimously. It emerged from conference virtually unscathed.

Members who were at the conference who have I presume read the conference report have said this report rejects congressional control of the numbers of refugees coming into the United States. That is utter nonsense.

This bill does more than we have ever done before in terms of allowing the Congress a role in deciding who will come, how many will come and from what countries they will come.

Furthermore, to say that this bill is going to cost the taxpayers $90 million more than the bill that originally passed the House with respect to the Cuban refugees, is just plain wrong. This bill will actually cost $24 million less. The phaseout of the Cuban refugee program over a period of 4 years is cheaper than having the program operate at a 100 percent level for the next year and a half.

To say that it creates some sort of entitlement for refugees all over the world to come to the United States is completely erroneous and in no way characterize what this conference report does.

I think it is important, as I summarize the conference report, to put in perspective what we have done. We have created a mechanism for the first time to allow the entry of refugees into this country. We have created a system for congressional input and congressional hearings and congressional scrutiny over the numbers.

We have sunset certain provisions after 3 years, so Congress will have the opportunity to review the program and to determine what numbers should be allowed to come to this country.

Without this bill, we will be forced back into a disorderly situation with ad hoc responses to a problem that is serious.

□ 1550

Report after report has shown serious problems with the resettlement of refugees. This bill, for the first time, creates a systematic approach to the resettlement of refugees. If we do not have this bill, we are going to be wasting taxpayers' dollars. We do not have any system for monitoring existing programs.

The gentleman from California talked about the enormous burden on the States. Right now the States have no role whatsoever to play in the decision as to where the refugees are to be resettled. For the first time this bill gives the States a role in this decisionmaking process.

The SPEAKER pro tempore. The time of the gentlewoman from New York has expired.

Ms. HOLTZMAN. Mr. Speaker, I yield myself 4 additional minutes.

Mr. Speaker, I would say that other problems that were alluded to are also corrected by this bill. Obviously one of the serious problems in terms of refugee resettlement has been the fact that refugees do not have command of the English language. This bill places top priority on English language training for refugees. This bill will mean that refugees will become productive citizens of the United States quickly. That is the purpose of the bill.

Without this bill there would continue be an ad hoc response to refugee language training, and there may be no language training at all in many cases.

I would simply say if we put this matter in perspective we have, on the one hand, the present system where the parole power has been used by the President of the United States and the Attorney General to admit thousands of refugees without meaningful input by the Congress, without proper scrutiny by the Congress, and without adequate programs to assure effective resettlement at the cheapest possible cost to the taxpayer. On the other hand, this bill sets up a comprehensive, flexible and effective framework for the reception and resettlement of refugees.

I think this bill is consistent with the humanitarian principles of this country. It is consistent with fiscal responsibility and it is consistent with prudent program management. It is also consistent with the inscription under the Statue of Liberty and with the humanitarian ideals of this country.

I urge my colleagues to adopt this conference report.

Mr. DANIELSON. Mr. Speaker, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from California.

Mr. DANIELSON. I thank the gentlewoman for yielding. I spoke sincerely on the one area of concern that I have in this bill, but I want to make it clear that I do support the conference report, as does my colleague from California (Mr. LUNGREN), not because I have no objection to some provisions of it, but it is far better than anything we now have on the books and it is a great step forward. It would be my hope in the future that we could carry the step still farther.

Mr. PEPPER. Mr. Speaker, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, I thank the gentlewoman for yielding. We have a serious problem in the Dade County area, which is my home and my district, on account of the incoming of the Haitians. The Cubans have come under another provision of law over the years and are dealt with under another program.

The Haitians, until this legislation at least may change it, the Haitians have been coming in largely illegally, I mean without law, without any approval by anybody. They just come in by smugglers, or they come in of their own initiative, and they appear on the shores of our area where they have to be brought in and, of course, attended to and supplied medically and so forth.

What I wanted to say is what is going to be the law of the future relative to the Haitians that come in illegally, that is without permission of anybody, and are just there? Are they going to be given asylum and, if so, how many are going to be permitted to come in and how many will be permitted asylum?

Ms. HOLTZMAN. I would answer the gentleman as someone answered the earlier question about illegal aliens. This bill deals only with a certain number of problems. We do not purport to deal with every single problem.

With respect to the problem of the Haitians, this bill sets up for the first time in the country's history a statutory procedure for asylum. Whether any particular Haitian will qualify under the law for asylum is a matter to be determined by the Attorney General under appropriate regulations. This bill, however, does provide some assistance to the States that have been assisting Haitians and others who have claimed asylum during the pendency of their asylum claims.

Mr. PEPPER. Is there any limit to the number that may come in?

Ms. HOLTZMAN. This bill does not deal with the numbers who can be granted asylum. This bill simply mandates a procedure for the consideration of asylum claims by people who are here on our shores.

Mr. EDWARDS of California. Mr. Speaker, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, I congratulate the gentlewoman on this bill.

I would ask the gentlewoman how does the bill handle the impacted school districts in different parts of the country that are burdened with huge numbers of refugees?

Ms. HOLTZMAN. What this bill does is set up a program for special educational services and we feel very strongly that language training is key to the effective resettlement of refugees in the United States. Communities under this bill can make application and funds are authorized, if there is a showing of need. In other words, if there are refugees who need special language training then this bill contemplates that they will get it.

Mr. FISH. Mr. Speaker, this is a good conference report. The legislation is needed. I cannot add anything to the eloquence of the gentlelady from New York in her closing remarks talking in favor of this conference report.

Mr. Speaker, I have no further requests for time and yield back the balance of my time.

● Mrs. CHISHOLM. Mr. Speaker, I was pleased to see that the conference report on S. 643 retained the level of 50,000 annual refugee admissions. I would hope, however, that this number will be equitably distributed amongst the refugees of the world and will not be tainted with ideological, geographical or racial or ethnic biases. In the past, our refugee policy has recognized only those persons fleeing persecution from Communist regimes and the Middle East. Of the 1.4 to 1.5 million refugees that have entered this country since World War II, under various programs, only a mere handful—fewer than 2,000 have been from Latin America and Africa. Given the human rights concerns and the refugee problems in these areas of the world, it is clear that 4,000 refugees is not representative of what our refugee policy should be toward people from these areas. Refugees fleeing persecution regardless of the country they come from, on humanitarian considerations alone, should be equal in standing for entry into the United States. I am certain that my colleagues in the Congressional Black Caucus will join me in monitoring how this policy is implemented.

Further, I would hope that the administration will seriously consider granting work authorizations to those persons who are seeking political asylum and are awaiting a determination of their status as provided by House amendments to this legislation.●

Ms. HOLTZMAN. Mr. Speaker, I have no further requests for time.

I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Ms. HOLTZMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 207, nays 192, not voting 34, as follows:

[Roll No. 115]

YEAS—207

Addabbo
Akaka
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Brademas
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Danielson
Dannemeyer
Daschle
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Emery
Erdahl
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Frost
Gephardt
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Hutto
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lloyd
Long, La.
Lowry
Luken
Lundine
Lungren
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Moorhead, Pa.
Murphy, N.Y.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Porter
Preyer
Pritchard
Pursell
Railsback
Rangel
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roybal
Royer
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stokes
Studds
Swift
Synar
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Waxman
Weiss
Whittaker
Williams, Mont.
Wilson, Bob
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Zablocki

NAYS—192

Albosta
Ambro
Andrews, N.C.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Boner
Bouquard
Breaux
Brinkley
Brooks
Broomfield
Broyhill
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Florio
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Gaydos
Gibbons
Gingrich
Ginn
Goodling
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Holland
Hopkins
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
McClory
McEwen
Madigan
Marlenee
Marriott
Martin
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Nichols
O'Brien
Obey
Paul
Petri
Pickle
Quayle
Quillen
Rahall
Regula
Rhodes
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Staggers
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Trible
Vander Jagt
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Tex.
Winn
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—34

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Anthony
Bevill
Biaggi
Bonker
Bowen
Conyers
Davis, S.C.
Edgar
Garcia
Giaimo
Goldwater
Holt
Jones, N.C.
McDonald
Mathis
Moakley
Murphy, Ill.
Pashayan
Perkins
Price
Ratchford
Rostenkowski
Runnels
Simon
Stanton
Stewart
Treen
Weaver
Wilson, C. H.
Young, Alaska

□ 1610

The Clerk announced the following pairs:

On this vote:

Mr. Ratchford for, with Mr. Abdnor against.

Mr. Garcia for, with Mrs. Holt against.

Mr. Conyers for, with Mr. McDonald against.

Mr. Anthony for, with Mr. Runnels against.

Until further notice:

Mr. Biaggi with Mr. Anderson of Illinois.

Mr. Jones of North Carolina with Mr. Pashayan.

Mr. Charles H. Wilson of California with Mr. Stanton.

Mr. Price with Mr. Treen.

Mr. Davis of South Carolina with Mr. Young of Alaska.

Mr. Bowen with Mr. Goldwater.

Mr. Alexander with Mr. Mathis.

Mr. Giaimo with Mr. Perkins.

Mr. Moakley with Mr. Bevill.

Mr. Weaver with Mr. Andrews of North Dakota.

Mr. Murphy of Illinois with Mr. Bonker.

Mr. Rostenkowski with Mr. Simon.

Mr. Stewart with Mr. Edgar.

Messrs. LEWIS, LENT, MARLENEE, IRELAND, ALBOSTA, and JEFFORDS changed their votes from "yea" to "nay."

Mr. DORNAN changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, REFUGEES, AND INTERNATIONAL LAW OF THE COMMITTEE ON THE JUDICIARY TO SIT TOMORROW AND THURSDAY DURING THE 5-MINUTE RULE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary be permitted to sit tomorrow, March 5, and Thursday, March 6, 1980, during the 5-minute rule. I have consulted with the minority, the ranking minority member of the committee in making this request.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

PERSONAL STATEMENT

Mr. DAN DANIEL. Mr. Speaker, on rollcall No. 114, dismissing the election contest against the Honorable CLAUDE LEACH, I voted "nay" and I intended to vote "yea."

PERSONAL EXPLANATION

Mr. HUCKABY. Mr. Speaker, I would like to submit an explanation regarding the consideration by the House of Representatives of House Resolution 575, a resolution to dismiss the election contest against my colleague and fellow Louisianian, Representative BUDDY LEACH.

At the time of the vote on this resolution, I was attending a meeting in Senator RUSSELL LONG's office on an issue of particular concern to the State of Louisiana. I was not informed of the pending action on this bill and consequently was unable to cast my vote. If I had been present, I would have voted in favor of dismissing the case.

The SPEAKER pro tempore. The statement of the gentleman from Virginia (Mr. DAN DANIEL) and the statement of the gentleman from Louisiana (Mr. HUCKABY) will appear in the RECORD.

CONFERENCE REPORT ON H.R. 3398, AGRICULTURAL ADJUSTMENT ACT OF 1980

Mr. FOLEY. Mr. Speaker, I call up the conference report on the bill (H.R. 3398) to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of February 28, 1980.)

The SPEAKER pro tempore. The gentleman from Washington (Mr. FOLEY) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I rise in support of the conference report to accompany H.R. 3398.

The conference report that we bring before you today improves substantially on the bill that has passed the House. The conference report increases target prices for the 1980 and 1981 crops of wheat and feed grains, extends the disaster payment program to the 1980 crop (subject to a payment limitation), and authorizes the Secretary to require as a condition of eligibility for program benefits under the commodity programs that a producer not exceed the acreage on a farm normally planted to crops.

The bill, H.R. 3398, as it originated in the House contained provisions for increasing the target price for the 1979 crop of wheat and feed grains by 7 percent from the target price that would otherwise have been in effect for that year. The bill passed the House by voice vote.

When the conferees met it was too late in the year to make any changes in the target prices for the 1979 crop. Accordingly, the conferees adopted the Senate provision which carried over to the 1980 crop the same target prices provided in the House bill for the 1979 crop—that is $3.63 per bushel for wheat and $2.35 per bushel for corn. The conference report also provides that for the 1981 crop the target price would be adjusted upward to reflect such changes in the cost of production of the commodity as the Secretary finds necessary and appropriate to maintain a fair relationship between the loan rates, target prices and production costs for competing commodities.

Due to current supply and demand conditions and the continuing problem of inflation, the Secretary has chosen not to require a set-aside for wheat and feed grains in 1980. This leaves the Secretary with no authority to adjust target prices in 1980. He must determine 1980 target prices on the basis of the general formula in the Food and Agriculture Act of 1977. On this basis in the absence of legislation, the target price for wheat would fall substantially from the current level of $3.40 per bushel to approximately $3.06 per bushel and in the case of corn would fall from its current level of $2.20 per bushel to about $2.08 per bushel.

The adjustment in target prices provided by the conference report is designed to provide some additional protection to wheat and feed grains producers. The Food and Agriculture Act of 1977 has failed completely to keep pace with inflation in adjustments to target prices. In fact, in the case of corn in the absence of legislation the target price for the 1980 crop would be even less than the target price of $2.10 per bushel in effect for the 1978 crop.

Target prices are important in two regards. First, payments are made to producers based on the difference between the target price and the average market price during the first 5 months of the marketing year, and second, disaster payments which compensate producers for part of their loss resulting from natural disasters are also based upon the target price. Target prices act as a safety net to protect wheat and feed grain producers when unexpectedly low prices occur. For this policy to be effective in this period of sharp inflation, target prices must be adjusted to realistic levels. Production costs have risen sharply. The target prices in the conference report are intended to offset only a portion of this increase.

The conference report provides a 7-percent increase in target prices for the 1980 crop as compared with the target prices for the 1978 and 1979 crops—a 7-percent increase over 2 years—far less than the increase in the rate of inflation over this 2-year period. At the present time, according to Agricultural Prices, published by USDA market prices for wheat and corn are $3.75 per bushel and $2.36 per bushel—in excess of the target prices for these commodities under the conference report. If prices should remain at this level, the revised target prices should not result in any Government costs.

The administration supports the target price levels for 1980 in the conference report and the provisions for adjustments in target prices for 1981.

☐ 1620

Mr. SEBELIUS. Mr. Speaker, I yield such time as I may consume.

Mr. Speaker, I want to commend the chairman of the full Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), who has explained the bill. I do not know of any great amount of controversy, but since this bill was introduced production costs have risen and gone up about 15 percent. Before the President announced his suspension of grain sales to the Soviet Union, it looked like farm prices were pacing production costs by rising 7 percent in the same period. Let me repeat that, Mr. Speaker. The prices farmers received prior to the embargo rose 7 percent in 1 year. The prices they paid to produce their products rose 15 percent in the same period.

Let me briefly review a few relevant statistics. When Secretary of Agriculture Bob Bergland spoke on the President's decision to suspend grain exports to the Soviet Union, he said that the President had directed that actions be taken to assure that the burden would not fall unfairly on the farmers. That was on the 5th of January.

On January 3, the Dodge City, Kans., Co-op was paying $3.76 a bushel for No. 2 hard red winter wheat. Today, they are offering $3.59, 17 cents a bushel less. Assuming an average wheat yield of 35 bushels to the acre, a 15-cent decline translates into a $595 loss per 100 acres.

The same thing applies to corn prices. Corn was $2.57 a bushel. Today, farmers are getting $2.46, a decline of 11 cents. For the irrigated corn farmers in Ford County, Kans., that is a loss of over $1,200 per 100 acres.

While grain prices have been falling, what has been happening to production costs? Production costs have skyrocketed. We all know that diesel fuel cost American farmers an average of 50.6 cents a gallon in February a year ago. Last month it was 95.2 cents a gallon, almost doubled. That is just about the way things have gone.

How has Congress responded to this overall 15-percent production cost increase over the past year? How have we responded to the 8-percent increase in production cost of the year before? We got nothing the year before. We had a bill in, but the administration would not let us go national with it.

This year, finally, we have responded to the tune of a 7-percent rise in target price. That is what we got over 2 years, a 7-percent increase. That does not seem to me to be very much if we are talking about the farmer being anything other than the guy who is carrying the burden.

How has Congress responded to the needs of other economic segments in this country? Last year, we increased the cap on food stamps spending by 10 percent. Less than 2 weeks ago the House Agriculture Committee reported a bill that increased the cap another 41 percent in the current fiscal year, and we let the Secretary request another 5 percent, if needed. For fiscal year 1981, we increased the food stamp cap another 12 percent, adding authority for an additional 10 percent if needed. So, billions upon billions of dollars are being authorized and requested by the administration for food stamps. I am not knocking it. What we're asking for today is very miniscule but whatever it is we are going to take it and just have it there as a buffer so that things do not get any worse than they are now.

In conclusion, Mr. Speaker, at the same time we are producing this increase we are only saying 7 percent for 1980. We have nothing for 1979 on the technicality that the administration did not opt for any set-aside. Perhaps we should plant from fence row to fence row. I do not see how anybody can oppose this bill.

What we have before us today is an extremely modest, picayune, and small attempt to deal with the rapidly rising farm production costs. As I said, costs are rising more than 20 percent in the past 2 years, and we are offering this at 7 percent. I urge my colleagues to support this rousing, great bill.

☐ 1630

Mr. ROSE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), has explained several provisions of the conference report, and I would like to continue with an explanation to my colleagues of a few of the other important parts of this legislation.

Mr. Speaker, an additional provision in the conference report would authorize the Secretary to require as a condition for program benefits that producers do not exceed the acreage on a farm normally planted to crops designated by the Secretary. If the Secretary makes use of this authority he would be authorized, but not required, to adjust target prices by an amount he determines appropriate to compensate producers for compliance with the requirement. Because the legislation is being adopted after many producers have planted their commodities or made their planting decision, the conference report provides that producers of the 1980 crop who exceed the acreage on a farm commodity planted to crops designated by the Secretary may nonetheless receive program benefits. However, payments would be based on the target price under current law, namely $3.06 per bushel as estimated by the Department of Agriculture for wheat and $2.08 per bushel as estimated by the Department for corn—rather than the higher target prices provided for persons who do not exceed their normal planted acreage.

The USDA has decided not to require a set-aside for the 1980 crop. Without a provision such as contained in the conference report, the Department would lack the legal authority to prevent the plowing up of environmentally fragile farmlands. In the long run, the plow-up of fragile lands is self-defeating, would result in increased soil erosion, pollution of streams and the need later for costly remedial programs—an ounce of prevention is worth a pound of cure. The conference report helps to assure that farmers will not implement ill-advised short-term management decisions because of increased target prices for wheat and feed grains.

The administration favors authority to require producers to comply with normal crop acreage as a condition of eligibility for program benefits. It has indicated that it does not plan, however, at this time to increase the target prices for 1980 to compensate producers who comply with the requirement.

Finally, the conference report extends for 1 year, through the 1980 crop, authority to make disaster payments available to producers of wheat, feed grains, upland cotton, and rice. These payments are made to producers who are prevented from planting the commodity or other nonconserving crop in lieu of the commodity or suffer abnormal crop losses due to natural disasters or other conditions beyond their control.

This same provision has already passed the House as part of the bill, H.R. 4119, which provides for a comprehensive Federal crop insurance program, which will not be fully effective for at least another year. H.R. 4119 has not yet gone to conference although we expect it to occur in the very near future. The disaster payment program expires with the 1979 crop, and those persons who have planted their 1980 crop and have suffered disaster losses will be unable to obtain any program protection unless congressional action is taken now. Under normal procedures the first such payments would become due early this month.

The conferees have included in the bill a provision which places a limitation of $100,000 on any disaster payments which may be received by any person. Under existing law there is a $50,000 payment limitation that applies to payments that any person may receive annually under the commodity program. However, disaster payments are excluded from that payment limitation.

Mr. Speaker, the conference report is a measure which provides a small modicum of assistance to producers who have been hit by inflation or who are suffering loss incurred as a result of a natural disaster. It helps to protect fragile farmland from being plowed up and subject to environmental hazards. It deserves the support of the Members of the House. I urge the Members to join me in voting for the report.

Mr. SEBELIUS. Mr. Speaker, I yield 2 minutes to the ranking minority member of the committee, the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I rise in support of the conference report on H.R. 3398, the legislation to amend the Food and Agriculture Act of 1977, relating to increases in the target prices for the 1980 and 1981 crops of wheat, corn, and other commodities. This legislation was first introduced on April 3, 1979 and was known as the Agricultural Adjustment Act of 1979. Reported by the House Committee on Agriculture on May 17, 1979, it contained the substance of bills introduced by Congressmen ENGLISH and SEBELIUS. The Senate passed this legislation with amendments on December 20, 1979, thus necessitating a conference which was held on February 19 of this year. Because of the length of time it took to work out the details of this legislation, it was obvious that instead of making the target prices effective for the 1979 crops, it would be better to make them effective for the 1980 crops with a provision that for the 1981 crops the target prices would be no less than those set for the 1980 crops except that they could be adjusted upward by the Secretary of Agriculture according to established guidelines.

Although this legislation may not go so far as some would wish with respect to target prices, I, for one, am glad that the conferees finally were able to reach agreement. It is acknowledged by those familiar with costs of production for raising these crops that these figures do not cover the costs of production, but it is a step in the right direction. It may help in a small way for farmers to combat inflation. I do not believe President Carter has kept his promise to American farmers not to let the burden of his grain embargo fall unfairly on them. This bill redresses, I believe, to some extent that unfair burden placed on the farmers.

This seems to me to be a small step which this House can take to signal the farmers that their financial problems are understood and appreciated in the Congress. I urge the Members to pass this conference report.

Mr. SEBELIUS. Mr. Speaker, I yield 2 minutes to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Speaker, I would like to commend the gentleman from Oklahoma, Mr. ENGLISH for bringing this legislation before the House. I know the gentleman, like myself, would like to see a higher increase than the 7 percent contained in the legislation. Yet, it is with some reservation that I vote for this legislation today. H.R. 3398 allows for a 7-percent increase in target prices for those who remain within their normal crop acreage (NCA) in 1980 and 1981, and keeps the target price at its current level for the 1980 crop year for those who exceed their NCA. Let us look at the 7-percent figure. This increase is far below the increased costs of production, the current and projected inflation rates, and the current wage and price guidelines being bandied about by the administration. Farm income for 1980 is expected to decline by at least 20 percent from the 1979 figure, and these estimates were made prior to the embargo.

This bill is a snow job on the farmers of this country. This administration threatened to veto anything more than the 7-percent increase when those of us, including the bill's sponsor, tried to increase the percentage.

Then to add insult to injury the conference committee gave this administration a control program when a set-aside is not called for.

It is with great reluctance that I vote for this pittance of a target price increase and a bill that will make our farmers comply with normal crop acres when no set-aside is needed.

Many of us are forced to support this because pesticides are expected to increase this year by 5 to 10 percent; herbicides and insecticides up 5 to 10 percent. Machinery prices are to be up a minimum of 10 percent, and with the current rate of interest, purchase of machinery will be down drastically. Fertilizers are expected to increase 15 to 18 percent; transportation up at least 9 percent. And the clincher, prices paid by farmers for gasoline in 1979 rose 49 percent, diesel fuel 73 percent; and both will go higher in 1980. How can the administration continue to say higher target and loan prices are not justified when in fact the costs of production are far above the 7 percent grudgingly accepted by the administration. It is also of interest to note that the moderating influence in the Consumer Price Index recently has been food. With the kind of policies condoned by the administration, this fact will soon change.

I also have concerns as to how well the two-tier target pricing system for 1980 will work. Can it be managed in a fair and equitable manner, with a minimum of additional field personnel and costs? But more importantly, can it be accomplished without undue hardship and confusion from the producers point of view? My written questions to the USDA in this regard have gone unanswered. The continuation of the use of NCA's in summer fallow areas to determine program benefits will continue to create soil erosion, saline intrusion, and loss of soil fertility. According to a study conducted at Montana State University:

> Objectives of these programs have been to control production and prevent prices from falling. Wheat and feed grain allotments (NCA's) have limited the acreage a farmer could plant. Much of this base was put in summer fallow and planted the following year, because the higher soil water content allowed the farmer to maximize his yields on the acreage he could plant. "Set aside" acreage was also required to limit production levels. These production controls are based almost totally upon economic considerations with little attention given to detrimental effects of these controls. Thus, saline seep, erosion, and other problems have intensified as a result of these USDA programs.

Not a very good policy for an administration to follow who states that it is committed to soil and water conservation. It is difficult to understand how they can continue to hold to a strict NCA designation when such policies continue to harm agricultural productivity. While farmers need H.R. 3398, this bill does not go far enough. The 7-percent increase is not enough when taken in light of the increased costs of production and transportation. Continuation to hold onto the NCA designation in summer fallow areas also creates problems with the loss of soil fertility and production. I urge the House Agriculture Committee to address both of these problems in the near future, and for my colleagues to pass this bill as a first step in achieving equitable farm prices.

Mr. ROSE. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, I rise in support of the conference report on H.R. 3398 even though I consider it to be too little too late.

Increasing the target price of corn for the 1980 crop year to $2.35 a bushel and increasing the target price of wheat to $3.63 a bushel is a move that is sure to provoke a mixture of laughter and headshaking by our farmers. The laughter will not be one of joy, I can assure you, but will have the tone and quality of a laugh that is provoked by ridiculous actions. Yes, the laughter of these farmers will be the laughter of ridicule and shaking of heads will just show their disbelief that we cannot do a little bit better than this in keeping our farm economy from going under.

Let us face it, a 7-percent increase is not even half of the total increase in the Consumer Price Index or our rate of inflation. Our farmers can rightfully be proud that they have contributed to holding inflation down. Recently the Agriculture Council of America put out a little fact card on agriculture which really puts this into perspective with other elements of our economy that contributed to inflation. This card put out by the Agriculture Council of America points out the following:

> What if—
>
> Hamburger prices increased at the same rate as medical costs over the past 20 years: Hamburger would cost $4.20 per lb.
>
> Bread prices increased at the same rate as transportation costs over the past 20 years: Bread would cost $1.07 per lb. loaf.
>
> Milk prices increased at the same rate as housing costs over the past 20 years: Milk would cost $2.24 per ½ gallon.
>
> Fresh fruit prices increased at the same rate as medical costs over the past 20 years: Apples would cost $1.28 per lb.
>
> Egg prices increased at the same rate as transportation costs over the past 20 years: Eggs would cost $3.41 per dozen. (Above figures based on 1958 Consumer Price Index.)

As measured as a share of the gross national product (GNP) from 1958 to 1978, agriculture has increased less than most other segments. For example, in 1958 the share of the GNP of agriculture was $33.5 billion (this is farm cash receipts and personal consumption expenditures). In 1978, it was $100.2 billion for a percentage increase of 329 percent. On the other hand, housing in 1958 was $42 billion and in 1978 it was $207.2 billion for a percentage increase of 493 percent. Transportation in 1958 comprised $9.3 billion of GNP and in 1978, it was $52.7 billion, for a percentage increase of 567 percent. In terms of medical expenditures and receipts, in 1958 it was $16.5 billion and in 1978 it was $131 billion for a percentage increase of 794 percent.

So from these figures one can readily see that the farming segment of our economy has been in the forefront of holding down inflation. When you add onto this the fact that the rate of productivity in agriculture over that period of time was double that of nonfarm industry, it even makes it more clear that our farmers are true inflation fighters. One last thing in this regard is that agriculture is our Nation's No. 1 exporter, helping to reduce our balance-of-payments deficit.

Let me just talk about corn exports because we do not have that much wheat in Iowa, but in 1979 the cost production, as estimated by Iowa State University Extension Service was $2.47 a bushel. For 1980 that cost of production has increased to $2.64 a bushel. Even these figures are not quite correct because the 1979 figure was based on a 110-bushel yield per acre; the 1980 figure was based on a 115-bushel yield per acre.

One can also see from the following table of "selected prices paid by farmers" why this meager increase of 7 percent is laughable. I only wish the farmer's prices for combines, tractors, diesel fuel, fertilizer and seed, et cetera, would go up by 7 percent a year. So while I support this conference report and urge its passage, I do so in the spirit of saying that it is better than a "poke in the eye with a sharp stick." It is a small bandaid for a patient who is bleeding to death. Certainly a patient is not going to turn it down, but the patient is going to wonder, and rightfully so, why it is just a bandaid and why something more substantial and meaningful is not being done to stop the loss of his life's blood.

American agriculture is in that position today, and it is only a matter of time before farmers can no longer live on their equity and this whole debt structure of agriculture comes tumbling down. The farmer's do not need a bandaid; they need a major overhaul of our agriculture system.

SELECTED PRICES PAID BY FARMERS[1]

Year	Self-propelled combine	Tractor, 120 h.p.	Diesel fuel/gallon	Hybrid seed corn/bushel	Anhydrous ammonia fertilizer/ton
1974	29,900	16,800	40.5	25.00	183
1975	37,300	19,400	40.7	36.50	265
1976	42,300	21,700	41.5	36.50	191
1977	46,000	23,700	39.3	40.00	177
1978	53,200	25,900	40.2	43.00	164
1979	60,700	29,000	81.0	45.50	194
1980	78,000	36,000	95.2	50.50	(?)

[1] Source: ESCS—USDA.

☐ 1640

Mr. ROSE. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, I recognize the necessity of getting H.R. 3398, the Agricultural Adjustment Act, passed. But I am not completely satisfied with the bill. It falls into the category of "far too little, much too late."

The legislation arose last year and was to have increased target prices by 7 percent for the 1979 crop year. Because of the inordinate amount of time it has taken to get the bill to this point, discussion of 1979 became purely academic and the 7-percent increase was simply pushed up to apply to the 1980 crop.

We have to get serious about what we are going to do about the farm economy. Several ominous conditions are threatening us with the type of depressed prices of 1977 that forced many farmers out of business. First, farmers have been particularly hard hit by skyrocketing inflation. The price of fuel for tractors and other machinery has doubled. Fertilizer costs are up dramatically. Financing is more expensive than ever with money hard to find and interest rates high.

Second, farmers cannot pass along these increased costs. As price takers, each too small to impact the market, they must accept the price offered them. While cost-of-living increases buffer some Americans' incomes, farmers have no assurance of such a benefit.

Third, the embargo has already begun to depress prices. Supplies are up and will continue to rise if the administration has its way. Secretary Bergland's recent announcement of no set-aside or paid diversion to restrain 1980 production will more than likely result in an unprecedented glut in the market after harvest. This sets the stage for further price depression in the agricultural sector. And past experience shows that lowered farm prices are not passed on to consumers. In fact, the farmers' share of each food dollar amounts to only 39 cents, and any savings there never seems to work their way back to consumers.

While H.R. 3398 is probably the best we can hope for in the target price area at this time, we have to continue to press for improvements in other areas. Loan rates have to be increased. Despite the administration's negative announcement, a diversion program should be implemented. Since we cannot depend on the administration to use the authority it already has to take the necessary steps, it is incumbent upon us to initiate measures to insure that farmers have some sort of relief during these difficult times.

At the risk of sounding like a doomsayer, I want to remind my colleagues that the Great Depression had many of its roots in the failure of our farm economy. We certainly cannot afford to let that happen again by ignoring this vital sector of our economy until too late.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

Mr. Speaker, I know the gentleman mentioned the increased cost to farmers. I just have a couple of figures I want to share with the gentleman from Kansas. I checked these out in my own district in Iowa.

A combine that sold for $46,000 in 1977, the same combine in 1979 sold for $60,700, and this year's estimated cost is around $78,000.

A 120-horsepower tractor that sold for $23,000 in 1977 is now on sale for $36,000.

So the gentleman is quite correct.

Mr. GLICKMAN. Mr. Speaker, I would tell the gentleman that which he full well knows: The only reason the farmer has been able to cope is because of his productivity. The farmer is the most productive businessman or businesswoman in America today. The industrial sector should look at the farmer for that kind of productivity.

Mr. SEBELIUS. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I support passage of this bill because it does represent some increase in protection for producers, even though it is small and relatively meaningless. In the context of double-digit inflation a 7-percent increase in target prices is little more than a token. If prices drop low enough for producers to collect on this target, they will be so far below the cost of production that many will be in serious economic trouble—I should say more serious than they already are in as a result of the administration's inability to follow through on its promise that farmers alone would not have to bear the economic burden of the grain embargo.

The fact is that the administration has the tools necessary to make good on that promise—if it would use them. The announcement on Friday that there would be no paid diversion program was a blow to U.S. feed grain producers. The apparent basis for that decision was concern over its budgetary impact and possible effects on inflation. The Carter administration evidently has little compunction about using an already vulnerable farm economy as cannon fodder on the front lines of its fight against inflation.

The full dimensions of the serious problems in the agricultural economy will become all too evident very soon unless some positive actions helpful to producers are taken quickly. We are looking at alternatives on the Agriculture Committee right now, and some of us have introduced legislation to meet the situation head-on. What we could use at this point is some support from an administration that would stick with producers to help them make the best of a bad situation, rather than reneging on its commitments and abandoning them at the first sign of change in the political winds.

Mr. SEBELIUS. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. HAGEDORN), a member of the committee.

Mr. HAGEDORN. Mr. Speaker, final approval of the Agriculture Adjustment Act of 1979, legislation to raise 1980 target prices for wheat and feed grains by 7 percent above the levels in effect for the 1978 and 1979 crops, is imperative. H.R. 3398 would raise the price for wheat to $3.63 per bushel and corn to $2.35 per bushel with barley and grain sorghum determined in relation to the rate of corn for the 1980 crop year. Unless this legislation is favorably acted upon, existing law mandates that target prices revert to $3.06 for wheat and $2.08 for corn in 1980. We simply cannot allow this to happen.

Over the past year the perennial financial problems of the American farmer have mushroomed. The Department of Agriculture's estimates indicate a 20-percent net farm decline in income for 1980, production costs are up 16 percent, rural banks are instituting a tight credit policy, interest rates have doubled, and severe transportation problems have been widespread. The Duluth/Superior grain handlers' strike, the bottleneck at locks and dam 26 and the strike against the Rock Island Railroad perpetuated the problem and farmers in Minnesota were especially hard hit by depressed grain prices.

On top of these roadblocks, President Carter on January 4 announced an embargo on all grain exports to the Soviet Union except the 8 million metric tons previously committed under the U.S.-U.S.S.R. grain agreement. Farm prices for the major grains are still below the levels immediately preceding the suspension and the forecast is for continued low prices unless further action is taken.

While this legislation by no means addresses the wide array of problems facing producers, it is an important first step in a series of legislative proposals that will have to be taken to strengthen the farm economy. Our family farmers cannot continue to operate under these devastating conditions.

This legislation has received my strong support from the beginning of subcommittee hearings through compromise debate in conference. The final version of this bill is now before us and I feel it is the least Congress can do to help the American farmer. I urge my colleagues to join me in supporting this legislation.

□ 1650

Mr. SEBELIUS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I rise for purposes of a question of the gentleman from North Carolina, last fall the Secretary of Agriculture announced there would be no set-aside and therefore no need to stay within the normal crop acreage. Expecting strong prices and not anticipating the administration's grain embargo with the Soviet Union, many of my farmers rotated into feed grain lands that normally would be planted in cotton and brought additional acreage under cultivation in feed grain.

When the Secretary of Agriculture was before the Agriculture Committee I asked about the concern that was in the English bill at that time. He indicated to me that it would be appropriate that the farmers who had planted that acreage had already been held harmless.

It is my understanding that the language in this bill indicates that the authority given to the Secretary would require that my farmers receive a lower price based upon section C on page 4 in opposition to what the Secretary said.

Mr. ROSE. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from North Carolina.

Mr. ROSE. In answer to the gentleman's question, I would submit to the gentleman that the conference report provides that producers of the 1980 crop who exceed the acreage on the farm normally planted to crops designated by the Secretary may nonetheless receive program benefits. However, payments would be based on the target price under current law, namely, $3.06 a bushel as estimated by the Department for wheat and $2.08 per bushel as estimated by the Department for corn rather than the higher target price provided for people who do not exceed their normal planted acreage. I do not believe that the gentleman's farmers would be disadvantaged by this legislation.

Mr. THOMAS. They will receive a lower payment than other farmers if they in fact exceed their normal crop acreage based upon the statement the Secretary made last fall. Is that not correct?

Mr. ROSE. I cannot speak to any guarantee of what this legislation does with respect to what the Secretary said in the gentleman's district because I am not that familiar with it.

Mr. THOMAS. I understand. My concern is that the Secretary has made statements and based upon those statements given the time needed to put the crop in the ground, my farmers have reacted. Now this legislation in fact places them in a second-class-citizenship position because they are going to receive a lower price for their feed grains than other people because we had to plant earlier. I do not think that is fair.

Mr. ENGLISH. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. I simply point out to the gentleman he is in a similar situation I am in in Oklahoma; namely, we already have winter wheat planted, and it has been in the ground for some time. Our people, of course, are going to be in the same position. They can either comply by reducing their harvest to the NCA, or they can participate at the old program rate, but I would simply say to the gentleman, those who may decide not to participate at the NCA level, they are not going to be hurt any more in California than they are in Oklahoma, regardless of what happens, particularly if this legislation is not passed.

Mr. THOMAS. I appreciate the concern of the gentleman from Oklahoma. We are in the same boat. My concern is that this is the second year in a row my area suffered because the Department of Agriculture has made decisions after the fact. I would hope that Congress and the Department could coordinate a little more closely based upon the way nature operates.

Mr. ENGLISH. If the gentleman would yield further, I would disagree. It was not the Department of Agriculture making this decision. It is the U.S. Congress. I would simply hope that any time we could improve the program and improve the opportunities for farmers that we would take that action.

Mr. SEBELIUS. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. STANGELAND).

Mr. STANGELAND. Mr. Speaker, I would like to, first of all, stand in support of this conference report and commend the chairman of the House Committee on Agriculture and ranking member and the other members as well for addressing the issue a year ago, almost a year ago, of low farm prices and the need to revitalize the 1977 farm act, but I do want to point out, and it has been said so well on the floor, this is too little, too late.

My good friend and colleague from Minnesota says this is the least we can do for farmers. It is the least, because if we did less, we would do nothing at all. The Members know we have no increase in prices for 1978. The House at least recognized we had to inflation-proof the farm program for 1979.

Unfortunately, our colleagues in the other body saw fit not to do that.

Now we have no adjustment in 1979. An adjustment in 1980 is virtually a slap in the face to agriculture. With an 18 percent inflation rate, with costs rising the way they are, prices dropping, 7 percent is virtually nothing.

And I think this House ought to come to grips with this question, and I think we ought to revitalize agriculture.

My good friend and colleague from Kansas, who talks and desires not to be a doomsayer, should be a doomsayer. He should say what is on the minds of the agriculture community of this country, and agriculture is in trouble. It is the foundation of this economy.

Those of us who are here and concerned about the future of our economy had better recognize that fact and had better get busy and write a farm bill that adequately compensates and makes sure that we do have that healthy, viable agriculture community.

I thank the gentleman for yielding.

Mr. HAGEDORN. Mr. Speaker, will the gentleman yield?

Mr. STANGELAND. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I want to compliment the gentleman on a very fine statement, as a farmer Congresman and one who is fully cognizant of the real problems in rural America.

Do the gentleman's farmers find it as frustrating as my farmers do that 2 months after the embargo this administration has failed to follow through with the commitment it made to American farmers?

Mr. STANGELAND. My farmers are very concerned. I supported the embargo. I said I would support it as long as this administration would protect agriculture.

My farmers are opposed to embargo. I have been trying to convince them we have to give the President that latitude. Unfortunately, he has not taken the steps to give them the kind of protection they deserve.

Mr. ROSE. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. I thank the gentleman for yielding.

Of course, I am going to support this conference report, but as the chairman knows, this comes at a very badly timed stage. First of all, because I would hope that out of our committee we are going to be coming forth with something more substantial than this, and, second, it follows on the heels of an embargo which mandates that if we are going to actually do what the President has said—that is to spread the weight of that embargo throughout our population—it means that for those of us in the corn belt, we are going to have to find a home for 600 million bushels of corn. We are not at all underway on that program.

Therefore, I am hoping that the Members of this House will not believe that this 7 percent cost-of-living measure which we are now dealing with is the agricultural initiative of this committee for this year. If I believed that that was all we were going to do, then I would vote against the conference report.

It is only that I have confidence in our chairman and others that we are going to in fact undertake a more serious and far-ranging initiative to offset the kind of weight that this embargo spreads out across the farmland that I am able to support this particular issue.

Mr. STANGELAND. Mr. Speaker, will the gentleman yield?

Mr. FITHIAN. I yield to the gentleman from Minnesota.

Mr. STANGELAND. I think the gentleman has a real problem. I think there is a real problem with many of the previous speakers in that many of the gentleman's people did not participate in the farm program, and the reason they did not participate in that farm program is because it was not adequate and did not meet their needs.

They decided they were going to take a chance on the open market. They were assured there would not be an embargo.

The gentleman has farmers who cannot participate in the grain reserve. They cannot put their corn in that reserve, because they did not participate, and so they are sitting with that production. They have no way of getting a cash flow to put this crop in.

I would hope when we write another farm bill, we recognize the fact this administration said no embargo. They have also said if you do not participate in the program, you do not deserve the benefits.

□ 1700

Now we have given an embargo. We have changed the rules.

I would help to support the gentleman in seeing to it that the farmers there are taken care of.

Mr. FITHIAN. Mr. Speaker, I thank the gentleman.

Mr. ROSE. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I just want to point out two things. I want to disabuse people of thinking this is any substitute for the embargo. It certainly does not offset the damage that has been done in the corn market and in the soybean market by the embargo.

Then in addition to that, I want to disabuse everyone of the idea that this is a 7-percent increase for corn target rates. It is not. This was proposed a year ago, that is 1979, based upon the 1978 target price. In 1978 the target price of corn was $2.10 on the basis of the average market price, plus 20 cents guaranteed. That is a total of $2.30. This is 2 percent over the 1978 target price for corn. It is not a 7 percent increase.

For wheat, it is a 7-percent increase over 1978 and over 1979 target of $3.40, but it is not a 7-percent increase for corn. It is 2 percent over what we had in 1978.

The Department did not want a substantial sign up in 1979 in a set-aside program, or so they lowered the target by 20 cents and very few in good production areas could afford to comply; so let us disabuse ourselves of the idea that this is any substitute for the damage done by the embargo, and also that it is a 7-percent increase for corn, because it is not.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume to close the comments on this side. I will not embellish on the various frustrations we all have.

I have at this moment the strongest feeling of frustration and basic reluctance that I have ever had in trying to vote for a bill in this House. I took the lead. I joined with the gentleman from Oklahoma, Mr. GLENN ENGLISH, a year ago in trying to go for 9.9 in 1979 and 9.5 for 1980. We did not get it. We went to the realm of reality. Last May we passed out a bill that had $3.63 in it; so it laid here and 1 year later we are now about to pass it, so it will not even be for 1979, it will be for 1980; so we all have that feeling. We know the administration is not responding to it.

I call upon my friends on the other side of the aisle. I will work with you in any way we can. I say to the gentleman from North Carolina (Mr. ROSE), as the counterpart on the Livestock and Grains Committee, I will be there any day the gentleman says.

Let us try to get something that we can get past Howard Jordan, Bob Bergland, and the Office of Management and Budget and get something done.

I urge a vote for this, but it is not much to vote for.

● Mr. ABDNOR. Mr. Speaker, I rise in support of the conference report on H.R. 3398, the Agriculture Adjustment Act of 1979.

This measure will increase by 7 percent the 1980 target prices for commodities covered by the farm program. The wheat target price will be increased from $3.40 to $3.63, and without enactment of H.R. 3398 the wheat target would fall to $3.06.

The corn target price will be raised from $2.20 to $2.34, and a drop to about $2.08 will be averted. The target prices for grain sorghums and barley will be adjusted to maintain an equitable relationship to the corn target.

In addition to the increases mandated for the 1980 crop target prices, authority is given to the Secretary of Agriculture to increase the targets further in 1981 to help offset further increases in production costs. Congress will be writing a new farm program in 1981, to take effect in 1982.

In order to qualify for the improved target prices, farmers may be required by the Secretary to keep their total plantings within a normal crop acreage determined by the Department. If the Secretary uses this authority, he is authorized to increase further the target prices to compensate producers for compliance. If the authority is used with respect to the 1980 crop and a producer does not comply, he will be eligible for farm program benefits at the levels provided by existing law, rather than the higher rates provided by H.R. 3398.

Finally, H.R. 3398 extends authority for the disaster payment program through 1980 even though the Federal Crop Insurance Act would extend the program through 1981. Rapid enactment of the crop insurance bill is not assured. It is clear the conferees want to guarantee extension of disaster payments during the current crop year without prejudicing final passage of the crop insurance bill and the 2-year disaster program extension it contains. The conference report would, however, place a limit of $100,000 on disaster payments to any producer in either 1980 or 1981.

Mr. Speaker, H.R. 3398 as reported by the conferees is far from perfect. With USDA projecting a 26-percent decline in net farm income for 1980, this measure is the least farmers have a right to expect. With rapidly rising production expenses and the loss of income attributable to the Soviet grain embargo, additional steps should be taken as well.

The following are two letters I wrote to Secretary Bergland in this regard in early January:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 10, 1980.

Hon. BOB BERGLAND,
U.S. Department of Agriculture
Washington, D.C.

DEAR BOB: I know you are getting more advice than you know what to do with regarding the Soviet grain embargo and protection of the farmers' interests, so I'll try not to belabor the following points.

First, farmers are indeed patriotic Americans, and they do strongly support the notion that our nation must take a stronger and more activist posture in upholding our valid security interests in the world.

Second, farmers are justifiably skeptical, based on bitter experience, of the sincerity and the ability of the Federal Government to adequately consider and equitably uphold their particular interest within the larger context of national and international interests.

Third, the actions you have announced thus far are, of course, steps in the right direction. They remain inadequate to truly protect the interests of farmers from undue and unfairly adverse impact, however, and the following additional actions should be taken:

(a) To replace the current income lost and to enable farmers to deal with the untenable cost/price squeeze they face in planning their 1980 crop production budgets, the commodity loan levels must be raised further. The increases which have been adopted are clearly inadequate; and this matter is particularly important in South Dakota, where redemption of loans has lagged behind the national average.

If the loan levels are not raised further, South Dakota farmers will be unfairly penalized by the compounded impact of the embargo overlain upon transportation difficulties which have prevented them from selling their grain. Whereas farmers in other states have been able to sell a larger percentage of their crops and have the income with which to finance production of this year's crop, many South Dakota farmers will have to make do with the increase in the loan levels. Fifteen cents on a bushel of wheat, and 10¢ on corn are simply not enough. These increases do not even cover inflation, much less compensate for the adverse impact of the embargo.

(b) In view of the substantial role the Soviet Union has assumed in the market for our farm commodities, it seems most unlikely adequate additional demand can be generated to fully offset the loss of the Soviets. Accordingly, the need for action to reduce production is apparent to ensure a balanced supply. In this regard I strongly urge the Department to utilize a paid diversion program in a fashion which will achieve the needed reduction.

(c) Since neither loans nor production limitations can be certain to ensure farmers adequate income in the marketplace to offset that lost due to the embargo, the target prices should be raised beyond the increase provided in H.R. 3398, which is scheduled for conference with the Senate.

The targets should be set at a level which is at least equivalent to the new "release" prices which the Department has established; that is, $3.75 a bushel for wheat and $2.63 for corn. It makes little sense to tell farmers on the one hand that they cannot sell their wheat, for example, for less than $3.75, yet on the other hand to guarantee a price of only $3.63, as H.R. 3398 would do.

(d) To enable farmers who have been unable to market their grain to acquire the physical capability to continue to store it, along with this year's harvest, the Department should consider lowering the interest rate on farm storage facilities loans to the level which prevailed prior to the increase in 1979. The announced increase in storage payments for all reserve commodities and the waiver of interest on corn loans are appropriate, but will be moot if adequate storage is not physically available.

Finally, all of these recommendations are mere stopgap remedies to treat the symptoms of the problem. The problem itself, the loss of a substantial market, can only be addressed through the generation of new market demand to offset that which the President has foreclosed as a matter of foreign policy. Disposing of the 17 million metric tons involved in the current sales must be accomplished in a suitable fashion, but this grain should not be sold back into the marketplace because that will absolutely deprive farmers of an equivalent amount of sales. Even so, however, disposing of the 17 million tons of current sales foregone is the small end of the problem in light of the fact the intent is to foreclose the Soviet market for the foreseeable future.

If the interest of farmers are to be fully and fairly considered, the taxpayers at large must bear the expense of this decision which has been made for conscious reasons of foreign policy. That means in practical terms that the Department must guarantee farmers not only that the prices they receive are equivalent to those which would have prevailed in absence of the embargo—but also that the volume of production they are able to market at those prices is equivalent. The cost will be considerable, but to do less is to place the burden of the President's decision unfairly upon the shoulders of farmers.

Again, the true solution is the development of new markets for the sales foregone. Please see that the Department's efforts are redoubled in this regard. Even without the Soviets there is a need for all we can produce and more in meeting the nutritional and energy needs of the world. If the embargo spurs the development of our alcohol energy potentials and prompts us to do a better job of marketing our agricultural commodities to the world, it may yet prove to be a blessing in disguise.

With best personal regards,
Sincerely,

JAMES ABDNOR,
Member of Congress.

Hon. BOB BERGLAND,
U.S. Department of Agriculture,
Washington, D.C.

DEAR BOB: With further reference to the Soviet grain embargo, which I addressed in correspondence to you yesterday, operators who chose not to participate in the farm program in 1979 must be allowed to participate now as far as loan and target price protections are concerned.

At the time 76% of our nation's 2,327,676 farms were held out of the program, their operators were proceeding with the President's firm and unequivocal assurance that no grain exports would be embargoed. Now that the President has decided that foreign policy and national security require an embargo of exports to the Soviet Union, the expense of affording these farmers the benefit of loan and target price protection is simply a cost of the President's decision.

I'm sure that you'll agree it would be highly unfair to require farmers to bear the cost of the President's action, when they had every assurance that he would never institute an embargo. The embargo is obviously a new factor in the marketplace and one caused by deliberate policy of the Federal Government. Accordingly, all farmers must be given the opportunity to participate in loan and target price protections, regardless of whether they chose not to participate under previous market conditions.

With best wishes,

Sincerely,

JAMES ABDNOR,
Member of Congress.

Mr. Speaker, some of the actions I recommended to the Secretary have been taken by administrative authority, and others are addressed further in pending legislation. Despite assurances to the contrary, however, it is not clear that the administration fully recognizes or is willing to accept the full cost of protecting the interests of farmers from adverse impact as a result of the President's foreign policy decision.

Certainly, farmers who participated in the 1979 set-aside are entitled to a higher level of protection than those who did not. No farmer should be expected to bear the full cost of the President's foreign policy, though, particularly when farmers had his unequivocal assurance exports would not be embargoed. Now that this action has been taken, it is incumbent upon the Nation as a whole to bear the expense.

Enactment of H.R. 3398 is but a first step toward necessary improvements in farm programs to deal with the critical economic difficulties facing farmers as a result of inflating production costs and reduced income resulting from the Soviet embargo. I urge that we act as quickly as possible to take the additional steps required.●

Mr. ROSE. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I urge my colleagues to support this conference report, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 3398 just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ANNOUNCEMENT OF REPORT FROM GOVERNMENT OPERATIONS COMMITTEE, ENTITLED "THE FALLING OF SKY LAB"

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, today the Government Operations Committee passed out a report on the falling of Sky Lab, entitled, "The Falling of Sky Lab and the Communications Problem."

I would commend it to each of you for your reading. You will find some very incisive thoughts in there from the distinguished ranking minority member, the gentleman from Pennsylvania (Mr. WALKER); from the gentleman from New York (Mr. HORTON), the ranking minority member of the full committee; from the gentleman from Florida (Mr. FUQUA), chairman of the Committee on Science and Technology; from the gentleman from New York (Mr. WYDLER), ranking member of the Committee on Science and Technology.

It is about 56 pages in toto. It discusses some of the communications problems that existed around the falling of Sky Lab.

As I say, there will also be some very incisive comments by "yours truly," the chairman of the Committee on Government Activities and Transportation of the Committee on Government Operations. We do have jurisdiction over the NASA program.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I would be happy to yield to my friend, the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, did the gentleman from California contribute to it?

Mr. JOHN L. BURTON. Yes. Just as I said, there were some very incisive comments by myself, as chairman of that committee.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I would be happy to yield.

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman for yielding.

I believe the gentleman used the term "toto" a moment ago.

Mr. JOHN L. BURTON. That was Dorothy's dog in the Wizard of Oz.

Mr. MAZZOLI. Was there not something of that falling from the sky in the Wizard of Oz?

Mr. JOHN L. BURTON. Exactly. I used that on purpose, I say to the gentleman, whose predecessor in 1900 was Turner in the Evans versus Turner contested elections case, which set the precedent for the Wilson versus Leach case.

Mr. MAZZOLI. Well, the gentleman who currently represents the seat is a distinctly different breed of cat, I believe the gentleman would agree.

Mr. JOHN L. BURTON. I think Toto was a dog.

Mr. MAZZOLI. Toto was a dog, right, not a cat.

PROVIDING FOR CONSIDERATION OF H.R. 6291, EMERGENCY AGRICULTURAL CREDIT ADJUSTMENT ACT OF 1978

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 589, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 589

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 7 of rule XIII and section 401(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6291) to amend the Emergency Agricultural Credit Adjustment Act of 1978 and the Commodity Credit Corporation Charter Act to extend and increase certain agricultural loan programs, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI and section 401 (a) of the Congressional Budget Act of 1974 (Public Law 93–344) are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

☐ 1710

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 589 provides for the consideration of H.R. 6291 which amends the Emergency Agricultural Credit Adjustment Act of 1978 and the Commodity Credit Corporation Charter Act to extend and increase certain agricultural loan programs.

This is an open rule granting 1 hour of general debate on the bill. The time is to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture.

The rule grants waivers of points of order against consideration of H.R. 6291 for failure to comply with clause 7 of rule 13 of the rules of the House and section 401a of the Congressional Budget Act. These waivers are necessary as the report accompanying H.R. 6291 did not include a full 5-year cost estimate as required in clause 7 of rule 13 and because the bill as originally introduced provides contract authority which is prohibited by section 401a of the Budget Act unless the amounts are provided in advance by appropriation acts.

The rule makes in order the consideration of an amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill. Points of order are waived against the substitute for failure to comply with clause 5, rule 21 which prohibits appropriations in an authorization and section 401a of the Budget Act.

Upon conclusion of the consideration of the bill, one motion to recommit with or without instructions is in order.

Mr. Speaker, H.R. 6291 increases the limit on the principal balance of the Farmers Home Administration economic emergency loan program from $4 to $6 billion, extends the program from May 15, 1980 to September 30, 1981, and changes some of the requirements used by the Secretary of Agriculture in the making of loans.

The bill also increases the maximum amount of Commodity Credit Corporation farm storage facility loans from $50,000 to $100,000 per farmer. It further limits to 8 percent the maximum interest rate the corporation can charge farmers for these loans and removes the requirement that on-farm storage facilities do not exceed a 2-year supply of crop production.

Mr. Speaker, this legislation will help thousands of farmers around the country to meet their short-term liquidity needs. I urge my colleagues to adopt House Resolution 589 that we may proceed to the consideration of this important legislation.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1 hour, open rule making in order consideration of H.R. 6291, a bill extending and increasing certain agricultural loan programs. Clause 7, rule XIII, which requires current and five subsequent fiscal year cost estimates to be in the committee report, is waived. Section 401(a) of the Congressional Budget Act, prohibiting contract authority not subject in the bill to appropriation acts, is waived against the bill and the committee substitute. However, I understand that the Committee on Agriculture will cure this Budget Act violation by making new spending authority in the bill subject to the appropriations process.

The rule makes in order the amendment in the nature of a substitute recommended by the Committee on Agriculture that is now printed in the bill as an original bill for purposes of amendment. Clause 5, rule XXI, which prohibits appropriations in a legislative bill is waived against the committee substitute. The reason for this is that the legislation authorizes the Secretary of Agriculture to pay interest subsidies to lenders of guaranteed operating loans under the Emergency Agricultural Credit Adjustment Act. It is conceivable that such payments could be made from outstanding funds. For this reason, there is a technical violation of clause 5, rule XXI.

Finally the rule provides for a motion to recommit with or without instructions.

The bill increases the limit on the principal balance of the Farmers Home Administration economic emergency loan program from $4 billion to $6 billion, extends the program from May 15, 1980, to September 30, 1981, and changes some of the requirements used by the Secretary of Agriculture in the making of loans.

The bill also increases the maximum amount of Commodity Credit Corporation farm storage facility loans from $50,000 to $100,000 per farmer. In addition, the bill limits to 8 percent the maximum interest rate the Corporation can charge farmers for these loans and removes the requirement that on-farm storage facilities do not exceed a 2-year supply of crop production.

The Agriculture Committee report provides that the net costs of this bill are estimated to be $118 million betwen fiscal year 1980 and fiscal year 1984.

Mr. Speaker, the Agriculture Committee voted 37 to 1 in ordering this bill reported. Obviously it is legislation which is of great importance to the rural sections of our country. I fully support the bill and I urge my colleagues to pass this rule quickly so that we may move to the consideration of H.R. 6291 immediately.

Mr. Speaker, I have no requests for time and yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 393, nays 0, not voting 40, as follows:

[Roll No. 116]

YEAS—393

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dickinson
Dicks
Diggs
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Pickle
Porter
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—40

Abdnor
Addabbo
Anderson, Ill.
Andrews, N. Dak.
Anthony
Bevill
Biaggi
Bonker
Bowen
Broomfield
Chisholm
Conyers
Davis, S.C.
Devine

Dingell
Dixon
Giaimo
Goldwater
Hall, Ohio
Hollenbeck
Ichord
Jones, N.C.
Long, Md.
McDonald
Martin
Mathis
Mitchell, Md.
Murphy, Ill.
Nolan
Pashayan
Peyser
Price
Ratchford
Roberts
Rostenkowski
Staggers
Stewart
Stockman
Treen
Weaver

□ 1730

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Goldwater.

Mr. Ichord with Mr. Andrews of North Dakota.

Mr. Jones of North Carolina with Mr. Abdnor.

Mr. Ratchford with Mr. Devine.

Mr. Rostenkowski with Mr. Martin.

Mr. McDonald with Mr. Pashayan.

Mr. Weaver with Mr. Treen.

Mr. Murphy of Illinois with Mr. Hollenbeck.

Mr. Nolan with Mr. Broomfield.

Mr. Mitchell of Maryland with Mr. Anderson of Illinois.

Mr. Biaggi with Mr. Davis of South Carolina.

Mr. Anthony with Mr. Giaimo.

Mr. Bevill with Mrs. Chisholm.

Mr. Hall of Ohio with Mr. Dixon.

Mr. Conyers with Mr. Dingell.

Mr. Peyser with Mr. Price.

Mr. Staggers with Mr. Roberts.

Mr. Mathis with Mr. Stewart.

Mr. Bowen with Mr. Bonker.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE TROUBLED STATE OF THE ISRAELI ECONOMY

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McHUGH. Mr. Speaker, most Americans are only too familiar with the very serious economic problems facing our Nation, problems with which we must come to grips if the confidence of our people is to be restored.

What is happening in the United States is not unique, however. Many nations throughout the world are experiencing similar economic difficulties. Among those nations, our traditional friend and ally, Israel, has been especially hard hit.

Mr. Speaker, never in Israel's troubled history has her economy faced such a grave situation. This is reflected in an annual inflation rate of 111 percent, a balance-of-payments deficit in excess of $4 billion, and a $15 billion foreign debt in a nation with a gross national product of only $14 billion.

While these figures are important, Mr. Speaker, they do not really begin to capture the very serious hardships that have been imposed on the people of Israel. Nonetheless, those hardships are all too real. In 1979, for example, the price of dairy products increased fourfold in Israel. Public transit fares increased threefold. Today, the price of a U.S. gallon of gasoline in Israel is more than $2.50, and the average Israeli has to work for well over an hour to purchase a gallon.

Faced with these grave problems, Israel has responded by adopting stern austerity measures, including:

A substantial reduction in foreign procurement by its Ministry of Defense;

A 6-percent real cut in the budgets of nearly all other government ministries for 1981; and

A 6-percent manpower reduction in the public sector which has been coupled with a freeze on the construction of public building, schools, and hospitals.

In human terms, these policies will have a severe impact on the fabric of Israel society. Unemployment will rise, prices for bread, milk, and other staples will continue to rise, and badly needed schoolrooms and hospital space will not be built.

Nonetheless, even these stringent measures cannot hope to remedy Israel's basic problem, its extraordinary balance-of-payments deficit. For the first time in its history, the price of imported oil will exceed the cost of defense purchases abroad. The Israeli oil bill for 1981 is now estimated to be $2.6 billion, compared to $1.4 billion in 1979 and only $665 million the year before that.

Moreover, given the enormous defense burden it has been forced to bear since its birth, Israel has an extraordinarily large foreign debt. In fiscal year 1981, Israel will be required to repay the United States for previous loans almost as much as the President has requested for economic assistance to Israel during the coming year.

If Israel cannot get the foreign currency it needs to finance its deficit, and that will be the case if present U.S. aid levels are maintained, severe consequences could result. On the defense side, Israel will be unable to meet its military import needs, thus reducing its confidence in its own security. That confidence is a vital necessary element if the peace process is to go forward. On the civilian side, foreign exchange reserves will dwindle, thus undermining Israel's financial standing and reducing its ability to borrow in financial markets. That could result in still higher unemployment and would increase its borrowing costs.

Mr. Speaker, as the President has repeatedly pointed out, the United States has enormous stakes in what happens in the Middle East. For more than 30 years Israel has been our staunchest ally in that region. Our two nations share much in common. Thus, it is important for the American people and their Representatives in Congress to fully understand and appreciate the difficult straits in which Israel finds itself. As I indicated at the very beginning, those problems are very grave indeed.

U.S. VOTE IN THE U.N. SECURITY COUNCIL CONCERNING ISRAEL, JERUSALEM, AND THE WEST BANK

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, in his state of the Union message and as recently as last week, before a National Young Leadership Conference here in Washington, President Carter has spoken of his deep friendship for and commitment to the security of Israel.

However, in what is regarded as a shift of policy here and abroad, the administration voted in favor of a U.N. Security Council resolution that in many ways undermines U.N. Security Council resolution 242 and the Camp David accords. The resolution calls for the dismantling of all Israeli settlements on the West Bank. U.S. policy, until Saturday, was that the settlements issue was to be negotiated between Israel and the residents of the West Bank. The resolution did not differentiate between Israeli civilian settlements, some of which are controversial in nature, and those that were established for legitimate security reasons. The majority of Israel's settlements are to prevent terrorist raids into Israel proper and serve as outposts and early warning stations against ground assaults upon Israel. The resolution goes on to call the West Bank and Gaza Strip "Palestinian and other Arab territories;" inferring that the region's sovereignty is not open for negotiation. The recent Security Council resolution calls for the withdrawal of Jews from east Jerusalem. Jews have lived in Jerusalem since Biblical times and not solely as a result of the June 1967 war. While Jerusalem was under Jordanian control from 1950–67, Jews were denied access to holy places, many of which were vandalized during the Jordanian occupation. Indeed, while the Jordanians occupied the West Bank, they never took steps to create a Palestinian state, let alone grant the Palestinians any form of autonomy. The Jordanians simply did not recognize the Palestinians as a nationality.

In regard to the Camp David accords, Israel committed itself to negotiate the final status of the West Bank and the Gaza Strip by the end of a 5-year transitional period. This was a policy that President Carter himself had a strong hand in formulating. The Israelis have given up their claims to settlements in the Sinai and these will be turned over to Egypt as part of the Israeli-Egyptian peace treaty. Israel has fulfilled and continues to abide by her treaty commitments to Egypt.

The U.N.'s irresponsibility and susceptibility to Arab oil pressure continues to be a disturbing political reality. American support for such one-sided resolutions reflects the extent to which the United States is willing to endanger a strategically important ally, Israel, and bow to this pressure. It seems that every time President Carter wants to act tough, its not with the Soviets or the Cubans, but with the Taiwanese, the South Koreans, or the Israelis.

Finally, based on this morning's Washington Post front-page story, President Carter is now claiming that an error was made in the vote. This statement, mind you, comes almost 3 days after the fact. This suggests gross incompetence or a major distortion of the truth. The resolution of the Security Council was fairly straightforward in its content and message. Surely the President understood its implications before the vote and the Post details the conversations that took place prior to the vote. The U.N. Security

Council is no place to make an error—if we believe the President—on this type of an issue. This resolution may have grave consequences and detrimental effects on the future course of peace in the Middle East.

NOT AN ERROR BUT A BLUNDER

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, President Carter last night declared that the United States made an error in voting for an Arab-sponsored resolution in the United Nations calling on Israel to dismantle all its settlements in the West Bank and the old city of Jerusalem. Calling this latest move by the administration an error is, in my judgment, a gross understatement. It is a blunder of the greatest magnitude.

It is representative of a series of inconsistencies in our Middle East policy which has threatened the security of Israel—our staunch and strategic ally in the region. It undermines the current bilateral negotiations between Israel and Egypt on the autonomy of the West Bank and Gaza, and will strengthen the position of the extremist Arab States, who have refused to enter into the peace process.

I have always supported the concept that the United States should, at most, be an honest broker in dealing with Arab-Israeli affairs. We cannot be placed in the position where our credibility is questioned. I am convinced that the latest vote in the U.N., plus other recent actions by the administration, can only result in a loss of credibility, and move us from that honest broker status to one which can only lead to distrust by the interested parties.

I believe the tragedy of our latest move in the United Nations is the fact that by our vote, we now support the position that those of the Jewish faith have no right to live in the old city of Jerusalem, since the resolution calls for the withdrawal of the Jewish population from the city.

Jerusalem has always been the historical and cultural center of the Jewish faith. It was the city of King David and King Solomon. Its origins are Jewish, and for this Government to take the position that this is not so, is totally unacceptable to me.

For nearly 20 years, those of the Jewish faith were denied access to the old city and the holiest site in the Jewish religion. From 1948 to 1967, when the old city was under illegal Jordanian control, it became a city divided by barbwire and fences. It is strange that under those conditions there was not an outpouring of international sentiment against the Jordanian occupation of the city.

Today, both Jew and non-Jew, can visit and pray together. The implements of war have been removed and the barbwire and fences torn down. I find it intolerable that this Government would support any moves to return the old city to the status prior to 1967.

REFORM OF VETERANS BENEFITS CALLED FOR

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAMMERSCHMIDT. Mr. Speaker, veterans benefits, in their many historical forms, have traditionally been bestowed by a grateful Government to those former military men and women who have served our country honorably and well. No nation on Earth can boast of a better system of, as Abraham Lincoln so aptly put it, caring "for him who has borne the battle, and for his widow and orphan." Unfortunately, since the inception of the Volunteer Army concept, many individuals have begun drawing full veterans benefits for service that has been neither adequate nor honorable. It is time we placed appropriate constraints on this inequity, in the name of our country and of all those who have indeed served with merit and pride.

The manpower situation under the Volunteer Army concept is in a state of utter chaos, and nowhere is this manifested more clearly than in present military discharge policies. Fully 40 percent of our servicemen and women are failing to complete their contractual enlistment obligations, and are still leaving the military with discharges under honorable conditions. Such discharges make these individuals eligible for full veterans benefits, despite the fact that they have breached their contracts. Our Government and our military services expend great amounts of the taxpayer's money advertising for and recruiting such people, and even greater amounts training them. Forty percent of them are now walking away from the obligation they have incurred, not only without being penalized, but with significant rewards for doing so, in the form of veterans benefits that are normally reserved for those who have persevered and performed meritorious service.

I doubt many of my colleagues fully appreciate the seriousness of this problem. It has evolved largely over the last decade, because of continuing litigation, sponsored primarily by the American Civil Liberties Union, designed to do away with the military discharge system altogether. The argument, and the attention, has surrounded the frequent allegation that less-than-honorable discharges stigmatize a veteran throughout the remainder of his or her life, and affect such important civilian pursuits as employment. The Department of Defense, burdened with procedural requirements that now are tantamount to a full-scale trial, and which can shut down an operating unit for days, merely to enable that unit to rid itself of a malcontent, has responded by rewarding the majority of these problem soldiers with good discharges.

In addition. DOD has created new discharge procedures such as the expeditious discharge program and the trainee discharge program, which allow the almost immediate separation of malcontents. The "good news" under these two programs is that a unit commander no longer has to devote an inordinate portion of his time to ridding the unit of its problem soldiers. The "bad news," both for the military and for us as a society, is that these soldiers can simply walk away from their sworn obligations after manifesting attitude problems or a lack of cooperation, and do so not only without the stigma of a bad discharge, but with the reward of a full array of veterans benefits. More than 190,000 servicemen and women have done so since 1976, under these two programs alone.

As examples of the unfairness of the military discharge system in other areas, Mr. Speaker, consider the following. An overwhelming majority of those discharged for character or behavior disorders are receiving full honorable discharges. This was not true until the Volunteer Army began. Those discharged for motivational problems, inaptitude, shirking, and even sexual perversion now receive a majority of such discharges under honorable conditions.

How, Mr. Speaker, can a person who is discharged for lack of motivation, or because he is a shirker, be considered to have performed in a manner that is deserving of the rewards for "honest and faithful service"? The overwhelming majority of those discharged for drugs now receive full honorable discharges, even though this offense constitutes a criminal action in the civilian world. By contrast, in 1971 only 5 percent of those discharged for drugs received honorable discharges. Forty-three percent of those discharged for AWOL and desertion last year received discharges under honorable conditions. In the 3 years before the draft ended, less than 10 percent did.

It may make sense, especially in a "Volunteer Army" situation where the military is forced to lure people into uniform, not to stigmatize a nonperformer with a bad discharge that will follow him around for the rest of his life. But it is manifestly unfair to reward this service with full benefits of the sort that those who persisted and served faithfully eventually receive after fulfilling their sworn services to our country.

For this reason, Mr. Speaker, I am today introducing legislation which will provide that no individual who is discharged from the Armed Forces for misconduct, unsuitability, marginal performance of duty, or other similar reasons will receive veterans benefits, as the great majority of these individuals now are eligible to do.

Such legislation will not disturb entitlements gained from other discharge procedures, including medical separation and hardship discharges. What it will do is resolve an inequity, and in my opinion also encourage our servicemen and women to improve their performance and remain on active duty for their full terms, thus easing many critical manpower problems. I am pleased that as original cosponsors I have the support of my distinguished colleagues Mr. Robin Beard of Tennessee and Mr. "Bud" Hillis of Indiana. I invite my other colleagues to join me in this seriously needed endeavor.

H.R. 6688

A bill to amend title 38, United States Code, to provide that veterans' benefits shall be denied any individual whose discharge from the Armed Forces is characterized as being for misconduct, unsuitability, marginal performance of duty, or other reason indicating that the service of the individual demonstrated that the individual was unqualified for retention in the Armed Forces

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3103 of title 38, United States Code, relating to certain bars to veterans' benefits, is amended by adding at the end thereof the following new subsection:

"(f) Benefits under laws administered by the Veterans' Administration may not be provided to any person who is discharged or released from the Armed Forces after the date of the enactment of this subsection for any period of service, or to any other person by virtue of the service of such person for such period, if the discharge or release of such person from such period of service—

"(1) is characterized by the Secretary concerned as being for—

"(A) marginal performance of duty;

"(B) personal abuse of drugs other than alcohol;

"(C) unsuitability for military service;

"(D) misconduct; or

"(E) the good of the service; or

"(2) is made before the expiration of a term of enlistment of such person and is under conditions and with a characterization of discharge indicating (as determined by the Administrator) that such person has performed less than honest and faithful service.".

IRS RULING ON LEGAL EXPENSES OF MEMBER

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BROOKS. Mr. Speaker, from time to time Members are required, in the course of carrying out official functions of their office, to defend themselves against attacks. Occasionally, that defense may include legal proceedings.

Recently, the Internal Revenue Service issued a ruling in a letter to former Congressman John Young, of Texas, which concluded that Congressman Young's legal expenses incurred in such a judicial proceeding were deductible as a business expense. Because of the importance of this matter to all Members of Congress, I include in today's RECORD the letter from the Internal Revenue Service to former Congressman Young, as follows:

INTERNAL REVENUE SERVICE,
February 11, 1980.

Hon. JOHN YOUNG,
Washington, D.C.

DEAR MR. YOUNG: This concerns our ruling letter to you of November 7, 1978, affirming our initial ruling of July 15, 1977, wherein we ruled that certain legal expenses incurred by you are personal expenses and are not deductible for federal income tax purposes.

The facts, briefly stated, are as follows. You were at the time in question, a public official. A former employee in your office made accusations against you, consisting of claims that you had improperly used government funds in staffing your office. These charges, if true, would have been a felony under federal law. After an official investigation cleared you of the charges, you issued a news release announcing the results of the investigation and announcing that a suit would be filed against the former employee for libel and slander. As a result of statements made by you in the news release, you were sued by your former employee's attorney. You in turn filed suit against your former employee, her attorney and others for libel and slander. It is the expenses incurred as a result of these suits which you inquire about.

As noted in our previous letters, the Supreme Court of the United States stated in *United States* v. *Gilmore*, 372 U.S. 39 (1963), 1963-1 C.B. 355, that the controlling test of whether legal expenses are "business" or "personal" is the origin and character of the claim with respect to which an expense is incurred, rather than its potential consequences upon the fortunes of the taxpayer. In that case it was held that the taxpayer's legal expenses incurred in defending his business assets against the claims of his wife were not deductible because the claim he was defending against arose out of a divorce action and not out of his business activity. Thus, even though his business would have been seriously affected by his wife's legal claims (if she had prevailed), his legal expenses in defending his business assets were not deductible because the claim did not arise from carrying on his business.

In *Commissioner* v. *Tellier*, 383 U.S. 687 (1966), 1966-1 C.B. 32, a securities dealer engaged in the business of underwriting the public sale of stock offerings and purchasing securities for resale was allowed to deduct legal expenses incurred in unsuccessfully defending a criminal prosecution for fraud. The Court found that the criminal charges against the securities dealer had their source in his business activities as a securities dealer, and thus the legal expenses incurred were deductible under the test set out in Gilmore.

Upon subsequent review of the ruling and the materials submitted to us, we conclude that the legal expenses incurred in the suits were incurred as a result of the publication of your official denial of wrongdoing and statement of exoneration. Inasmuch as the press release was issued as part of your official "informing function" (see *Hutchinson* v. *Proxmire*, 431 F. Supp. 1311 (W.D. Wis. 1977), and *Bowie* v. *Williams*, 351 F. Supp. 626 (ED. Pa. 1972)), the statement was made in connection with your trade or business of a public official. Under the test set out in Gilmore, the legal expenses incurred are not personal expenses.

Accordingly, we rule that the expenses of litigation are deductible under section 162 of the Internal Revenue Code as expenses incurred in connection with your trade or business.

Our ruling letter of July 15, 1977, affirmed by our letter of November 7, 1978, is hereby revoked to the extent that it is inconsistent with this ruling.

We regret any inconvenience that we may have caused you as a result of our initial conclusions in this matter.

Sincerely yours,

MARIO E. LOMBARDO,
Director, Individual Tax Division.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 5 minutes.

● Mr. GILMAN. Mr. Speaker, yesterday, March 4, 1980, I participated in a hearing of the Select Committee on Narcotics Abuse and Control at the Federal Law Enforcement Training Center in Glynco, Ga. Because of my attendance at those hearings, I missed five rollcall votes on suspension business in the House.

Rollcall No. 108, House Joint Resolution 414, authorizing the President to proclaim May 1, 1980 "National Bicycling Day," passed 318 to 3, under suspension of the rules. Had I been present, I would have voted "yes."

Rollcall No. 109, House Joint Resolution 445, to establish the third week in September as "National Cystic Fibrosis Week," passed 323 to 0, under suspension of the rules. Had I been present, I would have voted "yes."

Rollcall No. 110, House Joint Resolution 453, to designate the week of October 5-11, 1980, as "National Diabetes Week," passed 326 to 0, under suspension of the rules. Had I been present, I would have voted "yes."

Rollcall No. 111, H.R. 4960, to provide for the presentation of a gold medal to Mr. Gerald Speiss, failed of suspension, 212 to 116. Had I been present, I would have voted "yes," and I hope the Banking Committee will bring this bill back with a rule.

Rollcall No. 112, H.R. 5548, to provide for the presentation of a gold medal to Mr. Simon Weisenthal, passed 289 to 38. Had I been present, I would have voted "yes."

RESEARCH REVITALIZATION ACT WILL PROVIDE DEVELOPMENT OF TECHNOLOGY IN ACADEMIC SETTING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, on Tuesday, February 26, I introduced H.R. 6632, the Research Revitalization Act of 1980. In a recent statement by Guido Brunner, Commissioner of the European Community Energy Commission, he pointed out that the European Community was spending more than the United States on research and development and nearly twice as much as Japan. Total R. & D. spending in the member states amounted to 11.1 billion EUA* ($15.5 billion) in 1978 against the United States 10.7 billion EUA ($14.8 billion) and Japan's 6 billion EUA ($8.3 billion) for civil projects. Mr. Brunner states that there have been considerable increases compared with the sixties and early seventies, when the European Community was well behind their main industrial rivals, Mr. Brunner said. In order to protect their considerable efforts and get the best of their investments, there are great efforts being made at Community levels where much is needed to be done to avoid wasteful duplication in member states' programs.

European Community R. & D. activities had been developing since January 1974, and since 1977 had been following four main objectives:

First. Improvement in the long-term security of Community supplies—energy, agriculture, primary products;

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*EUA—Approximately $1.39 on Oct. 31, 1979.

Second. Development of economic competitivity;

Third. Improvement of living and working conditions; and

Fourth. Protection of the environment and of nature.

It was recommended that the European Community member governments should strengthen this policy during the next 4 years. The Commission proposes to more than double expenditure on total R. & D. from .819 million EUA ($1.1 billion) to 1.9 billion EUA ($2.6 billion).

Nevertheless, Community R. & D. expenditure remains modest, not much more than 2 percent of total member states expenditure on R. & D.

Like the affirmative and aggressive steps the European Community has taken, our domestic and export business must be restored to its former competitive position. There are new domestic markets—if we can reach them with new ideas or better ideas. Our potential for new export business is an exciting challenge.

The bill I have introduced, H.R. 6632, will provide for the development of technology in an academic setting with research paid for and directed by the business sponsor. This program will insure the research and technology to develop products or systems designed to increase American industry, employment, and products for sale in America and abroad.●

COMMONSENSE ON EAST-WEST TRADE

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, I support the export controls recently applied to the Soviet Union in response to its invasion of Afghanistan. Nevertheless, as principal House author of the Export Administration Act of 1979. I have a long-term interest in insuring that controls on East-West trade are applied in a rational, consistent manner, and not in such a way as to be ineffective or counterproductive.

One might expect former Energy Secretary James R. Schlesinger and former Commerce Assistant Secretary Frank A. Weil to have different views on East-West trade yet in the January 27 New York Times they agree on certain sensible principles of export control. While there are some things in Secretary Schlesinger's remarks with which I disagree, I am fully in accord with him when he says that:

> We should only apply strategic export controls when we monopolize the technology in question or when we have the support of our allies;
>
> Generally, we should not deny our firms opportunities to trade when by doing so we would simply permit other countries to get the business;
>
> In applying trade sanctions, we impose costs on ourselves as well as on the target country.

These are comments with which Secretary Weil and other pro-trade people do not disagree. They are principles that ought to be kept in mind by all of us as we seek a viable trade policy toward the communist countries. In the current atmosphere there are those who, out of ideological motivations, are seeking to achieve their long-sought goal of stopping all East-West trade, without regard for the effectiveness of such an embargo or for its costs. I am delighted that a person with Secretary Schlesinger's credentials should be arguing against such simplistic thinking.

The comments of both men deserve the careful attention of Congress, the executive branch, and the public. I include the article referred to at this point:

TRADE AS WEAPON: PICKING AMMUNITION, TARGET

Although cash grain and future prices were recovering last week from the shock of the Administration's Jan. 4 suspension of grain sales to the Soviet Union, debate about the efficacy of that cutoff and of a ban on exports of high-technology items continued to grow. It was fanned in part by Commerce Secretary Philip M. Klutznick's statement that a total grain embargo "was something that should be considered as a further step" in reaction to Afghanistan. (Under a five-year agreement, the United States must supply Moscow with 8 million tons a year; that commitment was not waived Jan. 4.)

Steven Rattner, a reporter in The New York Times Washington Bureau, talked separately with James R. Schlesinger, until last September President Carter's Energy Secretary, and Frank A. Weil, until last September Assistant Secretary of Commerce for Trade. The subject was trade sanctions in general, and the Administration's recent moves in particular. The first question asked each was what the economic and political impact of the embargoes on the Soviet Union was likely to be. Excerpts from their discussions follow.

Answer. Well, let me reverse the order. The trade sanctions, particularly the grain embargo, and quite possibly the boycott of the Olympics, may make us feel better. But they are strategically marginal at best. The limitations on strategic trade can have a longer-term impact.

Question. Do you mean denying Moscow technology will affect its strategic capability, or its willingness?

A. Their capability. I have over the years been a believer in reasonably stringent controls on the export of high technology, to assure an adequate quid pro quo. That is very difficult when one has a free-enterprise economy with private firms negotiating directly with a state-controlled economy. Their motivations are quite different, the mechanisms are quite different.

Q. Is there any evidence that that technology has helped them strategically? The Kama River truck plant was built by American companies; some trucks are in Afghanistan. But there's no secret to building trucks.

A. There are two ways in which the export of technology can be beneficial. Any general improvement in Soviet computer technology, electronics and the like is beneficial from a military standpoint. At the other end of the spectrum, improvements in technology just assist the Soviets to increase overall productivity. And that alleviates some of their overall economic problems and permits them to allocate more resources either to military matters or to adventurism.

Q. Controlling technology flow among our allies has been hard. Are we just shooting ourself in the foot?

A. That is likely to be the case. Controls on strategic technology should apply only under two sets of conditions. One, in which the United States has an essential monopoly of a particular technology, and the other, (when) one has the support of one's allies. At this juncture, we are at least getting a fair amount of lip service from them. We shall have to watch carefully whether the whole effort does not break down once Afghanistan is digested by the Soviet Union.

Q. Should we then allow our firms to go back?

A. On balance, we should not be too bold in denying our firms opportunities to benefit when the alternative is simply to allow other nations to make the sales. We should insist that our own firms not provide those limited numbers of technologies that could be quite beneficial to the Soviets and on which we have essentially a monopoly.

Q. Including on oil-drilling equipment? As Secretary of Energy, you advocated such controls. Is it really in the American interest to have Soviet oil exports decline?

A. That cuts both ways. I have advocated such controls to assure that the Soviets had to go through the United States Government to obtain the benefits of trade and thus assure an adequate quid pro quo. I agree that greater Soviet production of oil is in some respects beneficial to the West. But we must bear very firmly in mind that it is even more beneficial to the Soviet Union.

Q. You're talking about a political, not an economic, quid pro quo, aren't you? Not to try to exile dissidents, not to invade Afghanistan or to pull back.

A. Essentially, that is correct. The quid pro quo is a byproduct of political good behavior. By and large the Soviet Union has little to offer in goods and services.

Q. But don't tighter controls tell foreign countries that the United States is an unreliable supplier and tell American firms that they do business at their own risk?

A. Yes, sanctions cut both ways. They are not, as Americans (once) tended to conceive, an undiluted advantage. But almost all countries will appreciate that the Soviet Union is in a unique position. We are not planning to interfere with trade from Germany, Japan or Saudi Arabia.

Q. But that is precisely what we told the Arabs when we froze the Iranian assets—that it was a unique case.

A. That is correct. But the overrunning of an embassy is indeed a unique development. Nonetheless, I agree that economic sanctions are a relatively weak tool. They appeal to Americans because they seem to be a substitute for the stiffer measures that may be required.

Q. You seem to be suggesting that the sanctions, and the Olympics, are merely an inadequate proxy for military—not action necessarily—but readiness.

A. Not only military readiness—the reconstitution of the intelligence community. We have, in the last five years, inflicted considerable damage on our own assets. Self-flagellation is not something that is confined to Shiite Moslems in the month of Muharram.

Q. On the grain trade, are we talking about a substantial economic impact on ourselves for what you keep describing as something of marginal use politically?

A. The simple answer is yes. I believe the only reason that the United States moved in that direction was to demonstrate to the American public that we could do something. And there remain questions about whether it will be successful. One or two hold-outs (by other countries) can result in a redirection of the grain trade in the way that we have counted on redirection of the oil trade to preserve the world from the effects of our refusal to purchase Iranian oil.

Q. Assuming the Russians are going to stay in Afghanistan indefinitely, how long before we accept the new world and do some business with them?

A. It is perhaps notable that the League of Nations collapsed shortly after the imposition of the sanctions on Italy, and that perhaps some of the caution on the part of the United Nations reflects their desire to avoid the same fate. One should not, despite all the fashionable cries of the return of the Cold War, dismiss the possibility of a Soviet peace offensive. Under those circumstances, I would not expect most of these restrictions to survive. I would hope that the United States is better able than it has been in the past to extract an adequate quid pro quo when it supplies technologies, developed at high social cost (to itself) essentially on a costless basis to the Soviet Union.

Answer. From the economic point of view, at best, minimal. It's clear the grain embargo would have the most economic and internal political effects. It's also clear that grain is one of the most fungible commodities in the world and could be very difficult to monitor. As for the other aspects of the embargo, it's really de minimis.

Question. But isn't there the possibility that we could slow the Russians down economically?

A. From their point of view this is like a swarm of bees attacking an elephant. Its tail will swish around and its trunk will slash around and it may even run a little faster. But as far as the Kama trucks are concerned, undoubtedly, the Russians were going to build them anyway. As for oil-drilling technology, it's to the United States interest for the Soviet Union to have as much energy independence as possible. A country with adequate energy is less likely to be venturesome to find it elsewhere.

Q. Isn't there a political principle involved—that naked aggression, as the Administration calls it, should not be even tacitly condoned with business as usual?

A. I deplore their actions in Afghanistan. But I don't think taking a self-defeating measure is opposing aggression. The worst of the problem in the Middle East today is that the United States is perceived to be weaker, in large part because we are perceived to be weaker economically. We've reached out for the age-old lever called trade because the missile wasn't available—you don't throw missiles into Moscow because of Afghanistan. It may be, inadvertently, you make yourself weaker in the area which induced the problem to begin with.

Q. But in 1979 our nonagricultural exports to the Soviet Union only totaled $700 million.

A. The East-West trade of the United States today is small. However, when you add in the grain, the loss to the United States could be $3 billion, 10 percent of this year's balance-of-trade deficit. (That's) not to be scoffed at, particularly if it isn't likely to have a real effect on the other guy.

As we turn that switch called East-West trade on and off we make it less and less likely, as East-West trade grows, that our share is going to grow. A further factor is intangible but very real. Many American companies are disgusted with the involvement of the Government in international trade. And they use this kind of sort of blind thrashing-out as another excuse not to trade in other parts of the world.

Q. You don't think this will be viewed as a special case? It's not every country that invades its neighbors.

A. I think Americans are prepared to be and they are being—and I am—patriotic. But the companies that have spent the last four or five years trying to develop an ammonia or a steel factory and invested $4 or $5 million—next time, we have a period of detente, they're going to say: "We're going to get right up to the lick log and the next thing you know, there's going to be another ripple somewhere else and we'll just be flushed out again."

Q. What about our allies? In the past, has the so-called Cocom agreement with them been effective in keeping sophisticated technology from the Soviets?

A. Increasingly less so, in recent years.

Q. Even though under the agreement every member has a right to veto a sale by another member?

A. If they bring it to Cocom for approval. In many parts of the world, the notion of linkage of economic to military and political matters is quite different. In Japan, the last two Prime Ministers were economists and finance ministers. Giscard and Schmidt were finance ministers. Callahan was an economist; Mrs. Thatcher was a chemist but is very interested in economics.

Despite their great brilliance, Kissinger and Brzezinski simply have no knowledge or interest in the subject. The influence on the President has been one of more traditional 19th-century military and diplomatic power moves. If we're living through a new era of isolationism, it's that we failed to see that the motives of not only our partners but our adversaries are heavily economic.

Q. Given the President's decision, has the Department of Commerce implemented it well?

A. The people over there are doing their best to be loyal members of an Administration, and I'm sure there are plenty of tongues that have a lot of teeth marks in them. But the fact remains that there are some questionable things going on.

You never can be quite sure when a National Security Council functionary calls up and says the President says this whether in fact that's what the President wants or whether that's what the functionary wants. You can't run to teacher every time you get a spitball. And some officials say, "I don't care what the law says, deny the license," and draw the distinction between national security and foreign policy, (which) the law requires for foreign policy reasons, which is what Afghanistan is all about. It also requires that there be consultation with Congress and that foreign availability be considered.

Q. Have we now entered an era in which trade will be fair game in our international politics?

A. I'm afraid when you can taste blood you tend to go after it. Almost everybody, including myself, who made the argument consistently that trade is not an effective tool in all cases are now out of the Administration.

Look, $3 billion worth of business is not going to make or break the United States. The essence of a businessman's philosophy is grounded on three words: predictability, dependability and consistency. American businessmen need to know them or they're not going to invest in world, or East-West, markets. Other countries and businessmen need to know them. Every time we reach for the on-off switch, we are doing grave damage to our dependability, predictability and consistency. This is another example of the unexpected consequence of a well-intended act.●

MONETARY MORASS NO. 4

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. Cavanaugh) is recognized for 10 minutes.

● Mr. CAVANAUGH. Mr. Speaker, I would like to have included in the Record at this point some newspaper accounts of a speech recently given by David Rockefeller, chairman of Chase Manhattan Bank of New York, before the conference board luncheon in New York. The speech, which I hope to place in the Record shortly, addresses the issues of LDC debt in relation to the latest OPEC price increases which may necessitate negotiated rescheduling of some foreign country debt.

Passages Left Out of Rockefeller Talk Overshadow Speech—Reporters Given Wrong Text of Bank Chairman's Views of Foreign Nations' Credit

New York.—What David Rockefeller doesn't say can draw more attention than what he does say.

Mr. Rockefeller, chairman of Chase Manhattan Bank, found this yesterday, much to his chagrin, after a speech at a luncheon of the Conference Board, a nonprofit business research group.

Mr. Rockefeller indicated astonishment when reporters asked him why he omitted several paragraphs from his prepared text. With obvious displeasure, he replied that he had deleted those paragraphs from "an earlier draft" and that he was "extremely surprised" that reporters were given the wrong text.

"How could this happen?" Mr. Rockefeller asked a flustered aide. "I just don't understand this," he said. The aide promised to find out.

EXAGGERATED VIEW

Meanwhile, Mr. Rockefeller told reporters that he doesn't subscribe to the view expressed in the passages in question, which included a prediction that more foreign countries will need to reschedule "some portion" of their debts to private banks. "That is an exaggerated view and I hope you will make it clear that I didn't say that," Mr. Rockefeller said.

One section that wasn't delivered said: "I expect that a number of additional countries beyond those which have already done so will need to reschedule some portion of their debt to the private banks. That prospect is hardly attractive but I don't see this negotiated rescheduling as creating an insurmountable problem for the international banking system.

"Stated simply, in my judgment, there won't be widespread incidence of what the newspapers call 'default'—i.e., countries that are unable to manage a stretch-out of their debt as opposed to a unilateral failure to comply on time with their contractual obligations."

Mr. Rockefeller emphasized several times that he didn't have any intention of predicting that more nations will need to reschedule their debts, and that these words convey an "exaggerated impression" of the true outlook. "I hope that you will focus on what I did say, rather than what I didn't," he said.

STRENGTHENING CREDIT AGENCIES

In the speech that he delivered, Mr. Rockefeller urged a strengthening of credit facilities of international agencies such as the World Bank, International Monetary Fund and various regional development banks.

"There is a particular need for larger subsidized credit facilities for the lower-income LDCs (less-developed countries), many of whom don't have the ability to borrow from private markets or the economic strength to take the tough adjustment measures normally recommended by the IMF," Mr. Rockefeller said.

He also said there is a need for "official credit at maturities longer than conventional IMF lending" that isn't "tied to particular investment projects."

ROCKEFELLER SEES NO DEFAULTS BY DEVELOPING NATIONS

(By C. Frederic Wiegold)

NEW YORK.—Developing countries will be able to deal with the serious economic problems brought on by the doubling of world oil prices without defaulting on their bank loans or widespread resort to debt rescheduling, David Rockefeller, chairman of Chase Manhattan Bank NA, said here Wednesday.

"Default is the least likely" possibility he told reporters following an address to a Conference Board luncheon. It is "much more likely" there could be additional rollovers of existing debt, as in the case of Turkey, where a debt rearrangement was agreed upon last year, or "the Sudan, where such an arrangement is being worked out," he said.

But "in more cases than not," he added, "even the rollover won't be necessary." Policymakers in the developing world are aware of the constraints they face and, with assistance from the International Monetary Fund, will make the necessary adjustments in their economies, he said.

EARLIER VERSION OF SPEECH

Mr. Rockefeller made his remarks to reporters as he repudiated a portion of the speech that had been distributed before his address. The deleted portion, which was not contained in the final version Mr. Rockefeller read, said that "it would be unreasonable to presume that the pace of adjustment in all countries will be sufficiently prompt to eliminate funding difficulties."

While there "won't be widespread incidence of what the newspapers call 'default,'" the deleted portion said, "I expect that a number of additional countries beyond those which have done so will need to reschedule some portion of their debt to the private banks." It went on to state that such a "prospect is hardly attractive, but I don't see this negotiated rescheduling as creating an insurmountable problem for the international banking system."

Mr. Rockefeller, who seemed at first puzzled when reporters questioned him about the part that was not read, compared his text with that of a reporter and quickly explained that the speech distributed to the press appeared to be an earlier draft that he had revised.

The Chase chairman said that the portion in question was not written by him and that he had deleted it in his final text because he felt the wording was "too strong" and created an "exaggerated impression" of what he intended. He stressed that rollovers are the "worst" that he expects and that he believes it will be possible for most developing countries to avoid such rescheduling.

Mr. Rockefeller's clarification came too late, however, to prevent reports based on his prepared remarks from appearing on the Dow Jones and Reuters newswires.

In the speech that he did read, Mr. Rockefeller said that the economic problems faced by the developing world could be minimized by strengthening official credit agencies such as the World Bank and the International Monetary Fund. Although the IMF's resources now "appear to be adequate," he said, "if borrowing from the IMF reaches the proportion I expect," it will become necessary to increase the funding of the agency's supplementary financing facility.

Much the same comment was made Tuesday by Anthony M. Solomon, Under Secretary of the Treasury for Monetary Affairs. Mr. Solomon, who will become president of the Federal Reserve Bank of New York on April 1, suggested that if the IMF does need additional resources, it might want to consider borrowing from individual government or private capital markets.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, on March 3, 1980, I missed five rollcall votes. The votes are as follows:

Rollcall No. 108, a vote on a motion to suspend the rules and pass House Joint Resolution 414, authorizing the President to proclaim May 1, 1980 as "National Bicycling Day." The motion was agreed to by a vote of 318 to 3. I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 109, a vote on a motion to suspend the rules and pass House Joint Resolution 445, to designate the third week of each year as "National Cystic Fibrosis Week." The motion was agreed to by a vote of 323 to 0. I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 110, a vote on a motion to suspend the rules and pass House Joint Resolution 463, to designate the week of October 5 through October 11, 1980 as "National Diabetes Week." The motion was agreed to by a vote of 326 to 0. I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 111, a vote on a motion to suspend the rules and pass H.R. 4960, authorizing the President to present a gold medal to Gerald F. Speiss. The motion failed by a vote of 212 to 116 (two-thirds of those present, not voting in favor). I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 112, a vote on a motion to suspend the rules and pass H.R. 5548, authorizing the President to present a gold medal to Simon Wiesenthal. The motion was agreed to by a vote of 289 to 38. I was paired for this motion and had I been present, would have voted in favor of it.●

AGRICULTURAL RENEWABLE ENERGY DEVELOPMENT AND MANAGEMENT ACT OF 1980.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, I have, today, introduced legislation to authorize the appointment of an Assistant Secretary for Renewable Energy Development in the Department of Agriculture. This bill, "Agricultural Renewable Energy Development and Management Act of 1980," will establish the policy-level position that is essential for developing and coordinating the energy programs needed to increase energy self-sufficiency in the farm community. The establishment of this Assistant Secretary position also underscores the significant contributions that the farm sector can make in providing Americans with an alternate liquid fuel.

Recently, the President announced a national goal of 500 million gallons of alcohol fuel production capability by the end of 1981. This six-fold increase over 1979 production levels can be realized if we move aggressively to provide the American farmer with the opportunity and economic incentives to get into the energy business in competition with OPEC.

When the President announced his alcohol fuels production goal, he noted that as an important additional incentive, the Department of Agriculture will include the production of farm commodities for alcohol feedstocks as a major objective of agricultural policy—alongside the production of food, feed, and fiber. This major new initiative for the Department of Agriculture requires that energy matters within that Department be highly visible, well coordinated and constituted at the highest possible policy level.

This position of an Assistant Secretary for Renewable Energy Development is essential. It will raise the effectiveness and efficiency of energy-related program development, administration, and coordination within the Department, and, additionally demonstrate the Department's high-level commitment to: First, assuring the supply of essential energy for agricultural production; second, seeking, developing, and applying alternative energy sources that contribute to agricultural as well as the overall national needs; and thrid, conserving energy in agricultural and rural areas.

The strength and stability of America's agricultural sector is vital to the Nation's security. We have allowed ourselves to become hooked on a habit of foreign oil, and because of that dependency, the country has been made vulnerable to the political and economic abuse of the foreign oil producing and exporting countries.

Last year, many of us struggled to cope with the energy shortfalls that created havoc within the farm community. I would remind my colleagues that the American farm community operates on a very small margin of energy reserves. The U.S. agricultural sector—the "breadbasket of the world"—accounts for only 3 percent of total national energy consumption. But it is the sector most critically dependent upon an assured supply of liquid fuel.

I, along with other Members of Congress, met last month with representatives of the American Agricultural Movement that assembled in Washington D.C. They reiterated the same message that I encounter from my home State—Arkansas. Very simply, the American farmer is ready to produce energy—for his needs and for the country's needs The President has set the initial goal and it now is up to us to provide the opportunity to make it happen. This is already occurring, in large part, as work progresses in conference on the windfall profit tax bill and the energy security act. But our responsibility does not end there. We have the responsibility to insure that we have put in-place the administrative structure that is needed to carry out the energy programs and initiatives that are vital to the agricultural sector. It is my belief that a key factor in this effort will be the establishment, within the Department of Agriculture, of an Assistant Secretary for Renewable Energy Development. I ask you to join with me in moving rapidly forward on this new position. The need is paramount because our foreign oil dependency is draining America of its wealth. Americans are paying almost $9 million an hour for foreign oil imports, and the result is ever increasing inflation. It is time for the Department of Agriculture to make a commitment to secure America's energy future. That commitment is not possible to achieve without an administration for renewable energy development. I urge my colleagues to move expeditiously to enact that legislation.●

OCCUPATIONAL SAFETY AND HEALTH IMPROVEMENT ACT OF 1980

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. IRELAND) is recognized for 5 minutes.

● Mr. **IRELAND**. Mr. Speaker, today I am introducing legislation, the Occupational Safety and Health Improvements Act of 1980, which will encourage concentrated OSHA enforcement activities on hazardous workplaces and self-initiative in improving occupational safety by employers. Recently Senator SCHWEIKER introduced similar legislation in the Senate with the bipartisan support of Senators WILLIAMS, CHURCH, CRANSTON, and HATCH.

After 10 years of working under the present Occupational Safety and Health Act of 1970, we do not have a demonstrable record that the present program has directly improved safety in the workplace.

From 1972 through 1978, the overall injury/illness rate has declined from 10.5 to 9.4 per 100 employees, a modest 10-percent decrease. While at the same time, there was a 28-percent increase in illnesses and injuries resulting in lost workdays, the more serious injuries.

I think it is time we made some improvements in the present program and redirected it toward a more productive system by providing incentives for self-initiative and providing enforcement targeting of the more hazardous workplaces. My bill, the Occupational Safety and Health Improvements Act of 1980, would do this through several approaches.

First, my bill would exempt from most OSHA safety inspections those workplaces with good safety records, while OSHA would retain authority to inspect for certain very serious problems. Those employers with no injuries would automatically qualify for an exemption from inspection.

Employers who have reported injuries to the workers' compensation office, but have had no deaths and a low-lost-workday-injury rate, could claim an inspection exemption with OSHA.

Second, this legislation would exempt from most safety penalties safe workplaces with more than 10 employees, which maintain advisory safety committees and advisory consultation programs, and safe employers with 10 employees or fewer.

Furthermore, there would be a limit on penalties against employers that do not qualify for the inspection exemption, but do maintain an advisory safety committee and an advisory consultation program. Penalties would not be greater than $700 for serious violations and $300 for nonserious violations. I think it is important that we encourage the use of these safety committees so that labor and management can work out the problems. They have proven effective in the past.

In summary, this bill will encourage OSHA to deal with the more hazardous workplaces and provide incentives for companies to improve their safety efforts.

I have submitted below a letter from Golden Gem Growers, Inc. of Umatilla, Fla., which to me points up in the clearest possible terms why this legislation is so necessary.

GOLDEN GEM GROWERS, INC.,
February 14, 1980.

Golden Gem Growers is a citrus cooperative, consisting of some 400 grower-members, whose citrus holdings range in size from 5 to 3,000 acres, with an average of 35–40 acres per member. Total acreage in the cooperative is on the order of some 20,000 acres, located in 13 contiguous counties in the State of Florida.

We have a work force which ranges in size from 500 to 1200 employees, depending on the season of the year. We expect to process 8,500,000 boxes of citrus fruit this season, which will be marketed either as fresh fruit or as frozen concentrated juice.

I'm giving you this background information so as to indicate the size of Golden Gem. We are neither a small company nor are we a large corporation; just one of the thousands of medium sized agri-businesses operating in this state and throughout the nation.

We were extremely disturbed by the outcome of a recent OSHA inspection of our plant facilities. This was a "first visit inspection" of our production facilities. We have previously had two OSHA inspections of our migrant labor camp during the past 5 years, but both resulted in only one nonserious violation (a missing wall switch cover plate) and laudatory comments that we had one of the cleanest and best labor camps seen in the entire state.

To enable you to better understand our chagrin at the fines levied as a result of this recent OSHA inspection, I must first explain GGG senior management's commitment to safety and the extent of our safety activities.

In early 1975, I was hired away from INA, the Insurance Company of North America. At that time, Valencia Community College, a state-supported junior college in Orlando, Florida, had entered into a grant/funding arrangement with OSHA, and was offering OSHA consultative services on a voluntary basis to employers.

In September, 1975, we voluntarily requested an instructor from Valencia for OSHA orientation training, secured the use of the city community building in Umatilla, and required the attendance of every GGG supervisor for two entire afternoons (on Company time). Copy of one of the certificates issued to each attendee is attached.

During the following 1½–2 years we also voluntarily requested safety inspections of all Company facilities by Valencia trained inspectors, in accordance with OSHA safety regulations. All recommendations submitted during this period of time were fully complied with, as attested to by attached copy of certificate issued by Valencia on August 16, 1977.

In 1975, we also voluntarily requested monthly safety inspections from the State of Florida W.C. division of industrial safety. These monthly inspections continued until the Spring of 1977, when we were informed the service was being discontinued because of a lack of state funds and our relative remoteness from the Orlando office (some 45–50 miles).

I personally protested to Mr. John Glenn, head of the state W.C. safety division, but to no avail. With the advent of the OSHAct in 1971, a coalition of liberal state legislators had decided the State of Florida's safety efforts were redundant, they reduced funding for that agency, and they nearly succeeded in destroying it.

The state industrial safety division's jurisdiction was (and still is) reduced to the public domain only; all inspections and safety services in the private sector were (and still are) on a request/voluntary basis only. Although all state inspections made and recommendations submitted were based on OSHA standards, they were advisory-only in regard to private employers. Nevertheless, Golden Gem promptly and voluntarily complied with all state recommendations received during this 1½–2 year period.

Golden Gem had initiated a corporate safety program some 30 years ago, shortly after the formation of the cooperative. However, commencing in 1975, the scope of our in-house program was vastly expanded; heavy emphasis was placed on orientation, training, investigation, reporting and prompt correction of defective conditions; medical screening and treatment services were improved; and sophisticated accounting/allocation systems were implemented for charging all accident costs back to the respective departments' operating budgets. In short, the company began moving in the direction of a total loss control program (pioneered and proven by INA in the late 1960's).

In 1975, our Workers' Compensation insurance premium was rapidly approaching ½ million dollars per year, so in the latter part of that year we elected to become self-insured as to W.C. coverage. Claims administration services were purchased from an outside service company, and we also contracted to purchase monthly safety inspections from this same service company.

By the end of the fourth year of our W.C. self-insurance program (September, 1979), it was readily apparent just how successful our Company team safety effort was. Savings on W.C. insurance premiums for the four years of self-insurance amounted to $1,390,832.27, and we finished our fourth year with a 9.8 percent W.C. loss ratio, based on state-computed estimated premium of $442,172.01 and incurred (paid and reserve) self-insured losses of only $45,009.63.

However, we were not content to simply sit idle and collectively pat ourselves on the back for a job well done. Aside from the obvious financial gains to the cooperative grower-members, we had eliminated a great deal of unnecessary human suffering and misery, greatly enhanced employee morale, and immeasurably increased production efficiency. Accordingly, we pledged ourselves to a new corporate safety goal for our 5th year of W.C. self-insurance: to cut our previous year's losses in half and attain a 5 percent ratio.

This, then, brings us up to January 7, 1980, when an OSHA Federal Compliance Officer arrived at our offices. His visit was prompted by either a random visit or intensified inspections in the citrus industry (we never determined exactly which one for sure), and not by a serious injury or an employee complaint.

I advised the Compliance Officer that we were well aware of our rights and could require him to obtain a warrant, but inasmuch as we were a company strongly committed to safety we would not. Approximately one hour of the first afternoon was spent examining our logs and records (which were all up to date), and the next two days were spent inspecting production facilities in all departments.

In the closing conference of 1-9-80, my assistant and I were informed that of a total of 30 violations/citations, only 7 were considered "serious", and that these 7 would probably result in total fines in the range of $100-$500. The Compliance Officer indicated he didn't set the fines, but that based on his overall impression of our plant and our safety program, that is what he thought they would be. He further indicated that on a scale of 1 to 10, he felt our plant warranted an 8 or 9 safety rating, in his opinion.

Imagine our shock when a week or so later the official citations were received, with total fines for the 7 "serious" violations in the amount of $1,740! After discussing with senior management, my assistant called the OSHA office in Tampa, Florida and requested an informal conference, which was scheduled shortly after lunch that afternoon (at OSHA's convenience, not ours; my assistant and I had to drive 100 miles each way, and eat our lunch on the run!).

We met with the Acting Area Director, a Supervisor and the Compliance Officer who made the inspection. We immediately lodged a complaint for the record on the assessment of fines before the abatement periods had expired, and also on the amounts of the fines.

We also pointed out the extensive prior voluntary programs we had been involved in, and the fact that 4 of the 7 "serious" conditions cited had been in existence for the past 5 years, and had been approved in prior Valencia voluntary OSHA inspections, state inspections utilizing OSHA standards, and innumerable insurance company and service company safety inspections.

We were politely informed that none of this made any difference whatsoever, that a hazard was a hazard, that the Congress mandated that fines be imposed for "serious" hazards, and that the law allowed them to assess as much as $1,000 for a serious hazard (in other words, we were supposed to consider ourselves lucky, since our largest single fine was only $540.).

We also listened to a self-serving mini-speech about how the states and the insurance companies hadn't done their job safety-wise over the years, and that it had been necessary for the benevolent federal government in the form of OSHA to step in and do the job.

We suggested, without being argumentative, that the national serious injury/death statistics had continued to rise every year that OSHA had been in existence. This was grudgingly admitted, but was rationalized by explaining to us that there simply weren't enough OSHA inspectors in each state. Considering the "banker's hours" the Compliance Officer observed during his "3 days" with us, I can well understand their problem!

I then suggested that inasmuch as I had spent some 20 years in the field of professional loss control, that the degree of seriousness of a potential hazard was influenced in large measure by both the competence and judgment of the inspector as well as other variable physical and employee factors, and that it appeared this could materially affect the determination of their fines.

Again we were politely informed that this simply wasn't possible, because OSHA—Washington had developed and now required all OSHA Field Offices to use a "formula" to determine the correct amount of each fine. Delving into the particulars of this formula, one factor in particular struck me: "the size of the company being inspected."

According to my understanding, a small company would receive a reduced fine (or no fine at all?) for a given potential hazard, whereas a company with more than 500 employees would receive a large fine for the same potential hazard.

Obviously, this variable ploy is designed to get the attention of and make an impression on a large company, but does it justify the OSHA's position that "a hazard is a hazard"? It would appear it depends on whose plant the hazard is located in! Comparable analogy: does the driver of a semi get a $100 ticket for driving 65 in a 55 MPH zone, whereas the driver of a VW only gets a $10 ticket for the same offense?

We were advised if we didn't agree with the fines then by all means we should follow the accepted contest/appeals course of action. We suggested that we didn't agree with this philosophy; that the OSHAct was insuring benefits principally to attorneys.

At any rate, it soon became obvious that the informal conference was simply a waste of our time, and we departed. We then touched base with a number of our compatriots in the citrus industry around the state, and found there was considerable disparity in fines levied for virtually identical hazards.

It was decided that it would undoubtedly cost us considerably more to engage legal counsel to fight this matter through the prescribed channels, and inasmuch as we are a cooperative, we would have no tax recourse for "writing off" such legal expenses.

Accordingly, we elected to pay the fines (see attached copy of letters to OSHA-Tampa), and to pursue amendment of the OSHAct through concerned legislators.

Very truly yours,

DUDLEY B. ZELLER,
Director—Personnel/Risk Management.●

LIMITATION OF TERM FOR JUDGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. APPLEGATE) is recognized for 5 minutes.

● Mr. APPLEGATE. Mr. Speaker, I have introduced House Joint Resolution 191 which will limit the term of office to 12 years for members of the Supreme Court and all inferior level Federal courts. And, to make them more responsive to the people, each judge must be reconfirmed at the end of their first 6-year term by the U.S. Senate.

Two-thirds of our three-branch Government must ask the people of this Nation to elect them to office, but, unfortunately, the Federal courts are lifetime appointments with but one confirmation by the U.S. Senate.

Although the most recent reprehensible action by the Supreme Court is uppermost in our minds, they have, over the years, disregarded the people and their rights, and the intent of our Founding Fathers by further eroding the separation of powers. They in fact are slowly but surely absorbing the constitutional functions of all three branches of Government—and you know what that means. It will spell the end of democratic government as we know it.

Mr. Speaker, I invite my colleagues to review and sponsor my bill, House Joint Resolution 191, limiting the length of service for all Federal judges and making them accountable for their actions. This is a giant step in the right direction.●

THE RETIREMENT OF DENVER DICKERSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, the passing of February brought with it the end of a long and successful career of an outstanding public servant, Mr. Denver Dickerson of Nevada. On February 29, Denver retired as staff director of the Joint Committee on Printing.

Denver has devoted his life to serving this country and State with honor and distinction. Following his studies at the University of Nevada, Denver first worked as a reporter for the Reno Evening Gazette. Less than 3 years later, he bought and operated a weekly newspaper and commercial printing plant in Carson City, Nev.

During this period in Carson City, Denver began his public service with two terms in the Nevada Legislature. In 1943, Denver was speaker of the Nevada House. He enlisted in the Army and served as a correspondent with the 6th Army in New Guinea and Luzon, until he was discharged as a technical sergeant in 1945.

His return to Nevada soon found him appointed as executive director of the Nevada Employment Security Department. In 1951, Denver returned to journalism as the owner-publisher of the Nevada State News, a weekly newspaper, and commercial printing plant in Reno.

Public service again called in 1952, when Denver began 3 years as information officer of the U.S. Embassy in Rangoon, Burma. Denver elected to return to journalism from 1955 to 1957 when he served as editorial director of the Las Vegas Review-Journal.

For 6 years following his work on the Review-Journal, Denver served as press secretary and executive secretary to Senator Alan Bible of Nevada. President Kennedy then appointed Denver the Lieutenant Governor of Guam and President Johnson reappointed Denver in 1967.

Shortly after his return from Guam in 1969, Denver returned to work in the U.S. Senate, first as special assistant to Senator HOWARD CANNON, later as a professional staff member on the Senate Committee on Rules and Administration, and finally as staff director of the Joint Committee on Printing for almost 7 years.

I am proud to have been associated with Denver on the joint committee for the last 4 years. His leadership and insights will remain a legacy to his lasting credit. The joint committee will certainly be different without his humor, his warmth, and his agreeable manner.

I know my colleagues join with me in wishing Denver and his lovely wife Maxine a long, healthy, and enjoyable retirement.●

A PROGRAM FOR FIGHTING INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, there follows an article in the Sunday, March 2, 1980, Los Angeles Times outlining my ideas for a comprehensive program to fight inflation:

Our Allies Show Us A Way to Escape Inflation's Spiral

(By Henry S. Reuss)

January's 18 percent rate of consumer price inflation is a disaster. Producer price inflation at a rate above 20 percent in January presages even greater consumer price disaster in the months ahead. And the chairman of the President's Council on Wage-Price Stability, R. Robert Russell, told Congress 10 days ago that these figures are no one-month aberration, but a part of a rising trend in the "underlying rate of inflation." This means that January's inflation rates are being built into wage settlements and prices from sea to sea, and will very likely continue for months to come.

Meanwhile, President Carter has said that the Administration's present anti-inflation policies suit him fine. Perhaps we will have a small tightening of the budget, perhaps another turn of the monetary screws. But no fullscale overhaul of anti-inflation policy is in prospect.

Such an overhaul is urgently needed. The source of our inflation is not overall fiscal and monetary mismanagement alone; therefore inflation cannot be cured solely with monetary and fiscal restraint. Nor is the problem exclusively one of OPEC oil; other nations import more of their oil than we do, but have lower rates of inflation.

Our inflation problem is the result, instead, of a gradual but steady decline in economic performance over the last 15 years, in productivity, in manufacturing output and in product design. In sector after sector, we produce insufficient quantities of badly designed products at too high a cost. As a result, we are losing market shares in the world at large as well as at home. The consequence: rising unemployment, inadequate profits and therefore, reduced investment in our manufacturing sectors, still worse productivity, a falling dollar and worse inflation.

Our goal must be to restore the productivity and competitiveness of U.S. industry and other major economic sectors in domestic and world markets. To do this, we must abandon the adversary business-labor-government relationship that now exists, and adopt the cooperative approach that has been tried and proved by several of our major allies and rivals, notably Germany and Japan.

In Germany, for example, business, labor and government recently got together and faced up to the hopelessness of competing with emerging Third World producers of basic textiles. So the industry retooled with government help, moved to high-productivity processes, and began to compete for the high-fashion Paris market.

In Japan, faced with a similar problem, business, labor and government decided to phase out obsolescent textile manufacturers altogether, and to replace them with high-productivity electronics. The result has been more and better jobs at higher wages for Japanese workers, and less inflation.

The U.S. government can and should take the lead in transplanting this successful model of cooperative capitalism to our shores. We would need strong presidential leadership, with the White House itself doing the policy planning. We would also need a new department of industry and trade, taking the place of the rickety Commerce Department, adopting the present ill-coordinated export promotion functions of the Treasury Department, and adding such incentives to modernize decrepit U.S. plants and attract foreign technology to U.S. shores as are needed to get the job of re-industrialization done.

Independent teams from government, business and labor must look into the problems of each of our major sectors. Such teams should come from outside the sector to which they are attached, and should be drawn from our best and brightest public servants and public-spirited private citizens. Their objective should be to devise sectoral policies and development plans covering corporate restructuring, new investment and locations, the need for investment in infrastructure such as housing, railroads and waste disposal services, remedial regulatory legislation and the channeling of whatever financing is required.

Professional assistance would be necessary in applied problem-solving, to be provided by some of the 1,000 economists now deployed throughout the Federal Reserve System. The staffs of the regional banks are well-placed well-connected, deeply knowledgeable. Their talents are too often frittered away writing articles for the Federal Reserve bulletins on how many angels can dance on a monetary aggregate. Such structural effort is needed in many places. Four high-priority examples are steel, autos, transportation and energy.

In steel, we need massive new investment in continuous-casting technology, to overcome our technological lag and recover ground lost in recent years to foreign producers. Had a sectoral policy been in place in the past, we might have headed off Big Steel's seemingly terminal decline and won a measure of public support for the industry which it has not by itself achieved.

In autos, we need to persuade foreign manufacturers to follow Volkswagen, Honda and Renault in decisions to establish manufacturing plants in this country. We need to assure the transformation of the Chrysler Corp. into a viable energy-efficient producer and to reverse Ford's North American decline.

In transportation generally, we need to rationalize and rebuild our railroads before they literally crumble away. The once-great Midwestern lines are in danger of complete collapse. If government inaction allows the rights of way these systems now have to disappear, an irreplaceable part of our transportation base will have been lost.

We also need a coordinated effort to resurrect urban mass transit. The federal government should create a market for a mass-produced, made-in-USA, eight-rail transit car, and should greatly step up development of light-rail transit systems around the country. We could also use a decent bus.

In energy, we need a major commitment of resources to the production of ethanol for gasohol. We need to promote the use of solar power. We need to end the bungling that has surrounded the construction of a natural-gas pipeline from Alaska. We need to promote the use of insulation and energy-efficient construction techniques.

Structural policy must be the great fortress at the heart of our economic defenses. But it takes time to rebuild the castle: at a minimum, a year or two to get the development of sectoral policies under way, and longer before there will be visible results. We need a network of barbicans to hold the fort while repairs are under way. I propose five such outworks.

Ration gasoline, providing enough for essential business, agriculture and commuting use, but cutting back heavily on discretionary driving. The Administration acknowledges that a major saving in our bill could be made at once by such a measure. Unfortunately, the Administration thinks of imported oil only in terms of shortages, of which there are currently none, and not in terms of its real danger, a deteriorating U.S. trade balance, a weakened international dollar, higher real costs of imports like bauxite, manganese and other minerals, and worse inflation.

Balance the budget. Currently the projected budget deficit for fiscal 1981 is $16 billion. Why not balance it? A balanced budget would require austerity in military spending and in controllable programs like state revenue-sharing. A balanced budget would be an important symbol of our determination, and it would strengthen the fiscal position of the government for the tasks ahead.

Slow the growth of money and credit—slowly. The Federal Reserve's post-Oct. 6 monetary policy is now the only anti-inflationary game in town. As such, it chills the very investment in plant and equipment that is needed to improve productivity and thus fight inflation. If the other necessary policies were in place, the Federal Reserve would carry less of a burden to squeeze money until it squeaks. Perhaps we should consider channeling credit to productive investment at favorable rates.

Increase federal job programs for the structurally unemployed. There are many ways this can be done. The need was never more urgent. Today, many inner-city neighborhoods experience youth unemployment higher than 70 percent, and have not seen good jobs in sufficient quantities for more than six years. A whole generation is going to waste—we must act.

Control wages and prices. In the absence of a thoroughgoing program to reform our economic structure, mandatory wage-price controls merely intensify structural rigidities. But in the presence of such a program, a freeze can play a useful bridging role for six months or a year. In the long run, structural reform can liquidate the need for controls altogether, as gain in rates of productivity permit the payment of higher wages without contributing to inflation.

All of this is a tall order. We have a tall problem.●

FOREIGN POLICY FOULUP

(Mr. BROOMFIELD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. BROOMFIELD. Mr. Speaker, I was shocked to hear President Carter's announcement, as reported in the press, that his United Nations Ambassador—as a result of a foulup—voted incorrectly last Saturday in favor of a U.N. resolution calling on Israel to dismantle its settlements in occupied Arab territories.

This is an incredible development. At a time when there is deep concern in Israel over the depth of the U.S. commitment, such action is totally inexcusable. It can only serve to encourage the Arab radicals and discourage the moderates upon whom a lasting peace settlement depends.

The foulup of such an important issue by this administration undermines, not only the security of Israel, but the credibility of U.S. foreign policy. It also places a shadow over the special relationship we have with the one stable democracy in the Middle East—Israel.

Unfortunately, this development and the subsequent clarification are typical of this administration's on-again/off-again foreign policy signals that have confused our allies and weakened our position in the world.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. Hinson (at the request of Mr. Rhodes), for March 3, 1980, on account of official business.

To Mr. Jones of North Carolina (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Livingston) to revise and extend their remarks and include extraneous material:)

Mr. Hammerschmidt, for 30 minutes, today.

Mr. Gilman, for 1 hour, March 13, 1980.

Mr. Gilman, for 5 minutes, today.

(The following Members (at the request of Mr. Stack) to revise and extend their remarks and include extraneous material:)

Mr. Phillip Burton, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Bingham, for 15 minutes, today,

Mr. Cavanaugh, for 10 minutes, today.

Mr. Van Deerlin, for 5 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Alexander, for 15 minutes, today.

Mr. Ireland, for 5 minutes, today.

Mr. Applegate, for 5 minutes, today.

Mr. Thompson, for 5 minutes, today.

Mr. Reuss, for 10 minutes, today.

Mr. Neal, for 60 minutes, on March 10.

Mr. Neal, for 60 minutes, on March 11.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Obey, and to include extraneous material notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,751.

(The following Members (at the request of Mr. Livingston) and to include extraneous matter:)

Mr. Vander Jagt.

Mr. Cheney.

Mr. Young of Florida in five instances.

Mr. Campbell.

Mr. Lagomarsino.

Mr. Dornan.

Mr. Badham.

Mr. Porter.

Mr. Derwinski in three instances.

Mr. McCloskey in two instances.

Mr. Lent.

Mr. Kemp in two instances.

Mr. Hillis in two instances.

Mr. Clinger.

Mr. Collins of Texas.

Mr. Symms in two instances.

Mr. Paul in two instances.

Mr. Daniel B. Crane.

Mr. Shumway.

Mr. Ritter.

Mr. Shuster.

Mr. Brown of Ohio.

(The following Members (at the request of Mr. Stack) and to include extraneous matter:)

Mr. Alexander.

Mr. Dodd.

Mr. Jacobs in two instances.

Mr. Montgomery in three instances

Mr. Van Deerlin.

Mr. Ambro.

Mr. Richmond.

Mr. Santini in two instances.

Mr. Mitchell of Maryland.

Mr. Weiss in two instances.

Mr. Barnard.

Mr. Udall.

Mr. Coelho.

Mr. Pease.

Mr. Nowak.

Mr. Danielson.

Mr. Synar.

Ms. Oakar.

Mr. Patterson.

Mr. Obey in five instances.

Mr. Wolff in two instances.

Mr. Edwards of California.

Ms. Mikulski.

Mr. Ottinger in two instances.

Mr. Corrada.

Mr. Stokes.

Mr. Applegate.

Mrs. Schroeder.

Mr. Stark.

Mr Zeferetti.

Mr. Drinan.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3756. An Act to authorize appropriations for certain insular areas of the United States and for other purposes; and

H.R. 4337. An act to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes.

ADJOURNMENT

Mr. STARK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 5, 1980, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3642. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended December 31, 1979, pursuant to section 811 (a) of Public Law 94–106, as amended; to the Committee on Armed Services.

3643. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting a report covering calendar year 1979 on the status of internationally recognized human rights in each country which draws on funds made available under the Supplementary Financing Facility of the International Monetary Fund, pursuant to section 31 of the Bretton Woods Agreements Act, as amended (92 Stat. 1052); to the Committee on Banking, Finance and Urban Affairs.

3644. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during December 1979 and January 1980 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

3645. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3–154, to amend the District of Columbia Campaign Finance Reform and Conflict of Interest Act, to clarify provisions with respect to the filing and retention of financial statements, and for other purposes, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3646. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3–155, to authorize the Mayor to approve rules and regulations promulgated by the Committee on Regulations relating to private child-placing agencies, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3647. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3–156, to extend the deadline for filing the application for the homestead exemption and class 1 property tax rate for tax year 1980, and for other purposes, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3648. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3–157, to amend the Rental Housing Act of 1977 to authorize the Rental Accommodations Commission to provide for advance adjustments in rent ceiling to compensate for extraordinary increases in the cost of home heating oil, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3649. A letter from the Secretary of Labor, transmitting his interim report on the final report of the National Commission on Employment and Unemployment Statistics, pursuant to section 13(e) of Public Law 94–444; to the Committee on Education and Labor.

3650. A letter from the Secretary of Education and the Secretary of Labor, transmitting a draft of proposed legislation to extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, to authorize intensive and remedial education programs for youths, and for other purposes; to the Committee on Education and Labor.

3651. A letter from the President of the United States, transmitting a report on international agreements transmitted to Congress after the expiration of the 60-day period specified by law, pursuant to 1 U.S.C. 112b(b); to the Committee on Foreign Affairs.

3652. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin military publications to the Government of Malaysia, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

3653. A letter from the Assistant Secretary of Defense for Public Affairs, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3654. A letter from the General Counsel, Alaska Natural Gas Transportation System, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3655. A letter from the Solicitor, U.S. Commission on Civil Rights, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3656. A letter from the Chairman, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3657. A letter from the Deputy General Counsel, Federal Home Loan Mortgage Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3658. A letter from the Executive Director and the Deputy General Counsel, Federal Labor Relations Authority, and the Executive Director of the Federal Service Impasses Panel, transmitting a report on the Federal Labor Relations Authority's, its General Counsel's, and the Federal Service Impasses Panel's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3659. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3660. A letter from the Staff Secretary, National Security Council, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3661. A letter from the Postmaster General, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3662. A letter from the Administrator of Veterans' Affairs, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3663. A letter from the Chairman, Foreign Claims Settlement Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3664. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the Public Health Service for fiscal year 1979, pursuant to section 511 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce. and the Chairman of the Board of Governors,

3665. A letter from the Attorney General and the Chairman of the Board of Governors, U.S. Railway Association, transmitting a report on the feasibility of transferring the litigation functions of the U.S. Railway Association, pursuant to section 202(h) of the Regional Rail Reorganization Act of 1973, as amended (93 Stat. 555); to the Committee on Interstate and Foreign Commerce.

3666. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of November 1979, pursuant to section 308 (a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

3667. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the fifth report on the administration of title I of the Speedy Trial Act of 1974 during the 3-year period ended June 30, 1979, pursuant to 18 U.S.C. 3155(b); to the Committee on the Judiciary.

3668. A letter from the Chairwoman, Merit Systems Protection Board, transmitting a report on the number of appeals submitted to the Board during calendar year 1979, the number of appeals the Board processed to completion during that year, and the number of appeals on which it did not complete action by the date originally announced and the reasons therefor, pursuant to 5 U.S.C. 7701(i)(2); to the Committee on Post Office and Civil Service.

3669. A letter from the President of the United States, transmitting notice of his intention to designate Ecuador, Indonesia, Uganda, Venezuela, and Rhodesia (Zimbabwe) as beneficiary developing countries for purposes of the Generalized System of Preferences, pursuant to section 502(a)(1) of the Trade Act of 1974 (H. Doc. No. 96-276); to the Committee on Ways and Means.

3670. A letter from the President of the United States, transmitting notice of his intention to suspend the designation of Afghanistan as a beneficiary developing country for purposes of the Generalized System of Preferences, pursuant to section 502(a)(2) of the Trade Act of 1974 (H. Doc. No. 96-277); to the Committee on Ways and Means and ordered to be printed.

3671. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1981 and 1982, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 4197. A bill to amend the Wool Products Labeling Act of 1939 with respect to recycled wool (Rept. No. 96-795). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 595. Resolution providing for the consideration of H.R. 6029, providing for the implementation of the International Sugar Agreement, 1977, and for other purposes (Rept. No. 96-796). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 596. Resolution providing for the consideration of H.R. 6152, to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes (Rept. No. 96-797). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOLEY:

H.R. 6682. A bill to remove certain restrictions from certain previous conveyances of lands in the State of Washington; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON of California (for himself, Mr. Addabbo, Mr. Bedell, Mr. Blanchard, Mrs. Bouquard, Mr. Bowen, Mr. Brodhead, Mr. Brown of California, Mr. Phillip Burton, Mr. Carter, Mr. Corrada, Mr. D'Amours, Mr. de la Garza, Mr. Dellums, Mr. Downey, Mr. Duncan of Tennessee, Mr. Erdahl, Mr. Evans of Georgia, Mr. Florio, Mr. Forsythe, Mr. Gephardt, Mr. Guyer, Mr. Hall of Texas, Mr. Heftel, Mr. Ireland, Mr. Johnson of California, Mr. Kazen, Mr. Lagomarsino, Mr. Lederer, Mr. Lloyd, Mr. Martin, Mr. Mavroules, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mollohan, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Nolan, Mr. Oberstar, Mr. Perkins, Mr. Rahall, Mr. Reuss, Mr. Roberts, Mr. Roe, Mr. Sebelius, Mr. Solarz, Mr. Solomon, Mr. Stark, Mr. Van Deerlin, Mr. Vento, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wolpe, Mr. Yates, Mr. Young of Missouri, and Mr. Fauntroy):

H.R. 6683. A bill making additonal appropriations to the Secretary of Health and Human Services for the National Institutes of Health to carry out research with respect to lupus erythematosus; to the Committee on Appropriations.

By Mr. APPLEGATE (for himself and Mr. Regula):

H.R. 6684. A bill relating to the operation of the Bolivar Dam and Reservoir, Ohio; to the Committee on Public Works and Transportation.

By Mr. BEDELL (for himself, Mr. Alexander, and Mr. Heftel):

H.R. 6685. A bill to authorize the appointment of an Assistant Secretary for Renewable Energy Development in the Department of Agriculture and to provide for the development and coordination of Department of Agriculture programs in order to increase energy self-sufficiency in the agricultural sector; to the Committee on Agriculture.

By Mr. BROOKS:

H.R. 6686. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Government Operations.

By Mr. EVANS of the Virgin Islands:

H.R. 6687. A bill to apply duty-free treatment under certain circumstances to articles produced in the insular possessions of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 6688. A bill to amend title 38, United States Code, to provide that veterans' benefits shall be denied any individual whose discharge from the Armed Forces is characterized as being for misconduct, unsuitability, marginal performance of duty, or other reason indicating that the service of the individual demonstrated that the individual was unqualified for retention in the Armed Forces; to the Committee on Veterans' Affairs.

By Mr. HEFTEL (for himself, Mr. Bedell, and Mr. Alexander):

H.R. 6689. A bill to authorize the appointment of an Assistant Secretary for Renewable Energy Development in the Department of Agriculture and to provide for the development and coordination of Department of Agriculture programs in order to increase energy self-sufficiency in the agricultural sector; to the Committee on Agriculture.

By Mr. HILLIS:

H.R. 6690. A bill to provide a program of emergency unemployment compensation for areas experiencing high rates of unemployment; to the Committee on Ways and Means.

By Mr. HUGHES (for himself, Mr. Bedell, Mr. Daschle, and Mr. Glickman):

H.R. 6691. A bill to amend the Clayton Act to prohibit restrictions on the use of credit instruments in the purchase of gasohol; to the Committee on the Judiciary.

By Mr. IRELAND:

H.R. 6692. A bill to amend the Occupational Safety and Health Act of 1970 to concentrate enforcement activities on hazardous workplaces and encourage self-initiative in improving occupational safety and health, and for other purposes; to the Committee on Education and Labor.

By Mr. NEAL:

H.R. 6693. A bill to provide for the establishment of energy conservation targets for the Nation and for each State; to the Committee on Interstate and Foreign Commerce.

By Mr. NOWAK:

H.R. 6694. A bill to amend the Internal Revenue Code of 1954 to reduce from 5 to 3 years the amortization period for pollution control equipment; to the Committee on Ways and Means.

By Mr. PREYER (for himself, Mr. Hamilton, Mr. Udall, Mr. Bailey, Mr. Anderson of Illinois, Mr. Bedell, Mr. Beilenson, Mr. Bonior of Michigan, Mr. Buchanan, Mr. Corcoran, Mr. D'Amours, Mr. Danielson, Mr. Downey, Mr. Hanley, Mr. Hutto, Mr. Kostmayer, Mr. LaFalce, Mr. Mazzoli, Mr. Mineta, Mr. Neal, Mr. Nolan, Mr. Ottinger, Mr. Panetta, Mr. Pritchard, Mr. Sabo, Mrs. Schroeder, Mr. Seiberling, Mr. Sharp, Mr. Simon, Mrs. Spellman, Mr. Stark, Mr. Williams of Montana, and Mr. Zablocki):

H.R. 6695. A bill to provide for affording equal educational opportunities for students in the Nation's elementary and secondary schools; to the Committee on Education and Labor.

By Mr. ROSE:

H.R. 6696. A bill to amend title 18, United States Code, to prohibit certain practices in administering and using polygraph examinations for purposes of hiring, demoting, promoting, disciplining, and dismissing employees; to the Committee on the Judiciary.

By Mr. STAGGERS (by request):

H.R. 6697. A bill to authorize appropriations for the U.S. Railway Association for fiscal year 1981; to the Committee on Interstate and Foreign Commerce.

H.R. 6698. A bill to improve the fairness and equity of the protection provided to railroad employees under title V of the Regional Rail Reorganization Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. Florio, and Mr. Madigan):

H.R. 6699. A bill to provide for the protection of the employees of the Rock Island Railroad, and for the financing of the costs of such protection; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (for himself, Mr. Carter, Mr. Satterfield, Mr. Walgren, and Mr. Gramm):

H.R. 6700. A bill to extend for 3 fiscal years the authorization of appropriations for the administration of the Controlled Substances Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFF:

H.R. 6701. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, to provide coverage for preventive care under part B, to provide coverage for services furnished in outpatient rehabilitation facilities and elderly day care centers, to improve the administration of the medicare program, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. THOMPSON (for himself and Mr. Frenzel):

H.R. 6702. A bill to amend section 603 of title 18, United States Code, with respect to certain political contributions; to the Committee on House Administration.

By Mr. LEWIS (for himself, Mr. Lagomarsino, and Mr. Thomas):

H. Con. Res. 293. Concurrent resolution expressing the sense of the Congress that the Department of Energy revise its allocation regulations with regard to existing retail outlets; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN (for himself and Mr. Conable):

H. Res. 593. Resolution amending the Rules of the House of Representatives to modify the effective date of the recently established procedure for determining the public debt limit as a part of the congressional budget process; to the Committee on Rules.

By Mr. CLINGER:

H. Res. 594. Resolution to express the sense of the House of Representatives that for the purpose of apportionment of Representatives in Congress among the several States, aliens not lawfully admitted into the United States should be excluded in the decennial census from the tabulation of total population by States; and that the Representatives in Congress should be apportioned among the several States on the basis of the number of persons in each State excluding such aliens; jointly, to the Committees on Post Office and Civil Service and the Judiciary.

DELETION OF SPONSORS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 5836: Mr. Bolling.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 842: Mr. Guarini.

H.R. 991: Mr. Frenzel.

H.R. 1600: Mr. Goldwater, Mr. Patterson, Mr. Marks, Mr. Fish, Mr. Brinkley, Mr. Bowen, Mr. Dougherty, Mr. Won Pat, Mr. de la Garza, Mr. Porter, Mr. Wyatt, and Mr. Akaka.

H.R. 2969: Mr. Weiss.

H.R. 3254: Mr. Mineta, Mr. Whitehurst, Mr. Lagomarsino, Mr. Collins of Texas, Mr. Sawyer, Mr. Erlenborn, Mr. Robert W. Daniel, Jr., Mr. Charles Wilson of Texas, Mr. Lungren, Mrs. Holt, Mr. Ichord, Mr. Cleveland, Mr. Frenzel, Mr. Conte, and Mrs. Fenwick.

H.R. 3379: Mr. Duncan of Tennessee.

H.R. 4509: Mrs. Holt.

H.R. 4511: Mr. Goldwater.

H.R. 4646: Mr. Porter and Mr. Runnels.

H.R. 4782: Mr. Skelton.

H.R. 5165: Mr. Neal.

H.R. 5211: Mr. Jones of Oklahoma, Mr. Archer, Mr. Kemp, Mr. Symms, Mr. Lagomarsino, Mr. Badham, Mr. Derwinski, Mr. Stangeland, Mr. Cleveland, Mr. Jeffries, and Mr. McClory.

H.R. 5222: Mr. Dougherty and Mr. Beard of Rhode Island.

H.R. 5225: Mr. Young of Florida.

H.R. 5760: Mr. Hutto.

H.R. 5761: Mr. Hutto and Mr. Coelho.

H.R. 5764: Mr. Blanchard, Mr. Erdahl, Mr. Gilman, Mr. Nolan, Mr. Rinaldo, and Mr. Sabo.

H.R. 5862: Mr. Atkinson, Mr. Hamilton, Mr. Hance, Mr. Fithian, Mr. Martin, Mr. Montgomery, Mr. Weaver, Mr. Yatron, and Mr. Whitley.

H.R. 5934: Mr. Luken and Mr. Lundine.

H.R. 6008: Mr. Dellums, Mr. Oberstar, Mr. Studds, Mr. Roe, Mr. Barnes, Mr. Johnson of California, Mr. Moffett, and Mr. Neal.

H.R. 6074: Mr. Dickinson.

H.R. 6300: Mr. Kramer, Mr. Roe, Mr. Vander Jagt, Mr. Dan Daniel, Mr. Mottl, and Mr. Jeffords.

H.R. 6316: Mr. Skelton and Mr. Martin.

H.R. 6424: Mr. Wyatt and Mr. Rudd.

H.R. 6503: Mr. Pickle.

H.R. 6581: Mr. Johnson of Colorado and Mr. Stangeland.

H.J. Res. 61: Mr. Stump, Mr. Whitehurst, Mr. Hagedorn, Mr. Burgener, Mr. Winn, Mr. Solomon, Mr. Martin, Mr. Kindness, Mr. Evans of Georgia, Mr. Badham, Mr. Lott, Mr. Whittaker, Mr. Edwards of Oklahoma, Mr. Robert W. Daniel, Jr., and Mr. Robinson.

H.J. Res. 69: Mr. Burgener.

H.J. Res. 114: Mr. Winn, Mr. Edwards of Oklahoma, and Mr. Bedell.

H. Con. Res. 269: Mr. Anderson of California.

H. Con. Res. 275: Mr. Philip M. Crane, Mr. Robinson, Mr. Conte, and Mr. Moorhead of California.

H. Con. Res. 285: Mr. Winn, Mr. Seiberling, and Mr. Brodhead.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

362. By the SPEAKER. Memorial of the Senate of the State of Oklahoma, relative to the registration and drafting of women; to the Committee on Armed Services.

363. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to continuation of the Eastern Shore Rail Line; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Res. 549

By Mr. CLEVELAND:

(Amendment in the nature of a substitute.)

—Strike out all after the resolving clause and insert in lieu thereof the following:

That (a) clause 1 of rule X of the Rules of the House of Representatives, relating to committees and their jurisdiction, is amended—

(1) by redesignating paragraphs (h) through (v) as paragraphs (i) through (w), respectively; and

(2) by inserting after paragraph (g) the following new paragraph: "(h) Committee on Energy.

"(1) National energy policy generally.

"(2) Measures relating to the production, supply, marketing, pricing, regulation, or conservation of energy resources, including (A) all fossil fuels, (B) nonmilitary nuclear power, (C) solar power, and (D) other conventional or renewable energy resources.

"(3) The transmission and marketing of all electrical energy, except by or through federally chartered regional or national power authorities and for rural electrification.

"(4) All interstate energy compacts; and the regulation of interstate transmission of power, except the installation of interconnections between Government waterpower projects.

"(5) All measures relating to energy resources on the Outer Continental Shelf.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight functions under clause 2(b)(1)), such committee shall have the special oversight functions provided for in clause 3(h) with respect to all laws, programs, and Government activities affecting nuclear energy.".

(b) Clause 1(k) of rule X of such Rules (as redesignated by subsection (a) of this section) is amended by striking out "clause 1(p)(4)" in subparagraphs (4) and (5) and inserting in lieu thereof "paragraph (q)(4) of this clause".

Sec. 2 (a) Clause 1(1) of rule X of the Rules of the House of Representatives (as redesignated by subsection (a) of the first section of this resolution) is amended—

(1)(A) by inserting ", other than energy resources on the Outer Continental Shelf" after "public lands" in subparagraph (10);

(B) by inserting ", other than on the Outer Continental Shelf," after "public lands" in subparagraph (13); and

(C) by inserting "(but not including energy resources on the Outer Continental Shelf)" after "thereon" in subparagraph (15);

(2) by inserting "(except coal on private lands), including the Surface Mining Control and Reclamation Act of 1977 and amendments thereto" before the period at the end of subparagraph (11);

(3) by striking out subparagraph (17);

(4) by striking out "nonmilitary nuclear energy and research and development including the disposal of nuclear waste" in the last sentence and inserting in lieu thereof "the environmental impact of all energy research and development, includiing nonmilitary nuclear energy".

(b) Clause 1(m) of rule X of such Rules (as so redesignated) is amended—

(1) by striking out subparagraphs (3) and (6), and redesignating subparagraphs (4), (5), and (7) through (12) as subparagraphs (3) through (10), respectively; and

(2) by striking out the last two sentences.

(c) Clause 1(o) of rule X of such Rules (as so redesignated) is amended by inserting "(but not including energy resources on the Outer Continental Shelf)" before the period at the end of subparagraph (2).

(d) Clause 1(q) of rule X of such Rules (as so redesignated) is amended by inserting before the period at the end of subparagraph (9) the following: ", except for the transmission and marketing of electrical energy not generated by federally chartered, regional power authorities".

(e) Clause 1(s) of rule X of such Rules (as so redesignated) is amended by inserting before the period at the end of subparagraph (11) the following: ", including demonstration, and all federally owned or operated nonmilitary energy laboratories and research, development, and demonstration projects".

Sec. 3. Clause 3 of rule X of the Rules of the House of Representatives is amended—

(1) by striking out "nonmilitary nuclear energy and research and development including the disposal of nuclear waste" in paragraph (e) and inserting in lieu thereof "the environmental impact of all energy research and development, including nonmilitary nuclear energy".

(2) by striking out "Committee on Interstate and Foreign Commerce" in paragraph (h) and inserting in lieu thereof "Committee on Energy".

Sec. 4. Clause 5 of rule X of the Rules of the House of Representatives is amended by striking out paragraph (e).

Sec. 5. The amendments made by this resolution shall take effect immediately prior to noon on January 3, 1981.

Sec. 6. The amendments made by this resolution are not intended to result in an increase in the amount of space or funds made available to the committees of Congress for staff, travel, and other expenses.

By Mr. FRENZEL:

—For text see amendment above.

By Mr. HORTON:

—For text see amendment above.

By Mr. LEACH of Iowa:

—For text see amendment above.

By Mr. SOLOMON:

—For text see amendment above.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of February 6, 1980 (page 2194).

H.R. 6233. January 7, 1980. Judiciary. Amends in the entirety title 18, the Federal criminal code.

H.R. 6234. January 7, 1980. Armed Services. Establishes the office of Deputy Judge Advocate General of the Air Force.

H.R. 6235. January 7, 1980. Armed Services. Intelligence. Authorizes the Commandant of the Defense Intelligence School to award the degree of master of science of strategic intelligence.

H.R. 6236. January 7, 1980. Agriculture. Declares certain individuals lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6237. January 7, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual for claims against the United States arising out of medical treatment received at an Air Force base.

H.R. 6238. January 10, 1980. Agriculture. Requires the United States to purchase all grain the export of which to the Union of Soviet Socialist Republics was blocked by the President in retaliation for the invasion, by that country, of Afghanistan.

Prohibits any department, agency, or instrumentality of the United States from: (1) selling or disposing of any such grain at less than parity; or (2) selling or disposing of, for purposes of this Act, a greater quantity of any specific kind of grain than that purchased in compliance with this Act.

H.R. 6239. January 17, 1979. Agriculture. Amends the Agricultural Act of 1949 to require that the levels of loans and purchases for the 1979, 1980, and 1981 crops of corn, wheat, and soybeans be not less than 70 percent of parity.

Directs the Secretary of Agriculture to make available loans and purchases at not less than 80 percent of program levels for the 1979 crops of corn, barley, oats, grain sorghum, and wheat to producers who did not participate in, or who were ineligible because of noncompliance with, such programs.

H.R. 6240. January 22, 1980. Interstate and Foreign Commerce. Amends title XIV of the Public Health Service Act (Safety of Public Water Systems) to extend the date by which public water systems which have been granted an exemption from contaminant level and treatment technique requirements must meet such requirements.

H.R. 6241. January 22, 1980. Rules. Amends the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs. Amends the Budget and Accounting Act, 1921, to require the inclusion of information on Federal loan obligations and commitments in the President's annual budget. Amends the Rules of the House of Representatives to grant the Committee on Banking, Finance and Urban Affairs jurisdiction over Federal credit programs.

H.R. 6242. January 22, 1980. Merchant Marine and Fisheries. Establishes a Towing Safety Advisory Committee to make recommendations on matters relating to shallow-draft inland waterway navigation and towing safety.

H.R. 6243. January 22, 1980. Public Works and Transportation. Designates the park referred to as the East Lake Park located within the West Point Lake project on the Chattahoochee River, Georgia, as the "R. Shaefer Heard Park."

H.R. 6244. January 22, 1980. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize the President to furnish disaster relief and reconstruction assistance to the Azores to alleviate the suffering caused by a recent earthquake.

H.R. 6245. January 22, 1980. Agriculture. Amends the Food and Agriculture Act of 1977 to revise the circumstances for setting loan levels when export sales of specified agricultural commodities are suspended.

H.R. 6246. January 22, 1980. Foreign Affairs. Directs the Foreign Claims Settlement Commission to determine the validity and award damages based on claims against Iran by U.S. citizens and corporations for injuries resulting from Iranian actions subsequent to October 1, 1978.

H.R. 6247. January 22, 1980. Ways and Means. Amends the Internal Revenue Code to provide for the special tax treatment of the community income of certain married individuals.

H.R. 6248. January 22, 1980. Interstate and Foreign Commerce. Amends the Petroleum Marketing Practices Act to prohibit certain discriminatory practices regarding the marketing of gasohol by gasoline dealer franchises of petroleum refiners and distributors.

H.R. 6249. January 22, 1980. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize special disaster relief assistance to the Azores on account of the earthquake of January 1, 1980.

H.R. 6250. January 22, 1980. Judiciary. Extends eligibility for membership in AMVETS, American Veterans of World War II, to persons serving in the Armed Forces of the United States and to American citizens serving in the armed forces of allied nations after May 8, 1975.

H.R. 6251. January 22, 1980. Agriculture. Amends the Food and Agriculture Act of 1977 to revise the circumstances for setting loan levels when export sales of specified agricultural commodities are suspended.

H.R. 6252. January 22, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from gross income amounts received on the redemption of certain U.S. savings bonds which are held by the taxpayer for at least ten years.

H.R. 6253. January 22, 1980. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to direct the Secretary of Health and Human Services to provide guidelines relating to the return of unused home dialysis supplies to the supplier or provider of such supplies.

H.R. 6254. January 22, 1980. Judiciary. Grants a Federal charter to the United States Submarine Veterans of World War II.

H.R. 6255. January 22, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to prohibit the taxation of any title II benefits.

H.R. 6256. January 22, 1980. Public Works and Transportation. Amends the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to require that relocation benefits be made available to all *persons displaced* by the commencement of a Federal or federally assisted project by the head of the Federal agency administering or financing such assistance. Directs Federal agency heads to establish regulations and procedures for implementation by Federal agencies and by States, State and local agencies, and other recipients of Federal assistance.

H.R. 6257. January 22, 1980. Agriculture; Interior and Insular Affairs. Authorizes the Secretary of Agriculture to convey certain National Forest System lands, under specified conditions, and to accept lands, land interests, or cash as consideration for the lands sold or exchanged.

Requires that all lands or land interests acquired under this Act become National Forest System lands.

H.R. 6258. January 22, 1980. Interior and Insular Affairs. Provides for the reinstatement and validation of certain oil and gas leases.

H.R. 6259. January 22, 1980. Judiciary. Declares a named individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6260. January 23, 1980. Science and Technology. Directs the Secretary of Energy to establish research, development, and demonstration programs involving magnetic fusion energy systems.

H.R. 6261. January 23, 1980. Education and Labor. Directs the Secretary of Health and Human Services to appoint a Director of Youth Camp Safety to develop and implement youth camp safety standards, including standards for day camps, resident camps, and travel camps.

Establishes the Federal Advisory Council on Youth Camp Safety within the Department of Health and Human Services.

H.R. 6262. January 23, 1980. Judiciary. Authorizes the nonprofit use of copyrighted works.

H.R. 6263. January 23, 1980. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 6264. January 23, 1980. Veterans' Affairs. Authorizes $30,000,000 for each of the fiscal years 1980 through 1985 for veterans' State home facilities.

H.R. 6265. January 23, 1980. Interstate and Foreign Commerce. Directs the Federal Communications Commission to conduct an experiment and study of the feasibility of establishing extended broadcasting hours of operation for amplitude modulated broadcast radio stations which have station licenses.

H.R. 6266. January 23, 1980. Interior and Insular Affairs; Education and Labor. Establishes a national Institute of Native American Culture and Arts Development.

H.R. 6267. January 23, 1980. Ways and Means. Amends the Internal Revenue Code to provide for the allocation of the investment tax credit for public utility property owned in common according to proportion of ownership.

H.R. 6268. January 23, 1980. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for certain physician services rendered outside the United States.

H.R. 6269. January 23, 1980. Ways and Means. Amends the Tariff Schedules of the United States to extend the suspension of duty on the entry of doxorubicin hydrochloride.

H.R. 6270. January 23, 1980. Armed Services. Stipulates that the payment of retired or retainer pay which would otherwise be made to a member of the armed forces shall be paid by the Secretary concerned to another person to the extent provided for in the terms of any court decree of divorce, annulment, or legal separation.

H.R. 6271. January 23, 1980. Veterans' Affairs. Provides for judicial review of decisions of the Administrator of Veterans' Affairs concerning a claim for benefits or payments under any law administered by the Veterans' Administration.

Repeals the law requiring the Administrator of Veterans' Affairs to determine and pay fees to agents or attorneys in allowed claims for monetary benefits under such laws.

H.R. 6272. January 23, 1980. Interstate and Foreign Commerce. Prohibits the President or any other officer or employee of the United States from issuing any order limiting indoor building temperatures if the energy used for heating or air-conditioning such buildings is derived from nuclear power, coal, hydropower, wind, solar, or any other nonpetroleum energy source. Repeals any such orders issued before the date of enactment of this Act.

H.R. 6273. January 23, 1980. Small Business. Amends the Small Business Act to increase loan limitations to small businesses for specified programs.

H.R. 6274. January 23, 1980. Armed Services. Directs the President to resume the registration of all individuals under the Military Selective Service Act.

Provides for the induction of 200,000 persons annually into the Individual Ready Reserve of the Army Reserve.

Establishes a random sequence drawing for induction purposes.

Eliminates deferments for enlistment in any component of the armed forces reserves.

Requires annual participation in training to simulate emergency mobilization procedures.

Exempts the Selective Service System from executive reorganization orders.

Entitles Individual Ready Reserve members to the same educational benefits as members of the Selected Reserve.

H.R. 6275. January 23, 1980. Post Office and Civil Service. Declares that executive positions in the Drug Enforcement Administration shall receive the compensation and benefit entitlements of positions in the Senior Executive Service.

H.R. 6276. January 23, 1980. Post Office and Civil Service. Amends the Civil Service Reform Act of 1978 to include the Export-Import Bank of the United States within the definition of the term "agency" for purposes of provisions governing the Senior Executive Service.

H.R. 6277. January 23, 1980. Ways and Means. Amends the Internal Revenue Code to provide that certain research or experimental expenditures will not be taken into account for purposes of the small issue exemption from the industrial development bond rules.

H.R. 6278. January 23, 1980. Ways and Means. Amends the Tariff Schedules of the United States to permit the duty-free entry of trimethylene glycol di-p-aminobenzoate until after December 31, 1982.

H.R. 6279. January 23, 1980. Agriculture. Amends the Agricultural Act of 1949 to prohibit the Commodity Credit Corporation from selling any stocks of wheat or feed grains acquired in market year 1979 at less than 150 percent of the current price support level for such commodity at the time of sale. Declares that such restriction shall not prevent: (1) specified sales and offsetting purchases necessary to properly handle, rotate, distribute, and locate commodities; or (2) use of commodities to relieve acute distress areas or major disaster areas, as determined by the President.

H.R. 6280. January 23, 1980. Judiciary. Directs the Administrator of the Veterans' Administration to pay any compensation provided for by law to a named individual for injuries sustained in an automobile accident while serving in the Armed Forces of the United States.

H.R. 6281. January 23, 1980. Judiciary. Authorizes and directs the Secretary of the Treasury to pay appropriate sums to a named individual in full settlement of all claims against the United States arising out of medical treatment received at an Air Force Base.

H.R. 6282. January 23, 1980. Judiciary. Declares a named individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6283. January 23, 1980. Judiciary. Declares a named individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6284. January 23, 1980. Interstate and Foreign Commerce. Amends the Energy Policy and Conservation Act to reduce from 20 percent to five percent the minimum shortfall of petroleum supplies which the President must find exists before a rationing contingency plan may be put into effect under such Act.

H.R. 6285. January 24, 1980. Agriculture. Amends the Egg Research and Consumer Information Act to raise the maximum allowable number of Egg Board members to 20. Provides that two such voting members be consumer representatives.

Raises specified limits on the rate of assessment per case of commercial eggs prescribed by the order of the Egg Board.

Sets a minimum civil penalty and raises the maximum civil penalty for violations of this Act. Authorizes the Secretary of Agriculture to issue cease and desist orders against such violations.

H.R. 6286. January 24, 1980. Judiciary. Amends the Federal charter of the Boy Scouts of America with respect to its annual report to Congress to change specified dates and printing requirements.

H.R. 6287. January 24, 1980. Ways and Means. Provides that annuity contracts with reserves based on a segregated asset account shall be treated, for tax purposes, in accordance with rules in effect before the issuance of Revenue Ruling 77–85.

H.R. 6288. January 24, 1980. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to establish the African Development Foundation. Sets forth the authorities, corporate powers, and management provisions for such Foundation.

H.R. 6289. January 24, 1980. Education and Labor. Amends the Department of Education Organization Act to establish an Office of Private Education to be administered by the Assistant Secretary for Private Education.

Terminates the Office of Non-Public Education.

H.R. 6290. January 24, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from gross income all interest income received by an individual who has attained age 62 before the close of the taxable year.

H.R. 6291. January 24, 1980. Agriculture. Amends the Emergency Agricultural Credit

Adjustment Act of 1978 to raise from $4,000,000,000 to $6,000,000,000 the limit on the total principal balance outstanding at any time on loan insured or guaranteed under such Act. Extends the authority of the Secretary of Agriculture to make new contracts of insurance or guarantee under such Act until May 15, 1982.

Amends the Commodity Credit Corporation Charter Act to raise the limit on a secured storage facility construction or remodeling loan from $50,000 to $60,000. Sets the maximum interest rate on such loans at five percent per year.

H.R. 6292. January 24, 1980. Judiciary. Prohibits any refiner, producer, or marketer of motor fuel: (1) within six months after enactment from operating, acquiring, or controlling, either directly or indirectly, any service station; and (2) within two years after enactment from owning or controlling any interest in a service station. Sets forth penalties for violation of this Act.

H.R. 6293. January 24, 1980. Foreign Affairs; Intelligence. Amends the National Security Act of 1947 to provide that certain overseas activities of the U.S. Government may be undertaken only if a report concerning the proposed activity is submitted by the President to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

H.R. 6294. January 24, 1980. Agriculture. Amends the Food and Agriculture Act of 1977 to revise the circumstances for setting loan levels when export sales of specified agricultural commodities are suspended.

H.R. 6295. January 24, 1980. Interstate and Foreign Commerce; Judiciary; Ways and Means; Agriculture; Education and Labor. Establishes a Family Farm Development Service and a Food Price Review Board.

Directs the Secretary of Agriculture to provide: (1) small farmer education; (2) appropriate technology loans; (3) family farm ownership grants; (4) industrial hydrocarbons and alcohols production loans; and (5) farm marketing programs.

Limits tax deductions attributable to farming. Taxes foreign investors' rural land transfers.

Requires indications of farmers' share of retail food prices. Requires the Legal Services Corporation to assist farmers.

H.R. 6296. January 24, 1980. Education and Labor; Ways and Means; Agriculture; Interstate and Foreign Commerce: Judiciary. Establishes a Family Farm Development Service and a Food Price Review Board.

Directs the Secretary of Agriculture to provide: (1) small farmer education; (2) appropriate technology loans; (3) family farm ownership grants; (4) industrial hydrocarbons and alcohols production loans; and (5) farm marketing programs.

Limits tax deductions attributable to farming. Taxes foreign investors' rural land transfers.

Requires indications of farmers' share of retail food prices. Requires the Legal Services Corporation to assist farmers.

H.R. 6297. January 24, 1980. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to strike and sell gold medallions bearing a likeness of George Meany.

H.R. 6298. January 24, 1980. Armed Services. Revises provisions of the Uniform Code of Military Justice regarding status, jurisdiction, membership, organization, procedure, and administration of the Court of Military Appeals.

Provides for Supreme Court review of such Court's decisions.

Eliminates mandatory review by the Courts of Military Review and the Court of Military Appeals of sentences affecting general or flag officers.

Sets forth retirement-annuity provisions for Court of Military Appeals judges.

H.R. 6299. January 24, 1980. Interior and Insular Affairs. Amends the Reclamation Project Authorization Act of 1972 to increase the amount authorized to be appropriated for a specified reclamation project.

H.R. 6300. January 24, 1980. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for investment in corporate securities.

H.R. 6301. January 24, 1980. Agriculture. Amends the Emergency Agricultural Credit Adjustment Act of 1978 to raise the limits on the total principal balances outstanding at any one time on loans insured or guaranteed under such Act: (1) from $400,000 to $600,000 for any borrower; and (2) from $4,000,000,000 to $6,000,000,000 for all such loans. Extends the authority of the Secretary of Agriculture to make new contracts of insurance or guarantee under such Act until September 30, 1981.

H.R. 6302. January 24, 1980. Judiciary. Declares a named individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act. Requires the issuance of visas to certain relatives of such individual for admittance to the United States for permanent residence under such Act.

H.R. 6303. January 28, 1980. Judiciary. Amends the Immigration and Nationality Act to eliminate "sexual deviation" as a grounds for excluding an alien from admission into the United States.

H.R. 6304. January 28, 1980. Science and Technology. Establishes a national policy with respect to space science and technology and the development and use of the space environment and advanced technological capabilities.

H.R. 6305. January 28, 1980. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to implement a flood control project at Sainte Genevieve, Missouri.

H.R. 6306. January 28, 1980. Public Works and Transportation. Rescinds the authority of the Secretary of the Army to revoke unilaterally any permit for the use of any water delivered to any water system in the State of Virginia.

H.R. 6307. January 28, 1980. Post Office and Civil Service. Authorizes the United States Postal Service to demand to buy from any person any article or service offered for sale by mail. Declares that failure by such person to comply with such demand shall constitute probable cause to believe such person is using the mail to conduct illegal activity.

Sets forth the procedure for assessing a civil penalty against any person who evades or acts in defiance of specified orders of the Postal Service.

H.R. 6308. January 28, 1980. Science and Technology. Directs the Secretary of Energy to establish research, development, and demonstration programs involving magnetic fusion energy systems.

H.R. 6309. January 28, 1980. Interior and Insular Affairs. Directs the Secretary of the Interior to grant quitclaim deeds conveying all interest of the United States in certain real property located near Provo Airport in the State of Utah to the owners of adjacent properties.

H.R. 6310. January 28, 1980. Merchant Marine and Fisheries. Amends the Atlantic Tunas Convention Act of 1975 to authorize appropriations to carry out the purposes of such Act.

H.R. 6311. January 28, 1980. Merchant Marine and Fisheries. Establishes a fishery development program to further the development and promote the products of the fishing industry of the United States.

Authorizes the Secretary of Commerce to provide financial assistance for fishery development programs or projects.

H.R. 6312. January 28, 1980. Armed Services. Authorizes the Secretary of the Army to convey to the Michigan Job Development Authority (a Michigan public corporation) the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, McComb County, Michigan.

H.R. 6313. January 28, 1980. Ways and Means. Amends the Internal Revenue Code to extend the income tax credit for the hiring of new employees under the qualified cooperative education program to include work study special education programs for handicapped children.

H.R. 6314. January 28, 1980. Foreign Affairs; Intelligence. Amends the Foreign Assistance Act of 1961 to revise the circumstances under which the expenditure of funds by the Central Intelligence Agency for certain activities is prohibited.

Amends the Central Intelligence Agency Act of 1949 to exempt certain information in intelligence files from provisions of law requiring publication or disclosure.

Amends the National Security Act of 1947 to establish criminal offenses and penalties for the unauthorized disclosure of classified intelligence information.

H.R. 6315. January 28, 1980. Armed Services. Conveys to the Government of Guam certain lands bordering Apra Harbor.

H.R. 6316. January 28, 1980. Foreign Affairs; Intelligence. Amends the Foreign Assistance Act of 1961 to revise the circumstances under which the expenditure of funds by the Central Intelligence Agency for certain activities is prohibited.

Amends the Central Intelligence Agency Act of 1949 to exempt certain information in intelligence files from provisions of law requiring publication or disclosure.

Amends the National Security Act of 1947 to establish criminal offenses and penalties for the unauthorized disclosure of classified intelligence information.

H.R. 6317. January 28, 1980. Interior and Insular Affairs. Declares certain provisions of a specified Act to be inapplicable to certain lands in California.

H.R. 6318. January 28, 1980. Interior and Insular Affairs. Confirms conveyance of certain real property by specified railway companies to named individuals.

H.R. 6319. January 28, 1980. Armed Services. Waives certain time limitations with respect to awarding a Medal of Honor to a named individual for acts of valor performed while serving in the United States.

H.R. 6320. January 29, 1980. Agriculture. Authorizes appropriations for the WEB pipeline project in South Dakota.

H.R. 6321, January 29, 1980. Veterans Affairs. Provides that specified pension payments to a mentally incompetent hospitalized veteran will not be terminated unless such veteran's estate equals or exceeds a certain amount.

H.R. 6322. January 29, 1980. Interstate and Foreign Commerce. Requires that flammability standards prescribed by the Consumer Product Safety Commission which apply to children's sleepwear items shall apply also to children's underwear items.

H.R. 6323. January 29, 1980. Agriculture; Interior and Insular Affairs. Provides for multiple-use management under the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended, of national forest lands not included in the National Wilderness Preservation System.

H.R. 6324. January 29, 1980. Ways and Means. Amends the Federal-State Extended Unemployment Compensation Act of 1970 to provide that individuals filing claims for extended or additional compensation will be taken into account for purposes of the trigger provisions of the Federal-State extended unemployment compensation program.

H.R. 6325. January 29, 1980. House Administration. Amends the Federal Election Campaign Act of 1971 to exclude from the definition of the term "contributions" donations to a county committee of a political party for construction or purchase of certain office facilities.

H.R. 6326. January 29, 1980. Science and Technology. Authorizes appropriations for fiscal years 1981 and 1982 to the Secretary of Commerce for: (1) activities of the National Bureau of Standards under specified statutes; (2) facilities improvement; (3) international activities; and (4) activities performed for other agencies.

H.R. 6327. January 29, 1980. Veterans' Affairs. Provides employment benefits for Vietnam-era veterans through a program of job vouchers.

H.R. 6328. January 29, 1980. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to make the amount payable to a widow or widower of a deceased employee under a survivor's annuity at least equal to the amount which would have been payable to such deceased employee if not deceased.

H.R. 6329. January 29, 1980. Armed Services. Directs the President to resume the registration of all individuals under the Military Selective Service Act.

Provides for the induction of sufficient numbers of persons annually into the Ready Reserve of the armed forces' reserve components.

H.R. 6330. January 29, 1980. Judiciary. Sets forth grounds and procedures for the disciplining of Federal judges.

H.R. 6331. January 29, 1980. Public Works and Transportation. Revises the definition of the United States Capitol Grounds.

Authorizes the Architect of the Capitol to acquire specified property for addition to the Capitol Grounds and to the grounds of the U.S. Supreme Court Building. Authorizes the Architect to enter into contracts and make necessary expenditures to carry out the purposes of this Act.

H.R. 6332. January 29, 1980. Foreign Affairs. Amends the Export Administration Act of 1979 to provide that certain export controls cannot be imposed on agricultural commodities to a country unless such export controls are imposed on all goods or technology to such country.

H.R. 6333. January 29, 1980. Post Office and Civil Services. Directs the Secretary of Commerce to: (1) determine the overall reporting burden on respondents in the 1979 census of agriculture, drainage, and irrigation; (2) take necessary steps to assure that such burden for the 1983 census will be not more than one-half of the 1979 burden; and (3) to report to Congress on such determination and such steps.

H.R. 6334. January 29, 1980. Government Operations. Declares that gifts, bequests, or sales proceeds received by the Administrator of General Services with respect to a specified Presidential archival depository shall be paid into a Treasury fund established specifically for that depository.

Requires the Administrator to administer the funds of the National Archives Trust Fund Board. Authorizes the Administrator to sell works prepared pursuant to archival and records services at a price not exceeding their cost.

H.R. 6335. January 29, 1980. Government Operations. Reconstitutes the membership of the National Archives Trust Fund Board. Establishes the Administrator of General Services as Chairman of the Board.

Authorizes the Board to enter into contracts for performance of its functions.

Authorizes audits of the Board's records.

H.R. 6336. January 29, 1980. Judiciary. Authorizes the payment of fees and other expenses to prevailing parties in administrative adjudications and civil actions brought by or against the United States in certain circumstances.

H.R. 6337. January 29, 1980. Ways and Means. Amends the Internal Revenue Code to provide that employees may qualify for the income tax exclusion for the cost of meals furnished directly or in kind by an employer for the convenience of such employer, even if the meals are not furnished on the business premises of the employer.

H.R. 6338. January 29, 1980. Interior and Insular Affairs. Establishes the Lake Tahoe National Scenic Area, in the States of California and Nevada.

Establishes a Lake Tahoe National Scenic Area fund in the Treasury of the United States.

Provides for the establishment of a Lake Tahoe National Scenic Area Advisory Commission.

H.R. 6339. January 29, 1980. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6340. January 30, 1980. Agriculture. Amends the Emergency Agricultural Credit Adjustment Act of 1978 to raise from $4,000,000,000 to $5,500,000,000 the limit on the total principal balance outstanding at any time on loans insured or guaranteed under such Act. Extends the authority of the Secretary of Agriculture to make new contracts of insurance or guarantee under such Act until September 30, 1981.

Amends the Commodity Credit Corporation Charter Act to raise the limit on a secured storage facility construction or remodeling loan from $50,000 to $100,000.

H.R. 6341. January 30, 1980. Ways and Means; Interstate and Foreign Commerce. Amends title V (Maternal and Child Health) of the Social Security Act to require States to provide women access to their obstetric medical records and current information on obstetrical procedures. Amends the Federal Food, Drug, and Cosmetic Act to require the dissemination of informationon the effects and risks of drugs and devices on the health of pregnant and parturient women and of prospective and developing children, and to provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by pregnant and parturient women.

H.R. 6342. January 30, 1980. Foreign Affairs. Provides for the blocking of assets of any country which violates international law with respect to the arrest or detention of U.S. citizens. Provides for the compensation of those citizens from those assets.

H.R. 6343. January 30, 1980. Ways and Means. Amends the Internal Revenue Code to permit taxpayers who do not itemize income tax deductions to claim a deduction from gross income for charitable contributions.

H.R. 6344. January 30, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to prohibit the taxation of any title II benefits.

H.R. 6345. January 30, 1980. House Administration. Permits an election candidate or an individual holding a public office to transfer contributed funds to any political party committee. Prohibits the personal use of such funds.

H.R. 6346. January 30, 1980. Ways and Means. Amends the Internal Revenue Code, with respect to the manufacturer's excise tax on sporting goods, to exclude from the definition of "artificial bait" any substance which contains 85 percent or more by weight of plant or animal material which can be ingested by fish.

H.R. 6347. January 30, 1980. Foreign Affairs; Intelligence. Amends the Foreign Assistance Act of 1961 to revise the circumstances under which the expenditure of funds by the Central Intelligence Agency for certain activities is prohibited.

Amends the Central Intelligence Agency Act of 1949 to exempt certain information in intelligence files from provisions of law requiring publication or disclosure.

Amends the National Security Act of 1947 to establish criminal offenses and penalties for the unauthorized disclosure of classified intelligence information.

H.R. 6348. January 30, 1980. Post Office and Civil Service. Entitles any individual covered by a Federal health benefits program which provides payment for the services of a nurse-midwife, to unrestricted selection of, and access to, such nurse-midwife.

H.R. 6349. January 30, 1980. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to include within the coverage of those titles services rendered by a nurse-midwife.

H.R. 6350. January 30, 1980. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to require public release of detailed minutes of Federal Open Market Committee Meetings. Authorizes release of information concerning foreign countries and central banks of foreign countries on a deferred basis.

H.R. 6351. January 30, 1980. Veterans' Affairs. Allows any person holding a National Service Life Insurance policy, except a service disabled veteran's policy, to double his National Service Life Insurance Coverage, at premium rates which fully cover the Government's cost in providing such additional insurance.

H.R. 6352. January 30, 1980. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to provide automobile adaptive equipment to any veteran receiving compensation for ankylosis of one or both knees, or one or both hips, which resulted from any injury incurred or disease contracted in or aggravated by active military, naval, or air service during World War II or thereafter.

H.R. 6353. January 30, 1980. Veterans' Affairs. Authorizes veterans aged 65 or more to exchange five-year level premium term policies of National Service Life Insurance to special endowment at age 96 plans.

H.R. 6354. January 30, 1980. Veterans' Affairs. Extends the period of time between notice of, and the effective date for, the reduction or discontinuance of compensation, dependency and indemnity compensation, or pension paid by the Veterans Administration.

H.R. 6355. January 30, 1980. Veterans' Affairs. Provides for a minimum number of employees for the American Battle Monuments Commission.

H.R. 6356. January 30, 1980. Veterans' Affairs. Provides for the investment of contributions received by the American Battle Monuments Commission.

H.R. 6357. January 30, 1980. Veterans' Affairs. Amends wartime disability compensation provisions to increase the compensation rate for certain arm and leg losses and for blindness or eye loss.

H.R. 6358. January 30, 1980. Foreign Affairs. Limits United States contributions to the United Nations.

H.R. 6359. January 30, 1980. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax deduction from gross income for social security taxes incurred by such taxpayers during the taxable year.

H.R. 6360. January 30, 1980. Post Office and Civil Service. Judiciary. Repeals specified provisions of Federal law which restrict or prohibit the private carriage of letters.

H.R. 6361. January 30, 1980. Merchant Marine and Fisheries. Amends the Marine Protection, Research, and Sanctuaries Act of 1972 to suspend bioaccumulation and biomagnification testing in evaluating permit applications for ocean dumping pending the completion and submission to the Congress of a study examining the validity of such testing.

H.R. 6362. January 30, 1980. Armed Services. Provides for the military investigation of air accidents involving any military aircraft. Sets forth guidelines on the use of such accident reports.

H.R. 6363. January 30, 1980. Veterans' Affairs. Provides a statutory total disability for insurance purposes to any veteran who has undergone kidney or heart transplants.

H.R. 6364. January 30, 1980. Veterans' Affairs. Increases pension rates for surviving spouses and children of war veterans. Excludes from the maximum net worth determination for such surviving children's pensions the income or corpus of the estate of a person who is legally responsible for and with whom such child is residing.

Revises nonservice-connected disability payment schedules for married (to each other) war veterans.

Excludes from veterans' pensions income determinations: (1) proceeds under Servicemen's Group Life Insurance, United States Government Life, or National Service Life Insurance; and (2) payments of Servicemen's Indemnity.

H.R. 6365. January 30, 1980. Veterans' Affairs. Extends community nursing home care at Veterans Administration expense to nine months.

H.R. 6366. January 30, 1980. Veterans' Affairs. Provides for the extension of hospital and medical care to certain members of the Canadian Armed Forces.

H.R. 6367. January 30, 1980. Veterans' Affairs. Increases the maximum annual work-study allowance for veteran-student services.

H.R. 6368. January 30, 1980. Veterans' Affairs. Includes the service-connected loss or loss of use of a kidney or lung among the conditions for which war veterans may receive additional monthly disability compensation.

H.R. 6369. January 30, 1980. Veterans' Affairs. Includes lupus erythematosis within the definition of "chronic disease" for purposes of veteran's disability compensation.

H.R. 6370. January 30, 1980. Foreign Affairs. Amends the Commodity Credit Corporation Charter Act to establish a revolving fund to finance short-term export credit sales of agricultural commodities produced in the United States.

H.R. 6371. January 30, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to prohibit the taxation of any title II benefits.

H.R. 6372. January 30, 1980. Post Office and Civil Service. Directs the Office of Personnel Management, upon the request of a State, to enter into an agreement with the State to withhold State income tax from the civil service annuity of any annuitant who requests such withholding.

H.R. 6373. January 30, 1980. Post Office and Civil Service. Declares that the terms of office of members of the Commission on Executive, Legislative, and Judicial Salaries shall begin on July 1 of the fiscal year preceding the fiscal year for which they are appointed.

H.R. 6374. January 30, 1980. Banking, Finance and Urban Affairs. Authorizes the President to present, on behalf of the Congress, a gold medal of appropriate design to Canadian Ambassador Kenneth Taylor in recognition of his efforts to secure the return of six American Embassy officials in Tehran.

H.R. 6375. January 30, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from the gross income of individual taxpayers specified amounts of dividends received from domestic corporations and interest income earned on deposits with financial institutions and on certain debt instruments. Permits the exclusion of dividends distributed by real estate investment trusts.

H.R. 6376. January 30, 1980. Agriculture. Directs the Secretary of Agriculture to make available price supports to producers of sunflower seeds. Requires the Secretary to make available loans and purchases on the 1980 and 1981 crops at a level of not less than ten dollars per hundredweight. Prohibits the Secretary from requiring a set-aside of sunflower seed acreage as a condition to such price support.

H.R. 6377. January 30, 1980. Veterans' Affairs. Establishes a presumption of service-connected disability for certain diseases arising in Vietnam-era veterans (and for birth defects in their children) exposed to agent orange.

H.R. 6378. January 30, 1980. Judiciary. Declares a named individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6379. January 30, 1980. Judiciary. Declares a named individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6380. January 31, 1980. Government Operations. Establishes a Commission on More Effective Government.

H.R. 6381. January 31, 1980. Interstate and Foreign Commerce. Amends the Milwaukee Railroad Restructuring Act to require the Interstate Commerce Commission to order directed service over specified lines of the Milwaukee Railroad located in South Dakota if such State creates a State rail authority to acquire and operate such lines.

H.R. 6382. January 31, 1980. Agriculture. Amends the Agricultural Act of 1949 to direct the Secretary of Agriculture to establish and announce, not later than March 1, 1980, a land diversion payment program for the 1980 crop of feed grains.

Requires, as a condition of eligibility for such payments, that feed grain producers devote to approved conservation uses, not later than July 1, 1980, an amount of cropland equal to 20 percent of their 1980 crop planted acreage.

H.R. 6383. January 31, 1980. Veterans' Affairs. Designates Building Number One at the Veterans Medical Center, Brockton, Massachusetts, as the "Everett E. Crosier Center."

H.R. 6384. January 31, 1980. Foreign Affairs: Intelligence. Amends the Foreign Assistance Act of 1961 to revise the circumstances under which the expenditure of funds by the Central Intelligence Agency for certain activities is prohibited.

Amends the Central Intelligence Agency Act of 1949 to exempt certain information in intelligence files from provisions of law requiring publication or disclosure.

Amends the National Security Act of 1947 to establish criminal offenses and penalties for the unauthorized disclosure of classified intelligence information.

H.R. 6385. January 31, 1980. Foreign Affairs; Intelligence. Amends the Foreign Assistance Act of 1961 to provide that the reports of the President to Congress on certain activities by the Central Intelligence Agency be submitted only to the Committee on Intelligence of each House of Congress.

H.R. 6386. January 31, 1980. Judiciary. Amends the Legal Services Corporation Act to authorize appropriations to carry out the activities of the Legal Services Corporation through fiscal year 1983.

H.R. 6387. January 31, 1980. Ways and Means. Amends the Internal Revenue Code to allow as a deduction from the gross estate for purposes of determining the taxable estate the amount of all bequests, legacies, devises, or transfers to a non-profit: (1) cemetery company operated exclusively for the benefit of its members; or (2) corporation chartered solely for burial purposes as a cemetery corporation and not permitted to engage in any business not incidental to such purpose.

H.R. 6388. January 31, 1980. Ways and Means. Amends the Internal Revenue Code, with respect to the estate tax, to deduct from the gross estate all bequests, legacies, devises, or transfers to a non-profit cemetery corporation owned and operated exclusively for the benefit of its members.

H.R. 6389. January 31, 1980. Ways and Means. Amends the Internal Revenue Code to provide that evergreen trees more than three years old (currently six years) will be treated as timber for purposes of tax rules relating to capital gains treatment of cut timber.

H. Con. Res. 237. January 14, 1980. Foreign Affairs. Disapproves the Presidents decision to embargo grain sales to the Soviet Union.

H. Con. Res. 238. January 14, 1980. Post Office and Civil Service. Welcomes the National Basketball Association, the 1980 All-Stars, and all those associated with the All-Star contest to the Washington metropolitan area.

Expresses the hope of the House of Representatives that the 30th annual All-Star Game will be the most exciting and successful in the history of the event.

H. Con. Res. 239. January 17, 1980. Foreign Affairs. Urges the President to take the following measures to counter Soviet aggression in Afghanistan: (1) ban the export of grain and high technology to the Soviet Union; (2) negotiate with other nations to halt all grain exports to the Soviet Union; (3) ban loans and credits to the Soviet Union and negotiate with other countries to do the same; (4) withdraw from participation in the 1980 summer Olympic games in Moscow and encourage other nations to seek the relocation of such games; and (5) declare travel by U.S. citizens in the Soviet Union hazardous. Directs the President to report to Congress concerning such measures.

H. Con. Res. 240. January 17, 1980. Foreign Affairs. Condemns the Soviet Union for its aggression and continued presence in Afghanistan. Calls upon the President to express U.S. concern over such aggression.

Urges the International and U.S. Olympic Committees to seek an alternative site for the 1980 summer Olympic games.

H. Con. Res. 241. January 22, 1980. Calls for a joint session of Congress to receive communications of the President.

H. Con. Res. 242. January 22, 1980. Foreign Affairs. Urges the International Olympic Committee (IOC) to transfer or postpone the 1980 summer Olympic games until Soviet troops are withdrawn from Afghanistan.

Expresses the sense of Congress that: (1) the United States and other nations should not participate in such games, if the IOC does not transfer the games; and (2) the IOC should establish permanent sites for the Olympic games.

H. Con. Res. 243. January 22, 1980. Foreign Affairs. Expresses the sense of the Congress that the President should call upon the U.N. Secretary General to direct the Commission on Human Rights to convene an international inquiry committee, if the American hostages in Iran are brought to trial;

H. Con. Res. 244. January 22, 1980. Foreign Affairs. Expresses the sense of Congress that: (1) the International Olympic Committee (IOC) should relocate the 1980 summer Olympic games; (2) the U.S. Olympic Committee (USOC) should boycott such games if the IOC refuses to relocate such games; and (3) the USOC, with the IOC, should investigate the feasibility of a permanent site for the Olympic games.

H. Con. Res. 245. January 22, 1980. Foreign Affairs. Expresses the sense of Congress that: (1) the International Olympic Committee should withdraw the 1980 summer Olympic games from the Soviet Union, and (2) there should be a boycott of such games, if they are not withdrawn and Soviet troops have not been withdrawn from Afghanistan.

H. Con. Res. 246. January 22, 1980. Foreign Affairs. Expresses the sense of Congress that the President should call upon the International Olympic Committee to relocate the 1980 summer Olympic games outside of the Soviet Union.

H. Con. Res. 247. January 22, 1980. Foreign Affairs. Expresses the sense of Congress: (1) that the International Olympic Committee (IOC) should relocate the 1980 summer Olympic games, if Soviet troops are not withdrawn from Afghanistan; (2) that the United States should withdraw from such games, if they are not relocated; and (3) that the IOC should take action to establish a permanent site for future Olympic games in Greece.

H. Con. Res. 248. January 22, 1980. Judiciary. Expresses the sense of Congress that the President should suspend the entry of aliens from Iran until the U.S. hostages in Iran are released or full relations are restored between Iran and the United States.

H. Con. Res. 249. January 22, 1980. Foreign Affairs. Urges: (1) the U.S. Oylmpic Committee to propose the transfer or cancellation of the 1980 summer Olympic games; (2) the International Olympic Committee (IOC) to adopt such proposal; and (3) the U.S. Olympic committee and other nations' Olympic committees to not participate in such summer games, if the IOC rejects such proposal, and conduct alternative games.

H. Con. Res. 250. January 23, 1980. Foreign Affairs. Expresses the support of the Congress for the President's position on United States participation in the summer Olympic games in Moscow.

H. Con. Res. 251. January 23, 1980. Foreign Affairs. Expresses the sense of Congress with respect to the internal exile of Andrei Sakharov and the fitness of the Soviet Union to host the Olympics.

H. Con. Res. 252. January 23, 1980. Post Office and Civil Service. Expresses the sense of the Congress that April 22, 1980, should be observed and celebrated as "Earth Day, 1980."

H. Con. Res. 253. January 23, 1980. Post Office and Civil Service. Urges the President to designate the week beginning November 16, 1980, as "National Family Week."

H. Con. Res. 254. January 23, 1980. Foreign Affairs. Expresses the sense of Congress that the President should call upon the International Olympic Committee to relocate the 1980 summer Olympic games outside of the Soviet Union.

H. Con. Res. 255. January 23, 1980. Foreign Affairs. Expresses the sense of Congress that: (1) the 1980 summer Olympic games should be relocated; (2) if the games are not relocated, the United States should withdraw from competition; and (3) the International Olympic Committee should select permanent sites for the summer and winter Olympic games.

H. Con. Res. 256. January 24, 1980. Foreign Affairs. Expresses the sense of Congress with respect to the relocation of the 1980 summer Olympic games and the possibility of establishing a permanent site for the Olympic games.

H. Con. Res. 257. January 24, 1980. Armed Services. Expresses the sense of the Congress that the United States should immediately initiate an accelerated production and deployment of cruise missile carrying B-1 bombers.

H. Con. Res. 258. January 24, 1980. Post Office and Civil Service. Expresses the sense of the Congress that if the United States does not participate in the 1980 summer Olympic games, the Presidential Medal of Freedom should be awarded to each member of the United States summer Olympic team.

H. Con. Res. 259. January 24. 1980. Foreign Affairs. Calls upon the Soviet Union to release Andrei Sakharov from internal exile.

H. Con. Res. 260. January 24, 1980. Post Office and Civil Service. Welcomes the National Basketball Association, the 1980 All-Stars, and all those associated with the All-Star contest to the Washington metropolitan area.

Expresses the hope of the Congress that the 30th annual All-Star Game will be the most exciting and successful in the history of the event.

H. Con. Res. 261. January 28, 1980. Foreign Affairs. Declares the sense of Congress that the President shall take steps to secure freedom of worship in the Soviet Union and Eastern Europe, and to raise the question of Stalin's liquidation of Ukrainian and Catholic Churches with national and international religious councils.

H. Con. Res. 262. January 28, 1980. Foreign Affairs. Urges the President to prohibit the exportation of fertilizer from the United States to the Soviet Union until Soviet troops are withdrawn from Afghanistan.

H. Con. Res. 263. January 28, 1980. Ways and Means. Expresses the sense of Congress that social security benefits should remain exempt from all taxation.

H. Con. Res. 264. January 28, 1980. Armed Services. Expresses the sense of the Congress that women should not be subject to registration for compulsory service in the armed forces.

H. Con. Res. 265. January 29, 1980. Foreign Affairs. Expresses the sense of the Congress that Andrei Sakharov should be released from internal exile.

Calls upon the President to protest the continued suppression of human rights in the Soviet Union.

H. Con. Res. 266. January 29, 1980. Foreign Affairs. Calls for the immediate release of Andrei Sakharov from the internal exile imposed upon him by the Soviet Union.

H. Con. Res. 267. January 30, 1980. Expresses appreciation to Canada for its support and assistance in securing the safe release of American Embassy personnel from Iran.

H. Con. Res. 268. January 30, 1980. Foreign Affairs. Urges the International Olympic Committee to overrule the decision requiring the Republic of China Olympic Committee to change its name, flag, and national anthem in order to compete in the 1980 winter and summer Olympic games.

H. Con. Res. 269. January 30, 1980. Foreign Affairs; Merchant Marine and Fisheries. Urges the President to terminate the maritime agreement between the United States and the Soviet Union unless the Soviet Union withdraws its military presence from Afghanistan.

H. Con. Res. 270. January 31, 1980. Foreign Affairs. Expresses the sense of the Congress that the President should call upon the International Committee of the Red Cross to visit and account for the U.S. citizens being held hostage in Iran.

H. Con. Res. 271. January 31, 1980. Armed Services; Education and Labor; Foreign Affairs. Expresses the sense of the Congress that the President should establish a commission on national service to examine alternative national service programs, the role of women in any national service program, the necessity for drafting individuals into any national service program, and the role of military and civilian service in any national service program.

H.J. Res. 473. January 17, 1980. Foreign Affairs. Requests the President to ask the International Olympic Committee to transfer the 1980 summer Olympic games from the Soviet Union. Directs the President to: (1) ask the U.S. Olympic Committee to boycott such games if they are not transferred; (2) encourage other nations to do the same; and (3) assist in the organization of a "Free World Olympics."

H.J. Res. 474. January 22, 1980. Post Office and Civil Service. Authorizes and requests the President to designate April 21 through April 28, 1980, as "Jewish Heritage Week."

H.J. Res. 475. January 22, 1980. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of the dependency, including the unborn. Prohibits the deprivation of life of an unborn persons, except under laws permitting medical procedures required to prevent the death of the pregnant woman.

H.J. Res. 476. January 22, 1980. Post Office and Civil Service. Designates March 1980 as "Gospel Music Month."

H.J. Res. 477. January 22, 1980. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation honoring the memory of Walt Disney.

H.J. Res. 478. January 22, 1980. Banking, Finance and Urban Affairs. Extends the expiration date of the Defense Production Act of 1950 from January 28, 1980, to March 28, 1980.

H.J. Res. 479. January 22, 1980. Judiciary. Constitutional Amendment—States that the right to life is vested in each human being from the moment of fertilization.

H.J. Res. 480. January 22, 1980. Post Office and Civil Service. Authorizes and directs the President to designate April 7 through April 13, 1980, as "National Submarine Week."

H.J. Res. 481. January 23, 1980. Post Office and Civil Service. Authorizes and requests the President to designate Sunday, February 10, 1980, as "Energy Awareness Day."

H.J. Res. 482. January 23, 1980. Judiciary. Constitutional Amendment—Limits the term of office of a Justice of the Supreme Court to two terms of twelve years each. Applies such limitations to persons appointed after the date of ratification.

H.J. Res. 483. January 23, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to prohibit the taxation of any title II benefits.

H.J. Res. 484. January 28, 1980. Judiciary. Constitutional Amendment—Permits voluntary prayer in public buildings or places.

H.J. Res. 485. January 28, 1980. Post Office and Civil Service. Designates July 1, 1980, as "National Free Enterprise Day."

H.J. Res. 486. January 28, 1980. Judiciary. Constitutional Amendment—Requires a three-fifths, rollcall vote of each House of Congress in order to adopt either a Federal budget which is not balanced or an annual increase in the proportion of Federal receipts to the national income. Prevents any appropriation bill from becoming law if it would cause an unbalanced Federal budget in any fiscal year.

H.J. Res. 487. January 29, 1980. Foreign Affairs; Science and Technology. Condemns the internal exile of Andrei Sakharov. Sets forth the policies of the United States with respect to scientific and technical exchanges with the Soviet Union.

H.J. Res. 488. January 29, 1980. Post Office and Civil Service. Authorizes and requests the President to designate January 8, 1981, as "Elvis Presley Day."

H.J. Res. 489. January 29, 1980. Judiciary. Constitutional Amendment—Permits the offering of prayers or Biblical scriptures, as long as participation is voluntary, in any governmental or public school, institution, or place.

Permits references to God or a Supreme Being in public documents, proceedings, schools, or upon U.S. currency.

H.J. Res. 490. January 30, 1980. Interstate and Foreign Commerce. Requires the Chicago, Rock Island, and Pacific Railroad Company to maintain its entire railroad system as it existed on September 1, 1979, through August 31, 1980, unless: (1) any discontinuance or abandonment is authorized by the Interstate Commerce Commission; and (2) no affected State (or local or regional or transportation authority) opposes such action.

H.J. Res. 491. January 30, 1980. Judiciary. Constitutional Amendment—Prohibits any person from holding judicial office under the United States for more than eight years. Applies such limitation to persons appointed after the date of ratification.

H.J. Res. 492. January 30, 1980. Judiciary. Constitutional Amendment—Eliminates the force and effect of any treaty provision which denies or abridges any constitutionally enumerated rights. Prohibits a treaty from permitting any foreign power or international organization to supervise, control, or adjudicate: (1) the rights of U.S. citizens within the United States; or (2) matters essentially within the domestic jurisdiction of the United States.

H.J. Res. 493. January 31, 1980. Appoints a citizen regent of the Board of Regents of the Smithsonian Institution.

H.J. Res. 494. January 31, 1980. Appoints a citizen regent of the Board of Regents of the Smithsonian Institution.

H.J. Res. 495. January 31, 1980. Agriculture. Amends the Agricultural Act of 1949 to raise the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of their respective parity prices.

Reduces the price levels at which producers participating in the wheat and feed grains storage program: (1) may redeem and market commodities securing price support loans; and (2) must repay such loans.

Prohibits the Commodity Credit Corporation, whenever the extended loan program for producer storage is in effect, from selling any of its stocks of wheat or feed grains at less than 110 percent of the then current parity price of such commodity.

H.J. Res. 496. February 4, 1980. Interstate and Foreign Commerce. Amends the Federal Election Campaign Act of 1971 to exclude from the definition of the term "contributions" donations to a county committee of a political party for construction or purchase of certain office facilities.

H.J. Res. 497. February 5, 1980. Post Office and Civil Service. Requests the President to designate November 7 of each year as "National Teenager Day."

H.J. Res. 498. February 13, 1980. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation extending best wishes and expressing appreciation to Carl Vinson for his devotion to the United States.

H.J. Res. 499. February 21, 1980. House Administration. Authorizes the Vietnam Veterans Memorial Fund, Incorporated, to erect a memorial on public grounds in the District of Columbia in honor and recognition of the men and women of the armed forces who served in the Vietnam war.

H.J. Res. 500. February 21, 1980. Post Office and Civil Service. Declares February 1981 as "Black History Month."

H.J. Res. 501. February 22, 1980. Post Office and Civil Service. Authorizes and requests the President to designate September 8 of each year as "National Cancer Day."

H. Res. 520. January 22, 1980. Requires the Speaker of the House to appoint a committee of three Members of the House of Representatives to join with a committee on the part of the Senate to notify the President that a quorum of each House has been assembled and that Congress is ready to receive any communication that he may be pleased to make.

H. Res. 521. January 22, 1980. Directs the Clerk of the House to inform the Senate that a quorum of the House is present and that the House is ready to proceed with business.

H. Res. 522. January 22, 1980. Establishes the daily hour of meeting of the House of Representatives.

H. Res. 523. January 22, 1980. House Administration. Authorizes expenditures by the House Committee on Post Office and Civil Service for investigations and studies.

H. Res. 524. January 22, 1980. Foreign Affairs. Expresses the sense of the House of Representatives that: (1) the United States should not participate in the 1980 summer Olympic games in Moscow; and (2) the President and the U.S. Olympic Committee should recommend alternate sites for such games.

H. Res. 525. January 22, 1980. Government Operations. Reaffirms the commitment of the House of Representatives to balance the Federal budget in fiscal year 1981.

H. Res. 526. January 22, 1980. Foreign Affairs. Declares that the U.S. Olympic Committee and athletes ought not to participate in any international sports competition held in the Soviet Union, including the 1980 summer Olympic games, unless Soviet troops are withdrawn from Afghanistan by February 20, 1980.

H. Res. 527. January 22, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Foreign Affairs.

H. Res. 528. January 23, 1980. Elects a specified Member to the House Committee on the Judiciary.

H. Res. 529. January 23, 1980. Sets forth the rule for the consideration of H. Con. Res. 529.

H. Res. 530. January 23, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Education and Labor.

H. Res. 531. January 23, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Standards of Official Conduct.

H. Res. 532. January 23, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Government Operations.

H. Res. 533. January 23, 1980. Rules. Extends the filing date of the final report of the House Select Committee on Committees.

H. Res. 534. January 23, 1980. Sets forth the rule for the consideration of H. Con. Res. 249.

H. Res. 535. January 28, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Science and Technology.

H. Res. 536. January 28, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Banking, Finance and Urban Affairs.

H. Res. 537. January 28, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Veterans' Affairs.

H. Res. 538. January 28, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Ways and Means.

H. Res. 539. January 28, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on the District of Columbia.

H. Res. 540. January 28, 1980. Judiciary. Urges the President to order the Attorney General to offer up to a $3,000,000 reward for information leading to the arrest and conviction of the murderer of Judge John Wood, and those involved in the attack on Assistant United States Attorney James Kerr.

H. Res. 541. January 28, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Armed Services.

H. Res. 542. January 28, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Interstate and Foreign Commerce.

H. Res. 543. January 28, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the Committee on House Administration.

H. Res. 544. January 29, 1980. Sets forth the rule for the consideration of H.R. 5507.

H. Res. 545. January 29, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Public Works and Transportation.

H. Res. 546. January 29, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Merchant Marine and Fisheries.

H. Res. 547. January 29, 1980. Foreign Affairs. Expresses the sense of the House of Representatives that athletic games should be held in the United States for U.S. and foreign athletes, if the United States does not participate in the 1980 summer Olympic games.

H. Res. 548. January 29, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on the Judiciary.

H. Res. 549. January 30, 1980. Amends the Rules of the House of Representatives to establish a Standing Committee on Energy.

H. Res. 550. January 30, 1980. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Energy.

H. Res. 551. January 30, 1980. Foreign Affairs. Directs the Secretary of State to report to the House of Representatives concerning human rights objectives and policies with respect to specified countries.

H. Res. 552. January 31, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Rules.

H. Res. 553. January 31, 1980. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Internal Security to investigate and report on Communist and other subversive activities affecting the internal security of the United States.

H. Res. 554. January 31, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Agriculture.

H. Res. 555. January 31, 1980. Foreign Affairs. Expresses the sense of the House of Representatives that athletic games should be held in the United States for U.S. and foreign athletes, if the United States does not participate in the 1980 summer Olympic games.

H. Res. 556. January 31, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Small Business.

H. Res. 557. February 5, 1980. House Administration. Authorizes the expenditure of funds for a special study and investigation of welfare and pension plans to be conducted by the House Committee on Education and Labor.

H. Res. 558. February 5, 1980. Sets forth the rule for the consideration of H.R. 2609.

H. Res. 559. February 5, 1980. Sets forth the rule for the consideration of H.R. 3275.

H. Res. 560. February 5, 1980. Sets forth the rule for the consideration of H.R. 3995.

H. Res. 561. February 5, 1980. Sets forth the rule for the consideration of H.R. 2551.

H. Res. 562. February 5, 1980. Sets forth the rule for the consideration of H.R. 4119.

H. Res. 563. February 5, 1980. Foreign Affairs. Requests the President to prohibit the export of superphosphoric acid (phosphate fertilizer) to the Soviet Union, until the Soviet Union withdraws its troops from Afghanistan and until the President removes the ban imposed on the export of agricultural commodities to the Soviet Union.

H. Res. 564. February 5, 1980. Rules. Amends the Rules of the House of Representatives to provide for the expulsion and suspension of voting rights of Members if such Members have been convicted or imprisoned for the commission of a felony.

H. Res. 565. February 5, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Select Committee on Aging.

H. Res. 566. February 5, 1980. Judiciary. States that it is incumbent upon the Attorney General to initiate an investigation for a period of up to 90 days to determine whether recent allegations of the Federal Bureau of Investigation questioning the integrity of certain Members of Congress warrant further investigation or prosecution by a Special Prosecutor.

H. Res. 567. February 5, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Interior and Insular Affairs.

H. Res. 568. February 6, 1980. Elects specified Members to the House Committee on the Judiciary, the Committee on Small Business, the Committee on Standards of Official Conduct, and the Committee on Veterans' Affairs.

H. Res. 569. February 7, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Permanent Select Committee on Intelligence.

H. Res. 570. February 7, 1980. House Administration. Elects a specified Member to the House Committee on Banking, Finance and Urban Affairs, and the Committee on Small Business.

H. Res. 571. February 7, 1980. Judiciary. Directs the Attorney General of the United States to furnish certain information to the House of Representatives concerning the Abscam probe.

H. Res. 572. February 7, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Select Committee on Narcotics Abuse and Control.

H. Res. 573. February 7, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Select Committee on the Outer Continental Shelf.

H. Res. 574. February 11, 1980. House Administration. Authorizes the expenditure of funds by the Committee on House Administration to enable the House Information Systems to provide for the operation, maintenance, and improvement of ongoing computer and information services for the House of Representatives.

H. Res. 575. February 11, 1980. House Administration. Dismisses a specified election of the State of Louisiana.

H. Res. 576. February 11, 1980. House Administration. Dismisses a specified election contest of the First Congressional District of the State of South Dakota.

H. Res. 577. February 12, 1980. Rules. Expresses the sense of the Congress that the President and the Congress should establish programs and enact legislation that will assure that not later than January 1, 1990, the total quantity of gasoline sold in commerce in the United States by any refiner for use as motor fuel shall contain, on the average, not less than ten percent alcohol fuel by volume.

H. Res. 578. February 13, 1980. Directs the House Committee on Rules to inquire into the accuracy of certain newspaper accounts.

H. Res. 579. February 19, 1980. Sets forth the rule for the consideration of H.R. 3789.

H. Res. 580. February 20, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Select Committee on Committees.

H. Res. 581. February 21, 1980. Sets forth the rule for the consideration of H.R. 6081.

SENATE—*Tuesday, March 4, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, we thank Thee that amid all the changes of this tumultuous world Thou art the same yesterday, today, and forever. As did our fathers, so we rest our faith in Thee. Set us free from faith in lesser things. Free us from commitment to our own blueprint when it is to Thy kingdom, Thy will, and Thy purpose we ought to commit our days. Empty us of all that obstructs Thy continued presence working in and through us. Strengthen and guide by Thy spirit the President and all others in authority. Put wisdom and grace and love in our hearts, that this body may be an instrument for the advancement of Thy kingdom on Earth. We pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk (William F. Farmer, Jr.) read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 4, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader, the Senator from West Virginia, is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WEST GERMAN-AMERICAN CONSULTATIONS

Mr. ROBERT C. BYRD. Mr. President, this week, the United States hosts a delegation from one of our closest allies, the Federal Republic of Germany. The delegation is led by Chancellor Helmut Schmidt, and includes the Minister of Finance, Hans Matthoefer, other high officials of the German Government, and leaders of the German labor movement and industrial organizations.

The subjects of the delegation's consultations in Washington are both varied and important. The visit is a welcome reminder of the fact that the United States does not stand alone in the world—that we have friends such as the West Germans on whom we rely and who, in turn, rely on us.

The timing of the visit of the West German leaders is especially important because of recent international events. A major focus of the consultations between our two Governments will concern responses to events in Iran and Afghanistan, developments that directly affect America's friends in Western Europe and Japan.

How the members of the NATO alliance respond to these events is important for what these responses tell us about the changes taking place in the structure of relations among NATO Allies, as well as for the impact of the steps taken.

With growing power and determination, European Allies are assuming a role of increasing importance in alliance affairs. This change in established patterns of allied relations has not been easy for any of the countries involved. Accustomed to leading, the United States may not always be as sensitive to the interests and desires of our European Allies as it should be. We have to learn the art of consultation. And unaccustomed to assuming the full burdens of leadership—political as well as economic and military—European nations sometimes appear to be reluctant allies. Adjusting behavior to the changing nature of allied relations has inevitably introduced strains into the alliance from time to time.

But when all of this has been said, the NATO alliance survives because it is grounded in shared values and common interests. By reaffirming our dedication to these shared values and common interests, we can cope with day-to-day strains.

No European government has been more sensitive to the need to adjust patterns of allied relations than the West German Government, and none has worked more consistently and patiently to minimize the strains that have inevitably arisen from time to time among allies. Properly refusing to conceive its choice as being either the European Community or the Atlantic Community, West Germany has wisely chosen to play a positive role both in regional political and economic affairs and in Alliance affairs.

The burgeoning German economy has created a pivotal role for the Federal Republic in the world economy. But only in the last decade has Germany's political role in the world begun to assume dimensions commensurate with its economic strength—first as a leader in the European Community along with France, Great Britain, and Italy, and, more recently, assuming a progressively greater role in promoting economic growth and political stability in third world countries. Particularly welcome is the German role in joining the United States in providing economic support to Turkey, another NATO ally. Germany's willingness to accept worldwide responsibilities is to be welcomed.

Relations with the Soviet Union are a current concern. With its policy of Ostpolitik, West Germany was a leader in the movement to transcend the sterile confines of the cold war and to seek to improve relations with Eastern Europe. West Germany's geographical position, its history, and its important role in East-West trade give the West German Government a greater stake than most NATO countries in continued good relations with the countries of Eastern Europe.

But the West German Government has also recognized that a policy of improved relations with the nations of Eastern Europe has as its logical complement strengthened ties with NATO, and strengthened NATO military capabilities. As Chancellor Schmidt has stated:

> If you want to have continuity of détente you have to have continuity of the balance of power, the equilibrium. Continuity of détente cannot persist if you let the military equilibrium deteriorate. You must not let that happen.

Therefore, long before recent events brought home the wisdom of this observation, the West German Government supported NATO defense spending increases and was a leader in winning alliance approval for the modernization of theater nuclear forces.

German responses to the Iranian situation and to Soviet aggression in Afghanistan have been strong. West German Government worked to build support for the United Nations Security Council resolution that demanded the immediate release of the hostages in Tehran. And German statements on the Soviet intervention in Afghanistan have been forthright in condemning the action. At the conclusion of a 3 day summit meeting on February 5, 1980, French President Giscard d'Estaing and Chancellor Schmidt stated that:

> The Soviet military intervention in Afghanistan is unacceptable and creates

grave dangers for the stability of the region and for peace. They consider it essential that it should be ended without delay, as demanded by a large majority of the General Assembly of the United Nations.

In response to the Soviet's Afghan intervention, the West German Government is considering a boycott of the Moscow Olympic games this summer. Defense Minister Hans Apel has said that "It is unthinkable to me that the German flag would be in the Olympic stadium in Moscow if the American flag is not." Foreign Minister Hans-Deitrich Genscher has stated that "it is up to the Soviet Union to create the necessary conditions for participation in the Olympics by all nations." And the German Government has joined the other European Community nations in calling for the neutralization of Afghanistan.

But on the question of economic and trade sanctions against the Soviet Union, there appears to be a potential divergence of views between West Germany and the United States. While taking a very serious view of the Soviet action in Afghanistan, the West German Government—and some other NATO Allies—appear to be reluctant to go so far as to impose economic sanctions.

The United States should not expect lock-step uniformity in allied policies. This would be incompatible with the pattern of partnership we are striving to establish with our European Allies. But the burden of the responses to the Soviet intervention in Afghanistan should be equally shared, even if there is a diversity in the measures each nation adopts. A "division of labor" that reserves the "carrots" to some allies and the "sticks" to others is incompatible with the kind of partnership we are seeking to maintain.

The fundamental question is whether the Soviet Union is to pay a price in terms of its relations with the Western nations for its intervention in Afghanistan. Whatever the steps taken by the allies, and however they are coordinated, the answer to this question will, I trust, be yes.

If there is any sign of division on this fundamental question, then I fear that potential adversaries will be comforted, seeing some advantage in the discord sown among allies. And domestic public opinion in the allied nations will be confused, eroding support for our common interest. In democratic societies, commitments to mutual defense must enjoy the full support of the public, a support that can be maintained only if nurtured by concrete evidence of the cooperative pursuit of common interests.

I join in welcoming Chancellor Schmidt and his party to the United States. We should listen with great interest to their proposals as to how best to cooperate in meeting the challenges of recent events. Both the outcome in Southwest Asia and the evolution of allied relations depend heavily on the success of these and concomitant consultations.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, do I have some time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 1 minute remaining.

Mr. ROBERT C. BYRD. I yield that time to Mr. Proxmire; and if he needs more, I trust that the acting Republican leader will yield him time.

AAAS BOARD ENDORSES GENOCIDE CONVENTION RATIFICATION

Mr. PROXMIRE. Mr. President, the leadership of the National Association for the Advancement of Science has announced its endorsement of U.S. ratification of the Genocide Convention. This important announcement by a prominent organization of scientists, academicians, and leaders in both the public and private sectors exemplifies the broad support which the Genocide Convention enjoys.

I applaud the association for taking a stand. This is not really a scientific issue. But it is welcome to see such an organization show the world its conscience. The American Association for the Advancement of Science, founded in 1848, is interested not only in the furthering of scientific knowledge, but in fostering scientific freedom and responsibility and, as they have recently shown, in promoting human welfare, both in the laboratory and in the public forum where far-reaching policy decisions are made.

The forum in which the Genocide Convention is considered is the U.S. Senate, specifically, the Senate Foreign Relations Committee. The AAAS endorsement was sent to the distinguished chairman of that committee, Senator Frank Church. The AAAS board's endorsement occurred in response to a recommendation by the AAAS Committee on Scientific Freedom and Responsibility. The committee, chaired by John T. Edsall of Harvard University, has brought the association as a whole into a more active role in the area of science and human rights, including developing an awareness of actions by U.S. and foreign governments which might restrict scientific freedom and responsibility.

The AAAS is certainly not the first well respected organization to stand up and tell us all of its concern for the lives and rights of racial, religious, and ethnic groups. The scientists will join the American Bar Association, the United Nations Association, the American Civil Liberties Union, the AFL–CIO, and numerous other groups of thoughtful and concerned people.

It is my earnest hope that the Senate will reconsider what the AAAS and so many other organizations have seen fit to support, to what 83 countries have seen fit to ratify, to what President after President of the United States has seen fit to advocate. Mr. President, we must not let the heartfelt and well-considered cries of support ring hollow in our ears or in this Chamber. I urge my colleagues in the Senate to ratify the Genocide Convention.

Mr. President, I ask unanimous consent that the text of the AAAS endorsement be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

AAAS Board Endorses Ratification of U.N. Genocide Convention

The Board of Directors of the American Association for the Advancement of Science (AAAS) has voted to endorse U.S. ratification of the United Nations' Convention on the Prevention and Punishment of the Crime of Genocide, and to urge the Senate to give its advice and consent to ratification of this "important and essential instrument for enhancing the human rights of all peoples."

The United Nations' Convention on the Prevention and Punishment of the Crime of Genocide (Genocide Convention) defines genocide as an international crime and describes specific acts as punishable under international law, and as the intentional destruction of any national, ethnic, racial, or religious group, in whole or part, by killing its members, causing them serious physical or mental harm, imposing conditions of life calculated to bring about their physical destruction, imposing measures intended to prevent births, or transferring children from one group to another.

The United Nations' General Assembly passed a resolution on 11 December 1946, declaring genocide a crime under international law, and two years later unanimously approved the text of the Genocide Convention. United States representatives to the United Nations signed the Genocide Convention in December 1948, which has been in force since 1951 and has been ratified by more than 80 countries. The U.S. Senate, however, has not yet ratified the Convention.

The American Association for the Advancement of Science, founded in 1848, is the world's leading general scientific society with 130,000 individual members interested in the advancement of science, in improving the effectiveness of science in promoting human welfare, and in fostering scientific freedom and responsibility. Through its nearly 300 affiliated societies and academies covering the entire spectrum of science and technology, AAAS exercises leadership in sponsoring broader discussion of significant problems and opportunities involving science, technology, and society today.

The AAAS endorsement will be sent to Senator Frank Church, chairman of the Senate Foreign Relations Committee. The AAAS Board's endorsement occurred during its meeting on 4 January 1980 in repsonse to a recommendation by the AAAS Committee on Scientific Freedom and Responsibility which was formed in 1976 by the AAAS Board of Directors and the Council of the Association. The Committee, chaired by John T. Edsall of Harvard University, has previously urged AAAS to take a more active role in the area of science and human rights, including developing an awareness of actions by U.S. and foreign governments which might restrict scientific freedom and responsibility.

U.S. ratification of the Genocide Convention was also endorsed by the House of Delegates of the American Bar Association in February 1976.

Members of the AAAS Board are: Edward E. David, Jr. (board chairman), president, Exxon Research and Engineering Company, Inc.; Kenneth E. Boulding (president), distinguished professor of economics, University of Colorado; Frederick Mosteller (president-elect), chairman, Dept. of Biostatistics, Harvard University; Eloise E. Clark, assistant director, National Science Foundation; Martin M. Cummings, director, National Library of Medicine; Renée C. Fox, University of Pennsylvania; Anna J. Harrison, Mount Holyoke College; Mike McCormack, U.S. House of Representatives; Russell W. Peterson, president, National Audubon Society; John C. Sawhill, deputy secretary, U.S. Department of Energy; Chen Ning Yang, State University of New York, Stony Brook; William T. Golden, AAAS treasurer; and William D. Carey, AAAS executive officer.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader, the Senator from Alaska, is recognized.

THE 1980 PRESIDENTIAL RACE

Mr. STEVENS. Mr. President, press accounts over the weekend have indicated that recent political events may be prompting former President Gerald Ford to reconsider his position with respect to the 1980 Presidential race.

President Ford is entitled to say that he is more electable than Governor Reagan in assessing the upcoming election, however, with all due respect to my good friend, I do not think he or any other candidate or potential candidate can rule out the electability of any of the others in the field.

It is my feeling that the Republican Convention will pick a nominee who can be elected in the fall. The fact is that we need a new President and we will elect one but we will have a far greater chance of doing so if all the candidates and potential candidates keep in mind that each one of them has the opportunity and ability to unseat the incumbent in 1980.

Mr. President, I yield to my good friend from West Virginia who needs to take care of two special matters on the calendar.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting minority leader and ask unanimous consent that the proceedings not exceed 3 minutes and the time not be charged against anyone.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EMERGENCY AGRICULTURAL CREDIT ADJUSTMENT ACT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. TALMADGE, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 630.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2269) to extend the Emergency Agricultural Credit Adjustment Act of 1978.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

Be it enacted by the Senate and House of Representatives of the Unted States of America in Congress assembled.

EXTENSION OF THE ECONOMIC EMERGENCY LOAN PROGRAM

SECTION 1. The Emergency Agricultural Credit Adjustment Act of 1978 is amended by—

(1) in section 207(c), striking out "$4,000,000,000" and inserting in lieu thereof "$6,000,000,000"; and

(2) in section 211, striking out "May 15, 1980" and inserting in lieu thereof "September 30, 1981".

INTEREST RATES ON INSURED LOANS

SEC. 2. Section 204(b) of the Emergency Agricultural Credit Adjustment Act of 1978 is amended by striking out the second sentence and inserting in lieu thereof two sentences as follows: "Loans insured under this title shall bear interest at rates prevailing in the private market for similar loans, as determined by the Secretary. However, the interest rate on any insured real estate loan under this title shall not be less than the average rate charged by the Federal land banks for similar loans, and the interest rate on any other insured loan under this title shall not be less the average rate charged by production credit associations for similar loans.".

CREDIT ELSEWHERE TEST

SEC. 3. Effective October 1, 1980, section 202 of the Emergency Agricultural Credit Adjustment Act of 1978 is amended by—

(1) amending clause (C) to read as follows:

"(C) is not able to obtain sufficient credit elsewhere due to economic stresses, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities."; and

(2) striking out "and" in the last sentence and inserting immediately before the period at the end of the sentence a semicolon and the following: "and the term 'able to obtain sufficient credit elsewhere' means able to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time".

STUDY AND REPORT ON ECONOMIC EMERGENCY LOANS

SEC. 4. The Emergency Agricultural Credit Adjustment Act of 1978 is amended by adding at the end thereof a new section 212 as follows:

"STUDY AND REPORT

"SEC. 212. (a) The Secretary shall conduct a comprehensive study of the operation and effectiveness of the program of financial assistance authorized under this title. The study shall include, but shall not be limited to, an examination and analysis of the following items:

"(1) the effect of loans insured or guaranteed under this title on the overall financial condition of borrowers and their ability to maintain viable agricultural production operations;

"(2) the implementation and effect of the provisions of this title requiring, as a condition of eligibility, that loan applicants not be able to obtain sufficient credit elsewhere;

"(3) the loan repayment delinquency rate and the percentage of borrowers who subsequently are able to obtain credit from other sources and repay the loans extended to them under this title;

"(4) the use under this title of loan guarantees as compared with insured loans;

"(5) the purposes for which loans are actually insured or guaranteed under this title in relation to the purposes specified in section 203, and an evaluation of the family farm preference established under section 203(b);

"(6) the methods of servicing loans and encouraging the repayment of loans insured or guaranteed under this title; and

"(7) the need for extending beyond September 30, 1981, the authority for insuring and guaranteeing loans under this title.

"(b) The Secretary shall complete the study required under this section and submit a report to Congress by March 31, 1981. Any recommendations by the Secretary for extending the authority to insure and guarantee loans under this title shall contain an evaluation of possible alternatives, such as (1) the merger of the program of financial assistance authorized under this title with the farm ownership and operating loan programs authorized under the Consolidated Farm and Rural Development Act, and (2) the combination of all farm loan programs into a single program.".

Mr. TALMADGE. Mr. President, S. 2269 would extend the economic emergency loan program and provide much-needed emergency operating credit to farmers.

S. 2269, with the amendments by the Committee on Agriculture, Nutrition, and Forestry, would—

First, extend through September 30, 1981, the authority under which the Secretary of Agriculture may make insured or guaranteed economic emergency loans to farmers and ranchers who are otherwise unable to obtain sufficient credit to finance their agricultural operations due to economic stresses;

Second, increase the total principal balance that may be outstanding on these loans at any time from $4 billion to $6 billion;

Third, provide that insured economic emergency loans shall bear interest at rates prevailing in the private market for similar loans, as determined by the Secretary (under existing law, the interest rate for insured economic emergency loans is the cost of money to the Government plus up to 1 percent added at the discretion of the Secretary);

Fourth, effective October 1, 1980, require, as a condition of eligibility for receiving economic emergency loans, that borrowers meet the same credit elsewhere test required under the other farm loan programs administered by the Farmers Home Administration; and

Fifth, require the Secretary to conduct a comprehensive study of the operation and effectiveness of the economic emergency loan program, including any need for extending the authority to insure and guarantee loans beyond September 30, 1981.

EXTENSION OF ECONOMIC EMERGENCY LOAN PROGRAM

The economic emergency loan program established by the Emergency Agricultural Credit Adjustment Act of 1978 has been invaluable to farmers in the past 19 months. The program was implemented within 1 week after the act became law in August of 1978, and the demand for loans under the program was so great that in the month of September 1978, with very little startup time, the Farmers Home Administration made approximately 1,463 loans totaling $108 million. In calendar year 1979, almost half of the farm lending done by the Farmers Home Administration—62,913 loans totaling $3.09 billion—was under the economic emergency loan program.

The economic emergency loan program was established because there was a widespread recognition that many of our agricultural producers were facing unmanageable debt loads while at the same time loan funds from conventional lending sources were becoming less available.

Unfortunately, the economic circumstances that led to passage of the Emergency Agricultural Credit Adjustment Act in the summer of 1978 are still with us, and if anything, are more pervasive in agriculture than in 1978.

The Department of Agriculture is projecting that farm production costs will be up by more than 10 percent in 1980, while farm income is expected to decrease by 20 percent.

The decrease in income and increase in production costs will aggravate an already critical farm borrowing situation. Outstanding farm borrowing was up to $157 billion at the end of 1979. Given the current economic situation, it now appears likely that outstanding farm borrowing will increase by $25 billion in 1980 to a level of $182 billion. Along with this increase in outstanding credit, the loan-deposit ratios for rural banks are at all-time highs.

The tight farm credit situation is causing many rural banks to reduce their loans to less prosperous farm accounts. A sampling of the views of 100 commercial banks located in 15 States was taken at the American Bankers Association Agricultural Credit Conference in Salt Lake City last November. Of this group, 49 percent foresaw demands for agricultural credit in 1980 exceeding the amount that banks could make available; 53 percent of the banks represented expected to deny farm loans in 1980 because of local fund shortages.

S. 2269 responds to the continuing credit needs of our farm economy by extending the Secretary of Agriculture's authority to make loans under the economic emergency loan program through September 30, 1981.

INCREASE IN THE CAP ON LENDING

S. 2269 also increases from $4 billion to $6 billion the cap on outstanding indebtedness under the emergency economic loan program. This is necessary because $4 billion has already been loaned out under the program. With the present $4 billion cap, the only money available for new loans under the program now is money already paid back. It is estimated that only about $250 million will have become available for loans through pay-backs by May 15, 1980. However, at the end of 1979, the Farmers Home Administration had 14,000 applications for economic emergency loans that had not been processed. And, it is expected that additional applications will be received before the program expires May 15 because the winter months are the peak lending season for the program.

Present indications are that there is a demand for about $1 billion in additional economic emergency credit through the remainder of the spring planting season.

As a result, the program will exhaust all available loan funds and come to a standstill—with many loan applications still to be processed—far sooner than the May 15 date of expiration of the program.

In addition, the extension of the program through the end of fiscal year 1981 will require that additional funds be made available for the new loan applications that will be received after May 15, 1980. The increased cap should allow the program to accommodate these new borrowers.

CHANGE IN THE INTEREST RATE AND THE TEST FOR CREDIT ELSEWHERE

S. 2269 also changes the interest rate charged on insured loans made under the 1978 act from the cost of money to the Government rate to the rate prevailing in the private market for similar loans. Also, effective October 1, 1980, the bill would amend the 1978 act to require applicants for economic emergency loans to meet the credit elsewhere test required for the other farm loan programs of the Farmers Home Administration.

These provisions will supplement actions taken last December by the Secretary of Agriculture to reduce the use of economic emergency loan funds for refinancing credit extended by other lenders, and focus the program on lending for annual operating purposes.

Because of the limit on the amount of loans that may be outstanding under the program at any one time, the funds should be available as a source of credit, primarily operating credit, for those who are unable to obtain needed credit from alternative sources. The funds should not be used for loans to those who are only shopping for a lower interest rate, as has happened frequently in the past.

CRITICAL NEED FOR THE ENACTMENT OF S. 2269

Failure to enact S. 2269 could create a real credit crisis in our agricultural economy. We see the demand for an extension and expansion of the economic emergency loan program. We know that there are various factors that are keeping commercial lending institutions and other agricultural lenders from being able to satisfy all of the credit needs of our agricultural producers. We also must realize that the debt load situation for our farmers is going to get worse before it gets better.

We in Government have a responsibility to see that U.S. agriculture is kept healthy. Our agricultural economy is highly productive and is an important part of the Nation's overall economy. The net contribution of agriculture to our balance of trade in 1979 was a $20 billion surplus. We cannot afford to lose that contribution.

SPEEDY ACTION IS ESSENTIAL

Further, it is crucial that Congress act quickly on S. 2269. Many farmers are experiencing extreme difficulty in obtaining loans needed to plant their 1980 spring crops, and the planting season has already started in southern parts of the country. For these farmers, time is of the essence.

Mr. President, S. 2269 is vital to U.S. agriculture.

Mr. President, time is of the essence on passage of this bill.

Many farmers throughout the country cannot get money to plant their crops. Many are already planting.

I urge the Senate to approve this bill at the earliest practical moment because time is of the essence.

● Mr. ZORINSKY. Mr. President, I join Senator TALMADGE in support of S. 2269 to extend the economic emergency loan program for farmers. This bill will provide needed operating credit to many farmers who cannot obtain credit from conventional sources. I was pleased to introduce this legislation and strongly urge my colleagues to adopt it.

The bill extends the authority of the Secretary of Agriculture to approve economic emergency loans under the Emergency Agricultural Credit Adjustment Act of 1978 through September 30, 1981, and raises the cap on outstanding indebtedness under the economic emergency loan program from $4 to $6 billion.

As we begin the 1980 planting season, producers are faced with the prospect of reduced farm income and increased costs of production but severely limited access to conventional credit.

Prior to the announcement of the suspension of agricultural exports to the Soviet Union in January, the Department of Agriculture had predicted that farm income in 1980 would decline by 20 percent below 1979 levels. The embargo will have a dampening effect on farm prices, and farm income in 1980 may decline even further than originally predicted. Farmers who held their production out of the immediate post-harvest market will be especially hard-hit by depressed prices this year.

At the same time, based on present inflation rates, we will see farmers' costs of production rise by over 10 percent in 1980. Even that figure may be an underestimation. Current interest rates and a continuing rise in fuel costs may push the rate of inflation in farm costs even higher.

With the 1980 costs of production substantially increased, but without strong farm prices, many farmers will need operating credit to continue operations. And some farmers with heavy debt loads already—such as beginning farmers—will be unable to meet their existing debt repayment schedules without supplemental financial assistance.

It appears, however, that the traditional commercial and cooperative credit institutions will not be able to meet all the credit needs of agriculture. Outstanding farm borrowing is already at all-time highs and will increase by $25 billion in 1980. Along with this expansion of outstanding farm debt, many rural banks are at or near their lending limits and simply cannot loan more money to farmers. It is expected that demands for agricultural credit in 1980 will exceed the amount that banks can make available.

There is a clear need to provide producers with an additional source of farm credit—and S. 2269 meets that need.

On the day I introduced S. 2269, Senator HAYAKAWA and I, as chairman and ranking minority member of the Subcommittee on Agricultural Credit and Rural Electrification, sent a letter to Senator TALMADGE, the distinguished chairman of the Agriculture Committee, urging the quickest possible action on this legislation to extend and expand the economic emergency loan program.

I want to thank Senator TALMADGE for his leadership in moving this bill so quickly, and I hope the full Senate will appreciate the urgency of the situation and join us in sending this bill to the President for signature at the earliest possible date.●

● Mr. DOLE. Mr. President, the Senate is considering today a bill to extend the Agricultural Credit Adjustment Act of 1978.

I am in favor of the extension and the amendments as reported by the Agriculture Committee.

I do not believe more credit is the answer to the farmers problems, but I do feel adequate credit will not be available in the farming community unless this act is extended.

The only answers to the farmers problems are more income and a substantial reduction in the inflation rate. Without more income and a reduction in the inflation rate farmers wll experience a dramatic decline in their farm profits during 1980.

With the embargo, with inflation out of control, with fuels costs going up every day, and with interest rates rising, farm income will experience another dramatic decline.

What is happening in our economy poses another violent shock for our Nation's farmers and for our already battered and bruised national economy. All signs are pointing toward a disastrous year for farmers with a decline of from 25 percent to 35 percent in farm profits.

CREDIT ADJUSTMENT ACT

The Emergency Agricultural Credit Adjustment Act of 1978 authorizes the Secretary of Agriculture, through May 15, 1980, to insure or guarantee loans to farmers and ranchers who are unable to obtain sufficient credit from normal borrowing sources in order to finance their agricultural operations. Inability to obtain credit is related to national or areawide economic stresses, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities.

The economic stresses that led to enactment of the legislation in 1978 have not abated, so there is a clear need to extend the program.

Outstanding farm borrowing, which jumped from $90 billion at the beginning of 1976 to $157 billion at the end of 1979, is expected to increase by $25 billion to $182 billion by the end of this year. Along with this increase in outstanding credit, the loan-deposit ratios for rural banks are at all-time highs.

S. 2269 meets the needs of the U.S. agricultural economy by extending the Secretary of Agriculture's authority to make loans under the economic emergency loan program through September 30, 1981.

About $4 billion has already been loaned out under the economic emergency loan program. Present indications are that there is a demand for about $1 billion in additional economic emergency credit through the remainder of the spring planting season.

As a result, the program will exhaust all available loan funds and come to a standstill—with many loan applications still to be processed—far sooner than the May 15 date of expiration of the program.

S. 2269 addresses this problem—and makes additional funds available for new loan applications that will be received after the program is extended past May 15—by increasing from $4 billion to $6 billion the limit on outstanding indebtedness under the program.

S. 2269 changes the interest rate charged on insured loans made under the act from the "cost-of-money" rate to the rate prevailing in the private market for similar loans, as determined by the Secretary of Agriculture. Also, effective October 1, 1980, the bill would amend the act to require applicants for economic emergency loans to meet the credit elsewhere test required for the other farm loan programs of the Farmers Home Administration.

Mr. President, I wish economic conditions were such that the extension of the credit bill was not necessary. But that is not the case. I recommend passage of this bill.●

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 2269) was passed.

The title was amended so as to read:

A bill to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TALMADGE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOOD AND AGRICULTURE ACT AMENDMENTS—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, I submit a report of the committee of conference on H.R. 3398 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3398) to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of February 28, 1980.)

Mr. TALMADGE. Mr. President, H.R. 3398, as reported by the conference committee, adopts the Senate provisions increasing the target prices for the 1980 crops of wheat and corn to $3.63 and $2.35 per bushel, respectively. For the 1981 crop, the target prices for wheat and corn will be not less than the 1980 target prices adjusted upward to reflect increases in costs of production. Based on provisions of existing law, the changes in the target price for corn will result in changes in the target prices for the other feed grains. In 1980, the target price for grain sorghum would be increased to $2.50 per bushel and the target price for barley to $2.55 per bushel.

The conference report extends the disaster payment programs for wheat, feed grains, upland cotton, and rice through the 1980 crop year. The conference report establishes a $100,000 annual limitation on disaster payments rather than a $50,000 limitation as provided in the Senate-passed bill. States and local governments would, as under existing law, be eligible without limitation for disaster payments.

The conference report also contains the provisions of the Senate bill authorizing the Secretary of Agriculture, effective for the 1980 and 1981 crops, to require, as a condition of eligibility for commodity loans and target price payments, that producers not plant in excess of their normal crop acreage. However, the conferees approved a modification of the Senate provision to allow farmers who exceed their normal crop acreage in 1980 to remain eligible for loans and reduced target price payments. If a normal crop acreage requirement is in effect for 1980, producers exceeding their normal crop acreage will not be eligible for payments in 1980 based on the increased target prices contained in H.R. 3398; their payments will be based on the target price formula contained in present law, under which the Department of Agriculture estimates the wheat target price will be $3.06 per bushel and the corn target price $2.08 per bushel.

This modification will prevent the possibility of the unfair exclusion from the price support program of farmers in Southern parts of the country who normally begin planting very early in the year. The Secretary will be able to impose the normal crop acreage requirement for 1980, if he elects to, only after H.R. 3398 becomes law. This will be long after farmers in areas such as south Georgia have committed themselves to planting 1980 crops. Without this modification, these farmers would be inequitably subject to retroactive application of the requirement if they wished to participate in the price support programs.

Mr. President, I urge my colleagues to join me in voting to approve the conference report. The double digit inflation that continues to plague the U.S. economy has hit farmers especially hard. Farmers' costs of production are now increasing at a rate of about 11 or 12 percent a year. Because arm production is an intensive user of energy and energy-derived products, this rapid rate of inflation in the costs of production may increase to even higher levels in 1980.

The target price increases made by the conference report, which the administration supports, will provide a minimum measure of protection against soaring costs of production for U.S. producers of basic commodities. This is the very least we can do for these producers, particularly in view of the additional burden they may have to assume as a result of the suspension of trade with Russia.

The normal crop acreage provisions of the Senate bill and conference report will assure that the increases in 1980 and 1981 target prices will not lead to greater production of grain than is needed. The normal crop acreage provision, if implemented by the Secretary, will keep marginal farmlands that are subject to severe wind and water erosion out of unnecessary production.

The present disaster payment programs for wheat, feed grains, upland cotton, and rice expired at the end of the 1979 crop year. The Congress is working on a Federal crop insurance reform bill that is designed to eliminate the need for disaster payments.

It is my hope that the crop insurance reform legislation will be signed into law in the near future. In the meantime, however, many producers of program commodities are beginning to plant 1980 crops without any protection against natural disasters. H.R. 3398 responds to the needs of these farmers for disaster protection by extending the disaster payment programs through the end of the 1980 crop year.

H.R. 3398 does not conflict with the crop insurance legislation in this regard because the crop insurance bills passed by the House and Senate both provide for a gradual phase-in of crop insurance in substitution for disater payments and, in conjunction with this, also extend the disaster payment programs through crop year 1981.

It is clear that, unless H.R. 3398, as reported by the committee of conference, is enacted into law, because of skyrocketing increases in the cost of producing food, wheat and feed grain farmers will be offered a target price program in 1980 and 1981 that provides little protection against economic disaster. It is also apparent that many producers of basic commodities may not be afforded any protection against natural disaster in 1980 unless this bill becomes law. For these reasons, it is imperative that the conference report be adopted by the Senate.

Mr. President, I move the adoption of the conference report.

● Mr. McGOVERN. Mr. President, I join Senator TALMADGE in supporting the adoption of the conference report on H.R. 3398.

Inflation is soaring in most sectors of the economy, but agriculture is especially hard hit. The costs of producing food and fiber have been rising at a rate of over 10 percent annually—and may increase even more in 1980. But farmers, because they cannot control the prices at which they sell their commodities, cannot pass these increased costs on to the buyer.

It is now estimated that, even assuming nondisastrous production and price trends, farm income will decrease by 20 percent in 1980, at least partly because of the increased production costs that farmers will have to absorb.

Because of the importance of agriculture to our economy and the increasingly important role it plays in reducing the balance of payments deficit in our international trade, we have adopted a national food and agriculture policy to protect farmers from the risk of economic disaster.

However, the provisions implementing this policy that we adopted for wheat and feed grain farmers in the omnibus food and agriculture legislation in 1977 simply have not kept up with the recent inflationary spiral.

If our wheat and feed grain programs are to continue to provide an adequate safety net for producers in the event that market prices drop substantially, they must be brought up to date. And, this is what H.R. 3398 is designed to accomplish.

Under H.R. 3398, the wheat and feed grain target prices—which are price levels for the commodities established under the Government program to insure farmers minimum income protection—are raised a modest 7 percent for the 1980 crop year. In 1981, target prices would be the 1980 prices adjusted upward to reflect changes in costs of production.

H.R. 3398 also takes an important step in extending the disaster payment programs for wheat, feed grain, upland cotton, and rice producers through the 1980 crop year. These programs expired at the end of the 1979 crop year, and the crop insurance reform legislation, which will provide a substitute for the disaster payment programs, has not yet been approved by Congress. This leaves a dangerous gap for producers of these basic commodities with the spring planting season fast approaching—or in some areas of the country having already begun.

Disaster protection is an important part of the overall national agricultural program.

Agricultural production is singularly vulnerable to even mildly adverse weather conditions; and because of the heavy capital investments involved in modern farming, the loss or partial loss of a crop due to adverse weather conditions can devastate a farmer financially.

H.R. 3398 eliminates the temporary gap in the continuity of the vital disaster protection program by providing an interim extension of the disaster payment programs.

Mr. President, the provisions of H.R. 3398 are designed to sustain the integrity of our Nation's agricultural program; and it is imperative, for the benefit of farmers and consumers alike, that this bill become law. I urge the Senate to act decisively today to approve the conference report.●

Mr. TALMADGE. Mr. President, this is a very modest increase in the target prices for wheat and feed grains. I urge the Senate to agree to the conference report.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECOGNITION OF SENATOR STEVENS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alaska is recognized for 15 minutes.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senator from New Mexico be recognized for the remainder of my time and the remainder of the time he wishes to use and following that the Senator from Mississippi start taking the time out of my time for special order without interruption.

Mr. ROBERT C. BYRD. Mr. President, how much time does the Senator have on the special order?

Mr. STEVENS. Fifteen minutes.

Mr. President, I seek to have it follow on the leadership's time so the Senator from New Mexico will not be interrupted.

The ACTING PRESIDENT pro tempore. The Senator from Alaska is yielding 15 minutes on the special order.

Mr. STEVENS. That is correct.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

BUDGET—1 MONTH OFF BROADWAY

Mr. SCHMITT. Mr. President, on numerous previous occasions I and many others in this body have made many positive suggestions and proposals with respect to the economy and budgetary questions related to that economy. Unfortunately, most, if not all, of these suggestions have gone unheeded.

Mr. President, the American people are being exposed to the theater of the absurd, starring the Carter administration.

On January 28, 1980, the administration's 1981 budget proposals were submitted to Congress. This budget was so badly put together that Congress has been required to begin to technically reconstruct most of it in addition to examining its policy foundations. Now, 1 month later, we are exposed to a born-again, inflation-fighting administration that says "King's X: We were only kidding. The real 1981 budget will stand up in March or April, and it will be balanced." If you believe that any Carter budget will be truly balanced, I have some land on the Moon that you might be interested in buying.

We in Congress can assume that this new "balanced" budget will be balanced by the same use of accounting mirrors and unauthorized programs that made the first budget so unrealistic. Once again, we in Congress will have to try to reconstruct a technically sound budget while the administration blames us for the consequences of correcting their calculated miscalculations. No one, certainly not the American taxpayer, deserves this kind of administrative incompetence.

Look at the facts that made the first 1981 budget a political charade:

The administration claims that its first 1981 budget would have only a $5.8 billion deficit. This amazing claim is based; first, on a $134.1 billion increase in income taxes due to inflation and statutory new taxes supported by the administration; second, on unrealistic assumptions about the costs of new initiatives; third, on equally unrealistic assumptions about budget savings from programs Congress has yet to approve; fourth, on a continued gross underestimation of the cost of inflation on Federal programs; fifth, on putting new expenditures for 1981 in a 1980 supplemental budget request; and finally, by ignoring the budget impact of the rising cost of fuel for many activities, including those in national defense.

The administration's budget assumes that 1981 revenues will reflect a 2.8 percent growth of the gross national product when, in fact, the growth has been falling steadily during his 3 years in office and is now negative. Since Carter has ruled out investment and income tax cuts for 1980 and has advocated a massive new tax on American energy consumers instead, there is little chance that the economy will grow and a real chance of a major recession, something we have been trying to talk ourselves into now for the better part of 12 months.

The administration's encouragement of high interest rates will further restrict growth by the economy's major employers, that is, small- and medium-size businesses, thus aggravating the economy's recessionary tendencies.

The administration's defense budget is a laughable example of big talk, little sticks, and curved mirrors instead of substance. The defense budget is only 5.2 percent of the GNP, versus over twice that figure for the Soviet Union, and shows no sense of urgency relative to our deteriorating world situation. It is deficient in total growth over past inadequacies and in specific conventional and strategic force emphasis. It underestimates the rate of inflation by a factor of two and even assumes energy costs will not rise. There are no provisions of any significance in this so-called defense budget to encourage trained personnel to stay in the Armed Forces or to rapidly equip those forces with adequate quantities of modern weapons. All we get is the political smokescreen of draft registration which diverts our attention and has little to do with anything.

These theatrical attempts by the Carter administration to hoodwink the American people is just another illustration of the lack of common sense and the almost total inability to govern that history will record as the legacy of the Carter years. Look at the record:

The inflation rate was 4.8 percent in 1976 and going down; now it is 13.3 percent and going up.

Prime interest rates were 6 percent in 1976 and steady; now they are 16 percent and going up.

The growth rate of gross national product (GNP) was 5.9 percent in 1976 and going up; now this rate of growth is losing ground with a negative 1 percent and getting worse.

The unemployment rate was going down steadily after 1975; now it is 6.2 percent again and going up.

Tax revenues were 18.5 percent of the GNP in 1976; now they are to be 21.7 percent of the GNP in 1981 and projected by Carter to go even higher.

There are many other symptoms of this unbelievable failure of the economic policy or nonpolicy of the Carter administration. Increases in personal income, about 9.7 percent for 1980, have lost major ground to inflation and inflation-caused tax increases of about 19 percent for 1980. Personal savings are at an all-time low at 4.1 percent of income because possible income from interest on savings is only about half of the inflation rate. Extraordinarily high interest rates on loans are preventing most nonhomeowners from buying a house and most small- and medium-sized businesses from growing. The list goes on and on.

It is too much to ask for the President of the United States to work for the interests of the American people rather than his own; to set policy to save our economy rather than destroy it? I think not.

Thank you, Mr. President.

I yield to the distinguished Senator from Mississippi.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi is recognized.

OUR WORSENING ECONOMIC SITUATION

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from New Mexico for yielding to me, and I thank the acting minority leader.

Mr. President, all of us are aware of our worsening economic situation. I do not want to play the role of an economic Cassandra, but I do not think that it would be overstating it to say that we are in a crisis. This is reflected by numerous indicators such as the inflation rate, our productivity, the savings rate, and by our trade deficit. It is reflected in the bond market, and in the stock market which dropped 8.79 points yesterday in very slow trading. It is reflected by the continuing decline of the dollar in international markets, and sky-high interest rates.

Most disturbing of all, however, is that our economic crisis is reflected by a loss of faith by the American people in the Government's ability to do anything meaningful about any of these problems. A recent story in the Washington Post points out that whereas the public up until now has believed that inflation would eventually level off, they now believe that inflation is firmly ingrained in our economy. As numerous economists have pointed out, inflation and its solution depend in large part on the public's perception of the future of inflation. The public is not going to save, the businessman is not going to invest, if money is going to lose its value so rapidly that any possible gains are nullified. One of the real paradoxes is that inflation itself tends to cause more inflation.

This appears to be the situation now. Inflation is running at somewhere between 18 to 21 percent, depending on which index you look at. This is obviously intolerable. It means a doubling of prices within about 5 years. It demands remedial action—now!

President Carter apparently is going to announce some major policy recommendations in the near future. He may impose some kinds of credit controls or a freeze on Government hiring or even wage and price controls or request stiff budget cutbacks or more weekend meetings to talk about all of that.

It is interesting to note that we see weekend meetings this past weekend, and that is 3 years too late, Mr. President. We have seen worsening economic conditions and no real, genuine effort made to solve those economic problems, and they have gotten worse.

One of the basic problems facing us, Mr. President, is a failure to develop a consensus about the real source of our present economic ills, and what the real alternatives are in solving those problems. This administration has failed miserably to focus attention on those real, genuine sources and the alternatives we have to solve those problems.

Mr. President, I think it is essential that we begin an immediate, an independent, a nonpolitical analysis of the economic situation that confronts us.

I will be introducing legislation to establish a national economic commission to conduct this analysis. This commission will be comprised of 10 leading businessmen or women, economists, academicians, representatives of labor, and leading Government officials. The task will be to investigate the various factors involved in our economic problems, and report to Congress within 9 months on the sources of our economic problems and solutions to those problems.

During the 1930's, during the depression, a similar study was conducted under the auspices of a national economic committee. Let us not wait for another depression to conduct such a study. Let us do it now.

I do not expect an independent commission will solve all of our problems. I normally am suspect of commissions or studies, but we have got to use every measure at our disposal to come to grips with the crisis and convince the American public that the Government is taking some action in a meaningful way to solve these serious problems. I urge my colleagues to support expeditious passage of that initiative.

As I said, I do not want to be an economic Cassandra who just predicts doom. We are not doomed, in my opinion, but we had better act soon.

RECOGNITION OF SENATOR STEVENS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alaska is recognized.

ACQUISITION OF PRIVATE LAND BY FEDERAL AND STATE GOVERNMENTS

Mr. STEVENS. Mr. President, on February 19, 1980, I voted against final passage of H.R. 3757, a bill to create the Channel Islands National Park in the Santa Barbara Channel off the coast of California. My reasons for voting against this bill go beyond the merits of the bill itself.

The process whereby more and more land once held privately is being acquired by the Federal and State governments with public funds is alarming. Productive land which can be reasonably developed to help solve this Nation's energy crisis as well as land which can be put to agricultural use is being absorbed into public ownership. This land is not only productive but is taxable and is being taken off the tax rolls at an alarming rate thus decreasing the property tax base and increasing taxes on remaining private lands.

The primary vehicle for the acquisition of this land is the Land and Water Conservation Fund. Created by Congress in 1965, this fund derives its revenues from the sale of Federal surplus real property, Federal motor boat fuels tax, and Outer Continental Shelf mineral recepits—or in other words, from a tax on energy exploration. The total revenues available since 1965 are $6.5 billion and projected revenues to 1989 are $7.2 billion. The public is not generally aware of how this fund works. Forty percent of the fund is used for direct Federal land acquisition. The remaining 60 percent provides matching funds on a 50/50 matching basis with State funds. While the Federal funds may be used only for land acquisition, the State matching funds can be used for planning and development as well as acquisition. Each 100 Federal tax dollars may generate $160 to be used for public land acquisition, planning, and development. Since the inception of the Land and Water Conservation Fund in 1965, the Federal Government has obligated $2.12 billion for Federal land acquisition. In addition the Federal Government has obligated $2.19 billion to State programs to which the State must match an equal amount for land acquisition and development. In addition to these funds, the Congress has authorized almost $4 billion for Federal acquisition of private land during the next 11 years. The Federal Government now owns over one-third of all U.S. land. State and local governments own over 6 percent and are acquiring private land as well over 1 million acres per year with the assistance of massive Federal and State tax dollars.

In a recent General Accounting Office Report entitled, "The Federal Drive to Acquire Private Lands Should Be Reassessed," the Comptroller General of the United States has made it very clear that Federal agencies have been following a general practice of acquiring as much private land as possible regardless of need, alternative land control methods, and impacts on private landowners. I ask unanimous consent that a copy of the digest to that report dated December 14, 1979, be made a part of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE FEDERAL DRIVE TO ACQUIRE PRIVATE LANDS SHOULD BE REASSESSED

The Federal Government owns over one-third of all U.S. land with authorization to acquire up to $4 billion of private land during the next 11 years.

The National Park, Forest, and Fish and Wildlife Services had been following a general practice of acquiring as much private land as possible regardless of need, alternative land control methods, and impacts on private landowners.

GAO recommends that the Secretaries of Agriculture and the Interior jointly establish a policy on when lands should be purchased or when other protection alternatives, such as easements, zoning, and Federal controls, should be used; critically evaluate the need to purchase additional lands in existing projects; and prepare plans identifying lands needed to achieve project purposes and objectives at every new project before acquiring land.

GAO believes the Congress should oversee the implementation of these recommendations.

This review was made by the request of the Chairman, Subcommittee on National Parks and Insular Affairs, House Committee on Interior and Insular Affairs.

DIGEST

Federal agencies need to acquire private lands essential to achieving the objectives of parks, forests, wild and scenic rivers, preserves, recreation areas, wildlife refuges, and other national areas established by the Congress. The Chairman, Subcommittee on National Parks and Insular Affairs, asked GAO to examine the Federal Government's policies and practices for purchasing title to land versus using less expensive protective methods. This report focuses on the activities of three Federal agencies with major land management and acquisition programs—the Forest Service, Department of Agriculture, and the Fish and Wildlife Service and the National Park Service, Department of the Interior.

The three agencies generally followed the practice of acquiring as much land as possible without regard to need and alternatives to purchase unless specially spelled out in legislation. Consequently, lands have been purchased not essential to achieving project objectives, and before planning how the land was to be used and managed. Because of this practice, Federal agencies overlooked viable alternative land protection strategies such as easements, zoning, and other Federal regulatory controls including the dredge and fill permit program for protecting wetlands administered by the Corps of Engineers, Department of the Army. (See p. 9.)

MAGNITUDE OF FEDERAL LAND OWNERSHIP AND PURCHASES

Over one-third of all the land in the United States is owned by the Federal Government with local and State governments holding a small but growing share (6 percent). Additional land is held in trust for Indians, bringing total public ownership to 42 percent. Most of this was in the public domain and never owned by private individuals (700 million of the 760 million federally owned acres). Thus, some 60 million acres have been acquired. (See p. 1.)

During fiscal years 1973–77, the National Park, Forest, and Fish and Wildlife Services acquired full or partial title to 2.2 million acres for $606 million. The predominant acquisition method used was purchase of full title, accounting for 88 percentage of the acreage and 95 percent of the costs. Current legislation authorizes up to $10 billion through the Land and Water Conservation Fund—$4 billion for Federal acquisition and $6 billion for grants to State and local governments—for land acquisition and development over the next 11 years and assures that Federal agencies as well as State and local governments, will continue to increase their inventories of land. (See p. 5.)

COSTS AND IMPACTS SHOULD BE CONSIDERED IN LAND PURCHASES

Government acquisition of private lands for protection, preservation, and recreation is costly and usually prevents the land from being used for resource development, agriculture, and family dwellings. It also removes the land from local property tax rolls, although payments are made to local governments in lieu of taxes. (See p. 10.)

Agencies have regularly exceeded original cost estimates for purchasing land. The cost of many projects has doubled, tripled, even quadrupled from original estimates and authorizations. Also, agencies have bought land without adequate consideration of the impact on communities and private owners by viewing acquisition of full title as the only way to protect lands within project boundaries.

For example, for three wild and scenic rivers GAO reviewed, the original congressional ceilings had increased from $11 million to $34 million, an increase of 210 percent. This is in a program where land acquisition was intended to be minimal. Yet, agencies are buying as much land as possible, leading to increased costs and local opposition. (See p. 17.)

NEW LAND PROTECTION STRATEGIES AND OVERALL POLICIES NEEDED

The Federal Government has no overall policy on how much land it should protect, own, and acquire.

When the objectives of a project concern preservation, conservation, or aesthetic values, the Government need not necessarily own all of the land but could control the use of lands by alternative means such as easements and zoning. Alternatives are feasible and have been used successfully. For example, the Forest Service at the 754,000-acre Sawtooth National Recreation Area in Idaho, successfully worked with private landowners, conservation groups, State and local governments, and other Federal agencies to develop a comprehensive master plan for the area effectively combining land use controls, easements, and selected private land acquisition for this project. (See p. 22.)

Although the National Park, Forest, and Fish and Wildlife Services now have policies requiring consideration of less than full-fee acquisition, many agency officials argued that partial interests are costly, ineffective, and administratively burdensome. These feelings could hamper effective implementation of the agencies' policies. Further, their arguments seem to be perceived rather than demonstrated because there has been successful use of acquiring partial interests in land. For example, the Fish and Wildlife Service administers wetland easements on 1.1 million acres in the upper Midwest. While there have been relatively few violations among the 18,000 easements (340 in fiscal year 1976) officials stated that the use of easements provided protection of four times as much land as could have been acquired through full-title purchase.

Alternatives could offer other benefits. Resistance to Federal acquisition should be reduced, since the land will remain on the tax rolls. Residents will retain their homes, obviating relocation costs. Certain agricultural lands could remain in productive use, with the scenic values protected. Finally, the Federal Government would be saved the cost of administering the area although there could be costs associated with enforcement and maintenance. (See p. 23.)

Opportunities also exist to work with State and local governments. For example, when a 52-mile section of the Lower St. Croix River was made a component of the Wild and Scenic River System, local zoning ordinances were changed to provide protection. The Park Service, however, viewed this as only a temporary measure until it could purchase titles and restrictive easements to all the lands in the Park Service's 27-mile section. Costs have increased from the initial legislated ceiling of $7.3 million to the current ceiling of $19 million.

This attitude toward zoning has antagonized local communities and landowners. On the contrary, the States of Minnesota and Wisconsin, which have responsibility for 25 miles, feel easements and zoning can adequately protect the river. Thus, neither plans any major fee-title purchases. In this and several other projects it reviewed, GAO believes the Federal agency could have relied on the local initiatives taken to protect the land until it was evident that the protective provisions would change. At that time, Federal agencies could either protest the change or, if necessary, proceed to purchase lands through negotiation or condemnation. (See p. 30.)

In summary, alternatives to full-title acquisition, such as easements, zoning, and other Federal regulatory controls, are feasible and could be used by Federal agencies where appropriate. GAO recognizes that some lands must be purchased if they are essential to achieving project objectives. (See p. 34.)

RECOMMENDATIONS

GAO recommends that the Secretaries of the Departments of Agriculture and the Interior jointly establish a policy for Federal protection and acquisition of land. The Secretaries should explore the various alternatives to land acquisition and provide policy guidance to land-managing agencies on when lands should be purchased or when alternatives should be used to preserve, protect, and manage national parks, forests, wildlife refuges, wild and scenic rivers, recreation areas, and others.

GAO further recommends that the Secretaries evaluate the need to purchase additional lands in existing projects. This evaluation should include a detailed review of alternative ways to preserve and protect lands needed to achieve project objectives.

GAO further recommends that at every new project, before private lands are acquired, project plans be prepared which—

Identify specifically the land needed to meet project purposes and objectives;

Consider alternative land protection strategies;

Weigh the need for the land against the costs and impacts on private landowners and State and local governments;

Show close coordination with State and local governments and maximum reliance on their existing land use controls; and

Determine minor boundary changes which could save costs, facilitate management, or minimize bad effects.

RECOMMENDATION TO THE CONGRESS

GAO is recommending that the Congress during its authorization, oversight, and appropriation deliberations require the Secretaries of Agriculture and the Interior to report on the progress made in implementing GAO's recommendations. This should include a determination on the extent project plans for new and existing projects have been prepared which, as a minimum,

Evaluate the need to purchase lands essential to achieving project objectives,

Detail alternative ways to preserve and protect lands, and

Identify the impact on private landowners and others.

Congressional oversight in implementation of GAO's recommendations is needed because of the—

Large sums of money available from the Land and Water Conservation Fund for acquisition of private lands;

Practice followed by Federal agencies of acquiring as much private land as possible resulting in unnecessary land purchases and adverse impacts on private landowners;

Successful use of alternatives to full-title acquisition to achieve project objectives; and

Reluctance on the part of many agency officials to use less than full-title acquisition to achieve project objectives.

APPRAISAL OF AGENCY COMMENTS

Four of the five agencies responding—Forest Service, Department of Agriculture; Fish and Wildlife Service, National Park Service, and Heritage Conservation and Recreation Service, Department of the Interior—generally agreed with GAO's recommendations or said they were in compliance. The agencies sharply disagreed with some of GAO's conclusions and defended their practices as being consistent with Congressional intent. (See pp. 37 to 49.)

The Heritage Conservation and Recreation Service stated that what is needed is a thorough research, analysis, and training program to encourage project managers to use alternative land protection strategies. GAO agrees this is needed and should be considered during the development of a new Federal land protection and acquisition policy. (See p. 48.)

Interior's Office of the Solicitor disagreed with the conclusions and recommendations. Its major point was that the recommendations should be addressed to the Congress.

GAO believes the Secretaries of Agriculture and the Interior have the authority to implement GAO's recommendations. Further it should be noted that the National Park, Forest, and Fish and Wildlife Services have adopted separate policies requiring consideration of less than full-fee acquisition. (See p. 48.)

GAO believes the case examples included in the report and appendix I adequately support the conclusions reached. Further, GAO believes that where it is feasible to protect areas and to provide recreational opportunities to the American public by using alternatives to full-title acquisition, then the alternatives should be used. In no way is GAO against Federal full-title acquisition of land when it has been determined that acquiring such lands is essential to achieving project objectives. This is the essence of the report.

Mr. STEVENS. Mr. President, the State of California is a prime example of this trend. California is singled out because of the recent action on H.R. 3757 and because it presents a strong case in point. California is about 100 million acres in size. Fully 47.5 percent of this acreage was owned in fee by the Federal Government as of September, 1978. More than 44 million acres were public domain lands and, in addition, more than 3,400,000 acres had been acquired by purchase, donation, and condemnation. The Forest Service alone has more than 5.5 million acres in fee ownership in California together with an additional 142,000 acres under direct control, but not owned in fee. The addition of Channel Islands National Park would bring the total acreage in California under Forest Service management to almost 5 million acres. I ask unanimous consent that tables detailing the status of federally-owned land in California be made a part of the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Land statistics for the State of California

(As of Sept. 30, 1979)

Total acres of the State	100, 206, 720. 00
In public domain	44, 204, 984. 60
Acquired by Federal Government	3, 404, 655. 00
Total Federal ownership (47.5 %)	47, 609, 639. 60
National Park Service (Dec. 1979):	
Acres owned in fee	4, 483, 982. 25
Less than fee	20. 50
Other public lands w/in NPS areas and subject to regulation	120, 943. 61
Private lands w/in NPS areas and subject to regulation	132, 706. 37
Total	4, 737, 652. 73
National Park Service (Dec. 1979):	
Acres owned in fee	20, 343, 325. 00
Less than fee (less than)	1, 000. 00
Other public lands w/in FS areas subject to regulation including private lands	3, 929, 780. 00
Total (20.3%)	20, 359, 362. 00

Fish and Wildlife Service (Sept. 1979):	
Acres owned in fee	82, 299. 00
Less than fee	5, 830. 00
Public domain:	
Primary jurisdiction	419. 00
Secondary jurisdiction	11, 466. 00
Joint jurisdiction	125, 702. 00
Total	225, 716. 00
Bureau of Land Management (Dec. 1979):	
Lands owned in fee	16, 210, 000.00
Less than fee (mineral rights)	3, 584, 897. 00
Other public lands w/in BLM areas subject to regulation)	(unknown)
Private lands w/in BLM areas subject to regulation	17, 600. 00
Total	19, 812, 497. 00

Lands owned in fee title as of December 1977

Department of Agriculture:	
Agricultural Research Service	352. 7
Soil Conservation Service	107. 1
Department of Commerce:	
National Oceanic and Atmospheric Administration	18. 1
Energy Research and Development Administration	7, 692. 7
Federal Communications Commission	120. 0
General Services Administration	965. 3
Department of Health, Education, and Welfare:	
Health Services Administration	37. 2
National Institute of Education	12. 4
Social Security Administration	8. 8
Department of Housing and Urban Development:	
Office of the Secretary	2. 7
Department of the Interior (other than already presented):	
Geological Survey	12. 3
Bureau of Indian Affairs	260. 4
Department of Justice:	
Immigration and Naturalization Service	47. 7
Bureau of Prisons	639. 7
Department of Labor:	
Manpower Administration	. 3
National Aeronautics and Space Administration	1, 151. 2
United States Postal Service	471. 7
United States Coast Guard	4, 291. 7
Federal Aviation Administration	962. 0
Bureau of the Mint	3. 9
United States Information Agency	1, 760. 8
Veterans Administration	2, 275. 0
Water and Power Resources Service (Bureau of Reclamation):	
Acres owned in fee	193, 985
Less than fee	11, 059

Army Corps of Engineers; Wet lands under permit jurisdiction, acreage unknown.

Mr. STEVENS. In California close to 60,000 acres are listed for further Federal action because of classification as "Threatened Natural Landmarks." Proposals for Federal acquisition in the Big Sur, Lake Tahoe, Irvine Coast, and the Great Basin Park would push the total Federal ownership in the State to over 50 percent.

Since the inception of the Land and Water Conservation Fund, the Federal Government has obligated to California in matching funds almost $160 million as of December 1979. Government funds, Federal and State, obligated to acquire non-Federal lands in California during this period totals almost $842 million and has resulted in the acquisition of more than 401,000 acres. This sum represents Land and Water Conservation Fund activities only. Under conservation programs other than the Land and Water Conservation Fund, nearly 645,000 additional acres in California have been acquired by the Federal Government at a cost of more than $222 million. These figures do not include military acquisitions. I ask unanimous consent that tables, detailing the cost and acreage figures given, be made a part of the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FEDERAL DOLLARS FOR THE ACQUISITION OF PRIVATE LANDS IN CALIFORNIA UNDER THE LAND AND WATER CONSERVATION FUND (AS OF DEC. 30, 1979)

Federal Programs in the State Obligated

Federal agency	Acres	Cost
National Forest Service	73, 256. 07	$47, 810, 078
National Park Service	175, 081. 86	543, 872, 236
Fish and Wildlife Service	16, 360. 63	9, 834, 560
Bureau of Land Management	2, 877. 16	795, 798
Total	267, 575. 72	602, 312, 672

State Programs (50-Percent Match to Federal Funds) Obligated

Type of project	Number	Federal funds	State funds
Planning	10	$1, 625, 933. 56	$812, 966
Acquisition	261	91, 703, 855. 66	48, 851, 927
Development	435	60, 046, 991. 78	30, 023, 495
Redevelopment	4	287, 526. 00	143, 763
Combined	3		
Total	713	159, 664, 307. 00	79, 832, 151

Total acres, 133,579.2.

	Acres	Amount
Total government funds obligated for the acquisition of private lands under the land and water conservation fund in the State of California		$742, 868, 454. 66
Total acres acquired by this program	401, 154. 92	
Total funds committed to this program in the State of California		841, 809, 130

UNDER PROGRAMS OTHER THAN THE LAND AND WATER CONSERVATION FUND

Federal agency	Acres	Cost
Fish and Wildlife Service:		
Migratory bird fund:		
Acquisition in fee	33, 295	$6, 672, 000
Acquisition of leases and easements	4, 308	845, 000
Total	37, 603	7, 517, 000
Bureau of Land Management (since 1969 only)	23.7	23, 500
Bureau of Reclamation (since 1902 only)	291, 120	100, 541, 000
National Forest Service:		
Weeks Act	123, 062	966, 722
Receipts Act	30, 388	1, 282, 938
Total	153, 450	2, 249, 660
Department of Defense:		
U.S. Army:		
Corps of Engineers:		
Military	1, 041, 764	8, 345, 000
Civil	162, 675	96, 176, 000
Total	1, 204, 439	104, 521, 000
U.S. Navy	488, 478	144, 850, 000
U.S. Air Force	379, 786	33, 679, 000
DOD total	2, 072, 703	283, 050, 000
National Park Service (prior to 1965)	(1)	15, 821, 473

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1 Not available.

GOVERNMENT DOLLARS FOR CONSERVATION PROGRAMS IN CALIFORNIA

	Amount
Land and water conservation fund	$841, 809, 103
Federal acquisition other than LWCF	222, 328, 633
Total	1, 064, 137, 736

Note: These figures do not include the cost of operation and management of the programs over the life of the program. Neither do these figures include such costs as legal fees, relocation assistance, Federal in-lieu of tax payments, or other actual costs associated with land acquisition.

Mr. STEVENS. With the passage of H.R. 3757 this Congress has in effect taken out of production a 53,000-acre cattle ranch which has been in private family ownership for 78 years and 3 generations. This action further depletes the amount of productive agricultural land in a State which lost 1.5 million acres of agricultural land between 1967 and 1977. The loss of the agricultural land base nationally is of grave concern. Between 1950 and 1967 this country lost at an average annual rate, 1.14 million acres of agricultural land per year. Between 1967 and 1975 this rate of loss accelerated to 2.08 million acres per year.

We have lost nearly 5 percent of the private cattle land in this country since 1965 by direct Federal land acquisition. It is estimated that we have also lost an additional 5 percent of the private cattle land in this country due to Federal land regulations on private cattle ranching.

Shrinkage of the supply of agricultural land for production will drive the price of food up as a natural result of the law of supply and demand. Increasing food costs add significantly to inflation and have a measurable impact on low-income family food dollars.

With the increased Government acquisition of private lands from the tax base of the State of California there are direct and measurable demands to increase property taxes on remaining private lands to offset the reduction in supply. This is curious in the State whose citizens developed and passed a proposition to reduce property taxes which later became a national tax revolt.

The Park Service estimates that it will cost $25 million to acquire the privately held lands in Channel Islands National Park. Can this estimate be trusted? Past experience indicates that it cannot. Private appraisers indicate the cost may be as high as $40–$50 million based on comparable sales in the area. The Park Service estimate for land acquisition under the 1968 Redwood National Park Act was $92 million. By December of 1978, $190 million in land and cash had been awarded to private landowners with another $58 million in claims still pending. The Comptroller General in the report previously cited found four similar examples of badly understated estimates. The four examples are the Eleven Point Wild and Scenic River, the Sawtooth Nation Recreation Area, the Lower St. Croix National Scenic Riverway and the Rouge Wild and Scenic River. The Park Service estimated that acquisition in these parks would cost $30.8 million. The actual acquisition cost was $82 million.

Will Congress be able to trust the figures which will shortly be presented for acquisition in the Big Spur, Lake Tahoe, Irvine Coast, and the Great Basin Park areas? Experience shows that reliance on figures presented by the proponents of such parks would be misplaced and that we can expect to ultimately spend from 50 percent to 100 percent more for acquisition than is originally estimated. I ask unanimous consent that a chart detailing these new areas under consideration for acquisition in the State of California be printed in the Record.

There being no objection, the chart was ordered to be printed in the Record, as follows:

New areas under consideration in State of California

The Orange Coast National Urban Park (Irvine Coast):

Parcel No. 1, 1,349 acres of private land.

Parcel No. 2, 3,667 acres of private land.

Parcel No. 3, 989 acres of private land.

State of California has already purchased 1,898 acres of private land in the center of the area under consideration at a cost of $32.6 million. This is ocean front property and was sold at bargain sale price for tax purposes.

(Estimated cost per acre in open market is $20–$25,000):

State of California has also obtained an option on 393 acres at $3.25 million of upland property again at bargain sale prices for tax purposes.

(Estimated cost per acre in open market is $10–$15,000):

Total estimated cost for this proposal, based on comparable sales is:

Federal purchase, $120.1–$150.125 million.

State purchase, $38.85–$40 million.

Lake Tahoe National Recreation Area (Forest Service):

On California side alone this proposal would include 27,000 acres at an estimated cost of $44–$200 million.

Big Sur National Scenic Area (Forest Service):

Area would include 40 to 60 miles of coastline from the highwater mark on the ocean border to the ridge or crest line of the mountains inland. It is estimated that between 35–45,000 acres of private land would be within the area in addition to part of the Los Padres National Forest. This does not include the Hearst Ranch of 77,000 acres which has been discussed in some proposals.

Total area under consideration would be in excess of 300,000 acres.

There are no cost estimates on this proposal at this time.

The Great Basin Park (National Park Service):

Although mostly federal land the creation of this park would seriously endanger existing cattle lands and mining interests. This park involves four states and is 150–170,000 acres. No cost estimates.

Mr. STEVENS. Mr. President, neither the Congress nor the American public is being properly informed on the true cost of the acquisition of private land before decisions to acquire are made. The figures I have cited are for acquisition only. The costs of development, management, legal services for Government and the landowner, additional Federal employees and relocation are not included and these costs are substantial. The lost property tax revenue to local jurisdictions and the Federal in-lieu of tax payments are not included and these costs are also substantial. Finally there are high social costs. Thousands of American families have lost their homes and dreams to their Government's malignant appetite for private land. There are over 21,000 condemnations pending in the Department of Justice. Over half are Declarations of Taking. Under a Declaration of Taking, title is taken before the owners are paid for their land, which in practice denies owners the opportunity to argue the Government's right to take away their homes and heritage.

When is enough enough? When do we stop taking land from private ownership and putting it into public ownership?

Federal ownership of land in the State of California alone is approaching 50 percent. State ownership in California represents an additional 7 percent. Mr. President, it is time that the Senate and this Nation stop and come to grips with these serious questions. A national policy is urgently needed. Last year a number of members of this body joined me in requesting special oversight hearings into federal land acquisition policies and practices. The chairman of the Senate Committee on Energy and Natural Resources has agreed to hold those hearings and I am hopeful that they will be scheduled soon. Twenty-six Members of the House, over half of which are from the majority party have requested similar hearings.

Mr. President, this problem deserves the urgent attention of this body and the Nation, before it is too late to recoup the serious damage being done.

STATEHOOD FOR PUERTO RICO

Mr. STEVENS. Mr. President, the March 10 issue of Newsweek contains a guest editorial by George McDougall, special assistant to the Governor of Puerto Rico entitled, "The Case for the 51st State." The editorial makes a very persuasive and telling argument in favor of statehood for Puerto Rico. Coming from a State which fought a long and sometimes frustrating battle for statehood, I found the points made by Mr. McDougall particularly persuasive. I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From Newsweek, Mar. 10, 1980]

The Case for the 51st State

"But aren't you an American?"

Mainlanders are almost invariably puzzled to encounter a Midwestern anglo among the senior aides to the governor of Puerto Rico.

"Sure I'm an American," I reply, "just like the rest of the people in Puerto Rico."

Then I launch into a stern little discourse of identity.

We seem able to accept the notion that Zbigniew Brzezinski and Henry Kissinger are Americans, albeit of foreign extraction. Down in the Caribbean, though, on an island about the size of Connecticut, there dwell over 3 million *natural-born* United States citizens who are, by and large, completely overlooked as American, even though upwards of 2 million of their kinfolk make their homes in the 50 states of the Union. In the nine years since I moved to Puerto Rico, I have grown increasingly impatient with the pervasive national misconception that Puerto Ricans are "foreigners." They are no such thing. In 1917, Congress, acting unilaterally, conferred American citizenship upon them.

There is more to Puerto Rico than rum distilleries, poverty, sunshine and occasional terrorism. Yet these have long seemed to be the only images the island calls to mind among most mainlanders. Now that Puerto Rico may soon seek admission to the Union as the 51st state, this ignorance must be replaced by awareness of a compelling—and inspiring—set of facts.

Gateway: Puerto Rico's four centuries of neglect as an impoverished military outpost of the Spanish empire ended in 1898, to be followed by four decades of neglect as an impoverished American haven for absentee sugar-plantation owners. Then came World War II, and Puerto Rico's strategic significance as the gateway to the Caribbean finally prompted Washington to pay the island some long-overdue attention. Embracing this opportunity, the island's people demanded, obtained and have since enthusiastically exercised a substantial degree of local self-government, which has enabled them to develop a multibillion-dollar industrialized economy.

Nonetheless, Puerto Rico is often still depicted as just another sleepy tropical backwater, an indolent "welfare island" subsisting on Federal largesse—an anachronistic vision that is as insulting as it is erroneous.

Fact: Puerto Rico has a favorable balance of trade with the rest of the United States, primarily because of its thriving manufacturing sector, spearheaded by sophisticated growth industries such as pharmaceuticals and electronics. Far from draining dollars from the national treasury, Puerto Rico purchases goods and services from the U.S. mainland in amounts that significantly exceed its income from Federal programs, and is thus directly responsible for the existence of hundreds of thousands of jobs held by residents of the 50 states.

Fact: Despite the insensitivity and outright prejudice they often encounter among mainlanders, Puerto Ricans have demonstrated their loyalty in four wars and currently lead the entire nation in meeting the recruitment goals of the all-volunteer Army.

Fact: Though it has a population density fifteen times that of the nation as a whole, as well as a total lack of mineral resources, Puerto Rico has advanced despite pockets of poverty to a level of prosperity unequaled anywhere south of the Rio Grande.

Yet the doubts persist. Again and again, I am asked the same old questions: Might not a Spanish-speaking state become another Quebec? Isn't Puerto Rico too "different," too far away, too "un-American" and still too poor?

Well, certainly Fidel Castro would encourage you to believe so. He and his Soviet sponsors have been agitating for twenty years to have Puerto Rico forcibly separated from the United States. Cuba has lent all manner of aid and comfort to a handful of pro-independence terrorists whose strategy is to provoke an anti-Puerto Rican backlash on the U.S. mainland, since they know they have no public backing within Puerto Rico itself. The Castroite Puerto Rican Socialist Party polled 0.7 per cent of the vote in the island's most recent election, in which 85 per cent of the electorate cast ballots—a voter-participation rate approached nowhere else in the United States.

So what do we do when the Puerto Ricans submit their bid for statehood? Do we welcome them, or do we make a mockery of our oft-proclaimed commitment to democracy and self-determination by denying equality of political rights to a community of our own citizens? Do we build a bridge to the emerging economies of Latin America by admitting a state that is ideally suited, geographically and culturally, to serve as a center for expanding inter-American trade, finance and friendship? Or do we further erode our influence and strategic position in the Caribbean basin through a policy of delay or denial, which would inevitably propel a proud people in the direction of eventual independence?

Clout: Cultural and geographic arguments were used against statehood for Alaska and Hawaii, too, but the last twenty years have demonstrated just how absurd those arguments were. As they came into the mainstream of national affairs, and gained political clout through the acquisition of senators, representatives and the Presidential vote, both jurisdictions enjoyed unprecedented economic progress. There is no reason why Puerto Rico should be different.

Even though they will not be able to vote for President next November, some 1 million Puerto Ricans are participating in the island's first-ever Presidential primaries this winter, further underscoring their desire to share fully in the life of our nation.

The vestiges of colonialism that sully our relationship with Puerto Rico should be an embarrassment to us all. This people's commitment to a private-enterprise economy and a democratic system of government, as well as the best interests of the nation as a whole, should spur us to action: we must stop viewing Puerto Ricans as strangers and begin instead to acknowledge their extraordinary achievements by preparing to ratify their legitimate claim to dignity and respect as fellow Americans.

INTERNATIONAL TERRORISM

Mr. STEVENS. Mr. President, the latest outrage of international terrorism in the taking of the hostages in Colombia illustrates just how seriously this situation has gotten out of hand.

First, militant students in Iran took over the U.S. Embassy and today marks the 122d day our U.S. personnel have been held in captivity there. Now it is the same in Colombia and the American people are left asking, "When and where next?"

It seems that this country is surrendering to international terrorism. We are letting the fate of our American personnel overseas rest in the hands of criminals of the worst stripe. It is a situation which cannot continue. We must act now to do whatever is necessary to prevent this kind of action being taken against innocent men and women engaged in the peaceful representation of our country in various parts of the world.

Yesterday's New York Times contained an excellent editorial by William Safire entitled, "Mistakes In Iran." The article offers a rundown of the events that led to the unfortunate predicament in which we find ourselves today with respect to Iran. I agree with Mr. Safire's point that our surrendering to international terrorism has, in fact, prolonged rather than curtailed the bondage of our American hostages. Something needs to be done about this and I, for one, call upon the administration to assert itself in a way that will insure the safety of those presently in captivity, and will prevent the future taking of other Americans abroad.

I ask unanimous consent that Mr. Safire's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mistakes in Iran

(By William Safire)

Washington.—The U.S. and U.N. appeasement of terrorists who seized diplomats in Iran has encouraged other terrorists to seize 16 ambassadors in Colombia. That's only the beginning.

An enumeration of some of our mistakes in Iran:

(1) When the U.S. Embassy in Teheran was invaded over a year ago, the Carter Administration failed to make clear that we would resist future violations of our territorial integrity. The Carter men did not want to offend Ayatollah Khomeini, whom they had helped to power by blocking a coup of Iranian generals. That tolerance of the first embassy take-over encouraged the second take-over in November.

(2) When our diplomats in Teheran advised Washington that admission of the Shah to the U.S. for medical treatment might provoke attacks, the Carter State Department failed to reduce the U.S. Embassy staff or to direct the securing of our records. On the contrary, the Administration urged American businessmen to increase their vulnerability.

(3) When assured by the interim Prime Minister that our embassy would be protected, the Carter men completely misassessed the political realities in Iran. Worse, Zbignew Brzezinski's meeting with Prime Minister Bazargan in Algeria one week before the hostage seizure was a blunder that helped the radicals bring down the well-meaning moderate.

(4) When our embassy was invaded and our citizens kidnapped, Defense Secretary Harold Brown rejected a plan to land two planeloads of U.S. commandos in Qum to counter-kidnap the Ayatollah Khomeini—then lightly guarded—so as to arrange a trade. On the contrary, as a future Congressional investigation will show, Mr. Brown ordered the Joint Chiefs to send the carrier Midway, then in the Indian Ocean, *farther away from Iran*, lest the terrorists think that U.S. military force might be applied. Meanwhile, President Carter erred by publicly ruling out the use of force, thereby strengthening the kidnappers' hand.

(5) When Mr. Carter sought to negotiate with the terrorists, he designated as his representatives Ramsey Clark, the friend of Hanoi who had been soliciting the Ayatollah's legal business, and William Miller, the Mondale ally who had done so much to cripple the C.I.A. This signal of obsequiousness was met with contempt and the Carter envoys were snubbed.

(6) When urged by U.S. hawks to embargo food to Iran, which would have caused scarcities and raised prices in Iran and shown that kidnapping Americans was not without its drawbacks, Carter officials said it was "ridiculous" to use food as a weapon (a policy later reversed in regard to the Soviet Union). Instead, much fanfare accompanied feeble attempts to harass Iranian students here and to order Iranian diplomats to leave; both posturings were soon abandoned.

(7) When mild economic sanctions were finally announced, the Soviet invasion of Afghanistan—invited by the display of American weakness both in Cuba and in Iran—provided the Carter men with an excuse to rescind their threat of minor pressure on the terrorists. Instead of holding to his position that the return of the hostages would not in itself settle the score for the act of war against the U.S., Mr. Carter flip flopped, letting it be known that not only would all be forgiven, but that U.S. aid to Iran would commence. This was, in effect, a ransom offer, further underscoring our desperation.

(8) When the Shah—an ally President Carter had once embraced as a great friend—became an embarrassment, White House political operatives arranged to hustle him out of the country to Panama; Iranian Foreign Minister Ghotbzadeh accurately called this American acquiescence to Iran's pressure "a great victory."

(9) When he felt the hot breath of Senator Edward Kennedy urging more concessions, Mr. Carter agreed to a U.N. forum for an anti-Shah, anti-U.S. publicity orgy. The quid pro quo for this world obeisance to kidnappers was supposed to be the release of the hostages. Now even that policy of preemptive concession has failed.

The "gentlemen's agreement" with Mr. Ghotbzadeh was negotiated in Paris by Hamilton Jordan and Harold Saunders, the State Department's friend of the P.L.O. But Jordan and Saunders were unfamiliar with the Persian trick of agreeing first and negotiating afterward. The supposed deal of commission-for-hostages was promptly dishonored; now the commission is under pressure to deliver the right pro-kidnapper propaganda before, rather than after, the hostages are set free. Which brings us to this week's mistake:

(10) When the "gentlemen's agreement" was broken, Mr. Carter failed to call for the immediate return of the U.N. panel. Instead of thus putting pressure on the kidnappers, he was suckered again by the Bani-Sadr/Ghotbzadeh nice-guy/tough-guy routine.

One result of the surrender to terrorism has been to lengthen rather than shorten the hostages' stay in bondage. The other result is the kidnapping of 16 more diplomats last week and the threat to thousands of other innocents in years to come.

REPUBLICAN ECONOMIC POLICY STATEMENT

Mr. STEVENS. Mr. President, this morning the Republican leadership and our appropriate ranking members met with representatives of the President at the request of the administration. One of the things that we presented to that group for its study, was the Republican economic policy statement issued on July 25, 1979.

I stated to our members that I would ask that this policy statement be printed in the Record. Mr. President, I ask unanimous consent that the policy statement be printed in the Record.

There being no objection, the policy statement was ordered to be printed in the Record, as follows:

Republican Economic Policy Statement

INTRODUCTION

Today, a lack of confidence in the ability of the present Administration to develop consistent and reliable economic policies has bred a climate of uncertainty about the health of the U.S. economy and even about the position of the U.S. in the world.

Controlling inflation, cutting taxes, and increasing our national productivity are the main economic concerns of the American people. Senate Republicans are prepared to furnish fresh, optimistic, and decisive leadership to accomplish these objectives.

Our program for balancing the federal budget, reducing personal and business taxes to increase incentives for investment and improved productivity, curtailing regulatory excesses, and other measures to increase investment and job opportunities is in sharp contrast to current economic policies.

In recent months, economic uncertainty has yielded to genuine concern about the danger of a severe recession because:

(1) Inflation has reaccelerated to double-digit levels in this year,

(2) Unemployment has remained very high, and

(3) There is an almost total absence of a coherent national economic strategy and energy policy.

Inflation is eroding the value of savings and wiping out recent increases in personal incomes, while simultaneously increasing the tax burden by forcing Americans into higher tax brackets. Unemployment has persisted in the range of 6 percent for the last year and shows no signs of improvement any time soon. Indeed, it is now expected to worsen considerably. And youth unemployment continues at intolerable levels, particularly in the older cities.

Compounding the problems of worsening inflation and unemployment are the continuing weakness of the U.S. dollar; very high interest rates; the sharp fall-off of R & D investment; and the virtual stagnation of U.S. productivity growth—the key to jobs, rising standards of living and stable prices.

The economic danger before us is very real, therefore, but the Administration seems to lack either the ability or the will—or both—to deal with it. Instead of formulating the needed economic initiatives—to restrain inflation by increased productivity and enterprise; reduce unemployment; reduce the trade and payments deficits; increase the real GNP by bringing the national books into balance; and restore domestic and world confidence in the dollar—the Administration has seemingly chosen a policy of papering over the basic economic illness by market manipulation of the dollar, wage and price exhortation and surrendering on energy policy.

The Administration continues to rely principally upon an almost unintelligible, already unsuccessful program of half-mandatory/half-voluntary wage and price controls and a series of energy programs by which, even if approved, little will be gained in energy sufficiary. The economic hitsory of the world proves the folly of continuance of wage and price controls which distort the economy and incur ultimately greater inflationary pressures. The imposition of wage, price or credit controls cannot be justified except in a time of true national emergency.

Clearly the loss of confidence in the leadership of the U.S. has its roots in a fundamental skepticism about the effectiveness of U.S. leadership.

Senate Republicans believe action is needed now, to avert what could be a major domestic and world economic disaster early in the course of the next decade. There is a need to put before Congress and the people an action program which would be directed to: securing the living standards of the people; reducing unemployment by providing permanent private sector jobs, particularly among minorities and youth; restoring confidence in the U.S. dollar; stimulating capital formation and U.S. productivity as the only enduring approach to stable prices and full employment; reducing the burden of unadjusted federal tax brackets on individuals and corporations; balancing the federal budget; and reducing our dependence on foreign energy sources.

Accordingly, Senate Republicans put forward this "Economic Program for the Decade"—an action program to begin to make right what is so wrong with the U.S. economy.

Budget and taxes

1. It is vitally important that the tax system not operate to reduce the real standard of living of the American people. Therefore, we support substantial phased across-the-board reductions in federal income taxes to encourage incentives for economic growth and job opportunities without inflation and to limit the growth rate of federal spending.

2. Our objective must be to bring the federal budget into balance and to curb future deficits.

3. There should be a mandatory limit on federal spending. A policy of no "real" growth in federal spending through FY 1982 is desirable. The spending limit needs to be sufficiently flexible to allow for national economic and other emergencies.

4. The excessive burden of the national debt must be reduced. Budgets must provide surpluses for this purpose. Receipts from the sale of certain federal assets such as oil leases and surplus federal properties could help accomplish this goal.

5. A thorough review of all federal entitlement programs is necessary to help reduce the rapid growth of federal spending.

6. It is of the utmost urgency that the Social Security system be reviewed and revised so as to ensure the continuation of our financial commitment to our older citizens, the solvency of the trust fund, and to be fair to our younger workers, with particular regard for eliminating fraud and abuse in the disability program and providing relief from escalating payroll taxes.

7. Federal accounting procedures must be changed. The hidden spending of "off-budget" agencies through loans and credits should be highlighted in the Congressional budget.

8. There should be a thorough review of federal budgetary and accounting procedures, with consideration given to applying the accounting procedures of the private sector to the operation of the federal government, to obtain a more accurate picture of the federal budget in terms of capital assets as well as outlays. In this connection, a Task Force on the Federal Budget should be formed to review and make recommendations to Congress and the people on federal budgetary concepts, procedures and standards.

9. To further reduce federal indebtedness the U.S. should be more vigorous in the collection of its debts, domestic and foreign.

Capital formation and productivity

1. Personal savings and investment should be encouraged by incentives, rather than penalized through taxation. There should be universal eligibility for Individual Retirement Accounts of up to $1,500/year. By saving for their own future, Americans would be investing in a stronger, healthier economy.

2. As an incentive for greater savings and investment, a savings interest exclusion should be provided and the present dividend exclusion from federal personal income taxes should be expanded.

3. Government at all levels should revise regulatory systems which presently divert investment capital away from productivity and job creation and divert business enterprise into non-productive purposes.

4. Improved levels of productivity in the private sector are paramount if the United States economy is to make progress in winning the inflation battle. Business incentives toward increased capital formation and investment must be encouraged through business tax reductions, tax credits, and accelerated depreciation allowances. Realistic tax incentives spur investment. Depreciation allowances for plants and equipment, including equipment to meet environmental regulations, should be accelerated and adjusted for inflation, in order to permit depreciation allowances to approximate more closely the true replacement costs rather than historical costs of capital equipment.

5. To increase productivity, the United States must recover its former place as the world's leader in industrial research and development. Tax credits for new R & D expenditures would provide a significant incentive for improved research and development spending. The United States must increase properly conceived federal expenditures for accelerated research and development in order to replenish the nation's reservoir of technology and energy alternatives.

6. Sunset legislation for all federal regulatory agencies should guarantee the periodic review and, if necessary, adjustment of their scope and purpose.

7. The Congress should exercise effective but practicable control over proposed federal regulations to ensure that they carry out the intent of Congress. On the federal level, every proposed regulation should be subject to cost-benefit analysis to ensure that potential benefits are not outweighed by its economic impact.

Employment and unemployment

1. Full encouragement should be given to the highest priority need for work-study programs in high schools and colleges to attack the basic problems related to the high levels of unemployment among several groups, i.e., those lacking the training, education, and the desire to achieve the needed skills for productive employment.

2. Targeted tax credits for hiring the structurally unemployed—similar to the Targeted Jobs Tax Credit enacted last year—provide an important incentive to employers to hire the economically disadvantaged. Full use should be made of these and similar tax credit incentives to reduce unemployment among those segments of the labor force—youth—with disproportionately high unemployment.

3. Cash bonuses for employers should cover part of the costs of bringing jobless Americans into the productive economy. In this regard, CETA's voucher demonstration projects, helping the private sector hire trainees most in need of jobs, should receive a greater percentage of CETA funds.

4. Labor and management should cooperate to strengthen and expand training and apprenticeship programs in the skilled crafts, especially in small businesses, and measures to improve productivity with appropriate participation by each in the avails of such improvements.

5. Labor-management councils, bringing employers and employees together to improve working life conditions, should be encouraged.

6. The Private Sector Initiative Program (Title VII of CETA) should be expanded, so that persons trained in this program can have better opportunities for career development.

7. The charter of the U.S. Employment Service should be revised to foster better coordination with other federal activities, especially those conducted under CETA.

8. Part-time and flexi-time work schedules deserve greater use to accommodate workers and their families with special economic and domestic situations.

9. A youth differential in the Minimum Wage, with appropriate safeguards against displacement and only for a limited period of time, could have a significant impact on youth employment.

10. Regulation and paperwork requirements must be simplified for all business and construction activities in order to increase employment opportunities through reduced overhead costs.

International trade and monetary policy

1. The Federal Government, with active participation by leadership from the private sector, should develop and implement a comprehensive national export policy to promote aggressively the export of U.S. goods and services and to defend U.S. trade interests.

2. Export licensing procedures should be simplified, streamlined, and better defined. There should be a firm commitment to control the export of advanced technology to non-market nations in accordance with the provisions of the Export Administration Act. We remain committed to the principles of free emigration before Most Favored Nation Status can be extended.

3. A broad effort should be launched to assist smaller businesses to participate in exporting, beginning with reform of the Webb-Pomerene Act.

4. We advocate elimination of export subsidies through international negotiations, acknowledging the impediments to this process. Until such subsidies are eliminated, we should take appropriate steps to support

American industry in world markets through organizations such as the Export-Import Bank and the Commodity Credit Corporation.

5. Improved trade relations within the Americas are urgent and necessary for our mutual well-being. Therefore, the United States must begin to emphasize the importance of hemispheric trade. To that end, we urge the creation of a Western Hemispheric Economic Commission to study ways and means of joining together with our neighbors to ease and facilitate such trade to our mutual benefit.

6. The U.S. must work actively with Japan and other surplus countries to check continued undisciplined trade surpluses and also to remove nontariff barriers to trade. Failure to resolve this problem may cause political pressure for protective measures to become irresistible.

7. The DISC tax incentive for U.S. businesses should be retained, and other tax incentives for exports should be provided, as long as our overseas competitors maintain similar export subsidies. Special provision for U.S. citizens working abroad is essential to maintain our competive position.

8. The Federal Government should systematically monitor imports to anticipate future trade problems before they cause the shutdown of American plants and the loss of jobs. To this end, we recommend trade adjustment assistance to provide more timely and equitable relief to labor and industry.

9. U.S. monetary policy must be based on a firm commitment to a strong and stable dollar. This means money supply growth based upon the real growth in the economy. A strong dollar requires improvement in our economic fundamentals: a lower inflation rate, an improved trade balance, and a significant reduction in oil imports through domestic production, conservation and effective measures to deal with the OPEC Trust.

10. In protecting the dollar from sudden or severe fluctuations on foreign exchange markets, we should support vigorous intervention in the operations of the foreign exchange markets. High interest rates are a direct result of inflation with its excess money supply growth. A strong dollar will mean lower interest rates and less inflation. To this same end, the desirability of gold sales by the Treasury and the policy of "demonetization" of gold should be reevaluated.

11. The International Monetary Fund should exercise more effective surveillance of surplus economies and should work more closely with commercial banks.

12. The transactions of U.S. banks in the Eurocurrency markets should be more closely evaluated.

13. The U.S. should resume its leadership role in the international monetary system. We should convene world financial leaders to develop a long-term plan for the evolution of the present monetary order into a true multi-currency reserve system characterized by stability in exchange rates and minimal world inflation.

Mr. STEVENS. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes remaining.

Mr. STEVENS. Mr. President, I yield that time to my good friend from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting minority leader.

Mr. President, there is one order remaining, I believe, for the recognition of Mr. HARRY F. BYRD, JR.

The ACTING PRESIDENT pro tempore. That is correct.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for recognition of the Senator from Virginia (Mr. HARRY F. BYRD, JR.) that there be a period for transaction of routine morning business and that it may extend not beyond 30 minutes and that Senators may speak therein up to 10 minutes each.

The PRESIDING OFFICER (Mr. STEVENSON). Is there objection? Without objection, it is so ordered.

RECOGNITION OF HARRY F. BYRD, JR.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

MAJORITY LEADER EMPHASIZES IMPORTANCE OF BALANCED BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, I commend the able majority leader for his strong statement over the weekend emphasizing the importance of Congress and the President to enact a balanced budget for the fiscal year which begins October 1. The majority leader's statement was a strong one. It dramatized the importance of a balanced budget and asserted that the Congress would enact a balanced budget.

I think that is a significant statement, an important one, and the strong and able voice of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) will have a significant impact on what Congress does.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for his comments.

PRESIDENT CARTER'S BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, it was only a few days ago—34 days ago—that President Carter submitted budget proposals dealing with both additional funds for 1980 and the new budget for fiscal 1981. The Carter spending proposals provide for a $68 billion increase in Federal spending.

Mr. President, that is just totally irresponsible, a $68 billion increase in spending. Included in these proposals are new programs costing huge sums of money.

Mr. President, I think the administration now realizes that it totally misjudged the sentiment of the American people and the sentiment of Congress—hopefully. the sentiment of Congress—when it submitted proposals for such huge spending increases.

The New York Times, on Thursday, February 28, exactly 30 days after the Carter proposals were presented, had an editorial captioned "The Case For a New, and Balanced, Budget."

Now, that is the New York Times. I have been reading the New York Times since I was a student at the University of Virginia many years ago. Never have I known that newspaper to advocate a balanced budget.

The New York Times says this:

> If Government is ever to balance its books, now is the time.

It goes further to state:

> New social programs could be postponed. Old ones can be held down.

Undoubtedly, the Carter administration greatly misjudged the sentiment in this country.

I hope it will submit a new budget. The President, however, cannot balance the budget alone. It takes both the President and the Congress. Congress must be willing to make painful decisions. It must be willing to cast some unpopular votes.

There are many areas where the budget can be cut. Just to mention one, take the question of foreign aid. Much too much money is being spent on foreign aid. There should be very sharp reductions in foreign aid programs.

Another place where large sums can be saved is by eliminating the CETA public service jobs as of September 30, 1980, and reduce the title II(d) jobs by 25 percent below the budget for fiscal year 1981. That would save $2.6 billion.

Another area: Delay the President's youth jobs incentive. That would save $400 million.

Another area: Enact limitations on higher education assistance and cap opportunity grants at $1,800. That would save $200 million.

Another area ripe for savings to the taxpayers: Maintain the $2.5 billion spending cap on social services.

These are just a few programs that I mention where large sums can be saved.

In function 600, income security, Congress should eliminate the national trigger for extended unemployment benefits. That would save $2 billion.

It should maintain the spending cap on food stamps. That would save $3.5 billion.

It should deny the increase in all housing assistance programs. That would save another $1.2 billion.

So there are many areas all through the budget where huge savings can be made and must be made if the budget is to be balanced.

Mr. President, the Washington Post a week ago Sunday had as its lead editorial an editorial saying this:

> If President Carter wants to move fast on inflation, he has only one lever that will make much difference: He will have to start cutting his budget, rapidly and severely, not only next year's budget but the current one.

I found that editorial rather astonishing, agreeably astonishing, I might say. I addressed a letter to the editor of the Post. I ask unanimous consent that that letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 25, 1980.

EDITOR, THE POST: Seldom have I been more astonished—agreeably—than in reading the lead editorial of Sunday's Washington Post: "If President Carter wants to move fast on inflation, he has only one lever that will make much difference. He will have to start cutting his budget, rapidly and severely—not only next year's budget but the current one."

On January 28, President Carter proposed a $68 billion increase in spending—and a smashing deficit.

He said, in effect, to hell with the law—namely Public Law 95–435, signed by the President on October 10, 1978. Section 7, which I wrote and steered through the Congress, says: "Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts".

If the Congress and the President will obey their own law, namely Public Law 95–435, they will become inflation fighters. As The Post so accurately asserts, there is no "painless way to end this inflation"—but the essential lever is to start cutting Mr. Carter's budget proposals—"rapidly and severely".

This conservative Senator from Virginia welcomes the great influence of the liberal Post in this essential endeavor.

HARRY F. BYRD, JR.,
U.S. Senator, Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

RHODESIA

Mr. HARRY F. BYRD, JR. Mr. President, this mornings newspapers heralded the Rhodesian election victory of pro-Russian Marxist Robert Mugabe.

The ascendance to power by Robert Mugabe signifies the consolidation of the Russian position across the northern tier of southern African states.

The neighboring country of Zambia is acquiring a squadron of Russian MIG–21 aircraft. Mozambique and Angola are already under effective Soviet control.

We are seeing the fruit of the misdirected and unwise African policies of the Department of State. U.S. foreign assistance to Zambia has made possible the purchase of Soviet weapons.

The wholly unjustified trade embargo against pro-Western Rhodesia and the many other interferences of the Department of State in Rhodesian affairs have succeeded in destabilizing Rhodesia and preparing the way for Russian control of the resources of southern Africa.

During the early days of empire building in Africa, the kingdom of Portugal sought domination of southern Africa by obtaining control first of Mozambique and Angola and then of the interior territories between those two coastal nations. Portugal did not succeed.

Russia has followed the same basic plan. First, Russia obtained control of Mozambique and Angola using Cuban surrogate forces. Now, Russia is on the verge of seizing control of the interior territories, namely, Rhodesia and what was formerly Northern Rhodesia, Zambia.

Control of these nations will allow Russia to cut Africa in half and will isolate southern Africa and the remaining critical resources of Africa not now under Russian domination.

Chrome, vital to any industrial economy and essential for modern military defense, is found in significant quantities only in Russia, Rhodesia, and South Africa.

Russia now effectively controls two of the three sources. Russia will seek to obtain control of the third source either through insurrection and overthrow or through neutralization and coerced cooperation.

There are alternate sources of energy which can replace petroleum. Petroleum reserves exist literally throughout the globe.

There are no alternate materials for chrome and for other critical minerals found in South Africa. Their sources are not located worldwide.

In addition to chrome, the strategic resources of southern Africa are of much importance to the United States and the free world.

The loss of Rhodesia is a grave blow to the West and to the United States.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

ELECTIONS IN RHODESIA

Mr. TSONGAS. Mr. President, I would like to call the attention of my colleagues to the election which took place over the weekend, the details of which were announced this morning, in Zimbabwe-Rhodesia.

The election results were as follows: 94 percent of the eligible population, 93.6, to be exact, voted in the election. Mr. Mugabe won 57 seats for his Zanu Party, which is a majority not only of the black vote but of the Parliament as a whole; Joshua Nkomo won 20 seats, and Bishop Muzorewa won 3, for a total of 80, which does not include the 20 seats in Parliament controlled by Mr. Ian Smith.

It is interesting to contrast that with the result of the elections in April of last year when 64 percent of the population turned out to vote in the so-called internal settlement election. In that particular contest, Mr. Mugabe and Mr. Nkomo did not participate. Bishop Muzorewa won 51 of the 72 seats that were then open to blacks.

I find it fascinating that when there was a 64-percent turnout, some of my colleagues flocked to the floor to talk about what a fantastic turnout that was, comparing it with the rather unhappy state of affairs in this country in terms of our voter turnout. Now it is not 64 but it is 94, and yet those same people are not here now to offer a comment on the turnout.

Mr. President, the Senate voted to lift sanctions against Rhodesia-Zimbabwe as a result of those April elections. We were saved from our folly by the House. I recommend Congressman STEPHEN SOLARZ, who was doing over there what I was unable to do over here. And that was to point out the ideology, not the rhetoric, but the reality of what is taking place in Africa. The reality now is that Mr. Mugabe has won, he has won overwhelmingly. Bishop Muzorewa, who was patronized by Members of the Senate, goes from 51 seats to 3 in an election with a complete turnout.

I ask unanimous consent to have printed in the RECORD at this point the articles in the Washington Post of March 3 and 4, 1980, as regards the election and as regards the Commonwealth observers and their determination as to the freedom and fairness of the election.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

COMMONWEALTH OBSERVERS FIND RHODESIAN VOTE FREE, FAIR

(By Caryle Murphy)

SALISBURY, RHODESIA, March 2.—The Rhodesian national election held last week received its most important endorsement today when a British Commonwealth observer team announced it had found the process to be free and fair.

The 11-member team criticized Britain for a "lack of a sufficient degree of impartiality" toward all the parties contesting the election and some "deficiencies in implementation" of the peace agreeent signed last December in London. But its conclusion about the fairness of the election has given London important support for acceptance of the results by the Commonwealth and the rest of the international community.

[In Washington, Secretary of State Cyrus Vance congratulated Britain on successful completion of the election.

["We urge the forces on all sides to exercise restraint during this historic moment. Any attempt to abort the political process would be condemned by the world community," he said. 'We therefore urge the parties to the process in Zimbabwe and all nations to respect and support the electoral outcome."]

With the vote counting set for Monday, there is widespread speculation among observers from many countries that Robert Mugabe may have garnered an even larger percentage of the vote than expected.

Interest is centered on which leader British Governor Lord Soames will ask to form the first independent government. The white Rhodesian establishment and the British administration here have privately indicated a preference for a coalition of parties that would exclude the Marxist Mugabe.

Mugabe, however, declared today that even if his party won only 35 of the 80 black seats in the 100-member National Assembly, Soames was "duty-bound" to call on him first to form a government.

"He has to call upon me first," said Mugabe, adding later that he hoped his former guerrilla partner, Joshua Nkomo, would join him in a coalition government. Mugabe said he has asked Nkomo to do so but had not yet gotten an answer.

Indications that Mugabe may have topped the voting results came today in statements from various parties. While Mugabe told reporters he thought the amount of intimidation surrounding the election "had no effect on the results," officials of three other parties, including Nkomo's Patriotic Front and Bishop Abel Muzorewa's United African National Congress, told newspapers they would not commit themselves yet to accepting the results because of the widespread intimidation.

In an indication of the delicate position Mugabe faces even if he does win the election, he also said he would like Soames to stay after the installation of a new black-majority government. He cited two reasons: to give confidence to the whites that the black-run government will not make "mincemeat" out of them and to act as deterrent against any attempt to stage a white-led coup.

Mugabe's party has been keenly aware of hard-line opposition with a section of the white establishment, in particular in the white-led armed forces. Their apprehensions were only partly assuaged by a secret meeting last week between Mugabe and the military commander, Lt. Gen. Peter Walls. According to Mugabe, Walls pledged that he would not support military action to stop a legally elected government.

A hasty departure by Soames would mean the British official would leave behind "a situation of potential danger," Mugabe said today. He had returned from a four-day trip to neighboring Mozambique for talks with President Samora Machel, his strongest backer in the seven-year guerrilla war here.

The interim report by 33 observers from 11 Commonwealth countries noted with satisfaction that despite a highly armed population in Rhodesia, there was less violence than had been feared. It said that despite intimidation during the campaign, parties had "adequate opportunity" to get their views across.

Stating that it would be "misleading to apply conventional yardsticks in assessing" a unique situation, the group said, "the election up to the end of polling can be considered to have been free and fair to the extent that it provided an adequate and acceptable means of determining the wishes of the people in a democratic manner."

MUGABE WINS MAJORITY IN RHODESIA

(By Jay Ross)

SALISBURY, RHODESIA, March 3.—Robert Mugabe, an avowed Marxist and leader of African guerrillas who fought a seven-year war to end white rule here, swept to a landslide victory today in elections for a black-majority government.

British officials who sponsored the election confirmed reports that Mugabe won an absolute majority in the 100-seat lower house of Parliament.

Official results are to be announced Tuesday. Counting of ballots from last week's voting began this morning and by late afternoon, Salisbury was swamped with the reports of a Mugabe victory.

One widely circulated report gave Mugabe 56 of the 80 seats contested by blacks, with his former guerrilla partner Joshua Nkomo getting 20 while former prime minister Abel Muzorewa received only four. Questioned about the figures, a British official said he would not quarrel with the numbers.

Analysts had expected Mugabe to win most seats but to fall considerably short of a majority, thus opening the way for an anti-Mugabe alliance including the 20 white seats already controlled by former prime minister Ian Smith's Rhodesian Front Party.

The overwhelming size of Mugabe's victory may forestall the possibility of a coup led by elements of the white-officered military. The only reason to attempt a coup, one of Mugabe's workers said, "is if you can get away with it"—unlikely in light of the guerrilla leader's vote.

Apparently seeking to prevent such a move, Mugabe met with Smith, Gen. Peter Walls, head of the military, and police commissioner Peter Allums. No details were available on the talks.

Eddison Zvobgo, Mugabe's election director, called the victory "the end of a life's pursuit," but also warned, "If the whites are tired of war, they'd better accept the result."

Just as stunning as the size of Mugabe's victory was the overwhelming defeat of Bishop Muzorewa, who has been backed by the 200,000 whites in the estimated overall population of 7.3 million. In voting just 10 months ago, Muzorewa won 51 of the 80 seats. Mugabe and Nkomo boycotted that election, which failed to gain international acceptance.

Last week's election is bound to gain worldwide recognition since most of the more than 200 observers monitoring the process have proclaimed it free and fair—considering that it was held just two months after a cease-fire brought about a tenuous peace.

The British governor, Lord Soames, Gen. Walls and Mugabe all went on nationwide radio and television to appeal for calm. Mugabe's appearance, 13 hours before announcement of the results, was a tipoff of his victory since none of the other political leaders was invited to make an address.

Mugabe, whose forces carried the brunt of the war burden, appealed for "victors and vanquished" to refrain from committing a single crime of violence in the course of our jubilation or as a result of our disappointment."

"If you break the law," he warned, "you will be arrested and punished for it."

Walls' appearance obviously was intended to reassure the many whites who feared a Mugabe victory most of all. He said the greatest enemy the people faced was emotion. He emphasized that he was speaking for "all the lawful forces of the governor," including the security forces and the guerrillas who have assembled in camps under the terms of the cease-fire agreement.

"Anybody who gets out of line or for whatever reason starts disobeying the law will be dealt with effectively and swiftly—and I may say with quite a bit of enthusiasm."

Walls has met in recent days with Mugabe and his backers in Mozambique and has pledged not to mount a coup in the event of a Mugabe victory. There has been widespread sentiment in favor of a coup among some whites who are concerned about the possibility of a Marxist dictatorship under Mugabe.

The diminutive, soft-spoken Mugabe, 51, has pledged not to institute sweeping nationalization of private property but instead to have a phased transition to socialism to prevent disruption of the economy, which is closely tied to that of white-dominated South Africa.

Soames said, "There must be no violent action or reaction of any kind" to the election. He added that he would work to establish "a broadly based government capable of achieving reconciliation and overcoming the divisions of the past."

It was not clear whether he meant that the winner should seek to form a coalition, but the size of Mugabe's victory has taken the matter away from Soames since he is bound to call on the guerrilla leader to form a government.

The clear-cut victory is likely to speed up the formation of the new government since it will not be necessary to form a coalition. Mugabe, in any case, is expected to invite Nkomo to join in forming a government.

The soundly defeated Muzorewa has frequently criticized the conduct of the election by the temporary British colonial administration, saying that widespread intimidation and electoral malpractices by Mugabe's supporters made it impossible to hold a free and fair poll.

The size of Mugabe's victory, however, is bound to reduce the credibility of that argument. Muzorewa apparently won seats in only three of the eight provinces.

Mugabe reportedly outpolled Muzorewa 5 to 1 in Salisbury, the capital, where intimidation was not an issue since there was greater police protection and the more sophisticated population was likely to realize that the ballot was secret.

Muzorewa in recent weeks has refused to say he would accept the result of the election, despite a pledge by all leaders to do so in the peace agreement signed last December in London.

Government officials fear that the announcement of the result could lead to widespread demonstrations with the potential for violence.

Some parts of Salisbury were like an armed camp with armored vehicles patrolling the streets and military planes flying low over the city. Three armored vehicles were parked at one key intersection leading out of town, and dozens of troops, all white, stood guard, their rifles and submachine guns at the ready.

An early indication of the size of the Mugabe victory came in the province of Mashonaland Central, where one observer of the counting said he only noticed one non-Mugabe vote in the first 100 ballots he saw.

Nkomo's strength mainly came in his Ndebele tribal area in the western part of the country.

Voting was on a proportional basis, with parties required to get at least 10 percent of the vote in a province to gain a seat.

The British election commissioner, John Boynton, gave his qualified endorsement to the polling as a generally accurate reflection of the wishes of the Rhodesian people.

Boynton said in certain areas "the high level of intimidation and pressures on voters" probably "distorted the pattern of voting." He estimated that about a quarter of a million people lived in these affected areas—mainly in the southeastern and south central parts of the country.

Despite this situation, Boynton said he felt that "in the country as a whole the degree of intimidation and pressure was not so great as to invalidate the overall results of the poll."

The house of Assembly, now elected, will play a key role in the upcoming choice of the far weaker upper house, or Senate. The 80 black members will choose 14 senators and the 20 whites will pick 10. A council of chiefs will choose 10 and an eventual president—to be elected by the Parliament as a whole—will choose six senators.

British officials announced that a phased reduction has begun in the Commonwealth forces monitoring the camps where the nationalist guerrillas are bivouacked. Only a small liaison force of 64 British military personnel will remain at the camps still open. Some have been closed after guerrillas were transferred to basic training camps to join small units of Rhodesian government forces in a preliminary effort to forge one national army.

Mr. TSONGAS. The United States has two options at this point. One was articulated earlier by the Senator from Virginia, where we could call these people in Zimbabwe pro-Russian and write them off, even though they won an election. The other approach is to encourage their moderation. I think if we leave aside the cold war rhetoric and look at Africa carefully, look at the meetings that took place in Mozambique with Mr. Mugabe, President Machel, General Walls, and others, it is clear that both sides at this point are seeking accommodation.

I wonder if the Senate, having voted to lift sanctions when there was a 64 percent vote, would take a different view now that there has been a 94 percent turnout. I think that Mr. Mugabe is the kind of person who could well be, if you will, radicalized by actions by the Senate, by the House, and by the administration. By the same token, he is also someone who has indicated many times that he wishes to operate in a moderate fashion. His speeches and his comments on television in Rhodesia and yesterday confirm that. I hope that we shall give him a chance to explore the moderate avenue and not assume that he has to be a Soviet surrogate and, in essence, create a self-fulfilling prophecy.

I hope that we in this country who talk about democracy will look at that turnout and, if nothing else, respect it—a turnout that far exceeds what we are capable of doing in this country. I hope that we will recognize the fact that the observers have said that the results are substantially free and fair, although, clearly, there were some questionable activities, and will acknowledge the result and accept it.

I hope that the United States will show itself to be appreciative of an attempt to bring about electoral reform, to bring about representative government, and work in a way that can make it clear to the leaders of Africa that the United States has something to offer in terms of our economy, in terms of our technology, and in terms of our economic system, and not do what we have done, lo, these many years; that is, write off true African nationalism.

Mr. Mugabe can be written off today, to our regret in the future. I hope there will at least be an attempt to work with him, to work with Mr. Nkomo and Bishop Muzorewa and Ian Smith in terms of a coalition that will be involved, not with war but with economic development. If that is indeed the case, the United States is by far in a preferable position, because that is our strong suit, as opposed to the Soviets, whose only possible contributions are ideology and, of course, weaponry.

I ask that the United States and the Senate now acknowledge the results that took place in Rhodesia. Let us go from here and let us, for once, show that we are capable of responding, not reacting, and, indeed that we can work toward the economic and social betterment of the people in that part of the world.

Mr. President I yield back the remainder of my time.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. BUMPERS. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, how much time was yielded back by Senator HARRY F. BYRD, JR., under his order?

The PRESIDING OFFICER. Five minutes.

Mr. ROBERT C. BYRD. I ask unanimous consent that, inasmuch as Mr. HARRY F. BYRD, JR., did not use his 5 minutes, Mr. BUMPERS have the control of the additional 5 minutes in addition to the morning business time.

The PRESIDING OFFICER. Without objection, it is so ordered.

LAND-LEASING POLICIES OF THE BLM

Mr. BUMPERS. Mr. President, last summer, while the Senate was in recess, I was at my home in Arkansas and I got a call from Charles Scharlau, president of Arkansas Western Gas Co., a natural gas utility servicing much of northwest Arkansas. He wanted to know what I knew about an oil and gas lease which he believed had just been executed by the Bureau of Land Management (BLM) on 33,000 acres of previously unleased lands in Fort Chaffee, Ark., which is within 2 miles of where I was sitting at the time. He said he had heard that Texas Oil and Gas Co. was the happy lessee, having received the lease for the sum of $1 per acre for 10 years.

Incredulous, I assured him that this was probably coffee shop gossip, because the lands in Fort Chaffee were surrounded on all sides by gas wells, that dozens of efforts had been made over the years by many oil and gas companies to lease the lands, and the Government had always steadfastly refused. I told him that there was indeed new authority contained in the 1976 amendments to the Federal Coal Leasing Act to lease lands within military reservations, but that I felt certain the much-sought-after lands at Fort Chaffee would only be let by competitive bidding and after highly publicized notice to all prospective bidders. I assured the caller I would check it out, because he insisted his information was from reliable sources.

Mr. President, within 30 minutes, everything Mr. Scharlau had told me had been verified, and thus began my intense interest in the land-leasing policies of the BLM, and what I now believe is the unfolding of one of the greatest scandals in this country since Teapot Dome.

Before continuing, Mr. President, I want to compliment the Secretary of Interior, Cecil Andrus, for promptly suspending all further leasing of lands on military reservations pursuant to the Energy Committee's hearings on the Fort Chaffee lease, and specifically canceling the Fort Chaffee lease, which took a lot of courage on his part. I compliment him for also suspending, as of March 1, all noncompetitive leasing of Federal land.

The Secretary has just announced he has reason to believe that a massive fraud has been perpetrated against the United States in the thousands of noncompetitive leases issued by BLM each year. I shall be utterly amazed if the Secretary's suspicions are not confirmed as evidence is uncovered in the upcoming months, because the hearings held on the Fort Chaffee lease revealed what can only be described as fatal flaws in the present leasing laws, virtually inviting both oil and gas companies and private speculators to both perpetrate frauds and take advantage of obvious and patent weaknesses in existing law.

Mr. President, we in this body are all given to hyperbole, and perhaps I shall be found guilty on this issue. But I shall be amazed if we do not find in the present and upcoming investigations that the Government has been literally defrauded of hundreds of millions of dollars and, more probably, billions of dollars in the recent past. When 10,325 leases out of a total of 10,624 leases executed by BLM in 1978 alone were let on a noncompetitive basis, for $1 an acre, and the lucky lessee chosen by lottery from hundreds of names in a hopper, can there be a serious question as to what has been happening? When these noncompetitive leases issued for $1 an acre cover 12,543,459 acres of land out of a total of 12,619,897 acres leased in 1978 on a noncompetitive basis—virtually 97 percent of it—can there be any doubt that we have been had?

The Federal Government owns the mineral rights to over 822 million onshore acres, and 374 million acres are classified as prospective oil and gas leases. The Government is receiving significantly less than the fair market value on virtually every tract it leases.

In 1978, over 115,000 leases covering almost 100 million acres were active. However, only 5 percent of total 1977 oil and gas production originated from onshore Federal lands. At the same time, the Department of Interior estimates that over 90 percent of the active leases are never drilled.

Mr. President, the existing law literally mandates the Secretary to issue noncompetitive leases when the U.S. Geological Survey determines that nominated tracts for leasing are not within a "known geological structure." BLM's definition, which defies a clear interpretation, is:

> Technically the trap in which an accumulation of oil or gas has been discovered by drilling and determined to be productive, the limits of which include all acreage that is presumptively productive.

Mr. President, the U.S. Geological Survey has only determined lands to be presumptively productive when it virtually sits on top of known reservoirs of oil and gas, as in the Chaffee case.

In the Fort Chaffee hearings in the Energy Committee, a U.S. Geological Survey employee testified that if the lands to be leased had no offset production within 1 mile, then it was not within a known geologic structure. Therefore, it had to be leased on a noncompetitive basis for $1 an acre.

Of course, in the Fort Chaffee case, the reason there was no production within 1 mile was because the lands had never been leased.

Mr. President, because of this insane provision, and the equally insane interpretation, over 11 million acres out of 20 million acres of the overthrust belt have been leased for $1 an acre. That means that over 60 percent of one of the hottest oil and gas regions in the country has been leased noncompetitively for $1 an acre.

Testimony was received in the Fort Chaffee hearings that several sections of that 33,000 lease would have brought $500 per acre to us on a competitive basis.

Can the mortal mind calculate the value of the entire overthrust belt if competitive bidding had been used?

Senator JACKSON, at the behest of the administration, introduced S. 1637 on August 2, 1979. The bill is ready for mark up in the Energy Committee, but, Mr. President, it is not nearly strong enough to remedy the problem, and I will offer a substitute in committee.

I can conceive of no valid reason not to issue all leases on a competitive basis if there is an interest expressed by more than one party, and my substitute version so provides. There are concerns for the small independent producer, and this may be legitimate, but it is not sufficient to justify a noncompetitive leasing policy.

Mr. President, what has been happening? BLM receives an application to lease a tract of land not previously leased. It is sent to the U.S. Geological Survey and they say that there is no known geological structure and the person automatically gets it for $1 an acre.

If the lands have been leased before and the lease has expired, BLM gives notice that the tract is available for leasing to all prospective bidders. Anyone who wants to send in an application for $10, gets his name in the hopper. If his name is drawn, he gets that tract for $1 an acre.

The problem is that there may be dozens of applications from persons "hired" by one person or firm, with the understanding that should one of those "hired" applicants be the lucky one pulled from the hopper, he immediately assigns the lease to the person who hired him, either for a cash bonus or an override royalty on any oil and gas subsequently discovered on the lease or both cash and override. Thousands of applicants are virtually professional bidders. They file dozens of applications using other names. They have no production equipment, and no interest in whether oil and gas are found, except where they sell and retain a royalty override. On the 10,325 noncompetitive leases issued in 1978, the average number of applicants was over 250 on each tract and the average size of all tracts was about 240 acres.

Obviously, the more times a bidder puts his name in the hopper, or uses somebody else's name, the better his chances.

The system is so rank, corporations have been formed to bid for people.

Some "filing services" corporations have been formed to take advantage of the system. They have claimed in advertisements that leases "won" by their clients in the oil and gas lottery have been resold for substantial profit beyond what the Government received in filing fees or rentals. For example, one lease "won" in the lottery for some Federal land in Wyoming in January 1977 cost the lessee $2,040 in filing fees and rental payments. The resale value of the lease was $114,000, over 50 times what he paid the Federal Government for it.

Mr. President, this is only one example. Let me read to you from some of the advertisements of these speculators.

Here is a company called Energy Filing Corp. in Dallas. It starts out:

> How'd you like to match muscle with the majors . . . and win big!

Listen to this:

> You've got as good a chance to win a lucrative oil and gas lease as Shell, Exxon, Mobil, or any of the majors in the federal government's Lease Acquisition Drawings.
>
> We're not talking about some risky wildcat drilling operation. We're talking about a federally-managed monthly Drawing in which the prizes are ten-year oil and gas leases that will increase dramatically in value with decontrol. And the entry is a tax-deductible filing fee.
>
> Winners of valuable leases can sell to an exploration company for substantial capital gains before any drilling starts and also retain a royalty interest in future production. So you get your profit early with no drilling risk—and you stand to gain a potential lifetime income.

Another company in Florida, U.S.O.G.C.A., lists the winners and how much money they made.

The first name is Herbert Gloyd, Houston, Tex. He got an immediate cash payment of $88,000 and overriding royalty of 5 percent.

An advertisement of the Resource Service Co. of Milwaukee, Wis., reveals the results of recent monthly public drawings held by the U.S. Department of the Interior. The first name is Modris Ludeks, Milwaukee, Wis. He paid $320 for a lease and sold it for $50,000 plus future royalties.

Robert Tatum, north Kansas City, Mo., paid $241 for a lease and sold it for $17,000 plus future royalties.

Janice Lindsay of Cheyenne, Wyo., paid $2,157 and sold it for $200,000—$100 an acre for what was paid $1 an acre, plus future royalties.

It goes on and on, Mr. President.

These ads indicate that competition exists for these leases, but only after the Federal Government has leased the lands for $1 an acre.

These brokers also often misrepresent the rewards of filing for noncompetitive leases. The schemes are designed to lure citizens into paying high service fees to the broker for the "privilege" of filing the $10 noncompetitive lease application. The unwary do not realize that the services of the broker are not even needed to file the lease application—they can do it on their own.

Often the sales pitch of the speculator includes representations of Government guarantees or the image that it was actually oil and gas being sold rather than a right to explore.

Commenting on the recent moratorium imposed by Secretary Andrus, BLM Director Frank Gregg said:

> The evidence suggests that the noncompetitive leasing system . . . has been subjected to such thorough manipulation that the possibility of lawful, bona fide participants successfully obtaining a lease has in many cases been reduced to a very low level.

The argument is made that a more competitive system will add unacceptable front-end costs which will impair exploration. These front-end costs are not new or additional. Such costs now exist on every lease and are met by every operator who eventually gains a lease. Instead of competing for an assignment from a lease under the noncompetitive system, operators will be competing for the initial lease itself if the system became more competitive.

Small operators, along with others, will have an added advantage in a more competitive system. They will no longer have to locate the lessee to compete for assignments, to pay a broker's fee or overriding royalty, or to expend their resources trying to assemble an economic block. They will be able to easily identify leases in which they are interested in the Bureau's competitive sales and make a direct bid.

Mr. President, at a time when every effort is being made to balance the budget and increase energy production, the noncompetitive leasing system is an anachronism. It must be changed immediately, and the legislation I have described should be given the highest priority on the Senate agenda.

Mr. President, I urge the Secretary not to permit further leasing until a strong new law is in effect.

The PRESIDING OFFICER (Mr. PRYOR). The Senator's time has expired.

Mr. BUMPERS. Mr. President, I ask for 30 seconds.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will withhold his request, I ask to be recognized.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator such time as he may use from my time.

Mr. BUMPERS. I thank the majority leader.

Mr. President, I ask unanimous consent that two tables indicating the number of competitive and noncompetitive leases which have been issued by the Department of the Interior from 1968 through 1978 be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

COMPETITIVE OIL AND GAS LEASES ISSUED AND BONUSES RECEIVED

Year	Total issued	Issued on public lands	Issued on acquired lands	Total acres	Acreage per lease	Bonus received	Average bonus per acre
1968	292	261	31	71, 505	244. 8	$972, 522	$13. 60
1969	147	125	22	36, 969	251. 4	754, 542	20. 41
1970	185	170	15	38, 724	209. 3	478, 890	12. 36
1971	219	201	18	52, 102	237. 8	1. 163, 135	22. 13
1972	279	266	13	88, 326	316. 5	1, 117, 542	12. 65
1973	312	300	12	89, 448	286. 6	2, 237, 003	25. 00
1974	295	278	17	65, 247	221. 1	2, 295, 623	35. 18
1975	404	384	20	112, 401	278. 2	8, 202, 990	72. 97
1976	356	308	48	74, 616	209. 5	4, 934, 208	66. 12
1977	334	310	24	80, 529	241. 1	7, 820, 948	97. 11
1978	299	286	13	76, 438	255. 6	12, 705, 965	166. 23
1976 TQ [1]	97	87	10	17, 010	195. 5	728, 579	42. 83

[1] TQ = Transition quarter (July 1 to Sept. 30) for 1976.

Note: Figures are for fiscal years.

Source: Yearly issues of Public Lands Statistics.

NONCOMPETITIVE OIL AND GAS LEASES ISSUED ON PUBLIC LANDS AND ACQUIRED LANDS

Year	Total	Acres
1968	14, 962	14, 508, 552
1969	13, 346	13, 378, 265
1970	11, 830	11, 638, 521
1971	11, 299	10, 077, 988
1972	11, 781	10, 551, 452
1973	13, 038	13, 816, 182
1974	11, 292	11, 571, 162
1975	13, 355	14, 519, 884
1976	9, 114	10, 199, 620
1977	10, 380	11, 766, 890
Total	120, 397	122, 026, 516
1978	10, 325	12, 543, 459
1976 TQ[1]	2, 120	2, 287, 400

[1] TQ—Transition quarter (July 1 to Sept 30) for 1976

Note: Figures are for fiscal years

Source: Yearly issues of Public Statistics

THE ENERGY MANDATE

Mr. TSONGAS. Mr. President, this Nation is now facing a danger made inevitable by our inaction on energy. Americans now know exactly what the energy crisis threatens—our prosperity, our security, our very survival. It is America's gravest short-term problem; it is America's gravest long-term problem.

We are flying blindly into the future on a whim and a prayer. Sixteen percent of our imported oil depends on the whim of two men—Bendjedid of Algeria and Qadhafi of Libya. Algeria, Libya, Iraq, and Iran together produce 10 million barrels of oil per day—one-third of total OPEC production. These cartel nations have extraordinary power to cut production and raise prices. Last year, Libya raised its price by more than 150 percent. This is the cost of wishful thinking as our national policy.

The truth is simple and crucial: We cannot depend on these militant cartel members now or in the future. Therefore, we must end American dependence on OPEC oil.

My distinguished colleagues may recall the shop-worn rhetoric that raised the specter of America as a "pitiful, helpless giant." The fundamental cause of that prospect is not the lack of one more weapons system. It looms because we have stood at ease while the oil cartel has attacked. Now we can defend ourselves better by fighting energy waste and supporting renewable resources than by military brinkmanship in the Mideast.

The best short-term protection against America's energy weakness is to conserve energy by using it more efficiently. The long-term solution is to develop and commercialize renewable energy resources such as solar. We must mobilize American society for energy conservation and renewable resources. Big government and small business, industry and individuals, corporations and communities must all contribute more. Bold new initiatives are needed before the next ayatollah or the next Afghanistan—the next inevitable "surprise."

ENERGY TRANSITION

Strict conservation is imperative because fossil fuels could run out before the transition to alternative energy technologies can be made. At the present rates of consumption, the world has only a 30-year supply of oil and gas left. But annual world production is expected to drop in the mid-1980's.

It is widely accepted that U.S. oil and gas production has peaked. We are pumping our oil faster than we are discovering more. Instead, we should be husbanding this resource—which is so vital to the petrochemical and transportation industries—instead of accepting the "drain American first" philosophy. We may need every bit of it for a prolonged transition to alternative energy resources.

But energy conservation is underused because it has no dramatic flare. Somehow it sounds routine to people—when in fact it is energy waste that is routine. Energy conservation is diffuse. It is the sum of millions of adjustments in the way we do things. We must change our ways.

Conservation also has suffered from the lie that it will be too tough, that it will demand extreme sacrifices in the quality of our lives. In fact, conservation measures let us get more from our energy through more efficient and durable devices. A shift to greater energy efficiency actually can stimulate innovation, employment, and economic growth.

Last year, real GNP rose 2.3 percent while energy consumption fell 2.6 percent. It was the first year that energy use has dropped while production has risen. According to the recent National Association of Sciences study, economic output can be doubled without increasing energy consumption, if the transition is managed properly.

The future means renewables such as solar, wind, hydro, biomass, and ocean energy. These sources are technically feasible, economically attractive, and environmentally benign; 100,000 Americans are using solar equipment right now. Lowhead hydro, wood, and urban waste installations are appearing. There have been rapid economies of innovation, scale and standardization. For example, a few years ago, photovoltaics sold for hundreds of dollars per peak watt. Now the price is $7.

Our national goal is to get 20 percent of our energy from renewable resources by the year 2000. The scientific community has reached a consensus that 20 percent from renewables in the next 20 years is a practical target. I believe our aim should be even higher—at least 25 percent.

During this transition period, coal and nuclear energy will have to fill the gap between reduced energy demand and the growing commercialization of renewable resources. We now depend on coal and nuclear capacity despite their substantial environmental problems. Coal and nuclear energy are a necessary part of the energy mix, the "least bad" option for a limited share of energy supply. It is unlikely that we can cut that share of the mix soon.

Therefore, we must develop technologies and procedures to minimize the dangers of nuclear energy and coal. I strongly support development of advanced coal conversion technologies and new techniques for environmental control and strip mine reclamation. We must also have a sound nuclear waste disposal program, new licensing procedures at the Nuclear Regulatory Commission, and upgraded training of nuclear plant operators.

Environmental danger is one of the major arguments against a headstrong, head-long lunge into a $88 billion program for synthetic fuels. The other major drawback is that, unlike conservation, "synfuels" are powerless to provide fast relief. I favor limited commercial demonstration of synfuel plants, with extreme attention to environmental factors.

The greatest potential danger from synthetic fuels—and from increased coal use—is the "greenhouse effect." This is the heating of the earth's atmosphere and its consequences, as predicted by many scientists. Those experts who predict the greenhouse effect explain that if worldwide use of fossil fuels continues to grow at 4 percent a year, carbon dioxide in the atmosphere will double by the year 2030. A consequent warming of the globe by 3° C. would cause coastal flooding by melting the arctic ice caps. There would be severe changes in the world's ecology. Food resources, such as America's "bread basket," could be ruined.

One truly frightening aspect of the greenhouse effect is that it may not be reversible. Also, there may be no obvious warning until it is too late.

The greenhouse effect may be a dangerously invisible cost of energy from synthetic fuels, coal and fossil fuels generally. It is potentially the fatal flaw of mammoth, centralized energy systems that could destroy the global village in order to save the people from conservation.

VITAL LEGISLATION

Mr. President, as a new decade begins, we are on the verge of urgent measures that the energy crisis demanded long ago. Citizens at the town meetings I hold throughout Massachusetts no longer question whether the energy situation is a crisis. The need for conservation and renewables as the priorities has never been clearer. Incentives to accelerate the transition to energy efficiency and renewable resources have never been stronger—and we must add to them and refine them.

The Senate has already passed my legislation for a new Conservation Bank and a new Solar Bank now incorporated in S. 932. The Conservation Bank Act will allow homeowners, even if they have low income and no savings, to save money by saving energy. The Conservation Bank will subsidize local bank loans to individuals and businesses so that monthly loan payments are lower than the monthly energy savings. S. 932, which is now in a House-Senate conference, would provide $3.35 billion over 5 years.

The Solar Bank, also a part of S. 932, is authorized for $750 million over 4 years. The Bank would subsidize low-interest loans to homeowners and businesses for solar energy equipment, which includes passive solar designs, wind machines, woodburning appliances, and solar electric, process heat, and cooling systems.

The Community Efficiency Act (S. 1829) is a major legislative initiative for this year that would give local governments the incentives—the technical and financial tools—to become leaders in the fight for energy efficiency and renewables. It establishes a major grant program to fund energy conservation and renewable resource planning, programs, and capital projects at the local level. Through community energy actions grants and community energy investment grants, the bill would encourage cities, towns, counties, and regional planning councils to set conservation targets, disseminate information about conservation and renewable resources, assist low income residents, modify land use controls, zoning ordinances, building codes, and transportation policies. Local governments would be required to establish citizen energy advisory committees and provide grants to neighborhood organizations. Investment grants would aid capital projects such as low-head hydro, district heating, resource recovery from municipal solid waste, cogeneration, block scale solar demonstrations, and weatherization programs.

The response from local levels of government has been extremely encouraging and helpful. I shall introduce an improved version of the legislation soon, after additional hearings have been held.

The Community Energy Act reacts to the reality that local governments are the front-line forces in the struggle for a safe, secure energy future. The case for a greater role by communities is compelling.

First, we shall live for decades with the decisions made in cities and towns today. Building standards, zoning patterns, and transportation plans are not changed easily or cheaply. Decisions made at the local level and efforts to influence them ought to involve local assessments and tradeoffs, and not merely Federal incentives from Washington.

Second, the success of Federal initiatives depends on proper implementation at the community level. There is not time to build new delivery mechanisms. We must rely on the cooperation and involvement of existing infrastructures.

Third, unlike conventional energy sources, conservation and renewables involve millions of decentralized activities. Decisions on the implementation of conservation measures, the sale and servicing of small-scale solar systems, and the management of local resources like low-head hydro, forests, and municipal wastes can be made more effectively at the local level.

Fourth, as the credibility of the Federal Government and major corporations falls, and as people's resentment rises, Washington's ability to motivate individual actions is reduced. Public participation in energy policymaking can be implemented best at the local level.

Fifth, as we come to understand America's vulnerability, we will be inclined toward more drastic policy responses such as rationing. Local initiatives can reduce the need for sweeping and disruptive national solutions.

Currently, cities that try to address local energy issues are handicapped by a lack of Federal and State help with finances and facts. For the most part, local efforts have been sporadic, uneven, and incidental. In the fact of Federal indifference, most towns, cities and counties have not shown much interest.

Washington's blind neglect of localities is changing. The Department of Energy now is showing much more interest in involving communities in energy policy planning. The administration has decided to support community energy planning at $50 million in the next fiscal year. I am seeking bolder action with a funding level of $500 million in the first year.

ENERGY AND URGENCY

There is no question that energy solutions cost money. A serious, comprehensive response to the energy crisis costs far more in 1980 than it would have when the 1973 oil embargo demanded it. We literally cannot afford what business-as-usual on energy would cost the Nation. Economically and strategically, the price would be too high.

This is a tight budget year, but if there are to be increases in defense spending, energy legislation must be seen in the same light, as a form of civil defense. It is time to act forcefully in order not to be forced to react militarily.

For example, I share the concern of many parents about what the new call to arms may mean for their children. I have consistently opposed the draft, and I disagree with registration at this time. Most Americans would rather fight at home for energy independence than die overseas for foreign oil. But to win on the home front, we must see connections clearly. Cars that gulp gas and homes that waste heat needlessly threaten to send another generation of Americans overseas. Americans should not be able to buy a new car or a new house that disregards practical energy efficiency.

The energy crisis demands a new urgency at every level of American society. We shall not need to fight an energy war in the Middle East if we can win it on Main Street, in communities across the United States.

THE FARM PROGRAM

Mr. EXON. Mr. President, I speak today to express my surprise and disappointment with the administration's recent announcement declaring that there will be no farm program for the crop year 1980. Mr. President, this is totally unacceptable.

This announcement last week was preceded by weeks of rumors, assumptions, and hearsay on just exactly what the Department of Agriculture would do in light of the grain embargo to the Soviet Union. I personally contacted the President, the Secretary of Agriculture, the Director of the Office of Management and Budget and numerous other administration officials in my futile attempts to convince these people of the real need for a workable program for 1980. I know many of my colleagues in the U.S. Senate had contacted the same people as well in recent weeks. Now, after our efforts, the Secretary of Agriculture announces there will be no paid land diversions program for the 1980 crops of wheat, corn, and other feed grains. He has based this decision on what he says are prospects for continued growth in the world consumption requirement for these crops. The Secretary said:

> Our grain exports will be at record levels this year and will continue to grow in the future.

Mr. President, I say that neither the local farmer and elevator operator nor the major terminal markets are reflecting this great optimism expressed by the Secretary last week. The futures markets are off significantly from preembargo days and the prices quoted at the country elevator in my State of Nebraska show no signs of optimism for expanded markets and movement of grain but instead have reflected a critical period where there is no significant movement of our crops, thus no buying and selling. In addition, the prices at the local elevators are far beneath those levels the administration continues to point to as a sign that all is well on the farm front.

Mr. President, we who represent agricultural States are continuously beseiged by those who are grossly misinformed, saying that agriculture, the family sized farmer, is a great beneficiary of government incentive payments. Many erroneously believe that the Department of Agriculture's budgets have continued to significantly increase year after year in line with other major agency expenditures and that these budgets reflect a direct spending level increase for agriculture. This same type of untrue thinking seemingly often time permeates the attitudes of the Agriculture Department and other administration officials. This is totally frustrating for our food producers who are in serious economic circumstances and to those of us who are proud to represent this industry in the Congress. Indeed there are rumors that the administration is contemplating further major funding curtailments.

In order that we put this entire matter in proper perspective I would like to bring to the attention of the Members of this body a few statistics which I believe will prove to be most interesting. I point to a study conducted by the Office of Management and Budget, entitled "OMB Historical Tables," distributed to the members of the Budget Committee on February 1, 1980, and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, this study includes agriculture outlays from 1948 through 1979 and estimated on through to 1983. These irrefutable statistics highlight a dramatic decline in the percentage of agriculture outlays as compared with the total Federal budget expeditures.

In particular, I would like to point out some very interesting figures on agriculture spending from 1975 to the present. In 1975, the agriculture budget outlays were $1.6 billion of the total Federal budget of $326.2 billion or .51 percent of the total. We see that from this period through 1978 an increase in agriculture outlays which, in 1978 peaked at $7.7 billion or 1.71 percent of the total national budget of $450.7 billion. It should be noted that this period from 1975 through 1978 was a time when the agriculture industry was experiencing a particularly severe decline in the prices that mandated early 1970's farm programs of massive production resulting in excessive domestic stocks. In 1979 we see a decline in agriculture outlays from 1979 of $1.5 billion or 1.26 percent of the total budget. As we look on to 1980 and beyond we see a marked decrease in outlays. We are in a time of oversupply and ever-declining market prices coupled with a significant decline in supports in relation to our total Federal budget. In 1980, we see estimates of only .82 percent; 1981, .46 percent; and 1982, .44 percent, with only a slight increase estimated for 1983 of 0.50 percent.

Mr. President, these figures are telling us that the American farmer is taking it on the chin because of unrealistic Government attitudes and policies. The farmer is not reaping the benefits claimed by many. The family farmer is seeing a significant decline in Federal understanding at a time when this segment of our economy is being taken advantage of by Government action or inaction. Mr. President, it is unbelievable that the administration would be this calloused to the fate of our food plant in light of the fact that their current difficulties and those problems of the foreseeable future are in part a result of actions taken by the President to embargo grain for shipment to the Soviet Union. We should remember the President's commitment to grain farmers when the embargo was announced. Were these merely hollow words?

Mr. President, in conclusion, I ask my colleagues to look carefully at this table of figures and then think of our responsibility to our agricultural sector in this Nation.

EXHIBIT 1

AGRICULTURE OUTLAYS COMPARED TO TOTAL FEDERAL OUTLAYS, 1948 TO 1983 (ESTIMATE)

[In millions]

Year	Ag outlays	Federal outlays	Percent
1948	$69	$29,773	0.23
1949	1,924	38,834	4.95
1950	2,049	42,597	4.81
1951	−323	45,546	0
1952	176	67,721	.26
1953	2,253	76,107	2.96
1954	1,817	70,890	2.56
1955	3,514	68,509	5.13
1956	3,486	70,460	4.95
1957	2,288	76,741	2.98
1958	2,411	82,575	2.92
1959	4,509	92,104	4.90
1960	2,623	92,223	2.84
1961	2,641	97,795	2.70
1962	3,553	106,813	3.33
1963	4,376	111,311	3.93
1964	4,601	118,584	3.88
1965	3,947	118,430	3.33
1966	2,439	134,652	1.81
1967	2,981	158,254	1.88
1968	4,539	178,833	2.54
1969	5,780	184,548	3.13
1970	5,161	196,588	2.63
1971	4,288	211,425	2.03
1972	5,280	232,021	2.28
1973	4,852	247,074	1.96
1974	2,227	269,620	.83
1975	1,659	326,185	.51
1976	2,504	366,439	.68
1977	5,532	402,725	1.37
1978	7,731	450,836	1.71
1979	6,238	493,673	1.26
1980 estimate	4,636	563,583	.82
1981 estimate	2,802	615,761	.46
1982 estimate	3,006	686,279	.44
1983 estimate	3,852	774,335	.50
1948–79 average percent (107,125 5,305,432)			2.02

Source: OMB historical tables of Feb. 1, 1980.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

SERVICES PROGRAM FOR DISABLED CHILDREN AND UNEMPLOYMENT COMPENSATION AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 504.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. STEVENS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate proceed to the consideration of Calendar Order No. 504.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

(Putting the question.)

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk (Mr. R. Scott Bates) read as follows:

A bill (H.R. 4612) to amend title XVI of the Social Security Act to maintain for an additional 3 years the current program of preventive services, referral, and case management for disabled children receiving SSI benefits.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 2, beginning with line 5, insert the following:

TITLE II—UNEMPLOYMENT COMPENSATION PROVISIONS

ELIMINATION OF "NATIONAL TRIGGER" UNDER THE EXTENDED BENEFITS PROGRAM

SEC. 201. (a)(1) Paragraphs (1) and (2) of section 203(a) of the Federal-State Extended Unemployment Compensation Act of 1970 are amended to read as follows:

"(1) shall begin with the third week after the week for which there is a State 'on' indicator; and

"(2) shall end with the third week after the first week for which there is a State 'off' indicator.".

(2) Section 203(b)(2) of such Act is amended by striking out "(or all the States)".

(3) Section 203 of such Act is further amended by striking out subsection (d) thereof.

(4) Section 203(f) of such Act is amended—

(A) in paragraph (1), by—

(i) striking out "subsections (d) and (e)" and inserting in lieu thereof "subsection (e)", and

(ii) striking out "all State agencies (or, in the case of subsection (e), by the State agency)" and inserting in lieu thereof "the State agency",

(B) by striking out paragraph (2), and

(C) by redesignating paragraph (3) as paragraph (2).

(b)(1) Section 204(a) of such Act is amended—

(A) by striking out paragraph (3), and

(B) by redesignating paragraph (4) as paragraph (3).

(c) The amendments made by this section shall take effect on January 1, 1980.

WAITING PERIOD FOR BENEFITS

SEC. 202. (a) Section 204(a)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended—

(1) by inserting "(A)" after "compensation", and

(2) by inserting immediately before the period the following: ", (B) paid for the first week of compensable unemployment in an individual's eligibility period, if the State law of such State provides for payment (at any time or under any circumstances) of regular compensation to an individual for his first week of otherwise compensable unemployment".

(b) The amendments made by this section shall be applicable in the case of extended compensation paid to individuals during eligibility periods beginning on or after January 1, 1980.

STATE OPTION AS TO CRITERIA FOR STATE "ON" AND "OFF" INDICATORS

SEC. 203. (a) Section 203(e) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended, in the first sentence following paragraph (2) thereof, by striking out the matter beginning with "(ii)" and ending with "except", and inserting in lieu thereof the following: "(ii) the figure '4' contained in subparagraph (B) thereof were '5' (or such number, or percentage of a number which exceeds 5, as is specified by the State law); except".

(b) The amendment made by this section shall be effective with respect to weeks of unemployment beginning after January 1, 1980.

REDUCTION IN BENEFITS ON ACCOUNT OF PENSION

SEC. 204. (a) Paragraph (15) of section 3304(a) of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended by striking out the semicolon at the end thereof and inserting in lieu thereof the following: "except that—

"(A) the requirements of this paragraph shall only apply in the case of a pension, retirement or retired pay, annuity, or other similar periodic payment under a plan maintained (or contributed to) by a base period or chargeable employer (as determined under the State law), and

"(B) the State law may provide for limitations on the amount of any such a reduction to take into account contributions made by the individual for the pension, retirement or retired pay, annuity, or other similar periodic payment;".

(b) The amendments made by subsection (a) shall apply to certifications of States for 1980 and subsequent years.

FEDERAL SERVICE OF EX-SERVICEMEN

SEC. 205. (a) Section 8521(a)(1)(A) of title 5, United States Code, is amended by striking out "90 days" and inserting in lieu thereof "one year".

(b) The amendment made by this subsection shall be applicable with respect to determinations of Federal service in the case of individuals filing claims for unemployment compensation on or after January 1, 1980.

BENEFITS ON ACCOUNT OF FEDERAL SERVICE TO BE PAID BY EMPLOYING FEDERAL AGENCY

SEC. 206. (a) Title IX of the Social Security Act is amended by adding at the end thereof the following new section:

"FEDERAL EMPLOYEES COMPENSATION ACCOUNT

"SEC. 909. There is hereby established in the Unemployment Trust Fund a Federal Employees Compensation Account which shall be used for the purnoses specified in section 8509 of title 5, United States Code.".

(b) Subchapter I of chapter 85, title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 8509. Federal Employees Compensation Account

"(a) The Federal Employees Compensation account (as established by section 909 of the Social Security Act, and hereafter in this section referred to as the 'Account') in the Unemployment Trust Fund (as established by section 904 of such Act) shall consist of—

"(1) funds appropriated to or transferred thereto, and

"(2) amounts deposited therein pursuant to subsection (c).

"(b) Moneys in the Account shall be available only for the purpose of making payments to States pursuant to agreements entered into under this chapter and making payments of compensation under this chapter in States which do not have in effect such an agreement.

"(c)(1) Each employing agency shall deposit into the Account amounts equal to the expenditures incurred under this chapter on account of Federal service performed by employees and former employees of that agency.

"(2) Deposits required by paragraph (1) shall be made during each calendar quarter and the amount of the deposit to be made by any employing agency during any quarter shall be based on a determination by the Secretary of Labor as to the amounts of payments made prior to such quarter from the Account based on Federal service performed by employees of such agency after December 31, 1979, with respect to which deposit has not previously been made. The amount to be deposited by any employing agency during any calendar quarter shall be adjusted to take account of any overpayment or underpayment of deposit during any previous quarter for which adjustment has not already been made.

"(d) the Secretary of Labor shall certify to the Secretary of the Treasury the amount of the deposit which each employing agency is required to make to the Account during any calendar quarter, and the Secretary of the Treasury shall notify the Secretary of Labor as to the date and amount of any deposit made to such Account by any such agency.

"(e) Prior to the beginning of each fiscal year (commencing with the fiscal year which begins October 1, 1980) the Secretary of Labor shall estimate—

"(1) the amount of expenditures which will be made from the Account during such year, and

"(2) the amount of funds which will be available during each year for the making of such expenditures, and if, on the basis of such estimate, he determines that the amount described in clause (2) is in excess of the amount necessary—

"(3) to meet the expenditures described in paragraph (1), and

"(4) to provide a reasonable contingency fund so as to assure that there will, during all times in such year, be sufficient sums available in the Account to meet the expenditures described in paragraph (1),

he shall certify the amount of such excess to the Secretary of the Treasury and the Secretary of the Treasury shall transfer, from the Account to the general fund of the Treasury, an amount equal to such excess.

"(f) The Secretary of Labor is authorized to establish such rules and regulations as may be necessary or appropriate to carry out the provisions of this section.

"(g) Any funds appropriated after the establishment of the Account, for the making of payments for which expenditures are authorized to be made from moneys in the Account, shall be made to the Account; and there are hereby authorized to be appropriated to the Account from time to time such sums as may be necessary to assure that there will, at all times, be sufficient sums available in the Account to meet the expenditures authorized to be made from moneys therein.".

(c) All funds, appropriated for the fiscal year beginning October 1, 1979, and which are available for the making of payments to States after December 31, 1979, pursuant to agreements entered into under chapter 85 of title 5, United States Code, or for the making of payments after such date of compensation under such chapter in States which do not have in effect such an agreement, shall be transferred on January 1, 1980 to the Federal Employees Compensation Account established by section 909 of the Social Security Act. On and after such date, all payments described in the preceding sentence shall be made from such Account as provided by section 8509 of title 5, United States Code.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1615 of the Social Security Act is amended by redesignating the second subsection (c) as subsection (e), and by striking out "October 1, 1979" in paragraph (1) of such subsection (e) and inserting in lieu thereof "October 1, 1982".

TITLE II—UNEMPLOYMENT COMPENSATION PROVISIONS

ELIMINATION OF "NATIONAL TRIGGER" UNDER THE EXTENDED BENEFITS PROGRAM

SEC. 201(a)(1) Paragraphs (1) and (2) of section 203(a) of the Federal-State Extended Unemployment Compensation Act of 1970 are amended to read as follows:

"(1) shall begin with the third week after the week for which there is a State 'on' indicator; and

"(2) shall end with the third week after the first week for which there is a State 'off' indicator.".

(2) Section 203(b)(2) of such Act is amended by striking out "(or all the States)".

(3) Section 203 of such Act is further amended by striking out subsection (d) thereof.

(4) Section 203(f) of such Act is amended—

(A) in paragraph (1), by—

(i) striking out "subsections (d) and (e)" and inserting in lieu thereof "subsection (e)", and

(ii) striking out "all State agencies (or, in the case of subsection (e), by the State agency)" and inserting in lieu thereof "the State agency",

(B) by striking out paragraph (2), and

(C) by redesignating paragraph (3) as paragraph (2).

(b)(1) Section 204(a) of such Act is amended—

(A) by striking out paragraph (3), and

(B) by redesignating paragraph (4) as paragraph (3).

(c) The amendments made by this section shall take effect on January 1, 1980.

WAITING PERIOD FOR BENEFITS

SEC. 202. (a) Section 204(a)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended—

(1) by inserting "(A)" after "compensation", and

(2) by inserting immediately before the period the following: ", or (B) paid for the first week of compensable unemployment in an individual's eligibility period, if the State law of such State provides for payment (at any time or under any circumstances) of regular compensation to an individual for his first week of otherwise compensable unemployment".

(b) The amendments made by this section shall be applicable in the case of extended compensation paid to individuals during eligibility periods beginning on or after January 1, 1980.

STATE OPTION AS TO CRITERIA FOR STATE "ON" AND "OFF" INDICATORS

SEC. 203. (a) Section 203(e) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended, in the first sentence following paragraph (2) thereof, by striking out the matter begining with "(ii)" and ending with "except", and inserting in lieu thereof the following: "(ii) the figure '4' contained in subparagraph (B) thereof were '5' (or such number, or percentage of a number which exceeds 5, as is specified by the State law); except".

(b) The amendment made by this section shall be effective with respect to weeks of unemployment beginning after January 1, 1980.

REDUCTION IN BENEFITS ON ACCOUNT OF PENSION

SEC. 204. (a) Paragraph (15) of section 3304(a) of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended by striking out the semicolon at the end thereof and inserting in lieu thereof the following: "except that—

"(A) the requirements of this paragraph shall only apply in the case of a pension, retirement or retired pay, annuity, or other similar periodic payment under a plan maintained (or contributed to) by a base period or chargeable employer (as determined under the State law), and

"(B) the State law may provide for limitations on the amount of any such a reduction to take into account contributions made by the individual for the pension, retirement or retired pay, annuity, or other similar periodic payment;".

(b) The amendments made by subsection (a) shall apply to certifications of States for 1980 and subsequent years.

FEDERAL SERVICE OF EX-SERVICEMEN

SEC. 205. (a) Section 8521(a)(1)(A) of title 5, United States Code, is amended by striking out "90 days" and inserting in lieu thereof "one year".

(b) The amendment made by this subsection shall be applicable with respect to determinations of Federal service in the case of individuals filing claims for unemployment compensation on or after January 1, 1980.

BENEFITS ON ACCOUNT OF FEDERAL SERVICE TO BE PAID BY EMPLOYING FEDERAL AGENCY

SEC. 206. (a) Title IX of the Social Security Act is amended by adding at the end thereof the following new section:

"FEDERAL EMPLOYEES COMPENSATION ACCOUNT

"SEC. 909. There is hereby established in the Unemployment Trust Fund a Federal Employees Compensation Account which shall be used for the purposes specified in section 8509 of title 5, United States Code.".

(b) Subchapter I of chapter 85, title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 8509. Federal Employees Compensation Account

"(a) The federal Employees Compensation account (as established by section 909 of the Social Security Act, and hereafter in this section referred to as the 'Account') in the Unemployment Trust Fund (as established by section 904 of such Act) shall consist of—

"(1) funds appropriated to or transferred thereto, and

"(2) amounts deposited therein pursuant to subsection (c).

"(b) Moneys in the Account shall be available only for the purpose of making payments to States pursuant to agreements entered into under this chapter and making payments of compensation under this chapter in States which do not have in effect such an agreement.

"(c)(1) Each employing agency shall deposit into the Account amounts equal to the expenditures incurred under this chapter on account of Federal service performed by employees and former employees of that agency.

"(2) Deposits required by paragraph (1) shall be made during each calendar quarter and the amount of the deposit to be made by any employing agency during any quarter shall be based on a determination by the Secretary of Labor as to the amounts of payments, made prior to such quarter from the Account based on Federal service performed by employees of such agency after December 31, 1979, with respect to which deposit has not previously been made. The amount to be deposited by any employing agency during any calendar quarter shall be adjusted to take account of any overpayment or underpayment of deposit during any previous quarter for which adjustment has not already been made.

"(d) The Secretary of Labor shall certify to the Secretary of the Treasury the amount of the deposit which each employing agency is required to make to the Account during any calendar quarter, and the Secretary of the Treasury shall notify the Secretary of Labor as to the date and amount of any deposit made to such Account by any such agency.

"(e) Prior to the beginning of each fiscal year (commencing with the fiscal year which begins October 1, 1980) the Secretary of Labor shall estimate—

"(1) the amount of expenditures which will be made from the Account during such year, and

"(2) the amount of funds which will be available during such year for the making of such expenditures, and if, on the basis of such estimate, he determines that the amount described in clause (2) is in excess of the amount necessary—

"(3) to meet the expenditures described in paragraph (1), and

"(4) to provide a reasonable contingency fund so as to assure that there will, during all times in such year, be sufficient sums available in the Account to meet the expenditures described in paragraph (1),

he shall certify the amount of such excess to the Secretary of the Treasury and the Secretary of the Treasury shall transfer, from the Account to the general fund of the Treasury, an amount equal to such excess.

"(f) The Secretary of Labor is authorized to establish such rules and regulations as may be necessary or appropriate to carry out the provisions of this section.

"(g) Any funds appropriated after the establishment of the Account, for the making of payments for which expenditures are authorized to be made from moneys in the Account, shall be made to the Account; and there are hereby authorized to be appropriated to the Account, from time to time, such sums as may be necessary to assure that there will, at all times, be sufficient sums available in the Account to meet the expenditures authorized to be made from moneys therein.".

(c) All funds, appropriated for the fiscal year beginning October 1, 1979, and which are available for the making of payments to States after December 31, 1979, pursuant to agreements entered into under chapter 85 of title 5, United States Code, or for the making of payments after such date of compensation under such chapter in States which do not have in effect such an agreement, shall be transferred on January 1, 1980 to the Federal Employees Compensation Account established by section 909 of the Social Security Act. On and after such date, all payments described in the preceding sentence shall be made from such Account as provided by section 8509 of title 5, United States Code.

Mr. BOREN. Mr. President, I ask unanimous consent that during the consideration of H.R. 4612, the following members of the Finance Committee staff be given the privilege of the floor: Mr. Joe Humphreys and Mr. Michael Stern.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, the piece of legislation which is before us is an important element in an effort to bring the Federal budget into balance and to make realistic savings in all programs where those savings can be justified.

The bill, as reported out of the committee, contains a number of areas in which we can make substantial savings for the people of this country and at the same time make the program function in ways in which it was intended to serve those who are genuinely disabled and unemployed.

I wish to begin by summarizing some of the major provisions of this piece of legislation as reported by the committee.

The first section of the bill simply continues the services for disabled children contained in present legislation. Under this provision, as to the disabled children who are receiving SSI benefits, the bill provides for counseling of disabled children and their families. It establishes an individual service plan for each child. It makes a great contribution to the rehabilitation of these disabled children and makes it more likely that they will have full and useful lives in the future.

The next provisions of the bill taken cumulatively make it possible to save a very significant amount of money in the unemployment compensation program. It has been estimated that these savings range from a low of $351 million each year to a potential of well over $1,050 million each year depending upon the rate of inflation and unemployment.

The first major change in the existing unemployment program under the committee bill is the elimination of the national trigger for the extended benefit program. Under existing law an additional 13 weeks of benefits over and above the usual maximum duration of 26 weeks for the regular State unemployment benefits becomes payable at times of high unemployment. Fifty percent of the costs for these extended benefits during the 13-week period are paid from the proceeds of the Federal unemployment tax.

The basis for extended benefits and the extended benefit program financed in part by Federal funds is that unemployed workers may reasonably be expected to find themselves unable to obtain employment for a longer period of time when jobs are scarce as indicated by high levels of unemployment. When rates of unemployment are low it is much easier to find work for those who are unemployed. The jobs are available. When we have a general downturn in the economy it becomes much more difficult for the unemployed worker to find other suitable employment.

So, the additional benefits are triggered. The additional 13 weeks of benefits beyond the 26 weeks, are provided.

However, present law requires that all States, under the so-called national trigger provision, implement the extended benefit program when the national insured unemployment rate reaches a level of 4.5 percent. This national trigger can result in adding 3 months of benefit duration in a State which has experienced neither a particularly high level of unemployment nor any relative growth in unemployment levels.

The committee, therefore, very wisely provides a deletion of this national trigger. Why should additional benefits be triggered in States which have virtually full employment?

By taking this action, all we are doing in addition to costing the Federal Treasury an estimated $300 million of unnecessary expenditures this year is to encourage those who are out of work in these States where jobs are available from looking for work and finding suitable substitute employment.

This change is long overdue. It does nothing to disturb the extended benefits in those parts of the country which are experiencing high levels of unemployment, but it makes it no longer required to provide the unnecessary benefits in those States where there is virtually no employment problem.

The second major change in the unemployment program provided by the committee in this piece of legislation is a provision dealing with the waiting period before benefits commence. It is estimated that this provision will save the Federal taxpayers some $20 million this year if the Senate sees fit to enact it.

Most States do not now pay benefits for the first week of unemployment on the basis that requiring a waiting week before benefit eligibility starts provides an important incentive to immediately undertake a search for reemployment.

However, 12 States do not have such a requirement, and 9 other States have a waiting week but then pay benefits retroactively for that week after a certain period of unemployment.

Because of this provision in the present law we are actually discouraging those States which have a 1-week waiting period before benefits commence. In effect, we are favoring the States which have no such period because we are very apt to provide Federal funding to those States for this week and, therefore, these States receive additional Federal funds not received by the States that have a 1-week waiting period.

The present law, in effect, discourages this policy of having a waiting week, a policy which has wisely already been adopted by a majority of the States of this Union, States which are trying to behave responsibly with their unemployment program.

Mr. President, I would suggest that it is certainly not too much to ask that a person try to find work for just 1 week before he turns to the Government and asks for unemployment benefits.

When a person is thrown out of work, the first priority where that individual is concerned should be to find other employment, not to beat a hasty track to the Government office to start drawing benefits. Then, if that individual genuinely cannot find work, of course, the unemployment benefits should be made available.

All this bill says is that there will be no Federal funds provided for a 1-week waiting period. If the State wants to go ahead and do away with the 1-week period, if they want to follow the policy of saying that a person has no responsibility to even try to seek employment before drawing the benefits, that would be left up to the States. But the Federal taxpayers, including the taxpayers of those States which have already put their own houses in order, should not be asked to fund such a program.

As I said, it is estimated that this particular change would save approximately $20 million each year.

The third major proposed change under this piece of legislation is the modification of the optional State trigger level for extended benefits.

Under the present law States are required to participate in the extended unemployment compensation program when the State-insured unemployment rate is both at least 4 percent and at a level 20 percent higher than the insured unemployment rate in the State during the comparable period in the 2 preceding years. States which are not required to participate in the program under the above criteria are nevertheless permitted to participate in it if the State-insured unemployment rate is at least 5 percent.

The reason this provision was put into effect was this: Under the old program, and figuring the unemployment rate, the only way to trigger the extended benefits within the boundaries of the State was to have a substantial increase in the unemployment rate. That worked well in most areas of the country. But some areas of the country have been plagued by prolonged periods of high unemployment. Therefore, even though unemployment might be, let us say, at 8 or 9 or 10 percent, if it had been at that level for more than 2 years the State could not demonstrate any significant increase of the unemployment rate, and therefore, the State was unable to trigger extended benefits.

Clearly, the extended benefit program was meant to apply to any State that is experiencing substantially high levels of unemployment. Therefore, the law was changed to say that even though there has not been a substantial increase in the amount of unemployment, if the level of unemployment was already high a State could on its own, when the insurance unemployment rate reached 5 percent, trigger these extended benefits on a State-by-State basis.

The provision, however, simply does not give the State enough flexibility. If the State passes up the triggering of extended benefits at 5 percent, the State is then left to have no extended benefit program until the national trigger comes into play.

States should be given greater flexibility. If they want to set their own internal State trigger for extended benefits at 5.5 or 6 percent rather than at 5 percent, they should be allowed to do so.

The third major modification of the existing law simply gives the States greater flexibility to set their own policy in regard to the extension of the triggering of the extended unemployment benefits. It is estimated by the committee staff that this provision will save an additional $10 million.

Another provision which will result in substantial savings of funds is a provision that would change the benefit provisions for ex-servicemen under the unemployment program. At the present time, a person can enlist in the Armed Forces, serve only 90 days, and voluntarily leave the service or perhaps be forced out of the service for some cause, and then go and claim unemployment benefits. After serving only 90 days of a 2-year enlistment obligation, voluntarily leaving the service, they can then go and claim unemployment benefits.

This is clearly an abuse of the unemployment compensation program. The program was set up to serve those who were genuinely unemployed, not those who voluntarily leave the military service before their period of enlistment is up, before they have served out the period for which they have obligated themselves to the military services.

The committee amendment would extend the minimum period of service required to qualify for unemployment benefits from 90 days in the armed services to 1 year. At least 1 year of service in the Armed Forces would be required before the individual would be entitled to unemployment benefits.

It is again estimated that this change in the law would save $90 million this next year.

Another provision in the current bill which would save money, Mr. President—it gives me great pleasure to say again and again that this is a bill not to spend additional money, that this is a bill to save money. This is a unique opportunity for the Senate to adopt a proposal which will actually reduce the budget deficit of this country and save money for the taxpayers of this country.

The next major provision in the area of savings is one which would give Federal agencies an incentive to contest improper benefit claims.

An important element of the unemployment compensation programs in the State, as the committee report points out, is the experience rating system which provides a strong incentive for employers to avoid unnecessary employee turnover and to monitor claims for unemployment benefits to assure that awards are not being made by the State agencies to individuals who are not entitled to them.

When the private business person allows the payment of its former employees of improper unemployment benefits, the cost for unemployment insurance to that private business person goes up. Therefore, the private man or the private business woman very clearly has an incentive to go before the appropriate agencies and to contest payment improperly of any benefits.

What about Federal agencies when the employees of Federal agencies attempt to improperly receive unemployment benefits to which they are not entitled? Does the Federal agency have any incentive to contest these payments?

Under the present system, under the present law, the Federal agency does not have a similar incentive in the case of their employees, since benefit costs are funded through a separate account and not chargeable to the individual agency.

If unemployment benefits are paid to a former employee of Federal agency X, the agency suffers no ill effects and does not have to spend a dollar of the agency's funds to pay those benefits. Its charges do not go up. So the Federal agency now has no incentive to contest the payment of unemployment benefits to people who are not entitled to them.

The committee amendment remedies that situation by requiring that a separate account be established as a revolving account with each agency required to reimburse the account out of its own appropriation for the actual amount of unemployment benefits which have been paid to its employees and former employees.

This will give a real incentive to the Federal agencies, because they are going to be paying out of their own dollars appropriated to their agencies for the functions and programs of their particular agencies to contest any improper payments of unemployment benefits.

It is estimated, Mr. President, that this provision will result in a savings of some $11 million a year. So this is a great opportunity for the Senate to take responsible action—responsible action—to make sure that the program for unemployment compensation meets its own goals, and that it pays benefits to those who are actually unemployed, those who have truly made every effort to find substitute employment but have, through no fault of their own, been unable to do so.

It stops several abuses of the present program. It stops the payment of extended benefits in States where they have virtually full employment and plenty of jobs available to those who want to go out and look for them. It stops the practice of the Federal Government encouraging States to begin immediate payments to the unemployed by footing the bill for the first week of benefits when, to the contrary, we should be saying to people: "You should at least go out and look for work for 1 week and make that your first priority before you come to a Government agency asking for help."

We want to take care of those who are genuinely unemployed, but we do expect every person to exercise a certain amount of individual responsibility and individual initiative.

It also corrects the abuse of those who have gone into the armed services, failed to meet their obligations, failed to stay through the period of enlistment, and have quit after only 90 days to draw unemployment benefits.

There is one additional change contained in the bill which does not provide a net saving from current law but which is one which I think strikes a fairer balance in terms of the pension offset required under present legislation.

When the 1976 amendments to the unemployment laws were under consideration by Congress, concern was expressed over the situation in which an individual who is, in fact, retired rather than unemployed may receive unemployment benefits at the same time that he is receiving a retirement pension. The law was amended to provide for a dollar-for-dollar reduction in unemployment benefits by the amount of any pension concurrently payable to the individual.

Because of concern that the provision may have been too broadly drawn, the effective date was set in the future to permit time for study. That effective date was subsequently further extended to March 31, 1980.

Under the committee amendment, the reduction in the amount of unemployment benefits caused by the individual receiving a retirement pension would be limited to situations where an individual receives a pension paid for by an employer he worked for during the period of employment on which his unemployment benefit is based. States would not be required to apply the reduction to that part of the pension which reflects a return of employee contribution.

In other words, if a person has been working for a particular employer and he retires and starts receiving a pension from that employer, he cannot go down to the unemployment office and start drawing benefits as if he is unemployed. He is not unemployed. He is retired and he is drawing a pension from his last employer.

This would keep that provision of current law. However, it would take care of the situation which a person might have earlier in life worked for a particular employer, let us say for 20 years. He starts to draw his pension, which is not enough to live on. He takes another job and works for the second employer for, let us say, 10 years and then, because of an economic downturn, he is thrown out of work. Well, clearly, in that situation, he should not be denied the right to receive unemployment compensation because he might be drawing a pension for work which he finished doing for another employer some 10 or 15 years before. So the bill corrects that provision of the current law.

The committee very carefully considered this piece of legislation. It brings before the Senate a piece of legislation which, as I said earlier, is in the interest of all those who are genuinely unemployed. It will stop the payment of benefits to those who are not entitled to it, and by doing that, it will help to preserve the reserve funds which are there to protect those who are genuinely unemployed, those who are thrown out of work through no fault of their own.

Mr. President, it is my hope that the Senate, by an overwhelming majority, will see fit to pass this piece of legislation.

Over this past weekend, as all of us have read, the President has been meeting with his top economic advisers and with the leadership of Congress to try to find ways to reduce the budgetary deficit of this country.

At a time when our people are struggling with the ravages of inflation, when people on fixed incomes are trying to continue to exist with inflation rates approaching 18 percent, at a time in which small businessmen and small farmers are trying to stay in business, hanging by a thread while they have to pay interest rates ranging anywhere from 15 to 16 percent and even higher, at a time in which inflation has become so severe that thousands of young people are being denied the opportunity to own their own homes because they cannot afford the high interest rates, at a time in which the value of the American dollar internationally has been shaken because of inflation, it certainly behooves us to take every step that we can to try to balance the Federal budget and to do so in a way which will not unduly sacrifice those programs which are necessary for the welfare of all the people.

This bill presents us with one of the first opportunities we have had to take steps down that road since the crisis has become increasingly evident to every citizen of this country. It gives us a chance to save at a minimum, according to the best estimates of the committee staff and the congressional budget staff, over $350 million a year, up to perhaps as much as $1 billion a year, depending upon the unemployment rate which is prevailing.

It is a chance to save dollars of that magnitude; a chance to make a contribution to a reduction of the Federal deficit and a reduction of the inflation rate in this country while at the same time not weakening the unemployment compensation program but strengthening it, making sure that the benefits are paid to those who are justifiably entitled to them because they are thrown out of work, because they are unemployed, because they are not able to find another job, and making it more difficult for people who are not unemployed, who are not genuinely unemployed, who have not genuinely made an effort to find employment which is available, to abuse the system and to take dollars out of the reserve funds which are intended for those who are truly in need of them.

So this is an opportunity for the Senate and an opportunity for the Congress to send a very strong message to the American people that we mean business about looking after their interests; that we mean business about finding areas where savings can be accomplished; that we mean business when we talk about cutting out waste and abuse in Federal programs. It is a rare opportunity, Mr. President.

Mr. President, it has been a privilege to work with the members of the committee as they have labored long and hard over this piece of legislation. It is my hope that this opportunity will be seized by the Senate and by this Congress.

Mr. President, I ask unanimous consent that in addition to the others I have previously mentioned, Jeffery Lewis, John Colvin, Bob Lighthizer and Linda McMahon, of the Finance Committee staff, be granted privileges of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the legislation before us extends a very important special referral and services program for disabled children who are receiving benefits under the supplemental security income program. The disabled children's program was originally enacted in 1976 and provided up to $30 million a year in Federal funds to the States. The program was just becoming fully implemented last fall when the authorization expired. Those States which have been able to put their programs in place have found them to be an effective mechanism for coordinating all available services that a disabled child may need and assuring that the services are actually received. Through this program, many children who would otherwise be destined to lead lives of dependence will have the opportunity to overcome their handicaps and become fully functional, independent adults.

An example of the success of the program is found in the case of a New Jersey child. A 3½-year-old, dependent on a ventilator due to a severe birth defect, was provided home care through the SSI disabled children's program. The care cost $16,000 for 6 months in contrast to the $70,000 it would have cost to keep the child in an institution under medicaid. However, the child's developmental and medical progress and the improvement in the emotional status of his family are priceless and tell the real story of the program's success. Unfortunately, the States are finding that they will have to abandon the program if Federal funds are not soon forthcoming. The extension of funding in this measure will solve the States' financial problem.

This legislation also includes a number of modifications to the Federal-State unemployment compensation program. The distinguished chairman of the Finance Committee's Unemployment

Subcommittee is particularly to be commended for his efforts in bringing this legislation to the Senate floor.

When Senator BOREN was Governor of Oklahoma, he helped to achieve great improvements in that State's unemployment compensation program, and he has provided the leadership to pass on some of those improvements to the rest of the country through this legislation.

The main function of the unemployment compensation program is to replace that part of lost wage income which covers nondeferrable expenses for temporarily jobless persons whose unemployment is not of their own making. The program was not designed to meet all the needs of those unemployed for long periods due to a national economic crisis. The provisions in this bill will help to alleviate some of the unnecessary pressures on the program so that it does not breakdown when most needed. These improvements are especially important in the face of new economic projections of higher unemployment rates in the months ahead.

The Finance Committee discussed a number of proposals which might improve the unemployment compensation program, but it was felt that the six provisions in the bill are a good start. They are clearly in the jurisdiction of the Congress, do not impose undue restrictions on the States in implementing their own unemployment programs, and provide significant savings to help keep the program solvent.

I understand, of course, they are controversial and there may be some efforts to at least modify some of the provisions adopted.

The first provision would eliminate the national trigger for the extended benefit program. Under current law, all States are required to implement the extended benefit program when the national insured unemployment rate equals or exceeds 4.5 percent. The national trigger can result in adding 3 months of benefit duration in a State which has experienced neither a particularly high level of unemployment nor any relative growth in unemployment levels. The extended benefits program is designed to aid workers who may reasonably be expected to find themselves unable to obtain employment for a longer period of time when jobs are scarce as indicated by high levels of unemployment. Therefore, it should not be triggered on in States which are affected only by the national trigger because there is no basis for assuming that workers will have a particularly hard time finding jobs in those States.

The second provision denies Federal matching to a State for extended benefits payable for the first week after an individual exhausts his regular benefits if the State does not have a waiting week, or if it pays those benefits retroactively. The provision is designed to discourage payment of benefits during the first week of unemployment but purposely avoids mandating a waiting week on the States. There would be no hardship in requiring an individual to be unemployed 1 full week before benefit eligibility starts because most individuals will receive a final paycheck after being laid off. Furthermore, the waiting week provides an important incentive to immediately undertake a search for reemployment or even to find ways to avoid being laid off.

The third provision would permit the States to establish an optional extended benefit trigger at higher insured unemployment levels. Under current law, the States which do not have a sufficiently high unemployment rate under other program criteria are given the option of participating in the extended benefit program if their insured unemployment rate reaches 5 percent. However, they are not allowed to trigger into the program at a higher unemployment level. The provision in the bill would give the States more flexibility in deciding when economic conditions necessitate the extended benefit program. This is particularly appropriate since the States pay 50 percent of the costs of extended benefits.

The fourth provision modifies a law which is scheduled to go into effect on April 1, 1980, that would require a dollar-for-dollar reduction of unemployment benefits for any pension or retirement benefits payable to the worker. The offset provision was too broadly drafted in the original legislation and would penalize many legitimately unemployed individuals simply because they had earned pension benefits from a previous employer. Under the bill, only that portion of a pension contributed by the employer to whom the unemployment is attributable is required to be offset. This should assure that individuals who are actually unemployed rather than retired will not be penalized while conversely assuring that individuals who are, in fact, retired are not drawing unemployment benefits.

The fifth provision is designed to insure that unemployment benefits are not available to exservicemen who voluntarily leave the service after a short period of time. Under present law, individuals who leave military service after serving at least 90 days, other than in cases of separation for misconduct, are entitled to federally financed unemployment benefits. These individuals are exempted from the voluntary quit rule which denies benefits to those who quit their jobs without cause even if they do not complete their initial enlistment. Apparently more and more people are taking advantage of this free ride at the taxpayers' expense. The unemployment program was not designed to aid people who voluntarily quit their jobs, and this provision would help to assure it is not being used that way.

The sixth provision is designed to provide incentives for federal agencies to contest improper benefit claims. It requires that a separate account be established in the unemployment trust fund as a revolving account with each agency required to reimburse the account out of its own appropriations for the actual amount of unemployment benefits paid to its former employees. The provision will give Federal agencies the same fiscal incentive to contest improper benefit claims that private employers have. The private employers and we expect that it will provide good results with Federal agencies as well.

Finally, Mr. President, it is my view that these six provisions are a step in the right direction to cut the costs of the unemployment compensation program and insure that it is used only to tide over temporarily unemployed individuals as it was designed to do. By protecting the system in this manner we will assure that unemployment compensation is available to those most in need when they most need it. This task is especially important in times of economic crisis, and I urge my colleagues to support this bill to help preserve the integrity of the unemployment compensation system.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

UP AMENDMENT NO. 1003

(Purpose: Relating to flexibility in application of standards to rural hospitals)

Mr. BENTSEN. Mr. President, I have an amendment to the bill under consideration, which I send to the desk for immediate consideration.

The PRESIDING OFFICER. The Chair respectfully informs the Senator that until the committee amendment has been disposed of, amendments from the floor are not in order.

Mr. BENTSEN. I ask unanimous consent that the amendment be considered.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment numbered 1003.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

TITLE III—PROVISIONS RELATING TO MEDICARE

FLEXIBILITY IN APPLICATION OF STANDARDS TO RURAL HOSPITALS

SEC. 301. Section 1861(e) of the Social Security Act is amended by adding the following new sentence at the end thereof: "The term 'hospital' also includes a facility of 50 beds or less which is located in an area determined by the Secretary to meet the definition relating to a rural area described in subparagraph (A) of paragraph (5) of this subsection and which meets the other requirements of this subsection, except that—

"(A) with respect to the requirements for nursing services applicable after December 31, 1978, such requirements shall provide for temporary waiver of the requirements, for such period as the Secretary deems appropriate, where (i) the facility's failure to fully comply with the requirements is attributable to a temporary shortage of qualified nursing personnel in the area in which the facility is located, (ii) a registered professional nurse is present on the premises to render or supervise the nursing service provided during at least the regular daytime shift, and (iii) the Secretary determines that the employment of such nursing personnel as are available to the facility during such temporary period will not adversely affect the health and safety of patients;

"(B) with respect to the health and safety requirements promulgated under paragraph (9), such requirements shall be applied by the Secretary to a facility herein defined in such manner as to assure that personnel requirements take into account the availability of technical personnel and the educational opportunities for technical personnel in the area in which such facility is located, and the scope of services rendered by such a facility; and the Secretary, by regulations, shall provide for the continued participation of such a facility where such personnel requirements are not fully met, for such period as the Secretary determines that (i) the facility is making good faith efforts to fully comply with the personnel requirements, and (ii) the employment by the facility of such personnel as are available to the facility will not adversely affect the health and safety of patients: *Provided*, That the facility complies with any determination by the Secretary that the scope of services of such facility should be limited, because failure to so limit, in conjunction with the application of the requirements of this subparagraph, would adversely affect the health and safety of the patients; and

"(C) with respect to the fire and safety requirements promulgated under paragraph (9), the Secretary may (i) waive, for such period as he deems appropriate, specific provisions of such requirements which if rigidly applied would result in unreasonable hardship for such a facility and which, if not applied, would not jeopardize the health and safety of patients, and (ii) may accept a facility's compliance with all applicable State codes relating to fire and safety in lieu of compliance with the fire and safety requirements promulgated under paragraph (9), if he determines that such State has in effect fire and safety codes, imposed by State law, which adequately protect patients.".

Mr. BENTSEN. Mr. President, this amendment will prevent the crippling of a number of rural hospitals. These hospitals are providing quality medical attention in areas that would otherwise be void of medical care, yet they are faced with losing all medicare funding.

The Secretary has granted these geographically disadvantaged hospitals waivers from various requirements for medicare reimbursement. The waiver provision has expired and these hospitals are placed under the threat of having to comply with all the guidelines that urban hospitals do—though urban hospitals enjoy an abundance of physicians, registered nurses, and technology.

For example, the regulations for hospitals participating in the medicare program require that registered professional nursing care for all patients be available on a 24-hour basis every day. Congress did, however, recognize that this might not be possible for all rural hospitals and created statutory authority to waive the 24-hour registered nurse requirement for hospitals that met specific criteria. This waiver authority expired on December 31, 1978. The Department of Health, Education, and Welfare has deferred enforcement for those hospitals currently operating under a waiver for 24-hour registered nurse coverage in anticipation that Congress would hastily approve a corrective amendment.

The administration must enforce the law, and in the absence of legislation reinstituting the waiver provision, hospitals could soon be required to comply with 24-hour registered nursing or forfeit all medicare funding.

Hospitals needing the waiver are located in rural areas that have serious deficiencies of registered nurses and no effective means to attract or recruit enough qualified persons. Even with the absence of full-time RN coverage, these hospitals do maintain quality medical care by keeping all registered nurses on 24-hour call for advice. These hospitals are making a good faith effort to achieve 24-hour registered nursing, but there simply are not enough qualified nurses willing to fill the jobs.

Over 1 full year has passed, and no legislation has been passed to save these hospitals. We must take action and accept my amendment to reestablish a waiver provision.

My amendment insures that the Secretary will monitor these waivers closely to protect the quality of health care in these rural hospitals.

Mr. President, these hospitals are offering the best possible medical service to their communities, and if they lose participation in medicare they would effectively be destroyed. I am familiar with one area in Texas where a closing would leave people without hospital care in a 90-mile radius. Also, with the closing of these hospitals many physicians would be forced to move. Leaving vast rural areas with severely inadequate primary medical care.

The waiver provision has been approved by the Senate Finance and the House Ways and Means Committee. We have before us a provision that committees in both Houses of Congress understand as vitally important and to which they have lent their support.

Mr. President, I urge this body to finish business that is long overdue and act promptly to accept this amendment so that the rural areas of our country will not be denied the medical care that is desperately needed.

Mr. President, we had extended this period of time to allow this under the law before. That time has expired. HEW has extended it to the ultimate that it can under the law. I urge now that the committee accept this amendment.

Mr. BOREN. Mr. President, I ask the Senator from Texas, is this not a provision which has already been studied by the Committee on Finance in the context of studying another piece of legislation?

Mr. BENTSEN. The Senator is correct.

Mr. BOREN. Mr. President, since that is the case, that the committee has already given very careful study to the situation, and since there is a very pressing need for this particular provision to insure that service in rural hospitals will not be disrupted, on behalf of the majority of the committee, I am prepared to accept this amendment. I have no objection to it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, as I have indicated, the majority has no objection to this amendment and is prepared to accept it, especially in light of the fact that the Finance Committee has already studied it and given its approval and because of the need to continue rural hospital service without interruption. It has been discussed with the minority and I believe it is likewise agreeable to the minority.

Mr. ROTH. That is correct, Mr. President; the minority has no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the committee amendment.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1004

(Purpose: To preserve the existing tax status of wine used in the production of distilled spirits)

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair respectfully informs the Senator from California that until the amendment of the committee is disposed of, an amendment from the floor is not in order.

Mr. CRANSTON. I ask unanimous consent that we may proceed to consider this.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated. The legislative clerk read as follows:

The Senator from California (Mr. Cranston), proposes an unprinted amendment numbered 1004.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following new section:

Sec. . (a) Subpart A of part I of subchapter A of chapter 51 of the Internal Revenue Code of 1954 (relating to distilled spirits) is amended by adding at the end thereof the following new section:

"Sec. 5010. Credit For Wine Content.

"(a) Allowance of Credit.—

"(1) In general.—On each proof gallon of the wine content of distilled spirits containing wine, there shall be allowed a credit against the tax imposed by section 5001 (or 7652) equal to—

"(A) $10.50, over

"(B) the rate of tax which would be imposed on such wine under section 5041.

"(2) FRACTIONAL PART OF PROOF GALLON.—In the case of any fractional part of a proof gallon of the wine content of distilled spirits containing wine, a proportional credit shall be allowed.

"(b) TIME FOR DETERMINING AND ALLOWING CREDIT.—

"(1) DOMESTIC PRODUCTION.—In the case of distilled spirits produced in the United States, the credit allowable by subsection (a) shall be determined at the same time the tax is determined under section 5006 on the distilled spirits containing such wine and shall be allowable for the return period in which the tax imposed by section 5001 (or 7652) on such distilled spirits is payable.

"(2) IMPORTED PRODUCTS.—

"(A) IN GENERAL.—In the case of distilled spirits imported or brought into the United States, the credit allowable by subsection (a) shall be determined and allowed when the tax on such distilled spirits is imposed by section 5001 (or 7652).

"(B) DETERMINATION OF WINE CONTENT.—The wine content of imported distilled spirits shall be established by such chemical analysis, certification, or other methods as may be set forth in regulations prescribed by the Secretary.

"(c) WINE.—As used in this section, the term 'wine' does not include—

"(1) any substance which has been subject to distillation at a distilled spirits plant after receipt in bond, and

"(2) wine containing more than 24 percent of alcohol by volume.".

(b) The table of sections for such subpart A of part I of subchapter A of chapter 51 of such Code is amended by adding at the end thereof the following new item:

"Sec. 5010. Credit for wine content.".

SEC. 2. The amendments made by the first section of this Act shall take effect on January 1, 1980.

Mr. CRANSTON. Mr. President, the amendment is in the nature of a technical correction to the Trade Agreements Act of 1979. The Trade Act, in its implementation provisions, inadvertently changed the method of taxing wine alcohol used as a blending medium in the production of brandies, cordials, and other beverages. The change has the net effect of eliminating the market for blending wines. This will hurt grape and other fruit produce sales when the produce is used to make wine. The original bill was cosponsored by Senators TALMADGE, PRYOR, and HAYAKAWA, my colleague from California. There has been a hearing in the Committee on Finance on this matter. It is my understanding that Senator RUSSELL LONG is prepared to accept it. I have discussed it with the manager of the bill and I gather it is all right with him.

Mr. DOLE. It has not been discussed with the assistant manager. I do not know of any objection to it. I should like to have a chance to check with a couple of Members on this side. I do not know of any objection. We are having our policy luncheon right now, so I can check right now. Is that all right with the Senator from California?

Mr. CRANSTON. Surely.

Mr. DOLE. I am sure, if Senator HAYAKAWA is a cosponsor, he has cleared it with all Republicans. If we could have a brief quorum call, I can check it.

Mr. BOREN. Mr. President, on behalf of the majority, I say that this amendment is acceptable to us and we have no objection to it. It has been cleared with the chairman of the committee, it has been the subject of appropriate hearings in the Committee on Finance. It aims at really implementing the intent of legislation passed earlier by the committee by making some technical changes to make the letter of the law come into conformity with the intent. On this side of the aisle, we are happy to accept the amendment.

Mr. CRANSTON. I thank the Senator very much.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I ask unanimous consent that the committee amendment be adopted and be considered as text subject to further amendment.

Mr. JAVITS. Mr. President, reserving the right to object, I make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Does acceptance of the committee amendment as text still allow amendments in the first and second degrees?

The PRESIDING OFFICER. The Chair informs the Senator that only if the request is granted will amendments in the first and second degree be in order.

Mr. JAVITS. Only if the request is granted?

The PRESIDING OFFICER. The Senator is correct; only if the request of the Senator from Oklahoma is granted.

The committee amendment at present is a first-degree amendment.

Mr. JAVITS. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendment was agreed to.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 1004) was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOREN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I ask unanimous consent to yield to Senator MOYNIHAN without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank my distinguished colleague.

Mr. President, I rise in opposition to the unemployment compensation amendments that we now have before us. This bill, largely the product of this year's budgetary constraints, is a serious attack on the unemployment compensation program. It is serious in one way because it poses a threat to the financial security of many American workers; in another way, these amendments allow increased Federal encroachment into a program functioning quite well at the State level. On the whole, this legislation may leave in its wake more disruption than reform.

Certainly we live in precarious economic times. Forecasts of recession abound, as do predictions of a continually high rate of inflation. In the last quarter of 1979, for example, the GNP grew at an annual rate of only 2.1 percent; the Consumer Price Index had increased by over 13 percent; inflation was pegged at a yearly rate of 8.7 percent. For the month of January, as we are all too well aware, the inflation rate reached an astounding 18 percent. Our growth is minimal, but our prices high. Unfortunately, the cure for one problem leads to an exacerbation of the other; hastening growth often stimulates more inflation.

Through all of the economic fluctuations, one situation persists—rampant unemployment. Although some cities and States have been hit more severely than others, unemployment rates are increasing steadily across the Nation. In January, 6.2 percent of the population was without jobs—the highest level in over a year. Many Americans are entering this new decade without jobs, and with only the prospect of years of a sluggish economy.

Despite this unhappy situation, the legislation embodies some changes in the unemployment compensation program which would make it more difficult for the long-term unemployed to receive benefits. We are today debating an effort to undermine the very program which offers the most protection against often unearned and external costs of unemployment. This is an attempt to change the system which aids the unfortunate, and once again, it is the unfortunate ones without jobs who will suffer. When job prospects are so poor, why are we trying to lessen the support of the unemployed? We are doing this as a cost saving measure, but indirectly we are asking those who can least afford it to pay.

I ask you first to consider the most drastic of the measures—the elimination of the national trigger. This mechanism extends unemployment benefits 13 weeks beyond their usual duration when the insured unemployment rate exceeds 5 percent—a rate that roughly corresponds with a 7.5 percent unemployment rate. This trigger is important because it provides a national protection for those regions which have high unemployment—higher than the rest of the State, perhaps, but on a par with other areas across the Nation. The trigger thus helps those in the most depressed locales of the Nation; it is a recognition of the fact that high rates of unemployment is a national, not purely local problem.

Deletion of the trigger will save money—$300 million according to CBO estimates. Yet, this may still be an unnecessary, far too extreme measure. In the formulation of the fiscal 1980 budget, it was assumed that the trigger would be activated because unemployment would reach the requisite rate of 7.5 percent. Now, however, our most prestigious of forecasting firms are projecting that while unemployment will be high, it will not increase to 7.5 percent. Thus, the money was included in the original budget, but in all likelihood it will not be spent. Since we no longer have to fear the initiation of the trigger this year, why must we eliminate it permanently?

Moreover, there has been a regulatory change, one proposed and enacted by the Department of Labor on February 3, 1980 whch makes a separate alteration in the trigger formula which will also save money. This revision, which needs no congressional approval since it is purely by regulation, will exclude those who currently receive extended benefits in their State from inclusion in the calculation of the insured unemployment rate. Previously, everyone but the Carter administration desired this change. This alternative has been considered by the Finance Committee, but many representatives of labor, were vehemently against this change. Despite the opposition, the change has been implemented, with an estimated $225 million in savings this year, and with a maximum savings of $900 million in fiscal 1981. And in this regulatory change we have our required savings—we need no more.

Yet, we are faced with more. The Finance Committee approved another change in the extended benefits program, one which would give the States additional options of triggering onto the extended benefits program. There is now a dual criteria for a State—a 4 percent insured unemployment rate which is at least 20 percent higher than the rates of the 2 previous years, or an absolute rate of 5 percent. This bill will allow a State to trigger on at a higher rate—something which may well result in a smaller number of States taking advantage of the program. The States may not trigger on in order that they may save money, and it will be the unemployed in the State who will most feel the pinch.

And finally, there is a provision in this legislation which concerns the benefits for exservicemen. Currently, only 60 days of service are required for unemployment eligibility. This bill would increase that length of time to 1 year.

In the States which mandate minimum weeks of work for civilian eligibility, the requirements ranges up to 20 weeks. Thus, by requiring a year's stint in the Armed Forces, this provision discriminates against ex-servicemen, and may discourage candidates to join the Army. This is a very broad charge intended to address the problem of those who leave the service before the end of the term. But we are too hasty in enacting such a provision, for we are uncertain of the long-range effects. Before we legislate in this area, we must have a better idea of the future ramifications. Let us hold hearings on this idea before we decide to make such a change.

There is one provision in H.R. 4612 which is a necessary change and should be passed by the Senate. Of all the items before us today, this is the only one which the House has acted on and approved. The so-called pension offset provision, section 204 of H.R. 4612 is one which I do support and which makes, I believe, a much needed change in current law. I also support the additional changes in this section which are being offered by Senator JAVITS. The 1976 amendments to unemployment law addressed the problem of a retired worker under pension receiving unemployment insurance. The assumption is that such an individual, no longer a member of the work force, is entitled to his pension but not an additional amount of unemployment insurance. A dollar-for-dollar offset was thus enacted, but the effective date of the change was postponed until the end of this month, to give the Congress and the National Commission on Unemployment Compensation an opportunity to study the effects of the change. The National Commission has recommended repeal. The Finance Committee accepted changes recommended by the administration, which will limit the offset to situations where an employee receives a pension from the same employer through which he collects unemployment compensation benefits. Senator JAVITS' amendments will define the circumstances even further and it would be wise for us to make these clarifications in the law.

But apart from the pension offset amendment, these other changes are all too soon. We have a National Commission on Unemployment Compensation which is studying the entire system, and will be soon releasing its recommendations for altering the program. Let us wait for this report that we in the Congress have asked for and have authorized. Let us not make amendments that are not only unnecessary, but may be harmful.

Mr. JAVITS. Mr. President, H.R. 4612 represents an unwise intrusion into the Federal-State unemployment insurance system. It should not even have come before the Senate at this time, except for the need to enact quickly a change in present law concerning the treatment of pension income.

The UI system has stood for 45 years as the Nation's first line of defense against the unemployment of experienced workers who have lost jobs through no fault of their own. By restoring a part of the lost spending power experienced by laid off workers, it constitutes the only significant Federal economic tool available to stimulate the economy automatically during recessionary periods.

We all know how long tax cuts and other countercyclical programs take to enact. Moreover, this system promotes productivity and efficiency in the economy by permitting jobless workers a limited period of income support within which to find jobs suitable to their experience and training. In short, this program is far too important to be subjected to basic changes on a piecemeal basis prompted by a sudden fever to cut the budget.

Until H.R. 4612 was reported late last year there was a widely held view, respected by business, by labor, and by the administration, that no fundamental legislative changes in the UI system would be undertaken until the National Commission on Unemployment Compensation makes its final report and recommendations later this year. That Commission, authorized 3½ years ago in Public Law 94-566 and chaired by the distinguished former Secretary of HEW Wilbur Cohen, is now nearing completion of the first comprehensive review of the UI system in its entire history. The bill before us now contradicts the Senate's own mandate to the Commission and undercuts its vital mission to provide a basis for sound structural reform which is needed to bring the unemployment compensation program abreast of the times.

I am particularly dismayed that this bill contains provisions which would badly cripple the extended benefits program. In the face of overwhelming evidence that benefit duration must be extended during recessionary periods, the Congress enacted in 1970 a permanent program providing up to 13 weeks of additional benefits for workers who exhaust their regular benefits. This program was particularly important at the onset of the deep recession which began in 1975. It kept thousands of unemployed workers from exhausting benefits before finding new employment and helped to sustain purchasing power in a weak economy. Indeed, even this program proved insufficient and the Congress enacted temporary legislation to extend the duration of benefits even longer.

The extended benefits program has operated on the basis of two separate "on" and "off" triggers, one operating on the basis of total national insured unemployment and the other on the basis of the rate existing in individual States. I believe it is irresponsible, as proposed in H.R. 4612, to eliminate the national trigger. It is sometimes argued that a longer benefit duration is unnecessary in a State experiencing a relatively lower rate of unemployment than others during a recession. The basic flaw in that argument is that seriously impacted labor market areas have no respect for State lines. It is often the case that there will be extremely high unemployment rates within a particular part of a State which is masked by the overall statewide average.

In the absence of an effective and feasible area trigger mechanism, the maintenance of a national trigger is critical to protect the long term unemployed workers in such areas. It is especially unwise, in my judgment, to consider eliminating the national trigger just when we may be entering a recessionary period which the extended benefits program is designed to guard against.

I am similarly opposed to the provision in H.R. 4612 that would permit States to establish their own triggers for extended benefits at higher levels of insured unemployment. We will be abdicating our responsibility as partners in the Federal-State UI system if we do not establish a uniform determination of when unemployment has become so severe as to warrant participation in the extended benefit program. Without it, workers in one State would be discriminated against in comparison to those in another State. Moreover, under H.R. 4612, a State would be permitted effectively to nullify the extended benefits program entirely since there would be no limit on how high it could set the unemployment rate trigger.

Although it apparently has gone largely unnoticed since 1976, it should be understood that the amendments to the UI system in that year have already had the indirect effect of raising the level of unemployment required to trigger on the extended benefits program. That legislation significantly expanded coverage of employers and employees in the system, most notably by the inclusion of State and local governmental employees.

We thereby included in the weekly calculation of the insured unemployment rate a very large number of employees with a relatively low unemployment rate. With this major increase in the denominator, and little change in the numerator, officials in the U.S. Department of Labor and in the Department of Labor for my own State of New York have calculated that the reported insured unemployment rate was effectively lowered by nearly a full percentage point.

For example, an unemployment rate of 5.8 percent without the extended coverage is now reported as only 5 percent with such coverage. Thus, the trigger point for extended benefits has already been markedly revised upward and should not now be further escalated or otherwise weakened as we face the prospect of higher layoff rates in the months ahead.

Mr. President, these and other ill-advised provisions in this bill would justify its complete rejection by the Senate were it not for one highly important provision which is urgently in need of enactment. That is section 204 concerning the requirement in Federal law that all State unemployment insurance laws must provide for a reduction of unemployment compensation by the amount of any retirement pay a claimant is receiving.

I recognize that many people hold the view than an individual receiving pension income should not be entitled to unemployment compensation. This view is based on the assumption that anyone drawing a pension must, by definition, no longer be an active member of the work force. It is this view that underlies the pension offset provision in the bill. And that view, Mr. President, is flatly and clearly wrong. It comes from fundamental misunderstandings of the nature and experience of older workers, of the basic purposes of the unemployment compensation system, and of the way retirement income security plans operate. That is why we must at least ameliorate the harshly punitive pension offset provision, and we have only until the end of this month to correct it because the provision originally enacted in 1976 is scheduled to take effect on April 1.

The pension offset concept is actually an arbitrary device designed to prevent abuse of the UI system by an individual retiring from the work force and then drawing unemployment compensation. In a properly administered system, the State agencies would prevent this from happening simply by enforcing the basic provision contained in every State law that any claimant must demonstrate that he or she is actually able to work and is available for work. The Senate would be better served by an amendment to strengthen enforcement of this requirement than by penalizing older workers who continue to work after drawing pensions from a prior employer.

It should also be understood that a key purpose of unemployment compensation is to maintain an individual's living standards by restoring part of lost income during a period of job search. This is a social insurance program for which taxes are levied to support a trust fund which is separated from all other revenues. The worker's entitlement to draw on the fund should not be affected by the amount of assets owned or by income derived from other sources. These principles are violated when one source of income, such as pension income, is singled out to reduce or eliminate entitlement to unemployment benefits.

Another misconception that needs clarification is that receipt of pension income by older workers is not the equivalent of withdrawal from the work force. Many such workers continue to work, either because they must do so in order to sustain themselves or because they choose to work for other reasons. Many more older workers would like to find jobs, especially as inflation erodes the purchasing power of fixed incomes. In short, the flawed rationale of the pension offset provision is that it constitutes a conclusive presumption that any worker receiving pension income, no matter how small the amount, has no intention of working.

It is grossly unfair to deny compensation to workers who continue in, or return to, employment after retirement. Taxes are collected based on their covered employment, and they are at least as much at risk of suffering a layoff as any other worker.

When the pension offset provision was originally proposed by the Finance Committee as an amendment to the House-passed Unemployment Compensation Amendments of 1976, it would have denied all unemployment compensation to anyone receiving retirement income in any amount. After I voiced my opposition to this provision on the Senate floor, the provision was modified, first to provide for a dollar-for-dollar offset, and second to delay the effective date (which is now April 1, 1980) so that this issue could be examined by the National Commission.

The Commission did examine this matter and in its interim report in 1978 unanimously recommended that the entire pension offset provision be repealed.

Mr. President, I ask unanimous consent that excerpts from this report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. More recently, Wilbur Cohen, in testimony on this subject before the House Ways and Means Committee in which he reaffirmed his recommendation to repeal the pension offset provision, summarized his views as follows:

Major bases for the Commission's recommendation include:

First. Both pensions and unemployment insurance benefits represent deferred compensation for services rendered at an earlier date. The risks that are covered are not duplicative, and protestion is appropriate for each.

Second. The repeal is warranted by the recent change by Congress extending compulsory retirement age by employers from age 65 to age 70.

Third. All employees contribute to social security and many contribute to other pension plans. The current provision could be perceived as a policy decision opposing individual saving.

Fourth. State unemployment compensation administrators oppose a Federal standard that enters an area traditionally left to the States. Additionally, many administrative problems arise from the present provision.

Fifth. While State laws vary considerably on this issue, only 14 States have enacted conforming legislation and 8 of these are conditional upon continuation of the current Federal requirement.

A standard of this nature should be imposed on the States only if Congress decides that detailed benefit provisions in State laws should be mandated in Federal law, including benefit eligibility, amount, duration, and disqualification.

Mr. President, in light of the fact that the House last month passed H.R. 5507 which only amends, rather than repeals, the pension offset provision, I have decided to attempt at least to improve it by offering three amendments which will lessen the inequitable and punitive impact of the provision as contained in H.R. 4612. The improvement in H.R. 4612, as compared to the present law, is that the pension offset is to be made only where the claimant's pensioning employer—meaning the employer from which the pension is derived, was also an employer during that claimant's base period. The problem with the Finance Committee's approach is that a base period employer could be one who had not employed the claimant for as much as 1½ years before the claim is filed. And, the claim could be based on a layoff by one or more subsequent employers who have no relationship to the claimant's pension income.

If a claimant has retired from an employer with a pension and has then taken another job, he or she has certainly demonstrated current labor market attachment and an intent to work. So application of the pension offset in these circumstances is unfair and unnecessary to prevent the abuse of the UI system by retirees that has been alleged.

Consequently, one of my amendments is designed to do is to make sure that the pension offset will apply only where the pensioning employer is the claimant's most recent base period employer.

My next amendment relates to a highly inequitable result of the bill. H.R. 4612 mandates that the States apply a pension offset, but then merely permits them to take into account the extent of employee contributions to their own pension. Failure to mandate this element will, in effect, penalize an individual for his or her own savings. Many IRA and Keogh plans, for example, are paid for entirely by the employee and yet would be swept up in the pension offset provision. Similarly, many workers belong to contributory pension plans and often contribute 50 percent of the funding. My amendment will simply require, rather than permit, the States to take into account the extent of employee contributions.

My final amendment simply excludes social security benefits from the pension offset calculation, just as many States already exclude it from their own pension offset laws. I believe that these payments should not be included in the offset as they are Federal entitlements in place for 45 years representing a solemn commitment to the Nation's workers. Moreover, it should be noted that nowhere in the bill, or in the Finance Committee's report, is social security discussed. If it was not intended to be included in the first place, my amendment will serve to make an important clarification of this issue.

EXHIBIT 1

FIRST INTERIM REPORT OF THE NATIONAL COMMISSION ON UNEMPLOYMENT COMPENSATION NOVEMBER 1978

5.1 RETIREMENT PAYMENTS AND UNEMPLOYMENT COMPENSATION BENEFITS

Legislative history

Public Law 94–566, "The Unemployment Compensation Amendments of 1976," added to requirements for approval of State unemployment compensation laws (for employer offset credit against the Federal Unemployment Tax) provision that:

> "the amount of compensation payable to an individual for any week which begins after September 30, 1979 (later amended to March 31, 1980), and which begins in a period with respect to which such individual is receiving a governmental or other pension, retirement or retired pay, annunity, or any other similar periodic payment which is based on the previous work of such individual shall be reduced (but not below zero) by an amount equal to the amount of such pension, retirement or retired pay, annuity or other payment, which is reasonably attributable to such week."

No such provision was contained in H.R. 10210 (which upon enactment became Public Law 94–566) as passed by the House of Representatives. It was added in a Senate amendment. As originally recommended by the Senate Finance Committee, the legislation would have prohibited payment of any benefits to an individual receiving a pension, annuity or other retirement pay, in any amount effective January 1, 1978.

When the bill came to the Senate floor, the present language was substituted. Additionally, the National Commission on Unemployment Compensation was charged with:

> "evaluation of the feasibility and desirability of restricting the eligibility for receipt of unemployment compensation to persons eligible to receive a pension or retired pay, annuity, and similar periodic payments."

The conference report stated:

The conference agreement follows the Senate amendment, except that the requirement would not take effect until 1979, thereby permitting the National Commission on Unemployment Compensation an opportunity for a thorough study of this issue and the Congress to act in light of its findings and recommendations."

In floor discussion on a Senate measure to extend the effective date of the present provision, consistent with an extension of the due date of the final report of the Commission, the sponsor said:

We need the national commission's views on this provision (the current language), which does not even distinguish between workers receiving pension benefits from a pension fund based upon their own contributions—which may be either voluntary or mandatory—and those who receive benefits from plans which are financed entirely or in large part from employer contributions. Indeed, the provision would exclude from UI payments persons receiving benefits under plans for the self-employed or individual retirement accounts for workers whose employers do not offer retirement plans. (parenthetical language added.)

When the House of Representatives passed H.R. 12232, extending the due dates for the reports of this Commission, a similar extension of the effective date of the provision on pension deduction, from March 31, 1980, to May 31, 1981, was included. This extension was eliminated by the Senate because the issue of a possible conflict with the Budget Act had been cited. Accordingly the Commission finds it desirable to make its recommendation on the issue in this First Interim Report so that the President and the Congress may have sufficient lead time to consider the subject before the March 31, 1980. effective date.

Commission considerations

In addition to reviewing information on the subject during the period since March 1978, the Commission heard testimony from spokespersons for the National Council of Senior Citizens, several veterans organizations, and the Interstate Conference of Emploment Security Agencies, representing the administrators of the State unemployment compensation laws.

The Commission is heavily influenced by the arguments that pension payments are not, simply, a susbtitute for lost wages. Conceptually, there is no unanimity of agreement as to whether unemployment compensation and pensions are duplicative, since they do not derive from efforts to meet the same risk.

The right to unemployment compensation benefits is based solely on recent employment in which services were performed during a specific period, generally during a period of 12 months, the beginning date of which is no earlier than 18 months prior to the date of claim. A pension or annuity may, and frequently does (especially in Social Security), derive from the totality of the lifetime of work experience of an individual.

Should an individual who is involuntarily unemployed and in the active job market be denied the same benefits as those payable to all other job seekers because his past work, extending over a long period of years, has earned him certain retirement rights? (In the case of Social Security, most pensions from Federal, State and local governments, and many private employers, the worker has participated substantially in the cost.)

Witnesses have suggested to the Commission that the new provisions would introduce a form of "needs" test to the unemployment compensation system, inconsistent with the insurance concept on which the program is grounded, since this would treat differently groups of claimants whose qualifications for benefits are identical. Not only would claimants eligible for previously-earned retirement income be discriminated against as contrasted to others not similarly entitled, but additionally, individuals entitled to Social Security or company pensions would have their benefits reduced or eliminated, but recipients of less obvious income such as interest on savings, dividends on securities, rentals on real estate, or the rent-free use of housing owned by the claimant, would not have their benefits reduced. The provision seems to create a public policy favoring employers who do not provide pensions against those who do.

It was stated that pensions were indeed an earned right, a part of the previous conditions of employment. Generally the costs of pensions represent payments not made to an individual in wages during the period over which pension rights have accrued. It has been said to be particularly so where pension rights are established as part of the collective bargaining process. An individual's right to benefits based on recent employment may be reduced or eliminated because of a pension based on services that occurred many years earlier. And, as indicated earlier, the pension, under certain circumstances, may have been paid for entirely by the worker.

The Commission recognizes that many believe that a distinction should be made in those instances in which the worker claims benefits from the same employer for unemployment compensation and retirement, while others believe that such a distinction would be contrary to the pooled-insurance concept on which the unemployment compensation system is based.

At the present time, States vary in provisions as to reduction of unemployment benefit payments because of pension income. While most States which deduct from UI benefits do so only where the pension is from a base period employer (24), 13 States do so with regard to pension from any employer. Since the enactment of Public Law 94–566, there has been little new State action. Those States whose laws are not consistent with the new Federal requirement appear to be awaiting definitive action by the Congress. Only one State, New Mexico, has made changes in State law to conform to the Public Law 94–566 requirements. Another, New Hampshire, did so amend its State law but later repealed the action.

Three types of claims are involved in this issue: regular State unemployment compensation; unemployment compensation for Federal employees (UCFE) which are generally determined under applicable State law, and unemployment compensation for ex-service personnel (UCX), which are determined under State law except as otherwise specified.

(Appendix 6.4 includes a comprehensive set of tables on provisions of State laws.)

All States consider voluntary retirement to be a quit without "good cause", subject to disqualification. "Good cause" is determined in accordance with State law, as is any other issue relating to separation from work. Similarly, the disqualification to be imposed would also vary in accordance with State law, ranging from a postponement of benefit payments for a limited number of weeks to a disqualification for the entire period of unemployment and a requalifying requirement of a number of weeks of work of the dollar equivalent in new wages.

These considerations apply to both State unemployment compensation and UCFE claims. With respect to UCX, wages earned in the military service are not available to a claimant if service was for less than 90 days (unless terminated earlier because of service-incurred injury or disability) or if he was discharged under dishonorable conditions or for bad conduct. Except for this limitation, cause of separation is not an issue in eligibility for UCX benefits. However, the decision as to deductibility of pension for service in the armed forces, now determined under State law, would be subject to the new Federal requirement.

Conclusions and recommendations

Irrespective of the wide range of reasons that would impel a probable finding that a pension deduction is not appropriate in the unemployment compensation program, the Commission is constrained to make its recommendation on this issue for another clear-cut reason—that this is not presently an area in which a Federal requirement is appropriate. States which have taken action in this direction because of the March, 1980, requirement should reevaluate this action if the Federal standard is eliminated.

Under the current conditions of the Federal-State relationship, all the basic elements of benefit eligibility for regular benefits are left to State determination. These include the extent and nature of work force attachment required for eligibility, the dollar amount of weekly benefits and the number of weeks for which such benefits shall be paid, and the conditions under which an individual may be disqualified or have his right to benefits postponed or curtailed.

Only if it is decided that detailed standards, setting either general or specific guidelines for benefit provisions in State laws are necessary or desirable, should this issue be considered as within the scope of policy determination at the Federal level.

The present Section 3304(a)(15) of the Federal Unemployment Tax Act sets a deadline of March 31, 1980, for adoption of the restriction on benefit payments in all State laws. This Commission is currently instructed to make its final report to Congress by no later than June 30, 1979. Any recommendation of the Commission would require some two to three years before implementation at Federal and State levels can be accomplished.

The Commission accordingly recommends to the President and the Congress that Section 3304(a)(15) of the Federal Unemployment Tax Act be repealed. States should carefully review present provisions of State law if the Federal requirement is repealed.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, in listening to the argument of the distinguished Senator from New York a few minutes ago, I think it becomes necessary that we should correct the RECORD, at least in part, in terms of some of the arguments he made. I certainly have great respect for him and the sincerity with which he holds his convictions and the ability with which he expresses them. However, with all due respect, I must disagree with some of the conclusions he reached, particularly in regard to the national trigger.

There was a time when the national trigger was perhaps necessary. This was because, under the old law, the only way a State could trigger extended benefits for an additional 13 weeks was if the State had an increase in its overall employment rate during a 2-year period—a significant increase.

As I said in my opening remarks, it was possible that a State could have a very high rate of unemployment; it could be chronically depressed and have its extended benefits cut off because it did not get significantly worse. If you already are running a very high unemployment rate—9 or 10 percent—it is difficult to get worse, but you are obviously in a very bad situation, a situation in which jobs are not available, a situation in which extended benefits might well be in order, might be necessary and appropriate.

It was because of this that a national trigger was established, so that once the unemployment situation nationally reached a certain level, benefits could be triggered in that economically depressed State, even though the unemployment rate in that State had not increased significantly over a 2-year period. But since the national trigger was established, change has been made in the law.

In 1976, the law was changed to provide for an optional alternative State trigger based on an absolute State insured unemployment rate of 5 percent. In other words, the law now takes care of that situation where you have a State in a very bad economic situation, in which the State may have had a very high rate of unemployment—8, 9, or 10 percent—and it may have continued over a period of 2, 3, or 4 years, staying at that level, not increasing and not going down. You no longer have to show a 20-percent increase in the unemployment rate of the State in order to trigger extended benefits. If the insured unemployment rate in the State reaches 5 percent, the State then can trigger the extended benefits.

The committee report makes this situation very clear when it says:

> When the extended unemployment compensation program was originally enacted in 1970, extended benefits could be triggered on as to an individual State only if the State insured unemployment rate was both 4 percent and was at least 20 percent higher than in the 2 preceding years. In the case of a prolonged national recession, States would be unable to meet the "20 percent higher" requirement even though they might be experiencing a very high level of insured unemployment. For this reason, the national trigger did serve as an important safeguard under that original legislation. In the 1976 amendments, however, the law was changed to provide for an optional alternative State trigger based on an absolute State insured unemployment rate of 5 percent. The committee believes that that change in the law eliminated the need for a national trigger.

I certainly share that belief with the majority of the members of the committee. There is now adequate protection to assure that a State which is experiencing severe economic trouble can trigger the additional 13 weeks of unemployment compensation. However, in States where we have full employment, virtually full employment, it makes no sense to trigger the extended benefits. It may have the practical effect of discouraging people from going out to look for jobs which are readily available.

In a State that has 8, 9, 10, 12, or 15 percent unemployment, yes—26 weeks of benefits is not enough. Jobs simply may not be available. The high unemployment rate is a sign that jobs are not available. In that case, yes, give 13 weeks of additional unemployment benefits.

However, in a State, let us say, that has 1 percent unemployment—we consider 3 or 4 percent virtually full employment—where jobs are available, where you can look in the help wanted columns and find list after list of available employment, why, because one State has an unemployment rate of 10 or 12 percent, should additional benefits be triggered in a State where we do not have the problem and where we have full employment?

Also, why should the Federal Treasury lose another $300 million this year that could be saved if such a provision were enacted into law, doing away with the unnecessary national trigger?

That is why I think that the amendments suggested by the committee in this piece of legislation are sound.

I was a cosponsor of the legislation which extended the life of the National Commission on Unemployment Insurance, a commission of very distinguished individuals who are studying what changes should be made in the present system. I cosponsored that piece of legislation. I supported it. I thought that the work of the commission should go forward.

But I say this: When we have a situation where money can be saved, where changes can be made which will not only save money but which will improve the efficiency of a system which will enable the unemployment system to more nearly and perfectly meet its own goals, then clearly in that situation there is no reason to study further.

And I might say at this time in which we have such a pressing need to find ways to save money and to try to balance the budget we simply cannot afford the excuse of needing to study something further when it is right, when it saves money, when it protects the integrity of funds which are intended for those who are truly unemployed, and when it will help to stop an abuse by those who are simply not showing enough initiative in searching for available employment. Then, Mr. President, I say that is not a time to study further. That is a time for action.

I think that is our responsibility and I think if there is anything that the people of this country are fed up with it is the old argument that when we find a way to save money we should study further instead of seizing the initiative and doing what is right.

So with all due respect I have to disagree with some of the statements that have been made by my colleague from New York.

The amendment of the law in 1976 makes the national trigger no longer necessary, and it is time for us to do our duty to make the improvement in the system which so clearly needs to be made.

The PRESIDING OFFICER (Mr. BENTSEN). The Senator from New York is recognized.

Mr. JAVITS. Mr. President, one very important factor is omitted by the manager of the bill, which is that 15 States have not set a 5-percent trigger. Therefore, a national trigger is certainly critical. I will read these States: Alabama, Arizona, Arkansas, Delaware, Iowa, Kentucky, Montana, Nevada, New Hampshire, New York, North Dakota, South Dakota, and Utah.

In New York, unfortunately for us, we have unemployment rates which since 1973–74 are so far above what would be a national trigger that it is meaningless, but in other States this is a serious problem.

Mr. President, I yield to the majority leader.

The PRESIDING OFFICER. The majority leader is recognized.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 1:33 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RIEGLE).

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield to the Senator from Maine (Mr. MUSKIE) for the purpose of submitting an amendment and that I may regain the floor as soon as his amendment is disposed of.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senator from Maine is recognized.

UP AMENDMENT NO. 1005

(Purpose: To treat employment of United States citizens by the Roosevelt Campobello International Park Commission as employment under the Federal Unemployment Tax Act)

Mr. MUSKIE. Mr. President, I thank my good friend from New York.

I call up an amendment and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) proposes an unprinted amendment numbered 1005.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

EMPLOYMENT OF CERTAIN CITIZENS FOR FUTA PURPOSES

SEC. 207. (a) For purposes of chapter 23 of the Internal Revenue Code of 1954 (the Federal Unemployment Tax Act), service performed by a citizen of the United States as an employee of the Roosevelt Campobello International Park Commission shall be considered to be employment within the meaning of section 3306(c) of such Code.

(b) This section shall apply with respect to remuneration paid after December 31, 1979, for service performed after such date.

Mr. MUSKIE. Mr. President, this amendment, which the Senate has considered before and adopted in legislation that did not fully get enacted into law, would provide unemployment insurance coverage for U.S. citizen employees of the Roosevelt Campobello International Park Commission.

The Roosevelt Campobello International Park was created in 1964 by a Canadian-American treaty to commemorate and preserve the summer home of Franklin Delano Roosevelt on Campobello Island in New Brunswick, Canada. In accordance with the spirit of that agreement and the statutes which established the park, the Commission has a policy of equal opportunity in employment, compensation, and fringe benefits for both Canadian and American employees.

The Commission's U.S. employees are subject to U.S. social security taxes and are eligible for old age, survivors, and disability insurance benefits, as well as workmen's compensation. In nearly all ways they are treated as though they were employed on U.S. soil.

However, these U.S. citizens have been unable to secure unemployment insurance coverage in the United States.

This amendment would treat employment of U.S. citizens by the Roosevelt Campobello International Park Commission as employment under the Federal Unemployment Tax Act. The amendment would, in turn, permit the State of Maine to provide unemployment insurance coverage for these employees pursuant to title 26, section 1043(311)(G), of the Maine revised statutes.

This amendment would insure that United States and Canadian employees of the Commission are employed on an equal basis. It is supported by the Commission and is in accord with the agreement reached between the United States and Canadian Governments on this issue.

I might add, Mr. President, that this matter has been the subject of lengthy discussions between the U.S. Treasury Department and the Canadian Government.

The Treasury Department suggested this amendment as a solution.

I appreciate the assistance of the Canadian Government and the U.S. Treasury Department in resolving this matter. I hope the distinguished floor manager would accept this amendment in order that the problem may be finally resolved.

Mr. BOREN. Mr. President, on behalf of the majority, we shall be very pleased to accept this amendment. As the Senator from Maine has said, the Senate has already approved a similar measure before. There are no additional costs associated with this proposal. It simply will allow coverage of the U.S. citizen employees of the commission under the unemployment insurance program and will allow them to begin to pay into the fund. There will be no objection.

I have checked this also with the other side of the aisle. The manager of the bill on that side has no objection. I am prepared to accept the amendment.

Mr. MUSKIE. I thank my good friend.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MUSKIE. I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair inquires as to the will of the Senate at this time.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1006

(Purpose: Relating to reduction in benefits on account of pension)

Mr. JAVITS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 1006.

Mr. JAVITS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 5, strike out "may" and insert in lieu thereof "shall".

On page 5, line 7, insert "the full extent of" immeditaely before "contributions".

On page 5, after line 11, insert a new subsection (c) to section 204 as follows:

"(c) The requirement of paragraph (15) of section 3304(a) shall be determined pursuant to regulations of the Secretary of Labor".

Mr. JAVITS. Mr. President, this amendment, to which I have referred in my submission in chief, mandates that the State, rather than make it permissive, to take into account the full extent of the employee's contribution to the pension he or she receives.

It seems to me that this is elementary and basic equity and deserves to be adopted. I cannot conceive of why the pensioner, based upon his own payments, should be denied by any State the unemployment compensation to which he is entitled to that extent, where it is a contributory pension plan.

As in many cases, Mr. President, people have IRA plans, which, it will be recalled, we have liberalized recently, to encourage them to save. Many workers who are not otherwise covered by pension plans have these plans as well as Keogh plans, which we have encouraged, and which are generally paid in entirely by them. It seems the height of inequity to deprive them of unemployment compensation to which they are rightfully entitled because of the payments they, themselves, have made and because they have been provident savers.

So it is unfair, in my judgment, to leave that to the States permissively. It should be mandated, and that is the purpose of the amendment.

Mr. BOREN. Mr. President, I regret that I cannot agree with the Senator from New York that this amendment would be in the best interests of the unemployment insurance program.

The system is set up to take care of those who are unemployed. That is the whole purpose of unemployment compensation. It was not established to provide additional benefits to persons who are retired.

I believe the committee already has taken full account of any inequity that can result because of the so-called pension offset provision. We have said that the pension offset provision would not apply in the committee bill to pensions which are received for employment which occurred in the past.

A person has had a certain kind of employment. He has worked at that employment for a period of years, say, 20 years. He is then entitled to a retirement benefit, but he decides to go back to work, some other kind of job. He works at that job for a number of years and then is thrown out of work. The committee bill reflects that the unemployment compensation would not be reduced because of the amount of the pension for the earlier employment.

However, if a person simply is getting ready to retire and is now going to draw a pension, he is not unemployed; he is retired. He is just retiring; he is ceasing to work.

It is not right for that person, who just retired, to go down then and draw unemployment compensation. Under the commitee bill, there would be an offset against the unemployment benefit of that value of the pension of the last insured employment. In other words, that part of the employment, the insured employment that is a base for drawing the unemployment benefits that are being claimed by the individual—the pension resulting from that insured employment that is a part of the base—would be offset; but the remainder would not be offset. I think that is fully reasonable.

I heard the Senator from New York refer earlier, in his opening remarks, to the need to allow the States to have some flexibility. He was mentioning a philosophy in opposition to mandating too many things to the States, leaving some flexibility to the States.

Now he wants to change the current law, which the committee also has provided in this piece of legislation, which allows the States some flexibility in determining their own policies as to pension offsets. He wants to change the word "may" to the word "shall," to put the States in a straitjacket in this instance. So I think he is going in the face of the philosophy which he was espousing in his opening remarks.

I urge the rejection of this amendment. I think the committee has taken care of the problem adequately. The Senate, in the 1976 amendments, clearly recognized that there was abuse of the present system, that there were people who were not unemployed but who simply have decided to retire and draw their pensions, who were then trying to draw unemployment benefits, increasing the cost to the Government, increasing the cost to those who were paying the unemployment taxes. The Senate was wise when it adopted the pension offset provision.

I believe the committee has taken care of any possible inequities adequately in the present system and that the amendment offered by my friend and colleague from New York would go too far, would open new loopholes, would undo much of the good work already done by the Senate in the past.

I urge rejection of this amendment.

Mr. JAVITS. Mr. President, I regret to state that the argument of the manager of the bill proceeds from a premise which I cannot accept, and I do not believe the Senate should accept it, that is, that anyone receiving retirement income is not actually in the work force and that some needs test should be made applicable.

He singles out pension income, but I do not see any offset of investment income or real estate income or inheritances the unemployed person may have or whether there is another member working in the family. I do not see any provision about that whatever.

Until the Senator can show me that, he cannot justify why they should be shut out of unemployment compensation in respect of contributions they themselves have made to a pension fund.

It is just as valid as the income from their savings account which we then should deduct from unemployment compensation, if he wants to be consistent and not discriminatory.

I cannot see that at all. That is the fundamental purpose of this amendment.

This is confined and has nothing to do with who he is getting it from. It has to do with the fact that the Senator is deducting from his or her unemployment compensation that proportion which that person paid in himself or herself in respect to the pension. I just cannot see how that is justified.

So I really, with all respect, cannot see how this argument could lie against the amendment, Mr. President, and I believe it needs to be adopted in all fairness and in all effort to avoid discrimination.

Mr. BOREN. Mr. President, as usual, my colleague from New York has expressed his opinion in a most articulate way.

While I admire his ability to present his position, I cannot agree that it has logic.

I think there is a great deal of difference in determining whether or not a person is in the labor force and in trying to determine whether or not a person is actually unemployed, and between looking at pension benefits, retirement benefits, which an individual is drawing, and interest on a savings account.

It might very well be that a person who is very much in the labor force might have a savings account and might have set up a savings account to help send his children to college, let us say. That savings account is drawing interest. Suddenly he is thrown out of work. The plant where he works is closed. Now, the fact that he is drawing interest on a savings account certainly does not indicate whether or not he is in the work force. He was in the work force. He obviously intends to be. He is genuinely unemployed, and certainly the Senator from Oklahoma would not suggest that that sort of resource should be offset against unemployment benefits.

But funds being received as a retirement pension are something entirely different because, when a person is retired and drawing a pension and drawing those retirement benefits, I think that indicates a lot about whether or not that person is actually in the labor force. The likelihood is that person is not still in the labor force, that that person is retired.

If the person is retired, drawing a pension, he certainly should not be seeking unemployment benefits.

The Senator from New York has rightly pointed out that in this day and time sometimes it is necessary for people to go back to work and to go back into the work force even though they may have intended to have retired or even though they may be drawing retirement benefits from an earlier job. That situation is already covered by the committee bill because we say the only offset will be from the most recent pension received, from the most recent employer, or an employee whose compensation is part of the base period from which the unemployment benefit is being drawn. It does not offset earlier retirement benefits being drawn by people who are obviously still in the work force.

So I submit, Mr. President, that the analogy that is being drawn is not an accurate one, that there is all the difference in the world between people drawing interest on a savings account, for example, which does not indicate a thing about whether or not they are in the work force, and people who are drawing retirement pension benefits because they decided to retire. That clearly indicates whether or not they are in the work force.

Again, I have to urge rejection of this amendment. I do not think it is based upon a correct observation of what the unemployment system is meant to do.

I think what it simply is allowing is it would allow an abuse of the system by people who are not in the work force, who are retired, who have decided to retire and draw a pension and simply are looking to gain additional unemployment benefits on the side when they are no longer part of the work force.

Mr. JAVITS. Mr. President, a person

may not draw unemployment compensation unless he is qualified. That means he has worked for a certain number of quarters or earned a certain amount, and is able and available for work. That determines whether he is in the work force, not the fact that he is drawing a pension.

Mr. President, we have adopted a solid Federal policy that we want people to be in the work force by, for example, extending the mandatory retirement age, by looking after the working poor, and by encouraging those who are on welfare to work. And are we going to reverse that whole tide because it happens to suit the argument of the Senator from Oklahoma?

Mr. President, I cannot conceive of that. That is exactly what is being argued, nothing else. If he is not qualified to draw unemployment compensation, he is not in the work force. If he is qualified, he is in the work force.

Therefore, all of the other income sources, just like bank accounts, stocks, and bonds, in which he could have saved, are irrelevant.

One other thing: This will penalize credit which a person is entitled to for his IRA account and the payment he has made to it. That does not take any employer contribution. That is just him. And similarly with Keogh plans.

Mr. President, this provision is basically not only unfair but contrary to the whole policy which we have sought to adopt in many other pieces of legislation, and I believe the committee should be frank enough to admit it and accept the amendment which obviously it will not do.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

● Mr. BELLMON. Mr. President, I understand the Javits amendment would add somewhere between $5 and $10 million to the fiscal year 1980 cost of the unemployment insurance program. While this is a smaller amount than we usually argue about here on the floor, it does involve an important principle of which the entire Senate should be aware.

Yesterday, the Budget Committee notified the parliamentarian that based on the most recent estimates by the Congressional Budget Office, there is no room under the second budget resolution for additional spending legislation. Indeed, Mr. President, the present status report shows the following status under the second budget resolution:

[In billions of dollars]

	Budget authority	Outlays	Revenues
Second budget resolution ----	638	547.6	517.8
Current level----	634.4	557.6	515.4
Amount remaining ----------	0	0	0

Mr. President, we have already exceeded the targets in the second budget resolution. The $295 million outlays savings this bill will achieve is a significant step to get Congress turned in the direction it must go—the direction of fiscal restraint. I commend the Finance Committee—and especially Senator Boren—for bringing this bill out. Unfortunately, the Senator from New York's amendment—and the others he has indicated he will present—would erode those savings.

So, Mr. President, the amounts of money we are dealing with in this amendment are small, but the principle is important. I urge the Senate to reject the amendment.●

Mr. JAVITS. Mr. President, I am prepared to vote.

Mr. DOLE. Vote.

The PRESIDING OFFICER. Is there a request for time here?

Do Senators yield back their time on the amendment?

Mr. JAVITS. Mr. President, I yield back my time on the amendment.

Mr. BOREN. Mr. President, I yield back my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. Biden), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Connecticut (Mr. Ribicoff), and the Senator from New Jersey (Mr. Williams), are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Williams), would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from California (Mr. Hayakawa), and the Senator from South Carolina (Mr. Thurmond), are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. Thurmond), would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 23, nays 69, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—23

Bayh
Bradley
Culver
Durkin
Javits
Kassebaum
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Riegle
Sarbanes
Stafford
Stevens
Stevenson
Weicker

NAYS—69

Armstrong
Baucus
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Laxalt
Lugar
Magnuson
McClure
Morgan
Muskie
Nunn
Percy
Pressler
Proxmire
Pryor
Randolph
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stewart
Stone
Talmadge
Tower
Tsongas
Wallop
Warner
Young
Zorinsky

NOT VOTING—8

Baker
Biden
Hayakawa
Kennedy
Long
Ribicoff
Thurmond
Williams

So Mr. Javits' amendment (UP 1006) was rejected.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Stewart). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I had proposed to submit for the judgment of the Senate two other amendments. Both dealt with this pension question. One of them would have sought to deal with confining the offset to situations where the pensioning employer, in order to justify the deduction of the pension, had to be the claimant's most recent base period employer.

The other amendment which I had in mind would exclude social security benefits entirely from the pension offset calculations.

I might say that 30 States now do not offset for social security payments in their own State laws. Mr. President, I would hope very much that that example would be otherwise followed. I think, however, that the Senate has made its view clear on what I consider to be the most clearcut of these amendments which literally, and I think most unjustly and unfairly, denies the individual the right not to have offset against his unemployment compensation the result of his own savings, as in his contributions to the pension plan and his contributions to the IRA or a Keogh plan. This vote, Mr. President, has been very decisive. I see no reason, therefore, for submitting these additional amendments, but I shall certainly vote against the bill, which I regard as highly inequitable and highly unwise in the interest of the policy which we have with respect to unemployment compensation and with respect to working men and women in this country.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I thank

the Senator from New York for his concern in terms of the timeliness in considering amendments of a similar nature. I congratulate him on the ability and sincerity with which he has presented his point of view on the past amendment. As always, it is a challenge of the highest order to be engaged in a discussion of any issue with him. I appreciate the way in which he has expressed his point of view here today.

Mr. JAVITS. I thank my colleague very much.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1007

Mr. BOREN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BOREN) proposes an unprinted amendment numbered 1007.

Mr. BOREN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After section 207, add the following new sections:

SEC. 2087(a) paragraph (15) of section 3304(a) of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended—

(1) by striking out "March 31, 1980" and inserting in lieu thereof "January 1, 1982", and

(2) by striking out the semicolon at the end thereof and inserting in lieu thereof the following: "except that—

"(A) the requirements of this paragraph shall apply to a pension, retirement or retired pay, annuity, or other similar periodic payment only if—

"(i) such pension, retirement or retired pay, annuity, or other payment is under a plan maintained (or contributed to) by a base period employer (as determined under applicable law), and

"(ii) services performed for such employer by the individual during the base period (or remuneration for such services) affects eligibility for, or increases the amount of, such pension, retirement or retired pay, annuity, or other payment, and

"(B) the State law may provide for limitations on the amount of any such a reduction to take into account contributions made by the individual for the pension, retirement or retired pay, annuity, or other similar periodic payments;".

(b) The amendments made by subsection (a) shall apply to certifications of States for 1980 and subsequent years.

SEC. 209 (a) Subsection (c) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking out "which begin in such extended benefit period" and inserting in lieu thereof "which (1) begin in such extended benefit period, and (2) begin within 2 years after the last day of his benefit year".

(b) The amendment made by subsection (a) shall apply to weeks of unemployment beginning after the date of the enactment of this Act; except that such amendment shall not be a requirement of any State law under section 3304(a) (11) of the Internal Revenue Code of 1954 before January 1, 1982.

SEC. 210. Sections 208 and 209 shall cease to be effective upon the date of enactment of this Act.

Mr. BOREN. Mr. President, this amendment is a simple housekeeping one. It takes the House language which was sent over on the same provision and merely would insert it into the bill with the proviso that it would not be effective. This is simply a courtesy to the House so that the House language when we are in conference will at least be before the conference although it will be in no way effective.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. CHAFEE. Mr. President, I would like to ask a question of the manager.

Does this have something to do with the effective date? Is that what we are talking about?

Mr. BOREN. No, it has no effect whatsoever. We are talking about the House language on the pension offset which came over. If we just simply act on the bill as we have it now, there would be no House language even before the conference committee. This simply would say, as a courtesy to the House, that their language would be included in the print of the bill, even though it is with a proviso that it not be effective. The amendment states that this language shall not be effective in any manner whatsoever. It is simply a housekeeping way of having both the Senate and the House language before the committee, the Senate language being the effective language, the language we have adopted. The House language is simply being printed so the conference committee can see it.

Mr. CHAFEE. I thank the Senator very much.

Mr. BOREN. Mr. President, I have no further explanation.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Are there further amendments to be proposed?

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1008

(Purpose: To provide that no more than two weeks of extended benefits shall be paid to an individual who has qualified for such benefits but then moves to a State in which the trigger is not "on")

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I am offering this amendment on behalf of Senator STEVENS who is presently chairing an Interior Appropriations Subcommittee hearing.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ), for Mr. STEVENS, proposes an unprinted amendment numbered 1008.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, after line 14, add the following new section:

CESSATION OF EXTENDED BENEFITS WHEN INDIVIDUAL MOVES TO STATE IN WHICH TRIGGER IS NOT "ON"

SEC. 207. (a) Section 202(a) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding the provisions of paragraph (2), payment of extended compensation shall not be made to an individual for any week of unemployment in such individual's eligibility period (as defined in section 203(c)) during which such individual resides in a State in which there is not a State 'on' indicator for such week, if such individual took up residence in such State after the beginning of the period of unemployment with respect to which extended benefits would otherwise be payable except that the preceding provisions of this paragraph shall not apply with respect to the first two weeks during which such individual resides in such State.".

(b) The amendment made by this section shall be effective with respect to weeks of unemployment beginning after the date of the enactment of this Act.

● Mr. STEVENS. Mr. President, the bill we have before us today offers substantial savings in the unemployment compensation and extended benefit programs. However, I feel additional cost-reducing measures can be effected in the extended benefit program. The amendment I offer today will correct an abuse in the extended benefit program with substantial savings for both the Federal and State governments.

Under existing law, unemployment benefits are payable under most State unemployment compensation programs for a maximum of 26 weeks. In times of high unemployment, however, the extended benefit program becomes operative, providing for an additional 13 weeks of benefits to those workers having exhausted their 26 weeks of regular State benefits. These extended benefits are funded equally by Federal and State governments.

The justification for the extended benefits program is that when the availability of jobs is reduced and the competition for them is increased, it is likely that an unemployed worker will need more time to secure a new job. This relationship between the overall level of employment and the amount of time it takes to find a new job is the basic premise for the extended benefit program.

The questions of how long a worker will be unemployed is dependent upon the local economic conditions in the area in which he resides, not upon the national unemployment conditions, as the committee has recognized by eliminating the national trigger.

Currently, the recipient of extended

benefits from high unemployment States such as Alaska, Michigan, Idaho, Ohio, and Pennsylvania can move to a new State with a low unemployment rate while continuing to receive extended benefits from their home State, when they could more readily be employed in their new location.

For example, in 1979, Alaska and the Federal Government each paid $2 million to these interstate claimants who had moved from Alaska to low unemployment States not participating in the extended benefit program because of their more favorable employment rate. By moving to a low unemployment State while collecting extended benefits from his home State, the claimant is enjoying an unintended reward for not seeking and finding work in an area where economic conditions are more favorable. This gives him an advantage over other workers in a low unemployment State who do not have the benefit of eligibility for the extended benefit program. With the adoption of my amendment, each worker within a particular State would be treated equally, with no disparities created by an economic indicator used in another State to extend benefits.

Since local economic conditions are a significant determinant used to trigger the extended benefit program, there is no justification to continue to extend benefits to a claimant who is no longer subject to those same local conditions once he has moved to an area with better economic conditions.

My amendment would correct this abuse by requiring States to pay extended benefits only if the claimants move to high unemployment States that are participating in the extended benefit program. If an unemployed worker moves from one high-unemployment State to another, he would still be entitled to extended benefits. But if he moves to a low unemployment State, he would receive only 2 weeks of benefits which should be enough to sustain him until he finds a job in his new location. I believe this is fair to all workers, putting them on notice that they are expected to obtain employment as soon as possible in areas where there is work, with the benefit of a 2-week phaseout period.

In an effort to cut program costs and reduce the Federal budget deficit, my amendment offers a substantial savings for both the Federal and State governments without creating an inequitable situation for the affected workers. Concurrently, it creates a realistic and workable policy of unemployment compensation reflecting the economic conditions in the various States, instead of an arbitrary national test that every State must comply with.

I urge my colleagues to vote in favor of this amendment so that we may prevent any further abuse of the extended benefit program.●

Mr. HEINZ. Mr. President, do all the interested Senators have a copy and an explanation of the amendment? If so, I shall not take the Senate's time to explain this in detail.

The purpose of the amendment, very simply, is to preclude individuals who leave a State which has high unemployment from receiving benefits if they move to a State which does not have high unemployment.

The specific provision that the amendment proposes is to disallow the payment of extended benefits to an individual who has qualified for such benefits in a State in which the trigger is "on" but then moves to a State in which the trigger is not "on." Mr. President, speaking for the minority, I think we can accept this amendment.

I yield to my distinguished colleague from Oklahoma.

Mr. BOREN. Mr. President, speaking for the majority, we can also accept this amendment. I think it is a very straightforward one. The current situation has caused problems in States like Alaska. I think the philosophy set forth in the amendment is sound and we shall be happy to accept this amendment on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Are there further amendments to be proposed?

Mr. BOREN. Mr. President, I ask for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, before we proceed, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I see no need for further debate on this measure. As I said in explaining it earlier, it is an opportunity for the Senate to demonstrate that we are serious about finding savings that can be legitimately made. This is an opportunity for us to save an estimated $350 million each year—some estimates have ranged as high as $1 billion—without doing any damage to the essential nature of the unemployment program. In fact, I am convinced that we shall be improving the system and help it apply as it was meant to apply, to provide benefits for those who are truly unemployed. I think it is a step forward in terms of the efficiency of the system, of reaching the goals of the system, and it is certainly an opportunity for us to do our part in assisting the process of balancing the Federal budget.

Just as we debated here today, word came across the news tickers that the prime interest rate has now increased to 17.25 percent. I think this indicates just how serious the inflation problem is with which we are dealing. The interest rate increase is a reflection of the serious nature of that crisis. I think it behooves us, in facing this situation, to do everything we can to make the savings in Federal expenditures, cut out those expenditures which are unnecessary. This bill today gives us an opportunity to take that step, so I urge its passage.

Mr. CRANSTON. Mr. President, I I would like to ask the distinguished floor manager a question concerning section 204 of the reported bill, which would amend section 3304(a)(15) of the Internal Revenue Code of 1954, relating to certain requirements for approval of State unemployment compensation laws.

Mr. BOREN. I am pleased to respond to the question of my colleague, the chairman of the Veterans' Affairs Committee.

Mr. CRANSTON. Mr. President, my concern in this matter has to do with the unemployed veteran who is receiving disability compensation from the VA. As you know, VA compensation benefits are paid to veterans who, because of service-connected disability, have suffered impairments of earning capacity. The amount paid in individual instances is contingent upon the extent to which earning capacity is deemed to have been impaired and upon the nature of the veteran's disability or combination of disabilities.

Mr. President, in my view, neither the reduction in an individual's unemployment compensation benefits by the amount of pension or retirement benefits that is contemplated by existing law, which becomes effective March 31, 1980, nor the proposed limitation, contemplated by the reported bill, of that reduction to pensions from "base-period employers" should have any application to veterans in receipt of service-connected disability compensation who are otherwise qualified to receive unemployment compensation under the laws of the several States. Mr. President, I ask unanimous consent to have printed in the RECORD at this point my correspondence on this issue with the Secretary of Labor and the National Commission on Unemployment Compensation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., April 5, 1978.

Hon. F. RAY MARSHALL,
Secretary of Labor,
Washington, D.C.

DEAR RAY: Senator Morgan recently shared with me a letter dated October 14, 1977, which he received from Laurence E. Weatherford, Jr., the Administrator of the Unemployment Insurance Service. Mr. Weatherford, in responding to Senator Morgan's inquiry on behalf of a constituent, Ben H. Davis, stated that Public Law 94–566 contains a provision which "may affect" Mr. Davis' unemployment compensation benefits. Mr. Weatherford cited section 3304(a)(15) of the Federal Unemployment Tax Act (section 3304(a)(15) of title 26, United States Code, as added by Public Law 94–566 and amended by section 302(e) of Public Law 95–19) as follows:

"(15) the amount of compensation payable to an individual for any week which begins after March 31, 1980, and which begins in a period with respect to which such individual is receiving a governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of such individual shall be reduced (but not below zero) by an amount equal to the amount of such pension, retirement or retired pay, annuity, or other payment, which is reasonably attributable to such week; . . ."

It is evident from Mr. Weatherford's letter that Mr. Davis is a veteran with a service-connected disability and is receiving disability compensation from the Veterans' Administration. It also appears evident that the Unemployment Insurance Service would interpret the statutory language appearing in section 3304(a) (15), supra, to include service-connected disability compensation.

I believe that a careful reading of this provision, together with a review of Congressional intent with respect to the payment of service-connected disability compensation, clearly reveals that service-connected disability compensation should not be considered as "pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of such individual".

Service-connected disability compensation benefits reflect the Nation's recognition of its obligations to veterans who have incurred injury or illness in line of duty during their periods of service to the country. In light of the nature of those obligations, the Congress has protected compensation benefits from diminution in other contexts. Thus, compensation payments are exempt from Federal income taxation, and are not reduced by the amount of any other income which the veteran receives—earned or unearned. Given the generally protected nature of compensation benefits and the policy of affording disabled veterans the full enjoyment of the monetary rewards of post-service employment, I don't believe that a Congressional intention to reduce the value of such benefits—as by offsetting them against another benefit—should be inferred unless that intention is clearly indicated. In the legislative history of section 3304(a) (15), as amended, there appears to be no such indication of Congressional intention.

Therefore, in my view, only a strained interpretation of the Federal Unemployment Tax Act would require offsetting service-connected disability compensation against unemployment compensation benefits; and such an interpretation would be inconsistent with the Congressional policy of generally protecting service-connected disability compensation benefits.

In view of these considerations, Ray, I believe that the interpretation of section 3304 (a) (15) suggested in Mr. Weatherford's letter to Mr. Davis should be carefully examined by the Department of Labor. I would very much appreciate your advising me as to the Department's interpretation of this provision.

As Chairman of the Veterans' Affairs Committee, I am making my views on this matter known (by sending a copy of this letter) to the National Commission on Unemployment Compensation, as it carries out its Congressional mandate under Public Law 94-566.

With warm regards,
Cordially,

ALAN CRANSTON,
Chairman.

U.S. DEPARTMENT OF LABOR,
Washington, August 10, 1978.
Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR ALAN: Thank you for your letter concerning the applicability of Section 3304 (a) (15) of the Federal Unemployment Tax Act (FUTA) to veterans receiving a service-connected disability pension. You question whether this requirement of Federal law, which will become effective April 1, 1980, should apply to such veterans. I regret the delay in responding.

Section 3304 (a) (15), FUTA, states: "The amount of compensation payable to an individual for any week which begins after March 31, 1980, and which begins in a period with respect to which such individual is receiving a governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of such individual shall be reduced (but not below zero) by an amount equal to the amount of such pension, retirement or retired pay, annuity or other payment, which is reasonably attributable to such work."

We have considered carefully the reasons expressed in your letter for considering service-connected disability compensation outside the scope of the required reduction of unemployment benefits by "pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work if such individual." We have consulted with Senate and Library of Congress staff who had drafting responsibilities in connection with the provision in question. We have also pursued applicable legislative history.

We find no specific evidence that Congress intended that service-connected disability compensation be deductible. Although we find no conclusive basis in the relevant legislative history for an interpretation of the current language of Section 3304(a) (15) as not applying to service-connected disability compensation, our research and the results of our discussions suggest that Congress intended not to apply the deduction provision to service-connected disability compensation—any more than it intended the provision to apply to workers' compensation.

Therefore, we are revising our earlier advice on the applicability of Section 3304(a) (15). We believe service-connected disability compensation may reasonably be considered exempt from the requirements of that Section. The basis for our opinion is that such compensation paid an individual is not "based on the previous work of such individual" in the same sense that conventional retirement pay or social security payments, for example, are so based, but instead is paid on the basis of disability. Unlike pensions, it bears no direct relationship to the level of prior remuneration or the length of past service.

As indicated above, Section 3304(a) (15) will not become a requirement for States until April 1, 1980. We would hope that in the interim both the National Commission on Unemployment Compensation and the Congress consider the desirability of amending this provision.

Since this modifies the advice given to Senator Morgan earlier, I am sending him a copy of this letter. As always, your views on these matters are appreciated.

Sincerely,

RAY,
Secretary of Labor.

NATIONAL COMMISSION ON
UNEMPLOYMENT COMPENSATION,
Washington, D.C., April 21, 1978.
Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Chairman Wilbur J. Cohen has asked me to convey to you his appreciation for your thoughtfulness in sending to him a copy of your letter to the Secretary of Labor F. Ray Marshall on the subject of the new Federal standard with regard to deduction of pensions from unemployment compensation benefits.

The matter of the interpretation of this provision and also the fundamental issue of its desirability as a Federal requirement will have Commission consideration at an early date in their deliberations, since the Congressional debate clearly indicates a desire for recommendations prior to the new effective date for the requirement—March 31, 1980.

You will be hearing directly from the Chairman as the Commission progresses with its review of the subject.

Cordially,

JAMES M. ROSBROW,
Interim Executive Director.

Mr. CRANSTON. As that correspondence makes clear, it is my view, shared by the Department of Labor, that the service-connected disability compensation benefit should not be viewed, for purposes of unemployment compensation, as being contingent on the veteran's previous employment in the military or based on an earnings record or as a pension or retirement benefit. Rather, service-connected disability compensation benefits reflect the partial fulfillment of our Nation's obligations to veterans who have incurred injury or illness in the line of duty during their service to our Nation.

In order to help meet these obligations, Congress has protected compensation benefits from diminution in other contexts. Thus, compensation benefits are exempt from Federal income taxation and are not reduced by the amount of any other income received by the veteran—earned or unearned. Mr. President, service-connected disabled veterans who become employed have the security of knowing that their compensation benefits will not be taken away; and, for those veterans who do become employed—the vast majority—there is thus no disincentive to employment. Mr. President, in my view, this carries out our obligations to our Nation's service-connected disabled veterans in an honorable fashion that is wholly consistent with the sacrifices these veterans have made. Mr. President, I also believe that it is wholly consistent with this longstanding policy to insure that, where disabled veterans become unemployed, the unemployment benefit not be reduced by the amount of the veteran's disability compensation benefit.

Thus, Mr. President, my question to the distinguished floor manager is whether he agrees with me that neither the States nor the Federal Government should interpret either the existing provision or its proposed modification so as to include, for purposes of the reduction of unemployment compensation benefits, a veteran's service-connected disability compensation benefit as a "pension, retirement or retired pay, annuity, or any other similar periodic payment."

Mr. BOREN. I am in complete agreement with the distinguished Senator.

Mr. CRANSTON. I thank the floor manager.

Mr. President, I want to express my very deep concerns regarding section 205 of the reported bill, which would amend section 8521 of title 5, United States Code, to extend, from 90 days to 1 year, the minimum length of active service that a veteran must perform in order to qualify for federally funded unemployment compensation payments, known as UC-X.

The House-passed bill contained no provision to modify the present 90-day minimum service requirement, and I believe that an extension to 1 year would be excessive in light of both the extent of disruption to an individual's economic situation that service of substantially longer than 90 days but less than 1 year entails and the variety of reasons, not involving any fault on the part of the veteran, that may lead to an early termination.

In a February 29, 1980, letter to the chairman of the committee, the Secretary of Labor urged that action on various provisions in the reported bill to modify the Federal-State unemployment compensation system—including this minimum-service requirement—be delayed until after the National Commission on Unemployment Compensation has completed its analysis of the unemployment insurance system and reported its findings. Moreover, it is my understanding that the administration has advised the chairman that, in any event, it would prefer a 180-day over a 1-year requirement, as consistent with other length-of-service requirements.

I do not want to delay action on this important measure, Mr. President, but I would strongly urge the committee to reconsider very seriously, in conference with the House, the proposed extension to a full year and give consideration to a minimum length-of-service requirement no greater than 180 days. That is the length of service generally required for readjustment and employment assistance, such as GI Bill education benefits, the post-Vietnam era educational assistance program, and employment assistance programs under chapter 42 of title 38, United States Code, and, as proposed to be modified in H.R. 5288 as passed by the Senate on January 24, 1980, under chapter 41 of title 38. Certain other benefits serving a readjustment purpose such as VA home loan guaranties, have the same general 90-day requirement as does existing law with respect to unemployment insurance. No present veterans' benefit or service entails a length-of-service requirement exceeding 180 days.

I believe that it would be unwise to demand for unemployment compensation purposes a longer period of service, such as a full year, that would be inconsistent with the provisions of these other programs aimed at fulfilling essentially the same kind of readjustment purposes.

Thus, Mr. President, I would be very grateful to the distinguished floor manager if he would keep these important considerations in mind in conference on the minimum service requirement.

● Mr. LEVIN. Mr. President, this vote on H.R. 4612 presents serious dilemma. The reauthorization of the program to benefit disabled SSI children is vital. The program is due to expire shortly. The children, quite frankly, need this program and it has worked well. It gives these disabled children a chance to develop skills which will help to make them product members of society in later life. I support this program and believe that it should be continued.

Some amendments to the unemployment compensation program are troublesome.

Mr. President, I do support the modification of the pension offset provision as it applies to unemployment compensation. A person who is receiving a pension from an employer and who then returns to the workforce and qualifies for unemployment compensation should be allowed to draw that compensation as long as it is not based on the contributions of the employer from whom that worker is receiving a pension.

There are, however, several provisions in this bill which would change the way the unemployment compensation program operates and which I do not support. First is the provision that would require the States to establish a 1-week waiting period or lose the Federal share of the first week of the extended benefit program.

The unemployment compensation program is intended to provide a prompt replacement of wages to the worker who is laid off and waiting periods have been utilized in some States for processing of applications. There is no evidence that a 1-week waiting period provides any incentive to find work, rather it only creates an additional hardship for a worker who has lost a job. In addition, with a waiting period, a worker who finds employment prior to exhausting his benefits will lose a week's benefits.

Mr. President, I further believe that the changes in the "trigger" for the extended benefits is a mistake. By eliminating the national trigger, we hurt the worker in a sector of a State's economy that has been seriously affected by a national economic crisis even though the overall unemployment level in that State is low.

There are similar problems in permitting States to establish optional extended benefit triggers at higher insured levels of insured unemployment than the current 5 percent trigger. It only creates inequality in the program.

Because of the need to extend the service program for disabled children immediately, I will vote for H.R. 4612. As I said earlier in my remarks, it is a good program, and while I have serious problems with a number of the unemployment compensation amendments, I cannot jeopardize the continuation of this program for disabled children.

It is my hope that when the National Commission on Unemployment Compensation makes its final report this summer, the Senate will take another look at unemployment compensation and see fit to make a number of necessary reforms.●

The PRESIDING OFFICER. Are there further amendments? If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from California (Mr. HAYAKAWA), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER. Is there any other Senator in the Chamber who desires to vote and has not done so?

The result was announced—yeas 89, nays 3, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—89

Armstrong
Baucus
Bayh
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Tower
Tsongas
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—3

Durkin
Javits
Moynihan

NOT VOTING—8

Baker
Biden
Hayakawa
Kennedy
Long
Ribicoff
Thurmond
Williams

So the bill (H.R. 4621), as amended, was passed.

The title was amended so as to read:

An act to amend title XVI of the Social Security Act to maintain for an additional three years the current program of preventive services, referral, and case management for disabled children receiving SSI benefits, and to amend the unemployment compensation laws.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I ask unanimous consent that the bill be printed with the amendment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I should like to express appreciation to all those who worked on this bill. I particularly express appreciation to members of the Finance Committee staff who put in many hours of work on this piece of legislation, preparing the studies and these statistical studies associated with it.

I especially wish to mention Mr. Michael Stern, Mr. Joe Humphrey, Mr. Bob Lighthizer, Linda McMahon, and Mike Fogarty of my staff. I express my appreciation to them for their efforts in connection with this piece of legislation.

Mr. ROBERT C. BYRD. Today, the Senate acted on the unemployment compensation amendments, H.R. 4612, to streamline the Federal-State unemployment compensation programs, in a cost-effective manner. The legislation would make a number of important changes in unemployment insurance programs. It would eliminate the national trigger for paying extended unemployment benefits on the basis that when an individual becomes unemployed, the time it will take him or her to find new employment is more dependent upon the availability of jobs in the State he or she resides in, than the national average unemployment. It would require a 1-week waiting period for extended unemployment benefits to be paid with Federal matching funds. This waiting period would establish a stronger financial incentive for unemployed workers to seek reemployment.

Since 1974, the unemployment insurance trust fund has had financial troubles. Although designed to be self-financing, the system has had to borrow substantial sums from the Federal general fund. Currently, it owes the general fund about $13 billion. The legislation passed by the Senate today will help to insure the future financial viability of the unemployment trust fund.

The legislation is a result, in part, of the Senate Finance Committee's commitment to meet the requirements of the second budget resolution, to reduce spending in the income security function of the budget compared with current law. The Congressional Budget Office estimates that the bill could save as much as $239 million in the current fiscal year.

The Finance Committee has reviewed and revised the piecemeal changes that have been made in the Federal-State unemployment compensation programs over the years. It has reorganized these programs, in H.R. 4612, to adhere more closely to the original intent of the Congress in enacting unemployment insurance benefits.

I commend Senator Boren for his able management of the legislation on the floor today, and I also commend Mr. Heinz and Mr. Dole for their able managership of the bill on the side of the minority.

I express my personal appreciation to both Mr. Boren, Mr. Long, Mr. Heinz, and Mr. Dole, and I thank all members of the Finance Committee for their efforts in reforming Federal-State unemployment compensation programs.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86–420, appoints the following Senators to attend the Mexico-United States Interparliamentary Conference, to be held in Washington, D.C., May 5–8, 1980: the Senator from Arizona (Mr. DeConcini), chairman, and the Senator from Illinois (Mr. Percy), vice chairman.

The Chair, on behalf of the Vice President and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86–42, appoints the following Senators to attend the Canada-United States Interparliamentary Conference, to be held in San Diego, Calif., May 23–27, 1980: the Senator from Nebraska (Mr. Zorinsky), chairman, and the Senator from Alaska (Mr. Stevens), vice chairman.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, for the purpose of introduction of bills and resolutions for referral only, and for the purpose of statements; that Senators may speak therein, and that the period not extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CARTER DUPED AGAIN

Mr. DOLE. Mr. President, last week the Senator from Kansas raised in this Chamber the issue of the American hostages in Tehran when the commission of inquiry was formulated to look into the crimes of the Shah. By this time, according to the understanding we had prior to our agreement on the commission, the hostages should have been released. That was what it was all about. But last week I informed the Senate that the Iranians had never guaranteed this quid-pro-quo. All they wanted was another public forum in which to vent their hatred and to disseminate propaganda. The United States was misled—by the Iranians, on purpose, and by Jimmy Carter, who naively believed half-promises by a fanatical clique that supposedly "governs" Iran.

In all the time since the commission was constituted and arrived in Iran, they have failed to even see the hostages, let alone arrange for their release. Americans, for the first time since the Vietnam debacle, had become incensed with the way the United States was being treated in the world, and ready to do something about it. But instead of using this change in public opinion to alter an indecisive, undirected foreign policy, President Carter has tried to tone down American anger and indignation, to channel it toward short-term, symbolic gestures like a grain embargo or a boycott of the Olympics. None of the vast and willing energy of American purpose has been directed toward constructive, long-term objectives.

NOTHING HAS BEEN GAINED

The only effective action this administration took, the imposition of sanctions against Iran, fell victim to the agreement on the commission of inquiry. Nothing has been gained except this lifting of near-total economic sanctions, the opportunity for more publicity for the anti-U.S. diatribes by the Iranian militants, and worldwide hearing for exaggerated, unbalanced claims about U.S. imperialism in league with a Shah of supposedly no redeeming qualities. The United States and its people have been only losers in this sad substitute for the conduct of foreign policy. The terrible ordeal of the hostages—the ones who have lost the most—will be in vain if our leadership has squandered our visceral reawakening to the dangers of global retreat and withdrawal.

Standing pat has kept the President high in the polls in this election year, ultimately destroying the candidacy of his closest challenger, but only because the hostages have not been harmed. It is not Carter's inaction that has kept them from personal injury so much as the need for the Iranian militants to retain their power and Ayatollah Khomeini to retain his uncritical popularity in a chaotic nation on the verge of dissolution. The hostages are essential components of the power and prestige of both groups vying for control in Tehran.

FREEDOM NO CLOSER THAN 4 MONTHS AGO

President Carter, duped by the Iranians into going along with this Commission without any guarantees, is now misleading the American people. To date we have taken few actions that might pressure Iran and we are no closer to solving the hostage crisis than we were over 4 months ago today when the hostages were taken on November 4. What is worse, however, is the incalculable damage to U.S. prestige and future policy as inimical groups around the world like in Bogota, Colombia, have witnessed American hesitation and weakness. Hopefully, some day before the Presidential elections next November 4, the hostages will finally be released, after a long and highly publicized and essentially false castigation of American foreign policy over the last three decades. President Carter will warmly greet the returning hostages and they will be feted at the White House, amid thankful tears and bearhugs televised to a relieved Nation. This public catharsis of the national trauma will leave the United States weaker than ever on the international scene, unless the administration shows now that it is willing to work for long-range objectives, to formulate firm actions that it will stick to and not back down at the first sign that our opponents are willing to negotiate.

The traditional willingness of Americans to be fair is seen by our fanatic opponents as a willingness to appease them at almost any cost. When the rules of negotiation are made up by our enemies, and start with the tenet that "what is ours is ours, and what is yours is negotiable," we cannot hope to win or even maintain the respect of a pragmatic world community. We must have firm, long-term policies to which we are committed. We should back off our sanctions only when we have gained something in return. So far, we have gained nothing, not even time, for it is Iran that wants, and uses, time.

EDWIN M. YODER, JR., ON THE CASE OF THE COMMITTEE FOR PUBLIC EDUCATION AND RELIGIOUS LIBERTY AGAINST REAGAN

Mr. MOYNIHAN. Mr. President, the Washington Star of February 28, contained a characteristically wise and incisive column by Edwin M. Yoder, Jr., on the subject of last week's decision by the Supreme Court in the case of Committee for Public Education and Religious Liberty against Reagan. Over the past several years, no commentator known to me has surpassed Mr. Yoder in perspicacity and historical accuracy on the tangled subject of the Court's myriad decisions in establishment clause cases.

It so happens that last week's decision was favorable with respect to a tiny but useful program administered by the State of New York: a program that simply reimburses nongovernmental schools for the costs of administering tests that the Government requires them to administer. I was naturally pleased by the ruling. But, as Mr. Yoder so rightly points out, the larger effect of the decision is to deepen the confusion that surrounds the question of what forms of aid to nongovernmental education will conform to the Court's ever-changing definition of the meaning of the first amendment. The fundamental point is that at least since 1947 the Supreme Court has misconstrued the Founding Fathers' intentions, and has in consequence found itself making numerous minute—but vastly complex—exceptions to its general—and in my view, a historical—doctrine.

So that others may have the benefit of Mr. Yoder's clear-eyed perceptions of this matter, I ask unanimous consent that his column be printed in full in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Of Church, State and Schoolchildren

(By Edwin M. Yoder, Jr.)

There is usually rich amusement for the student of law, philosophy and history in the Supreme Court's ventures into church-state controversy.

Consider the alarm voiced by Mr. Justice Stevens the other day when the Court decided 5–4 that New York may reimburse private "sectaria" schools for the costs of administering a state pupil testing program. Having allowed this, the justice said, might it not also "support a subsidy . . . attributable to conducting fire drills or even for constructing and maintaining fireproof premises in which to conduct classes"?

Justice Stevens has finally brought the issue full circle. In distant Anglo-American history, people also worried about mingling religion and combustion—not just about the inferno awaiting sinners but about the burning of "heretics" by an established church. Now we fret that fireproofing a private school building might be "an establishment of religion" in violation of the First Amendment!

The justices are paid to be lawyers, not philosophers or historians. But church-state issues—the New York case is a good example—prompt one to wonder whether sound law can be built upon unsound philosophy and unsound history.

Justice Stevens' was one of two dissents in the New York case, and it shows that he is sensitive about the Court's tortured Establishment-Clause dialectics. Yet the justice embraces, in an extreme form, the separationist dogma that spawns them. He would give up "the sisyphean task" of trying to find loopholes in the Establishment Clause and "resurrect the 'high and impregnable' wall between church and state constructed by the Framers of the First Amendment."

It so happens, however, that the intent of the Amendment's framers is at least highly debatable and certainly not as clear as Justice Stevens imagines.

The text which James Madison originally submitted to the House of Representatives said, ". . . nor shall any national religion be established." Madison, though often cited as the architect of the "high and impregnable" wall, understood the words to mean "that Congress should not establish a religion and enforce the observation of it by law, nor compel men to worship God in any manner contrary to their conscience."

"'To establish' a religion," writes Edward Corwin in an essay exploding the ultra-separationist theory, "was to give it preferred status, a pre-eminence, carrying with it even the right to compel others to conform," no less and probably no more. The final phrasing evolved by Congress—"no law . . . respecting an establishment of religion"—reflected congressional desire to ban "any law disfavoring as well as any law favoring" a religious establishment, several states then having one.

From this history (or more accurately, in neglect of it) the Court has conjured a theory of law that not only forbids the states—correctly—to foster religious establishments but—incorrectly—obliges them to disfavor financial aid to nonpublic schools and to favor the secularization of public schools.

This dubious history entails the clumsy theory that religion can and must be hermetically sealed off from learning. In pursuit of this pedagogical chimera, the Court concocts dreadful phrases like "potential for involving some aspect of faith or morals in secular subjects" and "religious-pervasive institution"—to the great impoverishment of both religion and learning.

On a naively fundamentalist view of religion and a sterile view of learning, the distinction might make sense. But not otherwise. What parts of Milton's Paradise Lost, for instance, are "secular subjects" and what parts run the dire risk of promulgating faith and morals? Or, at another end of the curriculum, how may the theistic implications of speculative astronomy be safely neutralized?

The shame of it is that by a simple adjustment of doctrine, the Court could restore historical integrity and philosophical sense to the Establishment Clause. It could return to the view that the First Amendment forbids only the exclusive preferment of any religion at the expense of others. And it could accept the truth that in any worthwhile system of humanistic education, you can no more separate the "religious" elements from the "secular" ones than you can disassemble the ingredients of a marble cake.

One shrinks from the conclusion, surely unwarranted, that the justices enjoy their gross and tortured attempt to guard schoolchildren against religion. Some of them no doubt recall the doctrine of the famous Northwest Ordinance of 1787—that "Religion, morality and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged"— which is not a command to secularize education. The Court need not undertake on its own to promote "religion" and "morality" through "knowledge"—that ought to be left to Congress and the state legislatures. But why do they make it a cornerstone of law—bad law, because bad history and bad philosophy—to disparage them?

THE ADDRESS OF THE HONORABLE MANFRED ORHENSTEIN

Mr. MOYNIHAN. Mr. President, the Honorable Manfred Orhenstein, minority leader of the New York State Senate, is a distinguished public servant who is honored throughout the Empire State for his insight, his wisdom, and his erudition.

In addressing the City Club in New York City on January 25, Senator Orhenstein presented a superb statement about the condition of New York and the claims that it can and in his—and my—view should press with the Nation as a whole, especially in this election year when so much is promised to so many. I believe his remarks deserve wider attention, and in that spirit I ask unanimous consent that they be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Remarks of Senator Manfred Orhenstein

We have a tremendous opportunity in this presidential election year to join together as New Yorkers to develop a political agenda which demands the attention of any candidate, whether Republican or Democrat. Right now, people in a position of power have a unique opportunity to exact promises from every candidate in both parties. We have a right to know where each one stands on issues of crucial importance to our state and our city. For this reason, I applaud Governor Carey and Senator Moynihan for their insistance on waiting for a clear expression of a total agenda for New York before they actively support anyone.

Even though I have taken a partisan position in support of Teddy Kennedy, you can be sure that I have submitted an agenda to him spelling out the urban issues we must solve to survive in the eighties. The candidate who addresses these problems will have the best chance of prevailing in New York State.

What are they? Mass Transit, Health Care, Housing and Welfare issues tear at the fabric of our city's life and consistently outpace our steady effort toward renewed economic vitality.

We have become sophisticated analysts of the historic causes of our problems. We developed our own mass transit systems, health care delivery systems, and social services for our poor at a time when federal dollars were not in the picture at all or were directed toward the South and the West. It was sound national policy for wealthy states to contribute more funds for the common good of the nation by pumping programs and disproportionate subsidies to the poor rural South and developing Southwest. We provided the capital expenditures for TVA, expanded rural Electrification throughout the South, extended our transportation and highway links to encompass the whole country, dug the canals in the Southwest, and paid for the monumental water projects in the West. We built a nation with productive and technological capacities beyond the world's dreams. And of course we benefited from the markets for our goods, investments for our capital and a delivery system for our products.

Now we are the region in need of special assistance. . . . The new "poor", and the challenge is to amass that same kind of dynamic energy to build a national urban policy which addresses the heart of our problems.

What is required is fundamental structural reform of the federal aid formulas which would allow us to do some logical long range planning. We worry annually about enough counter cyclical aid or other crisis financing to bail us out of a budget deficit whose size we can't determine because of the capricious nature of the funding and budgeting process.

Frankly, I'm tired of welcoming every handout we receive from Washington, and the concurrent bowing and scraping required to plead our case. It's time to address fundamental reform of the federal funding and budgeting structure instead of constant fiscal gimmickry to get federal aid programs to focus on our specific needs.

Our welfare, health and mass transit needs deserve funding mechanisms which attack our problems instead of manipulating formulas devised to meet the needs of newer developing regions of the country.

We ought to expect more than that from Washington, and this is the year to make our demands clearly to each person who is seeking the nomination from either party.

A close look at all the Federal Aid programs clearly dramatizes the complexity of the problem. Most grant-in-aid formulas are based upon inflexible economic indicators unrelated to a community's level of poverty, the age and condition of its infrastructure, or its real purchasing power. While some effort has been made to adjust these formulas, the adjustments lag far behind the monumental dimensions of the problem.

There are 40 major Federal Aid programs which measure a state's fiscal capacity in terms of average raw per-capita income. No allowance is made for regional differences in purchasing power or regional differences in the level of poverty. These programs include Medicaid, Aid to Dependent Children, Revenue Sharing, and Community Development grants.

For example, the difference between real average per capita income and raw average per-capita income in New York shrinks the relative value of our own state's dollar by almost 50 percent. (That is, $6.564 reduces to $3.493 in real dollars.) This dramatically reduces our rank on the income ladder from 9th in the nation to 48th, and reduces the share we receive of needed federal dollars.

But let's take a look at some specific areas. On mass transit; why can't a federal program be devised which recognizes the special and different needs of older heavy rail systems for maintenance and operating assistance. Since federal operating subsidies weren't even authorized by law until 1974, local government in cities that built our own systems have been long suffering while the federal government has been building beautiful new heavy rail systems in Atlanta and Washington. Even now funds for operating subsidies are based on population, not transit usage, or transit miles which clearly discriminates against us.

We would need one-half billion dollars a year for the next ten years to begin to compete with the quality of the new heavy rail systems in Atlanta and Washington according to the New York City Planning Commission. That's probably too much to expect. But what we can expect is a new formula directed to a revitalization of our heavy rail infra-structure and an operating subsidy to save the fare and allow us to operate our system more cleanly and effectively.

A specialized approach recognizing the disproportionate needs of urban areas is also required in the welfare area. An effort should be made to amend the pending welfare reform bill which passed the House last fall and will be considered by the Senate's Finance Committee this Spring.

Here too, we need to pay special attention to the true size of each state's welfare burden and demand equitable distribution of Federal aid. For every dollar paid by a state in welfare benefits, the federal reimbursement varies from state to state creating great disparities. In New York, the federal government contributes one dollar for every dollar the state contributes in welfare benefits. But in Alabama, the federal contribution is $3.35 for every dollar the state contributes. The distribution of funds in the pending welfare reform bill only exacerbates this situation. Alabama will receive $1.50 in additional federal funds for every dollar it now pays in welfare benefits making the grand total of $4.85, while New York must be satisfied with $1.16, receive less than 16 cents in additional funds. Is this reform? Our dollars are being spent to increase grant levels in the South with no additional cost to those States.

We are, in fact, rewarding those states that have kept their own grant levels at a bare minimum, without expecting any additional participation on their part. Our state, on the other hand, is still being punished for our humanitarian response to our own poor. And under present circumstances, it is clear that if our grant level is going to be raised, it will have to come from additional local and state funds.

Our State has been unable to adjust our basic assistance (AFDC) grant since 1974. Yet it is politically impossible to adjust that figure to the just needs of our poor unless we can get meaningful relief from the Federal Government. Taxpayers in our state will not accept the increased burden on their property tax.

An interim solution to this problem has been devised which would benefit local governments and make it possible for high grant states to adjust welfare payments.

New York State is spending $3.7 billion of our state and locally raised funds on social service programs in this fiscal year; New York City spends $419 million out of its tax levy funds.

If we could phase out this amount from the city's budget over even a 5 year plan, we would not have to deal with superausterity budgets, diminished services, and tax increased at a time when our survival demands economic incentives for our businesses and industry.

The burden of our reimbursed services for primary health care added to this whole mix helps to clarify the origins of our fiscal crisis and my deepening conviction that our most serious problems are intensified by the treatment we receive in Washington. Here too, we must obtain some kind of structural reform in the Medicaid formulas and move toward a comprehensive health care program. We would not then be in the tragic position of closing down hospitals which are providing care to our working poor and illegal aliens.

New York City has put together, through the combination of municipal and voluntary hospitals, its own comprehensive health care system, but at great fiscal sacrifice.

Our medically indigent and illegal aliens who are not covered by any Federal program, create 85 percent of the statewide deficit in our hospitals. Clearly, this problem needs attention through federal comprehensive health legislation which confronts these facts.

To paraphrase Pat Moynihan—most federal funding is neither national nor rational.

The strength of our nation will be determined by our ability to create a society which can solve tough urban problems as well as produce high technology. These problems are urgent for cities like New York today, but they are certain to plague city after city for the rest of this century. We should demand creative awareness and attention to these problems from whoever is a presidential candidate. It's time to anticipate the problems of capital, employment, and services that an urban population requires—not as a favor but in recognition of its impact on the whole nation.

I concur with Governor Carey that "we have proven our strength in adversity." We must demonstrate that struggles can be coupled with vision, that the dreams of New York can still move this nation.

We can do that as New Yorkers—Republicans and Democrats—if we work together this year, demanding answers to our problems in return for support.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of February 28, 1980, the Secretary of the Senate, on March 3, 1980, received messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received on March 3, 1980, are printed at the end of the Senate proceedings.)

REPORT OF THE DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 176

Under authority of the order of the Senate of February 28, 1980, the Secretary of the Senate, on February 29, 1980, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Twelfth Annual Report of the Department of Transportation. This report has been prepared in accordance with Section 11 of Public Law 89–670 and covers fiscal year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *February 29, 1980.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT OF RESCISSION OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 177

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers;

which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Armed Services, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $17.0 million in funds appropriated for atomic energy defense activities in the Department of Energy. The details of this rescission proposal are contained in the attached report.

Jimmy Carter.

The White House, *March 4, 1980.*

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on March 4, 1980, he had approved and signed the following act:

S. 210. An act for the relief of Rocio Edmondson.

MESSAGES FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Under authority of the order of the Senate of February 28, 1980, the Secretary of the Senate, on February 28, 1980, during the recess, received a message from the House of Representatives reporting that the Speaker has signed the following enrolled bills and joint resolutions:

S. 1850. An act to authorize the conveyance of lands in the city of Hot Springs, Arkansas;

H.R. 891. An act for the relief of Barbara Laws Smith;

H.R. 948. An act for the relief of Maria Corazon Samtoy;

H.R. 1559. An act for the relief of Nelia Ruiz Hedlund;

H.R. 3139. An act for the relief of Pedro Gauyan Nelson;

H.R. 3873. An act for the relief of Jan Kutina;

H.R. 5235. An act to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professional in the uniformed services, and for other purposes;

H.R. 6374. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ambassador Kenneth Taylor;

S.J. Res. 43. Joint resolution to proclaim March 21, 1980, "National Energy Education Day"; and

S.J. Res. 109. Joint resolution to provide for the designation of October 3, 1980, as "American Enterprise Day".

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore (Mr. Magnuson).

Under authority of the order of the Senate of February 28, 1980, the Secretary of the Senate, on March 3, 1980, received a message from the House of Representatives reporting that the House disagrees to the amendments of the Senate to the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Staggers, Mr. Scheuer, Mr. Preyer, Mr. Ottinger, Mr. Satterfield, Mr. Luken, Mr. Broyhill, Mr. Rinaldo, and Mr. Devine were appointed as managers of the conference on the part of the House, and in addition Mr. Russo solely for consideration of section 305 of the House bill and modifications committed to conference.

ENROLLED JOINT RESOLUTIONS SIGNED

The message also reported that the Speaker has signed the following enrolled joint resolutions:

H.J. Res. 267. Joint resolution to provide for designation of Friday, March 7, 1980, as "Teacher Day, United States of America"; and

H.J. Res. 434. Joint resolution to authorize and request the President to issue a proclamation designating April 6 through 12, 1980, "National Medic Alert Week".

The enrolled joint resolutions were subsequently signed by the President pro tempore (Mr. Magnuson).

The message further reported that, pursuant to the provisions of 10 U.S.C. 9355(a), the Speaker has appointed Mr. Burlison, Mr. Wirth, Mr. Robinson, and Mr. Kramer on the part of the House as members of the Board of Visitors to the U.S. Air Force Academy.

The message also reported that, pursuant to the provisions of section 194(a), title 14 of the United States Code, the Speaker has appointed Mr. Dodd and Mr. McKinney on the part of the House as members of the Board of Visitors to the U.S. Coast Guard Academy.

The message further reported that, pursuant to the provisions of 46 U.S.C. 1126c, the Speaker has appointed Mr. Wolff and Mr. Wydler on the part of the House as members of the Board of Visitors to the U.S. Merchant Marine Academy.

The message also reported that, pursuant to the provisions of 10 U.S.C. 4355(a), the Speaker has appointed Mr. Murphy of New York, Mr. Long of Maryland, Mr. Conte, and Mr. Gilman on the part of the House as members of the Board of Visitors to the U.S. Military Academy.

The message further reported that, pursuant to the provisions of 10 U.S.C. 6968(a), the Speaker has appointed Mrs. Spellman, Mr. Ginn, Mr. Kemp, and Mrs. Holt on the part of the House as members of the Board of Visitors to the U.S. Naval Academy.

MESSAGES FROM THE HOUSE

At 12:10 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1792. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 2102. An act pertaining to the inheritance of trust or restricted land on the Standing Rock Sioux Reservation, North Dakota and South Dakota; and

H.J. Res. 414. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day".

The message further announced that, pursuant to the provisions of Public Law 86-42, as amended, the Speaker has appointed Mr. Fascell, chairman, Mr. Johnson of California, vice chairman, Mr. Boland, Mr. Gibbons, Mr. Hanley, Mr. Oberstar, Mr. Bonkers, Mr. Lloyd, Mr. Broomfield, Mr. Horton, Mr. McEwen, and Mr. Winn on the part of the House as members of the Canada-United States Interparliamentary Group.

ENROLLED BILLS SIGNED

At 1:08 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 3756. An act to authorize appropriations for certain insular areas of the United States, and for other purposes; and

H.R. 4337. An act to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the United States Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. Magnuson).

At 4:24 p.m., a message from the House of Representatives, delivered by Mr. Berry, which announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 445. Joint resolution to provide for designation of the week of September 21-27, 1980, as "National Cystic Fibrosis Week"; and

H.J. Res. 463. Joint resolution designating the week of October 5 through October 11, 1980, as "National Diabetes Week".

HOUSE BILL AND JOINT RESOLUTIONS REFERRED

The following bill and joint resolutions were read twice by their titles and referred as indicated:

H.R. 2102. An act pertaining to the inheritance of trust or restricted land on the Standing Rock Sioux Reservation, North Dakota and South Dakota; to the Select Committee on Indian Affairs.

H.J. Res. 414. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day"; to the Committee on the Judiciary.

H.J. Res. 445. Joint resolution to provide for designation of the week of September 21-27, 1980, as 'National Cystic Fibrosis Week"; to the Committee on the Judiciary.

H.J. Res. 463. Joint resolution designating the week of October 5 through October 11, 1980, as "National Diabetes Week"; to the Committee on the Judiciary.

ENROLLED BILL AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on February 29, 1980, he presented to the President of the United States the following enrolled bill and joint resolutions:

S. 1950. An act to authorize the conveyance of lands in the city of Hot Springs, Arkansas;

S.J. Res. 43. Joint resolution to proclaim March 21, 1980, "National Energy Education Day"; and

S.J. Res. 109. Joint resolution to provide for the designation of October 3, 1980, as "American Enterprise Day."

COMMUNICATIONS

The following communications were laid before the Senate together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3106. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, a report on the status of internationally recognized human rights in each country which draws on funds of the International Monetary Fund; which was referred to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Assistant Secretary for Legislative Affairs, Department of the Treasury, relative to section 31 of the Bretton Woods Agreements Act, as amended, be referred jointly to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of the Senate of February 28, 1980, the following report of a committee was submitted on March 3, 1980, during the recess:

By Mr. NUNN, without amendment, but with a preamble:

S.J. Res. 149. Joint resolution to recognize the Honorable Carl Vinson on the occasion of the christening of the United States Ship Carl Vinson, March 15, 1980.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 2253. A bill to provide for an extension of directed service on the Rock Island Railroad and to provide transaction assistance to the purchasers of portions of said railroad (Rept. No. 96–614).

By Mr. DECONCINI, from the Committee on the Judiciary, with an amendment:

S. 1981. A bill to improve judicial machinery by amending the jurisdiction and venue requirements and damage provisions in all suits involving the False Claims Act, and for other purposes (Rept. No. 96–615).

By Mr. MAGNUSON, from the Committee on Appropriations:

Special Report entitled "Allocation to Subcommittees of Budget Totals From the Second Concurrent Resolution for Fiscal Year 1980" (Rept. No. 96–616).

Mr. MAGNUSON. Mr. President, on behalf of the Committee on Appropriations I am submitting the allocation to subcommittees of budget totals from the second concurrent resolution for fiscal year 1980. Section 302(b) of the Congressional Budget Act requires the committee to submit this report.

This year the report differs from similar reports the committee has filed in the past in two respects.

The first is that each subcommittee has been allocated only the amount necessary to accommodate appropriations action to date. The committee's allocation from the fiscal 1980 second budget resolution is $390.2 billion in budget authority and $343.1 billion in outlays. After reducing these total amounts for appropriations action to date and the payraise items, the amounts remaining in the allocation are $8.2 billion in budget authority and $4.3 billion in outlays. Not very much money for the many items the committee still has to deal with.

The second major difference is that the fiscal year 1980 program supplemental budget estimates proposed by the President have been included in this report. To list them all would take much too long, but the totals of the President's requests speak for themselves. The proposed supplementals transmitted in January with the President's fiscal year 1981 budget together with the pending supplemental requests bring the total President's supplemental requests to $14.8 billion in budget authority and $12. billion in outlays.

Now I would remind you that the remaining committee allocation under the fiscal year 1980 second budget resolution is $8.2 billion in budget authority and $4.3 billion in outlays. To fund all of the supplemental budget requests before the committee, we would need an additional $6.6 billion in budget authority and $7.7 billion in outlays. These additional needs are significant.

Mr. President, I know there are some people who would look at these numbers I have just presented and say, "Well, that's easy, just don't fund anything once you have reached your limit." I wish it were that easy. As serious as these figures are, it does not begin to present an accurate picture.

Neither the President nor Congress proposes that we spend Federal dollars on supplemental items that are not truly needed. However, the stringent ceilings that we must operate under will force us to make some very difficult decisions on funding priorities. But even here, the task is compounded by the fact that $8.5 billion in budget authority and $8.1 billion in outlays are mandatory funding requirements under existing law. Those programs must be funded.

These shortages do not reflect another draw down on the remaining amount in the committee's allocation—fiscal year 1980 reestimates. These reestimates, which are increases or decreases to previous cost estimates mainly resulting from changes in the economy, are once again items that are outside of the control of the committee and essentially the Congress. As I have said many times before, it is almost impossible to project costs of programs based on assumptions made early in the year. Reestimates simply make the costs more honest by adjusting for a variety of factors that are unknown at the time we have to make funding decisions. So—these too must be included in our allocations.

In addition, the committee is certain to have to face further supplemental budget requests that will arise out of emergency-type situations. For example, disaster assistance—just based on historical trends the committee will need to find additional funds. I wish we did not have to try to anticipate disasters—but these are acts that none of us can possibly predict. When something like that befalls our people, we must respond.

The Congress, not just the Appropriations Committee, will have to consider disaster assistance as well as other items that will be of an urgent nature before we close out fiscal year 1980. I want the Senate to be aware that the Appropriations Committee has $8.2 billion to try to fund $14.8 billion worth of supplemental requests—and $14.8 billion is not the end of it.

The committee has cut $8 billion out of the Presidential requests we have considered so far in fiscal year 1980. Those cuts represent some very serious—and sometimes very unpopular—decisions. The Appropriations Committee is doing its job and, as chairman, I intend to continue to insist that only the programs that have a truly urgent need are funded.

But there are things that happen that are outside of our control and are completely unpredictable. While we are willing to make the hard judgments and hold the line on spending, we must have enough flexibiilty to address the urgent needs of the American people. This is what I want to do today, to let the Senate know that we are working hard and doing our job but we have an almost impossible task.

By Mr. BAYH, from the Committee on the Judiciary, with an amendment:

S. 1679. A bill to amend the patent laws, title 35 of the United States Code (Rept. No. 96–617).

By Mr. BENTSEN, from the Joint Economic Committee:

Special Report entitled "Joint Economic Report 1980" (Rept. No. 96–618).

Mr. BENTSEN. Mr. President, today I am filing the 1980 joint economic report of the Joint Economic Committee, as required by section 11(b)(3) of the Employment Act of 1946.

The majority and minority members of the Joint Economic Committee have risen above political partisanship in this election year to once again issue a unified report. We have done so because we believe that our committee has developed an innovative and effective strategy to help reverse our country's declining economic fortunes and raise the standard of living for all Americans during the 1980's and beyond.

The 1980 annual report signals the start of a new era of economic thinking. The past has been dominated by economists who focused almost exclusively on the demand side of the economy and who, as a result, were trapped into believing that there is an inevitable tradeoff between unemployment and inflation. America does not have to fight inflation during the 1980's by periodically pulling up the drawbridge with recessions that doom millions of Americans to unemployment.

The committee's 1980 report says that steady economic growth, created by productivity gains and accompanied by a stable fiscal policy and a gradual reduction in the growth of the money supply over a period of years, can reduce inflation significantly during the 1980's without increasing unemployment. To achieve this goal, the committee recommends a comprehensive set of policies designed to enhance the productive side, the supply side of the economy.

The committee recommends that fully one-half of the next tax cut be directed to enhancing saving and investment in the economy. The Joint Economic Committee is now on record in support of the view that tax policy can and should be directed toward improving the productivity performance of the economy over the long term and need not be enacted only to counter a recession.

A new economic model discussed in the 1980 report shows that tax policies, such as depreciation schedule adjustment, can lower the inflation rate substantially over the decade. The model also demonstrates that the only way demand management policies alone can lower the inflation rate substantially is by maintaining unemployment at near depression levels throughout the decade. This new model is an important tool which can help policymakers implement the supply side policies which are being advocated by the JEC.

The committee's 1980 report recognizes that continuation of the historic adversary relationship among government, business, and labor is a major impediment to implementation of supply side policies to improve productivity. Therefore, the committee recommends that the administration use the National Productivity Council as a vehicle to enlist the active cooperation of business and labor to work on new ideas to improve the productivity performance of the economy.

The committee continues to believe that the Federal Government must put its own financial house in order. That requires a steady reduction of the ratio of Government spending to the gross national product and a full accounting of the command over resources now exercised by the Federal Government.

The committee recommends the establishment of a process that would ultimately lead to a Federal regulatory budget to be submitted along with its fiscal budget. Development of a regulatory budget would be the most important new budgetary development since the Federal Government began to submit a single budget for all Federal departments and agencies.

Despite the important employment gains which have been made over the last 2 years, too many blacks, Hispanics, young people, and other disadvantaged minorities have been left out of the mainstream of our economic life. We do not, and we must not, accept the inevitability of structural unemployment.

The committee recommends that this society undertake a renewed effort to keep youngsters in school and to return to the basic elements of a good education—reading, writing, and quantitative skills. We also advocate a new approach to job training programs—one that coordinates job training and actions to increase capital formation in order to avoid a mismatch of job opportunities and the newly trained.

Energy remains a key economic and national security problem. The 1980 report recommends increased domestic production, particularly through enhanced recovery techniques and greater energy conservation. It also recommends a new concept—an energy security index—to help alert all Americans to potential dangers to this country's security from possible disruptions in our energy supplies. The committee also advocates development of an energy productivity index to assess the effects of our efforts at energy conservation.

More than a century ago, Oliver Wendell Holmes suggested that the most important thing in this world is not so much where we stand, but in what direction we are moving: "We must sail," he said, "sometimes with the wind and sometimes against it—but we must sail and not drift, nor lie at anchor." The Joint Economic Committee's 1980 unified annual report points the Congress, the administration, and the Nation in the right direction. It is a call to lift anchor and in President Kennedy's words to "get this country moving again."

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of the Senate of February 28, 1980, the following executive reports of committees were submitted on March 3, 1980:

By Mr. STENNIS, from the Committee on Armed Services:

Rear Adm. Edward P. Travers, U.S. Navy, for appointment to the grade of vice admiral, in the Navy, 10 temporary promotions to the grade of rear admiral (list beginning with Lewis H. Seaton); in the Marine Corps, 7 temporary appointments to the grade of brigadier general (list beginning with Donald J. Fulham).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. DeCONCINI, from the Committee on the Judiciary:

Thomas K. Berg, of Minnesota, to be U.S. attorney for the District of Minnesota.

Terry Lee Pechota, of South Dakota, to be U.S. attorney for the District of South Dakota.

(The above nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Marvin S. Cohen, of Arizona, to be a member of the Civil Aeronautics Board.

George A. Dalley, of the District of Columbia, to be a member of the Civil Aeronautics Board.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NELSON (by request):

S. 2370. A bill to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes; to the Select Committee on Small Business.

By Mr. DOMENICI:

S. 2371. A bill to establish the San Joaquin del Canon del Rio de Chama Grant Commission, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI (for himself and Mr. Schmitt):

S. 2372. A bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease; to the Committee on Energy and Natural Resources.

By Mr. PACKWOOD:

S. 2373. A bill for the relief of Sandra Reyes Pellecer; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 2374. A bill to amend the Congressional Budget Act to limit the growth of Federal taxation and spending and to achieve balanced budgets, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

By Mr. ROBERT C. BYRD (for Mr. Kennedy (for himself, Mr. Williams, Mr. Javits, Mr. Randolph, Mr. Pell, Mr. Tsongas, and Mr. Stewart)):

S. 2375. A bill to amend the Public Health Service Act to revise and extend the programs of assistance under titles VII and VIII for training health professionals and to extend the National Health Service Corps program; to the Committee on Labor and Human Resources.

By Mr. HAYAKAWA (for himself, Mr. Helms, and Mr. Tower):

S. 2376. A bill to amend the Food Stamp Act of 1977 and the Internal Revenue Code of 1954, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAUCUS (by request):

S. 2377. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. Williams, Mr. Kennedy, and Mr. Metzenbaum):

S. 2378. A bill to amend title VII of the Public Health Service Act to provide grants and fellowships for health care management, to provide grants for special projects to encourage geographic and specialty distribution of physicians, to amend the Immigration and Nationality Act with regard to alien graduates of foreign medical schools, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. STEVENSON (for himself, Mr. Heinz, Mr. Javits, Mr. Bentsen, and Mr. Glenn):

S. 2379. A bill to encourage exports by facilitating the formation and operation of export trading companies and the expansion of export trade services generally; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MATHIAS (for himself, Mr. Weicker, Mr. Bumpers, and Mr. Young):

S.J. Res. 150. Joint resolution to authorize and request the President to designate the week of Setpember 21–27, 1980, as "National Cystic Fibrosis Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (by request):

S. 2370. A bill to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes; to the Select Committee on Small Business.

SMALL BUSINESS LOAN CONSOLIDATION LEGISLATION

● Mr. NELSON. Mr. President, at the request of the administration, I am introducing legislation that would simplify and consolidate all business lending of the Small Business Administration into a single financing program having flexible maturity, a $750,000 ceiling, and a revised interest rate. At this time, I am taking no position on the merits of this legislation, but introduce the bill so that the committee can fully consider it.

I ask unanimous consent that the text of the bill, a section-by-section analysis, and a statement of need and purpose be printed in the Record at this point.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO SMALL BUSINESS ADMINISTRATION BUSINESS LENDING AUTHORITY

Sec. 101. Subsection (a) of section 7 of the Small Business Act is amended to read as follows:

"(a) The Administration is empowered to make loans for plant acquisition, construction, conversion or expansion including the acquisition of land to State and local development companies and for the purposes of Title V of the Small Business Investment Act of 1958, and to make loans to assist any qualified small business for the purposes of this Act. Such financings may be made either directly or in cooperation with banks and other financial institutions through agreements to participate on an immediate or deferred basis subject to the following restrictions and limitations.

"(1) No financial assistance shall be extended under this subsection unless the financial assistance applied for is not otherwise available on reasonable terms.

"(2) No immediate participation may be purchased unless it is shown that a deferred participation is not available; and no direct financings may be made unless it is shown that a participation is not available.

"(3) In agreements to participate in financings on a deferred basis under this subsection, such participation by the Administration shall not be in excess of 90 percentum of the balance of the financing outstanding at the time of disbursement by the participant.

"(4) No financing under this subsection shall be made if the total amount outstanding and committed (by participation or otherwise) to a borrower (other than a state or local development company) from the revolving fund established under Section 4 (c)(1)(B) of this Act would exceed $750,000: *Provided*, that such financings, made either directly or in cooperation with a financial institution through agreements to participate on an immediate basis, shall not exceed $350,000.

"(5) The rate of interest on financings on a deferred or immediate participation basis shall be legal and reasonable and on the Administration's share of financings on a direct or immediate participation basis shall be the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest ⅛ of 1% per annum, plus such additional charge not exceeding 1% per annum as the Administration may determine.

"(6) Maturities of such financings shall be based on the business purposes of the financings and the needs of the small business and will conform to the maximum extent practicable with private institution lending criteria or practices.

"(7) All financings made under this subsection shall be of such sound value or so secured as reasonably to assure repayment.

"(8) Qualified small businesses for the purposes of this subsection shall be firms meeting the requirements of Section 3 of this Act; provided, however, that a qualified small business concern owned and controlled by an Indian Tribe as defined in Section 4(a) of the Indian Self Determination and Education Assistance Act, and any public or private organization, whether or not organized for profit, which is organized under the laws of the United States or of any State and employs handicapped individuals for not less than 75 per centum of the manhours required for the production or provision of commodities or services, shall also be eligible.

"(9) Funds may be advanced to a State development company without regard to the use and investment by such company of funds secured from other sources. The total amount of outstanding obligations purchased or guaranteed by the Administration from any one State development company shall not exceed the total amount borrowed by it from all other sources. Funds advanced to a State development company shall be treated on an equal basis with those funds borrowed by such company, regardless of source, which have the highest priority, except when this requirement is waived by the Administrator.

"(10) Proceeds of financings to State and local development companies made directly or in cooperation with banks or other financial institutions, shall be used solely by such borrower to assist an identifiable small business concern. Such financings shall not be made if the total amount outstanding and committed to any one identifiable small business concern from the revolving fund established under section 4(c)(1)(B) of the Small Business Act would exceed $750,000.".

Sec. 102. (a) Sections 7(e), 7(h), 7(i), and 7(l), of the Small Business Act are hereby repealed.

(b) Section 5 of the Small Business Act (15 U.S.C. § 634) is amended by adding at the end thereof the following subsection:

"(f) No provision of the Act entitled the National Environmental Policy Act of 1969, 42 U.S.C. 4321 et seq., shall be applicable to any agreement to make or guarantee any assistance under this Act.".

Sec. 103. The amendments and repeals made by this Act shall be prospective and shall not affect any financing made or application commenced under the Small Business Act or the Small Business Investment Act of 1958 prior to the date of enactment.

Sec. 104. (a) Section 4(c)(1)(B) of the Small Business Act is amended by deleting "7(e), 7(h), 7(i) and 7(l)".

(b) The last two sentences of Section 10 (b) of the Small Business Act are hereby repealed.

(c) Title V of the Small Business Investment Act is amended to read as follows:

"TITLE V—STATE AND LOCAL DEVELOPMENT COMPANIES

"State or local development companies as defined in Section 103(6) and assisted under Section 7(a) of the Small Business Act must meet criteria established by the Administration, including the extent of participation to be required or amount of paid-in capital to be used in each instance as is determined to be reasonable by the Administration. Community injection funds may be derived, in whole or in part, from: State or local governments, banks or other financial institutions, foundations or other not-for-profit institutions, or a small business concern (or its owners, stockholders, or affiliates) receiving assistance through bodies authorized under this title.".

Sec. 105. Section 4(c)(4) of the Small Business Act is amended by changing the period at the end of that paragraph to a semicolon and adding: "and loans, guarantees, and other obligations or commitments are authorized for any fiscal year only to the extent or in such amounts as provided separately in appropriation acts.".

SECTION-BY-SECTION ANALYSIS

Sec. 101.—

Proposed 7(a) Rewrites section 7(a) 15 U.S.C. 636(a) to consolidate all present business loan authority under that section. It does not act to enlarge eligibility.

Proposed 7(a)(4) Increases the 7(a) guaranteed lending ceiling to $750,000, and limits the direct ceiling to $350,000.

Proposed 7(a)(5) Provides a change in SBA's direct loan interest rate formula. The new "comparable maturities" rate will raise the rate from the present 8¼% to approximately 11½%.

Proposed 7(a)(6) Provides a flexible maturity for 7(a) business loans, conforming to the private sector business procedures and practices to the maximum extent practicable.

Proposed 7(a)(7) Keeps the identical repayment criteria for the consolidated program.

Proposed 7(a)(8) Provides for continuation of the same eligibility criteria, with the exception of limiting 501 eligibility to small concerns.

Proposed 7(a)(9) and (10) Establish the State and local development company program as part of the consolidated business loan program.

Sec. 102.—(a) Provides for the repeal of the programs either being consolidated into

7(a) (as 7(h), 7(1) and 7(1) or being eliminated as 7(e)).

(b) Exempts SBA business lending from the National Environmental Protection Act of 1969.

Sec. 103.—Is the savings clause to ensure continued borrower's rights under repealed programs.

Sec. 104.—Section (a) conforms the Business Loan and Investment Fund Provisions of the Small Business Act to the new consolidated 7(a) program.

Section (b) removes the requirement for a report on section 7(1) lending activity.

Section (c) converts Title V State and Local Development Company financing to a lending program similar to the 7(a) business loan program.

Sec. 105.—This amendment is consistent with the Administration's policy on Federal credit control. The language proposed would ensure that the Congress and the Executive have the opportunity to determine credit levels in the context of the annual appropriations process. Annual limitations, in the manner that would be required by this amendment, were included in the appropriation language proposed in the 1981 President's Budget.

STATEMENT OF NEED AND PURPOSE

CONSOLIDATION OF BUSINESS LOAN PROGRAMS

The public has long been confused by the fact that SBA has so many business-type loan programs: 7(a) business loans, 7(1) Economic Opportunity Loans, 7(h) Handicapped Assistance Loans 7(1) Energy Loans and loans by State and local development companies. Each of these programs have differing statutory requirements. Amending the Small Business Act to consolidate all business loan programs including those under Title V of the Small Business Investment Act will simplify administration and reduce confusion. The business person applying for a loan is not concerned with which "program" is being used; he or she is concerned merely with obtaining loan or guaranty assistance.

There are also inconsistencies and inequities. The formula for the direct interest rate for loans under the present Section 7(1) program is for the "disadvantaged." Under the present Section 7(h) handicapped personnel can obtain direct loans at 3 percent, far below any other rate. Maturities and maximum loan amounts also differ over the various programs.

Moving to a consolidated 7(a) program and fully implementing present policy of targeting direct loans for special purposes the Agency would then prioritize direct loans, in accordance with national objectives.

THE CONSOLIDATED BUSINESS LOAN PROGRAM HAS SEVERAL NEW FEATURES

I. Interest rate on direct loans and SBA's share of immediate participation

Under the new Section 7(a) a single formula based on the market rate of Treasury securities of comparable maturity (currently 10½ percent plus up to 1 percent) would be used for direct loans and immediate participation. Applicants unable to obtain credit from the private sector at market rates of interest represent a higher risk. While SBA's mandate is to assist such firms, it is not necesary or desirable to subsidize the interest rate to any significant degree. Any substantial subsidization in SBA's direct loan rate creates an artificial demand and gives SBA an unfair competitive advantage with respect to the private sector.

In the original Small Business Act of 1953, there was no mention of interest rates for direct loans. The 1955 amendments stated that the direct rate "shall not exceed 6 percent;" and the 1958 Act stated "no more than 5½ percent." In those days the commercial bank rates were lower than these rates, and it has been stated that the intent of Congress was to make direct loans at a slightly higher rate since these were considered to be higher risk loans. This has substantially changed as for many years the direct rate for 7(a), EOL, HAL, State and local development company and now 7(1) loans have been overly attractive when compared to the rate we permit banks to charge on guaranteed loans. This situation is even worse today when the direct rate is 8¼ percent for all programs except HAL which is 3 percent and 7(1) which is 9⅜ percent.

A low interest rate on direct loans is a subsidy. A business depending on subsidized money for profitability will be unable to determine a realistic cost structure that will be necessary to compete after the loan is repaid. Loans should not be made to small businesses which will rely on the subsidized loan for survival.

The new rate would be a net plus for the Government in budgetary impact as it would enable the government to more nearly "break even" on what may be considered to be subsidized lending today.

II. Increased loan limit to $750,000

Increasing the business lending ceiling for guaranteed loans to $750,000 is warranted. While the vast majority of loans made by the SBA will continue to be small, and the average size is expected to remain below $150,000, inflation has necessitated a greater dollar amount to serve the needs of small business. This is particularly true for businesses seeking to acquire real property for business purposes or major items of equipment. The small businesses requiring larger loans are those in the manufacturing sector which provide new, permanent employment opportunities.

There has been a reduction in the percentage of SBA loans made to manufacturing firms, both in number of loans and dollar amount. In FY 1975, 17 percent of the loans and 26.8 percent of the dollars went to manufacturing firms, in FY 1978, these percentages had declined to 14.4 percent in numbers and 20.6 percent in dollars. This decline is attributed, in part, to the fact that the maximum loan amount was insufficient for the needs of many firms and therefore these firms were unable to seek SBA assistance.

Relating to the number of employees the following are the average loan amounts:

No. Employees:	*Average*
1–7	$80,000
8–19	150,000
20–100	232,000
over 100	333,000

For many years the ceiling on guaranteed loans was $350,000; this was changed to $500,000 in 1976 to recognize the impact of inflation but at the same time the Congress indicated that it was not intended that loans in excess of this amount should be approved only under exceptional circumstances. Applying the GNP deflator to the $350,000 loan limit first adopted in 1958, gives a loan amount in excess of $700,000. Allowing for future inflation, the proposed limit of $750,000 will simply be comparable to the original in 1958. The Agency approved 1445 loans in excess of $350,000 in FY 78, a 20 percent increase over the 1209 loans in FY 77. In addition, 744 loans were approved in excess of $450,000 in FY 78, a 14 percent increase over the 652 in FY 77. This ceiling would permit "larger" small businesses (still within our size standards) such as manufacturers to expand and to create additional employment. The $350,000 maximum for SBA's share of immediate participation and for direct loans is retained.

III. Maturity on business loans

The proposal would permit the maturity to be related to the purposes of the financing and, to the maximum extent practicable, the criteria used by private sector lenders. This would permit SBA to make some adjustments in the maturity to meet the cash-flow expectations of the business and to recognize the collateral while still protecting the interests of SBA. Longer term loans result in a lower payment and has a positive result on cash flow. On the other hand, excessive extension of maturities is another form of subsidization.

For some years SBA has had the authority under the 7(a) program to make longer-term loans to acquire or construct real property (first up to 15 years, then to 20 years). We feel strongly that longer-term loans, where properly secured with smaller monthly payments would be especially beneficial to small firms in today's (and probably tomorrow's) economic climate. No adverse budgetary impact is foreseen since SBA would obtain the loan collateral upon default.

IV. Elimination of obsolete program provisions

A. Trade Adjustment Assistance Loans under Section 7(e) of the Act. This authority is no longer utilized.

B. Pool Loans under Section 7(a)(5)–(7) of the Act. This is a dormant program. No loans have been made since 1964. Only two entities ever received loans.

V. Exemption from the National Environmental Protection Act

Currently on loans of $300,000 or more SBA is required by the National Environmental Protection Act (NEPA) to make a determination of the environmental impact created in approval of an SBA loan application. In addition SBA must also determine the relationship between local short term uses of man's environment and the maintenance and enhancement of long term productivity.

SBA has found that because the vast majority of their loans do not have any impact on the environment, the provisions outlined in the NEPA creates an unnecessary paperwork burden on both SBA and the loan applicant.

The steady growth in Federal paperwork requirements is particularly crippling to small business. Any reduction in paperwork will help reduce the cost of SBA loan processing to the Federal Government and will help alleviate unnecessary time delays in loan approval applicants often experienced while the environmental assessment is being conducted.

This will not exempt small business from conforming to existing environmental standards.●

By Mr. DOMENICI:

S. 2371. A bill to establish the San Joaquin del Canon del Rio de Chama Grant Commission, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. DOMENICI. Mr. President, a controversy has existed in northern New Mexico for some 133 years regarding title to the lands of San Joaquin and Gallina. The rich history of New Mexico adds considerable twists to the legal title of this property.

In order once and for all to settle all questions of property rights, the New Mexico Legislature last year enacted a resolution urging the Federal Government to investigate, make recommendations, and ultimately quiet title.

The legislation I introduce today establishes a commission capable of investigating and making recommendations to the Congress for possible legislation. When this bill is enacted we will at long last put this controversy to rest.●

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 2372. A bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease; to the Committee on Energy and Natural Resources.

● Mr. DOMENICI. Mr. President, together with my distinguished colleagues from New Mexico, I am reintroducing today a bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease for the benefit of a small New Mexico gas and oil firm. A brief description of the events relating to this lease is presented now to indicate my reasons for introducing this bill.

The New Mexico gas and oil company, Atom, Inc., has a gas and oil lease on Federal land in Sandoval County, N. Mex. The company was drilling a gas well on the lease on the expiration date of the lease, February 28, 1978, an action by which officials of the company felt the lease would be extended and the company's rights thereunder preserved. The officials of the company were aware that royalty payments on the lease were required, but they understood, incorrectly as it turned out that this lease fell into the category of "minimum royalty," meaning that the company would be billed for royalty payments by the appropriate Federal Government agency.

Unfortunately, as to this lease, royalties were not billed but due on a certain date. February 28, 1978, in this case. On April 12, 1978, the company was notified that the lease would be terminated for nonpayment of the royalty. The company immediately ceased operations on the well they were drilling and sent a check that same day for the amount of the rental fee, $401.50, seeking to have the lease reinstated.

The Bureau of Land Management determined, in accordance with the provisions of 43 CFR 3108.2–1(c), that it was without power to reinstate the lease because "the rental was tendered more than 20 days after the anniversary date of the lease."

Mr. President, I feel there are extenuating circumstances in this matter which justify the enactment of a bill which simply gives the Secretary of the Interior more flexibility than he and his subordinates have under existing regulations. Specifically, this bill would authorize the Secretary to reinstate the lease in question if the Secretary is satisfied that the "failure to pay timely was either justifiable or not due to lack of reasonable diligence."

In this case, it is obvious and everyone agrees that there was no intention or effort to avoid payment of the royalty since it was tendered immediately when the company was advised that it was overdue. Further, Mr. President, when the company had already spent over $37,000 on the lease, there would be no reason to fail to pay the royalty payment of only $401.50, an amount that is only 1.1 percent of the total invested in the lease. That entire investment will have been for nothing if the lease is not reinstated and that just doesn't seem fair or reasonable to me.

Finally, I have checked with the responsible Federal agency on another relevant question; namely, would anyone be adversely affected by the reinstatement of this lease? I have been advised by the Albuquerque office of the U.S. Geological Survey that there would be no adverse effect on any person or business firm that can be presently identified since no one else has invested in the lease, it seems entirely fair and reasonable to provide the flexibility for the Secretary to reinstate the lease to the people who have invested over $37,000 in its development for energy production.

Stated another way, Mr. President, in the absence of intention not to pay and when no one else is hurt, it just seems unfair and illogical to me to take the lease away from people who, but for this unintentional mistake, would be entitled to whatever benefits may flow from their investment was not sent in when due.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the Secretary of the Interior shall receive, consider, and act upon any petition of Atom, Incorporated, Farmington, New Mexico, filed within one hundred and eighty days after the effective date of this Act, for reinstatement of a United States oil and gas lease designated NM 4565, and accompanied by the required rental, including back rental accruing from the date of termination, and shall reinstate such lease in accordance with the provisions of section 31(c) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 188(c)), if it is shown to the satisfaction of the Secretary that the failure to pay timely was either justifiable or not due to lack of reasonable diligence.●

By Mr. BAUCUS:

S. 2374. A bill to amend the Congressional Budget Act to limit the growth of Federal taxation and spending and to achieve balanced budgets, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

FISCAL RESPONSIBILITIES ACT OF 1980

Mr. BAUCUS. Mr. President, today I am introducing the Fiscal Responsibility Act of 1980. The state of our economy has reached crisis proportions. If present trends continue unchecked, America's future is threatened.

The message from Americans is equally clear: They have had enough of high inflation, high interest rates, deficit spending, and big Government.

The legislation I am introducing today would bring fiscal responsibility to the Federal budget. It would accomplish this by establishing two basic procedures:

Three-fifths of both Houses of Congress would have to vote in favor of a budget deficit before the Federal Government could spend more than it collects;

Each Member of the House and Senate would have to vote for or against any tax increase—including those that are the result of inflation.

In short, this bill would require the Federal Government to follow the same principle every businessman follows: do not spend more than you take in. If this legislation were in effect today we would not have the kind of runaway Government spending we now have.

This legislation will limit Federal spending; discourage taxflation, the increase in taxes people pay when a cost-of-living pay raise bumps them into a higher tax bracket; and assure a balanced budget.

DISCOURAGING TAXFLATION

A major factor contributing to the growth of government is the automatic tax increases that occur because of inflation.

Because the tax system is progressive, a wage earner or businessman who earns more pays a higher percentage in taxes.

Unfortunately, he pays this same higher percentage even if his income increase is only an illusionary effect of inflation. The Treasury Department estimates that a 1-percent increase in inflation increases Federal tax receipts 1½ percent.

I believe in taxation with representation. The American people should not pay a higher percentage of their incomes in taxes unless Congress specifically votes to raise taxes.

The Fiscal Responsibility Act would require Congress to specifically vote in favor of tax receipts, which, as a percentage of GNP, exceed the previous year's tax level. This provision will curb government growth by stopping taxflation.

THREE-FIFTHS MAJORITY REQUIRED FOR DEFICIT

The Fiscal Responsibility Act will require a three-fifths majority of each House of Congress to approve a deficit budget; that is, one in which expected expenditures exceed expected revenues.

The present budget process is biased toward deficits. Members of Congress frequently hear constituents asking for more spending for retirement benefits, health care, agricultural programs, CETA workers, the list goes on and on. It is very difficult to resist these calls for higher spending, especially for meritorious programs.

But neither the administration nor Members of Congress call for the higher taxes that are required to fund increased spending. Instead of biting the bullet, Congress all too often simply approves budget deficits.

The Fiscal Responsibility Act shifts the bias from deficit spending to balanced budgets. It does this by requiring that at least three-fifths of the Members of each House of Congress approve any deficit.

I am convinced that at least three-fifths of the Members of Congress oppose budget deficits. If the Fiscal Responsibility Act is enacted, deficit budgets will have an uphill fight. Deficit budgets and the resulting increases in national debt should be eliminated.

ADMINISTRATION BUDGETS

The congressional budget process begins with submission of the administration's budget in January.

Because only the administration has sufficient staff and resources to fully analyze spending needs and priorities, Congress depends on the administration's proposal as the starting point for its own budget.

But it is difficult for Congress to enact a balanced budget when our starting point is a budget which calls for higher spending and revenues and a substantial deficit.

The Fiscal Responsibility Act would require the President to propose a balanced budget to Congress in which neither Federal spending nor revenues exceeded 21 percent of GNP. This limitation would have kept Federal spending at approximately $590 billion in fiscal 1981, allowing Congress to balance the budget and provide substantial tax relief.

My bill gives the administration an option to propose alternative budgets if it feels that a balanced budget within the spending and revenue limitations is not appropriate. But in any case, Congress would have the option basing its decisions on a budget that is balanced and fiscally responsible.

This provision of the Fiscal Responsibility Act would restrain the size of the Federal Government relative to the total economy.

SUMMARY

The Fiscal Responsibility Act could be enacted immediately. If my proposals were in effect today, they would provide a balanced budget with spending and revenue levels both sharply reduced. The administration's 1981 budget calls for spending to reach 22.3 percent of GNP. Taxes will be 21.7 percent of GNP, resulting in at least a $16 billion deficit. The Nation can no longer afford this kind of fiscal irresponsibility. I hope that my colleagues will support the strong measures I am proposing. They are essential to control the economic problems of high inflation, high interest rates, increasing taxes, deficit spending, and big Government.

Mr. President, I ask unanimous consent that the Fiscal Responsibility Act be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2374

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fiscal Responsibility Act of 1980."

TITLE I—TO DISCOURAGE TAXFLATION BY REQUIRING AN AFFIRMATIVE VOTE OF CONGRESS BEFORE TAX RECEIPTS INCREASE AS A PERCENTAGE OF GROSS NATIONAL PRODUCT

SEC. 2. (a) Section 301(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1322) is amended by renumbering paragraphs (6) and (7) as (7) and (8) respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) an estimate of the gross national product at the close of such fiscal year and of the fiscal year in progress;".

(b) Such Act is amended by inserting after section 301 the following new section:

"INCREASES IN REVENUES AS A PERCENTAGE OF GROSS NATIONAL PRODUCT

"SEC. 301A. If, immediately prior to the final vote on the adoption of any concurrent resolution on the budget for any fiscal year (or the conference report thereon) in either the House of Representatives or the Senate, the percentage which the recommended level of Federal revenues for such fiscal year is of the estimated gross national product at the close of such fiscal year exceeds the percentage which the estimated level of Federal revenues for the fiscal year in progress is of the estimated gross national product at the close of the fiscal year in progress, then a separate vote shall be taken on agreeing to the recommended level of Federal revenues for such fiscal year. In the case of a concurrent resolution on the budget for a fiscal year after such fiscal year has begun, the level of Federal revenues for the preceding fiscal year shall be substituted for the estimated level of Federal revenues for the fiscal year in progress, and the gross national product at the close of the preceding fiscal year shall be substituted for the estimated gross national product at the close of the fiscal year in progress.".

TITLE II—TO REQUIRE APPROVAL BY THREE-FIFTHS OF THE MEMBERS OF THE HOUSE OF REPRESENTATIVES AND THE SENATE OF ANY BUDGET WHICH PROVIDES FOR A DEFICIT

SEC. 3. (a) Section 305(a)(6) of the Congressional Budget Act of 1974 (31 U.S.C. 1326 (a)(5)) is amended by inserting before the period at the end of the first sentence the following: ", except that after all amendments to the figures set forth pursuant to paragraph (1) and paragraphs (3) through (6) of section 301(a) have been considered, a vote shall be taken on such figures, but such vote shall not prevent further amendment of such figures as provided by this paragraph".

(b) Section 201(b)(1) of such Act (31 U.S.C. 1326(b)(1)) is amended by adding at the end thereof the following new sentence: "Prior to the consideration of any amendments to the figures set forth pursuant to paragraph (2) of section 301(a), (A) action shall be concluded, except as provided by paragraph (7) of this subsection, on all amendments to the figures set forth pursuant to paragraph (1) and paragraphs (3) through (6) of such section, and (B) a vote shall be taken on the figures as then set forth pursuant to paragraph (1) and paragraphs (3) through (6) of such section, but such vote shall not prevent further amendment of such figures as provided by paragraph (7) of this subsection.".

Sec. 4. The Congressional Budget Act of 1974 is amended by inserting after section 301 A (as added by section 2 of this Act) the following new section:

"THREE-FIFTHS MAJORITY REQUIRED FOR DEFICIT BUDGETS

"SEC. 301B. On the question of adoption of any concurrent resolution on the budget for any fiscal year (or the conference report thereon) in either the House of Representatives or the Senate, if a deficit in the budget is set forth as appropriate, an affirmative vote of three-fifths of the Members present and voting, a quorum being present, shall be required.".

TITLE III—TO REQUIRE THE PRESIDENT TO SUBMIT A BALANCED BUDGET IN WHICH NEITHER EXPENDITURES NOR REVENUES EXCEED 21 PERCENT OF THE GROSS NATIONAL PRODUCT

SEC. 5. The Budget and Accounting Act, 1921 (31 U.S.C. 1 et seq.), is amended by inserting after section 201 the following new section:

SEC. 201A. (a) If the Budget transmitted pursuant to section 201 for any fiscal year sets forth—

"(1) estimated expenditures of the Government during such fiscal year exceeding 21 per centum of the estimated gross national product at the close of such fiscal year; or

"(2) estimated receipts of the Government during such fiscal year exceeding 21 per centum of the estimated gross national product at the close of such fiscal year; or

"(3) estimated expenditures in excess of estimated receipts,

the President shall transmit an Alternate Budget for that fiscal year in which estimated expenditures and estimated receipts which do not exceed such percentages of the estimated gross national product, and in which estimated receipts exceed estimated expenditures.

"(b) An Alternative Budget transmitted pursuant to subsections (a) or (b) for any fiscal year shall be transmitted on the same day as the Budget transmitted pursuant to section 201 for such fiscal year and shall be in the same form and detail as the Budget so transmitted, except that, at the discretion of the President, such Alternate Budget may omit the detail of matters that are the same as the Budget so transmitted."●

By Mr. ROBERT C. BYRD (for Mr. KENNEDY) (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. RANDOLPH, Mr. PELL, Mr. TSONGAS, and Mr. STEWART):

S. 2375. A bill to amend the Public Health Service Act to revise and extend the programs of assistance under titles VII and VIII for training health professionals and to extend the National Health Service Corps program; to the Committee on Labor and Human Resources.

HEALTH PROFESSIONS TRAINING AND DISTRIBUTION ACT OF 1980

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Massachusetts (Mr. KENNEDY) (for himself and others), I introduce and send to the desk a bill entitled the "Health Professions Training and Distribution Act of 1980."

I ask unanimous consent that a statement by Senator KENNEDY, together with the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

I am pleased to introduce a bill along with Senators Williams, Javits, Randolph, Pell, Tsongas, and Stewart, to revise and extend the programs of the Public Health Service Act for the training of health personnel and for the National Health Service Corps.

I believe that the goals of the health care system in the United States are to provide all Americans with equal access to high-quality health care at a reasonable cost, to promote good health and prevent disease, to return individuals who are acutely ill to good health, and to improve the quality of life for individuals who are chronically ill or disabled. In order to achieve these goals, we must assure that the nation has qualified health personnel who are prepared to meet the needs of the people of this nation—black or white, rich or poor, farmer or city dweller.

Over the last two decades, we have established a partnership with the nation's health professions schools and students in order to meet our needs for qualified health professionals. Working together, we have doubled the nation's capacity to train health professionals, we have encouraged a renewed interest in primary care, and we have established the National Health Service Corps which now employs over 2000 health professionals who are meeting the needs of the underserved.

Although we have come a long way to solving problems that were first identified years ago, much remains to be done. Our ability to utilize fully our human resources to meet our health care needs is now being jeopardized because many low and middle income Americans can no longer afford the price of education in our health professions schools. High levels of student indebtedness will frustrate our efforts to continue to improve appropriate specialty and geographic distribution among our health professionals. And under our current system of payment for health services, these high levels of indebtedness will surely be passed along, in higher costs, to those seeking health care.

Our students are not immune to the silent thief of double-digit inflation. A student's ability to pay for education can well become an implicit admission criterion. And despite our deep and abiding concern for equal opportunity for minorities, women, and the handicapped, their representation among the health professions remains far below their representation in the population.

The problems of geographic and specialty distribution of our health professionals is not a new issue to the Congress. This country, among those that value freedom of choice, is not alone in grappling with these problems. But we must recognize that one out of every four Americans live in a medically underserved area and one out of every seven Americans live in areas where there is a critical shortage of primary care physicians. We must do better.

Our nation's nurses are essential to our ability to provide health services and are critical members of the health care team. Without them, our ability to meet the health needs of our citizens is jeopardized. In every region of the country, there appears to be a shortage of nurses. The reasons may be complex. But the fact remains that the increasing intensity of health services as a result of improved health care technology and the extremely low unemployment rate for nurses has made recruitment and retention of nurses a matter of national concern. And while some estimate that 100,000 nursing positions remain unfilled today, the enrollment at our nation's nursing schools is dropping.

Last year the Surgeon General of the United States published a report on health promotion and disease prevention required by the Public Health Service Act. The report establishes goals for the decade of the 80s to improve the health status of the American people.

In doing so, the report identifies the need of our health professionals to be activists for prevention. And as we commit ourselves to creating healthy environments and to promoting healthy lifestyles, in addition to responding to the imperatives of disease, we must commit ourselves to assuring an adequate supply of health professionals in public health—in occupational and environmental health, in nutrition, in epidemiology and biostatistics, in maternal and child health, in international health.

The bill I am introducing today is intended to begin the discussion of the renewal of the health professions and National Health Service Corps programs. It offers a comprehensive approach, with strong incentives, to providing increased educational opportunities to underrepresented groups, to assuring that students will not be denied an education because they do not have sufficient personal financial resources, to increasing the availability of health professionals where they are most needed and in the fields in which they are most needed, and to increasing access to health care through the National Health Service Corps.

First, the bill increases the amount of money available to students to pursue their education. While maintaining scholarship programs for exceptionally needy students, it offers three choices to students by which they may finance their education—the National Health Service Corps scholarship program; a program of private, federally-insured, market-rate loans; and, a new program with substantial interest subsidies under which the obligation to repay the loan could be discharged through national service.

This new program would meet the objectives of providing students access to loan money that does not impose excessive interest expenses, and of overcoming high debt loans which will discourage students from meeting the needs of underserved populations. But the program also provides a way for the country to meet its most pressing needs for health professionals that are not being met through other programs. Our citizens would no longer have to wait the ten years it takes to establish new initiatives and reap the benefits. No longer would we have to wonder whether our projections of future needs have undershot the mark.

The bill also authorizes a new program to provide significant incentives to the health professions schools to meet national objectives. The level of support to each school would be increased if objectives related to increased representation of minority students and women, to improved geographic and specialty distribution, and to curriculum development are met. Excessive tuition increases or enrollment increases would be discouraged by a decrease in the amount of support.

Rather than capitation grants which provided the same amount to each eligible school, proportionate to enrollment, this incentive program rewards performance in areas which are tailored to the unique contributions that each type of professional school offers. Although the bill sets forth explicit criteria, I invite, and expect, discussion of the details.

The program would encourage diversity among the students selected to enter the health professions schools by providing increased support if the percent of students who are underrepresented minority groups or who are women is increased. The efforts of the schools to recruit and enroll a more diverse student body should be translated into the same diversity among its graduates and among health care providers.

The criteria address other needs which Congress has recognized—

The need for increased numbers of primary care physicians, particularly in family medicine;

The desirability of decentralizing a portion of the educational experiences into community settings as a counterbalance to the strong incentives toward subspecialization and away from primary care;

The concern that not enough emphasis is placed on education in nutrition; geriatrics, prevention and cost-containment;

The recent decline in interest among students to enter careers as clinical investigators who bridge the gap between laboratory findings and improvements in health care.

The decline in nursing school enrollments at a time when communities across the country do not have enough nurses to meet their needs.

Furthermore, the program discourages excessive tuition and enrollment increases in our nation's medical schools. We, indeed, are facing a time when the price of education may strip many students of their ability to seek a health career; but the schools are also facing exorbitant increases in uncontrollable costs, such as energy costs. The Administration has argued that by 1990 we will face an oversupply of physicians. Although the program addresses these issues, I expect a full discussion about our schools' ability to finance their programs and about our capacity to meet our future needs.

The bill I am introducing today also includes programs to support targeted needs. These special purpose grants include a new program of cooperative agreements between the federal government and those schools which have suffered financial reverses because of their strong commitments to underserved populations. Programs are authorized to assist in meeting the cost of training in family medicine, primary care, prevention; for establishment of area health education centers and training programs in underserved areas; for increasing the recruitment and retention of students from underrepresented minority groups and disadvantaged backgrounds; for the training of physician assistants and expanded function dental auxiliaries; for emphasing nutrition, geriatrics, rehabilitation, and cost containment in the education of our health professionals; for meeting targeted needs in the education of veterinarians, optometrists, podiatrists, and pharmacists; for training professionals in public health and health administration; and for meeting special needs in the education of allied health professionals.

A separate title in the Public Health Service Act for nursing education is maintained and strengthened. Special support for increasing the enrollment of disadvantaged students in nursing schools, to overcome imbalances in the distribution of nurses and to improve the curriculum is provided. A new program to support the clinical education of nurses, including nurses in advanced training, is authorized.

Finally, the National Health Service Corps is retained and strengthened as a central part of our commitment to meeting the needs of underserved populations and those living in shortage areas.

This bill identifies the problems which we must address during the 1980s and charts the course for their solution. Its authorizations for fiscal year 1981 represent a 30 percent decrease from the fiscal year 1980 authorizations for the comparable programs.

The Subcommittee on Health and Scientific Research of the Committee on Labor and Human Resources has scheduled hearings during March. At that time, the issues of our students' ability to finance their education, our institutions' ability to finance their programs, the adequacy of the supply of health professionals, particularly nurses, the most effective ways to solve our geographic and specialty distribution problems, and the essential role of the National Health Service Corps will be explored.

I ask that this bill to amend the Public Health Service Act to revise and extend the programs of assistance under Titles VII and VIII for training health personnel and to extend the National Health Service Corps program, along with a detailed summary of the bill, be printed at this point in the RECORD.

S. 2375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Professions Training and Distribution Act of 1980".

FINDINGS AND DECLARATIONS

SEC. 2. (a) The Congress makes the following findings:

(1) the goals of the health care system in the United States are to provide all Ameri-

cans with equal access to high quality health care at a reasonable cost, to promote good health and prevent disease, to return individuals who are acutely ill to good health, and to improve the quality of life for individuals who are chronically ill or disabled;

(2) achieving these goals is dependent, in part, on the availability of qualified health professionals who have been trained to meet the needs of the people to be served;

(3) the Federal Government has established, over the years, a partnership with the Nation's health professions schools and students in order to meet the Nation's needs for qualified health professionals;

(4) the Nation's ability to utilize fully its human resources to meet its health care needs is now in jeopardy because many low- and middle-income Americans can no longer afford the price of education in the health professions;

(5) high levels of student indebtedness will frustrate efforts to improve appropriate specialty and geographic distribution among health professionals;

(6) the representation of minorities and women within most health professions remains far below their representation in the population;

(7) the capacity of the Nation's health professions schools, established over the last two decades, is, in general, sufficient to meet the Nation's needs for health professionals by the end of the 1980's. However—

(A) there is a continuing need for health professionals trained in primary care, particularly physicians trained in family practice;

(B) there exists a wide disparity in the availability of physicians (including psychiatrists) and other health professionals in many urban and rural areas and over 50 million Americans live in medically underserved areas;

(C) because of the rising demand for mental health services and wide disparities in the distribution of psychiatrists, psychiatry is a medical shortage specialty.

(D) there remains, in many of our Nation's communities, a critical inability to obtain and retain nurses; and

(8) the National Health Service Corps and other programs designed to meet the needs of the underserved continue to be necessary and should be strengthened.

(b) Therefore, the Congress declares that the Federal Government's partnership with the Nation's health professions schools and students is reaffirmed so that, with Federal assistance—

(1) all Americans can be assured equal opportunities to enter a health career;

(2) all Americans can be assured equal access to qualified health professions personnel; and

(3) the health professions schools, as a national resource, can assist in accomplishing these objectives.

SEC. 3. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section of other provision of the Public Health Service Act.

SEC. 4. The amendments made by this Act shall take effect October 1, 1980.

TITLE I—HEALTH PERSONNEL TRAINING AND DISTRIBUTION

SEC. 101. (a) The title of title VII is amended to read as follows:

"TITLE VII—HEALTH PERSONNEL TRAINING AND DISTRIBUTION".

(b) Section 700 is amended to read as follows:

"GENERAL DUTIES OF SECRETARY

"SEC. 700. The Secretary shall, after consultation with appropriate public and private entities, conduct and support activities designed to—

"(1) train sufficient numbers of health personnel to meet the health care needs of the United States;

"(2) distribute health personnel, by geographic area and specialty practice, to meet the health care needs of the United States;

"(3) provide career opportunities in health care to individuals without regard to race, sex, handicap, or income background;

"(4) assure the delivery of high quality health care; and

"(5) maximize the cost-effectiveness of health personnel training and education and the delivery of health care services.".

SEC. 102. (a)(1) Section 701(7)(A)(i) is amended by striking out "health" and inserting in lieu thereof "primary".

(2) Section 701(9) is amended by adding "the Commonwealth of" before "the Northern Mariana Islands,".

(3) Section 701(10) is amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services".

(b)(1) The heading of section 702 is amended to read as follows:

"NATIONAL ADVISORY COUNCIL ON HEALTH PERSONNEL".

(2) Section 702(a) is amended—

(A) by striking out "Professions Education" after "National Advisory Council on Health" and inserting in lieu thereof "Personnel";

(B) by striking out "twenty" after "who shall be Chairman of the Council, and" and inserting in lieu thereof "twenty-two";

(C) by striking out "twelve" in paragraph (1) thereof, and inserting in lieu thereof "thirteen";

(D) by striking out "and" after "university administration" in paragraph (1) thereof, and inserting in lieu thereof a comma;

(E) by inserting "and at least one representative from an allied health training center," after "may receive a grant under section 791," in paragraph (1) thereof; and

(F) by striking out clause (2) thereof and inserting in lieu thereof the following: "(2) three shall be full-time students enrolled in health professions schools, or interns, or residents, and".

(3) Section 702 is amended by striking out "(other than subpart II of part G thereof)" each place it appears.

(c) section 703 is amended—

(1) by striking out "(a)" after "Sec. 703."; and

(2) by striking out subsection (b).

(d) Section 705(b) is amended by striking out "he" after "at such time and in such manner as" and inserting in lieu thereof "the Secretary".

(e) Section 707 is amended by striking out "Professions Education" after "National Advisory Council on Health" and inserting in lieu thereof "Personnel".

(f) Section 708 is amended to read as follows:

"HEALTH PERSONNEL DATA

"SEC. 708. (a) The Secretary shall undertake or support a program to collect, compile, and analyze data at least biennially, regarding health personnel in the States including physicians, nurses, dentists, pharmacists, optometrists, podiatrists, veterinarians, public health personnel, health administrators, health planners, physician assistants, expanded function dental auxiliaries, allied personnel and any other health personnel in the States designated by the Secretary to be included in the program. Such data shall include data respecting the training, licensure status (including permanent, temporary, partial, limited, or institutional licensure status), location or locations of practice, professional specialty, practice characteristics, place and date of birth, sex, and socioeconomic background of health personnel, the impact of title VII and VIII on the training and distribution of health personnel, and such other information regarding health personnel as the Secretary may require.

"(b) In carrying out subsection (a), the Secretary shall collect available information from public or private entities. The Secretary may make grants to and enter into contracts with public and private entities for the collection of information not otherwise available.

"(c) The Secretary, in cooperation with appropriate public and private entities, shall—

"(1) analyze or provide for the analysis of health personnel data collected under this section;

"(2) conduct or provide for the conduct of—

"(A) analytic and descriptive studies of health personnel information including the need for, and supply of, health personnel; and

"(B) projections relating to such need and supply in the future, compiled according to type of personnel, practice specialty, and geograhic location; and

"(3) conduct or provide for the conduct of analytic and descriptive studies of information on health students, interns, residents, and practitioners who are participaitng in continuing education and health education programs and institutions, including student financial requirements and indebtedness, institutional resources, student characteristics such as age, sex, race, and socioeconomic background, and apparent career choices such as practice specialty and geographic location.

"(d) For purposes of providing the Secretary with information under this section, each school which receives financial support under title VII or VIII shall annually report to the Secretary information, determined to be appropriate by the Secretary, respecting the students who attend such school. The Secretary may collect such additional data respecting students of the health professions as the Secretary determines to be appropriate.

"(e) The Secretary shall submit to Congress the following reports:

"(1) a comprehensive report regarding the status of health personnel according to profession, including a report regarding the analytic and descriptive studies conducted under this section. Such report shall be submitted on October 1, 1981, and biennially thereafter;

"(2) a comprehensive report regarding applicants to, and students enrolled in, programs and institutions for the training of health personnel, including in such report descriptions and analyses of student indebtedness, student need for financial assistance, financial resources to meet the needs of students, student career choices such as practice specialty and geographic location and the relationship, if any, between student indebtedness and career choices. Such report shall be submitted on March 31, 1981, and biennially thereafter;

"(3) a report on the status of health personnel teaching facilities, including an analysis of the need for new facilities and the replacement and renovation of existing facilities, estimated aggregate construction, renovation and replacement costs, and available and appropriate sources for meeting such costs in order to meet national needs for health personnel. Such report shall be submitted on May 15, 1982; and

"(4) a report on the status of minorities, women, and other underrepresented groups among health personnel and students. Such report shall be submitted on October 1, 1981 and biennially thereafter.

"(f)(1) The Secretary and each program entity shall in securing and maintaining any record of individually identifiable personal data (hereinafter in this subsection referred to as 'personal data') for purposes of this section—

"(A) inform any individual who is asked to supply personal data whether the individual is legally required, or may refuse, to supply such data and inform the individual of any specific consequences, known to the Secretary or program entity, as the case may be, of providing or not providing such data;

"(B) upon request, inform any individual if the subject of personal data secured or maintained by the Secretary or program entity, as the case may be, and make the data available to the individual in a comprehensive form;

"(C) assure that no use is made of personal data which use is not within the purposes of this section unless an informed consent has been obtained from the individual who is the subject of such data; and

"(D) upon request, inform any individual of the use being made of personal data respecting such individual and of the identity of the individuals and entities which will use the data and their relationship to the programs under this section.

"(2) Any entity which maintains a record of personal data and which receives a request from the Secretary or a program entity for such data for purposes of this section shall not transfer any such data to the Secretary or to a program entity unless the individual whose personal data is to be so transferred gives an informed consent for such transfer.

"(3)(A) Notwithstanding any other provision of law, personal data collected by the Secretary or any program entity under this section may not be made available or disclosed by the Secretary or any program entity to any person other than the individual who is the subject of such data unless (i) such person requires such data for purposes of this section, or (ii) in response to a demand for such data made by means of compulsory legal process. Any individual who is the subject of personal data made available or disclosed under clause (ii) shall be notified of the demand for such data.

"(B) Subject to all applicable laws regarding confidentiality, only the data collected by the Secretary under this section which is not personal data shall be made available to bona fide researchers and policy analysts (including the Congress) for the purpose of assisting in the conduct of studies respecting health professions personnel.

"(4) For purposes of this subsection, the term 'program entity' means any public or private entity which collects, compiles, or analyzes health professions data under a grant, contract, or other arrangement with the Secretary under this section.

"(g) In carrying out this section, the Secretary shall not be subject to the provisions of chapter 35 of title 44, United States Code.".

(g) Section 710(1) is amended by striking out "except for grants under section 770.".

(h) Part A of title VII is amended by adding the following after section 711:

"TECHNICAL ASSISTANCE

"SEC. 712. The Secretary may provide technical assistance for the purpose of carrying out any program or purpose under this title.".

SEC. 103. (a) Section 720(a)(1) is amended by adding "(other than such facilities in a hospital or outpatient facility)" after "teaching facilities".

(b) Section 720(a)(2)(A) is amended by striking out "for the training of physicians and dentists".

(c) Section 720(a)(2)(B) is amended to read as follows:

"(B) For purposes of this section, the term 'ambulatory, primary care teaching facilities' means areas dedicated for the training of students in primary care in ambulatory settings.".

(d) Section 720(b) is amended to read as follows:

"(b)(1) For payments under grants under subsection (a)(1) there is authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1981, $2,000,000 for the fiscal year ending September 30, 1982, and $2,000,000 for the fiscal year ending September 30, 1983.

"(2) For payments under grants under subsection (a)(2) there is authorized to be appropriated $3,000,000 for the fiscal year ending September 30, 1981, $3,000,000 for the fiscal year ending September 30, 1982, and $3,000,000 for the fiscal year ending September 30, 1983.".

(e) Section 721(b) is amended—

(1) by striking out "Commissioner of Education" each place it appears and inserting in lieu thereof "Secretary of Education";

(2) by striking out paragraph (2) thereof and redesignating paragraph (3) as paragraph (2);

(3) by striking out ", whether filed by a school or, in the case of an affiliated hospital or affiliated outpatient facility, by any other public or other nonprofit agency," in paragraph (2) (as redesignated by this subsection);

(4) by striking out "hospital or outpatient"" each place it appears in paragraph (2) (as redesignated by this subsection);

(5) by striking out ", as defined in section 645" in paragraph (2) (as redesignated by this subsection); and

(6) by striking out "enrollment or" in paragraph (2)(C) (as redesignated by this subsection).

(f) Section 721(c)(2) is amended—

(1) by inserting "and" at the end of subparagraph (B);

(2) by striking out "and" after "for the training for which it is being constructed" in subparagraph (C) and inserting in lieu thereof a semicolon; and

(3) by striking out subparagraph (D).

(g) Section 721(c)(3)(B) is amended—

(1) by striking out "either" after "which facilities";

(2) by striking out "substantially either its enrollment or" after "are so obsolete as to require the school to curtail"; and

(3) by striking out "(and, for purposes of this part, expansion or curtailment of capacity for continuing education shall also be considered expansion and curtailment, respectively, of training capacity)" after "training provided".

(h) Section 721(c)(4) is amended by adding "and" at the end thereof.

(i) Section 721(c) is amended—

(1) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6); and

(2) by amending paragraph (5) (as redesignated by this subsection) to read as follows:

"(5) in the case of an application for a project for the construction of a facility intended, at least in part, for the provision of health services, the appropriate provisions of title XV have been complied with;".

(j) The last sentence of section 721(c) is amended by striking out "Professions Education" after "National Advisory Council on Health" and inserting in lieu thereof "Personnel".

(k)(1) Section 721(d)(1)(A) is amended—

(A) by striking out "(other than a project for facilities for continuing education)" after "an existing school"; and

(B) by inserting "to the extent the Secretary determines such expansion is necessary" after "public health personnel,".

(2) Section 721(d)(1)(B) is amended by striking out "curtailment of the school's enrollment or" after "such replacement or rehabilitation to prevent".

(3) Section 721(d)(2) is amended to read as follows:

"(2) any comments submitted by the appropriate health systems agency and State health planning and development agency.".

(l) Section 721(e) is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by inserting the following new paragraph at the end thereof:

"(2) In considering applications for grants under section 720(a) for the fiscal years ending September 30, 1981, and September 30, 1982, the Secretary shall give first consideration to applications submitted by medical schools for the expansion of a two-year program to a degree granting program, and by new schools that anticipate predominantly minority student enrollment.".

(m) Section 721(g)(2) is amended by striking out "section 781, 784, or 786 (relating to area health education centers, general internal medicine and general pediatrics, and family medicine and the general practice of dentistry." and inserting in lieu thereof "section 780, 781, or 784.".

(n) (1) Section 722(a) is amended—

(A) by striking out "(1)" each place it appears; and

(B) by striking out paragraph (2).

(2) Section 722(b) is amended by striking out "The Secretary's reservation of any amount under this section may be amended by him," and inserting in lieu thereof "The reservation of any amount under this section may be amended by the Secretary,".

(o) Section 723 is amended—

(1) by inserting "and reduction of enrollment requirements" after "recapture of payments" in the heading thereof; and

(2) by adding the following at the end thereof:

"(c) The Secretary may, upon the request of an applicant and after consultation with the National Advisory Council on Health Personnel, reduce or eliminate any applicable enrollment requirements to be met by the grantee under construction projects funded under this title prior to October 1, 1980.".

(p) Section 724(b) is amended by striking out "he finds" after "such other regulations as" and inserting in lieu thereof "are".

(q) Section 724 is amended by adding the following new subsection at the end thereof:

"(c) With respect to loan guarantees and interest subsidies, such regulations shall not provide for enrollment increases for the purpose of establishing eligibility for loan guarantees and interest subsidies under section 726.".

(r) Section 725 is repealed.

(s) Section 726(a) is amended by striking out "September 30, 1980" after "and ending with the close of" and inserting in lieu thereof "September 30, 1983".

(t) Section 726(b) is amended—

(1) by striking out "September 30, 1980" after "with the close of" and inserting in lieu thereof "September 30, 1983"; and

(2) by inserting before the period at the end thereof "and for loan guarantees and interest subsidies first made after October 1, 1980, such amounts as are sufficient to reduce the net effective interest rate otherwise payable on such loan—

"(1) by 6 percent per annum; or

"(2) to 7 percent per annum;

whichever is less".

(u) Section 726(d)(2) is amended by striking out "he determines it to be" after "by the Secretary to the extent" and inserting in lieu thereof "it is".

(v) Section 726(e) is amended—

(1) by striking out "him to discharge his responsibilities" in paragraph (1) and inserting in lieu thereof "the discharge of responsibilities";

(2) by striking out "by him" in paragraph (1);

(3) by striking out the second sentence and inserting in lieu thereof "There are

authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund.";

(4) by striking out "by him from his operations" after "property or other assets derived" and inserting in lieu thereof "from operations";

(5) by striking out "his" after "enable the Secretary to discharge" and inserting in lieu thereof "the";

(6) by striking out "by him" after "guarantees issued";

(7) by striking out "he" after "authorized by this section," and inserting in lieu thereof "the Secretary";

(8) by striking out "he" after "for that purpose" and inserting in lieu thereof "the Secretary of the Treasury"; and

(9) by striking out "him" after "other obligations acquired by" and inserting in lieu thereof "the Secretary of the Treasury".

(w) Section 726(f) is amended by striking out "under this part in such fiscal year, except that this paragraph shall not apply if the amount of grant funds obligated under this part in such fiscal year equals the sums appropriated for such fiscal year under section 720." and inserting in lieu thereof "under section 720 in such fiscal year.".

SEC. 104. (a) Section 728(a) is amended—

(1) by striking out "and" after "September 30, 1979;";

(2) by inserting ", $100,000,000 in the fiscal year ending September 30, 1981, $125,000,000 in the fiscal year ending September 30, 1982, and $150,000,000 in the fiscal year ending September 30, 1983" after "the fiscal year ending September 30, 1980"; and

(3) by striking out "1982" in the last sentence thereof and inserting in lieu thereof "1986".

(b) Section 729(a) is amended—

(1) by striking out "$10,000" and inserting in lieu thereof "$15,000";

(2) by striking out "or public health" each place it appears and inserting in lieu thereof "public health, graduate program of health administration, or an advanced training program at a collegiate school of nursing";

(3) by striking out "$7,500" and inserting in lieu thereof "$10,000";

(4) by striking out 'pharmacy," each place it appears and inserting in lieu thereof "pharmacy or physician assistant or expanded function dental auxiliary training program,";

(5) by striking out "$15,000" and inserting in lieu thereof "$20,000";

(6) by striking out "he" each place it appears and inserting in lieu thereof "the Secretary";

(7) by striking out "$50,000" and inserting in lieu thereof "$60,000";

(8) by striking out "$37,500" and inserting in lieu thereof "$50,000"; and

(9) by striking out "$60,000" and inserting in lieu thereof "$80,000".

(c) Section 731(a)(1) is amended—

(1) by striking out clause (iii) and redesignating clauses (iv), (v), and (vi) as clauses (iii), (iv), and (v);

(2) by amending clause (iii) (as redesignated by this subsection) to read as follows:

"(iii) has agreed that all funds received under such loan shall be used solely for tuition, reasonable educational expenses including fees, books, and laboratory expenses, and reasonable living expenses incurred by such student;";

(3) by amending clause (iv) (as redesignated by this subsection) to read as follows:

"(iv) for the school year for which such loan is made, receives no funds under the National Health Service Corps Scholarship Program provided in section 751, the Indian Health Service Program in section 757, the Armed Forces Health Professions Scholarship Program under chapter 105 of title 10, United States Code, or the loan program in subpart III; and".

(d) Section 731(a)(2) is amended—

(1) by striking out "he was" before "not a participant in such a program" in subparagraph (B);

(2) by striking out "23" and inserting in lieu thereof "25" in subparagraph (B);

(3) by inserting "and interest" after "periodic installments of principal" in subparagraph (C);

(4) by striking out "and be paid" after "accrue" in subparagraph (C);

(5) by striking out "three" each place it appears in subparagraph (C) and inserting in lieu thereof "four"; and

(6) by striking out "or the 23-year period" and inserting in lieu thereof "but shall be included in the 25-year period" in subparagraph (C).

(e) Section 731(a)(2) is amended by redesignating paragraphs (E) and (F) as paragraphs (G) and (H).

(f) Section 731(a)(2) is amended by inserting the following new subparagraph after subparagraph (D):

"(E) offers the borrower a graduated repayment option with larger payments due later in the repayment period that meets criteria set by the Secretary;

"(F) provides, at the option of the lender, a variable interest option at the time the loan is made based on the average of the bond equivalent rates of the ninety-one-day Treasury bills auctioned for the previous quarter, plus 2 percent, such variable interest to be determined quarterly;".

(g) Section 731(b) is amended by striking out "12 percent" after "may exceed" and inserting in lieu thereof "the average of the bond equivalent rates of the ninety-one-day Treasury bills auctioned for the previous quarter plus 2 percent".

(h) Section 731(c) is amended by inserting ", except as provided in section 731(a)(2)(C)" after "the annual interest on the outstanding principal".

(i) Section 733(d) is amended—

(1) by striking out "he" after "Federal loan insurance premiums," and inserting in lieu thereof "the Secretary"; and

(2) by striking out "he is" after "pursuant to this subpart until".

(j) Section 734 is amended—

(1) by striking out "his" each place it appears in subsection (a) and inserting in lieu thereof "the";

(2) by striking out "he" after "hereunder and for that purpose" in subsection (b); and

(3) by striking out "or other obligations acquired by him" after "may at any time sell any of the notes or" and inserting in lieu thereof "other acquired obligations".

(k) Section 735(a) is amended—

(1) by striking out "him" after "and duties vested in" and inserting in lieu thereof "the Secretary";

(2) by striking out "his" after "Secretary or property under" and inserting in lieu thereof "the Secretary's";

(3) by striking out "his" after "and payment of interest, relating to" and inserting in lieu thereof "the Secretary's";

(4) by striking out "he" after "may be modified by the Secretary if" and inserting in lieu thereof "the Secretary"; and

(5) by striking out "by him" after "evidencing a loan which has been insured".

(l) Section 735(c) is repealed.

(m) Section 737(1) is amended to read as follows:

"(1) The term 'eligible institution' means, with respect to a fiscal year, a school of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, veterinary medicine, or public health, a graduate program in health administration, a collegiate school of nursing providing an advanced training program, a program for the training of physician assistants or a program for the training of expanded function dental auxiliaries within the United States.".

(n) Section 737(2) is amended—

(1) by adding the following at the end thereof: "The term 'collegiate school of nursing' means a school of nursing as defined in section 853(3). The term 'program for the training of physician assistants' means a program as defined in section 721(7). The term 'program for the training of expanded function dental auxiliaries' means a program as defined in section 701(8). The term 'graduate program in health administration' means a program which meets the criteria of section 791(c)(2)(B)"; and

(2) by striking out "Commissioner of Education" each place it appears and inserting in lieu thereof "Secretary of Education".

(o) Section 738 is amended to read as follows:

"SEC. 738. The Secretary shall discharge a borrower's liability on the loan by repaying the amount owed on the loan from the fund established by section 734—

"(1) if a borrower who has received a loan dies or becomes permanently and totally disabled (as determined by the Secretary); or

"(2) if the Secretary determines that a borrower—

"(A) failed to complete the first year of studies leading to a first professional degree;

"(B) is in exceptionally needy circumstances;

"(C) is from a low-income or disadvantaged family; and

"(D) has not resumed or cannot reasonably be expected to resume the course of studies within the years following the date upon which such studies were terminated.".

(p) Section 749 is amended—

(1) by striking out "and" at the end of paragraph (2) thereof;

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by inserting the following at the end thereof:

"(4) collection of information from the borrower, lender, or eligible institution to assure compliance with the provisions of section 731.".

(q) Section 739(b) is amended to read as follows:

"(b) The Secretary shall require an eligible institution to record, and make available to the lender and to the Secretary upon request, the name, address, postgraduate destination, and other reasonable identifying information for each student of such institution who has a loan insured under this subpart.".

SEC. 105. (a) Section 741(a)(3) is amended by striking out "him" after "to entitle" and inserting in lieu thereof "the borrower".

(b) Section 741(f)(5)(B) is amended by striking out "he terminates" after "such loan cancellation until" and inserting at the end thereof "is terminated".

(c) Section 741(k) is amended by striking out "to him" after "all the outstanding loans made".

(d) Section 741(l) is amended—

(1) by striking out "to enable him" after "as a health profession student";

(2) by striking out "his determination" after "portion thereof outstanding thereon, upon" and inserting in lieu thereof "determining";

(3) by striking out "his" after "such studies leading to" in paragraph (1) and inserting in lieu thereof "the"; and

(4) by striking out "he terminated" in paragraph (4) and inserting at the end thereof "were terminated".

(e) Section 742 is amended—

(1) by striking out "and each of the two succeeding fiscal years," after "For the fiscal year ending September 30, 1981,";

(2) by inserting "senior" after "may be necessary to enable"; and

(3) by striking out "continue or" after "before October 1, 1980, to".

(f) Section 743(a) is amended—

(7) by striking out "1983" each place it appears and inserting in lieu thereof "1980"; and

(2) by inserting ", except such amounts as are needed to make loans under section 742(a)," after "under an agreement pursuant to section 740(b) by each school".

(g) Section 743(b) is amended—

(1) by striking out "1983" each place it appears and inserting in lieu thereof "1980"; and

(2) by inserting the following at the end thereof:

"The Secretary shall deposit such sums in the fund provided for is section 747F.".

SEC. 106. Title VII is amended by redesignating subparts III, IV, and V as subparts IV, V, and VI and inserting the following new subpart after subpart II:

"Subpart III—Service Contingent Loan Program

"LOAN PROGRAM

"SEC. 745. The Secretary shall enter into an agreement at the request of any school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, and public health, school of nursing, graduate program in health administration, and programs for the training of physician assistants or expanded function dental auxiliaries to establish and operate at such institution a service contingent student loan program in accordance with this subpart.

"AGREEMENTS WITH INSTITUTIONS

"SEC. 746. Each agreement between the Secretary and the requesting school entered into under section 745 shall—

"(1) provide for the submission of a request for funds by an instituton for the subsequent academic year for loans to students, the amount of the request to consist of the aggregate amount needed by the students of such instituions for loans under this subpart and no more than 5 percent of such amount to be set aside as a reserve for unexpected student needs as provided under section 747I;

"(2) provide that such funds shall be used only for loans to eligible students as described in section 747 in accordance with the terms and conditions described in section 747A and section 747B;

"(3) provide that the school enter into an agreement with each student receiving a loan under this subpart as provided in section 747B;

"(4) provide that the institution may collect from the borrower a loan origination fee or collection fees, as determined by the Secretary;

"(5) provide that upon the beginning of the repayment period, the note or evidence of obligation may, at the option of the school, be assigned to the Secretary or with the approval of the Secretary, to any other entity for collection;

"(6) provide that the institution notify students that they must enter into an agreement with the Secretary under section 747D as a condition of receipt of a loan under this subpart; and

"(7) include such other provisions as may be necessary to protect the financial interest of the United States and further the purposes of this subpart.

"ELIGIBLE STUDENTS

"SEC. 747. (a) In order to receive a loan under this subpart an individual shall—

"(1)(A) be a full-time student at a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy;

"(B) be more than a half-time student at a school of nursing;

"(C) be more than a half-time student in a graduate degree program in a school of public health, a graduate program in health administration, or an advanced training program in a collegiate school of nursing; or

"(D) be a full-time student in a program for the training of physician assistants or expanded function dental auxiliaries; and

"(2)(A) be in need of the amount of the loan to pursue a course of study;

"(B) be capable, in the opinion of the institution, of maintaining good standing in such course of study;

"(C) be accepted for enrollment in the institution, or, in the case of a student already in attendance at such institution, a student in good standing; and

"(D) enter into an agreement with the Secretary under section 747D prior to receipt of such loan.

In any case in which a student fails to maintain good standing at the institution, the eligibility of such student shall be suspended, and further payments to, or on behalf of, such student shall not be made until such student regains good standing.

"(b) No student may receive a loan under this subpart for an academic year in which such student receives a loan under subpart II, or a scholarship under the National Health Service Corps Scholarship Program or the Indian Health Service Scholarship Program, or the Armed Forces Health Professions Scholarship Program under chapter 105 of title 10, United States Code. A student receiving loan funds under this subpart may receive, for the same academic year, loans under part B or part D of the Higher Education Act of 1965.

"AMOUNT OF LOAN

"SEC. 747A. (a) The amount of a loan to a student by an institution shall be the amount necessary for the student to attend the school, and such amount shall not exceed—

"(1) in the case of a student at a school of medicine, osteopathy, or dentistry, $20,000 in any one fiscal year, and $80,000 in all fiscal years;

"(2) in the case of a student at a school of veterinary medicine, optometry, and podiatry, or a program in public health, health administration, or advanced nurse training, $15,000 in any one fiscal year, and $60,000 in all fiscal years; and

"(3) in the case of a student at a school of pharmacy, or a program for the training of physician assistants or a program for the training of expanded function dental auxiliaries, or at a school of nursing other than a student in advanced training, $10,000 in any one fiscal year, and $40,000 in all fiscal years.

"(b) In determining the amount of the loan under subsection (a), the school shall take into consideration—

"(1) any special needs of the student; and

"(2) the financial resources available to the student.

"TERMS OF LOAN AGREEMENT

"SEC. 747B. An institution shall enter into an agreement with a student for a loan under this subpart. Such agreement shall—

"(1) be evidenced by note or other written instrument which provides for repayment (except as provided in section 747D) of the principal amount of the loan, together with interest thereon, over a period beginning 12 months (except as provided in section 747C) after the date on which the student is awarded the degree or diploma in the course of study for which such student received such loan, and ending at a date not more than fifteen years (except as provided in section 747C) after such date, in installments which shall not be less frequent than quarterly;

"(2) provide for acceleration of the whole, or any part, of such loan (without penalty) at the option of the borrower;

"(3) provide that the loan shall bear interest, on the unpaid balance of the loan, at the rate of 7 percent per annum in the case of a loan to a student borrower attending a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy, and at the rate of 5 percent per annum in the case of a loan to a student borrower attending a school or program of nursing, public health, health administration, or physician assistant or expanded function dental auxiliary training, except that no interest shall accrue (A) prior to the beginning date of repayment determined under paragraph (1) or (B) during any period as provided under section 747C;

"(4) unless the borrower is a minor and the note or other evidence of obligation executed by the borrower would not, under applicable law, create a binding obligation, provide that the loan shall be made without security and without endorsement;

"(5) provide that the liability to repay the loan shall be discharged upon the death of the borrower, or if the borrower becomes permanently and totally disabled as determined by the Secretary; and

"(6) contain such other terms and conditions that the Secretary deems necessary to protect the financial interests of the United States and further the purposes of this subpart.

"DEFERRAL OF REPAYMENT

"SEC. 747C. (a) No repayment of principal of, or interest on, on any loan under this subpart shall be required but interest shall accrue and be compounded (except as provided in subsection (e)) during any period in which the student borrower—

"(1) is in the first 4 years of service in the National Health Service Corps or the Indian Health Service;

"(2) is in the first 4 years of service as a member of the Armed Forces of the United States;

"(3) is in the first 4 years of service as a volunteer under the Peace Corps Act;

"(4) is in the first 5 years in an approved internship or residency, if such student borrower has completed a course of study at a school of medicine or osteopathy;

"(5) is in the first 3 years in an approved internship or residency, if such student borrower has completed a course of study at a school of dentistry or veterinary medicine;

"(6) is in the first 2 years in an approved internship or residency if such student borrower has completed a course of study at a school of optometry, podiatry, or pharmacy;

"(7) is in the first 2 years of practice in a medically underserved area; or

"(8) is in the first 3 years in a doctoral program leading to a career in biomedical or clinical investigation, or an academic career in a health profession.

"(b) Any period during which repayment is deferred under subsection (a) shall not be included in computing the fifteen-year maximum repayment period provided in paragraph (1) of section 747B.

"(c)(1) A repayment period may be interrupted without penalty for any period during which the loan does not bear interest.

"(2) The repayment of principal or interest by a student borrower may be deferred for no more than nine months, if the collecting entity determines, in accordance with criteria of the Secretary, that absent such deferral, the student borrower would default on such loan due to inability to pay.

"(3) A loan repayment installment is overdue if such payment is not received within 120 days after the date such installment is due, or, in the case of a quarterly repayment installment, if such payment is not received within 180 days after the date such installment is due.

"(d) Notwithstanding other provisions of this subpart, the total period of the loan may not exceed 30 years from the date of execution of the note or written agreement evidencing such loan to final repayment.

"(e) A loan under this subpart shall not bear interest—

"(1) while the borrower is an eligible student described in section 747;

"(2) while the borrower is participating in the first 3 years, in the aggregate, of an approved internship or residency if such borrower has completed the course of study in a school of medicine, osteopathy, dentistry, or veterinary medicine;

"(3) while the borrower is participating in the first 2 years of an approved internship or residency if such borrower has completed the course of study in a school of optometry, podiatry, or pharmacy; and

"(4) if after the borrower has received a degree from a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy, the borrower is participating in the first 3 years of a doctoral program leading to a career as a biomedical or clinical investigator or in preparation for an academic career in a health profession.

"AGREEMENT WITH SECRETARY FOR SERVICE

"SEC. 747D. (a) As a condition for entering into a loan agreement with an institution under section 747 B, the student borrower shall, at the same time, enter into an optional service agreement with the Secretary. Such agreement shall—

"(1) provide that the borrower shall be required, at the option of the Secretary, to provide one year of service in a national priority position (as defined in subsection (e)) for each year such student receives a loan under this subpart, in lieu of repayment (not to be less than 2 years);

"(2) provide that if the borrower fulfills the period of service required by the Secretary, the Secretary shall discharge such student's loan obligation;

"(3) provide that if the borrower fails to provide any required service (for any reason), the United States shall be entitled to recover from the borrower, to discharge the borrower's obligations under all agreements entered into pursuant to this subpart, an amount determined in accordance with the formula:

$$A=3^{*}(t-s)/t$$

in which 'A' is the amount the United States is entitled to recover; '*' is the sum of the amounts paid under this subpart to or on behalf of the individual and the interest on such amounts which would be payable if at the time the amounts were paid such loans were bearing interest at the maximum legal prevailing rate, as determined by the Secretary of the Treasury; 't' is the total number of months in the individual's period of obligated service; and 's' is the number of months of such period served by such student. Any amount of penalties the United States is entitled to recover under this subsection shall, within the one-year period beginning on the date of the breach of the written contract, be paid to the United States;

"(4) contain a fair summary of the rights and liabilities of an individual, including a clear explanation of the penalties to which the United States is entitled under this section in the case of the individual's breach of such agreement;

"(5) contain such other information, written in a manner calculated to be understood by the average individual applying to participate in the loan program under this subpart, as may be necessary for the individual to understand the individual's prospective service participation;

"(6) evidence the written consent of the student to participate in either voluntary service or lottery selected service as required under subsection (e);

"(7) require the borrower to keep the Secretary informed on a regular basis of the borrower's education and employment plans so that the Secretary can prepare the list required by subsection (d); and

"(8) contain such other terms and conditions that the Secretary determines necessary to further the purposes of this subpart.

"(b) Any obligation of an individual under any agreement made under this subpart for service or payment shall be cancelled upon the death of the individual.

"(c) The Secretary shall provide to a student borrower a waiver or deferral of any service obligation or monetary penalties under an agreement entered into under this section whenever fulfillment of a service obligation would be impossible, would involve extreme hardship, or would be unconscionable.

"(d)(1) The Secretary shall prepare an ongoing list of students receiving loans under this subpart and such students' education and employment plans. A student shall be eligible to be called to service only in the year for which the student would first be required to make repayment for a loan under this subpart.

"(2) Student borrowers shall be called to service in accordance with the following procedures:

"(A) On October 1 of each year, the Secretary shall compile, after consultation with appropriate public and private entities, a list of national priority positions (as defined in subsection (e)) that need to be filled by July 1 of the next year.

"(B) On October 1 of each year, the Secretary shall notify the student borrowers that the Secretary determines are eligible to provide service under paragraph (1) that they could be called to service beginning on July 1 of the next year and shall provide such student borrowers with a copy of the list compiled under subparagrah (A).

"(C) Student borrowers eligible to provide service may volunteer to fill such positions by December 31 of each year.

"(D) By January 31 of the next year, the Secretary, by lottery, shall select student borrowers to fill the unfilled positions from among the remaining eligible student borrowers.

"(e) In listing national priority positions under subsection (d)(2)(A), the Secretary shall take into consideration the needs of the National Health Service Corps, the Indian Health Service, federally supported health service programs, Federal health care facilities, the need for professionals in health manpower shortage areas designated under section 332 or a nurse shortage area designated under section 824, the needs of States for health personnel in critical shortage areas or disciplines, and other factors as determined by the Secretary.

"(f) No scholarships may be awarded under subpart V in any fiscal year in which the Secretary does not offer loans under this subpart.

"ISSUANCE OF OBLIGATIONS

"SEC. 747E. Upon receipt of the requests submitted by institutions that have entered into agreements with the Secretary under section 746, the Secretary shall determine the aggregate amount needed by each institution for the academic year beginning in the fiscal year in which such deterimnation is made. To enable the Secretary to discharge the responsibilities of this subpart, the Secretary shall issue to the Secretary of the Treasury obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury, except that such obligations shall not exceed $250,000,000 in the fiscal year ending September 30, 1981, $350,000,000 in the fiscal year ending September 30, 1982, and $450,000,000 in the fiscal year ending September 30, 1983. In each fiscal year there shall be available if needed, for loans to students in schools of nursing, 30 percent of such amounts issued to the Secretary of the Treasury in obligations. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the months preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the obligations acquired under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations shall be treated as public debt transactions of the United States: *Provided, however,* That such notes to the Secretary of the Treasury shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States. Sums borrowed under this section shall be deposited in the Service Contingent Loan Fund established under section 747F and redemption of such notes and obligations shall be made by the Secretary from such Fund.

"SERVICE CONTINGENT LOAN FUND

"SEC. 747F. (a) There is established in the Treasury of the United States a Service Contingent Loan Fund (hereinafter in this section referred to as the 'Fund'), which shall be available to the Secretary without fiscal year limitation, consisting of—

"(1) moneys borrowed from the Secretary of the Treasury pursuant to section 747E;

"(2) all notes, obligations, or other property delivered or assigned to the Secretary pursuant to agreements made under section 746;

"(3) all collections of principal and interest received from loans made under section 747A;

"(4) all capital and interest distributions made to the Secretary under section 743 and section 839;

"(5) all appropriations by the Congress to discharge loan obligations under subsection (c), or to meet interest insufficiencies; and

"(6) transfers from the Loan Discharge Fund established under section 747G to discharge loan obligations and interest expenses.

"(b)(1) The notes of the Secretary to the Secretary of the Treasury to obtain funds for loans under this subpart, and all other liabilities against the appropriations or assets in the Fund in connection with loan program operations shall be liabilities of the Fund.

"(2) The assets of the Fund shall be available for—

"(A) payments for loans made by institutions having an agreement with the Secretary under section 746 in amounts not to exceed the amounts in section 746;

"(B) payments in connection with the discharge of loans upon the death of a student borrower, or if a student borrower becomes permanently and totally disabled as determined by the Secretary; and

"(C) payments of costs and expenses incurred by the Secretary in connection with the administration of the Fund.

"(c) There are authorized to be appropriated to the Fund $10,000,000 in the fiscal year ending September 30, 1982, $30,000,000 in the fiscal year ending September 30, 1983, and thereafter such sums as the Secretary may request from time to time, to meet the insufficiencies of the Fund to make payments of interest on account of the outstanding obligations issued by the Secretary to the Secretary of the Treasury under this subpart, to discharge loans under this subpart upon the death or disability of a borrower, and to meet costs of the Secretary in connection with the administration of the Fund.

"LOAN DISCHARGE FUND

"SEC. 747G. The Secretary shall establish a Loan Discharge Fund (hereinafter in this section referred to as the 'Fund') to be used in connection with the discharge of loans to borrowers who are serving in national priority positions pursuant to section 747D. Penalty collections for failure to serve shall be placed in such Fund. Congress may appropriate funds to such Fund, from time to time, at the request of the Secretary. The number of student borrowers whom the Secretary first requests to provide service in lieu of repayment in any fiscal year shall be limited by the amounts in such Fund available to discharge such students' loan obligations. The Secretary shall transfer from such Fund, to the Service Contingent Loan Fund, moneys sufficient to discharge the principal and interest obligations on behalf of borrowers who have entered a national priority position under this subpart.

"PRO RATA REDUCTION OF FUNDS

"SEC. 747H. If the aggregate amount of funds determined to be needed by institutions exceeds the limit on the amount of obligations the Secretary may issue to the Secretary of the Treasury under section 747E, the maximum amount of funds to be received by each institution requesting funds shall be ratably reduced.

"SET ASIDE

"SEC. 747I. No more than 5 percent of the funds received by a school under this subpart may be set aside as a reserve to be used for unexpected student needs during the academic year. If such reserve is not expended within such fiscal year, the request for allocated funds in the following fiscal year shall be reduced by the amount remaining. Unexpended funds in such reserve shall be invested in Treasury approved market securities bearing the highest rate of interest and the proceeds of the investment shall be placed in the reserve.".

SEC. 107. (a) Section 748(b)(1) is amended—

(1) by inserting "with paragraphs (3) and (4) and" after "shall be awarded in accordance"; and

(2) by inserting "based on the need of individuals eligible for such traineeships under paragraph (3)" at the end of the last sentence thereof.

(b) Section 748(b)(3) is amended to read as follows:

"(3) Traineeships awarded under grants made under subsection (a) shall be awarded to individuals who—

"(A) are citizens or permanent residents of the United States.

"(B) have previously received a baccalaureate degree, and

"(C) are pursuing a course of study in—

"(i) health promotion or disease prevention,

"(ii) biostatistics or epidemiology,

"(iii) health administration, health planning, or health policy analysis and planning,

"(iv) environmental or occupational health,

"(v) international health,

"(vi) dietetics or nutrition, or

"(vii) maternal and child health.".

(c) Section 748(b)(4) is amended to read as follows:

"(4) An individual participating in a traineeship under this section may not, for the school year for which such traineeship is awarded, receive funds under any other provision of title VII other than under this subpart or subpart I of this part.".

(d) Section 748(c) is amended—

(1) by striking out "and" after "September 30, 1979;"; and

(2) by inserting ", $9,000,000 for the fiscal year ending September 30, 1981, $10,000,000 for the fiscal year ending September 30, 1982, and $11,000,000 for the fiscal year ending September 30, 1983" after "September 30, 1980".

(e) Section 749(a) is amended by inserting "who are citizens or permanent residents of the United States" after "train students".

(f) Section 749(b)(1) is amended by inserting ", based upon the need of students attending such program who are citizens or permanent residents of the United States" after "shall be determined by the Secretary".

(g) Section 749(b)(3) is amended to read as follows:

"(3) In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that the funds received under this section shall be awarded for traineeships to individuals who have received a baccalaureate degree. No student may participate in a traineeship under this section in any school year in which such individual is also receiving funds under any other provision of title VII except funds received under this subpart or subpart I of this part.".

(h) Section 749(c) is amended—

(1) by striking out "and" after "September 30, 1979;"; and

(2) by inserting ", $4,000,000 for the fiscal year ending September 30, 1981, $4,500,000 for the fiscal year ending September 30, 1982, and $5,000,000 for the fiscal year ending September 30, 1983" after "September 30, 1980".

SEC. 108. (a)(1) Section 751(d) is amended—

(A) by striking out "and" at the end of paragraph (1) thereof; and

(E) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) second to applications made (and contracts submitted) by individuals who have received one or more loans under subpart III, or who are participating in their first year of training; and

"(3) third to applications made (and contracts submitted) by all other individuals eligible to apply.".

(2) Section 751(d) is amended by adding the following at the end thereof: "In the case of awards to students in schools of medicine and osteopathy submitting applications as described in paragraphs (2) and (3), the Secretary shall set aside 80 percent of such awards for the purpose of providing scholarships to eligible applicants at schools of medicine and osteopathy in each State proportionate to the need for physicians to provide services in health manpower shortage areas in the State. If the number of applicants attending schools in a State is less than the proportionate need for physicians in health manpower shortage areas in the State, the remaining awards set aside under this subsection may be made to any qualified medical or osteopathic student applicant in any State.".

(b) Section 751(e)(1) is amended by inserting the following at the end thereof: "The Secretary shall approve or disapprove the individual's application submitted under subsection (b)(3), and contracts submitted under subsection (b)(4) no later than August 1 of each year.".

(c) Section 751(e)(2) is amended by inserting the following at the end thereof: "The Secretary shall promptly notify the educational institution at which the individual is accepted for enrollment or is enrolled under subsection (b)(1) when such individual applies to participate in the Scholarship Program, and when the contract submitted by such individual is approved by the Secretary.".

(d) Section 751(g)(1) is amended by striking out "or under section 758 (relating to scholarships for first-year students of exceptional financial need)," after "under the Scholarship Program".

(e) Section 751(j) is amended to read as follows:

"(j) The administrative unit which administers parts E and F of this title shall—

"(1) develop regulations, funding priorities, and application forms, and

"(2) make recommendations to the Secretary in the review of applications for scholarships and grants,

with respect to the Scholarship Program.".

(f)(1) Section 752(b)(1) is amended by striking out "his" after "the full-time clinical practice of" and inserting in lieu thereof "the individual's".

(2) Section 752(b)(4) is amended by striking out "his" after "the full-time clinical practice of" and inserting in lieu thereof "the individual's".

(3) Section 752(b)(5)(B) is amended by striking out "his" after "the individual completes".

(4) Section 752(d) is amended by striking out "his" after "such individual to serve" and inserting in lieu thereof "the".

(5) Section 752(e) is amended by striking out "his" after "such individual to perform" and inserting in lieu thereof "the".

(g)(1) The heading of section 753 is amended to read as follows:

"INDEPENDENT PRACTICE"

(2) Section 753(a) is amended—

(A) by striking out "shall" each place it appears and inserting in lieu thereof "may";

(B) by inserting after "section 752(a)" the following: "or under section 225 as in effect prior to October 1, 1977";

(C) by striking out "private clinical practice" and inserting in lieu thereof "independent practice";

(D) by striking out "(A)" after "(designated under section 332) which" in paragraph (2);

(E) by striking out ", and" after "under section 333(c)" and inserting in lieu thereof a period in paragraph (2);

(F) by striking out clause (B) in paragraph (2); and

(G) by striking out the last sentence thereof. (h) Section 753(b) is amended—

(1) by striking out "private practice" in paragraph (1) and inserting in lieu thereof "independent practice";

(2) by adding at the end of paragraph (1) the following new subparagraph:

"(C) The individual, in providing health care services covered by part A or part B of title XVIII of the Social Security Act, shall agree to accept assignment and to accept the reasonable charge as payment in full, and"; and

(3) by redesignating paragraph (2) as paragraph (3) and inserting the following new paragraph after paragraph (1):

"(2) provide for the submission of periodic reports as required by the Secretary;".

(i) Section 753 is amended by adding at the end thereof the following new subsections:

"(c) The Secretary shall provide to each individual released from service obligation under this section technical assistance to assist such individual in fulfilling his or her agreement under this section.

"(d) Failure to meet the terms of the agreement under subsection (b) shall be considered a breach of the scholarship contract as provided in section 754.

"(e) The Secretary shall, out of appropriations authorized under section 338, pay to individuals participating in independent practice under this section, up to—

"(1) $10,000 in the first year;

"(2) $7,500 in the second year;

"(3) $5,000 in the third year; and

"(4) $2,500 in the fourth year;

of obligation service, or the difference between such individual's net income before taxes and such individual's income as a member of the Corps, whichever is less, and the cost of such individual's malpractice insurance.".

(j) Section 754(a) is amended by striking out "he" after "the educational institution in which" and inserting in lieu thereof "the individual".

(k) Section 754(b) is amended—

(1) by striking out "he" after "the educational institution in which" and inserting in lieu thereof "the student";

(2) by striking out "he" after "in such an educational institution for which" in paragraph (3) and inserting in lieu thereof "the individual"; and

(3) by striking out "to him, or on his behalf," after "for the amount which has been paid" and inserting in lieu thereof "to or on behalf of, the individual".

(l) Section 754(c) is amended—

(1) by striking out "his" after "an individual breaches" and inserting in lieu thereof "the"; and

(2) by striking out "him" after "such period served by" and inserting in lieu thereof "the individual".

(m) Section 755(a) is amended by striking out "(other than an individual who has entered into an agreement under section 753)".

(n) Section 756(a) is amended—

(1) by striking out "and" after "September 30, 1979,";

(2) by inserting ", $95,000,000 for the fiscal year ending September 30, 1981, $105,000,000 for the fiscal year ending September 30, 1982, and $115,000,000 for the fiscal year ending September 30, 1983" after "September 30, 1980";

(3) by striking out "1981" in the second sentence thereof and inserting in lieu thereof "1984"; and

(4) by striking out "1980" in the second sentence thereof and inserting in lieu thereof "1983".

(o) Section 756(b) is amended to read as follows:

"(b) Of the sums appropriated under this section, no less than 80 percent shall be obligated for scholarships for medical and osteopathic students.".

SEC. 109. (a) Section 758(b)(2) is amended by striking out "the scholarship described in section 751(g)" after "under subsection (a) shall be" and inserting in lieu thereof "the lesser of (A) tuition and fees plus $2,500 or (B) $5,000".

(b) Section 758(c) is amended by inserting "based on the proportionate enrollment of first-year students who are in exceptional financial need, after "among all schools of the health professions".

(c) Section 758(d) is amended—

(1) by striking out "and" after "September 30, 1979,"; and

(2) by inserting ", $10,000,000 for the fiscal year ending September 30, 1981, $11,000,000 for fiscal year ending September 30, 1982, and $12,000,000 for the fiscal year ending September 30, 1983" after "September 30, 1980".

(d) Section 759 is repealed.

(e) Part C of title VII is amended by adding the following new subpart at the end thereof:

"Subpart VII—Repayment

"SEC. 759. (a) In the case of any individual—

"(1) who has received a degree of doctor of medicine, doctor of osteopathy, doctor of dentistry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, doctor of optometry or an equivalent degree, bachelor of science in pharmacy or an equivalent degree, or doctor of podiatry or an equivalent degree, or has graduated from a graduate program in public health or health administration, or has received a diploma or degree from a school of nursing, or has graduated from a program for the training of physician assistants or expanded function dental auxiliaries;

"(2) who (A) obtained one or more loans under this part, or (B) obtained, under a written loan agreement, any other educational loan for the costs of attending a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, or nursing, or a graduate program in public health or health administration, or a program for the training of physician assistants or expanded function dental auxiliaries; and

"(3) who enters into an agreement with the Secretary to practice such individual's profession (as a member of the National Health Service Corps or otherwise) for a period of at least two years in a health manpower shortage area designated under section 332 or a nurse shortage area designated under section 824 in a State; the Secretary shall make payments in accordance with subsection (b), for and on behalf of such individual, on the principal and interest on any loan described in paragraph (2) which is outstanding on the date the borrower begins the practice specified in the agreement described in paragraph (3) of this paragraph.

"(b) The payments described in subsection (a) shall be made by the Secretary as follows:

"(1) Upon completion by the individual for whom the payments are to be made of the first year of the practice specified in the agreement entered into with the Secretary under subsection (a), the Secretary shall pay 15 percent of the principal of, and the interest on, each loan of such individual described in subsection (a) (2) which is outstanding on the date the borrower began such practice.

"(2) Upon completion by the individual of the second or third year of such practice, the Secretary shall pay 20 percent of the principal of, and the interest on each such loan in each such year.

"(3) Upon completion by the individual of a fourth year of such practice, the Secretary shall pay 25 percent of the principal of, and the interest on each such loan.

No payment may be made under this subsection with respect to a loan described in subsection (a)(2)(B) unless the person on whose behalf the payment is to be made has submitted to the Secretary a certified copy of the agreement under which such loan was made.

"(c) Notwithstanding the requirement of completion of practice specified in subsection (b), the Secretary shall, on or before the due date thereof, pay any loan or loan installment which may fall due within the period of practice for which the borrower may receive payments under this subsection, upon the declaration of such borrower, at such times and in such manner as the Secretary may prescribe (and supported by such other evidence as the Secretary may reasonably require), that the borrower is then engaged as described by subsection (a), and that the borrower will continue to be so engaged for the period required (in the absence of this subsection) to entitle the borrower to have made the payments provided by this subsection for such period, except that not more than 80 percent of the principal of any such loan shall be paid pursuant to this subsection.

"(d) A borrower who fails to fulfill an agreement with the Secretary entered into under subsection (a) shall be liable to reimburse the Secretary for any payments made pursuant to subsection (b) or (c) in consideration of such agreement.

"(e) In the case of an individual who received a loan under this part or under title VIII prior to October 1, 1980, for which the Secretary may make payments for or on behalf of such individual pursuant to a provision other than this section, such student may select the repayment provision that provides the terms for payment by the Secretary most favorable to the student.".

SEC. 110. Part E of title VII is amended to read as follows:

"PART E—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE, OSTEOPATHY, DENTISTRY, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, PODIATRY, AND PUBLIC HEALTH

"NATIONAL PRIORITY INCENTIVE GRANTS

"SEC. 771. (a) The Secretary shall make annual grants to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health to support the educational programs of such schools and projects and activities that are in the national interest.

"(b) The Secretary shall not make a grant under this section to any school in a fiscal year unless the application for the grant contains, or is supported by, assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, or public health, as the case may be, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the fiscal year for which such grant is sought.

"(c)(1) New schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, and public health that—

"(A) have governing bodies of which a majority are comprised of individuals from underrepresented minority groups; or

"(B) will enroll in the first year students a majority of whom will be from underrepresented minority groups;

shall be eligible to receive grants under this part in the year preceding the year in which the school enrolls its first students, based on an estimate of its first-year enrollment.

"(2) New schools of podiatry shall be eligible to receive grants under this part in the year preceding the year in which the school enrolls its first students, based on an estimate of its first-year enrollment.

"SEC. 772. (a) The amount of any grant in any fiscal year under section 771 shall be the amount as provided in this section per full-time student enrolled in such school multiplied by the number of full-time students enrolled (or in the case of schools of public health, the number of full-time and full-time equivalents of part-time students). In addition to such amount, schools described in section 771(c) that will have at least 24 students enrolled in the first-year class shall each receive an additional $100,000.

"(b) Notwithstanding subsection (a), if the aggregate of the amounts of the grants to be made in accordance with such subsection for any fiscal year to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health with approved applications exceeds the total of the amounts appropriated for such category of schools under the appropriate provision of section 774 for such grants, the amount of a school's grant with respect to which such excess exists shall for such fiscal year be an amount which bears the same ratio to the amount determined for the school under subsection (a) as the appropriate provision of section 774 for grants to schools of the same category bears to the amount required to make grants in accordance with subsection (a) to each of the schools of such category with approved applications.

"(c)(1) Each school of medicine shall receive $500 for each full-time student enrolled at the school in the fiscal year ending September 30, 1981, $550 for each full-time student in the fiscal year ending September 30, 1982, and $600 for each full-time student in the fiscal year ending September 30, 1983.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A) Fifteen percent or more of the first-year full-time students are from underrepresented minority groups.

"(B) Forty percent or more of the first-year full-time students are women.

"(C)(i) Twenty percent or more of the graduating students or twenty percent or more of the total number of students graduating in the year in which the grant application is made and the previous year enter approved family practice residences, or (ii) the ratio of the number of third-year residents in approved family practice, internal medicine or pediatrics residencies of the school and affiliated with the school, less the number of such residents in the previous year who entered any subspecialty fellowship program, to the total number of third-year residents in all approved residencies of the school and affiliated with the school, is no less than 0.5.

"(D) Fifteen percent or more of the first-year students at the school are from health manpower shortage areas designated under section 332 and the school conducts ten percent or more of all undergraduate clinical education for its students in community-based, primary care settings remote from the school, including health maintenance organizations, area health education centers, home care programs, community health centers, hospices, and other comparable settings.

"(E)(i) All fourth-year students have had, or will have before graduation, substantial education in at least two of the following areas: nutrition, geriatrics, prevention (including occupational medicine), health care economics (including cost containment), or rehabilitation, or

"(ii) The school undertakes activities that will substantially (as determined by the Secretary) increase the number of students who will pursue careers in clinical investigation.

"(3) The amount in paragraph (1) shall decrease in each fiscal year by an amount equal to 0.25 times such amount in paragraph (1) for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A) The tuition charged by the school is greater than the tuition for such school as determined under section 711.

"(B) The first-year enrollment of the school is greater than 2 percent in excess of the enrollment in the previous year. The Secretary may waive the limit provided in this subparagraph if an additional increase will increase educational opportunity for underrepresented minority groups or for women, or for other reasons as determined by the Secretary.

"(d)(1) Each school of osteopathy shall receive $500 for each full-time student enrolled at the school in the fiscal year ending September 30, 1981, $550 for each full-time student in the fiscal year ending September 30, 1982, and $600 for each full-time student in the fiscal year ending September 30, 1983.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A) Fifteen percent or more of the first-year full-time students are from underrepresented minority groups.

"(B) Forty percent or more of the first-year full-time students are women.

"(C) The school has a program for the training of faculty for primary care education, or has expanded an existing such program, in which at least ten individuals, who otherwise would not be prepared to assume a faculty role, will, during the year, obtain such preparation.

"(D) All full-time students who graduate will have no less than six weeks of clinical training in areas which are geographically remote from the main site of the training facilities of the school or in which medically underserved populations reside.

"(E) All fourth-year students have had, or will have before graduation, substantial education in at least two of the following areas: nutrition, geriatrics, prevention (including occupational medicine), health care economics (including cost containment), or rehabilitation.

"(3) The amount in paragraph (1) shall decrease in each fiscal year by an amount equal to 0.25 times such amount for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A) The tuition charged by the school is greater than the tuition for such school as determined under section 711.

"(B) The first-year enrollment of the school is greater than 2 percent in excess of the enrollment in the previous year. The Secretary may waive the limit provided in this subparagraph if the increase will increase educational opportunities for underrepresented minority groups or for women, or for other reasons as determined by the Secretary.

"(e)(1) Each school of dentistry shall receive $500 for each full-time student enrolled at the school in the fiscal year ending September 30, 1981, $550 for each full-time student in the fiscal year ending September 30, 1982, and $600 for each full-time student in the fiscal year ending September 30, 1983.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A) Fifteen percent or more of the first-year full-time students are from underrepresented minority groups.

"(B) Forty percent or more of the first-year full-time students are women.

"(C)(i) Ninety percent of the graduates of the school enter the general practice of dentistry or become residents in general practice dentistry, pedodontics or public health; or

"(ii) Seventy percent of the new first-year positions in denial specialty programs at the school established after September 30, 1979, are in public health, general practice, or pedodontics, provided that at least six new first-year positions have been established since September 30, 1979.

"(D) Ten percent or more of the first-year full-time students are from health manpower shortage areas designated under section 332, and all full-time students who graduate will have at least six weeks of clinical training in areas which are geographically remote from the school or in which medically underserved populations reside.

"(E) All fourth-year students have had, or will have before graduation, substantial education in two of the following areas: dental care to the elderly, preventive or community dentistry, nutrition, or health care economics (including cost containment).

"(3) The amount in paragraph (1) shall decrease in each fiscal year by an amount equal to 0.25 times such amount for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A) The tuition charged by the school is greater than the tuition for such school as determined under section 711.

"(B) The first-year enrollment of the school is greater than 2 percent in excess of the enrollment in the previous year. The Secretary may waive the limit provided in this subparagraph if the increase will increase educational opportunities for underrepresented minority groups or for women, or for other reasons as determined by the Secretary.

"(f)(1) Each school of veterinary medicine shall receive $300 for each full-time student enrolled at the school in the fiscal year ending September 30, 1981, $330 for each full-time student in the fiscal year ending September 30, 1982, and $360 for each full-time student in the fiscal year ending September 30, 1983.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria which are met by the school in the year in which a grant application is made:

"(A)(i) The school increases its first-year enrollment of full-time students from underrepresented minority groups by twenty-five percent or ten students, whichever is greater, over the preceding year, or

"(ii) Fifteen percent or more of the first-year full-time students are from underrepresented minority groups.

"(B) Forty percent or more of the first-year full-time students are women.

"(C) Thirty percent or more of the first-year full-time students are residents of States which do not have schools of veterinary medicine.

"(D) The clinical training of the school has primary emphasis on care for food-producing animals, fiber-producing animals, or both.

"(g)(1) Each school of optometry shall receive $150 for each full-time student enrolled at the school in the fiscal year ending September 30, 1981; $165 for each full-time student in the fiscal year ending September 30, 1982; and $180 for each student in the fiscal year ending September 30, 1983.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria which are met by the school in the year in which a grant application is made:

"(A)(i) The school increases its first-year enrollment of full-time students from underrepresented minority groups by twenty-five percent or ten students, whichever is greater, over the preceding year, or

"(ii) Fifteen percent or more of first-year full-time students are from underpresented minority groups.

"(B) Forty percent or more of the first-year full-time students are women.

"(C)(i) The first-year enrollment of the school is no less than the first-year enrollment on September 30, 1978, or meets the requirements of section 771(g)(2) as in effect prior to October 1, 1980, whichever is greater.

"(ii) Twenty-five percent (or fifty percent if the school is a nonprofit private school of optometry) or more of the first-year full-time students are residents of States which do not have accredited schools of optometry.

"(D) All fourth-year students have had, or will have before graduation, substantial clinical educational experience in developmental, rehabilitative, or geriatric optometry, or at least a six-week clinical, educational experience in an ambulatory care setting geographically remote from the school or in a medically underserved area.

"(h)(1) Each school of podiatry shall receive $200 for each full-time student enrolled at the school in the fiscal year ending September 30, 1981; $220 for each full-time student in the fiscal year ending September 30, 1982; and $240 for each full-time student in the fiscal year ending September 30, 1983.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria which are met by the school in the year in which a grant application is made:

"(A)(i) The school increases its first-year enrollment of full-time students from underrepresented minority groups by twenty-five percent or ten students, whichever is greater, over the preceding year; or

"(ii) Fifteen percent or more of first-year full-time students are from underrepresented minority groups.

"(B) Forty percent or more of the first-year full-time students are women.

"(C)(i) The first-year enrollment of the school is no less than the first-year enrollment on September 30, 1978, or meets the requirement of section 771(g)(2) as in effect prior to October 1, 1980, whichever is greater.

"(ii) Forty percent or more of the first-year full-time students are residents of States which do not have accredited schools of podiatry.

"(D) All fourth-year students have had, or will have before graduation, substantial clinical educational experience in meeting the foot care needs of the elderly or in an ambulatory care setting.

"(i)(1) Each school of pharmacy shall receive $140 for each full-time student enrolled at the school in the fiscal year ending September 30, 1981, $155 for each full-time student in the fiscal year ending September 30, 1982, and $170 for each full-time student in the fiscal year ending September 30, 1983.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A)(i) The school increases its first-year enrollment of full-time students from underrepresented minority groups by twenty-five percent or ten students, whichever is greater, over the preceding year; or

"(ii) Fifteen pecent or more of first-year full-time students are from underrepresented minority groups.

"(B) All fourth-year students have received or will receive prior to graduation a training program described in section 771(i) as in effect prior to October 1, 1980.

"(C) All fourth-year students have had, or will have had before graduation, substantial education in two of the following areas: geriatrics, nutrition, prevention, mental health care, or health care economics (including cost containment).

"(j)(1) Each school of public health shall receive $500 for each full-time and full-time-equivalent student enrolled at the school in the fiscal year ending September 30, 1981, $550 for each full-time and full-time-equivalent student in the fiscal year ending September 30, 1982, and $600 for each full-time and full-time-equivalent student in the fiscal year ending September 30, 1983.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A) Fifteen percent or more of the full-time and full-time-equivalent students who are initially enrolled are from underrepresented minority groups.

"(B)(i) Seventy percent or more of the full-time and full-time-equivalent students are pursuing a course of study in epidemiology, biostatistics, health, administration, nutrition, international health, occupational health, or environmental health, or

"(ii) The percent of such students in (I) epidemiology and biostatistics, (II) health administration, or (III) occupational or environmental health, exceed twenty percent, thirty percent, or twenty percent, respectively.

"(C) Fifty percent or more of the students receiving graduate degrees will enter public service or will utilize the skills obtained in areas designated by the Secretary as needing such personnel.

"(3) The amount in paragraph (1) shall decrease in each fiscal year by an amount equal to 0.25 times such amount for each of the following criteria which are met by the school in the year in which the grant application is made:

"(A) The tuition charged by the school is greater than the tuition for such school as determined under section 711.

"(B) The initial enrollment of full-time and full-time-equivalent students is less than such enrollment in the previous year.

"(k) A reference to a year is reference to an academic year unless otherwise specifically identified.

"ENROLLMENT DETERMINATIONS

"SEC. 773. (a) For purposes of this section, regulations of the Secretary shall include provisions relating to the determination of the number of students enrolled in a school or in a particular year-class in a school on the basis of estimates of the number of students who in an earlier year were enrolled in a school or in a particular year-class, or on such other basis as the Secretary deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

"(b)(1) For purposes of this part, the term 'full-time student' (whether such term is used by itself or in connection with a particular year-class) means a student pursuing a full-time course of study leading to a degree of doctor of medicine, doctor of osteopathy, doctor of dentistry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, doctor of optometry or an equivalent degree, doctor of podiatry or an equivalent degree, bachelor or master of science in pharmacy or an equivalent degree, or to a graduate degree in public health or equivalent degree.

"(2) In the case of a training program of a school designed to permit the students enrolled in such program to complete, within 6 years after completing secondary school, the requirements for a degree of doctor of medicine, doctor of osteopathy, or doctor of dentistry or an equivalent degree, the term 'full-time student' shall only include a student enrolled on a full-time basis in the last 4 years of such program, and a student enrolled in the first of the last 4 years of such program shall be considered a first-year student.

"(3) For purposes of this section, the term 'full-time student' when applied to a student in a school of pharmacy, shall only include a student enrolled on a full-time basis in the last 4 years of such program. A student enrolled in the first of the last 4 years of such program shall be considered a first-year student, and a student enrolled in the last of the last 4 years shall be considered a fourth-year student.

"(c) For purposes of this part, the number of full-time equivalents of part-time students for a school of public health for any school year is a number equal to—

"(1) the total number of credit hours of instruction in such year for which part-time students of such school, who are pursuing a course of study leading to a graduate degree in public health or an equivalent degree, have enrolled, divided by;

"(2) the greater of—

"(A) the number of credit hours of instruction that a full-time student of such school was required to take in such year, or

"(B) 9;

rounded to the next highest whole number.

"(d) For purposes of computing the amount of any grant under this part, the number of full-time students at a school where more than fifty percent of the students enrolled are from underrepresented minority groups shall be tripled, and the amount of such grant shall be paid to such school prior to any proration of funds under section 772(b).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 774. (a) There are authorized to be appropriated $69,000,000 in the fiscal year ending September 30, 1981, $76,000,000 in the fiscal year ending September 30, 1982, and $84,000,000 in the fiscal year ending September 30, 1983, for payments under grants under this part to schools of medicine.

"(b) There are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1981, $5,500,000 for the fiscal year ending September 30, 1982, and $6,100,000 for the fiscal year ending September 30, 1983, for payments under grants under this part for schools of osteopathy.

"(c) There are authorized to be appropriated $22,000,000 for the fiscal year ending September 30, 1981, $24,200,000 for the fiscal year ending September 30, 1982, and $26,000,000 for the fiscal year ending September 30, 1983, for payments under grants under this part for schools of dentisty.

"(d) There are authorized to be appropriated $4,600,000 for the fiscal year ending September 30, 1981, $5,000,000 for the fiscal year ending September 30, 1982, and $5,500,000 for the fiscal year ending September 30, 1983, for payments under grants under this part to schools of veterinary medicine.

"(e) There are authorized to be appropriated $1,400,000 for the fiscal year ending September 30, 1981, $1,600,000 for the fiscal year ending September 30, 1982, $1,800,000 for the fiscal year ending September 30, 1983, for payments under grants under this part to schools of optometry.

"(f) There are authorized to be appropriated $1,200,000 for the fiscal year ending September 30, 1981, $1,400,000 for the fiscal year ending September 30, 1982, and $1,600,000 for the fiscal year ending September 30, 1983, for payments under grants under this part to schools of pharmacy.

"(g) There are authorized to be appropriated $7,200,000 for the fiscal year ending September 30, 1981, $7,900,000 for the fiscal year ending September 30, 1982, and $8,700,000 for the fiscal year ending September 30, 1983, for payments under grants under this part to schools of pharmacy.

"(h) There are authorized to be appropriated $9,000,000 for the fiscal year ending September 30, 1981, $9,900,000 for the fiscal year ending September 30, 1982, and $11,000,000 for the fiscal year ending September 30, 1983, for payments under grants under this part to schools of public health.

"APPLICATIONS FOR GRANTS

"SEC. 775. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications for grants under section 771 for any fiscal year shall be filed.

"(b) To be eligible for a grant under section 771, the applicant shall—

"(1) be a public or other nonprofit school of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry, and

"(2) be accredited by a recognized body or bodies approved for such purpose by the Secretary of Education. The requirement of paragraph (2) shall be deemed to be satisfied if (A) in the case of a school which by reason of an insufficient period of operation is not, at the time of application for a grant under this part, eligible for such accreditation, the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the Secretary makes a final determination as to approval of the application, or (B) in the case of any other school, the Secretary of Education finds after such consultation and after consultation with the Secretary that there is reasonable ground to expect that, with the aid of a grant (or grants) under this part, having regard for the purposes of the grant for which application is made, such school will meet such accreditation standards within a reasonable time.

"(c) The Secretary shall not approve or disapprove any application for a grant under section 771 except after consultation with the National Advisory Council on Health Personnel.

"(d) A grant under section 771 may be made only if the application therefor—

"(1) is approved by the Secretary;

"(2) contains such additional information as the Secretary may require to make the determinations under the section authorizing the grant for which the application is made, and such assurances as are necessary to carry out the purposes of such section; and

"(3) provides for such fiscal control and accounting procedures and reports, including the use of standard procedures for the recording and reporting of financial information, as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to ensure proper disbursement of, and accounting for, funds paid to the applicant under such grant.

"(e) For purposes of administering the requirements of section 772, a reference to a year-class of students is a reference to students enrolled in such class for the first time, except that a student who, for other than academic reasons, withdraws from a year-class before the end of an academic year or does not complete an academic year shall not be considered as having been enrolled in a year-class in such academic year.".

SEC. 111. (a) Part F of title VII is amended by inserting the following: after the heading "Part F—Grants and Contracts for Programs and Projects":

"Subpart I—Special Programs".

(b) Section 780 is amended to read as follows:

"PROJECT GRANTS FOR FAMILY MEDICINE

"SEC. 780. (a) The Secretary may make grants to, or enter into contracts with, schools of medicine or osteopathy or appropriate public or nonprofit private entities, including hospitals, to—

"(1) plan, develop, and operate, or maintain training programs in family medicine for students of medicine or osteopathy, giving special consideration to the establishment or operation of academic administrative units (which may be departments, divisions, or other units) to provide instruction in family medicine;

"(2) plan, develop, and operate, or maintain approved internship (including internships in osteopathic medicine) or residency training programs in family medicine;

"(3) plan, develop, and operate, or maintain programs for the training of physicians who plan to teach in family medicine training programs; or

"(4) plan, develop, and operate, or maintain a program for continuing education in the field of family medicine for practicing physicians.

"(b) Grants and contracts under this section may include financial assistance to students of medicine or osteopathy, interns, residents, and physicians who are participants in programs under paragraph (1), (2), or (3) of subsection (a). Prior to awarding grants or entering into contracts under this section, the Secretary shall receive satisfactory assurances that interns and residents plan to practice family medicine, and physicians receiving funds under subsection (a)(3) plan to teach in family medicine training programs.

"(c) There are authorized to be appropriated for grants and contracts under this section $63,000,000 for the fiscal year ending September 30, 1981, $70,000,000 for the fiscal year ending September 30, 1982, and $77,000,000 for the fiscal year ending September 30, 1983. No less than 10 percent of the funds appropriated in each fiscal year shall be for grants or contracts awarded under paragraph (3) of subsection (a).".

(c) Section 781(f) is amended—

(1) by inserting "(1)" after "(f)"; and

(2) by inserting the following new paragraph at the end thereof:

"(2) The Secretary shall give priority under this section to applicants whose proposed area to be served is an entire State.".

(d) Section 781(g) is amended—

(1) by striking out "and" after "September 30, 1979,"; and

(2) by inserting ", $25,000,000 for the fiscal year ending September 30, 1981, $27,000,000 for the fiscal year ending September 30, 1982, and $29,000,000 for the fiscal year ending September 30, 1983" after "September 30, 1980".

(e) Section 783 is amended to read as follows:

"PROGRAMS FOR PHYSICIAN ASSISTANTS

"SEC. 783. (a) The Secretary may make grants to or enter into contracts with schools of medicine or osteopathy or appropriate public or nonprofit private entities (1) to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 701(7)), or (2) to establish traineeships for physician assistants, participating in such training programs.

"(b) No grant or contract may be made or entered into under subsection (a) unless the Secretary receives satisfactory assurances that the school or entity has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted in positions for which they have been trained.

"(c) The costs of a grant or contract under this section may include the costs of preparing faculty members to teach in programs for the training of physician assistants.

"(d) In order to participate in a traineeship under this section, a trainee shall enter into an agreement with the Secretary providing that such trainee shall practice for a reasonable period of time as a physician assistant in a health manpower shortage area, or in a hospital in which more than 50 percent of the interns or residents on January 10, 1977 were alien graduates of foreign medical schools.

"(e) There are authorized to be appropriated for grants and contracts under this section $10,000,000 for the fiscal year ending September 30, 1981, $11,000,000 for the fiscal year ending September 30, 1982, and $12,000,000 for the fiscal year ending September 30, 1983.".

(f) Section 784 is amended to read as follows:

"GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN PRIMARY CARE INTERNAL MEDICINE AND PRIMARY CARE PEDIATRICS

"SEC. 784. (a) The Secretary may make grants to or enter into contracts with schools of medicine or osteopathy, or appropriate public or nonprofit private entities, including hospitals to meet the costs of projects to—

"(1) plan, develop, and operate, or maintain approved residency training programs in internal medicine or pediatrics, that emphasize the training of residents for the practice of primary care internal medicine or primary care pediatrics;

"(2) plan, develop, and operate, or maintain programs for the training of physicians who plan to teach in primary care internal medicine or primary care pediatrics;

"(3) provide financial assistance to residents who are participants in a residency program described in paragraph (1), and who plan to specialize or work in the practice of primary care internal medicine or primary care pediatrics; or

"(4) provide financial assistance for physicians to teach primary care internal medicine or pediatrics.

"(b) There are authorized to be appropriated to carry out the provisions of this section $23,000,000 for the fiscal year ending September 30, 1981, $25,000,000 for the fiscal year ending September 30, 1982, and $27,000,000 for the fiscal year ending September 30, 1983.".

(g) Section 786 is amended to read as follows:

"DENTAL EDUCATION

"SEC. 786. (a) The Secretary may make grants to or enter into contracts with schools of dentistry or appropriate public or nonprofit private entities to meet the costs of projects to—

"(1) plan, develop, and operate or maintain programs for the training of expanded function dental auxiliaries (as defined in section 701(8));

"(2) plan, develop, and operate, or maintain a program to train dental students in the organization and management of multiple auxiliary dental team practice;

"(3) plan, develop, and operate, or maintain an approved residency program in the general practice of dentistry; and

"(4) provide financial assistance to residents in any residency program in the general practice of dentistry who plan to practice general dentistry.

"(b) No grant or contract may be made or entered into under subsection (a)(1) unless the Secretary receives satisfactory assurance that the school or entity receiving the grant or contract has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted in positions for which they have been trained.

"(c) The costs of a grant or contract under this section may include costs of preparing faculty members to teach in programs for the training of expanded function dental auxiliaries or for the training of residents in the general practice of dentistry.

"(d) There are authorized to be appropriated for grants and contracts under this section $8,000,000 for the fiscal year ending September 30, 1981, $9,000,000 for the fiscal year ending September 30, 1982, and

$10,000,000 for the fiscal year ending September 30, 1983.".

(h) Section 787 is amended to read as follows:

"EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM UNDERREPRESENTED MINORITY GROUPS AND DISADVANTAGED BACKGROUNDS

"Sec. 787. (a) For the purpose of assisting individuals from underrepresented minority groups or disadvantaged backgrounds (as determined in accordance with criteria prescribed by the Secretary), to undertake education to enter a health profession, the Secretary may make grants to or enter into contracts with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, training centers for the allied health professions, graduate programs in health administration, or other public or private nonprofit health or educational entities, to assist in meeting the costs of—

"(1) establishing secondary education programs designed to increase the number of students from underrepresented minority groups or disadvantaged backgrounds that pursue careers in the health professions;

"(2) strengthening the preprofessional curriculum of baccalaureate degree institutions predominantly attended by individuals from underrepresented minority groups or disadvantaged backgrounds;

"(3) establishing joint programs between baccalaurate degree institutions and health professions schools, training centers, or other appropriate entities designed to increase the number of students from underrepresented minority groups or disadvantaged backgrounds in health professions schools;

"(4) providing, for a period prior to the entity of such individuals into the regular course of education of health professions schools, preliminary education designed to assist such individuals in successfully completing such regular course of education at such schools, or referring such individuals to institutions providing such preliminary education;

"(5) identifying, recruiting, and selecting individuals from underrepresented minority groups or disadvantaged backgrounds, for education and training in a health profession;

"(6) facilitating the entry of such individuals into such schools;

"(7) providing counseling or other services designed to assist such individuals to complete successfully their education at such schools;

"(8) publicizing existing sources of financial aid available to students in the education program of such school or who are undertaking training necessary to qualify to enroll in such program; or

"(9) increasing the number of faculty from underrepresented minority groups or disadvantaged backgrounds in the health professions schools.

"(b)(1) There are authorized to be appropriated for grants and contracts under this section, $30,000,000 for the fiscal year ending September 30, 1981, $33,000,000 for the fiscal year ending September 30, 1982, and $36,000,000 for the fiscal year ending September 30, 1983. No less than 75 percent of funds appropriated in each fiscal year shall be for grants or contracts to institutions of higher education.

"(2) Funds provided under grants and contracts under this section may be used to provide traineeships to students in programs under subsection (a)(4) if such students would not otherwise be able to participate.".

(i) Section 788(a) is amended by inserting the following new paragraph at the end thereof:

"(6) There are authorized to be appropriated to carry out the purposes of this subsection such sums as may be necessary to meet the costs of projects supported under this subsection prior to October 1, 1980.".

(j) Section 788(b) is amended to read as follows:

"(b)(1) The Secretary may make grants to, or enter into contracts with, schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, or public health for the purposes of assisting in—

"(A) meeting the costs of operation of any such school if such school's financial status threatens its continued operation; and

"(B) meeting accreditation requirements.

"(2)(A) The Secretary may enter into cooperative agreements for not more than five years with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, or public health that are national priority institutions (as defined in subparagraph (C)) to provide financial assistance to such institutions to meet incurred or prospective costs of operation essential to remove such institution from serious and longstanding financial instability.

"(B) Funds received under this paragraph may be used to pay short-term and long-term debts of such schools, meet accreditation requirements, maintain the quality of an academic program, strengthen academic resources or meet other necessary costs.

"(C) The term 'national priority institution' means a health education institution—

"(i) that has a predominant enrollment of individuals from underrepresented minority groups or disadvantaged backgrounds;

"(ii) the graduates of which predominantly serve medically underserved populations; or

"(iii) the affiliated hospitals, clinics, and other health facilities of which predominantly serve medically underserved populations.

"(3) Any grant awarded, contract entered into, or cooperative agreement under this subsection may be made under such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree to—

"(A) disclose any financial information or data deemed by the Secretary to be necessary to determine the source or causes of such school's financial distress;

"(B) conduct a comprehensive cost analysis study in cooperation with the Secretary; and

"(C) develop and carry out appropriate operational, managerial, and financial reforms to stabilize its operation or meet its accreditation requirements within a reasonable period of time.

"(4)(A) A school shall not be eligible to receive a grant or enter into a contract under paragraph (1) if such school or entity has received a grant or contract in each of the preceding 3 years under paragraph (1), or under section 788(b) (as such section was in effect prior to October 1, 1980).

"(B) A school may not receive a grant or enter into a contract under paragraphs (1) and (2) in any one fiscal year.

"(5) The Secretary may provide to any school eligible for a grant, contract or cooperative agreement under this subsection technical assistance to enable the school to comply with the requirements under paragraph (3).

"(6)(A) There are authorized to be appropriated for grants and contracts under this subsection $15,000,000 for the fiscal year ending September 30, 1981, $20,000,000 for the fiscal year ending September 30, 1982, $20,000,000 for the fiscal year ending September 30, 1983, and $20,000,000 for each of the following two fiscal years.

"(B) If the funds appropriated in any fiscal year to carry out this subsection are insufficient to carry out cooperative agreements entered into in any previous fiscal year under paragraph (2), no funds shall be available for grants and contracts under paragraph (1).

"(C) Funds provided under this paragraph shall remain available until expended without regard to any fiscal year limitation.".

(k) Subsections (c), (d), (e), (f), and (g) of section 788 are repealed.

(l) Section 790(1) is amended by striking out "Professions Education" after "National Advisory Council on Health" and inserting in lieu thereof "Personnel".

(m) Part F of title VII is amended by adding at the end thereof the following new subpart:

"Subpart II—Special Projects

"PROJECTS TO MEET NEEDS OF MEDICALLY UNDERSERVED POPULATIONS

"Sec. 791. (a) The Secretary may make grants to or enter into contracts with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy or appropriate public or nonprofit entities to meet costs of projects to—

"(1) develop new admissions policies, procedures, and criteria to increase the enrollment of students who are committed to serve medically underserved populations, who are residents of medically underserved areas or who are likely to enter primary care practice;

"(2) plan, develop, and operate, or maintain clinical education programs (or parts thereof) including preceptorships and interdisciplinary training in medically underserved areas or in health manpower shortage areas; or

"(3) plan, develop, and operate, or maintain programs, to provide individuals who plan to meet or are meeting the needs of medically underserved populations, education (including continuing education) and training related to the delivery of health care to medically underserved populations.

"(b) There are authorized to be appropriated for grants and contracts under this section $5,000,000 for the fiscal year ending September 30, 1981, $6,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.

"CONVERSION PROJECTS

"Sec. 792. (a)(1) The Secretary may make a single grant to any private two-year school of medicine (or any school accredited as such a two-year school) to assist such school in converting to a school accredited to grant the degree of doctor of medicine. The amount of such grant shall be equal to the product of $50,000 and the number of third-year students that will be initially enrolled in such school.

"(2) Upon request of a school, a grant received under this section may be used in the year preceding the initial enrollment of third-year students in such school.

"(b) No grant may be made under this subsection unless—

"(1) an application therefor has been submitted to the Secretary no later than September 30, 1981;

"(2) the school enrolls third-year students not later than the school year beginning in the fiscal year ending September 30, 1983: and

"(3) the Secretary receives satisfactory assurances that the school will be affiliated with an accredited hospital in the fiscal year for which such grant is made.

"PREVENTIVE MEDICINE OR DENTISTRY

"Sec. 793. (a) The Secretary may make grants to or enter into contracts with schools of medicine, osteopathy, or dentistry to meet the costs of projects to—

"(1) plan, develop, and operate, or maintain training programs in preventive or community medicine (including occupational medicine) or dentistry for medical or dental students;

"(2) plan, develop, and operate, or maintain academic administrative units (including departments, divisions, or other units) in the field of preventive or community medicine (including occupational medicine) or dentistry;

"(3) plan, develop, and operate, or maintain joint programs between faculties in the field of preventive or community medicine (including occupational medicine) or dentistry and other clinical faculties for the purpose of improving the knowledge and skills of students, interns, residents, practicing physicians or dentists who specialize or plan to specialize in other clinical fields, particularly the field of primary care;

"(4) plan, develop, and operate, or maintain continuing education programs in preventive or community medicine (including occupational medicine) or dentistry; or

"(5) plan, develop, and operate, or maintain programs to train faculty in the fields of preventive or community medicine (including occupational medicine) or dentistry.

"(b) The Secretary may make grants to or enter into contracts with schools of medicine, osteopathy, dentistry, public health, or appropriate public or nonprofit private entity to meet the costs of projects to—

"(1) plan, develop, and operate, or maintain approved residency training programs in preventive medicine (including occupational medicine) or dentistry; or

"(2) provide financial assistance to residents who plan to specialize in the field of preventive medicine or dentistry.

"(c) There are authorized to be appropriated for grants and contracts under this section $6,000,000 for the fiscal year ending September 30, 1981, $7,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.

"PROJECT GRANTS FOR OPTOMETRY, PHARMACY, PODIATRY, AND VETERINARY MEDICINE

"SEC. 794. (a) The Secretary may make grants to or enter into contracts with—

"(1) schools of optometry to meet the costs of planning, developing, and operating, or improving—

"(A) didactic or clinical education, including continuing education, in developmental, rehabilitative, geriatric, or preventive vision care, or pharmacology and the prescription and use of pharmaceuticals (consistent with applicable State laws),

"(B) clinical education for students at practice sites that serve medically underserved populations, and

"(C) cooperative educational programs with schools of medicine or osteopathy, including the affiliation of schools of optometry with academic health centers, designed to conduct interdisciplinary training or enhance the clinical or didactic education offered by the schools of optometry;

"(2) schools of pharmacy to meet the costs of planning, developing, operating, or improving—

"(A) didactic or clinical education, including continuing education, in clinical pharmacy or clinical pharmacology (including the clinical portion of residency training programs), or in pharmacokinetics or clinical pharmacokinetics,

"(B) clinical education for students at practice sites that serve medically underserved populations,

"(C) didactic or clinical education in specialized pharmacy practice areas including health education and prevention, primary, geriatric, pediatric, and mental health care in both inpatient and ambulatory practice sites, and

"(D) interdisciplinary programs designed to prepare health professionals in the delivery of services by patient care teams;

"(3) schools of podiatry to meet the costs of planning, developing, and operating, or improving—

"(A) cooperative educational programs with schools of medicine or osteopathy, or hospitals, including the affiliation of schools of podiatry with academic health centers, designed to conduct interdisciplinary training or enhance the clinical or didactic education offered by schools of podiatry,

"(B) podiatric educational resources in geographic areas in need of such resources, including decentralized education programs,

"(C) programs to increase the enrollment of existing schools of podiatry,

"(D) residency training and continuing education programs in podiatric medicine, and

"(E) didactic or clinical education, including continuing education, in the prevention of disorders and diseases of the foot, the detection of incipient disorders and diseases of the foot, and the recovery of foot function to regain or improve mobility, particularly among the elderly; or

"(4) schools of veterinary medicine to meet the costs of planning, developing, and operating, or improving—

"(A) didactic or clinical education, including continuing education, in veterinary medicine, including public health and toxicology, pathology, the care of laboratory animals, the development and use of animal protein to meet nutritional needs, and the study of aquatic animals to improve the quantity and safety of catches for human consumption, or

"(B) clinical education in the care of food and fiber producing animals, including clinical education at practice sites remote from such schools.

"(b) Funds received under this section may be used for the development of faculty for the programs supported under subsection (a).

"(c) There are authorized to be appropriated for grants and contracts under this section $9,000,000 for the fiscal year ending September 30, 1981, $10,000,000 for the fiscal year ending September 30, 1982, and $11,000,000 for the fiscal year ending September 30, 1983.

"SPECIAL PROJECTS IN NUTRITION, GERIATRICS, REHABILITATION, AND THE CONTAINMENT OF HEALTH CARE COSTS

"SEC. 795. (a) The Secretary may make grants to or enter into contracts with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy, or appropriate public or nonprofit private entities to meet the costs of projects to—

"(1) improve—

"(A) the education of students, interns, or residents in nutrition;

"(B) the relationship of nutrition to health, human development, and illness,

"(C) the evaluation of nutritional status,

"(D) the provision of nutritional counseling, and

"(E) the use of nutritional therapies in the treatment of human disease;

"(2) improve the education of students, interns, or residents in the provision of health care to the elderly through—

"(A)(i) didactic or clinical education in aging and the health problems of the elderly,

"(ii) the use of drugs and other therapeutic modalities in the care of the elderly (including the manifestations of adverse drug actions and interactions), and

"(iii) the unique requirements for the delivery of health care to the elderly, or

"(B) interdisciplinary projects emphasizing the team approach to geriatric care;

"(3) improve the education of students, interns, or residents in the rehabilitation of disabled individuals, emphasizing the restoration, to the maximum extent possible, of functional abilities; or

"(4) improve the education of students, interns, or residents in the economics of health care, and the application of cost-containment methods in the delivery of health care without diminishing the quality of such care.

"(b) There are authorized to be appropriated for grants and contracts under this section $8,000,000 for the fiscal year ending September 30, 1981, $9,000,000 for the fiscal year ending September 30, 1982, and $10,000,000 for the fiscal year ending September 30, 1983.

"PROJECTS FOR WOMEN IN HEALTH

"SEC. 796. (a) The Secretary may make grants to or enter into contracts with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, or podiatry, or appropriate public or nonprofit private entities to meet the costs of projects to increase the participation of women in health careers and to encourage the advancement of women by—

"(1) assisting counselors and advisers in preprofessional schools to provide information to women about courses of study and access to professional careers in health;

"(2) providing information to women about sources of student financial assistance;

"(3) increasing the enrollment of women in courses of study that are prerequisite to entrance into health professions schools;

"(4) increasing the representation of women among faculties in health professions educational institutions; and

"(5) providing courses or programs designed to assist women health professionals who have interrupted their practice to reenter the active practice of their professions.

"(b) There are authorized to be appropriated for grants and contracts under this section $3,000,000 for the fiscal year ending September 30, 1981, $3,500,000 for the fiscal year ending September 30, 1982, and $4,000,000 for the fiscal year ending September 30, 1983.

"RESEARCH AND DEMONSTRATION PROJECTS

"SEC. 797. (a) The Secretary may make grants to or enter into contracts with appropriate public or nonprofit private entities to meet the costs of projects to—

"(1) improve the education (including continuing education) of health personnel through the research, development, demonstration, application, and validation of innovative educational techniques, materials, courses, and curricula;

"(2) enhance the evaluation and self-evaluation of the competency of health personnel, including the establishment of new or improved methods or systems for awarding credentials to health professionals; and

"(3) develop, implement, and evaluate new approaches to attracting and retaining health personnel in locations in need of such professionals and in professions and specialties in need of personnel.

"(b) There are authorized to be appropriated for grants and contracts under this section $2,000,000 for the fiscal year ending September 30, 1981, $3,000,000 for the fiscal year ending September 30, 1982, and $4,000,000 for the fiscal year ending September 30, 1983.".

SEC. 112. (a) The heading of part G of title VII is amended by inserting "Public Health," after "Programs for Personnel in".

(b)(1) Sections 791, 792, 795, and 796 are redesignated as sections 798, 799, 799A, and 799B, respectively.

(2) Sections 793, 797, and 798 (as in effect prior to October 1, 1980) are repealed.

(c) Should 798(c)(2) (as redesignated by this section) is amended to read as follows:

"(2) The Secretary may not approve an application submitted under paragraph (1) unless—

"(A) such application contains assurances satisfactory to the Secretary that in the school year (as defined in regulations by the Secretary) beginning in the fiscal year for which the applicant receives a grant under subsection (a) that—

"(i) at least tweny-five individuals will complete the graduate educational programs of the entity for which such application is submitted; and

"(ii) such entity shall expend or obligate at least $125,000 in funds from non-Federal sources to conduct such programs; and

"(B)(i) such application contains assurances satisfactory to the Secretary that the number of first-year full-time students enrolled in such programs shall be increased in each school year beginning with the school year beginning in the fiscal year ending September 30, 1981, in excess of the number of full-time first-year students enrolled in such programs in the school year beginning in the fiscal year ending September 30, 1979, by—

"(I) 5 percent of such number if such number was not more than 100, or

"(II) 2.5 percent of such number of 5 students, whichever is greater, if such number was more than 100; or

"(ii) such an application contains assurances satisfactory to the Secretary that such entity shall maintain the first year enrollment in such programs at the level of such enrollment in the school year beginning in the fiscal year ending September 30, 1980, and, submit and have approved, a plan whereby the program will emphasize, in the curriculum and special courses, cost-containment and other mechanisms available to health planners, and administrators, and managers designed to maximize cost-efficiency in the delivery of health care, such plan to be implemented in the first year of a grant and a report on the progress of such plan to be included in each subsequent application under this subsection;

"(C) such application contains such other information as the Secretary may prescribe; and

"(D) the program for which such application was submitted has been accredited for the training of individuals for health administration, hospital administration, or health planning by a recognized body or bodies approved for such purpose by the Secretary of Education and meets such other quality standards as the Secretary shall by regulation prescribe.".

(d) Section 798(c) (as redesignated by this section) is amended by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3).

(e) Section 798(c)(3) (as redesignated by this section) is amended by striking out "Professions Education" after "National Advisory Council on Health" and inserting in lieu thereof "Personnel".

(f) Section 798(d) (as redesignated by this section) is amended—

(1) by striking out "and" after "September 30, 1979"; and

(2) by inserting ", $4,000,000 for the fiscal year ending September 30, 1981, $4,500,000 for the fiscal year ending September 30, 1982, and $5,000,000 for the fiscal year ending September 30, 1983" after "September 30, 1980".

(g) Section 799 (as redesignated by this section) is amended to read as follows:

"SPECIAL PROJECTS FOR ACCREDITED SCHOOLS OF PUBLIC HEALTH AND GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

"SEC. 799. (a) The Secretary may make grants to or enter into contracts with accredited schools of public health or graduate programs in health administration that meet the requirements of section 798(c)(2)(D) to meet the costs of special projects to develop new programs or to expand existing programs in—

"(1) disease prevention and health promotion;

"(2) biostatistics on epidemiology;

"(3) health administration, health planning, health policy analysis and planning, or cost-containment;

"(4) environmental or occupational health;

"(5) dietetics and nutrition; or

"(6) maternal and child health.

"(b) Costs of projects for which funds may be received under this section may include the costs of—

"(1) continuing education;

"(2) part-time programs for advanced training of practicing professionals in need of new knowledge or skills; or

"(3) other retraining and midcareer leadership programs.

"(c) The Secretary shall consult with the National Advisory Council on Health Personnel prior to awarding grants or entering into contracts under this section.

"(d) There are authorized to be appropriated for grants and contracts under this section $6,000,000 for the fiscal year ending September 30, 1981, $7,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.".

(h) Section 799A(2)(D) (as redesignated by this section) is amended by striking out "Commissioner" after "for such purpose by the" and inserting in lieu thereof "Secretary".

(i) Section 799B(a) is amended—

(1) by inserting "planning," after "State systems for the" in paragraph (1);

(2) by striking out "and nurses" after "allied health personnel" in paragraph (1) in each place it appears; and

(3) by inserting "and for the identification of the requirements for allied health personnel," after "and their clinical affiliates" in paragraph (1).

(j) Section 799B(a)(2) (as redesignated by this section) is amended by striking out "new roles and functions for allied health personnel and".

(k) Section 799B(a)(5) (as redesignated by this section) is amended by inserting ", including such programs designed to prepare allied health personnel to teach or serve in administrative or supervisory positions" after "allied health personnel".

(l) Section 799B(a) (as redesignated by this section) is amended by inserting the following at the end thereof:

"(7) Establishment or improvement of programs to increase clinical competency in special areas, subjects, or functions, particularly long-term care, hospice care, disease prevention, health promotion, and the application of new technologies.".

(m) Section 799B(b) (as redesignated by this section) is amended by inserting the following at the end thereof:

"(3) The Secretary shall consult with the National Advisory Council on Health Personnel prior to awarding a grant or entering into a contract under this section.".

(n) Section 799B(d)(1) is amended—

(1) by striking out "and" after "September 30, 1979;"; and

(2) by inserting "; $10,000,000 for the fiscal year ending September 30, 1981, $11,000,000 for the fiscal year ending September 30, 1982, and $12,000,000 for the fiscal year ending September 30, 1983" after "September 30, 1980".

TITLE II—NURSE EDUCATION AMENDMENTS

SEC. 201. This title may be cited as the "Nurse Education Amendments of 1980".

SEC. 202. (a) The heading of part A of title VIII is amended to read as follows:

"PART A—ASSISTANCE FOR NURSE EDUCATION".

(b) Section 801 is amended—

(1) by striking out "and" after "fiscal year 1978,"; and

(2) by inserting ", $1,000,000 for the fiscal year ending September 30, 1981, $1,000,000 for the fiscal year ending September 30, 1982, and $1,000,000 for the fiscal year ending September 30, 1983" after "September 30, 1980".

(c) Section 802(b) is amended by striking out "his determination" after "approved by the Secretary upon" and inserting in lieu thereof "determining".

(d) The second sentence of section 803(b) is amended—

(1) by striking out "Secretary's"; and

(2) by striking out "by him" and inserting in lieu thereof "by the Secretary".

(e) Section 805 is amended—

(1) by striking out "1980" each place it appears in subsections (a) and (b) thereof and inserting in lieu thereof "1983";

(2) by striking out "by not to exceed 3 per centum per annum" in subsection (b) thereof;

(3) by inserting "by the lesser of 6 percent per annum or such percentage per annum necessary to reduce such net effective interest rate to 7 percent for loan guarantees and interest subsidies first made after October 1, 1980" after "otherwise payable on such loan" at the end of subsection (b);

(4) by striking out "he" each place it appears in subsections (c) and (d) and inserting in lieu thereof "the Secretary";

(5) by striking out "to enable him to discharge his responsibilities" in subsection (e) and inserting in lieu thereof "to enable the discharge of the Secretary's responsibilities";

(6) by striking out "by him" in subsection (e);

(7) by striking out the second sentence of subsection (e) and inserting in lieu thereof the following: "There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund.";

(8) by striking out "derived by him from his operations" in subsection (e) thereof and inserting in lieu thereof "derived from the operations";

(9) by striking out "the Secretary to discharge his responsibilities" in subsection (e) thereof and inserting in lieu thereof "the discharge of the Secretary's responsibilities";

(10) by striking out "by him" in the fourth sentence of subsection (e) thereof;

(11) by striking out "he" in the fourth sentence of subsection (e) thereof and inserting in lieu thereof "the Secretary";

(12) by striking out "he" in the fifth sentence of subsection (e) thereof;

(13) by striking out "him" in the sixth sentence of subsection (e) thereof and inserting in lieu thereof "the Secretary of the Treasury";

(14) by striking out "this subpart" after "funds obligated under" in subsection (f) thereof and inserting in lieu thereof "section 801"; and

(15) by striking out "; except that this paragraph shall not apply if the amount of grant funds so obligated in such fiscal year equals the sum appropriated for such fiscal year under section 801".

Sec. 203. Subpart II of part A of title VIII is amended to read as follows:

"Subpart II—Incentive Grants

"NATIONAL PRIORITY INCENTIVE GRANTS

"SEC. 810. (a) The Secretary shall make annual grants to schools of nursing to support the education programs of such schools and other projects and activities that are in the national interest.

"(b)(1) For purposes of this part, regulations of the Secretary shall include provisions relating to determination of the number of students enrolled in a school, or in a particular year-class in a school, or the number of graduates, on the basis of estimates or on the basis of the number of students who were enrolled in a school, or in a particular year-class in a school, or were graduates, in an earlier year, or on such basis as the Secretary deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

"(2) For purposes of this part, the term 'full-time students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study in an accredited program in a school of nursing.

"(c) For purposes of computing grants under this subpart the enrollment of a school shall be—

"(1) in the case of a collegiate school of nursing, the number of full-time and full-time equivalent of part-time undergraduate students of such school enrolled in the last two years in a fiscal year;

"(2) in the case of an associate degree school of nursing, the number of full-time students of such school in the first year divided by two, and the number of full-time students of such school in the last year in a fiscal year; and

"(3) in the case of a diploma school of nursing, the number of full-time students of such school in a fiscal year.

"(d) If the total of the grants to be made under this section for any fiscal year to schools with approved applications exceeds the amount appropriated under subsection (1) for such grants, the amount of the grant for such fiscal year to each such school shall be ratably reduced.

"(e) The amount of a grant to a school under this section shall be the amount as provided in subsection (h) multiplied by the enrollment of such school (as determined under subsection (d)).

"(f) The Secretary shall not make a grant under this section to any school of nursing in any fiscal year unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that the school will expend in carrying out its function as a school of nursing, during the fiscal year for which funding is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of the funds expended by such school for such purposes (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.

"(g) The amount of a grant to a school under this section shall be determined as follows:

"(1) (A) A collegiate school of nursing shall receive $150 for the fiscal year ending September 30, 1981, for each enrolled student as determined under subsection (c) (1), $165 for the fiscal year ending September 30, 1982, for each such enrolled student, and $180 for the fiscal year ending September 30, 1983, for each such enrolled student.

"(B) An associate degree school of nursing shall receive $100 for the fiscal year ending September 30, 1981, for each enrolled student as determined under subsection (c) (2), $110 for the fiscal year ending September 30, 1982, for each such enrolled student, and $120 for the fiscal year ending September 30, 1983, for each such enrolled student.

"(C) A diploma school of nursing shall receive $100 for the fiscal year ending September 30, 1981, for each enrolled student as determined under subsection (c) (3), $110 for the fiscal year ending September 30, 1982, for each such enrolled student, and $120 for the fiscal year ending September 30, 1983, for each such enrolled student.

"(2) The amount in paragraph (1) shall increase in each fiscal year by an amount equal to 0.5 times such amount for each of the following criteria that are met by the school in the year in which a grant application is made:

"(A) (i) The number of students enrolled in the final year of training at the school is greater than the number of such students in the previous year; or (ii) the number of students graduating is greater than the number of students that graduated in the previous year.

"(B) Twenty-five percent of the graduates of the school in the preceding year are employed as nurses in a State or portion of a State which has a lower ratio of employed nurses to the population than three-quarters of all States, as determined by the Secretary.

"(C) No less than 15 percent of the students entering a collegiate school of nursing are students who have successfully completed training in an associate degree or diploma school of nursing and who have enrolled in the collegiate school to complete the program offered by such school.

"(D) No less than 15 percent of the entering class are from underrepresented minority groups, and the school has a program designed to recruit, retain and graduate such individuals.

"(3) The amount in paragraph (1) shall decrease in each fiscal year by an amount equal to 0.25 times such amount if, in the year in which a grant application is made, the number of entering students is less than the preceding year.

"(4) The amount under paragraph (1) shall not be increased by more than 1.5 times such amount under paragraph (2) for any school receiving a grant under this section in any fiscal year.

"(5) A reference to a year is a reference to a school year unless otherwise stated.

"(h) There are authorized to be appropriated for grants under this section $30,000,000 for the fiscal year ending September 30, 1981, $33,000,000 for the fiscal year ending September 30, 1982, and $36,000,000 for the fiscal year ending September 30, 1983.

"APPLICATION FOR GRANTS

"Sec. 811. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications under this subpart for any fiscal year must be filed.

"(b) The Secretary shall not approve or disapprove any application for a grant under this subpart except after consultation with the National Advisory Council on Nurse Training.

"(c) A grant under this subpart may be made only if the application therefor—

"(1) is from a public or nonprofit private school of nursing;

"(2) contains such additional information as the Secretary may require to make the determinations required under this subpart and such assurances as the Secretary may find necessary to carry out the purposes of this subpart; and

"(3) provides for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subpart.".

Sec. 204. (a) Subpart III of part A of title VIII is repealed.

(b) Subpart IV of part A of title VIII is redesignated as subpart III.

(c) Section 820 (a) is amended to read as follows:

"SPECIAL PROJECT GRANTS AND CONTRACTS

"Sec. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

"(1) increase the supply or improve the distribution by geographic areas or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care;

"(2) increase nursing education opportunities for individuals from underrepresented minority groups or disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

"(A) identifying, recruiting, and selecting such individuals,

"(B) facilitating the entry of such individuals into schools of nursing,

"(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

"(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

"(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

"(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

"(3) (A) plan, develop, or establish new nurse training programs or programs of research in nursing eduction, or

"(B) significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

"(4) provide continuing education for nurses;

"(5) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

"(6) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel; or

"(7) assist in meeting the costs of developing short-term (not to exceed 6 months) in-service training programs for nurses aides and orderlies for nursing homes, which programs emphasize the special problems of geriatric patients and include training for monitoring the well-being and feeding and cleaning of the patients in nursing homes, emergency procedures, drug properties and interactions, and fire safety techniques.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).".

(d) Section 820(d) is amended to read as follows:

"(d) (1) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for the fiscal year ending September 30, 1981, $16,000,000 for the fiscal year ending September 30, 1982, and $17,000,000 for the fiscal year ending September 30, 1983.

"(2) Not less than 20 percent of the funds appropriated under this subsection for any fiscal year shall be used for payments under grants and contracts to meet the costs of the special projects described in subsection (a) (1) and not less than 20 percent of such funds shall be used for such payments for special projects described in subsection (a) (2).".

(e) Subpart III of part A of title VIII (as redesignated by this section) is amended by adding the following new section after section 820:

"CLINICAL EDUCATION AND PRACTICE

"SEC. 821. (a) The Secretary may take grants to or enter into contracts with public or nonprofit private schools of nursing, or other appropriate public or nonprofit entities (determined by the Secretary to be capable of carrying out such grants or contracts) to—

"(1) (A) maintain, improve, increase, or extend the clinical education of students in schools of nursing, including providing for the establishment of new training opportunities relating to primary nursing care; or

"(B) assist in the establishment of arrangements between programs at schools of nursing and nursing practice settings in order to facilitate the clinical education of nursing students, or assist in demonstrating and evaluating new or improved arrangements;

"(2) plan, develop, operate or expand programs for the preparation of nurses in the various fields of advanced clinical practice, with special consideration given to the development or expansion of programs in geographic areas or regions in which there is a critical need for such nurses; and

"(3) demonstrate and evaluate new or improved patterns of nursing care that will promote the full utilization of nurses or assist in the retention or reentry of nurses in active nursing practice.

"(b) (1) There are authorized to be appropriated for grants and contracts under this section $15,000,000 for the fiscal year ending September 30, 1981, $18,000,000 for the fiscal year ending September 30, 1982, and $20,000,000 for the fiscal year ending September 30, 1983.

"(2) Not less than 10 percent of the funds appropriated for grants and contracts under this section shall be provided for grants and contracts pursuant to subsection (a) (3).".

(f) Sections 821 and 822 are redesignated as section 822 and 823.

(g) Section 822 (as redesignated by this section) is amended to read as follows:

"ADVANCED NURSE TRAINING PROGRAMS

SEC. 822. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to plan, develop, and operate, significantly expand, or maintain existing programs for the advanced training of professional nurses in the various fields of nurse training to serve in administration, supervisory, teaching or research capacities, determined by the Secretary to require advanced training.

"(b) For payments for grants and contracts under this section there are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1981, $11,000,000 for the fiscal year ending September 30, 1982, and $12,000,000 for the fiscal year ending September 30, 1983.".

(h) Section 823 (as redesignated by this section) is amended—

(1) by striking out "who are residents of a health manpower shortage area (designated under section 332)" after "to train nurse practitioners" in subsection (b) (1) thereof;

(2) by striking out "and" after "1978," in subsection (e) thereof; and

(3) by inserting the following before the period at the end of subsection (e): ", $18,000,000 for the fiscal year ending September 30, 1981, $20,000,000 for the fiscal year ending September 30, 1982, and $22,000,000 for the fiscal year ending September 30, 1983".

(i) Subpart III of part A of title VIII is amended by adding the following new section at the end thereof:

"DESIGNATION OF NURSE SHORTAGE AREAS

"SEC. 824. (a) (1) For purposes of this subpart the term 'nurse shortage area' means (A) an area in an urban or rural area (which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services) which the Secretary determines has a shortage of nurses, including nurses in advanced clinical practice, (B) a public or nonprofit health services organization or agency that the Secretary determines has a shortage of nurses, including nurses in advanced clinical practice, or (C) a public or nonprofit private health care facility.

"(2) For purposes of this subsection, the term 'health care facility' means a facility for the delivery of health services, including—

"(A) a hospital, clinic, health center, hospice, or other facility providing acute medical, pediatric, or surgical services, obstetrical care, mental health care, long-term care, or rehabilitation services;

"(B) such a facility of a State correctional institution or of the Indian Health Service; and

"(C) a Federal medical facility, Federal facility, or other facility used in whole or in part to conduct Federal or federally assisted health programs.

"(3) For purposes of this subsection, the term 'health services organization or agency' means an organization or agency that has, as one of its principal functions, the delivery of nursing services, including public or community nursing services, home health services, and other nursing services for the public welfare, except that such term shall not include nurse registries, placement or recruitment agencies, or private duty nursing services.

"(b) The Secretary shall establish by regulation, promulgated not later than March 31, 1981, criteria for the designation of areas, health services organizations or agencies, or health care facilities, in the States, as nurse shortage areas. In establishing such criteria, the Secretary shall take into consideration the following:

"(1) The ratio of available nurses, including nurses in advanced clinical practice, to the number of individuals in an area or population group or served by facilities, organizations and agencies in an area, or in the region surrounding the facility, organization or agency in which it is reasonable to expect that nurses may be recruited for employment.

"(2) Indicators of a need for nurses, including nurses in advanced clinical practice, by facilities, organizations and agencies in an area, taking into consideration—

"(A) the ratio of nurses to bed-days and patient visits,

"(B) the type of patients served, and

"(C) the budgeted vacancies in such entities.

"(3) The number of nurses who are employed in nursing but not in direct nursing services.

"(c) (1) In accordance with the criteria established under subsection (b), the Secretary shall designate, not later than October 1, 1981, nurse shortage areas in the States, publish a descriptive list of the areas, organizations, agencies, or facilities, so designated, and at least annually review and, as necessary, revise such designations.

"(2) In making a determination under this subsection the Secretary shall take into consideration—

"(A) the recommendations of each health systems agency (designated under section 1515) for a health service area which includes all or any part of the area, or in which the organization, agency, or facility under consideration for designation is located; and

"(B) the recommendations of the Governor of each State in which the area, organization, agency, or facility under consideration for designation is located.

"(d) At least 30 days prior to the designation of a facility, organization, or agency as a nurse shortage area, the Secretary shall give written notice of such proposed designation to the chief administrative officer of such entity.

"(e) The Secretary shall give written notice of the designation of a nurse shortage area, not later than 60 days from the date of such designation, to—

"(1) the Governor of each State in which the area, organization, agency, or facility is located;

"(2) (A) each health systems agency (designated under section 1515) for a health service area which includes all or any part of the area, organization, agency, or facility so designated; or

"(B) the State health planning and development agency of the State (designated under section 1521) if there is a part of such area, organization, agency, or facility within a health service area for which no health systems agency has been designated; and

"(3) appropriate public or nonprofit private entities which are located or which have a demonstrated interest in the area so designated.

"(f) Any person may recommend to the Secretary the designation of an area, organization, agency, or facility as a shortage area.

"(g) Upon determining a nurse shortage area, the Secretary shall make such designation available to—

"(1) the public;

"(2) specific entities with an interest in such designation; and

"(3) entities in need of such information for the conduct of activities under this Act.".

SEC. 205. (a) Section 830(b) is amended—

(1) by striking out "and" after "1978,"; and

(2) by inserting the following before the period at the end thereof: ", $15,000,000 for the fiscal year ending September 30, 1981, $17,000,000 for the fiscal year ending September 30, 1982, and $19,000,000 for the fiscal year ending September 30, 1983".

(b) Section 831(b) is amended by inserting the following after "1980": ", $2,000,000 for the fiscal year ending September 30, 1981, $2,000,000 for the fiscal year ending September 30, 1982, and $2,000,000 for the fiscal year ending September 30, 1983".

SEC. 206. (a) Section 835(b) (4) is amended by striking out ", and that while the agreement remains in effect no such student who has attended such school before October 1, 1980, shall receive a loan from a loan fund established under section 204 of the National Defense Education Act of 1958".

(b) Section 836 is amended—

(1) by striking out "he" in subsection (b) (4) thereof and inserting in lieu thereof "the individual";

(2) by striking out "him" each place it appears and inserting in lieu thereof "the borrower"; and

(3) by striking out "his determination" in subsection (j) thereof and inserting in lieu thereof "determining".

(c) Section 837 is amended—

(1) by striking out "and for each of the next two succeeding fiscal years" after "1981,";

(2) by inserting "senior" after "may he necessary to enable"; and

(3) by striking out "continue or".

(d) Section 838 is amended—

(1) by striking out "he" and inserting in lieu thereof "the Secretary"; and

(2) by striking out "to him" in subsection (b)(2).

(e) Section 839 is amended to read as follows:

"DISTRIBUTION OF ASSETS FROM LOAN FUNDS

"SEC. 839. (a) After September 30, 1980, and not later than December 31, 1980, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section 835(b) by each school, except such distribution shall not include such amounts necessary to make loans to senior students under section 837, as follows:

"(1) The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund at the close of September 30, 1980, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 835(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 835(b)(2)(B).

"(2) The remainder of such balance shall be paid to the school.

"(b) After December 31, 1980, each school with which the Secretary has made an agreement under this subpart shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after September 30, 1980, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement as was determined for the Secretary under subsection (a).

"(c) The Secretary shall deposit amounts received pursuant to this section in the service contingent loan fund established under section 747F.".

(f) Section 841 is repealed.

SEC. 207. (a) Section 845(b) is amended to read as follows:

"(b) The amount of the grant under subsection (a) for the fiscal year ending September 30, 1981, and for each of the next two fiscal years to each such school shall be equal to $3.000 multiplied by one-tenth of the number of full-time students of such school. For the fiscal year ending September 30, 1984, and for each of the two succeeding fiscal years, the grant under subsection (a) shall be such amount as may be necessary to enable such school to continue making payments under scholarship awards to students who initially received such awards out of grants made to the school for fiscal years ending before October 1, 1983.".

(b) Section 845 is amended by adding the following new subsection at the end thereof:

"(f) If the total of the grants to be made under this section for any fiscal year to schools exceeds the amount appropriated for such grants, the amount of the grant for such fiscal year to each such school shall be ratably reduced.".

(c) Section 846 is repealed.

SEC. 208. (a) Section 851(a) is amended by striking out "shall be Chairman, and the Commissioner of Education" and inserting in lieu thereof "shall be Chairperson, and the Secretary of Education".

(b) Section 853(1) is amended by inserting "the Commonwealth of the Northern Mariana Islands," after "the Virgin Islands,".

(c) Section 853(6) is amended—

(1) by striking out "Commissioner of Education" each place it appears and inserting in lieu thereof "Secretary of Education"; and

(2) by striking out "(3)" after "this clause".

TITLE III—NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 301. (a) Section 331 is amended by redesignating subsections (c), (d), (e), (f), (g), and (h) as subsections (e), (f), (g) (h), (i), and (j), respectively.

(b) Section 331 is amended by inserting after subsection (b) the following new subsections:

"(c) The Secretary shall conduct or support (through grant or contract) at schools of medicine, osteopathy, dentistry, and as appropriate, nursing and other schools of the health professions and at other appropriate entities, service preparatory programs for recipients of Corps scholarships. Such programs shall include—

"(1) didactic and clinical education in primary care in health manpower shortage areas as defined in section 332(a), including the establishment of preceptorships at existing Corps sites;

"(2) exposure to the unique problems of medically under served populations; and

"(3) information dissemination and career counseling on practice and residency training opportunities in such manpower shortage areas.

"(d) The Secretary may enter into cooperative agreements with one or more schools or entities described in subsection (c) to accomplish the purposes set forth in subsections (b) and (c).".

(c) Section 331(f)(1)(B) (as redesignated by subsection (a)) is amended by striking out "his" and "he" each place it appears.

(d) Section 331(g) as redesignated by subsection (a)) is amended by striking out "Corps" and inserting in lieu thereof "Notwithstanding any other provision of law, Corps".

(e) Section 331(i) (as redesignated by subsection (a)) is amended to read as follows:

"(i) The administrative unit which administers parts E and F of title VII—

"(1) shall develop regulations, guidelines, funding priorities, and application forms, and

"(2) shall make recommendations to the Secretary in the review of applications and proposals for, and the awarding of, grants and contracts,

with respect to the Corps.".

(f) Section 331(j) (as redesignated by subsection (a)) is amended by—

(1) striking out "Health, Education, and Welfare" in paragraph (a) and inserting in lieu thereof "Health and Human Services", and

(2) inserting "the Commonwealth of" before "the Northern Mariana Islands".

SEC. 302. Section 332(a) is amended by adding at the end thereof the following new paragraph:

"(3) For the purposes of this subsection, a health manpower shortage of physicians shall be a shortage of primary care physicians in the specialties of family practice, general practice, internal medicine or pediatrics, or of physicians whose principal field of practice is obstetrics and gynecology, psychiatry, or such other specialty as determined by the Secretary.".

SEC. 303. (a) Section 333 (d) is amended by adding at the end thereof the following new sentence: "Prior to making any assignment in any health manpower shortage area other than to a medical facility as defined in section 332 (a) (2), the Secretary shall first seek to find service obligated scholarship recipients who wish to enter practice in such area pursuant to section 753.".

(b) Section 333 (e) is amended by adding before the period at the end thereof the following: ", provided that the Secretary shall first seek to assign to such area a Corps member who has such characteristics and who has completed the training, internship or residency in the State where such area is located.".

SEC. 304. (a) Section 334(a)(3)(B) is amended by striking out "the number of days in his period" and inserting in lieu thereof "the number of days in the period".

(b) Section 334(b)(1) is amended by striking out "he" each place it appears and inserting in lieu thereof "the Secretary".

(c) Section 335 is amended by striking out "he" each place it appears and inserting in lieu thereof "the Secretary".

(d) Section 336(3) is amended by inserting "and individuals released under section 753 from their service obligation" after "the number and types of Corps members".

(e) Section 338(a) is amended by—

(1) striking out "and" after "September 30, 1979;"; and

(2) inserting before the period at the end thereof "; $133,000,000 for the fiscal year ending September 30, 1981; $200,000,000 for the fiscal year ending September 30, 1982; and $250,000,000 for the fiscal year ending September 3, 1983".

SECTION-BY-SECTION SUMMARY

Section 1. Act cited as "Health Professions Training and Distribution Act of 1980."

Section 2. Findings and declarations of the Congress: Congress finds that the goal of the health care system to provide all Americans with equal access to high-quality health care at a reasonable cost is dependent, in part, on the availability of qualified health professionals; that the accomplishment of the goal is jeopardized by the high price of education, high levels of student indebtedness, underrepresentation of minorities and women, continuing need for health professionals trained in primary care, wide disparity in the availability of health professionals, and a critical inability of many communities to obtain and retain nurses. Congress declares that the federal government's partnership with the nation's health professions schools and students is reaffirmed in order to assure equal opportunity for Americans to enter a health career and to assure equal access of all Americans to qualified health personnel.

Section 3. Amendments are to the Public Health Service Act.

Section 4. Effective date October 1, 1980.

Title I—Health Personnel Training and Distribution:

Section 101. Amends the title of Title VII to "Health Personnel Training and Distribution" and amends Section 700 to set forth the general duties of the Secretary for training sufficient numbers of health personnel to meet the health care needs of the United States.

Section 102. Changes the name of the National Advisory Council on Health Professions Education to the National Advisory Council on Health Personnel, expands the Council and includes membership of a representative from an allied health training center and interns or residents. Revises the health personnel data collection, compilation, and analysis authority and sets forth periodic reports by the Secretary to the Congress concerning health personnel and health students in the United States. Provision is made to protect the confidentiality of individually identifiable personal data. A general technical assistance authority is added.

Section 103. Amends and extends the authority to make grants and loan guarantees and interest subsidies for construction of teaching facilities for medical, dental, and other health personnel. Removes the restriction that construction of ambulatory primary care teaching facilities be limited only to those facilities for training physicians or dentists. Makes separate authorizations for appropriations for construction of general teaching facilities and for the construction of ambulatory primary care teaching facilities.

Eliminates projects to prevent the curtailment of enrollment as an eligible purpose under the construction program. Adds a new priority for construction projects for schools that are expanding from a two-year to a four-year program and for new schools that anticipate predominantly minority student enrollment.

Provides to the Secretary authority, after consultation with the National Advisory Council on Health Personnel, to reduce or eliminate enrollment increase requirements previously imposed on grantees under the construction program. Prohibits the promulgation of regulations which would provide for enrollment increases for the purpose of establishing eligibility for construction loan guarantees or interest subsidies.

Continues the loan guarantee and interest subsidy program for construction projects but authorizes increased interest subsidization for projects initially guaranteed or subsidized after October 1, 1980. Authorizes the Secretary to enter into new loan guarantee and interest subsidy agreements for construction projects for a cumulative total of principal equal to the amount authorized for grants under the construction program.

Section 104. Extends the federal program of insured loans to students in health professions schools. The limitations on individual, federally insured loans and on federal loan insurance is increased and students in graduate programs in health administration, collegiate schools of nursing, or physician assistant or expanded function dental auxiliary training programs become eligible to participate. Removes the restriction that students cannot borrow, in the same year, under this program and the guaranteed student loan program of the Higher Education Act. Adds reasonable living expenses to costs for which insured loans may be made.

Extends the period of deferment of principal and interest payments and permits deferment but accrual of interest during such periods. Adds a graduated repayment option and a variable interest option. Reestablishes a maximum interest on the unpaid principal balance of the loan to the average of the bond equivalent rates on 91-day treasury bills plus 2 percent. Eliminates the requirement that interest payments on loans insured under the program must be made during deferment periods. Adds a new provision for the Secretary to discharge the borrower's liability under the program in the event a borrower fails to complete the first year of studies leading to the first professional degree, under certain circumstances. Eliminates the authority of the Secretary to enter into a written contract with a borrower under the program to discharge a portion of the loan obligation for service in a health manpower shortage area. (Borrowers would be eligible to participate in a new general loan repayment authority).

Section 105. The health professions student loan program is continued through fiscal year 1981 but only for senior students who had previously received a loan under the program in order for them to complete their education. Capital distribution of the school loan funds will begin in fiscal year 1981 and be deposited by the Secretary into the fund for the new service contingency loan program.

Section 106. A new service contingent loan program is authorized. The program provides need-based, campus-originated loans to students in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, schools of nursing, graduate programs in health administration, and programs for the training of physician assistant or expanded function dental auxiliaries. Interest on student loans is completely subsidized during the period a student is in school and for a variable period of graduate training, depending on the profession, thereafter. During the repayment period, loans would bear 7 percent interest except for loans made to students in schools of nursing or public health, or in programs in health administration, physician assistant training or expanded function dental auxiliary training, which would bear 5 percent interest. Additional periods of deferral of principal and interest payments, but interest accrual, are provided for periods of graduate training, service in the armed forces, VISTA, Peace Corps, underserved areas, and the National Health Service Corps.

In return for interest subsidization, the borrower may at the discretion of the Secretary, be requested to provide national service in positions designated by the Secretary to be national priority needs. This borrower liability would exist only at the beginning of the loan repayment period. Students would first be asked to volunteer for positions designated by the Secretary. Remaining positions would be filled by the Secretary by lot from remaining borrowers. The Secretary will discharge the entire loan obligation of the student borrower under the program in return for the requested service.

To finance the program, the Secretary is authorized to borrow from the Treasury, off budget, with established annual borrowing limits.

Appropriation authorizations are provided to meet interest insufficiencies in the program and to permit the Secretary to discharge the loan obligations of the borrowers who are requested to provide service by the Secretary.

Section 107. Continues the program of traineeships to students in schools of public health and graduate programs of health administration but removes the requirement that 65% of the traineeships go to students who have received post baccalaureate degrees or have had three years of work experience in health services. Instead, traineeships are to be distributed among the schools and programs proportionate to the needs of the students.

Section 108. The National Health Service Corps scholarship program is continued. The priorities in awarding scholarships are amended to include, as a second priority, students who have borrowed under the service contingency loan program.

In making new awards to students in schools of medicine and osteopathy, 80 percent of the awards are to be set aside by the Secretary for the purpose of providing scholarships to eligible applicants in schools of medicine and osteopathy in each State proportionate to the need for physicians to provide services in shortage areas in the State.

The Secretary is required to approve scholarship applications prior to August 1 of each year and to promptly notify the educational institutions of the award.

A single administrative unit is to administer the scholarship program, the National Health Service Corps programs and the educational support programs in Parts E and F of Title VII.

The option for National Health Service Corps scholarship recipients to fulfill their obligations through an independent practice arrangement is continued, but the option is expanded to include individuals who receive scholarships under the Public Health Service Scholarship program, the forerunner to the National Health Service Corps Scholarship program. The requirement that a sufficient financial base to sustain practice and to provide the individual with income equivalent to the income of members of the Corps is removed and a new requirement that individuals serving under the independent practice option agree to accept assignment under the independent practice option agree to accept assignment under the medicare program is added. The Secretary is authorized to provide such individuals technical assistance and the individual is required to provide periodic reports on the individual's practice to the Secretary. In order to assist individuals establish their practice in shortage areas, income subsidization and the cost of malpractice insurance is authorized. In addition, eligibility of special grants, previously limited to former Corps members, is extended to individuals entering this practice agreement.

The distribution of scholarships among different types of professional students is amended to require 80 percent in medicine and osteopathy.

Section 109. Retains the exceptional financial need scholarship program for first-year students but changes the distribution of funds among eligible health professions schools and reestablishes the maximum amount of the award to any student.

Adds a new program for the Secretary to repay up to 80 percent of a student's educational loans if the student serves for up to four years in a health manpower shortage area.

Section 110. Repeals the health professions capitation grant program. Establishes a new national priority incentive grant program. Annual grants to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health are authorized for the support of their educational programs and projects and activities that are in the national interest.

For schools of medicine, the amount will be increased if objectives are met related to—the enrollment of underrepresented minority groups; the enrollment of women; the graduation of students entering family practice; the distribution of residency training physicians in primary care; the enrollment of students from health manpower shortage areas and the conduct of clinical education in primary care setting; the offering of education in nutrition, geriatrics, prevention, health care economics or rehabilitation, or the preparation of students to pursue careers in clinical investigation. The amount will be decreased if the school increases tuition or enrollments excessively.

For schools of osteopathy, the amount will be increased if objectives are met related to—the enrollment of students from underrepresented minority groups; enrollment of women; the conduct of programs for the training of faculty in primary care; the conduct of clinical training in medically underserved areas or the conduct of curricular offerings in nutrition, geriatrics, prevention, health care economics, or rehabilitation. The amount will be decreased if the school increases its tuition or enrollment excessively.

For schools of dentistry, the amount will be increased if the national objectives are met related to—the enrollment of students from underrepresented minority groups; the enrollment of women; the entry of graduates into general practice dentistry; the establishment of new residency training programs in public health, general practice or pedodontics; the enrollment of students from health manpower shortage areas and the conduct of education in areas where underserved populations reside; and the conduct of curricular offerings in dental care to the elderly, preventive or community dentistry, nutrition, or health care economics. The amount will be decreased for excessive tuition or enrollment increases.

For each school of veterinary medicine, the amount will be increased for objectives that are met related to—the enrollment of students from underrepresented minority groups; the enrollment of women; enrollment of students from States which do not have schools of veterinary medicine, and clinical training emphasizing the care of food and fiber producing animals.

For schools of optometry, the amount will be increased if national objectives are met related to—the enrollment of students from underrepresented minority groups; the enrollment of women; and the maintenance of first-year enrollment or the enrollment of students from States which do not have accredited schools; and the offering of courses in developmental, rehabilitative or geriatric optometry, or in underserved areas.

For each school of podiatry, the amount would be increased if national objectives are met related to—the enrollment of students from underrepresented minority groups or who are women, the maintenance of first-year enrollment or the enrollment of students from States which do not have schools of podiatry; or the conduct of curricular offerings in meeting the footcare needs of the elderly.

For schools of pharmacy, the amount of the grant will be increased if national objectives are met related to—the enrollment of students from underrepresented minority groups or who are women, training in clinical pharmacy and drug information, or the offering of courses related to geriatrics, nutrition, prevention, mental health care, or health care economics.

For schools of public health, the amount will be increased if national objectives are met related to—the enrollment of students from underrepresented minority groups, the enrollment of students pursuing courses in epidemiology and biostatistics, health administration, nutrition, international health, occupational health or environmental health, and the proportion of students receiving graduate degrees who enter public service. The amount will be decreased if the school increases its tuition excessively or does not maintain its enrollment.

For grant computation purposes, each student at schools with predominant underrepresented minority student enrollment will be counted three times, and such new schools will be eligible to participate in the program in the year before instruction is initiated.

Section 111. Amends Part F related to grants and contracts for programs and projects in the health professions by:

Consolidating and extending the authority to support programs for training in family medicine.

Extends the area health education center program and requires the Secretary to give priority to programs which will serve an entire state.

Extends the program for the training of physician assistants and adds a traineeship authority.

Extends the program for training in primary care internal medicine and pediatrics and adds authority for faculty development.

Combines and extends the authorities for the training of expanded function dental auxiliaries, for training dental students in the organization and management of dental teams, and for the support of general practice dentistry residencies.

Extends and expands the existing program to assist individuals from underrepresented minority groups and disadvantaged backgrounds to undertake education to enter a health profession.

Extends start-up assistance to new schools only for those schools which receive support prior to October 1, 1980.

Extends financial distress grant authority and adds eligibility for schools of nursing but restricts such grants to no more than three consecutive years. Adds a new authority for the Secretary to enter into cooperative agreements (for up to five years) with health professions schools that are especially meeting the needs of underserved populations in order to remove the schools from serious or long-standing financial instability.

Provides a new authority for the Secretary to support projects related to the enrollment of students who are committed to serve medically underserved populations or to provide training in medically underserved areas.

Adds a new authority to assist two-year schools of medicine to convert to degree granting institutions.

Adds a new authority to support training, including residency training, in preventive or community medicine or dentistry, including occupational medicine.

Adds new authorities to support special curricular offerings related to training in optometry, poditary, pharmacy and veterinary medicine; to support training in nutrition, geriatrics, rehabilitation, and the containment of health care costs; to increase participation of women in health careers and to encourage the advancement of women in such careers, and to conduct research and demonstration projects.

Section 112. Extends the programs for training in public health, health administration and in allied health but adds new requirements for cost-sharing and education related to cost-containment for programs in health administration.

Repeals traineeship authority for advanced training in allied health professions education in lieu of a new project purpose for advanced training and repeals traineeships for the disadvantaged in lieu of the addition of allied health training center eligibility under the general disadvantaged assistance authority.

Title II—Nurse Education Amendments:

Section 201. Cites the title as the "Nurse Education Amendments of 1980."

Section 202. Extends the program of nursing grant, loan guarantees and interest subsidies for construction of nursing education facilities for three years and liberalizes interest subsidy payments for new projects. Limits the amount of loans guaranteed or for which interest subsidies are paid to the amount of funds obligated annually for grants.

Section 203. Repeals the capitation grant program. Establishes a new program of national priority incentive grants to support the education programs of schools of nursing and other projects and activities that are in the national interest.

The incentive grant program increases the amount of support to any school of nursing which increases the number of students in a senior or graduating class, which has a substantial portion of its graduates entering service in areas with few nurses, which provides opportunities for registered nurses to complete a degree in nursing, or which provides substantial educational opportunities for students from underrepresented minority groups or disadvantaged backgrounds. The amount would be decreased if a school did not maintain its first year enrollment.

Section 204. Repeals the financial distress program.

(Nursing schools are made eligible for financial distress under Title VII.)

Reauthorizes the nursing special project grant authority with minor modification—the elimination of authority to award funds for mergers, and the addition of the requirement that 20 percent of the funds appropriated be used for projects related to the distribution of nurses, and 20 percent for projects to increase the enrollment of students from disadvantaged backgrounds.

Adds a new authority to support the clinical education and practice of nurses, including the education of nurses for advanced clinical practice, and to demonstrate and evaluate new patterns of nursing care that will increase retention of nurses and promote full utilization of their skills.

Extends the advanced nurse training program for the training of professional nurses for administrative, supervisory, research or teaching roles.

Continues the nurse practitioner authority but eliminates the requirement that traineeships be awarded to residents from health manpower shortage areas.

Adds a new section requiring the designation of nurse shortage areas.

Section 205. Continues traineeships for nurses in advanced training and for nurse anesthetists.

Section 206. Limits the nursing student loan program in fiscal year 1981 to awards to senior students to complete their education and distributes the capital in the loan funds to the service contingent loan fund under Title VII. (Nursing students are eligible for the new service contingent loan program.)

Repeals the authority to transfer money between the nursing student loan program and the nursing scholarship program.

Section 207. Continues the nursing scholarship program with a provision that grants will be ratably reduced dependent on the amount of appropriations.

Section 208. The National Advisory Council on Nurse Training is retained, as are the other general provisions of Title VIII.

Title III—National Health Service Corps Program:

Section 301. Adds a requirement that the Secretary conduct or support appropriate training for National Health Service Corps Scholarship recipients to prepare them for service to medically underserved populations.

Section 302. Requires that designations for health manpower shortage areas for physicians be specialty specific.

Section 303. Requires that the Secretary first seek an obligated scholarship recipient under the independent practice option before assigning a member of the Corps to a health manpower shortage area but limits such requirement to assignments to other than a medical facility such as a community health center. Also requires the Secretary to seek a first scholarship recipient who has completed his or her training in the State where the area is located.

Section 304. Extends the National Health Service Corps program for three years.

PROPOSED AUTHORIZATIONS

[In millions; fiscal years]

	1980 authorization in current law	Proposed		
		1981	1982	1983
Title VII of Public Health Service Act	$814.27	$469.4	$533.5	$603.7
Title VIII of Public Health Service Act	103.0	106.0	118.0	129.0
National Health Service Corps program	82.0	133.0	200.0	250.0
Total	999.27	708.4	851.5	982.7

By Mr. HAYAKAWA (for himself, Mr. HELMS, and Mr. TOWER):

S. 2376. A bill to amend the Food Stamp Act of 1977 and the Internal Revenue Code of 1954, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP ACCOUNTABILITY ACT OF 1980

● Mr. HAYAKAWA. Mr. President, today I am introducing the Food Stamp Accountability Act of 1980. This legislation is designed to provide the Department of Agriculture with the flexibility it needs in many cases to prevent fraud and abuse in the food stamp program.

This legislation is designed to improve the food stamp program in several respects in order to insure the integrity of the food stamp program, and to save the taxpayers' money. This bill also provides the Department of Agriculture the ability to administer the program in a responsible manner, and to prevent the fraud and abuse that still exists.

The Food Stamp Accountability Act of 1980 would index the food stamp program once per year instead of twice a year as is now the case. The food stamp program is already indexed to the Consumer Price Index, which is known to overstate actual inflationary effects. All Federal programs with the exception of a few within the Agriculture Committee's jurisdiction are indexed once each year. This provision would put the food stamp program on an even par with other programs. In this case we would be saving the taxpayers $234 million in fiscal year 1981.

This bill proposes to make all college students ineligible for food stamps. At this time, approximately 1 percent of all food stamp recipients are college students. I believe that a college education is a privilege, a very special opportunity. A college education enables an individual to earn a much greater salary, and makes an individual much better qualified for many jobs that would not otherwise be open to them.

In addition, colleges and universities across the Nation have special on-campus employment programs for their students. Some of these programs are especially geared toward the individuals who are most in need. I do not believe that the food stamp program was originally intended to supplement the incomes of those people privileged enough to be receiving a college education. I propose to remove all college students from the food stamp rolls.

Another provision of my bill would mandate a study and a follow-up report on the feasibility of a system that the General Accounting Office (GAO) has recommended. This system would require that personalized identification numbers be punched into food stamp coupons. This would make it much more difficult for people to use stolen food stamps or for people to use food stamps given to them by a friend, and so forth. This provision would provide for a study of a system for prohibiting anyone besides the intended recipient from using food stamps.

The Food Stamp Accountability Act of 1980 provides the States greater flexibility in verifying income information, and other factors for eligibility, before certifying those applicants for food stamps. At this time, a State agency must be reasonably certain that an applicant is falsifying information before they can take steps to verify this information. Many times it may appear very obvious that an applicant is misrepresenting their family size or other information. Yet the State agency has no flexibility in checking on this information without some sort of evidence. This section of the bill puts some flexibility into the system by allowing the State agency to double check or verify information before an applicant is certified.

Another provision of this legislation would establish a photo identification system. This system would only apply to metropolitan areas with 50,000 or more inhabitants. In smaller areas such a system may not be cost-effective.

Although a photo ID system will cost some money, it is designed to save money in the long run. By requiring a photo ID, we can be reasonably certain that the person with food stamps purchasing goods in the grocery store is really the person for whom those food stamps were intended. This provision is designed to prevent the fraud that is widely reported in some of our larger metropolitan areas, where it is easier to "get around the system."

The Food Stamp Accountability Act of 1980 contains a provision to allow cross-checks with the Department of Health, Education, and Welfare (HEW) and also the State unemployment agencies. By providing the ability for officers and employees of the Department of Agriculture to cross-check information with the Department of Health, Education, and Welfare and the State unemployment agencies, I hope to be able to allow the Department of Agriculture flexibility in tracking down food stamp recipients or applicants who are not eligible. Prior to now we have not provided our own Government workers with the flexibility to track down many reported abuses of the system. Such flexibility has been long needed.

Finally, this legislation contains a provision for 50 percent reimbursement to the States for the administrative costs of workfare programs. I believe this provision is important because the States should be rewarded and not punished for effective workfare programs.

Although the final report is not yet available, it appears that the workfare program is quite effective in getting people off the program who are not truly in need. The workfare pilot project requires food stamp recipients to work at minimum wage in order to earn their food stamps. Such a program has been successful in getting people off the program who are not truly in need but who would rather receive food stamps than work. These programs cost money to administer. Yet I believe that the States should be rewarded for having these programs and such programs should be encouraged. Therefore, I propose to reimburse the States for half of the administrative costs to administer these workfare programs.

Mr. President, the food stamp program is nearing $10 billion in cost for fiscal year 1981. At the same time we are facing demands from our constituents for a balanced Federal budget. We can no longer let programs such as the food stamp program continue to grow at such an alarming rate. At the same time we must protect the benefits for the very poor, those who are truly in need. My bill proposes to protect these benefits for the very poor while cracking down on flagrant abuses which are an insult to the American taxpayer.●

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. KENNEDY, and Mr. METZENBAUM):

S. 2378. A bill to amend title VII of the Public Health Service Act to provide grants and fellowships for health care management, to provide grants for special projects to encourage geographic and speciality distribution of physicians, to amend the Immigration and Nationality Act with regard to alien graduates of foreign medical schools, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH CARE MANAGEMENT AND HEALTH CARE PERSONNEL DISTRIBUTION IMPROVEMENT ACT OF 1980

Mr. JAVITS. Mr. President, I am pleased to introduce today along with Senators WILLIAMS, KENNEDY, and METZENBAUM the Health Care Management and Health Care Personnel Distribution Improvement Act of 1980. The purpose of this bill is: First, to address the critical need to improve management in health care; and second, to improve the geographic and speciality distribution of health professionals by focusing on such influential factors as the residency training experience and reimbursement policies.

TITLE I—HEALTH CARE MANAGEMENT IMPROVEMENT

Mr. President, I believe that the quality of health care falls far short of its potential. Examples of severely mismanaged health care facilities—hospitals, long-term care facilities, ambulatory care clinics and other facilities—are familiar to us all. Management indisputably plays a crucial role in determining the cost, quality, availability and accessibility of health care services; unfortunately, I believe we have not recognized this role and have neglected to give management the attention it deserves.

For too long, management in health care has been viewed as an activity which takes away dollars from services. It is time to abandon this notion. As this Nation places increasing emphasis on controlling health care costs and improving the allocation of health care resources, it is critically important that we make certain that the health care delivery system is supported by a solid management foundation.

The fundamental goal of the health care system is to provide high quality health care services without discrimination as to financial status, but no one can deny that health care is also big business. Health care is the third largest economic sector in the United States. Hospitals alone employ over 3 million people and maintain assets of over $80 billion. In 1978, $192 billion was spent on health care in this country—9.1 percent of the gross national product. This year, estimates indicate that health care expenditures will exceed the $245 billion mark. We must seek to assure that this major component of our economy is operating as efficiently as possible—this can only improve our ability to attain our goals.

With respect to the health care system as a whole, we hear from many sources within the field that it is undermanaged, ill managed, or at worst, not managed at all; and, with respect to the individual organizational unit—the hospital, the nursing home, the HMO, the community or migrant health center, the fee-for-service group practice—we hear that there is wide variation in how well those organizations are managed. Moreover, health care lags behind other major industries in terms of its applications of important modern management skills such as finance, marketing, organizational development and economics.

I believe that this situation is largely related to the historical development of our health care system. The responsibility for the delivery of medical services in this country traditionally has been the province of the individual practitioner. In general, there has been little, if any organized relationship between practitioners. Today, this country has approximately 6,600 hospitals—of which about half have fewer than 100 beds—20,000 nursing homes, 8,400 group practices, 212 HMO's and other prepaid group practices, and 245,000 solo practitioners. There are also scores of nurses, social workers, psychologists, physical therapists and other health-related providers. While physicians have moved toward group practices and hospitals have begun to undertake shared services arrangements, the principal participants in the health care field continue to operate independently.

Over time, our health care system has changed dramatically in terms of its sophistication and complexity. The investment of significant resources in biomedical research during the past four decades—which I strongly supported and intend to continue supporting—produced a tremendous technological explosion which manifested itself in the development and production of highly sophisticated equipment, drugs, devices, treatment modalities and highly specialized medical manpower. Additional investment of substantial resources in manpower training and facilities development led to the training of large numbers of health care providers and the establishment of thousands of hospitals and other health care facilities.

From a managerial point of view, this technological explosion placed rigorous demands on hospitals and other health care delivery organizations. Accommodating the new technology called for new staffing patterns, expansion of facilities, and the purchase of sophisticated equipment. Many facilities, particularly small hospitals, were ill prepared to deal with the new organization requirements. This was due in part to the absence of adequately trained administrators and managers with the new, complex arrangements. While this situation has improved considerably, as recently as 1975 the Kellogg Foundation's Commission on Education for Health Administration concluded that "fewer than 25 percent of executive level positions in the health and medical care system are filled by individuals who have had formal entry-level education in health administration."

Effective management in health care also has been made more difficult by the presence of such unique characteristics of the health care industry as the third party payment system and the traditional provider/consumer relationship which finds the provider largely in control of the provision of services. Such characteristics call for the development of unique management skills to deal with these important and influential factors.

Concern about the quality of management in health care has manifested itself indirectly in a variety of ways in recent years. For example, both the public and private sectors have responded to criticism that there is waste and inefficiency in health care by developing, and in some States, implementing proposals to trim excess capacity, reduce hospital expenditures, and encourage greater attention to efficiency.

The recent enactment of major pieces of legislation such as the Health Planning Development Act, the Professional Standards Review Organization (PSRO) Act, and the Health Maintenance Organization (HMO) Act can be seen as Federal attempts to redress this problem. The growing acceptance of second opinions; the movement toward outpatient, ambulatory services and away from expensive inpatient services; the increasing emphasis on enhancing competition in the health sector; the development of capable, less costly providers of health care like physician assistants and nurse practitioners; and the movement toward shared-service arrangements among hospitals are manifestations of the concern that the health care system can be managed better. The time has come, however, to confront directly the question of poor management in health care; I am convinced that a concerted effort by the public and private sectors to improve management would improve the cost, quality, and availability of health care services.

Mr. President, the bill I am introducing today represents a modest but wise investment of Federal dollars into this critical problem. The bill contains the following four major components:

PROGRAMS IN HEALTH ADMINISTRATION

First, the bill continues existing support to programs and students of health administration while requiring needed curriculum improvements and providing support for curriculums and faculty development in management disciplines determined to be in short supply in health administration programs. I believe that there is ample justification for continuing Federal support to health administration programs. According to the Department of Labor, 160,000 health services administrators representing all managerial levels were employed in 1976; by 1985, the requirement for such administrators is expected to rise to 230,000. In an effort to meet this need, the bill extends the enrollment increase policy established in 1975. Today, there are 36 of these programs which graduate approximately 1,500 students per year.

The bill also provides support for faculty and curricula development. The Association of University Programs in Health Administration (AUPHA) reports inadequate or unavailable courses and a serious shortage of qualified faculty in such critical disciplines as health services finance, health planning and epidemiology, marketing, economics, health law, in formation systems management, ambulatory care management, and quality assurance and assessment.

The bill replaces the existing authority for grants to accredited programs in health administration for traineeships for students in such programs with a new authority for grants to programs in health administration for providing fellowships to such students. Under the new provision, 3 year fellowships shall be awarded to health administration students provided that the program agrees to arrange for at least 1 year of supervised experience for the recipient in such facilities as hospital-affiliated primary care centers, community or migrant health centers, HMO's, community mental health centers, official State or local public health agencies, health planning agencies, public or private nonprofit hospitals located in a medically underserved area or facilities owned or operated by the U.S. Public Health Service or the Indian Health Service.

The purpose of this provision is to expose health administration students to the management requirements of these important facilities and to permit such facilities—which often desperately need well-trained managers—to reap the benefits of the management expertise held by the fellowship recipient.

HEALTH CARE MANAGEMENT TRAINING PROGRAMS FOR HEALTH CARE MANAGERS AND PROVIDERS

Second, the bill provides support for management training programs for physicians, nurses, other providers of health care, managers, and administrators who occupy leadership positions in health care facilities. As noted earlier, the Kellogg Foundation determined only a few years ago that fewer than 25 percent of individuals in executive level positions in the health care system have formal entry-level education in health administration. Moreover, the American Medical Association estimates that as of August 1978, more than 12,000 physicians identified administration as their major professional activity. The American Nurses Association estimates that approximately 45,000 nurses occupy administrative or managerial positions, but that only 20 percent have had formal preparation in management. There is a critical need to expose such individuals to the most current management skills in order to assure their effectiveness in these vital roles.

RESEARCH AND DEMONSTRATION IN HEALTH CARE MANAGEMENT

Third, the bill calls for research and demonstration projects in health care management. Such projects would focus on identifying and transferring management skills utilized in other industries to the health care industry, demonstrations involving new forms of health care delivery and other projects which will lead to improved management in health care.

REPORT

Finally, the bill calls for a comprehensive study of the quality of management in health care and recommendations for ways to strengthen and improve it. In my judgment, this report is one of the most important provisions of the bill. Although we are all aware of instances of managerial shortcomings and failures in specific health facilities, virtually no solid data exists. My legislation would authorize the HHS Secretary to contract for this essential study. My intent here is not to have the Government evaluate the private sector, but for this study to be conducted by organizations or individuals who are most expert in the field of management.

TITLE II—HEALTH CARE PERSONNEL DISTRIBUTION IMPROVEMENT

Mr. President, title II of my bill seeks to improve the geographic and specialty distribution of health professionals by focusing on such influential factors as the residency training experience and reimbursement policies.

SPECIAL PROJECTS FOR RESIDENCY TRAINING

In response to a perceived critical shortage in health personnel throughout the Nation, the Congress enacted legislation in 1963 to provide direct Federal support tied to enrollment increases for health professions education. Between 1963 and 1973, enrollment in medical schools increased from 8,772 to 14,034. Enrollment in other health professions schools (ODVOPP) similarly almost doubled.

In 1976, the Congress recognized and began addressing the problems of geographic and specialty distribution of health practitioners which left many Americans without adequate health care services. Start-up assistance was provided for new medical schools whose goal was to produce primary care physicians. Support was provided for increased National Health Service Corps scholarships to assist students with career goals in primary care practice to attend medical school in return for providing medical service in an underserved area after graduation.

Residency training programs in family medicine and general internal medicine and general pediatrics were supported to provide innovative graduate medical education opportunities for physicians seeking primary care specialty training. Curriculum initiatives to provide undergraduate student primary care preceptorship experiences in the community were sponsored to help reinforce the primary care career goals of some students.

As a result of these and other initiatives, significant progress has been made. The number of family practice residency programs has increased from 15 in 1969 to 364 in 1979 and the number of family practice residents has increased from 290 in 1970 to over 6,000 in 1979. More than 60 general pediatric and general internal medicine residency programs have been developed and 50 percent of first year residency positions in teaching hospitals affiliated with medical schools are in primary care specialties of internal medicine, pediatrics, and family practice. Yet, despite this progress, only 38 percent of active physicians are in primary care specialties and this is not expected to change dramatically until after 1985.

Furthermore, the Department of Health and Human Services estimates that 50 million people still live in areas designated to be medically underserved. Therefore, I believe that we must continue and further strengthen our efforts to train health professionals who are prepared to provide medical care to underserved populations.

There is increasing evidence that the backgrounds of individual medical students, the way in which they finance their medical education and their educational preparation have an impact on specialty choice and geographic location of practice. Yet most Federal efforts focus on undergraduate medical education.

Medical education must be viewed as a continuum beginning with the premedical preparation of the student and continuing throughout the practicing life of the physician. While great attention has been paid to the undergraduate period of medical school and increasing attention to continuing medical education, physician practice patterns are influenced greatly during the graduate medical education or residency training period. According to a 1979 report of the Task Force on Graduate Medical Education of the Association of American Medical Colleges:

> Graduate medical education has become as important as undergraduate medical education in the preparation of physicians . . . It shapes the career of medical school graduates and determines the spectrum of qualified specialists that will be available.

The residency training period is perhaps one of the most influential periods in the determination of the future location, quality, and style of a physician's practice, yet we are not taking full advantage of the opportunities provided by this segment of the educational process to achieve national objectives.

One of the major factors which inhibit changes in the content of residency training programs is how residency education is financed. The major costs of residency education are financed by third party reimbursement to the hospital as over 80 percent of a resident's time is spent in direct patient care.

However, because the current reimbursement system provides primarily for inpatient care and procedure-oriented ambulatory care, this approach has a clear influence on the way patterns of hospital services have developed and, consequently, on the kinds of patient care experiences which dominate the resident's education. This results in little training in primary care in the ambulatory setting and little or no opportunity for hospital based residents to have a practice experience outside the hospital walls in the communities in which they will practice. This also makes educational experiences which are not traditionally part of highly technical patient care procedures very difficult. Thus, little attention is paid to the psychosocial aspects of patient care, or the ethical or human values questions raised daily in the intense hospital environment which often involve life and death decisions.

Residents also receive little or no formal instruction in the organization of the health care delivery system or the particular needs of the communities in which they will practice upon completion of their training. Finally, although residents play a major role as teachers of medical students and junior house staff, this is a role for which they are usually unprepared.

Despite the obstacles, there is clear justification for supporting appropriate changes in the residency training experience. Data has shown that the geographical location of residency training is significantly related to the area in which physicians eventually choose to practice. Similarly, studies indicate that community-based practice experiences and exposure of residents to other physicians who practice in underserved areas and support a broader, primary care approach to patient needs also can have an impact on the resident physician's choice of practice location, stability in that location, type of practice, and style of practice.

One of the important issues affecting cost, quality, and effectiveness of physician practice is the ability to communicate with the patient—to understand the nature of patients' problems and educate the patient about their illness. Poor communication results in repeated, often unnecessary, utilization of the health care system. Data also indicates overuse of expensive, technical diagnostic procedures because the physician fails to understand the nature of the patient's illness.

Technological advancement in medicine has been a costly but powerful force for improvement of our ability to diagnose and treat disease. Its very power, however, has created increasing dilemmas about its use. The consequences of such decisions—as whether or not to resuscitate defective newborns, whether or not to initiate and maintain life support efforts on the critically and terminally ill, how to decide on allocation of resources in times of scarcity—not only have tremendous cost implications for our health care system, but also moral and ethical implications. Increasingly, health professionals are expected to make such decisions without appropriate preparation.

Finally, some educators note that the majority of a medical student's clinical education is provided by graduate physicians (residents) in hospitals. Rarely are residents prepared for this teaching role. Improvement in the resident's effectiveness as a teacher will have obvious positive effects on the quality and style of clinical training of the medical students.

The Congress already has taken steps to remedy some of the deficiencies in resident education through its support of residency training programs in family practice and general internal medicine and general pediatrics. However, to be eligible for funds, these programs require a unique structuring of residency schedules which is not always possible for the more traditional programs, even those in the primary care specialties. Thus, residents in traditional programs, still the predominant numbers in training (family practice and federally funded general internal medicine and general pediatric programs represent fewer than 500 of the over 5,000 graduate programs existing in 1,700 hospitals and facilities in the United States) cannot take advantage of the educational innovation possible through the grant support of these special programs. In order to increase the opportunity for a larger number of residents to have access to educational experiences specifically designed to increase the likelihood of an individual pursuing a satisfactory primary care practice in a medically underserved area, my bill provides support for:

Preceptorships for residents in settings located in medically underserved areas and health manpower shortage areas;

Increasing exposure to physician role models with experience in primary care practice in underserved areas;

Special prospects to inform residents about practice in underserved areas and the problems and opportunities associated with such practice.

In addition, the bill provides support for innovative educational programs to increase the amount of residency training located in ambulatory care settings in teaching hospitals or in organized ambulatory care settings affiliated with teaching hospitals.

Finally, in order to improve the quality, cost effectiveness, and appropriateness of patient care, my bill provides support to develop, implement and evaluate educational programs for residents in: The social and behavioral sciences, humanities, ethics and human values, the organization and financing of health care delivery, and cost containment and epidemiology, all as applied to direct patient care. In addition, the bill provides support for special training for residents to better prepare them for their role as clinical teachers of medical and other health professions students.

Through these efforts, I believe that further progress can be made in overcoming problems of specialty and geographic maldistribution, thereby assuring the availability and accessibility of needed health care services to all Americans provided by highly skilled and sensitive practitioners.

EXPERIMENTS

Since 1974, the Congress has focused more of its resources toward increasing the numbers and types of health professionals available to assure the delivery of primary care services to medically underserved rural and urban areas. Educational changes have resulted in dramatic increases in the numbers of primary care residencies in family practice, general internal medicine, and general pediatrics. Scholarship assistance to students with the goal of primary care practice and support for health professionals through the National Health Service Corps have increased the availability of health professionals in many of these medically underserved and health manpower shortage areas. These efforts must be maintained if we are to realize our goal of adequate health services for all Americans.

However much attention we pay to factors which influence geographic and specialty distribution during the training period, we would be remiss not to recognize the very important role of the reimbursement system in such choices. It is incumbent upon us to understand how the reimbursement system affects the content, location, style and cost of physician practice and what changes should be made to achieve better distribution of health personnel and more appropriate health services.

Recognizing this need in 1973, the Senate Finance Committee and the House Committees on Ways and Means and Interstate and Foreign Commerce mandated a report to be conducted by the Institute of Medicine, National Academy of Sciences pursuant to section 15(c) of the Social Security Act Amendments of 1973 (Public Law 93-233). Among its other goals, this study was charged to determine: First, the extent to which funds expended in teaching hospitals under titles XVIII and XIX of the Social Security Act are supporting the training of medical specialties which are in excess supply; and second, how such funds could be expended in ways which support more rational distribution of physician manpower, both geographically and by specialty distribution.

In March 1976, the Institute submitted its report and recommendations to the Congress. The recommendations included the following:

Financing mechanisms should be changed to provide more equitable support for ambulatory care services so that medical schools and teaching hospitals would find it easier financially to support primary care training programs; and

A major study should be undertaken to reexamine the basis of physician fees and fee allowances in public and private health insurance programs, with an eye to eliminating inequities in reimbursement by specialty, type of service, and geographic location of practitioner.

Subsequently, a variety of studies, including the 1978 report of the Institute of Medicine, "A Manpower Policy for Primary Health Care," have reiterated these recommendations with even more specific language and included the need to examine the impact of reimbursement on the cost-effective use of nonphysician providers in primary care settings. As a result of the Surgeon General's recent report, "Healthy People," and the proposed national health planning goals, we must add to this list of concerns the effect of reimbursement on the provision of disease prevention and health promotion services in the primary care setting.

Some limited experiments have been conducted to test the real impact of these recommendations. They have, however, been insufficient in number and scope to provide us with the information necessary to make decisions about the operational and economic feasibility of changing the current reimbursement system to reinforce incentives for providing the appropriate kinds of health services in medically underserved rural and urban areas.

It is for this purpose that my bill requires the Secretary to undertake and support research and demonstration programs to lead to appropriate changes in Federal health care reimbursement policies to encourage: First, individuals to enter careers in undersupplied physician specialties and other undersupplied health professions; Second, health personnel to practice in health manpower shortage areas or medically underserved areas; and Third, the training of graduate physicians in ambulatory care settings.

FOREIGN MEDICAL GRADUATES

Mr. President, my bill also contains a provision which is designed to avert a potential crisis in those hospitals which, over the years, have developed a significant dependence on alien foreign medical graduates to fill residency training positions.

BACKGROUND

In response to a perceived shortage of physicians in the 1960s, the Congress adopted amendments to the Immigration and Nationality Act in 1965 which permitted large numbers of FMG's (approximately 7,400 per year) to immigrate to the United States by exempting foreign physicians from the origins quota system. Over time, many inner-city hospitals developed a significant dependence on FMG's because they found it easier to attract FMG's than U.S. medical graduates into their training programs.

In 1976, the Congress amended the immigration laws to restrict the flow of FMG's into this country for two reasons: First, data suggested that U.S. medical schools had expanded sufficiently (in response to capitation incentives) to produce enough physicians to meet projected supply requirements; second, the United States was criticized for causing a "brain-drain" in foreign countries because many of the best foreign physicians were coming to the United States. The 1976 amendments essentially placed foreign medical graduates on the same footing as any other alien trying to enter the country. The law raised the educational requirements for FMG's, stressing proficiency in basic medical science and English, and eliminated the favored status of foreign medical graduates and the occupational preference entitling them to immigrant visas. Foreign medical graduates are now required to enter the United States on exchange visas (for educational purposes) which, unlike immigrant visas, cannot be converted to allow permanent residence.

The 1976 amendments also included provisions which permitted the HEW Secretary to waive the new restrictions for hospitals which could demonstrate that the loss of FMG's would substantially disrupt the hospital's ability to deliver services ("substantial disruption" provision). A hospital receiving such a waiver should continue to bring FMG's into its residency programs while devising alternative ways of attracting health professionals.

Unfortunately, the transition period provided in the 1976 amendments has not been successful. Today, many hospitals still are relying heavily on foreign medical graduates. For example, according to a report recently issued by the New York City council president, FMG's occupy more than 50 percent of housestaff positions in 18 hospitals in New York City; furthermore, almost 41 percent of the housestaff positions at the Health and Hospitals Corporation hospitals'— New York City's municipal hospital system—are occupied by FMG's. Given this situation, I believe that it is unrealistic to expect these hospitals to overcome this problem by themselves. I believe we will achieve our goal of reducing dependence on FMG's only if there is a cooperative effort by Federal, State and local governments and the affected hospitals. My bill seeks to foster this important partnership by:

First. Extending the waiver authorities for 5 additional years (through 1985).

Second. Requiring the HHS Secretary to: First, identify those States in which there are hospitals with accredited residency training programs in which more than 25 percent of the positions are filled by PMG's; and second, develop a plan in cooperation with the State and appropriate municipalities to reduce dependence on FMG's.

Third. Requiring each hospital receiving waivers to develop a staffing plan based on the services it provides.

Fourth. Calling for National Health Service Corps personnel to assist in reducing dependence on FMG's by:

First, permitting NHSC scholarship recipients to fulfill their service obligations by voluntarily performing their residency in a hospital which has a heavy reliance on FMG's; and

Second, designating such hospitals as highest priority health manpower shortage areas for purposes of assigning NHSC personnel, and limiting the cost-sharing responsibilities of the hospitals receiving Corps members to a salary equal to that which was paid to the FMG if the hospital can show that the Corps member replaces an FMG.

Mr. President, while I believe that the United States has an obligation to share our medical knowledge and expertise by offering education and training to foreign medical graduates, I remain committed to the policy adopted by the Congress in 1976 which calls for reducing this country's dependence on FMG's. I believe my bill will do much to move us closer to this goal, yet will insure that no serious disruption of services occurs in the shortrun in institutions which provide badly needed services to many people.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT AND NURSE TRAINING ACT AMENDMENTS OF 1980

Mr. President, I am pleased also to cosponsor the Health Professional Educational Assistance Act and Nurse Training Act Amendments of 1980 introduced today by Senator KENNEDY. I have worked closely with Senator KENNEDY in the development of this bill and feel that it responds appropriately to current national needs and objectives such as improving the geographic and specialty distribution of health practitioners, encouraging greater minority representation in the health professions and making many needed changes in health professions student assistance programs.

I would like to comment briefly on several sections of the bill which I feel are of particular significance.

The first is that of institutional assistance to the health professions schools. Congress first entered into a partnership with the institutions providing health professions education in 1963 in a move designed to overcome perceived critical shortages of health practitioners. Financial support from the Federal Government assisted efforts by these institutions to meet the country's quantitative health manpower needs. More recently, with the Health Professions Educational Assistance Act of 1976, we continued that partnership in order to increase the supply of professionals providing primary health care services. Senator KENNEDY's proposal recognizes the value of this historical partnership in continuing to meet our Nation's changing health manpower needs. The proposal effectively balances the need to be fiscally responsible in this time of increasingly limited resources with the need to do whatever possible to overcome remaining barriers which prevent our citizens from obtaining high quality health care services.

I support proposed changes in the student assistance provisions for health professions students. These are needed to assure that qualified students will not be denied access to a medical or other health professions education because of their socioeconomic status. I support the use of a variety of payback options for such support which are consistent with societal needs and sound academic and economic principles. I also endorse the new and continued special project provisions for medical and other health professions students which continue to reenforce the goals of our manpower policy through educational enrichment in certain priority areas.

Last year, I authored a 1-year extension of the Nurse Training Act in order to provide for consideration of the reauthorization of the nurse training programs at the same time as all other health professions training programs. The comprehensive bill which I am cosponsoring contains provisions which I believe responsibly address the most pressing national problems with regard to nurses—to wit, improving geographic distribution, minority representation and employment retention—and builds upon the principles established for the other health professions training programs with regard to institutional support for nursing schools and student assistance for nursing students. Although the administration continues to propose major cuts in funds for nurse training programs, I believe firmly that this is the wrong course of action. Severe nursing shortages continue to exist around the country. Because nurses play a critical role in our health care delivery system, I feel that it is imperative at this time to continue our support of nurse training programs.

In closing, Mr. President, I would also like to acknowledge and commend the ranking minority member of the Labor and Human Resources Committee, Senator SCHWEIKER, for the bill he introduced last December dealing with this issue, S. 2144, the Health Professions Educational Assistance and Nurse Training Act of 1980. While I do not agree with all of the provisions of his legislation—particularly those relating to institutional support—I support many of the ideas and policies contained in his legislation and look forward to working with him on the development of a mutually satisfactory piece of legislation.

Mr. President, I request unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Care Management and Health Care Personnel Distribution Improvement Act of 1980".

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—HEALTH CARE MANAGEMENT

SEC. 101. (a) The Congress finds that—

(1) management plays a crucial role in determining the cost, quality, availability, and accessibility of health care services;

(2) the quality of management in health care facilities does not meet its full potential due in part to the fact that modern management skills are not utilized to the maximum extent feasible, nor are adequate resources provided to assure effective management; and

(3) in order for management to be effective in health care settings, physicians, other health care providers, managers, and administrators must receive appropriate training in management.

(b) It is the purpose of this subpart to encourage effective management of health care services in determining the cost, quality, availability, and accessibility of such services, and to target resources to improve management in health care.

SEC. 102. Section 748(b) (3) (B) is amended by striking out clause (ii) and by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively.

SEC. 103. Section 749 is amended to read as follows:

"HEALTH CARE MANAGEMENT FELLOWSHIPS

"SEC. 749. (a) The Secretary may make grants to accredited schools of public health, and other public and nonprofit private institutions that offer a program in health administration accredited by a body or bodies approved for such purpose by the Secretary of Education and which meets such other quality standards as the Secretary by regulation may prescribe, to provide fellowships to students enrolled in such program.

"(b)(1) No grant for fellowships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Fellowships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

"(2) Fellowships awarded under grants made under subsection (a) shall be for a period not to exceed three years, and shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) in accordance with this section for the fellows as the Secretary may deem necessary.

"(c) No grant for fellowships may be made under this section unless the applicant provides assurances satisfactory to the Secretary that fellowship recipients shall receive at least 2 years of academic training followed by one year of supervised training by the applicant in a hospital-affiliated primary care center under section 328, a migrant health center under section 329, a community health center under section 330, a health maintenance organization under section 1301, or a health systems agency under section 1512 of this Act, or a community mental health center under section 201 of the Community Mental Health Centers Act, or a public or nonprofit private hospital located in an area designated by the Secretary under section 330(b)(3), an official State or local health agency, or a facility owned or operated by the Public Health Service or the Indian Health Service.

"(d) There are authorized to be appropriated for payments under grants under subsection (a), $6,000,000 for the fiscal year ending September 30, 1981, $7,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.".

SEC. 104. (a) Section 791(c)(2)(A)(i)(II) is amended by striking out "$100,000" and inserting in lieu thereof "$150,000".

(b) Section 791(c)(2)(A)(ii) is amended—

(1) by striking out "1978" and inserting in lieu thereof "1982"; and

(2) by striking out "1976" and inserting in lieu thereof "1980".

(c) Section 791(c)(2)(A) is amended—

(1) by striking out "and" at the end of clause (ii)(II); and

(2) by redesignating clause (iii) as clause (vi) and by inserting the following new clauses after clause (ii):

"(iii) contains assurances satisfactory to the Secretary that—

"(I) in the fiscal year ending September 30, 1981, at least 7 percent of the entering class is composed of individuals from minority groups and individuals from rural or urban areas designated by the Secretary under section 330(b)(3);

(II) in the fiscal year ending September 30, 1982, at least 10 percent of the entering class is composed of individuals from minority groups and individuals from rural or urban areas designated by the Secretary under section 330(b)(3); and

"(II) in the fiscal year ending September 30, 1983, at least 12 percent of the entering class is composed of individuals from minority groups and individuals from rural or urban areas designated by the Secretary under section 330(b)(3);

"(iv) contains assurances satisfactory to the Secretary that the program for which such application was submitted shall provide, or plans to provide within 12 months, either directly or through agreement with an appropriate entity, academic courses in at least three of the following disciplines:

"(I) finance (particularly as applied to health care),

"(II) marketing (particularly as applied to health care),

"(III) economics (including macro-economics and micro-economics, and with special emphasis on health economics),

"(IV) epidemiology for administration and planning,

"(V) health planning,

"(VI) health policy, law, and regulation, and

"(VII) information systems;

"(v) contains assurances satisfactory to the Secretary that the program for which such application was submitted shall provide a concentration or special emphasis on one or more of the following:

"(I) health planning,

"(II) health policy,

"(III) ambulatory care services,

"(IV) long-term care,

"(V) home health care,

"(VI) multi-unit care systems,

"(VII) comprehensive prepaid service systems,

"(VIII) mental health administration, and

"(IX) any other health care delivery system determined by the Secretary to require special emphasis; and".

(d) Section 791(d) is amended—

(1) by striking out "and" after "1979"; and

(2) by inserting ", $4,000,000 for the fiscal year ending September 30, 1981, $4,500,000 for the fiscal year ending September 30, 1982, and $5,000,000 for the fiscal year ending September 30, 1983" after "1980".

SEC. 105. The heading of section 792 is amended to read as follows:

"SPECIAL PROJECTS FOR SCHOOLS OF PUBLIC HEALTH".

SEC. 106. Subpart I of part G of title VII is amended by adding the following new sections at the end thereof:

"SPECIAL CURRICULA AND FACULTY DEVELOPMENT PROJECTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

"SEC. 794. (a) The Secretary may make grants to assist education institutions with accredited programs in health administration to meet the costs of developing curricula designed to improve training in health care management. Such curricula may include—

"(1) finance (particularly as applied to health care);

"(2) marketing (particularly as applied to health care);

"(3) economics (including macro economics and micro-economics, and with special emphasis on health economics);

"(4) epidemiology and health planning;

"(5) health policy, law, and regulation;

"(6) quality assurance and assessment;

"(7) information systems;

"(8) health services organization and management for students in health disciplines other than health administration; and

"(9) management of ambulatory care services.

"(b) For purposes of this section, the term 'accredited program in health administration' means a graduate program accredited for the purpose of training individuals in health administration by a body or bodies approved for such purpose by the Secretary of Education and meets such other standards as the Secretary may be regulation prescribe.

"(c) There are authorized to be appropriated for grants under this section, $3,000,000 for the fiscal year ending September 30, 1981, $4,000,000 for the fiscal year ending September 30, 1982, and $5,000,000 for the fiscal year ending September 30, 1983.

"FACULTY DEVELOPMENT PROGRAMS

"SEC. 794A. (a) The Secretary may make grants to assist accredited schools of public health and other education institutions with accredited programs in health administration to meet the costs of establishing and operating faculty development programs. Such faculty development program shall—

"(1) train individuals in management or other disciplines that are, in the judgment of the Secretary, underrepresented in programs of health administration and necessary to improve training in health care management; and

"(2) train individuals experienced in such management disciplines with respect to health care issues relating to the teaching of health administration.

"(b) The Secretary may not approve an application for a grant under this section unless such application contains assurances satisfactory to the Secretary that at least three individuals shall complete the program in each year for which an application is made.

"(c) Grant funds awarded under this section shall be used to provide 12 month fellowships to individuals who—

"(1) have received a doctoral degree or equivalent terminal professional recognition in a discipline determined by the Secretary to be underrepresented in programs of health administration and necessary to improve training in health care management; and

"(2) agree to serve as a faculty member for a period of not less than two years in an accredited school of public health or other educational program with accredited programs in health administration.

"(d) There are authorized to be appropriated for grants under this section $1,000,000 for the fiscal year ending September 30, 1981, $1,000,000 for the fiscal year ending September 30, 1982, and $1,000,000 for the fiscal year ending September 30, 1983.".

SEC. 107. Part G of title VII is amended by adding the following new subpart at the end thereof:

"Subpart III—Health Care Management Programs

"TRAINING IN HEALTH CARE MANAGEMENT FOR HEALTH CARE PROFESSIONALS

"SEC. 799. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private education institutions and other appropriate nonprofit private entities (determined by the Secretary to be capable of carrying out grants and contracts under this section) to conduct management training programs for physicians, nurses, other providers of health care, managers and administrators in health care facilities and institutions, official State and local health agencies, and health planning agencies. Grants and contracts under this section may not be used to support training with respect to the financial gain of an individual.

"(b) There are authorized to be appropriated for grants and contracts under this section, $2,000,000 for the fiscal year ending September 30, 1981, $2,000,000 for the fiscal year ending September 30, 1982, and $2,000,000 for the fiscal year ending September 30, 1983.

"REPORT ON HEALTH CARE MANAGEMENT

"SEC. 799A. (a) The Secretary shall enter into a contract with an appropriate public or private entity or entities to conduct an evaluation of health care management and submit a report, including recommendations, to the Secretary. Prior to submission of such report, the Secretary shall make such report available to interested parties and affected Federal agencies for comment. The Secretary shall submit such report in original form, accompanied by comments provided by the Secretary, any interested parties, and any Federal agencies, to the Committees on Labor and Human Resources and Finance of the Senate, and the Committees on Interstate and Foreign Commerce and Ways and Means of the House of Representatives, within 24 months after the date of the enactment of this Act.

"(b) The report submitted pursuant to this section shall contain—

"(1) an analysis of management in health care and a comparison of health care management and management in other major industries;

"(2) an identification and evaluation of management skills utilized in major industries and underutilized in health care with respect to the application of such skills to health care management;

"(3) an assessment of the educational needs of individuals in or entering health care management positions;

"(4) an evaluation of Federal policy with regard to reimbursement of health care services, the application of the antitrust laws, consumer representation and participation, the imposition of limitations on administrative costs, and any other Federal policies that, in the judgment of the Secretary, have an impact on the management of health care facilities or institutions;

"(5) a comparison of incentives to individuals to encourage the pursuit of management careers in health care and management careers in other major industries, and an evaluation of incentives to individuals to encourage careers in various types of facilities;

"(6) an evaluation of the interaction between the health care industry and other industries with regard to management; and

"(7) any other issue specified by the Secretary.

"(c) There are authorized to be appropriated for contracts under this section, $1,000,000 for the fiscal year ending September 30, 1981.".

TITLE II—SPECIAL PROJECTS AND EXPERIMENTS

Subpart A—SPECIAL PROJECTS FOR PHYSICIAN GRADUATE TRAINING TO ENCOURAGE IMPROVED GEOGRAPHIC AND SPECIALTY DISTRIBUTION

Sec. 201. (a) The Congress finds that—

(1) the availability of high quality health care to all Americans is a national goal;

(2) there are many areas in the United States that do not attract adequate numbers and types of health professions personnel to meet the health care needs of such areas;

(3) recent patterns of physician specialization have resulted in inadequate numbers of physicians engaged in the delivery of primary health care and other under represented health care specialties;

(4) the geographic location of residency training programs has a significant relationship to the geographic distribution of physician personnel; and

(5) clinical experiences and other educational programs during the residency training period may influence the specialty, practice, location, and nature of future physician medical practice.

(b) It is the purpose of this title to enhance the physician residency training experience in order to improve the geographic and specialty distribution of physicians.

Sec. 202. (a)(1) The Secretary may make grants to schools of medicine and osteopathy, teaching hospitals, and other appropriate entities with accredited physician residency training programs in internal medicine, pediatrics, family practice, obstetrics and gynecology, and psychiatry, to meet the costs of innovative educational programs for physicians in such residency programs that encourage such physicians to locate their practice in designated medically underserved areas and health manpower shortage areas.

(2) Such educational programs may include—

(A) support for resident preceptorships in medically underserved areas and health manpower shortage areas that are not currently part of the hospitals' regular assignment of residents;

(B) support for faculty stipends to involve practitioners who are practicing in medically underserved areas and health manpower shortage areas and not currently involved in the resident teaching program to serve as preceptors and role models for residents;

(C) appropriate educational activities for residents regarding the unique problems of health care delivery in medically underserved areas, or the cultural characteristics and unique health problems of identified underserved populations in the region served by the institution, or informational and career counseling programs to give residents information regarding practice opportunities in underserved areas.

(3) Grants under this section may not be used for the training of residents currently supported under Federally funded residency training programs in general internal medicine, general pediatrics, and family practice.

(b)(1) The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, and public health to assist in meeting the costs to such school of providing projects to—

(A) plan, develop, and operate or maintain a physician residency training program in preventive medicine (including environmental and occupational health); and

(B) support stipends for residents in any such program who plan to specialize or work in preventive medicine (including occupational or environmental health).

(c) The Secretary may make grants to and enter into contracts with schools of medicine and osteopathy, teaching hospitals, and other appropriate entities to assist in meeting the costs of projects to plan, develop, operate or maintain a physician residency training program in physical medicine and rehabilitation and physician residency training programs in other non-primary care specialties designated to be in undersupply by the Secretary.

(d)(1) The Secretary may make grants to schools of medicine, schools of osteopathy, and teaching hospitals with approved residency training programs in internal medicine, pediatrics, family practice, obstetrics/gynecology and psychiatry or federally qualified health maintenance organizations, community health centers or other ambulatory care facilities affiliated with schools of medicine, schools of osteopathy or teaching hospitals with such training programs for the purposes of establishing new residency programs in such specialties based in such ambulatory care facilities or expanding existing residency training programs to significantly increase the amount of training in such ambulatory care facilities.

(2) Grants under this subsection shall be used only to cover the educational costs of such residency training programs.

(3) In awarding grants under this subsection, the Secretary shall give priority to applications to conduct—

(A) programs for training of residents in ambulatory care in medically underserved areas and health manpower shortage areas;

(B) programs that include the interdisciplinary team approach to ambulatory care delivery, particularly such programs that integrate the use of nurse practitioners, physician assistants, and other auxiliary personnel in the delivery of primary care services;

(4) Grants under this subsection may not be used solely for the training of physician residents receiving support under federally funded physician residency programs in general internal medicine, general pediatrics, and family practice.

(e)(1) The Secretary may make grants to schools of medicine and osteopathy, teaching hospitals, and other appropriate entities to meet the educational costs of innovative programs for residents in approved residency training programs that—

(A) prepare residents for teaching medical students and other hospital staff by providing—

(i) programs for training in techniques of teaching, supervision, and consultation, and curriculum development and evaluation methods suited to the clinical setting,

(ii) programs that provide at least one faculty member with experience in and training as a specialist in medical education and curriculum development;

(B) develop, implement, and evaluate educational programs for physician residents in the social and behavioral sciences as such sciences apply to direct patient care in inpatient and outpatient health care settings;

(C) develop, implement and evaluate innovative educational programs for physician residents in the humanities and human values (including medical ethics) as may be applied to direct patient care in inpatient and outpatient health care settings;

(D) develop, implement, and evaluate educational programs to teach physician residents principles of cost containment, organization of health services, and epidemiology as such principles apply to direct patient care in inpatient and outpatient health care settings.

(2) Grants under this subsection may not be used solely for the training of physician residents receiving support under federally funded physician residency training programs in general internal medicine, general pediatrics, and family practice.

(f) Grants under this section to support physician residency training programs shall not be deducted from the net cost of approved educational activities included by a provider of service (as defined in section 1861 (u) of the Social Security Act) as a reasonable cost of such services for purposes of reimbursement under title XVIII of such Act.

(g) There are authorized to be appropriated for grants under this section $4,000,000 for the fiscal year ending September 30, 1981, $5,000,000 for the fiscal year ending September 30, 1982, and $6,000,000 for the fiscal year ending September 30, 1983.

Subpart B—Experiments

Sec. 203. (a) The Secretary shall undertake and support research, evaluation, and demonstration projects (which may include and shall be coordinated with experimental and demonstration projects authorized under the Social Security Act and under section 402 of the Social Security Amendments of 1967, as amended) with respect to changes in Federal health care reimbursement policies. Such projects shall—

(1) encourage—

(A) individuals to enter careers in undersupplied physician specialties and other health professions,

(B) health personnel to practice in health manpower shortage areas (as defined in section 332) or medically underserved areas designated by the Secretary under section 330(b)(3), and

(C) training of graduate physicians in ambulatory health care settings;

(2) determine the effect of different reimbursement rates for the same physician services based on the physician's specialty and the effect that the elimination of such differentials may have on physician specialty choice and the cost of health care;

(3) determine financial incentives necessary to encourage health professionals to practice in health manpower shortage areas or areas designated by the Secretary under section 330(b)(3);

(4) determine the adequacy of reimbursement for non-procedure oriented physician services and the economic impact of current reimbursement policies concerning procedure-oriented services;

(5) assess the effect of direct reimbursement of primary care non-physician providers on the cost and availability of primary care health services in health manpower shortage areas or areas designated by the Secretary under section 330(b)(3) and the cost of such direct reimbursement to the entire health care system;

(6) determine the changes necessary in current reimbursement policies to encourage the graduate training of physicians in ambulatory care settings (including ambulatory care settings in health manpower shortage areas) and the cost of such reimbursement policies to the health care system; and

(7) assess the cost and impact of altering reimbursement policies to include reimbursement for disease prevention and health promotion activities in the primary care setting.

(b) The Secretary shall annually submit interim reports to the Committees on Finance and Labor and Human Resources of the Senate and the Committees on Ways and

Means and Interstate and Foreign Commerce of the House of Representatives regarding the progress of projects undertaken in accordance with this section. The Secretary shall submit a final report with legislative and other appropriate recommendations to such committees within three years of the date of the enactment of this Act.

Sec. 204. Section 305 is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting the following after subsection (b):

"(c)(1) In carrying out section 304(a), the Secretary, acting through the Center and coordinating with other appropriate agencies, shall conduct and support research, evaluation, and demonstration projects to improve health care management. Projects conducted under this section may be coordinated with experiments and demonstration projects authorized under the Social Security Act and under section 402 of the Social Security Amendments of 1967, as amended.

"(2) Projects conducted under this section may include—

"(A) research, evaluation, and demonstration projects regarding the application of management techniques that are presently underutilized to the health care industry;

"(B) research, evaluation, and demonstration projects regarding alternative health care delivery systems to integrate health care services in the community;

"(C) research, evaluation, and demonstration projects of multi-institutional health care systems and other organizational structures, and the cost, accessibility, and quality of care provided by such systems; and

"(D) other research, evaluation, and demonstration projects that, in the judgment of the Secretary, will improve health care management.".

TITLE III—ALIEN GRADUATES OF FOREIGN MEDICAL SCHOOLS

Sec. 301. (a) Section 212(j)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by adding at the end thereof the following: ", and shall submit to the Commissioner on Immigration and Naturalization and the Secretary of Health and Human Services—

"(I) an assessment of the staffing requirements of the hospital departments in which the alien will participate or be trained; and

"(II) a staff utilization plan that provides for the optimum utilization of all available health professionals based on the service requirements of such departments.".

(b)(1) Section 212(j)(1)(D) of the Immigration and Nationality Act is amended to read as follows:

"(D) The duration of the alien's participation in the program of graduate medical education or training for which the alien is coming to the United States is limited to the lesser of seven years or the time typically required to complete such program as determined by the Director of the International Communication Agency, or the Director's delegate, at the time of the alien's entry into the United States, based on criteria established by the Secretary of Health and Human Services, however, the alien may, with the approval of the Director, or the Director's delegate, change the designated program of graduate medical education or training, but such change may not be made more than once or later than two years after the alien enters the United States as an exchange visitor or acquires exchange visitor status, provided that the commitment and written assurances under subparagraph (C) of this paragraph have been filed and approved with respect to the alien's new program.".

(2) Section 212(j)(1)(D) of the Immigration and Nationality Act, as amended by this subsection, shall be applicable to any alien entering the United States as an exchange visitor on or after January 10, 1978, or acquiring exchange visitor status on or after such date, for a program under which the alien will receive graduate medical education or training.

(c) Section 212(j)(2)(A) of the Immigration and Nationality Act is amended by striking out "December 31, 1980" and inserting in lieu thereof "December 31, 1985".

Sec. 302. (a) Section 332 of the Public Health Service Act is amended by adding the following new subsection at the end thereof:

"(i)(1) Public and private nonprofit hospitals with accredited residency training programs in which more than 25 percent of the residency positions in any such program are filled by alien graduates of foreign medical schools shall be deemed to be health manpower shortage areas.

"(2) For the purpose of assignment of Corps members under sections 333 and 752(d), such hospitals shall be considered among facilities with the greatest health manpower shortage. Assignment of Corps members shall, whenever possible, reduce the number of alien graduates of foreign medical schools in residency positions in such facilities.".

(b)(1) Section 334(b) of the Public Health Service Act is amended by inserting the following after paragraph (3):

"(4)(A) In the case of one or more Corps members assigned to a hospital described in section 332 (i), the Secretary shall waive the application of subsection (a)(3) to the extent provided in subparagraph (B). In order for the application of subsection (a)(3) to be waived, the hospital shall demonstrate to the satisfaction of the Secretary that the position available for the Corps member or members, whether in a residency training program pursuant to section 752(b)(5)(A) or as a practitioner pursuant to section 333, is attributable to the termination of one or more positions filled by an alien graduate of a foreign medical school in a residency training program within the previous 12 months.

"(B) If the Secretary determines that the hospital has demonstrated satisfactorily that the position filled by such Corps member or members is attributable to the termination of a position filled by an alien graduate of a foreign medical school as provided in subparagraph (A), the Secretary shall reduce the sum paid to the United States under subsection (a)(3) to the extent that such sum exceeds the sum paid by the hospital to such alien.".

(c)(1) Section 752(a) of the Public Health Service Act is amended by inserting "section 753(d)(2) and" after "Except as provided in".

(2) Section 752(b)(5)(A) of the Public Health Service Act is amended by adding the following before the period at the end thereof: ", except in the case of an individual who chooses to perform such individual's residency as a member of the Corps in a hospital described in section 332(1) as provided in section 752(d)(2).".

(3) Section 752(d) is amended—

(A) by inserting "(1)" after "(d)"; and

(B) by adding the following new paragraph at the end thereof:

"(2) An individual may choose to perform such individual's residency as a member of the Corps in a hospital described in section 332(i), and such residency shall be counted toward satisfying a period of obligated service under this subpart.".

Sec. 303. In order to reduce hospital dependence on alien graduates of foreign medical schools the Secretary of Health and Human Services shall—

(1) identify the States in which there are hospitals that have accredited residency training programs in which alien graduates of foreign medical schools fill more than 25 percent of the residency positions, and identify such hospitals; and

(2) develop a plan, in cooperation with the State and appropriate municipalities, with each State identified under paragraph (1), to reduce dependence on such alien graduates of foreign medical schools through the utilization of all available Federal, State, and local resources.

Sec. 304. The Secretary is authorized to enter into contracts with appropriate consultants to assist a hospital in formulating a staff utilization plan as provided in section 212(j)(1)(A) of the Immigration and Nationality Act.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the Record a statement on the bill by one of its cosponsors, the Senator from Massachusetts (Mr. Kennedy).

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Mr. Kennedy

I am pleased to cosponsor the Health Care Management and Health Care Personnel Distribution Improvement Act of 1980, introduced by my good friend and colleague Senator Javits today. This bill compliments the Health Professions Training and Distribution Act of 1980 which I have introduced and which Senator Javits has cosponsored.

I firmly believe that we must strengthen the management capability within our health care system. The health industry is the third largest industry in the country. How we manage our resources is indeed critical in determining the costs, quality, availability, and accessibility of health services. Our success in being able to achieve cost containment relies strongly on this management capability. Therefore, it is essential for us to strengthen the programs that train our health care managers.

Senator Javits has also appropriately directed our attention to the essential role that physician graduate training plays in determining where our physicians practice, and in what specialties they concentrate their activities. We have encouraged the growth in the number of residencies in family practice, primary care internal medicine, and primary care pediatrics. We have encouraged the growth in psychiatric residency training programs. But we must also be concerned about meeting our needs in other specialties such as physical medicine and rehabilitation, and directing the attention of our residents to meeting the needs of our underserved populations.

I join Senator Javits to recognizing the difficulty that our large, municipal hospitals, which serve many of our most needy populations, have in meeting their requirements for physicians. I believe that we must support domestic programs that will solve this problem. Until these programs are in place, we would consider extension of the provision that permits waiving the 1976 requirements affecting the entry of foreign trained physicians. However, we must regard this as a temporary, time-limited extension. Although I support the thrust of Senator Javits' amendment, I have strong reservations about the extent to which National Health Service Corps scholarship recipients, as interns and residents, should be permitted to discharge their service obligation while in training programs in these hospitals.

I look forward to examining these issues with Senator Javits as the Subcommittee on Health and Scientific Research considers the extension of the health professions educational assistance legislation.

By Mr. STEVENSON (for himself, Mr. Heinz, Mr. Javits, Mr. Bentsen, and Mr. Glenn):

S. 2379. A bill to encourage exports by facilitating the formation and operation of export trading companies and the expansion of export trade services generally; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT TRADING COMPANY ACT OF 1980

● Mr. STEVENSON. Mr. President, on behalf of Senators HEINZ, JAVITS, BENTSEN, GLENN and myself, I introduce a bill to facilitate the formation and operation of export trading companies and thereby expand U.S. exports. This legislation is a revised version of S. 1663 which was introduced August 2, 1979, and was the subject of hearings in the International Finance Subcommittee of the Committee on Banking, Housing, and Urban Affairs on September 17 and 18.

The new bill takes into account the many helpful suggestions received during and after the hearings. The response to the original bill and the draft revision has been gratifying, and I welcome comments on the new bill. Hearings have been scheduled for March 17 and 18 in the International Finance Subcommittee to receive additional testimony on export trading company and export trade association legislation.

The purpose of the new bill is the same as the original version: to improve U.S. export performance by encouraging the provision of export trading services to tens of thousands of American producers not presently realizing their export potential. Small and medium-sized companies and agricultural cooperatives fail to export U.S. goods and services which would be highly competitive abroad in price and quality.

They do not export because exporting involves unfamiliar risks and requires specialized knowledge and skills. Greater efforts to encourage and assist U.S. producers to export directly are desirable, but for most producers the marginal costs of developing fully their export opportunities abroad will prove prohibitive. Export success will depend upon intermediaries which, by diversifying trade risks and developing economies of scale in marketing, transportation, financing, and other export trade services, can do the exporting for U.S. producers.

A great variety of enterprises provide export trade services to U.S. producers—freight forwarders, brokers, shippers, jobbers, insurance companies, commercial banks, export management companies, advertising firms, trade lawyers, foreign purchasing agents, and others—but most fulfill only one or a few of the many functions required to engage in export trade. Export management companies usually do assume responsibility for the full range of export trade services and often take title to export goods, but export management companies tend to be small, thinly capitalized, entrepreneurial firms specialized along product lines. A few American trading companies and trade associations specializing in agricultural commodities or raw materials do exist, but do little to expand exports of U.S. manufactures.

U.S. producers have not until recently had access to general purpose trading companies. Such companies now operate in the United States, but on behalf of Japan, Korea, and Western European countries.

Foreign export trading companies no doubt contribute to the growth of U.S. exports as well as imports, but offer no long term resolution of this country's trade problems. The penetration of foreign export trading companies highlights the necessity, while demonstrating the feasibility, of U.S. export trading companies.

The free market, in theory, ought to have generated U.S. export trading companies long ago. But the market forces are imperfect due to Government regulation, the structure of American enterprise, and traditional ways of doing business. For example, Government regulations exclude U.S. banks from offering most export trading services. Federal Maritime Commission regulations prevent export traders that take title to goods from receiving commissions for freight brokerage from carriers. Antitrust uncertainties deter U.S. companies from expanding export trading activities in cooperation with other U.S. producers. American businessmen, by and large are unfamiliar with foreign customs, do not speak foreign languages, and are unaware of foreign market opportunities. The large multinational companies have developed their own export markets, but do little to assist other potential exporters. Without new legislation to reduce impediments and encourage U.S. trading companies, significant export potential will continue to go unrealized.

The bill we introduce today would facilitate formation of export trading companies and the expansion of export trade services generally. The bill defines U.S. export trading companies as firms incorporated in the United States and organized and operated principally for the purposes of:

> (1) exporting goods and services produced in the United States by affiliated or unaffiliated persons, and (2) facilitating the exportation of goods and services produced in the United States by unaffiliated persons by providing export services such as international market research, advertising, marketing, insurance, legal assistance, transportation, including trade documentation and freight forwarding, communication and processing of foreign orders to and for exporters and foreign purchasers, warehousing, foreign exchange, financing, or any other service incidental to export trade.

A firm need not provide all the export services listed to be considered an export trading company. Virtually all existing export management companies and many other companies would be treated as export trading companies for the purposes of this legislation.

Several provisions of the bill would increase the financial leverage of existing export trading companies (principally export management companies) and stimulate new entrants. The Export-Import Bank would be directed to establish a guarantee program for commercial bank, or other private, short-term loans or lines of credit secured by export accounts receivable or inventory held for exportation. Exim's guarantee could not exceed 80 percent of the commercial loan extended. The Bank's Board of Directors would be charged with evaluating the need for Exim's guarantees, the financial risk entailed, and the beneficial impact on U.S. exports. The Eximbank guarantee program would be available to United States direct exporters as well as export trading companies. Guarantees, like other Bank commitments, would be subject to limitations contained in annual appropriations bills.

Eximbank would also be authorized to make direct loans or extend loan guarantees to enable export trading companies to meet operating expenses during the first 5 years of the company's operation or during any one 5-year period in which a company formed prior to enactment of this legislation undertook major expansion of its export services to unaffiliated producers. Such loans and loan guarantees would be provided only in cases where private credit sources had declined to provide financing, and where the Bank's Board of Directors believed there was sufficient likelihood of repayment. Loans and loan guarantees to any one firm could not exceed $1 million in any single year of $2.5 million during the 5-year period, and could not exceed 50 percent of the total operating expenses of a company in any year. Total Eximbank commitments to the program could not exceed $100 million during the first 5-year period.

The bill would enable banks, bank holding companies, Edge corporations, and agreement corporations to participate directly in a broader range of export trade services by authorizing limited investments in export trading companies. Foreign banks often own trading companies (an example is Hong Kong & Shanghai Banking Corp. which owns a controlling interest in Hutchinson Whampoa Ltd., and is acquiring control of Marine Midland Bank in New York State). Enabling U.S. banks to broaden their export trade services would improve the competitive position of U.S. banks as well as boosting U.S. exports. No banking institution, except an Edge Act corporation not engaged in banking would be allowed to invest more than 10 percent of its capital in such companies in any case. Proposals to acquire controlling interests in export trading companies would be subject to review by the relevant Federal bank regulatory agency.

The bill would direct the Department of Commerce, in cooperation with other relevant agencies, to provide seminars, explanatory literature, and other assistance to parties interested in forming new export trading companies or expanding existing ones. The Department of Commerce would be directed to work with State and local governments and special authorities, such as port authorities, to facilitate the formation and operation of export trading companies, as well as the provision of export trade services generally.

The bill would clarify the eligibility of export income earned by trading companies for DISC tax deferral. Election of subpart S (passthrough of gains and losses to shareholders) would be made easier for export trading companies. The Department of Commerce, with the assistance of the Internal Revenue Service, would be directed to prepare a guide to help export trading companies form DISC's or elect subpart S tax treatment.

The bill would make export trading companies eligible for the same treatment export trade associations are accorded under the Webb-Pomerene Act. That is, firms meeting the definition of export trading companies would, with respect to their export activities, enjoy the same status under the Webb-Pomerene Act as associations formed solely for the purpose of export trade.

The provisions of this bill would overcome the factors which have discouraged the emergence of significant U.S. export trading companies. They would do so by fostering competition in the private sector, by decreasing government regulation, and with minimal Federal Government financial participation. The growth of U.S. export trading companies can improve U.S. competitiveness over the long term, adding billions of dollars of U.S. exports which would otherwise not be produced.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2379

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Export Trading Company Act of 1980".

FINDINGS

Sec. 2. (a) The Congress finds and declares that—

(1) tens of thousands of American companies produce exportable goods or services but do not engage in exporting;

(2) although the United States is the world's leading agricultural exporting nation, many farm products are not marketed as widely and effectively abroad as they could be through producer-owned export trading companies;

(3) exporting requires extensive specialized knowledge and skills and entails additional, unfamiliar risks which present costs for which smaller producers cannot realize economies of scale;

(4) export trade intermediaries, such as trading companies, can achieve economies of scale and acquire expertise enabling them to export goods and services profitably, at low per unit cost to producers;

(5) the United States lacks well-developed export trade intermediaries to package export trade services at reasonable prices (exporting services are fragmented into a multitude of separate functions; companies attempting to offer comprehensive export trade services lack financial leverage to reach a significant portion of potential United States exporters);

(6) the development of export trading companies in the United States has been hampered by insular business attitudes and by government regulations; and

(7) if United States export trading companies are to be successful in promoting United States exports and in competing with foreign trading companies, they must be able to draw on the resources, expertise, and knowledge of the United States banking system, both in the United States and abroad.

(b) The purpose of this Act is to increase United States exports of products and services by encouraging more efficient provision of export trade services to American producers and suppliers.

DEFINITIONS

Sec. 3. (a) As used in this Act—

(1) the term "export trade" means trade or commerce in goods produced in the United States or services produced in the United States exported, or in the course of being exported, from the United States to any foreign nation;

(2) the term "goods produced in the United States" means tangible property manufactured, produced, grown, or extracted in the United States, not more than 50 per centum of the fair market value of which is attributable to articles imported into the United States;

(3) the term "services produced in the United States" includes, but is not limited to amusement, architectural, automatic data processing, business, communications, consulting, engineering, financial, insurance, legal, management, repair, training, and transportation services, not less than 50 per centum of the fair market value of which is provided by United States citizens or is otherwise attributable to the United States;

(4) the term "export trade services" includes, but is not limited to, international market research, advertising, marketing, insurance, legal assistance, transportation, including trade documentation and freight forwarding, communication and processing of foreign orders to and for exporters and foreign purchasers, warehousing, foreign exchange, and financing when provided in order to facilitate the export of goods or services produced in the United States;

(5) the term "export trading company" means a company which does business under the laws of the United States or any State and which is organized and operated principally for the purposes of—

(A) exporting goods or services produced in the United States; and

(B) facilitating the exportation of goods and services produced in the United States by unaffiliated persons by providing one or more export trade services;

(6) the term "United States" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

(7) the term "Secretary" means the Secretary of Commerce; and

(8) the term "company" means any corporation, partnership, association, or similar organization.

(b) The Secretary is authorized, by regulation, to further define such terms consistent with this section.

FUNCTIONS OF THE SECRETARY OF COMMERCE

Sec. 4. The Secretary shall promote and encourage the formation and operation of export trading companies by providing information and advice to interested persons. The Assistant Secretary of Commerce for Trade Promotion shall be responsible for such activities and shall provide a referral service to facilitate contact between producers of exportable goods and services and firms offering export trade services.

OWNERSHIP OF EXPORT TRADING COMPANIES BY BANKS, HOLDING COMPANIES, AND INTERNATIONAL BANKING CORPORATIONS

Sec. 5. (a) For the purpose of this section—

(1) the term "banking organization" means any State bank, national bank, bank holding company, Edge Act Corporation, or Agreement Corporation;

(2) the term "State bank" means any bank which is incorporated under the laws of any State, any territory of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Virgin Islands, or which is operating under the Code of Law for the District of Columbia (except a national bank);

(3) the term "State member bank" means any State bank which is a member of the Federal Reserve System;

(4) the term "State nonmember insured bank" means any State bank which is not a member of the Federal Reserve System, but the deposits of which are insured by the Federal Deposit Insurance Corporation;

(5) the term "bank holding company" has the same meaning as in the Bank Holding Company Act of 1956;

(6) the term "Edge Act Corporation" means a corporation organized under section 25(a) of the Federal Reserve Act;

(7) the term "Agreement Corporation" means a corporation operating subject to section 25 of the Federal Reserve Act;

(8) the term "appropriate Federal banking agency" means—

(A) the Comptroller of the Currency with respect to a national bank;

(B) the Board of Governors of the Federal Reserve System with respect to a State member bank, bank holding company, Edge Act Corporation, or Agreement Corporation; and

(c) the Federal Deposit Insurance Corporation with respect to a State nonmember insured bank;

(9) the term "capital and surplus" means paid in and unimpaired capital and surplus, and includes undivided profits and such other items as the appropriate Federal banking agency may deem appropriate.

(10) an "affiliate" of a banking organization or export trading company is a person who controls, is controlled by, or is under common control with such banking organization or export trading company;

(11) the term "control" means the power, directly or indirectly, to vote more than 50 per centum of the voting stock or other evidences of ownership of any person, or otherwise having the power to direct or cause the direction of the management or policies of any person; and

(12) the term "export trading company" has the same meaning as in section 3(5) of this Act, or any company organized and operating principally for the purpose of providing export trade services, as defined in section 3(4) of this Act.

(b) Notwithstanding any prohibition, restriction, limitation, condition, or requirement contained in any other provision of law, any banking organization, subject to the procedures, limitations and conditions of this section, may acquire and hold for its own account, either directly or indirectly, the voting stock or other evidences of ownership of any export trading company.

(c)(1) Any banking organization may invest not more than 5 per centum of its capital and surplus in no more than 50 per centum of the voting stock or other evidences of ownership of any export trading company without obtaining the prior approval of the appropriate Federal banking agency, except that an Edge Act Corporation not engaged in banking, as defined by the Board of Governors of the Federal Reserve System, may invest up to 25 per centum of its capital and surplus in no more than 50 per centum of the voting stock or other evidences of ownership of any such company without obtaining the prior approval of the Board of Governors of the Federal Reserve System.

(2) Any banking organization may, subject to the limitations contained in subsection (e), make an investment in the voting stock or other evidence of ownership of an export trading company which does not comply with paragraph (1), if it files an application with the appropriate Federal banking

agency to make such investment and within 60 days after the receipt of such application, the appropriate Federal banking agency has not issued an order pursuant to subsection (d) denying such proposed investment. The appropriate Federal banking agency may require such information in any application filed pursuant to this subsection as is reasonably necessary to consider the factors specified in subsection (d). An application is received for the purpose of this paragraph when it has been accepted for processing by the appropriate Federal banking agency. Upon receipt of an application, the appropriate Federal banking agency shall transmit a copy thereof to the Secretary of Commerce and afford the Secretary a reasonable time, not to exceed 30 days, to present the views of the Department of Commerce on the application. An investment may be made prior to the expiration of the disapproval period if the appropriate Federal banking agency issues written notice of its intent not to disapprove the investment.

(3) Any banking organization whose proposed acquisition under paragraph (2) is disapproved by an order of the appropriate Federal banking agency under subsection (d), may obtain a review of such order in the United States Court of Appeals within any circuit wherein such organization has its principal place of business, or in the Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within thirty days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the appropriate Federal banking agency. The appropriate Federal banking agency shall promptly certify and file in such court the record upon which the disapproval was based. The court shall set aside any order found to be (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; (B) contrary to constitutional right, power, privilege or immunity; (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; or (D) not in accordance with the procedures required by this section.

(d) The appropriate Federal banking agency may disapprove any investment for which an application is filed under subsection (c)(2) if it finds that the export-related benefits of such acquisition are clearly outweighed in the public interest by adverse competitive, financial, managerial, or other banking factors associated with the particular acquisition. In weighing the export-related benefits of a particular proposal, the appropriate Federal banking agency shall give due consideration to the views of the Department of Commerce furnished pursuant to subsection (c)(2), and shall give special weight to any application that will open new markets for United States goods and services abroad, or that will involve small- or medium-size businesses or agricultural concerns new to the export market. Any disapproval order issued under this section must contain a statement of the reasons for disapproval.

(e)(1) No banking organization holding voting stock or other evidences of ownership of any export trading company may extend credit or cause any affiliate to extend credit to any export trading company or to customers of such company on terms more favorable than those afforded similar borrowers in similar circumstances.

(2) Except as provided in subsection (c)(1), no banking organization may, in the aggregate, invest in excess of 10 per centum of its capital and surplus in the stock or other evidences of ownership of one or more export trading companies.

(f) The appropriate Federal banking agencies may adopt such rules and regulations and require such reports as are necessary to enable them to carry out the provisions of this section and prevent evasions thereof.

INITIAL INVESTMENTS AND OPERATING EXPENSES

SEC. 6. (a) The Export-Import Bank of the United States is authorized to provide loans or guarantees to export trading companies to help such companies meet operating expenses and make investments in facilities related to the export of goods or services produced in the United States, or related to the provision of export trade services, if in the judgment of the Board of Directors of the Bank—

(1) the loans or guarantees would facilitate exports which would not otherwise occur;

(2) the company is unable to obtain sufficient financing on reasonable terms from other sources; and

(3) there is reasonable assurance of repayment.

(b) Loans and guarantees under this section shall be used only for the financing of exports and export trade services. The amount of loans and guarantees to any single concern in any year may not exceed 50 per centum of such concern's annual operating expenses, as determined by the Board.

(c) The bank shall not make loans or guarantees available to any one company in excess of $1,000,000 in any 12-month period, or $2,500,000 in total. The aggregate amount of loans or guarantees oustanding at any time under this section may not exceed $100,000,000. The authority granted by this section shall expire five years after the date of enactment of this Act.

GUARANTEES FOR EXPORT ACCOUNTS RECEIVABLE AND INVENTORY

SEC. 7. The Export-Import Bank of the United States is authorized and directed to provide guarantees for up to 80 per centum of the principal of loans extended by financial institutions or other private creditors to export trading companies as defined in section 3(5) of this Act, or to exporters, for periods up to one year when in the judgment of the Board of Directors—

(1) such guarantees would facilitate expansion of exports which would not otherwise occur;

(2) the guarantees are essential to enable the export trading company or exporter to receive adequate credit to conduct normal business operations; and

(3) the guarantees are adequately secured by export accounts receivable or inventories or exportable goods. Guarantees provided under the authority of this section shall be subject to limitations contained in annual appropriations Acts.

ELIGIBILITY OF STATE OR LOCAL GOVERNMENT-OWNED EXPORT TRADING COMPANIES

SEC. 8. Nothing in this Act preempts or otherwise restricts, prevents, or discourages any State or local government, or other governmental authority from organizing, owning, or otherwise participating in or supporting export trading companies. In carrying out the authority provided by sections 6 and 7, the Export-Import Bank of the United States shall not deny eligibility to an export trading company on the basis of ownership of such company by a State or local governmental authority.

ELIGIBILITY UNDER THE WEBB-POMERENE ACT

SEC. 9. Section 2 of the Webb-Pomerene Act (15 U.S.C. 62) is amended—

(1) by inserting after "engaged solely in such export trade," the following: "or with respect solely to its export trade activities, any corportation which is an export trading company as defined in section 3(5) of the Export Trading Company Act of 1980,"; and

(2) by inserting "or export trading company" after "association" each place, after the first, it appears.

APPLICATION OF DISC RULES TO EXPORT TRADING COMPANIES

SEC. 10. (a) Paragraph (3) of section 992 (d) of the Internal Revenue Code of 1954 (relating to ineligible corporations) is amended by inserting before the comma at the end thereof the following: "(other than a financial institution which is a banking organization defined in section 5(a) of the Export Trading Company Act of 1980 investing in the voting stock of an export trading company (as defined in section 3(5) of the Export Trading Act of 1980) in accordance with the provisions of section 5 of such Act)".

(b) Paragraph (1) of section 993(a) of the Internal Revenue Code of 1954 (relating to qualified export receipts of a DISC) is amended—

(1) by striking out "and" at the end of subparagraph (G),

(2) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof "and", and

(3) by adding at the end thereof the following new subparagraph:

"(I) in the case of a DISC which is an export trading company (as defined in section 3 (5) of the Export Trading Company Act of 1980), or which is a subsidiary of such a company, gross receipts from the export of services produced in the United States (as defined in section 3(3) of such Act) or from export trade services (as defined in section 3(4) of such Act.".

(c) The Secretary of Commerce, after consultation with the Secretary of the Treasury, shall develop, prepare, and distribute to interested parties, including potential exporters, information concerning the manner in which an export trading company can utilize the provisions of part IV of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to domestic international sales corporations), and any advantages or disadvantages which may reasonably be expected from the election of DISC status or the establishment of a subsidiary corporation which is a DISC.

(d) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980.

SUBCHAPTER S STATUS FOR EXPORT TRADING COMPANIES

Sec. 11. (a) Paragraph (1) of section 1371 (a) of the Internal Revenue Code of 1954 (relating to the definition of a small business corporation) is amended by inserting ", except in the case of the shareholders of an export trading company (as defined in section 3(5) of the Export Trading Company Act of 1980) if such shareholders are otherwise small business corporations for the purpose of this subchapter," after "shareholders".

(b) The first sentence of section 1372(e) (4) of such Code (relating to foreign income) is amended by inserting ", other than an export trading company," after "small business corporation".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980.

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the legislation may be cited as the "Export Trading Company Act of 1980."

Section 2 contains the statement of findings and purpose. The findings point to the advantages export trading companies would have in assisting many U.S. producers to export. The purpose of the bill is to increase U.S. exports by encouraging more efficient provision of export trade services to U.S. producers.

Section 3 contains definitions of the following terms as used in the bill: "export trade", "goods produced in the United States," "export trade services," "export trading company," "United States," "Secretary," and "company."

Section 4 would require the Secretary of Commerce to provide information and advice to assist interested persons to form and operate export trading companies.

Section 5 would allow banks, bank holding companies, and Edge Act Corporations to invest in export trading companies, including companies providing export trade services.

Subsec. 5(a). This subsection defines the various terms used throughout the section. The term "capital and surplus" is defined generally to mean paid-in and unimpaired capital and surplus, including undivided profits. The respective banking agencies, however, are given the discretion to include such other items e.g., the proceeds of debentures or capital notes, as they deem appropriate. The term "export trading company" is defined to include an export trading company, as defined in Section 3(5) of this Act, or any company organized and operated principally for the purpose of providing "export trade services," as defined in Section 3(4) of this Act. A somewhat broader definition is employed in this Section in order to permit banking organizations to expand the types of export services they provide U.S. firms, without necessarily having to invest in a firm that engages in trading activities. A banking organization would thus be able to invest in, or even combine the operations of, many different types of firms providing export services.

Subsec. (b). This subsection overrides any provision of Federal law that would prevent a banking organization from investing in an export trading company. For example, under authority of this section, a bank holding company or Edge Act Corporation could acquire an export management firm, freight-forwarder or other firm meeting the definition of export trading company, notwithstanding any investment prohibitions contained in any provision of Title 12 of the United States Code. Any such investment would, however, be subject to the procedures, limitations and conditions of this section.

Subsec. (c). Subsection (c)(1) provides that a banking organization may invest up to five percent of its capital and surplus in no more than fifty percent of the voting stock or other evidences of ownership of an export trading company without obtaining the prior approval of the appropriate federal banking agency. This is similar to an existing procedure adopted by the Federal Reserve Board under its Regulation K for international investments by Edge and Agreement Corporation, banks, and bank holding companies (see 12 C.F.R. § 211.5(c)(1)(B)). Subsection (c)(2) permits a banking organization to exceed the limitations of subsection (c)(1) if it files an application with the appropriate federal banking agency and the agency has not, within sixty days after receipt, issued an order under subsection (d) disapproving the investment. The banking agencies can specify the information required in any such application, but it must be reasonably necessary to consider the factors described in subsection (d). An application is deemed received, and the sixty-day period commenced, once the agency accepts the application for processing. Upon receipt, the agency is required to file a copy with the Department of Commerce which is to be given a reasonable time to file its views. The sixty-day waiting period may be shortened if the agency issues written notice of its intent not to disapprove. The agencies are encouraged to issue such notices, when appropriate, in order to shorten further the regulatory process. The method of giving an agency the right to disapprove has been chosen instead of imposing a requirement of agency approval, because this section already establishes that it is in the public interest for banking organizations to take an equity participation in an export trading company. A proposed investment should thus be blocked only if the agency can find specific reasons for disapproving the particular transaction. This approach also tends to minimize the regulatory burden involved on both applicants and the agencies. Subsection (c)(3) gives any banking organization whose investment application under subsection (c)(2) has been disapproved by an agency, the right to seek review in a federal court of appeals. The organization has the choice of filing a petition for review in either the circuit where its principal office is located or in the Court of Appeals for the District of Columbia Circuit. The agency must compile and certify the record for review and file it promptly with the reviewing court. "Promptly" was chosen in order to encourage filing within the sixty days provided under the Federal Rules of Appellate Procedure. The standards for judicial review of a disapproval order are similar to those provided in the Administrative Procedure Act.

Subsec. (d). A proposed investment under subsection (c)(2) may be disapproved by the appropriate Federal banking agency if it finds that the export-related benefits of the proposal are outweighed by adverse banking, competitive, or other factors associated with the particular acquisition. In weighing export benefits, the agency must give due consideration to the views of the Department of Commerce and give special weight to proposals that will reach new sectors of the U.S. export market. Essentially, a proposed investment should be able to be made unless the agency can meet the burden of establishing specific reasons for disapproval that outweigh the likely export benefits. Any order must contain a statement of the basis for the agency's action and must be issued within the sixty-day period provided in subsection (c)(2).

Subsec. (e). This subsection contains safeguards to insure that bank involvement in trading companies does not lead to conflicts of interest, unsound banking practices, or unfair methods of competition. First, subsection (e)(1) provides that no banking organization holding stock or other evidences of ownership of any export trading company may extend credit or cause any affiliate to extend credit to such company or its customers on a preferential basis. This meets a traditional concern of U.S. policy that banks not favor their affiliates in lending practices, because preferential lending threatens bank soundness and may provide unfair competitive advantages for affiliated customers. The language is similar to that employed in Section 8(e) of the International Banking Act of 1978. Lending limits, limits on loans to affiliates and to insiders otherwise ensure that a bank's credit involvement with an export trading company or its customers would be subject to prudential limitations. Subsection (e)(2) provides that, in the aggregate, no banking organization other than an Edge Act Corporation not engaged in banking could invest more than ten percent of its capital and surplus in the stock or other evidences of ownership of one or more export trading companies. This parallels a limitation on investments in Edge Act Corporations by national banks, and is intended to put an overall cap on any one banking organization's involvement in such commercial activities. This restriction thus protects against any exposure beyond traditional prudential limitations.

Subsec. (f). This subsection gives the appropriate federal banking agencies the authority to adopt such rules and regulations and to require such reports as are necessary to enable them to carry out the provisions of this section and prevent evasions thereof.

Section 6 would authorize the Export-Import Bank to provide loans or guarantees to help export trading companies meet operating expenses and make investments which would expand U.S. exports. The Bank could not extend loans or guarantees unless the Bank's Directors determined: (1) the loans or guarantees would facilitate exports which would not occur otherwise; (2) the company cannot locate sufficient financing on reasonable terms from commercial or other private sources; and (3) there is a reasonable assurance of repayment of the loans.

These standards are intended to insure that Eximbank support is provided only for promising export trading ventures which have not found adequate private financial support. Eximbank's role would be limited by additional provisions which specify that such loans and guarantees may not exceed $1 million per year or $2.5 million in total to any one company, nor exceed 50 percent of the total operating expenses of such company in any year. Total bank commitments under this section would be limited to $100 million and the authority to make new commitments would expire 5 years after enactment.

The purpose of this section is to encourage new ventures or significant expansion of existing firms by providing modest financial help with start-up costs for a limited period of years. Support would be provided at prevailing commercial interest rates.

Section 7 would authorize and direct Eximbank to guarantee not more than 80 percent of commercial loans extended to exporters of export trading companies and secured by export accounts receivable or inventories of exportable goods. Guarantees would only be provided when the Bank's Board of Directors judged such guarantees to be necessary to expand U.S. exports and enable the recipient of the partially guaranteed loan to conduct normal business operations. In short, the authority in this section is intended to stimulate additional private sector lending in support of exports—lending which is customary in other countries but not in the United States. As U.S. financial institutions acquire experience and confidence with loans secured by export receivables and inventory, Eximbank guarantees can be phased out.

Section 8 declares that the Act does not pre-empt State or local authorities from forming or participating in export trading companies, nor disqualify such companies for the Eximbank programs provided for in sections 6 and 7 of this Act.

Section 9 would afford to export trading companies, with respect to their export activities, the same antitrust exemption provided under the Webb-Pomerene Act to associations engaged exclusively in export trade. Export trading companies cannot be financially sound if they engage exclusively in export trade; furthermore, there seems no reason to force firms to form trade associations in order to enjoy whatever antitrust assurances the Webb-Pomerene Act provides.

Section 10(a) would provide that gross receipts of an export trading company from "export trade services" as well as the export of "services produced in the United States," as defined in the Act, are eligible DISC receipts. The purpose of the provision is to avoid forcing export trading companies to segregate artificially certain services in order to enjoy DISC status for the receipts from such services.

Section 10(b) would require the Assistant Secretary of Commerce, with the cooperation and assistance of the Director of the Internal Revenue Service to disseminate information to exporters and export trading companies on how to form and use DISCs.

Section 11 would amend Subchapter S of the Tax Code to permit an export trading company to use the provisions of that subchapter without limiting the foreign source income of such company to less than 20 percent per annum. Export trading companies could not comply with the existing statutory restriction. Section 11 would also permit shareholders in companies eligible to use subchapter S to be companies owned by up to 15 individuals, as well as individuals, as presently required by subchapter S.●

● Mr. HEINZ. Mr. President, I am pleased to join with my distinguished colleague from Illinois in introducing the Export Trading Company Act of 1980. This bill is another step in the effort to create an environment more encouraging and conducive to the growth of U.S. exports. The bill will facilitate and promote the formation and operation of export trading companies. It is a revised version of S. 1663, introduced last year, which has already been the subject of hearings before the Subcommittee on International Finance of the Senate Banking Committee.

Pogo's famous remarks, "We have met the enemy and he is us," seems particularly relevant to the situation in which we find ourselves today in the international trading arena. All too frequently, we have been our own worst enemy. Where our trade competitors have incentives and governmental export promotion programs, we have created impediments and barriers for our exports to surmount before they can even begin to compete.

Our Nation's trade deficit over the last 3 years has totaled almost $90 billion. One result has been a severely weakened dollar and a vicious cycle with which we are all too familiar. The price of imports including energy rise, thereby inducing inflation, which in turn leads to economic slowdown and budgetary deficits. The result is the sort of recession we find ourselves in today.

Obviously, we are not going to solve this problem overnight. But every successful program of trade promotion is a step in the right direction. Small- and medium-sized businesses have too long been excluded from a significant role in our Nation's export picture. I have heard many expert witnesses say that the 15,000 to 20,000 small- to medium-sized businesses which have been identified by the Commerce Department as potential exports forego that market because they lack the skills and have little access to the advice which would make them effective competitors in the export market. I believe that this bill will help to remedy this situation by encouraging the development of intermediaries which will be able to provide the marketing and financial tools necessary to help smaller businesses, while at the same time helping them to benefit from economies of scale and the diffusion of risk.

Questions have been raised about the provision allowing State and local governments to participate in the formation of trading companies if they meet all the other provisions of the bill. There are legitimate concerns on this issue which deserve further exploration at hearings which will be held later this month. That provision may have to be further refined and clarified to meet the objections voiced by thoughtful critics.

Mr. President, it is my hope that my colleagues will study this bill, read the extensive hearing record on the issue, and realize the necessity of encouraging small- and medium-sized businesses to participate in the export market. I am sure that they will then join me in promoting the passage of this legislation.

By Mr. MATHIAS (for himself, Mr. WEICKER, Mr. BUMPERS, and Mr. YOUNG):

S.J. Res. 150. Joint resolution to authorize and request the President to designate the week of September 21–27, 1980, as "National Cystic Fibrosis Week"; to the Committee on the Judiciary.

CYSTIC FIBROSIS WEEK

● Mr. MATHIAS. Mr. President, cystic fibrosis is the No. 1 genetic killer of young people in America. It affects the lungs, digestion, and lives of thousands of American children and young adults. Yet the public is, for the most part, uninformed about even the most basic facts of this serious and debilitating disease—its symptoms and its effect on the lives of CF victims and their families. Because public understanding is important, I am introducing a resolution that proclaims the third week in September of 1980, as "National Cystic Fibrosis Week." By enhancing public awareness of cystic fibrosis (CF), National Cystic Fibrosis Week will encourage earlier diagnosis and care, and help create a significant increase in the resources available for research into the cause, treatment, and cure of the disease. This resolution is identical to House Joint Resolution 445, introduced by Congressman SILVIO CONTE, of Massachusetts.

Approximately 1,500 children are born each year in this country with CF. Cystic fibrosis is genetically transmitted, and about 5 percent of the Caucasian population are believed to be symptomless carriers of the disease. The disease causes cells to secrete excessive amounts of thick, sticky mucus. This mucus clogs the lungs, making breathing difficult, and it interferes with the flow of digestive enzymes from the pancreas to the intestines, impeding the digestion of food. The risks of lung infection and diabetes are substantial and the heart and lungs are placed under tremendous strain.

While serving in the Senate, I have had the opportunity to support several efforts to generate Federal funds for a cystic fibrosis research program through the National Institutes of Health. Although the disease remains a mystery to medical science, treatment and basic research advances during the past quarter century have extended the life expectancy of CF victims from less than 2 years in 1955 to over 20 years today. With passage of the National Cystic Fibrosis Week resolution, I hope that the national commitment to cystic fibrosis research and care will continue to grow.

Much of this progress would not have been possible without the support, dedication, and commitment of the Cystic Fibrosis Foundation. Twenty-five years ago, a small group of concerned parents, physicians, and friends formed this national organization which has become one of the Nation's leading voluntary health associations. Through the efforts of this network of committed volunteers and staff, the foundation's budget for research, professional training, and health care delivery will total $6.6 million for fiscal year 1980–81.

Public education is also a major focus of the foundation's activities. Society needs to be informed about the symptoms of CF, particularly as they occur in infancy, to facilitate early recognition and diagnosis. Unfortunately, cystic fibrosis is often confused with other diseases and such misunderstandings are rarely clarified. The public must be aware that those who have CF can, and want to be, successful in school and work for as long as their health allows. With the increased availability of new medications, treatments, and therapies, that period of relative health is becoming longer each year.

The Cystic Fibrosis Foundation has come a long way in its battle against the No. 1 genetic killer of American children. But as the foundation moves into its 25th year, it is apparent that much more needs to be done to provide the 13,000 to 30,000 youngsters who have CF with hope for a brighter and healthier future. Enactment of the resolution I am introducing today will help these young people realize their dream. Therefore, I am requesting that my colleagues join in the fight to wipe out cystic fibrosis by lending their support to this important and necessary resolution.

Mr. President, I ask unanimous consent that the text of my resolution and a fact sheet prepared by the Cystic Fibrosis Foundation which provides some pertinent information concerning the disease and the foundation's activities be printed in the RECORD at this point.

There being no objection, the joint resolution and fact sheet were ordered to be printed in the RECORD, as follows:

S.J. RES. 150

Whereas cystic fibrosis is the number one genetic killer of children in America, and in this country between fifteen hundred and twenty-five hundred children are born with the disease each year;

Whereas public understanding of cystic fibrosis is essential to enhance early detection and treatment of the disease and reduce the misunderstanding and confusion concerning the symptoms of cystic fibrosis; and

Whereas a national awareness of the cystic fibrosis problem will stimulate interest and concern leading to increased research and eventually a cure for cystic fibrosis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 21-27th, 1980, is designated as "National Cystic Fibrosis Week", and the President is authorized and requested to issue a proclamation calling upon Federal, State, and local government agencies and the people of the United States to observe that week with appropriate ceremonies, programs, and activities.

FACT SHEET: CYSTIC FIBROSIS: THE DISEASE AND THE FOUNDATION

For nearly a quarter of a century, the Cystic Fibrosis Foundation has been the leading force in the battle against Cystic Fibrosis (CF). Although significant progress has been made toward improved clinical and psycho-social management of CF patients, this disease, the most common genetic killer of children in America, remains a mystery of science. At present, there are no known means to cure, control or prevent Cystic Fibrosis. Furthermore, there is no workable method of identifying carriers of the CF genetic trait.

Despite these facts, the outlook for those affected by CF has steadily improved. Through the diligent efforts of the handful of parents, friends, and physicians who founded the Cystic Fibrosis Foundation in 1955, as well as the thousands of people who have become involved since that time, CF is beginning to gain attention and support from both government and private sectors. The best measure of their success has been the doubling of the life expectancy of children born with CF during the last decade. Even with this progress, a child born today with CF cannot expect to live much past the age of 20.

WHAT IS CYSTIC FIBROSIS AND WHAT IS ITS IMPACT?

Cystic Fibrosis is a chronic, degenerative genetic disease involving the lungs and the digestive organs, as well as other major organs of the body. It causes intermittent but progressive debilitation and eventual premature death. It is characterized by a severe cough, extreme shortness of breath, malnutrition, growth retardation, and respiratory and heart failure. CF requires daily, time-consuming, expensive treatment involving both physical therapy and a multiplicity of medications. The continued care and the knowledge of early death cause emotional stress and severe financial strain on patient and family members, and drains services and resources of the public and private sectors.

CF is the most common, presently incurable, inherited disorder in the Caucasian population. The disease is genetically transmitted; when both parents carry the gene, each child has a one in four chance of having CF, a two in four chance that he or she will be a symptomless carrier, and a one in four chance to be unaffected. When only one parent carries the gene, none of the children will have CF but each child has a 50–50 chance of being a carrier. According to current population data, approximately 10 million Americans are asymptomatic carriers of the CF trait, and between 175,000 and 200,000 carriers are believed to be born every year.

It is estimated that Cystic Fibrosis occurs once every 1,600–2,500 live Caucasian births. It is also found in non-Caucasian populations, but with less frequency. There are between 1,700 and 2,600 new cases per year in the United States.

Patient information is available from the Cystic Fibrosis Foundation-supported CF Patient Registry which follows patients treated in over 120 CFF-designated medical facilities—about 13,000 patients. The CFF estimates that there are at least that many individuals outside this system who are undiagnosed, misdiagnosed or being treated by a physician who is not presently involved with the CFF Centers network.

WHAT ARE THE COSTS OF CYSTIC FIBROSIS?

The annual cost of care for the person with CF is extremely high. Estimates of cost of care for young adult patients exceed $21,000 per year with some individual expenditures at $50,000 to $100,000 annually in the terminal years. In 1977, the National Heart, Lung and Blood Institute estimated the average annual cost to be $10,500 per patient. It is not surprising that estimates cover a wide range because the severity of the disorder varies from patient to patient, along with the stage of the disease from diagnosis to death. Even in those instances where costs of health care are lower, they still constitute a severe financial burden for the patient and his or her family. Considering that there are from 13,000 to 30,000 patients with CF, it is estimated that, nationally, the medical costs for caring for CF patients ranged between $150 million and $450 million in 1977.

It should be noted that these costs are only direct patient care charges and do not include socioeconomic costs due to early death, unemployment, or underemployment. Even if they survive the disease through childhood, few young adults with CF are able to fulfill their full potential because they are disabled, cannot find employment, or their jobs do not make full use of their abilities. In general, CF patients' salaries are low because they are young or unable to compete, due to health limitations, for the higher paying positions.

WHAT IS THE CYSTIC FIBROSIS FOUNDATION?

The origin of the Cystic Fibrosis Foundation (CFF) can be traced to 1955 with the creation and organization of the National Cystic Fibrosis Research Foundation (NCFRF). Parents and families of CF patients, located in six areas of the country, had already organized locally to publicize the plight of those with the disease, to raise funds usually for the support of local clinics, and to share personal experiences about their afflicted children.

A group comprised of representatives from the six geographic areas met in New York City in 1955 to consider the possibility of forming a national foundation committed to finding a cure or preventive measures for CF. What emerged from that meeting was an organization dedicated primarily to research and education as the charter members realized that embracing care at that time would have limited funds available for the research which all hoped would result in the control of the disease.

Since that time, the Foundation has grown and developed into one of the nation's leading voluntary health organizations. Although its program structure and administration have changed significantly over time, its goals have remained essentially the same. The mission of the CFF is directed toward ultimately achieving a cure or control for CF by means of basic biological research and clinical studies, and for improving care for those with the disease through support of a network of over 120 Centers across the country. The Foundation promotes and supports education programs designed to alleviate the suffering of CF patients, while implementing courses of action concerned with the personal and societal impact of the disease. Although the primary target is Cystic Fibrosis, the Foundation activities embrace a concern for other diseases as they relate to Cystic Fibrosis.

WHAT IS THE STATE OF THE SCIENCE IN CF? WHAT ARE THE HEALTH CARE ACHIEVEMENTS, OPPORTUNITIES AND CONSTRAINTS?

Cystic Fibrosis is presently incurable. It is believed to be caused by an inborn error of metabolism, the basic chemical nature of which is not yet understood. No reliable objective technique has been developed to identify the genetic defect in either parents or siblings. In addition, there is no medical procedure available to detect CF in an unborn child and newborn screening for early diagnosis is plagued by many problems.

Due to improvements in treatment methods and care in recent years, however, the prognosis of patients with CF has changed. An increasing number of children with CF are surviving into their teens and twenties. Data from the Cystic Fibrosis Patient Registry indicate that the median survival time for a child born in 1966 was 11.2 years—a figure which, based on life-table study projections, increased to 19.4 years for an infant born in 1975. (In some Centers, the median survival time has increased to 25 years.) About half of the individuals with CF die between 10 to 20 years of age.

Despite improvements in the management of CF patients during the last two decades, some aspects of the disease have only been defined recently, and in other areas, virtually no new knowledge has surfaced. Not only is there a lack of basic scientific information, but also the environment for CF research is currently limited by a number of resource deficiencies including:

A shortage of trained scientists and investigators committed to the study of Cystic Fibrosis;

The absence of adequate, long-term stable funding, particularly from the government sector;

A lack of materials (i.e. tissue samples, animal models, etc.) essential to the conduct of research; and

The Cystic Fibrosis data base (including patient characteristics and clinical data) is inadequate.

Therefore, significant progress in improving the clinical management of patients with CF is not likely to occur in the future without a major commitment to research. With such a commitment, current research opportunities offer promise for advances in prevention of Cystic Fibrosis, early accurate diagnosis, and prevention and treatment of pulmonary, cardiac, and gastrointestinal complications of Cystic Fibrosis.●

ADDITIONAL COSPONSORS

S. 625

At the request of Mr. WALLOP, the Senator from Florida (Mr. STONE), the Senator from Louisiana (Mr. LONG), and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such Act shall not apply to stone mining operations or to sand and gravel mining operations.

S. 1435

At the request of Mr. NELSON, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 1435, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 1858

At the request of Mr. BAYH, the Senator from Oklahoma (Mr. BOREN), the Senator from South Dakota (Mr. PRESSLER) and the Senator from Alabama (Mr. STEWART) were added as cosponsors of S. 1858, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 1867

At the request of Mr. DURENBERGER, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 1867, a bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business.

S. 1972

At the request of Mr. SCHMITT, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1972, A bill to authorize the Secretary of the Interior to reimburse certain purchasers of subleases from the Sangre de Cristo Development Corporation.

S. 1984

At the request of Mr. WALLOP, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 1984, a bill to amend the Internal Revenue Code of 1954 to provide an unlimited marital estate and gift tax deduction, to modify provisions relating to special valuation of certain farm and other real property, and for other purposes.

S. 2037

At the request of Mr. DURENBERGER, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 2037, a bill to establish a Commission to hear, determine, and pay claims against the United States for money damages for the injuries to individuals who contracted the Guillain-Barre Syndrome after receiving immunizations under the national swine flu immunization program, and for other purposes.

S. 2153

At the request of Mr. SCHWEIKER, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 2153, a bill to amend the Occupational Safety and Health Act of 1970 to concentrate enforcement activities on hazardous workplaces and encourage self-initiative in improving occupational safety and health, and for other purposes.

S. 2195

At the request of Mr. TOWER, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 2195, a bill to require the Secretary of the Interior, in cooperation with the Secretary of Agriculture, to implement certain requirements relating to animal damage control, and for other purposes.

S. 2269

At the request of Mr. ZORINSKY, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2269, a bill to extend the Emergency Agricultural Credit Adjustment Act of 1978.

S. 2306

At the request of Mr. STAFFORD, the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 2306, a bill to amend the Higher Education Act of 1965 to provide for the establishment of international education programs under that act, and for other purposes.

S. 2325

At the request of Mr. HELMS, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2325, a bill to amend the Federal Election Campaign Act with respect to contributions and expenditures by national banks, corporations, and labor organizations.

S. 2360

At the request of Mr. HELMS, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 2360, a bill to reduce overlap between the Food Stamp and School Lunch programs.

SENATE JOINT RESOLUTION 119

At the request of Mr. MATHIAS, the Senator from Vermont (Mr. STAFFORD), the Senator from Illinois (Mr. PERCY), the Senator from Oregon (Mr. PACKWOOD), the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Florida (Mr. STONE), the Senator from Tennessee (Mr. SASSER), and the Senator from New Hampshire (Mr. DURKIN) were added as cosponsors of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to erect a memorial.

SENATE JOINT RESOLUTION 126

At the request of Mr. DECONCINI, the Senator from Georgia (Mr. TALMADGE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from New Mexico (Mr. SCHMITT), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. MCCLURE), the Senator from Iowa (Mr. JEPSEN), and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) were added as cosponsors of Senate Joint Resolution 126, a joint resolution proposing an amendment to the Constitution to promote fiscal responsibility.

SENATE JOINT RESOLUTION 128

At the request of Mr. SCHWEIKER, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of Senate Joint Resolution 128, a joint resolution to authorize and request the President to proclaim the week of October 5 through 11, 1980, as "National Diabetes Week."

SENATE JOINT RESOLUTION 136

At the request of Mr. SASSER, the Senator from Tennessee (Mr. BAKER), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Joint Resolution 136, a joint resolution to designate the month of March 1980 as Gospel Music Month.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. JEPSEN, the Senator from California (Mr. CRANSTON), and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. JEPSEN, the Senator from California (Mr. CRANSTON), and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

SENATE CONCURRENT RESOLUTION 67

At the request of Mr. NELSON, the Senator from Colorado (Mr. HART), and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of Senate Concurrent Resolution 67, a concurrent resolution expressing the sense of the Congress with respect to taxing social security benefits.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1981—S. 2377

AMENDMENT NO. 1679

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. BAUCUS (for himself, Mr. COCHRAN, and Mr. KENNEDY) submitted an amendment intended to be proposed by them, jointly, to S. 2377, a bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of my colleagues and the public that the hearing before the Subcommittee on Parks, Recreation, and Renewable Resources on S. 2123—a bill to designate certain lands in Colorado as wilderness—originally scheduled for March 7 has been postponed until March 13. The hearing will begin at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

A list of those persons who have been invited to testify at this hearing appeared in the CONGRESSIONAL RECORD on Tuesday, February 26.

For further information regarding the hearing, please contact Mr. Thomas Williams at 224–7145.●

COMMITTEE ON THE BUDGET

● Mr. MUSKIE. Mr. President, I wish to announce that the Budget Committee will hold an additional hearing in preparation for the First Concurrent Resolution on the Budget for fiscal year 1981.

On Thursday, March 6, at 10 a.m., in room 6202 of the Dirksen Senate Office Building, the Budget Committee will hear testimony from Senator LLOYD BENTSEN and Congressman CLARENCE BROWN of the Joint Economic Committee regarding that committee's economic report. Federal Reserve Board Chairman Paul Volcker, who was originally scheduled to testify at this time, requested that his testimony be postponed in light of the current review of budget and fiscal policy now underway by Congress and the President.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION AND SUBCOMMITTEE ON RESOURCE PROTECTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Pollution and the Subcommittee on Resource Protection of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today, beginning at 2 p.m., to continue markup of S. 1480, the Environmental Emergency Response Act (hazardous waste).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate today, Wednesday, March 5, 1980, and Thursday, March 6, 1980, in order to hold markup sessions on the geothermal energy bill and the March 15 budget report.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate today, beginning at 2:30 p.m., to hear administration officials on southwest Asia.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MILITARY CONSTRUCTION AND STOCKPILES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Military Construction and Stockpiles Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a joint hearing with the Military Construction Subcommittee of the Committee on Appropriations on the fiscal year 1981 military construction authorization request.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GENERAL PROCUREMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on General Procurement of the Committee on Armed Services be authorized to meet during the session of the Senate today to hold hearings on the fiscal year 1981 Department of Defense authorization request.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT GENERALLY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Taxation and Debt Management Generally Subcommittee of the Committee on Finance be authorized to meet during the session of the Senate today to hold a hearing on miscellaneous tax bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the sessions of the Senate tomorrow to consider USDA budget recommendations; and on Thursday, March 6, to hear USDA testimony on pending legislation to relieve the effects of the grain embargo on American farmers.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today, beginning at 3 p.m., to conduct a rollcall vote on Charles B. Winberry, Jr. for the position of U.S. district judge for the eastern district of North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

OIL-RICH SAUDI ARABIA SEEKS SOLAR ENERGY SYSTEM

Mr. McGOVERN. Mr. President, it was heartening to read in a recent issue of the Saudi Report that Saudi Arabia is actively expanding its production of solar energy for its own domestic use. This indicates a far-sighted attitude by Saudi leaders who recognize that dependence on oil is not healthy even for the world's biggest exporter of oil. I am particularly pleased to see that a number of American corporations are involved in the research, construction and development of the Saudi solar power system. This will have both a beneficial political effect in Saudi Arabia because it shows a constructive American role in the civilian sector and a beneficial impact on the advancement of our own solar technology. Solar power is a critical replacement for foreign oil. It therefore is entirely appropriate that Saudi Arabia and the United States—the world's largest producer and the world's largest importer of oil—should cooperate to hasten the transition to solar power.

Mr. President, I ask to have the article from the Saudi Report printed in the RECORD.

The text of the article follows:

WORLD SOLAR RESEARCH EFFORTS LED BY SOPHISTICATED SAUDI ENERGY PROJECTS

(By John Lawson, Denver; Nigel Harvey, Jeddah)

There is an odd mix of irony and triumph emerging at different points on the landscape of Saudi Arabia. The world's leading exporter, the country with the greatest proven reserves of oil, is quickly becoming the most advanced consumer and producer of solar energy.

A contract was signed last December for the design and construction of the world's largest photovoltaic power system, which will start providing electricity to the villages of Al-Uyaynah and Al-Jubailah outside Riyadh later this year.

Four U.S. companes have been awarded contracts to design solar-powered cooling systems for the Kingdom. As many as 272 contractors recently attended a meeting in Denver, Colo., to discuss proposals for the design and construction of a prototype solar-powered desalination plant.

Preliminary negotiations have begun with three Saudi universities for separate research into solar cooling systems.

These projects—and several others already built or initiated—all come under the sponsorship of the Saudi Arabian-United States Program for Cooperation in Solar Energy (SOLERAS). Each government is putting up $50 million (SR 168.5 million) over a five-year period that started in 1977 to promote solar energy research—and then making that research available to the world's scientific community.

"If solar technology receives as much attention as conventional fuels received years ago, it will reach greater efficiency," said Dr. Bakr Koshaim, Saudi Arabia's director for the SOLERAS program. "The only problem now is economy and efficiency. The techniques are known. But they require more experience to cease being ideas."

Dr. Koshaim, a British-trained mechanical engineer whose specialty is power plants, stresses that "this research is not only for the benefit of Saudi Arabia; it's for the benefit of science."

SOLERAS, which comes under the auspices of the Saudi Arabian-U.S. Joint Commission for Economic Cooperation, intends to provide the experience in solar applications that would move many solar technologies beyond the theoretical stage.

The Solar Energy Research Institute (SERI) of Golden, Colo., is the operating agent for SOLERAS and is responsible for overall technical and financial management. SERI is entirely funded by the U.S. Department of Energy as a private agency which is part of the Mid-West Research Institute of Kansas City. (The Mid-West Institute also is working in Saudi Arabia under a separate Joint Commission program to set up testing laboratories for the Ministry of Commerce consumer protection department, according to Dr. Cecil Thompson, SERI's Riyadh director).

SOLAR VILLAGE DEVELOPMENT

Martin-Marietta, a large U.S. aerospace firm that has become a leader in solar energy technology, won the $16.4 million (SR55.27 million) design and construction contract for the solar villages. By the end of this month, scientists from the firm are due to arrive in the Kingdom for preliminary tests on conditions such as solar intensity and wind strength.

Martin-Marietta will complete installation of a 50-kilowatt system by June 1980, and expand it to a 350-kilowatt system by January 1981. Additional capacity can be added later. The firm will operate the system and provide maintenance through 1983.

POWER FACILITY PLANNED

In a few months, Saudi Arabian Parsons (a joint venture between the Ralph M. Parsons Company of California and the Kingdom's Research and Development Center, or "REDEC") will begin preparing the site for the 350-kilowatt solar power facility. As prime subcontractor, Saudi Arabian Parsons must level the site, dig holes to take the pedestals for the 160 photovoltaic concentrator arrays and design and construct housing for the computer control center, two backup diesel generators and an energy storage system which will use lead-acid batteries.

The photovoltaic arrays track the sun across the sky and use solar cells to directly convert concentrated sunlight to electricity. Each of the arrays contains 272 silicon cells. The cells are 2.25 inches in diameter. Point-focusing Fresnel lenses increase the efficiency of each solar cell by concentrating the sun's energy. This reduces the number of cells needed for each array and results in considerable cost savings.

The greatest danger to the photovoltaic arrays is high winds. The computer control system, however, measures wind speeds and will automatically position the arrays in a stow position for protection when wind speed is higher than a prescribed limit.

SERI is negotiating additional work with Martin-Marietta for the design and construction at the site of a complete meteorological center to include special solar monitors. The center will complement those of the directorate-general of Meteorology, which is installing solar monitors in 17 of its unmanned meteorological stations across the country.

Dr. Koshaim stresses that, while the practical yield will be good, the solar village project is a research rather than a turnkey operation of electrification. At full capacity, the solar power station would be sufficient to supply the needs of only one of the two villages (Al-Jubailah).

Even so, that is enough electricity to supply 100 American residences, and the scientists are confident that this solar project will provide a major opportunity to develop technology and assess its efficiency in practical circumstances. Photovoltaic systems might be enormously useful in powering inaccessible villages in Saudi Arabia, but "much depends on the outcome of the research," according to Dr. Koshaim.

The present generation of solar cells convert 10 to 19 percent of the sunlight's energy into electricity. According to Dr. Ivan Smith, SERI's director of international programs in Denver, the cost of solar electricity has dropped substantially. In 1959, the capital cost of solar cells was $220 (SR741) per watt. This dropped to $22 (SR74) in 1976. Costs today, he says, are as low as $7 (SR23.59) per watt.

SOLAR CELLS COMPETITIVE BY 1985

By 1985, Smith predicts solar cells will be priced at a competitive 50 cents (SR1.69) per watt. "In 1985–86," he says, "you will begin to see photovoltaics installed on the roofs of residential homes."

At face value, the solar village project is costing around $47 (SR158.39) per peak watt, although the calculation is deceptive because it overlooks the vital research component. Still, the project is "very expensive," according to Dr. Fahd Huraibi, the project manager.

Dr. Huraibi estimates the real price of the solar village system at about $15 (SR50.55) per peak watt. This compares with 50 halalas (15 cents) per peak watt for traditional, fuel-dependent generating equipment. Thompson thinks the threshold of competitiveness for solar cells is about $2 (SR6.74) per peak watt.

The efficiency of solar cells can be enhanced by using lenses to magnify sunlight before it reaches the cell. It is one of the reasons Martin-Marietta won the SOLERAS contract.

Martin-Marietta already produces arrays with magnifiers, but during the first design phase of the solar village project, it will continue to experiment and investigate the optimum magnification for Saudi conditions. Dr. Koshaim explained that the company has to avoid the risk of "burn out" or overheating the cells.

The entire power plant for the solar village system will require only two operators.

DUST A BIG PROBLEM

A major problem facing solar scientists in Saudi Arabia is dust. Sunlight is, of course, abundant, but dust and sand particles can damage and even bury solar panels in the course of a single storm. It can form a film over the lens surface, reducing the amount of sunlight reaching the cell. Martin-Marietta will be investigating methods of either removing the dust once there or attempting to prevent it from forming in the first place, Thompson said.

During Martin-Marietta's five-year contract, Saudi students will be continuously involved in the program. Three students have left for Denver to join the firm for seven months during the design and fabrication phases of the concentrator arrays. Another five students will join the team on-site during installation.

FIVE COOLING CONTRACTS AWARDED

SOLERAS has awarded five contracts for the design and construction of cooling systems weighing between eight and 10 tons each. The awards went to the research departments of General Electric, Honeywell, United Technologies and Carrier Corporation, all of the United States.

SOLERAS has budgeted $8 million (SR 26.96 million), according to Dr. Koshaim, for similar research into solar-powered cooling systems at Saudi universities (Riyadh University, King Abdul Aziz University and the University of Petroleum and Minerals).

The university research will be done for the Saudi Arabian National Center for Science and Technology (SANCST), headed by Dr. Rida Obeid. Negotiations are still underway, but the contracts are expected to be awarded shortly. Solar research is already an active pursuit at all three campuses.

Once the university contracts are let, SOLERAS will move into solar-powered desalination. The project's request for proposals went to 272 companies, including 21 in Saudi Arabia. Design specifications call for a solar-powered desalination plant capable of purifying 7,800 cubic yards a day.

Two pilot plants are included in the package—one to treat seawater, the other brackish water—with a capacity between 100 and 400 cubic meters a day.

The contract will be let later this year. Construction is due to begin early next year and be completed by the end of 1982. This will be followed by a year of monitoring under operating conditions. The pilot plants will probably be built in Saudi Arabia, though this has yet to be decided.

The long-term benefits of developing solar energy to the world's largest producer and the world's largest consumer of oil are significant. Solar energy will do much in the future to reduce America's dependence on oil. And as Saudi Arabia's development becomes more diverse and sophisticated, planners are hoping solar-generated electricity will prove to be a valuable export item in the 21st century.

The short-term benefits to both countries are equally important. Photovoltaic power systems could greatly improve the quality of life in Saudi Arabian rural areas—areas not now served by large urban power grids. The solar village project and other SOLERAS projects are already bringing new scientific and engineering technology to Saudi schools and universities.

Since the SOLERAS program is jointly funded, it gives both countries the opportunity to fund and advance solar technologies at half the price.

COMMERCE END-RUNS PRESIDENT'S TRADE EMBARGO AGAINST THE SOVIET UNION

● Mr. GARN. Mr. President, there has been an increasing body of evidence that U.S. "dual-use" technology, sold to the Soviet Union for civilian purposes, is being systematically diverted for use in Soviet conventional and strategic forces. It is now clear, beyond a shadow of a doubt, that much of this problem is a result of certain East-West trade policies carried out by the Commerce Department.

On Christmas Eve, 1979, the dangerous implications of these policies were clearly demonstrated when Soviet motorized divisions, including Kama River trucks, built with U.S. technology and equipment, crossed the borders of Afghanistan. For the first time since the end of World War II, the Soviet Union had directly intervened in the affairs of a sovereign nation outside of Eastern Europe. One need not be an expert in international affairs to recognize the clear and present danger which such adventurism presents to free nations.

Many people ask why the Soviet Union felt it had nothing to lose by such aggression. It appears as though Moscow believes that the West is incapable of effectively responding to blatant Soviet adventurism. It is in this light that the Congress has the responsibility to examine the adequacy of the Carter administration's response to this challenge.

In the wake of the Soviet invasion of Afghanistan, the President put into effect a temporary "moratorium" on the shipment of high technology items, grain and certain types of fertilizers to the Soviet Union. While I fully support these actions, I am concerned about the President's long-term commitment to alter our past policy failures with respect to United States-Soviet trade. As I understand it, the Commerce Department has taken the lead role in the Cabinet-level review of East-West trade that is due to be completed shortly. Recent hearings continue to show that the Commerce Department's primary goal is to promote trade with countries of all political persuasions, with almost complete disregard for U.S. national security considerations.

Mr. President, Lawrence J. Brady, former Deputy Director of the Office of Export Administration, Department of Commerce, was forced to resign from Commerce because he had the guts to buck administration policy and tell the truth to the American people and their elected representatives. In congressional testimony, Mr. Brady made it clear that the U.S. national security export control system was "a shambles." Because of his willingness to come forward on this issue Mr. Brady faced career harassment from his superiors at Commerce. The Special Counsel of the Merit Systems Protection Board determined that there were indeed "reasonable grounds to believe that a prohibitive personnel practice" had been initiated against Mr. Brady, and recommended that the Commerce Department "restore to Mr. Brady his full responsibilities."

On February 20, Mr. Brady testified before the Senate Governmental Affairs Permanent Subcommittee on Investigations. His testimony before that subcommittee provides ample evidence that the Commerce Department is prepared to end-run the President's policy—even to the extent that the President's recent directives are constantly challenged, and efforts are being made to establish so-called hardship cases, as a means of avoiding the trade moratorium. I urge my colleagues to read for themselves the entire transcript of those hearings. I believe you will find the reading most informative and extremely disquieting.

Mr. President, to provide an additional indictment against the Commerce Department's administering of U.S. Export Administration regulations, and to give an indication of the reforms necessary, I wish to bring to the attention of the Senate a recent interview with Mr. Brady, appearing in Human Events, entitled "Carter's Soviet Trade Embargo Is a Gimmick."

Of special interest is an internal administration memo, reproduced here along with the interview. That memo illustrates the zeal of the Commerce Department, as well as the State Department, to recommend approval of high technology exports—knowing full well that they would be diverted for military use. For example, with respect to the Zil plant, which produces the Zil 131 truck "which was the backbone of the Soviet effort in Vietnam, the Zil 151, missile launchers, and in fact, a whole range of Soviet military equipment," the memo states:

> Problem is that a quarter of the 200,000 trucks Zil produces annually goes to the military, including 100 missile launchers. State and Commerce support approval, on grounds that U.S. Government, aware of Zil's military production, has licensed exports to it several times during the 1970s, that 100 missile launchers of a 200,000 vehicle annual production is small, and that the remaining trucks for the military are basically no different from heavy duty civilian trucks. Defense and ERDA support denial on grounds that Zil's military contribution is unacceptably high, and past export approvals should not be dispositive of instant case.

Mr. Brady's testimonies, the report of the Special Counsel Merit Systems Protection Board and this most recent revelation are highly significant, and demand the Senate's attention. Mr. President, I support the actions of Mr. Brady, as a patriotic American, and ask that the Human Events interview be printed in the Record.

The interview follows:

Carter's Soviet Trade Embargo Is a "Gimmick"

(Lawrence J. Brady, 40, has become something of a cause celebre in conservative circles since he blew the whistle last year on the Commerce Department's cover up of the diversion of U.S. technology to the Soviet military. For giving truthful testimony to the Congress on what occurred, government officials harassed him, and he eventually resigned his job on January 21. He received some small comfort in the fact that the Merit Systems Protection Board—established by Congress to protect the rights of government "whistle blowers" such as Brady—found that the Commerce Department had dealt with him unfairly and recommended that he be restored to full duty. But Commerce ignored the request. While earning the enmity of Commerce, Brady has, however, also made a number of friends in Congress, including Senators Gordon Humphrey (R.-N.H.), Henry Jackson (D.-Wash), Sam Nunn (D.-Ga.) and William Cohen (R.-Maine.)

(Mr. Brady has a thorough knowledge of U.S. policy on Red trade. For most of the more than five years he served with the Department of Commerce, he was Deputy Director of the Office of Export Administration. Before going to Commerce, he was on the White House Council for Economic Policy and served with former Senators Norris Cotton and Everett McKinley Dirksen. His educational background includes completed PhD. work in international economics, international law and foreign relations. He is presently the Executive Director of the New Hampshire chapter of the Coalition for Peace Through Strength, which is currently in the process of formation.)

Q. Mr. Brady, until you resigned this January, you were, save for a short period, the Deputy Director of the Office of Export Administration for the Department of Commerce. You served in this capacity for over five years, but were apparently harassed and isolated after asserting that the Soviets were diverting to their military operations trucks from their Kama River plant. And this plant, of course has been built with American technology. Could you elaborate on this a bit?

A. As I've said in testimony before various committees, in early March 1979—when I had been elevated to Acting Director of the Office of Export Administration within Commerce—I received a memo from the Defense Department regarding a classified cable sent from our American Embassy in Moscow to the Department of Defense indicating that Kama River trucks were being used by the military, and that an undetermined number of engines from the plant were actually being installed in a variety of military vehicles, including armored personnel carriers. Much of this equipment, you should know, has been used by the Soviets in Afghanistan.

During the month of May I appeared before the Subcommittee on Research and Development of the House Armed Services Committee, acknowledging reports about the Kama River diversion, showing how Commerce was refusing to do anything about it, and disagreeing at several points with my superior, Deputy Assistant Secretary of Commerce Stanley Marcuss. From that day on, my career within the Commerce Department was finished. Marcuss threatened me with the loss of my job and Andrew Mantatos—Assistant Secretary of Commerce for Congressional Affairs—told me that I must toe the Administration line.

Commerce, I believe, then made a fateful decision. Instead of verifying the reports concerning the Kama River diversion, and then applying sanctions against the plant, as required by the regulations and as I recommended, it decided to prepare what amounted to a legal brief on behalf of the Soviet government, justifying continued U.S. shipment of technology to the Kama River plant. To this very day—even after Afghanistan—the Commerce Department argues that no diversion took place, even though Kama River trucks are now in Kabul, hauling vital miltary supplies that the Soviets need to suppress the Afghan people.

Q. What happened to you, so far as your job was concerned?

A. Well, after my testimony, I was cut off from important materials, then removed as acting director of OEA, then isolated. All policy functions were taken away from me as well. I was, in effect, shunned. During this period of isolation, however, I undertook a thorough investigation at what had been going on at Kama and came across a couple of other instances of diversion, including the ZIL plant, which was probably an even more important violation of U.S. regulations than the Kama case. It is clear that the U.S. government knew, in regard to ZIL, that the Soviets were manufacturing military vehicles, missile launchers, and that over a quarter of the production of the ZIL plant was going to the military. Despite this, however, Commerce continued to approve licenses, which permitted American firms to send high-grade technology to ZIL.

Q. Despite your treatment by Commerce, weren't you eventually supported by the Merit Systems Protection Board?

A. Yes, I was. The Merit Systems Protection Board did a five-month investigation, took affidavits from 19 individuals, and interviewed, I believe, 39 or 40 people. It concluded reprisals had been taken against me for what I had testified before the Congress, that they were unfair reprisals, that the Civil Service Act had been violated and recommended I be restored to my duties. The Board's Special Counsel, H. Patrick Swygert, said, in fact, "I have determined that there are reasonable grounds to believe that a prohibited personnel practice that requires corrective action has occurred" and he recommended that the Department "restore to Mr. Brady his full duties and responsibilities."

The Commerce Department refused to accept the Merit Board's recommendations, however. It fought them tooth and nail. And without the support of the President or the White House staff, I couldn't get my job back. So I resigned, and am now working for the American Security Council's Coalition for Peace Through Strength in New Hampshire.

Q. In other words, you're saying that even with the Soviet invasion of Afghanistan in December—and after a supposed change in policy—the Commerce Department did not want you to return to your old duties, even though you had championed tight restrictions on U.S. technology sales to the Soviets?

A. Yes, that's correct. Department officials wanted me out of the office. It's clear they did not want me as part of the operation reviewing Kama River documents, ZIL documents. They didn't want me to have access to the files so that I could look and see what had transpired, what Commerce was doing, what kind of intelligence we had when it made its decisions. This was the kind of information I was questioning. The Department of Commerce views its mission as one of promoting trade, and it did not want me as a roadblock in that overall objective.

Q. Aren't you saying, in a sense, even after President Carter clamped a freeze on high-grade technology, that the Administration—or at least the Commerce Department—isn't serious about stopping trade with the Soviets, that this isn't going to be a long-lasting policy? Your having been demoted—and even having been frozen out of policy decisions regarding Red trade—bolsters the belief of many that the freeze is for only a short term.

A. There is absolutely no question in my mind that the embargo—which the President announced on January 4—is a gimmick. Now whether the President knows it's a gimmick can be debated. Maybe his advisers haven't told him what's going on. But the embargo applies to 6 to 7 percent of what we export to the Soviet Union. Ninety-three per cent of what we export to the Soviets in terms of manufactured goods is not embargoed at the moment. I don't think the American people recognize that. I think they were led to believe a different thing when he addressed the country. He indicated that this measure was going to affect the economic base of the Soviet Union. He wanted to hurt them. I don't know how we can hurt the Soviet Union if we only deal with 6 per cent of what we export to them.

Q. How important is the Kama River plant to the Soviet Union?

A. In the early 1970s, the United States approved the sale of high-grade technology to help the Soviets build the Soviet Kama River plant. The plant—which consists of more than a half-billion dollars in American technology—was designed and engineered by U.S. firms and operated by a computer brain built and installed by IBM. It will, in fact, when completed, become the largest truck foundry in the world—twice as large as the Ford Motor Co. foundry in Flat Rock, Mich., for example.

There were signed certifications by the Soviets and American firms—still, unfortunately, classified—that these trucks were going to be used for civilian purposes. The memorandum that went to President Nixon through Henry Kissinger said that the Soviets have assured us that these trucks are going to be used for agricultural and industrial purposes.

In 1975, after a West European government raised questions about possible diversion to military use, we assured our NATO allies that, because of the very high civilian needs of the Soviets, there was little likelihood of diversion of the trucks. So it is clear that we accepted on good faith the Soviet Union's assurances that these trucks were going to be used for civilian purposes.

Notwithstanding that, what has happened now is that that truck plant has as its priority customer the Soviet military. This was confirmed in sworn testimony by Under Secretary of Defense Dr. William Perry. From what he has said, the bulk of the production is going to the Soviet military. And trucks from the Kama River plant have been used extensively in the Afghanistan invasion.

Q. But are we still permitting the sale of U.S. technology for the Kama River plant, even though we now know of its importance to the Soviet military?

A. That's absolutely right. Notwithstanding the President's embargo, notwithstanding what we know about Kama River—namely, that the Soviet military is its priority customer—Commerce Department officials testified under oath on February 20 before Sen. Henry Jackson's subcommittee on investigations that an American company, Ingersoll Rand, is manufacturing to export to the Soviet Kama River plant an assembly line operation for a whole new line of diesel engines. Commerce admitted this had not been embargoed, and it will be going to the Soviets sometime between March and July.

Q. Is there any evidence that the kind of equipment we're sending the Soviet Kama River plant is being used in the production of something other than trucks?

A. The Defense Intelligence Agency has testified on a number of occasions about the continuing reports of Kama River engines going into tanks, armored personnel carriers and so forth. It's questionable what this new assembly line operation is going to be used for. It's also known that the Kama foundry has cast 300 V–12 engines, the very kind of engine that is primarily used in the production of tanks.

Q. Previously, you touched upon the critical importance of the ZIL plant to the Soviets, and have contended that the violations here are even more critical. Could you elaborate a bit?

A. The ZIL truck plant is, at the moment, larger than Kama. It consists of 14 or 15 divisions or branches spread throughout the Soviet Union. The central branch is in Moscow. It has a laboratory apparatus that functions as the research and test development center for the entire Soviet automobile industry, and the term "automobile" signifies all kinds of vehicles, including tanks.

We have exported in the last decade extensive amounts of high-grade machinery—such as computers, gear-grinding equipment, machine tools—to the ZIL truck factory. This factory produces the ZIL 131 truck which was the backbone of the Soviet effort in Vietnam. It produces the ZIL 151, missile launchers, and, in fact, a whole range of Soviet military equipment.

As a matter of fact, the Defense Department on January 11 recommended to the Commerce Department that further licenses for ZIL be revoked. They have not been revoked. They have been suspended. In my view, the reluctance of Commerce to revoke the licenses means it wants to fight Defense on it.

I discovered fairly recently, in trying to find out what had been covered up by Commerce, a 1977 memorandum which indicated that Commerce and the State Department continued to recommend approval, notwithstanding the fact that 100 missile launchers were being manufactured at the ZIL truck plant and that a quarter of its production was going to the Soviet military.

In fact, the February 3 memo—which you published in Human Events—precisely stated: "Problem is that a quarter of the 200,000 trucks ZIL produces annually goes to the military, including 100 missile launchers. State and Commerce support approval on grounds that U.S. government, aware of ZIL's military production, has licensed exports to it several times during the 1970s, that 100 missile launchers out of a 200,000 vehicle annual production is small, and that the remaining trucks for the military are basically no different from heavy duty civilian trucks."

Q. You mean that even though we have known about what ZIL has been doing since at least early 1977, we still haven't permanently blocked American equipment from going to it?

A. Basically, that's right. The only reaction from Commerce has come—not from reports of diversion and confirmed diversion, for Commerce denies diversion—but from the Soviet invasion of Afghanistan, and even that has been very little. If it had not been for Afghanistan, it would be completely business as usual, with Kama and with ZIL. Even with Afghanistan, we are still allowing the shipping of an assembly line operation for Kama and we still have not cancelled licenses for ZIL, though the ZIL licenses have been temporarily suspended. In fact, there have been only two licenses of the hundreds that must be pending that have been revoked, so far as I am aware.

The assembly line operation for Kama, according to the Commerce Department, is "low level" technology, and therefore doesn't require a license. It should be pointed out, however, that the Kama River plant is primarily engaged in military work, that the Soviet armed forces are a priority customer, and we are now going to export a second assembly line operation to that plant. It obviously raises some really serious questions about the export control system, a system that cannot prevent the export of equipment that will probably double the output of a truck plant engaged in military work.

Q. Joseph Lucciola, the deputy director of the Compliance Division for the Commerce Department's Office of Export Administration, recently told Sen. Harry Byrd's (Ind.-Va.) committee that "there was no diversion" of trucks to Afghanistan from Kama because the trucks were "civilian" trucks.

A. That is a question of interpretation of the regulations. In my view, and I believe in the view of Sen. Jackson and Sen. Nunn and a lot of the Congress, that's an absurd interpretation of the law and those regulations.

Q. But that interpretation is still in effect, so far as you know?

A. It's still in effect because the Department of Commerce this morning [February 20,] before Sen. Jackson's subcommittee, confirmed that it had actually given the okay to Ingersoll Rand to ship the assembly line operation for the manufacturing of diesel engines, notwithstanding everything that is known about Kama River and the use of the trucks in Afghanistan and Eastern Europe.

Now let's ask the question as to why these trucks, these peaceful, "civilian" trucks, as Commerce has said, are so important? They are so important because what we have done for the Soviet Union is to give them mobility and flexibility for their conventional military forces. We have upgraded that capability over a 10-year period, a capability they didn't have. And again I use the example of Czechoslovakia, when they invaded the country in 1968, they had to use buses off the streets of Moscow to get their troops down into Czechoslovakia. I submit that when they invaded Afghanistan there weren't any buses involved; you can see from the pictures in the New York Times, line upon line of trucks outside the capital of Afghanistan.

Q. The Administration is apparently going to come out with some new guidelines on what should or should not be traded to the Soviets, but many people believe the new guidelines will be inadequate because they won't deal with trade with Eastern Europe.

A. It depends a little on which Administration official is talking. Some have said that Eastern Europe will be affected by the review, that our controls may be changed; others have said they will not. Obviously, if controls are not imposed on Eastern Europe, this will permit that region to become a sieve for the Soviets. As the Defense Department has testified, the Soviets, in a very structured way, acquire special technologies throughout Eastern Europe.

Q. One of the key arguments on this whole Red trade issue is that if we don't supply the equipment to the Soviets, our allies will furnish them something comparable. What is your response to that?

A. That is not necessarily true. Very often, comparability does not exist. There may be a machine tool that has some capability, but not necessarily the same quality. I go back to the Bryant grinding machines which we exported to the Soviet Union in the early 1970s. Now it has been confirmed that these machines proved extremely helpful to the Soviet Union in their MIRVing capabilities; that is, in their efforts to put multiple warheads on those mammoth SS–18 missiles. The Soviets had tried to get those grinders in the early 1960s. The export control system, even then, had approved the sale of those machines. But it was a group of senators who personally paid a visit to President Kennedy and pointed up to him how absolutely essential these were to the Soviet military capability that stopped the sale.

The President personally denied that license; however, 11 years later, the Soviets are back, and this time those grinding machines are exported. On what basis? The foreign availability basis. Presumably there were Swiss machines that were comparable. But how was that foreign availability assessed?

It was assessed by two individuals making a 24-hour round trip to judge that comparability. The question of whether the spoilage rate on the machines was assessed appears not to have been addressed, however; namely, how long would it take those grinders to wear out.

Furthermore, we've had information from a defector who had worked with these machines who said the Soviets had literally waited 11 years for them. If this is true—and I think it is, because they asked for them in the '60s and were still coming back in the '70s—then clearly similar machines had not been available, or the Soviets would have bought them from somewhere else.

Now in addition to that, there's a study that was done for the Defense Department in 1979, the so-called Berenson study, which questions the whole basis upon which the availability assessments are made. It makes the point, for instance, that the technical staff to do these assessments does not even exist.

Q. Okay. Well, what about the argument that our NATO allies and Japan, through the COCOM machinery, have been leading the battle to water down the common list of goods that are either embargoed or have tough license requirements?

A. That's not true. The facts don't bear that out. When it comes to the exceptions to the COCOM or NATO list, the United States have been granted 65 per cent of them, which means, of course, that all the other allies combined received only 35 per cent.●

THE WINDFALL PROFIT TAX BILL

● Mr. COCHRAN. Mr. President, the conferees have completed action on the windfall profit tax bill, and we will be taking it up soon on the floor of the Senate. I have been concerned about this bill from the beginning. My primary worry has been that this tax will impede domestic energy production and escalate prices to consumers at a time when we are already struggling with high prices and short supplies.

In the conference bill, out of $227 billion in revenues, less than $7 billion are specifically targeted to energy production. This is less than 3 percent. When President Carter sent this measure to the Congress, he pledged that the revenues would go to insure America's energy security. Instead, we see that very little will be allocated to expansion of energy supplies.

All of us should be concerned. Last Thursday, February 28, the Commerce Department released trade figures showing oil imports in January of $6.48 billion. The overall trade deficit was $4.76 billion, the highest in 2 years, and up $692 million over December. The inflationary effects of such a deficit and the precarious position in which our foreign oil dependence places us cannot be underestimated.

Our response should be to maximize domestic energy production. But that is not our response. Our response is politics-as-usual.

David Hale authorized a piece in the Wall Street Journal on February 13 proposing a windfall tax on the exorbitant profits being earned by firewood dealers. Sometimes it is either laughter or tears.

I urge my colleagues to read the following proposal and help defeat this crazy tax bill when it comes to the floor.

The article follows:

TAX THE WINDFALL PROFITS ON FIREWOOD!

(By David Hale)

There is an urgent need for the federal government to impose price controls and a windfall profits tax on New England firewood

Congress has done its best to protect the northeastern states from greedy oil and gas companies, but so far it has ignored the economic injustices being inflicted upon the region by the profit hungry woodlot barons of northern New England.

The price of firewood has practically tripled since 1973. The cord of Vermont wood which once fetched $30 now sells for $80–$90 locally and almost twice as much in Manhattan. The forest lords of New England are making obscene profits at the expense of both fireplace lovers in the big cities and their own village neighbors.

One-half of all homes in Vermont, New Hampshire, and Maine now have wood burning stoves or furnaces, but only a small number of homeowners have their own private woodlots. Most are totally at the mercy of local lumber men who charge whatever the market will bear for firewood. In some cases they also insist upon bargaining only in French.

Despite their courageous attacks on the oil industry, northern New England Congressmen have refused to speak out against the firewood price gouging. The political and financial power of the woodlot barons is so great that they have intimidated local politicians into complete silence. In fact, a few Congressmen have become nothing more than mouthpieces for the firewood lobby. But as the price of firewood today testifies, there is a strong argument for federal intervention in the industry as soon as the New Hampshire primary is out of the way.

First, Congress needs to establish a Department of Renewable Resources to regulate the growing, harvesting and marketing of firewood in New England and other regions where it is now commonly used. The present Department of Energy has only about 20,000 employes and is too busy regulating the oil industry to be saddled with responsibility for managing firewood supplies. It will take at least five hundred federal foresters to police the woods of Vermont and New Hampshire, alone, plus a support staff of several thousand lawyers, accountants and public relations experts to interpret and administer the government's new firewood laws on a nationwide basis.

Secondly, Congress needs to draft a price control code for firewood. It could use several different formulas to determine firewood prices, but federal oil legislation probably provides the best model for how to proceed. The price of firewood should be a function of a tree's age.

Firewood from trees which started growing before 1973 should be priced at the lowest possible level in order to prevent New England woodlot barons from taking advantage of the 12-fold increase in oil prices since that time. Most New Englanders with old trees did not foresee the current scarcity of energy, so they should not be allowed to charge a high price for their wood today. A maximum retail price of $35 per cord plus some modest inflation adjustments would be perfectly reasonable.

Firewood from trees planted after 1973 should be priced according to a sliding scale. The younger the tree, the higher the allowed price for its firewood. There should be no price controls at all on trees planted after 1980 in order to encourage woodlot owners to plant new ones.

Because of transportation problems, the federal government also will have to develop a flexible pricing code for wood from remote locations. The new Department of Renewable Resources should create geographic subclassifications such as mountain wood, ledge wood, swamp wood or wood stunted by acid rain.

The federal government permits the petroleum industry to charge a high price for Alaskan oil. Congress might officially designate Maine's Indian reservations as new Alaskans for purposes of firewood price control.

Whatever the exact particulars of the new price control code, though, Congress should not spend more than one session writing it. Federal auditors will want to begin marking New England trees with spray paint for price control compliance by this summer.

History shows that price controls usually create shortages, so Congress will want to back up the price controls program with severe penalties for violators. The government should punish first time offenders by making them keep a federal auditor on their payroll, imprison second time offenders, and burn down the trees of third time offenders.

The best way to punish greedy forest owners and people willing to pay firewood prices above officially proscribed levels is by reducing the amount of wood available to everyone. As many forward-thinking Massachusetts politicians have noted in past debates about federal oil policy, the smaller the supply of wood or any other form of energy in the nation, the easier it will be for the government to regulate it.

If this policy causes wood shortages to become a serious political problem in New England—say people freeze to death—the federal government can import wood from Quebec and finance it with a windfall profits tax on firewood from trees planted after 1980.

Like the proposed windfall tax on oil, this levy should not actually be a tax on firewood profits. It should be an excise tax on firewood sales. Such a tax will guarantee the government some revenues even if inflationary cost pressures and federal price controls put most woodlot harvesting operations out of business.

The United States government can't prevent Arabs and French Canadians from taking advantage of the fact that energy is now a scarce commodity, but we certainly don't want any New Englanders who are not on the federal payroll to look for solutions to the problem. Such efforts might lead to private profiteering, arouse strong public resentment, and reduce the ability of our political leaders to control energy supplies.

The energy policies which are good enough for the nation's oil industry are more than generous enough for New England's firewood barons.●

FUEL ECONOMY

● Mr. NELSON. Mr. President, on March 6, the Committee on Commerce, Science, and Transportation, will begin on a legislative package dealing with issues of fuel economy. Included within that package is an amendment which I introduced originally as S. 2035.

Under current law an automobile manufacturer may include in its fuel economy calculations cars made, in part, in a foreign country as long as 75 percent of the automobile's content is domestic. My amendment provides a limited modification of the 75-percent content figure to enable up to 150,000 nondomestic automobiles to be included in the calculations if the construction of those vehicles meets a 50-percent domestic content level in the first year and achieves a 75-percent domestic content at the end of a 3-year period.

Any automobile manufacturer may qualify under this provision if their intent is to manufacture 75 percent of each vehicle in the United States at the end of the 3-year period.

This provision is very important to American Motors Corp. (AMC), a major force for the economy and employment of Wisconsin. AMC has an agreement with Renault of France to begin production of the fuel-efficient Renault in Kenosha, Wis. in 1983. In that first year, 50 percent of every vehicle will be of domestic origin. That figure increases to 60 percent in 1984 and 75 percent in 1985.

If the current law is not modified, AMC could be fined $40 million for missing the 75-percent content level even though they comply with the spirit of the law in 1983 and will meet the letter of the law by 1985. While my amendment would assist AMC by permitting them to include the fuel-efficient Renault in their fuel economy calculations, it would do so without harm to any segment of our economy. My amendment does not seek a Federal subsidy or loan guarantee. It does not change existing laws on air quality or fuel economy. And it does not open the American market to foreign imports.

This amendment will preserve and expand jobs, insure the infusion of foreign capital from Renault, improve the balance of payments, and work to reduce our dependence on foreign oil. This provision represents a combination of benefits for which the American people will not have to pay a penny. There will be no financial costs and no Federal revenue tax losses. In short, this provision and the committee bill of which it is a part are worthy of support.

The New York Times supported this amendment in a compelling editorial on December 11, 1979. The Milwaukee Journal also supported this provision in their editorial on November 28, 1979. I ask that both of these editorials be inserted in the RECORD.

The editorials follow:

[From the New York Times, Dec. 11, 1979]

A Way to Produce Small Cars Faster

There are good ways and bad ways to bend the rules for automakers. Chrysler, for instance needs money desperately. One bad way to help would be for Washington to guarantee it billions of dollars with few strings attached. American Motors, on the other hand, needs a waiver of the rule that counts only those cars produced largely in the United States in calculating the average mileage per gallon for an auto maker's fleet. The company would like to include in its average a new, small, Renault-designed car that will be assembled in the United States from parts that for a short time will be imported mostly from France. We think the Government would be wise to give the waiver. It will provide more high-mileage cars in 1982 and 1983, and more jobs in American assembly plants.

Present law requires that at least 75 percent of a car, measured by the value of its parts, be made in the United States before it can figure in a company's average mileage. This rule was meant to insure that multinational manufacturers like Ford and General Motors would build small cars here rather than selling more cars that they produce abroad.

But since the legislation was passed, the danger has almost disappeared. The United States is now a relatively cheap place to build cars, with wages and production costs below those of northern Europe. Volkswagen is already producing here, the Japanese are studying the possibilities, and Ford and G.M. are rushing to build their own domestic small cars. American Motors wants to get into the act quickly.

The company does not want to evade the 75 percent rule for long. It plans to reach that level of American-made parts by 1984. Considering the cost of French parts, it would probably be delighted to reach the goal sooner. But it cannot get French-designed parts built that fast in the United States.

American Motors found a creative answer to the urgent problem of building small cars when it teamed up with Renault. If the cars that result are included in the company's average mileage figures, American Motors will meet the standard of 24 miles to the gallon in 1982 and the 26-mile standard in 1983. Washington should be equally creative in releasing the company from the 75 percent rule for a few years.

Helping AMC Survive the Count

American Motors is asking Congress for a break so that the automaker can comply with the main intent of the federal law that sets auto fuel-efficiency standards. We believe that AMC deserves relief.

In general, the fuel standards law is reasonable. It exists for an increasingly important cause—energy conservation. However, a provision of the law could have a perverse effect on AMHC. The company could be heavily fined for its very attempt to meet the fuel-economy requirements!

Why is AMC in trouble? As the smallest of the four major domestic auto producers, it always has had to scramble to keep its head above water financially. Thus, in order to produce the small, fuel-efficient autos that both the law and the marketplace are demanding, AMC has turned to partnership with Renault, the big French auto firm. AMC's problems with the fuel-efficiency standards stem from this AMC-Renault combination.

AMC soon will be assembling little Renaults at its Kenosha plant. These cars will meet the ever-tightening fuel-efficiency standards mandated by Congress. But there is a catch. The current law says that AMC can't count those Renaults in calculating its fleetwide fuel-economy average. Unless it is allowed to do so, it will face fines beginning in 1982 estimated at between $19 million and $38 million a year.

Why can't AMC count those Renaults? The reason has to do with protecting jobs in the US auto industry, not with promoting fuel-efficient autos. In writing the law, Congress wanted to force domestic auto companies to manufacture fuel-efficient cars in the US—thus saving jobs here. So Congress decreed that imports could not be counted in the fleetwide fuel-efficiency averages unless the imports were at least 75% American-made. That arbitrarily established percentage is AMC's hangup.

AMC says that even though the Renaults will be assembled in Kenosha, the US content will not reach 75% until at least 1985. The irony is that the Renault asesmbly process actually will create jobs in Kenosha and the rest of Wisconsin.

In contrast, the imposition of federal fines would weaken AMC financially and threaten domestic jobs. Moreover, the auto firm worries, with justification, that the ensuing image of fuel-inefficiency—even though false—would further erode the company's car sales and competitive position.

The automaker's answer is for Congress temporarily to allow AMC to count up to 150.000 of its Renaults annually in its fleetwide average until the 75% content level can be reached. The company accurately claims that little or no degradation in fuel economy would occur since the Renaults are efficient and AMC's other models would be competitive in fuel economy with their GM, Ford and Chrysler counterparts.

Admittedly, the present law already has considerable elasticity, which might allow American Motors to get through the regulatory squeeze. The law, for one thing, allows a company to "bank" any efficiency savings garnered from exceeding the fuel standard. These savings can be applied one year forward or backward, thus helping a company comply in the future or wipe out a past transgression.

One year's savings would not particularly help AMC, but there is a strong chance that Congress will extend the carry-forward, carry-backward provision to three years. The odds are about even that AMC would conform to the fuel-efficiency standard if it could use the three-year provision. At the least, Congress should approve that modification.

AMC also has a second option. The law allows penalties for noncompliance to be reduced or waived if they threaten to wipe out a company or lessen competition in the industry. AMC can make a strong case that its presence is vital to keep an already heavily concentrated auto industry competitive. However, it would first have to be stigmatized as noncompliant, which would be unfairly seen in the public marketplace as evidence of fuel inefficiency, not technical entanglement.

We're inclined to believe the surest and fairest form of relief is a bill sponsored by Sen. Nelson (D-Wis.). It would allow AMC to count Renaults in its fleetwide average if, upon annual analysis, the US secretary of transportation first determined that AMC could not otherwise meet existing requirements.

Invariably AMC's request will be compared to Chrysler's questionable appeal for US help. There is little comparison. Chrysler is asking for a billion dollar bailout. American motors is not requesting a cent. Furthermore, AMC is not asking for a lessening of the fuel-efficiency standard. The Renault it wants to assemble—and count—will meet the test.●

CREDIT CONTROLS

● Mr. TOWER. Mr. President, I am concerned that the Carter administration will go for the "quick-fix" by imposing credit controls to cover up its gross mismanagement of the economy. I make this observation especially in view of current administration rhetoric to the contrary.

This administration's fits of fiscal irresponsibility have already brought us to the edge of economic catastrophe.

We are saddled with the worst inflation record in more than 30 years. Some are predicting that inflation will go as high as 20 percent in 1980. And the prime lending rate, which reached 16¾ percent on Friday, may soon top 18 percent.

Last year our productivity declined by 2 percent. Contrast this with the other major industrial countries where the growth rate has either increased or not fallen as quickly as ours.

The problem of inflation is a critical one, but controls—whether they be on wages, prices or credit—are not very useful. In dealing with credit controls, we merely redistribute the flow of credit from one sector of the economy to another. The rate of inflation cannot be reduced unless government spending is reduced and the Nation's productivity increased.

Credit controls merely treat the symptoms rather than the causes of inflation. And, credit controls distort economic activity and direct the activity away from the best uses. Credit allocation is best left to the marketplace.

Our financial markets are simply too complex to be controlled by Government fiat. If selective controls are placed on one sector, such as consumer installment lending or credit cards, the home owner can enlarge his mortgage and spend his money on consumer purchases. Or, if controls are put on bank loans to businesses, corporations can go to the bond or commercial-paper markets for financing of business expansion. Additional controls are then imposed to plug these loopholes. Thus, selective controls invite comprehensive controls.

Credit controls are unfair to those sectors of the economy operating under those controls, and could lead to a loss of employment and production in those areas.

An order imposing controls would be tantamount to an admission of failure to address the basic causes of inflation—excessive government spending, too rapid a growth in the money supply and burdensome government regulation.

Mr. President, the basic authority for the imposition of credit controls by the President is contained in the Credit Control Act of 1969. This is a dangerous law to have on the books when quick and easy solutions are being sought to control inflation. In February of last year I introduced legislation (S. 389) to require that the President obtain prior congressional approval before exercising that authority. I also sponsored the Helms bill to repeal the law outright.

When the Senate Banking Committee held hearings on those proposals in

May of 1979, I warned that the mere existence of standby credit control authority could cause interest rates to be higher than they would be otherwise in anticipation that controls might be imposed in the future. Unfortunately, that committee and the Congress failed to heed my warnings. That prediction has now become a reality. It has now become imperative that this body take prompt steps to repeal the credit control act or in the interim modify it to require prior congressional approval. Failure to do so may well soon result in the politically expedient, and ultimately disastrous, decision by the President to excise the authority given him in this ill-conceived act.

ISRAELI LEADER YIGAEL ALLON DIES

● Mr. McGOVERN. Mr. President, I was saddened to learn of the death of Yigael Allon, a former foreign minister of Israel under the Labor Party government.

I visited Mr. Allon in 1975 and spent a memorable day with him at his kibbutz near Nazareth. He had many admirers, and I count myself among them.

Mr. President, I ask that an article about Yigael Allon that appeared in the Washington Post of March 1, 1980, be printed in the RECORD.

The article follows:

[From the Washington Post, Mar. 1, 1980]

ISRAELI LEADER YIGAEL ALLON DIES

(By William Claiborne)

JERUSALEM.—Yigael Allon, Israel's foreign minister under the Labor Party government and advocate of a strategy of exchanging territory on the occupied West Bank of the Jordan River for peace with Jordan, died today of a heart attack. He was 61.

Mr. Allon, one of the dwindling number of larger-than-life heroes of the Jewish struggle for independence in Palestine in 1948, died in a hospital in Alfula, where he was taken just two hours after escorting Egyptian Defense Minister Kamel Hassan Ali to Kibbutz Ginossar, his family home in Galilee. Ali was the first Egyptian leader to visit an Israeli kibbutz.

Although he suffered a serious heart attack five years ago, Mr. Allon's sudden death shocked Israelis of all political affiliations. He had been seen as a likely contender for the Labor Party leadership and, had he been successful, as the party's subsequent choice for premier in next year's elections.

Throughout his long and versatile political career, Mr. Allon seemed always to finish second best in crucial political tests, often behind his perpetual rival, Moshe Dayan, and more recently behind Labor Party chairman Shimon Peres.

Just last month Mr. Allon, a member of the Israeli parliament, announced he would challenge Peres as party chairman, but Peres won the endorsement of his party's leadership group by a 2-to-1 margin. Mr. Allon had planned to launch another challenge in the party's June convention.

During the long reign of Labor Party rule in Israel, Mr. Allon held a variety of government posts, including deputy prime minister, foreign minister, labor minister, absorption minister and education minister.

At times he was controversial, not only because of his advocacy of the famous "Allon plan" in 1967 under which heavily populated Arab areas of the West Bank would be returned to Jordan in exchange for a narrow security strip along the Jordan River but for other peace proposals that we considered "dovish" at the time.

In 1973, he triggered a controversy by suggesting that Israel should grant Jordan some sort of extraterritorial status in the Moslem quarter of Jerusalem's Old City.

Born in 1918 near Mt. Tabor, the son of Reuven Paicovitch, who was one of the pioneers of Jewish settlement in the lower Galilee, Mr. Allon attended agriculture school and Hebrew University before helping found the Palmach, the striking force of the Hasana Jewish defense force.

Mr. Allon helped defend Jewish kibbutzim during the Arab revolt of 1936–39, which was one of the most severe tests of the Jewish immigrant community's will to prevail in a hostile Palestine. During that period, the Hasana decided it would be better to develop an offensive capability against the Arabs, and the Palmach was started.

Under the tutelage of the legendary Jewish fighter, Yitzhak Sadeh, and, later, the maverick British adviser, Orde Wingate, Mr. Allon rose in five years from private to a general and commander of the Palmach.

Before the 1948 war for Israeli independence, he sent his Palmach aides to displaced persons camps in Europe and Cyprus to teach young Jewish internees to fight and then smuggle them into Palestine in defiance of the ban imposed by British mandate authorities.

During the war, Mr. Allon fought on practically all the fronts, first in the Galilee, then in the central plains and finally as commander of the southern command. He directed the campaign that led to the capture of the entire Negev desert and part of the northern Sinai.

However, Premier David Ben-Gurion, under American pressure, refused to let Mr. Allon move farther south. Allon objected to the constraints, feeling his forces could have broken the Egyptian Army and compelled Cairo to sue for peace.

Later, while on a visit to France, Allon was relieved of the southern command and replaced by Dayan, which intensified the rivalry that had developed when both men were Palmach company commanders.

Mr. Allon was also abroad on the eve of the 1967 Irab-Israeli war. His political allies were late in alerting him to return to assume the post of defense minister. That position went instead to Dayan and Allon missed an opportunity that might have led him to the premiership.

Part of Mr. Allon's political setbacks stemmed from his ties to the leftist Ahdut Ha Avodah wing of the Labor Party and the deep divisions between it and more moderate factions.

Yet Mr. Allon proved himself a thoughtful and cautious political figure. The Israel authors, Yural Elizur and Eliah Salpeter wrote in their 1972 book, "Who Rules Israel" that "Allon does not like extreme decisions. He prefers agreed solutions, even if they involve compromise. By nature, he is a man of collective decisions.

In 1968, prime minister Levi Eshkol named Allon deputy prime minister. Following Eshkol's death in 1969, Mr. Allon served briefly as acting premier until the appointment of Golda Meir. He was named foreign minister in 1974.●

LEADERSHIP CONFERENCE ON CIVIL RIGHTS

● Mr. JAVITS. Mr. President, late last month in Washington, the Leadership Conference on Civil Rights celebrated its 30th anniversary.

This unique organization—a coalition of 150 national organizations representing major civil rights, labor, and religious groups, minorities, women, and the handicapped—took the occasion to assess its history and to develop a program for the 1980's.

As many Members of the Congress know, the conference's history is full of accomplishment. It has coordinated the activities of its members in support of every major Federal civil rights law of the past three decades as well as many other pieces of social legislation.

During the conference's 2-day annual meeting, a number of significant papers were presented. At its Hubert H. Humphrey awards banquet on January 17, our former colleague, Senator Muriel Humphrey, presented plaques in honor of her husband to Charles Mitchell, chairman of the Leadership Conference, and to Lane Kirkland, president of the AFL–CIO, who accepted on behalf of the late George Meany.

Mr. President, I ask to have printed in the RECORD at the conclusion of my remarks the following three documents from the conference's 30th annual meeting:

First, a report to the delegates by Clarence Mitchell;

Two, the keynote address, "A Civil Rights Agenda for the 80's" by David S. Tatel, former Director of the Office of Civil Rights of the Department of Health, Education, and Welfare; and

Third, the remarks of Lane Kirkland, as he accepted the Hubert H. Humphrey Award in memory of his predecessor, George Meany.

I want to extend my congratulations to the Leadership Conference and wish it success in continuing the fight for civil rights in the 1980's. As Mr. Tatel points out in his keynote address, much has been accomplished on the civil rights front over the last three decades, but much more still needs to be done. Many minority children in the North and West are in fact attending segregated schools, private academies in the South continue to raise racial segregation problems, while minority college enrollment in graduate and professional schools is declining. Minorities are often excluded from upper level jobs, and their earnings are lower and unemployment higher than whites. Many homes and neighborhoods are unavailable to minorities, and minority health and life expectancy continue to lag behind those of whites.

I encourage the Leadership Conference to carry on its struggle for the protection of civil rights, and I want to restate my own continuing commitment to this great cause.

The three documents follow:

CIVIL RIGHTS IN PERSPECTIVE

Today, as we meet on the thirtieth anniversary of the Leadership Conference On Civil Rights, we see much evidence that our labors have borne fruit. To appreciate the dramatic changes that have taken place, one need look no further than to the appointment of minorities and women to the federal judiciary—including the appointment of Blacks in states of the deep South. Or to the election of seventeen Blacks to the Mississippi legislature including that courageous fighter for civil rights, Aaron Henry.

In 1950 when A. Philip Randolph, Roy Wilkins, Arnold Aronson, and other civil rights leaders brought the Leadership Conference into being, many of the commonplace experiences of today were believed to be impossible dreams. Segregation here in the Nation's capital, denial of the right to vote, government tolerance and promotion of segregation in the sale and rental of housing and burial of civil rights bills in Congress were typical of those times.

When four thousand people from all over the country came to Washington in 1950 to mobilize for civil rights it was a gathering of a cross section of America. Because we have built on that foundation and continue to work together, we have forged a body of law that prohibits discrimination in places of public accommodation, in jobs, education, housing, and in the expenditure of federal funds. We have created instruments such as the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance to see that these laws are implemented effectively.

Starting with the Civil Rights Act of 1957 and continuing to this very hour, the Leadership Conference and its constituent organizations have made the trumpet sounds to rally the forces of freedom to wage war against injustice. As we celebrate the anniversary of this coalition, which has enabled us to win against seemingly impossible odds, we should remember some of those who contributed so much to this working alliance and have passed on, leaders like A. Philip Randolph, Walter White, Whitney Young, George Meany, Walter and Roy Reuther.

We have been privilege to live in a period of history marked by the 1954–55 school desegregation decisions, the passage of civil rights laws such as the 1957 Act that I mentioned earlier, the sweeping law of 1964, the Voting Rights Act of 1965, the Fair Housing Law of 1968, the abolition of the poll tax, the institution of the 18-year-old vote and the start of amending the U.S. Constitution to give equal rights to women and home rule for the thousands treated as second class citizens in the District of Columbia.

We have been watchful and diligent in efforts to protect the judicial branch of government from appointments that would place our hard-won gains in jeopardy. This is why we opposed successfully the nominations of Judges Haynesworth and Carswell to the U.S. Supreme Court. The wisdom of this effort is shown by the setbacks we have suffered as a result of the decision of some of those whom we were unable to keep from being confirmed. Even before the dramatic confrontations of the 60s, thousands of people were working, sacrificing, losing their property and even their lives in pursuit of freedom. Yet this was seldom considered news and, somehow, the notion was created that victims of injustice were taking it lying down—unwilling to fight for their freedom. When television cameras brought graphic illustrations of resistance into the living rooms of this nation, it was thought that this was some kind of new phenomenon.

Now, the cameras are turned on other targets and writers do not have much taste for civil rights news unless it emphasizes the negative or the violent or presents some kind of snake oil type of gimmick. We must not be discouraged by this turn of fortune. We must also make certain that the new generation is informed of what has gone before as well as what must be done now and in the future.

Not too long ago a racially integrated group of about twenty teenagers from a famous New York finishing school for young women met with our Director, Marvin Caplan, to hear him describe our work and history. When he asked if they had ever heard of A. Philip Randolph not a hand went up. This should be a challenge to all of us. We must never let our children forget the builders nor the foundations on which their present enjoyment of rights rest.

During the past year and indeed during the entire period of the 1970s, much of our work, of necessity, was defensive, an unending fight to hold on to what we had already won. I need only remind you that the single issue that aroused the most concern and the most strenuous effort during the past year was the fight to defeat the Mottl Amendment to the Constitution, a change that would have written into the Constitution itself unconstitutional prohibitions against school desegregation. Throughout the past decade, we have had to fight off anti-school desegregation amendments, anti-affirmative action amendments, budget cutbacks and other devices designed to emasculate the laws we helped place on the books. For the most part we were successful.

We find that our opponents, seemingly defeated when we get a law passed, have, in reality, never given up. They come at us in different ways; by cutting back appropriations, by writing limitations into what agencies are able to do in the way of enforcement, by attacking guidelines and procedures. To surmount these attacks, to monitor the administration of the various civil rights laws, to see to it that the departments and agencies carry out their civil rights responsibilities is a difficult, undramatic and, at times, drudging task. We owe thanks to our Compliance and Enforcement Committee, under the chairmanship of Bill Taylor, and to its several task forces, for fulfilling that task so diligently and effectively.

But while we have had to expend considerable time and effort in defensive action, neither the past year nor the past decade have been without positive gains.

One such gain, though little noticed by the media, was the establishment in the past year of a civil rights unit in the Office of Management and Budget. This is something we had urged as far back as 1961. By building into the budget-making process a way of holding federal agencies accountable for how they carry out their civil rights obligations, this new arrangement should make it possible to exert leverage to improve enforcement.

The consolidation within the Equal Employment Opportunity Commission of all enforcement of federal prohibitions against job discrimination should go far toward strengthening that agency and making enforcement more efficient.

The Rehabilitation Act of 1973, virtually dead for four years, was given new life and meaning with the issuance in 1977 of regulations necessary to protect the rights of the handicapped in federal employment and under federal contracts.

During the past decade, we succeeded in having legislation enacted that: requires the education of handicapped children within the general public school system; extends the coverage of the Voting Rights Act to Hispanics and other language minorities; provides for a system of Bi-Lingual education; prohibits sex discrimination in all federally-assisted programs of education; protects the disability rights of pregnant workers; broadens the scope of the Older Americans Act; raises the federal minimum wage; establishes the Humphrey-Hawkins Full Employment goals; curbs home mortgage redlining; eliminates the purchase requirement in the food stamp program; and improves the Senate anti-filibuster rule.

These are not insignificant gains. They give the lie to the often voiced canard that the civil rights movement is dead. But neither these gains, nor the better known and more dramatic gains of the preceding decades, adequately reflect the accomplishments of the civil rights movement.

In assessing our accomplishments at an earlier annual meeting, our Secretary, Arnie Aronson, observed—correctly in my opinion—that fully as important as our legal and legislative victories, is the role we have played in moving the nation from the concept of America as a melting pot, in which all differences are obliterated, to the concept of plural, democratic society in which not only are the rights of the individual guaranteed, but, as set forth in our own Statement of Purpose, "every group is accorded an equal opportunity to enter fully into the general life of the society, with mutual acceptance and regard for difference."

Thirty years ago, when the Leadership Conference began, the focus was almost exclusively on the rights of Black Americans, as the largest and most visibly disadvantaged group. But our successes contributed to the growth of group consciousness and group pride among other segments of our population and gave impetus to the process of self-organization among women, Hispanic Americans, Asian Americans, the elderly and the physically and mentally handicapped.

All of these groups, utilizing the methods and techniques developed by the civil rights movement, began to demand and to gain the rights to which they are justly entitled. We are proud that we helped achieve these victories and that all of these groups are represented and actively participating in the Leadership Conference.

Group consciousness and group pride have their dangers as well as their positive aspects. The danger is that each group may become so absorbed with its own separate interests that it loses sight of the over reaching common interest that binds us together. Democratic pluralism cannot survive as a collection of isolated, competing groups. The equality we seek is indivisible. It cannot be won by or for any one group alone, but only through a coalition in which groups that may have differing and sometimes conflicting views on some issues, commit themselves to work together for goals they share in common.

That we are such a coalition was strikingly demonstrated during the past year in the aftermath of Andrew Young's resignation as Ambassador to the United Nations. While the media were featuring stories of a Black-Jewish rift, thirty-one Black and Jewish member organizations of the Leadership Conference joined together in a common statement. While freely admitting that they differed on some issues, they nevertheless reaffirmed their commitment to the goals of the Leadership Conference and declared "our years together have been marked by great advances, great achievements. The work that still must be done is too important to let differences divide us." It is in this spirit—the spirit of "mutual acceptance and respect for difference"—that has enabled the Leadership Conference to grow in strength, in numbers and in effectiveness. It is that very spirit that will enable us to move forward in the years ahead.

A CIVIL RIGHTS AGENDA FOR THE 1980'S

I

I've been asked today to suggest a civil rights agenda for the 1980's. A different audience might just as easily have asked why even have such an agenda? After all, since 1950, when the Leadership Conference was organized, the Supreme Court has decided *Brown* v. *Board of Education* and many other important, far-reaching civil rights cases. In the 1960's, Congress enacted civil rights legislation prohibiting discrimination in education, public accommodations, voting, housing, and employment. Today, these laws are enforced by more than 15 federal civil rights agencies with a combined budget of over $600 million.

Why then do we need a civil rights agenda for the 1980's? Southern schools are virtually desegregated. Lunch counters and theaters are no longer closed to blacks. Southern blacks vote in unprecedented numbers and elect representatives at both local and national levels. More blacks can now buy homes and rent apartments without discrimination. Many once-segregated companies and unions are now desegregated.

So haven't the problems been solved? Can't we now turn our attention to other problems? The simple answer is that we cannot. It is true that much progress has been made—progress for which the Leadership Conference, its members, and many people in this room are largely responsible. But it is equally true that the laws designed to eliminate discrimination have not yet accomplished that purpose. They have fallen short for several reasons: they have not been fully enforced; they are often inadequate to deal with today's complex civil rights problems; they depend too heavily on the federal government; and their aims are too narrow.

The signs of these defects are everywhere. In education, minority children in the North and West continue to attend segregated and overcrowded schools. Minority college enrollment in graduate and professional schools is actually declining. In housing, many homes, apartments, and entire neighborhoods remain unavailable to minorities. Available housing is often segregated and inferior. In employment, minorities are often excluded from skilled, professional, and managerial jobs. Their earnings are lower than whites; their unemployment rates higher. And minority health and life expectancy continue to lag far behind those of whites.

Discrimination clearly remains one of the nation's most serious problems. Its victims are blacks, hispanics, women, the handicapped, and the elderly. Discrimination is overt and pervasive. It is subtle and complex. It is perpetuated by unvalidated tests and admission standards, and by other devices which appear neutral but which discriminate in effect. It is reinforced by inferior education, segregated neighborhoods, and other conditions which are themselves the results of years of discrimination. It permeates many of our institutions and affects most of our people.

II

So we do need a civil rights agenda for the 1980's. But eliminating discrimination in the 1980's is going to be difficult.

The civil rights and poverty programs enacted in the 1960's enjoyed widespread public support. The economy was expanding then. Education, housing, and jobs were readily available. With images of Selma and Birmingham fresh in their minds, most Americans supported the goal of equal opportunity. Because civil rights enforcement was concentrated in the South, most Americans could support it without being affected by it.

Today, however, conditions have changed. Economic growth is slowing. The schools facing desegregation are in the North and the West. Many Americans now view education and jobs for blacks as a threat. Hispanics, women, the handicapped, and the elderly now also seek relief from discrimination. And national attention has turned from civil rights to the environment, the economy, the escalating costs of energy, and national defense.

As a consequence, the broad-based national support for civil rights in the '60's vanished in the '70's and gives little promise of reappearing in the '80's. One result is the absence of support for new civil rights initiatives at all levels of government. Another is the anti-civil rights legislation in the Congress which the Leadership Conference has so vigorously fought. Still another result is Messrs. Bakke and Weber in the courts.

Heightened opposition to further civil rights progress is not our only obstacle. Today's civil rights problems are more complex than those of the past. What we now face are problems like segregated northern school systems, institutionalized discrimination through testing and tracking, the discriminatory effects of the movement of hospitals, jobs, and social services from black and brown inner cities to white suburbs, discriminatory demotions and layoffs, and systemic discrimination against women and the handicapped.

III

To deal with these problems we need a civil rights agenda for the 1980's that attacks discrimination directly and corrects the defects in our existing civil rights enforcement tools. I propose a four-part agenda.

The first item on my agenda is a piece of unfinished business from the civil rights agendas of past decades: It is the provision of equal opportunities in our schools and colleges. It remains on the agenda because the courts, the Congress, and successive administrations have not fully enforced the constitutional and statutory prohibitions against discrimination in education.

Education is the key to our social system. Yet over 25 years after Brown, equal educational opportunities are still denied to millions of Americans. Minority children in Chicago, Cleveland, and other northern and western cities still attend segregated schools, and those schools are no more defensible today than were the segregated schools of Clarendon County, South Carolina; Prince Edwards County, Virginia; and Topeka, Kansas; in 1954. Those minority children who do attend integrated schools are often resegregated through discriminatory program and classroom assignments. Discriminatory discipline forces many other minority children out of school altogether. And public university systems throughout the South remain separate and unequal.

Discrimation in education takes many other forms. Many hispanic children attend classes taught in a language they cannot understand. Teachers, counselors and administrators exclude girls from programs traditionally limited to boys. Many handicapped children are excluded from school altogether; others are segregated in limited programs which restrict their potential without regard to their abilities.

Laws prohibiting all of these practices exist, and they are clear. The Supreme Court's action last week in the Dallas case demonstrates once again that the Court intends to require full compliance with the principles set forth in Brown. Its decisions last year in Dayton and Columbus powerfully reaffirm the applicability of Brown to the North. Although total desegregation may no longer be possible, much more integration can be achieved within many of our cities which maintain highly segregated school systems. The court-imposed limitations on metropolitan desegregation are not absolute, and they certainly need not stop responsible federal, state, and local leaders from seeking imaginative and realistic metropolitan solutions to the problems of our segregated schools.

The laws prohibiting other forms of discrimination are just as clear. Law prohibits discrimination against children with limited English skills. Title IX of the Education Amendments of 1972, Title V of the Rehabilitation Act of 1973, and the Older American's Act of 1975 prohibit discrimination on the basis of sex, handicap and age.

All that is required is for these laws to be obeyed. They must be obeyed by the federal agencies charged with their enforcement and by the schools and colleges that teach our children.

In its 1954 Brown decision, the Supreme Court declared:

". . . [I]t is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education. Such . . . a right . . . must be made available to all on equal terms."

Keeping the promise of Brown—making that right available to all on equal terms—must be the No. 1 item on our agenda for the 1980's. It must also be the No. 1 item on the agenda of the newly created Department of Education. Strong leadership from the very highest levels of government is absolutely essential if the nation is to rekindle its commitment to the promise of Brown.

The second item on my agenda is another piece of unfinished business. Just as we must vigorously enforce existing laws prohibiting discrimination in education, we must fashion new and improved tools to deal with the increasingly complex and serious problem of urban residential segregation.

In 1968 the Kerner Commission warned that our nation was moving "toward two societies—one white and one black—separate and unequal." That ominous prophecy was nearly fulfilled in the 1970's. Life within our cities deteriorated as essential services, jobs, and housing moved to the suburbs. Our cities are now blacker and poorer; our suburbs whiter and wealthier. If this condition is not reversed—and reversed quickly—the quality of life for minorities will continue to decline into ever deepening unemployment, poverty, and despair. It could lead again to the kind of tragic events that left vast stretches of our cities in ruins in the 1960's.

Unfortunately, the civil rights tools available to us today are inadequate to deal with the complex problem of urban residential segregation. Our tools are too specialized. We have some for discrimination in housing; we have others for discrimination in education, employment, health, and transportation. But the causes of urban residential segregation are not so easily isolated. Segregated housing, much of it funded and reinforced by the federal government, contributes to segregated schools. The courts have finally realized that segregated schools contribute to segregated housing. We have all seen federal courts and agencies struggle to desegregate a school system while the Government funds housing and other projects which contribute to segregation. And above all we have seen the exodus of whites from the cities sabotage our efforts to desegregate schools and create integrated living environments.

Our task, therefore, must be to fashion new tools capable of dealing with these problems. Urban residential segregation is a complicated metropolitan problem that calls for comprehensive metropolitan solutions. Federal civil rights programs must be coordinated to deal realistically with the causes of urban residential segregation. The vast federal resources pouring into our cities must be administered to promote integration—not segregation. Federal grant programs must be administered on a metropolitan basis, and redefined to make integration as important a national priority as building highways, hospitals, and airports. We should consider requiring "racial impact statements" as part of the grant-making process. And we must create strong incentives which will foster integrated neighborhoods and prevent resegregation.

This will not be an easy task. It will require that agencies accustomed to quarreling with one another work together effectively. It will require new regulations and new legislation. In fact, dismantling the structure of urban residential segregation will require the kind of combined judicial, legislative, and social action strategy that successfully dismantled the structure of the racially dual system of elementary and secondary schools in the South. The development of that strategy—and the new tools to make it work—must be on our civil rights agenda for the 1980's.

The third item on my agenda calls for strengthening and expanding civil rights enforcement programs. We must be sure that civil rights resources now available are used to their fullest, that they are not reduced, and that they are supplemented where necessary. We must add new tools such as effective Title VIII enforcement and the Equal Rights Amendment. And we must move quickly to ensure that the Administration's proposed youth employment legislation requires schools to eliminate discrimination in vocational education, training, and jobs programs before they receive billions of new federal dollars.

But as we enter the 1980's, we must also acknowledge that civil rights organizations have for too long looked exclusively to the federal system for protection. The time when the federal government can—or even should—resolve all civil rights problems is behind us. The public will no longer permit it and exclusive reliance on federal civil rights agencies overloads and weakens them. It also ignores valuable resources which should be enlisted in the struggle for equal opportunity.

It is time that state, county, and local governments shoulder their responsibilities for protecting civil rights. There are many civil rights issues which they can resolve as well as, or more effectively than, the federal government. Some state education agencies are already doing this in the areas of school desegregation and the rights of the handicapped and elderly. Vigorous state agencies can also play an important role in the challenge to urban residential segregation.

Other institutions, both public and private, and corporations, must also develop and implement effective procedures for addressing civil rights problems. They can establish grievance procedures and mechanisms for arbitration and mediation which can solve many civil rights problems before they reach the federal level.

All of these efforts will create badly needed civil rights resources—resources that are better insulated from the damage that an antagonistic Congress or administration can inflict on the federal civil rights enforcement program. But these new institutions are not alternatives to federal civil rights enforcement. Rather, they are important additions to it. Indeed, the federal civil rights enforcement machinery must be preserved and strengthened to deal with problems which state, local, and private entities cannot or will not solve. But until we build a strong concern for equal opportunity into the fabric of all of our institutions this country will never have the resources or the will to eliminate discrimination.

The final item on my agenda calls for continuing efforts of the Leadership Conference to broaden the concept of civil rights enforcement. Traditionally, many of us have relied exclusively on antidiscrimination legislation and its effective enforcement to overcome discrimination and correct its past effects. But we must not forget that education, housing, employment, health, welfare, legal, and other social services are equally important to the victims of discrimination. Ending housing discrimination is not enough; its victims must be able to find decent housing in integrated neighborhoods with adequate social services. Ending employment discrimination is not enough; its victims—minorities and women—must be able to get training, counseling, and other assistance to help them find good jobs commensurate with their abilities. And finally, we must not forget that inflation and escalating energy costs fall heaviest on the poor and that the poor are disproportionately minority.

As many of you who for years have sought the passage of the Humphrey-Hawkins Full Employment bill have long understood, the agenda for the 1980's must include not only the effective enforcement of antidiscrimination legislation, but improved and expanded programs to benefit the victims of that discrimination as well. Only then will the nation have all the tools it needs to make the goal of equal opportunity a reality for all.

IV

This, then, is my agenda. It is by no means exhaustive and I am sure this conference will add to it. The thoughtful development of such an agenda is very important. For I believe America is fully capable of realizing its goal of equal opportunity during this new decade if it has the will, the imagination and the direction to do so.

I know of no organization better suited to provide that direction than the Leadership Conference on Civil Rights. You can press the federal government to use its existing powers to eliminate discrimination in education. You can help fashion a strategy and new tools to deal with the increasingly volatile problems of urban residential segregation. You can help build a national concensus for the development of state, local, and private civil rights institutions. You can insist that antidiscrimination and poverty programs be forged into an effective civil rights tool.

And most critically, the Leadership Conference can ensure that these issues are addressed at every level of government, by all institutions—both public and private—and by all political parties and candidates seeking public office. Only in this way will the civil rights agenda that we draft here today become the nation's civil rights agenda for the 1980's.

AFL–CIO President Lane Kirkland's Remarks Upon Receiving the Hubert Humphrey Award of the Leadership Conference on Civil Rights Presented Posthumously to George Meany, January 27, 1980, Washington, D.C.

George Meany would be proud of this award and everything it stands for.

He had deep respect and affection for the man whose name it bears; the great lady from whose hands he looked forward to receiving it; and the friend with whom he shares it.

The fight for human rights and civil rights was not won in George Meany's lifetime; nor should we expect to finally win that fight in our lifetime or our children's.

And just because that struggle is a never-ending one—because the foes of equality and human rights are every bit as enduring as we are—our commitment must be firm and unyielding.

We draw our strength from that vast resource of human energy and perseverance that fortified men like Hubert Humphrey and George Meany.

We seek the guidance, wise counsel and inspiration of tacticians and leaders like those good friends—Clarence Mitchell and Andy Biemiller.

But it is our own resolve and vigor that must not be found wanting. Each of us—as individuals and through the institutions we represent in the Leadership Conference—will be measured against the standard of those who carried the fight to this point.

We are driven to carry on that standard—by more than fond memories of those who have gone before or faith to friends with whom we serve.

We are driven by the cause—that of achieving in fact, in real daily life, the universal truth that all men and women are created equal and endowed by their Creator with certain inalienable rights.

We look not at how far we have come; only at how far we still must go.

The AFL–CIO has booked passage for the full journey.

And we are not simply along for the ride. Our hands are available for all duties, from the lowliest chores to the highest strategy.

The institutions represented here sometimes have competing interests and divergent constituencies. But the reason the Leadership Conference has been successful is the willingness of each of us to rise above other disagreements and work together to achieve the goal of equality that unites us. That spirit of cooperation can, must and will, I am sure, continue.

The AFL–CIO is committed to the goals of the Leadership Conference and to achieving those goals through the Leadership Conference.

And we are committed to achieving each of the items on the agenda of the Leadership Conference for the 1980's.

We insist that the goal of fair housing be backed by federal enforcement of the law and adequate supplies of affordable housing.

We insist that every appropriate tool be used to achieve the goal of quality, integrated education.

We insist that fulfilling the goal of equal employment opportunity will require a job for every American able and willing to work.

We insist that the Equal Rights Amendment be added to the Constitution and that all vestiges of discrimination against women workers must be eliminated.

We insist that the Government fulfill its Constitutional obligation to promote the general welfare at the same time it is promoting the common defense. The strong defense the Nation needs must not be a plate of armor to cover weaknesses of heart or meanness of spirit.

And we shall continue to insist and persist until equality becomes a reality, rather than just a slogan.

Acceptance of this award in the name of George Meany and of the AFL–CIO ought to, and, in this case does, imply much more than merely receiving a plaque. It means acceptance of responsibility to carry forward the work that must be done. I can assure you that we in the AFL–CIO accept that responsibility as readily and completely as we accept this tribute paid our leader.●

MIDDLE EAST PEACE PROCESS CANNOT AFFORD MORE MISTAKES

● Mr. McGOVERN. Mr. President, I regret very strongly the ill-conceived vote by the United States in the Security Council on March 1 against Israel. It was the wrong thing to do because it undermines the delicate negotiations now underway on autonomy arrangements for the West Bank and Gaza. These negotiations offer the best opportunity to resolve the future status of these territories—their sovereignty, their administrative form, their military status. The role of the United States as the mediator and the facilitator of these negotiations requires us to refrain from any action which might undermine the trust placed in us by Israel and Egypt. Unfortunately, the U.S. vote against Israel in the U.N. may have that result.

The administration has now admitted its error and I hope that there are no lasting effects which could harm the peace negotiations. The Israeli Government has known of official U.S. opposition to new settlements. This vote was not necessary to communicate that position again. The security of Israel and the viability of the Camp David peace process are too important to be jeopardized by errors of this kind.●

CELEBRATING ESTONIAN INDEPENDENCE

● Mr. DOLE. Mr. President, on February 24, in a demonstration of their will for national sovereignty, Estonians throughout the world celebrated the 62d anniversary of the proclamation of the independence of the Republic of Estonia.

Soon after the Bolshevik revolution, Estonian nationalists issued the proclamation and instituted a national government that assumed rule over the country with a coalition of political groups. Despite attempts to restore Estonia to Russian control, the new Soviet Government in Russia eventually recognized the New Republic with a peace treaty in which it explicitly renounced "voluntarily and forever all rights of sovereignty over the Estonian people and territory." This document legally guaranteed Estonia's status as an independent nation in the world community.

While the Estonian people had lived under foreign domination since the beginning of this millennium, their identity as a nation at the moment of independence could not be denied. The people cherish a heritage of indigenous authors and artists. Estonians enjoy a national folklore consisting of 50,000 tales and a distinctive national brand of choral singing which today attracts thousands of participants and listeners to national singing festivals. Centuries of being deprived of national sovereignty had served only to harden the national consciousness of this region's inhabitants and make their yearning for independence that much stronger.

However, of the 62 years since the declaration of Estonian independence, over 40 have been marred by a Soviet rule that followed the treacherous usurping of Estonian sovereignty in secret protocols of the notorious Ribbentrop-Molotov pact of August 23, 1939. The forcible annexation of Estonia by the Soviet Union, in blatant violation of international law, initiated what has become not only a lop-sided economic relationship but a sustained denial of Estonian nationalist aspirations.

The tragic circumstances endured by the proud Estonians are thrust upon more unwilling peoples with the passing of each decade. The 1980's have been christened with the blood of similarly nationalistic Afghan patriots who valiantly seek to avoid the fate of the swallowed Baltic States. There are, of course, parallels between 1939 Estonia and 1980 Afghanistan and whether we needed it or not, we are presented with an ugly reminder of the consistency of the Soviet Union's expansive ambitions.

Can a people be forcibly denationalized against its will? The inspirational example of the Estonian nation would seem to indicate not. Last summer, after more than a generation of Soviet occupation, 45 people signed a document known as the Baltic Charter calling for full independence for the Baltic States and disclosure of the secret clauses in the Nazi-Soviet pact of 1939. In addition, several hundred people demonstrated in the Estonian university town of Tartu last Christmas Eve in support of independence. This brave opposition to Soviet domination exists in spite of constant harassment of participants by the Soviet authorities.

Most recently, Estonian scientist Jurii Kukk issued an open letter to Leonid Brezhnev signed by five Estonians and 25 Latvians and Lithuanians condemning the Soviet invasion of Afghanistan and asking that the Olympic games be moved outside the Soviet Union. Particular exception has been taken to the holding of the regatta events in the Estonian capital of Tallinn since doing so under the aegis of Soviet authorities might distract attention from the legitimacy of the Estonians' demands for national sovereignty.

I ask that the text of a letter I received from Juhan Simonson, president of the Estonian American Council, be printed in the RECORD.

The letter follows:

ESTONIAN AMERICAN NATIONAL COUNCIL,
New York, N.Y., February 8, 1980.
Hon. ROBERT DOLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOLE: February 24 marks the sixty-second anniversary of the proclamation of the independence of the Republic of Estonia. On this occasion we are presenting to you a statement concerning human and national rights in Russian-occupied Estonia.

We urge you to direct attention to this statement on the Congressional forum. Thank you.

Sincerely,

JUHAN SIMONSON.

STATEMENT

Recently 40 years elapsed from the signing of the notorious Stalin-Hitler pact of August 23rd, 1939, which offered to Nazi-Germany a welcome pretense for starting World War II. In secret protocols of the same pact Hitler agreed to consider parts of Eastern Europe, including the three Baltic Nations—Estonia, Latvia and Lithuania—as belonging to Soviet Russia's so-called "sphere of influence."

Consequently, Stalin received a free hand to forcibly annex these three independent nations, which remain illegally occupied by the USSR to this very day.

Soon after the conclusion of the said pact, Estonia signed, on September 28th, 1939, under military threat and without the possibility of any help from abroad, a Pact of Mutual Assistance with the Soviet Union.

Although this pact was forced upon the Estonian Government, the latter tried painstakingly to fulfill its treaty obligations. The then Estonian foreign minister Professor Ants Piip, in a private letter to one of the Estonian envoys, emphasized that at least two major things were achieved: war was avoided, and the Peace Treaty with Soviet Russia remained in force. He considered the Peace Treaty as the most important international act of Estonia, which legally guaranteed Estonia's position among other independent states.

February 2nd, 1980, marks the 60th anniversary of this Peace Treaty, which was concluded by Estonia after a victorious War of Independence. This war was started by Russian invasion of Estonian territory at the end of the year 1918.

In the abovementioned Peace Treaty Soviet Russia explicitly renounced voluntarily and forever all rights of sovereignty over the Estonian people and territory, and recognized the independence of Estonia.

Estonia had proclaimed itself an independent republic on February 24th, 1918. The decision was based on President Woodrow Wilson's declaration about all peoples' right to self-determination. Even Soviet Russia under its ruler Lenin had claimed to adhere to this principle.

The Allied Powers of World War I were at first somewhat hesitant about recognizing the newly emerged independent country. Their positive reaction was mainly achieved thanks to the fierce and successful fighting of the Estonian Army in the War of Independence. In May 1919, for instance, the Baltic Commission of the Peace Conference in Paris admitted unanimously that "the Estonians had done miracles."

During a period of twenty years of independence the Estonian people demonstrated successfully what a small nation is able to achieve in all fields of life when it enjoys peace and freedom.

In 1940 this came to an abrupt end by the devious acts of a big totalitarian neighbor—Communist Russia. Since then the Estonian people have suffered extremely heavy human and material losses. This situation still persists. Estonia is economically exploited by the governing Moscow regime. Those who dare make any requests for freedom and justice, relying on the stipulations of the Helsinki Final Act, are either confined to mental hospitals or sentenced to prison terms. Needless to say that such sentences are made in conformity with the illfamed mock trials of the Stalin era.

Nevertheless, again and again bold freedom fighters make their voices heard, one of the last evidences being an appeal on the 40th anniversary of the Stalin-Hitler pact and addressed to the Secretary General of the United Nations. This appeal was signed by 45 representatives of the three Baltic Nations. Unfortunately, such urgent appeals from the countries which once were members of the League of Nations seem to fall on deaf ears.

At the same time the United Nations has opened its doors to a great number of states which rightly have been liberated from the yoke of colonialism. Such colonialism, however, still prevails in vast regions of Eastern Europe, where over one hundred million people are subjugated to an intentional process of Russianization.

One of the more imminent concerns of the Estonia people is the fact that the Yachting Regatta of the Olympic Games of 1980 is to take place in Tallinn, the capital of Soviet-occupied Estonia.

As a free nation, the Estonians would have been delighted to welcome the world's yachtmen in their country. Now they are looking at this event with mixed feelings. They anxiously expect that the outside world would refrain from any acts which would damage the justified claims for freedom of the Estonian people or the international status of the Republic of Estonia.

The United States has never recognized the forcible annexation of Estonia, Latvia and Lithuania by the Soviet Union, which fact is of great moral support to the people of these nations.

The 62nd anniversary of the proclamation of the independence of the Republic of Estonia is approaching and Estonians over the whole world are commemorating their national holiday on February 24th. They confirm at such occasions their determination to fight for the restoration of the independence of their native Estonia. At the same time they hope that world public opinion will support them in this struggle for freedom and justice.●

A SALUTE TO AL MUTO

● Mr. RANDOLPH. Mr. President, last week Senators joined in an appropriate tribute to an old friend and new retiree, Al Muto, who has served 22 years as the official Democratic photographer.

It is not generally known that Al Muto has worked with the top leaders in Government, both at the White House and on Capitol Hill, over the past 4 decades.

A native of the Bronx, Al Muto's family moved to Brockton, Mass. where he grew up. During World War II he worked as a "visual specialist" at the Pentagon where be began his lifelong love affair with the lens. He joined the International New Service Photo branch and was assigned to cover national politics and Government. He traveled with Harry Truman in his famous "give 'em hell" campaign whistle-stopping across the country.

Al came to the Senate as official photographer in 1958, the same year I did. We have had a close relationship since that time. Many praises of his professionalism and photographic prowess have been issued. This includes, for me, his persistence in lining up just the right shot in the right background. He has the manner of an orchestra conductor in composing his work, ofttimes under hurried conditions and stressful situations.

Today, Al plans to slacken his pace somewhat, although there is the promise elicited by his patient wife, Catherine, that come the first spring day, he will begin to paint the house. And if, in the days ahead, his shutter-finger should begin to itch, there is always the opportunity to leave his Falls Church home to work his photographic magic on granddaughter Linda at nearby Fairfax.

A salute to this public servant for the job he has done and we wish him well for the future. He is missed.●

U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I wish to report that, according to the latest U.S. Census Bureau approximations, the total population of the United States on March 1, 1980, was 222,410,708. This represents an increase of 204,095 since February 1, 1980. Since last year, our population has grown 2,311,122.

During the past month we have added enough additional people to fill the entire city of Grand Rapids, Mich. Over the past year, our population has increased enough to fill the city of Berkeley, Calif. almost 20 times.●

SOUTH DAKOTA LEGISLATURE SETS TERMS FOR OAHE DEAUTHORIZATION

● Mr. McGOVERN. Mr. President, on February 12, the South Dakota Senate passed a resolution which was subsequently concurred in by the South Dakota House of Representatives on February 15, which sets forth an understanding of the conditions under which the State of South Dakota would be willing to accept the deauthorization of the Initial Stage, Oahe Unit.

As my colleagues know, there has been no construction work on the project since fiscal 1977 when the President recommended and Congress concurred in his recommendation that construction be halted due to a lack of local public support for continuation of the project. This was a result of the local contracting entity, the Oahe Conservancy Sub-District, passing resolutions in opposition to completion of the project and the President having placed it on his "hit list" so that an administrative review team would make a recommendation to him concerning its future status.

Since that time, South Dakotans have been working to find an alternative project as a compromise to the original Oahe Unit. None has yet been found. The State has been pursuing efforts to achieve a consensus on how we should proceed with water resource development. One possible solution is embodied in this resolution from the South Dakota Legislature.

My colleagues will note that the bulk of the resolution consists of a recitation of the conditions which led up to the beginning of the project's construction and the circumstances concerning its demise. It also emphasizes the historic "understanding" embodied in the Flood Control Act of 1944 that South Dakota would receive Federal financial and technical assistance in development of its water resources as a "quid pro quo" for having given up about 500,000 acres of rich river-bottom land to development of the reservoirs on the mainstem of the Missouri River in South Dakota.

Based upon this recitation of the facts and circumstances, the South Dakota Legislature has resolved that the President, Secretary of the Interior and Congress should reaffirm this commitment to the State of South Dakota.

It is further resolved by the South Dakota Legislature that a reasonable and responsible means the Federal Government can live up to its commitment would be to enact legislation which would provide for:

First, all Missouri River water to remain available for use pursuant to the water right granting authorities of the State as guaranteed in the 1944 Flood Control Act; and

Second, that 170,200 kilowatts of Missouri River Basin hydropower shall be made available for sale and delivery at the direction of the State of South Dakota at a rate of two-and-one-half mills; and

Third, that the Federal Government annually appropriate for 20 years, $25 million to the State of South Dakota for water development or other economic purposes. The State would develop a plan for the use of such funds and submit it to the appropriate Federal agency. Once such a plan were submitted the agencies assistance would have to be approved by the State and any grant funds provided would be written off against the Pick-Sloan Missouri Basin program. Also any repayment surplus would accrue to a revolving fund established by the State.

Mr. President, if these conditions were to be met by the Federal Government, the South Dakota Legislature has resolved to support the deauthorization of the Initial Stage, Oahe Unit. Conversely, I would interpret this resolution to imply that if such conditions cannot be or are not met by the Federal Government that the State would withhold its support for deauthorization of the project.

Mr. President, I ask that the text of the South Dakota Legislature's resolution appear immediately following my remarks in the RECORD.

The resolution follows:

SENATE CONCURRENT RESOLUTION NO. 8

Whereas, the Pick-Sloan Missouri River Basin Program was authorized by the Flood Control Act of 1944; and

Whereas, four massive dams have been constructed on the Missouri River in South Dakota under the Pick-Sloan Missouri River Basin Program; and

Whereas, these dams, the reservoirs they have created, and associated hydroelectric facilities have required the acquisition of five hundred thirty-six thousand, eight hundred seventy-five acres, as of December, 1976, in South Dakota; and

Whereas, these acres have been inundated and otherwise removed from productive contribution to the economy of South Dakota; and

Whereas, the storage of water behind these dams in South Dakota has contributed to the realization of an estimated one billion five hundred million dollars in flood control benefits to downstream states; and

Whereas, the storage of water behind these dams in South Dakota has permitted the realization of nine hundred sixty-five million dollars in benefits from the generation of hydroelectric power; and

Whereas, as much as two-thirds of this hydropower has gone to the states of Minnesota, Iowa and Nebraska; and

Whereas, the storage of water behind these dams in South Dakota has contributed to the realization of eighty million four hundred thousand dollars in navigation benefits to downstream states; and

Whereas, the Flood Control Act of 1944 authorized the development of five hundred seventy-five thousand acres of full water service irrigation in South Dakota and sixty-six thousand acres of supplemental irrigation water service; and

Whereas, the development of this irrigation was authorized to offset the losses imposed upon the economy of South Dakota by this Pick-Sloan Missouri River Basin Program; and

Whereas, Public Law 88-442 requires reauthorization of any irrigation project under the Pick-Sloan Missouri River Basin Program, despite the provisions of the Flood Control Act of 1944; and

Whereas, the one hundred ninety thousand acre Initial Stage Oahe Unit was reauthorized in 1968; and

Whereas, several local elections in the Oahe Conservancy Subdistrict and the Spink and West Brown Irrigation Districts involved has shown local farmers who were supposed to benefit from the project no longer favor its development or construction; and

Whereas, the Oahe Conservancy Subdistrict Board which holds the Master Contract for Oahe, the Spink County Irrigation District Board which represents two-thirds of the one hundred ninety thousand acres of land to be irrigated by the project, and the County Commissions of Sully, Potter, Faulk, Walworth, Edmunds, Campbell, Brown, Spink, Hand, Day and Clark Counties have all called for deauthorization and deauthorization hearings; and

Whereas, forty-six million dollars has been spent partially completed facilities for the project, including the pump house and Pierre Canal; and

Whereas, the United States Department of Interior is conducting a "termination study" of the project which contemplates no further construction or productive use of the federal investment; and

Whereas, the federal commitment to South Dakota contained in the 1944 Act remains unfilled; and

Whereas, the Initial Stage Oahe Unit authorization is the only substantial remaining statutory representation of the commitment contained in the 1944 Act; and

Whereas, deauthorization of the Initial Stage Oahe Unit could lessen the likelihood that any substantial amount of federal assistance ever will be provided to South Dakota, pursuant to the commitment contained in the Flood Control Act of 1944; and

Whereas, the Flood Control Act of 1944 committed to South Dakota for federally assisted irrigation development the provision of one million ninety thousand acre-feet of water and one hundred seventy thousand two hundred kilowatts of hydropower at a rate of two and one-half mills; and

Whereas, the water committed to South Dakota for irrigation has been allowed to flow out of the state, to float barges through downstream states, to generate hydropower for consumption in other states, and to flow into the Gulf of Mexico; and

Whereas, the hydropower committed to irrigation service in South Dakota has been marketed by the Western Area Power Administration (formerly a branch of the Bureau of Reclamation) for consumption in other states; and

Whereas, the favorable financing for irrigation development promised to South Dakota has not been provided and may amount to as much as one billion two hundred million dollars or more, in 1980 dollars, to construct projects authorized in the 1944 Act:

Now, therefore, be it resolved, by the Senate of the Fifty-fifth Legislature of the state of South Dakota, the House of Representatives concurring therein, that the President, the United States Department of the Interior, and the Congress be urged to reaffirm the commitment to the state of South Dakota under the Pick-Sloan Missouri River Basin Program; and

Be it further resolved, that the state of South Dakota recognizes that fiscal realities preclude the provision of one billion two hundred million dollars in federally appropriated funds for water and economic development assistance to South Dakota at this time; and

Be it further resolved, that it is the policy of the state of South Dakota that the federal government should to the maximum practical degree be expected to live up to its commitment to South Dakota under the Pick-Sloan Missouri River Basin Program, and that a reasonable and responsible means toward that end would be enactment of legislation to reauthorize to South Dakota the benefits contained in the Flood Control Act of 1944 according to the following principles:

A. That all Missouri River water shall remain available for use pursuant to the water right granting authorities of the state as guaranteed in the 1944 Flood Control Act;

B. That one hundred seventy thousand two hundred kilowatts of Missouri River Basin hydropower shall be made available for sale and delivery at the direction of the state at a rate of two and one-half mills;

C. That the federal government appropriate annually, for twenty years, twenty-five million dollars for water development or other economic purposes within the state of South Dakota and the state shall develop a plan for the use of such funds which shall be submitted to the appropriate federal agency or agencies and assistance by those agencies must be approved by the state and any grant funds thus provided shall be written off against the Pick-Sloan Missouri River Basin Program and any repayment surplus shall accrue to a revolving fund established by the state; and

Be it further resolved, that if these conditions are met the state of South Dakota will support deauthorization of the Initial Stage Oahe Unit; and

Be it further resolved, that the Secretary of State be directed to furnish copies of this Resolution to the President, to the Secretary of the United States Department of the Interior, to the United States Senate, to the United States House of Representatives, and to the South Dakota congressional delegation.

MEDIGAP

● Mr. HEINZ. Mr. President, I rise to offer my views on the recent Senate action with respect to the so-called MediGap provision of H.R. 3236, the Social Security Disability Amendments of 1980.

As a founder of the House Aging Committee, and as a current member of the Senate Aging Committee, I have long had an intense concern for the welfare of our senior citizens. It, therefore, was of great concern and dismay when I, along with my congressional colleagues, was made aware of the fact that some, and I stress only a few, insurance companies were following practices that took unfair advantage of the need of many of our senior citizens for health policies to supplement medicare payments.

Because of this concern, I cosponsored legislation which was designed to study these abuses, and provide recommendations as to possible remedies. However, as the pattern of abuses became more apparent, I, and a number of my colleagues, decided that some more immediate and direct action was required by the Congress to put all parties on notice that questionable practices would not be tolerated in this area.

Therefore, I sympathized with, and supported in principle, the attempts by Senator BAUCUS to remedy abuses with respect to the issuance of MediGap policies. I commend Senator BAUCUS for his leadership in this area.

At the same time, I had, and continue to have, concerns regarding some of the specifics of the original Baucus approach. It is my view that the original requirement that insurers must provide both part A and part B coverage in their MediGap policies was too rigid and inflexible, and denied the principle of competition in the marketplace. That approach has been modified in a manner which does provide flexibility to both insurers and insured, and I trust that this, or a similar approach, will be in the final version of the bill reported out of conference.

I was also concerned about the provision requiring approval of each State insurance commissioner before a policy could be mailed into that State. Clearly, mail-order insurance insurers' policies have been some of the most blatant violators of commonly held standards of insurance ethics, and I believe strongly that some action in this area is warranted. However, my concern was that the original approach would have placed an extremely onerous burden on insurers, and would have, in effect, eliminated all such insurance activities. Fortunately, the provision was modified in such a way that I can wholeheartedly support it, and I again hope that the conference committee will retain this language.

Finally, Mr. President, I want to express my continuing concern about a third provision of the MediGap amendment. This provision establishes a loss ratio requirement for all insurers offering MediGap policies. I understand the argument for such a requirement.

However, my concern is that such a provision on the Federal level may prove to be duplicative of, or conflicting with, the actions and powers of State insurance commissioners. Surely we do not want to add a layer of burdensome and costly Federal regulation at a time when State insurance commissioners are actively moving to deal with this problem.

Mr. President, I trust to the good judgment, fairness, and commonsense of those considering this matter, and I am hopeful that the Congress will arrive at an approach which meets the need to deal with the exploitation of our senior citizens, but at the same time avoids unnecessary and burdensome Federal regulations.●

GASOHOL IN INDIANA

● Mr. BAYH. Mr. President, some months ago, the Center for Technology and Policy Studies at the Rose-Hulman Institute in Terre Haute, Ind., undertook a study of gasohol in Indiana. The conclusion of the study team, simply put, was that "gasohol works." I believe this very strongly, and have sought for some time now to focus greater attention at the Federal level on gasohol development.

The Rose-Hulman study indicated that because there is such a wide variety of biomass sources, a range of alcohol production processes can be effectively utilized to produce ethanol. It is encouraging to me that the study pointed to many crops grown in Indiana, including corn, wheat, milo, and sorghum, as especially important in the production of alcohol for fuel.

Many of the other conclusions of the report are worth noting. One of these is that ethanol production is going to have to be stepped up if gasohol is to meet a greater portion of our fuel needs in the years to come. The study stated that financial incentives, including funding for the construction of ethanol plants as well as tax incentives, such as the extension of the Federal excise tax exemption for gasohol, are essential if we are to meaningfully increase our reliance on alcohol fuels.

The Senate has recognized the need for action in both of these areas. In adopting the synthetic fuels measure last year, we set goals for alcohol production of 60,000 barrels per day by 1982, and the displacement of 10 percent of our fuel with alcohol by 1990, and provided for financial assistance in the form of loans, loan guarantees, and purchase and price commitments for alcohol plants. These provisions are now in the House-Senate conference committee on S. 932. The Senate also amended H.R. 3919, the windfall tax bill, to extend the Federal gasoline excise tax exemption for gasohol. The conference has agreed to extend this exemption to 1992.

Based on the Department of Energy projections of 5-percent alcohol fuel usage nationwide by 1935, Indiana would need 18 million gallons of ethanol. One percent of Indiana's corn production would be sufficient to supply ethanol to meet gasohol demand of this magnitude.

The positive impact of gasohol on agricultural economies is clear. The Rose-Hulman study indicates that, in 1975, 378,000 acres in Indiana were designated as set-aside acres. If all of these acres could be planted in corn, they would yield enough energy feedstocks to supply 70 million gallons of ethanol. Hoosier farmers would thus stand to earn $42 million from such production, based on an estimated per bushel price of $2.50.

The report goes on to shed some additional light on the direction Government policies to encourage alcohol fuels needs to take. It states that—

> In an agricultural state, implications of gasohol use could be highly favorable for the economy, but such widescale use would be largely dependent on government policy. If government takes encouraging positions on gasohol and channels support through financial, legal, research and development institutions, it could substantially promote ethanol production. Decision makers have many possible choices for determining the level of gasohol use. Of the numerous alternatives, the one most likely to stimulate rapid growth may be incentives for accelerated plant construction. Increasing the allocation for loan guarantees on pilot plants would effectively encourage plant construction and consequently output capacity. The additional funding would motivate companies to build plants and enable production capacity to fill growing demands for ethanol.

I hope that in the coming weeks of the 2d session of the 96th Congress, my colleagues will be mindful of these views, as we build on the foundation we have laid for our national policy toward alcohol fuels. The National Alcohol Fuels Commission, which I have the honor to chair, will be preparing its report for submission at the end of the year, and I know that through the framework of the commission, we will be developing new initiatives to encourage alcohol fuel usage.

The contribution made by the Rose-Hulman study to the understanding of gasohol and its potential in Indiana is invaluable and I take this opportunity to thank the study participants for their efforts. The members of the research and writing team were Raymond B. Denning, Lawrence M. Hample, Joseph L. Heeter, Mary Elizabeth Kiefer, Cynthia Konczalski, Thomas W. Mason, Mark C. May, Janet J. Losso, Faye Saunders, Steven J. Smith, Robert Steinhauser, Pamela Jo Snapp, and Cheryl M. Van Allsburg. Congratulations to all for a job well done.●

THE 102D ANNIVERSARY OF BULGARIAN INDEPENDENCE

● Mr. HEINZ. Mr. President, March 3 marks the 102d anniversary of the Bulgarian Independence, an opportunity to reflect upon the long suffering of the people of this small Balkan country too long under the domination of foreign powers.

Bulgaria, established in 861 A.D., is one of the oldest states in Europe. Throughout its long history, it has endured repeated foreign rule, having been absorbed by the Byzantine, Hapsburg, and Ottoman Empires. Often this subjection has had ghastly consequences. In 1018, a Byzantian Emperor was named "Killer of the Bulgarians" for blinding 14,000 captured soldiers. But in 1185, the Bulgarians successfully revolted and won their independence.

In 1396, the Ottomans invaded Bulgaria and over a period of nearly 500 years nearly destroyed the rich cultural heritage of the Bulgarian people. Then Father Paissi Hilendarski revived the flames of nationalism by preaching and leading others toward cultural and political freedom. The revival of Bulgarian culture led to the re-creation of our independent Bulgaria on March 3, 1878.

In 1915, Bulgaria entered into World War I on the side of Germany. After the war, Al Stambolyiski was called upon to halt a revolt of the retreating soldiers. After the war, having risen to power, Stambolyiski tried to initiate social reforms and establish relations with Bulgaria's neighbors, but his efforts were in vain. On June 9, 1923, he fell to a coup.

Subsequently under the leadership of King Boris, Bulgaria could not regain the integrity it once had and fell under the control of Nazi Germany. Although she tried to follow a policy of minimal involvement, Bulgaria ultimately declared war on the Allies.

After the war, as we all know, the Soviets occupied Bulgaria and imposed their political, social, and economic system on the people. Thousands of people who tried to create a democratic Bulgaria were either jailed or executed.

Presently, it is often mistakenly considered the Soviet Union's "best" satellite, in light of its apparent placidity. But there is no greater yearning for freedom and no greater resentment of Soviet rule than in the suppressed silence of the Bulgarian people. The Bulgarians are all too well aware of the bloodshed of the Czech and Hungarian attempts at liberation.

Although the hope for freedom is currently bleak, there still is hope for the Bulgarian people. They are in dire need of our reassurance and moral support that their independence, their freedom, and their territorial integrity will not be sacrificed to the policies imposed upon them by the Soviet Union. On this, the 102d anniversary of Bulgarian Independence, I am confident that the Bulgarian people will one day break the chains of external control and reestablish a free and independent Bulgarian nation.●

ONE-HUNDREDTH ANNIVERSARY OF THE TOMBSTONE EPITAPH

● Mr. GOLDWATER. Mr. President, certainly no one will argue over the importance of the newspaper in our daily lives. Combined with the other media which surrounds us, the judicious reporting of the news through the printed page has been not only a unifying factor in the growth of this Nation, but a responsible means by which this country can proudly proclaim its literacy and its vitality.

In this vein, Mr. President, I should like to step back into the pages of history for one moment to uncover the progress of a certain paper which has withstood the struggles of time, flexed with the needs of the people, and which still represents the integrity and pride most desired in the world of journalism. I am speaking of the Tombstone Epitaph, a paper of my native State, which is not only the West's most famous paper, but is Arizona's oldest continuously published newspaper.

This May 1 will mark the 100th anniversary of the first issue of the Epitaph, and will bring to the minds of many enthusiastic historians of the "old West" memories of the transition from the lawless days to modern times of peace and jurisprudence. While small towns, businesses, and people came and went in the demanding West, this paper successfully chronicled the events of the historic and colorful Tombstone area in precise detail. It hung on with the town as mining booms exploded and faded; as the Depression era took its toll; and it played a major part in the late blooming of the restored town of Tombstone as one of the West's most popular tourist attractions.

The paper, serving as both a stabilizing factor and as an influence upon the community, also helped see to the establishment of the "Tombstone Helldorado" which has delighted Westerners and visitors alike for more than 50 years. And in line with the vitality this paper has always relayed, it was an editor of the Epitaph who rallied the town of Tombstone in lean times by declaring that the town was "too tough to die." And while the Tombstone Epitaph continues to serve residents of the bustling town in a newspaper keyed to items of interest to their community, it has also introduced a national monthly edition of the Epitaph which for 6 years has circulated throughout the United States and in numerous countries abroad. The national edition reads well as a journal of history about the West.

Thus, Mr. President, it is with great pride that I take this centennial occasion to commend the Epitaph for its place in history, not only in the history of Arizona, but in this Nation and the world as well.

I might also add that I truly hope the ceremonies marking the founding of this wonderful newspaper will be marked with all the gaiety, liveliness and purpose which are inspirational and indispensable to the "old West."●

CONGRESSIONAL OVERSIGHT OF THE FEDERAL TRADE COMMISSION

● Mr. BAYH. Mr. President, the 96th Congress has been called the "oversight Congress" because of our response to the rapid growth of Federal programs, agencies and regulations which have not been under enough scrutiny to avoid duplication. The Senate has also begun to monitor the extent to which the bureaucracy is carrying out congressional intent, or goes beyond it, in order to better control it. The Federal Trade Commission authorization this year was an example of Congress' carefully and thoughtfully fulfilling the necessary oversight function. Especially significant is the fact that included in the FTC bill is, for the first time, a specific legislative review process which would require Federal agencies to submit any regulation the Congress chooses to review to both Houses and the President as well. This allows the Congress to give close consideration to all agency policies and practices which the proposed rule would make manifest. Another important result of the bill is that I have been able to solve the problem of duplicative regulation in the mobile home industry, by setting up a procedure where in the now pending proposed rule would be reviewed through the new legislative oversight process.

Mr. President, I would like to take this opportunity to say that I am pleased that the FTC has been reauthorized, by means of such close congressional scrutiny, for another 2 years. The FTC has made an important contribution to the consumer protection movement in this country by pursuing its mandate to protect both consumers and industry from unfair methods of competition and unfair and deceptive acts and practices. However, during the last several years, we in Congress have seen the FTC take its broad statutory authority in these areas—authority which has been exercised under 27 separate acts since 1914—and expanded that authority to the point of taking over the policymaking functions of the legislative branch in many areas.

The passage of S. 1991 by the Senate was the response to the imbalance of Executive authority and firmly places the FTC under the close and careful scrutiny of the Congress. Under this bill, the Congress has set up a new oversight procedure for the FTC. No longer will the FTC be able to make rules without strict congressional monitoring. The bill was amended to contain a legislative review process for all FTC rules which would include review by the Senate, the House and the President. This is one of the most important provisions of the bill, and a provision of which I am a strong supporter. It is necessary to grapple with and tame the proliferation of rules and regulations in a responsible and thoughtful fashion. Legislative review by both Houses of Congress is an effective and useful way to insure that all rules and regulations are fair and effective and reflect congressional intent. The proper role of the FTC is to carry out the public policy objectives of the Congress. With the new legislative review procedure in the bill, the Congress will, for the first time have real control over the execution of FTC policy.

Mr. President, as I stated earlier, I am especially pleased with the course of action which has been worked out with respect to the proposed rule regulating the mobile home industry. The proposed rule in my opinion was a glaring example of duplicative and harmful overregulation of an industry already extensively regulated by the Department of Housing and Urban Development. In 1974 Congress had delegated to HUD the responsibility of insuring the soundness and quality of construction of mobile homes so that the person who buys this affordable and popular kind of housing, knows that he is getting what he pays for. The HUD program has accomplished this. HUD-approved inspectors examine every mobile home; they certify that every home comes off the line with certain standards being met.

Today, the buyers of a mobile home can probably be more sure of the quality and safety of their new purchase than any other homeowner in America, and at a price they can afford. The FTC's proposed rule as presently pending would have great economic impact on the industry; and would in my opinion, be of dubious value to the consumer, for he or she would pay for it to the tune of several hundred more dollars directly in the purchase price. Senator FORD, chairman of the Consumer Subcommittee of the Senate Commerce Committee, has expressed his awareness of the possible problems of duplication presented in the Commission's rule and has been kind enough to offer oversight hearings on the matter. At the same time, the FTC itself has consented to delay the promulgation of any final rule pending congressional review until at least January 1 of next year, and to hold up proceedings until after the Congress has had a chance to study HUD's program and determine whether duplicative regulation can be avoided. In requiring a more rigorous oversight process for the pending mobile home rule, I am sure that the problems raised by this rulemaking will be dealt with fairly, equitably, and within the limits of congressional intent.

S. 1991 as passed by the Senate truly reflects the desire on the part of the people to curb the excesses caused by the agency's exceeding its legislative jurisdiction. That is not to say that the Senate has in any way curtailed the FTC's ability to be effective in insuring consumers' rights. However, the actions taken by the Senate on February 7 will have the effect of increasing the oversight to directly deal with some of the more far-reaching actions by the Commission.

For example, the Senate voted to terminate an ongoing rulemaking in the area of standards and certification. A standard is a technical document which describes design, material, safety, performance or other characteristics of a product. The private sector has been successfully setting industrywide standards for years. There was no record of abuse—only 26 possible problem cases out of 15,000 standards during the last several years.

I felt that given that set of circumstances, the private sector in this instance should continue to function without Government interference.

As well, with respect to the issue of the children's advertising rulemaking, it was my strong feeling that the standard used to judge the issue of danger of advertising to children, that is, "unfair and deceptive" was overbroad. The Federal Trade Commission cannot take the place of a parent and should not. The Government's role in any rulemaking must be circumscribed in light of the more limited role such an agency should play in our society. S. 1991 effectively delimits any future rulemakings in this regard.

The bill has also set other reasonable limits on the FTC. For example, the Senate voted to limit the Commission's subpena powers; to require advance notice of any rulemaking; to reduce certain reporting requirements for small business, which substantially cut down on paperwork; to require the Commission to set aside funds in the public participation program for outreach to small businesses, and to retain the States' regulatory authority over the insurance industry.

In addition, there were several provisions of the bill which were designed to reform the rulemaking procedures of the agency, generally, by requiring Congress to be notified, in advance, of a regulatory agenda of proposed rules in both the initial and final stages of a rulemaking proceeding. In addition, a regulatory analysis which describes the benefits or adverse effects of the rule must accompany every rule proposed.

In conclusion, Mr. President, the Senate has performed its oversight role admirably under the guidance of the distinguished Senator from Kentucky, Mr. FORD. Placed in a very difficult position, Senator FORD was able to shape a piece of legislation to reflect the will of the Congress and the people that the Federal bureaucracy should not be permitted to act in an unrestrained fashion, independent of the will of the Congress. Mr. President, I feel that the Senate has set an example of responsible oversight which bodes well for the future. Strict legislative oversight will guarantee that no agency will be able to function as a policymaker independent of the will of elected officials, and those they represent.●

RENEWED CALL FOR GOLD CONVERTIBILITY

● Mr. HELMS. Mr. President, it has been my privilege to work on a number of pieces of legislation dealing basically with the freedom of Americans to utilize gold as they see fit. In 1977, a bill was passed which made gold clause contracts enforceable in the courts—that is, contracts denominated in gold. In 1978, a bill was passed which will result in the production and sale of gold medallions produced by the U.S. Mint and weighing 1-ounce and one-half ounce respectively.

This year, a piece of legislation is moving through Congress, which would repeal the archaic stand-by authority of the President to call in all privately-held gold. Most recently, I introduced a bill which would require congressional approval before sales of gold could be conducted from U.S. stockpiles.

Mr. President, the substantive reform of our monetary system will require steps to remove from the hands of politicians the power to depreciate our currency. We must take steps to see to it that political winds can no longer influence money supply—to assure that federal deficits are not monetized and Federal elections do not influence the determination of monetary policy. To do this, we must move to a system where monetary policy is dictated by people acting in the marketplace. We must have monetary policy changes—the increases or decreases in money supply—determined solely by citizens telling government whether or not they need more dollars or fewer dollars.

Under a system in which the dollar is convertible into gold, people send a message as to whether more money is needed in the system. They send the message by their actions at the gold window of the Treasury. When there is too much liquidity in the system, people will turn in dollars for gold. When there is insufficient liquidity, gold will be turned in for dollars. It is as simple as that, and the monetary authorities must be bound by the dictates of these flows so that the economy will have proper money supplies.

Arthur Laffer is one of the Nation's outstanding economists; he is responsible for much pioneering work in developing a framework by which we can view public policy changes from a new perspective. That point of view is called "supply side fiscalism," and teaches that we must concentrate not only on demand stimulus, but on the vital supply side of our economy.

His monetary views have been called, global monetarism or neoconservative. He serves as a member of the board of advisers of an important public policy research organization here in Washington, one that has provided invaluable support for the cause of sound money. The Institute on Money and Inflation is dedicated to providing Members of Congress and others in positions of responsibility with information on sound money and the costs of inflation.

Recently, Professor Laffer submitted an article to the Los Angeles Times entitled, "Making the Dollar as Good as Gold." In that article, he accurately points out the service the market can render in monetary matters. He argues that binding the monetary authorities to stabilizing the price of the dollar in terms of gold would mean relative price level stability. With that stability would come a number of good things, only one of them being an end to inflation. We would see the end of the economic chase brought about by Keynesian dogma—spend, inflate, and inflate, and boom and bust.

Mr. President, let me be quick to say that I do not oppose economic booms—economic expansion. We must have economic expansion if we are to maintain a free society and provide a better life for the future. And that is what we can more easily achieve with a sound money system. We cannot have a free society with constant inflation and economic stagnation.

The fact that more and more people are seriously discussing the issue of monetary reform is a good one and I will do all I can to encourage Congress to address these important issues.

A recent issue of the bulletin of the Institute on Money and Inflation contained an excellent summary of some of the "pro and con" arguments as well as Professor Laffer's article on "Making the Dollar as Good as Gold." I ask that two articles from the Bulletin be printed in the CONGRESSIONAL RECORD.

The articles follow:

RENEWED SPECULATION ON GOLD STANDARD

As evidenced by quotes from *Fortune* and *Newsweek*, recent months have seen the development of a renewed interest in gold as a monetary force. This speculation is not limited to business and popular journals, however. Serious discussion is taking place in authoritative financial circles as well.

BEAR, STEARNS & CO.

Bear, Stearns and Company, a major brokerage firm, has recently issued a report (*The New Economic Review*, Volume 1, Issue 3, September 21, 1979) written by its chief economist Dr. Lawrence A. Kudlow, entitled "Return Now to a Gold Standard." It begins, "The message of the gold market is quite clear: there exists in the world economy far too much money supply in relation to its demand." Kudlow makes the point that the current leakage from all currencies into gold, "represents the use of gold as a transnational currency."

He asserts that, "With collapsing confidence in the world's reserve currency, the global market's gold rally is an effort to signal political leaders that a new monetary standard is necessary to provide a restoration of trust in the value of money."

"American authorities should take the lead by restoring a dollar/gold standard at the prevailing price level," he added. "The Federal Open Market Committee should direct the New York Fed Trading Desk to aim operations at a $375 gold price midpoint, within a tolerance band ranging between $400 and $350. If the gold price drifts upward toward $400, the market is signalling excess money supplies and open market operations should accordingly work to absorb reserves. If the gold price drifts below $375 toward $350, the market is signalling a shortfall in money and thus open market operations should undertake to add reserves."

The upshot of Kudlow's analysis is that reestablishing a gold standard would be both extremely desirable and easy to do, but that persuading public officials to go along with such a scheme would be very difficult.

IMI comment: Kudlow's mechanism is not without merit. He utilizes the basic tenet of the classical gold standard—i.e. taking power over the money supply out of the hands of politicians—but he denies one important aspect of gold standard: that is, credibility. In other words, he forces citizens to "bet against the government" in order to redeem their dollars for gold. He would allow the numeraire to float within certain defined boundaries, and not fix the price of gold.

Clearly, this hybrid approach would restrict the growth of the money supply in a salutary way, and would be far better than the monetary chaos we have today. One only asks why he did not go to the next logical step: a fixed ratio of grains of gold per dollar. If the monetary authorities would be directed to so intervene in the money markets to create or destroy dollars depending on which way the gold price was going, why wouldn't it be even better to require the monetary authorities to intervene in those markets depending on which way gold was going—in or out of the gold window at the Treasury?

Mr. Bob Sinche, another economist for Bear, Stearns and Company, differs with Kudlow inasmuch as he does not believe that there is physically enough gold—even at a higher price, and even with the U.S. as the world's largest holder—for this country to establish a gold standard. (This would probably be true if the U.S. were to institute a system based on 100 percent gold reserves, but Sinche ignores the precedent established by the London Gold Exchange, which operates for over 200 years on only a small ratio of gold to outstanding money supply.)

Nor does Sinche feel that the country's economic situation warrants such an action. He professes to be encouraged by recent actions by the Fed, which have been targeted on reserves and the price of money as opposed to credit controls.

However, Sinche does not hold strictly to the Treasury view of gold playing a completely non-monetary role in our economy. "In a narrow sense," he said, "we are on a gold standard since gold forced the U.S. into a new (economic) policy."

SECURITIES GROUP, INC.

Additional evidence of a resurgence of interest in a gold/dollar system was provided on August 27th and 28th at a meeting held by the International Monetary Board on the subject of "The World Economy in Crisis." Sponsored by The Securities Group (an investment banking firm which serves as a broker-dealer and market maker in U.S. government securities, money market instruments, financial futures, and foreign exchange), the International Monetary Advisory Board is composed of economists drawn from both academic and financial circles and noted for their diversity of opinion.

The report issued summarizing the August 26–27 meeting describes three policy strategies discussed by Board members as alternative means of reducing inflation: reducing tax rates, appreciating the dollar, or returning to dollar-gold convertibility.

Although there were some objections to this latter strategy (notably that choosing a gold price and gaining public support for the system might be difficult, and that such a system would deny discretionary power to monetary authorities to control their own policies), it was, "examined with renewed interest as it received a positive endorsement by several members of the International Monetary Advisory Board."

The report points out the advantages of a gold standard.

"Under such a system, exchange rates between the major currencies would vary minimally (though they may require occasional readjustment). Inflation rates would be lowered, because convertibility into gold means that the purchasing power of the currency is tied to the purchasing power of gold. Excessively expansionary or contractionary monetary policies would be countered by gold flows and would force adjustment in such policies."

IMI comment: The editor of the recommendation understates the advantages of the gold standard when he says it would provide for "lowered" inflation rates. Under previous gold convertibility price levels varied a small degree, but the self-governing aspect of the gold standard automatically led to the reduction and prevention of inflation, which is defined as an excessive supply of money.

Particularly informative are the arguments some members of the advisory board raise against the gold standard—i.e. the "impossible problem of (1) adjusting the money supplies, (2) price levels and (3) exchange rates in a world characterized by major disparities between national rates of inflation and economic activity. The difficulty and (4) painful consequences that such adjustment would entail would presumably be politically intolerable."

Response to objection 1

Keynesians and Friedmanites both agree on the definability of the money supply and thus are certain that it can be controlled. However, gold standard critics clearly do not understand that the marketplace dictates proper money supply (as well as defines it) under a functioning gold standard. Under a gold standard, the money supply is not decided by a number of Presidentially appointed bankers and bureaucrats. Rather, the marketplace dictates action (by flows of gold in or out of the Treasury), and forces monetary authorities to act.

Response to objection 2

The problem of adjusting price levels simply does not occur under a gold standard. The relative price stability granted by the system allows prices to be "adjusted" on the basis of productivity and demand and supply changes rather than real or anticipated inflation.

Response to objection 3

Exchange rates could not be more of a problem than they are today. Obviously, some nations would move to fix their exchange rate with ours, and thus enjoy both the trade advantages such stability would bring and the anti-inflationary discipline imposed by such a move.

Response to objection 4

The painful consequences feared by some opponents of a gold standard indicate that they are students of history and believe everything that Paul Samuelson says about gold. The 1876–79 recession in the United States and the 1920–22 recession in England were caused by the restoration of gold convertibility at pre-inflation prices. In other words, those gold restorations required a reduction in the money supply—a deflation. There is no such necessity, but even if a deflation were needed, could such temporary hardships equal in magnitude the ongoing loss caused by inflation?

WORKING TOWARD A GOLD STANDARD

In sum, the Securities Group citation of a gold standard as a possible alternative economic policy and the Bear, Stearns modified gold standard approach indicate that the debate is in its infancy. Organizations such as the Committee on Monetary Research and Education, the Foundation for Economic Education, the American Economic Foundation, and others have much work yet to do in educating the public. The Institute on Money and Inflation will continue its work in educating public policymakers on this issue, and together we cannot only raise the level of debate, but bring the day closer when the monetary reform this nation must have will be undertaken.

LAFFER ON THE GOLD STANDARD

IMI Board of Advisors member, Dr. Arthur B. Laffer is usually cited as the father of the "Laffer Curve", and more recently as the chief intellectual force behind a new econometric model based on his theories (see IMI Bulletin V. I, Number 9, October 15, 1979)

On October 30, Laffer elaborated on his views of money on the editorial page of the Los Angeles Times. We hope this article kicks off a serious debate not only in the press, but within "pro-sound money" circles as well. We would guess that some IMI supporters and some on the IMI Board of Advisors might disagree with certain of Laffer's opinions. We welcome all comments and will print responses, space permitting.

One point that will probably raise eyebrows is Laffer's call for gold sales by central banks once a specific date is set for a return to gold convertibility. We questioned Laffer on this point, and he responded that he would favor such sales because he would want to make sure that monetary authorities intervene to stop a flight of gold. In other words, he would, via restrictive monetary policies, want authorities to act quickly if gold began to flow. He pointed out that the inflation of the 1960's was permitted, in part, because half of the massive gold reserves of the United States were dumped in order to hold down the price of gold. What should have been done, Laffer contends, was restrict the money supply to the point that gold flows ceased.

He also pointed to the London Gold Exchange as an example. Whenever there was an indication that the pound was weakening and gold would be asked for, the Bank of England intervened to reduce the money supply rather than allow massive outflows of gold.

One economist we contacted thought that Laffer's fear was well-founded, but that any new monetary reform law could tie monetary policy changes to gold flows and thus prevent a repeat of the 1960's experience.

In addition, it should be pointed out that any gold convertibility law should entail the resumption of gold coinage and such purposes could consume a considerable portion of present gold reserves. Thus Laffer's discipline might be maintained because the gold reserves would not be available to "finance" inflation.

An additional point concerning the sales of gold prior to the resumption of convertibility is the effect such sales would have on the price of gold. If the law calling for the resumption of convertibility stated that the price of convertibility would be the "market" price, then government intervention depressing the price would result in convertibility at an artificially low level. This would seem to result in an upward pressure on the price of gold once convertibility was established. This upward pressure would be interpreted by monetary authorities as a call for tighter money, and would result in action to restrict money supplies. If such deflationary actions took place, there would be understandable criticism of the new gold standard and predictable economic dislocations.

This concern over gold sales is, however, tangential to the key point: utilizing gold to provide monetary discipline is a workable alternative for future reforms. Far from being a "barbaric relic," gold may offer not only an economically practical policy option, but a politically attractive one as well.

MAKING THE DOLLAR "AS GOOD AS GOLD"

(By Arthur B. Laffer)

The events of the past several weeks have served to make interest rates, reserve requirements and money supply targets of cocktail talk at all proper meeting places. What appears to be missing, however, is any serious discussion of a word understood by virtually everyone: gold. In my view, any successful solution to the monetary crises occurring at ever-more frequent intervals must include a reestablishing of dollar convertibility. Historically, convertibility of a currency has been into gold.

Within the last decade, the price of gold has been as low as $35 per ounce. In recent weeks, the price of that same ounce of gold has gone as high as $440. As of today's reading each ounce sells for about $375. Even discarding over-all price increases, the appreciation of gold has been sensational. In the last 10 months alone, the dollar price of gold has risen well over 50%.

The underlying production and consumption characteristics of gold have basically remained the same. The gold market itself is a by-stander, absorbing the reverberations of a fundamental economic "malaise," especially in the United States. Along with a handful of other indicators, such as the stock market, the price of gold is a measure of the health of an economy. The prognosis is not good.

In his book, The Golden Constant, UC Berkeley Prof. Roy Jastrom documents the stabilizing nature of a gold standard, a monetary system in which a nation's currency is officially convertible into gold at a predetermined price. When maintained on a gold standard, price indexes show a "retrieval phenomenon." This means that when monies are convertible into gold, prices are bounded: if prices rise, for any reason, they will later fall back into line.

This is why, under the gold standard in the United Kingdom, the price level was the same in 1718 as it was in 1930, as well as in various intervening years. Incredible as it may seem today, there was no generalized inflation over the entire 200-plus years. That period, save for brief interludes, saw the pound sterling convertible into gold.

Recent research by USC's James Turney has further documented the financial characteristics of the gold market. Turney has found that the price of gold is inversely related to the foreign exchange value of the dollar. Thus, a dollar decline in comparison with other currencies is closely related to increases in the dollar price of gold. Moreover, this inverse relationship is not proportional. On average, when the dollar falls by, say, 1%, against a weighted average of other currencies, the price of gold rises 2%.

Gold is the first refuge of the cautious. As an investment item, gold and gold stocks have some admirable characteristics. The returns on gold due to price fluctuations don't appear to be related to returns on common stocks. As often as not, when stock prices fall, gold prices rise. Thus, including gold in an investment portfolio reduces the risk of that portfolio. In addition, the returns on gold are often better than those on stocks. From the end of March of 1968 until October 3 of this year, the incerase in the price of gold was almost ten-fold.

More interesting than the investment implications of gold as an asset, though, are its inflation-hedging qualities. In the United Kingdom, for example, while gold kept three-quarters of its purchasing power between 1933 and 1976, the purchasing power of the pound sterling fell to less than one-fourteenth of its 1933 level.

Intuitively, the close association between gold price fluctuations and inflation makes a lot of sense, for gold has many qualities that make it an ideal money substitute. Gold is also a truly international commodity, with a long tradition of stability.

More important than these, however, is the fact that governments cannot print or otherwise create gold. The absolute quantity of gold and its value are outside the purview of monetary authorities and their purely political decisions.

Tying a currency to a gold standard has the same effect on inflation that putting a governor on a car engine has on speeding. Fuel is restricted. From 1957–1967, inflation averaged 1.7 percent annually (based on the consumer price index.) In March of 1968, a two-tier gold market was instituted. Officially, the price of gold remained at $35 per ounce. But in effect, the dollar became inconvertible. In the next three years, inflation escalated to an average annual rate of 4.9 percent.

In August of 1971, the gold standard was scrapped in the United States. Not even foreign governments could convert their dollars to gold. Inflation from 1971 through mid-1979 has risen to an average annual rate of 7.5 percent. Figures for the latest periods show that inflation has broken the double-digit barrier, and the price of gold has broken all records.

If done correctly, a return to gold convertibility could be effected with little disruption in the financial and real markets. The most serious problem is how to determine the appropriate price of gold once the dollar is convertible. At present, the price is in excess of $350 per ounce. If the government were to reestablish convertibility at this price an enormous inflation would follow as other prices rose to reacquire parity to gold.

The basic point is that the price of gold has been bid up to such heights because inflation is expected to continue at even higher rates. If prices were known to be stable over horizons both near and distant, there would be a dramatic shift out of gold into dollars. In a free market this change in anticipations would result in a sharp reduction in the current price of gold.

The first step of an intended return to convertibility would be to announce it. A period of transition and a specific date for the reestablishment of convertibility should be set. During this transition period the monetary authorities should take up an austere posture and sell a large portion of the government's gold holdings. Whatever the market price of gold at the pre-specified date, that would be the price the monetary authorities would choose as the price of conversion. Therefore, the price of all commodities would not be forced to adjust to the price of gold. The price of gold would do the adjusting.

Intervention to maintain dollar convertibility once the price is established is a critical feature of any good gold exchange standard. Fortunately the annals of monetary authorities, both here and abroad, are replete with workable examples. Perhaps the single most successful episode was conducted by the British from the beginning of the 18th century to the beginning of the 20th century. The method then was simply to adjust the U.K. money supply to maintain gold's pre-determined price. If there were upward pressure on the price of gold, the U.K. monetary authorities would reduce the money supply until the pressure abated. Likewise, if downward pressure developed they would increase the number of pounds outstanding. It worked, and worked well.

Wouldn't it be nice if our economy were restored to being "sound as a dollar," and the dollar as "good as gold"?●

SENATOR BENTSEN FOCUSES ON DILEMMA OF CURBING INFLATION IN PERIOD OF RUNAWAY CREDIT

● Mr. RANDOLPH. Mr. President, on Sunday March 2, my distinguished colleague Senator LLOYD M. BENTSEN appeared on NBC's "Meet the Press" to discuss problems associated with rising inflation. He spoke as chairman of the Joint Economic Committee, but I know of his unceasing efforts toward legislative balance best as a member of the Senate Environment and Public Works Committee.

The "Meet the Press" interview evoked discussions of such current proposals as wage and price controls, budget cuts and other means of curbing inflation. Senator BENTSEN feels that tax incentives must be encouraged to increase productive capacity and lower prices. He advocates selective cuts in the budget and controls over unlimited consumer credit.

NBC Executive Producer Bill Monroe served as moderator for the program. He was joined bv Irving R. Levine of NBC News, Eileen Shanahan of the Washington Star, and Steven Rattner of the New York Times.

Mr. President, I ask that excerpts of the program dealing with inflation problems be placed in the RECORD. I feel my colleagues and others, can benefit from the insights and ideas that Senator BENTSEN has set forth in well reasoned logic.

The excerpts follow:

EXCERPTS

Mr. MONROE. Our guest today on Meet the Press is Senator Lloyd Bentsen, Democrat of Texas and a presidential contender four years ago. Senator Bentsen is a former insurance executive and is the present chairman of the Economic Committee. His committee's annual report, issued a few days ago, proposes a $25 billion tax cut which, it says, would tend to lower inflation over a period of years.

Senator, in January inflation hit a peak of 18 percent at an annual rate, and various authorities and officials are using words like emergency and crisis to describe the current economy and some people are saying we need some drastic remedies, such as wage/price controls. Isn't it true that the formula your committee proposes, including this tax cut, which is aimed at improving investment and productivity and spending cuts and some 20 or 30 other things—isn't this a rather mild formula which would be rather slow to have any effect on inflation?

Senator BENTSEN. Well, anyone who thinks that you have a quick fix for inflation, that you can turn it around overnight, doesn't understand the problem. You just can't do that, and it takes an overall program to bring it about, where you can continue to have growth and you don't push unemployment to unacceptable levels, and at the same time increase productivity and push down inflation. But it means that you approach it from many sides in order to make it effective.

Mr. MONROE. Well, don't we need something more drastic than the formula your committee proposes? Aren't we in an emergency? Don't we need some kind of shock psychology, wage/price controls or something with impact?

Senator BENTSEN. Mr. Monroe, I think we do need something more now that we see the 18 percent inflation in the last report, and I think what we could do is go to selective credit restraints. I think that would help, that along with very substantial cuts in the budget, trying to work toward a balanced budget in 1981, convince the American people that we're serious about getting our financial house in order.

We've learned what happens to us, the psychology of inflation expectation, and we have to turn that around.

Mr. MONROE. Senator Baker said the other day that he would like to see an economic summit meeting on a bipartisan basis involving the White House and congressional leaders, and he would consider as part of a short-term package wage/price controls. Would you consider wage/price controls?

Senator BENTSEN. No, I wouldn't support wage and price controls. I think that selective credit restraints would be a better way to approach it, because it doesn't require as large a bureaucracy, because it doesn't involve as many transactions. And even that I think should be on a temporary basis, but you ought to couple that with a continuing slowdown in the increase of the money supply in cutting back on that budget, and cutting back substantially on it, and in turn coupling that with targeted tax cuts, and I think that's terribly important that we understand we're not talking about the conventional kind of overall tax cut.

Mr. MONROE. Thank you, Senator.

Ms. SHANAHAN. Senator, President Carter is apparently going to recommend some substantial cuts in his budget as a means of dealing with inflation. Isn't this just exactly the kind of zig-zagging on economic policy that your own Joint Economic Committee report said on Friday the nation should avoid?

Senator BENTSEN. Well, I think what we've seen is a situation where inflation—the last indices we saw, the last numbers—was a surprise to almost everyone, and I think that you have to do some things in the short run to try to assist that situation and you have to do—as Mr. Monroe was talking earlier—have to turn around this psychology of inflation expectation to convince the American people that we're serious about it. So I think those budget cuts have to be made, and they're not going to be easy. It's going to be like pulling teeth.

Ms. SHANAHAN. The cuts that have been proposed that everyone's talking about are in the 1981 budget, and fiscal '81 doesn't even start until next October. What good will it really do to make cuts that long in the future?

Senator BENTSEN. Well, I think the appearance is terribly important; the symbolism is awfully important. I think you're going to see some additional proposals on cuts in 1980, but this one's half over, so those are going to be modest, but I think you'll see substantial ones offered for 1981, and I believe the American people then can understand that we're going to do the things that have to be done across the board, that everyone is going to have to sacrifice some.

And I think that the business sector will also understand that. You know, the mere fact that they were talking about selective credit controls, all of a sudden the bond market began to strengthen when it was in utter chaos before.

Ms. SHANAHAN. The very economic research group that your committee has used, Data Resources, Inc., has said during work for the House Budget Committee that a very substantial budget cut would only knock two-tenths of a percent off of the inflation rate. Do you disagree with that, or why are you advocating large budget cuts as a means of dealing with inflation?

Senator BENTSEN. It's not going to be just one thing. It's going to be all of these things done together. I would not recommend just the one. I think that you have to have the continued restraint on the increase of the monetary supply.

But, you see, Paul Volker doesn't have total control of that, and he certainly doesn't have control of the credit problem. You've had an absolute explosion in consumer credit over the last couple of years, and that has to be dampened some, too. All of these things done together, I think, will have a compounding effect and will help slow it down.

Mr. MONROE. Mr. Rattner?

Mr. RATTNER. Senator, I wonder if I could get you to be a little bit more specific on the question of the budget. How much do you think we ought to cut from the 1980 budget, how much from the 1981 budget, and where precisely do you think those cuts can be made?

Senator BENTSEN. Well, I'm not sure we could get it all in in 30 minutes, and I think that what we do insofar as the '80 budget, as I said earlier, is going to be minimal. But on the '81 budget, we could do some things. For example, I think that revenue sharing to the states ought to be cut out, and I understand that's kind of a sacred cow, but all the states now are experiencing a surplus and the Federal Government just doesn't have any revenue to share, so I would support that. I proposed that kind of an amendment on the floor. It lost before. Perhaps we can get more support for it now.

Then let's talk about another one. Now, that would be about three billion. But let's talk about another one. Let's talk about the CPI index. The CPI index, as it is used—

Mr. MONROE. You mean the cost of living index?

Senator BENTSEN. That's right. Thank you. The cost of living index today, which tries to measure inflation, actually reflects a figure higher than true inflation. I think we ought to change the components, and that means that you would adjust the social security benefits, the veterans benefits and all of the rest of them. Again, that's a tough one, but those people ought to have the adjustments based on what true inflation is, not something above that. That picks up another four or five billion.

Mr. Rattner. And where do you think we should be headed in 1981, to a balanced budget?

Senator Bentsen. Yes, I think we should be headed toward a balanced budget, and that's not going to be easy to do. It will be tough, and I've already outlined something that would get us at least a third of the way there.

Mr. Rattner. You mentioned credit controls, and you weren't specific on that. Business is thought to be the area in which credit controls would be most useful—business borrowing has been very high—but those are very difficult to implement. On the other hand, consumer credit has begun to tail off. Automobiles, housing and the like have been rather depressed, so that it's not clear you'd get much help on that front. Where exactly would you be aiming these credit controls and how do you think they would have an impact on inflation?

Senator Bentsen. First, I would exclude housing and I would exclude automobiles, because both of them are in trouble, but I would do something about credit cards. There's been an incredible proliferation in credit cards.

I was watching an NBC program the other night where they were talking about a family and the trouble they were in because they'd received 10 credit cards they hadn't even requested, they'd gone out and bought a color TV and a whole list of things and now were having an extremely difficult time.

I'd put a limit on the amount of credit cards. I would lower the amount. I would shorten the period of time in which they have to repay future purchases. In addition to that, I would stop this advertising that I watch on TV all the time, where these banks say, "Go ahead and have an overdraft," you know, encourage overdrafts. "We'll take of it for you." I would urge that we stop speculative financing by business, that the banks do that. I would strengthen the ratio of capital to loans, and that would affect business, and that would be one of the more easy ones to administer.

Mr. Monroe. Mr. Levine?

Mr. Levine. Senator, the other day 43 senators came out in a joint statement proposing a $26 billion spending cut. Now, you've spoken out this morning in favor of reducing budget expenditures. Why didn't you join that group of senators in their statement?

Senator Bentsen. Well, resolutions like that are easy to support, and I'm encouraged by that and I support that, even though I didn't sign the resolution. But you have to deal with specificity, you have to talk about the particular cuts, and I looked over that list of, I believe there are 44 on that resolution now, and I noticed that 30 of them had voted against my amendment on revenue sharing. So I'd like to see the specific cuts that we're talking about.

Mr. Levine. As you've indicated, I suppose it's pretty easy for a senator to come out in favor of budget cuts until it affects his particular constituencies. You voted last session in favor of a rather expensive measure for wheat price supports, which affects wheat growers in Texas but nevertheless increases budget expenditures. Would you be prepared now to vote against such a measure?

Senator Bentsen. I voted last year for over $41 billion in cuts, in excess of what the Congress voted to cut, so I have a record of going far beyond the 20 or 25 billion that we're talking about now. On that specific one, you're seeing farmers facing in 1980 a 24 percent drop in income, and you don't see prices going up for the farmer. The price that you see go up is at the marketplace. It's as you go to the market to shop. The farmer is not getting an increase. Now, if you put him out of business, then you're going to be more dependent on foreign imports. You're going to take—you're going to knock out one of the things that has lessened our trade imbalance, and I think it would be a serious mistake.

Mr. Levine. On these votes that you've mentioned for budget cuts, I wonder how many of them actually affected your constituents and how many budget cuts you would be willing to vote for where your constituents and your prospects for re-election in 1982 would be affected?

Senator Bentsen. I voted for a lot of them that affected my constituency. The State of Texas is a very diversified state and is now the third largest in population, so every cut I vote for in some way affects Texans.

Mr. Levine. The President, as has already been indicated, is in favor of large expenditure cuts. You've indicated, as have other senators, their interest and determination to cut the budget, yet when this budget was presented only a month-and-a-half ago, it was presented as a tight and even austere budget, yet now a very wide spectrum of political opinion is saying it can be cut. What kind of confidence can the American people have in the credibility of the budget, the plans for spending which both the Administration and the Congress consider when such plans now are seen to be overblown in terms of what spending is set?

Senator Bentsen. Well, I think what you saw at that time was more of a butter-and-guns budget, and I think we better get down to the margarine-and-guns. I think we can cut it, but I think that we've seen additional pressure brought to cut it because of what's happening to inflation, and I think we have to react to that. I don't think we did enough in the way of cuts before. I've just told you that. I voted for over $41 billion of additional cuts.

Mr. Monroe. Ms. Shanahan?

Ms. Shanahan. Senator, your Joint Economic Committee report, as you just said, advocates tax reduction aimed at creating incentives for business to invest more in new plants and equipment, and you proclaim that if this were done we would have a new era of economic growth, yet we had very substantial tax cuts of precisely that description in '62, '64, '71, '75 and '78. How can you contend either that it's a new era or that it will work? The economy's inflation has never been worse.

Senator Bentsen. Well, Ms. Shanahan, I don't agree with you at all insofar as those tax cuts to try to encourage investment in those years. The last major tax cut that you had that would encourage business was when Jack Kennedy came in and said, "Let's get this country moving again," and he brought in the investment tax credit, and we saw investment capital really move forward at that time, and the country began to move. I think it's time that we do something again like that, and what I'm talking about is shortening the depreciation schedule for new machinery purchased. I'm not talking about a general tax cut for business, as such; I'm talking about encouraging their cash flow so they'll make the investments. That doesn't add to their current profits, and they don't get that tax cut unless they buy that machinery.

You see, what's happening here in this country is what we're no longer competitive with the Japanese and the Germans on many of our products. Let me give you an example. Of the 22 major modern blast furnaces in the world, 14 of them are in Japan. None is in the United States. We just have to put more modern tools in the hands of our working people, or we can't compete

Ms. Shanahan. Isn't it true that just that kind of tax cut that you're talking about for depreciation, bigger than the one you were proposing relative to the size of the economy, was put in in '69, what we called then the asset depreciation range?

Senator Bentsen. No, I don't think it developed anything like the kind of a cut that I'm talking about, and if you'll take a look at what the Japanese are doing and what the Germans are doing and the Canadians are doing in the way of depreciation schedules, they're far ahead of us and have encouraged capital investment substantially ahead of us.

Let me give you another example. The Japanese are turning over their industrial base once every ten years. We're turning ours over once every 30 years. You don't have to be any economic genius to know that their working people are going to have better tools than ours.

Mr. Rattner. Along those lines, we haven't really mentioned energy here as part of the anti-inflation and general economic policy operation. Are you in favor of any of the proposals that have been made to trim gasoline consumption, such as a tax or a fee on oil imports or going to rationing?

Senator Bentsen. Mr. Rattner, I proposed in 1974 a 35-cent a gallon tax, and that that money be used to develop alternative sources of energy, and I got bales of mail protesting it. I'm not sure that it's politically possible to accomplish it. Of course, I think had we done that, we'd be a long way down the road to solving our problems. Six years, we would have been using those funds to develop alternative sources.

We may be able to do an import fee, and if we did that, that would spread through all of the use of oil, petrochemicals and the rest of it. It might be a politically possible way to do it. I doubt the gasoline tax can pass. I can recall I proposed it at the Democratic Policy Committee, and one of the members said, "Not me," and I said, "Why?" He said, "When I was governor of my state," he said, "I supported and passed a one-cent gasoline tax and they named it after me," so he said, "I'll never go that way again."

Mr. Monroe. We have about two-and-a-half minutes. Mr. Levine?

Mr. Levine. Senator, you've expressed your opposition to wage and price controls, yet a number of people who have been against wage and price controls in the past have in recent weeks come out for wage and price controls. Barry Bosworth, the former director of the President's anti-inflation program would like to see them under certain conditions. A distinguished Wall Street economist, Henry Kaufman, surprised Wall Street by proposing wage and price controls. Why are you against them?

Senator Bentsen. Because I don't think they've worked. They'll hold prices down for a little while and then you'll get all kinds of dislocations in the marketplace, and as soon as they are taken off, then prices skyrocket. We may stumble into wage and price controls. If you see 18 percent inflation for several months, we may end up with some kind of a temporary wage and price control, but I'm hopeful that if the Administration will propose an overall approach, as I've discussed here, that that will be the kind of shock treatment that convinces the American people that we're serious about this business, that it isn't going to be always to their best interest to buy something today because it's going to cost more tomorrow, to try to encourage savings in this country and, again, to modernize the tools that our people use. I think those are the ways to do it.

Mr. Levine. Now, you suggested changing the way the consumer price index measures the rise in the cost of living, so that wage increases which people get connected with increases in the cost of living are not so great. Isn't this changing the rules in the middle of the game, and wouldn't it hurt recipients of social security benefits, who can least afford rises in the inflation rate and who have been compensated by periodic increases in benefits?

Senator BENTSEN. Let me say when you put things together in components to measure the cost of living and then you find that some of the components don't truly reflect what is happening, then I think that you should change it. You ought to recognize the realities. It's not a question of changing the rules; it's benefiting by experience and making the changes then. And that means that then we try to give equity to everyone.

Mr. MONROE. Thank you, Senator BENTSEN, for being with us today on Meet The Press.●

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following calendar orders numbered 625, 633, 638, 640, 641, 643, 644, 648, 649, 650, 652, 653, and 655.

Mr. STEVENS. Mr. President, reserving the right to object, and we shall not object, each one of these items has been cleared, and I am pleased to agree with the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

LORAINE SMART AND ROBERT CLARKE

The bill (H.R. 1829) for the relief of Loraine Smart and Robert Clarke, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–585) explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to grant the status of permanent residence in the United States to Loraine Smart and Robert Clarke.

The beneficiaries of this bill are half brother and sister, now ages 21 and 18, respectively, who are natives and citizens of Jamaica. They reside in New Jersey with their aunt and uncle and attended school. The natural mother of the beneficiaries died when the younger beneficiary was 2 days old and the male beneficiary was under the age of 3. Their grandmother became their legal guardian and cared for them from infancy until her death on January 8, 1979.

APPOINTMENT OF WILLIAM G. BOWEN

The joint resolution (H.J. Res. 493) providing for the appointment of William G. Bowen as a citizen regent to the Board of Regents of the Smithsonian Institution, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–592), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

House Joint Resolution 493 would provide that the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the death of Dr. John Nicholas Brown of Rhode Island on October 9, 1979, be filled by the appointment of William G. Bowen of New Jersey for the statutory term of 6 years.

Pursuant to 20 U.S.C. 42, 43, the Board of Regents is composed of the Vice President, the Chief Justice of the United States, three Members of the Senate, three Members of the House of Representatives, and nine other persons, other than Members of Congress. The nine citizen regents, two of whom shall be residents of the District of Columbia and seven of whom shall be inhabitants of some State (but no two of the same State), are appointed by joint resolution of Congress and serve 6-year terms.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

The Senate proceeded to consider the resolution (S. Res. 368) authorizing additional expenditures by the Committee on Armed Services for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 2, strike "sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate" and insert "paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction over rule XXV of such rules".

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Armed Services is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $976,000, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–597), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 368 would authorize the Committee on Armed Services from March 1, 1980, through February 28, 1981, to expend not to exceed $976,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $50,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 1st session of the 96th Congress, the committee was authorized by Senate Resolution 81, agreed to March 7, 1979, to expend not to exceed $763,900 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $138,900.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE BUDGET

The resolution (S. Res. 358) authorizing additional expenditures by the Committee on the Budget for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on the Budget is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make exepnditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,432,900, of which amount not to exceed $80,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the

Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resoution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–599), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 358 would authorize the Committee on the Budget from March 1, 1980, through February 28, 1981, to expend not to exceed $2,432,900 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $80,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 73, agreed to March 7, 1979, to expend not to exceed $2,366,500 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $70,000.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

The resolution (S. Res. 336) authorizing additional expenditures by the Committee on Commerce, Science, and Transportation for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standard Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Commerce, Science, and Transportation is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,652,800 of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $6,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–600), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 336 would authorize the Committee on Commerce, Science, and Transportation from March 1, 1980, through February 28, 1981, to expend not to exceed $2,652,800 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate. Of that amount (1) not to exceed $25,000 would be available for the procurement of the services of individual consultants or organizations thereof; and (2) not to exceed $6,000 would be available for the training of committee professional staff.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 26, agreed to March 7, 1979, to expend not to exceed $2,627,800 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $325,000.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

The resolution (S. Res. 352) authorizing additional expenditures by the Committee on Environment and Public Works for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Environment and Public Works is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,828,000, of which amount (1) not to exceed $70,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–602) explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 352 would authorize the Committee on Environment and Public Works from March 1, 1980, through February 28, 1981, to expend not to exceed $1,828,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount (1) not to exceed $70,000 would be available for the procurement of the services of individual consultants or organizations thereof, and (2) not to exceed $500 would be available for the training of professional staff of the committee.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 43, agreed to March 7, 1979, to expend not to exceed $1,787,900 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $257,000.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

The resolution (S. Res. 337) authorizing additional expenditures by the Committee on Finance for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Finance is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,049,600 of which amount not to exceed $150,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-603), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 337 would authorize the Committee on Finance from March 1, 1980, through February 28, 1981, to expend not to exceed $1,049,600 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $150,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 52, agreed to March 7, 1979, to expend not to exceed $1,019,600 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $86,300.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON LABOR AND HUMAN RESOURCES

The resolution (S. Res. 341) authorizing additional expenditures by the Committee on Labor and Human Resources for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate in accordance with its jurisdiction under rule XXV of such Rules, the Committee on Labor and Human Resources is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,940,000, of which amount not to exceed $30,000 may be expended for the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation, as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-607), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to which was referred the resolution (S. Res. 341) authorizing additional expenditures by the Committee on Labor and Human Resources for inquiries and investigations, having considered the same, reports favorably thereon without amendment and recommends that the resolution be agreed to.

Senate Resolution 341 would authorize the Committee on Labor and Human Resources from March 1, 1980, through February 28, 1981, to expend not to exceed $2,940,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $30,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 31, agreed to March 7, 1979, to expend not to exceed $2,753,000 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $174,000.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

The resolution (S. Res. 345) authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Veterans' Affairs is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $269,000, of which amount not to exceed $14,800 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-608), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD as follows:

Senate Resolution 345 would authorize the Committee on Veterans' Affairs from March 1, 1980, through February 28, 1981, to expend not to exceed $269,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $14,800 would be available for the procurement of the services of individual consultants or organizations thereof.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 66, agreed to March 7, 1979, to expend not to exceed the same amount ($269,000) for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $36,900.

ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

The resolution (S. Res. 359) authorizing additional expenditures by the Select Committee on Small Business for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, and S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate resolution, the Select Committee on Small Business is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, and (4) to procure the temporary services (not in excess of one year) or intermittent services of individuals, consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate and may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. The expenses of the select committee under this resolution shall not exceed $333,812 of which amount not to exceed $7,000 may be expended for the procurement of the services of individual consultants, or organizations thereof.

SEC. 3. The select committee shall report its findings together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–609), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 359 would authorize the Select Committee on Small Business from March 1, 1980, through February 28, 1981, to expend not to exceed $333,812 for a study of matters within its jurisdiction under Senate Resolution 58, 81st Congress, agreed to February 20, 1950, as amended and supplemented, of which amount not to exceed $7,000 would be available for the procurement of the services of individual consultants, or organizations thereof.

During the first session of the 96th Congress, the select committee was authorized by Senate Resolution 69, agreed to March 7, 1979, to expend not to exceed $326,900 for the same or similar purposes. The select committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $100.

EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

The resolution (S. Res. 354) authorizing expenditures by the Select Committee on Intelligence, was considered and agreed to, as follows:

Resolved, That the Select Committee on Intelligence, in carrying out the duties and functions prescribed by S. Res. 400, Ninety-fourth Congress, agreed to May 19, 1976, as amended, is authorized from March 1, 1980, through February 28, 1981, to make expenditures from the contingent fund of the Senate not to exceed $1,856,000, of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 2. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 3. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–611), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to which was referred the resolution (S. Res. 354) authorizing additional expenditures by the Select Committee on Intelligence, having considered the same, reports favorably thereon without amendment and recommends that the resolution be agreed to.

Senate Resolution 354 would authorize the Select Committee on Intelligence from March 1, 1980, through February 28, 1981, to expend not to exceed $1,856,000 in carrying out the duties and functions prescribed by Senate Resolution 400, 94th Congress, agreed to May 19, 1976, as amended. Not to exceed $25,000 of that amount would be available for the procurement of the services of individual consultants or organizations thereof.

During the first session of the 96th Congress, the select committee was authorized by Senate Resolution 76, agreed to March 7, 1979, to expend not to exceed $1,799,500 for the same or similar purposes. The select committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $166,992.

EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

The resolution (S. Res. 357) authorizing expenditures by the Select Committee on Indian Affairs for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That in carrying out the duties and functions imposed on it by section 105 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, as amended and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1980, through January 2, 1981, in its discretion (1) to make expenditures from the contingent fund to the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services or personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $525,300 of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 2, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–612), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to which was referred the resolution (S. Res. 357) authorizing expenditures by the Select Committee on Indian Affairs, having considered the same, reports favorably thereon without amendment and recommends that the resolution be agreed to.

Senate Resolution 357 would authorize the Select Committee on Indian Affairs from March 1, 1980, through January 2, 1981 (10-month period), to expend not to exceed $525,300 in carrying out the duties and functions imposed on it by section 105 of Senate Resolution 4, 95th Congress, agreed to February 4, 1977, as amended. Not to exceed $20,000 of that amount would be available to the select committee for the procurement of the services of individual consultants or organizations thereof.

Pursuant to Senate Resolution 4, 95th Congress, as amended, the select committee will cease to exist on January 2, 1981, and effective on January 3, 1981, its jurisdiction and duties will be transferred to the Committee on Labor and Human Resources.

During the 12-month period from March 1, 1979, through February 29, 1980, the select committee was authorized by Senate Resolution 70, agreed to March 7, 1979, to expend not to exceed $621,600 for the same or similar purposes. The select committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $71,600.

U.S.S. "CARL VINSON"

The Senate proceeded to consider the joint resolution (S.J. Res. 149) to recognize the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson*, March 15, 1980.

● Mr. NUNN. Mr. President, the Senate has begun consideration of Senate Joint Resolution 149, a resolution to recognize the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson* which will occur on March 15, 1980.

Mr. President, this resolution concerns a unique person and a unique occasion.

The person is the Honorable Carl Vinson who served in the House of Representatives for a total of 26 Congresses—from November 3, 1914 to January 2, 1965. He also served as chairman of the House Naval Affairs Committee from 1930 to 1946 and as chairman of the House Armed Services Committee for 14 years. Both records are unique in the history of the legislative branch.

Mr. Vinson's lifelong government service was dedicated to the philosophy that "No man should ever place the defense of his Nation below any other priority." He translated this belief into insuring a strong and prepared America. His record and accomplishments in the national security area are unique.

For these reasons, former President

Nixon, supported by a Member of this body, former Secretary of Navy John Warner, announced on Mr. Vinson's 90th birthday in 1973 that the nuclear powered aircraft carrier, the CVN–70, would be named the U.S.S. *Carl Vinson*. Until that point, it had not been Navy policy to name any of its major ships after living Americans.

This sets the stage for what will be an even more unique situation—the christening and launching of that aircraft carrier. Mr. Vinson, who turned 96 last November will be present in Newport News, Va. on March 15, 1980 when this occurs. It will be the first time in our history that a major vessel has been christened in the presence of her namesake.

The characteristics of the ship itself are as impressive as the event. The U.S.S. *Carl Vinson* is the largest warship ever constructed and is the third nuclear powered carrier in this class. The first is named after Adm. Chester Nimitz and the second after President Eisenhower.

The combat displacement of the *Vinson* is almost 95,000 tons and she will carry over 100 aircraft and a ship's complement of almost 6,000 people. It is over 3 football fields in length and 1 football field wide. It will be the mightiest ship ever to be put to sea.

It is for all these reasons that the Senate is considering this resolution which has been cosponsored by all the members of the Senate Armed Services Committee.

I should add that this has a very special meaning for me since Mr. Vinson is my great-uncle.

I ask that Senate Joint Resolution 149 be favorably considered by the Senate.●

The joint resolution (S.J. Res. 149) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. Res. 149

Whereas the nuclear powered aircraft carrier United States Ship *Carl Vinson* (CVN70) will be christened and launched at Newport News, Virginia, on Saturday, March 15, 1980; and

Whereas Carl Vinson is the first living American to be present at the launching of a United States Navy warship which bears his name, a name that is synonymous with America's preeminent naval power, a name that stands for strength through preparedness; and

Whereas Carl Vinson served as Chairman of the House Armed Services Committee for fourteen years and as Chairman of the old Naval Affairs Committee for sixteen years, during which time he played a major role in developing a national defense posture second to none, believing always in the philosophy that "No man should ever place the defense of his nation below any other priority"; and

Whereas Carl Vinson's record of fifty years continuous service in the House of Representatives remains unsurpassed, reflecting a life-long commitment to the security, freedom, and prosperity of all Americans; and

Whereas Carl Vinson served his country with distinction, providing enlightened leadership, and demonstrating an incomparable ability as a legislator: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation extending best wishes to Carl Vinson on this historic occasion and expressing deep appreciation on behalf of the people of the United States of America for his unswerving devotion to his beloved Nation.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider all nominations on the executive calendar beginning with "New Reports" on page 2 going through page 3.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

The assistant legislative clerk proceeded to read nominations on the executive calendar.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all nominations on the executive calendar beginning with "New Reports" on page 2 through page 3 be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, all nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

IN THE NAVY

Rear Adm. Edward P. Travers, U.S. Navy to be vice admiral.

MEDICAL CORPS

Lewis H. Seaton and William M. McDermott, Jr. to be rear admiral.

SUPPLY CORPS

Bruno A. Pomponio, Scott W. Ebert, Millard J. Johnson, and Neil P. Ferraro, to be rear admiral.

CHAPLAIN CORPS

Neil M. Stevenson to be rear admiral.

CIVIL ENGINEER CORPS

Howard H. Haynes and John P. Jones, Jr. to be rear admirals.

DENTAL CORPS

Thomas W. McKean to be rear admiral.

IN THE MARINE CORPS

Donald J. Fulham, Joseph E. Hopkins, William H. J. Tiernan, Walter D. Fillmore, John I. Hudson, Anthony Lukeman and Jacob W. Moore to be brigadier general.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 6 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 6 p.m. today.

There being no objection, the Senate, at 3:56 p.m., recessed until 6 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TSONGAS).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF PERIOD FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of the period for routine morning business of not to exceed 30 minutes, that Senators may speak therein, and that bills and resolutions may be offered for referral only.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TRIBUTE TO DENVER DICKERSON

Mr. PELL. Mr. President, last Friday, Denver Dickerson, who for the past 7 years has been the staff director of the Joint Committee on Printing, retired from Government service, bringing to a close a long, distinguished and colorful career of service to the public.

I have had the pleasure for the last several years, first as chairman and now as vice chairman of the Joint Committee on Printing, of working closely with Denver Dickerson.

I have come to greatly admire and deeply respect him. He is a thoughtful, dedicated and thoroughly decent man whose counsel I have frequently sought on matters before the Joint Committee. His advice, always well reasoned and informed, has on every occasion been grounded in common sense, a commodity which is too often in short supply in the deliberations within government.

Denver has managed the little known but important activities of the Joint Committee on Printing in a professional manner. But, as a professional manager, he has never lost sight of the human element. He has always sought to treat his coworkers with the respect and compassion which they deserve. In fact, Denver Dickerson is one of the truly "nice guys" I have met in my years in the Senate.

Denver was born and raised in Nevada and his roots are still very much there. His family instilled in him the yearning for public service that has characterized his career. His father was Governor of Nevada and, at the age of 28, Denver was the youngest Speaker of the State assembly in Nevada's history.

After distinguished service in the

Army in the Pacific during World War II, he returned to Nevada and became a respected and influential newspaper columnist and editor. He then entered the U.S. Information Agency and served a tour as the information officer at the U.S. Embassy in Rangoon, Burma.

In 1956, Denver came to the Senate as a staff member of our very able former colleague, Alan Bible of Nevada. In those years he became expert in the intricacies of Senate procedures, experience that stood him in good stead when he returned to direct the staff of the joint committee in 1973.

In 1963, to add another colorful and varied experience to his career, Denver was appointed by the late President Kennedy as Lieutenant Governor of Guam where he served ably until 1969.

Mr. President, it is clear by this brief career summary that Denver Dickerson has fully earned the retirement which he has chosen and I wish him well in the years ahead. But I cannot help but observe that I and many others in the Congress will miss him very much, indeed.

TRIBUTE TO DENVER DICKERSON

● Mr. CANNON. Mr. President, I am most pleased to join my colleague, the senior Senator from Rhode Island, in honoring Denver Dickerson on the occasion of his retirement.

In leaving the directorship of the Joint Committee on Printing, Denver leaves behind a fine record of excellent response to the printing needs of the Congress, as well as his fine performance in the oversight responsibilities which the committee has exercised in the printing world generally.

I have known Denver for more than 30 years and had the benefit of his service on the Rules Committee and enjoyed working with him before that when he served as press secretary to my colleague, Senator Bible.

His Senate career, which spans more than 20 years, was interrupted by his service in Guam, where he served after his appointment as Lieutenant Governor by then President John F. Kennedy.

Denver is a distinguished son of a very prominent Nevada family that included his father whose name he bears and who in the early years of this century was a great Governor of our State.

His career also has included very memorable work as a political columnist in the State of Nevada and his operation of two newspapers in the Reno-Carson area. Denver himself was a speaker of the Nevada Legislature during his residence in our State, long before joining us on Capitol Hill.

There are many fine recollections that I could summon about his warmth and great capacity for friendship, as well as his genial nature; but on this occasion I welcome the opportunity to wish him and his wife, Maxine, and their two children many fine, healthy, and productive years on the occasion of his retirement.●

JOINT COMMISSION ON PRESCRIPTION DRUG USE

Mr. PELL. Mr. President, my distinguished colleague, the senior Senator from Massachussetts (Mr. KENNEDY), chairman of the Labor and Human Resources Subcommittee on Health and Scientific Research, has long been a leader in the area of drug regulation reform.

Among his concerns has been the lack of scientific knowledge on the side effects of drugs, because of the uncertainty patients face in using certain prescriptions. Several years ago he called for the creation of a commission to explore this problem and shed new light on it. That commission recently made public its report.

I ask unanimous consent that Senator KENNEDY's statement on the report and the summary of the report by the Joint Commission on Prescrption Drug Use be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. KENNEDY

When drugs approved by the Food and Drug Administration begin to be used in non-experimental settings, side effects which never occurred before or went unnoticed during testing begin to emerge. In addition, side effects which did occur and were noticed during testing may prove to be more pronounced—or less serious—when a drug is used by patients in real life situations.

The hearings held by the Senate Subcommittee on Health and Scientific Research beginning in 1973 clearly revealed that our current knowledge about the actual use of drugs is terribly inadequate. This dearth of knowledge has a simple explanation. We have no system in the United States for monitoring the risks and benefits of drugs which occur when drugs are actually used.

For these reasons, in 1976, I called for the creation of a private, non-profit organization to design a system for evaluating the actual risks and benefits of marketed prescription drugs. A number of concerned private and public organizations—including the Pharmaceutical Manufacturers Association, the American Medical Association, the Institute of Medicine, and the Department of Health, Education, and Welfare—responded to my request. The resulting organization was named the Joint Commission on Prescription Drug Use, Inc.

The Joint Commission was the product of a unique collaborative effort between the private and public sectors and between the executive and legislative branches of government. The Pharmaceutical Manufacturers Association and several other private groups provided the financial backing for the Commission's work. Commission members were chosen, however, by Dr. David Hamburg, President of the Institute of Medicine, National Academy of Sciences; Dr. Theodore Cooper, former Assistant Secretary for Health, Department of Health, Education, and Welfare; and me in my capacity as chairman of the Senate Subcommittee on Health and Scientific Research.

The members of the Joint Commission were intentionally chosen to reflect a broad range of concerns and interests relating to drug use and regulation. Members were drawn from public-interest groups and the pharmaceutical industry, from medicine, from pharmacy, and from the academic community. The Commission included the following individuals:

Kenneth L. Melmon, M.D., Chairman, Stanford University School of Medicine, Stanford, California

Marcus M. Reidenberg, M.D., Vice Chairman, Cornell University Medical College, New York, New York

R. David Anderson, R.Ph., Waynesboro Community Hospital, Waynesboro, Virginia

Daniel L. Azarnoff, M.D., Vice President for Research, G.D. Searle and Company, Skokie, Illinois

William R. Bacon, R.Ph., Lawson-Dyer Pharmacy, Mill Valley, California

Edward A. Carr, Jr., M.D., State University of New York at Buffalo, Buffalo, New York

Philip D. Cleveland, M.D., Family Medical Center, Omak, Washington

John S. Derryberry, M.D., American Academy of Family Physicians, Shelbyville, Tennessee.

Daniel X. Freedman, M.D., University of Chicago, Chicago, Illinois.

Marcia D. Greenberger, J.D., Center for Law and Social Policy, Washington, D.C.

William E. Hassan, Jr., Ph.D., LL.B., Affiliated Hospitals Center, Inc., Harvard University, Boston, Massachusetts.

Robert M. Heyssel, M.D., The Johns Hopkins University, Baltimore, Maryland.

Patricia King, J.D., Georgetown University Law School, Washington, D.C.

F. Gilbert McMahon, M.D., Tulane University, New Orleans, Louisiana.

Monroe E. Trout, M.D., LL.B., Sterling Drug Corporation, New York, New York.

Harold H. Wolf, Ph.D., University of Utah, Salt Lake City, Utah.

Two original members, Anthony Robbins, M.D., of the Colorado Department of Health, and Foster B. Whitlock, Chairman of the Board of Johnson and Johnson, were obligated to resign before the Commission completed its work.

On November 30, 1976, I gave the Joint Commission its charge:

"Millions of dollars, public and private, are spent to assure that a product is safe and effective for a specific use before it is marketed. Once marketed, the physician may use the drug, in any dosage, for any purpose—whether or not that purpose has been scientifically evaluated. Thus, the actual use of prescription drugs operates outside the regulatory framework and little is known about how drugs are actually used once marketed. Not only do we not systematically collect adverse reaction data, but we don't quickly appreciate new, appropriate uses of drugs which are discovered after they are marketed. The Joint Commission will try to develop a mechanism to correct this imbalance in the regulatory process."

For three years, the Joint Commission has been meeting and deliberating on the best approach to monitoring the actual risks and benefits of marketed prescription drugs—a procedure known for short as "post-marketing surveillance". Each member has devoted considerable time and effort to the Commission's work. To each we owe our thanks. No member has worked harder in carrying out the Commission's mandate than its chairman, Dr. Kenneth Melmon, and I would like to extend to him my special appreciation.

Even before the Commission finished its work, it had begun to have an influence on public policy. For some time it has been clear that the Commission would recommend the need for more and better post-marketing surveillance. Relying in part on this fact, FDA has strengthened its post-marketing surveillance program, and the Senate has reaffirmed and clarified FDA's responsibility in the area of post-marketing surveillance by passing the Drug Regulation Reform Act of 1979, S. 1075, on September 26, 1979.

Now that the Commission has completed

its work, its recommendations will have an even greater and a growing influence. The Commission has made it absolutely clear that post-marketing surveillance is a concept whose time has come. The Commission has made an irrefutable case that post-marketing surveillance is essential if we are to improve the practice of medicine and the regulation of drugs.

I am certain that I speak for all the members of the Senate, as well as for myself, in stating my gratitude to the members of the Joint Commission on Prescription Drug Use, Inc., for a job well done.

I ask that the Summary of the Final Report of the Joint Commission on Prescription Drug Use, Inc., be printed in its entirety in the RECORD.

SUMMARY OF THE FINAL REPORT OF THE JOINT COMMISSION ON PRESCRIPTION DRUG USE, INC.

In 1975, Senator EDWARD M. KENNEDY suggested that the United States needed a better system for monitoring the use and effects of prescription drugs after they were marketed. In 1976, the Joint Commission on Prescription Drug Use was established: 18 Commissioners were selected by Senator KENNEDY, Chairman, Senate Subcommittee on Health, Dr. Theodore Cooper, Assistant Secretary for Health, and Dr. David Hamburg, President, the Institute of Medicine-National Academy of Sciences from among nominees proposed by the American Academy of Family Physicians, the American Hospital Association, the American Medical Association, the American Pharmaceutical Association, the American Society for Clinical Pharmacology and Therapeutics, the American Society for Pharmacology and Experimental Therapeutics, the American Society of Hospital Pharmacists, and the Pharmaceutical Manufacturers Association. Funds for the Commission's activities were contributed by some of these organizations. In addition, the Commission participated in guiding a project funded by the Experimental Technology and Incentives Program (ETIP) of the National Bureau of Standards, managed by the Food and Drug Administration, and carried out by IMS America Ltd. The fifteen meetings of the Commission were open to the public and many professionals in various fields participated in the discussion.

The mandate adopted by the Commission was:

1. To describe a post-marketing surveillance system that could be used to detect, quantitate, and describe the anticipated and unanticipated effects of marketed drugs.

2. To recommend a means by which information on the epidemiology of prescription drug use in the U.S. could be distributed regularly to interested parties in the United States.

The Commission, through its mechanism of formation, diversity of membership, open public meetings with all interested parties being given an opportunity to be heard, and its debates and discussions, has contributed to and stimulated progress in the area of post-marketing drug surveillance. The field of post-marketing surveillance (PMS) has advanced substantially since the Commission was initiated in 1976 and the improvements, innovations, and processes started during these past three years are likely to continue into the future. The Commission believes that its contribution to the advancement of PMS, to the development of a comprehensive and effective PMS system through its actions over the past three years, and through the information and recommendations contained in its Final Report with its Appendices fully discharges its responsibilities under its mandate. This document is a summary of that report.

RECOMMENDATIONS

Although the Commission has made 31 major conclusions and/or recommendations and many lesser ones, we consider the below 5 our most important. Reasoning to support each of these statements is provided in the body of our report.

1. A systematic and comprehensive system of post-marketing drug surveillance should be developed in the United States.

2. Such a system should be able to detect important adverse drug reactions that occur more frequently than once per thousand uses of a drug, to develop methods to detect less frequent reactions and to evaluate the beneficial effects of drugs as used in ordinary practice. New methods will have to be developed for the study of delayed drug effects, including both therapeutic and adverse effects.

3. An integral function of the post-marketing surveillance system should be to report the uses and effects of new and old prescription drugs.

4. Recognizing the progress that the FDA has made in the area of post-marketing drug surveillance in the last three years, the Commission recommends that PMS should be a priority program of the FDA and that the FDA should continue to strengthen its program in this area.

5. A private, non-profit Center for Drug Surveillance (CDS) should be established to further the development of a post-marketing surveillance system in the United States. This Center should foster cooperation among existing post-marketing surveillance programs, develop new methods for carrying out surveillance, train scientists in the disciplines needed for doing post-marketing surveillance, and educate both providers and recipients of prescription drugs about the effects of these drugs.

OVERVIEW OF POST-MARKETING SURVEILLANCE

Prior to marketing, an investigational new drug is evaluated and studied under carefully controlled conditions in a modest number of patients (usually 500–3,000). These studies are continued for a limited period and often exclude certain types of patients such as infants, pregnant women, or people with multiple diseases or those taking a variety of drugs. If a drug is considered to be safe and effective for a certain use during this investigational period, it is then marketed. After marketing, the drug will be used in greater numbers of people than were studied during the investigational period. It may be given to types of patients in whom it was not formally and rigorously studied. It may be given for longer periods of time than when it was first tested. It almost inevitably will produce effects that were not observed during the pre-marketing period, some of which might be adverse while others may be the forme fruste of the new therapeutic uses.

Increasing the depth and duration of pre-marketing studies would provide some additional information but at greatly increased financial cost, and at great delay of patients' benefiting from a drug already proven safe and effective for a particular use. Furthermore, by extending pre-marketing studies, one would still be unable to observe very long-term effects, one could not accumulate information about drug overdoses and their treatment, and one would still not include those patient groups that could not be studied in any way but the actual therapeutic setting. Thus, it is inevitable that drugs should and will be marketed prior to a complete understanding of all of their medically important effects. In order to gain the additional useful information about drug effects that can only be obtained after a drug is in long-term and widespread use, and to gain it within the shortest possible time, a system of post-marketing drug surveillance is needed. This system should provide information about how drugs are being used as well as about the effects of prescription drugs as they are used in actual practice. Priority in a post-marketing surveillance system should be given to:

1. Selected new chemical entity prescription drugs.

2. Important delayed or slowly developing drug effects: these may be adverse effects or beneficial effects.

3. Commonly used drugs.

4. Types of patients in whom drug effects are not well described: surveillance should be for changes in dosage requirements as well as for unusual drug effects.

5. Monitoring of important medical events (such as death rates in asthmatics or the rate of fetal malformations, since changes in rates may be clues to drug effects).

6. Monitoring the use of prescription drugs.

While many drug surveillance programs already exist, additional activities will have to be developed to achieve a systematic and comprehensive PMS system.

We must always keep in mind that a PMS system cannot change the biological properties of drugs; it can only detect the expected and unexpected effects that the drugs cause earlier than would otherwise be possible.

METHODS OF POST-MARKETING SURVEILLANCE

A PMS system requires both alerting mechanisms to signal that unanticipated drug effects may have occurred and confirming mechanisms to prove or refute that the observed events were due to the drug. These unanticipated effects may be beneficial as well as adverse. In fact, the history of medicine is full of examples of drugs initially developed for one purpose and found to have unexpected value for another purpose. The early detection of unanticipated usefulness of a drug is as important a goal of PMS as the early detection of adverse drug reactions since knowledge of either will lead to improvement in therapeutic decision-making.

Alerting mechanisms include both case reports of unusual events following the use of a drug and reported to a registry or published in a professional journal as well as broad monitoring programs designed to search for changes in rates of medically important events. Confirming mechanisms must be much more selective and provide a detailed examination of one drug or one event.

These confirming studies can, in general, be grouped into two classes, cohort studies and case-control studies. Cohort studies compare a group of patients given a drug to a similar group of patients not taking the drug. The groups are examined for differences in subsequent medical events. Any differences that are found are attributed to the drug if other dissimilarities between the groups can be excluded. Case-control studies compare patients having a particular condition to those not having that condition; here the study looks for a difference in drug exposure between the two groups. The choice of method depends on whether the drug is used commonly or rarely and whether the event suspected of being caused by the drug occurs frequently or rarely. If use of a drug is common and the event is frequent, either method will work. If use of a drug is common but the event to be detected is rare or delayed, then case-control studies are needed. If the event is common but the drug is rarely used, then a cohort study is necessary. If both use of the drug and frequency of the event are rare, then neither method will work and there is no way at present to confirm or reject such a possibility.

A detailed catalog of presently available methodology for PMS is presented in Appendix III of the Commission's report and a variety of new methodologies is proposed in Appendix IV. While PMS for adverse effects is generally accepted, the very concept of PMS for beneficial effects is controversial. Using PMS to study intended beneficial effects appears to be the most controversial of all; this subject is considered in Appendix VII.

A functioning PMS system will use various methodologies at different times to answer different questions and gain different kinds of information about the effects of prescription drugs as they are used in practice. For example, a published case report of a suspected adverse drug reaction may lead to a flurry of reports of the same reaction to a registry such as that run by the FDA. This constitutes the "alert." A cohort of patients taking the drug may be assembled or, if the alert is for a newly recognized effect of an old drug, a case-control study may be initiated with the cases identified through a national disease registry or through the computerized records of an HMO or a state Medicaid file. These "confirming" studies may then support the idea that the drug caused the adverse effect or they may find that the effect was unrelated to the drug. Since there will be many more "alerts" than can possibly be studied for confirmation, care and thought will have to go into the decisions determining which alerts to follow-up and which to ignore.

Another example of the way a PMS system might work is witnessed when a doctor learns that a patient with several concurrent diseases appears to receive unexpected benefit for one disease from a drug that was prescribed to treat another. The doctor tells some of his colleagues who then start to treat additional patients with the drug when these patients suffer from the same disease. These doctors publish a paper describing their experience with the new use for an old drug and soon other doctors try it. A prescription monitoring program designed to learn how prescription drugs are being used may soon detect an increasing use of the old drug for the new use. Cohort studies or clinical studies are then done to confirm (or refute) a specific newly described, apparent efficacy of the drug.

Thus, a systematic and comprehensive PMS system utilizes a variety of methods to advance knowledge about what prescription drugs do. The information gained by PMS is useful only when it is reported to those who can use it. Therefore, a PMS system must include mechanisms for reporting on the use and effects of prescription drugs. These reports can go to drug prescribers and other health care professionals, organizations that provide information about drugs, organizations and individuals concerned with public policy and governmental decision-making about drugs, drug researchers, health care planners and administrators, and the general public and groups organized to represent it. The variety of recipients of reports comprising groups with different informational needs dictate the necessity for different types of reports to be produced by the PMS system. These would include scientific papers, critical reviews, comprehensive reports on drug use, and interpretative reports. Reports should be written to present information to the medical community and to the non-medical public. An annual report summarizing the state of knowledge about prescription drugs use should be available to the public.

PROTECTIONS NEEDED FOR POST-MARKETING SURVEILLANCE

For a prescription drug surveillance system to be effective, it must have the confidence of the public at large, including health care providers and patients. This confidence must extend not only to the validity of the information generated, but also to the manner in which the information will be used.

In order to protect patient confidentiality, individually identifiable information should be kept strictly confidential by any PMS system unless patients specifically authorize release, with only the following exceptions:

a. Such information could be released to organizations engaged in similar research if an express finding with supporting written statements is prepared to document that such disclosure is necessary. Such organizations must have comparable guarantees of confidentiality as the organization releasing the data. Redisclosure by the receiving organization would be prohibited without written approval of the original organization.

b. Disclosure could be made to a properly identified recipient after showing a medical emergency existed affecting the health and safety of an individual, provided an accounting of the disclosure is kept and is available to the individual subject.

c. Both patient and provider must have access to their own identifiable data and the ability to make corrections or amendments.

Current case law is developing on the subject of health care providers' liability when releasing data to a qualified PMS organization without patient consent. Further consideration of this topic is needed as the PMS system is developed in the United States.

In order to assure adequate security for data gathered, any PMS organization should:

a. Maintain only that information which is relevant and necessary to accomplish the purpose.

b. Maintain all records used in making any decisions about an individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination.

c. Establish administrative, technical, and physical safeguards to insure the security and confidentiality of records.

This Commission thinks that a very limited shield law would be desirable for removing a perceived deterrant to voluntary reporting of some drug effects and recommends the passage of such a law. A law shielding voluntary reports would decrease the degree of incompleteness of information. Thus, this law would reduce the risk of erroneous conclusions about drug effects resulting from incomplete information. If a shield law is not forthcoming, the Commission recommends that a PMS system proceed as described, recognizing the existence of this risk. The PMS system, in the process of its function, should develop the additional information needed to justify such a law.

THE CENTER FOR DRUG SURVEILLANCE

While there are a multitude of PMS activities currently functioning in the United States and around the world, there is no systematic and comprehensive PMS system at the present time. Some of the major needs at present are:

1. Improved education and reporting about prescription drugs
2. Better methods for post-marketing drug surveillance with special concern for new drugs and their delayed effects
3. Identification of specific and important areas in which knowledge is entirely lacking and therefore should receive high priority for research which should then be pursued
4. Training qualified people to carry out the various tasks of PMS

5. Improving cooperation among the various PMS programs in the United States and around the world to facilitate the development of a comprehensive PMS system by building on and augmenting the strengths of the present PMS activities

While many of these activities should be strengthened and improved, enhancement of existing activities alone will still leave important needs to be filled. For this reason, the Commission recommends that a private, non-profit Center for Drug Surveillance (CDS) be established to help meet these needs. The CDS should be established at a site that will support its academic endeavors. It must be strictly accountable for fairness, scientific accuracy, and honesty. Its functions should complement the PMS responsibilities of the FDA and other organizations. It should have the opportunity to develop its program and achieve leadership in PMS through the quality of its overall performance. After five years and then periodically thereafter, an external review of the effectiveness of the CDS should be carried out. If the projected benefits from the CDS are not realized, it should be abandoned.

SENATE RESOLUTION 380—SUBMISSION OF A RESOLUTION RELATING TO A BUDGET RESOLUTION WHICH LIMITS FEDERAL SPENDING

Mr. ROTH (for himself, Mr. DOMENICI, Mr. STONE, Mr. DANFORTH, Mr. PROXMIRE, Mr. ARMSTRONG, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. DOLE, Mr. GARN, Mr. HATCH, Mr. HEINZ, Mr. HELMS, Mr. JEPSEN, Mr. LAXALT, Mr. LUGAR, Mr. McCLURE, Mr. NUNN, Mr. PERCY, Mr. PRESSLER, Mr. SCHMITT, Mr. SCHWEIKER, Mr. TALMADGE, Mr. TOWER, Mr. WALLOP, Mr. WARNER, Mr. YOUNG, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. SIMPSON, Mr. HATFIELD, Mr. DURENBERGER, Mr. THURMOND, Mr. DECONCINI, Mr. MATHIAS, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. HEFLIN, Mr. ZORINSKY, Mr. BOREN, Mr. NELSON, Mr. BAKER, and Mr. HARRY F. BYRD, JR.) submitted the following resolution, which was ordered to be held at the desk:

S. RES. 380

Resolved, That it is the sense of the Senate that the first concurrent resolution on the budget for fiscal year 1981 reported by the Committee on the Budget of the Senate shall set forth a level of total budget outlays not exceeding an amount equal to 21 percent of the estimated gross national product for fiscal year 1981.

Mr. ROTH. Mr. President, I am submitting on behalf of 44 of my colleagues and myself a Senate sense of the Senate resolution which deals with giving a guideline to the Committee on the Budget of the Senate setting forth the level of total budget outlays not exceeding the amount equal to 21 percent of the estimated gross national product for the fiscal year 1981.

Mr. President, inflation is out of control. Immediate action is needed by Congress to send a signal to the world that the Federal Government is willing to take the tough steps necessary to slash Federal spending and stop inflation.

Therefore, along with 44 of my colleagues, I am introducing legislation directing the Senate Budget Committee to report a first budget resolution limiting Federal spending to 21 percent of the gross national product in fiscal 1981. Limiting Federal spending to 21 percent of GNP will hold spending to approximately $590 billion—a $25 to $30 billion cut in growth of spending proposed by President Carter.

Furthermore, we expect a Senate vote on this legislation no later than the week beginning March 24.

Over the past 25 years, spending as a percent of GNP has averaged 20 percent. Over the past 10 years, spending has averaged 21 percent of GNP. Yet under the President's budget, spending is projected to exceed 22 percent of GNP in fiscal 1981—one of the highest levels in this country's history. No wonder inflation is out of control.

President Carter has repeatedly pledged to limit Federal spending to under 21 percent of GNP. The Humphrey-Hawkins bill requires spending to be reduced as a percent of GNP and the Revenue Act of 1978 established as a matter of national policy that spending be reduced to less than 21 percent of GNP.

There will be those who argue the Federal Government's budget needs are so great that we cannot limit Federal spending. But instead of worrying so much about the demands for more Federal spending, we must redirect our thinking and start worrying about the needs of the American economy.

There is a growing consensus among both liberal and conservative economists that Federal spending must be reduced. A $25 to $30 billion cut in nondefense spending can and must be accomplished. A $590 billion budget would still allow Federal spending to increase $58 billion over the Carter 1980 budget proposal and $42 billion over the 1980 second budget resolution.

The best way to restrain inflation is to increase the productive capacity of our economy by slowing the growth of Federal spending and reducing the tax drag on the economy. Restraining Federal spending and returning the savings to the American people in the form of a tax cut will restrain inflation by reducing the pressures for wage increases, increasing the savings and investments needed to increase productivity, and promoting real economic growth.

Nondefense spending can be reduced, the budget can be balanced, and taxes can be cut. Firm limits must be imposed on the growth of nondefense spending programs, nonessential programs must be reduced or eliminated, waste and mismanagement must be eliminated, and no new initiatives can be allowed. I intend to submit a list of $30 billion in nondefense spending cuts to the Senate Budget Committee. The Congressional Budget Office has compiled a list of $24 billion in fiscal 1981 spending cuts. And the Senate Budget Committee Minority staff has recommended $23 billion in spending cuts. In addition, a Congressional Budget Office study states that a 1-percent reduction in unemployment could reduce the budget deficit by between $25 to $29 billion.

Mr. President, we can and must cut Federal spending.

IT'S TIME TO CUT SPENDING NOW

● Mr. JEPSEN. Mr. President, today I am joining Senator ROTH and more than 40 cosponsors in submitting a resolution instructing the Senate Budget Committee to report a budget resolution for fiscal 1981 which will limit Federal spending to 21 percent of GNP. This will require a cut of $25 to $30 billion from the President's proposed budget. As Senator ROTH has made clear, the issue involved here is inflation and no other issue, foreign or domestic, is more important right now. With inflation going up at an annual rate of 18 percent there is serious doubt as to whether our economy can continue to function, and if our economy falls apart then there will be no hope whatsoever of meeting the serious threats our Nation faces from abroad.

As I have said before, in my view the budget process has not helped us in Congress control spending. Rather, the budget process has caused spending to be higher than it would otherwise be, because deficits no longer result from miscalculation but are planned for and justified by the Congressional Budget Office. However, this does not mean that the mechanism we have established cannot now be put to good use. It is only necessary that those who serve on the Budget Committee understand that they either report a budget resolution setting spending at considerably less than $600 billion or it will simply not pass.

In years past, the Budget Committee has fought budget cutting amendments from the floor on the grounds that such cuts could not be evaluated, since they had not been proposed in committee. This year, there will be no excuse. We are making it clear well in advance of the committee's markup that we want significant cuts and we will not settle for the usual routine. Furthermore, we are imposing a discipline upon the Budget Committee which it apparently is unwilling to impose on itself. What the committee usually does is to go through each budget function, one by one, and set its overall budget targets. The sum of each function sets the overall budget figure. What we are saying is that the committee should set its overall budget first, at a level not more than 21 percent of GNP, and then fit the budget functions into the overall figure, balancing every program against each other and making a judgment about which is more necessary.

I suggest that the committee begin by examining the detailed list of possible budget cuts recently submitted by the CBO. The following list of specific cuts and savings, while not complete, is, I think, a useful agenda from which we can start the difficult process of cutting spending and stopping inflation.

SUMMARY TABLE 1—ILLUSTRATIVE SAVINGS FROM CBO BASELINE PROJECTION, BY REDUCTION STRATEGY, FISCAL YEARS 1981–85

[In millions of dollars]

	1981	1982	1983	1984	1985	Cumulative 5-yr savings
I. Management efficiencies:						
Administrative improvements in public assistance programs	325	350	375	400	440	1, 890
Change in trigger for unemployment insurance extended benefits	1, 000	1, 000	0	0	0	2, 000
Reform of the Wage Board pay system	260	610	780	870	950	3, 470
Elimination of World War II destroyers	129	27	20	31	35	242
Elimination of certain GI bill benefits	70	60	50	40	30	250
Restructuring of military retirement pay	−100	−90	−60	−20	20	−250
Change in enlisted/officer ratio in the Armed Forces	16	35	57	83	110	301
Elimination of dual pay for Reservists who are Federal employees	35	39	42	46	50	212
Closing of the Clinch River Breeder Reactor program	220	430	560	160	80	1, 450
Modifications in Federal compensation practices	49	148	263	394	539	1, 393
Elimination of farm deficiency payments	0	914	1, 049	353	111	2, 427
Reduction of soil and water conservation program	94	128	147	158	169	696
Modification of indexation of Federal programs	3, 500	3, 500	5, 700	7, 600	9, 700	30, 000
II. Better targeting:						
Modifications in trade adjustment assistance	150	200	250	250	250	1, 100
Modifications in child nutrition programs:						
School lunches	300	325	355	390	430	1, 800
Food stamps	1, 180	1, 312	1, 400	1, 460	1, 530	6, 880
Reduction of funding for youth employment programs	547	774	842	908	983	4, 054
Restructuring of college student loan programs	400	800	1, 100	1, 300	1, 200	4, 800
Retargeting of basic educational opportunity grants	100	400	400	300	300	1, 500
Termination of certain social security benefits	455	1, 215	2, 280	2, 880	3, 150	9, 980
Reduction of funding for EPA construction grants	0	420	732	973	1, 030	3, 155
Reduction of funding for impact aid	250	325	350	400	450	1, 775
Elimination of farm disaster payments	0	0	560	560	560	1, 680
III. shifting responsibility to State and local governments:						
Limiting of Federal highway aid	200	900	1, 600	2, 000	2, 100	6, 800
Elimination of the State share of the land and water conservation fund	147	196	259	282	313	1, 197
Elimination of urban park grant program	9	58	111	153	166	497
Termination of the Legal Services Corporation	250	341	369	399	432	1, 791
Reduction of funding for criminal justice assistance	74	320	488	560	606	2, 048
Reduction of funding for urban development action grants	7	37	85	153	231	513
Reduction in the general revenue sharing program:						
Eliminate States	2, 440	2, 660	2, 900	3, 150	3, 420	14, 570
Limit local units	240	260	290	310	340	1, 440
Increase of States' share in cost of Army National Guard	190	210	230	250	275	1, 155
Phasing out of funding for vocational education	20	213	457	708	966	2, 363
Reduction in commitments for subway construction	10	230	420	525	645	1, 830
IV. Shifting responsibility to the private sector:						
User charges for Coast Guard activities	600	650	700	760	820	3, 530
Increase user charges for Army Corps of Engineers waterway projects	980	1, 010	1, 070	1, 120	1, 200	5, 380

SUMMARY TABLE 1—ILLUSTRATIVE SAVINGS FROM CBO BASELINE PROJECTION, BY REDUCTION STRATEGY, FISCAL YEARS 1981–85—Continued

[In millions of dollars]

	1981	1982	1983	1984	1985	Cumulative 5-yr savings
Increased user charges for airports and airways	910	980	1,060	1,120	1,200	5,270
Reduced spending for large airports	100	200	300	400	500	1,500
Elimination of solar demonstration and application projects	85	141	206	227	250	909
Elimination of subsidies to the U.S. Postal Service	1,614	1,756	1,726	1,761	1,746	8,603
Establishment of fees to cover costs of food product inspections	310	320	331	343	356	1,660
Reimbursement of Veterans' Administration by 3d-party insurers	200	250	280	330	380	1,440
Elimination of operating and construction subsidies for the maritime industry	130	160	189	221	254	954
V. Revising judgment as to what can be afforded:						
Adjustment of social security cost-of-living increases: 85 percent of CPI instead of 100 percent	2,700	4,800	7,600	10,600	13,900	39,600
Once-a-year cost-of-living adjustments for Federal retirees	803	1,044	1,086	1,141	1,212	5,286
Capping of pay raises for Federal white-collar employees	950	760	710	630	380	3,430
Reduction of funding for community development grant program	25	140	290	420	530	1,405
Reduction of support for health professions program	50	250	350	450	500	1,600
Reduction of funding for CETA public service employment, title VI	523	572	630	689	758	3,172
Reduction of funding for lower-income housing assistance programs	100	100	200	500	900	1,800
Relaxation of Davis-Bacon wage requirements	134	144	153	160	168	759
Reduction of spending by the Small Business Administration	50	125	160	195	230	760
Imposition of fees for outpatient visits at military hospitals	76	76	76	77	77	382
Reduction in procurement of Aegis cruisers	25	155	356	651	877	2,064
Elimination of procurement of the KC–10 tanker	14	147	245	145	72	623
Termination of MX missile program and expansion of sea-based deterrent	873	1,507	1,574	2,035	3,905	9,894
Elimination of the military assistance programs	0	110	120	130	150	510
Hospital cost containment	370	1,400	3,000	5,000	7,200	16,970

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Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resolution which has been submitted by Mr. ROTH be printed and that it lay at the desk pending further action by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I shall propound the following unanimous-consent agreement which will cover the resolution.

I ask unanimous consent that the majority leader, after consulting with the minority leader, be authorized to call up the resolution offered by Mr. ROTH no later than March 24;

That a motion to commit, or to table the resolution be in order, but that no point of order against the resolution itself under the Budget Act be in order;

That the resolution be amendable;

That no amendments not germane to the resolution be in order; germaneness, for purposes of this agreement, is defined to include only the following: First, amendments which are germane to the resolution as introduced; and second, amendments which would be germane if offered to a first concurrent resolution on the budget for fiscal year 1981;

Provided further, that, at such time as the resolution is called up, there be 8 hours on the resolution itself, to be equally divided between Mr. MUSKIE and Mr. ROTH—for the purposes of the agreement, they being the managers of the resolution, Mr. MUSKIE being opposed; Mr. ROTH being the offeror; that there be 1-hour time limitation on any amendment in the first degree, 30 minutes on any amendment in the second degree; provided further, that there be 20 minutes on any debatable motion, including a motion to reconsider following final action on the resolution, that there be 20 minutes on any point of order if such is submitted by the Chair to the Senate and 20 minutes on any appeal; and that the division of controlling time be in the usual form.

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, I have discussed this agreement with the principal sponsor of the resolution, Mr. ROTH, who is in the Chamber, and I have also discussed it with the Parliamentarian. I think we understand. There is a sort of a unique circumstance here.

I personally thank the majority leader for his understanding and agreement to take up the resolution in this manner.

But it is my understanding, under this circumstance, Senator ROTH being the proponent of the resolution, and Senator MUSKIE being the manager in opposition, that the usual form would sort of reverse the normal handling of this bill. Normally a manager would be in support of the resolution and, therefore, the usual form would just be in reverse.

Am I correct in understanding that? I ask my good friend from West Virginia.

Mr. ROBERT C. BYRD. For purposes of the agreement Mr. MUSKIE and Mr. ROTH would be considered as the managers of the resolution. In the usual form, Mr. ROTH would be opposed and Mr. MUSKIE would be in support.

Mr. STEVENS. That is the reverse, I might say to my friend.

Mr. ROBERT C. BYRD. The "usual form" would mean that Mr. ROTH could yield additional time on an amendment, if he supports an amendment; Mr. MUSKIE would yield additional time in opposition to an amendment if he opposes it. I assume there could be a situation where both would support the same amendment. Then in that case I would suggest that the majority leader or his designee control the time in opposition thereto.

Mr. STEVENS. We understand that.

I just want to make certain we understood in this case where Senator ROTH is proponent of the resolution, if he opposes an amendment to his resolution he would normally be in control of the time, and it is my understanding that we have just a general understanding of that.

I agree with the majority leader that if we get a situation which is not really one that the usual form can apply to I think the Parliamentarian and the two leaders can work the situation out.

Mr. ROBERT C. BYRD. Yes; I think if both Mr. ROTH and Mr. MUSKIE oppose an amendment, of course the offeror would have time on the amendment in support of it and if both Mr. MUSKIE and Mr. ROTH opposed an amendment the offeror has time on his amendment, and I know that either or both Senators would be fair in offering additional time to Members if they wished such.

Mr. STEVENS. Under those circumstances if both opposed an amendment, I informed Senator ROTH it would be my understanding that Senator MUSKIE would manage the time in opposition as the floor manager of the majority if he wished to do so, where they are both opposed to amendments offered by another Member.

Mr. ROBERT C. BYRD. And the offeror would have control of the time in opposition on his amendment. But in that case I should think that if they both opposed then the minority leader or his designee should have the time in opposition for debate to offer to Senators who wished to support the amendment, but in the other event the majority leader would have the time if both Mr. ROTH and Mr. MUSKIE favored an amendment.

Mr. STEVENS. Yes.

I thank the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RHODESIA: HOSTAGE TO TERRORISM

Mr. HELMS. Mr. President, the Rhodesian election results announced today are somber news for anyone dedicated to justice and fair play. The sweep of Robert Mugabe, who has promised to impose socialism on Rhodesia, is a victory not just for his party, but a victory for those forces which are deeply antagonistic to freedom and which are committed to doctrines which are the opposite of progress and to techniques which are based in oppression. It is doubly unfortunate that this victory carries with it the trappings of democratic procedures, conferring the appearance of democratic legitimacy on Marxism.

But this democratic legitimacy is only an illusion. The very essence of democracy is free choice. However, unless democracy is to become just another form of collectivism, free choice must take place within a framework of civic responsibility and shared values. There was no such framework to protect human rights in Rhodesia. Not only was the election carried out in an atmosphere of intimidation, but the electoral process lacked any political consensus on the nature of freedom.

Indeed, the Rhodesian elections were held hostage to terrorism. The level of intimidation was so high throughout Rhodesia, that neither the voters nor the candidates could freely participate in the campaign or the voting without the constant fear that Mugabe's terrorists would retaliate. This fear must be viewed not only in the context of the 2 months of campaigning, but in the light of 14 years of brutal and merciless killing by the Patriotic Front. No amount of monitoring of current abuses could have eliminated these memories; and, in fact, the British Governor General, Lord Soames, was unable to stop the continuation of the terrorist campaign during the election period. His inability to do so only heightened the atmosphere of intimidation.

The high level of intimidation was already obvious long before the election results were known. A member of my staff, Dr. Richard McCormack, was accredited as an official observer of the Rhodesian elections. Dr. McCormack is highly qualified as a student of African politics. He has written a major study of the transition of Kenya from colonial rule to independence. Moreover, he was an observer at the Rhodesian election last year which produced a 68-percent victory for Bishop Muzorewa. In his preliminary report, he states:

> Millions of people live in regions where it proved impossible for a legitimate campaign to be conducted by more than a single party. And the intimidation of voters living in these areas was obviously a pervasive phenomenon.
>
> During my first visit to the scene of the election—the Fort Victoria area where more than a million people live—the British election administrator openly admitted that no party other than that represented by Mr. Mugabe was permitted to campaign. Both Mr. Nkomo's workers and those of Bishop Muzorewa met violent deaths when they attempted to organize a campaign in the non-urban areas. Eventually all parties other than Mr. Mugabe's were forced to withdraw from the entire area.

Moreover, an article published in the Washington Post by Martin Meredith also pointed to similar findings.

Mr. President, I ask unanimous consent that Dr. McCormack's preliminary report, which was cabled to me yesterday, and the Meredith article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, this situation seriously puts into question the validity of the electoral process. As Dr. McCormack said:

> There were vast stretches of Rhodesia in which millions of people lived where the campaigning process was a caricature of democratic procedures as we understand them in the West.

Although the actual process of casting votes was apparently well organized by the British, and no significant cheating has been alleged, the conditions simply did not exist for a free choice.

One has only to put oneself into the frame of mind of a rural voter to test the situation. On the one hand Mugabe, the terrorist, has promised him that if he votes for any other candidate, he will receive full retaliation from the guerrillas. The voter sees that threats and terrorism continue. He is told that if his whole village fails to support the terrorist, the whole village will be destroyed. On the other hand, the other candidates are not making threats, and there is no evidence that they will take any actions to harm voters who fail to vote for them. So the voter not only decides to vote for the terrorist, Mugabe, but he makes sure that everyone else in the village does so too.

This evidence was available to the British Governor, Lord Soames, and to the British Election Commissioner, John Boynton.

They had full power and authority to disqualify any party that failed to support the concept of peaceful elections. Indeed, the British had promised, before the signing of the London agreement, that:

> The administrative arrangements described in this paper will be implemented in such a manner as to ensure that the elections will be held under the following conditions:
>
> The administration of the elections will be fair and impartial as between all the political parties taking part;
>
> Peaceful political activity will be freely conducted by all the parties to the election;
>
> All parties will conduct their political activities within the law;
>
> All the parties will have free and uncensored access to the public media to put their case to the people of Rhodesia, and there will be freedom to advertise and to publish political views in the press;
>
> Appropriate measures will be taken to ensure the security of all parties taking part in the election.

Aside from fair and impartial administration and free access to the public media, none of these promises were kept. The British had threatened to eliminate Mugabe's party from the ballot, but failed to take steps to do so, even in the areas where terrorism was most flagrant. Yet, when the counting of ballots revealed the vast extent of intimidation, Mr. Boynton was quoted as saying:

> Notwithstanding the distortion of voting in certain areas, I think my general conclusion must stand that in the Rhodesian context the overall results of the elections will broadly reflect the wishes of the people.

In its long-term impact on Africa, the London agreement may well win a place in history books next to the Yalta and Tehran agreements. The very concept of the London agreement was extremely fragile, calling for a one-man-one-vote election in which only a minority had the responsibility for the Nation's leadership and future development. The agreement assumed that a political consensus existed between a modern and Western minority political community, and a vast majority that is still living on communally held tribal trust lands, under the laws of their tribal elders. With little experience of modern political institutions, the agreement suddenly thrust into their hands a powerful and dangerous weapon, which might yet be turned upon themselves.

The London agreement was further flawed in that it provided only for good faith on the part of a Marxist-indoctrinated cadre of revolutionaries who had been living in isolation and exile out of the mainstream of Rhodesian life. It was too much to expect that they would have any sympathy with the economic gains of the past few years, or with developing political institutions they have been trained to hate.

While the London agreement could have worked, had all parties exhibited good faith, the tactics of Lord Carrington in exacting ruinous concessions from Prime Minister Muzorewa—exploiting his good faith—had the effect of making him appear to be weak and helpless. On the other hand, the strong-arm tactics of Mugabe, in resisting every ultimatum until several days after the deadlines, enhanced not only his prestige but preserved his real bargaining leverage. Finally, when the London agreement leagalized the guerrilla armies, and actually placed them inside the territory which they had been battling futilely to control for years, it conferred upon them gains they had been unable to win by force of arms. Among the constituents of a political society not yet sophisticated, this action confirmed Mugabe as "the winner," giving him the aura of strength.

Thus Lord Carrington betrayed not only the white population of Rhodesia, but also the moderate blacks. Indeed, it may be that all Rhodesians have lost the opportunity to build a modern, prosperous, and free society, when one only studies the models which Mugabe admires—the so-called "front-line states," which are among the most oppressive, regressive, and intellectually decadent in the world. Only time will tell whether the political structures fashioned by the British can survive the hostility which Mugabe *has* already demonstrated towards them. If Mugabe is astute, even as a Marxist he will not move quickly to destroy the constitution; but under the British-imposed plan, he needs only 70 votes to abrogate most of the present system. The bare-minimum protections self-destruct in 7 to 10 years.

If Mugabe has his way about constructing a new society, we may confidently expect, for example, that Rhodesia, transformed into socialist Zimbabwe, will become a food-deficit, instead of a food-exporting nation—with serious implications for its neighbors which are already socialist, food-deficit nations. We can assume that the rail and road transportation network—which again is of crucial importance to its neighbors—will become inefficient, uncertain, and dangerous. We should not be surprised if the vast mineral potential of Rhodesia remains undeveloped, with grave consequences for the people of the new Zimbabwe, and the security of the west. The rate at which this happens depends upon the speed with which the citizens with expertise and motivation give up and leave.

But most important, we will have lost one more opportunity to demonstrate the validity and efficiency of the Western concept of freedom. One by one the lights of freedom are going out. At first, no one noticed. But as more and more slip into Marxism or slip into sullen, third-world hostility, the circle of freedom grows smaller and smaller, and the world grows darker. There are those who, perversely, rejoice in the spread of socialism, and have guilt feelings about the Western world and its strength and power. They may, perhaps, be satisfied with the rise of Mugabe. But I think that the American people will not.

Indeed, we had our opportunity, and we threw it away. All the members of the Senate had the opportunity many times to offer hope and support to moderate Rhodesians, both black and white, who were working to build a peaceful and just country which would be deeply committed to the West. Indeed, the Senate frequently made known its views on this matter, yet the administration obstinately clung to its pro-Mugabe, pro-Marxist policy. If the West had come down on the side of its friends, the people of the new Zimbabwe would be on our side today.

History will be our judge, just as history is already judging whether Vietnam is more free, whether Cambodia is more free, whether the countries of Eastern Europe are more free, whether China is more free. The hour is late now in Africa. Our policies now will determine whether Africa once more becomes the dark continent.

EXHIBIT 1

INTIMIDATION IN RHODESIA: AN OFFICIAL OBSERVER'S REPORT

(By Richard McCormack)

Although limited sections of Rhodesia voted last week in conditions approaching free and fair elections—particularly in the urban centers where physical security was ensured to the election workers of all parties—there were vast stretches of Rhodesia in which millions of people lived where the campaigning process was a caricature of democratic procedures as we understand them in the west.

The problem was not so much with the actual polling itself. Here the British and local authorities provided an efficient, honest and secret mechanism for the people to express themselves at the ballot box. There were, of course, complaints here and there of vote fraud in various forms. But this is to be expected in the conditions existing in this nation, and most importantly they were not extensive enough to alter the overall results. A few youngsters tried to vote; a few election officials apparently murmured exhortation to vote for this or that party as ballot papers were passed out, and no doubt a few individuals managed to vote more than once.

The real problem with the election—and one which has been inadequately weighed by most observer groups—was the simple fact that millions of people lived in regions where it proved impossible for a legitimate campaign to be conducted by more than a single party. And the intimidation of voters living in these areas was obviously a pervasive phenomenon.

During my first visit to the scene of the election—the Fort Victoria area where more than a million people live—the British election administrator openly admitted that no party other than that represented by Mr. Mugabe was permitted to campaign. Both Mr Nkomo's workers and those of Bishop Muzorewa met violent deaths when they attempted to organize a campaign in the non-urban areas. Eventually all parties other than Mr. Mugabe's were forced to withdraw from the entire area.

The same pattern held in other tribal areas, particularly those along the Mozambique border, where additional millions of Rhodesia's black voters reside.

But the exclusion of other parties was only the beginning of the intimidation that was practiced on the voters in many regions of Rhodesia. In the vicinity of Elim and Kotwa, where there were assembly points containing thousands of Mr. Mugabe's guerrilla forces under loose supervision of various commonwealth military forces, the observer group with which I was travelling heard frequent reports from villagers, policemen, commonwealth troops, and others, of a pervasive degree of intimidation on voters in the region. This included forcing people to vote, warning them that Mr. Mugabe's forces had the means to know how each person voted, and in at least one instance bringing clusters of youngsters into the actual camp of the Mugabe forces during the day of voting, telling parents that the girls would be taken to Mozambique to help with the war if Mr. Mugabe were to lose the election. Members of the observer group subsequently saw the girls in question, clustered together in frightened little bunches with their brightly colored dresses in the heart of the camp. The patriotic front officer who escorted those observers into the actual camp assured us that the girls were free to go at any time. It was not very convincing.

For an American to grasp fully what has happened in large parts of Rhodesia during this election campaign, one may think of an election held forty years ago in an ethnic neighborhood largely dominated by the Mafia. Although a cop might have been stationed near the polls on election day to keep the lines of voters orderly, his presence would have been simply incapable of mitigating the impact of the pervasive sinister forces which have been at work in the neighborhood for months prior to the election. Nobody but the Mafia candidate would have been permitted to campaign. Nobody would be permitted to canvas, or make speeches, or distribute literature, or organize the workers . . . except the Mafia candidate. Any infractions would be sternly dealt with. And, on election day, the Mafia representatives would make the rounds and say, "All of you will go to the polls today and vote for our man. In case you get any strange ideas about voting for anyone else, you should know that we have paid off one of the election officials to stand behind the voting machine and let us know how each of you vote. Now, our man is going to win. But in case he doesn't, we intend to thrash the whole damn neighborhood."

The picture I have presented here is obviously overdrawn—but not by much. Godfather Mugabe has made an offer to the Shona peoples of many primitive areas of Rhodesia (Zimbabwe) they simply cannot refuse. And preliminary reports suggest that Mr. Nkomo also indulged in strong arm tactics—although on a far less intense level. There were also credible reports that undisciplined elements of the security forces were themselves involved in scattered incidents of attempted intimidation. The fact is that none of the parties to this election is totally above reproach. But it is also absolutely clear even from the preliminary statistics already at my disposal, as well as from my own first hand observations and those of people in whom I have some confidence, that Mr. Mugabe's intimidatory tactics dwarf those of the other candidates in terms of scale, sheer brutality, and effectiveness. I have no doubt but that the final official reports by the election commission will confirm this impression.

Take, for example, Mr. Mugabe's main campaign argument to voters: In essence he said that he had brought them the war, and only if he was elected as leader of the nation would the war be called off. Otherwise it was back to the bush, and back to the killing.

When I asked Mugabe's escort officer in Elim camp what would happen if Mugabe did not win the election, he responded that every voter in the region knew what would happen. I asked him to be more specific, but he merely repeated himself, that every voter knew what would happen. Of course, he meant that Mugabe would start the war up again, together with its killing and disruption.

In the same region, we heard repeated statements by credible local people that Mugabe's representatives had said that they had the means to know how each person voted. (There were claims that they had a "black box" which could see through the ballot box.) And hovering on the periphery of many voting lines were other representatives of Mr. Mugabe involved in various other more subtle forms of intimidation—such as pretending to take notes of people going in and out of the polling areas, crowing in the distance (the Mugabe symbol is a rooster), and otherwise making it clear that Godfather Mugabe's presence was all pervasive and all watching. Mugabe's guerrillas were also reportedly forcing local people to march long distances to vote, regardless of age, health or condition.

Some individuals have expressed the pious hope that the people would react against all this terror by voting against Mr. Mugabe at the polls. But my own observations make me believe that the intimidation has had its intended impact, and by the time the voters arrive at the polls, they were thoroughly cowed. Last April virtually every line of voters was in a jovial holiday mood. This year grim silent lines of voting were frequently in evidence. I have no doubt but that the intimidation played a significant part in the large voter turnout (94 percent) and I am virtually certain that Mr. Mugabe will be the winner of the election.

Finally it is obvious that the ordinary citizens of the war weary land are desperately tired of death and disruption involved in the conflict. I suspect that many people would vote for Attila the Hun if he offered the prospect of an end to the present conflict, regardless of the long term impact of such a victory. These people are not thinking in long term contexts. They are worried about surviving through the next weeks. I'm afraid that this may also be the attitude of the British government.

If real politik has played a major role in bringing this new election to pass, it is not clear that the full consequences of a Marxist victory in Zimbabwe are being fully weighed by all impacted parties at this particular juncture. And regardless of present statements, there is no doubt in my mind but that a new thrust against South Africa will shortly follow a Mugabe consolidation here. There will also be an unsettling impact on Zaire, Malawi, and other friends of the west. It will appear that the wave of the future will be with the militants, supported by the Soviet Union. There is also, of course, the prospect of civil war between Nkomo and Mugabe if the moderate position here collapses, as is quite possible now.

[From the Washington Post, Feb. 24, 1980]

Rhodesia's Elections: Losing the Last Chance For Peace?

(By Martin Meredith)

Salisbury, Rhodesia.—27 Quorn Ave. in the prosperous Salisbury suburb of Mount Pleasant is a roomy, red-tiled bungalow set back from the road amid two acres of garden. It used to be the home of a white family prominent in local racing circles.

Now 27 Quorn Ave. has changed hands. A stone wall has been built across the front lawn and the barred iron gate in it is guarded by a policeman with a rifle. Visitors are vetted by other guards in civilian dress. And, to their irritation, local residents walking their dogs are directed to the pavement on the far side. Since Feb. 1, Number 27 has been the home of the man his supporters are already calling "President Mugabe."

To his white neighbors, however, Mugabe remains "The Chief Terr"—the terrorist leader who, barely a month ago, was Public Enemy Number One. As cars pass his house now, their white drivers tend to give a prolonged and derisive hoot. Despite the security apparatus, a grenade was tossed at the house a few days ago; it exploded harmlessly against the new wall.

The arrival of Robert Mugabe, in other words, has brought to Quorn Avenue tangible signs of the tension and fear that pervade Rhodesia as its war-weary, embittered inhabitants count down to this week's decisive elections. Only now there is an additional fear: that the elections are going wrong; that the great gamble of Lancaster House is failing.

The gamble that Lord Carrington, the British foreign secretary, took at the peace conference in London's Lancaster House was that within the limited period he was willing to let Britain take precarious control of Rhodesia—no more than three months—it might be possible to implement a cease-fire, hold a free election and finally settle the Rhodesian problem with some semblance of order, even honor.

Part of the gamble has already come off; the cease-fire has taken effect more successfully than even Carrington dared hope or the Rhodesian intelligence community predicted. But as the end of Britain's temporary colonial rule under Lord Soames approaches, the plan is on the brink of falling apart.

For so massive has been the scale of intimidation during the election campaign that Soames' own election advisers now consider that the chances of holding a free and fair poll are remote. Almost certainly, therefore, Britain is about to preside over an election whose outcome will be fiercely disputed. Depending on the actual result and what political alliances might subsequently be arranged to form the first government of Zimbabwe, Britain could be faced with an explosion of guerrilla violence in the rural areas or a white-led military coup, just as Soames prepares to leave.

Just possibly, neither may occur. All that is certain is that the main responsibility for what is happening lies with the new resident of 27 Quorn Ave. And the dilemma that confronts Soames is that, if he is to hold the country together in the face of these increasing fears, he will have to rely more heavily than ever upon the existing, overwhelmingly white Rhodesian establishment.

But this in turn will reinforce the suspicions of Mugabe and his backers—the most vocal being President Julius Nyerere of Tanzania—that the British are just as intent upon eliminating his party and his revolution as the white Rhodesian establishment has been. What has gone wrong?

The beginning went well. Despite warnings from the Rhodesian military that the 1,300 troops of the Commonwealth monitoring force would be ambushed on their way to guerrilla assembly locations and rendezvous points or be annihilated once they were there, no serious incidents occurred. By the end of the seven-day period allowed them, more than 17,000 guerrillas had turned up from the bush. (Hundreds more were accepted later under an amnesty.) By the end of January, the camps held around 22,000.

Particularly encouraging for the British was the response in western Rhodesia of Joshua Nkomo's Zipra forces. They have always been better trained and disciplined than Mugabe's guerrillas; their command structure is more effective too. Nkomo's two principal guerrilla commanders, Dumiso Dabengwa and Lookout Masuku, were also helpful in dealing with incidents which arose in their camps. Only 400 of the 6,000 Nkomo guerrillas actually inside Rhodesia have failed to report to the camps—and these Dabengwa regards as bandits who will be punished once they are captured. (Another 6,000 or so of Nkomo's troops—many of them with advanced Soviet training as, for example, artillery specialists and even Mig 23 pilots—remain in Zambia, taking no part in the election.)

Nkomo, too, has been active in getting his forces to cooperate with the British. Persistently he has told them to stay in camps so that free elections can be held. In one radio message read for him by Dabengwa, Nkomo declared: "The war is over. People must not be surrounded by armed men from any quarter." One result has been that Rhodesian police have already begun to train Zipra guerrillas to maintain law and order around their assembly camps and to provide a new monitoring system when the Commonwealth troops eventually leave.

What breaches there have been of the cease-fire have come largely from Mugabe's Zanla forces. And the disturbing evidence is that this has been a matter of policy. Between Dec. 22 and Jan. 6, more than 3,000 Zanla guerrillas infiltrated from Mozambique into eastern Rhodesia in defiance of cease-fire terms. Many of the arms they carried were hidden in caches inside Rhodesia. (The progress of these bands was watched by the Rhodesian combat tracker unit, the Selous Scouts, but the security forces were restrained by Soames from taking action.) Many of those guerrillas then made their way to Zanla assembly camps—but many did not.

The figures show the outcome. Since the first meeting of the independent Cease-fire Commission in January, 243 incidents have been reported—from which the commission has winnowed 175 confirmed violations of the cease-fire.

Mugabe's Zanla forces have committed 83 of them, while 32 breaches occurred in areas of Zanla operation and were thus probably, but not provably, Zanla's responsibility.

Nkomo's security forces—which include the auxiliaries of the former prime minister, Bishop Abel Muzorewa—have been responsible for two violations and 12 cases of incitement to violations. (Of the remainder, 15 breaches were by bandits armed with eastern-bloc weapons; 13 cases were unattributable.)

From their own, separate calculations, the British officials around Soames reckon that 85 percent of all the incidents in the country can be attributed to Mugabe's Zanla forces.

What really threatens the chance of holding a free election is not this violence, however, but the intimidation which has gone with it.

All the major black parties in the election—Muzorewa's United African National Council, Nkomo's Patriotic Front, Mugabe's Zimbabwe African National Union (Patriotic Front) and Ndabaninge Sithole's Zimbabwe African National Union—are guilty in varying degrees of intimidatory practices. But the evidence against Mugabe's ZANU officials and his Zanla guerrilla forces is overwhelming. It comes not merely from the Rhodesian security forces and Muzorewa—that could be expected—but also from his former partner in the Patriotic Front guerrilla alliance, Nkomo, and, more important still, from Soames' own election supervisors in the field—the British local government officials and former colonial administrators flown in for the campaign.

Their conclusion is that the scale of the intimidation by Mugabe's supporters has so distorted the pattern of political loyalties that nobody can now know what the result of a fair election might have been.

This, too, is deliberate policy on Mugabe's part. The evidence has come from 300 Zanla guerrillas captured by security forces since the cease-fire. Among them were senior officers who have been interrogated by Soames 19 British police advisers. In formal depositions, they confirm that a large proportion of Zanla forces in Rhodesia—as many as 4,000 men, or more than one-quarter of the army—were instructed to remain outside the assembly camps to exert pressure on the population to vote for Mugabe's party and to prevent other campaigning. They are now spread among the villages in groups of two or three.

That decision, according to the depositions, was conveyed by Mugabe's senior guerrilla commander, Rex Nhongo, before the cease-fire came into effect. With it came a warning from Nhongo that any subsequent counter-order instructing guerrillas to make for assembly camps should be ignored if it appeared to have been made under duress. Only an order given to them personally by Nhongo or his representatives was to be carried out. (At Soames' insistence, Nhongo recently completed a series of radio broadcasts to his forces still in the bush telling them to report to assembly camps. Unsurprisingly, in view of those secret orders, the response has been nil.)

Not that things are much better around the Zanla camps. Zanla guerrillas and the youth who support them have been moving in and out of their assembly camps to "politicize" the population around them. "Essentially," one senior British official said, Mugabe's "ZANU (PF) is waging a paramilitary campaign in this election."

The mere presence of Mugabe's guerrillas in villages in eastern Rhodesia is enough to deter the local population from showing support for any party other than ZANU. A stick grenade carried by a supporter or straight threats of death are strong deterrents. Equally effective, though, are the rumors that ZANU supporters have spread about their ability to detect which party a tribesman votes for. One rumor is that ZANU has black boxes which enable party officials to see into ballot boxes in polling stations; a similar story involves Russian satellites in the sky above Rhodesia.

Posters portraying Muzorewa are found with his eyes cut out—a chilling reminder. In Salisbury, black servants have been visited by ZANU political agents and told their names will be entered into a black book. In rural areas, lists of village headmen have been ostentatiously compiled, inviting fears that these will be used as "death lists" if villagers do not vote *en masse* for Mugabe. Zanla forces have even taken advantage of the withdrawal of Nkomo's Zipra guerrillas into assembly camps in western Rhodesia to move into areas once controlled by Zipra.

Where even these pressures seem to be failing, murder is the ultimate persuader. Most days, the communiques issued from Combined Operations Headquarters in Salisbury list at least one gruesome political murder. "Exemplary murder has become something of a fine art," said one British official.

Earlier this month, to take one of the less blood-curdling examples, three Nkomo activists—a candidate and two party workers—were putting up posters in Chibi tribal trust land in south-central Rhodesia. They were seized by two gunmen, who identified themselves as Zanla men, adding that they had instructions from Mugabe to kill anyone who defied their ban on other parties in the area.

The three were then marched to two nearby villages where the population, clearly frightened, was assembled. The villagers were told to ignore Nkomo's party, informed that ZANU (PF) and equipment to detect how they voted, and warned that anyone who voted for other than Mugabe would have their heads cut off.

The two Nkomo party officials were then beaten up but managed to escape. The luckless candidate was last seen having red-hot coals stuffed down his throat.

The overall effect of such tactics has been dramatic. The conclusion of Soames' election supervisors is that in five of Rhodesia's eight electoral provinces, conditions for a free election no longer exist. Mass intimidation is recorded in Manicaland, Victoria, Mashonaland East and Central, with political thuggery in parts of Matabeleland South. Only Mashonaland West, Matebeleland North and Midlands are free of fear, according to the supervisors. In Victoria Province, the worst affected area, both Muzorewa and Nkomo have abandoned attempts to hold rallies. At a recent meeting in Salisbury, Nkomo said: "The word intimidation is mild. People are being terrorized. It is terror."

It is Muzorewa's party, however, which has borne the brunt of Zanla activities. Muzorewa is competing directly with Mugabe for the Shona vote, three-quarters of the electorate. Two weeks ago, Muzorewa claimed that since the start of his campaign on Jan. 25, he had addressed only one meeting where he could say there was no intimidation. He has urged Soames to exercise his powers to ban ZANU from the elections. What is perhaps more surprising is that, in a series of private meetings with Soames, Nkomo has made exactly the same demand.

The reality is that Soames can do very little. He has issued a series of threats against ZANU in an attempt to get Mugabe to abide more closely by the Lancaster House agreement.

He has suspended the campaign of one particularly belligerent ZANU candidate, and banned ZANU meetings in the Chiredzi area in southeast Rhodesia where no other party has been able to campaign. He has taken special powers to disqualify parties from contesting a particular district if violence and intimidation continue. He can even disenfranchise entire areas if intimidation and violence are so high that free and fair elections are impossible—a move questioned even by the conservative Salisbury newspaper, The Herald. And to combat ZANU's rumored "black box' spy, he has asked for 50 British bobbies to stand, unarmed, at the polling stations.

But he cannot ban ZANU from the election. Mugabe has threatened to resume the war if Soames does use his power to ban ZANU from contesting any electoral district. And while there is room to doubt how effectively his guerrillas could now resume full-scale operations, Mugabe could certainly unleash violence far more savage than any Rhodesia is currently enduring.

Mugabe, of course, counterattacks with a catalogue of accusations of bias on Soames' part and a litany of atrocities allegedly carried out by Muzorewa's men, the 16,500 auxiliaries now operating as part of the security forces. As a result, the Commonwealth Monitoring Force has spent most of the last month investigating the auxiliaries' activities.

Their conclusions do not wholly exonerate them. There was a period of 10 days in January, after guerillas had moved into the assembly camps, when the auxiliaries, deployed on the authority of Soames to help contain the wave of lawlessness which followed the withdrawal of the security forces from the rural areas, started to go out of control. Many of the accusations now made derive from that time.

At Soames' behest, however, the security forces commander issued draconian orders to rein in the auxiliaries. According to members of the Commonwealth Monitoring Group, those orders have largely been effective. According to Brigadier Adam Gurdon, the British chief of staff of the monitoring group: "From our own observations we found that 90 percent of the allegations running down the auxiliaries have been contrived for purely political reasons." At least two brutal murders attributed to the auxiliaries have turned out, on investigation, to be the work of Mugabe's men.

As for the allegations of bias, they are mostly trivial by comparison with the activities of Mugabe's forces. But it is of course true that Soames has to work through the existing Rhodesian administration. He has also made clear that he would confine his activities to implementing the cease-fire and preparing for free elections. Other issues—the dismantling of the country's fearsome security laws, for instance—he is explicitly leaving to the new government to decide.

Who that new government will be and what it will decide hinges not simply upon the election but upon the credibility of that vote, and upon the willingness of people to accept its verdict. But the question that now looms over the whole process is whether any new government will be able to decide anything before new violence erupts.

The truth is that Mugabe's efforts have made the prospect of such violence even greater than it was.

RESOURCE CONSERVATION AND RECOVERY ACT AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from West Virginia (Mr. Randolph), I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1156.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1156) entitled "An Act to amend and reauthorize the Solid Waste Disposal Act", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SHORT TITLE

Section 1. This Act may be cited as the "Resource Conservation and Recovery Act Amendments of 1979".

AUTHORIZATION OF APPROPRIATIONS

Sec. 2. (a) Section 2005(a) of the Solid Waste Disposal Act, as redesignated by section 3(b)(1) of this Act, is amended by striking out "1978, and" and substituting "1978" and by inserting the following before the period at the end thereof: ", and $42,000,000 for the fiscal year ending September 30, 1980".

(b) Section 3011(a) of such Act is amended by inserting the following after "1979": "and $30,000,000 for the fiscal year 1980".

(c) Section 4008(a)(1) of such Act is amended by striking out "1978 and" and substituting "1978," and in inserting the following after "1979": ", and $30,000,000 for the fiscal year 1980".

(d) Section 4008(a)(2)(C) of such Act is amended by inserting after "1979": "and $18,000,000 for the fiscal year 1980".

(e) Section 4008(e)(2) of such Act is amended by inserting the following after "1979": "and $2,500,000 for the fiscal year 1980".

(f) Section 4009(d) of such Act is amended by inserting the following after "1979": "and $10,000,000 for the fiscal year 1980".

(g)(1) Subtitle E of such Act is amended by adding the following new section at the end thereof:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 5005. There are authorized to be appropriated $3,000,000 for the fiscal year 1980 to carry out the purposes of this subtitle (other than section 5002).".

(2) The table of contents for such subtitle E is amended by adding the following new item at the end thereof:

"Sec. 5005. Authorization of appropriations.".

AMENDMENTS TO SOLID WASTE DISPOSAL ACT

Sec. 3. (a)(1) Paragraph (14) of section 1004 of the Solid Waste Disposal Act is amended by inserting before the period at the end thereof the following: "or which is not a facility for disposal of hazardous waste".

(2) Section 3005 of the Resource Conservation and Recovery Act is amended by adding the following new subsection at the end thereof:

"(f) Existing Wastewater Treatment Facilities.—(1) In issuing a permit under subsection (c) of this section, the Administrator (or a State which has received full or interim authorization under section 3006) shall not require an existing wastewater treatment facility to comply with requirements of section 3004(3) or 3004(4) which—

"(A) are designed to prevent the release of hazardous waste or any constituent thereof into soil or groundwater; and

"(B) would require major reconstruction of such facility if the permit applicant demonstrates that no significant release of hazardous waste or any constituent thereof from such facility into an underground water supply is occurring or is reasonably likely to occur.

"(2) For purposes of assisting the Administrator (or the State, if applicable) in making the determinations required by paragraph (1) of this subsection, the Administrator (or the State) may require the owner or operator of an existing wastewater treatment facility to conduct, and report the results of, such testing and monitoring as the Administrator (or the State) finds is reasonably necessary to make such determinations: *Provided*, That the Administrator (or the State) may not require leachate monitoring unless the Administrator (or the State) determines that leachate monitoring is necessary to confirm or clarify groundwater monitoring data which indicates the presence of groundwater pollution.

"(3) Where feasible, in the case of existing wastewater treatment facilities, the Administrator (or the State, if applicable) shall issue permits under subsection (c) at the same time as revised permits under section 402 of the Clean Water Act.

"(4) Upon receipt of information, including, but not limited to, monitoring data and reports required by section 3004(2), indicating that there has been a significant release of hazardous waste or any constituent thereof into an underground water supply from an existing wastewater treatment facility exempted from major reconstruction under paragraph (1), or that such facility is being operated for purposes other than treating wastewater to meet requirements of the Clean Water Act, the Administrator (or the State, if applicable) may take appropriate action under this title or other authority of the Administrator (or the State) including ordering the owner or operator of such facility to show why its permit should not be modified to require compliance with the requirements of section 3004(3) or 3004(4) from which it has been exempted.

"(5) For purposes of this section, the term 'existing wastewater treatment facility' means a lagoon, surface impoundment or basin which is part of a wastewater treatment or pretreatment system operated for the sole purpose of treating wastewater to meet applicable requirements of the Clean Water Act and which was in operation or under physical construction before the date of promulgation of initial regulations under section 3004 of this title.".

(3) Section 1006 of such Act is amended by adding the following new subsection at the end thereof:

"(c) INTEGRATION WITH THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977.—Before the later of 90 days following the promulgation of final regulations relating to mining wastes or overburden under any section of subtitle C or 90 days after the date of enactment of this paragraph, the Administrator shall review any regulations applicable to the treatment, storage, or disposal of any coal mining wastes or overburden promulgated by the Secretary of the Interior under the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 and following). If the Administrator determines that any requirement of final regulations promulgated under any section of subtitle C relating to mining wastes or overburden is not adequately addressed in such regulations promulgated by the Secretary, the Administrator shall transmit such determination, together with suggested revisions and supporting documentation, to the Secretary for his consideration."

(b)(1) Section 2004 of such Act is repealed and the following sections are redesignated accordingly.

(2) The table of contents for subtitle B of such Act is amended by striking out the item relating to section 2004 and redesignating the succeeding items accordingly.

(c) Section 3004 of the Solid Waste Disposal Act is amended by adding the following after the first sentence thereof: "In establishing such standards the Administrator shall, where appropriate, establish separate standards for new and existing facilities.".

(d) Section 3001 of such Act is amended by inserting "(1)" after "(b)" and by adding the following new paragraphs at the end of subsection (b):

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, drilling fluids, produced waters, and other wastes associated with the exploration for, or development and production of, crude oil or natural gas shall not be considered 'hazardous waste' within the meaning of this section and shall not be subject to the provisions of this subtitle.

"(3)(A) Notwithstanding the provisions of paragraph (1) of this subsection, each waste listed below shall, except as provided in subparagraph (B) of this paragraph, be subject only to regulation under applicable provisions of Federal or State law in lieu of this subtitle until at least six months after the date of submission of the applicable study required to be conducted under subsection (f), (o), (p), or (q) of section 8002 of this Act and after promulgation of regulations in accordance with subparagraph (C) of this paragraph:

"(i) Fly ash waste, bottom ash waste, slag waste, and flue gas emission control waste generated primarily from the combustion of coal or other fossil fuels.

"(ii) Solid waste from the extraction, beneficiation, and processing of ores and minerals, including phosphate rock and uranium ore.

"(iii) Cement kiln dust waste.

"(B)(i) Owners and operators of disposal sites for wastes listed in subparagraph (A) may be required by the Administrator, through regulations prescribed under authority of section 2002 of this Act—

"(I) as to disposal for such wastes which are to be closed, to identify the locations of such sites through surveying, platting, or other measures, together with recordation of such information on the public record, to assure that the locations where such wastes are disposed of are known and can be located in the future, and

"(II) to provide chemical and physical analysis, and composition of such wastes, based on available information, to be placed on the public record.

"(ii)(I) In conducting any study under subsection (f), (o), (p), or (q) of section 8002 of this Act, any officer, employee, or authorized representative of the Environmental Protection Agency, duly designated by the Administrator, is authorized, at reasonable times and as reasonably necessary for the purposes of such study, to enter any establishment where any waste subject to such study is generated, stored, treated, disposed of, or transported from; to inspect, take samples, and conduct monitoring and testing; and to have access to and copy records relating to such waste. Each such inspection shall be commenced and completed with reasonable promptness. If the officer, employee, or authorized representative obtains any samples prior to leaving the premises, he shall give to the owner operator, or agent in charge a receipt describing the sample obtained and if requested a portion of each sample equal in volume or weight to the portion retained. If any analysis is made of such samples, or monitoring and testing performed, a copy of the results shall be furnished promptly to the owner, operator, or agent in charge.

"(II) Any records, reports, or information obtained from any person under subclause (I) shall be available to the public, except that upon a showing satisfactory to the Administrator by any person that records, reports, or information, or particular part thereof, to which the Administrator has access under this subparagraph if made public, would divulge information entitled to protection under section 1905 of title 18 of the United States Code, the Administrator shall consider such information or particular portion thereof confidential in accordance with the purposes of that section, except that such record, report, document, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act. Any person not subject to the provisions of section 1905 of title 18 of the United States Code who knowingly and willfully divulges or discloses any information entitled to protection under this subparagraph shall, upon conviction, be subject to a fine of not more than $5,000 or to imprisonment not to exceed one year, or both.

"(iii) The Administrator may prescribe regulations, under the authority of this Act, to prevent radiation exposure which presents an unreasonable risk to human health from the use in construction or land reclamation (with or without revegetation) of solid waste from the extraction, beneficiation, and processing of phosphate rock or the extraction of uranium ore.

"(iv) Whenever on the basis of any information the Administrator determines that any person is in violation of any requirement of this subparagraph, the Administrator shall give notice to the violator of his failure to comply with such requirement. If such violation extends beyond the thirtieth day after the Administrator's notification, the Administrator may issue an order requiring compliance within a specified time period or the Administrator may commence a civil action in the United States district court in the district in which the violation occurred for appropriate relief, including a temporary or permanent injunction.

"(C) Not later than six months after the date of submission of the applicable study required to be conducted under subsection (f), (o), (p), or (q) of section 8002 of this Act, the Administrator shall, after public hearings and opportunity for comment, either determine to promulgate regulations under this subtitle for each waste listed in subparagraph (A) of this paragraph or determine that such regulations are unwarranted. The Administrator shall publish his determination, which shall be based on information developed or accumulated pursuant to such study, public hearings, and comment, in the Federal Register accompanied by an explanation and justification of the reason for it.".

(e) Section 3005(e) of such Act is amended by striking "facility is in existence on the date of enactment of this Act" and inserting in lieu thereof "facility is in existence on the effective date of the regulations under sections 3001 and 3004".

(f) Section 3005 of such Act is amended by adding the following new subsection at the end thereof:

"(f) COAL MINING WASTES AND RECLAMATION PERMITS.—Notwithstanding subsections (a) through (e) of this section, any permit and reclamation plan covering any coal mining wastes or overburden which has been issued or approved under the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 and following) shall be deemed to be a permit issued pursuant to this section with respect to the treatment, storage, or disposal of such wastes or overburden. Regulations promulgated by the Administrator under this subtitle shall not be applicable to treatment, storage, or disposal of coal mining wastes and overburden which are covered by such a permit and reclamation plan.

(g) Section 3007(a) of such Act is amended—

(1) by inserting "or section 7003 of subtitle G," after "subtitle,";

(2) by striking "maintained by any person" after "establishment or other place';

(3) by inserting "or has handled" after "otherwise handles";

(4) by striking "any officer or employee" and inserting in lieu thereof "any officer, employee, or representative";

(5) by striking "duly designated officer employee" and inserting in lieu thereof "duly designated officer, employee, or representative";

(6) by striking "furnish or permit" and inserting in lieu thereof "furnish information relating to such wastes and permit";

(7) by striking out "such officers or employees" and inserting in lieu thereof "such officers, employees, or representatives";

(8) by inserting "or have been" after "where hazardous wastes are"; and

(9) by striking "officer or employee obtains" and inserting in lieu thereof "officer, employee, or representative obtains".

(h) Section 3007(b) of such Act is amended by inserting before "shall be available": "(including records, reports, or information obtained by representatives of the Environmental Protection Agency)".

(i) Section 3008(d) of such Act is amended by—

(1) striking out the period following the word "subtitle" at the end of paragraph (3) and by inserting a comma and the following at the end of such paragraph (3):

"(4) knowingly generates, stores, treats, transports, disposes of, or otherwise handles any hazardous waste (whether such activity took place before or takes place after the date of the enactment of this paragraph) and who destroys, alters, or conceals any record maintained with respect to the generation, storing, treatment, transportation, disposal, or other handling of hazardous waste, or

"(5) transports, treats, stores, or disposes of any hazardous waste identified or listed under this subtitle in reckless disregard of the fact that he thereby causes or creates a substantial danger or risk to human life or health";

(2) striking out "knowingly" in so much of such section 3008(d) as precedes paragraph (1) thereof;

(3) inserting "knowingly" after "(1)", "(2)", and "(3)";

(4) inserting after "$25,000" the following "($50,000 in the case of a violation of paragraph (1), (2), or (5))";

(5) inserting after "one year" the following "(two years in the case of a violation of paragraph (1), (2), or (5))"; and

(6) by striking out the last sentence thereof.

(j) Section 3008 of such Act is amended:

(1) in subsection (a)(1), by striking "the Administrator shall give notice to the violator of his failure to comply with such requirement. If such violation extends beyond the thirtieth day after the Administrator's notification," and by inserting "immediately or" after "compliance";

(2) in subsection (a)(2), by striking "thirty days"; and

(3) by adding the following new subsection at the end thereof:

"(e) Reckless.—For purposes of subsection (d)(5), a person's state of mind is reckless with respect to—

"(1) an existing circumstance if he is aware of a substantial risk that the circumstance exists but disregards the risk; or

"(2) a result of his conduct if he is aware of a substantial risk that the result will occur but disregards the risk.

For purposes of this subsection, a substantial risk is a risk that is of such a nature and degree that to disregard it constitutes a gross deviation from the standard of care that a reasonable person would exercise in such a situation.".

(k) Section 3011 of such Act is amended by adding the following new subsection at the end thereof:

"(c) Activities Included.—State hazardous waste programs for which grants may be made under subsection (a) may include (but shall not be limited to) planning for hazardous waste treatment, storage and disposal facilities, and the development and execution of programs to protect health and the environment from inactive facilities which may contain hazardous waste and which may present a substantial endangerment to the human health or the environment.".

(l)(1) Subtitle C of such Act is amended by adding the following new section at the end thereof:

"HAZARDOUS WASTE SITE INVENTORY

"Sec. 3012. (a) State Inventory Programs.—Each State shall, as expeditiously as practicable, undertake a continuing program to compile, publish, and submit to the Administrator an inventory describing the location of each site within such State at which hazardous waste has at any time been stored or disposed of. Such inventory shall contain—

"(1) a description of the location of the sites at which any such storage or disposal has taken place before the date on which permits are required under section 3005 for such storage or disposal;

"(2) such information relating to the amount, nature, and toxicity of the hazardous waste at each such site as may be practicable to obtain and as may be necessary to determine the extent of any health hazard which may be associated with such site;

"(3) the name and address, or corporate headquarters of, the owner of each such site, determined as of the date of preparation of the inventory;

"(4) an identification of the types or techniques of waste treatment or disposal which have been used at each such site; and

"(5) information concerning the current status of the site, including information respecting whether or not hazardous waste is currently being treated or disposed of at such site (and if not, the date on which such activity ceased) and information respecting the nature of any other activity currently carried out at such site.

For purposes of assisting the States in compiling information under this section, the Administrator shall make available to each State undertaking a program under this section such information as is available to him concerning the items specified in paragraphs (1) through (5) with respect to the sites within such State, including such information as the Administrator is able to obtain from other agencies or departments of the United States and from surveys and studies carried out by any committee or subcommittee of the Congress. Any State may exercise the authority of section 3007 for purposes of this section in the same manner and to the same extent as provided in such section in the case of States having an authorized hazardous waste program, and any State may by order require any person to submit such information as may be necessary to compile the data referred to in paragraphs (1) and (2).

"(b) Environmental Protection Agency Program.—If the Administrator determines that any State program under subsection (a) is not adequately providing information respecting the sites in such State referred to in subsection (a), the Administrator shall notify the State. If within ninety days following such notification," the State program has not been revised or amended in such manner as will adequately provide such information, the Administrator shall carry out the inventory program in such State. In any such case—

"(1) the Administrator shall have the authorities provided with respect to State programs under subsection (a);

"(2) the funds allocated under subsection (c) for grants to States under this section may be used by the Administrator for carrying out such program in such State; and

"(3) no further expenditure may be made for grants to such State under this section until such time as the Administrator determines that such State is carrying out, or will carry out, an inventory program which meets the requirements of this section.

"(c) Grants.—(1) Upon receipt of an application submitted by any State to carry out a program under this section, the Administrator may make grants to the States for purposes of carrying out such a program. Grants under this section shall be allocated among the several States by the Administrator based upon such regulations as he prescribes to carry out the purposes of this section. The Administrator may make grants to any State which has conducted an inventory program which effectively carried out the purposes of this section before the date of the enactment of the Resource Conservation and Recovery Act Amendments of 1979 to reimburse such State for all, or any portion of, the costs incurred by such State in conducting such program.

"(2) There are authorized to be appropriated to carry out this section $20,000,000 for the fiscal year 1980.".

(3) The table of contents for such subtitle C is amended by inserting the following new item at the end thereof:

"Sec. 3012. Hazardous waste site inventory.".

(4) Section 3008(d)(3) of such Act is amended by inserting "or information" after "document".

(m)(1) Subtitle C of such Act is amended by adding the following new section at the end thereof:

"MONITORING, ANALYSIS, AND TESTING

"Sec. 3013. (a) Authority of Administrator.—If the Administrator determines, upon receipt of any information, that—

"(1) the presence of any hazardous waste at a facility or site at which hazardous waste is, or has been, stored, treated, or disposed of, or

"(2) the release of any such waste from such facility or site

may present a substantial hazard to human health or the environment, he may issue an order requiring the owner or operator of such facility or site to conduct such monitoring, testing, analysis, and reporting with respect to such facility or site as the Administrator deems reasonable to ascertain the nature and extent of such hazard.

"(b) Previous Owners and Operators.—In the case of any facility or site not in operation at the time a determination is made under subsection (a) with respect to the facility or site, if the Administrator finds that the owner of such facility or site could not reasonably be expected to have actual knowledge of the presence of hazardous waste at such facility or site and of its potential for release, he may issue an order requiring the most recent previous owner or operator of such facility or site who could reasonably be expected to have such actual knowledge to carry out the actions referred to in subsection (a).

"(c) Proposal.—An order under subsection (a) or (b) shall require the person to whom such order is issued to submit to the Administrator within 30 days from the issuance of such order a proposal for carrying out the required monitoring, testing, analysis, and reporting. The Administrator may, after providing such person with an opportunity to confer with the Administrator respecting such proposal, require such person to carry out such monitoring, testing, analysis, and reporting in accordance with such proposal, and such modifications in such proposal as the Administrator deems reasonable to ascertain the nature and extent of the hazard.

"(d) Monitoring, Etc., Carried Out by Administrator.—(1) If the Administrator determines that no owner or operator referred to in subsection (a) or (b) is able to conduct monitoring, testing, analysis, or reporting satisfactory to the Administrator, if the Administrator deems any such action carried out by an owner or operator to be unsatisfactory, or if the Administrator cannot initially determine that there is an owner or operator referred to in (a) or (b) who is able to conduct such monitoring, testing, analysis, or reporting, he may—

"(A) conduct monitoring, testing, or analysis (or any combination thereof) which he deems reasonable to ascertain the nature and extent of the hazard associated with the site concerned, or

"(B) authorize a State or local authority or other person to carry out any such action, and require, by order, the owner or operator referred to in subsection (a) or (b) to reimburse the Administrator or other authority or person for the costs of such activity.

"(2) No order may be issued under this subsection requiring reimbursement of the costs of any action carried out by the Administrator which confirms the results of an order issued under subsection (a) or (b).

"(3) For purposes of carrying out this subsection, the Administrator or any authority or other person authorized under paragraph (1), may exercise the authorities set forth in section 3007.

"(e) ENFORCEMENT.—The Administrator may commence a civil action against any person who fails or refuses to comply with any order issued under this section. Such action shall be brought in the United States district court in which the defendant is located, resides, or is doing business. Such court shall have jurisdiction to require compliance with such order and to assess a civil penalty of not to exceed $5,000 for each day during which such failure or refusal occurs.".

(2) The table of contents for such subtitle C is amended by adding the following new item at the end thereof:

"SEC. 3013. Monitoring, analysis, and testing."

(n) Section 4003 of such Act is amended—

(1) by striking out "4005(c)" in paragraph (2), and inserting in lieu thereof "4004(b)"; and

(2) by inserting "State or" in paragraph (5) after "The plan shall provide that no" and by striking the period after "resource recovery facilities" and adding the following: ", from entering into long-term contracts for the operation of such facilities, or from securing long-term markets for material and energy recovered from such facilities.".

(o) Section 4005 of such Act is amended as follows:

(1) by striking out subsection (a); by redesignating the succeeding subsections accordingly; and by amending subsection (b) (as so redesignated) by striking out "the inventory under subsection (b) shall" and substituting "the inventory under subsection (a) shall";

(2) by amending the first sentence of section 4005(b) (as redesignated by paragraph (1) of this subsection), by striking out "Any" and inserting in lieu thereof "Upon promulgation of criteria under section 1008(a)(3), any";

(3) by striking out "4003(2)" in subsection (b) (as redesignated by paragraph (1) of this subsection) and inserting in lieu thereof "4003(3)"; and

(4) by striking out "Not" in subsection (a) (as redesignated by paragraph (1) of this subsection) and inserting in lieu thereof "To assist the States in complying with section 4003(3), not".

(p) Section 4006(b)(1)(B) of such Act is amended by striking out "functions" wherever it appears and inserting in lieu thereof "management activities".

(q)(1) Section 5002 of such Act is amended by striking out "the date of the enactment of this Act" and inserting in lieu thereof "September 1, 1979".

(2) Section 5003 of such Act is amended by striking out "the enactment of this Act" and inserting in lieu thereof: "September 1, 1979,".

(3)(A) Subtitle E of such Act is amended by inserting the following new section after section 5004:

"NONDISCRIMINATION REQUIREMENT

"SEC. 5005. The Secretary of Commerce shall not discriminate between recovered materials and virgin materials in making any determination under any authority of law concerning whether or not to impose monitoring or other controls on any marketing or transfer of materials.".

(B) The table of contents for such Act is amended by inserting the following new item after the item relating to section 5004:

"Sec. 5005. Nondiscrimination requirement.".

(r) Section 6002 of such Act is amended as follows:

(1) by deleting the first sentence in subsection (c)(1), and inserting in lieu thereof the following: "After September 1, 1982, each procuring agency which procures any items designated in such guidelines shall procure such items composed of the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, considering such guidelines.";

(2) by striking out "clause (ii)" in subsection (c)(1)(C), and inserting in lieu thereof "subparagraph (B)";

(3) by deleting "recovered material and recovered-material-derived fuel" in subsection (c)(2), and inserting in lieu thereof the following: "energy or fuels derived from solid waste";

(4) by deleting so much of subsection (c)(3) as follows "vendors" and inserting in lieu thereof a colon and the following:

"(A) certify that the percentage of recovered materials to be used in the performance of the contract will be at least the amount required by applicable specifications or other contractual requirements, and

"(B) estimate the percentage of the total material utilized for the performance of the contract which is recovered materials.";

(5) by amending subsection (d) to read as follows:

"(d) SPECIFICATIONS.—All Federal agencies that have the responsibility for drafting or reviewing specifications for procurement items procured by Federal agencies shall—

"(1) as expeditiously as possible (but in any event no later than July 1, 1980), eliminate from such specifications—

"(A) any exclusion of recovered materials; and

"(B) any requirement that items be manufactured from virgin materials; and

"(2) within one year after the date of publication of applicable guidelines under subsection (e), or as otherwise specified in such guidelines, assure that such specifications require the use of recovered materials to the maximum extent possible without jeopardizing the intended end use of the item.";

(6) by deleting the second sentence in subsection (e), and inserting in lieu thereof the following:

"Such guidelines shall—

"(1) designate those items which are or can be produced with recovered materials and whose procurement by procuring agencies will carry out the objectives of this section, and

"(2) set forth recommended practices with respect to the procurement of recovered materials and items containing such materials and with respect to certification by vendors of the percentage of recovered materials used, and shall provide information as to the availability, relative cost, and performance of such materials and items.

In designating items under paragraph (1), the Administrator shall consider, among other relevant factors:

"(A) the availability of such items;

"(B) the impact of the procurement of such items by procuring agencies on the volume of solid waste which must be treated, stored, or disposed of;

"(C) the economic and technological feasibility of producing and using such items; and

"(D) other uses for such recovered materials."; and

(7) by inserting "not later than September 1, 1981," after "shall" in the first sentence of subsection (e).

(s) Section 7001 of such Act is amended by adding the following new subsection:

"(f) OCCUPATIONAL SAFETY AND HEALTH.—In order to assist the Secretary of Labor and the Director of the National Institute for Occupational Safety and Health in carrying out their duties under the Occupational Safety and Health Act of 1970, the Administrator shall—

"(A) Provide the following information, as such information becomes available, to the Secretary and the Director:

"(i) the identity of any hazardous waste treatment, storage, disposal facility or site where clean-up is planned or underway;

"(ii) information identifying the hazards to which persons working at a hazardous waste treatment, storage, disposal facility or site or otherwise handling hazardous waste may be exposed, the nature and extent of the exposure, and methods to protect workers from such hazards; and

"(iii) incidents of worker injury or harm at a hazardous waste treatment, storage or disposal facility or site; and

"(B) Notify the Secretary and the Director of the Administrator's receipt of notifications under section 3010 or reports under sections 3002, 3003 and 3004 of this title and make such notifications and reports available to the Secretary and the Director.".

(t) Section 6004 of such Act is amended by—

(1) inserting immediately after "an executive agency (as defined in section 105 of title 5, United States Code)" in subsection (a)(1), "or any unit of the legislative branch of the Federal Government"

(2) inserting after "Each Executive agency" in subsection (a)(2), "or any unit of the legislative branch of the Federal Government" and

(3) inserting after "The President" in subsection (a)(4) "or the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate with regard to any unit of the legislative branch of the Federal Government".

(u) Section 7003 of such Act is amended by—

(1) striking out "is presenting" and inserting in lieu thereof "may present";

(2) by striking "may bring suit" and all that follows down through "the alleged disposal" and inserting in lieu thereof "may take action";

(3) by striking out "suit" in the last sentence thereof and substituting "action"; and

(4) by inserting "(a) AUTHORITY OF ADMINISTRATOR.—" after "7003" and adding the following at the end thereof: "The action which the Administrator may take under this section may include (but shall not be limited to)—

"(1) issuing such orders as may be necessary to protect public health and the environment, and

"(2) commencing a civil action for appropriate relief, including a restraining order or permanent or temporary injunction.

"(b) VIOLATIONS.—Any person who willfully violates, or fails or refuses to comply with, any order of the Administrator under subsection (a)(1) may, in an action brought in the appropriate United States district court to enforce such order, be fined not more than $5,000 for each day in which such violation occurs or such failure to comply continues.".

(v) Section 7004(b) of the Solid Waste Disposal Act is amended by inserting "(1)" before "Public Participation" and by inserting the following new paragraph at the end thereof:

"(2) Before the issuing of a permit to any person with any respect to any facility for the treatment, storage, or disposal of hazardous wastes under section 3004, the Administrator shall—

"(A) cause to be published in major local newspapers of general circulation and broadcast over local radio stations notice of the agency's intention to issue such permit, and

"(B) transmit in writing notice of the agency's intention to issue such permit to each unit of local government having jurisdiction over the area in which such facility is proposed to be located and to each State agency having any authority under State law with respect to the construction or operation of such facility.

If within 45 days the Administrator receives written notice of opposition to the agency's intention to issue such permit, or if the Administrator determines on his own initiative, he shall hold a public hearing on whether he should issue a permit for the proposed facility. Whenever possible the Administrator shall schedule such hearing at a location convenient to the nearest population center to such proposed facility and give notice in the aforementioned manner of the date, time, and subject matter of such hearing. No State program which provides for the issuance of permits referred to in this paragraph may be authorized by the Administrator under section 3006 unless such program provides for the notice and hearing required by this paragraph."

(w)(1) Section 7006 of such Act is amended—

(1) by inserting "(a) Review of Final Regulations and Certain Petitions.—" before "Any";

(2) by adding the following new subsection (b) at the end thereof:

"(b) Review of Certain Actions Under Sections 3005 and 3006.—Review of the Administrator's action—

"(1) in issuing, denying, modifying, or revoking any permit under section 3005, or

"(2) in granting, denying, or withdrawing authorization or interim authorization under section 3006,

may be had by an interested person in the Circuit Court of Appeals of the United States for the Federal judicial district in which such person resides or transacts such business upon application by such person. Any such application shall be made within ninety days from the date of such issuance, denial, modification, revocation, grant, or withdrawal, or after such date only if such application is based solely on grounds which arose after such ninetieth day. Such review shall be in accordance with sections 701 through 706 of title 5 of the United States Code.";

(3) by striking out ". Any" in paragraph (1) thereof and substituting "; any";

(4) by striking out ". Action" in paragraph (1) thereof and substituting "; action"; and

(5) by striking out "proper." in paragraph (2) thereof and substituting "proper;".

(x) Section 7009 of such Act is amended by striking out "unless the Secretary" and substituting "unless the Administrator".

(y) Section 8002 of such Act is amended—

(1) by striking out the last sentence of subsection (f) of such section and inserting in lieu thereof the following: "Not later than thirty-six months after the date of the enactment of the Resource Conservation and Recovery Act Amendments of 1979, the Administrator shall publish a report of such study and shall include appropriate findings and recommendations for Federal and non-Federal actions concerning such effects. Such report shall be submitted to the Committee on Environment and Public Works of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives."; and

(2) by adding the following new subsections at the end thereof:

"(n)(1) The Administrator shall conduct a detailed and comprehensive study and submit a report on the adverse effects, if any, of drilling fluids, produced waters, and other wastes associated with the exploration for, or development or production of, crude oil or natural gas on the environment, including but not limited to, the effects of those wastes on human health, water quality, air quality, welfare, and natural resources, and on the adequacy of means and measures currently employed by the oil and gas drilling and production industry, Government agencies, and others to dispose of and utilize those wastes and to prevent or substantially mitigate any adverse effects. The study shall include an analysis of—

"(A) the sources and volume of discarded material generated per year from such wastes;

"(B) present disposal practices;

"(C) potential dangers to human health and the environment;

"(D) alternatives to current disposal methods;

"(E) the cost of those alternatives; and

"(F) the impact of those alternatives on the exploration for, and development and production of, domestic crude oil and natural gas.

In furtherance of this study, the Administrator shall, as he deems appropriate, review studies and other actions of other Federal agencies concerning such wastes with a view toward avoiding duplication of effort and expeditious completion of the study. The Administrator shall publish a report of the study and shall include appropriate findings and recommendations for Federal and non-Federal actions.

"(2) The Administrator shall complete the research and study and submit the report required under paragraph (1) not later than October 1, 1981. Upon completion of the study, the Administrator shall prepare a plan for research, development, and demonstration respecting the findings of the study and may submit any legislative recommendations resulting from the study to the Congress.

"(3) There are authorized to be appropriated not to exceed $1,000,000 for the fiscal year 1980 to carry out the provisions of this subsection.

"(o) Materials Generated From the Combustion of Coal and Other Fossil Fuels.—The Administrator shall conduct a detailed and comprehensive study on the adverse effects on human health and the environment, if any, of the disposal and utilization of fly ash waste, bottom ash waste, slag waste, flue gas emission control waste, and other byproduct materials generated primarily from the combustion of coal or other fossil fuels. Such study shall include an analysis of—

"(1) the source and volumes of such materials generated per year;

"(2) present disposal and utilization practices;

"(3) potential danger, if any, to human health and the environment from the disposal and reuse of such materials;

"(4) documented cases in which danger to human health or the environment from surface runoff or leachate has been proved;

"(5) alternatives to current disposal methods;

"(6) the costs of such alternatives;

"(7) the impact of those alternatives on the use of coal and other natural resources; and

"(8) the current and potential utilization of such materials.

In furtherance of this study, the Administrator shall, as he deems appropriate, review studies and other actions of other Federal and State agencies concerning such waste or materials and invite participation by other concerned parties, including industry and other Federal and State agencies, with a view towards avoiding duplication of effort. The Administrator shall publish a report of such study, which shall include appropriate findings, not later than thirty-six months after the date of enactment of the Resource Conservation and Recovery Act Amendments of 1979. Such report shall be submitted to the Committee on Environment and Public Works of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives.

"(p) Cement Kiln Dust Waste.—The Administrator shall conduct a detailed and comprehensive study of the adverse effects on human health and the environment, if any, of the disposal of cement kiln dust waste. Such study shall include an analysis of—

"(1) the source and volumes of such materials generated per year;

"(2) present disposal practices;

"(3) potential danger, if any, to human health and the environment from the disposal of such materials;

"(4) documented cases in which danger to human health or the environment has been proved;

"(5) alternatives to current disposal methods;

"(6) the costs of such alternatives;

"(7) the impact of those alternatives on the use of natural resources; and

"(8) the current and potential utilization of such materials.

In furtherance of this study, the Administrator shall, as he deems appropriate, review studies and other actions of other Federal and State agencies concerning such waste or materials and invite participation by other concerned parties, including industry and other Federal and State agencies, with a view towards avoiding duplication of effort. The Administrator shall publish a report of such study, which shall include appropriate findings not later than thirty-six months after the date of enactment of the Resource Conservation and Recovery Act Amendments of 1979. Such report shall be submitted to the Committee on Environment and Public Works of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives.

"(q) Materials Generated From the Extraction, Beneficiation, and Processing of Ores and Minerals, Including Phosphate Rock and Uranium Mining Ore.—The Administrator shall conduct a detailed and comprehensive study on the adverse effects on human health and the environment, if any, of the disposal and utilization of solid waste from the extraction, beneficiation, and processing of ores and minerals, including phosphate rock and uranium ore. Such study shall be conducted in conjunction with the study of mining wastes required by subsection (f) of this section and shall include an analysis of—

"(1) the source and volumes of such materials generated per year;

"(2) present disposal and utilization practices;

"(3) potential danger, if any, to human health and the environment from the disposal and reuse of such materials;

"(4) documented cases in which danger to human health or the environment has been proved;

"(5) alternatives to current disposal methods;

"(6) the costs of such alternatives;

"(7) the impact of those alternatives on the use of phosphate rock and uranium ore, and other natural resources; and

"(8) the current and potential utilization of such materials.

In furtherance of this study, the Administrator shall, as he deems appropriate, review studies and other actions of other Federal and State agencies concerning such waste or materials and invite participation by other concerned parties, including industry and other Federal and State agencies, with a view towards avoiding duplication of effort. The Administrator shall publish a report of such study, which shall include appropriate findings, in conjunction with the publication of the report of the study of mining wastes required to be conducted under subsection (f) of this section. Such report and findings shall be submitted to the Committee on Environment and Public Works of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives.".

ENERGY AND MATERIALS RECOVERY

Sec. 4. (a) The Congress finds that—

(1) municipal solid waste contains valuable energy and material resources which can be recovered and used thereby conserving increasingly scarce and expensive fossil fuels and virgin materials;

(2) the recovery of energy and materials from municipal waste can have the effect of reducing the volume of the municipal waste stream and the burden of disposing of increasing volumes of solid waste;

(3) the technology to recover energy and materials from solid waste is of demonstrated commercial feasibility; and

(4) various communities throughout the nation have different needs and different potentials for utilizing techniques for the recovery of energy and materials from waste, and Federal assistance in planning and implementing energy and materials recovery programs should be available to all such communities on an equitable basis in relation to their needs and potential.

(b) Section 4001 of the Solid Waste Disposal Act (relating to objectives) is amended by inserting "including energy and materials which are recoverable from solid waste" after "valuable resources".

(c) Section 4002(c) of the Solid Waste Disposal Act (relating to guidelines for State plans) is amended in paragraph (11) by inserting after "recovered material" the following: "and energy and energy resources recovered from solid waste.".

(d) (1) Section 4003 of the Solid Waste Disposal Act is amended by inserting "negotiating and" after "from".

(2) Section 4003 of the Solid Waste Disposal Act (relating to minimum requirements for State plans) is amended by inserting "(a) Minimum Requirements.—" after "4003" and by adding the following new subsection at the end thereof:

"(b) Energy and Materials Recovery Feasibility Planning and Assistance.—(1) A State which has a plan approved under this subtitle or which has submitted a plan for such approval shall be eligible for assistance under section 4008(a)(3) if the Administrator determines that under such plan the State will—

"(A) analyze and determine the economic and technical feasibility of facilities and programs to recover energy and materials from municipal waste,

"(B) analyze the legal, institutional, and economic impediments to the development of systems and facilities for the recovery of energy and materials from municipal waste and make recommendations to appropriate governmental authorities for overcoming such impediments;

"(C) assist municipalities within the State in developing plans, programs, and projects to recover energy and materials from municipal waste; and

"(D) coordinate the resource recovery planning under subparagraph (C).

"(2) The analysis referred to in paragraph (1)(A) shall include—

"(A) the evaluation of, and establishment of priorities among, market opportunities for industrial and commercial users of all types (including public utilities and industrial parks) to utilize energy and materials recovered from municipal waste,

"(B) comparisons of the relative costs of energy recovered from municipal waste in relation to the costs of energy derived from fossil fuels and other sources, and

"(C) studies of the transportation and storage problems and other problems associated with the development of energy and materials recovery technology, including curbside source separation.

Such studies and analyses shall also include studies of other sources of solid waste from which energy and materials may be recovered.".

(e)(1) Section 4008(a)(1) of the Solid Waste Disposal Act is amended by inserting the following before the period at the end thereof: "(other than the provisions of such plans referred to in section 4003(b), relating to feasibility planning for municipal waste energy and materials recovery).".

(2) Section 4008(a) of such Act is amended by adding the following new paragraph at the end thereof:

"(3)(A) There is authorized to be appropriated for the fiscal year beginning October 1, 1981 and for each fiscal year thereafter before October 1, 1986, $4,000,000 for purposes of making grants to States to carry out section 4003(b). No amount may be appropriated for such purposes for the fiscal year beginning on October 1, 1986, or for any fiscal year thereafter.

"(B) Assistance provided by the Administrator under this paragraph shall be used only for the purposes specified in such section 4003(b). Such assistance may not be used for purposes of land acquisition, final facility design, equipment purchase, construction, startup or operation activities.

"(C) Where appropriate, any State receiving assistance under this paragraph may make all or any part of such assistance available to municipalities within the State to carry out the activities specified in section 4003(b)(1) (A) and (B).".

(3) Section 4008 of such Act is amended by adding the following new subsection at the end thereof:

"(f) Assistance to Municipalities for Energy and Materials Recovery Planning Activities.—(1) The Administrator is authorized to make grants to municipalities, regional authorities, and intermunicipal agencies to carry out activities described in subparagraphs (A) and (B) of section 4003 (b)(1). Such grants may be made only pursuant to an application submitted to the Administrator by the municipality which application has been approved by the State and determined by the State to be consistent with any State plan approved or submitted under this subtitle or any other appropriate planning carried out by the State.

"(2) There is authorized to be appropriated for the fiscal year beginning October 1, 1981 and for each fiscal year thereafter before October 1, 1986, $8,000,000 for purposes of making grants to municipalities under this subsection. No amount may be appropriated for such purposes for the fiscal year beginning on October 1, 1986, or for any fiscal year thereafter.

"(3) Assistance provided by the Administrator under this subsection shall be used only for the purposes specified in paragraph (1). Such assistance may not be used for purposes of land acquisition, final facility design, equipment purchase, construction, startup or operation activities.".

(f) Section 4008(d) of the Solid Waste Disposal Act is amended by inserting "(1)" after "Technical Assistance.—" and by adding the following new paragraph at the end thereof:

"(2) In carrying out this subsection, the Administrator is authorized to provide technical assistance to States, municipalities, regional authorities, and intermunicipal agencies upon request, to assist in the removal or modification of legal, institutional, and economic impediments which have the effect of impeding the development of systems and facilities to recover energy and materials from municipal waste. Such impediments may include—

"(A) laws, regulations, and policies, including State and local procurement policies, which are not favorable to resource recovery policies, systems, and facilities;

"(B) impediments to the financing of facilities to recover energy and materials from municipal waste through the exercise of State and local authority to issue revenue bonds and the use of State and local credit assistance; and

"(C) impediments to institutional arrangements necessary to undertake projects for the recovery of energy and materials from municipal waste, including the creation of special districts, authorities, or corporations where necessary having the power to secure the supply of waste of a project, to implement the project, and to undertake related activities.".

(g) Section 6003 of the Solid Waste Disposal Act is amended—

(1) by inserting "(a) General Rule.—" after "6003"; and

(2) by adding the following new subsection at the end thereof:

"(b) Information Relating to Energy and Materials Recovery.—The Administrator shall collect, maintain, and disseminate information concerning the market potential of energy and materials recovered from solid waste, including materials obtained through source separation. The Administrator shall identify the regions in which the increased substitution of such energy for energy derived from fossil fuels and other sources is most likely to be feasible, and provide information on the technical and economic aspects of developing integrated resource recovery systems which provide for the recovery of source-separated materials to be recycled. The Administrator shall utilize the authorities of subsection (a) in carrying out this subsection.".

NATIONAL ADVISORY COMMISSION ON RESOURCE RECOVERY

Sec. 5. (a) The Administrator of the Environmental Protection Agency shall establish, within 30 days after the date of the enactment of this Act, a commission to be known as the National Advisory Commission of Resource Recovery (hereinafter in this section referred to as the "Commission").

(b)(1) The Commission shall—

(A) after consultation with the appropriate Federal agencies, review budgetary priorities relating to resource recovery, determine to what extent program goals relating to resource recovery are being realized, and make recommendations concerning the appropriate program balance and priorities;

(B) review any existing or proposed resource recovery guidelines or regulations;

(C) determine the economic development potential of resource recovery, including the availability of markets for recovered energy and materials, and make recommendations concerning the utilization of such potential;

(D) identify, and make recommendations addressing, institutional obstacles impeding the development of resource recovery; and

(E) evaluate the status of resource recovery technology and systems including both materials and energy recovery technologies, recycling methods, and other innovative methods for extracting valuable resources from solid waste.

The review referred to in subparagraph (A) should include but not be limited to an assessment of the effectiveness of the Technical Assistance Panels, the Public Participation program and other program activities under the Solid Waste Disposal Act.

(2) Not later than March 15, 1981, the Commission shall transmit to the Administrator of the Environmental Protection Agency, the President, and to each House of the Congress a report containing the recommendations referred to in paragraph (1) and such other recommendations for legislation and administrative actions relating to resource recovery as it considers appropriate. Before March 15, 1981, the Commission may submit preliminary recommendations to the Administrator, the Office of Management and Budget, and other appropriate agencies for purposes of consideration in connection with the fiscal year 1982 budget.

(c) The Commission shall be composed of 9 members appointed by the Administrator of the Environmental Protection Agency from among persons who are not officers or employees of the United States and who are specially qualified to serve on the Commission by reason of their education, training, or experience. The membership of the Commission shall include persons who will represent the views of consumer groups, local government organizations, industry associations, and environmental and other groups, concerned with resource recovery. Members shall be appointed for the life of the Commission.

(d) Members of the Commission shall serve without pay. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(e) Five members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(f) The Chairman of the Commission shall be designated by the Administrator at the time of his appointment to the Commission.

(g) The Commission shall meet at the call of the Chairman or a majority of its members.

(h) With the approval of the Commission, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code.

(i) Upon request of the Commission, the Administrator of the Environmental Protection Agency or the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this section.

(j) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(k) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman, the head of such department or agency shall furnish such information to the Commission.

(l) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(m) The Commission shall cease to exist upon submission of its report pursuant to this section.

SPECIAL COMMUNITIES

SEC. 6. Section 4008(e) of the Solid Waste Disposal Act is amended by—

(1) striking out "identify communities" in paragraph (1) thereof and substituting "identify local governments";

(2) striking out clause (A) thereof and redesignating clauses (B) and (C) as (A) and (B) respectively;

(3) striking out "solid waste disposal facilities in which more than 75 per centum of the solid waste disposed of is from areas outside the jurisdiction of the communities" in paragraph (1) thereof and substituting "a solid waste disposal facility (i) which is owned by the unit of local government, (ii) for which an order has been issued by the State to cease receiving solid waste for treatment, storage, or disposal, and (iii) which is subject to a State-approved end-use recreation plan";

(4) striking out "which have" in clause (B) of paragraph (1), as redesignated by paragraph (2) of this section, and substituting the following "which are located over an aquifer which is the source of drinking water for any person or public water system and which has";

(5) inserting before the period at the end of paragraph (1): ", including possible methane migration";

(6) striking out "each of the fiscal years 1978 and 1979" in paragraph (2) and substituting "the fiscal year 1980";

(7) striking out "the conversion, improvement" in the first sentence of paragraph (2) and all that follows down through the period at the end of such sentence and substituting "containment and stabilization of solid waste located at the disposal sites referred to in paragraph (1)";

(8) inserting the following new sentence at the end of paragraph (2): "No unit of local government shall be eligible for grants under this paragraph with respect to any site which exceeds 65 acres in size."; and

(9) striking out paragraph (3) thereof.

NOTIFICATION

SEC. 7. Section 3010(a) of the Solid Waste Disposal Act is amended by striking out "or revision" and by inserting the following at the end of the first sentence thereof: "In revising any regulation under section 3001 identifying additional characteristics of hazardous waste or listing any additional substance as hazardous waste subject to this subtitle, the Administrator may require any person referred to in the preceding sentence to file with the Administrator (or with States having authorized hazardous waste permit programs under section 3006) the notification described in the preceding sentence.".

AMENDMENT OF RESOURCE CONSERVATION AND RECOVERY ACT OF 1976

SEC. 8. Sections 3 and 4 of the Resource Conservation and Recovery Act of 1976 are hereby repealed.

Amend the title so as to read: "An Act to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal year 1980, to make certain technical changes, to strengthen the regulatory and enforcement mechanisms, and for other purposes.".

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. RANDOLPH, I move that the Senate disagree to the amendments of the House and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. RANDOLPH, Mr. MUSKIE, Mr. CULVER, Mr. STAFFORD, and Mr. CHAFEE conferees on the part of the Senate.

ORDER FOR RECESS UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:45 a.m. tomorrow.

The PRESIDING OFFICER (Mr. TSONGAS). Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR THE RECOGNITION OF VARIOUS SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow under the standing order, Messrs. ROTH, DANFORTH, LUGAR, STEVENS, MUSKIE, and ROBERT C. BYRD be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order entered earlier, that the Senate stand in recess until the hour of 9:45 a.m. tomorrow.

The motion was agreed to; and at 6:28 p.m., the Senate recessed until Wednesday, March 5, 1980, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate February 29, 1980, under authority of the order of Senate of February 28, 1980:

IN THE ARMY

The following named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2106, 3284, 3286, 3287, 3288, and 3290:

Abahazy, Dan F., [redacted]
Abt, Nanette, [redacted]
Abt, Tracey, L., [redacted]
Adams, Barbara J., [redacted]
Adrian, James C., Jr., [redacted]
Aguinaldo, James F., [redacted]
Alcover, Rafael A., [redacted]
Alderman, John E., [redacted]
Alexander, Gary D., [redacted]
Alexander, Jerome A., [redacted]
Alexander, Mark S., [redacted]
Alford, Eli Thomas, [redacted]
Allison, John H., III, [redacted]
Almay, Theodore A., [redacted]
Amesbury, David J., [redacted]
Amoroso, Sarah J., [redacted]
Anderson, David S., [redacted]
Anderson, Dianne E., [redacted]
Anderson, Dolores E., [redacted]
Anderson, Gary D., [redacted]
Anderson, Reginald, [redacted]
Anderson, Robert C., [redacted]
Armstrong, Richard, [redacted]
Arnette, Leroy, [redacted]
Arnold, Richard E., [redacted]
Arrington, Christopher, [redacted]
Arrington, Lonzo, [redacted]
Atkinson, Joyce P., [redacted]
Atkinson, Stewart, [redacted]
Attwood, Irene G., [redacted]
Avery, Mark W., [redacted]
Bachman, Mark K., [redacted]
Bailey, Billy E., [redacted]
Bair, Wayne P., [redacted]
Baker, David B., [redacted]
Balmanno, Alain C., [redacted]
Barbin, Paul R., [redacted]
Barnes, Debra R., [redacted]

Barnes, Peter R., [redacted].
Barnes, Thomas E., [redacted].
Barnthouse, Chris, [redacted].
Barrentine, Harold, [redacted].
Bartell, Rosa Linda, [redacted].
Bartholomew, Bryan, [redacted].
Bartlett, Roger D., [redacted].
Baugher, Thomas A., [redacted].
Beach, Gregory E., [redacted].
Beard, William G., [redacted].
Beason, Samuel L., [redacted].
Beery, Larry N., [redacted].
Beesley, James D., [redacted].
Begay, Gerald C., [redacted].
Bender, James D., [redacted].
Benner, William, [redacted].
Benson, Jennie E., [redacted].
Berg, James L., Jr., [redacted].
Berman, William S., [redacted].
Bester, Cheryl A., [redacted].
Bigelow, Debra D., [redacted].
Biggs, Walter F. III, [redacted].
Bisacre, Michael D., [redacted].
Bishop, Thomas E., [redacted].
Black, Edward P. G., [redacted].
Blackwell, John H., [redacted].
Bloxom, John D., [redacted].
Bobb, Elizabeth, [redacted].
Bolling, Bernard, [redacted].
Bone, Steven W., [redacted].
Bookbinder, Vernon J., [redacted].
Boston, Michael M., [redacted].
Bounds, Mark A., [redacted].
Bowen, George E., [redacted].
Bowie, Edward L., [redacted].
Bowman, Michael M., [redacted].
Boyd, Clark T., [redacted].
Boyle, Thomas J., [redacted].
Brandon, Llewellyn, [redacted].
Brant, Jeffrey L., [redacted].
Bray, James G., [redacted].
Brennan, Ann I., [redacted].
Brodeur, Marc P., [redacted].
Brogdon, Janigan Jr., [redacted].
Brooks, James E., [redacted].
Brooks, Robert W., [redacted].
Brown, Anthony F., [redacted].
Brown, Barry A., [redacted].
Brown, Eric P., [redacted].
Brown, Kevin W., [redacted].
Brown, William H., [redacted].
Buckley, Todd J., [redacted].
Bugg, Gregory M., [redacted].
Buholz, Kenneth L., [redacted].
Bujno, Mark S., [redacted].
Bumgarner, Ronald L., [redacted].
Burden, Chester L., [redacted].
Burke, Annette M., [redacted].
Burnett, Peter L., [redacted].
Burton, Weldon K., [redacted].
Cairns, Jeffrey S., [redacted].
Callender, James C., [redacted].
Cameron, Kenneth B., [redacted].
Campbell, Frederick, [redacted].
Campbell, John E., [redacted].
Campbell, Scott A., [redacted].
Candia, Ruth L., [redacted].
Caniano, William, [redacted].
Capparelli, Cecilia, [redacted].
Caraveo, Jose M., Jr., [redacted].
Carfrey, William L., [redacted].
Cartagna, Carlos A., [redacted].
Cassilly, Robert G., [redacted].
Catherine, Francis, [redacted].
Cavitt, David W., [redacted].
Cedars, Patrick M., [redacted].
Centers, William E., [redacted].
Chaconas, Kathleen, [redacted].
Charles, Christopher, [redacted].
Chewning, Carol J., [redacted].
Chirio, Philip D., [redacted].
Clark, Jean M., [redacted].
Clark, Kelly E., [redacted].
Clements, George P., [redacted].
Clemons, Hollise C., [redacted].
Clepper, Elizabeth, [redacted].
Clifford, Robert D., [redacted].
Cochran, Donald Q., [redacted].
Cohen, Rudolph R., Jr., [redacted].
Coleman, Lester R., [redacted].
Collazo, Wilfredo C., [redacted].
Colley, Jeffrey G., [redacted].
Colon, Angel L., [redacted].
Colston, Raymond M., [redacted].
Conner, Steven E., [redacted].
Connoly, Paul F., [redacted].
Contreas, Blas M., [redacted].
Cook, Alvin J., [redacted].
Cooke, Thomas M., [redacted].
Cooper, David D., Jr., [redacted].
Copenhaver, Vincent, [redacted].
Corey, Wesley A., [redacted].
Corrigan, Patrick E., [redacted].
Costigan, James F., [redacted].
Crane, Paul D., [redacted].
Crawford, Jennifer, [redacted].
Creamer, David F., [redacted].
Creamer, Jimmy J., [redacted].
Crizer, Scott H., [redacted].
Cromwell, Joel C., [redacted].
Crutcher, Mark E., [redacted].
Cuddeback, Jeffrey, [redacted].
Cudney, Paul R., [redacted].
Culp, Martin J., II, [redacted].
Culpepper, Jimmy C., [redacted].
Cummings, John P., [redacted].
Curry, Franklin D., [redacted].
Curtin, Joseph G., [redacted].
Dahne, Scott E., [redacted].
Daum, James W., [redacted].
Davidson, James E., [redacted].
Davis, Frank, Jr., [redacted].
Davis, James W., Jr., [redacted].
Davis, Pearl R., [redacted].
Del Re, James F., [redacted].
Dessingue, Steven C., [redacted].
Devine, Stewart T., [redacted].
Devito, David F., [redacted].
Dewitt, Gregory M., [redacted].
Dewitt, Thomas I., [redacted].
Dillard, Terence L., [redacted].
Dillon, John Z., [redacted].
Dipatri, Michael, [redacted].
Dochnal, Alfred E., [redacted].
Dolac, John J., [redacted].
Dolinish, Gerald A., [redacted].
Donnan, Michael J., [redacted].
Dorney, Todd L., [redacted].
Downing, Jack E., [redacted].
Drake, Charles A., [redacted].
Draper, Elizabeth A., [redacted].
Driver, Earl C., [redacted].
Drummer, Larry W., [redacted].
Drummond, Craig W., [redacted].
Dubravcak, Edward E., [redacted].
Dumas, Marc G., [redacted].
Dunn, Lawrence P., [redacted].
Dunning, David M., [redacted].
Durfey, Dwight D., [redacted].
Durham, Emery B., [redacted].
Durham, Fred D., [redacted].
Durr, Richard F. M., [redacted].
Easter, Russell A., [redacted].
Easterling, Elizabeth, [redacted].
Eaton, Cynthia L., [redacted].
Edmonds, Kyle L., [redacted].
Edsall, Howard P., [redacted].
Edwards, Corey, [redacted].
Edwards, Mark L., [redacted].
Egenberger, Fred, [redacted].
Eisel, George W., IV, [redacted].
Eley, Joe B., III, [redacted].
Ell, Michael W., [redacted].
Ellis, Wayne, [redacted].
English, Eugene, [redacted].
Erickson, Donald L., [redacted].
Esposito, Michael B., [redacted].
Etheridge, Michael, [redacted].
Evans, Philip M., [redacted].
Fahy, David A., [redacted].
Fatora, Dennis P., [redacted].
Figueroa, Francisco, [redacted].
Fischer, Ward J., [redacted].
Fitzpatrick, Jordan, [redacted].
Fitzpatrick, Kelly, [redacted].
Fix, Carol A., [redacted].
Flores, Jose A., [redacted].
Flynn, Michael J., [redacted].
Foley, Bryan L., [redacted].
Foster, John N., [redacted].
Fox, Eugene J., [redacted].
Frazier, Benjamin C., [redacted].
French, Larry S., [redacted].
Frenkell, Wendy S., [redacted].
Frey, John W., [redacted].
Friedman, Ricky S., [redacted].
Fuchs, Erica S., [redacted].
Fuertsch, Charles A., [redacted].
Fugatt, Edward, [redacted].
Funk, Foster B., [redacted].
Gaebelein, Thad, [redacted].
Gagliamo, Nick G., Jr., [redacted].
Galarza, Andres, [redacted].
Galgano, Francis A., [redacted].
Gallagher, John J., [redacted].
Galyean, Patrick O., [redacted].
Gamble, Donald, [redacted].
Gamble, Sidney, [redacted].
Gammons, Alfred W., [redacted].
Garcia, Walter, [redacted].
Garman, Ashley W., [redacted].
Garner, Harry C. III, [redacted].
Garra, Neil A., [redacted].
Garven, Robert C., [redacted].
Gass, Gregory, [redacted].
Gee, James M., [redacted].
Gianni, Philip M., [redacted].
Giffin, Brett A., [redacted].
Gold, Russel D., [redacted].
Goode, Alfred A., [redacted].
Goode, Scott A., [redacted].
Goodno, Duaine C., [redacted].
Gorbitz, Michael, [redacted].
Gorski, Frank J. III, [redacted].
Gradeff, Mireille E., [redacted].
Grasberger, Thomas, [redacted].
Green, Henry P. Jr., [redacted].
Green, James S., [redacted].
Green, Lennox, [redacted].
Griggs, Adelia H., [redacted].
Grimes, Angela R., [redacted].
Grimes, David W., [redacted].
Grinnell, Edgar F., [redacted].
Gross, Diane E., [redacted].
Guidry, Sharon L., [redacted].
Gunn, Robert Z. Jr., [redacted].
Guzik, Christopher, [redacted].
Gwilliam, Jeffrey L., [redacted].
Hale, Kimbal, [redacted].
Hale, Toby A., [redacted].
Hall, Dawn D., [redacted].
Hammer, Michael P., [redacted].
Hammons, Jeffrey D., [redacted].
Hampton, Silvester, [redacted].
Hancock, Frederick, [redacted].
Harmaty, Borys, [redacted].
Harmon, Barbara J., [redacted].
Harper, Booker T., [redacted].
Harper, Herbert D., [redacted].
Harris, Dyfierd, A., [redacted].
Harrison, Donald L., [redacted].
Harrison, Larry J., [redacted].
Harrison, Theodore, [redacted].
Hart, Larry A., [redacted].
Harvey, Beverly K., [redacted].
Hayden, Joseph T., [redacted].
Hazlewood, Lewis C., [redacted].
Hearney, Catherine, [redacted].
Heaston, Harve B., [redacted].
Hedrick, Shirley D., [redacted].
Heiden, Charles G., [redacted].
Hendricks, Debra D., [redacted].
Henkel, Louis O., [redacted].
Henry, Bobby G., Jr., [redacted].
Henry, Diane E., [redacted].
Henson, David W., [redacted].
Hern, Julie A., [redacted].
Herold, Brent D., [redacted].
Hess, Thomas J., [redacted].
Hickman, David M., [redacted].
Higginrotham, Gary, [redacted].
Higgins, William F., [redacted].
Hill, Charles E., III, [redacted].
Hill, Michael G., [redacted].
Hill, Steven R., [redacted].
Hill, Susan R., [redacted].
Hilliard, Raymond S., [redacted].
Hingula, Edward T., [redacted].
Histen, Matthew J., [redacted].
Hodge, George, [redacted].

Hodge, Jack S., [redacted].
Hodges, Darlene, [redacted].
Hoffman, Matthew, [redacted].
Hoggard, William W., [redacted].
Holloway, Samuel A., [redacted].
Holstead, Kim E., [redacted].
Holt, Andrew H., [redacted].
Holzhausen, Jeffrey, [redacted].
Hooper, Kim B., [redacted].
Hoover, Thomas F., Jr., [redacted].
Hoskins, Jimmy L., [redacted].
Hovey, Julie A., [redacted].
Howe, Sean, [redacted].
Howle, Roy C., Jr., [redacted].
Hudock, Delores, [redacted].
Hughes, Jennifer E., [redacted].
Hughes, Leonardo, [redacted].
Hunt, Paul F., [redacted].
Hunte, Steven D., [redacted].
Irigoin, Paul P., [redacted].
Isbell, Donald N., [redacted].
Jackson, Claude J., [redacted].
Jackson, Dennis B., [redacted].
Jackson, Keith C., [redacted].
Jackson, Mark S., [redacted].
Jarrett, James E., [redacted].
Jaunais, Kenneth, [redacted].
Jayne, Gregory W., [redacted].
Jennings, Travis D., [redacted].
Jeter, Rodney, [redacted].
Johnson, David L., [redacted].
Johnson, Jeffrey E., [redacted].
Johnson, Keitha V., [redacted].
Johnson, Mark, [redacted].
Johnson, Robert C., [redacted].
Johnston, Gary E., [redacted].
Jones, Alven, [redacted].
Jones, Geneva O., [redacted].
Jones, Joseph E., [redacted].
Jones, Kenneth D., [redacted].
Jones, Thomas D., [redacted].
Jones, Thomas E., Jr., [redacted].
Joyner, James M., [redacted].
Judd, Douglas E., [redacted].
Judy, Kent K., [redacted].
Julian, Mark D., [redacted].
Juntuneh, Kim M., [redacted].
Kanning, Richard D., [redacted].
Keeton, Kathryn L., [redacted].
Keith, Perry O., [redacted].
Kelley, Robert H., [redacted].
Kelley, Maureen A., [redacted].
Kemnitz, John W., [redacted].
Kemp, Ruth M., [redacted].
Kennedy, James W., [redacted].
Kestner, James S., [redacted].
Kilgariff, Michael, [redacted].
Kilpatrick, Gail D., [redacted].
Kim, Chong I., [redacted].
Kincaid, Gerald A., [redacted].
Kinniburgh, Mark A., [redacted].
Kinter, Cynthia T., [redacted].
Kirkwood, John P., [redacted].
Kitchin, Victoria A., [redacted].
Klaczak, Mark C., [redacted].
Kline, Jared A., [redacted].
Kline, Nancy G., [redacted].
Kline, Robert W., [redacted].
Knight, John E., [redacted].
Kohlmann, James P., [redacted].
Kramer, David A., [redacted].
Kyle, William C., [redacted].
Lacombe, David E., [redacted].
Lambert, Steven D., [redacted].
Lane, Jeffrey D., [redacted].
Langley, Christine, [redacted].
Larson, Karen E., [redacted].
Latham, Briggs, [redacted].
Lato, Donald T., [redacted].
Lauber, William G., [redacted].
Laudan, John E., [redacted].
Lavin, Stephen R., [redacted].
Lechiak, Dennis A., [redacted].
Lee, Charles E., Jr., [redacted].
Lee, Karen M., [redacted].
Lee, Robert W., [redacted].
Legge, Thomas A., [redacted].
Leitzel, Robert D., [redacted].
Lemay, Millard C., [redacted].
Lemelin, Joseph N., [redacted].
Leonard, Edriella A., [redacted].
Leonard, Kathleen E., [redacted].
Lester, Frank C., Jr., [redacted].
Lim, John K., [redacted].
Lindsey, Ray C., [redacted].
Lisi, Mark T., [redacted].
Little, Richard M., [redacted].
Loefstedt, Arthur B., [redacted].
Logan, Herbert L., Jr., [redacted].
Loney, Richard W., [redacted].
Long, Russell S., [redacted].
Longanacre, Edwin R., [redacted].
Lopez, Raymond, [redacted].
Loven, William R., [redacted].
Lovering, Calvin S., [redacted].
Ludowese, James P., [redacted].
Luna, Kathryn K., [redacted].
Lyme, Donald L., [redacted].
Lynch, Janet E., [redacted].
Lynd, Robert M., [redacted].
Lyons, Kathleen A., [redacted].
MacDougall, Arthur, [redacted].
Mack, Gabriele E., [redacted].
Mack, Gerald E., [redacted].
Mackey, David C., [redacted].
Mackey, Margaret J., [redacted].
MacNeil, Bruce F., [redacted].
Maddox, Cynthia R., [redacted].
Madera, Jorge L., [redacted].
Makarsky, Steven L., [redacted].
Malave, David, [redacted].
Malley, Kevin C., [redacted].
Malone, David J., [redacted].
Manderville, Scott, [redacted].
Manning, Bruce, [redacted].
Manolis, Christopher, [redacted].
Manuel, Herman A., [redacted].
Marck, David W., [redacted].
Mark, Herbert, [redacted].
Marksteiner, Stephen, [redacted].
Marshall, David H., [redacted].
Martin, Aubrey L., [redacted].
Martin, Francis, [redacted].
Martin, Karen E., [redacted].
Martinez, Adrian I., [redacted].
Martinez, Axel, [redacted].
Martucci, Peter A., [redacted].
Mason, McKenley, D. L., [redacted].
Mathewson, Michael, [redacted].
Matto, Anthony J., [redacted].
Mayr, Robert D., [redacted].
McAllister, Marilyn, [redacted].
McArthur, James G., [redacted].
McAuliffe, Dennis, [redacted].
McCalla, Richard, [redacted].
McCarthy, Patrick W., [redacted].
McCauley, Henry P., Jr., [redacted].
McCauley, Mark G., [redacted].
McClanahan, Jack R., [redacted].
McClellen, Burnell, [redacted].
McConnell, William, [redacted].
McCormick, Barbara, [redacted].
McCreedy, Kenneth O., [redacted].
McCullough, Gary E., [redacted].
McDonald, Gerald M., [redacted].
McDonald, James M., [redacted].
McDougall, John G., [redacted].
McKelvey, William J., [redacted].
McKenna, Susan A., [redacted].
McLaughlin, Robert, [redacted].
McMahan, Virginia N., [redacted].
McMahon, Joseph S., [redacted].
McNeil, Ralph D., [redacted].
Mendez, Lourdes, [redacted].
Mendoza, Robert, [redacted].
Menken, John W., [redacted].
Mercado, Jose R., [redacted].
Mercado, Michael A., [redacted].
Merriman, Ronald S., [redacted].
Metcalf, Stephen R., [redacted].
Mickel, Stephen L., [redacted].
Milak, Arthur G., [redacted].
Milano, Leslie A., [redacted].
Miller, Charles C., [redacted].
Miller, Sharon L., [redacted].
Miller, Sherman, [redacted].
Miller, William E., [redacted].
Miner, Anna T., [redacted].
Mitchell, Randall, [redacted].
Mittlestaedt, Joel, [redacted].
Mohn, Howard L., [redacted].
Monroe, Gregory V., [redacted].
Monroe, James A., Jr., [redacted].
Montgomery, A., [redacted].
Montgomery, T., [redacted].
Moore, Dwight O., [redacted].
Moore, Ira D., [redacted].
Moore, Joseph M., [redacted].
Morales, Pedro R., [redacted].
Moran, Timothy M., [redacted].
Moreen, Jill S., [redacted].
Morgan, William F., [redacted].
Morin, Frank M., [redacted].
Morton, Michael C., [redacted].
Mosher, Randy D., [redacted].
Moss, Wilma L., [redacted].
Moynahan, Aaron P., [redacted].
Mrazek, Cathy J., [redacted].
Muehlberg, Stephen, [redacted].
Mulvenna, James R., [redacted].
Munyon, David W., [redacted].
Murph, Brian M., [redacted].
Murphy, Michael E., [redacted].
Myers, Earl C., II, [redacted].
Myers, Susan R., [redacted].
Meff, Ervin E., [redacted].
Nelson, Keith M., [redacted].
Nelson, Rodney C., [redacted].
Newfrock, Joseph, [redacted].
Newsome, Eric E., [redacted].
Norman, Reginald, [redacted].
Norrell, Roger W., [redacted].
Nykiel, Francis J., [redacted].
Nykyforchyn, Debora, [redacted].
O'Bryan, Padraic E., [redacted].
O'Hara, Timothy M., [redacted].
O'Hern, Lewis L., [redacted].
Ohmann, Kathryn M., [redacted].
O'Leary, Timothy M., [redacted].
Oliver, Debra L., [redacted].
Olson, Greta L., [redacted].
Olzewski, Gregory R., [redacted].
Oskam, Bastian W., [redacted].
Owen, Peter T., [redacted].
Owens, Simon A., [redacted].
Oxer, Nancy A., [redacted].
Paine, Marcus B., [redacted].
Painter, Robert F., [redacted].
Palacios, Darla F., [redacted].
Pandolfi, Philip J., [redacted].
Panton, Steven W., [redacted].
Paris, James M., [redacted].
Parker, Glena A., [redacted].
Parker, Raymond N., [redacted].
Parsons, Jeffrey A., [redacted].
Pavlik, George F. Jr., [redacted].
Pax, Edmund V., [redacted].
Payne, Charles A., Jr., [redacted].
Payne, William C., Jr., [redacted].
Pearsall, Mark J., [redacted].
Pearson, Mark K., [redacted].
Pedersen, Deborah M., [redacted].
Pelland, Steven D., [redacted].
Perecko, Lawrence M., [redacted].
Perez, Guillermo I., [redacted].
Perkins, Ricky L., [redacted].
Perrill, Robert L., [redacted].
Petrash, Michael A., [redacted].
Pickett, Norman L., [redacted].
Piper, Steven A., [redacted].
Piro, Scott D., [redacted].
Pollard, Wayne A., [redacted].
Portteus, Patrick A., [redacted].
Pranke, Susan A., [redacted].
Pratt, Stephanie D., [redacted].
Preczewski, Stanley, [redacted].
Presswood, Donald, [redacted].
Price, Louis B., [redacted].
Primm, Howard S., [redacted].
Purcell, Trent K., [redacted].
Purvis, Virginia A., [redacted].
Quigley, Brian F., [redacted].
Quijas, Carlos R., [redacted].
Rainey, Michael E., [redacted].
Ramos, Edwin, [redacted].
Rausch, Theodore K., [redacted].
Ray, Michael D., [redacted].
Ray, Waymond L., [redacted].
Rea, Kevin M., [redacted].
Redburn Cynthia, R., [redacted].
Reddington, Robert, [redacted].
Reed, Douglas B., [redacted].

Reed, Maxium W., [redacted].
Reichert, Jack L., [redacted].
Reiss, Michael L., [redacted].
Remmey, Brian O., [redacted].
Remmie, Paul A., [redacted].
Remkawitz, Michael, [redacted].
Rentz, James E., [redacted].
Reordan, Christopher, [redacted].
Rheinlander, Thomas, [redacted].
Rhoads, James B., Jr., [redacted].
Richard, Diana M., [redacted].
Richmond, Susan P., [redacted].
Riese, Sharon A., [redacted].
Rieth, Glenn K., [redacted].
Riley, Douglas B., [redacted].
Ringlieb, Dennis M., [redacted].
Risher, Rhett A., [redacted].
Rittweger, Frederic, [redacted].
Rivas, Robert J., III, [redacted].
Rivera, Enrique, [redacted].
Rivera, Hector C., [redacted].
Roberts, Carol S., [redacted].
Roberts, Steven R., [redacted].
Robertson, James J., [redacted].
Robertson, Steven D., [redacted].
Robinson, Frederick, [redacted].
Rodriguez, Herbert, [redacted].
Roeder, Arlen F., [redacted].
Rohrer, David J., [redacted].
Roller, Charles, [redacted].
Rosario, Efrain, [redacted].
Rosello, Roxanna T., [redacted].
Rosenblum, Jay R., [redacted].
Ross, Bradley W., [redacted].
Roubert, Hector L., [redacted].
Rovegno, John S., [redacted].
Rowzee, Ricky L., [redacted].
Roy, James A., Jr., [redacted].
Ruffo, Val L., [redacted].
Runyan, James C., [redacted].
Ryan, Aileen, [redacted].
Ryan, Paul K., [redacted].
Rzonca, Mary T., [redacted].
Sales, Millard V., Jr., [redacted].
Saltsman, Terry W., [redacted].
Sanders, Martha A., [redacted].
Sanders, Rodney S., [redacted].
Sanders, William T., [redacted].
Santiago, Carlos J., [redacted].
Satterwhite, John H., [redacted].
Sayles, Calvin R., [redacted].
Scally, Robert J., [redacted].
Schoffstall, John B., [redacted].
Schroeder, Mark C., [redacted].
Schultheis, James L., [redacted].
Schuster, Christopher, [redacted].
Scott, Marshall E., [redacted].
Scott, Reginald D., [redacted].
Scoville, Warren J., [redacted].
Seaman, Duncan C., [redacted].
Seliga, Brian J., [redacted].
Shafer, George R., [redacted].
Shafer, Melvin E., Jr., [redacted].
Shafer, Richard A., [redacted].
Sharp, Stephen, [redacted].
Shaw, Darrell W., Jr., [redacted].
Shaw, Christopher J., [redacted].
Shea, Timothy C., [redacted].
Shepard, William B., [redacted].
Shillingburg, Noemi, [redacted].
Shoulders, Jon T., [redacted].
Shreckengast, Dan, [redacted].
Sibick, Eugene M., [redacted].
Sibley, Patricia A., [redacted].
Siegel, Pamela J., [redacted].
Sigrist, Charles, [redacted].
Simms, Janice D., [redacted].
Simone, Michael P., [redacted].
Simons, George M., [redacted].
Simpson, Lester, [redacted].
Sinclair, Ellen A., [redacted].
Singleton, Antonio, [redacted].
Smith, Billy R., [redacted].
Smith, Harry L., [redacted].
Smith, Janet L., [redacted].
Smith, Lorenza J., [redacted].
Smith, Michael N., [redacted].
Smith, Reginald D., [redacted].
Solien, Lowell E., [redacted].
Solomon, Michael T., [redacted].
Soulvie, Danelle L., [redacted].
Speedie, John D., [redacted].
Sproul, Merrill F., [redacted].
St John, Carol A., [redacted].
Stack, William T., [redacted].
Staley, Frank H., [redacted].
Staten, Donna M., [redacted].
Stauffer, John H., II, [redacted].
Stephens, Celeita A., [redacted].
Stephens, Eddie A., [redacted].
Sterrett, Frank P., [redacted].
Stevens, Fred A., [redacted].
Stewart, Charles R., [redacted].
Stewart, Marc B., [redacted].
Stewart, Tamara S., [redacted].
Stimeare, Ronald, [redacted].
Stinson, Terrence E., [redacted].
Stone, Donald E., Jr., [redacted].
Stone, Katherine J., [redacted].
Summers, Phillip M., [redacted].
Sweeney, James P., [redacted].
Sydenham, Stanley R., [redacted].
Sykes, Carolyn A., [redacted].
Tabb, Emile R., [redacted].
Talavera, Marcos L., [redacted].
Tamplin, Richard F., [redacted].
Taylor, Barry P., [redacted].
Taylor, Clay B., [redacted].
Taylor, Davis H., [redacted].
Taylor, Douglas B., [redacted].
Taylor, Mark C., [redacted].
Thomas, Caroline F., [redacted].
Thomas, Marilyn F., [redacted].
Thome, Michael N., [redacted].
Thompkins, Kevin L., [redacted].
Thompsen, Thomas, [redacted].
Thompson, Robert A., [redacted].
Thompson, Thomas A., [redacted].
Thwing, Kenneth W., [redacted].
Tinker, Dena L., [redacted].
Todd, Frank P., [redacted].
Travas, Todd J., [redacted].
Trimm, Benjamin F., [redacted].
Triplett, Deirdre L., [redacted].
Trolan, Steven T., [redacted].
Trotter, Pamela M., [redacted].
Troutt, Ronald L., [redacted].
Tubandt, Dean D., [redacted].
Turner, Jerome M., [redacted].
Turner, Tanya L., [redacted].
Tweed, Daniel M. Jr., [redacted].
Tyree, Barry N., [redacted].
Upperman, Philippe, [redacted].
Vargo, Raymond M., [redacted].
Vaughn, Portia F., [redacted].
Vavra, Alvin E., [redacted].
Vasquez, Adalgisa, [redacted].
Vasquez, Jesus E., [redacted].
Volk, Christopher T., [redacted].
Vonder-Reith, Bret, [redacted].
Wagner, Robert J. [redacted].
Waibel, Mary J., [redacted].
Walker, Carey W., [redacted].
Walker, Freddie J., [redacted].
Walton, Donald B., [redacted].
Ward, Richard W., [redacted].
Warner, Kirk, [redacted].
Waters, Roger, [redacted].
Watson, Patrice M., [redacted].
Watts, Robert B., [redacted].
Wegmann, Steven R., [redacted].
Weitz, William K., [redacted].
Weston, Donald L., [redacted].
Wheeler, Debra L., [redacted].
White, Bruce L., [redacted].
White, Laura J., [redacted].
White, Leo, [redacted].
Whitecotton, Don M., [redacted].
Wicks, Douglas E., [redacted].
Wideman, Samuel D., [redacted].
Wilcox, Mark R., [redacted].
Wilds, Margaret, [redacted].
Wiles, Richard I., Jr., [redacted].
Willard, Douglas W., [redacted].
Williams, Gerald, [redacted].
Williams, Linda, [redacted].
Williams, Michael S., [redacted].
Williams, Steven R., [redacted].
Willig, Jill A., [redacted].
Wilson, Angelina M., [redacted].
Wilson, Leon R., [redacted].
Wintels, Juan J., [redacted].
Winters, Jayme, [redacted].
Wolff, Brian J., [redacted].
Wong, Ming T., [redacted].
Woods, Andre G., [redacted].
Wright, Brian A., [redacted].
Wright, Douglas A., [redacted].
Wright, Mary J., [redacted].
Wright, Vonnie D., [redacted].
Wynder, Rudell M., [redacted].
Yannello, Raymond A., [redacted].
Yates, Leon N., [redacted].
Young, Embra Jr., [redacted].
Young, Ronald, [redacted].
Young, Samuel R., Jr., [redacted].
Yurkanin, Charyl A., [redacted].
Zankl, Debra A., [redacted].
Zett, Thomas E., [redacted].
Zimmerman, Christopher, [redacted].

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3284, 3286, 3287, 3288, and 3290:

Aaron, Arthur M., [redacted].
Abernathy, Dale M., [redacted].
Abernethy, David F., [redacted].
Agosta, Kenneth B., [redacted].
Ahern, Paul T., [redacted].
Akins, George, Jr., [redacted].
Alaniz, David M., [redacted].
Alexander, Rodney D., [redacted].
Allen, Brannan G., [redacted].
Allen, Dale W., Jr., [redacted].
Allen, Kerry C., [redacted].
Altland, Sarah C., [redacted].
Ames, Matthew C., [redacted].
Anderson, Bradley G., [redacted].
Anderson, Eric S., [redacted].
Anderson, Jane M., [redacted].
Anderson, John D., [redacted].
Andrews, David S., [redacted].
Andrews, Gerard P., [redacted].
Angueira, Carlos E., [redacted].
Aquadro, Mary F., [redacted].
Archibald, Michael, [redacted].
Armstrong, Scott C., [redacted].
Atteberry, Linsy C., [redacted].
Bailey, Todd M., [redacted].
Balek, Gregory A., [redacted].
Banks, James L., Jr., [redacted].
Banse-Fay, Monica I., [redacted].
Bargeron, Robert D., [redacted].
Barlow, Peter M., [redacted].
Barnes, Barbara J., [redacted].
Barnes, John I. III, [redacted].
Barnett, Michael A., [redacted].
Barren, Michael J., [redacted].
Barrett, Bruce J., [redacted].
Barron, Michael J., [redacted].
Barry, Robert F. II, [redacted].
Barth, Frank L., [redacted].
Barthel, Herman J., [redacted].
Bartholomew, Donald, [redacted].
Bateman, Dale G., [redacted].
Bates, Nancy J., [redacted].
Batt, Bryan C., [redacted].
Baux, David K., [redacted].
Beal, Steven F., [redacted].
Beard, Darlene D., [redacted].
Beard, Jack M., [redacted].
Beaube, Cheryl S., [redacted].
Becker, Julia H., [redacted].
Beckum, Henry F., Jr., [redacted].
Beckwith, Margaret, [redacted].
Beighey, Mark W., [redacted].
Bell, John A., [redacted].
Bell, Thomas L., [redacted].
Bellot, Pamela G., [redacted].
Belva, Charles R., [redacted].
Bennett, Gene W., [redacted].
Bennett, William C., [redacted].
Berest, Marianne A., [redacted].
Berkebile, Jack L., [redacted].
Berlin, Katherine A., [redacted].
Berloth, Harold A. R., [redacted].
Berquist, Craig A., [redacted].
Bestul, Daniel P., [redacted].

Bicoy, Fred D., [redacted]
Bills, Kent L., [redacted]
Bizer, Michael J., [redacted]
Blach, Tadeus A., [redacted]
Blakley, James C., [redacted]
Blanchard, David R., [redacted]
Blanchard, Stanley, [redacted]
Bliss, James A., [redacted]
Block, Kathleen A., [redacted]
Bobertz, Charles A., [redacted]
Bodnar, Michael D., [redacted]
Boeh, Steven L., [redacted]
Boettcher, Mark A., [redacted]
Bohnwagner, Alan F., [redacted]
Boisson, Peter V., [redacted]
Bond, Bradford C., [redacted]
Bonhan, Dwight D. Jr., [redacted]
Bonner, Ezekiel A., [redacted]
Bonsall, Vernon J., [redacted]
Bookman, David C., [redacted]
Boone, Kenneth H., [redacted]
Borman, Russell L., [redacted]
Boson, Donald W., [redacted]
Boswell, Sherwood K., [redacted]
Boublik, Margot J., [redacted]
Boutte, John A., [redacted]
Bow, Steven M., [redacted]
Bowen, Karla C., [redacted]
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Bowling, Robert B., [redacted]
Boyd, Larry C., [redacted]
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Harvey, Thomas A., [redacted].
Haswell, Edward A. II, [redacted].
Hay, Ralph G., [redacted].
Haywood, Myra D., [redacted].
Heaven, Ralph F., [redacted].
Hegeman, Gary W., [redacted].
Hehl, Bret, [redacted].
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Hood, Lydia L., [redacted].
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Howell, Tony, [redacted].
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Ippolito, Mary K., [redacted].
Irizarry, Israel, [redacted].
Irvin, Victor D., [redacted].
Isenhower, William, [redacted].
Ivy, Carl G., [redacted].
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Jewell, Joseph D., [redacted].
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Johnson, Kerry R., [redacted].
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Simok, James E., [redacted].
Singer, Leonard H., [redacted].
Sirenne, Joseph A., [redacted].
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Smathers, William W., [redacted].
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Smith, William H., [redacted].
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Snead, William A., [redacted].
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Spencer, Daryl L., [redacted].
Spencer, Willie E., [redacted].
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Staley, Cynthia E., [redacted].
Stallings, Patrick, [redacted].
Stamphill, Dorothy, [redacted].
Starrett, Robin R., [redacted].
Starshak, James J. [redacted].
Steele, Matt M., [redacted].
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St James, Brian R., [redacted].
Stone, Keith W., [redacted].
Story, Kurt S., [redacted].
Stralka, Daniel J., [redacted].
Strange, Arthur A., [redacted].
Strong, Steven T., [redacted].
Strosnider, William, [redacted].
Sullivan, Jay F., [redacted].
Sunshein, Kevin, [redacted].
Sutton, Christopher, [redacted].
Swallow, Carol L., [redacted].
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Todd, William E., [redacted].
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Torres, Rene P., [redacted].
Torrico, Donna P., [redacted].
Trautman, Konrad J. [redacted].
Traylor, John C., [redacted].
Trotta, Richard F., [redacted].
Turley, Theodore N., [redacted].
Turner, Michael J., [redacted].
Tyler, Stephen F., [redacted].
Tyndall, William J., [redacted].
Tysor, Richard L., [redacted].
Uzelac, Peter J., [redacted].
Van Fosson, Marion, [redacted].
Vandendolder, Ronal, [redacted].
Vandergrift, Kennar, [redacted].
Vandiver, Gregory A., [redacted].
Vanfleet, Teresa J., [redacted].
Virgil, Davison, [redacted].
Vogt, Lance A., [redacted].
Von Bokern, Karl H., [redacted].
Wagner, Alice S., [redacted].
Wagner, Lucious C., [redacted].
Wallace, Stanley D., [redacted].
Walsh, Michael J., [redacted].
Walter, Steven J., [redacted].
Ward, Gary T., [redacted].
Ward, Roland E., [redacted].
Ward, Stanley G., [redacted].
Warren, Gordon L., [redacted].
Warren, Ronnie, [redacted].
Warzecha, Mark E., [redacted].
Washington, Clay, [redacted].
Watkins, Joseph G., [redacted].
Watkins, Mark D., [redacted].
Watson, Douglas S., [redacted].
Weaver, Philip S., [redacted].
Welch, John R., [redacted].
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Wells, John M., [redacted].
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Wellspring, Howard, [redacted].
Westphal, Steven D., [redacted].
Wetherell, Peter R., [redacted].
Wheaton, Kristan, J., [redacted].
Wheeler, Frank E., [redacted].
Whetstine, Brian J., [redacted].
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Whitehill, Craig M., [redacted].
Whiteman, Bryan G., [redacted].
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Williams, Robert D., [redacted].
Wilson, James R., III, [redacted].
Wilson, Stanley W., [redacted].
Wilson, Thomas K., [redacted].
Winoski, Louis, A., [redacted].
Wise, Mark S., [redacted].
Wisniewski, Dean A., [redacted].
Wisnioski, Douglas, [redacted].
Woelper, Alexander, [redacted].
Wolfe, Robert H., [redacted].
Woodruff, Dennis M., [redacted].
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Wright, Ken W., [redacted].
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Wulff, Andrew J., [redacted].
Wyman, Michael G., [redacted].
Yamato, Wayne T., [redacted].
Young, Charles L., [redacted].
Young, Chet C., [redacted].
Young, Don C., [redacted].
Young, Laverm, Jr., [redacted].
Younger, Ronald, [redacted].
Zak, Michael E., [redacted].
Zampella, Walter C., [redacted].
Ziobro, Martin T., Jr., [redacted].
Zolp, William C., [redacted].

CONFIRMATIONS

Executive nominations confirmed by the Senate March 4, 1980:

IN THE NAVY

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Edward P. Travers, U.S. Navy.

The following-named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5772 and 5791, subject to qualification therefor as provided by law:

To be rear admiral

MEDICAL CORPS

Lewis H. Seaton
William M. McDermott, Jr.

SUPPLY CORPS

Bruno A. Pomponio
Scott W. Ebert
Millard J. Johnson
Niel P. Ferraro

CHAPLAIN CORPS

Neil M. Stevenson

CIVIL ENGINEER CORPS

Howard H. Haynes
John P. Jones, Jr.

DENTAL CORPS

Thomas W. McKean

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5769.

Donald J. Fulham
Joseph E. Hopkins
William H. J. Tiernan
Walter D. Fillmore
John I. Hudson
Anthony Lukeman
Jacob W. Moore

EXTENSIONS OF REMARKS

WORLD POPULATION PROBLEMS AND U.S. FOREIGN POLICY

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. SEIBERLING. Mr. Speaker, as president of the Peace Through Law Education Fund, I take great pleasure in inserting into the RECORD the remarks of Ambassador Richard Elliot Benedick at the January meeting of the food and population series sponsored by the fund.

Ambassador Benedick is the coordinator of population affairs at the Department of State. Recent travels throughout Europe and Asia and extensive interviews with health and population officials in those regions qualify him to speak on international trends in population policy. His address underscores the need to coordinate population policy with development policy.

I commend his remarks to the attention of my colleagues:

I am delighted and honored to be asked to join you this morning, particularly in view of the traditional leading role of the U.S. Congress, for more than a decade, in forcing oftentimes timid Administrations to focus on population issues. I would like to share with you today some personal impressions of the relevance of population to U.S. foreign policy. I do this with some diffidence, because so much has been said and written on population by professionals, and I am neither a demographer nor a population expert. However, my experience in foreign affairs has made it clear to me for many years that population growth vitally affects U.S. foreign policy objectives of global peace and security, economic and political stability, and human rights and dignity.

Simply put, the proposition I would like to offer you is that there is no other single issue which will so much influence the kind of world which our nation will face, and the kind of life which our children and their children will have to cope with, as this factor of population growth. There is no precedent for this phenomenon in the history of our planet. This simple fact cannot be overstated, it cannot be ignored.

THE DEMOGRAPHIC SITUATION

It took the human race hundreds of thousands of years to reach, early in the last century, the first billion in number. The fourth billion was added in only 15 years, from 1960 to 1975, and nearly two billion more will be added by the end of this century, just two decades away. There is no dispute among demographers about the numbers; barring natural disaster or holocaust, the current world population of about 4.3 billion will grow to over six billion by the year 2000. This is the equivalent of more than twenty new countries the size of Bangladesh—and just about as poor, since 90 percent of the growth will take place in the world's poorest countries.

The news media have made much fanfare about the "end of the population crisis," because the overall growth rate appears to have peaked. Yet, even projecting a continuing decline in this growth rate, the fact is that in absolute numbers more people will be added to the world's population in the year 2000 than were added last year. This is so because of the built-in demographic momentum: tomorrow's parents are already born—45-50 percent of the current population of developing countries is under 15 years of age, still to enter their reproductive years. Even if these future parents sharply reduce their fertility, the sheer numbers of this generation ensure a continuing growth momentum for several decades.

Let me illustrate in concrete terms the effects of this momentum. A given population does not begin to stabilize until it has reached what is known as a replacement level of fertility, which means, for practical purposes, an average of one daughter born to each woman. When this is achieved, the demographic momentum continues to fuel population growth for several decades (50-70 years) before the population ultimately stabilizes. Let us look at Mexico, with a 1975 population of 62 million. If replacement level of fertility is reached by the year 2000, which would require strenuous efforts, Mexico's population would eventually stabilize 60-70 years later at approximately 175 million. If there were a delay of only 20 more years in reaching the replacement level of fertility, that is, by 2020, Mexico's population would not stabilize until it reaches 270 million.

Looking at the global picture, where will this planet's population eventually stabilize? Optimists say somewhere over 8 billion, if the one-daughter-per-woman norm is reached by the end of this century. The United Nations estimates 11-12 billion, others foresee 15 billion or more. Thus, at least a doubling of the planet's current population is inevitable, built into the demographic dynamics. At issue is whether the world's inhabitants will triple—to 12 billion—or more, a result which will depend on hundreds of millions of family decisions over the coming decades.

For global population will eventually stabilize—one way or another. The relevant question is: under what conditions of human life will this take place? Many observers seriously question the ability of our planet to support much more than six billion at anything near current standards of living.

INTERNATIONAL COMPLACENCY

It is a fallacy to consider population as a long-term problem: it is an urgent problem, because delays in achieving the replacement level of fertility are portentous. I submit to you that the reality of this situation, the gravity and urgency of the problem facing our generation, has not sufficiently penetrated and permeated either public consciousness or the councils of national leaders. There is a recognition in the abstract, but an unwillingness to accord top priority to fertility-reducing programs and policies. This is so because the effects of population growth are so gradual that they are beyond the time horizon of most political leaders. Other pressing problems crowd in for their attention—the immediate takes priority over the essential.

So, I see a certain complacency in the world's attitude toward population growth. In industrialized countries, assistance for population and family planning programs, and for biomedical research in contraception has, to be sure, grown over the past decade. But it is at derisory levels in comparison with total foreign aid and total medical research expenditures. In less developed countries, there is all too often lip-service to the importance of population in development, but no real integration of population programs into development strategy; a modest family planning program is tucked away somewhere in the health ministry, reaching only a relatively insignificant proportion of the populace. At UN meetings, there is perhaps a passing reference to population in conferences on development or food or environment, but many Third World politicians seem far more interested in presenting lists of demands than in acknowledging the need for common efforts in reducing fertility. Even our own President's Commission on World Hunger, in its preliminary report, somehow relegated the population factor to a position of such inexplicable obscurity that even the Washington Post felt constrained to comment on this treatment in a recent editorial.

The numbers I have described above have profound implications for our national interests on a planet which, we increasingly recognize, is a finite one. A few years ago, the Rockefeller Commission concluded that there is hardly a problem we face which would not be easier to resolve if population problems were lessened. It is worth underscoring the fact that there are no energy or resource problems per se, but only in relation to numbers of people. If the world does not address the underlying cause, our efforts will continually lag behind growing imbalances and strains. Let us look at some of these subjects individually.

POPULATION AND OTHER GLOBAL ISSUES

Food and Hunger: World Bank President McNamara and FAO Director-General Saouma have recently tried to call the world's attention to the fact that food production is not keeping pace with population growth in most parts of the world. From 1970 through 1977, per capita food output in the market-economy developing countries rose at an annual rate of only 0.2 percent, and dependence by these countries on food imports trebled. Norman Borlaug, pioneer of the "Green Revolution," has cautioned that innovations in agricultural technology can only buy limited time to control population increases. According to UNICEF, tens of millions of children are dying annually of malnutrition and related causes.

Health: WHO studies indicate that pregnancies during teenage and after thirty, close spacing of children, and numbers of children (above three) all have demonstrable adverse effects on the health of both mothers and children. In many countries, a leading cause of death among young women is complications from primitive abortions to prevent the birth of unwanted children. In some parts of the world, mortality rates appear to be rising as a result of malnutrition, diseases related to crowded living conditions, and effects of frequent pregnancies in weakening both mothers and infants.

Illiteracy: UNESCO estimates that the numbers of illiterate are rising from the current 700 million to approximately one billion by the year 2000; there is evidence that female illiteracy may rise to over 60

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

percent in the poorer countries by that time.

Urbanization: Flight from rural areas plus natural growth in already overcrowded cities is causing a virtual urban explosion in the Third World. In only twenty years, some 40 LDC cities will contain over 5 million inhabitants each; half of these will be over 10 million, including Mexico City at 32 million, Calcutta 20 million, Bombay 19 million, Karachi 16 million. By the year 2000, three-fourths of the population of Latin America will be living in cities. Provision of jobs, housing, and social services to numbers of this magnitude, over such a short period of time, presents difficulties hitherto unimagined by town planners and governments.

Employment: ILO estimates that in the next two decades approximately 700 million more people will enter the labor pool of developing countries—this is more than the total current labor force of the industrially advanced countries. The amount of investment required to put these numbers of people to work is astronomical. And, this comes on top of unemployment/underemployment reaching 40 percent in many areas.

Environment/Resources: The world's per capita output from grasslands, croplands, fisheries, and forests has already peaked in recent years, when global population was between 3 and 4 billion. Problems of water pollution, soil erosion, and deforestation are becoming major international issues as a consequence of overintensive farming, overgrazing, encroachment of cities, and uncontrolled industrialization.

Inflation: Recent studies suggest that the contemporary phenomenon of worldwide inflation is being affected by rising demand associated with the vast increases in population. Many commodities are becoming more costly as supplies dwindle or fail to keep pace with rising demand, or as they become more expensive to obtain. The case of energy prices is only the most obvious example: a depleting resource in the face of rising demand, enormous investments required to tap new sources or to achieve a technological breakthrough, and inflationary repercussions throughout the rest of the economy, including the critical food-producing sector. A recent Worldwatch study concludes that "everywhere one turns, limits are being encountered and the effects are being compounded * * * it seems clear that the world is entering a new period of scarcity."

All of these factors add up to a situation of increased potential for social unrest, political instability, mass migrations, and conflicts in a possible scramble for land and resources. We already see signs, in one part of the world or another, of breakdowns of order and services, difficulties in governance, and strains to democratic institutions. It is clear that the U.S. has national security as well as economic interests affected by conditions which are aggravated by population growth. Disorders abroad will affect our own unemployment situation, inflation rate, and the prices and availability of critical industrial raw materials.

THE COLOMBO DECLARATION

The situation is grave, but it is not hopeless. What is required are determined and sustained global efforts, as a matter of top priority, to address population issues. I would like to suggest that the U.S. Congress once again, as in the past, might consider taking the initiative—an initiative already sanctioned by international consensus. In Sri Lanka last September, the first International Conference of Parliamentarians, representing approximately 60 countries, issued a bold document, which has become known as the Colombo Declaration. Its main elements are:

A reaffirmation of the World Population Plan of Action, originally ratified by 136 nations in 1974 at Bucharest; in particular; the basic human right of individuals and families to decide freely the number and spacing of their children, and the corollary responsibility of governments to provide them with the information and means to do so.

A call on world leaders, development banks, UN agencies, and religious leaders to recognize the importance of population factors in development strategies.

A recommendation to strengthen the role of the United Nations Fund for Population Activities (UNFPA).

An increase in external assistance for population programs from the current $400 million annual level to $1 billion annually by 1984.

Greater priority to research in contraceptive development.

An acknowledgement of the role of women in development as a critical factor for reducing fertility rates.

PROGRAM FOR ACTION

How could the U.S. Government take up the challenge of Colombo? We can work on several fronts, and the role of Congress is a critical one.

1. International Resolutions: U.S. delegations to international meetings should strive to put population at the forefront of the world's agendas. It is important to get appropriate resolutions and/or communiques in such forums as the Special Session of the UN General Assembly next summer, the World Health Assembly, the UN Conference on Women, the Venice Economic Summit next June. Doing this will help to create an international atmosphere and consensus which can encourage and make it politically easier for national leaders to take steps to initiate or upgrade programs and policies to limit fertility in their countries.

2. Bilateral and Multilateral Population Aid: There is clear evidence that family planning programs do work. Something important is happening, particularly in Asia and parts of Latin America, when hundreds of thousands of people seek out family planning advice and services, often trekking for hours or days. There are several success stories, including China, South Korea, Thailand, Indonesia, Colombia, Chile. But globally, only the fringes of the problem are being addressed, especially in South Asia, the Near East, and Africa. There are many reasons for this, including the logistical difficulties of reaching tens of thousands of scattered villages, the lack of trained paramedical field workers, the indifference of elites and officials, often the opposition of the medical profession, and a pervading fatalism compounded by lack of knowledge.

The world's goal must be to extend family planning information and services to all peoples as a matter of urgent global priority. To reach this goal, the United States should consider:

A significant expansion of U.S. bilateral population assistance beyond the current $200 million annually;

An insistence that the rest of our aid support and reinforce demographic objectives (along the lines of 104(d) of the Foreign Assistance Act);

A major increase in U.S. support to the UNFPA, which is one of the better UN organizations; it is innovative, active in countries where it is difficult for us to be, and exerts a significant multiplier effect in attracting funds from such other donors as Germany, Japan, and OPEC.

3. Biomedical Research: Finally, we cannot ignore the serious disadvantages of all existing contraceptive methods from the standpoints of safety, acceptability, and effectiveness, as manifested in unacceptably high discontinuance rates. I have become personally concerned over the state of our scientific knowledge in this area. There is a need to adapt existing contraceptive technology to the particular physiological and social conditions of developing countries. We simply need more options.

The potential benefits to all mankind from a scientific breakthrough here seems to me enormous and wide-reaching, in comparison with many types of disease-related research which attract more funding. Yet, there is a tragic inattention to this subject: contraceptive-related research currently attracts less than two percent of total medical research funding. Scientists have told me that there is a correlation between amount of funding and the extent that top-quality research talent is attracted to a given field. Moreover, we cannot expect the private sector to bring forth sustained financing because of the uncertainty, commercial unprofitability, and long lead-times involved.

Therefore, the U.S. Government should consider a substantial increase in biomedical research funding to HEW/National Institutes of Health and to AID for basic human reproductive physiology and applied contraceptive development. As the House Select Committee concluded last year, "There are few areas in which a strong commitment of American scientific expertise and resources could contribute more to overall health and welfare, both in the United States and the world as a whole."

These, then, are possible programs. We must not lose sight of the fact that what we are involved in is not a numbers game, but rather a fundamental effort directed at improving human lives and securing human rights and dignity. As former British Prime Minister Heath told the Parliamentarians at Colombo: time is not on our side, and future generations will rightly blame us if we fail our responsibility.●

VETERANS' BENEFITS ACT OF 1980

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. HILLIS. Mr. Speaker, the Honorable JOHN PAUL HAMMERSCHMIDT of Arkansas, the ranking minority member of the House Committee on Veterans' Affairs, today introduced the Veterans' Benefits Act of 1980. This bill provides that veterans' benefits shall be denied any individual whose discharge from the Armed Forces is characterized as being for misconduct, unsuitability, marginal performance of duty, or other reason indicating that the service of the individual demonstrated that the individual was unqualified for retention in the Armed Forces. As a cosponsor of this legislation, I commend Congressman HAMMERSCHMIDT for his leadership in the area of veterans' benefits.

The Subcommittee on Special Investigations, of which I am ranking minority member, held hearings last fall on Congressman ROBIN BEARD's bill, H.R. 4367, to deny veterans' benefits to those failing to complete their initial period of enlistment. During the course of these hearings, it became evident that there was a need, due to the changed nature of the military discharge system, for something other than mere characterization of a discharge to determine who receives benefits on the basis of meritorious service.

The demise of the draft and the advent of the all-volunteer military has inflicted many unforeseen problems upon both the Veterans' Administration and the Department of Defense. The primary source of these problems is those volunteer members of the Armed Forces who fail to complete their initial—contractual—period of obligated service.

In its report to the full Committee on Veterans' Affairs, the Subcommittee on Special Investigations recommended that the term "veteran" be changed, to reflect that in order for an individual to be termed a veteran, a minimum period of obligated peacetime service would be required.

The Veterans' Benefits Act of 1980 is, in my opinion, a much sounder and more equitable one, which preserves historic definitions while barring those who have not earned benefits from receiving them. Additionally, substantial budgetary savings should result to both the VA and the DOD.●

THE PEOPLE OF AFGHANISTAN COURAGEOUSLY RESISTING SOVIET TYRANNY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. PORTER. Mr. Speaker, the brutal Soviet invasion of its neighbor Afghanistan was a reminder to all of us in the free world of the tyrannical nature of Mr. Brezhnev, his government, and international communism. But we know that the fires of a nation's longing to be free cannot be easily put out. The story of an Afghan diplomat's dramatic public renunciation of the Red Army's invasion of his country bears witness to the courage of the Afghan people and their fight against Soviet imperialism. That story was set forth in a news article in the Chicago Sun-Times and subsequently used to illustrate the U.S.S.R.'s unending difficulties in subjugating Afghanistan in a Chicago Tribune editorial, both of which follow:

SOVIETS HIT AS AFGHAN QUITS AT U.N.

NEW YORK.—An official representative of the Afghan government stunned a United Nations meeting of non-aligned nations Friday when he denounced the Soviet invasion of Afghanistan and resigned his post.

Abdul-Rahmin Ghafoorzai asked the 96-member group to send an urgent appeal to Kabul for the safety of his wife and four children in Kabul.

The meeting unanimously approved the proposal, and Ambassador Raoul Roa of Cuba, an ally of the Soviet Union, had no alternative but to send the cable.

Ghafoorzai, an 11-year career diplomat said he decided some time ago to condemn the December invasion of Afghanistan but had to wait for an "appropriate international gathering."

"I ask the non-aligned nations to take effective action against the invasion of my beloved country, which was trampled under the heels of the Red Army," he told a hastily summoned news conference.

Ghafoorzai conceded that the pro-Soviet coup in 1978 "involved some reforms which had the support of the Afghan people." But by now, he said, "even the Soviet Union realizes it cannot convince the world it is there because of imperialist intervention, and the liberation of struggle under way will convince the Russians to withdraw."

MR. BREZHNEV'S CHUTZPAH

Until now, the ultimate in chutzpah was the man who murdered his parents and then pleaded for mercy on the grounds that he had been orphaned. But Leonid Brezhnev may have set a new standard for that splendid Yiddish word. He has declared, with a straight face, that "we will be ready to commence the withdrawal of our troops as soon as all forms of outside interference directed against the government and people of Afghanistan are fully terminated."

Outside interference against the government of Afghanistan? No fewer than 70,000 Soviet troops are in Afghanistan to support a puppet government that replaced an earlier puppet government, the leader of which was summarily executed on Soviet orders.

And outside interference against the people of Afghanistan? At the very moment Mr. Brezhnev was speaking Soviet troops and tanks were pouring into Kabul to enforce martial law declared because the "people of Afghanistan" rose up in strike and riot against the Soviet presence in their country.

The people of Afghanistan are inflicting such heavy losses on Soviet forces, in fact, that Mr. Brezhnev's government has had to acknowledge publicly that Afghan resistance is stronger than expected. The puppet president of Afghanistan, Babrak Karmal, is having trouble finding enough Afghans to man his government. A cabinet meeting last week erupted in gunfire that resulted in the evacuation of two top officials to hospitals in Moscow, one suffering from what characteristically imaginative Soviet officials described as "stomach trouble." [One or both of them may have died.] And on Friday Afghan diplomat Abdul Rahim Ghafoorzai, handpicked by the Soviets to "explain" the Soviet invasion at the United Nations, chose to defect instead, calling the invasion "an illegal action, an unjustifiable action, a miscalculation, and a grave mistake."

By "outside interference" Mr. Brezhnev was referring, of course, to weapons being supplied to Afghan rebels by, among others, the United States and China. But as Mr. Brezhnev knows, those supplies did not begin until the Soviet Union had already so interfered in the internal affairs of Afghanistan that hundreds of thousands of Afghans had taken up arms against it. Certainly there can be no comparison between the small arms being given to the rebels and the vast quantities of sophisticated weapons—including helicopter gunships, tanks, rockets, and napalm bombs—the Soviets have introduced into the country.

Large as it is, though, the Soviet presence is not sufficient to control a country that is notoriously ungovernable even in the quietest of times. One senior official in Washington says that the Russians would need 400,000 troops to achieve their goal of conquest. That would produce a level of fighting and bloodshed that would make the Soviet Union even more of an international pariah than it is already. And even then there would be no certainty that a conquered Afghanistan would stay conquered for long.

So if Mr. Brezhnev's chutzpah can't help him, perhaps his memory can. There is a precedent for the situation in which his army finds itself, and the precedent is not America in Viet Nam. It is the Soviet Union in Finland. The Red Army attacked that small but courageous neighbor in 1939 and suffered a humiliating defeat. As time goes on, the Kremlin may wish it had retreated from Afghanistan when it could do so with reasonable dignity and left the Afghans to the sequestered independence they so greatly treasure.●

A VOICE OF REASON ON SCHOOL PRAYER

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. STARK. Mr. Speaker, one of my constituents, Mrs. Katherine Bridge, sent me a copy of the following letter. It is her reply to a Martha Rountree, president of the Leadership Foundation, a private group in this city determined to have Congress overturn the Supreme Court by allowing prayer in public schools.

Mrs. Bridge, who taught public school for 30 years, offers a refreshing, reasoned view of the school prayer issue. Her opinion is worth sharing with my colleagues, particularly those who see all opponents of school prayer as godless, un-American, left-wing radicals.

The letter follows:

FEBRUARY 26, 1980.

Dear Mrs. Rountree: Your letter concerning School Prayer was carefully read and you have stated that you value the opinions of other loyal, law-abiding American citizens, I ask that you take "7 minutes" to read my letter as carefully as I read yours, and to have the courtesy to answer mine.

As a former public school teacher, with 30 years experience in a metropolitan area where I dealt with children, and adults, of many races and religions, and as a mother of two, and a grandmother of six, I feel qualified to give an opinion based on both experience and observation.

The American Public Schools, and the teaching staff, are expected to provide an atmosphere where the philosophy of respect for law and order, self-respect, respect for others, a love of learning, and the appreciation of excellence can be accompanied by good teaching of both basic and higher education.

Prayer, as well as religion in general, is a very private expression of one's desire to find answers to questions that have been asked ever since mankind was endowed with an inquisitive brain, and the ability to contemplate, and to reason.

Because mankind is so diversified, this religious expression has been developed in many forms. Neither the method of praying, including bodily positions, nor the content of prayers, has ever been the same among the many races and philosophies of the peoples of our earth.

Recognizing these basic differences in people, our constitution specifically, and intentionally separated church and school in order to give Americans of all races and religions the freedom to worship as they so desired. It is a cornerstone of our American philosophy of personal freedom.

Asking teachers to conduct, and children to take part in a prayer session in the schoolroom, is to deny these children their privacy of expression in the manner their families have chosen.

You have cited the problems in our schools. Public prayer will not solve these deep-rooted problems. Drugs, sex, violence, etc. in our so-called "jungles" will not disappear until American citizens, including our legislators, judges, public officials, business people, school staffs, and parents clean up the corruption and the disrespect for law in their own lives.

Compulsory Public Prayer may very well add just one more cause for conflict among our citizens.

Have you forgotten that our churches are still open, and still free to conduct public group prayers—each in its own manner?

May I ask, "How much time have you spent reading, observing, and consulting with different religious groups in order to understand and appreciate the very complex make-up of our American population?"

We have thousands of well-behaved and studious young people in our schools whose religions, beliefs, and practices may differ greatly from yours. Are you going to deny them religious freedom in place and manner of prayer?

In conducting a prayer session in a classroom, in all fairness to all religions, one must honor, and accept kneeling, sitting, prostrating, ablutions, prayer shawls, skull caps, prayer beads, rosaries, prayer wheels, prayer rugs, chanting, singing etc., etc. Are you thinking only in terms of your own religious upbringing?

Are you aware of, and tolerant toward those who are just as sincere as you are, and live just as fine lives as you do, but differ in their manner of worship?

I do not expect to change your opinions, but I do feel you should know the reasons why so many loyal, law-abiding, and intelligent American citizens do not wish to sponsor a law which will solve no basic problem, but will create severe, and unnecessary conflict in our schools among the diversified American people—both teachers, and families of our pupils.

Let us keep as many of our personal freedoms as we can, and impose as few mandatory rules and regulations as possible!

Let us attack the real roots of our problems, not try to solve them with a panacea!

Please believe me—I am not a "left-wing activist" (to use the language of Strom Thurmond), and I do not have any respect for persons who use the tactics of Madalyn O'Hair.

I am a conservative, sincere person who wishes to sponsor legislation which will really solve our problems, not add to them. Since I have tried to answer your questions, would you do me the favor to answer mine, so that we may better understand each other?●

ANOTHER SIDE OF THE OLYMPIC BOYCOTT ISSUE

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. MONTGOMERY. Mr. Speaker, an article by Milton Richman, sports editor of United Press International, appeared in my local newspaper, the Meridian Star, recently concerning a boycott of the summer Olympic games in Moscow. Mr. Richman raised some points of which I was not aware. I think my colleagues will find that article interesting and informative and I include it at this point in the RECORD:

YOUTHFUL OLYMPIC ATHLETES MAKING BIG SACRIFICES?

NEW YORK.—Everytime some of our athletes start talking about how much of a "sacrifice" they've made preparing themselves for the Olympics in Moscow and what it'll do to their careers if they fail to go because of a boycott. I get all choked up inside.

Another way of putting it is that their extraordinary selfishness is such, it almost makes me gag.

The word "sacrifice" is easy to throw around. I doubt many of the Olympic aspirants who use the word can actually supply the literal meaning, which, according to the dictionary, is to give up something for an ideal or belief.

Somewhere along the way, everyone is called to make some kind of sacrifice. That's part of everyday life, but anytime I associate that word with sports, the five individuals who come most readily to mind are Ted Williams, Joe DiMaggio, Hank Greenberg, Bob Feller and Willie Mays.

This doesn't necessarily mean they were the only ones in sports, or even in baseball, who made sacrifices during World War II or the War in Korea, because there certainly were many others who also had their careers interrupted while going off to serve their country.

These five, however, are perfect examples for several reasons. First because each was a true superstar in every conceivable sense of the word; second, because each, by entering service, lost a splendid opportunity to break the most important records of his day; third, because the cost to each of the five, career-wise and money-wise, was, and still is even now, years later, incalculable, and finally, because each could've easily gone around moaning about what a tremendous sacrifice he made, but not one of them ever did.

Ted Williams gave up five years of his career with the Boston Red Sox by putting in not one, but two, separate hitches as a Marine pilot. His air craft was hit by ground fire while he was on a mission in Korea and after crash landing the flaming jet, he skidded 2,000 feet along the runway before managing to get out alive. I wonder what some of our Olympic hopefuls, who complain about a boycott, would have to say about Ted Williams?

Or about Joe DiMaggio, who went off to the army for three years right at the peak of his career with the New York Yankees.

Bob Feller was only 23 when he entered the Navy and remained in it for nearly four years. Feller wasn't given any soft duty either. He was a guncrew chief on the U.S.S. Alabama and earned eight battle stars. Before going into the Navy, he had won 24, 27 and 25 games for the Cleveland Indians. The season he came back, he won only five. Feller finished with 266 victories. It's conceivable he would've approached 360 had he not been in service.

Willie Mays wound up with 660 home runs, only 54 short of Babe Ruth's record. Who's to say he couldn't have broken that record instead of Hank Aaron had he not put in nearly two years in the Army shortly after coming up with the New York Giants?

Hank Greenberg, who's 69, is one of the best senior tennis players in the country now, having won the Dewars Cup six times in nine tries. Back in May of 1941, he was playing first base for Detroit and was the highest paid player in the majors when he became a private in the infantry at Fort Custer, Mich. Greenberg was only 30 then, still at the top of his career, and it looked as if he might have gotten a break when he was discharged seven months later under a provision releasing all those men over 28.

"I'll never forget the day I was discharged, December 5, 1941," he said as he sat alongside me recently on the plane coming back from the Super Bowl. "Two days later, I came down to the lobby of the hotel I was in and somebody said to me, 'Did you hear, the Japanese just bombed Pearl Harbor?'".

Greenberg immediately reenlisted. This time he picked the Air Force, where he rose to the rank of captain, earned four battle stars, served in China and participated in the first land-based bombing of Japan in 1944.

In all the time he was in service, which was nearly five years, Greenberg told me he played baseball only once and that was while he was at Fort Custer. He did it as a favor for someone he knew who had a brother serving time at Jackson State Prison. Fort Custer was going to play the prison team and the man who knew Greenberg told him it would be a big feather in his brother's hat if Hank would play for the Army team.

"I agreed to do it," said Greenberg. "The Army didn't have a uniform that fit me, but when we got to Jackson State, the prisoners told me they had one that did, so I put it on. As long as I was wearing their uniform, I said I'd play first base for them, and I did. Generally, the prisoners told me they rooted for the visitors against their own team, but this time they really pulled for their own fellows."

Loudly cheered for every move he made, Geeenberg went four-for-four to lead Jackson State to victory.

"That was the only time I ever played baseball in the Army," he said.●

NATIONAL YOUTH SERVICE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. McCLOSKEY. Mr. Speaker, as we approach the registration/draft/National Youth Service alternative debate, I would respectfully commend to the House a recent article by syndicated columnist Neal Peirce advocating the National Youth Service.

In the report just received from the President pursuant to Public Law 96-107, the administration concedes that National Youth Service, "is the most promising" of the various alternatives to the draft thus far proposed. The report of course also states: "There is no need for a national civilian service program at this time. The AVF (All-Volunteer Force) is adequate to meet projected personnel needs under present planning assumptions."

If the AVF is not adequate, however—and there would be no need for a return to registration if it were adequate—the National Youth Service concept is deserving of immediate and careful consideration.

The article follows:

[From the San Francisco Examiner, Feb. 26, 1980]

THE RATIONALE FOR A DRAFT

(By Neal Peirce)

WASHINGTON.—If there were ever an idea whose time had come, the decades-old proposal for universal youth service by America's young people—either in military or civilian service work—should now qualify.

The darkening clouds of international tension, the severe problems of the all-volunteer Army, and President Carter's call for registration of young men and women as a possible prelude to resumption of the draft, all point in that direction.

But so, in an equally compelling way, does our domestic situation. Young people's services, especially in an era of high inflation and severe local budget cutbacks, are needed more than ever in every field from reforestation to care for the elderly, from neighborhood energy-saving programs to park maintenance, from day-care centers to tutoring of low-achievement students.

Rather than being victims of universal service, America's youth might benefit the most of all. They have grown up in the disillusioning times of Vietnam and Watergate. Little is asked of them now, except that they be consumers of goods and services. The inevitable results: political cynicism, feelings of powerlessness, and the corrosive "I'll get mine" materialism so rampant on college campuses today.

Universal service, by making it clear that every American has an obligation to his or her country, and that his or her services are needed by nation and community, might go far to shatter young people's self-absorption and tap the latent pool of idealism within them.

Several excellent proposals for national youth service have been advanced in recent years. But many youths suspected that national service was a cover for reinstating the draft. Little political support emerged.

The situation today is dramatically altered. The draft has suddenly become a clear and present threat for young people. And a strong case can be made that a well-conceived national service plan could avert—rather than cause—forced military conscription.

The most impressive and practical plan so far is a National Youth Service bill introduced by California's Rep. Paul N. McCloskey and a bipartisan group of House cosponsors. Every young person, male or female, would be required to register at 18. An ingenious system of carrot and stick inducements would come into play, with four options offered each registrant:

He or she could volunteer to serve in the armed forces for two years receiving a minimum subsistence wage (about $200 monthly rather than the $418 a month that must now be offered to attract Army recruits). A chief inducement: At the end of the two years the government would offer each military volunteer four years of college benefits.

Alternatively, the young person could agree to six months' active duty and then five and a half years as a reservist with an obligation, as McCloskey puts it, "to remain combat-ready, which means being able to run 20 miles a day, being ready to go into action on instant notice."

The third option would be a year of civilian service in any one of a myriad of programs sponsored by federal, state or local governments or private nonprofit agencies. Working at a subsistence wage, the young person could elect either community service (working in local hospitals, parks, coaching community sports teams and the like), or environmental service (trail) maintenance, forest firefighting and similar programs.

There would be no special educational benefits for the civilian volunteers. "It's only a year," McCloskey notes, "and we feel the civilian service is its own reward."

Finally, the 18-year-old could refuse to volunteer for any of the three major service opportunities. But that individual would then be subject to the draft (provided volunteer enlistments were insufficient) until his 24th birthday.

McCloskey presented the four alternatives to 115 members of a Washington student intern group. A remarkably high number, 66, said they would choose the two-year military service. Six picked the reserve, 43 said they would prefer civilian service. None picked the fourth option explains McCloskey. "Once you accept national service as an obligation, that four-year college benefit looks pretty good to many young people. And the uncertainty of being subject to the draft for six years is not very appetizing.

No one questions the immense obstacles—political, administrative, budgetary—to instituting full national youth service. But there would be great benefits. On the military side, there would be an infusion of middle-class youth into a volunteer Army now plagued by underenrollment, low skills, low morale, and an overrepresentation of poor and minority Americans. Increased military skill and combat readiness would create a more credible U.S. deterrent to foreign aggressions.

Domestically, cities and rural areas would receive a desperately needed stream of volunteer help. Many urban parks today, for instance, are in desperately rundown condition, at a time when the national interest demands better local recreation facilities so that people can avoid long, gasoline-consuming weekend and vacation trips.

Youth service would mix young people of all regions, races and classes in shared hard tasks and a common adventure—an experience all too many miss in our present stratified, and in many ways segregated, society. It would defuse the entire issue of registering women. Obviously, they should be part of a general youth service, and the chance of their ever being conscripted into the military would fall dramatically.

The choice between potential military conscription for an unlucky minority and a full youth service responding to a myriad of real national needs is a test-tube case of how the United States will respond to the difficult challenges of the 1980s.

One path represents timidity, divisiveness, inequity and selfish protection of one's own "rights." The other bespeaks confidence, unity, a sense of service and the common good and, after the traumas of the past two decades, a healthy and unsullied American patriotism●

RAPID POPULATION GROWTH IN THIRD WORLD COUNTRIES: HOW IT AFFECTS THEIR ECONOMIC AND SOCIAL GOALS.

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. SEIBERLING. Mr. Speaker, as president of the Peace Through Law Education Fund, I would like to draw the attention of my colleagues to a new audiovisual project that graphically illustrates the adverse effects of high fertility and rapid population growth in Third World countries.

A demonstration of this project, called RAPID, "Resources for the Awareness of Population Impact on Development," was made at the December meeting of the food and population series sponsored by the Peace Through Law Education Fund.

The purpose of the project, carried out by the futures group, is to show leaders of developing countries the nature and the magnitude of population factors that affect their progress toward economic and social goals.

High birth rates, declining death rates, the percentage of children in relation to the adult work force, and other information developed in the analysis for a country can be stored in an ordinary cassette or computer disk.

During the RAPID presentation, a computer, small enough to fit under an airplane seat, plays out in color the desired information on the large screen of a television set or monitor. The demographic and economic concepts conveyed are put on the screen one step at a time so they can be understood by observers with scant knowledge of demography.

The device can visually represent projections of a country's future population based on a two-child family by 2000, a three-child family by 2000, or the prevailing fertility level of six or seven children per family through the year 2000.

The population growth rate, depending on the fertility level, could be projected as a redline rising over the next 30 to 40 years. The future production of food in a developing country may be projected as a green line rising over the same time period. Food production per capita may then be projected as a rising—or a falling line.

More complex relationships may be presented including water availability per capita, the costs of primary and secondary school education, and the number of housing units needed for a country with a high or low population growth rate.

RAPID presentations have already been made for Jordan, Turkey, Egypt, Cameroon, Morocco, and Senegal. In the near future they will be shown to high officials in Honduras, Tanzania, Costa Rica, Bolivia, Panama, Sudan, Nepal, Ghana, Rwanda, and Sri Lanka.●

AMERICA CANNOT REARM FAST—ONE REASON: COBALT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. SANTINI. Mr. Speaker, as America enters upon a new—post-Afghanistan invasion—era, a period of rearmament and defense mobilization, perhaps the most important question which we might ask ourselves is: Can it be done? In an article appearing in the February 4 issue of Business Week—subsequently reprinted in its entirety in the Washington Post "Outlook" section of February 10—entitled: "Why the U.S. Can't Rearm Fast—The Defense Production Gap," that question is asked and answered in the negative.

Not surprisingly to those of my colleagues who have closely followed what can only be described as the national disgrace of America's nonexistent strategic and critical mineral policy, one of the central reasons behind America's inability to rearm fast is the critically tight supply of certain vital minerals such as cobalt. As the article points out:

> The U.S. gets most of its cobalt from Zaire, which cut off its exports in 1978 during internal strife largely fomented by the Soviets.

The answer to such supply constraints is in part a reasonable approach to development of domestic sources. America has but one area containing economically viable cobalt deposits—the "cobalt trend" in and near the Blackbird Mine in Idaho. Yet parts of this cobalt trend may never be explored and developed if the 30,000 to 50,000 acres comprising the area is included in wilderness.

In the weeks ahead, the River of No Return Wilderness bill will come before the House. The Interior Committee voted last week by a margin of 23 to 15 to exclude from wilderness the Idaho cobalt trend for some of the very reasons discussed in the Business Week article. It is vital for America's future that that cobalt area remain in nonwilderness so that it might supply at least a part of America's needs for that essential mineral.

Mr. Speaker, I insert the article, "Why the U.S. Can't Rearm Fast" in the RECORD at this point:

WHY THE U.S. CAN'T REARM FAST

For the first time since the hair-trigger Cuban missile crisis of nearly 18 years ago, the U.S. faces the very real possibility of a military showdown with the Soviet Union. While so far President Carter has only threatened further economic reprisals if the Soviets remain in Afghanistan, he has warned the Kremlin that the U.S. will take military action if Russian troops invade Pakistan or Iran. To back his policy, Carter is moving to beef up U.S. firepower as fast as he thinks the economy and his domestic programs can stand the strain. If the new military budgets are approved, the nation will spend $100 billion more (in real dollars) for defense between now and 1985 than was previously planned.

But the defense speedup will be hard to accomplish. Much of the increased spending is to be for hardware—procurement of new weapons and stepups in the production rates of operational ones. There are grave doubts in Washington and in the defense industry that, barring declaration of a national emergency, the nation has the industrial capacity to produce enough hardware soon enough to count. While many of the prime defense contractors stand ready to mobilize their own facilities, the underlying industrial base has been allowed to deteriorate since the Vietnam war. Thus, most of the industry's subcontractors, who furnish materials, components, and subsystems for weapons, already have all of the work they can handle.

"We are already revved up to 100 percent due to tremendous commercial demand," says Joseph R. Carter, chairman and chief executive of Wyman-Gordon Co., a major supplier of forgings. "If the military comes in on top with new requirements, there will be real problems."

Because the potential shortages cut to the core of the industrial economy, they will constrain the procurement of all types of military hardware. And there are few, if any, categories of weapons that would not need to be procured if the cold war continues to heat up. A near-term change in the Navy's shipbuilding program is unlikely. But to project U.S. power abroad, the Pentagon says, it will need more tactical aircraft, missiles, tanks, and guns, and the electronic systems to back them up. A strategic buildup now seems likely, too. And even ammunition may be a problem.

THE KEY PROBLEMS

The most severe constraints, though, will be on aerospace systems, because they must compete for resources with a superheated commercial aircraft business. The key problem areas:

Large forgings and castings: Only three U.S. suppliers, for example, can make the big forgings that are the backbone of today's airplanes.

Bearings: Some military aircraft later this year will be built without engines because strikes exacerbated a shortage of qualified suppliers of these parts.

Machining capacity: Spindle time is already short for the big, complex parts used in airframes, and new tools carry long delivery times.

Semiconductors: A growing shortage of integrated circuits is slowing the production of military electronic systems.

Metals: Titanium, cobalt, and chromium are all in critically tight supply; some specialty steels are also becoming very hard to get.

Manpower: Competition is already fierce for engineers, technicians, and skilled labor—especially on the West Coast.

The seriousness of the situation is indicated by the lead times on key aerospace items. Among the longest are those for heavy forgings, which can exceed two years. The wait for many castings is a year or more. Lead times for bearings and fasteners range from 30 weeks to more than three times that. Some types of machining jobs are being booked more than two years ahead.

"We have very little capability for surge production," says Lieutenant General Alton D. Slay, who heads the Air Force Systems Command. "It would take Draconian measures to get more military aircraft out of our industry beyond what it is now producing."

Such measures may yet come. "The Russian bear is out of the cage," says Dale W. Church, Deputy Under Secretary of defense for research and engineering and the Pentagon's procurement boss, "and we have got to be able to respond."

Most defense production experts believe that the Pentagon will have to use its power to set priorities to push military orders ahead of civilian orders. If it does, a big loser would be commercial aircraft production. And that, in turn, would have broader ramifications: commercial airplane sales accounted for $9.5 billion on the plus side of the U.S. trade balance last year. And the airlines badly need the new, more efficient planes to cut their soaring energy costs.

In part, the industrial bottleneck is the result of on-again, off-again defense budgets. Thousands of suppliers dropped out of the defense business during the funding slump of the early 1970s, and others have been reluctant to gear up because they fear another bust. In addition, the defense delivery system is clogged with work on weapons committed to overseas customers under the government-sponsored program of foreign military sales. Such sales have topped $50 billion over the last five years.

But what really turned a tight supply situation into a full-scale crunch was the stepup in commercial aircraft production. Two years ago, Boeing Co., in particular, began to tie up subcontractors, labor, and materials for its new 757 and 767 airliners. Almost overnight, the industry's production rates tripled, and in 1980 commercial aerospace sales are expected to reach $20.2 billion, topping sales of the defense segment for the first time.

At the same time, semiconductors—the vitals of such electronic systems as radars, underwater surveillance, and missile guidance—are in tight supply because of booming demand in autos, TV games, and other consumer markets. Lead times for deliveries of some integrated circuits now run to 12 months, compared to 5 a year ago, says Jack L. Bowers, CEO of Sanders Associates Inc.

The production jam finds the U.S. with its inventory of many tactical weapons at a low state. Washington would like to equip Pakistan with $400 million worth of weapons—artillery, helicopters, antitank weapons, and fixed-wing aircraft—but it is clear that this could be done only by stripping them from U.S. forces, as was done to resupply Israel during the Yom Kippur war of 1973. "You'd think that that war would have taught us a lesson," declares one Pentagon colonel, "but we're in just as sorry shape for backup equipment now as we were then."

Ammunition is also short. Senator Sam Nunn (D-Ga.), a member of the Senate Armed Services Committee, charges that "every bullet and shell fired by the Army in a Middle East war" would be at the expense of drawing down "our dangerously inadequate stocks marked for Europe." And some of the more complex ammo, such as antitank rounds, requires high-alloy steel and sophisticated production machinery—both long lead-time items. "If there is a sudden increase in demand," says Edward J. McElliott, vice-president of Chamberlain Mfg. Corp., "there could be a serious crunch."

Whether the new Administration program will solve such problems is open to doubt. The President is sending to Congress a defense budget request calling for $157.5 billion of appropriations—a real increase, assuming a 7.5 percent inflation rate, of 5 percent over the level of the current fiscal year. That rate of increase is to be maintained through 1985, by which time annual appropriations will have reached $250 billion—and actual outlays, $230 billion—assuming an average annual inflation rate of 6.7 percent.

The question is whether the money targeted for hardware can actually be spent. A backlog of Defense appropriations—funds committed to defense projects but not yet spent—has been piling up in the U.S. Treasury in recent years (page 84). The backlog, mostly procurement dollars, now totals more than $80 billion.

Yet many U.S. defense analysts are convinced that Carter's budget projections are far too low. A recent report prepared for the American Enterprise Institute predicts, in an extreme example, that the U.S. defense budget will have to rise to $1 trillion annually by 1985—four times what the Administration now plans—to "simply hold its own" in the renewed arms race with the Russians.

Underlying this premise is the presumed need not only for stepped-up production of tactical weapons but also for a whole array of new strategic offensive and defensive systems, especially now that the Strategic Arms Limitation Treaty (SALT II) seems to be stillborn. Such systems might include such exotic weapons as a costly high-energy laser stationed in space to knock down intercontinental ballistic missiles. A better bet, perhaps, is the B-1 bomber, designed by Rockwell International Corp., which Carter axed in 1977.

The B-1, however, typifies the mixed picture of industrial preparedness. Rockwell has kept its production tooling for the plane, and it claims that it could obtain the needed labor. But Bastian "Buz" Hello, president of Rockwell's Aircraft Group, admits that the company might not be able to get enough supplies in what he calls a "savage" materials market. And one subcontractor executive notes: "In retrospect, we're very lucky the B-1 wasn't authorized by the President. If it had been . . . that would have been the straw that broke the camel's back." Another such straw could be the 50 to 100 giant new CX military transports that the Administration wants to order over the next few years at a total cost of about $6 billion. These would carry the combat units and equipment of the proposed rapid-deployment force. Roy A. Anderson, chairman of Lockheed Corp., hopes that a modernized version of his company's C-5 transport will be chosen as the CX. But he concedes that he might have to build satellite plants around the country to tap fresh manpower sources.

PRODUCTION ROADBLOCKS

As for existing production programs, one possible candidate for a stepup is the Navy's F-14 fleet-defense interceptor, built by Grumman Corp. The Soviets have built up a formidable arsenal of cruise missiles that they can launch against the U.S. fleet from submarines, bombers, and surface ships, and the F-14s, with their long-range Phoenix missiles, are spread thinly. "We could be faced with a high attrition rate of F-14s and not much backup," grimly notes a Pentagon official. Meanwhile, the plane's production rate, trimmed by previous defense budget constraints, is minuscule—about 2½ a month. George M. Skurla, president of Grumman Aerospace Corp., sees no possibility of a sustained surge on his lines, noting, "There's more work than we have people or materials to handle."

The F-14 illustrates another key catch-up problem for the U.S.—the sophistication of its weapons. The Navy originally planned to buy more than 700 F-14s at about $12 million apiece, but cut the order to 429 when the price rose to $25 million a copy. "There has been a tendency to buy increasingly complex systems in smaller quantities—a willingness to pay four to five times as much money to get an increment of capability," asserts Philip C. Norwine, Bell Helicopter Textron's vice-president for U.S. government marketing. That stretches development times and delays production.

Now there is a growing belief in the Pentagon and in industry that the U.S. must pull back from high technology. The nation must move, says Norwine, more toward "the Russian philosophy of adequate quality in sufficient quantity." That could speed up new systems, but "sufficient quantity," it appears, will be hard to come by and will take time.

Another weapon system that will be sparse in numbers in the event of a near-term conflict is the A-10 aircraft, built by Fairchild Republic Co. The Air Force's Slay describes the A-10, with its thunderous 30-mm rapid-fire, antitank gun and arsenal of bombs and missiles, as "very important for close air support of ground troops, especially in the beginning stages of combat." The Air Force has acquired 300 of the planes and wants to accelerate their 12-a-month production rate to a planned buy of 733. But Thomas R. Tuohy, vice-president and director of administration and material for Fairchild, says, "We're at our peak right now." He explains that he could double the capacity of his Long Island plant in six months, "but it wouldn't do us any good—we can't get materials."

One of Tuohy's key problems is forgings. The big forgings that make up the A-10's main frame, for example, have to be ordered 114 weeks in advance from Wyman-Gordon, one of only three forging companies with presses big enough to do the job. "We can't handle any additional demand, no matter where it comes from," says Wyman-Gordon's Carter.

And forgings, of course, are a problem not only for the primes but for many of the other subcontractors who supply the primes. Parker Hannifin Corp., which makes the main flight controls for the Air Force's F-16 fighter and the Navy's F-18 fighter, has to order its forgings 60 to 80 weeks ahead. And that pushes the company's total lead time to deliver systems to General Dynamics, McDonnell Douglas, and Northrop to two years or more.

A squeeze on critical materials is also troublesome to primes and subcontractors alike. The titanium armor for the A-10, for example, must be ordered 92 weeks ahead. Even more urgent, though, is the threatened shortage of cobalt and chromium. These are key ingredients of the engines that power both military and commercial aircraft. They will also be used in the engine, made by Avco Corp., that will power the new XM-1 tank to be built by Chrysler Corp., scheduled to start in production this year, and James R. Kerr, Avco's chairman and CEO, is worried about getting hold of castings that use such alloys.

STOCKPILE TROUBLES

The U.S. gets most of its cobalt from Zaire, which cut off its exports in 1978 during internal strife largely fomented by the Soviets. Now the U.S. is developing a cobalt mine in Idaho, but it will produce only 3 million to 5 million lb. a year—only 20 percent of current annual consumption. It is possible to substitute for cobalt, but chromium still is indispensable. Most chromium comes from Russia, Rhodesia, and South Africa. While South Africa is the most reliable source, even that source could be cut off in time of war.

The U.S. stockpile of strategic materials, it appears, may not be much help. It is badly in arrears in cobalt, some types of chromium, and titanium; it is also short of its goals in such other essential materials as the platinum-group metals, which include iridium and palladium. Moreover, the quality of some of the metal in the stockpile is highly questionable. "If you look at what's in the stockpile," says William L. Swager, head of materials research at Battelle Memorial Institute's Columbus Laboratories, "we're really in trouble."

Almost as basis as the materials lag is the manpower lag. In a recent survey by the National Machine Tool Builders' Assn., an important component of the defense business, 70 percent of its members reported worrisome shortages of technical workers. Says the association's president, James A. Gray: "We're facing one of the greatest skill shortages in the history of this country."

While chronic everywhere, manpower pains are particularly acute in California. A big part of the problem, say many aerospace executives, is Boeing's aggressive courting of engineers and technicians. But Boeing is not the only contractor to benefit from an epidemic of job-hopping. Forced to abide strictly by Washington wage guidelines if they wish to continue doing government business, defense contractors cannot issue fat raises. "That means," says Avco's Kerr, "that the engineer can better himself and take a quantum jump in salary by going to work for someone else—and our engineers are doing just that."

Avco has its headquarters in New England, and Kerr claims that some of the engineers he has lost to West Coast aerospace companies got salary boosts of 35 percent to 40 percent. But some defectors are moving right out of the industry into such high-paying businesses as oil drilling and electronic toys. James H. MacDonald, corporate vice-president for personnel at McDonnell Douglas Corp., says that his company has had to revamp its recruiting programs "to personalize what we're doing." And it is intensifying its efforts to lure employees from other companies through such tactics as radio and newspaper advertising.

Some industry sources think that the engineering manpower problem—a reversal of the glut of the early 1970s—will ease once again as more engineering students, now enrolled in colleges, become available for hire. But the answer to the problem of the missing—or recalcitrant—subcontractors may not be so straightforward. Many companies once bid eagerly on defense contracts. They built up their resources to handle them but then suffered in the aerospace slump of the early 1970s, and they have just disappeared. And others steadfastly refuse to expand. They are concerned, explains Patrick S. Parker, chairman of Parker Hannifin, "about having to go out and make capital expenditures to take care of peaking government demand and then having government say 'thanks' and walk away."

BLOWING HOT AND COLD

One company that got burned is Blaw Knox Foundry & Mill Machinery Inc., the sole producer of turret and hull castings for the M-60 tank in its East Chicago plant. In the mid-1970s the Army pushed the company to open a second foundry in Wheeling, W. Va., so that it could replace the tanks shipped to Israel in the Yom Kippur war. Now, M-60 production has been cut back to make room in the budget for the XM-1, and XM-1 does not need the heavy castings. That irritates Blaw Knox President Charles F. Hauck, who notes that his company "pushed hard" and spent heavily to increase and maintain its M-60 production. Blaw Knox has now converted the Wheeling foundry to commercial production at a cost of more than $8 million.

Subcontractors also complain about low profits, naive procurement officers, and heavy paperwork. Defense work "is not the most profitable business to be in," says James H. Springle, vice-president and general manager of control systems operations at the Cadillac Gage Div. of Ex-Cell-O Corp., which supplies turret components for the M-60 tank.

Thomas V. Jones, chairman of Northrop Corp., thinks he knows what changes would have to be made to entice companies back into the defense business. Of key importance would be multiyear procurement budgeting so that contractors could plan intelligently their own capital and manpower investments. Also needed, he says, is tax reform aimed at allowing more liberal write-offs of capital investment. With such changes, he believes, new machine tools, forging presses, and other capital equipment would become available for defense needs.

Such changes, though, would take time to be made and to become effective. Some of the large machine tools used by the aerospace industry, for example, take two years to build. "It just isn't within the capability of the industry to build them within 12 months," says Clifford R. Meyer, group vice-president at Cincinnati Milacron Inc., the nation's largest machine tool builder.

PRIORITIES AND SENSITIVITY

With overnight expansion of the industry out of the question, then, there is a growing consensus that a substantial surge in defense production can occur only if there is a political decision, within the White House, that a state of emergency exists. In that event, much of the subcontractors' efforts on behalf of the commercial aircraft builders, in particular, would be diverted temporarily to meet defense demands. In a quick-response situation, says Raymond C. Tower, president of FMC Corp., which builds armored personnel carriers and other military vehicles, "the government would have to place procurement priorities on some materials."

Grumman's Skurla believes that the Administration may be ready to face up to such moves. It now realizes, he says, "how far the defense capability of the U.S. has deteriorated as a result of subcontractor defections, and it knows that the only way it probably can repair the situation short-term is to get the White House to set priorities on where the national interests lie."

But Pentagon procurement officials tread gingerly around this topic. They point out that most major weapon systems are automatically given production priority ratings, called DO ratings, under the Defense Production Act of 1950. A certain amount of reallocation goes on "all the time," says one.

A recent example occurred after five-month strikes at Fafnir Bearing Co. and Ladish Co., which make bearings and forgings, respectively, for the Pratt & Whitney engines used on the F-15 and F-16 fighters. Faced with severe engine shortages, the Air Force's Slay sent teams to the Pratt & Whitney Div. of United Technologies Corp., which also makes engines for commercial aircraft, and to the two suppliers to remind them that they were duty-bound to put defense orders ahead of commercial orders. The two subcontractors are now supplying Pratt & Whitney with bearings and castings that had been intended for Boeing and other commercial aircraft builders. But, notes Slay, "I had to go to the mat with Boeing on it."

Even so, McDonnell Douglas will be building some F-15s without engines through mid-1981. As yet, the government has not slapped the engine contractor and its subcontractors with the toughest rating, a priority known as DX. This requires the President's signature and is seldom applied. For security, the Defense Dept. will not say which systems have merited its application, but, says one Pentagon source, "you can bet that the cruise missile has it."

In any event, says Church, the Pentagon's procurement boss, "our priority system hasn't accomplished what it can accomplish if we really crack down." Church notes that "in many cases, the contractors don't respond to it, don't pass it on to their subcontractors, or don't police it if they do." The main reason, he believes, is the attractions of the burgeoning commercial aircraft market and the fact that "the country hasn't been faced with a war-type scenario." If the nation were on a wartime footing, Church says, "I believe all the contractors would follow the flag."

However, even if fully observed, the system of defense priorities is no panacea. "If we were to put top priority on the production of every major weapon we might need," says a high-level Pentagon official, "we would risk creating the same problem inside the defense family that now exists between defense and commercial contractors. And another defense planner notes that "if we push civilian production around too much, we may wind up shooting ourselves in the foot." He points out, for example, that it is important to maintain good, reliable communications and transportation in the private sector during a national emergency.

How to strike a proper balance is among the questions being addressed in a current study by the National Security Council and the Defense Department. That study is also addressing the specific problem of the nation's forging capacity. One proposal is that the government build another large forging press on the order of—or even larger than—the 50,000-ton machine now operated by Aluminum Co. of America in Cleveland. An alternative would be to start ordering military forgings from European suppliers. However, that supply line would be long and, in wartime, vulnerable. And those forges are already beginning to fill up with orders from the growing aircraft industry on the Continent and from Boeing.

Some clues as to what the White House and Pentagon officials may recommend as a result of their study—scheduled for completion "very soon," says one—may lie in a 1976 report by the Defense Science Board. Richard D. DeLauer, executive vice-president of TRW Inc., who headed up the DSB study, notes that it concluded that the defense industry would need two years to boost its output dramatically. He feels that that lead time still holds, despite the intervening rush of commercial business. The industry's first move in such a mobilization, the DSB study suggested, should be to extend its work week and ulitimately to go to double shifts.

Such measures may help. But they still do not address the perhaps deadly shortage of weapons components and subsystems the U.S. would face if war were to come soon. "The lead-time problem has caught us short," declares the Air Force's Slay. "There is no magic way to get more airplanes in a hurry. And if we wait until the balloon goes up to decide to surge our defense production, we will be in deep, deep trouble."

OTA REPORT ON ADVANCED GROUP RAPID TRANSIT TECHNOLOGY

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. UDALL. Mr. Speaker, unless the cities of this country adopt forms of transportation that consume less energy and space, traffic congestion will probably double between 1975 and 2000.

One technology now under development that could help meet cities future transit needs is automated guideway transit (AGT), driverless transit vehicles operating on their own fixed guideways. With further development, AGT could offer better service in some cities at less cost than current rail systems. This is one of the major findings of a study by the Congressional Office of Technology Assessment (OTA) which evaluates the need for continued development of third generation AGT technolgoy, called advanced group rapid transit (AGRT).

The Urban Mass Transportation Administration's (UMTA) current plan calls for reduced funding for magnetic levitation, one of three prototype systems under development. OTA finds, however, that it is too early in the development cycle to predict which one will prove superior for most uses. Therefore, OTA concludes, "there is no sound technical basis for discontinuing work or providing any promising technology with significantly less funding."

Performed at the request of the Transportation Subcommittee of the House Committee on Appropriations, the OTA study—called Impact of Advanced Group Rapid Transit Technology—assesses recently proposed changes in the scope and cost of the AGRT program, which is currently funded by UMTA.

In assessing the role that AGRT could play in meeting cities' future transit needs, the OTA report examines the economic as well as the technological aspects of AGRT development and adoption, and outlines the basic policy options for continued R. & D. in AGRT.

Supplies of the summary of the report are available as a separate, self-mailer for Members to send to constituents and interested local agencies—call 224-8996.

For the information of my colleagues, I attach a brief summary of the OTA report called Impact of Advanced Group Rapid Transit Technology.

Impact of Advanced Group Rapid Transit Technology

Driverless transit vehicles operating on exclusive guideways, known as automated guideway transit (AGT), could with further development offer better service at less cost than current rail and trolley systems. This is among the major findings of an OTA study which evaluates the need for continued development of third-generation AGT technology, called advanced group rapid transit (AGRT), now funded by the Urban Mass Transportation Administration.

First- and second-generation AGT systems are currently operating in airports, universities, hospital complexes, amusement parks, and shopping centers. Third-generation AGRT systems are being developed with vehicles that carry 12 passengers from origin to designation without transfers at speeds of up to 40 mph.

Users and nonusers alike are critical of the lack of amenities, infrequent service, unreliability, crowding, and inconvenience characteristic of transit services currently available in most cities. Technological innovations that may result from the AGRT program could help to address these problems by making transit more attractive through improved trip time, convenience, comfort, flexibility, and frequency of service. The public desires the further advances that AGT should be able to provide.

In the 1980's, cities will face increasing pressure to adopt more space- and fuel-efficient transit systems to meet the challenge of petroleum shortages, urban sprawl, and growing congestion. Barring major policy and lifestyle changes, traffic congestion in cities is expected to double by the year 2000. Automated systems are widely regarded as promising new options for addressing these problems in certain urban areas.

It is too early in the development cycle, however, to predict which of several technologies currently being pursued will prove superior for most uses. The selection of a single-system concept would appear premature at this time.

Cost comparisons with existing urban rail technology look favorable, but will require validation in a real-world installation. Questions requiring further study include: reliability of new technology; community acceptance of elevated guideway designs; emergency evacuation from narrow elevated guideways; operating problems in ice and snow; and public attitudes toward sharing small, automated vehicles with strangers.

There is no guarantee that these systems will be marketed, even if the R&D goals are met. Industry is finding it increasingly difficult to justify production of any transit technology, given a history of uncertain Federal support, unrealistic development timetables, complex institutional barriers, and the lack of established, stable markets. In West Germany and Japan, a cooperative relationship between government and industry exists which has helped ensure an orderly program of long-range transit innovation and healthy transit equipment manufacturers. A closer examination of foreign government/industry relations is warranted.

While development of advanced AGT systems offers the prospect of improved transit services, urban transportation problems do not lend themselves to a single, all-encompassing solution. Other near- and long-term options which deserve consideration include expanded use of carpools and vanpools, transportation system management techniques, land use policies, and upgrading existing bus and rail technology.●

MORAL DILEMMAS IN FOREIGN POLICY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. DERWINSKI. Mr. Speaker, much has been said of late about moral dilemmas in our foreign policy. As we fitfully turn from a misguided policy of so-called détente, to something more rational in its recognition of the sinister nature of Soviet imperial power, the comments of Irving Kristol on "Moral Dilemmas in Foreign Policy," can be helpful. Reprinted below is Mr. Kristol's article appearing in the Wall Street Journal on February 28:

MORAL DILEMMAS IN FOREIGN POLICY

(By Irving Kristol)

It was George Orwell who once said: "We have now sunk to a depth at which the re-statement of the obvious is the first duty of intelligent men." This, it seems to me, is our situation with respect to the "moral dilemmas" of American foreign policy today—except that any such re-statement of the obvious is likely to be regarded as unthinkable by most of our intelligent men.

Take the case of the Shah, whose "crimes" will soon be exposed by an ad hoc international commission, established with our approval. The rank hypocrisy of such an exercise in political theater is instantly nauseating—two of the nations represented on that commission (Syria and Algeria) have records on human rights far more illiberal than the Shah's. Moreover, we know beforehand exactly what the findings of this commission will have to be. They will be to the effect that the Shah restricted political rights, imprisoned or exiled his opponents, appropriated a portion of the nation's income for his family's personal use, permitted (or ordered) his secret police to torture some hundreds of his opponents, etc.

CERTAIN POINTS OMITTED

We also know beforehand what such a commission will not say. It will not point out that all of these wickednesses of the Shah have also characterized every government the Iranian people have known since time immemorial, and usually to a greater degree. Nor will it point out that the Shah instituted a land reform in which vast areas belonging to the crown and clergy were distributed to the peasantry. (It was, incidentally, this land reform which brought him the hatred of all those ayatollahs.) Or that he strove energetically, and with considerable success, to use Iran's wealth from oil to modernize the Iranian economy. Or that he tried to modernize the Islamic culture of Iran, giving women greater individual freedom and the universities greater academic freedom than they had ever possessed. Or that during his reign, foreign periodicals, scholars, and journalists were free to circulate in Iran to a degree not known before, or since. Or that his regime actually sent to Europe and America, on government subsidy, more than one hundred thousand college students, to acquire skills and knowledge essential to the modernization of their country. Or that, on the whole, his despotism compared quite favorably with the despotic rule that now prevails in such other countries as Algeria, Syria, Iraq, Saudi Arabia, or our latest ally, Pakistan.

Even to suggest that such discriminating judgments, however valid, are appropriate in the case of the Shah is bound to make us feel uncomfortable and to invite opprobrium. Is it not a betrayal of the democratic idea to imply that some dictatorships are better than others—that some dictatorships may claim a degree of political legitimacy that even liberal democrats ought to respect? We really do not know how to cope with such a question. Our common sense tells us that it would be more than a little absurd—and in any case highly impractical—to declare that all of the world's undemocratic regimes are equally anathema to us. That would be like saying that we Americans are just too good for this world, so that any foreign policy would represent an expense of spirit in a waste of shame. On the other hand, how do we go about making the necessary distinctions between non-liberal and undemocratic regimes with which we might, in relatively good conscience, have amicable relations, and others which, at best, might be allies of convenience but nothing more?

Interestingly enough, prior to World War I the way in which this question should be answered was quite obvious. That answer was provided by the traditions of liberal constitutionalism. To the degree that any authoritarian regime was "enlightened"—i.e., to the degree that it could be judged to be creating economic, political, and cultural preconditions for possible self-government by the people—it was worthy of cautious respect. If it displayed no such "enlightened" intentions, it was "benighted."

The disappearance from our thinking of these old-fashioned categories has created an intellectual vacuum. As a result, we simply cannot bring ourselves to say—or even think—what is clear to any candid observer of the world scene: that there are significant differences among regimes loosely classified as "authoritarian," and that in many countries, where a liberal constitutional regime can only be a more or less distant ideal, politics necessarily revolves around a choice of authoritarian rule. Moreover, it is a real choice. Some authoritarian governments exhibit at least a half-way respect for the rule of law, others do not. Some govern in a way that is respectful of any potential for eventual self-government, others are petty, personal, narrow-visioned, indifferent to the nation's future. (Somoza in Nicaragua exemplified this latter type.)

And there are still others, increasing in number, who are hostile in principle to the very idea of liberal constitutionalism—the Communist regimes are of this type, and so, of course, is the present "Islamic-Marxist" regime in Iran. These latter, indeed, ought not to be classified as "authoritarian" at all, but can fairly be described as "totalitarian," since they represent a principled antithesis to constitutional democracy.

It is the fundamental fallacy of American foreign policy to believe, in face of the evidence, that all peoples, everywhere, are immediately "entitled" to a liberal constitutional government—and a thoroughly democratic one at that. It is because of this assumption that our discussions of foreign policy, along with out policy itself, are constantly being tormented by "moral dilemmas," as we find ourselves allied to non-liberal and non-democratic regimes. These dilemmas are guilt-inducing mechanisms which cripple policy—an attitude that no nation can sustain for long—or else we take flight into sweeping crusades for "human rights," which quickly brings us up short before intractable realities.

Now, there is nothing inevitable about this state of affairs. As a matter of fact, it is only since World War I—a war fought under the Wilsonian slogans of "self-determination for all nations" and "make the world safe for democracy"—that American foreign policy began to disregard the obvious for the sake of the quixotic pursuit of impossible ideals. Before World War I, intelligent men took it for granted that not all peoples, everywhere, at all times, could be expected to replicate a Western constitutional democracy. This was a point of view, incidentally, shared more or less equally by conservatives, liberals, and socialists.

It was only with World War I and its aftermath that thinking about foreign policy lost its moorings in the real world and became utterly ideologized. For socialists, this transition was accomplished by the transformation of liberal-democratic socialism into totalitarian communism, a form of government that, while relying on sophisticated modes of coercion, is yet so primitive in its political substance—so tribal, one might say—that it is in truth a possibility for all nations, at all times. It is a possibility, of course, purchased at the cost of the liberal, the democratic, and the socialist ideals themselves, but the prospect of immediate power has persuaded socialists throughout the world that this is a profitable trade-off.

For Americans, the transition occurred via the utopian enthusiasm of Woodrow Wilson, preaching "self-determination," "human rights," "one man, one vote," "a world without war" as if these were in fact unproblematic possibilities. The consequence has been a foreign policy that is intellectually disarmed before all those cases where a government is neither totalitarian nor democratic, but authoritarian in one way or another, to one degree or another. We could, if we were sensible, calmly accept this basic reality of world politics, while using our influence to edge unenlightened despotisms toward more enlightened behavior, or enlightened despotisms toward more liberal and humane behavior. Instead, we end up in either an unstable, guilt-ridden and seemingly "immoral" alliance with them or displaying a haughty censoriousness that helps "destabilize" them.

MANDATE OF HEAVEN

Such instability and such diplomatic "destabilization" offers the totalitarian opponents of these authoritarian regimes wonderful opportunities, which they are quick to take advantage of. And, as our illusions, along with our waverings of purpose, breed defeat after defeat, we come to believe that it is, after all, totalitarianism that today has the Mandate of Heaven, or at least the Mandate of History. We come to believe—what is fast becoming an article of liberal faith—that totalitarianism, which effectively represses dissent, is actually a more legitimate form of government than the older types of authoritarianism, which repress dissent less effectively, and that it is positively immoral to support the latter as against the former. Note with what good conscience we embraced Mao's China as an ally, while uneasily chastising the government of Taiwan for violations of political liberties.

The abstract slogans of the Cold War, which President Carter and others are in the process of refurbishing, are an improvement over the abstract slogans of "detente" and "swords into ploughshares," since they at least take account of the totalitarian reality. But this will not help our situation all that much. For it is not a question of our mouthing the wrong abstract slogans but of trying to base a foreign policy on abstract slogans in the first place. The world is heterogeneous and complex—and until we learn to cope with this complexity, and rid ourselves of a guilt complex engendered by our refusal to confront this very complexity, we shall never have a foreign policy worthy of the name.●

VOLUNTEER ARMY LABELED A GRIM JOKE

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. MONTGOMERY. Mr. Speaker, to hear the civilian leaders at the Department of Defense talk, our fellow Americans would never be aware of the very serious problems we are facing in the All-Volunteer Army. However, a recent article in the Washington Post pinpointed some of the more serious deficiencies that have been glossed over for far too long. I urge my colleagues to read the following article by Fred Reed. I am sure they will find it informative and also alarming:

THIS IS THE ARMY?

(By Fred Reed)

I see that Clifford Alexander, secretary of the Army, is treading the long grey road toward new and better Afghanistans. More precisely, he asserts that the Volunteer Army works well. Alexander, a political appointee, is playing the game of let's-pretend that got us into our present dangerous position—saying what suits the political needs of the administration rather than what suits the military needs of the Army.

I have seen the Volunteer Army; for several years I have written for the magazine of the Army Times papers—an odd occupation for a Washington reporter, requiring one to spend time with troops in the field. I suggest to Alexander that the All-Vol is a grim joke.

Last summer I followed an infantry outfit from an average division through jungle training in the Canal Zone. The level of intelligence was far lower than it was when I was a Marine in 1967. I saw radio operators who could barely operate their radios, men who couldn't read, soldiers who couldn't comprehend a simple lecture on jungle survival. The Pentagon says that the percentage of high school graduates is high. Perhaps it is, given the quality of the schools. Nonetheless, those troops were on the average, very slow. Almost as bad, they lack the leavening of conscripted intelligence to run complicated weaponry.

Further, racial antagonism is serious. Because it is desperate for manpower, the Army recruits anybody it can get: white country kids who don't much like blacks, black street kids who don't like whites at all, Chicanos who aren't enthusiastic about either. Tight discipline can hold such an explosive mix together, but discipline isn't the All-Vol's strong suit.

An instructor in the jungle echoed what I've heard throughout the military: "You can't discipline the blacks because they yell racism, and the officers are scared of being called racists so they won't back you up. If you can't discipline the blacks, you can't discipline the whites. That's where we are. It ought to be equal discipline for everybody, but it isn't. It's no discipline for anybody."

The best men leave. They leave because they are military men and the Army isn't very military now. The problem is serious: folklore to the contrary, brains and leadership are critical in the middle enlisted ranks.

The instructors at the jungle operations school, among the best NCOs I've met, were openly contemptuous of the Volunteer Army. To quote one, "I'm getting out. There's nothing in the Army for me anymore. That's a real problem for the Army. The best NCOs are getting out, and the ones coming up aren't any good. The Army runs on its NCOs. Someday it's going to need them, and they won't be there."

Further, the Volunteer Army has miserable equipment. At Fort Hood, I rode tanks so old and beaten-up that despite heroic maintenance they barely worked. Only one tank in the company had a functioning heater. We spent 11 hours in those steel boxes, in 28° weather and a sleet storm—a lousy, unhealthy, morale-breaking day. An Army that can't provide its troops with a kerosene heater is in trouble.

In Panama, soldiers used antique radios that worked when the mood struck them, or when their operators kicked them. The Special Forces scuba team at Fort Gulick used outmoded double-hose regulators because of a lack of money. A good single-hose regulator costs $100.

Training costs money, and the Army doesn't have money, so the Army doesn't train—not as it should. The Army can't afford many helicopter hours, so the troops can't practice helicopter operations. Using armored personnel carriers costs money, so the Army doesn't use them often enough. Tanks cost a lot to run, so they spend a lot of time in the barn. Ammunition costs money, so tank gunners don't do much live firing. Any faint hope of survival against overwhelmingly superior Soviet forces will require superior gunnery. No practice, no superiority.

I recommend to Secretary Alexander the following, from a very savvy sergeant (who, incidentally, is getting out): "It's like a percentage. You can improve a lot of mistakes when the crunch comes, but not all of them. The Army's got more mistakes than it's going to be able to correct in a hurry. I'm glad I'm not going to be in combat with what we got now."●

A SOLUTION TO INFLATION?

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. LENT. Mr. Speaker, national attention has once again been refocused on the spiraling inflation rate. The Labor Department and Council on Wage and Price Stability reports last week citing an 18 percent annual rate of inflation in January have prompted a truly national outcry on the horrendous ineffectiveness of current economic policies. In what may be seen as a knee-jerk reaction, the Federal Reserve Board immediately moved to increase interest rates—without even waiting for the end of the business day. Editorial pages are full of commentaries on what to do. There is renewed talk about imposition of wage and price controls as the answer to our economic woes.

Wage and price controls are not and never have been the answer to solving the inflation problem. What they are is a misplaced, stopgap attempt to artificially hold the lid on increases. They do nothing to increase productivity which is the heart of the problem. They do nothing to encourage growth, increase capital formation, or promote savings and investment, for they negate the very incentive necessary for economic expansion.

What wage and wage price controls do, however, is redirect our economic attention away from the marketplace where growth should take place, and focus it on an expensive regulatory structure charged with keeping the lid on tight. As such, wage and price controls divert attention from the real causes of inflation, which include runaway Federal deficit spending and tax rates which pull more and more cheaper and cheaper dollars out of circulation in the marketplace. Controls are merely a band-aid attempt to coverup what has put us in the situation we are in and they must not be viewed as anything more than that.

History, from the time of Hammurabi and ancient Egypt 4,000 years ago, tells of no instance where price controls have worked to stop inflation. If there are those who cannot remember back over 40 centuries, recall the inflationary burst when our most recent experience with controls ended in 1972. The 2 years following lifting of the controls brought recession coupled with an inflation rate of 12.2 percent in 1974—then the highest rate of inflation since 1947. Considering where the rate is today, our previous experience with controls is not an act I think we should follow.

What we need to do and do now is move toward a balanced Federal budget and eliminate the runaway Federal deficit spending that the current administration continues to call for. Federal spending should not grow faster than the gross national product.

And we should move to index Federal tax rates to prevent the Federal Government from reaping a tax windfall because of the very inflation it causes. The most direct answer to inflation is putting the Federal Government on a strict spending diet, and I intend to continue the fight against inflation on this front.●

EMERGENCY UNEMPLOYMENT ACT OF 1980

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. HILLIS. Mr. Speaker, I am today introducing the Emergency Unemployment Act of 1980. The purpose of this bill is to provide a program of emergency unemployment compensation for areas experiencing high rates of unemployment.

Over the last several years unemployment has hovered around 5.5 percent. While this rate is still undesirable, unemployment has not been considered a national problem. However, there have been areas where the unemployment rates have been extremely high due to closing of steel plants or layoffs within the auto industry. An example of one such area is Anderson, Ind., which has an unemployment rate of 15.2 percent due to layoffs at General Motors.

Excessively high unemployment rates can, and do, cause tremendous problems for individuals and communities both. Certainly if the national rate of unemployment were anywhere near 15 percent, the need for special unemployment benefits would be obvious. Unfortunately, since extremely high unemployment rates are presently limited to localized areas, the administration and the Congress have been unwilling to address the problem.

We are all familiar with the hardships unemployment can cause those affected, particularly in areas of high unemployment. The people in Anderson, and similar cities, are running out of unemployment benefits and the prospect of finding new work in the near future is dim. We must develop an emergency unemployment program to address their needs.

The only manner we can address the problem of localized high unemployment is on a city-by-city basis; not on a State-by-State basis or a national basis. The Emergency Unemployment Act of 1980 does just that. The bill extends unemployment benefits for an additional 26 weeks for those areas where unemployment has been in excess of 10 percent for a period of at least 4 weeks. There are approximately 10 cities which would qualify.

Although States which experience high unemployment qualify for extended unemployment benefits, that program does not solve the problems of localized unemployment. The Emergency Unemployment Act of 1980 is needed. I strongly urge its passage. A copy of the bill follows:

H.R. 6690

A bill to provide a program of emergency unemployment compensation for areas experiencing high rates of unemployment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Emergency Unemployment Compensation Act of 1980".

FEDERAL-STATE AGREEMENTS

Sec. 2. (a) Any State, the State unemployment compensation law of which is approved by the Secretary of Labor (hereinafter in this Act referred to as the "Secretary") under section 3304 of the Internal Revenue Code of 1954 which desires to do so, may enter into and participate in an agreement with the Secretary under this Act, if such State law contains (as of the date such agreement is entered into) a requirement that extended compensation be payable thereunder as provided by the Federal-State Extended Unemployment Compensation Act of 1970. Any State which is a party to an agreement under this Act may, upon providing thirty days' written notice to the Secretary, terminate such agreement.

(b) Any such agreement shall provide that the State agency of the State will make payments of emergency compensation—

(1) to individuals who—

(A) have exhausted all rights to regular compensation under the State law;

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law; and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada,

(2) for any week of unemployment which begins in—

(A) an emergency benefit period (as defined in subsection (c)(2)), and

(B) the individual's period of eligibility (as defined in section 5(a)(2));

except that no payment of emergency compensation shall be made to any individual for any week of unemployment which begins more than two years after the end of the benefit year for which he exhausted his rights to regular compensation.

(c)(1) For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted his rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period; or

(B) his rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2)(A)(i) For purposes of subsection (b)(2)(A), in the case of any area of a State, an emergency benefit period—

(I) shall begin with the third week after a week for which there is an area "emergency on" indicator; and

(II) shall end with the third week after the first week for which there is an area "emergency off" indicator.

(ii) In the case of any area of a State, no emergency benefit period shall last for a period of less than 26 consecutive weeks.

(iii) When a determination has been made that an emergency benefit period is beginning or ending with respect to any area of a State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(B)(i) For purposes of subparagraph (A), there is an area "emergency on" indicator for a week if the rate of insured unemployment in such area for the period consisting of such week and the immediately preceding three weeks equaled or exceed 10 per centum.

(ii) For purposes of subparagraph (A), there is an area "emergency off" indicator for a week if the rate of insured unemployment in such area for the period consisting of such week and the immediately preceding three weeks is less than 10 per centum.

(d) For purposes of any agreement under this Act—

(1) the amount of the emergency compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to him during his benefit year under the State law; and

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall (except where inconsistent with the provisions of this Act or regulations of the Secretary promulgated to carry out this Act) apply to claims for emergency compensation and the payment thereof.

(e)(1) Any agreement under this Act with a State shall provide that the State will establish, for each eligible individual who files an application for emergency compensation, an emergency compensation account with respect to such individual's benefit year.

(2) The amount established in such account for any individual shall be equal to the lesser of—

(A) 100 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

(B) 26 times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal State Extended Unemployment Compensation Act of 1970) for his benefit year.

(f) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week beginning before whichever of the following is the later:

(1) the week following the week in which such agreement is entered into, or

(2) the first week which begins after the date of the enactment of this Act.

PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF EMERGENCY COMPENSATION

Sec. 3. (a) There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 per centum of the emergency compensation paid to individuals by the State pursuant to such agreement.

(b) No payment shall be made to any State under this section in respect of compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this Act.

(c) Sums payable to any State by reason of such State's having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which would have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

FINANCING PROVISIONS

Sec. 4. (a) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the funds appropriated pursuant to subsection (b) to the account of such State in the Unemployment Trust Fund.

(b) There are hereby authorized to be appropriated from the general fund of the Treasury, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act.

DEFINITIONS

Sec. 5. (a) For purposes of this Act—

(1) the terms "compensation", "regular compensation", "extended compensation", "base period", "benefit year", "State", "State agency", "State law", and "week" shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

(2) the term "period of eligibility" means, in the case of any individual, the weeks in his benefit year which begin in an emergency benefit period and, if his benefit year ends within such emergency benefit period, any weeks thereafter which begin in such emergency benefit period;

(3) the term "area" means, with respect to any State—

(A) a labor market area or part of a labor market area which is located within such State, and

(B) all other parts of such State which are not located within any labor market area;

(4) the term "labor market area" means any area (determined without regard to paragraph (3)) designated by the Secretary as being a contiguous population center with a population of at least 50,000 individuals;

(5) the term "rate of insured unemployment" means the percentage arrived at by dividing—

(A) the average weekly number of individuals who are filing claims for weeks or unemployment with respect to the specified period and whose last employment during their base periods was in the area (as determined on the basis of the reports made by the State agency to the Secretary), by

(B) the average monthly covered employment in the area for the specified period;

(6) the rate of insured unemployment for any four week period shall be determined by reference to the average monthly covered employment in the area under the State law for the first four of the most recent six calendar quarters ending before the close of such period; and

(7) determinations with respect to the rate of insured unemployment in any area of a State shall be made by the State agency in accordance with regulations prescribed by the Secretary.

For purposes of any State law which refers to an extension under Federal law of the duration of benefits under the Federal-State Extended Unemployment Compensation Act of 1970, this Act shall be treated as amendatory of such Act.

(b) For purposes of this Act, to the extent that an emergency benefit period is not in effect in all areas of a State, the determination of an individual's period of eligibility or of whether there is an emergency benefit period applicable to the individual shall be made by reference to the area in which the individual was last employed during the base period for the benefit year with respect to which such individual most recently received regular compensation.

(c)(1) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of emergency compensation under this Act to which he was not entitled, such individual—

(A) shall be ineligible for further emergency compensation under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(B) shall be subject to prosecution under section 1001 of title 18, United States Code.

(2)(A) In the case of individuals who have received amounts of emergency compensation under this Act to which they were not entitled, the State is authorized to require such individuals to repay the amounts of such emergency compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(i) the payment of such emergency compensation was without fault on the part of any such individual, and

(ii) such repayment would be contrary to equity and good conscience.

(B) The State agency may recover the amount to be repaid, or any part thereof, by deductions from any emergency compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the three-year period after the date such individuals received the payment of the emergency compensation to which they were not entitled, except that no single deduction may exceed 50 per centum of the weekly benefit amount from which such deduction is made.

(C) No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(3) Any determination by a State agency under paragraph (1) or (2) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.●

HOSPITAL COSTS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. COLLINS of Texas. Mr. Speaker, there has been much talk about hospital cost containment. We all want to curtail the cost of medical expenses. But are they the ones who have had the most inflation. An interesting comparison was prepared by the Dallas-Fort Worth Hospital Council. They took the cost increases in this country from 1967 through 1977. Cost percent increases are listed below.

Hospital costs, 194.
Legal fees, 220.
Postal fees, 226.
Social security, 300.
HEW budget, 364.
Federal budget, 400.
Cost of running Congress, 442.●

REV. HERB EZELL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. ANDERSON of California. Mr. Speaker, on March 12, 1980, the Wilmington Lions Club will present its annual Outstanding Citizen Award to Rev. Herb Ezell for the great contributions he has made by his work as a minister and through his involvement in the community. I would like to share briefly with my colleagues today an account of this man's most noteworthy accomplishments. It will clearly show how this year's choice for this award is a fine one indeed.

Reverend Ezell has been a pastor longer than any other minister in the Wilmington-Carson area. At the Harbor Christian Center in Wilmington he has led a congregation for over 32 years. His role, however, has been more than being strictly a religious and spiritual leader. He has inspired many people into self-improvement by encouraging them to use education as an opportunity for advancement. His words and action have also turned many once-apathetic residents into active and involved citizens.

Within his profession he has assumed leadership roles. He has been a regular member of the Wilmington-Carson Ministerial Association for over 30 years, and has served as its secretary and president. In addition, he has trained over 40 men for the Christian ministry.

Rev. Herb Ezell's religious work has extended far across the Nation and even around the world. He has been featured frequently as a convention speaker in U.S. cities. In Mexico, Israel, Rome, Greece, and Jordan, he has conducted Bible seminars. On one occasion he has had a conference in Mexico City's Presidential Palace with the Lopez-Portillo family. To aid destitute villages in Mexico, he has flown nearly 200,000 miles delivering needed clothing and medical supplies.

Even with such far off interests and involvements, Reverend Ezell has still managed to devote much of his time to community affairs in Wilmington. He has served as chaplain of the Wilmington Coordinating Council, and a member of the Wilmington Chamber of Commerce for many years. A campaign to have the city of Los Angeles plant trees on both sides of Wilmington Boulevard was made successful by his dedicated leadership.

Mr. Speaker, my wife, Lee, joins me in congratulating Reverend Ezell on the great work he has done as a clergyman and as a citizen. We know Wilmington and the entire harbor community can be proud to have him as one of its own. We send Herb Ezell, his wife, Edna, and their children, sons Harold and Donald, our very best wishes for a happy and prosperous future.●

MARSHAL TITO

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. DERWINSKI. Mr. Speaker, one of the real experts on Yugoslavia is Mr. David Martin, author of "Patriot or Traitor: The Case of General Mikhailovich." When President Tito succumbs to the physical ailments which beset him at this time, it will be inevitable that he will receive many eulogies and commentaries devoted to his long and historic career. Mr. Martin feels that some criticism is necessary to balance out these well-intended tributes. Therefore, I wish to insert into the RECORD Mr. Martin's commentary:

MARSHAL TITO: SOME CRITICAL OBSERVATIONS TO TEMPER THE INEVITABLE EULOGIES

TITO AND STALIN

In breaking with Stalin in 1948, Tito displayed independence and courage. The break with Moscow involved extremely difficult and costly readjustments for Yugoslavia. Prior to the break, half of Yugoslavia's trade, all of its investment credits, and all the equipment for its Five-Year Plan had depended on the Soviets. The cost of reorienting trade toward the West, cutting back the development program, relocating industries for fear of Soviet attack, fortifying the frontier, and maintaining their army, came to $3 billion annually.

The question remains, however, how Tito managed to rise to the top of the Yugoslav Communist Party during the Stalin terror of the 1930's when virtually the entire leadership of the Yugoslav Party was wiped out in Moscow. It stands to reason that his survival and advancement could only have been purchased by loyal support of the Stalin regime. It is worth noting, too, that Belgrade during the post-war period functioned as the Cominform headquarters and that Tito, far more than Stalin, provided the political and material support for the Communist insurgency in Greece which was frustrated thanks to a major American and British effort.

THE WORLD WAR II RECORD

After the invasion of the Soviet Union on June 21, 1941—but not before that—Tito's Partisans harassed the Germans and fought many impressive engagements against them. The Partisan accomplishments have been chronicled by many Englishmen and Americans who served with them. These accomplishments have, however, been vastly exaggerated because of the tendency on the part of Tito's British and American supporters to accept at face value all of the claims of the Partisan propaganda apparatus. In justifying his decision in early 1944 to throw all of Britain's support to Tito, Prime Minister Churchill made the wildly exaggerated statement that Tito had been holding 25 German divisions in Yugoslavia. More recently [New York Times, February 10, 1980] James Reston informed us that Tito's Partisans tied down 14 German divisions in Yugoslavia during World War II. Although the German forces were supported by substantial Bulgarian, Hungarian and Croatian Ustashi units during the Occupation, (and by a large Italian force until the collapse of Italy), the fact is that, once Yugoslavia had been subjugated, the Wehrmacht never maintained more than 7 occupation divisions in Yugoslavia. A substantial portion of this occupation army was stationed in Serbia proper, the largest and most populous of Yugoslavia's provinces and, with its vital north-south communication routes, strategically the most important.

Hand in hand with this tendency to upgrade Tito went the denigration of the Mikhailovich movement. Contrary to the impression that Tito controlled the entire Yugoslav countryside, the countryside of Serbia and of many of the other Serbian-populated areas of Yugoslavia belonged to Mikhailovich. On this point, there was little difference between the estimates of the British mission to Mikhailovich and the German high command. Colonel Bailey, who was in charge of the British mission through most of 1943, repeatedly made the point that Mikhailovich enjoyed overwhelming popular support in Serbia, while the Partisans had only negligible strength there.

On February 9, 1943 General Reinhard Gehlen, head of the German military intelligence for eastern Europe, reported the following in a top-secret memorandum to the German general staff:

"Among the various resistance movements which increasingly cause trouble in the area of the former Yugoslav state, the movement of General Mikhailovich remains in the first place with regard to leadership, armament, organization, and activity. . . . The followers of D.M. come from all classes of the population and at present comprise about 80 percent of the Serbian people. Hoping for the liberation from the 'alien yoke' and for a better new order, and an economical and social new balance, their number is continuously increasing."[1]

Many important actions fought by the Mikhailovich forces during 1943 and 1944 were credited to the Partisans by BBC. This was the subject of numerous protests to Cairo and to BBC by the British mission to Mikhailovich. For example, on November 16, 1943, Brigadier C. D. Armstrong, then Chief of the British mission, fired off this omnibus protest:

"If you want to get the best out of Mikhailovich you must give him fairer press and broadcasts. Bailey was with Mikhailovich forces when (they) took Prioboj and Prijepolje and Berane. I saw capture Visegrad, destruction bridges, and know Ostojic took Rogatica. Mikhailovich never credited with any (of) these, although reported to you. On the other hand, when Partisans drove his forces out, Partisans credited on BBC (with capture of these places from enemy)."[1]

At Prijepolje on September 11, at Visegrad on October 5, and at Rogatica on October 14, the Mikhailovich forces had attacked very strong Axis garrisons, in each case killing between 200 and 300 of the enemy. By guerrilla standards, these were among the most important actions fought by the resistance forces anywhere in Europe. At Berane on September 12 the Mikhailovich forces took the surrender of some 6,000 men of the Italian Venezia division and at Priboj on September 12, after a hard night's fighting, they took the surrender of another several thousand Italians.

Tito, Mikhailovich, and the question of collaboration

When Tito executed Mikhailovich in July of 1946, he did so on the charge that the Mikhailovich forces had collaborated with the Axis. In support of this, the Yugoslav prosecutors adduced numerous documents to prove the existence of such collaboration. Some of these documents were unquestionably valid. How much they actually proved was another matter. The fact is that there were also a number of "collaborationists" agreements entered into by the Partisans with the Germans. Walter Roberts has revealed that on March 13, 1943, there took place a meeting between Lieutenant General Benignus Dippold, commander of the German 717th Infantry Division, and three top leaders of the Partisan movement—Milovan Djilas, Dr. Vladimir Velebit, and General Koca Popovic. Roberts summarized this memorandum and several subsequent documents as follows:

"The Partisan delegation stressed that the Partisans saw no reason for fighting the German army—they added that they fought against the Germans only in self defense—but wished solely to fight the Chetniks * * * that they would fight the British should the latter land in Yugoslavia * * * (and that,) inasmuch as they wanted to concentrate on fighting the Chetniks, they wished to suggest respective territories of interest." In a signed document which they left with the Germans, the three Partisan leaders not only proposed further prisoner exchanges and German recognition of the rights of the Partisans as combatants, but also stated that they "regard(ed) the Chetniks as their main enemies," and proposed a cessation of hostilities between Partisans and Germans.

A few days later, Kasche, the German minister in Zagreb, sent a message to Berlin in which he discussed the possibility "that Tito and his supporters will cease to fight against Germany, Italy, and Croatia, and retire to the Sandjak, in order to settle matters with Mikhailovich's Chetniks."[1]

Roberts made the point that this series of negotiations with the Germans apparently commenced in mid-November, 1942. Ribbentrop, in a cable on March 29, 1943, placed a ban on further collaboration or negotiation with the Partisans. In reply to this cable, however, Kasche continued to plead the cause of his arrangement with the Partisans. He told Ribbentrop that in all of the negotiations with the Partisans up until that time, "the reliability of Tito's promises had been confirmed," and he again argued that it would be useful if the Partisans were given a free hand to fight the Chetniks. Ribbentrop, however, refused to be moved and shortly thereafter the German forces launched a major offensive against the Partisans and against the Chetnik forces in Montenegro.

Perhaps the most apt commentary on the general subject of collaboration has been by Yugoslav dissident author Mihailo Mihailov. In an article in the New Leader he observed that, when the Partisans entered into signed accommodations with the Germans, they rationalized their actions by claiming that they were playing tricks on them. But when individual Chetnik commanders signed agreements, this was proof of collaboration.

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[1] Quotations are from my book, "Patriot or Traitor: The Case of General Mikhailovich."

TITO AND THE HUNGARIAN REVOLUTION

When Soviet tanks moved back into Budapest on November 4, 1956, Tito initially protested the invasion, and under his instructions, the Yugoslav Embassy in Budapest gave asylum to the ousted Hungarian Premier, Imre Nagy. But Tito moved rapidly to accommodate himself to the new situation in Hungary. As Claire Sterling pointed out (The Reporter, April 4, 1957): "Of the two threats he saw in Hungary—anti-communism and Soviet military intervention—Tito feared the first one the more. 'The former is a catastrophe,' he said; 'The latter is a mistake.'" Because this was his attitude, Tito moved in a short period of time from criticism to condonation of the Soviet invasion—this, despite the fact that on November 14, 1956 the Russians had kidnapped ex-Premier Nagy as he left the Yugoslav Embassy under an officially agreed safe conduct, and had then put him on trial and executed him.

Tito and "nonalignment"

The perception of Tito's Yugoslavia as a non-aligned nation has given rise to the widespread belief that Tito is truly impartial in the conflict between the superpowers, and that his opposition to U.S. foreign policy interests on certain issues is offset by an equal opposition to Soviet interests on other issues. This view has recently been fortified because Tito came down on the side of the West at the United Nations in voting to condemn the Soviet invasion of Afghanistan. There have been other issues, too, on which Tito either supported the Western position or at least failed to support the Soviet position. But looking at his record whole, one has to note his ardent support of the Arab invasion of Israel in 1973; his support of the Soviet-Cuban operations in Angola; his support of the U.N. resolution condemning Zionism as racism; his support of the Cuban inspired resolution calling for the "Decolonization" of Puerto Rico; his bitter opposition to the Camp David accord; his support of the Arab extremists against the Arab moderates; his failure to apprehend Carlos despite the urgings of France and Germany when the world's most wanted terrorist was visiting Belgrade. When the many minuses are stacked up against the several pluses, it is difficult not to agree with former Ambassador Laurence Silberman that "When push comes to shove . . . the Yugoslavs are almost invariably found on the opposite side of every issue on world politics that matters to the United States."

Tito and terrorism

Tito's diplomatic establishments abroad have frequently been the targets of Croatian and Serbian extremists. The existence of such acts of terrorism has repeatedly been called to the attention of the American public. There is no comparable public awareness, however, of the fact that the Tito government in recent years has engaged in a systematic campaign of assassinations of political opponents in Europe and the United States. Over the past decade, the UDBA's assassination squads have taken the lives of some 20 opponents in exile.

The matter of the UDBA's activities in the United States received some attention in a report on foreign intelligence operations in the United States put out in early August of 1979 by the Subcommittee on International Operations of the Senate Foreign Relations Committee. Summarizing this report, the Washington Post of August 9, 1979 said:

"The State Department has actively discouraged FBI investigations of likely crimes committed in the United States by friendly intelligence services. Moreover, the department has not expelled known spies using diplomatic cover, despite repeated allegations of misbehavior by those spies.

"The FBI does investigate specific complaints of criminal violations but it makes no systematic effort to ascertain the activities within the United States of 'friendly' foreign intelligence services, according to the report.

"* * * the report argues persuasively that even when the foreign intelligence agencies have not carried out their more startling plans, the pattern of 'harassment and intimidation' of dissidents has had a 'chilling effect' on public discussion and attitudes in this country toward governments with controversial human rights records at home.

"The intimidation has worked to deprive the targeted emigres, some of whom were naturalized U.S. citizens, of constitutional rights in this country to freedom of speech and assembly that are guaranteed to all U.S. residents.

* * * * *

"A Serbian emigre, Dragisha Kasikovich, was shot to death in Chicago in June, 1977 after the FBI had received information from the CIA indicating he was a potential assassination target of the Yugoslav intelligence service. A 10-year-old girl who reportedly witnessed the murder was also killed. The report said that the FBI had received 'a reliable report' that Yugoslav intelligence officers were involved in the murders. The case is still unsolved."●

JOSEPH O. PARKER

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. VANDER JAGT. Mr. Speaker, on January 1, 1980, Joseph O. Parker retired as Chairman of the U.S. International Trade Commission. With the exception of a few months Joe Parker served as Vice Chairman of the Commission from 1971 until June 1978, when he was appointed as Chairman of the Commission by President Carter.

Mr. Parker is often referred to as one of the most distinguished men to have served on the U.S. International Trade Commission. A look at his record certainly supports that view. He came to the Commission from private law practice. Prior to entering the practice of law Mr. Parker served in the Office of Solicitor in the U.S. Department of Agriculture and as General Counsel to the House Committee on Agriculture. In addition to serving on many international committees, particularly with respect to agricultural and food matters, he also served as consultant to the Select Committee on Foreign Aid—better known as the Christian Herter committee—which gave birth to the Marshall plan.

Mr. Parker is a native of Pratt, Kans., and received his AB from the University of Kansas. He received his law degree from Harvard and is admitted to practice before the U.S. Supreme Court. He is married to the former Mary Louise Klose.

During Joe Parker's tenure as Vice Chairman and Chairman of the Commission the Congress enacted legislation which significantly increased the Commission's authorities and responsibilities. To support these increased activities the Congress authorized a near doubling of the Commission's staff and a tripling of its annual appropriation during his tenure at the Commission.

The period during which Mr. Parker served as Chairman of the Commission was a period of particular improvement and accomplishment for that body and a highlight of his distinguished career. Under his direction lingering organizational and personnel problems resulting from a prior reorganization were resolved. Highly qualified senior staff members were recruited and hired to carry out the Commission's functions. Near record numbers of investigations were completed and not a single statutory deadline was exceeded. Significantly, the Commission was entirely exempted from the recent reorganization of trade functions in the Federal Government. A large and complex study was completed at the request of the Ways and Means Committee in which each of the agreements negotiated at the multilateral trade negotiations was analyzed and the impact of proposed tariff reductions was examined. Under his direction the Commission signed the first labor contract in its history. His guidance and leadership have certainly left the Commission in a strengthened position to carry out its responsibilities.

Our former colleague, Catherine May Bedell, noted at Mr. Parker's farewell ceremony that:

> We have been lucky to have you as our Commissioner and we could use 8½ more years of your guidance, your wisdom and your quiet leadership. But we at the Commission know that what you brought to us and how you used it in helping us build and develop properly at the agency will be a permanent memorial to your service. The quality of your advice and guidance has been reflected in many of our investigations and reports. Your sound thinking on crucial decisions involving our "clients" has won you not only the respect of your fellow Commissioners but the public which we serve.●

DAVID MAYNE ELDER

HON. DOUG BARNARD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. BARNARD. Mr. Speaker, today I would like to pay tribute to a gentlemen who for 20 years has exemplified all that is good and admirable in public service.

I refer to my administrative assistant, David Mayne Elder, who has retired this month after two decades on Capitol Hill.

Mayne Elder first came to Washington in 1961 with former Congressman Robert G. Stephens of Georgia. It was my pleasure and good fortune to retain him upon my election, for the service he has rendered to the 10th

District of Georgia has made him a respected friend among my constituency.

Not only is Mayne known by every official, mayor, and county commissioner in my district, but he is an understanding and resourceful liaison for the private citizen seeking help from Washington.

In every respect he has been an exemplary administrative assistant, but especially in his loyalty, integrity, and dedication to the responsibilities of the job. It is because of men and women like Mayne Elder that we Members can better carry out our duties.

I know his many friends on Capitol Hill and in Georgia join me in wishing Mayne the greatest happiness and good wishes on his retirement.

His example will continually remind us of the obligation of duty and the virtue of public service.●

OUR DOWN UNDER FRIENDS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I wish to call to the attention of my colleagues the following editorial by William Randolph Hearst, Jr., who praises our valued ally and friend Australia.

Prime Minister Fraser is described, along with Britain's Prime Minister Thatcher, as having done—

> * * * more than any other government leaders to support President Carter and alert the free world to the potentially grave danger of the Soviet move into Afghanistan.

Australia provides a vitally important role in the defense of the southern and western Pacific area. I believe it is important to recognize the continuing contribution that nation is making for the freedom and security of the world.

The article follows:

OUR DOWN UNDER FRIENDS

(By William Randolph Hearst, Jr.)

SYDNEY.—This great island continent of fascinating contrasts, warmly hospitable outgoing people, and inestimable strategic importance to the United States was the last stop on our journalistic task force's visit to the South Pacific.

The role Australia plays in helping to defend the United States as well as itself is not, I believe, generally known at home, at least it was not by me before coming here. I will tell you more about it later in this report, but first a little about what is the world's smallest continent and largest island.

History books tell us that Australia was explored in the 17th and 18th centuries by Dutch and English expeditions, especially Captain James Cook, one of the greatest navigators of all time. The first whites to settle the island were convicts sent from England in 1787. Many of them were impoverished men and women imprisoned under cruel conditions for such minor offenses as stealing bread.

In what surely must be one of the most inspiring chapters in the history of mankind, those wretched, woebegone people and their descendants built Australia into one of the most highly civilized and prosperous nations in the world.

What I don't remember reading in my history books is that our own American Revolution was indirectly responsible for the settlement of Australia by those original outcasts of whom England should be proud.

Our victory in the War of Independence meant the American colonies could no longer be used as a dumping ground for the inmates of Britain's overcrowded jails. It was thus necessary to set up a penal colony in some other country.

The eastern coast of Australia was finally chosen and on Jan. 26, 1788, a fleet of 11 ships, after a voyage lasting eight months, landed 760 convict men and women in what the governor of the colony, Captain Arthur Philip, called "the finest harbor in the world." He named it Sydney after the then British secretary of state for colonies. Today it is a modern city with a harbor bigger than San Francisco and skyscrapers to match New York.

Perhaps the happenstance contribution we made to the founding of Australia may have something to do with the fact that the people of this island country have been so friendly and such staunch allies of America for so many years.

About the size of the United States, Australia is approximately 5,000 miles distant from the California coast. It is the lowest and flattest of the land masses. It is a land of hills, low plateaus and vast plains. The land is old. Its basement rocks consist of the pre-Cambrian shield, formed in the earth's early geological history, more than three billion years ago.

Because of lack of water, nearly 70 percent of Australia's total territory is unsettled. The so-called "outback" interior is a vast red and barren desert which fills much of the almost waterless heart of the country. Nevertheless, there are large grazing lands, especially for sheep, the total number of which is presently estimated at 150 million.

About 90 percent of the 14,000,000 population live on the east coast within a 30 to 250 mile-wide strip extending from Brisbane—about halfway down the coast—to Adelaide, which is really down under. The ocean off the beautiful golden sand beaches is a marine paradise, teeming with many varieties of tropical and game fish.

The first humans known to inhabit this island were the aborigines, who are believed to have come from southeast Asia at least 30,000 years ago. Most of the estimated 140,000 descendants now live and work in reservations or on pastoral properties.

We came here from New Zealand in our swing through the eastern and southern Pacific with stopovers in Hawaii and the legendary Fiji Islands. Before our scheduled meeting in Canberra with Prime Minister J. Malcolm Fraser, Joe Kingsbury Smith and I lunched with Chinese Ambassador Lin Ping and his staff to discuss our forthcoming trip to Peking and exchange views about the Soviet threat in the Pacific and Persian Gulf area.

Australia is now led by one of the outstanding statesmen in the world today. He recently returned from Europe, where he urged the NATO allies to support President Carter's strong stand against Soviet aggression in Afghanistan. He launched this week a new $17.6 billion five-year defense buildup program to strengthen Australian naval and air forces in the Indian Ocean and provide greater facilities for the U.S. Navy in Australian ports.

The prime minister, who is the head of the center-right Liberal-National Country Party coalition, received us the morning after what the local press described as "the most important and most significant" speech he had made in parliament since his government took office in 1975. That was his announcement of the increased defense spending program.

The 49-year-old prime minister is a tall, craggy, forthright, no-nonsense type whose rather dour manner reflects his Scottish ancestry. One does not banter with him nor is he likely to be remembered for his jocularity. But there is a strong leadership quality about him.

He and Britain's Margaret Thatcher have done more than any other government leaders to support President Carter and alert the Free World to the potentially grave danger of the Soviet move into Afghanistan.

Convinced that the ultimate objective of Soviet policy is world domination, he believes that failure to make it unmistakably clear to Moscow that the West won't tolerate further aggression could tempt the Soviets to attempt to take over the Persian Gulf oil fields or risk other aggressive actions which could lead to nuclear war. He recalled that both World Wars I and II started because of the West's weakness and failure to make clear they would fight, if necessary, to protect their vital interests.

"The first and second world wars started as a result of weakness and appeasement," he told us in an exclusive interview. "They started from the false view that if you feed an aggressor's appetite, it will be diminished. It never happens that way. It grows.

"Maybe it would be good for all of us to read history from 1936 on—from the Olympic Games in Berlin on. Hitler marching into the Rhineland. Italy into Ethiopia. Then all the rest, Austria, Czechoslovakia and Poland. It was step by step. It led to the ultimate calamity with tens of millions killed.

"It was, as Churchill said, an unnecessary war, and it happened because neither France nor Britain nor the United States took the sort of actions that were necessary to avert it. It could have been stopped in 1936 (when Hitler sent the Nazi armies into the Rhineland against the advice of his generals)."

The Soviet leadership, the prime minister added, must be given clear signals that the invasion of Afghanistan is "thus far and no farther."

Prime Minister Fraser believes that if World War III comes, it is more likely to start in the Middle East, Asia or Africa than in Europe. He said he could not believe the Soviet leaders were so "insane" that they would challenge the West in Europe because they must know that that would certainly lead to a world nuclear war.

"One of the things I expressed both in Washington and Europe," he added, "was that the real dangers to the world are not likely to come in Europe itself where the divisions have been made, the lines drawn, and the commitments made.

"The real dangers are likely to come in the oil producing areas, and in the Third World countries of Asia and Africa, where there aren't clear lines—in areas where the Soviets have found themselves able and willing to use either their own troops directly as in Afghanistan, or Cuban soldiers in Africa, and Vietnamese armies in Indochina.

"It is in these areas where I hope the western powers will show more attention, especially the European powers who have tended to be inward looking a bit. If a major confrontation occurs in one of these grey areas, they are likely to be drawn in. You cannot stand aloof. You cannot remain unaffected, especially if oil is involved. The only real safety any of us can have is to prevent the dangers before they arise."

When asked whether he found the European leaders, especially the West German and French, somewhat weak-kneed about standing up to Russia over the threat posed to the Persian Gulf area by Soviet occupation of Afghanistan, and failing to support President Carter as strongly, for example, as he and Margaret Thatcher have, the prime minister replied:

"I regarded the communique that was issued by the chancellor of West Germany and the president of France as a very forthright document. It made it plain that what happened in Afghanistan could set in train step-by-step consequences of the gravest implications for the world.

"What they said, in essence, is that if the Soviets make other aggressive moves, it could lead to war. It's not spelled out but that is the message Moscow should have got from the Franco-German communique. It was a strong and good statement in support of President Carter and the United States and it needs to be understood that way. It also affirmed the importance and vitality of the western alliance. Margaret Thatcher made her own comments which were very rugged and forthright."

Asked if he thought the United States could count on the immediate military support of France and West Germany if it became involved in a conflict with Russia in the Persian Gulf area, Prime Minister Fraser said:

"I believe you could count on the NATO allies. I wouldn't say that's only a belief. It's a conviction because I think Europe would have no choice at all. If the Soviets move into the oil areas, they can determine the destiny, the life and survival of every industry in Europe."

The vitally important role Australia plays in the defense of the south and western Pacific areas, including our own Pacific coast, involves facilities made available here for the American-manned world's largest radar installation for tracking Soviet missiles and spy satellites. This installation is a key part of the American early-warning system.

Kingsbury Smith will tell you more about it, and other interesting details of our interview with Prime Minister Fraser.●

TEXTILE HALL WINS EXPORT AWARD

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. CAMPBELL. Mr. Speaker, the inventive and aggressive merchandising of American goods abroad by the Textile Hall Corp. of Greenville, S.C., was recently recognized by the U.S. Department of Commerce through the presentation of the Presidential "E" Award. It is with pride and pleasure that I share with you the following release:

Textile Hall Corp., Greenville, S.C., today received the Presidential "E" Award for outstanding performance in promoting U.S. international trade.

The company, a non-profit service organization that puts U.S. manufacturers in touch with potential foreign buyers through its international show facilities, was cited for its outstanding creative marketing and promotional services to U.S. exporters.

According to the Commerce Department the American Textile Machinery Exhibition-International, which Textile Hall sponsors every two years, ranks high among U.S. trade shows in attracting foreign visitors.

The company promotes the exhibition world-wide through mailings to 15,000 foreign mills, textile associations, airlines, travel agents, banks and U.S. embassies and consulates. It advertises in 28 foreign textile publications and prints promotional material in a variety of foreign languages. In addition to its activities in Europe and Africa, Textile Hall also promotes the exhibition in China, working through appropriate government ministries.

The "E" Award was presented to Dr. Robert C. Edmonds, Chairman of the Board of Textile Hall, by Margaret Patrick, director, U.S. Department of Commerce district office, Columbia, S.C., on behalf of Secretary of Commerce Philip M. Klutznick.

The "E" Award consists of a certificate signed by Secretary Klutznick on behalf of President Carter, an "E" flag and "E" lapel pins.●

A GRIM BEGINNING FOR SOVIET JEWS—1980

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. AMBRO. Mr. Speaker, the brutal and callous Soviet invasion of Afghanistan has violated an innocent nation, has resulted in the murder of thousands of blameless civilians, has undermined détente with the United States, and has threatened the peace of the entire world. It has also claimed another victim: the Soviet Jew. While not directly—or even indirectly—involved in any way in the aggression against Afghanistan, the fate of the Soviet Jewish community has become inextricably linked to it, because its well-being is closely tied to Soviet concern about American opinion and actions. While the "old men" in the Kremlin were concerned about most-favored-nation trade status, the ratification of Salt II, and a host of other bilateral negotiations with the United States, we, here in the Congress, and the administration were able to exercise some leverage with respect to Soviet Jewish emigration, "Prisoners-of-Conscience" and related matters. That is not to say that we were always, or even often successful, in reversing Soviet policy with respect to Soviet Jewry. However, we have, over the last number of years, seen enough evidence to suggest that what we said, our resolutions, our adoptions of prisoners and "Refusniks," our CONGRESSIONAL RECORD statements, our participation in the annual vigils of freedom, our individual and "Dear Colleague" letters to Soviet officials, among other acts, did indeed have an impact. Our actions, combined with those policy decisions that the Soviets hoped we would make—Salt II, trade concessions, and so forth—resulted in many of the "Prisoners-of-Conscience" being released last April, and in emigration figures for the year 1979 that surpass previous years. The situation in Russia remained one of discrimination and repression, but at least we were making some progress on a number of fronts.

With the invasion of Afghanistan came a distinct chill in the relations between our two countries. And as we quite properly sought different means—economic and diplomatic—to convey our outrage to the Soviet officials, we similarly found our leverage with respect to Soviet Jewry diminished. This fact was immediately evidenced in the newest emigration statistics that we have received: In 1979, 51,300 Jews were allowed to leave the Soviet Union. Emigration peaked in October when 4,746 left. That figure declined by 30 percent in December—the month of the invasion—and January saw a further decline in the number of emigres. Beyond that, OVIR offices—for processing prospective emigres—have been closed in Kiev, Chernovtsy, Mogilev-Pololsk, and Tashkent, and those Jews continuing to seek to emigrate have been subject to a new and more malicious round of repression, harassment. Add to all of this the shameful but nonetheless bold action of decreeing internal exile for Nobel laureate Andrei Sakharov.

While we are concerned that our ability to influence the Kremlin may be diminished, this is not a time to retreat or back away from our attempts to do so. On the contrary, this is a time when be should be reevaluating what we can do to help the Jews of the Soviet Union, and how we can continue to communicate with them as much as possible so that they do not feel so isolated and anxious about our commitment to them.

Coordinating our activities and advising on the best ways to make them effective will no doubt be the various local Soviet Jewry organizations that have been formed by dedicated volunteers throughout this country. In my own geographic area this truly lifesaving work is spearheaded by the Long Island Committee for Soviet Jewry. Hardly a full day had passed after my first election to Congress when I was contacted by Lynn Singer, now the president of the Long Island committee and asked to participate in their adopt-a-prisoner-of-conscience program. I readily agreed, and that was the beginning of a 4-year correspondence with a young gentleman by the name of Anatoly Altman who was serving a lengthy sentence under strict regime because of his desire to emigrate to Israel.

That correspondence ended, happily, just about 1 year ago when Altman was suddenly released from prison last April and allowed to leave the Soviet Union and go to Israel. He is presently living a happy and productive life there, learning the language, learning a trade, and newly married. In September, he visited me in my office in Washington, and I have to confess to my colleagues that meeting with him, talking to him, sharing his pleasure in his freedom—the first he's ever known in his life—and listening to his accounts of the imprisonment that had used up one-quarter of his life brought me more satisfaction than almost anything else that I have been able to accomplish as a Member of the House of Representatives. More than that, it reassured me that the constant letters to him and to Soviet authorities, the numerous Congressional Record statements, and other entreaties on his behalf had been effective and should be continued with respect to his fellow prisoners and the hundreds of "Refusniks."

Working closely with the Long Island Committee I have adopted several prisoners and numerous "Refusnik" families. We have been successful with some, but with not enough of them. As we move through this period of chilly relations with the Soviet Union we must continue to make our voices heard in Moscow so that they are not under the misapprehension that in the midst of the present swirl of world events we have forgotten the "Refusniks," or abandoned the prisoners. Now, more than ever we must stand by them.●

DENVER DICKERSON, A NEVADA INSTITUTION, RETIRES

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. SANTINI. Mr. Speaker, I take great pleasure in saluting a fellow Nevadan for 35 years of distinguished service to the Federal Government on the occasion of his retirement today.

Denver Dickerson, staff director of the Joint Committee on Printing, first came to the Hill in 1955 as a press and executive secretary for Senator Alan Bible of Nevada. By then he had already had a long and noteworthy career in my home State.

He was born in Nevada's capital, Carson City, the son of a former Governor. He was educated in Carson City and Reno schools and graduated with a journalism degree from the University of Nevada, Reno.

He began his career as a reporter for the Reno Evening Gazette in 1934, and later went on to publish the Carson Chronicle in the 1930's and the Nevada State News, a weekly newspaper serving Reno, in the 1950's.

In between his publishing jobs he was elected to two terms in the Nevada Legislature, serving as speaker of the assembly in 1943, and was believed to be the youngest man to hold that position.

He is a past president of the Nevada State Press Association and a member of the National Press Club.

Dickerson served with Senator Bible until 1963 when he was appointed by President John Kennedy as Governor of Guam, a post he held for 6 years.

He resumed his Nevada connection in 1970 when he went to work as special assistant for my colleague, Senator Howard W. Cannon, and went on to serve the U.S. Congress on the Joint Committee on Printing.

But these impressive career highlights do not tell the full story of my friend Denver Dickerson. Although he was physically removed from the State during much of his proud professional accomplishments, he really never left Nevada. Denver kept in close contact with his many Nevada friends. He was an unofficial, unpaid adviser to many State public officials.

He has keen, compassionate, and often humorous understanding and insight into Nevada and her people, places, and events. When I was first elected to Congress, Denver was one of the first transplanted Nevadans to whom I turned for survival tactics in Washington. I will never regret that decision.

Despite the job pressure and the many years of dedicated service, Denver never lost the pioneer spirit and western flair.

He is a pleasant, rewarding person to know and I feel fortunate to be his friend.

I wish Denver and his wife—the very best in their much deserved retirement.●

AGRICULTURAL RENEWABLE ENERGY AND DEVELOPMENT ACT OF 1980

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. BEDELL. Mr. Speaker, today my colleagues, Mr. Alexander and Mr. Heftel, and I are introducing legislation that would establish the position of Assistant Secretary of Agriculture for Renewable Energy Development in the Department of Agriculture. It is my firm belief that the need for an integrated, high-profile approach for bringing renewable energy technologies to our Nation's agricultural sector warrants establishment of this important office, and I am confident that my other colleagues will recognize and support this effort.

There is no question that the energy crisis threatens the well-being of our whole society. Events during 1979, including the ferment in Iran, long gas lines, skyrocketing prices, and the growing specter of supply cutoffs have forced us at last to address this perilous situation and seek remedies. Notable progress has been made in recent months in reducing our overall energy consumption, and the Congress has moved, finally, to act on major energy legislation.

However, Mr. Speaker, we are by no means clear of the dangerous course which we have been following by our shortsighted dependence on a finite source of fossil fuels, almost half of it from foreign sources. And, this fragile dependence is particularly threatening to the Nation's farm sector, which perhaps more than any other sector is adversely affected by fuel supply disruptions and escalating prices.

That the agricultural sector of this country is highly vulnerable to interruptions in fossil fuels supplies is beyond question. In recent testimony before the Senate Energy and Natural Resources Committee, Deputy Secretary of Agriculture Jim Williams made the following observation:

> In 1978, an estimated 13.8 quads of energy were used in agricultural forestry production and processing, rural housing, and rural vehicular use (table 1). This represents about 18 percent of the total energy used in the U.S. *Of the total energy used in agricultural production, 93 percent was derived from petroleum based energy.* (Emphasis added.)

TABLE 1.—ENERGY USED IN AGRICULTURE, FORESTRY, AND RURAL AMERICA, 1978

Sector	Quads	Percent derived from petroleum resources	Percent of U.S. total
Agricultural production	2.5	93	3.2
Food processing	1.0	84	1.3
Forestry	2.7	51	3.5
Rural housing	3.1	71	3.5
Rural vehicular use	4.5	100	5.8
	13.8	82	17.8

> These data indicate the significant dependency of agriculture and rural America on petroleum-based energy. Of the total 78 quads of energy used in the U.S. in 1978, about 74 percent was from petroleum products. *Therefore, the rural areas are substantially more dependent on petroleum fuels than the United States as a whole.*

Obviously, an interruption in fuel supplies during the critical planting and harvesting periods could present more than just a difficult time for American farmers. Such a happening could spell economic disaster for a nation that is used to ample food and fiber supplies at reasonable prices, and heavily reliant on our agricultural surpluses to relieve a foreign trade deficit that is worsened by oil imports.

Yet, it would not take a severe fuel supply disruption to bring American farmers face to face with disaster. Already on the brink of insolvency because of chronically depressed commodity prices, record high interest rates, and capricious Government actions, including embargoes, many farmers are now faced with economic collapse because of escalating energy and petrobased fertilizer costs that have jumped by 35 to 90 percent in 1 year.

Fortunately, Mr. Speaker, the potential for rescuing our agricultural economy from disaster begins with the realization that farmers are the producers not just of food and fiber, but of energy as well. And that is why I believe this legislation is so important.

Mr. Speaker, the fact that the three of us introducing this legislation here today represent such a mix of agricultural interests gives testimony to both the breadth and intensity of the problem itself, as well as the immense potential that exists to achieve its resolution. From the sugarcane fields of Mr. HEFTEL's Hawaii, to the feedlots of Mr. ALEXANDER's Arkansas, to the cornfields of my own State of Iowa, the raw materials already exist for the production of great quantities of useful and renewable energy. The only thing lacking is the catalyst and coordinating mechanism needed to make this transition to energy independence as expeditious, orderly, and efficient as possible. It is our belief that an Assistant Secretary for Renewable Energy Development would provide this badly needed stimulation and direction.

Mr. Speaker, more than 1 year ago I introduced the National Alcohol Fuel and Farm Commodity Production Act, which was designed to spur the domestic production of alcohol fuel from renewable resources in both large- and small-scale applications. Today, that measure has been largely incorporated into title II of S. 932, the synthetic fuels bill now in conference, and I am hopeful that soon there will be funding available for the encouragement of alcohol fuel production facilities. Our liquid fuel needs are great, and ethyl alcohol can do much in the near term to help us meet these needs.

The measure we are introducing here today goes far beyond an attempt to spur the production of merely ethanol from grains, however. While alcohol fuel from biomass, and especially grains, has received most of the attention recently, it is only one of the renewable energy forms that could be expected to provide the Nation's farms and rural communities with secure and reasonably priced energy in the near to mid term. Methane from animal and vegetable wastes, electricity from wind, and a wide range of solar applications are technologically and economically viable today for onfarm and rural community use. With some encouragement and direction provided by the Federal Government, our farms and rural communities could be largely energy self-sufficient by the turn of the century. This goal is what this measure we are introducing here today is intended to help achieve.

Mr. Speaker, I must confess that when the President released his budget request for fiscal year 1981 several weeks ago, I was greatly disturbed by the almost total absence of funding requested for energy-related programs within the Department of Agriculture. While energy is clearly the Nation's No. 1 problem, the USDA budget reflected little recognition of the magnitude of this problem or its consequences for agriculture. Without knowing precisely how or why this oversight occurred, I believe that one conclusion can be safely drawn: The Department of Agriculture sorely needs a high-profile, authoritative official charged with the development and advocacy of a coherent renewable energy program for the agricultural sector. That, in essence, is what this legislation is intended to bring about.

Mr. Speaker, I have been fortunate during the past year to have met many experts in the field of renewable energy who have broadened my own realization of what is "do-able" if only we end our preoccupation with interminable studies and instead apply new ideas operationally to what we know today. I firmly believe that there is no better place in our society to go than to the farm sector to take advantage of this type philosophy: The residents of our farms and rural communities have the pioneering, give-it-a-try spirit that has already resulted in breakthroughs that the experts had discounted at the theoretical level.

In my opinion, the most exciting feature of the renewable energy forms that we are talking about here is the potential for their integration in a way that enhances the environment—rather than doing damage to it—while reducing energy costs and increasing available energy supplies. There soon could be many rural communities like the one in my district, for instance, that will make use of existing livestock feeding operations to serve as the integral component of a renewable energy system. Such a system will utilize the livestock wastes to produce methane, use part of the methane as process heat for an alcohol facility, and scrub up the rest of the methane for use in the municipal gas system, while using part of the corn normally fed to livestock to produce the alcohol, with the high-protein byproduct from the alcohol production replacing the corn and actually resulting in improved livestock performance. On all counts—economic, environmental, and social—such a community-centered system stands as the wave of the future. Furthermore, an added benefit of this approach is that it is not something that requires decades of effort or billions of dollars to make a reality. Next to conservation, these renewable energy technologies are the least capital intensive, most promising near-term energy alternative that we have.

There is need for concerted action by the Department of Agriculture if our farmers and rural communities are to take full advantage of their immense potential as energy producers. The USDA, with its long established network of county FmHA, ASCS, and extension offices, is uniquely well-suited to bring an effective renewable energy program to the Nation's farms and small towns. The most efficient way to achieve energy self-sufficiency for our farms and rural communities is for there to be someone designated within the Department of Agriculture with the authority of an Assistant Secretary and a clear-cut mandate to foster renewable energy development and application. There must be someone to identify the resource base available to the agricultural sector and to separate fact from fiction when assessing technologies and cost. There is a need for a person who, by and with the consent of the Congress, is responsible for interfacing with officials of other agencies and Departments whose actions impact significantly on the energy activities and future of rural America: The Department of Energy; Bureau of Alcohol, Tobacco and Firearms; the Department of Transportation; the Environmental Protection Agency; and the rest.

Perhaps most importantly, an Assistant Secretary for Renewable Energy Development within USDA would provide an epicenter for all energy-related activity within the Department, thus helping to give renewable energy development the high visibility it needs, while helping to prevent wasteful duplication, fragmentation, and the type of bureaucratic inertia that lack of accountability breeds. The identification and monitoring of needed research programs ranging from the modification of engines and farm equipment to run on pure, on-the-farm-produced alcohol to the various uses of the high-protein byproduct that results from ethanol fermentation could be given direction and status by this official. In budget and funding battles, renewable energy matters would have an advocate worthy of their importance. In short, the creation of the position of Assistant Secretary for Renewable Energy Development would fill a very dangerous vacuum that exists in the Department of Agriculture, and is long overdue.

Mr. Speaker, I am convinced that those who will be most directly affected by this legislation, especially farmers and rural residents, are painfully aware of how badly such a renewable energy program is needed. I have discussed this matter from time to time over the past year with many of the people and groups who are most intimately involved in this area, and I sense broad-based support for the concept embodied in this measure. Notably, the National Gasohol Commission, at its fifth annual meeting, in San Antonio, Tex., last December, overwhelming endorsed a resolution which calls for the creation of the position of Assistant Secretary of Agriculture for Renewable Resources. It is my firm conviction that the Federal Government must adopt a positive, activist approach to our energy problem, and that it is time that it gets in step with the people. I urge my colleagues to support this piece of legislation as one step toward bringing energy self-sufficiency to the Nation's farmers and rural communities, thereby insuring the Nation's consumers of a secure and plentiful supply of food, fiber—and energy.

I insert the bill in its entirety at this point:

H.R. 6689

A bill to authorize the appointment of an

Assistant Secretary for Renewable Energy Development in the Department of Agriculture and to provide for the development and coordination of Department of Agriculture programs in order to increase energy self-sufficiency in the agricultural sector

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Agricultural Renewable Energy Development and Management Act of 1980".

FINDINGS

SEC. 2. The Congress finds that—

(1) the Nation's agricultural sector can continue to be productive only if it has a secure and reasonably priced supply of energy;

(2) overdependence on fossil fuels leaves the Nation's agricultural sector vulnerable both to interruptions in supplies of such fuels and to rapidly rising prices;

(3) the Nation's agricultural sector has the capability of becoming a producer of various forms of renewable energy; and

(4) there is need for a highly visible and coordinated program within the Department of Agriculture directed at identifying and developing renewable energy technologies in order that such technologies may be applied to the agricultural sector.

PURPOSES

SEC. 3. The purposes of this Act are—

(1) to accelerate the development and production of renewable energy for direct application in on-farm and rural environments by providing for the appointment of an Assistant Secretary for Renewable Energy Development in the Department of Agriculture, who shall be responsible for the development and management of an energy self-sufficiency program for the agricultural sector;

(2) to assure the development and implementation of a comprehensive agricultural, forestry, and rural energy program in order to achieve a 50 percent reduction in petroleum and natural gas usage by rural residents and communities of this Nation before the year 2000;

(3) to organize the technical and managerial resources and expertise of the Department of Agriculture in order to make the fullest possible use of its existing county office structure in the dissemination of renewable energy technology information;

(4) to provide, by establishing the position of the Assistant Secretary for Renewal Energy Development, an effective point of contact for the Department in its dealings with other relevant agencies and departments, including the Department of Energy, the Department of Commerce, the Small Business Administration, and the Bureau of Alcohol, Tobacco, and Firearms; and

(5) to authorize changes in existing programs and authorities of the Department of Agriculture, consistent with, but not duplicative of, programs and authorities of the Department of Energy, relating to research, technology transfer, and operational activities, in order to achieve maximum energy self-sufficiency in the agricultural sector.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) the term "biomass" means agricultural commodities, forest products, and wastes and residues of such commodities and products, which can be used as fuel or for the production of alcohol fuels, industrial hydrocarbons, and other energy sources. Such term includes grain, corn stalks, wheat, rice, sorghum, cottonseed, and peanut hulls, fruits and vegetables and their processing byproducts and residues, aquatic plants, specific energy farm crops, animal wastes, wood and wood products, bark, wood pulp and chips, residues from logging and paper manufacturing, and animal waste products.

(2) the term "renewable energy forms" includes all forms of energy that are essentially derived from domestic, nondepletable sources, such as methane and other gases from biomass, alcohol fuels produced from biomass, electricity generated from wind, small hydroelectric power projects, passive and active solar energy systems, and energy derived from the direct burning of biomass.

(3) The term "Secretary" means the Secretary of Agriculture.

(4) The term "coproducts", when used with respect to alcohol fuel production, means the various components remaining after the production of alcohol fuels from grains (such as dried distiller dark grains (DDDG)).

ASSISTANT SECRETARY OF RENEWABLE ENERGY DEVELOPMENT

SEC. 5. (a) There shall be in the Department of Agriculture an Assistant Secretary of Agriculture for Renewable Energy Development (hereinafter in this Act referred to as the "Assistant Secretary"), to be appointed by the President, by and with the advice and consent of the Senate, who shall be responsible for performing the duties required by this Act and such other duties relating to the purposes of this Act as the Secretary may prescribe.

(b) Beginning October 1, 1980, the Secretary shall, upon the request of the Assistant Secretary, provide such resources of the Department of Agriculture and such outside consultants as the Assistant Secretary may need in order to carry out the duties referred to in subsection (a). There are hereby authorized to be appropriated, for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, and September 30, 1984, such sums as may be necessary for the Assistant Secretary to carry out this Act.

(c) The Assistant Secretary shall receive basic pay at the rate payable for Level IV of the Executive Schedule under section 5315 of title 5, United States Code.

ASSESSMENT OF ENERGY RESOURCES AND GOALS

SEC. 6. (a) The Assistant Secretary shall conduct a study reviewing the Nation's agricultural, forestry, and rural energy needs, resources, practices, legal authorities, programs, and such other subjects as the Assistant Secretary considers appropriate.

(b) In conducting the study referred to in subsection (a), the Assistant Secretary shall—

(1) identify appropriate agricultural, forestry, and rural energy objectives;

(2) determine the range of renewable energy forms which could be used by the agricultural sector to achieve the purposes of this Act;

(3) assess the relative utility of each such renewable energy form in achieving such purposes;

(4) identify the ways in which such renewable energy forms can be utilized most effectively and expeditiously in providing the Nation's agricultural sector with a secure, environmentally benign, and reasonable priced supply of energy;

(5) identify and develop methods of upgrading practices used in agricultural and forestry production, processing, and marketing, and in rural communities in order to conserve energy;

(6) identify the policies and procedures necessary to ensure that the production and marketing of agricultural commodities and forest products will not be interrupted or otherwise diminished by shortages of fossil fuels;

(7) identify ways to minimize the adverse consequences of renewable energy production and use on agricultural, forest, and rural lands, natural resources, and communities;

(8) assess existing and anticipated Federal and State laws, policies, programs, and regulations affecting renewable energy production and use and the conservation of energy in agriculture, forestry, and rural lands and communities;

(9) evaluate the effectiveness of existing Department of Agriculture programs and policies in achieving the purposes of this Act, and identify ways to improve such programs and policies; and

(10) analyze the adequacy of existing legal authorities and funding, and recommend changes in such authorities and funding to better achieve the purposes of this Act.

(c) The study required under subsection (a) shall be completed no later than 6 months after the date of the enactment of this Act, and updated as necessary, but at least once every 3 years. Such study and each such update shall be submitted to Congress.

(d) In conducting the study required under subsection (a), the Assistant Secretary shall use, to the maximum extent feasible, such analyses, assessments, evaluations, and other information as may be available from the other Federal agencies, including the National Alcohol Fuels Commission.

AGRICULTURAL SECTOR RENEWABLE ENERGY PRODUCTION, USE, AND CONSERVATION PROGRAM

SEC. 7. (a) The Assistant Secretary shall develop an Agricultural Sector Energy Production, Use, and Conservation Program (hereinafter in this Act referred to as the "Program") setting forth measures, actions, funding levels, and other means for achieving the purposes of this Act.

(b) The Program shall be based on the Assistant Secretary's study prepared pursuant to section 6 of this Act, as well as other relevant data, including the renewable resource assessments and renewable resource programs prepared under the Soil and Water Resources Conservation Act of 1977. In addition, the Program shall be consistent with energy policies and programs developed by the Department of Energy.

(c) The Program shall be developed in cooperation with Federal, State, and local agencies and public and private organizations, in accordance with such procedures as the Assistant Secretary may prescribe to ensure public participation.

(d) Final plans and specifications for the Program shall be completed and submitted to the President and the Congress no later than 18 months after the date of the enactment of this Act, and shall be reviewed and revised when necessary, but at least once every 3 years, and resubmitted to the President and the Congress.

ANNUAL REPORTS TO CONGRESS

SEC. 8. The Secretary, with the assistance of the Assistant Secretary, shall prepare annual reports evaluating the implementation of the Program and submit them to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives by February 1 of each year, the first such report to be submitted by February 1, 1982.

AGRICULTURAL, FORESTRY, AND RURAL ENERGY RENEWABLE ENERGY RESEARCH AND EXTENSION

SEC. 9. (a) The Assistant Secretary may implement a renewable energy applied research program, using the programs and authorities established under this Act and such other programs and authorities as are available to the Secretary. Applied renewable energy research conducted under this section shall not duplicate, to any significant degree, the efforts of any program of the Department of Energy. Any program developed under this subsection shall include applied research to develop—

(1) low-cost renewable energy forms for use within the agricultural sector and rural communities of this Nation;

(2) economical means for adapting existing machinery and structures to renewable energy forms, such as by modification of engines and retrofitting of buildings and equipment;

(3) systems for integrating two or more renewable energy forms into a single operation, such as the integration of methane digestion units, alcohol production units, and low-grade heat solar applications;

(4) applications of renewable energy coproducts, especially high protein residue of alcohol from grain production processes; and

(5) the optimum interaction of such renewable energy forms with the agricultural and rural community environment, with particular emphasis on the balancing of biomass energy production with the constraints of land availability and the proper use and conservation of soil and water resources under such system.

(b) The Assistant Secretary may implement an agricultural, forestry, and rural community renewable energy education extension program to disseminate the findings of research performed under this Act and to encourage farmers, owners of forest lands, rural residents, and other members of rural communities to adopt projects for the production and use of renewable energy, including energy conservation techniques. Such extension program shall be coordinated with the Energy Extension Service of the Department of Energy and may include onsite demonstrations of techniques by which farmers and owners of forestry land, rural residents, and rural communities can achieve energy self-sufficiency.●

EVELYN C. WHITE—WOMAN OF THE YEAR

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. DANIELSON. Mr. Speaker, on Saturday, March 15, 1980, the Beverly Hospital Foundation of Montebello, Calif., will honor their "Woman of the Year," Mrs. Evelyn C. White, at a testimonial dinner which will take place at the Industry Hills Exhibit Center in the city of Industry, Calif.

Evelyn was selected by the foundation for her tireless and unselfish work throughout the community. Evelyn is an example for us all because of her deep concern and understanding for her fellow man.

The record of recommendations and achievements throughout Evelyn's 90 years is indeed impressive and I join with her many admirers in offering my words of praise.

Evelyn White was born and raised within 3 miles of Montebello, in my congressional district. She published her own newspaper beginning in the early 1920's. She is a pioneer in the development of the area.

Evelyn has helped to found and organize community and cultural organizations in the area, such as the East Los Angeles Business and Professional Women's Club and the Poppy Trail Parlor of the Native Daughters of the Golden West. She was curator for the Taylor Ranch, converting the ranchhouse into a home for the preservation of culture and heritage of the area.

She has received many other community awards, too numerous to mention here. I can only say that it is an honor and a pleasure to call the attention of my colleagues to this fine woman from my area on the occasion of receiving yet another award as "Woman of the Year" of the Beverly Hospital Foundation.●

PEACETIME REGISTRATION NEEDED NOW

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. MONTGOMERY. Mr. Speaker, last week the Wall Street Journal carried a very timely and thought-provoking editorial on the issue of peacetime registration with the Selective Service System. Because of the important vote that will be taken in the House Appropriations Committee tomorrow, I include the editorial in the Record at this point and urge my colleagues to consider the constructive arguments presented in the editorial:

The Registration Shuffle

When Jimmy Carter announced his draft registration just a little while ago, it seemed like an unexceptional step. Yet now it's in trouble in the House and about to be dragged through the courts. Some days a democracy can't do anything right.

The House Armed Services Committee gave the plan its first whack by announcing that it simply would not authorize registration of women. The Carter people responded logically enough to this attack from their conservative flank: They dropped the woman part of the package and went for the men. This move intensified the baying of the liberals, who decried the betrayal of equal rights and said they'd go to court to get the whole registration scheme thrown out.

But this little whipsaw was only a beginning. On the eve of appropriations hearings Senator Mark Hatfield said he'd filibuster against the plan. On the one hand, registration was the first step to the war-mongering draft: "If we had not had the draft, we would not have been in Vietnam." On the other hand, the Carter registration plan was not warlike enough: A Selective Service report claimed it would cut only seven days off mobilization time. So, the Senator argued triumphantly, we got an infringement of freedom for "nothing more than a symbolic gesture."

The Senator's remarks provided the "hard-headed" theme for the hearings that followed. Republican Lawrence Coughlin said there that registration was a "useless gesture sending the wrong signal to the American people that we are doing something when we are not." Republican Joseph McDade said he wasn't interested in steps that "may not be meaningful." Democrat Martin Sabo cited the paltry seven-day time saving.

In the end Representatives Coughlin and McDade joined their Republican colleague Silvio Conte and three Democrats in defeating the proposal; it took a special compromise vote to find a way to send the idea forward to the full appropriations committee.

In this whole process we heard a good deal more than we want to of what amounts to a "tough-guy" argument from the left. "There's nobody here but us hawks," the line goes. "We want nothing other than an effective, beefed-up defense. That's why we don't want draft registration: It's not good enough." It's a neat position, since it lets you sound hard but escape the possible electoral consequences of actually voting for a draft measure.

But what do these people think a truly "effective" defense would actually look like? Do they really think that our present contingency plans would work without a hitch, as that Selective Service report assumes they would? Do they really think the Soviets, gauging our intentions, don't know the difference between a plan on paper and a plan in operation?

Given the simple prudence of registration and the mood of the country, we assume the administration's bill will move through Congress despite the kind of harassment it is now encountering. We only hope that when the process is over our representatives are called to account for their behavior, and particularly for talking out of one side of their mouths while voting out of the other.●

AID TO ISRAEL

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. SYNAR. Mr. Speaker, no single area of the world has proved to be as important to our Nation's security as the Middle East. The oil embargo of 1973 and the subsequent damage done to our economy by OPEC price manipulation have proved that point. Recent political reversals in Iran and Afghanistan have only underscored the degree of our vulnerability to our adversaries in that part of the world.

As we face the challenge of checking Soviet influence in the Persian Gulf region, and as we work to expand our own, we are fortunate to have an ally like Israel by our side. Fortunate, because Israel is a stable democracy and a faithful friend of the United States. Fortunate, because Israel has consistently spoken out in support of U.S. foreign policy when others of our allies have remained silent. And fortunate, because Israel is a strong military power, situated strategically between the Mediterranean and the Red Seas. It is precisely this strength that makes Israel so valuable an ally to our Nation. War is less likely because Israel is strong. The prospects for a peaceful pro-American alliance between Israel, Egypt, Morocco, Sudan, and Saudi Arabia are enhanced because Israel is strong. And it is clearly in America's interest to keep Israel strong.

Unfortunately for the United States, however, the Israeli economy is suffering. In 1979, inflation in Israel ran at a rate of 111 percent; the price of gasoline hit $2.50 per gallon; dairy prices quadrupled; and utility charges nearly tripled. Israel's foreign debt has reached $15 billion—this in a country with a GNP of only $14 billion last year. The Government has responded to this economic crisis by cutting real spending by 6 percent in nearly every Government ministry, and by ordering a 6 percent manpower reduction. In addition, the Government has put a freeze on all new construction of public buildings, schools, and hospitals, and has planned reductions in badly needed foreign military purchases. But this extreme austerity program will not be enough to insure a strong Israeli economy. She will need our help.

Today, I urge every member of the Foreign Affairs and Appropriations Committees, as they consider Israel's request for United States aid, to bear in mind the tremendous role Israel plays in the protection of U.S. interests in the Middle East. I urge them to consider economic aid to Israel as an investment which will pay incalculable dividends to future generations of Americans.

Foreign aid has always been looked on with skepticism by my constituents, but I am convinced that the great majority of them appreciate the significant part Israel plays in our overall defense plans. And I am sure that they support aid to Israel as a prudent investment in the future of the free world. A very wise man from my district, Will Rogers, used to say that:

> If you want to know when the next war is coming, just watch the U.S. and see when it starts cutting down on its defense. It's the surest barometer in the world.

I submit today that a strong Israel is vital to our defense and that now is no time to "start cutting it down." If anything, I would urge the committees to take a hard look at increasing United States aid to Israel as a sign of our intention to maintain a strong posture in the Middle East.●

BONNIE DROEGE VOICE OF DEMOCRACY CONTEST WINNER

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. CHENEY. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies' auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school students wrote speeches addressing the theme of "My Role in America's Future." A winning contestant is selected from each State and then brought to Washington, D.C. for the final judging where five national scholarships are awarded as top prizes.

I am proud to announce that this year's winner from Wyoming is Bonnie Helen Bernadette Droege, a 17-year-old East High School student from Cheyenne. I would like to share with my colleagues Ms. Droege's speech, as I feel it is definitely worth reading and thinking about:

> MY ROLE IN AMERICA'S FUTURE
>
> (By Bonnie Droege)
>
> Remember the story of the Lady and the Tiger? The condemned man was thrown into a pit, where the whole kingdom watched, as he made his choice between two doors . . . Behind one, a beautiful maiden. Behind the other, a ferocious tiger. Death, and life. The tale, unique of its kind, leaves the end of the story to our imagination. The choice is ours.
>
> I stand, not in a pit, but in a country. My reason for being here?—not a sin, but the heritage and the promise of my birth. I am a citizen of the United States, and my choice is either the death of a country and a way of life, or the future and the glory of my nation. My role in America's future, as that prisoner in the pit had a role, is to make this choice.
>
> The difference, however, between my choice and the condemned man's, is that I know what is behind those doors. I must choose the one door that opens to "Life, liberty, and the joyful pursuit of happiness." Behind this door that I open lies my patriotism, and my belief in America. The words are well-used—"patriotism" to many people means simply saying the pledge of allegiance. My patriotism to America means more than that. To be truly patriotic to my country I must be educated, so that I can understand my government and the workings of our society. I must hold down a worthy job when I have finished my education, so that I won't have to live off this nation's bounty. I have an obligation to bring the children I will have someday a good home, and a stable family life, so that they too will be able to step forward someday as the leaders and foundations of our country. A nation itself is not land or farms or building, but the people that inhabit it. John F. Kennedy once said: "Ask not what your country can do for you, but what you can do for your country". I can benefit my country's future by finishing my education and joining the adult people of America as a working individual, giving of my talent and abilities so that our country will be great.
>
> My belief in America is also important. Just as I must develop my mind and my physical ability to contribute to my nation, I must have emotional faith that the U.S.A. is the greatest country on earth. I believe that this kind of help is just as necessary as the other. The United States of America to me—is the best place on earth to be born, and to live in. There are no starving children in the United States. Our few poor are vastly better off than any other unfortunate people in the world. We have the grandest, most beautiful hot springs area on earth. Yellowstone National Park is a jewel to be proud of—and I am! From our giant cities to our sleepy little towns, we are the best educated, best fed, best entertained, best everything in the world! We pour out our aid to stricken countries like Nicaragua and India. We teach Hindu peasants how to farm, and our old Batman series is a popular show—in Japan. We are the greatest country this world has seen any time in its three thousand year history. I'm proud of that, and I'm proud of my great country.
>
> My role in America's future is to walk through the door of my choice, to grasp and to use the education and opportunities presented to me, and to be very, very proud of my great country—The United States of America.●

MITCHELL BILL PROVIDING FOR A COMMEMORATIVE MEDALLION HONORING THE LIFE AND CONTRIBUTIONS OF MAGGIE L. WALKER

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. MITCHELL of Maryland. Mr. Speaker, today I have introduced a legislative measure which would provide for the striking and public sale of a commemorative medallion in honor of an outstanding American black woman. This tribute is to Maggie Lena Walker, who had the distinguished honor of being the first woman president of an American bank. The bank survives today in the Consolidated Bank & Trust Co. in Richmond, Va.

Maggie Walker was born in Richmond, Va., on July 15, 1867, to William and Elizabeth Mitchell. Her immersion into public service began with her joining, at the age of 14, an organization called the Independent Order of St. Luke. This association, basically an insurance society, was created in 1867 in Baltimore, Md., for the expressed purpose of helping the sick and burying the dead during the post-Civil War period. In addition to this benevolent goal, the organization encouraged self-help and racial solidarity. It existed for awhile along with an earlier established fraternal order, the Grand Fountain of the United Order of True Reformers, a full-fledged mutual benefit stock company, incorporated in 1883. Its bank failed in 1910, leading to the demise of the True Reformers in 1911. During the course of her membership, Ms. Walker progressed rapidly through the ranks of the Independent Order of St. Luke—from secretary of Good Idea Council No. 16, to appointment as a delegate to the annual convention at Petersburg, Va., to grand sentinel; and on to even higher elected offices such as right worthy grand chief and national deputy. As executive secretary, Ms. Walker established councils in Virginia and West Virginia.

Educated in Richmond public and normal schools, Maggie Walker continued her studies at Virginia Union University, where she received an honorary master of science degree in 1925. Ms. Walker was a trustee of the university in 1931, and in that same year, was the director of a training and an industrial school in the District of Columbia and Virginia respectively.

Ms. Walker served as president of the Council of Colored Women, Inc.; as the vice president of the Negro Organization Society of Virginia; on the executive board of the National Association for the Advancement of Colored People; and with other fraternal organizations throughout her fruitful life.

Maggie Walker taught school from 1883 until 1886. It was in 1886 that she married Armstead Walker. After her marriage, she continued her interest in and association with the Independent Order of St. Luke, and became one of its strongest supporters.

Just prior to 1890, in honor of her tenacity, the Independent Order of St. Luke named Magdalene Council No. 125 for Ms. Walker. She subsequently proceeded to develop a proposal and governing rules for the formation of a juvenile branch of the organization, and was elected secretary of the endowment department in 1897.

In 1899 the order was suffering a serious decline in membership, cash availability, and indebtedness. The grand secretary, W. M. T. Forrester, refused to serve any longer because of a salary dispute and the floundering condition of the order. Maggie Walker accepted the position of grand secretary—or executive secretary—at a salary lower than that of Forrester's, but was extremely successful in revitalizing the work of the order. She raised the membership from 1,000 to 20,000 within 7 years. After 25 years had transpired, Ms. Walker was commended for her accomplishments: increases from a total of 57 action councils to 1,500; from 3,400 members to approximately 100,000; from assets of only $31.66 to nearly $400,000; and, the directing of the construction of a brand new four-story brick office building at 900 St. James Street in Richmond, replacing the old building. Also, the business of St. Luke now provided employment to 50 men and women as compared to only 5 original employees.

The order had varied business interests—a real estate association, a retail store, a printing plant, a bank, and a newspaper. The St. Luke Herald, of which Maggie Walker was editor, was begun in 1901 to satisfy the need for closer communication between members of the order and with the public. In 1903 Ms. Walker, under the order, directed the establishment of the St. Luke Penny Savings Bank, and served as its president until 1931. The name of the bank was changed to the St. Luke Bank & Trust Co.—after the Virginia Banking Division forced the separation of secret orders and their banks. It became one of the best managed and fastest growing financial institutions in the world. The Consolidated Bank & Trust Co., a continuation of the St. Luke Bank & Trust Co., was formed in 1931. The new, modern construction today, stands directly across the street—on opposite corners—from the old Consolidated Bank & Trust Co., in Richmond. Maggie Walker continued as executive secretary of the order until her death on December 15, 1934.

Many accolades and gratuities have been bestowed upon Maggie Walker as expressions of the high esteem in which others held her. The striking of a commemorative medallion in her honor will be a symbol of this Congress and the Nation's continued commitment to recognizing the contributions of great Americans.●

SHERYL LYNN BACK

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. PEASE. Mr. Speaker, I rise today to honor a very special and talented student from Wadsworth, Ohio. Her name is Sheryl Lynn Back, she is 15 years old, and she attends Highland High School.

Sheri delivered the winning speech from the State of Ohio in the Veterans of Foreign Wars of the United States and its ladies auxiliary Voice of Democracy contest. The winning contestant in each State is brought to Washington, D.C., for the final competition.

Mr. Speaker, we are all acutely aware of the fact that Congress is hearing voices of frustration and disappointment from many parts of the country as we struggle to find solutions to the serious problems that have gripped this Nation. It is refreshing to hear the thoughts of the voice of our future and to reaffirm that our youth does indeed feel committed to this country's welfare and development.

Following is the text of Sheri's speech which she will be delivering here in Washington in a few short weeks. Sheri—I wish you lots of luck and the skill of Demosthenes:

I am a citizen of the United States of America. It is a free country. I am free. I am also frightened. The complete freedom of choices that are available overwhelm and confuse me. If I am to have any kind of a role in America's future, the many questions that I have will need answers.

Yet I have a strong confidence in knowing what America spells out for me: The "A" in America must stand for action. I cannot and will not sit back and let my future and my country's future slip by. If our country is to move forward, then we all must be willing to act against the bad and toward the good.

This then leads to the "M" in America—morality. So many people are saying that the morals of Americans have declined miserably—that we will fall as the Roman Empire did. I believe, however, that the good still exists in my country. "In God We Trust" must prevail. I can and will follow this belief in all aspects of my life.

The "E" in America stands for education. I have been going to school for two-thirds of my life. I will admit there are times when I am bored and believe I have learned enough. But I know this democratic nation succeeded because of the belief in education for everyone. I don't know what direction my education will lead me yet; I do know that education is continuous. I can best help my country by keeping an open and inquisitive mind.

The "R" in America stands for respect. I don't throw trash from the car window because I respect my country's beauty. I don't run around at a football game while they are playing the national anthem. I am proud of my country. I respect it and I respect what it stands for. I could not and will not turn my back on my country.

The "I" in America stands for involvement. Apathy is a major fault in this country. A favorite statement made by Americans is "Oh, somebody else will do it." Well, somebody else might not do it or they might not do it right. It's a disgrace that a large percentage of citizens in the country do not exercise their right to vote. I have heard many times, "Why should I vote; it won't make a difference anyway." I may never run for political office but I intend to learn as much as I can about the political candidates and then, I will vote.

The "C" in America stands for concern. We have so many problems in our country—racial, fuel shortages, inflation, poverty, unemployment, world strife—all seem so impossible to solve. If everyone has concern for those problems and really cares, then solutions are possible. I, for one, am concerned.

The last letter in America, the "A" must also stand for action. This democratic nation was first a dream. It took action to make it what it is today. It will continue to take action to make it even better.

My role in America's future is not very well defined yet. I believe strongly, however, in "A"—action, "M"—morality, "E"—education, "R"—respect, "I"—involvement, "C"—concern and "A"—action; for all of these put together spell out a word that has a very big and special meaning. A word that stands for many different things to many different people. This magnificent word is America, my country. Even though I don't know specifically what my role will be, I believe in her greatness—past, present and future.●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. ALEXANDER. Mr. Speaker, I continue with the issues which Americans living abroad are concerned about as they try to represent America overseas.

The material follows:

ISSUE NO. 25

Short title: Problems for Social Security Earnings Limits from Fluctuating Exchange Rates Abroad.

Summary of the problem: Some overseas Americans receiving Social Security Retirement Pensions work for employers who contribute to the Social Security Trust Fund. As such, their outside earnings are restricted to a given dollar amount above which they will lose their Social Security Benefits. Many of these retired Americans are paid in a foreign currency which is not fixed at a given value against the dollar but fluctuates daily against the dollar.

These retired Americans suffer from not being able to predict how much their overseas dollar incomes will be, hence are subjected to unexpected and most unfortunate losses of Social Security Benefits when the overseas currency appreciates.

The difficulty comes from the fact that these Americans are living in a foreign currency environment in which almost all of their expenditures are also in the foreign currency. The use of a dollar standard for them creates difficulties.

ACA's question: Why cannot some method be found to protect the Social Security Pensioner from loss of U.S. benefits through phantom (dollar apparent) changes in his overseas income due solely to changes in currency exchange rates?

The President's reply: "When these earnings of Americans abroad change in response to local inflationary impact of fluctuation in exchange rates, the workers may suffer by comparison with workers in the U.S. Only a small percentage of beneficiaries abroad have their benefits reduced as a result of the earnings test. The Social Security Administration has avoided using special indices for social security benefits according to the country of residence of the beneficiary, not only because of the severe administrative problems created by special indices, but also because of the policy to maintain uniform standards within the program to the greatest extent possible. In the United States, in spite of wide variations in wage levels and cost-of-living among different areas, the standards are uniform for all areas."

Unfortunately, the problem of the impact of moving exchange rates was not addressed specifically. The great problem with this new international phenomenon (triggered a few years ago by the United States) is that no one wants to examine the myriad implications of living with systems that function on fixed values in one currency while qualifying in moving values in another system. This difficulty of economic value relativity must be addressed.

ACA's renewed question: Despite the assurance that "only a small percentage of beneficiaries abroad" suffer from this problem, we feel that some further study of how to help our overseas pensioners is urgently needed. The problem occurs for the needy abroad whose circumstances are such that they "must" work to survive. That they have become the victims of international monetary capriciousness whereby they are the ones who pay for every gyration in exchange rates no matter what force may be behind such monetary changes seems highly unfair. We appeal to the President once again for further study and positive redress to this problem for senior citizen Americans abroad.

Issue No. 26

Short title: Cost of Living Problems for Retired Americans Abroad.

Summary of the problem: Related to the issue raised in Issue 25, is the problem of the irrelevance of fixing outside earning limits in dollars for retired Americans receiving Social Security Benefits in countries which have much higher costs-of-living than anywhere in the United States.

ACA's question: Why cannot some allowance be made for either paying benefits, or adjusting the outside earnings limits for those receiving Social Security Benefits abroad to take account of extraordinary costs-of-living in some overseas countries?

The President's reply: "The Social Security Administration has avoided using special indices for social security benefits according to the country of residence of the beneficiary, not only because of the severe administrative problems created by special indices, but also because of the policy to maintain uniform standards within the program to the greatest extent possible. In the United States, in spite of wide variations in wage levels and cost-of-living among different areas, the standards are uniform for all areas."

This reply once again raises the spectre of "severe administrative problems" to justify not giving further thought to the problems of the retired senior citizen abroad. However the U.S. Government makes generous provision for cost-of-living adjustments in the compensation of Government employees abroad. And, the Congress recently provided for cost-of-living tables to apply to overseas Americans for deductions from overseas earned income. It would appear that both of these precedents accept the necessity for taking account of differences in conditions abroad, and both offer indices that could easily be adapted to the Social Security benefit calculations.

ACA's renewed question: Why is the United States not more concerned with the plight of its overseas senior citizens? With several overseas cost-of-living indices already in use for Americans abroad, both in the Government employee sector and in the private citizen sector, why not adapt the Social Security benefits to reflect this already accepted reality? We appeal for a new consideration of this problem and for greater compassion for overseas senior citizens.●

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. CLINGER. Mr. Speaker, on March 3, 1980, I was absent for the last vote on the floor of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 112: H.R. 5548, gold medal to Simon Wiesenthal, the House passed the measure, amended, to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal, "yes."●

FRANK AND JOSEPHINE DUVENECK

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. McCLOSKEY. Mr. Speaker, there are only a handful of living individuals of whom I can say that they have been a beneficial inspiration to thousands of people in California and particularly to myself.

Two of those individuals, Frank Duveneck and his wife, the late Josephine Duveneck, stand alone in the minds of their neighbors, friends, and indeed the entire community of the southern San Francisco Peninsula.

The Duvenecks established California's first youth hostel at their ranch in the foothills of the Coast Range many years ago. They have been active in civil rights, interracial, environmental, educational, and peace causes during their entire lives.

At 93, Frank Duveneck was recently honored at a luncheon in Palo Alto. It is an honor to place the report of that luncheon in the permanent Record of the U.S. Congress. Frank and Josephine Duveneck have represented the very best any of us can ever hope to achieve in these honored halls.

The article follows:

Palo Alto—Frank Duveneck, the snowy-haired "Johnny Appleseed of love," who has worked unstintingly for human rights and the conservation of nature, was honored with a testimonial banquet here Friday.

A native of Massachusetts, the 93-year old Duveneck and his late wife, Josephine, founded the first youth hostel in the state at their Hidden Villa Ranch in Los Altos Hills. They established interracial camps at the ranch and opened the wooded property to countless youth and community groups over the years.

Shortly before Mrs. Duveneck's death in 1978, the couple donated more than 400 acres of the ranch to the Midpeninsula Open Space District. The Duvenecks were founding members of the Loma Prieta Chapter of the Sierra Club, now one of the largest chapters in the country.

Cupertino City Councilman Jim Jackson, the principal speaker at the luncheon, said he regretted that the occasion could not have been held on Valentine's Day.

"You've done so much living and given so much love in 93 years, I'm sorry we couldn't have this on Valentine's Day. But we'll make this 'Love for Frank Duveneck Day,'" Jackson said.

Employing a metaphor to describe Duveneck's myriad contributions, Jackson said products of the "Frank Duveneck love tree," can be seen throughout the Peninsula.

He said the love tree had sprouted at the ranch, but that its leaves could be seen at Tanforan in San Mateo County, a "way-station" for Japanese-Americans going to internment camps during World War II. At Tanforan, Duveneck comforted many of his Japanese-American friends and helped secure their personal belongings, Jackson said.

Duveneck's presence also could be detected at Peninsula School in Menlo Park, where he taught for a number of years, Jackson said.

"You've planted the seeds of love all over this area," Jackson said. "You are a veritable Johnny Appleseed of love."

After a rousing standing ovation, Duveneck spoke briefly about his work for the Democratic Party after initially being enamored of Republican Teddy Roosevelt.

He stressed that the recognition given him should be shared with his late wife.

"She was the spark plug," he said.

Following his remarks, the gathered friends and admirers sang a round of auld lang syne.

The luncheon was sponsored by several organizations, including the Los Altos-Mountain View Democratic Club, the Palo Alto Democratic Club, the Committee for Green Foothills, the Midpeninsula Regional Open Space District, the Peninsula Conservation Center, the Sempervirens Fund and the Century Club of Santa Clara County.●

CONDEMNING U.S. VOTE FOR U.N. SECURITY COUNCIL CONDEMNATION OF ISRAEL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. OTTINGER. Mr. Speaker, I rise to join my colleagues in strongly condemning the U.S. vote in favor of the

U.N. Security Council resolution calling on Israel to dismantle its settlements in the West Bank and Jerusalem. This one-sided, unbalanced resolution can only serve to lessen the prospects for peace in the Middle East. The U.S. vote in support of this resolution is shameful.

It is not surprising that the Security Council should offer an anti-Israel resolution. What is surprising and reprehensible is that our Government should line up with the enemies of Israel in attacking all of Israel's settlement policies, even in her own capital, Jerusalem.

The administration is now seeking to portray its carefully calculated policy decision as a mistake. It was a mistake—a mistake in judgment. The administration must know that the Congress will simply not tolerate any move to turn our back on Israel, the only democracy, the most stable Government and our one true friend and ally in the Persian Gulf.●

TRIBUTE TO REPRESENTATIVE HARLEY STAGGERS

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. LONG of Louisiana. Mr. Speaker, the people of West Virginia's Second Congressional District have been very fortunate for the last 32 years. They have had their interests skillfully represented with the greatest devotion by their Representative to the U.S. House of Representatives, HARLEY O. STAGGERS.

During my first term in Congress in 1962 and 1963, I had the privilege of serving with HARLEY on the Interstate and Foreign Commerce Committee. That fine experience gave me a first-hand knowledge of his effective leadership and determined representation for his constituents and for the Nation. He is a forceful, hard-working legislator with an impressive array of accomplishments. His work has had a profound impact upon public health, transportation, communications, energy, consumer protection, and the environment.

HARLEY STAGGERS has been an outstanding Congressman. He is a statesman and a leader and a friend, and we will miss him.●

NUTRITION LABELING

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. RICHMOND. Mr. Speaker, this week in a commendable spirit of cooperation the U.S. Department of Agriculture, the Food and Drug Administration, and the Federal Trade Commission are jointly holding public hearings of food labeling reform.

As chairman of the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, I believe it is essential that consumers have access to unbiased, scientifically sound, and useful information about the foods they purchase.

Today it was my pleasure to testify before a distinguished panel composed of Commissioner Goyen of the Food and Drug Administration, Assistance Secretary Foreman of USDA and Mr. Thomas Donegan of the Federal Trade Commission and I wish to share my remarks with my distinguished colleagues:

Ladies and gentlemen of the panel, once more I come before you to present the consumers' case for comprehensive and useful nutrition labeling. Eighteen long months ago I applauded you for your initiative. Today I urge you to complete the task to which you have devoted so much dedication and energy.

For how long shall consumers bear the burden of bureaucratic temporizing? The Surgeon General in his recent report "Healthy People" warns that:

"Although evidence keeps mounting that certain food factors and current dietary habits may be linked with health problems as diverse as heart disease, tooth decay, obesity and some types of cancer, consumers often find it difficult to make informed choices about food."

While I must commend the Food and Drug Administration, the Department of Agriculture and the Federal Trade Commission for making progress in the past two years to develop recommendations to improve nutrition labeling, I must conclude that outmoded federal regulations are in fact hindrances to consumer knowledge about the food they purchase.

I am particularly upset that after amassing thousands of pages of testimony, conducting costly surveys, and publishing weighty notices and summaries, the three agencies represented here today have not yet formulated positions on two issues vital to nutrition labeling:

The information to be required on nutrition labels; and

The format for nutrition labeling.

As Chairman of the House Agriculture Subcommittee on Nutrition, I am particularly concerned that consumers have available the type of information which will allow them to choose a healthy diet for themselves and their families. In the course of hearings before my Subcommittee, Members have been told repeatedly by consumers that they are simply unable to make use of nutrition labels as they are currently constituted.

At joint hearings held on the usefulness of including the recommended dietary allowances on the nutrition label, there was impressive agreement among scientists, consumer representatives, Government officials, and educators that consumers are not able to translate RDA's into personally useful dietary information. Yet a major portion of the current nutrition label is taken up with percentages of the RDA's for macronutrients. Thiamine and Riboflavin may have particular meaning to nutritionists and dieticians, but most of us think of meal planning in terms of foods, not nutrients. Serving sizes expressed in ounces, carbohydrates expressed in grams, macronutrients expressed in percentages of RDA's, speak more to mathematicians than to harried shoppers trying to provide maximum nutrition at reasonable costs for their families.

I would hope that your final recommendations on the information to be presented on the nutrition label would require a declaration by serving:

The number of calories,

The percentage of carbohydrates, fat and cholesterol, and

The amount of sodium and sugar both occurring naturally and added in processing.

In the recently released popular pamphlet, "Dietary Guidelines for Americans," consumers are advised to avoid too much salt and sugar and read nutrition labels for clues of their presence in processed foods.

Ladies and Gentlemen, must consumers become sleuths in the supermarket, looking for hidden clues about the nutritional composition of the food they are purchasing? While some credit is due to those processors who voluntarily provide consumers with comprehensible information about salt, fats, cholesterol and sugar, it is nevertheless dismaying to note that if cats or dogs could read labels they would know more about the nutritional content of the food they eat than the average American can deduce about his or her food.

This box of "cat chow" provides a detailed listing of all basic ingredients and vitamin supplements, as well as an analysis of the protein, fat, fiber and salt content clearly expressed in percentages of the whole. I would also commend the processor in this case for designing a format that is simple, direct and readable.

Whatever information is required on the nutrition label must be presented in a format that will be readily comprehensible to the broadest base of American consumers. This means the elderly and the young; the educated and the barely literate. Such a widely differentiated audience is a challenge especially for a bureaucracy, but I would urge you and your communications staff to consult with the advertising industry. Obviously American business enterprises have been successfully able to convey information about their products to the public.

As one who has long advocated graphic labeling, I am heartened that such a system was preferred by a majority of respondents in your consumer poll. I strongly believe that color-coded graphic labels consistent from product to product will enable consumers to make not only sound judgments about the nutritional content of a product but also make valid comparisions with other products. Such a comprehensive system is easier said than devised, but if the public and private sectors combine their talents a number of workable alternatives would soon be available.

In addition to commenting on the content and format of nutrition labeling, I would remind this panel that such devices are no more than tools to be used by an alert and informed consumer. Without proper nutrition education, these tools, however skillfully designed, will only add to the confusion and misinformation already in the marketplace.

One reason why the current labeling procedure has not been accepted by the public has been the failure of the agencies you represent to mount an aggressive educational campaign.

Three years ago I proposed that your agencies jointly participate in a Nutrition Education Council. This panel and its work is an important first step in fulfilling my call for interagency cooperation. I urge you to continue this cooperative venture when your final proposals have been completed by directing your efforts toward a national nutrition education campaign embodying the principles of the Surgeon General's report and the Dietary Guidelines.

If well designed posters and pamphlets were made available to shoppers at retail food outlets clearly explaining the components of the nutrition label, consumers would be better able to benefit from the improvements we are discussing here today.

Finally, Congress itself is acting to meet the challenge of improved labeling. Senator McGovern and I have jointly introduced S. 1651 and H.R. 5137 as companion bills. A key provision of these bills is the compilation of a nutritional data bank. Such an informational bank would free both large and small producers and processors from the economic and regulatory burdens that have hampered cooperation in the past. This nutritional data base will also insure that consumers will be provided with accurate information about all the food choices which confront them in the marketplace.

As Chairmen of the Subcommittees of jurisdiction over these bills, Senator McGovern and I intend to hold hearings and actively work for their passage by the House and Senate. Joining us in our efforts will be the Senate and House Commerce Committees which also have an important role to play in achieving the goal of labeling reform.

Just as we have come here today, my Congressional colleagues and I hope that we can depend on your expertise and support as we travel the long and probably difficult legislative road before us.

Thank you.●

ANTHONY J. RICCIO

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Ms. OAKAR. Mr. Speaker, the city of Cleveland, Ohio, has lost one of its finest citizens and community members with the sudden death this past Sunday, March 2, of Anthony "Tony" J. Riccio. Mere words cannot express the sense of shock or depth of sorrow felt by Tony Riccio's family and friends over his untimely passing. I share personally in their anguish and grief, for Tony Riccio was a special sort of man whose life shone with love and sacrifice and whose work inspired others to learn dedication and commitment. In this hard hour of sorrow, there is some comfort in reflecting on Tony Riccio's life and work which have set an imperishable example for all of us to follow.

At the time of his death, Tony Riccio was employed as area manager of the eastern Cleveland postal service and had served 33 years in the U.S. Postal Service. Tony made the proverbial climb through the postal ranks from mail carrier in 1947 to area manager in 1977, during which time he also served as union counselor for Local 52 of the Firemen and Oilers Union. From 1972 to 1975, he held a seat on the executive board of the Cleveland AFL-CIO Community Service Board. He was truly a dedicated career government employee.

Tony Riccio graduated from West High School and attended Western Reserve University in Cleveland, at which time he joined the U.S. 10th Army in World War II and served for 27 months in the Pacific, where he experienced some of the fiercest fighting of the war on Okinawa. After World War II, Tony remained active in the Army Reserves for 36 years, holding the rank of chief warrant officer. Also, Tony was an active member of the American Legion Post 610 and of the Veterans of Foreign Wars Post 84 where he served as commander from 1962 to 1965.

Tony's commitment to public service carried over to his community and church activities. He served on the executive board of Cleveland's West Side Service Council and played an energetic role in Cleveland's Ward 3 Democratic Club. As an Italian American proud of his ancestors' roots in Italian history and culture, he participated with typical enthusiasm in the Sons of Italy and the Italian-American Brotherhood. Tony's deeply held religious beliefs resulted in his long membership in the Knights of Columbus and in the Holy Name Society of Our Lady of Mount Carmel Church on Cleveland's west side.

As part of his versatile interest in and enthusiasm for public and personal activities, Tony Riccio developed a skill in the subject of graphology—the study of handwriting—and published several articles on the subject. He also published articles in various union magazines.

Another aspect of his life was his love and commitment to his wife Fanny and his three sons. They served as a model family to all who knew them. Tony took a personal interest in his sons' activities and was always proud and supportive of his wife's community involvement.

All of us will miss his kindness, his wit and his advice, but the memory of Tony Riccio will always live on.●

MRS. ZEONA ESTELLE HALEY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. STOKES. Mr. Speaker, in our attempt to recognize individuals who influence and contribute to our country, we often neglect to pay tribute to those who have influenced our leaders. Today, I would like my colleagues to join me in saluting one such individual, Mrs. Zeona Estelle Haley.

As the stepmother of the author of "Roots," we can clearly identify the pride and strength that Mrs. Haley instilled in her children. Certainly we must recognize Mrs. Haley for the encouragement, support, and direction that she provided them.

Mrs. Haley, however, is a source of pride in her own right. A graduate of the Ohio State University, Mrs. Haley earned a professorship at the West Virginia State College in teacher training. During her 40 years of service in education, Mrs. Haley's strength, dignity, and determination provided inspiration and guidance for thousands of students.

I am, Mr. Speaker, both proud and pleased to salute this honorable woman for her strength, inspiration, and commitment to the young people of this country.●

CALIFORNIA VEGETABLE GROWERS—UNDISPUTED LEADERSHIP

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. COELHO. Mr. Speaker, congratulations to my colleagues from the great State of New York. A Sunday New York Times article earlier this month reported that the Empire State had pulled ahead of Arizona in the race for fourth place in the production of fresh market vegetables for the season ending in 1979. The top position was garnered by my home State of California followed by Florida and Texas.

It is commendable that our friends in the Northeast contributed 4.7 percent of the Nation's vegetable output last year, with cabbage being the leading crop. But in the processed vegetable category, they were a distant seventh behind top-ranked California.

New York—congratulations on your recent achievement, but California still produced 10 times that amount, leading all States in the production of both fresh and processed vegetables, with a whopping 44.1 percent contribution to the Nation's 1979 output of fresh market vegetables, a clear frontrunner and undisputed leader in this area.

Of the top 30 leading agricultural counties in California, I am happy to report that of those located within the 15th District, Fresno stands at No. 1, Stanislaus at No. 6, Merced at No. 9, and Madera at No. 15.

Apart from vegetables, California also produces the greatest variety of fresh fruits, grains, meats, and poultry available anywhere in the world.

I am proud to represent the No. 1 agricultural district in the No. 1 ranked agricultural State in the Union. New York, stick to apparel, because when it comes to the title in agriculture, California will never give up the contest.●

AGRICULTURAL RENEWABLE ENERGY DEVELOPMENT AND MANAGEMENT ACT OF 1980

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. HEFTEL. Mr. Speaker, today I am pleased to join with my distinguished colleagues, Mr. BEDELL of Iowa and Mr. ALEXANDER of Arkansas in introducing the Agricultural Renewable Energy Development and Management Act of 1980.

The purpose of this legislation is to accelerate the development and production of renewable energy for direct application in our farm and rural environments by redefining and upgrading the renewable energy programs in the Department of Agriculture. In so doing, the legislation would provide for the appointment of an Assistant Secretary for Rural Energy Development in the Department of Agriculture who would be charged with the development and management of an energy self-sufficiency program for our Nation's agricultural and rural sectors. The program to be developed would have as one of its major goals the achievement of a 50-percent reduction in oil use by our rural sector by the year 2000. Beyond that, I envision this proposal as providing the administrative framework for the programs which will make up title 2 of the omnibus energy bill, also known as the synfuels bill, now in conference.

This title dealing with agricultural, forestry, and rural energy development provides a series of direct loans, loan guarantees, grants, research, and extension training for a variety of onfarm and rural energy demonstrations. I believe that the legislation my colleagues and I are introducing today will provide a significant new focus within the Department of Agriculture for the administration of these new programs, and will establish within the Department a highly visible point of contact for State and local agricultural sector energy initiatives.

Mr. Speaker, agricultural commodities and forest products are receiving increasing attention as alternative sources of energy because they are renewable and available in significant quantities in the United States. Through the omnibus energy bill title on agriculture, forestry, and rural energy, the Government is making a clear commitment to the development of a significant industry which will produce energy from agricultural commodities and wood products. The loan guarantees and grants provided in that legislation will spur farmers, farm cooperatives, and industry to construct alternative energy production projects. A cooperative effort between Government and industry will pay big dividends in helping reduce this Nation's excessive dependence on foreign sources of energy.

Mr. Speaker, the legislation we propose today will elevate the status of renewable energy planning and coordination within the Department of Agriculture and will lay the groundwork for the establishment of a program aimed at promoting energy self-sufficiency in our Nation's agricultural and rural sectors. Through title 2 of the omnibus energy bill, the funding for this type of program will be made available. Through our legislation, the administrative framework and the planning for, and the unswerving national commitment to agricultural sector energy self-sufficiency will be put firmly in place.●

FULL EMPLOYMENT AND BALANCED GROWTH ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. WEISS. Mr. Speaker, our colleague, Congressman AUGUSTUS HAWKINS, chairman of the Employment Opportunities Subcommittee of the Committee on Education and Labor, recently spoke in this Chamber of the President's 1980 Economic Report. Congressman HAWKINS charged that the report violated both the letter and the spirit of the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978. I would like to associate myself with his remarks.

The Full Employment and Balanced Growth Act directs the President to establish yearly numerical goals to "achieve as rapidly as possible the goals of full employment and production," and "interim targets of 4 percent unemployment and 3 percent inflation by 1983." Further, the act states that the President may recommend modification of this timetable, and that the Congress, if the Members so choose, may act upon these recommendations.

Although, as the law reads, the President may only present recommendations, he states in his 1980 economic report that the goals of the legislation cannot and in fact will not be met in the time provided by law. He states that by using the authority provided for him by the Full Employment and Balanced Growth Act, he will extend the unemployment goal to 1985, and postpone the objective of a lowered inflation rate of 3 percent until 1988. These are not recommendations, but an arrogation by the President of powers specifically delegated by law to the Congress. The mandate and intent of this legislation cannot be more clear. The committee report attached to the bill states that the bill provides for "review by the Congress of the recommendations which the President transmits to the Congress, and also provides for alterations by the Congress of the programs and policies submitted to it."

A unilateral decision to abrogate the law cannot be tolerated by the Congress. It is now our responsibility to reject this administration's blatant violation of the Full Employment and Balanced Growth Act.

And we must take action now, when the unemployment rate is at 6.2 percent nationwide, and projected by this administration to rise to 7.4 percent this year. We cannot continue to ignore the real financial and human costs of continued high and increasing unemployment. It is estimated that for every 1 percent rise in the unemployment rate, the Federal Government expends $15 billion to $20 billion in welfare programs, unemployment compensation, mental health programs, and so on.

I call upon the Joint Economic and the Budget Committees, which are so entrusted by the act, to recognize the social, fiscal, and legal implications of the administration's actions. I hope that we can work together to provide alternative measures so that the mandate of the law can be met.●

EAST TIMOR CRIES FOR HELP

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. EDWARDS of California. Mr. Speaker, I bring to my colleagues' attention this editorial which appeared in the Christian Science Monitor describing the plight of the people of East Timor. Frequent references have suggested the situation is as bad as Biafra and Kampuchea. The numbers are uncertain but it appears that more than 100,000 inhabitants of the island with a population of 600,000 have died. As the editorial describes, the deaths can be attributed to a war in the country which began in 1975 and continues today. The consequences of the war, which we have all become so familiar with in Cambodia, are prevalent in East Timor. These include fighting, disease, and starvation, exacerbated by the fact that thousands of refugees in appalling conditions are being forced into resettlement camps.

Recent accounts from refugees who just left the island indicate the situation is getting worse, not better. Apparently, those being detained in resettlement camps are not even allowed to farm the land. The medical situation is desperate. It seems that a majority of the population is infected with malaria, and diseases associated with malnutrition are becoming rampant.

As you can see, this is a desperate situation requiring our attention. I urge my colleagues to review the following editorial detailing the situation:

EAST TIMOR'S AGONY RIVALS THAT OF CAMBODIA

(By Daniel Southerland)

In many ways the plight of East Timor rivals that of Cambodia.

This was acknowledged by no less a person than Indonesia's Foreign Minister, who stated that conditions of starvation on the island of Timor might even be worse than those suffered by the people of Biafra in the late 1960s and later by the people of Cambodia.

But Cambodia, where more than 2 million people out of a population of 4 to 5 million may be facing starvation, is big news these days compared with smaller-scale East Timor, where more than 200,000 people—or an equally large proportion of the total population—suffer from what is described as acute malnutrition.

Indeed, few people have ever even heard of the mountainous, crocodile-shaped island of Timor, located at the eastern end of the Indonesian archipelago and measuring only 60 miles across at its widest point. When U.S. congressmen met here Dec. 4 for the fourth congressional hearing on East Timor since 1977, the event scarcely merited mention by most American news organizations.

But the few specialists who try to watch developments on the eastern half of the island, a former Portuguese colony which was invaded by Indonesia four years ago, consider it to be a potentially hot issue for the United States, for America's West European allies, and for Australia, which is located only 350 miles to the southeast of Timor.

This is because of Indonesia's close ties with the West, the brutal nature of Indonesia's attack against East Timor, and the subsequent way in which most Western nations seem to have overlooked Indonesia's actions, despite condemnation by most of the international community.

The Indonesians used American weapons in their takeover of East Timor. They are recipients of much American economic and military aid. Successive administrations in Washington have considered Indonesia important because of its status as a staunchly anticommunist, oil-producing nation with the fifth largest population in the world.

The Indonesian government has blamed the famine in East Timor on hardships allegedly caused by Fretilin, the Timorese independence movement. The U.S. has tended to point to a combination of factors—war, drought, and other climatic and geographical conditions—as the cause of malnutrition. But a number of witnesses from the island itself have blamed the Indonesian invasion and occupation of the island, which, some of them say, included a deliberate policy of denying food to civilians who were associated in any way with the Timorese liberation movement.

The question before the hearing convened here Dec. 4 by Rep. Lester A. Wolff (D) of New York, chairman of the Subcommittee on Asian and Pacific Affairs of the U.S. House of Representatives, was how to facilitate current American-supported relief efforts in East Timor.

U.S. officials declared at the hearing that there has been a marked improvement in the situation in East Timor in recent weeks. Other witnesses, including Rep. Tom Harkin (D) of Iowa, expressed doubt, however, that enough is being done in what is still an emergency situation under which at least half of the former colony's people have fled or been forced away from their original homes.

Armando Sonaggere, regional director of the Catholic Relief Services (CRS) the major outlet for American aid to East Timor, quoted the CRS program director in the area as saying that the malnutrition there was the worst he had encountered in 14 years' experience.

Because of Indonesian sensitivities on all issues related to East Timor, the three witnesses for the US State Department were careful, however, not to speak of "starvation." They, in fact, outdid themselves in producing euphemisms to spare the feelings of the Indonesians. In State Department language, for instance, the Indonesian invasion and takeover of East Timor has become its "incorporation."

Representative Wolff tried to set the tone at the outset by insisting that the highest priority for the hearing was dealing with the immediate needs of East Timor and not dwelling on the past. The congressman, and the State Department witnesses, gave the impression that if too much criticism of Indonesia emerged from the hearing, it might cause the Indonesians to restrict future aid projects.

But Mr. Harkin and Bruce P. Cameron, representative of the Americans for Democratic Action, insisted that the past had relevance for the future. They contended that, given Indonesia's earlier record in Timor, there was a need for increased monitoring by outside observers of the distribution of aid. They also questioned State Department assertions that a major reason for famine and the movement of tens of thousands of Timorese away from their homes in the mountains was erosion and "deforestation" caused by the slash-and-burn farming which is traditional on the island.

Mr. Harkin cited news reports, letters smuggled out of the island, and reports of church and aid officials in Portugal and Australia as indicating that Indonesian actions were the root cause of famine in East Timor.

Mr. Sonaggere of CRS contended that his agency now is able to move unrestricted throughout the island, whose population includes a large number of Roman Catholics. Thanks to 90 field workers from CRS, the food is getting through to the people, he said.

There was at least one skeptic in the audience watching this hearing, however. He was a dignified, moustachioed, gray-haired priest named Leoneto do Rego, a veteran of 23 years' experience in East Timor. He left there last June, because, as he put it: "It was a wartime situation. . . . I couldn't carry out my activities as a priest."

Fr. Leoneto said that a brief period of peace had preceded the Indonesian invasion on Dec. 7, 1975. The FRETILIN movement was in control then, he said.

As the priest described it, the Indonesians attacked relentlessly with infantry and with US-supplied, armed reconnaissance planes known as the OV-10 (Bronco). They concentrated people around the villages and resettlement centers. They stole at least part of the relief food and sold it.

Fr. Leoneto would have been glad to testify before the US congressmen. He was not invited to do so. It might have offended the Indonesians, and it would, of course, have revived disputes about what happened in the past.●

DANNY CORBETT, BUENA PARK BOYS' CLUB "BOY OF THE YEAR"

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tueday, March 4, 1980

● Mr. PATTERSON. Mr. Speaker, during the course of our lifetime there are some honors that we earn which do much to shape our character and mark our course for the future. Participation in programs, such as the Boys' Club of America, reinforces these characteristics which we seek in responsible citizens and provides opportunities for leadership potential to be nurtured and developed.

Occasionally, within these programs, an individual will exceed the standards set by the organization, whose personal drive and commitment stands above the other members of the group. Such a person is Danny Corbett and for this reason he has been singled out this year for the "Boy of the Year" award of the Buena Park Boys' Club.

Words such as courtesy, understanding, and ambition can only begin to describe this young man. He has been active in all segments of the boys' club and this year has been particularly active as editor of the boys' club newspaper and as one of the first junior tutors.

Danny has earned the respect and admiration of his club because of his dedication to the goals of the club and his personal commitment to the other members of the organization. He has provided a positive example and impressed those who lead the program. Danny Corbett is a young man who is highly recommended and in our opinion very much entitled to this award.●

NUCLEAR ENERGY AND OIL IMPORTS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. OTTINGER. Mr. Speaker, confusion has always accompanied claims made in favor of the expanded use of nuclear in the Nation's utilities. In the early 1960's, atomic power advocates promised "electricity too cheap to meter." Now that oil imports provide the central focus for our energy questions, nuclear supporters proclaim atomic generating capacity as critical in replacing oil. It is once more necessary to counter the nuclear industry's claims.

Mr. George L. Weil, former Assistant Director of the Atomic Energy Commission's Reactor Development Division, recently addressed a letter to the editor of the New York Times on the oil-nuclear question. In it, he refutes assertions made by President Carter and the Atomic Industrial Forum with respect to the replacement of oil by nuclear utilities. Mr. Weil addresses the simple point that most nuclear plants displace domestic coal, not imported oil.

Figures developed by the Nuclear Regulatory Commission show 1979 nuclear generation offsetting 80 to 87 million barrels per year of oil. This is a far cry from the 884 million barrels per year suggested by the President, and is also far removed from the 548 million-barrel-per-year figure cited by the Atomic Industrial Forum.

Nuclear, then, contributed to the slower than expected growth in the development of domestic coal reserves while displacing about the same amount of oil as would have been conserved with a 3-percent decline in gasoline consumption.

In making the critical energy decisions we must address, it is important to have accurate information. I commend Mr. Weil's excellent letter to my colleagues:

[From the New York Times, Mar. 2, 1980]

NUCLEAR POWER'S INFLATED IMAGE AS AN OIL SAVER

WASHINGTON, D.C.,
February 25, 1980.

To the EDITOR:

The importance of the nuclear issue in the Presidential campaign is highlighted in Leslie Bennett's Feb. 15 report from New Hampshire, in which reference is made to a statement by President Carter that "each nuclear plant eliminates the need to import 13 million barrels of oil annually."

Since 68 plants had commercial operating licenses during all of 1979, Mr. Carter's figure translates into an oil savings of 884 million barrels of oil a year.

On Jan. 9, at a meeting with the Nuclear Regulatory Commission, Roger J. Sherman, chairman of the Atomic Industrial Forum, states: "The nuclear reactor presently licensed to operate . . . supply the nation with electricity that otherwise would require burning 1.5 million barrels of oil a day." That translates into 548 million barrels a year.

Thus, Mr. Carter's total exceeds that of Mr. Sherman by 60 percent. This disparity can be explained on the basis of their differing assumptions and is of minor importance compared with a basic erroneous assumption made by both Mr. Carter and Mr. Sherman, which significantly distorts the relationship between the operation of nuclear plants and oil saved. This relationship is important to those who plan our energy policies and to the public, which must judge these policies. Both are being grossly misled.

Implicit in the figures of Messrs. Carter and Sherman is the assumption that all nuclear plants displace oil. However, utilities operating nuclear plants in the heart of coal country are more likely to be displacing coal. In other locations, the fossil fuel options may be broader, i.e., oil, coal or gas.

An analysis based on information obtained directly from utilities and on statistics from the most recent Nuclear Regulatory Commission's monthly report (January through November 1979) shows that nuclear plants definitely displaced 80 million barrels of oil during this period, so during all of 1979, the total was probably 87 million, and not Mr. Carter's 884 million or Mr. Sherman's 548 million. Sixty-one percent of the electrictly generated by nuclear plants definitely displaced coal, 20 percent definitely displaced oil and 19 percent displaced oil, coal or gas.

In other words, in 1979 American nuclear plants that clearly displace oil saved as much oil as Americans could have saved if they had consumed about 3 percent less gasoline.

George L. Weil.●

GASOLINE ALLOCATION

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. LEWIS. Mr. Speaker, today I am introducing a concurrent resolution calling upon the Department of Energy to take action to minimize some of the extremely adverse impacts of its gasoline allocation regulations on small independent service station operators. The resolution calls for DOE to impose a moratorium on gasoline allocations to new stations where such allocations would hurt existing independent operators. The resolution also calls for DOE to completely revise its regulations for increased simplicity and flexibility and it calls on DOE to submit a plan to Congress for eliminating its unacceptable backlog of allocation and appeal cases and for processing future cases in a timely manner.

There is significant evidence that DOE's gasoline regulations are the cause of unnecessary market disruption and many believe last summer's gasoline lines were caused in part by these regulations. The inflexibility of the regulations prevented gasoline supplies from being redistributed for areas of surplus to areas of shortage.

DOE allocation regulations clearly favor allocating gasoline to new gasoline stations over increasing allocations for small, independent operators already in business. A person desiring to establish a new gasoline station will normally be granted an allocation if he can show that he has a willing supplier. On the other hand, an existing station must demonstrate serious economic hardship in order to successfully petition for an increase in allocation. The result of these quite different standards is that scarce gasoline is being allocated to new stations at the expense of existing small, independent retailers. For example, while existing dealers wait months, and often in vain, for DOE to act on their requests for increased allocations of a few thousand gallons, a new truckstop on a secondary road with two gasoline pumps recently got an entitlement of 2,250,000 gallons a year. A relocated station near a town of 3,000 inhabitants—with existing station in the same area doing 120,000 to 180,000 gallons a year—got an entitlement for 1,072,000 gallons. The result of this two-standard policy is that independent gasoline retailers are going out of business in alarming numbers.

In the last year, 17,000 independent gasoline retailers—fully 10 percent of the Nation's total—left the marketplace. At the same time, refiner-operated outlets have increased their share of the market from 12.7 to 25.8 percent over the past 8 years. The continued shift from independent operators to refiner-owned stations will result in irreparable damage to the structure of competition in the gasoline industry.

In addition to the bias of the DOE regulations toward new stations and its drastic effect on independent operators, the extremely complex regulations result in the average small businessman being completely at a loss as to his rights and responsibilities under the regulations. In order to apply for an increased allocation, retailers must complete extensive forms. After receipt of the application. DOE often must go back to the applicant for additional information. To file an appeal to a DOE decision is so complicated as to often require the hiring of an attorney. The complexity of the regulations has also contributed to the over 10,000 gasoline allocation and appeals case backlog in DOE. One simple way that the regulations could be simplified to help this situation is to remove all very small operators, say 20,000 gallons a month, from the allocation fraction process.

While this resolution is addressed to a problem immediately impacting several thousand small, independent retailers, the problem also impacts all consumers of gasoline. History teaches us that where competition is decreased—especially in a light supply situation—prices increase and the quality of service tends to deteriorate. Surely, we do not need the Federal Government regulatory process unnecessarily contributing to a lessening of competition and increased prices in the gasoline industry.

I urge my colleagues to join me in helping to minimize the adverse impact of Department of Energy allocation regulations on small, independent service station operators by supporting this resolution.●

RESOLUTION APPROVED BY THE COMMONWEALTH OF PUERTO RICO'S HOUSE OF REPRESENTATIVES IN REGARD TO THE TERRORIST ATTACK ON NAVY PERSONNEL THE PAST DECEMBER 3, 1979, IN PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. CORRADA. Mr. Speaker, I would like to insert in the RECORD a resolution approved by the Commonwealth of Puerto Rico's House of Representatives, expressing the repudiation by the House of Representatives of Puerto Rico on behalf of the people of Puerto Rico, for the vicious and cowardly act of terrorism perpetrated against personnel of the Navy of the United States of America on Monday, December 3, 1979, in the vicinity of Sabana Seca Naval Station in Toa Baja, Puerto Rico.

The resolution follows:

I, Cristino Bernazard, Secretary of the House of Representatives of the Commonwealth of Puerto Rico, do hereby certify: That the House of Representatives in its Session of February 13, 1980, approved H.R. No. 719, which reads as follows:

RESOLUTION

To express the repudiation by the House of Representatives on behalf of the People of Puerto Rico, for the vicious and cowardly act of terrorism perpetrated against personnel of the Navy of the United States of America on Monday, December 3, 1979, in the vicinity of the Sabana Seca Naval Station in Toa Baja, Puerto Rico.

STATEMENT OF MOTIVES

On Monday, December 3, 1979, the People of Puerto Rico were consternated by the news that a terrorist attack had been perpetrated in the vicinity of the Sabana Seca Naval Station in Toa Baja, against a United States Navy bus which transported eighteen persons. Two of them were killed and ten others were wounded. These people were unarmed and completely defenseless when they were ambushed as they were going peacefully to their place of work.

Ballistic experts have determined that all the weapons used were extremely destructive, among which there were rifles used in the Vietnam War, some were manufactured in the United States and others in China or Czechoslovakia.

Not content with the crime committed, the murderers have tried to justify it, by *calling themselves* "patriots". A patriot is one who loves his country and tries to do well by it; patriots are those members of our labor force who work unceasingly from day to day so that this beautiful land may enjoy the freedoms that human beings are entitled to; patriots are our "jibaros" who, from sunrise to sunset, till the land on which they rest their hopes for a future that is seen to be better each day. A person who viciously attacks his brothers and brings suffering and tears to humanity; he who respects only his own ideas without any respect for the ideals and rights of others, can not use his patriotism to justify his misdeeds.

This irresponsible, repugnant, irrational and cowardly attack is a reproachable act which deserves to be, and is repudiated by all the People of Puerto Rico as being contrary to our idiosyncracy, and which does not reflect our true feelings. The use of violence has never been the means of expression of the vast majority of the Puerto Rican People, who have traditionally used the democratic process as a means of expression and a way of solving its problems.

The House of Representatives of Puerto Rico on behalf of the People of Puerto Rico, condemns and repudiates this vicious act of terrorism committed by the enemies of this People. This Body expresses its condolence to the bereaved relatives of the victims and prays for the prompt recovery of the wounded.

Be it resolved by the House of Representatives of Puerto Rico:

SECTION 1.—The House of Representatives on behalf of the People of Puerto Rico, expresses its repudiation of and indignation for the vicious and cowardly act of terrorism perpetrated against personnel of the Navy of the United States of America on Monday, December 3, 1979, in the vicinity of the Sabana Seca Naval Station in Toa Baja, Puerto Rico.

SECTION 2.—A copy of this Resolution duly translated into the English language, shall be sent to the Honorable Jimmy Carter, President of the United States; the Honorable Baltasar Corrada del Río, Resident Commissioner of Puerto Rico at Washington; the Honorable Carlos Romero Barceló, Governor of Puerto Rico; Admiral Arthur J. Knoizen, Commander of the Naval Forces of the United States of America in the Caribbean; the relatives of the victims, and to the news media of Puerto Rico for their information and publication.

And for transmittal to Hon. Baltazar Corrada del Río, Resident Commissioner of Puerto Rico in Washington, I issue this certificate in my Office at the Capitol Building in San Juan, Puerto Rico and set my hand and affix the seal of the House of Representatives hereon, this twentieth day of February of the year nineteen hundred eighty.

CRISTINO BERNAZARD,
Secretary of the House of Representatives.●

PRESIDENTIAL PRIMARIES

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. APPLEGATE. Mr. Speaker, the showy and expensive political spectacle before the American people called the Presidential primaries is the best example of why this Nation needs a national Presidential primary. There are many reasons for this: over-exposure of the candidates, physical wear and tear on the candidates, and far too much garbled political rhetoric for 12 or so months. But, even more important, a national Presidential primary will put the selection of a Presidential nominee in the hands of the members of each political party and take it out of the hands of a small group of political bosses who can control delegates at the national convention.

In order to point to this lunacy, I would like to point to a recent article by the author, T. H. White, that appeared in the February 1980, issue of Life. In that article, Mr. White indicated that the number of primary elections will rise to 35 in 1980, which lends itself to realizing the inequities in the system as well as the unfortunate influence early primaries have on later ones.

Mr. Speaker, as a remedy to this complicated procedure, I invite my colleagues to cosponsor my bill, H.R. 1904, which calls for a direct Presidential primary where there would be a single primary with the nomination of a party's candidate coming directly from the voting population rather than from a selected group of delegates.●

TIPS ON HOW TO AVOID OVERPAYMENT OF INCOME TAX BY OLDER AMERICANS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. PEPPER. Mr. Speaker, in my position as chairman of the Select Committee on Aging, I am constantly reminded of the economic problems that many older Americans face due to limited fixed incomes. When one considers the vast number of older Americans who are overpaying their income taxes, because of a failure to take advantage of legal tax reduction mechanisms, one feels compelled to act to minimize this problem.

There are several important tax relief measures which took effect beginning with the 1979 tax year. It is impossible, however, for individuals of any age to take advantage of these provisions and obtain tax relief, unless they are aware of the changes. Without this knowledge, older Americans would be losing much needed additional income.

In past years, our House Aging Committee has made available an annual checklist of itemized deductions prepared by the Senate Special Committee on Aging to aid elderly taxpayers in completing their income tax forms. We are deeply grateful to the Joint Committee on Taxation for reviewing last year's checklist and suggesting needed changes to reflect changes in the tax code.

I commend the Joint Committee on Taxation for its assistance this year and the Senate Special Committee on Aging for its effort and submit the revised summary here for the benefit of all who may read it:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1979)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor). Acupuncture services. Ambulance hire. Anesthetist. Arch supports (prescribed by a doctor). Artificial limbs and teeth. Back supports (prescribed by a doctor). Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs. Chiropodist. Chiropractor. Christian Science practitioner, authorized. Convalescent home (for medical treatment only). Crutches. Dental services (e.g., cleaning, X-ray, filling teeth). Dentures. Dermatologist. Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed.

Gynecologist. Hearing aids and batteries. Home health services. Hospital expenses. Insulin treatment. Invalid chair. Lab tests. Lipreading lessons (designed to overcome a handicap). Neurologist.

Nursing services (for medical care, including nurse's board paid by you). Occupational therapist. Ophthalmologist. Optician. Optometrist. Oral surgery. Osteopath, licensed.

Pediatrician. Physical examinations. Physical theraptist. Physician. Podiatrist. Psychiatrists. Psychoanalyst. Psychologist. Psychotherapy.

Radium therapy. Sacroiliac belt (prescribed by a doctor). Seeing-eye dog and maintenance. Speech therapist. Splints. Supplementary medical insurance (Part B) under Medicare. Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (8¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines. Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health). Wheelchairs. Whirlpool baths for medical purposes. X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate. General sales. State and local income. Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 8 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage. Auto loan. Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Political campaign contributions

You may claim a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The amount of the tax credit is one-half of the political contribution, with a $50 ceiling ($100 for couples filing jointly).

Presidential election campaign fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	$3,300
Single (age 65 or older)	4,300
Qualifying widow(er) under 65 with dependent child	5,400
Qualifying widow(er) 65 or older with dependent child	6,400
Married couple (both spouses under 65) filing jointly	5,400
Married couple (1 spouse 65 or older) filing jointly	6,400
Married couple (both spouses 65 or older) filing jointly	7,400
Married filing separately	2,700

Additional exemption for age

Besides the regular $1,000 exemption, you are allowed an additional exemption of $1,000 if you are age 65 of older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $1,000 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1980, you will be entitled to the additional $1,000 exemption because of age for your 1979 Federal income tax return.

"Zero bracket amount"

The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple support agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.
3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of personal residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale.

These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale or your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the elderly

You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

1. Age 65 or older, or
2. Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for child and dependent care expenses

Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned income credit

If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $500. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $10,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (line 13, Form 1040). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

Energy tax act

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.

Capital gains deduction

The Revenue Act of 1979 increased from 50 to 60 percent the portion of a capital gain that may be deducted from gross income. For example, an individual selling stock or securities held for more than one year would be eligible to claim this deduction. Capital gains and losses are reported on Schedule D (Form 1040).●

POLLUTION CONTROL CAPITAL RECOVERY ACT OF 1980

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. NOWAK. Mr. Speaker, today I am introducing H.R. 6694, the Pollution Control Capital Recovery Act of 1980. This bill will change present law to allow federally mandated pollution control facilities and equipment to be amortized over 3, as opposed to 5 years.

It is now common knowledge that the rate of growth of American productivity has slackened in recent years. One of the causes for the recent decline in productivity growth has been the mandated investment pollution control facilities and equipment.[1] Secretary of the Treasury G. William Miller recently commented: "About 5 percent of all capital expenditures are devoted to pollution control abatement."[2] Almost all of these expenditures are borne by the manufacturers, and eventually, consumers of the product, through higher product costs.

Certainly, no rational person can argue against the need for clean air and clean water. Our national policy has been, and should continue to be oriented toward providing a safe and healthy environment for all its citizens.

However, the continued decline in the rate of productivity reduces everyone's standard of living. The end result is more inflation, less productive investment, declining real wages, and diminished job opportunities.

The answer to this dilemma is the Pollution Control Capital Recovery Act of 1980. This bill which I am introducing today would enhance efforts to guarantee a clean environment. It would allow companies to amortize federally mandated pollution control facilities and equipment over 3, as opposed to 5 years. As a result, companies would be able to more quickly recover their capital costs related to pollution control. This freed up capital could then be invested in production-oriented plant and equipment, thereby stimulating fixed investment and increasing productivity.

The Subcommittee on Access to Equity Capital and Business Opportunities, which I chair, recently issued a report on hearings held in September 1979, on the subject of "Capital Formation and Retention." One of the recommendations was to allow federally mandated pollution control facilities and equipment to be amortized over a shorter period of time than present law permits. Our research indicated that total costs for pollution abatement amounted to 2 percent of the gross national product and will remain at this level through 1986. This increase in private and public sector spending for pollution abatement has had a negative effect on the rate of productivity growth and has increased the rate of inflation.

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[1] "Explanation of Declining Productivity Growth," Edward F. Denison, Survey of Current Business, August 1979, vol. 59, No. 8, pt. II, pp. 1-24.

[2] Remarks of the Honorable G. William Miller, Secretary of the Treasury Before the White House Conference on Small Business, Washington, D.C., January 15, 1980.

One hidden effect of this type of mandated investment is that it crowds out other types of capital investment. New productive investment is delayed, and the lower efficiency of the stock of capital is ultimately reflected in higher market prices.

Capital expenditure costs for pollution abatement are especially onerous for small business. Department of Commerce data indicate that in 1977, almost 39 percent of pollution abatement capital expenditures were incurred by firms which employ less than 500 employees. Almost 60 percent of these expenditures were incurred by firms with less than 1,000 employees.[3] It is clear that capital costs, coupled with legal and consulting fees necessary for compliance, place a heavy burden on a small firm's cash flow, since smaller companies generally pay more for capital, have higher debt-equity ratios and therefore, require more frequent financing.

For these important reasons, I strongly urge my colleagues to support the Pollution Control Capital Recovery Act of 1980.●

TOM STEED

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. PEPPER. Mr. Speaker, I thank the able gentleman for yielding to me. Like other Members of the House, I have learned with deep regret that the distinguished gentleman from Oklahoma, Mr. TOM STEED, has given notice that he is retiring from the House at the end of this session. TOM STEED is one of those Members who will be most missed. He has not only carried a great load for the House and the country as chairman of a very important subcommittee of the Appropriations Committee, but he is a warm personal friend of nearly every Member of the House. With wisdom, he has performed his duties as chairman of his subcommittee, appropriating billions of dollars. He has always sought to provide assistance to worthwhile needs coming within the jurisdiction of his subcommittee, but at the same time he has faithfully sought to spare the taxpayers of this country the expenditure of a single dollar not needed—really needed—by the subject of his subcommittee's appropriation.

TOM STEED has been one of the pillars of this House; sturdy, dependable, responsible, able in the performance of his duties. He has also, with the warmth of his friendship and especially with his keen wit, been a source of pleasure to so many of the Members of the House. TOM STEED is a good and great man, a good and great American, a good and great Member of this House. I personally am saddened to see him leave. If I am here in the future, I shall enormously miss TOM STEED. He was always ready with a kind word, a warm greeting, and a good story. We are all going to be thinking about him wherever he is and whatever he does, wishing him good health, a happy life, and the enjoyment of the satisfactions which will make life most meaningful for him.●

WILLARD A. GENRICH BRINGS OUTSTANDING TALENT AND DEDICATION TO HIS NEW ROLE AS CHANCELLOR OF NEW YORK STATE BOARD OF REGENTS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. KEMP. Mr. Speaker, how well future generations in America will cope with the responsibilities and benefits of a free society depends upon the quality of education available to them. Acutely aware of this and deeply dedicated to the improvement of both the quality and opportunities for education is Willard A. Genrich of Amherst, N.Y.

Last Wednesday, Mr. Genrich, who I am proud to say is a long-time personal friend and a constituent, was unanimously elected chancellor of the Board of Regents, New York State's prestigious educational policy agency. He is the first chancellor from western New York since the board was established in 1784.

Why Willard Genrich was the unanimous choice of the 15 members of the board, on which he has served with distinction since 1973, is clearly understandable. The record of his skillful attentiveness to the enhancement of the curricula and teaching excellence of the State's educational system, including the 63-campus university system, is outstanding.

He has been in the forefront of efforts to improve the competency of teachers, requirements for the granting of diplomas, and remedial programs for handicapped and disadvantaged students. He has supervised revisions in the New York State code governing the granting of licenses to doctors, dentists, engineers, and other professionals and has supported reforms in State-aid formulas to insure fairer treatment for poor school districts. He is an uncompromising champion of activists who work to upgrade basic standards of learning, at all levels of education.

Mr. Speaker, the New York Times has taken note of Willard Gengrich's elevation to chancellor of the board of regents in its "Man in the News" column. I should like to share that column with my colleagues.

The article follows:

[From the New York Times, Feb. 28, 1980]

UNANIMOUS CHOICE BY REGENTS—WILLARD ADOLPH GENRICH

(By Ari L. Goldman)

ALBANY, February 27.—The State Board of Regents unanimously elected Willard Adolph Genrich as its Chancellor today, and the 65-year-old Buffalo real estate man pledged that "the spirit of Camelot will be continued."

His statement recalling King Arthur's idyllic court said much about the Chancellor-elect and about the 15-member Board of Regents itself.

According to Regents sources, Camelot has never been so far away. The unanimous public vote followed months of tense infighting for control of the board that sets standards for state educational institutions—institutions that face serious financial and performance problems.

But the Regents, established in 1784, have shown a penchant for unanimity, a tendency to look on the bright side of things, and a reverence for orderly transition. As they chose their new Chancellor in the stately wood-paneled meeting room in the State Education Building today, their traditions were intact.

At the public meeting, there was no mention of the effort by Regent Martin C. Barell, a Democrat from Great Neck, L.I., to unseat the Republican leadership of the board. (In a closed-session vote, Mr. Genrich defeated the challenger by a vote of 9 to 6.) Nor was there mention of the problems of declining student performance and empty coffers. (Mr. Genrich praised the "great progress" made under Chancellor Theodore M. Black, and said that he hopes "to continue that leadership.")

"They took the safe candidate," said Assemblyman Melvin H. Miller, a Brooklyn Democrat. Mr. Miller, a former chairman of the Assembly Higher Education Committee, had lobbied for Mr. Barell, saying that he would be a more activist and innovative Chancellor. Of Mr. Genrich, he said, "if he's going to be like Black, he'll be a nice guy, do the right thing and keep the Regents in a low-profile position."

Chancellor Black was clearly pleased by the choice of Mr. Genrich, whose friends call him Woody. "Woody is like a rock," Mr. Black said, "He is solid. He has good ideas. I can call them good because they're the same as mine."

In addition to electing an upstate Republican as Chancellor, the Regents chose J. Edward Meyer, a Democrat from Chappaqua, in Westchester County, as Vice Chancellor. Mr. Meyer said he hopes to provide "balance" to the Regents leadership and "vim and vigor and a force for constructive change."

Mr. Genrich, a Republican, has served on the Board of Regents since 1973. Since then he has been the champion of conservative causes, although he bristles at the label. "I object to being called conservative or liberal," he said at a news conference following his selection today. "I believe in doing whatever is necessary to insure quality education."

Among the issues he has felt strongly about is busing. "I am opposed to forced busing except in cases of de jure segregation and as a last resort," he said today, contending that forcing parents and children to comply is "counterproductive." He was quick to add that he is "dedicated to integration" and to programs that foster voluntary desegregation.

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[3] "Pollution Abatement Cost and Expenditures 1977," Current Industrial Reports, U.S. Department of Commerce, Bureau of the Census, 1979, table 1C, p. 7.

A CHANGE OF VIEW ON TESTS

In other actions that have been labeled conservative, Mr. Genrich led the Regents opposition to accrediting the Rev. Sun Myung Moon's Unification Theological Seminary and voted against guidelines for sex education materials in the schools. He also voted against the establishment of a State University branch at a state prison. One issue on which the Chancellor-elect has changed his position was his earlier call for "minimum competency" tests for teachers. Today he said that he was "studying the issue."●

HARLEY O. STAGGERS

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. WYDLER. Mr. Speaker, HARLEY O. STAGGERS was a Congressman of the old school, a perfect gentleman who fought for his convictions and proved over and over again to be a winner. He served his constituents and his country well.

As a Republican, I can say that there are few men who have influenced me more by the power of their personality and apparent goodwill than Chairman STAGGERS. His patience during the energy conference he chaired was a tribute to those of us in the legislative field who work long and hard to come forth with laws that will benefit our Nation.

I have been honored and pleased to serve with him and will miss him in the years ahead.●

SHORTAGE OF NURSES

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Ms. MIKULSKI. Mr. Speaker, I am inserting in the RECORD an article which appeared in the Washington Post on Sunday, March 2, 1980, entitled "Why We Don't Have Enough Nurses" by Colman McCarthy.

This article is an excellent description of a situation which must be of interest to everyone concerned with health care in this country.

Our present health care system puts too much emphasis on physical resources and too little on human resources. While we concentrate attention on the allocation of high-technology treatment among competing institutions, we neglect the people who are responsible for actually providing most of the care that patients receive.

Nurses and other health care professionals are an invaluable resource of professional knowledge, compassion, and hands-on experience. It is time they were acknowledged as full partners in the decisionmaking process of the health care system. It is time we stopped taking nurses for granted.

The article follows:

[From the Washington Post, Mar. 2, 1980]

WHY WE DON'T HAVE ENOUGH NURSES

(By Colman McCarthy)

Sigrid Eriksson, a nurse for 20 years, had the healthiest of reactions when she glanced down to check her notebook. "Nine probable hires," she said happily. "That's really pretty good. If we get only two hires, we've covered expenses."

That was odd talk for a nurse, except that Eriksson's elation came not as she worked in a hospital but as she was winding up her three days at a recent employment convention in a Washington hotel. She was one of two nurse recruiters at the booth (rented for $340) of National Medical Enterprises, a Los Angeles firm that owns and manages some 40 hospitals in six states.

More than 60 other nurse recruiters had come to this job fair, all representing either hospitals or health care companies that are alarmed about—and aggressively taking action against—the chronic and often acute shortage of nurses.

The competition to find nurses is so intense that Nursing Job Fair, a Boston company, had scheduled employment conventions in seven major cities in the first four months of 1980. Each was booked to capacity by recruiters hard on the hunt for nurses.

Or at least nurses who want to work as nurses. Of the country's 1.4 million nurses, according to the American Nursing Association, some 420,000 are inactive. A survey commissioned by HEW projected that in 1982 a need will exist for between 1.2 and 1.6 million working nurses.

Geographically, some areas are more critical than others. Illinois has 106 hospitals that have 1,800 openings for nurses. The National League for Nursing reports that Arizona cannot fill 21 percent of its budgeted nursing slots. In western Tennessee, it is 33 percent, in Texas 14 percent and California 17 percent.

But behind the blacks and whites of the numbers game lie a number of grays that defy easy analysis but which suggest that the profession is currently bedeviled both by the demands of its own members from within and economic and social pressures from without. Some believe that nursing needs only an aspirin; others call for major surgery.

As members of a humanistic profession, nurses work within a natural tension; they are called on as a group to uphold altruistic values while individually each nurse is subjected to authoritarian and economic structures that can have little concern, much less reward, or intangibles like kindness and caring.

Nursing isn't a job; it's a vocation. It is 98 percent female but it is accountable to professionals—doctors and hospital administrators—who are mostly male. Worksite pressures can force the nurse who began as an idealist to burn out and become a mere functionary, ever cautious lest she turn up as the object of incident reports or patient gripes.

These philosophical probings are far from the concerns of the nurse recruiters. Rounding up the workers is their mandate.

Imagination helps. A hospital in Des Moines, having trouble getting nurses to work the 11 p.m.-7 a.m. shift, offered the use of a new car as part of the deal for a one-year contract to work nights.

In a Long Beach, Calif., hospital the problem is not the night shift blues but the daytime gripes: St Mary's Medical Center has installed what it calls "the job line" by which nurses can phone in their complaints anonymously.

In a Minneapolis hospital, a bounty of $500 is paid any employe who brings in a registered nurse for full-time employment. Other hospitals around the country pay $1,000.

In Palm Springs, Calif., the Desert Hospital has 300 nurses on its current staff. But with a planned expansion from 225 beds to 361 beds, about 30 more nurses are needed. "In order to insure the health and happiness of its nurses," the hospital said in the current issue of Nursing Job News, "an Employe Assistance Program has been created." It "provides counseling services for staff members who may be experiencing personal problems, such as financial difficulties, marital discord, alcoholism or substance abuse."

Even with new cars, job lines and perks, one fact remains: Nursing is hard work, often wearying and usually poorly paid. The average national salary for full-time working nurses is $6.78 an hour, which in many areas is about the same wages as supermarket checkout clerks. Women dockworkers, unloading crates of bananas on the New York waterfront, earn $10.40 an hour.

Although only some 15 percent of American's nurses are unionized, RN magazines reported last month that "full-time general duty nurses who are covered by AFL-CIO, Teamsters, state and federal employes union or other nonprofessional association contracts earn, on average, nearly 20 percent more than the mean for all full-time general duty nurses." Nurses working in private, for-profit hospitals receive salaries 2 percent below the mean.

A generation ago, nurses were thinking less about their low pay. The career alternatives were few. "For many young women," says Charlene Dean of the nurse recruitment office of Johns Hopkins Hospital in Baltimore, "it was pretty much a choice of one of the big three: nurse, teacher or secretary. But now it's changed. Just look at affirmative action. Women can get preferential treatment for mid-management positions in any number of industries that were once closed to them. And they start off with better salaries than a lot of nurses are making after 10 years in the hospital."

At the same time that nurses are making only the faintest progress financially—while toiling next to physicians whose average income is $65,000—it appears also that they are working harder. Constance Holleran, a nurse and a lobbyist for the American Nursing Association, believes that "the demand on nurses has increased because of the changing nature of health care. People are in and out of the hospital so much faster today that the patients, while in the hospital, require more intensive nursing care. In the past, where one nurse might have had eight to 10 patients, she now has two or three—but who are very sick. Thus, throughout the hospital, you have the same number of patients but they are sicker. And the nurse must work harder."

As members of one of the traditional "women's professions," nurses are finding that suddenly both the definition and image of their work is changing.

The turf problem is the most obvious. The nurse of 1980 has moved into diagnostic, treatment and prescribing territories that were far off limits to the nurse of only 1960. She has also left behind, or is proudly walking around, much of the menial.

Susan Sparks Le Duc, in an aptly titled article, "We've Been Put Down Long Enough!" in a recent issue of RN magazine, described an incident in a pediatric unit: "A doctor walked rapidly up to the nurses' station and proclaimed that a boy on the unit 'needed a nurse.' The nurse dropped what she was doing and went to the youngster, only to discover that what he needed was a diaper change."

State legislatures cannot protect nurses against being treated as cleanup crews by doctors, but medical practice laws have been changed in nearly 40 states in the past 10 years in ways that give expanded medical authority and responsibility to nurses.

What the legislatures don't give, many nurses are ready to take for themselves. Nurses of 20 or 30 years' experience tell of the days when they were seen as whitened angels fluttering at the feet of doctors playing God. If the deity entered the room, a nurse would instinctively rise and offer her chair. Today nurses not only stay put but they might be sitting there thinking about the best approach to take when they next witness a doctor giving incorrect or unethical medical treatment.

Occasionally, a nurse comes along who can take no more of the structure but who still loves her vocation, and refuses to leave it. Since 1971, Lucille Kinlein has seen 1,700 patients in her Hyattsville, Md., office. She practices nursing, not medicine. "Organized nursing and most nurses," she argues, "have chosen to remain under the mantle of medicine, with three results: One, achievement of professional status in the field is impossible. Two, the professionally oriented nurse cannot find fulfillment. Three, the public is deprived of a much needed and different kind of care."

In "Nurse," a best-seller about a big-city general hospital, Peggy Anderson summarizes what is happening: "Many nurses want to bring their own intelligence to the job and are becoming aggressive about doing so. A lot of our time is still spent carrying out orders written by doctors. But more and more often nurses are questioning those orders. Questioning is considered good nursing judgment. So is making suggestions to doctors about things that might help patients. So is refusing to carry out an order you disagree with, so long as you do it according to established procedures. I think a nurse must make decisions that affect what she's doing. If she's a robot, she's nothing."

Superficially, this thinking appears to be the early restiveness that will soon erupt into a rebellion against the doctors. In reality, it is an overdue move toward professional independence that separates medical diagnosis and care, the two intended to create harmony, not opposition.

This isn't mere theory. It is working in routine ways. A Washington-area physician, who has a high-volume office practice and employs eight full-time nurses, says that "90 percent of what I know and what I can do my nurses know and can do also. I have trained them in patient education, which is the key to sound medical practice. Even if I spend only five minutes with a patient in my office, my nurse can spend up to an hour afterwards. I make it a practice that no patient leaves my office without a chance to know as much about their disease as they desire. If they are still unhappy, I schedule them to come back early in the morning when I will give them all the time they want. The nurse that runs my office knows more about the mechanics of the specialty than most of the physicians in practice. Remember, she works with these problems every day and is experienced in both the side effects and benefits of the medications used."

However much this doctor's enlightenment creates an independent professional function for nurses, the handmaiden image still persists throughout all of medicine. A survey by RN magazine noted that "three out of four doctors regard nurses as their assistants—and nothing more." The editors concluded that for nurses who care about "professional identity, this has got to be a fairly depressing statistic."

Another downer in the survey is that "more than 78 percent of the MDs believe nurses already have enough say in patient care, and close to another 10 percent feel they have too much authority already."

One of the most dramatic moves for independence is in the growth of supplemental personnel services. These are independent firms that allow nurses to choose if, when and where they work. The hospitals pay the firms and the latter pay the nurses.

Hospital administrators grumble about the supplementals, as do others in organizational settings. "These days," said one director of nursing at a local hospital, "everyone wants to work days, Monday through Friday. I have no shortage of nurses for those shifts. I run low in filling up nights, weekends and holidays."

Shift rotations may be health hazards in themselves. A 30-month study sponsored by the National Institute for Occupational Safety and Health found that rotation "imposes excessive physical and psychological costs on shift workers."

In Washington, lobbying groups like the American Nursing Association have their own struggles. In late 1978, President Carter pocket-vetoed the Nurse Training Act, a decision that meant a severe cutback in grants, loans and training aid programs. The administration argued that two decades' worth of federal aid had already gone to nursing schools and that the problem now was less in the shortage of nurses than in their retention.

Henry A. Foley, head of the Health Resources Administration, says there is no evidence that "we are suffering from a lack of production [of nurses]. We are just not holding them in the hospital setting once they are produced." Three problems still remain, Foley argues: low wages, inadequate training and sagging morale.

Budget fights are popular in Washington because an illusion of simplicity is created. Regarding nurses, both sides are right. Sen. Richard Schweiker (R-Pa.) had the facts with him when he told Foley during recent hearings that nurses laugh at the administration's health policy in nursing. "There isn't a hospital I go to that doesn't laugh at it and wonder what's wrong." And Foley is on firm ground when he says that "There's no evidence that if we keep producing nurses in the old way that they will stay in the profession. We have to be concerned about sitting down with nurses and hospitals and figuring out—together—ways to provide incentives for nurses to stay in the workforce."

The traditional out for this impasse is to summon a commission for "a study." That's what Congress did, with the interim findings due next fall. Or winter. Or spring.

Until a coming together of all interests occurs, nursing is likely to be trammeled by one "no" after another: no to legislation for training funds, no to wage increases that might keep nurses from leaving to become real estate brokers, no to younger nurses asking for professional independence, no to union organizing, no to the movement that wants to shed the image of nurses as women who couldn't make it through college.

Into this vacuum of negativism, a few yesses are needed. Despite their being the largest part of the health care industry, nurses are probably the least difficult group to deal with. Large numbers of them are idealists.

Without some immediate and strong attention from outside the profession—from physicians, administrators, politicians and bureaucrats—nurses are likely to be forced more and more to treat their ailing craft rather than the ailing patient.●

DISMANTLE DEPARTMENT OF ENERGY—USE SAVINGS TO REDUCE BUDGET DEFICIT

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● **Mr. DANIEL B. CRANE.** Mr. Speaker, the evidence is pouring in on the kind of job the Department of Energy is doing in getting more gasoline and oil, in halting gaslines, and in keeping down the price of oil.

The DOE is doing just fine on these problems: In just 2 years, it has, by its own admission, caused shortages and long gasoline lines and squandered billions and billions of taxpayers' dollars as the price of heating oil and gasoline rose into the stratosphere.

In fact, the bipartisan Southern Governors Conference recently voted to abolish the Department of Energy.

A report released just a few days ago by the Government Operations Committee shows how the DOE itself is one of the worst offenders when it comes to wasting energy.

The Mattoon, Ill. Journal Gazette has wisely joined the call for DOE's dismantling and urged that the $11 billion savings be used to reduce the Federal deficit. I hope my colleagues will heed this warning, as it is the cry from taxpayers as well.

The article follows:

[From the Mattoon Journal Gazette, Nov. 1, 1979]

DOE IS TARGET OF CONTEMPT

A measure of the contempt in which the oil industry holds the Department of Energy (DOE) can be seen in the statement of Samuel Schwartz, senior vice president of Continental Oil Company that "DOE has gone from infancy to senility in two years."

U.S. News and World Report recently carried a devastating analysis of the department which Mr. Carter launched with his famous statement that we were facing "the moral equivalent of war" in the energy crisis.

The department admitted that it was responsible for the gas shortages and long lines of motorists at the pumps because it had misallocated fuel on a priority basis which did not take into account fast growth areas.

Dissatisfaction with DOE was also expressed when the 17-member Southern Governor's Conference voted the agency's abolition, unless it started to become effective.

Louisiana Governor Edwin Edwards said "DOE was created to do something about the problem and has done nothing but make it worse."

The new Energy Secretary Charles W. Duncan, Jr. has been trying to restore some order to the giant bureaucracy where communication is one of its failures. The agency has grown into a sprawling giant with 20,000 employes, offices in 21 different government buildings and a budget of $11 billion.

Its regulations are so complex, and in some cases contradictory, as to be unenforceable. And since Duncan assumed the job there have been many resignations and new faces. One DOE official is quoted as complaining "bodies are shuffling in and out of here so fast that it is hard to know who's doing what."

In our view the department's problem stems from the fact that it is impossible for a bureaucracy to make the correct decision which would be made in the market through the interaction of millions of daily decisions.

Being a thoroughly political man, as well as an ardent populist, Mr. Carter assumes that problems can be corrected by creating bureaus and by spending plenty of public money. DOE is a good example of the fallacy of this concept.

In the winter ahead it remains to be seen if DOE decisions will supply enough heating oil for the areas in which it is needed. It is our guess that the oil companies, in spite of DOE, will meet the need.

DOE should be dismantled as the Southern governors have resolved. The bumbling agency has only made matters worse. And the $11 billion allocated to it could well be used to reduce the federal deficit.●

BUDGET AND INFLATION

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. BROWN of Ohio. Mr. Speaker, the level of concern about inflation has risen perceptibly since the January consumer price index increase of 1.4 percent was announced February 22. That would mean 18 percent inflation if maintained all year. After enduring a full year of 13.9 percent inflation, Americans are truly alarmed.

The time has come for drastic action to halt the inexorable rise in Federal spending. Accordingly, I am introducing today a House resolution expressing the sense of the House that the House Budget Committee should report a budget resolution in which Federal outlays do not exceed 21 percent of the gross national product for fiscal year 1981.

Senator William Roth introduced a similar Senate resolution with more than 40 cosponsors last Wednesday. It is my understanding that the leadership of the Senate plans to have a vote on the resolution later this month. I believe it is important for the House to go on record along with the Senate.

I am well aware of the current Rules Committee task force hearings on legislation that would limit Federal spending by amending the Budget and Impoundment Control Act of 1974. In fact, I recently testified before the task force on behalf of my own spending limitation bill, H.R. 168. The adoption of the resolution I am introducing today would not negate the need for such permanent legislation. But an immediate declaration of intent by both the House and the Senate could produce immediate benefits by lowering inflationary expectations.

The Congress must come to grips with the fact that Federal spending is out of control. Perhaps the most startling evidence of that is the record of the past few years since the Budget Act became fully effective in 1977.

During this time Federal expenditures increased from $403 billion in fiscal year 1977 to a requested $616 billion in fiscal year 1981. That is a $213 billion increase or a 53-percent increase in expenditures in just 4 years. To make matters worse, these figures do not include off-budget expenditures, which increased from $8.7 billion in fiscal year 1977 to a request of $18.1 billion in fiscal year 1981.

This unprecedented increase in expenditures occurred during a time of relatively high economic growth when traditional theory dictated a slowing of the increases in Government spending.

If the growth in Federal expenditures was equal to the rate of growth in the economy, then some of the concern about expenditures would be relieved. But this has clearly not been the case. This growth in Government spending since 1977 has been so strong it has greatly surpassed the growth rate of the economy. In 1977 the percentage of GNP—seasonally adjusted annual rates—going to the Federal Government was 19.1 percent, already well over the historical average of 18 percent. For 1980, outlays will be more than 22 percent of GNP. As a consequence, more and more of the Nation's resources were taken by the Federal Government.

Federal spending has gained a momentum of its own which has carried it well above levels conducive to economic growth. Spending levels are so high that they are preventing tax relief for Americans which is needed if economic growth is to resume. More spending will mean less growth, and an ever-increasing share of our national economy will be consumed by Government.

Despite the discouraging economic performance of our economy, the situation is not hopeless. We can have inflation free economic growth that will mean jobs for more Americans and a rising standard of living for all. But we must select the correct policy mix to achieve our goals.

A cap on Federal spending is a first step. Next, we must move to increase real economic growth through tax reductions designed not to pump money into the economy, but to restructure the tax code to increase the after tax reward to additional saving, investment, production, and employment.

A comprehensive approach to these problems is outlined in the 1980 Joint Economic Committee annual report, released last week with the unanimous endorsement of the entire committee, both Democrats and Republicans. Quick action on the resolution I am introducing today would be an early indication that the Congress is ready to take the steps the JEC has recommended to fight inflation and encourage real economic growth.●

POSSE COMITATUS: A DANGER TO DEMOCRACY

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. OBEY. Mr. Speaker, an organization known as Posse Comitatus has been operating in northern Wisconsin in a manner similar to that of the Ku Klux Klan, the American Nazi Party, and other radical, paramilitary groups.

A newspaper in my district, the Wausau Daily Herald, recently performed a valuable public service by publishing a series of articles exposing the malignant activities of Posse Comitatus. I submit these articles to be reprinted in the Record.

I am concerned that the Justice Department has not taken a closer look at organizations such as Posse Comitatus and I hope these articles will help stimulate a national awareness of the problem.

The growth and influence of groups such as this one represent a dangerous and fundamental threat to the values of a democratic society. The Herald articles make this clear.

There are two kinds of political activists in our society: those who feel the ends justify the means and those who don't. It is ironic that Posse Comitatus and similar groups attempt to wrap themselves in the Declaration of Independence and the Bible in an effort to justify actions which are abhorrent to civilized religious and democratic beliefs.

Democracy is really two things. Not only is it a series of goals and values; but it is also a process, a way of doing things. That process itself is the greatest protection for the rights of individual citizens in this society. When people take unto themselves the right to determine what is law and what is not, they are destructive of the process that is the very essence of democracy.

The Posse record is one of lawlessness, intimidation, and a sick promotion of racial and religious bigotry.

Public officials have experienced irrational actions by groups such as the Posse for years. It is important that the general public, too, be fully aware of their activities and the threat they pose to society.

Five years ago, a cadre of police and deputies was required to prevent Posse members from blocking free entry and exit by Senator Gaylord Nelson and me at a State farm convention in Marshfield. About the same time, Posse members passed out vicious antisemitic literature at a hearing of the House of Representatives Dairy Subcommittee which I arranged in Merrill. Members of my staff experienced veiled efforts at intimidation in Clark County 3 years ago and well-known Posse members have tried to disrupt a number of public meetings held by me throughout the years.

The press cannot do the job of exposing these groups by itself. Elected public officials have a special obligation to speak out against the danger posed by extremist groups with storm trooper fantasies who seek to gain by intimidation what they cannot gain by persuasion. I applaud the courage and partriotism of local and State officials who have withstood this intimidation and have spoken out strongly against those groups that undermine representative government and the rule of law.

As an editorial in the Clark County Press of Neilville, Wis., noted recently, it would be nice to write the Posse off as a bunch of Keystone cops running around with their guns and badges, but those are real guns and it is real people who could get hurt.

Even if there were no danger of direct violence, we still have the responsibility to expose and isolate groups such as the Posse Comitatus who, in their misguided efforts to redefine the law, destroy the very process of law which protects them and every other citizen.

Americans are aware of the saying. "A little knowledge is a dangerous thing." The efforts of Posse leaders to redefine the meaning of the Constitution and of statutory law is a perfect example.

I submit the following articles in the interest of increased national awareness of these antidemocratic groups:

THE POSSE: LEGAL OR NOT?

(By Pat Rupinski, Herald staff)

The Posse Comitatus—what is it?

Who are they?

What do they stand for?

These questions are being asked with increasing frequency today—and the answers are not always easy to find.

Members of the Posse, and a close affiliate—the Life Science Church—have gained a great deal of notoriety in the past few weeks as they have filed "common law" liens against the property of a number of elected officials, including 32 members of the Marathon County Board.

FIRST IN SERIES

Adding to their visibility has been the Posse's assertion that it will use armed force if law enforcement officials attempt to remove a trailer home from a town of Easton farm.

The liens and the trailer issue are connected. Most of the liens filed in Marathon County were filed by Wayne Rydell, who lives on property where the trailer is located.

He filed the liens after Marathon County Judge Ronald Keberle ordered the trailer removed because it was installed without having a percolation test or receiving a conditional use permit. Percolation tests are required under state statutes and town ordinances require a conditional use permit for trailer homes.

Rydell refused to removed the trailer and set the stage for a confrontation between law enforcement officials and the Posse Comitatus.

What is the Posse?

Its name is derived from a Latin term meaning "power of the county."

A dictionary says the term applies to "the entire body of the inhabitants who may be summoned by the sheriff to assist in preserving the public peace (as in a riot) or in executing a legal precept that is forcibly opposed, including under the common law every male inhabitant who is above 15 years of age and not infirm."

However, no sheriff has summoned today's Posse Comitatus. The group is assembling on its own.

Posse members agree that the sheriff has the power to form a posse, but add that others may volunteer to join if not asked. If the sheriff does not form a posse, they say citizens have their own right to form one.

The Posse is a right-wing group. Its members' beliefs are a mixture of the Constitution, common law, the Bible and the Magna Carta. The group appears to have little use for some recently enacted laws and even less respect for administrative rules, non-elected government officials and judicial interpretations of the law.

Question Posse members about the law and they will tell you to read the Constitution or they will quote a phrase from it or some other law.

Their interpretation of the law has been questioned by some legal officials.

"They pick and choose statements that serve a single-minded purpose without regard to what those statements apply to," Marathon County corporation counsel Jeffery Drach told the County Board last week.

But the Posse is more than rhetoric.

Some of its members don't hesitate to carry guns in public. Others are said to have stockpiled firearms and ammunition. Bunkers, underground tunnels and military-like maneuvers have all been linked to the Posse in central Wisconsin.

The Posse has also been known to harass government officials when those officials disagree with Posse positions. The recent statewide filing of so-called "common law" liens is an example.

The liens, which were filed against elected local and state officials, judges and government employees, said those named violated the filer's civil rights. All the liens have been traced to members of the Posse Comitatus or the Life Science Church.

More than 40 "common law" liens were filed in Marathon County alone during the last three weeks. All were filed by either Wayne Rydell of the town of Easton or Richard Kauffman of rural Loyal. Both men publicly admit an affiliation with the Life Science Church.

Kauffman said he is a member of the Posse; Rydell could not be contacted, although his father, C. Leonard Rydell, was.

The senior Rydell would not comment when asked if he is a member of the Posse Comitatus, although he did say that he is friends with Thomas Stockheimer and James Wickstrom, two Posse leaders.

Rydell said both men were at his farm Friday to help him defend it in case law enforcement officials attempted to remove the trailer.

The senior Rydell said his son filed the liens because those named violated his civil rights.

"You study the Constitution and then see how those guys voted on the county administrator," he said during a telephone interview Monday night.

When told that some of those named in the liens had voted against creating the administrator post, Rydell said, "Maybe we made a mistake, although I don't believe what you're saying."

Rydell wouldn't say much more over the phone, contending it was bugged.

RYDELL SUSPENDED AS BUS DRIVER

C. Leonard Rydell, a town of Easton farmer who says he's a pastor of the Life Science Church, was temporarily suspended Tuesday from his job as a school bus driver.

The suspension occurred after parents of D.C. Everest School District students who ride the bus petitioned the district for Rydell's removal.

George Longo, superindendent of schools for the Everest district, said the parents expressed concern about Rydell's recent actions involving the Posse Comitatus, a right-wing group.

Armed members of the Posse Comitatus were at Rydell's farm Friday, contending they would shoot anyone who attempted to remove a house trailer from the property. Circuit Judge Ronald Keberle ordered the trailer removed because it was illegally installed, failing to comply with state and town zoning requirements.

Rydell's son, Wayne, filed numerous liens against Marathon County public officials, following Keberle's ruling in the mobile home dispute.

Parents discussed the situation and started to withhold their children from the bus on Monday, using a carpool to get them to school, Longo said.

Dewey Reinstra, vice president and manager of Ceranski Bus Transportation, which serves the Everest District, said the company didn't have a choice in suspending Rydell "in lieu of the petitions from the parents."

The school district retains the right to approve and disapprove any driver, he said.

"I can't say whether the suspension will be permanent or not," he said.

Parents contend Rydell passed out notices of a Posse Comitatus meeting to one or two students on the bus last week, Reinstra said.

Longo said there were complaints that Rydell also passed out right-wing literature on the bus in the past.

Reinstra said that Rydell had been driving school buses for about 14 years. Both he and Longo said Rydell's driving was satisfactory.

STOCKHEIMER ARRESTED

Thomas Stockheimer of Tigerton, a leader of the Posse Comitatus, was arrested Tuesday afternoon in Shawano by Shawano County sheriff's deputies.

Sheriff Robert Montour said Stockheimer was arrested on a violation stemming from a warrent issued by Clark County. The warrant alleged that Stockheimer had practiced law without a license.

Montour said Stockheimer was released after a $500 cash bond was posted in Clark County.

Stockheimer, when contacted in Tigerton Tuesday night, said the warrant resulted when Clark County officials tried to prevent him from inspecting civil defense shelters for adequate food supplies.

Stockheimer said he would file charges against Judge Michael Brennan, Sheriff Harlan Suddermeyer and the State Patrol. He contends they conspired to prevent him and other self-appointed "peace officers" from searching the shelters.

"THE POSSE" ARRIVED IN 1974

(By Pat Rupinski, Herald staff)

Few had ever heard of the Posse Comitatus when it came to central Wisconsin in 1974.

But the group's name intrigued many into taking a look at the organization.

Some thought it was a legitimate sheriff's auxiliary. Others, including Marathon County Sheriff Louis Gianoli, were unsure what it was so they attended early Posse meetings to learn more about the group.

Some, including Gianoli, were startled by what they heard. The sheriff quickly disavowed any association with the group.

"You can't take legal power into your own hands," Gianoli said in citing why he disagreed with the Posse. "They claim deputy power through the Constitution. We need a Supreme Court ruling on this that will say once and for all that they don't have the power."

Others received the Posse message differently. They joined a group that a few years ago claimed 2,500,000 members nationwide, according to Thomas Stockheimer, a leader and charter member of the Posse Comitatus in Wisconsin. Since then, the Posse has been growing in "leaps and bounds," he says.

Stockheimer, a former Mosinee resident, said he doesn't know how many men belong to the Posse in Wisconsin.

(Other estimates put the Posse at about 10,000 members nationwide with about 200 active members in Wisconsin.)

Stockheimer and six other men—Raymond Omernick, Thomas Peterson, R. David Pennings, Albin Ostrowski, Ron Balthazor and Rodney Hilmershauser—chartered the Posse Comitatus in central Wisconsin.

Two of those men, Ostrowski and Balthazor, apparently left the group shortly after its founding.

Ostrowski told the Herald in April 1974 that he and Balthazor "pulled out of that kid stuff group because we didn't understand what the thing was about when we signed the papers."

Three of the charter members—Stockheimer, Omernick and Pennings—became prominent newsmakers.

Stockheimer gained notoriety for his run-in with the law; Omernick for his fights with the state Department of Natural Resources and his election to the state Assembly in the 86th District; and Pennings for allegedly manufacturing Laetrile at his plant, Mosinee Research, which was moved from Mosinee to Manitowoc a few years ago.

Omernick says he left the Posse after the sheriff failed to endorse it and hasn't been a member for several years. Yet, it was Omernick's confrontations with the DNR in 1976 that generated a scene that many people, justly or unjustly, still associate with the Posse.

The confrontation started when Omernick diverted water from Holt Creek to irrigate his potato fields. A court order was obtained to stop him and one of his pumps was seized.

Omernick responded by stationing armed guards around his property and posting no-trespassing signs. The signs read:

"Govt. agents and others. No trespassing. $10,000 fine, 10 years prison, title 18 Sec. 241, 242 U.S. Criminal Code. Warning. Survivors will be prosecuted. Owner, Ray Omernick."

The signs' lettering and wording are identical to a sign now posted in front of a trailer in the town of Easton, which is the scene of the latest Posse confrontation. The only difference on the sign at Easton is the signature, which lists the property as belonging to the Life Science Church.

A confrontation between Omernick's armed guards and law enforcement officials never occurred.

The charges were dismissed when Omernick agreed to comply with the law by stopping the diversion of water, said Marathon County District Attorney Rand Krueger.

He said Omernick drilled wells at a substantial cost in order to get water.

Krueger added that Omernick's version of the dismissal differs from his.

"Omernick says the charges were dismissed because the state couldn't prove its case," Krueger said. "I've discussed it with him many times and told him 'Ray, you can say whatever you want but I was there when we reached the agreement.'"

Omernick's differences with the DNR and the courts started in 1960 when former Judge Gerald Boileau issued an injunction against Omernick for diverting water from a stream without state permission. The judge also fined him $1,000. Other diversion problems in both Marathon and Portage Counties followed.

Omernick said he originally became interested in the Posse Comitatus when he had his problems with the DNR.

"I got involved because the DNR, through the courts and Legislature, was causing farmers to lose their rights," he said. "I dropped out when the sheriff did not back it."

Omernick would not give a specific date on which he left the Posse, but said the armed men who were protecting his property during the summer of '76 were employees from his farm and not Posse members.

Stockheimer's problems with the law included a conviction for assaulting an Internal Revenue Service agent near Abbotsford in 1974. The agent, Fred Chicken of Wausau, was forced to sit in a chair while Stockheimer preached to him on the Posse's purpose and lectured him that income tax is a Marxist concept designed to destroy the United States.

Stockheimer was convicted of the charge in 1974, but disappeared before he went to prison. A fugitive warrant was issued against him and three years later he was arrested in West Virginia.

Stockheimer served nine months at the federal minimum-security prison in Sandstone, Minn. While there, he spent much time studying law.

"I always had an aptitude toward law and was always interested in it, especially constitutional law," he said. "For nine months, I practically lived in the law library at the penitentiary."

Stockheimer's other problems with the law included an incident in Eau Claire, where he allegedly sprayed Mace at a DNR hearing, and most recently, charges in Clark County of practicing law without a license. He was arrested on the latter charge Tuesday in Shawano, but was released after a $500 cash bond was posted.

According to the Madison Capital Times, Stockheimer was also indicted for trying to influence a jury in Dubuque, Iowa. In that case, another Marathon County man, Charles Dodge, was convicted on federal tax charges.

The federal probes involving Mosinee Research Corp. occurred in Manitowoc, although several Marathon and Lincoln County residents were involved. The firm was once a dental supply house in Mosinee. It was taken over by Pennings in 1973. Stockheimer and Peterson were both employed there after Pennings became the owner.

Peterson was convicted in 1975 of making false and fraudulent income tax statements.

The president of the firm, Albert C. Iwen of Merrill, denies membership in the Posse.

Mosinee Research shifted its operations to Manitowoc after a fire damaged its Marathon County plant. It was there that agents of the Food and Drug Administration raided the plant and seized bags of apricot kernels, unfilled capsules and other substances that the FDA said were used to manufacture Laetrile.

Laetrile, a drug that some people believe cures cancer, is illegal in Wisconsin. The FDA has never approved it and contends that it's medically worthless.

In all the cases, those involved have defended their actions by saying their Constitutional rights have been violated by the government—a claim that is now being made by a farmer in the Marathon County town of Easton. That situation will be discussed in tomorrow's story.

POSSE JUSTICE DESCRIBED

"He should be removed by the Posse to the most populated intersection in the township and at high noon be hung by the neck, the body remaining until sundown as an example to those who subvert the law."

That quote is from a Posse Comitatus handbook and describes the Posse's ultimate action for dealing with "officials of government who commit criminal acts or who violate their oaths of office."

Guilt or innocence of such violations is determined by the Posse, not by the courts.

Members of the Posse view courts with disdain. They claim that most judges are corrupt and act with disregard for the Constitution.

"It is apparent the judiciary has attempted to alter our form of government," says the handbook, adding that the courts and the legal profession have conspired to form a dictatorship over the people.

"The highest court of the land is the justice of the peace court, which is the closest to the people," the handbook says.

The Posse rejects the court's power to enpanel juries, saying juries should be formed by the citizens, meaning the Posse.

The Posse also questions the paying of income taxes, even though the 16th Amendment to the U.S. Constitution authorizes an income tax and the Posse professes a strong adherence to the Constitution.

The handbook states that the Internal Revenue Code enacted by Congress to implement the income tax is "unlawful and not binding upon the people nor the states of the Union."

It says: "The entire code is a string of unconstitutional abuses which attempt to require a citizen's consent to repudiation and violation of his God-given and Constitutional rights."

Any official who tries to enforce the revenue laws should be removed from office, according to the handbook. "Where instances are known, the Posse Comitatus should prepare an 'order for arrest' of the official involved," it says.

The handbook also contends that the nation's monetary system has been illegal since the Federal Reserve System was created to regulate the Nation's money supply.

The Posse views the county sheriff as the chief executive of a county and claim a right to assist him.

The Posse holds the sheriff in awe as long as the sheriff does what it wants. But let the sheriff enforce a law that the Posse doesn't like (one its members call unconstitutional), and the Posse believes it has the right to intervene.

"Once he (the sheriff) has been advised of unlawful acts (as defined by the Posse) and refuses to perform his lawful duty, the Posse Comitatus has the lawful right under the natural law to act in the name of the sheriff to protect local jurisdiction," says the booklet.

It calls for the courts to stop using sheriffs as "lackeys" to enforce the court rulings.

"There are no lawful authority for judges and courts to direct the law enforcement activities of a county sheriff," says the handbook.

RYDELL, EASTON PEOPLE TELL CONCERNS

(By Pat Rupinski, Herald staff)

Some people in the town of Easton are beginning to talk about fear.

There's the fear of people living along Church Road when they see armed men patrolling the road and a neighboring farm. They're worried that the men, indentified as members of the Posse Comitatus, might start a shoot-out with law enforcement officials, jeopardizing the safety of the neighborhood.

That fear is shared by some Easton parents who decided not to let their children ride a school bus driven by a man who lives at the Posse-guarded farm.

Carl Leonard Rydell, the head of the family who lives at the farm and the man who up until Tuesday drove the bus, says he has fears too.

He has fortified his property with bunkers and warning signs to discourage law-enforcement authorities from entering.

Rydell talks about the time when deer hunters on a neighboring farm "scared the hell" out of him with stray shots. He mentions the two gunshot wounds his German shepherd received this past weekend from someone with unknown motives.

What has caused these fears?

The situation started when the Rydell family installed a mobile home on their farm without getting percolation test or conditional use permit.

The Easton Town Board took them to court, where Judge Ronald Keberle ruled that the trailer was installed illegally and ordered it removed. The Rydells refused and said they would use firearms if sheriff's deputies tried to move the trailer.

Rydell said no one has a right to tell him what be can do on his property. He referred to seeking a conditional use permit as "going before eight guys (a town planning commission) and letting them tell you what kind of house to build."

Town officials said they couldn't say whether a conditional use permit would have been granted because the Rydells never requested one or showed their plans. Before such a permit can be issued, a hearing must be held.

Rydell refused to say whether he belongs to the Posse Comitatus. He said he knows Thomas Stockheimer and James Wickstrom, two Posse leaders from Tigerton. Rydell said they were at his farm last Friday to help him defend it.

Easton residents view the situation differently. Several town residents interviewed during visits to Easton said the laws governing percolation tests and zoning should be enforced equitably.

"Why should I be forced to get a percolation test if they don't make him get one?" one resident asked.

Several other things irritate the residents. They dislike the Rydells' "taking the law into their own hands"; the senior Rydell's passing out of right-wing literature to students who rode his school bus (he was suspended as a driver Tuesday after Easton parents petitioned for his removal and started withholding their children from his bus); the Rydells' deeding of their property to the Life Science Church in what is viewed as a way to avoid paying property taxes; and a recent comment made by Wayne Rydell, one of Carl Leonard's two sons.

The comments was Wayne's assertion on television that he is ready to die defending his country and the Constitution.

"If he's so eager to defend his country, why did he run off to Canada during Vietnam?" one woman asked, echoing a sentiment that was expressed by all the Easton residents contacted.

When a Herald reporter went to the Rydell farm earlier this week, Carl Leonard Rydell said Wayne wasn't home. The senior Rydell was then asked if the statements made by townspeople were true.

He responded: "You should know better than to ask that. Vietnam was never a war to defend our country. Don't talk so foolish. Vietnam was no fight to defend this country."

"Did he go to Canada?" asked the reporter.

"No comment," replied Rydell. "He didn't go to Canada. They drove him up there."

"Who are they?"

"No comment," Rydell said.

Townspeople, some who expressed fear of the Posse Comitatus if they were quoted by name, painted the following picture of the Rydells.

The family lived peacefully at their farm for years. They're remembered for regularly attending a Lutheran church in town. Carl Rydell also worked as a mechanic at the farm besides farming and driving a school bus.

Wayne moved to Canada during the Vietnam War but area residents remember him coming back for periodic visits.

In September 1976, the Rydells transferred title of their farm to the Life Science Church, removing it from the tax rolls. Carl Leonard listed himself as a pastor of the church while sons Wayne and Warren became trustees. Witnesses to the transfer were Leonard Ginter and Raymond Omernick, who is now a state assemblyman in the 86th District.

Rydell refused to answer questions about the Life Science Church but did give a Herald reporter a booklet that he said contains all the church's beliefs.

The first paragraph in the booklet reads: "The basic Doctrines, Principles and Beliefs held as "Truth" of the Life Science Church are the Declaration of Independence and the Constitution of the United States. (The 16th and 25th Amendments are not included in the Doctrine of the LSC.)"

The 16th Amendment authorizes income tax and the 25th Amendment deals with succession to the presidency.

The booklet contains four pages outlining the beliefs of the church and the full texts of the Declaration of Independence and the U.S. Constitution, including the 16th and 25th amendments.

The booklet also listed a Jerome Daly as president of the Life Science Church and gave the parent church's address as a box number at Twin City Airport, Minnesota.

A charter for the church reads: "That the church shall be governed by three or more trustees who shall hold all real and personal property in trust as joint tenants of the chartered church. No property will become the property of the parent church unless given by gift or bequest."

A 1976 story in the Herald on the transfer read: "One of the first moves to escape property taxes through transfers of property to a church was recorded in the office of the register of deeds here."

The story went on to describe the transfer and noted that in recent weeks there were news stories from Eastern cities of property holders becoming bishops and ministers by paying a nominal sum to a "mother church." It said the ministers hoped "to escape paying property taxes by living in tax-exempt parsonages."

Carl Leonard Rydell said the Herald had no right to run the story and said the paper never contacted him about his motives for the transfer.

When asked what his motives were, he replied: "No comment."

He later said: "People call us tax evaders, but we pay taxes just like everyone else."

Despite that claim, both Leonard and Warren Rydell have liens and warrants filed against them by the state of Wisconsin and the federal government for failing to pay income taxes.

Townspeople also mention Rydell's stockpiling of weapons and an underground tunnel on the property.

The senior Rydell said of the weapons that he doesn't hunt, but has more guns than needed for just hunting.

Rydell admitted that he had a tunnel running from his home to a pump house. It was installed before the air raid shelters of the 1960s and is used for cold storage of fruits and vegetables and for access between the buildings, he said.

POSSE HELD GRAND JURY

When members of the Posse Comitatus don't like what's happening in government, they usually conclude that government officials are disregarding the Constitution.

They then claim the Declaration of Independence gives them the right to intervene to correct or abolish the corrupt government.

It was that thinking that led to a so-called "Christian citizens" grand jury in Spooner in 1974.

The "grand jury" was never approved by a judge as required by state statute. It was empaneled by members of the Posse Comitatus, who believe they have the right to take the law in their own hands when government officials don't act as they wish. The grand jury was presided over by Thomas Stockheimer, a founding Posse member who's had run-ins with the law. Stockheimer said the "grand jury" issued dozens of "subpoenas."

He added that the general issue before the "grand jury" was whether the state Department of Natural Resources abused, harassed, usurped and violated the Constitution.

Stockheimer said the case centered around Gerald McFarren of Marion and his disputes with the DNR over alleged bulldozing in a lake bed.

McFarren was the American Party candidate for the U.S. Senate at the time of the Posse hearing.

McFarren was involved in a dispute with the DNR over bulldozing in Washburn County in the late 1960s. McFarren claimed he bulldozed on his property. The DNR said he bulldozed in a lake bed.

A county court jury acquitted McFarren of filling the lake, but the state then filed a civil suit against him.

The civil suit was dismissed but the case was appealed to the state Supreme Court, which ordered the DNR to hold a hearing.

The hearing, which was slated a week before the Posse "grand jury," was canceled when a bomb threat was received.

Stockheimer said that about 40 people testified at the "grand jury" but none of the politicians or members of the DNR who were "subpoenaed" appeared.

Among some of the politicians who were "subpeonaed" by the Posse were former Govs. Patrick Lucey and Warren Knowles, former Attorney General Robert Warren, U.S. Rep. David Obey and state Sens. Walter John Chilsen and Gerald Lorge.

Stockheimer said at the time that "indictments" would be issued and would be taken to a circuit court judge for action.

No "indictments" from the "grand jury" were ever accepted by a circuit court.

Need Not Accept Liens: La Follette

Madison, Wis.—County registers of deeds are not obligated to accept multimillion dollar property liens filed against public officials by members of the Sheriff's Posse Comitatus, Attorney General Bronson La Follette says.

In a letter to county officials Thursday, La Follette said he soon will issue a formal opinion on the Posse's filing of numerous property liens against officials.

Members of the Posse, which has a number of chapters in Wisconsin, have filed or attempted to file a number of "common law" property liens against public officials in recent weeks.

"I am issuing this letter at this time so that county corporation counsels and district attorneys may advise their respective registers of deeds that they are not obligated to accept such instruments for recording or filing," La Follette said.

In a suit over La Follette's property, a Posse member alleged that his constitutional rights were "repeatedly violated by malicious and illegal acts" of the attorney general.

Earlier this month, La Follette called the actions "frivolous" and contemptuous of the legal process. He has asked the state Supreme Court to declare that suits filed by about 30 people believed to be members of the Posse as obstructions of justice.

Hilmershauser Says He's Left the Posse

Rodney L. Hilmershauser, one of the seven men who chartered the Posse Comitatus in Marathon County in 1974, said today that he left the organization five years ago.

He said he got out of the organization because he did not want it corrupting his family.

"I don't like violence at all. It could lead into something very bad," he said. "I'm not for violence and I'd rather not have anything to do with it anymore.

"I just want to go about my own business and keep my name clean. As for the Posse Comitatus, maybe it's good, maybe it's bad. I just don't care anymore."

Tigerton—Home of the Posse

(By Pat Rupinski, Herald staff)

Nature left its beauty mark in southeastern Shawano County.

It graced the area with rolling hills, forests and the Embarrass River, which forms a scenic dells at Tigerton.

Nature gave the dells tranquility, but today that peace is threatened by manmade tension caused by the Posse Comitatus.

Some members of the Posse are busy buying large quantities of arms, training in military maneuvers and building bunkers and tunnels for a seige that members contend could come from fellow Americans as easily as from foreign invaders.

The Posse's activities are centered on 577 acres of land, mostly owned by Donald and Sally Minniecheske.

Donald is a Posse member and a former member of the Shawano County Board. Sally does not belong to the Posse. Only males over 15 are allowed to join.

The 577 acres include 29 acres that were deeded by the Minniecheskes to the Life Science Church a few years ago.

The land includes a resort called Tigerton Dells, a big, fading building that has a large, framed portrait of the late U.S. Sen. Joseph McCarthy of Appleton in one of its bars, a farm with a house and several trailers that serve as homes for members of the Posse Comitatus and their families.

One of the trailers is the residence of Thomas Stockheimer, a Posse leader and one of the founders of the Posse Comitatus in Wisconsin.

A Madison newspaper reporter described Stockheimer's trailer as follows: "A wooden rack just inside Stockheimer's door holds five rifles, two of them semi-automatic, with C-shaped ammo clips protruding menacingly from their stocks. On a bulletin board in his kitchen are posters, clippings, buttons, bumper stickers, most with right-wing extremist slogans, some with anti-Israeli and white-power messages."

Stockheimer did not meet with Herald staffers in Tigerton earlier this week. He was arrested in Shawano earlier in the day on a warrant and did not return to Tigerton until the evening.

He was later contacted by phone and was most willing to discuss his philosophy.

Stockheimer said the Posse Comitatus "most definitely" was stockpiling weapons and ammunition, training in military maneuvers and building tunnels and other "defensive" fortifications.

One newspaper quoted a rural priest as saying that last year the Posse staked out an airport to determine how many people it would have to kill to take the facility.

Stockheimer said Posse members were taking the steps to be prepared to defend their property and families.

"It's convenient to ignore situations, to play ostrich, but a stitch in time saves nine," he said.

Stockheimer and other Posse members said they would use their arsenals against invaders, both foreign and domestic.

It's the "domestic invaders" who seem to worry the Posse the most. Those "invaders" might be citizens from the southern part of the state who might be evacuated to northern Wisconsin in event of a nuclear war, or government officials who might enter their property to enforce the law, Stockheimer says.

Stockheimer and other Posse members said the evacuees would have no food or shelter and would plunder the countryside to satisfy their needs.

"If the food you saved for your children is given to others, what will happen to your children?" he asked.

"I would do anything I had to to defend this country, but you can't defend this country in a foreign nation," he said. "If the enemy was fighting in New York, then I would fight 'cause that's America."

Other Posse members took a more narrow view. They said fighting for their country and family did not mean fighting to repel foreign invaders from New York, Chicago or Milwaukee. Doing that would leave no one to protect their families, they said.

Stockheimer moved to the Minniecheske property after he was released from a federal penitentiary where he served nine months for assaulting an Internal Revenue Service agent.

The Minniecheskes first came into the news when Tigerton Dells lost its liquor license. That ruined their plans to develop the resort into a major tourist haven, Mrs. Minniecheske said.

She claims the license was lost because the state wants their land for a park. To prevent that, the Minniecheskes deeded 29 acres of their property to the Life Science Church a few years ago.

Mrs. Minniecheske said the state Department of Natural Resources has wanted the land since the 1900s but the family won't sell.

But Charles Higgs, district director of the DNR's Green Bay office, said the state is not interested in the land. He said the Minniecheskes asked the state to buy it a few years ago. The DNR reviewed the property and determined that it was not suitable for a state park. The Minniecheskes were informed of the state's decision last year, he said.

The Minniecheskes persist in their claim, contending the state and other government units are conspiring to get their property.

The Minniecheskes do not mention Donald's convictions of selling liquor and beer to minors or his selling of intoxicants and tobacco without a license in talking about the loss of their license.

Mrs. Minniecheske did say that denial of the liquor permit has caused her to lose her livelihood and forced her to go on welfare. There's not much business here anymore," she said.

Yet, the afternoon two Herald staffers were at Tigerton Dells, several customers, including at least two known members of the Posse, came into the establishment, placing orders. One of the men purchased a can of beer. The others bought non-alcoholic items.

Tigerton Dells still rents its hall for weddings, Mrs. Minniecheske said. The resort has two bars, separated by a partial wall. Neither displayed alcoholic beverages. One bar, the smaller of the two, had candy bars and snacks behind the counter. A few signs listed prices for sandwiches and pizza, although Mrs. Minniecheske said they discontinued serving hot food when they lost their liquor license.

Residents Frustrated

What do Tigerton residents think of the Posse Comitatus?

Most would like to get rid of them once and for all, according to a community leader who asked not to be identified.

"We wish we could get it solved," he said. "Nobody here is very proud of it."

Tigerton has become identified as one of the strongholds of the Posse Comitatus in Wisconsin because a number of its leaders—including Thomas Stockheimer, Donald Minniecheske and James Wickstrom—live there and openly practice their military maneuvers in woods outside of town.

"You see them strutting around town with guns," the man said. "I thought the days of Dillinger (a Depression era bank robber) were over."

The man said many of Tigerton's citizens are frustrated by the Posse's presence and disregard for the law.

"We're tired of seeing them run the government down and say how no good it is and then seeing them always buying food with food stamps and living off the taxpayers," he said.

The man said many of Tigerton's citizens feel the state has not acted to counter the Posse. "All I think is that if the state wants zoning and laws, it should enforce them. I don't know why I should pay for a building permit when they don't have to."

The man pointed out other discrepancies. "How come you or I would get arrested for having an uncased gun in a car, but they (the police) let these guys run around with loaded guns? All I know is something is radically wrong."

He said Posse members have told Tigerton merchants that they don't want to pay state sales tax when buying items. The merchants have responded by saying they won't sell the items until the sales tax is paid.

"I don't know how many (Posse members) are out there. From what I know I'd say there are 50 to 60 of them in the area," he said.

There's much resentment toward the Posse in Tigerton, he added.

"I always get the feeling that if they step out of line here they'd get run out. Just let them pull a caper and get out of control."

The law is the law, he said. It has to be obeyed by all.

The Posse, he said, "gets by with a little bit and pushes and pushes for more until someday something will happen and someone will get killed."

Posse Backs Beliefs With Parts of Bible, Constitution

(By Pat Rupinski, Herald staff)

The Life Science Church, the Basic Bible Church of America, and the Christian Liberty Academy of Tigerton all have ties to the Posse Comitatus.

To say that all Posse members are affiliated with one of the religious groups might be erroneous, but Posse members do cloak themselves with religion. Many of them, including Posse leaders, claim to be ministers in the above named churches, which came into central Wisconsin shortly after the Posse was formed.

The Posse's religious connection is apparent in its members heavy reliance on passages from the Bible. The Bible and the U.S. Constitution are the two documents most used by the Posse to justify its actions and beliefs. References from both are often quoted out of context and passages that do not serve the Posse's purpose are ignored.

For example, the Life Science Church claims that its religious doctrines are based on the Declaration of Independence and the Constitution. Yet the church disavows the 16th Amendment to the Constitution, which gives government the right to levy income taxes.

FIFTH IN SERIES

The Basic Bible Church of America bases its doctrines on the Bible, according to Thomas Stockheimer, a Posse leader who claims to be a pastor of the church. In the past, Stockheimer has also claimed affiliation with the Life Science Church.

The Christian Liberty Academy in Tigerton was established as a private Christian school, according to Stockheimer. It started with three students last year and now has 17 students, according to Stockheimer.

The academy is headed by James Wickstrom, who is state information coordinator for the Posse.

Wickstrom also claims the title of minister, but his religious ties didn't stop him from recently telling a gathering in Wausau that the Posse would use firearms against authorities if they attempt to remove a trailer from a town of Easton farm. The trailer was installed illegally and has been ordered removed by a Circuit Court judge.

The trailer is on the farm of C. Leonard Rydell and his two sons. The Rydells deeded their farm to the Life Science Church in 1976, but continued to live on and farm the property. The senior Rydell listed himself as pastor of the church and his home as a parsonage. His two sons, Wayne and Warren are listed as trustees.

Wayne Rydell recently filed several "common law" liens against Marathon County and state officials and others, contending they violated his constitutional rights. Another member of the Life Science Church, Richard Kauffman of Loyal, filed similar liens in Marathon and Clark counties.

Kauffman admits he's a member of the Posse.

The "common law" liens have no legal standing, according to Attorney General Bronson La Follette. Officials believe they are harassment measures.

The filing of the liens was encouraged by Stockheimer, who tells how to do it in a booklet he put out entitled "You Can't Lose, Join up . . . Join in! Sue the Bastards."

One paragraph in that booklet reads: "When suing public officials put some teeth into the action . . . file a common law lien on their property and claim a common law writ of attachment on their bank checking and savings accounts. Tie up their property until you get justice!"

Stockheimer signed the booklet as Pastor Thomas Stockheimer of the Basic Bible Church.

The Posse started justifying itself through religion after law enforcement officials disavowed any association with it in the mid 1970s. The group then stopped calling itself the Sheriff's Posse Comitatus and took the name Christian Posse Comitatus.

Donald Minniecheske, a Posse member from Tigerton, said the Posse gets its strength from the nation's founding fathers, who formed a Christian nation.

Any Christian male over 15 years old can join, he said.

When asked if Jews could join, Minniecheske said: "If they are Christians, they could. If they do not believe in Jesus Christ, then they have a problem."

Kauffman took a more narrow view. He said the Posse is necessary to act against a conspiracy that he contends is being formed by bankers, Jews, and the Rockefellers. He said the "conspirators" plan to get rich by selling to both sides during a coming world war which will cause worldwide hunger and chaos.

He said, once the chaos occurs, these people will be able to form a world government under the control of David Rockefeller, president of the Chase Manhattan Bank.

Kauffman said the "conspirators" started their work by undermining the American monetary system with the creation of the Federal Reserve System in the 1930s.

He also accused judges and district attorneys of doing "the anti-Christ's work."

During an interview at Tigerton Dells, a resort just outside Tigerton, Kauffman was interrupted by a young woman, who said she hated blacks and hoped they would come to the Tigerton area if there were a war.

He responded by giving her a dose of the Life Science Church philosophy.

"The Bible says you must not have hate in your heart for anyone," Kauffman said. "I don't hate anyone in my heart."

"The Negro has a place in this world. God put them here to be servants to the white Christian."

When asked if he was a member of the Emancipation of the White Seed, a group that attempted to form a chapter in Wausau several years ago, Kauffman said he never heard of the group.

Other Posse members, however, did hear of the White Seed, a group that preaches that black males should be neutered and put in forced labor camps and Jews should be exterminated.

Minniecheske said some Posse members might have joined the White Seed. "What people happen to believe is their privilege," he said. "Everyone is responsible for his own actions."

The Posse draws its members from among different Christian faiths and even has a Catholic priest as a member, according to Minniecheske. He refused to identify the priest, saying members' names were secret.

Posse leaders deny any connection with the White Seed, but some of their followers did join the group. Mike Dodge, son of Possee leader and Basic Bible Church Bishop Charles Dodge of rural Mosinee, for example said he was trying to organize a White Seed chapter in Marathon County, according to an article from the Madison Capital Times.

A link between the Posse and the White Seed was suggested by Marathon County Sheriff Louis Gianoli who told the Capital Times that some Posse members buy as many as 15,000 rounds of ammunition at once, which would cost more than $2,000.

Gianoli was quoted as saying: "I've been in law enforcement for 33 years and I know most every one of them (Posse members)."

He said he is certain the Posse is getting supplementary money from somewhere else.

"I had expected the money was coming from Missouri or Tennessee because before the White Seed came in, there wasn't much ammunition buying."

Gianoli told the Herald that he didn't want to discuss at length the Posse's arms purchases because of current tensions with the group. He did say: "We know they are buying ammunition. Nothing says you can't buy it, but they are buying it in large quantities and have illegal firearms such as automatic weapons. (U.S.) Treasury agents know they have the weapons, which is a violation of federal statutes."

Posse Tries To Avoid Taxes

(By Pat Rupinski, Herald staff)

Members of the Posse Comitatus like to look upon themselves as superpatriots—except, that is, when it comes to paying taxes.

Many Posse members have been involved in schemes to avoid taxes, efforts that has brought them in conflict with the law.

In some cases, Posse members have been prosecuted. Authorities are still investigating other aspects of their position on taxes.

The Posse's disregard for taxes has ranged from refusal to pay state sales taxes, a complaint heard from Tigerton-area merchants, to elaborate antitax groups headed by Posse members that openly advocate non-payment of taxes.

One of the most notorious Posse leaders, Thomas Stockheimer of Tigerton, has been involved in several of the schemes.

Stockheimer, formerly of Mosinee, was an officer of the Little People's Tax Advisory Committee, a now defunct group that set up an office in Schofield about the same time the Posse was formed.

The committee sold counseling services to people on the filing of tax withholding forms. Clients were encouraged to exaggerate the number of exemptions, which kept their employer from withholding federal taxes on their paychecks.

The early Posse identified closely with the committee. The Posse's little blue book, which contains its basic philosophy, were distributed in the Wausau area with the name of the "Little People's Tax Advisory Committee" stamped on its back cover. The committee then listed a Hewitt post office box in Wood County as its address.

SIXTH IN SERIES

On the inside of the book's back cover was the printed inscription: "The United States of America was founded as a protest against taxation."

Active with Stockheimer in the committee was another Posse member, Charles Dodge, of the Mosinee area. Dodge was convicted on federal tax charges because of his counseling and served time in a federal prison.

Dodge's problems came after he spoke on the withholding scheme to a large crowd in Dubuque, Iowa. Fifteen people took his advice and they were prosecuted by the federal government. The case became known as the Dubuque 15. Stockheimer was indicted for trying to influence the jurors in the trial, but apparently was not convicted.

Stockheimer did serve time in federal prison in 1977 for assaulting an Internal Revenue Service agent on the Alan Grewe farm in rural Abbotsford in 1974.

Now out of prison, Stockheimer is back lecturing about taxes. He has appeared recently in the West Bend and Janesville areas.

According to the Janesville Gazette, he was assisted in his appearance in that city by Alton Moss, alias John Freeman. Moss was identified as being convicted on five charges of aiding and abetting the fraudulent filing of W-4 forms in Nebraska.

People attending Stockheimer's tax sessions are encouraged to enroll in advance sessions. A "law class" session cost $200 and includes instructions on tax avoidance procedures. A more advanced "law class" developed by Stockheimer, but not necessarily taught by him, costs $250. It teaches people how to file common law liens against public officials and enemies and how to avoid paying speeding tickets.

Another of the men who was identified as speaking at the Janesville gatherings was James Wickstrom, who like Stockheimer, claims to be a minister in the Basic Bible Church. Wickstrom, a member of the Posse Comitatus, also heads the Christian Liberty Academy in Tigerton.

The Posse has other means of avoiding taxes. One is known as the Daly-Porth Fifth Amendment tax return, which has filers stamping in the Constitution's Fifth Amendment on every line.

Posse members rely heavily on the amendment's "due process" provision in saying that government cannot take away their property without due process.

The Daly-Porth scheme is named partly after Jerome Daly of Bloomington, Minn., president of the Life Science Church and a director and minister of the Basic Bible Church.

Many of the Posse members also claim to be ministers in one of the two churches. That conveniently allows them to pay less taxes and claim more tax exemptions.

Many take vows of poverty to one of the churches and turn over all their worldly goods and incomes. The church takes care of them financially.

That would follow the practice of many of the established churches, except the Posse-connected church is often a single household, with members of the family assuming roles as pastors and trustees.

Carl Leonard Rydell, a town of Easton farmer, deeded his 150-acre farm to his son, Wayne, in 1975. He did not pay a transfer fee, claiming an exemption because the transfer to a child in return for nominal consideration.

The next day, Wayne transferred the farm to the Order of Almighty God of the Life Science Church. He did not pay a transfer fee either, claiming an exemption that said the real estate was worth less than $100.

The senior Rydell listed himself as a pastor of the life Science Church and declared his home a parsonage. His two sons, Wayne and Warren, who live at the farm, became trustees of the church.

The church's charter said all its holdings would remain the property of the chartering church. The mother church would get the property only if it was subsequently given to it. That left the Rydells in complete control of their property.

The deeding of the land to the Life Science Church did not remove it totally from the state's tax rolls. State law exempts only 10 acres of church land. The rest is taxable.

The state of Wisconsin is seeking $7,825 in unpaid income taxes and interest from Carl Leonard Rydell for the years 1975 and 1977, and $2,513 in upaid income taxes from Warren Rydell for 1977.

Federal income tax officials want $3,025 from Carl Leonard Rydell for unpaid taxes in 1974-75 and $3,315 from Warren for unpaid taxes in 1975-76.

Wisconsin officials have begun action to collect the unpaid taxes from Carl Leonard Rydell by having his employer withhold part of his wages.

Sally Minniecheske, wife of Posse member Donald Minniecheske, said that they deeded 27 acres of their farm-resort near Tigerton to the Life Science Church in order to prevent the state from buying their 577-acre site for a park.

It's more difficult to condemn church property, she said.

Marathon County To Refuse Liens

(By Pat Rupinski, Herald staff)

The Marathon County Register of Deeds has been instructed not to accept any more common law liens.

District Attorney Rand Krueger said Tuesday that he informed Robert Gernetzky, register of deeds, that Gernetzky's office would not violate the law by refusing such liens.

Krueger said he based his instructions on an opinion issued late last week by state Attorney General Bronson La Follette.

The liens were filed against elected officials and other citizens as a means of harassment. The attorney general said that they had no legal standing.

More than 40 common law liens were filed in Marathon County by Wayne Rydell of the town of Easton and Richard Kauffman of rural Loyal. Both men are officers of the Life Science Church, a group with ties to the Posse Comitatus.

Krueger said he didn't think any register of deeds in the state would accept common law liens in view of the attorney general's ruling.

LAST IN SERIES

A request for a declaratory judgment was sought earlier this month in Circuit Court for most of the liens filed in Marathon County. The filers have been given 20 days from the time they receive the notification of the request to respond before a judge acts. If the declaratory judgment is granted the liens would be voided.

Jeffery Drach, county corporation counsel, said today he is considering amendments to the judgment so that people named in liens after the county filed its original documents would be included in the declaratory judgment. The county might also seek affirmative relief, which would remove the liens from the record, he said.

In a test of the attorney general's ruling, a Tigerton man was rebuffed Monday in Antigo when he attempted to file common law liens against property of four Langlade County officials and three attorneys.

Langlade County Register of Deeds Ione Orgeman refused to accept the liens after consulting with District Attorney Carl Buesing.

Larry Copps of Tigerton tried to file seven liens for $15 million each against the property of Buesing, Circuit Judge Ralph Strandberg, county child support investigator Donald Mollett, county social services director James Koller and attorneys Richard Winter, Charles Avery and Norman Wild.

Copps, who has been involved in a child custody suit, claimed his constitutional rights had been violated.

La Follette has asked the Supreme Court to allow judges to cite persons for contempt of court if they file common law liens against judges, court commissioners, district attorneys, assistant attorneys general and clerks of court while the filers are defendants in the particular court.

He also asked the court to allow the judges to remain on the case rather than disqualify themselves.

The filing of common law liens in Wisconsin started with filings against court officials. They later spread to other government officials, government employees and citizens.

More than 100 liens have been filed statewide.

Omernick Says Posse Groups May Be Necessary To Protect Property

(By Pat Rupinski, Herald staff)

State Rep. Raymond Omernick, R-Wittenberg, said Monday that unless legislation is enacted that makes the state Department of Natural Resources responsible when it violates someone's constitutional rights, citizens will have little choice but to form groups to protect their property.

"I don't like to see such citizen groups formed because they could take the law into their own hands," he said. "But there is a definite need to give them (citizens) protection over their property."

Omernick said legislation that he is supporting would prohibit district attorneys and the attorney general from defending the DNR if the agency committed "irresponsible acts."

He defined irresponsible acts as violations of someone's constitutional rights.

In response to a series of articles in the Herald on the Posse Comitatus, Omernick said he helped to form the Posse in order to protect his property. The alternative would have been to allow the DNR to prevent him from irrigating his potato crop, which would have forced him into bankruptcy, he said.

Omernick said he stopped attending Posse meetings in 1974-75 after the sheriff refused to support the organization.

Omernick said he is a lifelong Roman Catholic and is not a member of the Life Science Church, although he witnessed the transfer of property in the town of Easton to the Life Science Church in his capacity as a town of Franzen municipal justice.

In a written statement, Omernick said:

"The Sheriff's Posse was formed to assist the sheriff in an emergency and to protect the life and property of the people in the county if the sheriff refuses or fails to do so.

"The sheriff and the district attorney will not protect your life and property in any DNR confrontation. They will defend the DNR instead. It was evident in the '70's when I tried to obtain a permit to divert stored water from a reservoir on the Holt Creek.

"The DNH refused to give me a hearing on the application and then because I did not have a permit, 14 men including sheriff's deputies, hauled off my equipment.

"I cannot obtain water from wells due to the clay in the soil and am dependent on the reservoir for irrigation. There is no protection whatever from this agency. It is why I have introduced legislation to remove this umbrella and make the DNR responsible for its own acts.

"The state has dropped all 11 counts of so-called illegal diversion, has returned all my equipment and under an agreement between Judge (Peter) Seidel (of Taylor County), Rand Krueger, (Marathon County district attorney), Jack Osswald (Omernick's attorney) and myself has allowed me to pump out of the reservoir.

"Unless legislation is enacted to protect the life and property of the people in the state, under present law, the DNR can unlawfully take life and property and the sheriff, district attorney and Attorney Genral's Office are all obligated to defend the DNR."

Omernick said the sheriff's office called to protect his property when it sided with the DNR in his water diversion dispute in 1978.

After his irrigation equipment was confiscated several times, Omernick had armed men protecting his property.

The men were members of the original Posse and some belong to the new Christian Posse, he said Monday. Last week, Omernick told the Daily Herald that the armed men were his employees.

Omernick said he would use armed men again to protect his irrigation system, but said that he hoped it wouldn't be necessary if he got his legislation enacted.

"If I am faced with the same alternatives as last time. I will do it (use armed men) again," he said. "I have to in order to pump from the reservoir if I plant potatoes."

Omernick said he did not see anything wrong with some Posse member's training in military maneuvers, building tunnels and bunkers and buying arms. "They're just protecting their property for something that might happen," he said.

Posse member Thomas Stockheimer, now living in Tigerton, said last week that the Posse was taking the military-related action to be prepared if there's a war.

Omernick said the major question in the controversy surrounding the C. Leonard Rydell farm in the town of Easton is whether a town ordinance on zoning is violating Rydell's constitutional rights.

"It's up to the courts to decide," he said. "If it (Rydell's property) is a valid church, does a town have jurisdiction over it?"●

TRIBUTE TO TOM STEED

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. LONG of Louisiana. Mr. Speaker, it is with pleasure that I take this occasion to express my friendship and good wishes to Tom Steed, who recently announced that he has decided to step down from Congress after 32 years of service.

Tom has been an able representative of the people of the Fourth District of Oklahoma, and has been a major force in developing Federal budgets for key Government services. As chairman of the Subcommittee on Treasury, Postal Service, and General Government, he has a reputation as a tough inquisitor, but a fair and honest arbiter.

I have served with Tom here in the House for nearly a decade, and have come to admire him most for his leadership abilities and his fundamental understanding of the legislative process. Though I will miss him greatly, I will always remember my association with him. I join my colleagues in wishing him the very best in the years ahead.●

WAGE AND PRICE CONTROLS—THEY STILL DO NOT WORK

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. SYMMS. Mr. Speaker, I submit to the Congressional Record an excellent editorial written by Robert M. Bleiberg which appeared in the March 3, 1980, issue of Barron's. Mr. Bleiberg points out that wage and price controls have never produced anything positive, unless one considers dislocations in the economy and false shortages as positive steps toward fighting inflation. Unfortunately, the White House is once again considering the imposition of wage and price controls, and we see the Council on Wage and Price Stability cranking up for action. Hopefully, as Bleiberg puts it, we will not be fooled again into thinking that this approach of controls will solve our problems of high inflation and high interest rates. I urge my colleagues to read this insightful column so that we will not repeat some earlier mistakes which have cost our economy dearly. Mr. Bleiberg's editorial reads as follows:

HAMMURABI TO BOSWORTH: GUIDELINES OR CONTROLS HAVE NEVER STOPPED INFLATION

Lucky Pierre. For nearly a decade, at least in our book, the renowned Dr. Rinfret has been the economist whose name leaped to mind when the issue of wage and price controls came up. On this score, for what we hope will be the last time, we remind our readers of how enthusiastically the good doctor greeted the advent in mid-August 1971 of President Nixon's move to impose them. "No one could ask for more. I support the program. I applaud the program. I have a sense of joy and elation." And so on and so forth. At long last, however, Pierre Rinfret is off the hook. With the rate of inflation in this country seemingly approaching the runaway stage, other economists, albeit less effusively and in far more guarded terms lately have raised the cry for controls.

At least two, Barry P. Bosworth and Bruce K. MacLaury, hail from the Brookings Institution, which, in view of its recent contributions to the national well-being, should probably be rated a disaster area. Thus, MacLaury, who rejoices in the presidency of Brookings, recently told the New York Financial Writers Association that while he hates controls, they may not be a necessary evil. His Senior Fellow, who once headed the President's Council on Wage and Price Stability, has gone his boss one better—or worse. Described by those who knew him when as someone "in love with incomes policies," Bosworth has come out of the closet. Once content with advocating voluntary restraints, he now boldly urges the imposition of mandatory curbs.

The Fellow from Brookings went public with his new position early last month, in testimony before the Subcommittee on Economic Stabilization of the Senate Committee on Banking, Housing and Urban Affairs, as well as in a subsequent interview with the press. His official statement carries the customary disclaimer and warning label: "The views expressed herein are my own and do not necessarily reflect those of Brookings staff members or the officers and trustees of the Brookings Institution." Those are the least murky sentences in 20 pages of turgid prose. Yet the thrust is unmistakable. "There is no policy that can break the current momentum of the wage-price spiral without high costs. * * * Given a desire to slow inflation, the choice is rapidly being reduced to one of severe recession versus wage-price controls."

Then Mr. Bosworth hinted at his own preference. "Past experience," he told the lawmakers, "indicates the major problems and risks of controls. But the lessons learned in those periods can also be used to avoid some of the problems." In the interview with a Washington daily, the former price stabilizer made his position clearer, notably on the prospects of avoiding previous mistakes, to the point where the Money Manager recently dubbed him a "Born-again advocate of mandatory controls."

Born again or born yesterday? P. T. Barnum said there's one born every minute, and he probably never even heard of Brookings. Be that as it may, Barry Bosworth is undoubtedly right about one thing: that "past experience" (the best kind) "indicates the major problems and risks of controls." For example, under Nixon's half-dozen freezes and phases, the U.S. economy suffered the classic syndrome of disturbance and abuse, notably wasted resources, artificial shortages, and lowered incentives to produce and to invest. By the time the counter-productive program was finally phased out, the country had seen its currency plunged into debasement, while inflation, at the outset a relatively sedate 4–5 percent, was raging at a double-digit rate.

By the same token, during the Korean War—which Walter Heller the other day baldly cited on the plus side of the historic ledger—controls were imposed so late in the day that they had scant effect. Transactions prices across-the-board soon declined, and stayed, below ceilings, thereby rendering them meaningless, while the companion authority, to allocate raw materials, led both the public and private sectors into a long and costly series of investment blunders. And, to judge by the carefully documented work, Forty Centuries of Wage and Price Controls, by Robert Schuettinger and Eamonn Butler, t'was ever thus.

As to learning from experience, the four millennia record, from Hammurabi and Diocletian to, let us say, Barry Bosworth, strikes us as all but blank. For under Bosworth and his successor, the incumbent R. Robert Russell, the Council on Wage and Price Stability, though operating on a limited mandate, has proceeded to make every mistake in the book. The Council has set standards that are unrealistically low, and then, through the exercise of what has come to be known scathingly as "guideline arithmetic," granted special dispensation to a favored few. It has cracked down on producers of such strategic raw materials as diesel fuel and aluminum, thereby diverting output from its customary channels and worsening shortages. It has intruded time and again into negotiations between management and labor, usually with the effect of either dragging out the talks interminably or triggering their breakdown. Without a shred of legal sanction—the guidelines, after all, are "voluntary"—it has jawboned, manipulated and coerced the Fortune 500, just as in the bad old days of LBJ and JFK, into complying with its dictates. All the while, needless to add, owing to unbridled deficits in the federal budget and excessively easy credit policy, inflation has accelerated to a pace more appropriate to a banana republic. Evidently, statists never learn.

But they never give up. The Council on Wage and Price Stability, to illustrate, dates back to early 1974, when, after the Nixon economic debacle and on the eve of total decontrol, the Senate, in an apparent effort to snatch defeat from the jaws of victory, approved it by a single vote. Once assailed by the late Sen. Hubert Humphrey (D., Minn.) as a "toothless tiger in an economic jungle of commodity speculators, oil country wheeler-dealers and Latin American sugar barons," the Council was endowed all-too-soon with fang and claw. Specifically, in the fall of 1978, when the White House unveiled its own so-called Phase Two anti-inflationary program, it was told to focus on the price and wage decisions of approximately 400 large corporations, primarily those with yearly sales in excess of $500 million (since broadened to 1,500 or so concerns with volume topping $250 million). "The Council has the statutory authority to obtain, where necessary, the required information on prices, profits and wage rates. It will use that authority to identify publicly areas of the economy and firms in which compliance to [sic] the standard is not being achieved." To handle its expanded duties, it also won a fourfold increase in appropriations and a fivefold increase in staff.

What a negative return on investment. Barry Bosworth, who ought to know, told the Senate Subcommittee that "voluntary incomes programs have lost their credibility." Which is not to say that the Council has been idle. On the contrary, thanks largely to its efforts, agriculture and industry have been hamstrung by shortages of diesel fuel and aluminum. Though freed from ceilings by the Department of Energy in 1976, diesel fuel, in effect, was recontrolled (voluntarily, of course) last year by COWPS (pronounced cops), which neglected to tell the oil companies how much they could charge. Re-enter DOE and its infamous system of allocations, which first threatened to deprive farmers in the Midwest of enough fuel to run their tractors and subsequently wound up halting the flow to such supposedly less essential users as transit authorities and truckers.

As to aluminum, it is bought and sold abroad, as well as at home. On the world market, aluminum ingot currently commands a price of roughly $1 per pound, compared to the 66 cents which the guidelines "allow" domestic producers to charge. To nobody's surprise—except, perhaps, that of the Council—more and more tonnage has been flowing to customers overseas, leaving domestic users to scramble for a dwindling supply. Controls, as their proponents have always maintained, do work miracles: in the twinkling of an eye, they can make things disappear.

Dislocations and shortages—they're just for openers. Because of the Council's clumsy thrusts, the Rubber Workers, who had all but reached agreement with the industry last spring, angrily went out on strike. (In a remarkable display of spinelessness, the producers, who made too generous a settlement with the union, have even agreed to refrain from passing on to consumers that part of the pay raise that exceeds the guidelines.) Council intervention also helped turn the walkout at United Airlines into a two-month confrontation. Settlements reached by the Teamsters and United Auto Workers, though far in excess of the approved standards, won an official nod via "guideline arithmetic," where by rigging the computers, two and two, including such fringe benefits as cost-of-living adjustments, were made to come out to three or less. Companies have popped on and off the Council's public enemies list, and several, notably Sears, have been coerced into lowering prices. All the while, of course, the twin engines of inflation, the Treasury and Fed, have been revving up to higher and higher rates. Fool me once, shame on you. Fool me twice—or time after time—and you, too, can be a Brookings Senior Fellow.●

VOLUNTARY MILITARY AID TO THE AFGHANS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. PAUL. Mr. Speaker, my good friend, John Snyder, director of public affairs for the Citizens Committee for the Right to Keep and Bear Arms, on whose National Advisory Council I am proud to serve, recently sent a letter to the President. In it, Mr. Snyder asks for Government regulations to be changed so that individual American citizens might send small arms to the Afghans fighting Soviet aggression.

This kind of voluntary military aid is in the best traditions of our country, and I urge the President to agree to Mr. Snyder's request.

I would like to call the text of the whole letter to my colleagues attention, in hopes that they will also urge the President to allow this program to go forward:

CITIZENS COMMITTEE FOR THE
RIGHT TO KEEP AND BEAR ARMS,
Washington, February 19, 1980.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Since it is the policy of the United States Government to oppose violations of human rights throughout the world; and

Since the Communist Government of the Union of Soviet Socialist Republics has violated the human rights of the people of Afghanistan by its military invasion of that Nation on Christmas Day, 1979; and

Since that invasion continues to the present; and

Since the United States Government has opposed and condemned that invasion; and

Since the God-worshipping, freedom-loving people of Afghanistan are fighting the god-less Communist invaders with whatever means are at their disposal; and

Since these Afghans have, according to recent press reports, requested small arms with which to fight the despotic Communists; and

Since tens of millions of law-abiding American citizens own firearms which could be used to resist armed invaders; and

Since American citizens have, in years past, acted in individual capacities by giving individual firearms to citizens of other Nations threatened with armed invasion; and

Since, therefore, there is a tradition of armed American civilians giving of their plenty to freedom fighters in need of arms with which to defend themselves; but

Since, under present regulations, armed American civilians can not simply give and transport individual gifts of arms to civilians of other Nations;

We call upon you to lift these regulations with regard to anti-Communist Afghans and, thus, allow law-abiding armed American civilians, should they so choose, to give firearms to these Afghans so that they may fight the Red Menace.

We would appreciate the honor of a reply with your reaction to this suggestion.

Cordially and sincerely,
John M. Snyder.●

APPROPRIATIONS COMMITTEE SHOULD STRIKE DRAFT REGISTRATION FUNDS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mrs. SCHROEDER. Mr. Speaker, I want to share with my colleagues a letter I sent to the members of the Appropriations Committee today urging them to vote against the administration's request for supplemental 1980 funds to establish premobilization draft registration.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES.
Washington, D.C., March 4, 1980.

This week the Appropriations Committee will be voting on the administration's request for supplemental 1980 funds to reinstitute pre-mobilization draft registration.

I urge you to vote against the administration's request and to vote instead for the "Rostker plan," which beefs up the Selective Service System and calls for post-mobilization registration.

The essential difference between the administration's plan and Rostker plan is that the former will deliver inductees to training camps 10 days from mobilization, (M+10), while the latter will deliver inductees 17 days from mobilization, (M+17). Both plans include provisions for registration.

The seven day difference between the two plans is irrelevant for two reasons.

First, the Department of Defense is not geared to accept the first inductee into training until 30 days from mobilization, (M+30). Thus, *both* plans *exceed* DOD requirements.

Second, neither plan takes into account enlistments. Yet whenever the country has had to mobilize in the past, the military has been flooded with enlistees—from the first day of mobilization, (M+0), forward! (Indeed, at the start of World War I enlistments had to be suspended because the influx of enlistees and draftees overwhelmed our training capabilities.)

The basic arguments against the administration's pre-mobilization registration plan are these:

A perfectly acceptable alternative exists, the Rostker plan, which exceeds DOD requirements, and costs millions less.

Draft registration will create a huge SSS bureaucracy, along with record-keeping, surveillance, and law enforcement activities.

A computer listing of the largely unskilled 18 year-old population, which is all that would result from pre-mobilization registration, is not what our military needs. It is a World War II answer to a 1980's situation. Even DOD Secretary Brown has conceded that registration is irrelevant to our current military personnel needs.

Our major need is to retain skilled, experienced personnel in the military. Pre-mobilization registration will have no effect on this need.

During World War I and World War II more than 10 million men were registered in a single day. Yet the administration is arguing that today, with computers and faster communications, we can't match that capability.

Peacetime registration runs against American tradition and principles.

The constitutionality of a males-only draft registration is open to serious question. Lawsuits are inevitable and even administration reports indicate the outcome of any such lawsuits would be uncertain.

If the main purpose of pre-mobilization registration is to help secure the Persian Gulf, it behooves the administration to ask our allies to start rolling up their sleeves. American youth should not have to bear the burden for defending Japan and Europe's oil lines.

President Carter has stated that draft registration is a symbol. But it is a symbol without substance. And the flurry of debate over draft registration has caused us to forget that there are alternatives.

If we want to send a message, we should reduce our dependence on foreign oil. How many times does the obvious have to be repeated?

The All Volunteer Force does have a problem retaining skilled, experienced personnel. We spend five years and a million dollars training an Air Force pilot. Pre-mobilization registration will not provide us with pilots. We need to look at measures designed to retain skilled level career people.

Strengthening and upgrading the National Guard and Reserve Forces is a more efficient, quicker way to increase our military preparedness.

The administration's pre-mobilization registration plan reminds me of H. L. Mencken's observation that "A new fallacy in politics spreads faster in the United States than anywhere else on earth." The administration is trying to prove Mencken right, but the Congress doesn't have to go along.

Sincerely,

PAT SCHROEDER,
Congresswoman.●

STUDY FINDS EMPLOYMENT DISCRIMINATION CONTINUES IN NORTHERN IRELAND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. ZEFERETTI. Mr. Speaker, as an outspoken advocate of a more active U.S. role in resolving the conflict in Northern Ireland, I want to bring to the attention of my colleagues a report recently issued by the Fair Employment Agency for Northern Ireland, which is the official Government body in Ulster assigned the responsibility of fighting discrimination for religious or political reasons.

I am sorry to say the report indicates that Northern Ireland's Catholics have moved further down the social scale relative to Protestants. Earlier reports indicated that the unemployment rate for Catholics was 2½ times that for Protestants. The high discrepancy in unemployment rates in the past had been blamed on the former Unionist government, the Protestant ruling party. However, this new report released in February 1980, indicates that no change in employment patterns has occurred since the Government of Great Britain assumed direct responsibility for ruling Northern Ireland in 1972. This trend is a far cry from what we have been led to believe by British spokesmen in recent years.

An even gloomier aspect of the report indicates that the occupational disparities between Catholics and Protestants will persist and most likely widen unless the Government undertakes strong and constructive policies. The belief that time will cure the inequities, the report concludes, will remain ineffective in solving the problem.

The agency's investigations show that virtual segregation exists in many occupations and that some firms have what amounts to a policy of apartheid, with Catholics employed in only one department of the company, separated from their Protestant coworkers. In addition, Catholics are far underrepresented in skilled occupations such as engineering, banking and business.

The agency's director, Robert Cooper, has indicated that a program similar to the American affirmative action plan is necessary to alleviate the employment discrepancy.

Mr. Speaker, this detailed study is another indication that discrimination against the Catholic minority in Ulster, and the overall deprivation of civil and human rights by British authorities, continues unabated in Northern Ireland. The fact that the study was conducted by an agency of the Northern Ireland Government lends veracity to the seriousness of the problem.

I remain convinced that terrorist violence is not the root of the Ulster conflict, but a result of the underlying policies of discrimination and denial of civil rights imposed by the Protestant majority. While I join in condemning all violence in Ulster, we must realize that terrorism will not be stamped out until the underlying causes for the violence have been remedied.

I remain convinced that the U.S. Government can play an instrumental role in encouraging a peaceful settlement to the Ulster conflict, a conflict that has claimed more than 2,000 lives. It is my belief, and the feelings of my fellow members of the Ad Hoc Congressional Committee for Irish Affairs, that neither the United States nor any other nation attempt to impose a solution to the strife. That question can only be answered by the people of Ireland—the people of all of Ireland.

I am encouraged by Irish Prime Minister Haughey's recent statement inviting an international conference, including participation by the United States, on the Ulster question. The Fair Employment Agency's report is a clear indication that the situation in Northern Ireland is not improving, but getting worse. I will continue with my efforts in encouraging increased participation by the U.S. Government on the Irish issue, and I urge my colleagues to join in this effort.●

COOPERSBURG: A TOWN OF POSSIBILITIES WITH A RICH HISTORY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. RITTER. Mr. Speaker, the borough of Coopersburg, a proud community of 3,000 people nestled in the southern end of Lehigh County, Pa., recently observed its 100th anniversary.

This lovely small town is typical of communities across the Nation in that it personifies the faith settlers had in this great Nation and their perseverance in building better communities through sweat, toil, and hardship. Such efforts and sacrifices merit our warmest praise and congratulations.

Such efforts are reflective of today's Coopersburg as well, where a hardworking population symbolizes the best of American family values and community spirit. My family and I have personally shared in the quality and substance of Coopersburg life.

The story of Coopersburg is truly the story of America. Although Coopersburg was not incorporated until December 2, 1879, its roots trace back more than a century.

It is a story worth telling, a story which all of us can relate to in our own community pride.

As early as 1740, there was a log tavern, Der Siebenstern, in the wilderness bordering the Saucon Creek on the site now known as Coopersburg. The Lenni-Lenape Indians enjoyed good hunting and fishing and their foot trails crisscrossed the area. The Bachman log tavern was built on one of these trails, 1 day's journey from the Bethlehem Moravian settlement to the north.

Moravians were thrifty people who made long journeys to Philadelphia to sell their wares, purchase raw materials coming from Europe, and share their culture. Farms owned by German settlers dotted the area between Bethlehem and this lovely log tavern at Coopersburg. These farmers had already set up churches which doubled as schools. The Saucon Mennonite Church was reasonably close to the tavern and the settlement grew.

By 1800 Joseph Frey came onto the scene and the foot trail, once only wide enough for a horse, became a wagon and stagecoach road. Mr. Frey built a mill and a gin distillery along the fast-flowing Saucon Creek and joined blacksmiths, wheelwrights, and other tradesmen who were thriving with the stagecoach stop trade at the tavern. By this time, the stopover was called Freyburg. The area now known as Coopersburg was designated as Bucks County. In 1752 it was incorporated into Northampton County and in 1812 was included in Lehigh County. Mr. Frey became actively interested in politics and served in the State legislature and in Congress.

In 1775, Daniel Cooper, a cooper by trade from Amsterdam, settled in Freyburg, purchased Mr. Frey's tavern and much acreage. A son, Peter, became a builder of stone hotels, stores, and several permanent dwellings still in use 150 years later. He was so beloved by the citizens of Freyburg that in 1832 the village was named Coopersburg.

The steady growth of the village was like that of many other villages of that period. Many persons' efforts strengthened the spirit of the town and on December 2, 1879, the borough was severed from Upper Saucon Township and became incorporated.

Genaah Jordan, who came here as a boy in 1861, was instrumental in setting up that early government. A self-taught draftsman, he fashioned and built homes, many of which are still in use. He saw the need to form a school board and have an English-spoken school. He designed St. John's U.C.C. Church, 1889; the Coopersburg Elementary School building, 1909; First National Bank, 1923; and the present town hall, 1930. He was the burgess at four various times, the last being in his 94th year.

There were also the Coopers. Charles, the son of Peter, was first superintendent of schools in Lehigh County. Thomas was a physician, and his son Tilghman S., became the cattle king of Coopersburg.

Tilghman S. Cooper was interested in bettering the quality of milk. After much research, he traveled to the Isle of Jersey off the coast of England in the English Channel to study at first-hand the Jersey cow, which gave unusually high rich butterfat readings for milk. In 1874, cattle pastured on his Coopersburg farm were sold in New York City's Madison Square Garden. By 1900, it was decided to have the sales in Coopersburg. The cattle came to New York and were taken to the Cooper Farm where they were prepared for sale day on Memorial Day. This sale was a great boost to the town's economy. The sales pavilion, which attracted Jersey cattle lovers, breeders, and buyers from all over the United States and New Zealand, has been accepted in the National Register of Historic Sites.

Another dynamic personality was Dr. Martin Baye, a chemist who discovered TNT, and who purchased a home in Coopersburg.

The Samuel Kern family also left its strong imprint on the area. They were the builders of the famous Kern custom carriages and sleds. The younger generation of the Kerns went on to horseless carriages. At present, Kenneth (Dutch) Kern, 77, is restoring Franklin cars. His name as a restorer is well known around the country.

More recently, Coopersburg has also been a focal point in the quarrying of black granite in a strong vein 1 mile east of the community. The three Riu brothers and their families settled here from Italy. Knowledgeable about stone, they were able to remove the granite, bring it to the granite works near the railroad in Coopersburg, and transform it into tombstones and ornamental pieces.

One of the brothers, Victor, trained in Italy, became renowned as a sculptor of black granite, which is far more dense and difficult to work than other stone. His pieces were sought after by the art museum at Philadelphia, the Allentown, Pa., public library art collection and the Washington Zoo, among others.

Mr. Speaker, the story of Coopersburg is a proud part of our Nation's heritage, and all citizens of the Lehigh Valley join in honoring the men and women who, decade after decade, built with their hard work and good citizenship, a beautiful community to cherish and to be proud of.●

LOBBYING WITH APPROPRIATED MONEYS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. PAUL. Mr. Speaker, I did not intend to say anything about this bill until my office received a call from a Dr. Don Sherk at the Treasury Department about it. Dr. Sherk, whose telephone number is 566-2173, opened the conversation, a conversation he had initiated, by asking my legislative assistant whether "the Congressman" had taken a look at the bill. My assistant informed Dr. Sherk that indeed I had; in fact, I had filed dissenting views on the bill when it came out of the House Banking Committee. Dr. Sherk was unaware of this, but indicated that he would take a look at them.

Then without any prompting from my assistant, Dr. Sherk proceeded to try to "turn this around," to use his phraseology. What this meant is that this Dr. Sherk proceeded to give my assistant figures allegedly showing how much Texas banks and businesses have profited and stand to profit if this bill goes through. At that point my assistant asked Dr. Sherk whether I was the only Member whose office was being called on this bill, or whether other offices were being called. Dr. Sherk replied that I was not alone, but that he had called and would be calling other Members.

At that, my assistant asked Dr. Sherk whether he understood that what he was doing was illegal. This surprised the doctor, and he maintained that he was simply educating us about the bill, not lobbying for it. I strongly disagree. This administration repeatedly has violated the law by lobbying Members of Congress, and I am tired of it. I think some action should be taken by the Congress to stop this illegal diversion of the taxpayers' funds.

The bill extract follows:

SECTION 1913—LOBBYING WITH APPROPRIATED MONEYS

No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment.

June 25, 1948, c. 645, 62 Stat. 792.●

U.N. RESOLUTION CONDEMNED

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. WOLFF. Mr. Speaker, the United Nations Security Council recently revealed its insensitivity to Israel's security needs in its resolution condemning the civilian settlements in the occupied West Bank and the Gaza Strip. Just as the United States needs its bases throughout the world in order to protect its national security, so too does Israel need at least some outpost settlement for its security. As Michael Shiloh, a spokesman for Israel's Foreign Ministry, said:

> Settlement in the West Bank is not only a right but an integral part of our security system.

The U.N. Security Council's one-sided resolution concerns part of the territory which was part of the British mandate of Palestine. In 1977, Assistant Secretary of State Alfred Atherton stated before two subcommittees that "the question of sovereignty has not been finally resolved." The terms of the final settlement have yet to be dictated. It is not for the United States to dictate those terms, instead, it is for those nations directly involved.

It is therefore with great disappointment that I learned of the U.S. support of the Security Council measure. Today the administration announced that they had made a mistake in voting for the resolution—what the President really wanted to do was to abstain. The international implications of such a mistake are staggering. However, the reasons that the administration wished to abstain had to do with mention of Jerusalem. Their opposition to settlements on the West Bank was the source of their support for this resolution and, I believe, their more serious mistake. The peace process going on between Israel and Egypt is a delicate one, and a resolution such as this can only hinder it. Furthermore, I am even more disappointed that the United States believes that Israel's settlement policy is a violation of international law. The areas in question are unallocated areas of the British mandate. Israel is in no way violating any international law in settling on those areas. If anyone has ever been in violation of international law, it would be the Jordanians who seized lands in 1948. The boundaries set up by the 1949 armistice, referred to in U.N. Resolution 242, never constituted internationally recognized borders, and have never been recognized by any nations except Pakistan and the United Kingdom.

The dream of Israel and of all who gave their lives for that dream should not be ruined by a declaration which is unjustified and unrealistic. To deny Israel the right to defend its borders is a violation of rights, one which we should never permit to occur. The resolution is an impediment to peace, and an outrage to the Jewish community in our Nation as well as to the State of Israel.

The Balfour Declaration and almost all subsequent documents concerning the lands of Palestine have been made by outside powers, by people who often could make no claims to the lands. It is time that Israel and her neighbors do their own negotiating, for it is only those nations who can decide their fate.

I think it is appropriate at this point to quote the Bible:

> For Zion's Sake, I will not keep silent and for Jerusalem's sake I will not rest * * *.—Isaiah 62:1

And for the sake of this great Nation of ours, I will continue, unabated, my opposition.●

SUPPORT SUNSET H.R. 2

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. WEISS. Mr. Speaker, I wish to add my voice in support of H.R. 2, the sunset legislation introduced by Mr. BLANCHARD, a bill designed to insure that Congress keep a careful watch over the spending of tax dollars.

In recent years there has been growing public dissatisfaction with the efficiency, responsiveness, and skyrocketing expense of our Federal Government. In response, the Congress has been asked to consider a number of bills mandating periodic review of Government operations and programs. In so doing, we will find those programs which have outlived their usefulness, and discontinue them.

There are currently several laws and rules in effect which are designed to encourage effective program review. It seems clear that they are simply not doing the job, and that the time has come for a bill which includes specific enforcement mechanisms.

I believe that H.R. 2, the Sunset Act of 1979, would accomplish this by terminating spending authority for those programs which have not been reviewed. However, there are provisions to prevent the unintentional termination of a program by extended debate on reauthorization.

Opponents of sunset legislation usually base their argument on the question of feasibility. I believe this bill will insure systematic and meaningful oversight by establishing detailed procedures for committees to conduct extensive and comprehensive examinations of programs. This includes much-needed procedures for review and reauthorization of tax expenditures. It also requires programs of a related nature to be reviewed at the same time and in relation to each other. Significantly, the bill exempts from the review process those programs into which citizens have paid in expectation of a later return, such as social security and pension funds.

In addition, Government accountability is insured by a requirement that the President submit management reports assessing the effectiveness of programs, along with a ranking of them relative to other programs. He must also submit periodic evaluations of all regulatory agencies, along with plans for their reorganization and improvement.

I believe it is imperative that we enact a sunset bill that is action-producing, including the specific enforcement mechanisms outlined in H.R. 2. I urge the support of all my colleagues for the swift passage of this legislation.●

RUSSIA AND THE BIG LIE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. DERWINSKI. Mr. Speaker, a column by the Reverend Andrew M. Greeley, the widely circulated syndicated columnist, entitled "Russia and the Big Lie," appeared in the March 11 edition of the Washington Weekly. I insert this column into the RECORD, and especially commend it to the attention of the White House, perhaps to be read personally by the President, so that it may save him from further deceptions by the Soviets.

The article follows:

RUSSIA AND THE BIG LIE

(By Andrew M. Greeley)

The Olympics are part of the Big Lie—the Biggest Lie perhaps in the history of humankind. The Lie is that Communist Russia is not the most evil government the world has ever known, more evil even than Hitler's Germany, if only because of the duration of its crimes.

The evil is not that the International Olympic Committee is going ahead with the games in Moscow; the crime is that the contests were ever scheduled there in the first place. Since 1945 Russia has violated most of the Olympic professionalization rules and has used the games as an occasion for political propaganda. Still the Olympic Committee has bought the big lie that Russia is like any other government in the world.

South Africa was thrown out of international competition because it is a racist regime. Russia dominates more non-white people than does South Africa—twice as many in fact. Black citizens in South Africa have more personal and political freedom than does anyone in the Soviet Union. To schedule the games in Moscow while throwing out South Africa is the Big Lie. When "liberals" and "black leaders" remain silent in the face of this monstrosity they were guilty of going along with the Big Lie—long before Afghanistan.

The Russians are using nerve gas in Afghanistan and massacred 1,000 men in one village. "World public opinion"—so outraged by the My Lai massacre—remains silent. The latter was an isolated incident against government policy. Massacre in Afghanistan is official policy. To remain silent, as most of our leftists seem to be willing to do, is to succumb to the Big Lie.

Some people I know discount the atrocities in Afghanistan. The Russians wouldn't do something like that. The Big Lie makes them forget how often mass murder was official policy during the bloody history of Communist Russia. The Polish officers who were butchered in the Katyn forest have been quickly forgotten.

To ship grain, sell technology, attend summit meetings and pretend that Russia belongs in the community of civilized nations is part of the Big Lie. Similarly, the argument, frequently heard from columnists, college professors and other intellectuals through the past 50 years, that the evils of Russian communism and American capitalism are roughly equal is a monumental surrender to the Big Lie.

Disarmament agreements, Helsinki pacts, cultural exchanges, international athletic competitions and all other such legitimations of Russian tyranny are the Big Lie. The United States ought to have nothing to do with Russia, other than maintain military might so as to be able to resist its eventual attacks (which is quite different from Mr. Carter's alternation between appeasement and war-psychosis bluster for re-election purposes).

To pretend that the Cold War is over or could be over is the Big Lie. To involve Russia in the international community by doing business with it and to prop up its sick economy are both capitulations to the Big Lie. The life expectancy rate for men in Russia is declining; a quarter of the population may be alcoholics. The regime is tottering—weakened by senility and tyranny. Instead of letting it collapse (as I predict it will in the next decade) of its own dead weight, the United States has helped it stay in power. We have become victims of the

Big Lie we ourselves have helped to propagate.

Ever since Lincoln Steffans went to Russia in 1919 and announced that he had seen the future and it worked, a certain kind of American has been telling the Big Lie about Russia. One would like to think that Afghanistan would put an end to the Lie.

It won't.●

SHAREHOLDERS OF THE BIG OIL COMPANIES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. COLLINS of Texas. Mr. Speaker, politicians every day blast the big oil companies.

I wonder if folks know who owns the big oil companies. I had my staff make a survey to determine who owned the oil companies. One person said the U.S. Senators, another, the Arabs, many said foreigners, one said Exxon owns them all, another said New York banks. The few who said stockholders did not know who the stockholders were.

The best breakdown I have on oil companies is from a speech by Frank Ikard of API a few years ago. He analyzed the six largest oil companies and the ratio is comparable today. Let us take these six companies.

There are 2,300,000 direct owners; 54 percent are women, 46 percent are retired at an average age of 70. Their oil dividends are important to their living.

Let us look at the 11,766,000 indirect owners. The largest group are people participating in pension funds. Money that they at first pay into pension funds, and later receive as benefits, is invested in the six oil companies. So it is with mutual fund investors, the next largest group. The remaining owners are investors in insurance companies and brokerage houses and trustees of people's estates, all of whom buy oil company shares as well as other stocks and bonds.

Many blue-collar and white-collar workers own shares directly and indirectly. Some of our retired or widowed friends and relatives own shares. Maybe our parents are using oil dividends to pay for their grandchildren's dental work or education or car for work. Among all these owners we see no evil powers that are supposed to be enemies of the consumer and the poor.

The media is also quick to attack oil companies and their earnings. It is very revealing to note how much more profitable the media is than the oil companies. Ten major media companies averaged 19 percent return on their total capital in the 12 months ending September 30, 1979. In that same period, eight major oil companies averaged 13.1 percent return on total capital. In other words, the total return of the oil companies barely matched the rate of inflation. Out of their return they were setting aside a major part to reinvest in the business. Oil shareholders got only what was left. It is also interesting to know that every time a shareholder receives $1 that government through taxes gets $12. That is $12 in taxes for each $1 in dividends.

It is time for the majority party in this House to recognize the harmful effects that their policies are forcing on our U.S. oil companies. Years of price control and heavy taxes have constricted investment in domestic oil production, created an energy crisis, enriched foreign OPEC suppliers of oil, and brought a financial crisis upon this country.

Our country has too much government, more regulations than we need, and more taxes being passed on to the people than they can afford to pay.●

SUPPORT FOR TUNISIA

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. DODD. Mr. Speaker, I rise in support of House Concurrent Resolution 282, expressing U.S. support for Tunisia. House Concurrent Resolution 282, introduced on February 20 by 14 members of the House Foreign Affairs Committee including Chairman ZABLOCKI, expresses the sense of the Congress that the United States should take concrete steps to help Tunisia meet unprovoked threats to its freedom and security. As Members of the House will remember, it was little over 1 month ago, on January 27, that an armed attack against the Tunisian town of Gafsa occurred. The attackers, whom evidence indicates were inspired and perhaps trained by the regime of Colonel Qaddafi in Libya, were unsuccessful in their attempt to seize Gafsa and rally the population around them. I believe that it is a tribute to the government of President Bourguiba which has achieved impressive progress in economic growth and equitable distribution of economic benefits for the people of Tunisia that the citizens of Gafsa helped to repel the attack on their town.

The resolution states that recent attempts to undermine the stability of Tunisia constitute a serious threat to international peace and security and to U.S. national security interests in the Mediterranean area. It is for these reasons that the resolution expresses the sense of Congress that the United States should furnish appropriate levels of economic and security assistance to Tunisia. As my colleagues know, we have already responded to the threat to Tunisia by committing ourselves to supply limited numbers of armored personnel carriers and helicopters to Tunisia. I would also observe that President Carter, aside from approving these sales to Tunisia, met with President Bourguiba's son 3 days ago and said on that occasion that the United States viewed any threat to the independence and freedom of the people of Tunisia with deep concern. This resolution will serve as a proper congressional statement affirming the unity of the U.S. Government in our support for Tunisia.

Tunisia is a nation which has been a good friend of the United States in the North African region. Tunisia deserves our strong support, not only for the sake of our own national interests but primarily for the sake of the Tunisian people themselves. I would urge my colleagues to support the passage of House Concurrent Resolution 282, and I would hope that the Senate will also soon pass its companion resolution Senate Concurrent Resolution 78.●

HANDGUN MISUSE CLAIMS 612 LIVES IN JANUARY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. DRINAN. Mr. Speaker, during the month of January 1980, 612 Americans were killed by handguns. This figure represents a compilation of media reported handgun deaths from cities and towns across the Nation, collected by Handgun Control, Inc.

Mr. Speaker, a new Gallup poll released on February 3 indicates overwhelming support for new handgun controls—even among gun owners. The poll found that 75 percent of the electorate wants tougher licensing laws, including 65 percent of the Nation's gun owners.

Over 30 Members of the House have cosponsored the Handgun Crime Control Act of 1979 which would ban the sale of Saturday night specials and other easily concealable handguns. It would require greater accountability by handgun importers, manufacturers, and dealers.

The Congress has the responsibility to act on this much needed and desired legislation. I urge my colleagues to support the Handgun Crime Control Act of 1979 and stop the handgun misuse that continues to claim so many lives. The handgun body count follows:

ROLL OF HANDGUN DEAD JANUARY 1980

ALABAMA (22)

Roy Eugene Bailey, Hanceville; William H. Brown, Roanoke; Geneva Clemons, Athens; Daniel Drumgood, Tuscumbia; Lila Hodges, Birmingham; Michael Johnson, Athens; Hoyt Lathan, Joppa; Glover Merriweather, Birmingham; Bobby Mitchell, Florence; Eugene Rau, Mobile; Archie Reese, Birmingham; Floy Roberts, Mars Hill; James Roberts, Mars Hill; Maybelle Roberts, Mars Hill; Ukle Smith, Roanoke; Linda Speese, Mobile; Gerald Speese, Mobile; Leonard Stafford, Mobile; Douglas Thompson, Mobile; Freddie Thompson, Birmingham; Neil Tidmore, Dadeville; and Charles Vaughn, Peach Corner.

ARIZONA (8)

David Benzor, Yuma; Bobby Curran, Phoenix; Robert Hunter, Tucson; David Mendivil, Tempe; Ernesto Ruiz, Yuma; Monse Salano, Phoenix; Daniel Taccit, Phoenix; and Unidentified Male, 50, Yuma.

ARKANSAS (7)

Jerald Bell, Tontitown; Mildred Ditlow, Little Rock; Helen Green, Pine Bluff; Kavin Johnson, Little Rock; Mike Sanders, Stamp; James Smith, Mandeville; and Michael Trice, Little Rock.

CALIFORNIA (95)

Arthur Albidrez, Riverside; Paul Anderson, Long Beach; Randall Andrews, Eureka; Jimmy Armijo, Santa Barbara; Addie Ashley, Los Angeles; Jerry Bailey, Sunland; Michael Ballman, Oceanside; Masood Barin, San Diego; Roy Bracamone, San Jose; John Brown, Bakersfield; Craig Butler, Hawthorne; Arthur Carmona, Garden Grove; Earnestine Clevenger, Soda Springs; Daniel Coalson, Huntington Beach; Clista Crews, San Rafael; Donald Crews, San Rafael; Camillo Cuellar, San Bernardino; James Curmett, Los Angeles; Edward Dennick, Yucca Valley; and James Dowdy, San Francisco.

Arturo Duran, San Francisco; Ramon Esparza, Pomona; Richard Esquibel, San Jose; Jesus Estrada, Stockton; Ornelas Estrada, Inglewood; James Flemming, Palm Desert; Joseph Fortner, Blythe; Rodney Foster, Sacramento; Roy Gaines, Madera; Hortencia Gallarado, Oxnard; Gary German, Shasta County; Charles Gilliam, Los Angeles; Humberto Gonzales, Los Angeles; Johnny Gonzales, Sacramento; Iris Hamilton, Morongo Valley; Anthony Hernandez, Stockton; Terrell Huntley, Jr., Los Angeles; Gerald Huth, Paso Robles; Russell Johnson, Inglewood; and Steven Joses, Nicasio.

James Kunitz, Sacramento; Elsie Lewis, Pittsburg; Keith Lewis, Stockton; Leland John Lirette, Jr., Sacramento; John Liscano, Pomona; Anastacio Lizarraga, Bakersfield; Erlinda Lizarraga, Bakersfield; Abraham Lopez, Merced; Kenton Marlin, San Francisco; Jack Marquez, San Pedro; Michael Mattson, Pacifica; Marina Mayorga, Inglewood; Larry McGaughran, San Francisco; Joseph McGuffie, El Cajon; James Mozuraitis, Oakland; Aaron Nissenfeld, San Jose; Salvador Ochoa, Stockton; Janice Phillips, Port Hueneme; Robert Pimental, San Dimas; and Shirley Plowright, Hayward.

Monico Ramirez, Los Angeles; Raymond Ramirez, Monrovia; John Rehbock, Atascadero; Jose Rondinelli, Los Angeles; Robert Sakane, Hawthorne; Esmail Sanaipour, San Diego; Felipe Sanchez, Santa Ana; Joseph Sapp, Oakland; James Scalph, Ridgecrest; Saul Self, San Francisco; David Shiloh, San Francisco; Darlene Shipley, Oakdale; Vickie Jo Sprague, Wilmington; Nicole Starkes, San Francisco; William Steele, Long Beach; Peggy Trent, Santa Monica; Konstantinos Vagenas, South El Monte; Benjamin Valdez, Moss Landing; William Vaughn, San Bernardino; and Johnny Ray Vigil, Colton.

Francis Volk, Manteca; Jimmie Washington, Palo Alto; Harold Weinberg, Antelope Valley; George Williams, San Francisco; Larry Williams, Laurel Canyon; Raymond Wilson, Lodi; Wilda Wilson, Lodi; Unidentified male, 24, Santa Cruz; Unidentified female, San Gabriel; Unidentified male, San Gabriel; Unidentified male, 17, Pasadena; Unidentified male, 25, Long Beach; Unidentified male, 22, Los Angeles; Unidentified male, San Jose; and Unidentified male, 20, Sacramento.

COLORADO (14)

Joseph Burger, Grand Junction; Johnny Carroch, Poncha Springs; Paul Chavarria, Denver; Douglas Fairley, Arvada; James Koeln, Lyons; Robert Livingston, Denver; David Millemon, Buena Vista; James Mountfort, Monte Vista; Paul Olschefski, Pueblo; Glen Pflug, Woodland Park; Timothy Sheldon, Branson; Douglas Stambaugh, Montrose; Joe Stribling, Denver; and Stuart Watkins, Denver.

CONNECTICUT (5)

Diane Flowers, New London; Joseph Johnson, New Haven; Theodore Schank, Stamford; Unidentified Male, 24, Hartford; and Unidentified Male, Hartford.

DISTRICT OF COLUMBIA (12)

Shawn Better, George Coaxum, William Devereaux, Martin Garcia, Stanley T. Hall, Franklin Hammond, Mary Jackson, Carl K. Lane, Earl Mathews, Matilda Nesbitt, Robert Smith, and Richard K. Washington.

FLORIDA (24)

Albert Badger, Davie; Pamela Bailey, Miami; Pedro Cabejjon, Miami; Jean Cappello, Deerfield Beach; Ray Cardinas, Vero Beach; Roberto Castro, Belle Glade; Maria Elsa Castro, Belle Glade; Ramon colmenares, Miami; Leon Colson, Oslo; Peter Deluca, Oakland Park; Enedino Galinda, Wahneta; Clifford Givens, West Palm Beach; Randy Hammons, Bradenton; Ira Holland, Jacksonville; Joseph Jarret, Hudson; James Kearse, Fort Myers; James Lewis, High Springs; Raul Macho, Miami; Norman Martin, Miami; Ali Mohabbat, Miami; Delroy Murray, Miami; Albert Sawyer, Jacksonville; Robert Surgener, Deerfield Beach; and G. Eugene Woods, Ft. Lauderdale.

GEORGIA (24)

Samuel Alexandria, Atlanta; Robert Bell, Atlanta; James B. Brown, Jr., Chamblee; Agnes Burnett, Brunswick; Johnny Copeland, Atlanta; Fay Garrison, Atlanta; Joseph Gibson, Atlanta; William Goulden, Atlanta; Frank Green, Newnan; James L. Hancock, Jr., Waynesboro; Andrew Heath, Cross Green; Jackie Mayam, East Point; Clarence McCormick, Columbus; William Pearce, Savannah; Gordon Salters, Augusta; Eddie Smith, Atlanta; Patricia Smith, Atlanta; Azzie Lee Stanford, Warrenton; Jerry Taylor, Haralson County; Clarence Toombs, Broxton; James B. Webster, Jr., Atlanta; Sherlyn Whitener, Dekalb County; Unidentified Male, 38, Atlanta; and Unidentified Male, 25, Coffee County.

HAWAII (5)

John Carson, Honolulu; Carl Greene, Honolulu; Alexander Kanehailua, Nanakuli Billy Jean Puulei, Wainiha; and Robert Stephenson, South Kona.

ILLINOIS (18)

Linda Carson, Chicago; Paul Chamberlain, East St. Louis; Victor Creswell, Chicago; Judy Graan, Chicago; Andrew Halliburton, Glencoe; Tina Hawkins, Chicago; Nathaniel Jackson, East St. Louis; Juan Jimenez, Chicago; Christine Mroz, Chicago; Edward O'Malley, Chicago; Aida Pagan, Chicago; William Pagan, Chicago; Lee Strong, Chicago; Ronald Turnbough, East St. Louis; William Walker, Jr., East St. Louis; Dennis Washington, East St. Louis; Audrey Weathers, Chicago; and Frazier Williams, Chicago.

INDIANA (10)

Larry Brodie, Indianapolis; Kenneth Chambers, Indianapolis; Kelly Clark, Evansville; Frankie Duncan, Evansville; Gregory Gilligan, Evansville; Lisa Gilligan, Evansville; Theresa Gilligan, Evansville; Jerry Keyes, South Bend; Joseph Semala, Michigan City; and Walter Trobaugh, Indianapolis.

IOWA (5)

Helen Bargenquast, Boone; Robert Bargenquast, Boone; Raymond Keller, Stockport, Steven Wellman, Council Bluffs; and Darnell Williams, Des Moines,

KANSAS (5)

Felix Brooks, Kansas City; Jose Perez, Lewis; Gayle Slater, Manhattan; Anthony Spray, Wichita; and Mary Walter, Great Bend.

KENTUCKY (11)

Stanley Allen, Florence; Pamela Barbour, Louisville; Everette Becknell, Lexington; Claude Canada, Nicholasville; Jesse Coleman, Cynthiana; Lonnie Hensley, Corbin; Rick Allen Johns, Covington; Timothy Mains, Covington; Raymond Marable, Russellville; Rebecca O'Hearn, Richmond; and James Ohler, London.

LOUISIANA (24)

Webster Antoine, Jr., New Orleans; Clifford Archilia, Lake Charles; Joel Bias, New Orleans; Albert Causey, Monroe; Larice Causey, Monroe; Madelyn Flaming, New Orleans; Harold Frank, New Orleans; John Hurst, Chalmette; Joe Jackson, New Orleans; Marguerite Jackson; Dorseyville; Beatrice King, Slidell; Reginald Lucas, New Orleans; Jeanne Marban, New Orleans; Terrill Martin, New Orleans; Robert McGuire, Gretna; Ackman Poche, Baton Rouge; Hilda Poche, Baton Rouge; Kevin Pollard, New Orleans; Roxanne Sebastine, Opelousas; Kenneth Septh, New Orleans; Reginald Simon, Scotlandville; Freddie Singleton, Pine Island; John Sullivan, New Orleans; and Joseph Tyler, Slidell.

MARYLAND (11)

Sammy Furr, Baltimore; Raymond Hudson, Baltimore; Kenneth Jackson, Baltimore; Robert Jones, Jr., Baltimore; Zelda Kay Jones, Baltimore; Albert Kahl, Baltimore; Lester King, Baltimore; Gary Miles, Baltimore; Nicholas Moneymaker, Baltimore; Hubert Pryor, Cambridge; and Cheryl Ann Tindall, Siloam.

MASSACHUSETTS (6)

Patricia Colini, Malden; Mary Cordeiro, Rehoboth; James DiGiovanni, Malden; Stephen Hughes, Boston; John H. Ryan, Boston; and Salvatore Sperlinga, Somerville.

MICHIGAN (13)

Edward Arnold, Detroit; William Bennett, Detroit; Kitty Brooks, Detroit; Ernest Brown, III, Detroit; Clarence Castelow, Detroit; Jim Crowley, Jackson; Barbara J. Davis, Grand Rapids; Mary Kathleen Maczuga, Warren; Fred Mead, Grand Rapids; Raymond Reece, Pontiac; Lela Belle Shy, Detroit; Unidentified male, 26, Saginaw; and Unidentified male, 36, Saginaw.

MINNESOTA (5)

Kenneth Bakken, Wayzata; Linda Coleman, Minneapolis; Thomas Luger, St. Paul; Harold Robinson, Henderson; and Dallas Wildey, Minneapolis.

MISSISSIPPI (4)

Arthur Ray Butler, Jr., Petal; Walter Eugene Hall, Iuka; John Latham, Winona; and Suzanne Latham, Winona.

MISSOURI (18)

Tammy Lynn Blankenship, St. Robert; Cleo Margaret Breen, Versailles; A. J. Burnett, St. Louis; Mavis Coney, St. Louis; Billy Ray Francis, Waynesville; Lorna Sue Guess, St. Joseph; Ebony Hinton, St. Louis; Cynthia Howe, Kansas City; Larry Jones, St. Louis; Alfred Mayes, St. Louis; Larry Neal, St. Louis; Robert Parsons, Mitchell; Nathaniel Sledge, St. Louis; Olivia Stegall, Rock Hill; Michael Taylor, Rock Hill; Tameria Waltrip, Springfield; Unidentified male, 20s, St. Louis; and Unidentified male, 20, St. Joseph.

NEVADA (11)

Ralph Bailie, Reno; John Douglas Bell, Las Vegas; Eduardo Dominguez, Reno; Robert Flagg, Mason Valley; Gregory Lamb, Las Vegas; Craig McClean, Reno; Anthony McRoy, Las Vegas; Deborah Ann Schlecht, Las Vegas; Randy Wheeler, Hawthorne; Vivian Wilson, Reno; and Stephen Young, Sparks.

NEW JERSEY (9)

Cecil Coates, Jr., Newark; Rayfield Coneley, Newark; Jack Gainer, Newark; Mr. Germain, North Bergen; Patty Hex, North Bergen; Thomas Jeffers, Newark; Lourdes Reyes, Jersey City; Ilda Rodriguez, Jersey City; and Craig Stevens, Newark.

NEW MEXICO (13)

Carol Gilbert, Los Lunas; Noel Johnson, Albuquerque; Kenn Johnson, Albuquerque; Wayne Knowles, Tucumcari; Steven Kourkoumelis, Albuquerque; Ronnie Martinez, Albuquerque; Barbara McMullan, Albuquerque; David Miller, Vaughn; Rudy Sanchez, Jr., Carlsbad; Julian Uvalle, Clovis; Tranquilino Valdez, Roswell; Joe Vallejos, Roswell; and Delores Via, Albuquerque.

NEW YORK (32)

Aquiles Alcantara, New York; Mabel Benton, Ellenville; Arthur Benton, Ellenville; Wilfred Cade, Brooklyn; Ramon Denis, Brooklyn; Mario Gerabelt, Brooklyn; Joe Jiminez, New York; Baby Johnson, Brooklyn; Lisa Johnson, Brooklyn; Kam Piu Liu, New York; Luis Lopez, Bronx; Salvatore Mannino, Queens; Isidore Martinez, New York; Raul Martinez, Brooklyn; Danny McGhee, Bronx; Ada McKinley, Ellenville; Tom Patterson, New York; Isaac Rackley, Queens; John Ramsden, Eastchester; Donald Reilly, Peekskill; Cecil Sledge, New York; Albert Soucht, New York; Kenneth Steward, New York; Otis Tisdale, Brooklyn; Loir Ubinas, Queens; Bridget Walsh, Garrison; Man Sze Wei, New York; Unidentified Male, Brooklyn; Unidentified Chinese Male, 34, New York; Unidentified Chinese Male, Brooklyn; Unidentified Chinese Male, Brooklyn; and Unidentified Male, 39, New York.

NORTH CAROLINA (17)

Walter Barringer, Charlotte; Henry Cotton, Jr., Durham; George Samuel Currin, Oxford; Vance Evans, Jr., Durham; James Farrar, Charlotte; Joe Ginyard, Jacksonville; Robert Hernandez, Johnston County; Selby Jones, Elizabeth City; Margaret Kendall, Albermarle; Moses Porter, Kinston; Claudia Priester, Columbia; W. Dwayne Riley, Stem; Timicca Rosemond, Winston-Salem; Michelle Shipman, Canton; Richard Stephens, Durham; Samuel Stubbs, Durham; and Virginia Wood, Durham.

NORTH DAKOTA (1)

Roberta Kyamme.

OHIO (10)

David Adams, Jackson Township; David Alcox, Oak Hill; Kenneth Bradley, North Hampton; Lonnie Carmon, Columbus; Betty Lowrei, Columbus; Shannon Maloney, Cincinnati; Mark Patterson, Columbus; Carrie Smith, Cleveland; Charles Smith, Springfield; and Felicia Thompkins, Cleveland.

OKLAHOMA (17)

John Abbitt, Oklahoma City; Leroy Barnett, Tulsa; Reuben Farmer, Idabel; Barney Fexico, Oklahoma City; Henry Lee Johnson, Idabel; James Everett Kerr, Jr., Bethany; Chris Mills, Anadarko; Barbara Moore, Mustang; Ernest Earl Moore, Mustang; Ernest L. Moore, Mustang; Lenell Reynolds, Boley; Robert Wayne Sims, Ada; Debra Sweigart, Oklahoma City; Loren Tevebaugh, Nowata; Terry Williams, Oklahoma City; Unidentified Male, Oklahoma City; and Unidentified Male, Oklahoma City.

OREGON (7)

Shane Earl Agee, Alfalfa; Robert Baca, Portland; Myong Su Cho, Portland; Julia Ann Chen, Portland; Robert Goss, Florence; James Edward Thompson, Portland; and Jeffrey Wayne Ward, Culver.

PENNSYLVANIA (10)

Samuel Andrews, Pittsburgh; Matthew Durkin, Philadelphia; Leonard Clifford Miller, Apollo; Marlene Newcomer, Fayette County; Rosario Rio de Maio, Morrisville; Baby Girl Ware, Pittsburgh; Fred Ware, Pittsburgh; Kimberly Ware, Pittsburgh; William Washington, Philadelphia; and Alfonzo Westbrook, Philadelphia.

SOUTH CAROLINA (8)

Geraldine Andrews, Inman; Gordon Ausley, Greenville; Wade Delano Clark, Jonesville; Wesley Conwell, Myrtle Beach; Ralph A. Greene, Spartanburg; Paul Jones, Greenville; Marvin Smith, Greenville; and Ronnie Randy Smith, Hartsville.

TENNESSEE (31)

George Alexander, Memphis; Margie Barrett, Lebanon; James Beasley, Oak Ridge; Jimmy Phillip Blair, Knoxville; Hoyle Bowman, Elizabethton; Norman Budoff, Memphis; Brian Colegrove, Natchez Trace; Tommy Couch, McDonald; Jerry Deberry, Savannah; Joyce Shutt Dendy, Savannah; Curtis Deese, Nashville; Leon Goss Finley, Maryville; Mike L. Gibson, Martin; Herbert Good, Jr., Blountville; David Gladden, Chattanooga; John T. Hargis, Gallatin; Thomas James, Memphis; Jim Edna Jordan, Memphis; James Lossis, Kingsport; Andrew Martin, Great Smoky Mts. National Park; William McKnight, Nashville; Harry McMenemy, Memphis; Freddie Merriman, Spencer; Eugene Mitchell, Memphis; Jimmy Lee Sanders, Chattanooga; Paul Smith, Athens; John Raymon Sproul, Memphis; Gary Gene Walker, Altamont; Gary Calvin Woods, Memphis; Unidentified Male, Memphis; and Unidentified male, Memphis.

TEXAS (70)

Gilbert Alaman, Dallas; Earl Allen, Houston; Dorothy Arriola, Nacogdoches; George Arriola, Nacogdoches; Jesus Astorga, El Paso; Gene Baize, Alvin; Wanda Baize, Alvin; Jesus Balderas, Laredo; Fred Booth, Harlingen; Francine Bush, El Paso; Juan Carreon, Seminole; David Castor, Arlington; Epigmenio Castro, Matamoros; Bessie Davis, Dallas; Benny de la Ros, San Antonio; Alvin T. Domel, Georgetown; Jo Lynne Dyke, Austin; Ronald Ellis, Travis County; Walter Fenix, La Grange; Kelvin Franks, Greenville.

Candelario Garcia, Dallas; Joseph Robert Garner, Stockdale; Patsy Garner, Stockdale; Travis Garner, Stockdale; Brigette Gaskill, El Paso; Mario Guerrero, Groves; Totibio Hernandez, Houston; Justice Lee Jones, WACO; Aniceto Loredo, Matamoros; Guillermo Loredo, Matamoros; Michael Miller, Garland; Steve Montano, El Paso; Freddie Nixon, Dallas; James O'Brien, Texas City; Murray Oldham, Athens; Danny Pittman, Watauga; Larry Plunk, Angleton; Emmer Poke, Grand Prairie; Charles Puckett, Pasadena; Judith Puckett, Pasadena; Feliciano Ramirez, Matamoros; Hector Rincon, Houston; Jose Rios, Fort Worth; Fabian Rodriguez, Arcola; and Roderick Russell, Kilgore.

Alvaro Saenz, Houston; Frank Sandiford, Houston; Robert Scott, Galveston; Tommy Lee Scott, Dallas; Shirley Sessums, Overton; Walter Sessums, Jr., Overton; Thomas Shaw, III., San Antonio; Kenny Ray Short, Palestine; Dennis Smith, Pampa; Nathaniel Smitherman, Haltom; Roger Lynn Stone, Waco; Louis Tarrant, III, El Paso; Ricky Turner, Terrell; Jose Angel Vargas, Dallas; Jose Angel Villanueva, Austin; Harry Hartwell Wade, III, Fort Worth; Herbert Williams, San Antonio; Mattie Wilson, Terrell; Joe Lee Wishert, Levelland; Shannon Withers, El Paso; Susan Lynn Wolfe, Austin; C. J. Young, Collinsville; David Zuber, Hurst; Andres Zuniga, Matamoros; and Unidentified Male, 30S, Travis County.

VIRGIN ISLANDS (2)

Caryl Baringer and Richard Baringer.

VIRGINIA (9)

Frederick Burhans, Fairfax; James Burnes, Charlottesville; Darryl Carter, Orange; E. Douglas Chumney, Blackstone; Hopkins Dicks, Sr., Richmond; Barbara Dillard, Richmond; Robert L. Harris, Richmond; Clayton Jenkins, Jr., Gloucester; and William Sitko, Fairfax.

WASHINGTON (9)

Randy Bailey, Spokane; Joseph D. Burr, Seattle; Audrey Lucille Ellis, Tacoma; Leonard Evans, Seattle; Harry Gee, Seattle; William Heeb, Tacoma; Marilyn Iachini, Wenatchee; Larry Jackson, Tacoma; and Dianne Saathoff, Silverdale.

WEST VIRGINIA (1)

Eddie Jude, East Kermit.

WISCONSIN (6)

Diane Benson, Franklin; Dennis Couillard, Kenosha; Charles Harmon, Milwaukee; Steven Mathews Franklin; Kevin Sanden, Buffalo County; and Lucretia Tate, Milwaukee.

WYOMING (3)

Celestine Allen, Rock Springs; Douglas McCarver, Glendo; and Rudohof Melendrez, Rock Springs.●

THE $341 MILLION THROWAWAY BILL

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1980

● Mr. SHUMWAY. Mr. Speaker, within my congressional district there stands a $341 million project which, at this writing, is little more than a white elephant. In fact, the impotent status of that project has been noticed with frustration by many besides myself, including the editors of the Stockton Record. I would like at this time to share the Record's editorial with my colleagues.

The New Melones Dam is the project in question. Legislation is now pending before this House which is designed to prevent the dam from delivering the inherent benefits for which it was constructed.

First authorized in 1944 as part of the Flood Control Act, and authorized again in 1962 to expand the dam's beneficial role, the project is now completed at a cost of $341 million. Ironically, the destructive and disastrous flooding which recently occurred in the San Joaquin-Sacramento Delta area dramatically underlined the imperative need for the dam's original purpose: flood control. However, New Melones is capable of many additional benefits: clean and cheap hydroelectric power at a time when energy is scarce, for one. If will also provide irrigation water supplies to agricultural lands, recreational opportunities, and the enhancement of fishery runs. Finally, many downstream areas are water-short, and would welcome the extra flows made possible by a full New Melones Reservoir.

However, the benefits of flood control and irrigation, of energy and recreation, may never by realized because of H.R. 4223. That legislation would include the 9-mile white water stretch behind the dam in the Wild and Scenic Rivers System. The bill is an outgrowth of rafting enthusiasts who feel it is more important to protect their exclusive boating activities than it is to permit this multimillion project to fulfill congressional intent, as well as the needs of the people.

I urge my colleagues to read the attached editorial, and to join the author, as well as myself, in asking if New Melones benefits should be "thrown out with the rafting water." I also urge my colleagues to join me in vigorous opposition to H.R. 4223.

The editorial follows:

[From the Stockton Record, Feb. 20, 1980]

THE $341 MILLION THROWAWAY BILL

A Congress increasingly known for its special interest view of government is contemplating a way to lead this region down the river in a commercial raft.

Paddling this one in the spirit of popular environmentalisms is sponsor Rep. Don Edwards, D-San Jose. His misguided measure would put a section of the Stanislaus River into the Wild and Scenic Rivers Act and turn the $341 million New Melones Dam into a proverbial white elephant.

After languishing in committee for almost a year, Edwards' H.R. 4223 is set for hearings before the Committee on Interior and Insular Affairs. From the prometheair height of Washington, members playing the game of mutual back-scratching in an election year will decide whether to kill a hydroelectric plant that could save 780,000 barrels of oil a year and provide flood control for more than 35,000 developed acres of farmland.

It could all happen if H.R. 4223 is approved. The law would prohibit filling New Melones beyond 808 feet. Above that level, a nine-mile stretch of white water would have to give way to progress.

What lies at the heart of this absurd piece of legislation is special interest politics abused to selfish purpose. H.R. 4223 takes its root from Friends of the River, the vocal group of white water enthusiasts, some of whom make their living off rafting parties. Claiming "unique geological, scenic, esthetic, historical, archeological, scientific, wildlife and recreational values of the river . . ." the bill would prohibit inundating nine miles of the Upper Stanislaus from Parrotts Ferry Bridge to Camp Nine.

We believe that Edwards and 11 other California congressmen support the bill out of misguided servitude to a self-proclaimed environmental viewpoint. But examination of the facts shows that real environmental consciousness stands on the side of New Melones, whose full functioning would help save salmon, increase recreation in beautiful mountain backwaters, protect farmland below the dam and supplant oil-based energy.

Consider what will be lost if Congress decides to throw the New Melones' benefits out with the rafting water:

Electrical generating capacity of 400 million kilowatt hours of electricity—enough to supply 200,000 people or a city the size of Stockton. That translates into 780,000 barrels of fuel oil a year.

Improved water quality in the lower Stanislaus and downstream Delta areas when river flows slow down in the summer.

A chance to restore salmon runs up the Tuolumne and Merced Rivers.

H.R. 4223 represents the rafters' last ditch attempt to get from Congress what California voters rejected in Prop. 17 in 1974, what the state legislature rejected 18 months later, and what the U.S. Supreme Court concluded lacked even the merits required for an environmental impact statement.

Any Congressman—particulary those outside the region who have little understanding of the issue—should take a long look at the facts behind this boondoggle bill before he votes. Because support for H.R. 4223 should leave any legislator at election time up a creek without a paddle.●

SENATE—*Wednesday, March 5, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. PAUL E. TSONGAS, a Senator from the State of Massachusetts.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Prophet Isaiah: *They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; they shall walk, and not faint.*—Isaiah 40: 31.

Let us pray.

Bless O Lord all who labor here, in the public gaze or in obscure places, all who toil in staff positions or committee rooms to support the decisionmaking of others and all who make and keep the RECORD. Be with those who maintain buildings outside and inside, those who protect our coming and our going and preserve the peace. Be with those who go on errands for others. Bind us together in a common purpose that we may concert our best efforts in service to this Nation. Show us the dignity of all work done to Thy glory, remembering Him who went about doing good, in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 5, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader, the Senator from West Virginia, is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be some special orders for the recognition of Senators, then I hope that we could proceed to take up the nominations on the Executive Calendar, beginning with Mr. White.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Mr. President, the Senator from North Carolina has asked to be notified when the Senator makes that motion. Would the Senator give us the courtesy of allowing me to have the Senator from North Carolina in the Chamber so he might address his point of view?

Mr. ROBERT C. BYRD. Yes; absolutely.

Mr. STEVENS. I thank the Senator.

WINDFALL PROFIT TAX COMPROMISE

Mr. ROBERT C. BYRD. Mr. President, I am pleased to note that the energy conferences are going forward and that progress is being made on the bills that are in conference. The House and Senate leadership have been pressing for expeditious action on those bills that are in conference. They have been in conference now since last fall and, as the country seeks to deal with the energy problem and the problem of inflation, it seems to me that the centerpiece of this effort must rest with the bills that have already been passed by both Houses and that are in conference.

Last week, the conferees on the windfall profit tax bill agreed to a compromise which will pave the way for final passage of this legislation, hopefully, this month. Under the compromise, the tax will raise revenues of $227.7 billion from oil producers over the next 11 years. The money will be used to benefit the American people through expenditures on new energy production, aid to the poor, mass transit, and, possibly, a major general tax cut to individuals and businesses, if circumstances indicate that there should be a tax cut.

This is the type of responsible and balanced approach which was hoped for. The conferees are to be congratulated for this accomplishment.

The windfall profit tax is one of the three legislative pillars which will establish the foundation for our efforts to achieve energy security. The decontrol of domestic oil prices will serve as an incentive for increased production, while the revenues raised by the tax will be applied to urgent public needs. The compromise bill is fair to the oil companies, but most of all, it is fair to the American people.

Difficult and complex issues were considered by the conferees. The agreement was achieved on a bipartisan basis in the best spirit of legislative compromise. I especially want to congratulate the distinguished chairman of the Senate Finance Committee, Senator LONG, who also served as chairman of the conference. His leadership and expertise guided the deliberations of the conferees to a successful conclusion of this lengthy process.

The windfall tax conference report should move quickly through the Senate and the House. There has been extended discussion of these issues over the many months of committee and floor debate. The conferees have once again weighed the concerns of the oil producers against the needs of the American people and have developed legislation which is at once good energy policy as well as wise public policy. It is time for this bill to become law. I hope that my colleagues, both in this body and the other body, will act decisively on this measure, which is of the greatest importance to our Nation's future.

I again express the hope that our Senate conferees, who have been working diligently with dedication to move the other two energy bills through the conferences, will continue to press for early action in those conferences.

Mr. President, I yield the floor.

RECOGNITION OF ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, if I might ask the indulgence of my good friend the majority leader, there was a request that we obtain a period of 1 hour for this morning. Instead of doing that, we have a series of special orders. I would ask if there would be any objection if we could have that time allocated to the sponsor of the resolution, Mr. ROTH, who will yield to Senators as they come in during the period of the hour to express their views about the subject. I note that there is a half hour to be used. Would there be any objection if we now make the full hour available to Senator ROTH for the purpose of allocation of the time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, in carrying out the wishes of the distinguished acting Republican leader, that the time that was allocated to the first four Senators

• This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

be yielded on their behalf to Mr. ROTH to allocate as he so desires. This will leave the two orders for Mr. MUSKIE and myself as previously ordered.

Mr. STEVENS. I thank the Senator.

The ACTING PRESIDENT pro tempore. Is there objection? If not, it is so ordered.

Mr. STEVENS. Mr. President, I yield the remainder of my time to Mr. ROTH also.

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized.

THE STATE OF THE AMERICAN ECONOMY

Mr. ROTH. Mr. President, first, I would like to express my personal appreciation both to the majority leader and the acting minority leader for the assistance they have given me in assuring that the Senate will be able to act within a reasonable amount of time on one of the most important questions that will come before the Congress this year. That question is the size of the budget for fiscal year 1981.

Admittedly, we are taking a most unusual approach, but I think it is important to recognize that these are most unusual circumstances. Today, the United States faces a real national emergency. I think it can be fairly said that perhaps not since the 1930's has this Nation faced such a serious situation, both with respect to the domestic economy and in the international arena.

Consequently, it is important that Congress, and the Senate in particular, provide strong leadership, because that is what the American people back home are looking for.

Never has there been higher anxiety about the future, about inflation, about job security. For the very first time in many, many years the American people have been told that they face a future of downward mobility.

The American dream of owning a home, educating a child, and upward mobility is being interrupted by the nightmare of recession, inflation, and high taxes. So it is no wonder that this country is indeed experiencing a crisis in confidence.

All one has to do, Mr. President, is to look through the papers, the magazines, or watch TV to know the great concern the American people have as to where we are going.

I would just point out that a few days ago the Washington Post said, "Inflation fills the air with a whiff of panic."

Tom Wicker, in a column some weeks ago, said, "It is a time for action."

The Washington Post, on February 24, said, "Radical inflation steps urged. Economists voice despair."

Another newspaper, the Christian Science Monitor, talks about "Laying inflation at Government's door."

Newsweek, in a recent column, said, "Is U.S. inflation out of control?"

Mr. President, what is most disturbing is that throughout this country there is what has been termed by the economist, Mr. Samuelson, a whiff of panic. The situation is going to grow worse. It is going to grow to serious heights unless somewhere, somehow, this Government shows that it has the courage, the will, and the intelligence to come up with a program to do something about inflation and the economy.

As I said, we have an extraordinary problem, and it indeed requires an extraordinary response. We cannot simply have business as usual. Somehow this Government has to act, not just react. This Government has to show that it has the strategy, that it is not just politics as usual. There is no question that this being an election year, a Presidential campaign year, makes it increasingly difficult to take the tough steps that are going to have to be taken. But we have no choice. We have no choice but to do what is necessary.

Mr. President, we have runaway inflation. The Federal Government recently reported that it was roughly 18 percent in January. The serious problem is, how are we going to overcome the psychology of continued inflation and bring it down to controllable limits?

Eighteen percent inflation is eroding, eating away, the morale of this country. I think it is important to understand what an 18-percent inflation rate means for the typical American family of four, which has roughly, according to Federal figures, an income of $20,000. With 18-percent inflation, this family is losing in purchasing power something like $300 a month. Frankly, they are already having difficulty in making ends meet. They are not able to buy some of the luxuries that they have grown accustomed to in the past, because their hard-earned dollars have to be used to buy food, fuel, and other necessities. The cost of energy has soared; the problem of keeping a house or apartment warm, has become extraordinarily serious.

People are cutting back on their standard of living. It is becoming increasingly difficult for them to meet the challenge of inflation. Husbands and wives are working. In many cases, wives originally went to work to maintain their upward mobility, to buy a few of the luxuries of life that they wanted, to send their children to college. But now, the struggle is to just keep even. They are finding it is increasingly difficult to buy the essentials of life.

At the same time we have inflation, we have increasing unemployment. Many people are not even fortunate enough to have a job. The administration, for example, has indicated that unemployment could rise as high as 7.5 percent this year. That means hundreds of thousands more will be out of work.

Mr. President, Congress, the Senate, must act and must act now. It must take the first step in the long struggle to get something done with this economy—and I am talking not only about combating inflation, not only about halting unemployment, but embarking upon a program that means hope and promise for the future, that will move us out of this deteriorating economic situation to a position where, once again, our economy will be growing without inflation, providing jobs for the young, those who are graduating from school and coming into the mainstream of life. This means that we have to have some kind of strategy, some kind of plan of action.

I would be less than honest, Mr. President, if I said that I was not deeply shocked by the fact that, at the beginning of March, this administration has no plan of action to attack our soaring inflation. As I said a few minutes ago, there is a growing consensus among economists, both liberals and conservatives, that the first step—and I want to emphasize only the first step—is to put a lid on Federal spending. It was for that reason that 45 Members of the Senate, both Republicans and Democrats, have sponsored a sense-of-the-Senate resolution to put a limit on Federal spending at 21 percent of GNP. If we do not take action on that, Federal spending in the coming year will soar to one of the highest levels in the history of this country, and that includes the war years, when we were fighting a major world war. Roughly 22.4 percent of the gross national product of this country would be spent by the Federal Government.

I might, of course, point out that we are not only talking about Federal spending, but we also have record high State and local expenditures, so that a very major portion of the gross national product is being spent in the public sector.

It is for that reason that, when I began my remarks, I said I was appreciative of the fact that the leadership on both sides of the political aisle, as well as Mr. MUSKIE, the chairman of the Committee on the Budget, unanimously agreed to a request that there be a vote in the Senate on my resolution to limit spending to 21 percent of the gross national product. This is the most important clear-cut signal that the Senate and the Government can give the American people—the working people of this country, the small businessman, who is struggling to try to keep his business going, with prime rates moving up over 17 percent—that we are serious about doing something to control inflation. I admit it is tough medicine, but, very frankly, the cost of doing nothing will be even tougher.

The hour is already late, much too late, for action.

(Mr. HARRY F. BYRD, JR., assumed the chair.)

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. ROTH. I am happy to yield to the Senator from Missouri.

Mr. DANFORTH. Mr. President, I commend the Senator from Delaware for his characteristic leadership in this area. I do not think there is anyone in the Senate who has been more attentive to the condition of the economy and its effect on people's lives than has been the Senator from Delaware. Consistently, as a member of the Committee on Finance and as a member of the Joint Economic Committee, he has pointed out the twin dangers of a high rate of inflation and a high rate of taxation on the American people.

He has done that in the face of a tendency of many of us in public life to make a few speeches now and then about the economy, but to press on with what we tell people are new and bold and exciting initiatives on what Government can do for people.

The Senator from Delaware has pointed out consistently that perhaps more important than what Government can do for people is what Government does do to people by creating an unacceptably high rate of inflation and an unacceptably high burden of taxation.

Senator Roth has repeatedly called for efforts to trim Federal spending and, at the same time, provide tax relief for the American people.

His view of the economic situation is that we should attempt to restrain Government and its growth and its power and its cost and, at the same time, provide the kind of economic opportunity for the American people so that they can have enough resources at their disposal to permit them to hope and to dream and to have expectations for the future.

It is when we follow policies in the Government which encourage the growth of Washington, which encourage the expansion of everything we do in this city, and provide restraint—deadweight, really—on the growth and the opportunity of the American people, it is when we reach that stage that some action must be taken.

So the Senator from Delaware characteristically has introduced this resolution. I am very pleased to be a cosponsor with him, to join him in making a point which desperately deserves to be made.

Inflation is the No. 1 problem in America today—the No. 1, singular, one, first. There can only be one No. 1 problem, and it is inflation.

Some say that foreign policy is our first concern and, certainly, it is a great concern when the Soviet Union starts marching into Afghanistan, when American hostages are being held in Iran. But a country cannot maintain a strong foreign policy, it cannot maintain a strong national defense, unless its foreign policy and its national defense are built on a strong economy. We cannot build a foreign policy and a defense structure on a foundation of sand, and that is what we are attempting to do.

Some people say that energy is our No. 1 priority, our No. 1 concern, and, certainly, it is a great concern when America imports 45 percent of its oil. But here, too, energy is but a part of a total economic picture.

We can manage the energy situation. We can handle that if we have a strong enough economic base to do it with. But the problem is that our economy is not strong.

We have now annualized an 18-percent inflation rate. Yesterday, the prime rate went up to 17¼ percent. Unparalleled, unprecedented, in the history of this country, an 18-percent annualized rate of inflation.

What is this doing to the hopes and dreams of the American people? What is it doing to the capacity of the Government to plan its state of affairs? What is it doing to American business?

We have had all kinds of ripple effects as a result of the high rate of inflation, and it is building on itself, it is feeding on itself.

People know that the value of whatever they own is going to be eroded by inflation and, therefore, there is a mentality which discourages saving and encourages immediate consumption.

People tell me they are frantically out trying to buy things now before the price goes up. The result of that is that savings decline, and, when savings decline, investment in new plant and equipment declines.

Savings are at an unprecedented and low rate today. Investment in new plant and equipment, spending for research and development, all of these characteristics of a strong healthy economy are being dissipated as a result of an inflation rate which is unprecedented and which is unacceptable.

People in Washington frantically try to point the finger somewhere else, blame somebody else for the problem. "Oh, let us blame Saudi Arabia, or Iran, or let us blame the oil companies. Surely they are the problem with inflation."

As recently as yesterday, the Secretary of the Treasury once again blamed oil for inflation. Yet the economists tell us that of the 18-percent annualized rate of inflation today, perhaps 3 to 4 percentage points of that are accounted for by energy.

Or the President says, "Oh, don't blame me. I inherited this problem. I inherited it from somebody else; my predecessor passed it on to me."

When President Ford left office, the inflation rate was 4.8 percent.

This is not an inherited problem. It is not a problem that is caused solely by the price of oil. There is nobody else to blame.

It is not fair for people in Washington to point the finger around the country, around the world, to somebody else. If the American people want to know who to blame for the problem of inflation, come to Washington, sit in the gallery of the Senate, see what goes on around here—a desperate, feverish attempt to spend money, get rid of it, throw it away, if we do not use it maybe somebody else will.

So since 1969, Mr. President, we have not had a single year of surplus in the Federal budget, never a balanced budget.

I was taught when I took a college course in economics that the theory of Federal spending, of fiscal policy, should be one of countercyclical spending, that at times of decline in the economy the Government should run a deficit, and that at times of inflation the Government should run a surplus.

We do not have any countercyclical policy around here. We always run a surplus, good times, bad times, times of recession, times of inflation.

So, recession and inflation all become mixed up with each other and the economists call it "stagflation."

This is where the problem is. It is in Washington. It is the policies we pursue here. It is the inability ever to have a balanced budget and then trying to rush to the Federal Reserve Board and say, "Oh, please help us, please use monetary policy to try to stop this inflation which we create."

Mr. President, the business of Government and the business of life is to set priorities. Setting priorities means to determine what comes first. There cannot be an unlimited number of priorities. It is not possible to proceed in a number of different directions at the same time.

If we are going to do an orderly job of bringing some sense into this economy and regaining our stability and our strength as a country, we must decide what comes first.

The Senator from Delaware has pointed out very clearly that what comes first must be to slow down this rate of inflation, which is so damaging to this country.

Yet, are we putting first things first? Are we setting priorities around here?

The Wall Street Journal, last Friday, in an editorial, commented that in the budget process, the Senate Labor and Human Resources Committee has voted a 25-percent increase in budget authority for projects under its jurisdiction. The Subcommittee on Aging is asking for a 202-percent increase. Child and Human Development has asked for 31.3 percent. The Subcommittee on Poverty and Migratory Labor has asked for a 31-percent increase. That is what they are asking for in their budgets.

Mr. President, who can be against all these things? Scrooge? Who can be against labor and human resources, the aging, children, migratory labor?

All of us want to be compassionate. All of us want to reach out and help people who are in need. But the problem is that we are busy taking care of all these problems, increasing the budget for them, spending money—not out of some malevolent desire to wreck the economy, but out of the best of motives, to be helpful. However, we have lost sight of the one thing we can do and we are doing that really hurts, and that is to create, by our actions here in Washington, an inflation rate which is now closing in on 20 percent annually. That is the greatest cruelty we are perpetrating on the American people.

It is nice to put out our press releases and to make our campaign speeches about what we are doing for the aged, the poor, and the migratory workers. Why not put out some press releases about what we are doing to them? What we are doing to them is making it impossible for them to plan, for them to face the future with any degree of assurance. We are weakening the economy of this country.

Mr. President, where do we go from here? Let me say where we do not go from here. We do not go from here to a fireside chat or to a 15-minute television performance or to a legislative initiative which is created today and abandoned tomorrow. Nor do we pursue little gimmicks which sound good and tricky.

Some say that after 200 years of experience, we suddenly have decided that the Constitution of this great country is defective and that it has to be changed. I, for one, do not believe the problem is with our Constitution. I think it is the greatest document to govern the affairs of human beings ever devised. The problem is not with the Constitution. The problem is with the politicians. The problem is with Congress and with the President. The problem is with the inability to set a course and to stay on that course. That is the problem.

So, if we are going to do something about inflation, it takes more than a fireside chat, more than a single speech. It takes a persistent effort, day in and day out, to fight it. It takes a President who is going to submit lean budgets, and stick with those budgets, and who is going to use the power of the veto.

It is going to take Members of Congress who are willing to vote "no;" who are willing to say to the many constituent groups who come to Washington every day, asking for this, that, or the other thing for themselves: "No. Not that we like to say no, not that we are insensitive to your needs. But if we have one priority, we must put the other things to the background."

There are some things I would like. I would like a catastrophic health insurance plan. I would like it now. I would like welfare reform. I would like it now. I have introduced proposed legislation on these matters. I have fought for them.

Yet, we cannot have everything now. We cannot do everything at the same time. We cannot have a multitude of priorities. We cannot cut spending and increase it at the same time. We must put first things first, and the first thing is to curtail this terrible rate of inflation. The Senator from Delaware has pointed the way. It is now time for Congress to respond.

Mr. ROTH. Mr. President, I thank the distinguished Senator from Missouri for his leadership and his continued strong voice on the problems of what needs to be done to work ourselves out of this economic chaos.

I should like to underscore one point the Senator made, and it is this: to really take some sound steps forward, there are no easy gimmicks. When we vote to limit Federal spending to 21 percent of gross national product, in many ways that is the easiest step. What is important is that Congress and the President have the will and the desire to live within those limitations.

Nobody is going to say that it is simple, that it will be easy to vote against the various spending programs. Senator DANFORTH rightly asks, Who is against children? Who is against the poor? Who does not want to treat every problem as compassionately as possible? This country is rich enough that we can solve these problems, but it must be done in a fiscally responsible way.

In the days and weeks ahead, if we mean what we say, if we vote to hold down Federal spending to a given percentage, we must develop a consensus as to where these limitations or restraints will be made. That is not going to be easy because each individual has his or her own list of priorities.

The only way it can be done is for all Members of Congress, Democrats and Republicans alike, as well as the administration, to work together. This effort can be sabotaged easily if anybody wants to play politics. The only way we can restrain spending is for all of us to sit down together and draw up an approach that can have the support of a majority.

Many people probably are going to suggest, as an alternative to the resolution limiting spending to 21 percent of gross national product, that we merely balance the budget. For years, I have voted in favor of balancing the budget. However, in my judgment, that does not go far enough this year. If we really are going to do something about inflation, if we really are going to get this country moving again, if we really are going to have a budget of hope, and faith, and promise, we have to do something about economic growth and productivity. The only way we can combat inflation is to produce more goods for the shelf, at less cost. And the only way to increase production is to reduce the tax drag on the economy.

Therefore, I would oppose any substitute resolution which strikes the proposed Federal spending limits and merely calls for a balanced budget.

For there are two ways to balance the budget—either by reducing Federal spending or by allowing Federal taxes to increase. I will oppose any attempt to balance the budget on the backs of the American taxpayers.

The President proposed a budget of roughly $616 billion in spending and $600 billion in taxes.

Reducing spending by $8 billion and allowing taxes to increase by $8 billion would balance the budget. But I am saying that is not enough. I am saying we have to cut below that, that we have to cut the Federal budget to roughly $590 billion.

This can be done. It can be done without destroying the basic social programs of this country. The reason that this is so important is that we must put into place some tax relief that deals with the supply side of the economy.

As I said, a lot of people who are talking about balancing the budget are talking about balancing the budget by one means, and one means only, and that is on the backs of the taxpayer. Taxes are going up roughly $40 billion for the Nation as a whole. The typical American family of four will be paying something like $533 additional Federal taxes this year, $1,000 in the next 2 years.

Mr. President, I see in the Chamber the distinguished Senator from Florida who is an original sponsor of this legislation. I know that he took time to leave an important committee hearing, so at this time I yield him 5 minutes.

Mr. STONE. I thank the distinguished Senator from Delaware.

Mr. President, I join my colleagues, and this is a bipartisan effort, in offering this resolution because the time has come to take effective action against inflation. We are facing an inflation rate of 18 percent, a prime interest rate of 17¼ percent, a huge balance-of-trade deficit, and a weak dollar abroad.

All of us in Congress, myself included, have found it difficult to vote "no" on specific spending programs which each of us in turn may see as greatly important. However, by the time we reach the total budget, and we adopt the final budget resolution, we then find ourselves guilty of too much spending. That is why I believe that a prior restraint, which is based not only on balancing the budget, but also on restraining ourselves from exceeding a reasonable proportion of America's gross national product, that is the production of our goods and services, can and will practically and effectively help each of us in the Senate and in Congress to keep the total budget in line.

I have long supported the idea of linking the Federal budget to the gross national product of our Nation, and last year, with Senator JOHN HEINZ, of Pennsylvania, I introduced a constitutional amendment to that effect. By tying the Federal budget to our Nation's production of goods and services, we can be certain that the budget will not exceed our capacity to pay for it.

Senator ROTH and others of us have been trying for across-the-board cuts in these budgets for several years now. After enduring quite a bit of scoffing, it looks as though White House senior staffers are coming to the same conclusion that the way to restrain spending and balance the budget is with across-the-board cuts of programs, each of which has a majority constituency, or it would not be an established program. So, by making across-the-board cuts with equal sacrifices to all the programs, we have a practical, effective, way of getting there.

If adopted, the constitutional amendment we introduced would be a major step toward putting the Nation on the road to economic soundness. I share the concern of some that proposing a constitutional amendment to cure our economic ills is something that should be done only after careful and thoughtful consideration. I introduced the amendment only after coming to the conclusion that without a strong prior restraint, Federal spending will never be brought under control.

I have been encouraged with the response and the progress made with our constitutional amendment, yet economic conditions have worsened. Credit market debt, which amounted to $750 billion in 1960, has grown to an estimated $4.2 trillion last year. The alarming nature of this kind of economic news prompted me to endorse and work for the adoption of the Roth-Stone, and others, resolution.

While I shall continue to work for adoption of the Heinz-Stone constitutional amendment, the critical state of our economy demands that we take some effective action now. The Roth-Stone resolution would be an effective first step. It would direct the Budget Committee to report the first budget resolution for fiscal year 1981 so that Federal spending is no more than 21 percent of the gross national product. I believe that the American people are prepared to roll up their sleeves and make the tough economic choices, if we do our part. An important component of our part is to see that the burdens are shared in a just and equal way. For that reason, I support across-the-board cuts in Federal programs to reach a balanced budget.

Across-the-board cuts, along with tough congressional oversight, will serve to reduce the waste which is present in many Federal agencies and programs. I am encouraged by reports that the President is now considering that approach. I believe these cuts are the fairest and most just way to reduce Federal spending. There is an emerging consensus for the need to cut the Federal budget, and across-the-board reductions will enable Congress to make it a reality. By building a consensus for across-the-board reductions in Federal agencies and programs, we can end the divisiveness and intransigence which has undermined our national agenda.

We cannot fail to act, and it is with a true sense of urgency that I join my colleagues in asking the Senate to adopt this resolution.

I thank the distinguished Senator from Delaware for his leadership, and I do so with a rising sense of optimism that our efforts are triggering some responsive action; not just words, but action. I think we are getting somewhere, and I thank Senator Roth for his efforts.

Mr. ROTH. I thank the distinguished Senator from Florida.

I, too, am optimistic. I believe the time has come for action and that there is a growing consensus within these Chambers. One of the reasons that is true is because of the forthright, strong position the distinguished Senator from Florida has taken on this matter.

At this time I yield to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the Senator from Delaware.

I enthusiastically support the efforts that he is undertaking in this particular area of reducing the budget and making that the single focal point in which we are trying to attack this vicious evil—inflation.

I thank the Senator for the leadership he is giving.

Mr. ROTH. I wish to make one comment on the discussion of the distinguished Senator from Florida about trying to hold down spending. The role of trying to limit spending is never an easy one. As the Senator stated, in recent years I have tried several approaches. I have tried to hold down spending by across-the-board cuts, and upon doing so have been attacked by many people—who are now urging, fortunately, budget restraint—as that being a meat-ax approach.

It is not an easy approach. But the fact remains that, in my judgment, there are few programs, few agencies or few departments, that could not become more efficient and make do with less. This approach has worked in the private sector, and there is no reason why it would not work here in Washington.

I might point out that in years gone by I have also used other approaches of trying to pinpoint spending cuts. I was one of two Senators last year—two Senators of whom I am aware—Senator Proxmire and myself, who appeared before the Budget Committee and spelled out in detail exactly where billions of dollars could be cut.

Frankly, much of the reaction to that approach was to try to embarrass us, particularly with our constituents back home, for proposing to cut some kind of sacred cows.

There is no question it will be difficult to restrain spending whatever approach is used. We are not talking about cutting spending below the current level of spending. We are talking about holding down the rate of growth. The point is very important to understand.

Second, irrespective of that, those restraints are going to hurt. There is no way of holding down spending that is not going to create some belt-tightening. But that, Mr. President, is true back home. The typical American family is trying to stretch out its budget, its income, to meet the necessities of life. They are finding their income is dropping at roughly the rate of 18 percent a year, unless they are one of the fortunate who get cost-of-living increases. Even then because of our progressive tax rates they are having less buying power because they are pushed into higher tax brackets, and that leaves less dollars in their pockets to spend for essentials for their families.

Mr. President, I just want to make one final statement. Before I do that, may I inquire of the Chair how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Delaware has 18½ minutes.

Mr. ROTH. I will speak a few minutes more, and then I will yield the remainder of my time to the distinguished Senator from Utah.

The final point I want to make this morning is that our spending limit resolution, which requires a spending cut from the President's budget of $25 to $30 billion, will enable Congress to balance the budget, which is essential, and to also have a modest Federal income tax cut.

I cannot underscore the importance of that. We cannot forget taxes. There was an excellent editorial in the Wall Street Journal of March 4, 1980, headlined "Don't Forget Taxes."

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

DON'T FORGET TAXES

Given past performance, it is no doubt premature to believe that the current Washington talk about spending reduction will result in anything beyond cosmetics. But the new round of talk does raise all the old tensions between budget balancing and tax cutting, and it would be a shame if a new wave of "fiscal responsibility" drowned the hope of tax reduction.

The notion that tax cuts are necessarily inflationary is rooted in the same Keynesian logic that tells us you can't have recession and inflation at the same time. Given our recent experience, this whole system of logic has naturally come under increasing skepticism, and just as Congress is at least mouthing the slogans of fiscal responsibility, great hunks of the economics profession are adopting tax cut prescriptions even in the current economic environment.

Partly this reflects the reality of high and rising taxes. Under the President's 1981 budget, federal government receipts would reach 21.7 percent of GNP, a rate exceeded only by the 21.9 percent in fiscal 1944. We are being taxed at wartime rates. Calculations for the Shadow Open Market Committee by Rudolph G. Penner show that in 1980–1981, taxes will increase $15 billion through scheduled boosts in the Social Security tax, $20.6 billion due to the windfall profits tax, $11 billion to $13 billion due to inflation pushing taxpayers into higher tax brackets, plus other increases for capital gains taxes and tax payment timing changes.

Consequently, the Shadow Committee, a monetarist group, recommends a $15 billion to $20 billion cut from these rates in 1980, backed by an equal cut in spending. In other words the monetarists would use spending cuts not to reduce the deficit, usually regarded as a pressure for faster money growth, but to reduce taxes, or at least slow increases in them.

Similarly, television talk show recommendations for reductions in spending and taxes came Sunday from former Chief Economic Advisers Alan Greenspan, a Republican, and Walter Heller, a Democrat. And on this page last week Paul McCracken, yet another former chief economic adviser, wrote that attempts to close the deficit have tended to lead only to higher spending and that "The only way to get off this no-win path is through doing what is needed on taxes first."

Meanwhile Martin Feldstein, president of the National Bureau of Economic Research, has been advocating a policy of "tight money and positive fiscal incentives," by which he means principally tax cuts for business. With tight money, tax cuts will not be inflationary he argues, and our forecasting techniques are too inaccurate to justify "rejecting a temporary increase in the budget deficit that achieves desirable structural effects" such as new incentives for savings and investment.

Finally, consider the results published last week in the Joint Economic Committee of a new econometric model developed at Data Resources Inc. by Otto Eckstein, who also served on the Council of Economic Advisers under the Democrats. Mr. Eckstein warns that "to achieve better progress on inflation, it is necessary to turn to the supply side of policy."

The new DRI model shows that two modest tax cuts—a small increase in the investment tax credit and a four-year reduction in the average tax lifetime of producers' durable equipment—would actually reduce the consumer price index by 4% by the end of the decade. Over the same period they also would increase productivity by 3.3%, increase real business fixed investment by 15.6% and raise the capital stock by 7.2%.

The Joint Economic Committee, led by Senator Lloyd Bentsen and Congressman Bud Brown, is advocating tax cuts to stimulate production and investment. The chief opponents of tax cuts are likely to be the Senate and House Budget Committees; if they can direct attention to budget-balancing they will be freer to resume their normal spending habits at, say, the first whiff of recession.

Neither we nor any of the economists quoted above believe that deficits are unimportant. There is reason to be cautious. There is such a thing as a reckless tax cut, the late unlamented $50 rebate, for example. But inflation is a condition of too much money chasing too few goods, and there is also such a thing as a tax cut that provides incentives to produce more goods. As taxes grow, inflation soars and productivity plunges, more economists are backing such supplyside tax cuts. They recognize that an economic program should cut spending, but that it is not likely to solve our problems unless it also makes at least a start toward lifting the stifling tax burden.

Mr. ROTH. Mr. President, as I said, the only way we are really going to act affirmatively on inflation is by increasing production. Our level of productivity is nil. The only way we can have an increasing standard of living for the American people is by having an expanding economy. The only way we can have an expanding economy is to increase savings and investments enough to insure the United States of America has the most modern technological plants in the world.

I am sorry to say that today our automobile plants are obsolete compared with the Japanese and the Germans. If we are going to compete, compete in our own American markets, we must make them the most modern plants in the world.

Mr. President, that takes capital, that takes money. The only way we are going to have that capital and that money to modernize the American industrial plant, which is the source of jobs for American workers, is by increasing the savings of the American people.

That is the reason I have been fighting for the last several years for Roth-Kemp, to lower marginal tax rates across the board to increase incentives to the American people to save, invest, and produce. Time does not permit me today to discuss the kind of incentives we have to give to promote savings, but I agree with the Wall Street Journal that as we move ahead we have the responsibility not only to restrain Federal spending and to balance the budget, but we must go one step further and begin to lower the tax burden on the American people.

Mr. President, at this time I yield the remainder of my time to the distinguished Senator from Utah.

Mr. HATCH. Mr. President, I thank my friend and colleague from Delaware. I want to personally congratulate him for the long, hard fight he has been waging through the years to cut taxes, cut tax rates, and now adopt this spending limitation.

I also want to say to my friend from Delaware that I think he is winning this battle. I see more and more Senators willing to start standing up against the problems that are besetting this Nation.

We came very close last year. We could have won this battle on the floor last year for tremendous cuts in the budget which would have saved us this year, and put spending restraints on without the necessity of this particular resolution, which is now sponsored by 45 of our colleagues in the Senate which, I think, sends a tremenodus message to the White House, a tremendous message to the Council of Economic Advisers, a tremendous message to the Secretary of the Treasury, a message to all those who have been advising the Government through the years that only Federal Government growth should occur or that mainly Federal Government growth should occur; the Federal spending is the way to increase benefits in our society rather than savings and incentives to the private sector.

I think Senator Roth singularly deserves a great deal of credit for the tremendous battle he has been waging, and I hope all of us under his leadership will be successful this year in stopping the outrageous conduct of the Federal Government and, particularly, the Congress.

I think everybody in America loves to see Presidential elections, and we all feel that the Presidency of the United States is very important. But let nobody be deceived. Congress is responsible for the deficit we have had in this country. Let us just consider it. If you stop to think about it, we have failed to balance the budget for 44 of the last 50 years. As a matter of fact, we have not balanced the budget once in the last 25 years. Whom do you blame? The Presidents of the United States? Surely, in part, but Congress passes the laws, Congress creates the appropriations and appropriates the moneys, Congress has created the bureaucracies, and Congress has refused to curtail or even oversee the bureaucracies in a way it should be done.

We have risen from $100 billion in our annual national budget in 1962 to $200 billion in 1970, $400 billion in 1977, and now we are up to $616 billion for fiscal year 1981.

The national debt has risen just last year, as an illustration, to $798 billion at the beginning of the year. Twice we have lifted the debt ceiling limitation, which is a congressional device to try to prevent deficit spending, but twice we have lifted it. Last year we did it once by one vote in the House of Representatives from $798 billion to $830 billion, and then from $830 billion to $879 billion.

How can we say we only have an austere deficit of $29 billion when we increase the national debt from $798 to $879 billion good only until after this year?

Before the end of this year, we will probably have a national debt approaching $1 trillion. The interest against the national debt is $67 billion for fiscal year 1981. It is the third highest item in the Federal budget. It is something that is eating us alive.

We have an inflation rate at 18 percent caused by this huge Federal spending, the creation of huge Federal bureaucracies, the overwhelming nature of the Federal Government which is intruding upon every aspect of our lives.

I can remember in 1976, during the Presidential race, one candidate was decrying the fact that there was a 4.8-percent inflation rate. He said he was going to do something about it.

Today it is 18 percent. He has certainly done an awful lot about it. And some people say it is going above 18 percent because, as of yesterday, the prime rate went to 17¼ percent.

We will today have a $616 billion Federal budget. Our President has said there is only a $16 billion deficit under that budget.

Now, I can tell you that is not quite accurate, because Congress created a special form of hiding the total amount of the deficit by having what we call off-budget items. Off-budget items cannot legally be listed in the Federal budget, but they, nevertheless, constitute more deficit spending under the circumstances.

The off-budget items have grown, since President Carter took over, from $9 billion a year to $18 billion a year in fiscal year 1981. In other words, in addition to the $16 billion, you better add the $18 billion. That comes out to $34 billion as the real deficit that this country is going to undergo.

In addition to that, this country is proliferating the world with between $600 billion to $1 trillion of our dollars, all over the world through Eurodollars and the like, debasing our currency and, of course, causing this inflation problem that we have today.

What really bothers me is that Congress, in 1974, enacted a Budget Act. The purpose of the Budget Act was to get Federal spending under control, to balance the budget, to get some fiscal restraint in the Federal Government. Since that Budget Act, the annual budget has gone up about $200 billion and the deficit, the national debt, has gone up, as I recall, $300 billion to $400 billion. That is hardly holding the line. That is hardly keeping spending under control. That is hardly restraint.

I cannot blame the Budget Committee for this, because it is the unrestrained spending programs of this country that really are at fault.

As a matter of fact, in this last 3 years, the effective income tax revenues to the Federal Government have better than doubled. I am talking about personal tax revenue. In the last 3 years, we have increased the budget 34.7 percent, the largest cumulative increase in the Federal budget of any 3-year period in the history of this country.

I believe if you study the budget and

study the deficits and if you look at the off budget items and include them in the deficit where they should be included—and there is no reason to have off budget items; they should all be in the Federal budget—you will find that, in the 4-year period beginning in 1977 and ending in fiscal year 1980, we will have had a total of cumulative deficits approaching $209 billion—the largest cumulative deficits in the history of this Nation, in the history of any President in the history of this Nation.

Edward Gibbon, who wrote the Decline and Fall of The Roman Empire—probably one of the world's greatest historians—had this to say about the decline of the Athenian empire. He said:

> In the end more than they wanted freedom, they wanted security. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for was freedom from responsibility, then Athens ceased to be free.

Unfortunately, I believe that is what is happening to us. Our people want freedom from responsibility in many ways, and it has been because of an irresponsible Congress that this has been brought about.

I might also mention that if you really look at the record you would have to conclude the same thing: 76.1 percent of the $616 billion Federal budget is, in the words of Jim McIntyre, the head of the Office of Management and Budget, uncontrollable. They claim they cannot control 76 percent of the Federal budget. He said that is the biggest problem in America today.

I submit that there are other problems that are much bigger that are approached and, I think, attacked by the distinguished Senator from Delaware and all of us who are fighting this particular battle.

To go a little bit further, I think it is important that we not only limit the spending of the Federal Government but that we recognize that the highest percentage of gross national product taken in revenues by the Federal Government in the history of this country was the 22 percent, as I recall, back in 1944, when we were driving and pushing with everything that we could mobilize to try and win the Second World War.

Now, with the proposals that we see coming from the economic advisers today, I can tell you that we will have revenues as a percentage of gross national product approaching 24 or 25 percent by fiscal year 1985. And that is considerably more taxation, when you add the State taxation to it, than the original Founding Fathers had to suffer when they said that they had taxation without representation and started the original Revolutionary War.

I commend the distinguished Senator from Delaware, because this has been a long, hard vigil. It has been hard to get our colleagues to come to the point where they realize that this country has got to rely on the private sector.

We have got to stimulate the private sector if we want to solve our problems. The two ways that the Senator has basically suggested are, No. 1, to have spending limitations, put the restraints on the Federal Government; and, No. 2, to cut tax rates 30 percent, phased in 10 percent a year across the board for every taxpayer of America.

I would add to that that we need appropriate depreciation schedules. We need savings incentives. We ought to have depreciation schedules that will allow our large industries and small industries alike to keep up with their competitors in the world market.

It is said that in the steel industry alone they have to meet a $7 billion annual clean-air, clean-water and regulatory bill. I can say right now that our steel industry cannot survive in America like that.

Yet, it is Congress which, in addition to the tremendous spending that Congress has allowed, has imposed unreasonable, rigid clean-air, clean-water bills and, I might add, through the various agencies of Government, unreasonable regulations upon industries in this country.

We have to stop thinking in terms only of health and jobs. The distinguished Senator from Delaware understands that and he has made the best arguments of anybody in Congress, in my opinion, over the last number of years that I have been in the Senate and in Congress.

I believe that the tax rate reductions he is talking about will stimulate the private sector to the extent that will outproduce inflation. Instead of constantly stimulating the public sector, let us stimulate the private sector. Let us outproduce inflation. Let us give the incentive to the free market system that we have in America, the greatest economic system ever known to mankind. And let us take off the unreasonable regulatory restraints that prevent growth and development in this country.

The best way to do that is through the taxing structure. If we cut tax rates 30 percent, phased in over 3 years, it means if you are in the 50-percent bracket, you will pay 45 percent next year, 40.5 percent the year after that and 4 percent less the year after that.

It means that those who produce in society will be able to save more, invest more, expand more, employ more. They will be able to outproduce inflation. We will get society going again.

Let us take away the incentives to be on welfare and restore incentives to take jobs and to work in society. Let us stop this insanity of better than 300 millions of dollars of transfer payments from the productive people, those who work in society, to the nonproductive, those who do not work in society, and let us bring those transfer payments down by giving incentives to people to get to work.

What incentive is there for a family of four living in California and receiving $810 a month being on welfare to take a job? Why should that father take a job at $12,000 a year? It would only mean an extra $10 a month for that family.

That is not the way to increase the private sector in this society. We have to get those people working. We have to take the jobs that are available in America. We have to produce in this country and only through production in the private sector can we curtail the spending in the public sector and ultimately outproduce inflation to get this country back on its feet.

Reinhold Niebuhr, one of the greatest theologians, said:

> If the democratic nations ever fail, their failure must be partly attributed to the faulty strategy of idealists who have too many illusions when they face realists who have too little conscience.

I think that is something to think about. We have to be idealists in our society but we have to realize that there are people in society today who really are not fighting for the things that will save this country and help America to get even stronger than it is now, and, of course, much stronger than it has been in the past.

We have to start fighting for this country, we have to start doing the things that are essential for this country. We have to awaken ourselves, and we have to get away from these neo-Keynesian philosophers and economists.

It has been said that during periods of prosperity you should have a surplus. These people do not believe in surplus in periods of prosperity. We see them saying, "We want to balance the budget but," and then in the Appropriations Committee they give all the reasons why we cannot and then the Congress adopts those reasons and we end up spending more than ever.

I commend the Senator from Delaware. I admire him and support him. I have been a constant supporter of his since I have been here and since the first time I saw him stand in the Republican Policy Committee and announce some of these approaches he has taken. I give him all the credit in the world for what he has done. I will continue to support him. We must continue to support him in these approaches which are the only ones that will help America in the future.

RECOGNITION OF SENATOR MUSKIE

The PRESIDING OFFICER. Under previous order the Senator from Maine (Mr. Muskie) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I control the time allotted to Mr. Muskie.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Heflin). Without objection, it is so ordered.

A BALANCED FEDERAL BUDGET IN FISCAL YEAR 1981

Mr. ROBERT C. BYRD. Mr. President, I support a balanced Federal budget in fiscal year 1981. I believe that that is the mood of the Senate, and the mood of the country. The only way to balance the Federal budget is just that, to balance it, to face the hard decisions, to make the hard choices—and they will be unpopular.

Everybody is in favor of balancing the budget, but most of us, I guess, take the position of "What's mine is mine and what's yours is negotiable. Let us cut the Federal budget, but don't cut mine. Don't cut my part, do not cut my program; cut his or hers." So it is going to create a lot of weeping and moaning and gnashing of teeth. It will be unpopular with respect to authorizations, entitlements, spending bills. Many programs will have to be pared back in order to achieve a balanced budget in fiscal 1981 and in order to make some reductions in the budget in the current fiscal year of 1980.

There is no quick-fix solution. The days of vaudeville are over. There are no snake oil quick fixes.

The process is going to be painful and there is not going to be any hypodermic that will stop the pain. There is no known drug that will stop this pain.

It is going to be difficult for Senators, difficult for many national, regional, and local constituencies. But in both the long run and the short run, the people must realize, if they do not already, that continuing inflation is more damaging to their economic and social well-being than the hardship which may result from even the most carefully thought-out budget cuts.

There can be no cotton candy approaches. Cotton candy looks good and smells good, but there is no substance to it.

These are times that demand action, not symbolic gestures.

We already have in place the mechanisms and the legislative framework for the actions which the times demand. That mechanism is the congressional budget process. The Budget Committee of the Senate, under the leadership of Senators MUSKIE and BELLMON, has worked, has cajoled, and has sought to educate and to warn against the perils of unrestricted Federal spending.

I have confidence in the budget process. The budget resolutions, the budget scorekeeping reports "tell it like it is."

I believe that adherence to the congressional budget process offers the best means available to the Senate to approach the difficult task of making budget cuts.

Balancing the Federal budget will not, in and of itself, cure inflation. Let us be clear about that. But it is an important and necessary step. The American people are nervous about the state of the economy.

A balanced budget will send a message to the Federal Reserve that it does not have to fight inflation only with terribly high interest rates. A balanced budget will tell business that the Federal Government is serious about controlling inflation and fostering an atmosphere of economic stability in which business decisions can be made on a rational, predictable basis.

We simply cannot leave the job of fighting inflation to the Federal Reserve alone. Our economy cannot long endure a prime rate of 17¼ percent and Federal Government borrowing of more than 15 percent.

By shouldering some of the inflation-fighting responsibility through fiscal policy, the Congress can help to restore some sanity and predictability to long-term credit markets. Many corporations are already dangerously dependent on short-term debt. Too often, they have financed long-term improvements with short-term credit.

The current unpredictability in the bond market further exacerbates this trend.

Small businesses across the country are being strangled by these high interest rates. They result in a massive transfer of wealth from borrowers to lenders. They reward the rich and the liquid, and penalize the poor and the illiquid. They increase the cost of all the goods and services financed by borrowed money.

By demonstrating fiscal restraint, the Congress can invite some moderation in the high interest rate policy. But in order to really achieve fiscal restraint, we must look at the realities of budget balancing. Let us consider some specifics in the President's fiscal year 1981 budget.

If we assume that the $146 billion in defense and the $67 billion for interest payments are absolute minimums, we eliminate one-third of the budget. Of the remaining $403 billion, approximately $52 billion is relatively controllable; that is, programs which Congress can cut without violating existing obligations or changing entitlement programs.

In order to balance the President's budget, we are talking about cuts in the magnitude of $25 billion, half of all the nondefense controllable items. Alternatively, and more realistically, it will require changes in a number of entitlement programs, and we have seen how enthusiastic this Senate is about that prospect. We have seen how enthusiastic this Senate is.

As we cut down on Federal spending, we also reduce Federal revenues. So every dollar we cut in spending will not result in one dollar less of a deficit. Further, a decrease in Federal spending in one area can result in an increase in other areas, such as food stamps, or unemployment payments. It is like stepping on a balloon. When we step on one side of the balloon, it will pop up somewhere else.

I do not suggest that these problems are insurmountable. To the contrary, with the indepth analysis and hard work which we have grown to expect from the Budget Committee, we can move decisively toward a balanced budget. If we follow the leadership of the Budget Committee, we shall approach this goal and achieve it.

But there is no waving of any wand. Any who believe that the waving of wands or the saying of a magic word or the passing of resolutions of themselves will do the job are in for a rude awakening.

Mr. President, I suggest that we make our appointments with the dentist. It is going to be like pulling teeth.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to exceed 20 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

THE ABSCAM MATTER

Mr. HEFLIN. Mr. President, as chairman of the Senate Select Committee on Ethics, I should like to report to the Senate that this committee has been extremely active and busy dealing with ABSCAM matters that have appeared in the press. I believe that a letter that the chairman and the vice chairman of the Senate Select Committee on Ethics wrote to the Honorable Benjamin Civiletti, Attorney General of the United States, dated February 28, 1980, explains some of the problems and some of the decisions that have been made by this committee. I ask unanimous consent that this letter be printed in the RECORD as if read in full.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
SELECT COMMITTEE ON ETHICS,
Washington, D.C., February 28, 1980.

Hon. BENJAMIN CIVILETTI,
Attorney General of the United States,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: We would like to thank you for your letter of February 6, 1980, in which you outline the problems and objections of the Department of Justice in releasing any information to the Senate Select Committee on Ethics on your so-called "ABSCAM" investigation. Further, we would like to inform you that Messrs. Philip Heymann and Irvin Nathan of the Criminal Division of the Department of Justice have been most courteous in meeting with the Chairman and Vice-Chairman of this Committee, as well as meeting with the full Committee, to discuss mutual problems.

From the beginning this Committee has made it clear that neither the Committee, nor any member, wants to interfere with or jeopardize any criminal investigation or prosecution or the rights of any accused. On the other hand, this Committee has endeavored to make it clear to the Department that the Committee has constitutionally mandated obligations and responsibilities regarding any alleged misconduct on the part of members of the Senate, including the obligation to determine as expeditiously as possible the fitness of a Member to continue to hold office.

After numerous discussions with representatives of your Department, it seems clear that the Department of Justice is adamant in its position that it will not release any governmental evidence, tapes, recordings or witnesses about "ABSCAM" and that it would resist court action all the way to the Supreme Court if subpoena procedures are instituted to obtain the evidence against the Department of Justice. While the Committee understands the legal and practical considerations which concern the Department, it is confident that it can proceed to make the determination necessary to the discharge of its constitutional obligation without any interference with the interests of the Department. At the same time, the Committee recognizes that protracted litigation over procedural matters could occasion even further delay in the resolution of this case.

Representatives of the Department have indicated, however, that there is some evidence which it may be able to share with the Committee, including evidence that the Department of Justice cannot use in a criminal prosecution; physical views of the premises where it is alleged that meetings took place between "ABSCAM" agents and possible defendents, such as the townhouse in Washington and the office building in Long Island; documentary evidence such as desk diaries or calendars, bank records, office logs, and other similar records; and information about other members of the Senate who are not under present investigation, but who at one time may have been approached and recorded during the "ABSCAM" investigation.

One of the foremost objectives of the Committee is an expeditious disposition of this matter. If any Senator is guilty of wrongdoing, this determination should be made as soon as possible and appropriate action recommended to the Senate. On the other hand, if there has been no wrongdoing, any Senator alleged to have been guilty should be cleared of unsubstantiated charges as rapidly as possible. It is well known that criminal prosecutions are notoriously long and drawn out matters. Delay in this instance cannot be tolerated.

Familiarity with criminal prosecution procedure indicates that there are segments in the process, such as grand jury disposition, discovery completion, and trial.

The Department has advised us that it is reasonable to expect grand jury disposition can be achieved in 90 days and the trial of the case should begin, if indictment is obtained, within four (4) months from the date of grand jury indictment.

While we believe that concurrent activity on the part of the Committee can be conducted without interfering with or jeopardizing the criminal prosecution or the rights of the accused, the Committee is willing to defer its demands for evidence held by the Department of Justice provided the criminal prosecution proceeds in an expeditious manner and certain conditions are met.

In line with the above anticipated time schedule and the Committee's desire that criminal prosecution proceed expeditiously without any possible interference from it, the Committee has instructed us to advise the Department of Justice and it will cooperate with the Department and proceed as follows:

(1) It will postpone its demand that the Department of Justice furnish the Committee with governmental evidence, tapes, recordings and witnesses until June 1, 1980, in order to enable the Department to present its case to the grand jury; and

(2) the Committee will evaluate the situation at that time to assure that delay, if any, is not attributable to the Department of Justice; and

(3) the Committee at that time will also reconsider whether or not it is in the public interest for it to continue to defer and it may establish further time schedules relative to other segments of criminal prosecution, such as discovery completion and trial; and

(4) the Committee assures the Department that in the interim it will conduct its investigation in such a manner so as to avoid undue interference with governmental witnesses and evidence which appear essential to the presentation of the criminal prosecution, make every effort to preclude publicity concerning the development of evidence, and give every consideration to further requests from the Department as it proceeds with its investigation.

In addition, representatives of the Department have informed the Committee that upon the disposition of the criminal prosecution at any time before or after trial and before any appeals, the Department of Justice will immediately make available to the Committee all governmental evidence, tapes, recordings and witnesses. As a conditional prerequisite to the deferment by this Committee to the Department until June 1, 1980, first, the Committee will require a letter setting forth the Department's commitment to turn over all evidence to it upon disposition of the criminal prosecution before or after trial and before any appeals. Next, the Committee will expect the Department to share with it, in the near future, the evidence and materials heretofore mentioned in this letter which the Department has indicated it may be able to supply to the Committee. Finally, this Committee would like to be apprised of the steps taken by the Department to eliminate further leaks from government agencies which might jeopardize the criminal prosecution or the rights of any accused.

Again, we would like to remind you that time is of the essence. The clouds of suspicion hovering over the Senate need to be removed as rapidly as possible. The Senate and the public are entitled to know at the first practicable moment what validity, if any, there is with respect to criminal allegations against a member of the United States Senate.

Sincerely yours,

U.S. SENATE SELECT COMMITTEE ON ETHICS.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HEFLIN). Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 634, 635, 636, 637, 639, 642, 645, 646, 647, and 651.

Mr. STEVENS. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader.

APPOINTMENT OF CARLISLE H. HUMELSINE

The joint resolution (H.J. Res. 494) providing for the appointment of Carlisle H. Humelsine as a citizen regent to the Board of Regents of the Smithsonian Institution, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-593), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

House Joint Resolution 494 would provide that the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the resignation of Thomas J. Watson, Jr., of Connecticut on October 12, 1979, be filled by the appointment of Carlisle H. Humelsine of Virginia for the statutory term of 6 years.

AUTHORIZING PRINTING OF "DEVELOPMENTS IN AGING: 1979"

The resolution (S. Res. 370) authorizing the printing of additional copies of part 1 of the Senate report entitled "Developments in Aging: 1979", was considered and agreed to, as follows:

Resolved, That there shall be printed for the use of the Special Committee on Aging the maximum number of copies of part 1 of its annual report to the Senate, entitled "Developments in Aging: 1979", which may be printed at a cost not to exceed $1,200.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-594), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 370 would authorize the printing for the use of the Special Committee on Aging of the maximum number of copies of part 1 of its annual report to the Senate, entitled "Developments in Aging: 1979," which may be printed at a cost not to exceed $1,200.

AUTHORIZING PRINTING OF "SENATE ELECTION LAW GUIDEBOOK—1980"

The resolution (S. Res. 378) authorizing the printing of a compilation of materials entitled "Senate Election Law Guidebook—1980" as a Senate document was considered and agreed to, as follows:

Resolved, That a compilation of materials of Senate campaign information, including Federal and State laws governing election to the United States Senate, entitled "Senate Election Law Guidebook—1980", shall be printed as a Senate document; and that there shall be printed for the use of the Committee on Rules and Administration the maximum number of additional copies of such document which may be printed at a cost not to exceed $1,200.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-595) explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 378 would provide (1) that a compilation of materials of Senate campaign information, including Federal and State laws governing election to the United States Senate, entitled "Senate Election Law Guidebook—1980", be printed as a Senate document; and (2) that there be printed for the use of the Committee on Rules and Administration the maximum number of additional copies of such document which may be printed at a cost not to exceed $1,200.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

The resolution (S. Res. 335) authorizing additional expenditures by the Committee on Agriculture, Nutrition, and Forestry, for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $813,000, of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–596), explaining the purpose of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 335 would authorize the Committee on Agriculture, Nutrition, and Forestry from March 1, 1980, through February 28, 1981, to expend not to exceed $813,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $25,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 42, agreed to March 7, 1979, to expend not to exceed $756,000 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $65,000.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 355) authorizing additional expenditures by the Committee on Banking, Housing, and Urban Affairs, for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments on page 1, line 1, strike "paragraphs 1 and 8 of rule XXIV";

On page 1, line 3, after "by" insert "paragraphs 1 and 8 of rule XXVI of";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis, the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,193,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–598), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 355 would authorize the Committee on Banking, Housing, and Urban Affairs from March 1, 1980, through February 28, 1981, to expend not to exceed $1,193,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 57, agreed to March 7, 1979, to expend not to exceed $1,137,600 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $27,337.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

The resolution (S. Res. 346) authorizing additional expenditures by the Committee on Energy and Natural Resources for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurdiction under rule XXV of such rules, the Committee on Energy and Natural Resources is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committte on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,583,700, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $10,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act.)

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–601), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 346 would authorize the Committee on Energy and Natural Resources from March 1, 1980, through February 28, 1981, to expend not to exceed $1,583,700 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount (1) not to exceed $25,000 would be available for the procurement of the services of individual consultants or organizations thereof, and (2) not to exceed $10,000 would be available for the training of professional staff of the committee.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 60, agreed to March 7, 1979, to expend not to exceed $1,465,000 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $37,977.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

The Senate proceeded to consider the resolution (S. Res. 351) authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations. which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 11, strike "$1,885,300" and insert "$1,782,300";

On page 2, line 12, strike "$70,000" and insert "$36,000";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Foreign Relations is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,782,300, of which amount not to exceed $36,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–604), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 351, as referred, would authorize the Committee on Foreign Relations from March 1, 1980, through February 28, 1981, to expend not to exceed $1,885,300 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $70,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 75, agreed to March 7, 1979, to expend not to exceed $1,464,000 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be nil.

The Committee on Rules and Administration has amended Senate Resolution 351 by reducing the requested amount from $1,885,300 to $1,782,300, a reduction of $103,000.

A breakdown of the reduction is as follows:

(1) Consultants, $34,000—from $70,000 to $36,000;

(2) Contingent fund, $25,000—from $25,000 to 0.

(3) Cost-of-living increase, $18,000—from $59,185 to $41,185; and

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ADDITIONAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 361) authorizing additional expenditures by the Committee on Governmental Affairs for inquiries and investigations, which had been reported from the committee with amendments as follows:

On page 1, line 2, strike "sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate" and insert "paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules";

On page 2, line 14, strike "$45,235" and insert "$58,735";

On page 2, line 17, after "amended)" insert a comma and "and (2) not to exceed $500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act)";

So as to make the resolution read:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Governmental Affairs is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,610,800, of which amount (1) not to exceed $58,735 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee, or any duly authorized subcommittee thereof, is authorized to study or investigate—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all of such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided,* That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting their particular branch of the Government;

(2) the extent to which criminal or other improper practices of activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and longstanding causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquility within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies:

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1980, through February 28, 1981, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-605), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 361 as referred would authorize the Committee on Governmental Affairs from March 1, 1980, through February 28, 1981, to expend not to exceed $4,610,800 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $45,235 would be available for the procurement of the services of individual consultants or organizations thereof.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 79, agreed to March 7, 1979, to expend not to exceed $4,328,100 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $400,566.

Upon the request of the Committee on Governmental Affairs, the Committee on Rules and Administration has amended Senate Resolution 361 by (1) increasing by $13,500—from $45,235 to $58,735—the amount which would be available for the procurement of consultants; and (2) inserting a provision which specifies that not to exceed $500 of the committees' total funds would be available for the training of its professional staff. No increase in the committee's total request of funds would result from this action. The Rules Committee is also reporting the resolution with a technical amendment.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 350) authorizing additional expenditures by the Committee on the Judiciary for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on the Judiciary is authorized from March 1, 1980, through February 28, 1981, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on the reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,971,700, of which amount (1) not to exceed $177,500 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $3,350 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-606), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 350 would authorize the Committee on the Judiciary from March 1, 1980, through February 28, 1981, to expend not to exceed $4,971,700 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount (1) not to exceed $177,500 would be available for the procurement of the services of individual consultants or organizations thereof, and (2) not to exceed $3,350 would be available for the training of professional staff of the committee.

During the first session of the 96th Congress, the committee was authorized by Senate Resolution 48, agreed to March 7, 1979, to expend not to exceed $4,735,900 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $200,000.

ADDITIONAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

The resolution (S. Res. 353) authorizing expenditures by the Special Committee on Aging, was considered and agreed to, as follows:

Resolved, That the Special Committee on Aging, established by section 104 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, is authorized from March 1, 1980, through February 28, 1981, in its discretion to provide assistance for the members of its professional staff in obtaining specialized training, in the same manner and under the same conditions as a standing committee may provide such assistance under section 202(j) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. In carrying out its duties and functions under such section and conducting studies and investigations thereunder, the Special Committee on Aging is authorized from March 1, 1980, through February 28, 1981, to expend $342,600 from the contingent fund of the Senate, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than April 30, 1981.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at annual rate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-610), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 353 would authorize the Special Committee on Aging from March 1, 1980, through February 28, 1981, to expend not to exceed $342,600 for a study of any and all matters pertaining to problems and opportunities of older people. Of that amount (1) not to exceed $25,000 would be available for the procurement of the services of individual consultants, or organizations thereof; and (2) not to exceed $1,000 would be available for the training of committee professional staff.

During the first session of the 96th Congress, the special committee was authorized by Senate Resolution 65, agreed to March 7, 1979, to expend not to exceed $325,300 for the same or similar purposes. The special committee estimates that the unobligated balance under that authorization as of February 29, 1980, will be approximately $99,000.

H.R. 5913—AN ACT TO AMEND SECTION 502(a) OF THE MERCHANT MARINE ACT, 1936

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CANNON, I ask that the Chair lay before the Senate a message from the House on H.R. 5913.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5913) to amend section 502(a) of the Merchant Marine Act, 1936.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 5913) was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 11:31 a.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MORGAN).

The PRESIDING OFFICER. Is there further morning business?

SENATE RESOLUTION 381—SUBMISSION OF A RESOLUTION RELATING TO COMMEMORATION OF THE BICENTENNIAL OF THE SENATE OF THE UNITED STATES

Mr. ROBERT C. BYRD (for himself, Mr. BAKER, Mr. STEVENS, and Mr. HARRY F. BYRD, JR.) submitted the following resolution, which was referred to the Committee on the Judiciary:

SENATE RESOLUTION 381

Whereas the Senate of the United States in the year 1989 will celebrate the two hundredth anniversary of its establishment under the Constitution, and;

Whereas the Senate's historical development has been inextricably bound to the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights, and;

Whereas it is appropriate and desirable to provide for the observation and commemoration of this anniversary, now therefore be it

Resolved, That there is hereby established a Study Group on the Commemoration of the United States Senate Bicentennary (hereafter in this resolution referred to as the "Study Group") to plan the commemoration of the U.S. Senate bicentennial.

SEC. 2. The Study Group shall be composed of the following members:

(a) the Majority Leader and Minority Leader of the Senate;

(b) the executive secretary of the Senate Commission on Art and Antiquities;

(c) five members of the Senate to be appointed by the President of the Senate upon the recommendation of the Majority and Minority Leaders of the Senate;

(d) three former members of the Senate to be appointed by the President of the Senate upon the recommendation of the Majority and Minority Leaders of the Senate;

(e) the chairman of the Senate Historical Office Advisory Committee;

(f) the Librarian of Congress, or his designee;

(g) the Archivist of the United States, or his designee; and

(h) two members of the Senate Historical Office Advisory Committee to be appointed by that committee's chairman.

SEC. 3. The Study Group shall select a chairman from among its members. Five members of the Study Group shall constitute a quorum. Any vacancy in the membership of the Study Group shall be filled in the same manner in which the original appointment was made.

SEC. 4. It shall be the duty of the Study Group to prepare an overall plan for commemorating the bicentennial of the Senate of the United States through an appropriate program of publications, exhibits, symposia, and related activities. The objective of this commemoration is to inform and emphasize to the Nation the role of the Senate from its historic beginnings through two hundred years of growth, challenge, and change. The Study Group in its planning is directed to develop a program that will draw upon the resources of current and former members, scholars, and the general public.

SEC. 5. Not later than eighteen months after the date of agreement to this resolution, the Study Group shall submit to the President of the Senate a comprehensive report incorporating its specific recommendations for the commemoration of the Senate's bicentennial. The report may recommend activities such as, but not limited to, the following:

(a) the production, publication and distribution of books, pamphlets, films and other educational materials focusing on the history and traditions of the Senate;

(b) bibliographical and documentary projects and publications;

(c) conferences, symposia, lectures, seminars, and other programs;

(d) the development of exhibits, including mobile exhibits;

(e) ceremonies and celebrations commemorating specific events; and

(f) the issuance of commemorative stamps.

SEC. 6. The report shall include proposals for such legislative enactments and administrative actions as the Study Group considers necessary to carry out its recommendations.

SEC. 7. The members of the Study Group shall receive no compensation for their services as such. Members appointed from private life shall be allowed necessary per diem and travel expenses to and from Washington, D.C. to be paid from the contingent fund of the Senate upon vouchers signed by the chairman of the Study Group and approved by the Majority Leader and the Minority Leader of the Senate.

Mr. ROBERT C. BYRD. Mr. President, under the Constitution that was adopted by delegates to the Federal Convention in Philadelphia and submitted to the States for ratification on September 17, 1787, the first session of the First Congress was to be held on March 4, 1789, in New York City.

The Senate first met on that date but was unable to obtain a quorum or conduct business until April 6, 1789, 1 month and 2 days later.

Not being able to conduct business eliminated the appointment of a Sergeant at Arms whom they could instruct to request the attendance of absent Members.

On Wednesday, March 4, 1789, that being the day for the meeting of the new Congress, the following Members of the Senate appeared and took their seats: New Hampshire, John Langdon and Paine Wingate; Massachusetts, Caleb Strong; Connecticut, William J. Johnson and Oliver Ellsworth; from Pennsylvania—the State of my good friend, JOHN HEINZ, who is standing here—William Maclay and Robert Morris; and from Georgia, William Few.

So the Members present, not being a quorum, they adjourned from day to day until the following Wednesday.

On Wednesday, March 11, 1789, when the same Members were present as on the March 4 instant, it was agreed that a circular should be written to the absent Members, requesting their immediate attendance.

On Thursday, March 12, no additional Members showed up. So they adjourned until March 18.

On Wednesday, March 18, 1789, another letter was sent to eight of the nearest absent Members.

On Thursday, March 19, 1789, William Paterson, from New Jersey, appeared.

On Friday, March 20, 1789, no additional Senators appeared, and the Senate adjourned until the following day.

On Saturday, March 21, 1789, Richard Bassett, from Delaware, appeared, and the Senate adjourned from day to day until the following Saturday.

On Saturday, March 28, 1789, Jonathan Elmer, from New Jersey, appeared, and the Senate adjourned until Monday, April 6.

On Monday, April 6, 1789, Richard Henry Lee, from Virginia, appeared and a quorum was formed. The credentials of Members present were read and filed. John Langdon, from New Hampshire, was elected President of the Senate solely for the purpose of opening and counting ballots for President of the United States.

The reports of Senate proceedings were meager. Legislative as well as executive sittings of the Senate were held behind closed doors for the first 5 years until the second session of the Third Congress, with the single exception of the discussion of the contested election of Albert Gallatin as Senator from Pennsylvania.

On February 20, 1794, the Senate adopted a resolution which provided that, after the end of that session of Congress, the galleries of the Senate should be permitted to be opened while the Senate was engaged in its legislative capacity.

Mr. President, in 1989 the Senate will reach its 200th anniversary, and I am greatly interested in commemorating the bicentennial of the Senate in some appropriate manner.

I have had my staff, working with Mr. Richard Baker, the Senate Historian, and Mr. Jim Ketchum, the Curator on Arts and Antiquities, to formulate plans on how best to celebrate this very important event.

I believe that there is a wealth of in-house resources that can be drawn upon which would hold down the expenditures.

Among the resources that already exist in the Senate are the Office of the Senate Historian, which is advised by an independent advisory commission composed of prominent Government historians; the Commission on Arts and Antiquities, of which I am presently chairman and on which the minority leader, Mr. BAKER, and Mr. PELL, and Mr. HATFIELD, the chairman and ranking member of the Rules Committee, and Mr. MAGNUSON, the President pro tempore of the Senate, serve as members.

Third, I believe that former U.S. Senators could be involved in a way that might be historically significant and meaningful.

There are various ideas that have been explored by my staff and myself as possible components in the total commemoration.

Among these would be publications. The Historian's Office has already begun compiling material for a document entitled "Meeting Places of the U.S. Senate." There have been four such meeting places.

Plans are underway to complete a Senate Historical Almanac which would contain interesting factual anecdotes from throughout the Senate's history of general interest to Senators and the public at large.

The Senate possesses, or could borrow from other public agencies, many antique engravings of the Senate and its activities. The Government Printing Office has several expert engravers who could copy these engravings, and bind, print, and prepare for the Senate's distribution a commemorative folio.

CEREMONIAL OBSERVANCES

A session could be held for Senators in the old Senate Chamber, as was done when it was opened in 1976, with appropriate observances in New York City and Philadelphia also possible.

CONFERENCES

Several conferences could be called on topics of historical relevance: For example, the views of John Jay, James Madison, and Alexander Hamilton on "What is the Senate," published in the 1787 Federalist Papers.

EXHIBITS

The Senate possesses many historical papers and items, some of which have never been displayed. Some interesting items which only recently have been discovered include John Langdon's letter—he was the first President pro tempore—informing George Washington that he had been elected the first President of the United States; the message from President John Adams appointing John Quincy Adams as Minister to Prussia, the first example of nepotism in the new government; George Washington's first inaugural address; various drafts of the Bill of Rights; Presidential messages declaring World Wars I and II; and the message embodying the Monroe Doctrine; extensive files on President Andrew Johnson's impeachment trial; and various miscellaneous areas that could be explored, such as the issuance by the Postal Service of an appropriate commemorative stamp; the possible establishment of a group of interested citizens—patrons of the Senate—to handle money-raising and spending activities; dinners, sale of "limited edition" paintings; commissioning a preeminent American composer, to compose an appropriate musical tribute for the occasion, et cetera.

I have had a resolution prepared, and I have discussed introduction of the resolution with the distinguished acting Republican leader who has agreed to join with me in introducing the resolution. It would go to the Judiciary Committee for consideration by the Judiciary Committee under the chairmanship of the distinguished Senator from Massachusetts (Mr. KENNEDY), and the ranking minority member, Mr. THURMOND.

I will yield in a moment if I have any time remaining to the distinguished acting minority leader before I introduce the resolution.

Mr. STEVENS. Mr. President, I have discussed this matter with the distinguished Senator from West Virginia, the majority leader, and I am pleased to join with him, as the acting minority leader, to cosponsor the resolution.

I think it is most fitting that we explore thoroughly all of the items that have been mentioned by the Senator from West Virginia, and I do hope that the Members who are in the body now realize the responsibility we have to make certain that the institution of the Senate, as such, is recognized, and that this anniversary date is appropriately brought to the attention of the public.

I would be most happy to cosponsor, and I am most happy to cosponsor, the resolution with my good friend from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank my friend.

Now, Mr. President, on behalf of myself and Mr. STEVENS I send to the desk a resolution and ask that it be printed and appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resolution may lie at the desk for the remainder of the day so that other Senators who may wish to join in cosponsoring may do so, after which, at the close of business today, the resolution then be appropriately referred.

Mr. STEVENS. Mr. President, I will ask that we use our hotline to notify Senators on our side of the aisle of the resolution that has been introduced, and I believe, in view of the fact that our minority leader is back in town, if the majority leader will agree, that we make this a resolution of the two leaders of the Senate, and I am happy to cosponsor the resolution on that basis, and I think 100 percent of the Senate will be glad to join in this.

Mr. President, I yield the floor.

EXTENSION OF ROUTINE MORNING BUSINESS

(During the foregoing remarks the following occurred:)

The PRESIDING OFFICER. The time for morning business has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for morning business proceed for an additional 10 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I yield to my good friend from West Virginia.

Mr. ROBERT C. BYRD. I thank my friend, the distinguished acting Republican leader.

NOMINATION OF ROBERT E. WHITE

Mr. ROBERT C. BYRD. Mr. President, shortly I will ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Robert E. White of Massachusetts to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador. I will make that request very shortly.

SENATOR BAKER WITHDRAWS AS A PRESIDENTIAL CANDIDATE

Mr. STEVENS. Mr. President, it is with sadness that I have just learned of the decision by our minority leader to withdraw from the race for the Presidency.

HOWARD BAKER is still a young man. He has dedicated his best efforts to the quest, but it seems that 1980 was not the right time for him. I believe he may be back seeking the position again 4 years from now, all the wiser from this experience.

It has been unfortunate that international developments have overshadowed the Presidential campaign so far. Hopefully that will end soon, and the Presidential campaign for 1980 will focus on the more important domestic policies that have resulted in our present crises with respect to the economy, energy, and Government overregulation.

Although I am sorry that circumstances have forced him to withdraw from the Presidential race, I am very happy to have HOWARD BAKER back at the helm.

MOTION TO GO INTO EXECUTIVE SESSION TO CONSIDER FIRST NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the first nomination on the Executive Calendar.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I move the Senate go into executive session to consider the first nomination on the Executive Calendar.

Mr. HELMS. I object. Mr. President, I raise a point of order.

The PRESIDING OFFICER. Will the Senator state his point of order?

Mr. HELMS. The motion clearly is out of order, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, what is the basis on which the point of order is being raised?

Mr HELMS. The Senator can move to go into executive session but he cannot under the rules specify what we shall consider. The Senate determines its order of business in executive session only after going into executive session. It is not in order to determine the order of executive business while in legislative session.

The PRESIDING OFFICER. Under the rule, rule XXII, paragraph 1, and precedents thereunder, only a motion to go into executive session is in order.

Mr. HELMS. That is correct.

The PRESIDING OFFICER. Therefore, the Chair sustains the point of order.

Mr. ROBERT C. BYRD. Mr. President, under the rule, a motion to go into executive session is in order. That motion would be nondebatable, and upon going into executive session, the Senate would automatically be on the first treaty without any further motion being necessary. I maintain that the Senate should be able to reach a nomination on the Executive Calendar without having to first go through the treaties or deal with a filibuster on the motion to proceed to the first nomination on the calendar. I appeal the ruling of the Chair, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall——

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Mr. President, is the appeal from the ruling of the Chair debatable?

The PRESIDING OFFICER. The appeals are debatable.

Mr. McCLURE. Mr. President, I am concerned, and I must remain concerned, with the attempt that we seem to persist in in trying to adopt new rules or modify the rules by an appeal of the ruling of the Chair.

It may well be that the rule needs to be changed to make some provisions for moving selectively to a calendar according to the desire of the person making the motion. But it seems to me that ought to be addressed by an attempt to change the rules of the Senate.

The PRESIDING OFFICER. Will the Senator suspend momentarily? The Chair has to correct himself. The main motion to go into executive session is not debatable under the rule. Therefore, a subsidiary motion involving it would not be. Therefore, the appeal is not debatable.

Mr. McCLURE. Mr. President, will the Chair state whether or not the Chair may entertain, at his discretion, the remarks made by the Senator who desires to be heard on the appeal of the ruling of the Chair?

The PRESIDING OFFICER. The Chair can entertain debate only by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be 10 minutes for debate, equally divided between the majority leader and the acting Republican leader or their designees.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields the time?

Mr. HELMS. Mr. President, on behalf of the acting minority leader, although obviously any appeal of a ruling of the Chair is debatable and the underlying point of order is not a subsidiary motion, as erroneously described by the Chair, I shall not make that point of order or ask that that issue be submitted. Therefore, I yield such time as the Senator from Idaho may require.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, I thank the Senator for yielding and I thank the majority leader for making the unanimous-consent request.

I must again state what I tried to say here before; that when we are going to depart from the established usage under the rules, it seems to me we ought to talk about amendments of the rules, rather than by a majority vote on an appeal of the ruling of the Chair establishing new rules.

That is a game that has been played by many at different times in the history of the Senate. I think it is a very dangerous course of conduct upon which we have embarked ourselves in changing the rules of the Senate from time to time as may be convenient to meet the exigencies of a particular situation.

I appeal to my colleagues in this instance to sustain the Chair and that if there is a problem with respect to the movement to the executive calendar, that we address that by way of a proposal for a rules change, the consideration of that rules change in the Rules Committee, a recommendation to the floor of the Senate with respect to such a rules change and a vote upon such a rules change as is provided, not simply by changing the rules by majority vote to meet a particular situation such as the one we find ourselves in now.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield myself such time as I may require.

I raise this question with my friend from Idaho. What we have here is perhaps, at best, a matter of convenience for the majority leader. The question all Senators must confront is whether it is worth it to nail down a precedent which may rise upon us. Is that the view of the Senator?

Mr. McCLURE. Mr. President, I certainly concur with the Senator.

Mr. HELMS. Mr. President, the distinguished majority leader is going to be able to accomplish what he wants even though he may have to have a few rollcall votes this afternoon.

But this Senator feels that the rules of the Senate ought to be maintained and not amended, not changed, just for momentary convenience.

With all affection and respect for the distinguished majority leader, I do not quite understand why he does not care to follow the usual procedure. He has enough votes, undoubtedly, to win on the matter.

But this Senator feels very strongly about the nomination and I want to be sure that all Senators understand that the nominee is not pure as driven snow. More than anything else, I want to call to the attention of Senators the points that I think they ought to understand before they automatically confirm this nomination.

I assure my friend from West Virginia that it is not my intent to be an obstructionist, but I do think we ought to focus in on this thing, and I hope we can do it without a change of the rules of the Senate.

Mr. ROBERT C. BYRD. Mr. President, has the Senator finished?

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. Mr. President, I do not see this as changing the rules of the Senate. I simply see it as determining what the proper precedent should be on the type of motion I have made. And, at some point in time, the Senate will make that determination. I think we might as well do it today.

I first asked unanimous consent that the Senate go into executive session to consider the first nomination. My good friend from North Carolina (Mr. HELMS) objected.

I would be very willing to ask that the motion be withdrawn, the ruling be vitiated, the point of order be withdrawn, the appeal be withdrawn, and that we proceed by unanimous consent to this nomination, if the distinguished Senator would be willing to, and then we will not be deciding the precedent. We would be delaying that until another day.

"He who fights and runs away lives to fight another day." We would all live to fight another day.

So, I would be willing to ask unanimous consent that the motion be withdrawn, the point of order be withdrawn, the ruling of the Chair be vitiated, the appeal be withdrawn, and that the Senate proceed to executive session to consider the nomination of Mr. White. I make that request.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order for me to suggest the absence of a quorum so that I can confer with the majority leader briefly.

The PRESIDING OFFICER. Without time being charged to either side?

Mr. HELMS. Exactly.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, there is not time remaining for a quorum call.

The PRESIDING OFFICER. That is why the Chair asked if it would be under unanimous consent.

Mr. McCLURE. Mr. President, let us ask unanimous consent that there be.

The PRESIDING OFFICER. The Chair is advised that the Senators may yield back their time and then call a quorum.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, a quorum call is in order.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request. I have appealed the ruling of the Chair.

Let me state for the explanation of my colleagues—may we have order in the Senate, Mr. President?

Mr. HELMS. Will the Senator look at me so I can understand what he is saying?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I have appealed the ruling of the Chair. The motion I have made does not contravene any rule of the Senate.

May I ask the Chair if that is an accurate statement?

The PRESIDING OFFICER. The Chair is advised that it is not mentioned in any rule and there is no precedent for it.

Mr. ROBERT C. BYRD. It does not contravene any precedent of the Senate. So the Chair has already answered both questions. My motion does not contravene any rule; my motion does not contravene any precedent. It merely establishes a precedent.

Heretofore, it has been determined by a precedent that a motion to go into executive session, being nondebatable, will automatically put the Senate on the first treaty without debate.

I maintain that a motion to go into executive session to consider the first nomination would be logical and justified in that it would allow the Senate to go directly to the first nomination on the Executive Calendar without debate just as the Senate may now go to the first treaty on the Executive Calendar without debate. The Senate should not be forced to go to a treaty in order to reach a nomination and run the risk of a double filibuster—one on the motion to proceed to the nomination and then a filibuster on the nomination itself.

I maintain that a nondebatable motion to go into executive session to consider the nomination of Mr. White is just as logical as moving to go into executive session to automotically consider the first treaty. Why should a motion to proceed to the first nomination be debatable when a motion to get to the first treaty is not debatable, I appealed the ruling of the Chair. I hope Senators will support my appeal.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished majority leader received a direct answer to his question, as stated.

But I ask the Chair, if since the beginning of the Senate, with the exception of the McGarry case which is not a precedent since there was no ruling, that it has been the custom of the Senate to take the items on the Executive Calendar in the order in which they appear—except by unanimous consent?

The PRESIDING OFFICER. Except by unanimous consent.

Mr. HELMS. Right.

The PRESIDING OFFICER. Or by motion to proceed to a specific matter on the Calendar after the Senate was in executive session.

Mr. HELMS. Right.

Now, Mr. President, if that is not the precedent, I do not know what a precedent is.

I have the greatest affection for my friend from West Virginia. I think he has testified on some occasions that I have endeavored to be cooperative with him. But the simple truth is that he wants the McGarry case to stand and the Senator from North Carolina does not want it to stand. No point of order was made in the McGarry matter. Such a point should have been made. The motion was out of order just as the motion made today is out of order and has been so held by the Chair.

Rule XXII provides that a motion to proceed to executive business is not debatable. Fine. That is not the issue. The issue is whether executive business itself can be conducted in legislative session. There are countless precedents that it cannot be done. Deciding which calendar item on the Executive Calendar to consider is clearly the transaction of executive business.

I call Senators' attention specifically to page 477 of Senate procedure. The statement there is as follows: "After the Senate goes into executive session, it determines its order of procedure for the consideration of executive business." The word used is "after"; not "before".

The Senator from North Carolina—and I hope some other Senators—is not willing to give the majority leader, or anybody else, a cafeteria-style mechanism in acting upon the Executive Calendar.

The majority leader wants to ignore the precedents and make the decision "before" not "after." This procedure gets the cart before the horse. It is wrong.

Also on page 477 of Senate procedure is the following:

> A motion to proceed to the consideration of executive business is not amendable.

If the majority leader had offered an amendment to require proceeding to a particular matter on the executive calendar, then the amendment would have been out of order. How then can he offer a motion which already contains an out-of-order amendment? It cannot be done.

I think we ought to stick with what the Senate has been doing ever since there has been a Senate, and that is the question here.

The Senator from West Virginia need not raise the specter of a filibuster on this nomination. I guarantee him right now that there will not be any filibuster. I will have a say about the nominee, and then I am through.

But I just do not want to tamper with what has been the custom of the Senate all these years.

Mr. ROBERT C. BYRD. If the Senator will yield, could we limit the debate?

Mr. HELMS. Surely. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the debate close in 2 minutes, 1 minute to a side.

Mr. HELMS. Right.

Mr. McCLURE. Reserving the right to object, and I will not object, would it be in order to move to make a parliamentary inquiry either before or after that 2 minutes?

Mr. ROBERT C. BYRD. I would hope the time agreed on for debate——

Mr. HELMS. I will give the Senator 1 minute.

Mr. ROBERT C. BYRD. That it would include the parliamentary inquiries.

Could we say 3 minutes, equally divided?

Mr. McCLURE. Fine.

Mr. HELMS. To put it into perspective, I ask unanimous consent that all proceedings subsequent to the ruling of the Chair be vitiated.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I have to object because that would vitiate my appeal.

Mr. HELMS. Mr. President, that includes going to the White nomination.

Mr. ROBERT C. BYRD. What is it the able Senator wishes to vitiate?

Mr. HELMS. I wish simply for the ruling of the Chair on my point of order to stand and then we move by unanimous consent, to which I will agree, to the White nomination.

Mr. ROBERT C. BYRD. Mr. President, I object. I want the ruling of the Chair to stand. I want to appeal that ruling.

Mr. HELMS. That is precisely the point, as I stated.

I yield to my friend from Idaho.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Mr. President, is the motion made by the Senator from West Virginia divisible, presenting two questions, one to move to the executive calendar and the other to the consideration of the White nomination?

The PRESIDING OFFICER. That question is moot at this point for a point of order was made and sustained and an appeal is pending thereon.

Mr. McCLURE. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. In the event the point of order is sustained by a vote of the Senate, would it then be in order to ask for a division of the question?

The PRESIDING OFFICER. The motion would have been killed.

Mr. McCLURE. Excuse me?

The PRESIDING OFFICER. If the decision of the Chair is sustained, then the motion would be dead. If the point of order is sustained, if the Chair is sustained——

Mr. McCLURE. And if the Chair is overruled by the vote of the Senate, would it then be in order to ask for a division of the vote?

The PRESIDING OFFICER. The Chair thinks not.

Mr. McCLURE. I ask this of the Chair: Is it because of the ruling on the point of order or because inherently it is not subject to division?

The PRESIDING OFFICER. If the Chair is not sustained, then the Senate will have said that the motion is in order and therefore is not divisible.

Mr. McCLURE. It could be in order and still be divisible; could it not?

The PRESIDING OFFICER. The basis for the point of order is that it is the coupling of two motions.

Mr. McCLURE. So that if the Senate should vote to overrule the ruling of the Chair, we also would be deciding that a motion to proceed to a specific item on the calendar is not divisible.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. And should any other Senator at any time move to proceed to consideration of any other specific item on the executive calendar, that subject would not be divisible, under the precedent, if the vote of the Senate is to overturn the ruling of the Chair.

The PRESIDING OFFICER. If the motion was to go into executive session and to proceed to a specific nomination, the Senator is correct.

Mr. McCLURE. How about moving to proceed to a specific treaty?

Mr. ROBERT C. BYRD. Mr. President, the parliamentary questions do not go to the matter at issue here. I think the Senator is getting beyond the matter at issue.

Mr. McCLURE. I am trying to understand what the issue is.

Mr. ROBERT C. BYRD. The issue is whether or not the Senate will go into executive session to consider the nomination of Mr. White without debate on the motion.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. I understand that that is what the Senator from West Virginia has moved, and I am trying to understand. If the Senate overturns the ruling of the Chair, what I understand the Chair to have said now is that in that event, such a motion, under the precedents, then would not be divisible.

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. And if any other motion were made by any Senator, at any time, to move the executive calendar for a specific item on that calendar, such a motion would not be divisible in the event the Chair is overturned on this vote.

Mr. ROBERT C. BYRD. Mr. President, I maintain that that is a question for another day, another time.

The PRESIDING OFFICER. The Senator from West Virginia has 1½ minutes.

Mr. McCLURE. Mr. President, I wish to conclude by saying that I understand what the Senator from West Virginia is saying. I think the Chair has indicated that it would not be divisible, and I believe that is what the Senate would be voting on if it overturned the ruling of the Chair.

Mr. ROBERT C. BYRD. The Senator is correct—it would not be divisible.

I say again to my colleagues that the motion I have made does not contravene any rule. The motion I have made does not contravene any previous precedent. At some point in time, the Senate will decide whether such a motion is proper as made and whether it is debatable. I think we should determine it now.

I have appealed the ruling of the Chair. I maintain that if it is logical to move without debate, to go into executive session and automatically take up the first treaty, it should be logical to move without debate, to go into executive session to consider the first nomination.

There has to be a time when the Senate can go into executive session to consider the first nomination without debate. The first treaty should not stand in the way of the first nomination.

Consequently, I appeal the ruling of the Chair, and I hope the appeal will be sustained. A vote "no" will sustain the appeal rather than the Chair.

Mr. HELMS. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. Mr. President, the distinguished majority leader has entirely missed the point of my argument and the Chair's ruling. What he overlooked saying was that his motion is to bypass the SALT II treaty, to bypass the protocol amending the Halibut Fishery Convention and three other items on the executive calendar; and, in a supermarket fashion, go to a counter and pick out just one thing the Senator wants.

I say that this is a contravention of the procedures of the Senate since the Senate began. The Senate should not make this mistake, because the Senator from West Virginia is not confronting a filibuster on this nomination, and I think he knows it; and I reassure him about that.

I wish he would go ahead and ask unanimous consent to vitiate everything after the ruling of the Chair and then go into executive session, and I will go along with it.

The PRESIDING OFFICER. The time has expired.

The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from California (Mr. HAYAKAWA), and the Senator from New York (Mr. JAVITS) are necessarily absent.

The PRESIDING OFFICER (Mr. BOREN). Are there any other Senators who desire to vote?

The result was announced—yeas 38, nays 54, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—38

Armstrong
Baker
Bellmon
Dole
Domenici
Durenberger
Garn
Hatch
Hatfield
Heinz
Helms
Humphrey
Jepsen
Boschwitz
Byrd,
Harry F., Jr.
Kassebaum
Laxalt
Lugar
Mathias
McClure
Packwood
Percy
Pressler
Roth
Schmitt
Cochran
Cohen
Danforth
Schweiker
Simpson
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Young

NAYS—54

Baucus
Bayh
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Gravel
Hart
Heflin
Hollings
Huddleston
Inouye
Jackson
Johnston
Leahy
Levin
Magnuson
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Williams
Zorinsky

NOT VOTING—8

Bentsen
Chafee
Hayakawa
Javits
Kennedy
Long
Matsunaga
Ribicoff

The PRESIDING OFFICER. The decision of the Chair does not stand as the judgment of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the ruling of the Chair was rejected.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

The PRESIDING OFFICER. The question recurs on the motion of the Senator from West Virginia, which is not debatable. (Putting the question.)

The motion was agreed to.

NOMINATION OF ROBERT E. WHITE TO BE AMBASSADOR TO EL SALVADOR

The PRESIDING OFFICER. The clerk will report the nomination.

The assistant legislative clerk read as follows:

> Nomination, Department of State, Robert E. White, of Massachusetts, to be Ambassador to El Salvador.

The Senate proceeded to consider the nomination.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I strongly support the confirmation of Ambassador Robert White to represent the United States in El Salvador. As many Senators will recall, this is not the first time this body has confirmed him for an ambassadorship. In October 1977, he was confirmed to serve as Ambassador to Paraguay—a post which he held until very recently and where he served with dignity and distinction. Indeed, Mr. President, we are not here today to consider a nominee new to the diplomatic community, but rather one who has made the Foreign Service his career and Latin America his area of expert knowledge.

In this regard, the record ought to show, as indicated by the report on this nomination, that the Foreign Relations

Committee gave this matter full consideration. Ambassador White testified before the committee on two separate occasions, February 5 and 21. He answered the committee's oral and written questions with candor and forthrightness. The committee was further impressed by the fact that the Ambassador-designate brings 25 years of Foreign Service experience to this post—17 of which he has served in the Latin American field.

From the committee's perspective, Mr. President, these qualifications are highly laudable and, under the present circumstances in troubled El Salvador, they are absolutely essential for effective representation there. Accordingly, on February 21, the committee voted 10 to 2 to report the White nomination favorably to the Senate.

Mr. President, I hardly need to remind my colleagues of the extraordinarily difficult time which the people and Government of El Salvador face. The violence and instability in that small and populous Central American country are unquestionably matters of humanitarian and political concern to the United States and to the countries of the region.

In the weeks, even days, to come, important decisions will be made by the Salvadoran Government, its people and the leaders of political factions of both the right and the left. And if events to date are any indication, the United States, along with other interested countries, will be called upon as well to make important policy decisions concerning that country. Already on the U.S. side there is evidence of the beginning debate within the administration, the Congress and among the American people regarding the formulation and delivery of an economic and military assistance package to El Salvador. To my mind, it is hard to overemphasize the potential gravity of these and other decisions yet to come. The United States will have many years to regret decisions poorly reached.

To make the appropriate decisions, to formulate sound policies, and to insure a high level of debate on the issues, one must have the best information possible. It may, in fact, come as a surprise to many of my colleagues to learn that on January 21, Ambassador Devine asked to be relieved of his post in El Salvador and departed the country on February 15. As a result, during the confusing and increasingly violent weeks which have followed, the United States of America has not even had an ambassador in that country.

Mr. President, this lamentable state of affairs cannot and should not continue. We need Ambassador White in El Salvador and we need him there now. It is imperative that this country have a representative at the highest level—someone fluent in the language of the country; someone with the ability to establish contact with all the interested parties; and, finally, someone who, in turn, can provide the administration and the Congress with sound information, the kind of information which only an expert on the scene can glean.

I urge my colleagues to approve the pending nomination.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, before discussing the pending nomination, the Senator from North Carolina would simply like to say that he hopes in the future the Senate will be more guarded about the manner in which it overturns the legitimate and obviously correct ruling of the Chair, because if we have much more of this sort of thing, Mr. President, we will reach the point that the rules of the Senate will be changed willy-nilly by a majority vote, depending on which party may be in power at the time.

I have been a part of the Senate off and on since the early 1950's, first as an administrative assistant to two of our great Senators from North Carolina and now as a Senator myself. I have always had the highest regard and the greatest respect for the grandeur of the Senate because it did operate by rules and precedents clearly established and Senators would support those rules and those precedents even when it was to their disadvantage to do so, because they understood that the Senate, as a legislative body, is vastly different from every other legislative body on the face of the Earth.

So what we have done to the Senate this afternoon was not becoming. I criticize no one and I do not diminish my respect for anyone.

But I say, nonetheless, Mr. President, that the Senate made a mistake. They made a mistake when no mistake was needed by those in the majority on this nomination.

I assured the majority leader that there would be no extended debate on this nomination. But he was insistent upon having a precedent which would, in effect, give him a supermarket approach to handling the executive calendar. I regret the vote of the Senate, but I thank Senators who wisely voted to sustain the Chair who had ruled properly and correctly.

Mr. President, the nomination of Robert E. White to be U.S. Ambassador to El Salvador at this time is a mistake. And I believe the accuracy of that statement will prove itself in the years to come.

I am sure that there are other posts that Mr. White could serve adequately. But at this particular time, in this particular place, El Salvador, Mr. White, in my judgment, would be a divisive force in a country already well advanced in the agony of political struggle.

The job in El Salvador requires a man of reason and compassion; Mr. White is an ideologue. I will make that clear, I hope, in my later comments.

The job in El Salvador requires a man committed to healing political divisions; and nothing could be clearer, Mr. President, than that Mr. White has scornfully written off most of the capable and experienced leaders of El Salvador.

The job in El Salvador requires a man with a realistic grasp of elementary free enterprise economics. Mr. White, in response to questions posed to him by the Senator from North Carolina, clearly demonstrated that he openly supports murky proposals to turn El Salvador's economic system sharply toward socialism.

The job in El Salvador requires a man with political sensitivity to the dangers of Marxism in Central America. Mr. White is a defender of what he himself called, in a response to my question, "The passionate left" in El Salvador. This is what he favors. This is what he defends, the passionate left.

Mr. President, Latin America is falling away from the United States and the rest of the free world rapidly, precisely because the United States has been supporting directly and indirectly Marxism or, at a very minimum, refusing to stand up against it.

Ninety miles off our shores, we have Cuba. In the Republic of Panama, we yielded to blackmail to a Marxist dictator. Look what is happening in Nicaragua. Go down the list and you will see the pattern of deficiencies on the part of the United States in standing up for freedom, in standing up for free enterprise.

Mr. White is not alone in his espousal of such concepts. That is precisely the point. The Department of State has for years pursued these bankrupt policies throughout Latin America with gathering momentum.

In many ways, the current superpoliticization of El Salvador may be laid right at the door of policies pushed by the State Department during the past half a dozen years. The U.S. record is one of unparalleled and arrogant intervention against the people of El Salvador. The present governing junta is an unconstitutional government acting illegally to set aside the fundamental rights of the people. Yet everybody knows that it was installed under pressure from the United States when its predecessor junta, also illegally installed by the United States, collapsed. So there the pattern rolls over and over and over.

Moreover, even as I offer these remarks, the U.S. State Department has just announced that it has warned responsible citizens of El Salvador not to seek to restore constitutional government to their country. Think of it. Our State Department warning the leaders, the responsible citizens of El Salvador: "Don't you try to reinstate your constitutional government."

What kind of foreign policy is that? It is a self-defeating, self-destructive foreign policy that is harming not only the countries involved, not only the United States and its standing in the world, but freedom in the world itself.

Just a few days ago the State Department's official spokesman, Mr. Hodding Carter, boasted—boasted—that U.S. policy toward El Salvador was "well known" and that it consisted of supporting "basic reforms that will give all of the people a more adequate share in the wealth of the country."

Mr. Hodding Carter to the contrary notwithstanding, the truth of the matter, as I shall try to emphasize a little later in some detail, is that El Salvador has done a good job in creating wealth and distributing it broadly, particularly in view of its immense population and slender resources. El Salvador ranks up with the most mineral-rich, well-watered, and industrialized countries of Latin America in this regard and even begins to approach the United States in certain significant respects.

El Salvador can claim to have made progress, in the best sense of the term—progress for the people achieved through the actions of an enlightened and astute entrepreneurial class.

Of course, El Salvador can make more progress—for that matter, the United States could make more progress—but El Salvador can make more progress only if the political climate is favorable to such things that we talk about on the Senate floor, such as capital formation, job creation, reinvestment, and private enterprise.

But Mr. White, the man whose name is before us today as nominee to be Ambassador to El Salvador, made clear that he will have none of this. No way, he said. According to the mythology under which Mr. White operates—and I quote him precisely, Mr. President; these are Mr. White's own words:

> Discontent and violence in El Salvador are primarily the result of years of festering domestic, political, economic, and social problems.

He believes that:

> Capitalism in El Salvador is an alliance between large land-holders, business interests, and the army, designed to reap maximum profits, give minimum benefits and minimum salaries, prevent any kind of organization of the peasantry or the workers, and pay as little as possible in taxes into the public treasury, and to permit corruption that was rampant in the government of El Salvador.

Mr. President, the rabblerousers in our own country say this about the United States. This is rhetoric. This ignores and obscures the truth about the progress that El Salvador had made until we began intervening—when we began meddling, when we began giving our support, directly and indirectly, to Marxist forces—and does that sound familiar, Mr. President?

The subtlety of Mr. White's analysis would have done credit to Thorstein Veblen's portrait of the robber barons. If there ever were any truth to this crude caricature, it does no good now to revive such infantile boogeymen at a time of great crisis. I have no doubt that the leadership of El Salvador has about the same proportion of miscreants as would be found in any sample of human beings in any country anywhere in the world. But a reversion to the tedious rhetoric of class warfare is not going to win the confidence of the very men with the capital and expertise necessary to put El Salvador back into working order.

Mr. White is under the delusion that what he calls "reform" and what he calls "change" will be brought about by diminishing economic and political freedom through concessions to the left, to the Marxists, the Socialists. And, of course, that is the hue and cry in this country: We must move left; we must embrace socialism. And we have done it in this country, and look where it has brought us.

As for El Salvador, Mr. White specifically supports the current illegal junta's program of land reform, nationalization of banking, and nationalization of exports. All three represent the substitution of ideology for economics—and all three, of course, represent the substitution of ideology for economics.

The experience of lesser developed nations everywhere is that the ideologization of economics results in stunted or no growth. It results in lower standards of living and, most important of all, it lends itself to a slide toward totalitarianism in a desperate struggle to make absolute government control work.

That is what Moscow believes in. That is what Hanoi believes in. That is what Castro believes in. And that is what we are, through the likes of Mr. White, advocating in El Salvador. I say, Mr. President, this is not only a strange foreign policy, it is a dangerous foreign policy for a nation that professes to believe in the free enterprise system.

Look at the nations around the world that have encouraged the free enterprise system, that have encouraged individual entrepreneurs, such as Taiwan, Hong Kong, Singapore, South Korea, and Chile. Is it not an arithmetical fact that all of these and others have experienced real progress in rates of growth and a rapid expansion of the standard of living for every economic level of society? Of course it is true.

Land reform has been a disaster in every country where it has been tried. I challenge any Senator to give me an exception. Land reform is a flop. It works against the best interests of the people.

Land reform and other such programs are not intended to improve agricultural output, but to provide political power to ideologues. It is noteworthy that El Salvador, through the use of modern agriculture, has achieved efficiencies of production that exceed most of Latin America, and even, in some cases, rivals the United States.

Yet Mr. White is going down there and he is going to advocate land reform. What he will be doing is advocating a turn-around in a system that has made El Salvador one of the most productive nations in Latin America.

Of course, such methods as El Salvador had in encouraging agricultural production require proper scale, conservation, equipment investment, and long-range planning. That is true there, that is true in the United States, that is true everywhere where the free enterprise system prevails. But if land were confiscated and broken up, this agricultural base is going to be destroyed.

That is precisely what Mr. White indicated clearly in his responses to my questions. That is what Mr. White intends to do. That is what he intends to advocate when he becomes U.S. Ambassador to El Salvador. That is the reason—one of them—that I am on my feet in an empty Senate Chamber today, making a record—because, a few years from now, I think I shall be somewhat comforted to look back and say, "Well, I tried. I tried to warn my colleagues."

Moreover, Mr. President, if all the arable land were divided up among the inhabitants of El Salvador, each one would receive three-tenths of an acre. This would not even provide subsistence. Moreover, the disruption of the agricultural pattern would break the back of the economy in general, destroy the export market, and reduce foreign exchange to negligible amounts. It should be pointed out that El Salvador has no mineral resources, and is only beginning to build industry. Its primary source of wealth is its agriculture. Any scheme to tamper with the agricultural system could well result in misery, hunger, and deprivation, both among the rural and urban populations. It is hard to conceive of such a policy as "reform."

ECONOMIC PROGRESS IN EL SALVADOR

I submit that there is no evidence that the situation in El Salvador is one of economic oppression. It is well known, for example, that income distribution statistics in the United States show that the top 20 percent of American families receive 41 percent of the national income, and the lowest 20 percent get only 5.4 percent of the national income. Yet no one calls this oppression in the United States.

In El Salvador, the top 5 percent of the population received 24 percent of the national income, and the lowest 20 percent received 5.7 percent, according to the 1977 statistics of the OAS Economic and Social Council. I found it rather interesting to note that, to attempt to justify his case, Mr. White stated that the top 5 percent got 38 percent of the income, without giving any source for his statistics.

This is the old shell game of those who advocate the things that Mr. White advocates.

They draw statistics out of the air and put them down as the holy writ, right straight from Sinai. When we say, "I want to get your figures." He says, "Oh, well, we will tell you later."

They cannot tell me later because his statistics are not correct.

Moreover, the OAS figures for El Salvador look especially good compared to those for all of Latin America: The top 5 percent got 32.7 percent for all Latin American countries, and the lowest 20 percent got 3.7 percent.

Indeed, the situation has been improving rapidly, despite the efforts of the terrorists to wreck the economy. The minimum wage in agriculture has increased 37 percent between 1976 and 1979, and for those workers in seasonal crops, 77 percent.

The United Nations has an economic indicator called the Gini which measures concentration of wealth. For El Salvador, the Gini is 0.50, which the U.N. classifies as "moderate," comparing it with Argentina, Chile, Costa Rica, and Venezuela.

A recent World Bank study shows that in El Salvador, 20 percent of the urban population and 30 percent of the rural population live below the poverty line. Of course, as we have discerned in our own country, poverty lines can be manipulated by political interpretation.

As a matter of fact, as ranking member of the Senate Committee on Agriculture, Nutrition and Forestry, we had two lengthy meetings today in which this poverty line was bandied around.

Of course, the poverty line is whatever some group of politicians say the poverty line is.

But for all Latin America the figures are 43 percent as calculated by the ILO and 41 percent as calculated by ECLA—U.N. Latin American Economic Commission. So again El Salvador is doing far better than most, or, at least, it was until the Marxists began to move in and take over.

The leftwing junta, supported by the U.S. State Department, and the likes of Mr. White, who is the nominee under consideration by the Senate today.

Indeed, the World Bank study shows a dramatic improvement in income distribution between 1965 and 1977, despite the rapid growth of population in El Salvador. Most of the increased distribution has affected the lower 40 percent of the people, incomewise.

As far as the tax burden is concerned in El Salvador, between 1971 and 1977, tax collections as a percentage of the GNP increased from 11 to 17 percent. This is one of the highest in Latin America. In 1962, direct taxes accounted for 28 percent of the revenues. In 1977 they accounted for 55 percent of the revenues. The indirect taxes, those which presumably affect the poor the most, decreased accordingly, from 71 percent in 1962 to 45 percent in 1977.

Mr. White, in response to my questions indicated that he believed that landownership was concentrated, with 78 percent in the hands of 10 percent of the landowners. He neglected to say that many of these landowners were corporations, such as we have in the United States, that have the capital to invest in long-range plans, and to provide greater benefits for their employees, precisely as it is in the United States. Moreover, the trend is slowly moving away from concentration, with the present level down from 83.8 percent in 1967.

Furthermore, 61 percent of the land is under cultivation in farms of less than 100 hectares. There is already a land distribution program in operation, which in 1978 awarded 8,300 hectares, and in 1979 awarded 36,200 hectares to cooperatives representing 5,000 persons. Unfortunately, the productivity of such distributions has declined.

Nevertheless, Mr. White believes that the "concentration of land in the hands of a small group and the emphasis on exportation of agricultural products are factors influencing the poverty in which a large part of the nation of El Salvador lives." Just the opposite is the case; in so far as national earnings have been increased and have achieved better distribution, it is because of the earnings from agricultural exports. The notion that emphasizing exports somehow induces poverty is completely wrong. The fantasy that taking a nation back to stone-age socialism is progress is either the result of ignorance or of callous disregard for the sufferings of the poor.

Indeed, it is also wrong that exports are overemphasized. In 1978, basic food production increased 38 percent, making El Salvador self-sufficient in food.

Mr. White has indicated that he feels the best-run countries in Latin America are Costa Rica, Venezuela, Colombia, and Ecuador. Yet in the 1978 statistics published by the Inter-American Development Bank, that, to take just two significant indices of social welfare, El Salvador surpasses all of them in the percentage of governmental spending either for education, or public health, or both. Specifically, the figures are:

[In percent]

	Education	Public Health
El Salvador	22.4	9.6
Colombia	13.2	6.6
Venezuela	13.6	5.2
Costa Rica	34.3	4.0
Ecuador	30.4	9.5

Similarly, although El Salvador has a tragic rate of infant mortality, it is no worse than most Third World countries, and, in deaths per thousand, is about the same as such relatively rich Latin American countries as Colombia, Venezuela, and Mexico, according to the IADB figures. When the statistics for deaths under 5 years due to malnutrition are examined, El Salvador is comparable to Argentina, Colombia, Brazil, and Mexico.

Despite this record of progress, a case could be made that an even better record could have been accumulated if there had been considerably less intervention by the government in the economic sector. The socialist measures which have been forced upon El Salvador by U.S. pressure have impeded progress, rather than encouraged it. Moreover, they have contributed enormously to the atmosphere of increasing politicization that has devastated political life in El Salvador, and encouraged terrorism. The first steps that should be taken should be the depoliticization of the economy El Salvador. The most effective and efficient method for increasing the distribution of wealth is to remove political values from the system of distribution. Only a value-free economy can raise the standard of living of the poor.

THE POLITICAL SETTING AND REFORM

The terrorism that is now tearing apart the social fabric of El Salvador is the product of middle-class intellectuals who have substituted ideology for reality. The belief that revolution arises from "oppression" of the masses is a romantic concept that almost never bears the test of examination. Although many revolutionaries may be sincere in their compassion for the poor, the fact is that their revolutions are most often the creature of narrow ideology, beginning with an intellectual dissent from the established order. These passions are fueled with training, arms, and tactics provided by organized international movements.

I will digress. Nobody would describe Cuba under Batista, or Batista's predecessors, as a rose garden. But what happened to Cuba when the Marxist ideologue Castro took over? Did things improve or did they get worse?

Ask the families of the thousands upon thousands of Cubans who were sent to the wall, executed by firing squads.

I do not profess to believe that any country on earth has achieved the rose garden status—El Salvador among them. But I will say this, Mr. President. El Salvador, under a free enterprise concept, was way ahead of what El Salvador will have under a Marxist, socialist dictatorship.

No government can permit such organized dissent from the social structure. Once a movement for the violent overthrow of the system takes hold, the government, if it loves liberty, must take immediate steps to protect the national security. We believe that in the United States. It is fundamental to our self-preservation. Democracy cannot flourish where an organized minority dissents from the political consensus with a violent aim, nor can we expect that democratic methods will appease the sworn opponents of the system. Rather, a government so threatened, must undertake reform.

Reform must have two aspects. The first reform must deal with those who advocate the violent overthrow of the government. Social order must be restored, even if it means the use of deadly force against those using the same deadly force against the innocent people of the community. Surely, if we know anything—looking at the Iran, Afghanistan, and other violent trouble spots around the world—we must know that organized terrorism is, in fact, a declaration of war, and the rules of war must be applied. This Senator believes that the United States should move promptly to assist any free government which is under assault from organized terrorism. The cynicism that is more tenderhearted toward terrorism than toward the human rights of a nation at large has undermined the credibility of our intentions.

The second aspect of reform involves the elimination of corruption and the alleviation of economic problems. But if the latter part of reform is conceived of as the need to impose socialism, the reform will only aggravate the problem, creating economic decline and destroying the incentives of those who otherwise would be seeking economic progress. No benefits can be distributed to the poor unless the nation as a whole earns more; nor can they be distributed fairly by government edict. The traditional wisdom of Western society is that benefits should come from improved opportunities.

I simply do not believe that the United States, if it wishes to survive—if it wishes freedom to survive—can stand by and watch promising nations lapse into the stifling bonds of socialism. We cannot wait until the social fabric of a nation has been torn asunder before offering advice and diplomatic support. Nor do I believe that the United States should be in the general posture of offering government to government economic assistance. But if such assistance is offered, it ought to be conditioned upon the acceptance of certain reforms. But we must get over the idea that pushing a nation over the cliff of socialism constitutes "reform." Reforms should require the recipient to get out of government intervention in the economy, instead of forcing the recipient to expand socialistic practices.

PAST U.S. SUPPORT OF SOCIALISM

I have recently received a statement from a very distinguished citizen of El Salvador. He must remain nameless, because his life is under constant threat. However, he is a true moderate, acknowledged as deeply dedicated to democratic principles, and a man of great attainment and distinction in his profession. He is not a businessman, nor is he a member of the mythical "14 families" in El Salvador. The only thing he has lost is his freedom. The background he provides is truly eye-opening.

This gentleman points out that the U.S. State Department and the U.S. Embassy in San Salvador have constantly intervened in the international affairs of El Salvador since 1962. This intervention has always been to push the country to the left, toward Marxist socialism.

In 1962, the United States insisted that El Salvador nationalize its central bank, nationalize the Salvadoran Coffee Co., adopt a system of price controls, exchange controls, and high tariffs, strengthen left-wing trade unions, and install a burdensome "social security" system. The effect of this Government's intervention—I am talking about the U.S. Government intervention; I am talking about the U.S. Department of State—has been to slow down capital formation and economic growth, thereby making it more difficult to raise the standard of living for the poor of El Salvador.

Parenthetically, Mr. President, it needs to be said over and over again that the only way any nation ever can improve its standard of living is by increasing its productivity. That has been the miracle of America until fairly recently. Productivity was regarded as the epitome of the U.S. economic system; and as long as we struggled and worked to increase productivity, the standard of living of the American people rose. I think most Americans can testify of their own knowledge what has happened in the United States since we have been trying to make a god of government. We have been struggling to have the Federal Government support more and more people, fewer and fewer people producing less and less.

My friend from El Salvador, who made his report to me, stated that the U.S. Embassy also insisted upon a "progressive income tax" and the imposition of the highest property taxes in Latin America. They may not be absolutely the highest, but near the top.

In 1965, the U.S. Embassy insisted that the government—that is to say, the El Salvadoran Government—tolerate the Communist takeover of the university there. Do Senators know what the grounds were for that insistence by our State Department? Our State Department contended that if the El Salvadoran Government would just let the Communists take over the university, that would somehow contain subversion. That is the intellectual level of some of our diplomats in the State Department. Of course, all it did was to give a base to subversion, to strengthen the hand of subversives by giving them a headquarters from which to operate—and a respectable headquarters, at that. Our embassy even invited some of the Communist faculty members to go to the United States and take seminars, thus lending what I suppose could be called even more respectability and credibility.

The U.S. Embassy was deeply involved in the organization of labor union movements in El Salvador, advising on tactics and training. People may disagree over whether the labor union movement helps or hinders workers in improving their status, but it is certainly no business of the United States of America to organize such movements in foreign countries.

My friend says that U.S. Ambassador Murat Williams was deeply involved in the organization of the Christian Democratic Party, the one which presently finds so much favor with the State Department. He says that Ambassador Raul Castro frequently made disparaging remarks about the business and agricultural leaders of El Salvador; and Ambassador Ignacio Lozano—these are predecessors to Mr. White, by the way—was so obnoxious in his behavior that President Romero asked for him to be recalled even before Lozano took office.

Ambassador Frank Devine was so outrageous in his application of the so-called human rights policy that he insisted that terrorists, who had been involved in violent crimes, were "political prisoners" and had to be released.

Ambassador Devine and Ambassador Bowdler openly worked with the opposition to overthrow the present government. They demanded that President Romero resign and that new elections be called, even though the Salvadoran Constitution provides for elections at regular intervals, similar to the procedures in the United States. Assistant Secretary of State Viron Vaky and Ambassador Christopher van Hollen—who was only an inspector of embassies—made the same demands during visits to El Salvador.

This was the report given to me by my Salvadoran friend, a man who, as I pointed out, is a moderate, committed neither to the politicians nor to the business leadership. His only bias is a yearning for freedom.

Of course, the State Department would assert that the allegations are not true. Indeed, Mr. White virtually impugned the integrity of my friend. Even though Mr. White could not possibly know who had provided the information, he immediately asserted that the view was "highly partisan," by someone who "has been hurt by the course of events," and who "probably has been economically damaged by what has gone on."

At the same time, Mr. White seized upon the recent statements of Archbishop Romero of San Salvador, whom he termed "the most forceful and popular figure in El Salvador today," saying that "we have to take very serious account of what he says." Yet it is well-known in El Salvador that the archbishop's voice is in the minority of the five bishops in the country. What happened to the other four?

Even though Mr. White is disinclined to agree that the U.S. Embassy has been an unfortunate source of politicization in El Salvador, it is nevertheless clear that his intention is to continue the scandalous record of U.S. intervention in the affairs there.

But, in any case, the State Department has indirectly confirmed the views of my Salvadoran friend just a few days ago, when Department spokesmen informed the press that the U.S. Embassy in El Salvador has worked openly to keep the illegal junta in power—despite the lack of confidence in that government which is displayed everywhere in the country. The State Department freely stated that it had called in prominent politicians, businessmen, military leaders, and so forth, to warn them that U.S. aid would be suspended if the illegal junta were dissolved, and the putative reforms were not put into effect.

It is noteworthy that the present junta, with decree No. 114—issued only a few days ago—suspended certain key constitutional rights wherever they might conflict with the supposed economic and social reforms demanded by the U.S. Government.

El Salvador needs less politicization, not more of it. The terror needs to be put down and needs to be stopped. The economic situation needs to be stabilized. And that is where our policy should be directed. Our policy should be to support depoliticization and security, so that working people and farmers can go about their lives and jobs in peace. Until the fundamental human rights are restored, it is a misplaced priority to expect a full-blown democracy to reemerge. Our policy should be to support neither the left nor the right nor the center, but to go beyond politics to the basic issues of freedom.

INTERVENTION TODAY

The reason that U.S. foreign aid has failed so disastrously is that it too often has been conditioned upon the premise that it should be used to establish socialism in the recipient country. Our own experience as a free nation has been disregarded. The result has been tragic both for the United States and for the recipients. El Salvador has been a case in point.

Concessions to the left, to the Socialists, undermine the stability of social progress and raise aspirations that realistically cannot be fulfilled. So long as any degree of freedom is left in a country, the objections to socialism will increase, resulting in an even greater degree of oppression from the left.

There may be those, such as Mr. White, who believes that we have allowed the El Salvadorans to make their own decisions. But paradoxically, the only "reforms" that we support are those which are not reforms at all, but mileposts on the road to serfdom.

I believe, on the contrary, that true reform means a movement in the direction of greater freedom, both intellectual and economic. I hope that the people of El Salvador believe the same.

If they do, they will reject the policies of Mr. White and his colleagues. They will see that the responsible elements of El Salvadoran society must move to restore constitutional government whatever Mr. White, or Mr. Bowdler, or Mr. Vaky say.

If they allow themselves to be seduced by the blandishments of foreign aid imposing political control and economic socialism, they will not only be destorying their country, but destroying themselves as well.

The nomination of Mr. White is like a torch tossed in a pool of oil. Will his arrival in San Salvador be the signal for the second stage of civil war, with another nation destroyed for the sake of narrow ideology? Will El Salvador become another Nicaragua where the blemishes of one government become the excuse for the devastation of the country?

Mr. President, I listened attentively to Mr. White. I exchanged questions and answers with him, giving him every opportunity to give one signal that it would be his intent to stand up for free enterprise and for freedom in his new assignment, and he said, "I will support the passionate left." He sends the wrong signal to a troubled nation.

Mr. President, that is why this Senate should reject his nomination.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON NOMINATION TO OCCUR AT 4:50 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I have discussed this with Mr. Helms. I understand that it is agreeable with Mr. Stevens. I ask unanimous consent that the vote occur on the nomination 20 minutes from now.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 4:50 TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when Mr. Helms completes his statement, which will be brief, the Senate stand in recess until 4:50 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from North Carolina is recognized.

WHITE'S RECORD IN PARAGUAY

Mr. HELMS. Mr. President, not only has Mr. White demonstrated his antagonism toward private enterprise in El Salvador, but he has also shown that he has absolutely no interest in helping American private enterprise operate in foreign countries. It appears that his antagonism is toward the private sector generally. That is the only conclusion I can draw from an account of his activities as Ambassador to Paraguay which has been furnished to me.

This document is an official memorandum which was sent in through the dissent channel by an embassy employee in the U.S. Embassy in Paraguay, giving the particulars on Mr. White's dismal record in that country and his antibusiness attitude. It may well be that Mr. White conceived of his mission there as—to quote his own words—a period of "creative tension." But that is no reason at all to minimize service to U.S. private enterprise and investment.

Mr. President, even though this memorandum came in through the dissent channel, the facts in it speak for themselves. This is no ad hominem attack; it simply states the facts. Mr. White is either directly responsible for the situation, or he just did not care enough to get it straightened out. Here are some of the facts:

First. In an 18-month period, the Embassy had not sent in a single self-initiated report on any trade opportunity or major project.

Second. The officers of the American Embassy rarely made calls on business or government commercial leaders, and had not done any systematic thinking as to how to help the U.S. improve its position in the market.

Third. The Embassy was in arrears in responding to the Department of Commerce's World Trade data reports, desk studies on Paraguayan companies requested by U.S. industry, and in responding to requests for agents for U.S. firms under Commerce's agent-distributor service.

Fourth. The Embassy's commercial action plan listed only two minor projects as targets for United States participation, and no work had been done on them.

Fifth. There was no comprehensive long-term plan for penetration of the booming Paraguayan market, and the Embassy did not even know the schedule of events at the San Paulo Trade Center which serves Paraguay.

Sixth. From March 1978 to September 1979, there was an entire series of major opportunities for U.S. investment that were not reported, or, after prodding from Washington, reported too late for an American company to get its bid in.

The Ambassador discouraged reporting on Paraguay's plan to build a railroad to its free port on the Brazilian coast. Over a period of 6 months, representatives of six companies had come to look at the $400 million project. When my correspondent finally was permitted to send a cable to Washington about the project, a sentence was added saying that a 1970 World Bank study had recommended that the project be scrapped. Yet no such study ever existed.

Another failure was in not reporting in a timely manner Paraguay's desire to build a larger cement plant to exploit one of the world's largest deposites of dolomite lime. With three huge dams under construction, Paraguay's Minister of Commerce traveled to Europe in 1978 to look for help with the cement industry. The Embassy delayed reporting until the Germans had locked up the contract. The Embassy also waited until bids had closed on a 500,000 ton agricultural lime plant. Cables on Paraguay's steel mill and new international airports were only sent after requests from Washington.

Cables concerning Paraguay's port development were put through despite active discouragement from the Ambassador. But no follow-up cable was allowed.

My correspondent was told that Paraguay had frustrated U.S. interest in a 200-mile irrigation canal after the Israelis got the contract. But the U.S. company had received no discouragement from Paraguay; the problem was with the Embassy. The commercial officer in the Embassy had not been in the Chaco agricultural area, where the canal was proposed, in 18 years.

The Embassy was completely unaware that the U.S. aluminum and chemical industries are not finalizing long-term plans to set up their electro-intensive operations in Paraguay. The Embassy had never reported on Paraguay's desire to exploit its large natural gas deposits, or the fact that commercially exploitable quantities of petroleum and uranium may exist.

Seventh. The Embassy was extremely deficient on reporting on the true social conditions, or the improving political situation.

Mr. President, I ask unanimous consent that this entire memorandum, with its appendices, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, this past history of Mr. White demonstrates once again that he is more interested in ideology than he is in helping people. He is more interested in destabilizing governments than he is in performing the routine and necessary tasks of his post. I think that it is obvious that his lack of interest in private enterprise, his relish for the cliches of socialism and revolution, and his lack of sympathy for improving the economic situation of the countries to which he is Ambassador is further evidence that he is not qualified for this sensitive post in El Salvador.

Mr. President, in voting to approve this nomination, Senators will be voting not only for the man, but for a policy. We have to recognize that we are dealing with a revolutionary situation, not only in Central America, but in many places throughout the world.

The issue this afternoon, with this nomination, is how the United States is going to react to this development.

The issue is whether the United States is going to encourage the trend toward Marxism, or whether the United States is going to encourage the forces of moderation and stability.

We have to decide whether the word "reform" is just a code-word for heating up the passions of revolution, or whether "reform" means improvements which will support the development of free enterprise and stable constitutional government.

We have to decide whether we believe in our own system.

We have to decide whether we think that individual freedom, the freedom to choose, is the most important element in developing a dynamic society, or whether we think that Government bureaucrats can actually increase productivity and devise a fair system for the distribution of earnings.

If any Senator thinks that socialism is the answer, then he will vote for Ambassador White. If he thinks that another Cuba, or another Nicaragua is the answer, then let him tell that to his constituents by voting for Mr. White.

Mr. President, I fear that the confirmation of Mr. White will be an invitation to leftists and anarchists to redouble their efforts at revolution, to make demands that are even more implacable.

Revolution has its own inner dynamic. It drives itself, and it is not appeased. Yesterday's demands are insufficient to meet today's, and tomorrow's demands are impossible of fulfillment. The philosophy that believes that meeting yesterday's demands will satisfy today's revolution is a philosophy that leads to defeat and surrender.

Mr. White is under the illusion that he can feed the revolution and thereby tame it. He is the wrong man, at the wrong time, and in the wrong place. I urge the Senate to reject his nomination.

I yield the floor, Mr. President.

EXHIBIT 1

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., January 24, 1980.

Memorandum for Anthony Lake—S/P.

Subject Why State is Losing 162 Commercial Positions to Commerce—A Case Study of Embassy Asuncion.

Dissent channel message.

Desired distribution: ARA, EB, HA, M/DG, M.

Picture a small developing country that has historically had such good relations with the U.S. that one of its departments is named after an American president, which regularly votes with the U.S. in international fora, and whose commercial leaders have traditionally looked to the United States as the source of new technology and products. Now picture that country building $26 billion of hydroelectric projects in the next ten years, one of which, the world's largest dam, will come on line in 1983.

Now imagine that the country must make a decision by 1981 as to how much of the electricity it will consume internally or sell to one of its giant neighbors, and that the country's commercial sector is frantically looking for ways to consume the maximum amount of its half of the electricity internally.

Now picture that country with a great underdeveloped agricultural potential, open spaces for population growth, firm plans to build railroads, streetcars, highways, two new international airports, a steel mill, cement plant, hotels, develop its rivers and ports, and great potential for solar energy, as well as favorable indications for natural gas, oil, and uranium.

One would think that the U.S. Embassy would be a beehive of commercial activity uncovering and reporting specific trade opportunities and major projects, as well as developing a long term plan for commercial penetration of the country.

What a surprise it would be to learn that in an 18 month period the Embassy had not sent in a single self initiated report on any trade opportunity or major project, whose American officers and Foreign Service Nationals (FSNs) rarely made calls on business or government commercial leaders, and had not done any systematic thinking as to how to help the U.S. improve its position in the market.

The above describes the situation at our Embassy in Paraguay, where I was recently stationed as commercial officer. Before reporting to Asuncion I paid a visit to Commerce where an office director complained that the post was very much in arrears in responding to World Trade Data Reports, desk studies on Paraguayan companies requested by U.S. industry, and in responding to requests for agents for U.S. firms under Commerce's Agent-Distributor Service.

Upon my arrival at post I found that the post's commercial action plan listed only two minor projects as targets for U.S. participation and no work had been done on them. Not only was there no comprehensive long term plan for penetration of this booming market, the post did not even know the schedule of events at the Sao Paulo Trade Center which serves Paraguay.

From March 1978 to September 1979 there was an entire series of major opportunities for U.S. investment that were either not reported, or reported only after prodding from Washington, when it was too late for an American company to get its bid in.

In January 1979 the newspapers in Asuncion started carrying nearly weekly articles about Paraguay's desire to build a railroad to its free port on the Brazilian Atlantic coast, as well as upgrade the existing line to Argentina. Over the subsequent six months representatives of six countries came to Paraguay to do studies of the projects, some of them repeating visits made previously.

When I suggested that we do a cable reporting the opportunity so that American firms would be aware of the $300–$400 million project, I was consistently put off. I went to see the President of the railroad anyway, who told me that he would welcome proposals by U.S. firms.

Using the impending visit of the Foreign Service Inspectors as a lever, I was able to get out a cable on the subject. However, the editor inserted a sentence to the effect that a 1970 World Bank study had recommended that the railroad be scrapped. When I returned to Washington, Commerce's Major Project Division told me that sentence was the reason that no American companies had followed up on the lead. I also discovered that no one at the World Bank had ever heard of the study, which did not surprise me because we could not find any trace of it at the post.

The sentence concerning the reputed World Bank recommendation was a complete red herring in any case. Since 1970 two world gas crises had driven the price of gasoline to over $3.00 a gallon in Paraguay. Even more importantly, in 1973 Paraguay had signed treaties to build the Itaipu dam, the world's largest, with Brazil, and the Yacyreta dam, the world's longest, with Argentina.

A third dam will also be built on the Parana River, making Paraguay the world's largest reservoir of developed hydroelectric power. When the first turbines at Itaipu come on line in 1983 the Paraguayan government will be in a position to supply its nationalized railroad with electricity at cost or even at a subsidized rate.

The fact that a presidential decision had been made to build the railroad as a national priority was never reported by the post, not even when the decision was headlined in the press on the basis of a statement made by the Paraguayan Foreign Minister at an awards ceremony for the Brazilian Vice-President in August 1979.

No reporting was done on the railroad because of the unexamined prejudices of the senior officers at the Embassy. I was told that "no one builds railroads anymore", "maybe a hundred years ago", and when I reported the desire of officials at the cement plant to have a rail connection, "A lot of people here are full of ——."

When I returned to Washington I contacted the engineering consulting firm that supervises the construction of Washington's Metro and helped Conrail lay 3,200 miles of track in the United States between 1976 and 1979. The firm, which is already involved in Latin America, was very interested in the Paraguayan rail project.

A second failure of the commercial section was in not reporting in a timely manner Paraguay's desire to build a larger cement plant. Paraguay's existing plant exploits one of the world's largest deposits of dolomite lime. With three huge dams under way or about to begin, and a building construction boom in Asuncion, Paraguay's Minister of Commerce traveled to Europe in 1978 looking for help for its cement industry.

Embassy Asuncion did not report the extensive press coverage of the trip, and did not do a report on the project at all until prodded by Commerce on the basis of trade publication stories. In the meantime the Germans had locked up the contract for the first stage expansion of the plant. Asuncion also waited until bids had closed on a 500,000 ton a year agricultural lime plant to be built in conjunction with the cement plant.

Cables on Paraguay's steel mill and new international airports were only sent in after prodding by Commerce's Major Projects Division and the Federal Aviation Agency.

I managed to push through a cable on time concerning Paraguay's desire to do major river and port development even though I was told "the Ambassador doesn't want us to get involved in the port project." I was undoubtedly helped by the worst flooding in seventy years which drove thousands of poor people from their homes.

However, when no response came back I was not allowed to send a followup. Back in Washington, I discovered that Commerce's Major Projects Division had either never received the cable or had lost it. I contacted a company which was active in port development in Iran and the company is so enthusiastic that it may open a branch office in Asuncion.

An area which has been nearly totally neglected in Embassy reporting for years is agricultural development. The government has made the development of the Chaco a national priority. Extensive press coverage was given to a 1979 Israeli plan to cut a two hundred mile irrigation canal from the Paraguay River into this zone which has the potential of southern California.

When I suggested we report the opportunity I was told of an American company which had expressed an interest in the project, and had supposedly gone away frustrated, with unhappiness on the Paraguayan side also. Although this case was cited as an example as to why no American companies should be encouraged to come to Paraguay, I visited the Defense Ministry official in charge of the project, anyway.

I discovered that not only was he in frequent contact with the company and regarded it as a prime prospect for the project, but the official had spent time in the home of one of the company's executives in the U.S. I am attaching copies of a letter from the company and an Embassy memo which together demonstrate the incredible lack of knowledge of the host country by the Embassy staff.

This situation is exemplified by the fact that the commercial FSN has never been in the Chaco in his 18 years with the Embassy, even though the Chaco represents sixty percent of the country's territory.

The Israeli plan to develop the Chaco will undoubtedly include solar energy, as they are currently marketing solar hot water heaters in Paraguay through a Brazilian subsidiary. In March 1979 I wrote a memo suggesting that the Embassy do demonstration projects of solar energy products and electric vehicles, a memo which was characterized as a "crackpot."

I sent the memo through the Dissent Channel, where it was rejected as not being a "major foreign policy issue". S/P did distribute the memo, however, with the result that the Department sent someone to Asuncion with a view to putting solar hot water heaters in the Embassy.

In spite of the fact that several million dollars was appropriated for the purpose of using solar in our foreign buildings last fiscal year, no installations have been effected. Asuncion has not complied with a request to supply the Department with data on sunshine, as the Embassy's contacts with the Paraguayan government are so poor that it cannot even obtain basic meteorological data. Our AID mission could tell me nothing about its solar water pump project in the Sahel.

Upon returning to Washington I discovered that Commerce and the Department of Energy have a special program to aid the U.S. solar industry survive in the short term by exporting. I contacted several companies which are highly interested in getting into the Paraguayan market, which has been characterized as one of the seven best for solar by the Latin American Economic Organization. I gave them specific trade opportunities which I had uncovered in solar but not allowed to send in.

In addition to not reporting the obvious trade opportunities, the Embassy has done no imaginative thinking to help Paraguay use its huge hydroelectric potential. The issue is a highly nationalistic one, as Paraguay's treaty with Brazil requires it to sell any unused power to Brazil exclusively at prices that are so unfair that the treaty has been called "Brazil's Panama Canal."

I was criticized for suggesting to a chief engineer in the electric utility that they might want to buy electric powered autos, even though he told me that the utility had been attempting to do so for sometime, unknown to the Embassy.

I was not allowed to send in the trade opportunity even though the utility subsequently told me it was "desperate" to convert its entire fleet of service vehicles to electric. I therefore wrote personal letters to three U.S. manufacturers, got prices and specifications, which I gave to the utility with the result that it ordered an electric van.

An obviously delighted purchasing engineer for the utility then passed on another project to me, telling me that Paraguay wanted to get into methanol production in a big way. Methanol, which can be used to fuel vehicles, can be produced from hydrogen as a feedstock.

Hydrogen, which is a pure fuel, can be separated from water through electrolysis, a procedure that holds great prospects for a country with a superabundance of electric power. However, the Embassy has never reported this opportunity, so I contacted the company which built a methanol plant in the Soviet Union, which company expressed interest.

The Embassy was completely unaware that the U.S. aluminum and chemical industries are now concretizing long term plans to set up their electro-intensive operations in Paraguay. Asuncion has never reported Paraguay's desire to exploit its large natural gas deposits, or the fact that commercially exploitable quantities of petroleum and uranium may exist.

Aside from sheer laziness, ignorance, and poor analytical judgment, Asuncion has also held back on trade reporting on the unspoken feeling that pushing U.S. commercial interests would be inconsistent with the human rights program. Since a policy has never been articulated different persons in the mission speculate as to the reasons for the lack of action.

Some opine that it would be pointless to report trade opportunities because U.S.-Paraguayan relations are so poor that no U.S. company could win a bid. This attitude is not an accurate assessment of Paraguayan feelings. For instance, a high official in the cement plant told me "we know who our friends are and we know you have the technology."

This individual was critical of the Embassy staff "enclosing itself" and not maintaining contacts in the community, but he saw that I was treated royally on a self initiated trip to the cement plant in the interior.

Occasionally the post expresses a negative attitude openly. Asuncion reportedly recommended that the U.S. vote against a soft IDB loan for tourism development because the government had arrested a leading opposition figure, even if it would cost us the $400 million Yacyreta turbine contract.

That person was Domingo Laino, who seems to have a penchant for expressing criticism of President Stroessner in a way that constitutes a public kick in the groin in his most embarrassing moments. Laino's arrest on this occasion was due to his crowing over the fact that Stroessner had been denied an interview with the president of Brazil, the implication being that Stroessner had attempted to renegotiate the Itaipu treaty and had been rebuffed.

Given the regime's acute sensitivity over this issue, it is a measure of human rights progress in Paraguay that Laino was released after several months rather than held indefinitely. I was surprised to find on my arrival in Paraguay, given its reputation as a hotbed of fascism, that Laino's books criticizing the government for corruption and for allowing Brazilian penetration of the economy could be bought freely on the main square.

That the right of free speech and press is generally observed in Paraguay is not contradicted by the thirty day closure of two newspapers last summer. The papers were closed during the tensest period of negotiations with Argentina over the design of the Yacyreta. The issue had aroused intense Paraguayan nationalism as the design planned would flood 1,000 square kilometers of Paraguayan territory.

It was apparent that both papers were printing leaks from well informed sources in the government that were critical of the government's handling of the negotiations. While the edict closing the papers from the Ministry of Interior would not meet the ACLU's standards of due process, who can deny that there is pressure even in western democracies for press censorship when classified information on a vital issue is leaked?

I was allowed to report extensively on Paraguay's demand for a renegotiation of the Yacyreta treaty as the demand for compensation or a new dam design could be presented as examples of Paraguayan corruption and unreasonableness. I was thus allowed to report the papers' wailing that generations of Paraguayans would suffer from the government's botched negotiating tactics, while having comments favorable to the Paraguayan position edited out.

Items not reported to Washington were statements by the former Argentine ambassador that Paraguay had cause to be upset as Argentina had not fulfilled its promises made at the time of the 1977 design negotiation, and my requests for comments from Embassy Buenos Aires on my judgment that Argentina had too much to lose not to build the dam due to its energy crisis.

Understandably, ARA opined in an official-informal that Paraguay appeared to have seriously overplayed its hand in the negotiations. Stroessner's critics were left with egg on their faces when he succeeded in wringing over a billion dollars in compensation from Argentina.

Undoubtedly one of the causes of the biased reporting coming out of Asuncion is the unhappiness of most of the officers at being assigned there. At least one key officer openly expresses his contempt for the Paraguayan people who are as pleasant as any I have met, and several others seem to be only waiting for the end of their tours.

With no commitment to help the country, the Embassy is merely engaging in posting for a small group of elitist super activists who are ready to believe anything bad they hear about Paraguay, no matter how unreliable. One result of this is that my predecessor spent six whole months doing nothing except flying around the country looking for examples of mistreatment of Indians.

The charges were absurd on their face, as anyone who is at all familiar with Paraguay knows that it is a racially mixed society which preserves its Guarani language with pride. Paraguay has also reduced its political prisoners from several thousand to a handful.

The Embassy did not report the intensity of the Colorado Party primary, which showed that there are real democratic choices exercised in the dominant party. I personally witnessed a hard fought election contest that split the President's own precinct nearly fifty-fifty.

Embassy officers will admit that if a free national election were held today that Stroessner would get well over half of the votes, perhaps seventy percent by one estimate. We support single party regimes all over the world that are far less effective at providing for basic human needs than Paraguay.

However, our attitude seems to be expressed by one of the church sponsored publications in the U.S. which admitted that it mistakenly thought Paraguay would be a "pushover." Even though opposition leaders such as Laino would have no chance of coming to power in a free election, we continue to follow this chauvinistic line. We have cut ourselves off from having any influence when the 68 year old Stroessner dies, leaving behind a Colorado Party organization that will undoubtedly choose his successor.

The irony of our lack of output in the commercial section is that Commerce did not take the position in Asuncion under the reorganization. State thus has a chance to redeem itself and increase our leverage over future events in Paraguay.

THE RESOURCE SCIENCES CORP.,
Tulsa, Okla., September 4, 1979.

DEAR MR. ———: Please excuse my delay, but your letter of August 22nd was waiting for me on my return to Tulsa. Dr. Horacio Sosa, of the Ministerio de Defensa Nacional, has written me of your visit, and discussion with him on our behalf. We are most appreciative that you have kept our interest in the development of Paraguay in mind. We also appreciate the information that the government of Paraguay is still interested in the development of the water resources of the Chaco, and in keeping in touch with us regarding our extensive efforts over the last several years in this regard.

You apparently are aware of our very detailed proposal, which took more than a year to prepare, and which was submitted in early March of 1978. This proposal was the result of gathering the requirements and objectives of several of the Ministries, and we discussed this proposal with President Stroessner. There is a definite possibility for follow on sales of American equipment and services, as our proposal had a number of stages that would have required almost ten years to complete. It was a very broad proposal for the development of water resources, agriculture, and light industry. American equipment in irrigation, farm machinery, and construction and engineering was visualized.

We have had contact with the AID people in Washington, and also have acted as a consultant to them in underdeveloped countries. Your suggestion that funds under Section 661 might be available, under AID, is well worth pursuing further. We had also envisioned American technology in biomass processing equipment that would produce sugars, alcohols, animal feed, and fiberboard.

I am leaving on a trip tomorrow overseas, but will ask my associates to send you a copy of our proposal, as well as a bit more elaboration on what opportunities there would be for American participation after the initial studies were completed. You of course realize that we propose our firm would be the Program Manager for the ongoing phases of development of townsites, water supplies, irrigation, transportation, and light industry.

Our company has had a long history in Paraguay, having built the original Trans-Chaco Highway to Filadelphia, and having had for a number of years a large exploration concession for oil and gas. We have also proposed a minerals evaluation for other minerals in the Chaco that might increase the natural resources industries of the country.

Incidentally, our proposal was made at the invitation of Minister Ugarte, and his staff largely directed what went into the proposal. Also, Dr. Sosa, of the Ministry of Defence, gave a lot of advice and time during our preparation. We did have a representative in Paraguay, but did not renew the agreement with him when it expired this spring.

Many thanks again for your interest, and the initiatives which you have taken on our behalf.

Yours sincerely,
DAVID R. WILLIAMS, Jr.

SEPTEMBER 8, 1978.

James J. Gormley, ECON
Williams Brothers Proposal
The Ambassador
Thru the DCM

The DCM asked for some background material on the Williams Brothers' proposal for an overall development plan for the Chaco. I spoke with Anderson, too, and he told me that the company had given the Embassy considerable material. Whether they did or not, there is very little in our files.

From Henry's recollection, the proposal originated with Williams Brothers as the first step toward further consulting and engineering business in Paraguay. The company was not responding to "felt needs" on the part of the Paraguayans. Henry said that when Williams first approached the Embassy about the idea he was negative and for that reason Ms. Carbone cut him out of further discussions with the company.

Williams officials saw the President, and the Defense and Commerce Ministers, who all told them what a wonderful idea it was and that they were behind the plan one thousand percent. Armed with this enthusiasm, the Williams people returned to the States and drew up a proposal on how to approach the development plan. Williams may have spent a couple of hundred thousand dollars on project preparation with the idea of getting back a few million when the plan was accepted. Williams approached the World Bank and the IDB about financing the cost of the full study but did not seem to have much success.

The formal proposal was submitted to the Minister of the Defense in March at which time company officials also saw the President and Ugarte, all of whom told them how nice the proposal was.

Anderson was back the week of August 28 to follow up on the March proposal and found out that nothing had happened. Defense had turned the proposal over to Commerce, but there it lies. Anderson had been here for three days when I saw him and had not yet seen Ugarte who was busily preparing to attend a conference in Buenos Aires. Anderson did not check back so I do not know whether he got to see Ugarte. Anderson seemed quite disillusioned about the lack of action on the proposal and the apparent unwillingness of the government of Paraguay to put up any money to finance the study. It is surprising to me that a company with Williams' international experience should have taken so long to awaken to Paraguayan reality.

Williams probably never had too much of a chance in the absence of a perception by the government that the development of the Chaco was an important national priority. But they did not help themselves by engaging as their local representative a man of shady repute who was also a liberal. If one wants to engage a crooked representative, there is no shortage of qualified Colorados.

I do not know whether the Embassy encouraged Williams at the beginning. If it indeed did, it would not have been the first time that boosterism by Embassy people cost a U.S. company money when what it needed was some cold water thrown on its proposal.

At some time the drawing up of a rational plan for the development of the Chaco may become something that the Paraguayan government is willing to pay for. However, as of now, they would be happy if someone else would.

RECESS UNTIL 4:50 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 4:50 p.m.

Thereupon, at 4:33 p.m., the Senate recessed until 4:50 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEVIN).

Mr. CHURCH. Mr. President, I wish to express my thanks to the distinguished Senator from Rhode Island (Mr. PELL) for the services he rendered in connection with this nomination.

In the course of the committee's consideration of Ambassador-designate White, I had two separate occasions to question him on both his previous foreign service experience as well as his insights into the current troubled situation in El Salvador. It is my view, based upon a variety of sources of information, that the improved human rights situation in Paraguay today is in large measure due to his own keen interest in the issue and to the influence he brought to bear. I believe that Mr. White displayed great candor in discussing his new post as well. At one point, in response to committee questions, he stated that while he knew Central America well, he had not been in El Salvador for some time. Then he added that "I think there is no worse expert than the man who used to be there." I think he is right.

At this moment, the United States does not have anyone of ambassadorial rank in El Salvador. But we have today the opportunity to remedy that situation; to send someone with the necessary qualifications and experience; and to demonstrate to him that he has the backing of the U.S. Senate as he undertakes this difficult assignment.

For these reasons, Mr. President, I urge my colleagues to join me in voting to confirm the nomination of Ambassador-designate White.

● Mr. HUMPHREY. Mr. President, on February 27, 1980, I requested that a hold be placed on floor consideration of the nomination of Robert White to be Ambassador to El Salvador. Given the extremely volatile situation that currently exists in El Salvador, it is exceedingly important that the U.S. Senate closely examine this nomination.

I have placed a hold on this nomination for the following reasons:

First. Mr. White is considered a proponent of closer ties between the United States and the Castro government of Cuba, and is regarded by the leftist Council on Hemispheric Affairs as a leading liberal in the Department of State.

Second. If posted to El Salvador, Mr. White would represent the United States in a country torn by internal dissension and terrorism, with most of the terrorist activity coming from a leftwing which looks to Cuba for ideological and material support.

Third. Mr. White's economic policies tend toward the promotion of expropriation as a valid means of agricultural reform for El Salvador. Further, he supports a reform program there which includes nationalization of the banks and of the export industries, among others. Rural unionization he finds a valid reform tool.

Fourth. Mr. White dismisses as "unconfirmed reports" the growing supply of weapons, money, and manpower for the radical terrorists of El Salvador from Cuba, both directly and indirectly supplied; from Nicaragua and from other outsiders. Yet, a steady supply of such support for terrorists in El Salvador continues at a rapidly accelerating pace.

Fifth Mr. White attempts to place the blame for El Salvador's growing problem with terrorism as "primarily the result of years of festering domestic, political, economic, and social problems." He dismisses foreign agitation and support for El Salvadoran terrorism. Yet, he also sees no real solution to the internal problems of El Salvador: "I would be amazed if Salvadorans did not remain discontented. I would just hope they put that discontent to constructive use, and that we help them in appropriate ways."

Sixth. Mr. White cites Costa Rica, Venezuela, Colombia, and Ecuador as coming closest to his ideal of properly and justly run nations. Yet, in critical areas of comparison, El Salvador tops each of these nations. Two significant indices of social welfare, percentages of government spending for education and public health, point this out: El Salvador is a leader in these areas.

Seventh. Viewed in the context of the extremely volatile situation that currently exists in El Salvador, with rumors of coups and countercoups rampant, a controversial figure like Mr. White well could fuel extremists to take regrettable action.●

The PRESIDING OFFICER. The question is on the confirmation of the nomination.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Robert E. White, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) and the Senator from North Carolina (Mr. MORGAN) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from California (Mr. HAYAKAWA), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 71, nays 17, as follows:

[Rollcall Vote No. 56 Ex.]

YEAS—71

Baucus
Bellmon
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Johnston
Kassebaum
Leahy
Levin
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Zorinsky

NAYS—17

Armstrong
Garn
Goldwater
Hatch
Helms
Humphrey
Jepsen
Laxalt
Lugar
McClure
Roth
Schmitt
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—12

Baker
Bayh
Bentsen
Chafee
Gravel
Hayakawa
Javits
Kennedy
Long
Mathias
Morgan
Ribicoff

So the nomination was confirmed.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NOMINATION OF ROBERT E. WHITE

Mr. ROBERT C. BYRD. Mr. President, the Senate earlier today voted 38 to 54 not to sustain a ruling of the Chair; the Chair had ruled that a point of order would lie against a motion I had made which was—that the Senate go into executive session and take up the first nomination on the Executive Calendar.

I appealed the ruling of the Chair. It is somewhat unusual for me to do so.

The late Senator Richard Russell advised me, many years ago, to vote whenever possible to uphold the Chair. I have always remembered and heeded that advice.

In this instance, however, I felt that there was no precedent on this matter.

It was not my intent to change a precedent. Nor was it my desire initially to set a new precedent. I originally asked unanimous consent that the Senate go into executive session for purposes of considering the first nomination on the Executive Calendar—which was the nomination of Robert White to be Ambassador to El Salvador. Such a unanimous-consent order is not unusual and it does not establish any precedent. On many occasions the Senate has agreed to proceed in such a way.

But objection was heard to my request and therefore I moved that the Senate go into executive session and that it take up the first nomination on the calendar.

But, as I noted today, the Senate had never before decided the precise question which I raised. We know that a motion to proceed to executive business is in order. We know that, once in executive session, a motion to proceed to take up a particular nomination is in order. I was merely "coupling" the two.

My motion was a logical extension of the precedents—not a change, not a deviation. Under the precedents, a motion to go into executive session is in order; upon going into executive session, the Senate would automatically be on the first treaty. I maintained that the same procedure would be appropriate for nominations.

All Democratic Members of the Senate present and voting voted with me. Several of them discussed this issue with me before voting, and with the Parliamentarian. Senators were troubled by the fact that they would be voting against the Chair. Many prefer to uphold the Chair wherever possible—as I do.

The problem, however, was that the Chair had ruled on a point of order on which there was no direct precedent. In my view, the question was an open one.

It is important to note that the precedent which the Senate established today, by its vote, does not tie the hands of the Senate. It simply makes it possible for a motion to be made that the Senate go into executive session and that such a motion include the provision that the Senate, once into executive session, turn to the first nomination on the Executive Calendar.

The Senate remains free to vote that motion up or down and reject that motion, if it wishes.

The occupant of the Chair depends on the advice of the Parliamentarian in responding to points of order and parliamentary inquiries, but the occupant of the chair is no more bound to support the Chair's ruling than is any other Senator if an appeal is made. He has the same right and duty, as has any other Senator, to decide according to his own conscience and personal judgment as to the correctness of the Chair's ruling which is based on the Parliamentarian's advice on a point of order where there is no previous precedent.

I think that the Senate was well served by the vote which took place. No one's rights have been abridged; no precedents have been overturned. I thank those Senators who supported my motion. I think that they acted correctly.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business for the introduction of bills and resolutions for referrals only, and the Senators may speak therein 10 minutes each, and that the period not extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 5:27 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 643) to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3398) to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes.

The message further announced that the House has passed the bill (H.R. 3838) for the relief of Clarence S. Lyons, in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the concurrent resolution (H. Con. Res. 282) expressing the sense of the Congress with respect to the recent foreign-inspired attempts to undermine the stability of Tunisia, in which it requests the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 1792. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal;

H.R. 1829. An act for the relief of Loraine Smart and Robert Clarke;

H.R. 3398. An act to adjust target prices for the 1980 and 1981 crops of wheat and feed grains to extend the disaster payment programs for the 1980 crops of wheat, feed grains, upland cotton, and rice; and to authorize the Secretary of Agriculture to require that producers of wheat, feed grains, upland cotton, and rice not exceed the normal crop acreage for the 1980 and 1981 crops; and

H.J. Res. 493. Joint resolution providing for the appointment of William G. Bowen as a citizen regent of the Board of Regents of the Smithsonian Institution.

HOUSE BILL AND CONCURRENT RESOLUTION REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 3818. An act for the relief of Clarence S. Lyons; to the Committee on the Judiciary.

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 282. Concurrent resolution expressing the sense of the Congress with respect to the recent foreign-inspired attempts to undermine the stability of Tunisia; to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3107. A communication from the Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, the annual report on applications for conditional resistration under certain sections of the Federal Insecticide, Fungicide, and Rodenticide Act for fiscal year 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3108. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter October 1 through December 31, 1979; to the Committee on Appropriations.

EC-3109. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on four construction projects to be undertaken by the Air Force Reserve; to the Committee on Armed Services.

EC-3110. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on three construction projects to be undertaken by the Naval and Marine Corps Reserve; to the Committee on Armed Services.

EC-3111. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the sixth annual report on the HUD Coinsurance Program; to the Committee on Banking, Housing, and Urban Affairs.

EC-3112. A communication from the Director of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to extend the national flood insurance program under the National Flood Insurance Act of 1968, and the crime and riot reinsurance program under title XII of the National Housing Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3113. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, a request for a correction in proposed legislation submitted to the Congress on February 26, 1980 dealing with the Rock Island Railroad Employee Assistance Act; to the Committee on Commerce, Science, and Transportation.

EC-3114. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the fiscal year 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3115. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report stating that in light of the adoption of certain legislation a report of the Department of the Indiana Toll Road Commission is no longer necessary; to the Committee on Commerce, Science, and Transportation.

EC-3116. A communication from the Administrator of the National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, for the information of the Senate, notice that the report on United States participation in the World Weather Program for fiscal years 1980 and 1981 will be transmitted to the Congress in April 1980 and suggestions for changes in United States participation in the World Weather Programs; to the Committee on Commerce, Science, and Transportation.

EC-3117. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursunt to law, notice that the Commission is unable to render a final decision in Investigation and Suspension Docket No. 9215 (Sub-No. 1), ConRail Surcharge On Paper from Mehoopany, Pennsylvania, within the specified seven month period; to the Committee on Commerce, Science, and Transportation.

EC-3118. A communication from the Attorney General of the United States and the Chairman of the Board of Directors of the United States Railway Association, transmitting, pursuant to law, a report on the feasibility of transferring the litigation functions of the United States Railway Association; to the Committee on Commerce, Science, and Transportation.

EC-3119. A communication from the Vice President for Government Affairs of the National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the total itemized revenues and expenses of each train operated by the Corporation for the month of November 1979; to the Committee on Commerce, Science, and Transportation.

EC-3120. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052); to the Committee on Energy and Natural Resources.

EC-3121. A communication from the Under Secretary of Energy, transmitting, pursuant to law, a report on federal policies to promote the widespread utilization of photovoltaic systems; to the Committee on Energy and Natural Resources.

EC-3122. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3123. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notice of meetings relating to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3124. A communication from the Assistant Secretary of Energy for Conservation and Solar Energy, transmitting, notice that report of the Department of Energy on standard classifications and practibility of electric motors and pumps will be delayed to provide for more detailed analysis; to the Committee on Energy and Natural Resources.

EC-3125. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3126. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, the eighteenth report on abnormal occurrences at licensed nuclear facilities for the third calendar quarter of 1979; to the Committee on Environment and Public Works.

EC-3127. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Columbia River Bridge Feasibility Study"; to the Committee on Environment and Public Works.

EC-3128. A communication from the Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Progress in the Prevention and Control of Air Pollution in 1978"; to the Committee on Environment and Public Works.

EC-3129. A communication from the Acting Special Representative for Trade Negotiations, transmitting, pursuant to law, an attachment to the bilateral trade agreement with India of July 26, 1978; to the Committee on Finance.

EC-3130. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Income Security System Needs Leadership, Policy, and Effective Management"; to the Committee on Finance.

EC-3131. A communication from the President of the United States, transmitting, pursuant to law, a notice of his intention to pend the designation of Afghanistan as a beneficiary developing country for the purposes of the Generalized System of Preferences; to the Committee on Finance.

EC-3132. A communication from the President of the United States, transmitting, pursuant to law, a notice of his intention to issue an executive order designating Ecuador, Indonesia, Uganda, Venezuela, and Rhodesia (Zimbabwe) as beneficiary developing countries for the purposes of the Generalized System of Preferences; to the Committee on Finance.

EC-3133. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to February 25, 1980; to the Committee on Foreign Relations.

EC-3134. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislaion to provide for increased United States participation in the International Development Association, to provide for United States participation in the African Development Bank, and for other purposes; to the Committee on Foreign Relations.

EC-3135. A communication from the Chairman of the Japan-United States Friendship Commission, transmitting, pursuant to law, the annual report of the Commission for calendar year 1979; to the Committee on Foreign Relations.

EC-3136. A communication from the Vice President of the Chesapeake and Potomac Telephone Company, transmitting, pursuant to law, the annual report on receipts and expenditures of the Company for calendar year 1979; to the Committee on Governmental Affairs.

EC-3137. A communication from the Director of the Office of Management and Budget, Executive Office of the President and the Secretary of the Treasury, transmitting, pursuant to law, the annual report on the performance of functions and duties of the Office of Management and Budget and the Department of the Treasury for calendar year 1979; to the Committee on Governmental Affairs.

EC-3138. A communication from the Chairwoman of the Merit Systems Protection Board, transmitting, pursuant to law, a report of the Board on the number of appeals processed to completion, number of appeals on which action was not completed, and the reasons therefor for calendar year 1979; to the Committee on Governmental Affairs.

EC-3139. A communication from the Assistant Attorney General for Administration, transmitting, pursuant to law, notice of a new system of records for the Department of Justice for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-3140. A communication from the Assistant Secretary of Housing and Urban Development for Administration, transmitting, pursuant to law, a report on a new system of records for the Department of Housing and Urban Development for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-3141. A communication from the Chairman of the Foreign Claims Settlement Commission, transmitting, pursuant to law, a report on the Commission's compliance with the requirements of the Government in the Sunshine Act for calendar year 1979; to the Committee on Governmental Affairs.

EC-3142. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC-3143. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC-3144. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC-3145. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC-3146. A communication from the Secretary of the Foundation of the Federal Bar Association, transmitting, pursuant to law, the audit report of the Foundation for fiscal year 1979; to the Committee on the Judiciary.

EC-3147. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the fifth report on the implementation of Title I of the Speedy Trial Act of 1974; to the Committee on the Judiciary.

EC-3148. A communication from the Director of the Office of Public Information, Commodity Futures Trading Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3149. A communication from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report of the Corporation under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3150. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual report of the Department under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3151. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3152. A communication from the comptroller General of the United States, transmitting, pursuant to law, a report entitled "Closer Controls and Better Data Could Improve Antitrust Enforcement"; to the Committee on the Judiciary.

EC-3153. A communication from the Administrative Director of the United States Arms Control and Disarmament Agency, transmitting, pursuant to law, the annual report of the Agency under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3154. A communication from the Chairman of the Select Commission on Immigration and Refugee Policy, transmitting, pursuant to law, the semiannual report of the Commission dated March 1, 1980; to the Committee on the Judiciary.

EC-3155. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3156. A communication from the Assistant Secretary of State for Congressional Affairs, transmitting, pursuant to law, the annual report of the Department under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3157. A communication from the Director of Administration, Department of Energy, transmitting, pursuant to law, the annual report of the Department under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3158. A communication from the Assistant Secretary of Defense for Public Affairs, transmitting, pursuant to law, the annual report of the Department under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3159. A communication from the Staff Secretary of the National Security Council, transmitting, pursuant to law, the annual report of the Council under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3160. A communication from the General Counsel of the Alaska Natural Gas Transportation System, transmitting, pursuant to law, the annual report of the System under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3161. A communication from the Administrator of the Veterans Administration, transmitting, pursuant to law, the annual report of the Administration under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3162. A communication from the Chairperson of the Equal Employment Opportunity Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3163. A communication from the Chairman of the Foreign Claims Settlement Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1979; to the Committe on the Judiciary.

EC-3164. A communication from the Director of the Community Relations Service, Department of Justice, transmitting, pursuant to law, the annual report of the Service under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3165. A communication from the Deputy General Counsel of the Mortgage Corporation, transmitting, pursuant to law, the annual report of the Corporation under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3166. A communication from the Postmaster General of the United States, transmitting, pursuant to law, the annual report of the United States Postal Service under the Freedom of Information Act for calendar year 1979; to the Committe on the Judiciary.

EC-3167. A communication from the Executive Secretary of the National Mediation Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3168. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual report on the administration of the Public Health Service for fiscal year 1979; to the Committee on Labor and Human Resources.

EC-3169. A communication from the Director of the National Science Foundation, transmitting a draft of proposed legislation entitled "National Science Foundation Authorization Act for Fiscal Years 1981 and 1982"; to the Committee on Labor and Human Resources.

EC-3170. A communication from the Secretary of Labor, transmitting, pursuant to law, the interim report of the Secretary on the final report of the National Commission on Employment and Unemployment Statistics; to the Committee on Labor and Human Resources.

EC-3171. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, a copy of the final regulation "Final Resolutions for Part 146—Modern Foreign Language and Area Studies Program"; to the Committee on Labor and Human Resources.

EC-3172. A communication from the Secretary of Education and the Secretary of Labor, transmitting a draft of proposed legislation to extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, to authorize intensive and remedial education programs for youths, and for other purposes; to the Committee on Labor and Human Resources.

EC-3173. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the Eighth

Annual Marijuana and Health Report; to the Committee on Labor and Human Resources.

EC-3174. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, proposed regulations to implement 1979 amendments to the Federal Election Campaign Act; to the Committee on Rules and Administration.

EC-3175. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on two new rescissions and five new deferrals of budget authority; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Human Resources, the Committee on Energy and Natural Resources, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on the Judiciary, the Committee on Foreign Relations, and the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DECONCINI:

S. 2380. A bill to authorize the Secretary of the Interior to undertake a study of the feasibility of increasing the height of the Theodore Roosevelt Dam located in the State of Arizona; to the Committee on Energy and Natural Resources.

By Mr. COHEN (for himself and Mr. JEPSEN):

S. 2381. A bill to amend title 32, United States Code, to modify the system of accountability and responsibility for property of the United States issued to the National Guard; to the Committee on Armed Services.

By Mr. HEINZ:

S. 2382. A bill to provide for additional authorization for appropriations for the Tinicum National Environmental Center; to the Committee on Environment and Public Works.

By Mr. WILLIAMS (for himself, Mr. PROXMIRE and Mr. GARN) (by request):

S. 2383. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CHILES:

S. 2384. A bill to provide for the distribution of the Code of Ethics for Government Service; to the Committee on Governmental Affairs.

By Mr. WILLIAMS (for himself, Mr. PELL, and Mr. RANDOLPH):

S. 2385. A bill to extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, to authorize intensive and remedial education programs for youths, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. COCHRAN:

S. 2386. A bill for the establishment of a National Economic Commission; to the Committee on Governmental Affairs.

By Mr. HEFLIN (for himself, Mr. KENNEDY, Mr. DECONCINI, Mr. DOLE, Mr. COCHRAN, and Mr. SIMPSON):

S. 2387. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 2380. A bill to authorize the Secretary of the Interior to undertake a study of the feasibility of increasing the height of the Theodore Roosevelt Dam located in the State of Arizona; to the Committee on Energy and Natural Resources.

RAISING THE ROOSEVELT DAM FOR FLOOD CONTROL PURPOSES

● Mr. DECONCINI. Mr. President, I am pleased today to introduce legislation that will direct the Secretary of the Interior to conduct a feasibility grade study on raising the Theodore Roosevelt Dam in Arizona for the purpose of flood control.

Mr. President, the State of Arizona has been ravaged by disastrous floods repeatedly during recent years. In the past few weeks we have again experienced rampaging floodwaters which have taken lives, destroyed homes and property, and practically decimated the transportation network of a major metropolitan area. The city of Phoenix has been crippled.

Mr. President, an essential feature of of the central Arizona project was the provision of sufficient protection from floods on the Salt and Verde Rivers. The principal structure included in the plan was the Orme Dam. The President, however, opposed and rejected that dam. Subsequently, the Water and Power Resources Service was directed to study alternative ways to provide adequate flood control coupled with the regulatory storage capacity required by the CAP. The WPRS, working with the Army Corps of Engineers, is doing that now.

However, one possibility that has not been fully pursued is raising the height of a major reclamation dam, the Theodore Roosevelt Dam, to allow additional capacity. It has been considered by the administration in the Orme Dam alternative study but there has been no authorization for a feasibility level study.

We cannot assume, now, that any one answer will be sufficient. It has become painfully obvious that the sudden elimination of Orme Dam several years ago has left us more vulnerable than before. Roads have been built, bridges constructed, and business and agricultural lands have been planned with the understanding that Orme Dam would be in place. Even if Orme Dam is eventually a reality, the study of every flood control possibility must be aggressively undertaken.

The 1.5 million people in the Phoenix metropolitan area cannot afford the leisurely and uncertain course of an inadequate flood control effort. We must move ahead with every flood control possibility, with all available resources.

Mr. President, this legislation directs the Secretary to study both the flood control and safety aspects of this project and report back to Congress.

I urge early consideration of this bill by the committee and its speedy enactment by the Senate. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to conduct a study of the feasibility of increasing the height of the Theodore Roosevelt Dam located in the State of Arizona.●

By Mr. COHEN (for himself and Mr. JEPSEN):

S. 2381. A bill to amend title 32, United States Code, to modify the system of accountability and responsibility for property of the United States issued to the National Guard; to the Committee on Armed Services.

NATIONAL GUARD PECUNIARY RESPONSIBILITY ACT

● Mr. COHEN. Mr. President, I am pleased to be introducing today a measure which my distinguished colleague from Maine, DAVE EMERY, introduced on the House side, and which was passed by voice vote of that body on November 27. The bill, S. 2381, would eliminate the requirement to hold members of the National Guard responsible for simple negligence. It would instead provide that the standard of care should be uniform within the Army and the Air Force for each of those services' components.

It is unfair, I believe, to impose pecuniary liability against a member of the Air National Guard for the loss, damage, or destruction of property when liability would not be imposed against a member of the Air Force Reserve in an identical circumstance.

It is also unfair to hold a member of the Army National Guard pecuniarily liable for the full value of lost, damaged, or destroyed property when the maximum liability that may be imposed in identical circumstances is 1 month's basic pay in the case of his active duty or Army Reserve counterpart.

Individual States should not be assessed for losses resulting from performance of training or duty which is required under Federal law and regulations. That concept may have had some validity when the National Defense Act was passed in 1916. In today's setting, however, the Federal Government prescribes in great detail the specific training to be conducted, performance standards to be achieved, and, often, the environment in which the training is to be conducted.

In many cases, the field training of the National Guard is conducted outside the parent State, and in some cases outside the United States. It is no more appropriate to hold the State responsible for property losses incident to title 32 training than it would be to hold Army or Air Force commanders pecuniarily liable for all losses in their commands.

Yet, that is what must be done in order to comply with the letter of section 710 of title 32, United States Code.

My proposal would correct these inequities. It would provide the Secretaries of the Army and of the Air Force with the same latitude in promulgating regulations with respect to National

Guard property losses that they already possess with respect to other property under control of their Departments. In short, members of the Army National Guard would be held to the same standards as their Active Army and Army Reserve counterparts; Air National Guard standards would be identical with those of the Active Air Force and Air Force Reserve.

This legislation would also do away with liability of the State, except in those instances where the loss, damage, or destruction occurred while the National Guard was on duty in cases of disaster or was otherwise aiding civil authority. In the latter cases, the State would be expected to pay for any such loss as a normal cost of operation.

Finally, the measure would empower the service Secretaries to remit or cancel the indebtedness to the United States of members of the National Guard in appropriate cases. This would parallel their current authority to remit or cancel the indebtedness of active duty members, and it would probably be exercised in the same manner.

It must be emphasized that the bill confers no special benefit on the National Guard. If enacted, it will simply assure evenhanded treatment for all members of the same armed force.

The approach taken in this bill has received the strong endorsement of the National Guard Association of the United States. I hope the Senate will take prompt, positive action and provide the overwhelming show of support for the proposal that the House did in its passage of the measure.●

By Mr. HEINZ:

S. 2382. A bill to provide for additional authorization for appropriations for the Tinicum National Environmental Center; to the Committee on Environment and Public Works.

● Mr. HEINZ. Mr. President, I rise today to offer legislation providing additional authorization for appropriations for the Tinicum National Environmental Center in Philadelphia. Specifically, this bill increases the authorization for developing this unique urban wildlife habitat as an environmental education center from its current level of $11.1 million to $19.5 million. The need for this additional authorization is documented in Executive Communication 2659 forwarded to Congress by the Department of the Interior on October 16, 1979, which communication I am asking be inserted in the Record. In addition to providing this necessary additional authorization, my bill also directs the Environmental Protection Agency in conjunction with the Fish and Wildlife Service to report on any possible environmental health hazards posed by the Folcroft Landfill within the refuge and to recommend possible remedies.

By way of background, the Tinicum National Environmental Center was established as a result of Public Law 92–326, which directed the Interior Department to establish a 1200-acre refuge and environmental center in the southwest corner of Philadelphia at the confluence of Darby Creek with the Delaware River. An important nesting and feeding ground for waterfowl and other wildlife, the marsh has increasingly been subject to the pressures for development from an urban area of 4 million people, and vast areas have been filled for highways and homesites and used for dumping. In response to this pressure, the Tinicum Wildlife Preserve was established in 1955 as a result of efforts by the Philadelphia Conservationists, Inc., and other groups. This and subsequent events documented in the communication from the Interior Department culminated in passage of Federal legislation in June 1972.

Recognizing the potential of Tinicum as an urban wildlife habitat, Congress has twice seen fit—during the 95th and 96th Congresses—to amend the original act to enlarge the boundaries of the center and increase the authorization for appropriations. Once developed as an environmental center, Tinicum will offer opportunities for wildlife interpretation, outdoor recreation, and education providing a much-needed respite from the concrete jungle for urban dwellers.

Tinicum Marsh is now used by a number of different species of migratory birds; in fact, 110 different species of waterfowl and wading birds have been recorded in the Tinicum area. Also found in the marshes and surrounding land areas are white-tailed deer, mink, weasel, otter, fox, muskrat, raccoon, and skunk. Of the ten recorded species of fish, crappie, carp, and bullheads have been the object of numerous fishermen. The Fish and Wildlife Service expects the ecological diversity of the marsh to increase as rehabilitation of the marsh proceeds with development of the Tinicum Center.

In addition to authorizing additional sums so that land acquisition and development of the Tinicum Center can proceed, my bill also directs EPA to report on possible environmental health hazards from the Folcroft Landfill and recommend possible solutions. This landfill is currently the source of considerable leachate pollution and, once acquired, will represent the first acquisition by the Federal Government of a hazardous waste site. Possible remedies to this problem may, of course, have to await passage of the "Superfund" legislation now before the Environment and Public Works Committee.

In closing, I ask my distinguished colleagues to give this measure serious and expeditious attention so that acquisition of this unique urban wildlife habitat and its development as an environmental education center can proceed.

There being no objection, the letter was ordered to be printed in the Record, as follows:

LETTER

The Tinicum National Environmental Center was established by enactment of Public Law 92–326. That Act directed the Secretary of the Interior to create a refuge and environmental center consisting of some 1,200 acres of land and water in the southwest corner of Philadelphia at the confluence of Darby Creek with the Delaware River. Historically, the marsh comprised several thousand acres of important feeding and nesting area for large numbers of waterfowl and other wildlife. The needs of an expanding urban area of some four million people resulted in conversion of the marsh to serve industry, filling the marsh for roadbeds and homesites and use of the marsh for the disposal of waste. By 1960, only 900 acres of the marsh remained, only 200 acres of which remained in a condition resembling their natural state.

In early 1969 Tinicum Marsh became the center of a controversy over whether to construct Interstate 95 and a large scale dump fill project or preserve the last remnants of a tidal marsh ecosystem. Local interests had long sought protection for Tinicum Marsh. The Tinicum Wildlife Preserve was established in 1955 through the efforts of the Philadelphia Conservationists, Inc. The Preserve, plus a 70 acre parcel acquired by transfer from the Corps of Engineers to the Fish and Wildlife Service (hereinafter referred to as the "Service") and administered by the City of Philadelphia under cooperative agreement, represented one of the largest city-operated wildlife sanctuaries in the United States in the 1960's. Recognizing the significance of the Tinicum Marsh estuary, the Department of the Interior refused permission of a highway right-of-way through the federally owned refuge lands. Subsequent litigation halted expansion of the dump. Then in June of 1972 Congress assured preservation of the Marsh by authorizing establishment of the Tinicum National Environmental Center.

Tinicum's greatest asset is its potential for an urban wildlife habitat. As an environmental center it will offer an opportunity for wildlife interpretation, education and high quality outdoor recreation. In its present condition, many different migratory bird species use Tinicum Marsh. A total of 119 different species of waterfowl and wading birds have been recorded in the Tinicum area. White-tail deer are occasional visitors; mink, weasel, otter, fox, muskrat, raccoon and skunk are found in the marshes and edge areas. Ten species of fish have been recorded and there is considerable fishing for crappie, carp and bullheads among others. With rehabilitation of the marsh, conditions for wildlife will naturally improve and we expect a greater diversity of wildlife and greater numbers of the species presently using the marsh.

The Act establishing the Center has been amended in both the 94th and the 95th Congresses. In each instance the boundaries of the Center were enlarged and the authorizations for appropriations increased. Our proposed legislation would increase the authorization for the Tinicum Environmental Center in Philadelphia to $11 million for acquisition.

The Service previously estimated that approximately $6.6 million would be required for land acquisition. These estimates were made in the initial stages of the planning process. That process has now been substantially completed and the revised estimates are that approximately $11 million will be needed for acquisition.

Twelve tracts consisting of 527 acres, with an estimated value of $6.2 million, remain to be purchased. Of this amount, $1.8 million is currently available and $3.5 million is requested in the fiscal year 1980 budget, leaving a balance to be appropriated in future years of $.9 million. Several of these tracts of land were not included in the Service's original concept plan, but have been added because the planning process revealed the necessity of acquiring additional buffer lands. The addition of these lands and the escalating land values are responsible for the revised acquisition estimates.

Our proposal would also authorize $4,000,000 for the construction of environmental educational center facilities. Under this authorization, we anticipate building an environmental educational center to serve the many people in the Philadelphia area and a visitor contact station.

We are also requesting an authorization for "such sums as may be necessary for other development projects on the Center". The estimates of the development costs are undergoing rapid changes and we are currently unable to provide reliable estimates as to what development costs are likely to be. Much of the development money will be needed to restore the habitat. Much of this will be needed to stabilize the Folcroft Landfill area, which is currently the cause of rather severe leachate pollution, and this is the area where estimates are currently the least reliable. Thus, we have requested an authorization of "such sums" until such time as we can provide reliable cost estimates.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

ROBERT HERBST,
Assistant Secretary.●

By Mr. WILLIAMS (for himself, Mr. PROXMIRE and Mr. GARN) (by request):

S. 2383. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1980

● Mr. WILLIAMS. Mr. President, I am introducing, at the administration's request, the Housing and Community Development Act of 1980. This legislation would reauthorize, for various terms, virtually the whole range of programs involving housing and urban affairs administered by the Department of Housing and Urban Development. A number of revisions and improvements in existing programs, as well as several new initiatives have been included in the legislation. I am pleased to be joined in this introduction by the distinguished chairman and ranking minority member of the Senate Banking Committee (Messrs. PROXMIRE and GARN, respectively).

Among the programs receiving new authorizations would be the section 8 rental assistance and low-rent public housing programs, the community development block grant program, the Urban development action grant program, a variety of FHA insurance programs, the special assistance programs operated by the Government National Mortgage Association, the section 312 rehabilitation loan program, and the section 701 comprehensive planning program. New initiatives include a temporary mortgage assistance program that HUD would implement as an adjunct to the present assignment program and that would aid homeowners who have defaulted on federally insured mortgages, but who could be restored to successful homeownership following a period of temporary assistance in making monthly mortgage payments.

Also provided in the legislation is a major revision of the Section 701 comprehensive planning program designed to broaden the program's purposes and thus bring it more into line with today's community, regional, and state planning needs, and to assist recipients in setting up mechanisms necessary to implement the strategies contained in the plans.

Other important features of the bill include funds for public housing modernization and public housing operating subsidies, and increased mortgage limits for the section 235 homeownership assistance program to recognize the growth in development costs since the mortgage limits were last increased in 1977, and to accommodate the additional costs involved in constructing homes under this program for handicapped persons. Mortgage limits for FHA multifamily programs would also be increased to account for the costs of construction activity related to energy conservation.

The administration bill represents fiscal realism at a time when restraint in Federal spending is a goal of the Congress and the administration. Most programs authorized under the proposed legislation have received increases that are below the rate of inflation, or do not receive increases at all. For example, the Community Development Block Grant program would be reauthorized at a level only $50 million higher than for fiscal year 1980, an increase of 1.3 percent, while the Urban Development Action Grant program would remain at $675 million, the same as for fiscal year 1980, and would retain that level for the 3 full years of its reauthorization.

I am pleased that the administration proposal allows an increased effort in housing assistance over the extremely low level permitted for fiscal year 1980. However, the requested amount represents one of the lowest levels of housing assistance since the enactment of the section 8 program in 1974, and will not allow us to make any substantial progress in reversing the decline of the rental housing market. Even if the administration's projection for 300,000 additional assisted units (of which 180,000 will be newly constructed or substantially rehabilitated) is accurate, the rental stock will continue to suffer only minimal net growth if not an actual net loss each year throughout the 1980's.

The administration estimate of 300,000 additional units is off the mark, though it does portray much more accurately than previous budgets the level of housing assistance that can be achieved for the dollar amount requested. The Congressional Budget Office estimates that the fiscal year 1981 budget for housing assistance will fund only 283,000 additional units. Moreover, the administration's budget materials indicate that of the 300,000 more units it plans to assist, 23,000 are already occupied and subsidized under the rent supplement program and will be shifted to coverage under section 8. An additional number will be shifted to section 8 coverage from units now subsidized under the old section 23 leased housing program.

Mr. President, the Subcommittee on Housing intends to hold hearings on this measure, and related proposals, at the end of March and during the first week of April. At this time, I ask unanimous consent that the letter of transmittal to the President of the Senate, along with the section-by-section explanation of the bill be printed at this point in the RECORD.

THE SECRETARY OF HOUSING AND
URBAN DEVELOPMENT,
Washington, D.C., February 25, 1980.

Subject: Proposed "Housing and Community Development Act of 1980".

Hon. WALTER MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing proposed legislation to provide funding authorizations for fiscal year 1981 and subsequent fiscal years for the housing, community development and related programs of the Department of Housing and Urban Development. The proposed legislation also contains a number of program extensions. Among these are proposed extensions of HUD–FHA mortgage insurance and related authorities, and the rehabilitation loan program under section 312 of the Housing Act of 1964. The proposal would also make a number of amendments to the Department's existing programs. Enclosed for your convenience is a section-by-section explanation and justification of the proposal.

With respect to funding authorizations, the proposal would provide, subject to approval in an appropriation Act, annual contributions contract authority for the public housing and Section 8 Housing Assistance Payments programs in amounts of $1,553,661,000 on October 1, 1980, and would authorize the appropriation of an additional $862 million on or after October 1, 1980 for operating subsidies for conventional public housing projects.

The proposed additional annual contributions contract authority for fiscal year 1981 would allow the Department to make commitments for an additional 258,000 units under the Section 8 Housing Assistance Payments program, including 114,700 newly constructed units, 23,300 substantially rehabilitated units and 120,000 existing units. The existing units would include up to 40,000 units to be repaired and upgraded under the moderate rehabilitation program. This increased authorization would also support 42,000 additional units of public housing, including 4,000 units under the Indian Housing program. The $862 million authorization proposed for public housing operating subsidies in fiscal year 1981 would be distributed pursuant to the Performance Funding System formula, and should allow approximately 2,000 public housing agencies which manage their projects efficiently to keep pace with rising operating and utility costs.

The proposal contains a three-year reauthorization of title I of the Housing and Community Development Act of 1974. Specifically, it would authorize the appropriation of an amount not to exceed $3,950,000,000, $4,100,000,000 and $4,250,000,000 for fiscal years 1981, 1982 and 1983, respectively, for the community development block grant program. The funding levels sought for each fiscal year represent a $150 million increase over the immediately preceding fiscal year's authorized amount. It would also authorize the appropriation of an amount not to exceed $675 million for each of fiscal years 1981, 1982 and 1983 for the urban development action grant program contained in section 119 of the Act. These amounts are a continuation of the amount authorized for fiscal year 1980, and would enable the Department to continue to provide action grant assistance to severely distressed cities and urban counties and to "pockets of poverty" through fiscal year 1983.

The proposal also would authorize the appropriation of up to $41 million for fiscal year 1981 for providing operating subsidies to troubled multifamily housing projects under section 201 of the Housing and Community Development Amendments of 1978. In addition, the proposal would authorize the approval in appropriation Acts of payments from the rental housing assistance fund under section 236 of the National Housing Act for the troubled projects program through fiscal year 1982. It is anticipated that the $41 million funding authorization proposed for fiscal year 1981, together with some $12 million expected to accrue to the section 236 rental housing assistance fund during that fiscal year and $55.9 million of unobligated balances carrying over into 1981, will be used for assisting an estimated 2,797 projects.

Revisions of the Department's planning assistance authority contained in section 701 of the Housing Act of 1954 are also included in the proposal. The revised authority would establish broad National Policy Objectives which would serve as the focal point to guide the planning efforts of States, areawide planning organizations and local governments. The amendments to section 701 are designed to help achieve these Objectives in two ways. First, they would encourage the joint efforts of State and local governments and areawide planning organizations for the development of State and areawide strategies. Second, they would assure that developed strategies lead to implementation activities by States, areawide organizations and local governments, thus encouraging a coordinated response by all levels of government to carry out such strategies.

These changes build upon the existing section 701 program, and are necessary to provide planning activities with a clear focus which is sensitive to the needs and opportunities of the 1980s; to accord State and local governments and areawide planning organizations the flexibility to tailor their planning activities to the particular needs and opportunities of their own jurisdictions; to assure that State and local planning efforts address and meet these needs and opportunities in a meaningful way; and to provide a framework to facilitate Federal action which is supportive of the developmental decisions of States, areawide organizations and local governments. The proposal would authorize, for fiscal year 1981, $40 million for the revised planning assistance program.

The proposal would provide authorizations for fiscal year 1981 of $188 million for rehabilitation loans under section 312 of the Housing Act of 1964, and $15 million for the Neighborhood Self-Help Development Act of 1978. These proposed funding authorizations would assure that the programs may continue effectively to carry out the President's Urban Policy Initiatives.

In addition, the proposal would provide an authorization for fiscal year 1981 of $54 million for research under title V of the Housing and Urban Development Act of 1970. The proposed authorization would enable the Department's research activities to continue to serve as a national focal point for research analysis, data collection and dissemination, and to concentrate on a number of research areas and key evaluations.

Further, the proposal would authorize the appropriation of $30 million for fiscal year 1981 to carry out a demonstration program under which GNMA would make one-time cash payments to lenders who make below-market interest rate loans which are secured by FHA-insured mortgages on multifamily projects in distressed cities. The program would be designed to demonstrate the feasibility and desirability of substituting such a mechanism for the GNMA tandem program under which GNMA purchases below-market interest rate loans and then sells them at market prices. The proposal also would authorize the appropriation of an additional $139 million to cover losses sustained by the General Insurance Fund, and would increase GNMA's statutory mortgage purchase authority under the Special Assistance Functions by $900 million for fiscal year 1981.

With respect to the funding authorizations for fiscal year 1982 (other than under title I of the Housing and Community Development Act of 1974), the legislative proposal would increase annual contributions contract authority by such sums as may be necessary on October 1, 1981 for the public housing and Section 8 Housing Assistance Payments programs, and would increase the annual ceiling on the amount of assistance payments under the section 235 program by such sums as may be necessary on October 1, 1981. It also would authorize the appropriation of such sums as may be necessary for fiscal year 1982 for public housing operating subsidies, the program of operating subsidies for troubled multifamily housing projects, the section 701 planning assistance program, the section 312 rehabilitation loan program, the urban homesteading program, research under title V of the Housing and Urban Development Act of 1970, the Neighborhood Self-Help Development Act of 1978, and the GNMA demonstration program. These proposed authorizations are submitted at this time in accordance with section 607 of the Congressional Budget Act of 1974.

The proposed extensions of the HUD-FHA mortgage insurance programs and the Secretary's authority administratively to establish interest rates for FHA-insured mortgage loans through fiscal year 1982 would assure the availability without interruption of mortgage insurance under important programs contained in the National Housing Act. These authorities otherwise would expire on September 30, 1980. The extension through fiscal year 1982 of the authority of the Government National Mortgage Association to enter into new commitments to purchase mortgages under the interim mortgage purchase authority contained in section 313 of the National Housing Act would assure the availability of this authority through fiscal year 1982, should the statutory criteria for implementation of the program be met.

Among the program amendments included in the bill are a number of proposals for consideration in connection with the reauthorization of title I of the Housing and Community Development Act of 1974. These proposals include a set-aside of $285 million for the SMSA discretionary balance for fiscal year 1981, provisions to simplify and improve the urban county entitlement program, a proposal to mitigate the effects of 1980 Census data and revised SMSA criteria on the block grant and action grant programs, permanent extensions of the Secretary's Discretionary Fund and the authority to make pro-rata reductions in block grant funds in the event of an entitlement funding shortfall, and a number of technical amendments to the block grant program.

The bill also contains a variety of amendments to FHA authorities, including amendments to increase mortgage amounts in FHA multifamily and institutional mortgage insurance programs to finance energy conserving improvements, to increase section 235 mortgage limits generally and to increase these limits further to permit access and use of properties assisted under section 235 by handicapped persons, to make section 220 mortgage insurance available in areas of concentrated development activity, to authorize a program of Temporary Mortgage Assistance Payments to provide assistance to mortgagors who default on HUD-insured single family mortgages, to allow insurance under certain authorities where land is under a ground lease with a term of ten or more years beyond the mortgage term, and to permit the Department to contract with private concerns to assist in title I claims collection.

Amendments to the section 312 rehabilitation loan program would increase the residential loan limit and make congregate housing specifically eligible for section 312 loans.

Other amendments include a program amendment to the Congregate Services program, an amendment to section 3 of the Housing and Urban Development Act of 1968 dealing with opportunities for lower income persons and socially and economically disadvantaged businesses in connection with assisted projects, an amendment to transfer certain energy-related functions vested in the Department to the Department of Energy, a technical amendment to make clear that amounts may be authorized to be appropriated under the urban homesteading program to reimburse the VA and FmHA for properties transferred by either entity for use in homesteading programs, changes to provide for the biennial submission of the Housing Production Report, and a proposal for the relief of the City of Springfield, Illinois.

In addition to the proposed legislation being transmitted with this letter, the Department will soon transmit to the Congress proposed legislation to consolidate and simplify the HUD mortgage credit and related authorities contained in the National Housing Act. This proposed legislation will be designed to state in plain English the basic features of these important HUD program authorities as currently administered. The Department looks forward to a careful examination and favorable consideration of this proposal by the Congress. In the Department's view, it can represent an important step toward improved administration of, and increased opportunities for participation in, HUD's mortgage credit programs.

The Department also requests favorable action on legislation transmitted to the Congress on December 19, 1979 containing amendments to modify the mortgage amount, sales price and interest rate limitations now applicable under GNMA's interim mortgage purchase authority contained in section 313 of the National Housing Act. Enactment of this legislation would substantially increase the utility of this stand-by authority, should it be activated.

Timely enactment of the enclosed proposal would provide the Department with the necessary authority to carry out effectively its responsibilities in fiscal year 1981 and subsequent fiscal years. The Department requests that the measure be referred to the appropriate committee and urges its early enactment.

The Office of Management and Budget has advised that the enactment of this legislation would be in accord with the program of the President.

Sincerely yours,

MOON LANDRIEU.

SECTION-BY-SECTION EXPLANATION AND JUSTIFICATION

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

Definitions

Section 101(a) of the bill would amend section 102(a) of the Housing and Community Development Act of 1974 to permit metropolitan cities to participate in urban counties, on the same basis as any other included unit of general local government, in lieu of having their own entitlement. Under existing law, metropolitan cities are specifically excluded from urban counties. This change would end an unjustified split between certain metropolitan cities and the counties in which they are located, and could help foster integrated community and economic development activities between those jurisdictions.

Subsection (b) would amend section 102(b) of the Act in two respects. First, it would exclude, through fiscal year 1983, all data derived from the 1980 Decennial Census, except population and poverty, from use in connection with the urban development action grant program and the allocation of block grant funds under section 106 of the Act. Data which would not be taken into account include those relating to age of housing, overcrowded housing and housing stock.

Because of possible changed circumstances since the last Decennial Census, it is unclear whether these factors will continue to be reliable indicators of distress and developmental need. The amendment is designed to maintain the status quo, until these data—which are not likely to be available until fiscal year 1982 at the earliest in any event—can be analyzed, and a conscious decision made as to whether the block grant fund allocation and/or the UDAG ranking systems need to be amended in order to meet statutory objectives for the title I authorization period beginning in fiscal year 1984. Under the proposal, population counts and poverty data would be taken into account through fiscal year 1983 for all purposes in the block grant and UDAG programs. Annual population changes to reflect Census updates are currently made in these programs, and poverty levels would remain reliable indicia of need.

The second change would prohibit any revision to the criteria for establishing a metropolitan area (SMSA) or defining a central city of an SMSA, published after January 1, 1980, from being taken into account for purposes of title I of the Act, except that any area or city which would newly qualify as an SMSA or a central city of an SMSA by reason of any such revision would be so considered. This amendment is designed to provide an orderly transition for those units of general local government which would no longer qualify for entitlement funding under the block grant program as the result of SMSA or central city criteria revisions. It is also intended to mitigate the unpredictable effects on the block grant and UDAG allocation systems which those changes are likely to produce, and to permit review of these changes, together with the 1980 Census data referred to above, in order to assure the furtherance of statutory objectives for the period of reauthorization for the title I authority beginning in 1984.

Subsection (c) would amend section 102 of the Act to provide for the three-year qualification of urban counties, with respect to urban county program years beginning with the program year in which grants are made to urban counties from fiscal year 1981 appropriations.

Under existing law, urban county qualification can change annually, since units of general local government which are located within the county can, as appropriate, elect to exclude their populations from the county or enter into cooperation agreements with the county on a year-to-year basis. Under the proposal, the population of any unit of general local government which is included in that of an urban county, by reason of its failure to elect to have its population excluded or its entering into a cooperation agreement with the county, must be included in the urban county's population for three program years beginning with the program year in which its population is first so included.

During any such three-year period, the population of any unit of government which is not included in that of the urban county in the first year would not be eligible for inclusion in the second or third years. During any period in which a unit of government is included in the county, it would not be eligible to apply for funding—either entitlement or discretionary—in its own right, but could compete for reallocated amounts under section 106 of the Act in the event that the urban county's application is disapproved for any year.

This change would allow greater stability in county programs, and would mitigate the adverse effects fluctuating urban county qualifications and funding levels can have on the whole fund allocation process.

Subsection (c) would require any county seeking qualification as an urban county, including any urban county seeking to continue such qualification, to notify each unit of general local government, which is included therein and is eligible to elect to have its population excluded from that of an urban county, of its opportunity to make such an election. The notification would be at a time and in a manner prescribed by the Secretary, and would be provided prior to the period for which such qualification is sought. The population of any unit of general local government which is provided notification and which does not inform, at a time and in a manner prescribed by the Secretary, the county of its election to exclude its population from that of the county would, if the county qualifies as an urban county, be included in the population of the urban county for three program years, as described above.

This amendment is designed to conform the notification provisions contained in existing law to the proposed three-year urban county qualification period, and to provide by statute for the application of these provisions to counties initially seeking urban county status.

Authorizations

Section 102(a) of the bill would amend section 103(a)(1) of the Housing and Community Development Act of 1974 to authorize the appropriation of an amount not to exceed $3,950,000,000 $4,100,000,000 and $4,250,000,000 for fiscal years 1981, 1982 and 1983, respectively, for the community development block grant program. The funding levels sought for each fiscal year represent a $150 million increase over the immediately preceding fiscal year's authorized amount and would provide funding for the block grant program through its next period of authorization.

The amendment also would aggregate amounts authorized to be appropriated for the program through fiscal year 1980. This is a technical amendment to simplify section 103(a)(1) and to indicate prior funding levels. It would have no substantive effect, since all amounts authorized for the program through fiscal year 1980 have been appropriated.

Subsection (b) would amend section 103(a)(2) of the Act to set aside $285 million for discretionary grants within SMSAs. In light of projected increased entitlement funding demand, this set-aside for fiscal year 1981 is necessary to help ensure an increase in amounts available for the SMSA small cities program proportionate to the increase in funding requested for the block grant program as a whole. Based on the Department's estimates, set-asides will also be needed for fiscal years 1982 and 1983, but specific dollar amounts cannot be provided at this time.

Subsection (c) would amend section 103(c) of the Act to authorize the appropriation of an amount not to exceed $675 million for each of fiscal year 1981, 1982 and 1983 for the urban development action grant program contained in section 119 of the Act. These amendments are a continuation of the amount authorized for fiscal year 1980, and would enable the Department to continue to provide action grant assistance to severely distressed cities and urban counties and to "pockets of poverty" through fiscal year 1983.

The amendment would also aggregate amounts authorized to be appropriated through fiscal year 1980. As in the case of the basic program, this is a technical change with no substantive effect.

Pro-rata reduction of grants

Section 103 of the bill would amend section 106(g) of the Housing and Community Development Act of 1974, as redesignated by section 108 of this bill, by making permanent the provision that, if the total amount available for distribution under section 106 is insufficient to meet all entitlement funding requirements, and funds are not otherwise appropriated to meet the shortfall, the deficiency is to be made up through a pro-rata reduction in all section 106 grants. Under present law, this authority is available only through fiscal year 1980. On the basis of projected increased SMSA entitlement funding demand, there is a clear possibility that amounts available in fiscal year 1981 and subsequent years for entitlement grants will be inadequate. The proposed amendment would assure the availability of an equitable reapportionment mechanism should any entitlement deficiency actually materialize.

The amendment also contains technical changes to conform the provision to amendments contained in section 108 of this bill.

Discretionary fund

Section 104 of the bill would amend section 107(a) of the Housing and Community Development Act of 1974 to make permanent the Secretary's authority to make grants from the Secretary's Discretionary Fund. Under present law, this authority expires after fiscal year 1980. This amendment would enable the Secretary to continue to make grants to certain recipients (such as HUD-assisted new communities; Indian tribes; and Guam, the Virgin Islands, Samoa and the Trust Territory of the Pacific Islands) and for specific purposes (such as areawide housing and community development programs, innovative projects, emergency disaster-caused community development needs and technical assistance).

Rehabilitation loans

Section 105 of the bill would make a number of amendments to section 312 of the Housing Act of 1964.

Subsections (a) and (b)(2)–(4) would amend section 312 (b) and (c)(4), respectively, to authorize specifically the provision of section 312 loans for congregate housing. "Congregate housing" would be defined as residential property in which some or all of the dwelling units do not contain kitchen or bathroom facilities; the maximum loan amount could not exceed $28,000 per dwelling unit.

Section 312(c)(4)(A) presently provides that the maximum loan amount for residential property is $27,000 per dwelling unit. Under existing law, it is unclear whether a "dwelling unit" for purposes of this provision must have kitchen or bathroom facilities. If they must have both facilities, a section 312 loan for an entire congregate project with, for example, a single central dining facility could not exceed $27,000.

This amendment is designed to resolve this ambiguity and to provide realistic loan limits for the rehabilitation of congregate housing. The difference between the $28,000 per unit maximum loan amount sought for congregate housing and the $35,000 limit sought for other residential property under subsection (b)(1) of this section reflects reduced rehabilitation costs in the case of units without kitchen or bathroom facilities.

Subsection (b)(1) would amend section 312(c)(4)(A) of the Act to increase the residential property per dwelling unit loan maximum from $27,000 to $35,000. This increase is necessary to account for increased rehabilitation costs occasioned by section 312(i), as added by the Housing and Community Development Amendments of 1978, which requires improvements assisted under section 312 to meet cost-effective energy conservation standards.

Subsection (c) would mend section 312(d) of the Act to authorize the appropriation of not to exceed $188 million for fiscal year 1981 and such sums as may be necessary for fiscal year 1982. The amount requested for fiscal year 1981 is required to support projected net loan reservations of $240 million and to provide for the rehabilitation of 19,200 dwelling units in that year.

Subsection (d) would extend the Secretary's authority to make new section 312 loans through September 30, 1982. This amendment would enable the Secretary to make loans under section 312 for the period for which authorization of appropriations is sought under subsection (c) of this section.

Neighborhood self-help development

Section 106 of the bill would amend section 705 of the Housing and Community Development Amendments of 1978 to authorize the appropriation of not to exceed $15 million for fiscal year 1981 and such sums as may be necessary for fiscal year 1982 for the Neighborhood Self-Help Development Act of 1978.

The Act authorizes the Secretary to make grants and provide technical assistance to neighborhood organizations for preparing and implementing specific housing, economic and community development and other appropriate neighborhood conservation and revitalization projects. The $15 million proposed funding authorization for fiscal year 1981 would enable the Department to make approximately 120 grants in fiscal year 1981 to neighborhood organizations to undertake such projects in low- and moderate-income neighborhoods, and to private technical assistance to neighborhood organizations.

Urban homesteading

Section 107 of the bill would amend section 810(h) of the Housing and Community Development Act of 1974 in two respects. First, it would make clear that funds could be appropriated under the urban homesteading program for the reimbursement by HUD of the Veterans Administration and the Department of Agriculture for properties transferred by those entities for use in connection with approved homesteading programs. This amendment would correct a technical omission from the Housing and Community Development Amendments of 1979.

The second amendment would authorize the appropriation of such sums as may be necessary for the program for fiscal year 1982. Based on projected program activity and amounts estimated to be available, the Department believes that an authorization of appropriations will be required in fiscal year 1982. The request is being submitted at this time in order to comply with the requirements of section 607 of the Congressional Budget Act of 1974.

Technical amendments to the block grant program

Section 108(a) of the bill would amend section 102 of the Housing and Community Development Act of 1974 to change the entity responsible for establishing and defining standard metropolitan statistical areas (SMSAs) and their components, and for providing criteria with respect to poverty levels, from the Office of Management and Budget to the Department of Commerce. This is a technical change to bring these provisions in line with the transfer of statistical analysis functions from the Office of Management and Budget to the Department of Commerce pursuant to Executive Order 12013.

Subsection (b) would amend section 103 of the Act by striking out subsection (e), which required the Secretary to submit to the Congress timely requests for additional authorizations for fiscal years 1978 through 1980. The extension of this provision is unnecessary in light of section 607 of the Congressional Budget Act of 1974, which requires that any request for the enactment of legislation authorizing the enactment of new budget authority to continue a program or activity for a fiscal year be submitted to the Congress not later than May 15 of the year preceding the year in which such fiscal year begins.

Subsection (c) would make several technical amendments to section 104 of the Act to conform certain subsection designations in section 104 to changes proposed in this section.

Subsection (d) would amend section 106 of the Act by deleting subsections (c), (g), (h), (i), (j) and (l) and redesignating the remaining subsections accordingly. Subsection (c) provided for the phase-in of formula entitlement amounts with respect to funds approved for distribution during fiscal years 1975, 1976 and 1977. This provision is, accordingly, obsolete.

Subsections (g), (h), (i) and (j) provided for the computation and payment of hold-harmless amounts and related matters. Since hold-harmless payments were completely phased out in fiscal year 1980, these provisions are obsolete.

Subsection (l) required the Secretary of HUD to report to the Congress, not later than September 30, 1978, with respect to the adequacy, effectiveness and equity of the formula used for the allocation of block grant funds. Since this report has been furnished to Congress, retention of this provision is not necessary.

Subsection (e) would make several technical amendments to section 106(a) of the Act to conform subsection designations to changes proposed elsewhere in this section, and to eliminate obsolete references to hold-harmless payments to metropolitan cities and urban counties.

Subsection (f) contains a technical change to section 106(b)(4) of the Act to remove reference to hold-harmless recipients in the computation of block grant amounts and exclusions with respect to urban counties.

Subsections (g) and (h) would make a number of technical changes in section 106 (c) of the Act, as redesignated, which provides for the use of funds from the SMSA discretionary balance, and section 106(e) of the Act, as redesignated, which deals with grants from the non-SMSA allocations.

Paragraph (1) of each subsection would eliminate reference to hold-harmless communities as recipients of grants from the balances.

Paragraph (5) of each subsection would eliminate the special consideration to be given small hold-harmless communities with comprehensive community development programs in the program of multi-year funding for small cities with such programs.

Subsections (g)(6) and (h)(7) would eliminate reference to hold-harmless grantees as units of government whose populations are excluded from computing the discretionary balances.

The remaining paragraphs of each subsection contain technical conforming amendments.

Subsection (i) would amend section 108 of the Act to permit the Secretary to guarantee notes or other obligations under that section only to the extent or in such amounts as provided in appropriation Acts. This is a technical amendment to reflect the Administration's policy with respect to control of Federal credit programs by means of annual limitations to be included in appropriation Acts.

Subsection (j) would amend section 116 of the Act by deleting subsections (b), (f) and (h). Subsection (b) provided for a reduction of block grants to recipients which received grants from fiscal year 1975 appropriations for title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966. Subsection (f) provided for advances of block grant funds in certain circumstances for the program period beginning January 1, 1975. Subsection (h) contained a pro-rata reduction of grant mechanism for fiscal year 1977 similar to current section 106(m) of the Act. These provisions are obsolete and, accordingly, are proposed for deletion.

Subsection (j) would also amend current section 106(g) of the Act (redesignated as subsection (b) by this bill), providing for block grant application submission dates, to eliminate reference to hold-harmless recipients.

TITLE II—HOUSING ASSISTANCE PROGRAMS

Low-income housing

Section 201(a) of the bill would amend section 5(c) of the United States Housing Act of 1937 to increase, subject to approval in an appropriation Act, annual contributions contract authority for the public housing and Section 8 Housing Assistance Payments programs by $1,553,661,000 on October 1, 1980 and by such sums as may be necessary on October 1, 1981. In fiscal year 1981, the additional amounts authorized would allow the Department to make commitments for an estimated 258,000 units under the Section 8 Housing Assistance program, including 114,700 newly constructed units, 23,300 substantially rehabilitated units and 120,000 existing units. The existing units would include up to 40,000 units to be repaired and upgraded under the moderate rehabilitation program. This increased authorization also would support 42,000 additional units of public housing, including 4,000 units under the Indian Housing program.

Section 201(b) would amend section 9(c) of the 1937 Act to provide an additional authorization of not to exceed $852,000,000 on or after October 1, 1980 and such sums as may be necessary on or after October 1, 1981 for operating subsidies for public housing projects pursuant to that Act. These funds, to be distributed pursuant to the Performance Funding System formula, should allow approximately 2,000 public housing agencies which manage their projects efficiently to keep pace with rising operating and utility costs. In fiscal year 1981 more than one million public housing units will receive operating assistance under this system.

Operating assistance for troubled multifamily housing projects

Section 202(a) of the bill would amend section 201(h) of the Housing and Community Development Amendments of 1978 to provide a funding authorization of not to exceed $41,100,000 for fiscal year 1981 and such sums as may be necessary for fiscal year 1982 to make assistance payments under the Troubled Projects (flexible subsidy) Program authorized pursuant to section 201 of the Housing and Community Development Amendments of 1978.

Section 202(b) would amend section 236 (f)(3)(B) of the National Housing Act to extend through September 30, 1982 the period during which amounts in the section 236 rental housing assistance fund may be approved in appropriation Acts for use in the Troubled Projects Program. Existing law subjects the making of payments from the fund to approval in an appropriation Act, and prohibits any amount from being so approved for any fiscal year beginning after September 30, 1980. This proposed amendment is necessary to permit the rental housing assistance fund to be utilized for the Troubled Projects Program during fiscal years 1981 and 1982. The Department intends to request approval, in the HUD appropriation Act for fiscal year 1981, to use the $12 million expected to be received in the rental housing assistance fund during fiscal year 1981.

Appropriations at the proposed levels of authorization, together with the amounts available in the section 236 rental housing assistance fund and $55.9 million of unobligated balances carrying over into 1981, would permit the Department to assist 2,797 housing projects under the Troubled Projects Program in fiscal year 1981.

Section 235 amendments

Section 203(1), (4) and (5) of the bill would amend sections 235(b)(2) and (i)(3) of the National Housing Act to increase by up to 25 percent the mortgage limits currently provided for the section 235 program. The new limits would be $40,000 ($47,500 for high cost areas) for single family homes, $47,500 ($55,000 for high cost areas) for homes for families with five or more persons, and $55,000 ($61,250 for high cost areas) for two family dwellings. The limits under existing law are $32,000 ($38,000 for high cost areas) for single family homes, $38,000 ($44,000 for high cost areas) for homes for families with five or more persons, and $44,000 ($49,000 for high cost areas) for two family dwellings. The Secretary may, under section 235(o) of the Act, insure a mortgage involving a principal obligation which exceeds these limits by not more than 20 percent under specified circumstances if the mortgage relates to a dwelling in an urban neighborhood undergoing a community sponsored program of concentrated redevelopment or revitalization.

Section 235 mortgage limits were last adjusted in 1977. Prices for low-cost, single family homes are now at or above the current $38,000 high cost area limit in most areas of the country. One to two years from now, prices are expected to be fifteen to thirty percent higher. If the section 235 program is to be employed effectively, more realistic mortgage limits are necessary. Except for cases covered by section 235(o) and the proposed new section 235(p), discussed below, the proposed 25 percent increase would serve as the upper limit for the program.

Section 203(2) and (3) of the bill would amend section 235(h)(1) of the National Housing Act to increase the annual ceiling on the amount of assistance payments under the program by such sums as may be necessary on October 1, 1981. This proposed increase is submitted at this time in accordance with section 607 of the Congressional Budget Act of 1974.

Section 203(6) of the bill would add a proposed new subsection (p) to section 235. This new provision would permit the Secretary to insure a mortgage under section 235 which involves a principal obligation which exceeds, but not more than ten percent, the maximum limits specified under section 235 (b)(2) or (i)(3), or if applicable, the maximum principal obligation insurable under section 235(o), if the mortgage relates to a dwelling unit to be occupied by a physically handicapped person and the Secretary determines that this action is necessary to reflect the cost of making the dwelling accessible to and usable by that person.

Many handicapped individuals have limited incomes and are eligible for section 235 assistance. The higher costs involved in modifying a builder's stock plan or in substantially rehabilitating an existing dwelling in order to accommodate a barrier-free design for a physically handicapped person make it difficult to acquire an accessible home within the normal mortgage limits of the program. The higher mortgage limits proposed under paragraphs (1), (4) and (5) of this section, and the higher principal obligation insurable under section 235(o) with respect to revitalization areas, do not reflect any additional costs of housing where a physically handicapped person is to be the occupant. Accordingly, the proposed increase under paragraph (6) would expand the loan limits for the limited but important purpose of making section 235 mortgage insurance and subsidies available in those cases where it would otherwise be precluded because of these added costs.

Congregate services program amendment

Section 204 (a) and (b) of the bill would amend the Congregate Housing Services Act of 1978 to exclude applications for assistance to provide congregate services exclusively to nonelderly handicapped residents from the requirements that they be developed in consultation with, and after review and comment by, agencies serving the aging. Specifically, it would amend sections 405 (c) and (d) of the Act so that the consultation, review and comment requirements under these provisions would apply only to applications to provide congregate services to elderly residents.

Applications to serve nonelderly handicapped individuals would still be required to comply with the provisions under section 405 (e) requiring referral to the agency responsible for providing social services to permanently disabled adults. However, the proposal would relieve sponsors of projects designed exclusively to serve the nonelderly handicapped from the requirement of complying with the unnecessarily burdensome and duplicative process under existing law of referring applications to both the agency serving the aging and the agency serving the disabled. If a project may serve both the elderly and the nonelderly handicapped, dual referral would continue to be required.

Section 204(c) of the bill would amend section 405(e) (1) and (2) of the Act so that the consultation, review and comment requirements under these provisions would refer to the "appropriate agency" rather than the "appropriate local agency". This change is necessary to reflect the fact that the appropriate agency for serving permanently disabled adults may be a State rather than a local agency.

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

Extension of Federal housing administration mortgage insurance programs

Section 301 of the bill would extend for two years (through September 30, 1982) the authority of the Secretary of Housing and Urban Development to insure mortgages or loans under certain HUD-FHA mortgage or loan insurance programs contained in the National Housing Act.

Under existing law, the authority of the Secretary of Housing and Urban Development to insure mortgages and loans under these programs will expire on September 30, 1980. After that date, the Secretary may not insure mortgages or loans under any of the major HUD-FHA insuring authorities contained in that Act except pursuant to a commitment to insure issued before that date.

Insuring authorities which will expire on September 30, 1980 include those for the following HUD-FHA mortgage or loan insurance programs: title I—property improvement and mobile home loan insurance; section 203—basic home mortgage insurance; section 207—rental housing insurance; section 213—cooperative housing insurance; section 220—rehabilitation and neighborhood conservation housing insurance; section 221—housing for moderate-income and displaced families; section 222—mortgage insurance for servicemen; section 223—miscellaneous housing insurance, including insurance in older, declining urban areas and for existing multifamily housing projects; section 231—housing for the elderly; section 232—nursing homes; section 233—experimental housing; section 234—condominiums; section 235—homeownership for lower income familes; section 236—rental and cooperative housing for lower income families; section 237—special mortgagors; section 240—homeowner purchase of fee simple title; section 241—supplemental loans for multifamily housing projects; section 242—hospitals; section 243—homeownership for middle-income families; section 244—mortgage insurance on a co-insurance basis; section 245—mortgage insurance on graduated payment mortgages; title VIII—armed forces related housing; title X—land development; and title XI—group practice facilities.

The proposed two-year extension of the above mortgage insuring authorities is designed to guarantee the continud availability of FHA mortgage insurance and thus to maintain and enhance the Department's capacity to contribute to achievement of the national housing goal of "a decent home and a suitable living environment for every American family."

Extension of flexible interest rate authority

Section 302 would extend, through September 30, 1982, the Secretary's authority administratively to set interest rates for FHA-insured mortgage loans to meet the market at rates above statutory maximum. Under existing law, this authority will expire on September 30, 1980.

Extension of Emergency Home Purchase Assistance Act of 1974

Sction 303 of the bill would extend, from October 1, 1980 to October 1, 1982, the authority of the Government National Mortgage Association to enter into new commitments to purchase mortgages under the interim mortgage purchase authority contained in section 313 of the National Housing Act, as added by the Emergency Home Purchase Assistance Act of 1974.

The Emergency Home Purchase Assistance Act of 1974 added section 313 to the National Housing Act authorizing interim or standby authority to purchase mortgages. The Act authorizes the purchase of conventional mortgages, as well as mortgages insured by FHA or guaranteed by the VA. This authority is subject to a finding by the Secretary that inflationary conditions and related governmental actions or other economic conditions are having a severely disproportionate effect on the housing industry and that a resulting reduction in the volume of home construction or acquisition seriously threatens to affect the economy and to delay the orderly achievement of national goals. The purchase authority also must be released in appropriation Acts.

It should also be noted that the Department transmitted legislation to the Congress on December 19, 1979 containing amendments to modify the mortgage amount, sales price and interest rate limitations now applicable under the section 313 authority (S. 2177, 96th Congress (Williams and Cranston); H.R. 6197, 96th Congress (Ashley and Reuss)).

Research authorizations

Section 304 of the bill would amend section 501 of the Housing and Urban Development Act of 1970 to authorize the appropriation of not to exceed $54 million for fiscal year 1981 and such sums as may be necessary for fiscal year 1982 for the Research and Technology Program.

The Department's research activities continue to serve as a national focal point for research, analysis, data collection and dissemination. In 1981, the program will be concentrated on a number of research areas and key evaluations. Particular areas of study will be:

Urban economic development; public finance and tax policy, including the role of small businesses in community development; changes in capital investment by cities and the impact of Federal tax and grant policies on central cities.

How to provide for housing needs and services for special users, such as the elderly and handicapped.

The process of neighborhood change and intervention techniques designed to preserve neighborhoods by preventing and reversing decline.

Issues of economic and racial freedom of choice in housing and how changes in demographics may affect trends in location patterns.

Alternative housing finance mechanisms, such as alternative mortgage instruments, financial institution regulation and reform, and alternative tax and other financial incentives for housing.

Ways to reduce the component costs of housing (cost of developing, building, financing and operating) and to be more efficient in helping lower income people afford housing through subsidy programs.

More efficient ways to bring about the conservation of energy resources in the construction and operation of housing, and development of "how to" documents on innovative residential energy projects for use by State and local governments and the private sector.

Ways to make better use of technology in urban systems, to improve and maintain the vitality of communities, within affordable tax levels.

Evaluations of key elements of the Department's operating programs. Key evaluations continuing through FY 1981 include the community development strategies evaluation, the Brookings CDBG monitoring study and the Section 8 evaluation.

A program to help local government officials improve their financial management capacity.

Federal Housing Administration General Insurance Fund

Section 305 of the bill would amend section 519(f) of the National Housing Act to authorize the appropriation of an additional $139 million to cover losses sustained by the General Insurance Fund.

This request represents the amount which the Department estimates will be necessary to cover losses to the General Insurance Fund in fiscal year 1981 sustained as a result of the acquisition and sale of insured properties chargeable to the Fund.

GNMA interest reduction grant demonstration

Section 306 of the bill would authorize a demonstration program under which GNMA would make one-time cash payments to lenders who make below-market interest rate loans which are secured by FHA-insured mortgages on multifamily projects. The payment by GNMA would be equal to the difference between the funds actually advanced by the lender and the market value of the loan.

The grant program is viewed as a possible alternative to the current method of tandem financing which involves the purchase and sale of mortgages. Under the present tandem method, compensation for the yield differential between market interest rates and the below-market rate of tandem mortgages is achieved through a "sales discount"—i.e., mortgages bearing below-market interest rates are sold at less than the face value of the mortgages. Under the grant approach, a one-time payment would be made to the loan originator in compensation for the yield differential, precluding the need for a purchase/sale type of transaction.

The section would authorize the appropriation of $30 million for fiscal year 1981 and such sums as may be necessary for fiscal year 1982 to carry out the program.

Increase in GNMA mortgage purchase authority

Section 307 would increase GNMA's statutory mortgage purchase authority under the Special Assistance Functions by $900,000,000 for fiscal year 1981. This increase is necessary to permit operation of mortgage purchase programs at the proposed level of $1.8 billion. At the beginning of fiscal year 1981, GNMA estimates that it will have approximately $992 million in authority available for the issuance of commitments. That authority will be augmented during the year, primarily through mortgage sales, in the amount of some $1.7 billion. However, the recapture of authority may not take place prior to the time that requests for commitments are submitted. Thus, to be assured of being able to meet the demand for commitments, GNMA must have available to it at the beginning of the year a total of $1.8 billion in commitment authority.

Increase in amounts which may be insured under multifamily and institutional authorities in Title II of the National Housing Act to cover the cost of energy conserving measures

Section 308 of the bill would increase, by up to 20 percent, the mortgage limits for FHA multifamily residential programs when such additional sums are needed to finance the installation of energy conserving improvements. In addition, HUD's non-residential (or institutional) programs would be amended to include the cost of such improvements in calculating the maximum mortgage amounts insurable under those programs. The 20 percent increase in mortgage limits would affect the following sections of the National Housing Act: section 207—rental housing insurance; section 213—cooperative housing insurance; section 220—rehabilitation and neighborhood conservation housing insurance; section 221—housing for moderate-income and displaced families; section 231—housing for the elderly; and section 234—condominiums. The institutional programs affected would be; section 232—nursing homes; section 242—hospitals; and title XI—group practice facilities.

For purposes of these programs, qualifying energy conserving improvements would mean solar energy systems, as defined in subparagraph (3) of the last paragraph of section 2(a) of the National Housing Act, and residential energy conservation measures, as defined in section 210(11)(A) through (G) and (I) of the National Energy Conservation Policy Act (P.L. 95–619). Since section 248 of P.L. 95–619 already authorizes increases of up to 20 percent in the mortgage limits applicable to the section 207 to finance solar energy systems, the amendment proposed by section 307 would only amend section 207 to include residential energy conservation measures.

Present FHA mortgage limits can discourage the installation of energy conserving improvements or solar energy systems in HUD-insured construction, because these systems are often too large and expensive to permit construction within applicable mortgage ceilings. It is not currently possible to make upward adjustments in these ceilings, even though the energy savings such improvements would produce could result in a project with lower rents.

The complementary amendment for HUD's institutional insurance programs is considered necessary to encourage a positive attitude among lenders toward inclusion of energy improvements in such projects. Such encouragement is particularly necessary in the case of title XI projects, where the present law requires that a facility be "constructed in an economical manner," and not be "of elaborate or extravagant design or materials."

Title I claims collection

Section 309 of the bill would amend section 2(c) of the National Housing Act to authorize the Secretary to contract with private business concerns to perform the credit and collection function presently carried out by HUD field representatives under the title I program. This change is similar to 20 U.S.C. 1080, which authorizes the Department of Health, Education and Welfare to use private collection agencies in its student loan programs.

At the present time, the number and the dollar amounts of claims filed under this program are increasing. This puts an additional burden on the title I field representatives, who often are assigned duties over and above their title I function. This discretionary authority would be used to meet increases in workload which cannot be handled by existing HUD personnel, and to increase returns to the government in areas with significant collection problems.

In order to ensure adequate protection of the rights of the debtor, the amendment would require claims collection contracts to provide that any atempted collection or compromise will be fair and reasonable, and will not involve harassment, intimidation, false or misleading representations, or unnecessary communications concerning the existence of any such obligation to persons other than the debtor involved. "Unnecessary communications" in the preceding sentence would especially include any communications to credit reporting agencies. Any such communications would be permissible only pursuant to regulations promulgated by the Secretary designed to be consistent with, and further the purposes and policy of, the Privacy Act and Fair Credit Reporting Act.

Definition of mortgage under the National Housing Act

Section 310 of the bill would amend section 201(a) of the National Housing Act to permit a mortgage on a leasehold which may be insured under certain provisions of the Act to be under a lease having a period of not less than ten years to run beyond the maturity date of the mortgage. Under existing law, a first mortgage on real estate with a leasehold must have a lease of not less than 50 years to run from the date that the mortgage was executed.

This amendment would make insured mortgage financing more readily available in areas where leaseholds are prevalent—notably in the State of Hawaii. Renegotiations of leases solely to comply with the 50-year requirement would be rendered unnecessary, resulting in substantial savings to lessees. The change would also provide the Department with a degree of flexibility in disposing of Secretary-held properties, in that a ground lease would not have to be renegotiated prior to the property's sale. This amendment would make HUD's program consistent with those of the VA and FNMA, whose policies require the term of a lease to exceed the mortgage term by fourteen and ten years, respectively. The 50-year lease requirement bears no relationship to the amount of risk being underwritten and cannot be justified in light of the administrative and practical problems it engenders.

Section 220 mortgage insurance in areas of concentrated development activities

Section 311(a) of the bill would amend section 220(d)(1)(A) of the National Housing Act to permit mortgage insurance under section 220 in any area, designated by the Secretary, where concentrated housing, physical development and public service activities are being or will be carried out in a coordinated manner, pursuant to a locally developed strategy for neighborhood improvement, conservation or preservation.

This amendment is designed to provide the Secretary with an additional financing mechanism in areas which qualify as Neighborhood Strategy Areas (NSAs) under the section 8 substantial rehabilitation program (24 CFR 881.301).

This authority would be particularly valuable in the case of multifamily properties. Because section 220 mortgage limits are higher in some respects than those available under section 221(d)(4) (currently the most frequently used FHA program in NSAs), use of section 220 would more often make possible a construction or rehabilitation project that is financially feasible. Section 220, with its moderately higher mortgage limits, could be expected to increase the number of unsubsidized, FHA-insured projects in NSAs, thus promoting urban revitalization. At the same time, the section 220 mortgage limits are close enough to the section 221(d)(4) limits so that both programs would serve moderate-to-middle income families. While subsidies for lower income residents will continue to be important in NSAs, the existence of adequate means to finance housing for moderate-to-middle income families often can be crucial to the success of local neighborhood revitalization efforts.

Another advantage that the section 220 multifamily insurance authority enjoys, as compared to section 221(d)(4), is that insurance for project commercial and community facilities is more broadly available under the section 220 program. (Section 221 only permits non-dwelling facilities which are needed to serve the occupants themselves.) In NSAs, commercial and community facilities serving a broader clientele will frequently be important to the overall neighborhood revitalization strategy.

Subsection (b) is a conforming amendment to section 220(d)(3)(B)(iv) to permit nondwelling facilities to be included in projects located in neighborhood stategy areas (as well as in urban renewal areas, as permitted by the present law) where the Secretary deems such facilities desirable and consistent with the locally developed strategy for neighborhood improvement, conservation or preservation.

Temporary mortgage assistance payments

Section 312(a)(1) of the bill would designate existing section 230 of the National Housing Act as section 230(a). Section 230 now authorizes the Secretary, upon receiving a notice of default and for the purpose of avoiding foreclosure, to acquire the loan and security with respect to a mortgage insured under the National Housing Act covering a single family (one-, two-, three-, or four-family) dwelling.

Section 312(a)(2) would amend the first sentence of section 230(a) to provide that the Secretary may exercise the authority to acquire the loan and security, notwithstanding the fact that the Secretary has previously made monthly payments due under the mortgage pursuant to the authority under new subsection 230(b) described below.

Section 312(a)(3) would add new subsections (b) and (c) to section 230. Proposed new subsection (b)(1) would authorize the Secretary, as an alternative to acquisition under section 230(a), to make monthly mortgage payments directly to the mortgagee on behalf of owners of FHA-insured single family dwellings whose monthly mortgage payments are in default. The default would have to have been caused by circumstances beyond the mortgagor's control which render the mortgagor temporarily unable to correct the delinquency and resume full mortgage payments. The Department intends that the proposed new program will be the predominant foreclosure-avoidance mechanism to the maximum extent possible, consistent with the Department's current obligations under its Assignment Program. Also, as provided below, the proposed new program is designed to replace fully the Assignment Program in August, 1984. The approximately five-year period before the termination of the Assignment Program would enable the Department to phase in the new program in an orderly fashion.

As in the case under the existing authority under section 230, the proposed new authority would be exercisable upon the Secretary's receiving notice of default and in the Secretary's discretion. Payments could be made only in accordance with the provisions of the new subsection and would be subject to any additional requirements prescribed by the Secretary.

This proposed authority would serve as an additional means of assisting homeowners who are experiencing temporary financial distress to maintain ownership and occupancy of their homes.

It is estimated that in fiscal year 1981 the proposed alternative to assignment would result in the prevention of as many as 2,500 assignments, with a $49.6 million reduction in outlays for claims payments offset by an estimated $6 million in outlays for payments under the proposed new authority.

Paragraph (2) would provide that no payments could be made unless the Secretary determines that the payments are necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to:

Resume full mortgage payments upon termination of assistance under the proposal;

Commence repayment of the payments made by the Secretary at a time designated by the Secretary; and

Pay the mortgage in full by its maturity date, or by a later date for completing the mortgage payments previously approved by the Secretary under section 204(a) of the National Housing Act.

Paragraph (3) would provide that payments could be made in an amount, which would be determined in the Secretary's discretion, up to the amount of the principal, interest, taxes, assessments, ground rents, hazard insurance and mortgage insurance premiums due under the mortgage. The initial payment could include an amount necessary to make the mortgage current. However, payments could not exceed amounts which the Secretary determines to be reasonably necessary to supplement whatever amounts the mortgagor is capable of contributing toward the mortgage payment.

Paragraph (4) would provide that payments could be made initially for a period of not to exceed eighteen months, which period could, in the Secretary's discretion, include any period of default for which payments are provided. In exercising this discretion, the Secretary would take into account such factors as the foreclosure-avoidance purposes of the program and the increased risk of loss to the Government. The paragraph would also give the Secretary the discretion to extend the payment period for not to exceed eighteen additional months where the Secretary determines that an extension will be necessary to avoid foreclosure and that there is a reasonable likelihood that the mortgagor will be able to make the payments and repayments specified under subsection (b)(2).

In addition, the Secretary would be directed to review the mortgagor's income periodically to determine the necessity for continuation or adjustment of the payments. The Secretary would be authorized, in the Secretary's discretion, to discontinue the payments upon a determination that there is no longer a reasonable prospect that the mortgagor will be able to make the payments and repayments specified under subsection (b)(2). Also, the Secretary would be directed to discontinue the payments at any time when the Secretary determines that, because of the mortgagor's changed financial circumstances, the payments are no longer necessary to avoid foreclosure.

Paragraph (5) would require that all payments made under the proposed new authority would be regarded as a loan, and would be required to be secured by such obligation as the Secretary may require. It would require that obligation to include a lien on the mortgage property. It also would provide that the "loan" made under the proposed new authority is to be repayable under terms and conditions prescribed by the Secretary. It is anticipated that these terms and conditions would provide for repayment over a period that would be within the mortgagor's ability to pay. In those cases where the mortgagor's income is insufficient to permit full payment of the mortgage by its maturity date, and where the mortgagee agrees, the Secretary would have the flexibility to utilize existing authority under section 204(a) of the National Housing Act to approve recasting the unpaid balance of the mortgage over a period longer than the remaining term of the mortgage. In these instances it is anticipated that the loan would be repaid over the same term as that of the recast mortgage.

It is contemplated that during the period for which payments are provided under the proposed authority, as well as during the repayment period, the responsibility for servicing the mortgage would remain with the private mortgage servicer. In this event, any payments made either by HUD or the mortgagor, including repayment of the loan, would be made directly to the mortgage servicer. Accordingly, paragraph (5) would permit the terms and conditions for repayment to include requirements for repayment of any amounts paid by the Secretary towards the mortgagee's expenses in this regard.

Paragraph (5) also would permit the Secretary to establish appropriate interest charges on the "loan". It would provide that any charges so established would be repayable notwithstanding limitations under any State or local law as to the rate of interest on loans or advances of credit. However, it would not permit interest to be charged at a rate which exceeds the maximum interest rate applicable with respect to mortgages insured pursuant to section 203(b) of the National Housing Act at the time the Secretary approves a mortgage for assistance under the proposed new authority.

Paragraph (6) would permit assistance to be provided under the new authority even though the Secretary previously had taken action to avoid acquisition or foreclosure of the mortgage. If the Secretary previously had provided assistance under the proposed new authority with respect to the same mortgage, such assistance could be provided again at a later date in the event of a subsequent default, but only under limited conditions to be prescribed by the Secretary. It is anticipated that the Secretary will exercise the authority to provide payments with respect to a mortgage previously assisted under the new authority only in unique circumstances.

With respect to the funding of the proposal, paragraph (7) provides that all expenditures made pursuant to the proposed new authority shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the property to which the payments made under the proposal relate, and that any payments received under the new authority shall be credited to such insurance fund. It provides that, for purposes of the new authority, "expenditures" may include amounts paid by the Secretary toward the mortgagee's expenses in connection with the payments and repayments.

The proposed new subsection 230(c) would prohibit the Secretary from exercising authority under newly designated section 230 (a) (the Assignment Program) in the case of any mortgage with respect to which the Secretary has received a notice of default on or after August 2, 1984. Assistance payments under the proposed new program would replace the Assignment Program in toto with respect to mortgages for which a notice of default is received after that date.

Section 312(b) of the bill would amend the caption of section 230 to read: "Temporary Mortgage Assistance Payments and Acquisition of Mortgages To Avoid Foreclosure." The existing caption reads: "Acquisition of Mortgages To Avoid Foreclosure".

Participation by lower income persons and socially and economically disadvantaged firms in assisted projects

Section 313 of the bill would amend section 3 of the Housing and Urban Development Act fo 1968 to eliminate that provision's requirement that, in order to be given priority for training and employment in connection with projects receiving direct financial assistance from the Department of Housing and Urban Development, lower income persons must reside in the area of such projects. Lower income persons would continue to be entitled to training and employment priority under the amendment, but the requirement related to such persons' place of residence is no longer considered useful, since many HUD-funded programs either do not have a specific situs or include entire cities within their ambit.

Similarly, the provision would drop the present law's requirement that, to the greatest extent feasible, work contracts to be performed in connection with HUD-assisted projects be awarded to business concerns "located in or owned in substantial part by persons residing in the area [of HUD-assisted projects]." As proposed to be amended, this portion of section 3 would require instead that, to the greatest extent feasible, such work contracts should be awarded to socially and economically disadvantaged individuals, and to firms owned and controlled by such individuals.

The legislative history of section 3 indicates that one of the primary purposes for addressing the provision of increased business enterprise opportunities in the locality of HUD projects was to remedy the lack of participation in project work by disadvantaged persons, especially minorities, and businesses owned by such persons. Under the amendment, all socially and economically disadvantaged businesses would be provided increased opportunities in connection with HUD projects, not just those located in the area of the HUD project. This portion of the amendment is patterned after similar provisions in the Small Business Act and in the Senate-passed "National Public Works Economic Development Act" (S. 914).

Report on housing production goals

Section 314 of the bill would amend section 1603 of the Housing and Urban Development Act of 1968 to direct the President to submit to the Congress the Housing Production Report required under that section not later than March 15 of every other year beginning with calendar year 1981. Existing law requires submission of the Report by January 20 of each year.

The primary use of the Production Report is as a reference and research document, which reports on achievements in housing production and in neighborhood and housing conservation, and on the most recent estimates of housing needs and related housing problems in the U.S. Policies, proposed legislation, intended changes to program regulations and similar issues are reported to the Congress and to the public in other channels: the President's budget message and related budget documents, testimony by Departmental and Administration officials before congressional committees, publication in the Federal Register and other means.

Many of these means are available on a continuing basis rather than just once a year, and can be used to respond to changes in the economy and in housing production levels as they occur.

The Production Report can still serve an important function as an historical record and a reference document for research and analysis purposes if issued every two years rather than annually. Biennial reporting would free Federal staff resources in HUD, Commerce, Labor, Agriculture, Treasury and other agencies for other useful activities, such as responding to specific points of interest raised by Administration policy makers and the Congress. Less frequent reporting would not result in loss of information, but would allow more efficient reporting and analysis of data on housing production, marketing, financing, rehabilitation, subsidization and conservation, and would reduce paperwork burdens.

The proposal would also make a number of amendments to conform the substantive requirements of the Report to the use of a biennial reporting period. Specifically, the required review of progress made in achieving housing production objectives would cover the two years preceding the year in which the Report is submitted, except that the review would only cover the preceding year with respect to the report due in 1981. Application of the two-year period to this report would duplicate information for calendar 1979 contained in the report submitted in 1980. In addition, the proposal would require the Report only to set general objectives for production and rehabilitation activity for the second year covered by the Report. The detailed projections required for the existing Report cannot readily be made beyond a one-year period. Similarly, the identification of legislative and administrative actions to be taken to support housing goals cannot meaningfully be made on a two-year basis. Accordingly, identification of these actions would be required only as feasible for the second year covered by the Report.

For the relief of the city of Springfield, Illinois

Section 315 of the bill would provide that, notwithstanding the provisions of title VII of the Housing Act of 1961 (Open-Space Land) or any other law, the transactions under which land acquired by the City of Springfield, Illinois (in connection with Open-Space Projects No. Ill.–OSC–171 (DL) and No. Ill.–OSC–246 (DL) was transferred by the City to the United States Department of the Interior for the Lincoln Home National Historic Site shall be deemed to have been made in accordance with all provisions of title VII of that Act and of any other law and with any implementing regulations or other requirements.

The enactment of this proposal is the only equitable solution to a difficult and awkward legal situation.

The problem revolves around the transfer of land from the City of Springfield, Illinois, to the National Park Service of the United States Department of the Interior for the Lincoln Home National Historic Site. The land had been acquired by the City with assistance of grants made by the Secretary of Housing and Urban Development under title VII of the Housing Act of 1961 which authorized the Secretary to make grants to States and local public bodies for certain defined open-space uses. A total of $305,445 in grant funds was disbursed by HUD for the City's open-space project pursuant to contracts executed by HUD and the City in 1968 and 1971.

The Department of the Interior, as a Federal entity rather than a State or local public body, is not an eligible transferee under title VII. In view of this, HUD proposed that the transaction be treated as a conversion, under section 704 of title VII, to another use. That section requires, as one of the conditions of conversion, that the grantee substitute other open-space land for the land converted.

The most equitable solution under the circumstances would have been for the Department of the Interior to pay the City the fair market value for the land which was transferred, so that the City would use these funds to purchase other land of equal value and usefulness for open-space purposes. However, it was subsequently found that this solution was precluded by special Federal legislation (P.L. 92–127, August 18, 1971) which provides that any lands acquired from the City of Springfield for the Lincoln Home National Historic Site be by donation only. Consequently, the only available solution under existing legislation would require that the City repay the grant to the Federal Government or that the Department of the Interior reconvey the land to the City to be used for the use specified under the open-space grant contracts between HUD and the City.

The City was not enriched by the transfer or for that matter ever reimbursed for its local share of approximately $300,000. The use of the land as part of the Lincoln Home National Historic Site is considered most desirable by HUD, Interior and the City of Springfield. In addition, while its present use as an historic site is not exactly that which was intended at the time the grants were made, under this use the land would maintain its open-space character and provide at least as much, if not more, benefit to the general public.

Transfer of energy related functions

Section 316 of the bill would amend sections 303, 304 and 310 of the Energy Conservation and Production Act to transfer to the Secretary of Energy the authority of the HUD Secretary to implement energy performance standards for new residential and commercial buildings. In 1977, the authority to develop and promulgate such energy performance standards was transferred from the HUD Secretary to the Secretary of Energy by section 304(a) of the Department of Energy Organization Act. The amendments would complete the process of centralizing these functions in the Department of Energy.

Conforming amendments would also be made to section 304 of the Department of Energy Organization Act. It should be noted that legislation to accomplish this purpose—S. 1604, 96th Congress (Ribicoff)—is presently pending before the Senate Committee on Governmental Affairs.

TITLE IV—PLANNING ASSISTANCE

Section 401 would revise the planning assistance authority contained in section 701 of the Housing Act of 1954. The revised authority would establish broad National Policy Objectives which would serve as the focal point to guide the planning efforts of States, areawide planning organizations and local governments. These National Policy Objectives are:

The conservation and improvement of existing communities, particularly the improvement of those which are faced with fiscal, economic or social distress;

An increase in housing and employment opportunities and choices, especially for lower income and minority persons; and

The promotion of orderly and efficient growth and development of communities, regions and States, taking into consideration the necessity of conserving energy.

The revised authority is designed to help achieve these Objectives in two ways. First, it would encourage the joint efforts of State and local governments and areawide planning organizations for the development of State and areawide strategies. Second, it would assure that developed strategies lead to implementation activities by States, areawide planning organizations and local government and to the encouragement of a coordinated response by all levels of government to carry out such strategies.

These changes build upon the existing section 701 program, and are necessary to provide planning activities with a clear focus which is sensitive to the needs and opportunities of the 1980's; to accord State and local governments and areawide planning organizations the flexibility to tailor their planning activities to the particular needs and opportunities of their own jurisdictions; to assure that State and local planning efforts address and meet these needs and opportunities in a meaningful way; and to provide a framework to facilitate Federal action which is supportive of the developmental decisions of States, areawide planning organizations and local governments.

This basic structure is set forth in the findings, statement of objectives and purpose provisions in proposed section 701(a), (b) and (c), respectively. Other specific provisions of the revised authority are as follows.

Proposed subsection (d) would define the terms "Secretary", "State", "unit of general local government", "metropolitan area" and "areawide planning organization" for purposes of section 701. In order to qualify as an "areawide planning organization" under the authority, an organization would have to be established by State law or authorized by State law and established by local agreement to undertake planning for a metropolitan or nonmetropolitan area and

Be the designated clearinghouse pursuant to OMB Circular A-95;

Contain two or more counties and be open to membership by all units of general local government contained within the jurisdiction of the organization; and

Be composed of a membership at least two-thirds of which consist of elected officials of the units of general local government participating in the organization.

This last requirement could be waived by the Secretary where necessary to permit a unified areawide organization to participate in a number of planning activities funded by different Federal agencies.

Proposed subsection (e) contains the list of recipients eligible for section 701 funding. Those eligible to apply for funding directly to HUD include the States for state-wide activities, metropolitan areawide planning organizations and the various territories and possessions of the United States. Nonmetropolitan areawide planning organizations, units of general local government (except counties) of less than 50,000 population, all counties (other than urban counties) and any group of adjacent units of general local government having a total population of less than 50,000 and having common or related planning problems and opportunities would apply for 701 assistance through the State. The subsection also would allow metropolitan areawide planning organizations to apply through the State on a voluntary basis.

The provisions for eligible recipients remain the same as under the current legislation, except that large cities (those with populations of 50,000 or more), urban counties (as defined in title I of the Housing and Community Development Act of 1974) and Indian tribes will no longer be eligible for funding. This change is in accord with congressional action preventing HUD from funding large city and urban county applicants, although they are eligible under the current statute. This congressional action is based upon the availability to these recipients of Community Development Block Grant funds that can be used for planning. The proposed amendments would also exclude Indian tribes, which, like large cities and urban counties, receive block grant funds which can be used for planning. Direct funding for States, metropolitan areawide planning organizations and territories and possessions, and funding through the State for nonmetropolitan areawide planning organizations, local governments, and for those metropolitan areawide planning organizations voluntarily applying through the State, continues the funding pattern contained in the present legislation.

Proposed subsection (f) would allow States to request their areawide planning organizations to administer the local assistance funds provided through the State. This is similar to the current 701 provision.

Proposed subsection (g)(1) would provide that contracts to make grants to the recipients described in subsection (e) would contain such terms and conditions as the Secretary may prescribe, and may include provision for periodic release of grant funds on the basis of the progress of grantees in accomplishing the specific actions and activities for which grants were made.

Proposed subsection (g)(2) would continue existing section 701's one-third local match requirement. Subsection (g)(3) would authorize the Secretary, as under existing law, to provide technical assistance to eligible grantees, and to make studies and public information related to furthering the purposes of the 701 program. The small amount of money that has been used in recent years for this purpose has been very beneficial, and it is proposed that this authority be continued.

Subsection (g)(4) would authorize the appropriation of not to exceed $40 million for fiscal year 1981, and such sums as may be necessary for fiscal year 1982 for the revised authority.

Subsection (h) would require States, prior to submission of an application for assistance for state-wide activities, to afford a reasonable opportunity, as prescribed by the Secretary, to units of general local government and areawide planning organizations located within the State to comment on the strategy statement (if approval of a strategy is being sought) and the action program proposed for inclusion in the application, and on the consistency of the strategy and program with the plans and activities of these entities. Each areawide planning organization applying for assistance directly from the Secretary or through the State would be required to afford the same opportunity to units of general local government participating in the organization, and additionally, in the case of an application submitted by a metropolitan areawide planning organization seeking assistance directly from the Secretary, to the State or States in which the organization is located. Each State, areawide planning organization or other entity receiving assistance under subsection (e) would also be required to provide for citizen participation in the development of its strategy statement, where required, and the actions and activities to be carried out with such assistance, in accordance with regulations of the Secretary.

These provisions would ensure that entities which would be affected by proposed strategies or actions and activities assisted under section 701 would have adequate opportunity to assess and comment upon their merits and desirability. As noted below, the Secretary would take comments received into account in determining whether to approve a strategy or to provide assistance for proposed actions or activities.

Proposed subsection (i) contains application requirements for section 701 assistance. Paragraph (1) sets forth requirements for States seeking assistance for state-wide activities and for metropolitan areawide planning organizations seeking assistance directly from HUD. An applicant would have to:

Either set forth a strategy statement which identifies policies and programs over at least a three-year period which address the major issues and problems of the applicant's jurisdiction and are clearly designed to carry out each of the National Policy Objectives described above, or indicate that the application is based upon a previously approved strategy statement which is in effect, as provided in proposed subsection (m)(4);

Formulate an action program which describes specific actions and activities to be undertaken to implement the strategy statement;

Establish a timetable for the achievement of specific results under the action program;

Submit all comments received pursuant to proposed subsection (h) and indicate the modifications, if any, made to the strategy statement or action program as a result thereof;

Certify that the strategy statement and action program proposed in the application are consistent with other plans and activities of the applicant, and, in the case of an areawide planning organization, certify that the strategy statement and action program are consistent with any approved State strategy statement;

Certify that it has the authority to implement and execute the actions and activities described in the action program, or, if it does not have such authority, otherwise demonstrate, by means of implementation agreements or other documentation, specific steps the applicant will take to assure implementation;

Provide satisfactory assurances that the action program will be conducted and administered, and that the strategy statement is, in conformity with title VI of the Civil Rights Act of 1964 and title VIII of the Civil Rights Act of 1968; and

Meet such other requirements as the Secretary may prescribe by regulation.

Paragraph (2) contains application requirements for States for the provision of assistance to areawide planning organizations. In order to receive assistance, the State would have to

Specify the manner in which assistance provided will be distributed among the areawide planning organizations;

Certify that each such organization has submitted or, as a condition for receiving assistance, will submit to the State an application which meets the comment and citizen participation requirements of proposed subsection (h) and the application requirements of paragraph (1);

Certify that, prior to providing assistance to any such organization, a strategy statement for the organization has been approved by the Secretary; and

Meet such other requirements as the Secretary may prescribe by regulation.

The heart of these application provisions is the requirement that States and areawide planning organizations develop strategies and action programs. The strategy requirement would compel applicants to develop plans which are responsive to National priorities and which can be used by HUD and other Federal agencies in making program decisions which are supportive of local developmental decisions.

The requirement for an annual action program is designed to make the strategies and plans useful documents and ones that are carried out by the various levels of government. The tie of these requirements to continued eligibility for funding, and the level of funding, would provide incentives for improving the quality of planning and implementation, and assure that 701 applicants either take steps to implement their plans and programs or face elimination from the program.

Paragraph (3) contains application requirements for States for the provision of assistance to units of general local government. In the application, States would have to:

Specify the manner in which assistance provided will be distributed among these entities;

Certify that the actions and activities to be carried out by such entities, as a condition for receiving assistance, address the major issues and problems of their jurisdictions and are clearly designed to carry out the National Policy Objectives;

Certify that the actions and activities to be carried out are or will be, as a condition for receiving assistance, consistent with any applicable existing approved strategy statement;

Provide satisfactory assurances that the actions and activities to be carried out will be conducted and administered in conformity with applicable civil rights statutes; and

Meet such other requirements as the Secretary may prescribe by regulation.

Paragraph (4) would require each territory or possession applying for assistance directly from the Secretary to:

Set forth actions and activities which address the major issues and problems of the applicant's jurisdiction and are clearly designed to carry out the National Policy Objectives;

Certify that it has the authority to implement and execute the proposed actions and activities, or, if it does not have such authority, otherwise indicate specific steps the applicant will take to assure implementation;

Provide satisfactory assurances that the proposed actions and activities will be conducted and administered in conformity with applicable civil rights provisions; and

Meet other requirements prescribed by the Secretary.

Paragraph (5) would also authorize grants to States or areawide planning organizations for the purpose of revising existing approved strategy statements. Applications for these grants would have to contain such information and meet such requirements as the Secretary may prescribe by regulation.

Paragraph (6) would permit States to submit consolidated applications under subsection (i) requesting assistance for any purpose or combination of purposes as provided under proposed subsection (e).

Subsection (j) would provide that, in providing assistance to areawide planning organizations, the Secretary (or the State, in the case of assistance provided through the State) may give preference to, and may provide additional funding for, organizations which provide for voting rights among their members weighted in proportion to the population of the areas represented by their members. This preference and authorization for bonus funding would encourage movement toward areawide organizations which are set up on the principle of "one-person one-vote," in order to provide greater equity to all participants and aid in directing activities toward problems of distress and equal choice.

Subsection (k)(1) would require the Secretary to establish criteria for the evaluation and approval of strategy statements and applications for grants under subsection (i), including applications for grants through States, and for the awarding of grants pursuant thereto. These criteria would be required, among other things, to take into account:

The degree to which a strategy statement submitted for approval furthers attainment of the National Policy Objectives and can be used in connection with program decision-making by Federal agencies and State and local governments;

The extent to which an action program, where required, will make significant progress in implementing the strategy statement and the Objectives;

The extent to which a strategy statement and action program respond to the concerns expressed in comments submitted pursuant to proposed subsection (h), particularly comments from distressed communities; and

The extent to which grantees have demonstrated progress in carrying out assisted actions and activities.

Subsection (k)(2) would provide that, in each year in which assisted actions or activities are being carried out, each State and other entity receiving assistance directly from the Secretary must submit to the Secretary a performance report concerning such actions and activities. The Secretary would be required, at least on an annual basis, to make such reviews and audits as may be necessary or appropriate to determine whether a recipient of funds under proposed subsection (e) has carried out actions and activities substantially as described in its application, whether the actions and activities conformed to the requirements of section 701 and other applicable laws, and whether the recipient has a continuing capacity to carry out such actions and activities in a timely manner. The Secretary would be required to adjust, reduce or withdraw grant funds, or take other actions as appropriate in accordance with such reviews and audits. These provisions would assure that only those programs which are being implemented are funded, and would provide incentives to improve the quality of planning.

Subsection (k)(3) would provide for GAO audits of the financial transactions of recipients of section 701 assistance.

Proposed subsection (l) would provide that only those planning and management actions and activities which are clearly related to the National Policy Objectives would be eligible for 701 funding. It also contains a provision, similar to the current 701 legislation, which would make ineligible the cost of the acquisition, construction, rehabilitation, or the preparation of engineering drawings or similar detailed sepcifications for specific housing, capital facilities or other public works or for the financing of routine administrative responsibilities of a State or local government.

Proposed subsection (m)(1) would authorize Secretarial approval of strategy statements independent of an application for assistance under subsection (i). The Secretary would also be authorized, with the consent of a State or areawide planning organization to approve a strategy statement submitted in connection with an application for assistance under such subsection, notwithstanding disapproval of a funding request. In either case, the strategy statement would have to meet the comment and citizen participation requirements of subsection (h) and the application and review requirements applicable to strategy statements contained in subsections (i) and (k).

Subsection (m)(2) would require the Secretary to utilize, to the maximum extent feasible, approved stategy statements to guide policy and funding decisions with respect to HUD's programs and activities which affect the geographical areas covered by such strategy statements.

Subsection (m)(3) would encourage the Secretary to work with other Federal departments and agencies in order to develop standards and criteria for the review and approval of strategy statements for use on an interagency basis. Additionally, the Secretary could encourage other departments and agencies to use such strategy statements, consistent with their program authority, as all or part of their planning requirements. Finally, the Secretary could undertake cooperative efforts with such other departments and agencies and with States and areawide planning organizations for the purpose of developing strategy statements that could be utilized in program decision making by other Federal departments and agencies.

These provisions clearly indicate that the Department intends to use these strategies for its decisionmaking and, through interagency cooperation, would authorize the Secretary to work toward a more coordinated Federal response to locally conceived strategies. Such use would help assure that Federal decisions are not made at cross purposes, and would help in the development of plans which can be used by all levels of government for making meaningful programmatic decisions.

Subsection (m)(4) would provide that a strategy statement approved by the Secretary would remain in effect for a maximum of three years following the date of its approval. Any extension of a strategy statement beyond such three-year term, or any major modification, as determined by the Secretary, of a statement during such term, would have to meet the comment and citizen participation requirements of subsection (h) and the application and review requirements applicable to strategy statements contained in subsections (i) and (k), and must be approved by the Secretary. Any proposed modification would have to be submitted to the Secretary prior to its incorporation into the strategy statement.

Proposed subsection (n) is similar to a current provision of section 701, under which the consent of Congress is given to two or more States to develop cooperative efforts to carry out the purposes of the 701 program.

Section 402 would provide that the amendments made by section 401 would become effective upon the effective date of regulations implementing the revised authority, but not later than 270 days following enactment of the Housing and Community Development Act of 1980. This provision is needed in order to allow time to meet the various regulatory and Congressional review requirements of regulations, and to provide adequate lead time for all applicants to prepare their applications in accordance with the revised requirements of the 701 program.●

By Mr. CHILES:

S. 2384. A bill to provide for the distribution of the Code of Ethics for Government Service; to the Committee on Governmental Affairs.

● Mr. CHILES. Mr. President, I am pleased to introduce legislation to authorize distribution of the Code of Ethics for Government Service to all Federal offices in which at least 20 civilian workers are employed. This bill is a companion measure to H.R. 5997, proposed by Congressman CHARLES E. BENNETT, chairman of the House Ethics Committee.

The Code of Ethics for Government Service was initiated by Congressman BENNETT and approved by both Houses of Congress some 20 years ago. The 10 general principles of the code enunciate a standard of behavior that should be the guideline for all persons employed by the Federal Government.

The relevance and need for such a code is as apparent today as when first proposed by Congressman BENNETT. Federal employees must be encouraged and directed to strive to meet their job responsibilities in the most efficient, productive, and honest manner. The code lays out in succinct fashion just what is expected of those employed in Government service.

Unfortunately, in recent years the code has not been something of which many Federal employees are aware. The Washington Star has characterized it as "one of official Washington's best kept secrets." It is not widely displayed in most Government and congressional offices. In fact, it is not readily available.

The Star pointed out that—

> When the Supreme Court asked for 12 copies of a color poster of the code earlier this year, it could locate only six. The Government Printing Office couldn't provide more because the negatives were all destroyed in 1972.

We all need frequent reminders of the goals, standards and responsibilities that are part of our employment. For Federal employees, the Code of Ethics can serve as a reliable reference point of just what is required of those whose job it is to serve the public. To accomplish that purpose it is essential that the code be prominently displayed in Federal offices. The legislation I am offering today aims to insure that the General Services Administration in conjunction with the executive agencies will undertake a program to provide for the open display of the Code of Ethics in appropriate locations in all Federal offices.

Mr. President, I ask unanimous consent that the text of the bill and the Code of Ethics for Government Service be printed at this point in the RECORD.

There being no objection, the bill and code were ordered to be printed in the RECORD, as follows:

S. 2384

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the General Services Administration (hereinafter in this Act referred to as the "Administrator") shall establish a program under which copies of the Code of Ethics for Government Service (H. Con. Res. 175, Eighty-fifth Congress), in a form suitable for open display, are displayed in appropriate areas of buildings in which at least twenty Federal civilian employees are employed.

SEC. 2. It shall be the duty of the head of any Executive agency (as that term is defined by section 105 of title 5, United States Code) and of the United States Postal Service and the Postal Rate Commission to request from the Administrator the copies of the Code of Ethics prescribed by the program established under the first section and any additional copies that can be appropriately used and to require that such copies be displayed throughout their agencies in appropriate areas, including all reception offices of buildings used by all employees under the jurisdiction of such person.

SEC. 3. The Administrator may accept on behalf of the United States unconditional gifts made for the purpose of carrying out the program established under the first section.

CODE OF ETHICS FOR GOVERNMENT SERVICE

Any person in government service should:

I. Put loyalty to the highest moral principles and to country about loyalty to persons, party or Government department.

II. Uphold the Constitution, laws, and legal regulations of the United States and of all governments therein and never be a party to their evasion.

III. Give a full day's labor for a full day's pay; giving to the performance of his duties his earnest effort and best thought.

IV. Seek to find and employ more efficient and economical ways of getting tasks accomplished.

V. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

VI. Make no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding on public duty.

VII. Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties.

VIII. Never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit.

IX. Expose corruption wherever discovered.

X. Uphold these principles, ever conscious that public office is a public trust.●

By Mr. WILLIAMS (for himself, Mr. PELL, and Mr. RANDOLPH):

S. 2385. A bill to extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, to authorize intensive and remedial education programs for youths, and for other purposes; to the Committee on Labor and Human Resources.

YOUTH ACT OF 1980

● Mr. WILLIAMS. Mr. President, my colleagues and I are introducing today the Youth Act of 1980, President Carter's proposal for a major offensive against joblessness among young Americans. I have been joined in the introduction by Senators PELL and RANDOLPH.

As designed by the administration, the Youth Act consolidates existing authorities under which the Department of Labor has been addressing the needs of young people and proposes a new program of career preparation in the local schools of the Nation.

It is the product of nearly 3 years of intensive experimentation and research on the problems confronting youth in their transition from school to work. Under the Youth Employment and Demonstration Projects Act (YEDPA), enacted in 1977, a wide variety of innovative programs and projects were designed to demonstrate programs and services that hold the greatest promise for providing disadvantaged youth with the skills necessary for productive employment.

The provisions of the Youth Act build on that knowledge and reflect months of work by the Vice President's Task Force on Youth Employment, the National Commission on Employment Policy, and the Office of Youth Programs in the Department of Labor to develop a consensus on the directions that are charted in this legislation.

The predicament of youth facing the competitive labor market in the 1980's will not be resolved by any single legislative design. It will require a major commitment not only by Congress, but also by the key institutions of local governments, local education agencies, community-based organizations, private employers, and organized labor to collaborate as never before in providing disadvantaged youth with the skills necessary to succeed.

Economic experts, public officials, and educators have grown alarmed in the past few years over the worsening plight of jobless youth. The situation became more critical as large numbers of youth and women entered the labor market—many with limited skills—in search of scarce jobs. The unemployment rate for youth has been consistently three times that of the adult labor force, with minority youth unemployment nearly five times higher nationwide. In distressed urban areas and rural pockets of poverty, the unemployment rates for minorities have reached 50 percent or more.

As our society becomes more technologically sophisticated and job requirements become more complex in the 1980's, increasing numbers of disadvantaged youth will be left behind unless they benefit from a more concentrated effort to develop their employability.

Productive employment plays a crucial role in everyone's life. It provides security, self-respect, and self-identity. Our work-oriented society most often defines an individual by what he or she does for a living. When so few jobs are available and youth are frustrated in their efforts to become productive members of the labor force, they cannot long maintain the basic motivations to persist in job search before discouragement and despair win out and income from crime looms as an increasingly attractive alternative.

Youth with marginal skills are the first to be affected by serious economic fluctuations. We saw a clear picture of the human toll exacted from the jobless in this country during the recession of 1975–76 in terms of financial ruin, broken families, the alienation of youth from the work force, and the wreckage of individual hopes. These tragic prospects may be descending on us again.

The President's youth employment initiative is particularly welcome as we move into a new decade with high unemployment and dimming economic hopes. It would target services on those groups most likely to face difficulties in the transition from school to work in the 1980s—young women, minorities, high school dropouts, and youth from low-income families.

It would provide remedial education for those who dropped out of school or were unable to keep up with regular curriculum requirements, meaningful experience in a workplace setting, intensive occupational and skill training, a record of achievement based on the expectations of employers, and an opportunity to develop sound attitudes toward a career.

The long-term economic health of our Nation is dependent on the employability and productivity of its work force. This youth employment initiative is a major step toward improving the employability of youth who will be entering the work force in the coming years.

BASIC PROVISIONS OF THE EMPLOYMENT AND TRAINING ACT—TITLE I

Mr. President, title I of the Youth Act would provide a 4-year authorization for employment and training programs serving youth ages 16–21 who would be the most disadvantaged in the labor market. The programs would be highly targeted to areas with large concentrations of disadvantaged youth and to the individuals with special needs—those who require basic and remedial skill development, lack credentials, are drop-outs or potential dropouts; teenage parents or expectant parents; handicapped youth; those under the jurisdiction of juvenile or criminal justice systems; those who lack equal opportunity due to sex or race; and the long-term unemployed.

The primary emphasis of the programs under this act would be the development of employability for youth rather than on narrowly focused work experience.

Eligible participants who enroll in the programs would be given individual assessments of their needs resulting in a personal employability development plan for the course of their participation. Benchmarks would be established to measure an individual youth's progress in attaining various levels of competency in the program. Individual achievement records would be maintained for participants which could be used as a credential with employers or educators.

Performance standards also would be established for program operators and service deliverers to insure that high standards of quality and integrity are maintained in the programs.

It would make major improvements in consolidating and coordinating current and new programs for youth between local education agencies and CETA prime sponsors. The Governors would have a special responsibility to assure the statewide coordination of resources between various State institutions and agencies serving youth. This major emphasis on coordination of resources and institutions may be the most important improvement in youth employment programs.

The bill would provide programs and services meeting a wide variety of needs relating to levels of maturity and skills with the flexibility necessary for local prime sponsors and educational agencies to serve the differing needs of youth in their communities.

The programs would be designed and administered through the coordinated efforts of State and local governments, educational agencies, private employers, organized labor, and community organizations. It would involve State employment service agencies, community development corporations, and apprenticeship programs as well.

It provides for incentive grants targeted for programs or projects with national or special objectives such as neighborhood rehabilitation and community improvement, weatherization of homes for low-income families, services for special population groups, projects with private employers and economic development agencies, and community development corporations.

Special education cooperation incentive grants would be funded as joint agreements between CETA prime sponsors and local education agencies to insure integrated programs of work experience and education activities including the development of alternative curriculum programs for youth unable to return to the conventional school environment. Community-based organizations, postsecondary institutions, and special apprenticeship programs would be funded under these grants to provide alternative programs for hard-to-reach individuals.

BASIC PROVISIONS OF THE EDUCATION AND TRAINING ACT—TITLE II

Mr. President, title II of this bill would provide for the delivery of basic educational skills and services to youth in about 3,000 targeted school districts. Target schools would be those with high concentrations of poor and low-achieving youth.

Programs would be planned and developed by eligible local schools with the involvement of all elements in the community, including teachers, parents, employers, and community organizations. Goals would be established for each school's program to improve achievement and reduce dropouts and absenteeism. This basic skills program would be integrated into the entire school curriculum and the development of employment and training experiences would be closely linked to the classroom.

The selection of eligible schools would be under the authority of the local school board. The superintendent and the local board would decide which programs among all of the eligible schools submitting plans would be funded. The board would be assisted in making the decisions by a broadly representative advisory council with strong private sector representation. Each local board would adopt performance standards to assess each school's program activities during the 3-year period of grant eligibility. Funds would be distributed in fiscal year 1981 to allow implementation of the programs for the 1981–82 school year.

The bill would also provide a major role for vocational education in improving the employment skills of high school students and in developing special programs for dropouts.

Supplemental grants would be provided to States for those schools with concentrations of poor youth which are ineligible for the basic grants, for supplementing schools receiving small amounts under the basic program, or for other schools unfunded by basic grants. The State grants would also provide for programs serving special need populations such as migrant and seasonal farmworkers, handicapped individuals, and teenage parents.

The major objective of the Education and Training Act is to enhance employability of such young people by providing basic educational skills with special intensity and by assisting the development of basic work skills for youth on the junior high school level and by supplementing vocational education with remedial skills for older youth.

The broad objectives of the bill are laudable and urgently needed. I will join my colleagues on the Labor and Human Resources Committee to be sure that the provisions are adequate enough to assure that those objectives will be met.

We must be concerned, for example, with the effective delivery of special services to young people whose employment prospects are at risk. The Federal Government has nearly 20 years of experience in delivering such services through our States and localities. During that time, we have experienced both successes and failures. It is incumbent upon us to identify clearly the factors most likely to lead the Youth Act to programs capable of reaching our objectives. We must be in a position to assure the young people and their families that they will benefit measurably from it. We must assure the taxpayers who support this program that their investments are cost-effective. We must assure the Congress that a significant social problem—youth unemployment—will be lessened by this program and that our statutory framework will resolve this knotty problem with minimal regulatory and paperwork burdens.

The committee will give special scrutiny to the following concerns:

Effective coordination among educators, employment and training officials, private sector employers, and worker organizations;

Meeting the unique needs of each individual student; and

Workable means for assuring both individual outcomes and program effectiveness.

The youth initiative proposes a high priority. We welcome the proposal and will bend every effort to assure the fulfillment of its visions.

The authorizations for the Youth Employment and Demonstration Projects Act of 1977 will expire on September 30, 1980, which underscores the urgency of using what we have learned under that experience to devise a more effective authorization.

The President has provided room for funding of this legislation in his fiscal year 1981 budget. He has proposed $1.2 billion in budget authority with an anticipated outlay of $150 million in fiscal year 1981. Most of the new budget authority would allow forward-funding of programs under the educational component of the bill, which would provide a stable planning process consistent with our policy of forward funding other education programs.

This legislation is an important step that would commit Federal resources toward achieving a national consensus on the problems of jobless youth. I am anxious to explore in more detail the provisions of the President's proposal in the subcommittee hearings chaired by Senators NELSON and PELL later this week.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY

TITLE II—FINANCIAL ASSISTANCE TO MEET BASIC AND EMPLOYMENT SKILLS NEEDS OF SECONDARY SCHOOL YOUTH

Section 201. Findings; Purpose; Short Title.

This section contains findings with respect to the high rate of unemployment affecting disadvantaged and minority youth, and announces the purpose of Congress to alleviate that condition by means of a new program that relies on secondary schools, employment and training officers, and the business community to improve the basic and employment skills of disadvantaged youth. Title II may be cited as the "Youth Education and Training Act".

Section 202. Duration of Assistance.

This section authorizes the Secretary of Education to make the payments authorized by title II during fiscal years 1981 through 1984.

Part A—Programs operated by local educational agencies

Section 205. Basic Grants—Eligibility and Amount.

This section makes 87.5 percent of the appropriation in any fiscal year available for the purpose of formula grants to local educational agencies. Available funds are distributed among counties in the States on the basis of relative concentration of low income children and per pupil expenditure. The State educational agency, in turn, also distributes the county allocation among the local educational agencies within the county's boundaries based on the concentration of low income children in each local agency.

Section 206. Local Program Application.

This section requires a local educational agency that desires to participate in the program to file an application with the State educational agency.

Section 207. Development of Initial School Plans.

This section requires a local educational agency to use the funds it receives under part A for fiscal year 1981 to make payments to its secondary schools to develop, in consultation with advisory bodies, 3-year plans designed to improve the basic and employment skills of their students. The local educational agency selects schools for planning assistance on the basis of relative concentration of students from low income families and students deficient in basic skills achievement.

Section 208. Requirements for Implementation of School Programs.

This section describes the considerations that a local educational agency must take into account when it reviews the plans submitted by secondary schools under section 207 in order to decide which schools to fund and in what amounts. The section also authorizes a local educational agency to use not more than 2½ percent of available funds for fiscal years after 1981 to support additional school planning activities.

Section 209. Local District Advisory Council.

This section requires a local educational agency that receives funds under the program to establish an advisory council to make recommendations to the agency regarding which secondary schools should receive planning and implementation assistance under sections 207 and 208 and which services should be provided to students in nonpublic schools under section 213.

Section 210. Funds Allocation.

This section contains provisions to ensure that the local educational agency maintains overall fiscal effort and that the schools funded under this title receive regular non-Federal and special Federal, State, and local funds in amounts equivalent to those received by similar schools that do not participate in the program under part A.

Section 211. Complaint Resolution.

This section requires a local educational agency to establish procedures to resolve complaints made by advisory councils, parents, teachers or others regarding violations of law in connection with programs conducted under part A.

Section 212. Reports.

This section requires a local eduucational agency to annually report on the progress made by its schools to achieve their objectives.

Section 213. Participation of Children Enrolled in Private Schools.

This section requires a local educational agency to set aside a proportionate amount of the funds available to it under part A to arrange for the provision of special services to disadvantaged students enrolled in nonpublic schools on a basis comparable to those provided to students enrolled in public schools. The section authorizes the Secretary of Education to arrange for the provision of those services directly in any case in which the agency is prohibited from providing, or otherwise fails to provide, the required services to the students in nonpublic schools.

Part B—Programs operated by State agencies

Subpart 1—Programs for Special Populations

Section 221. Eligibility and Amount.

This section makes 2.5 percent of the appropriation for the title available for the purpose of making payments to State educational agencies, based upon the relative populations in their respective States of migrant children and institutionalized neglected and delinquent children, for the purpose of conducting programs designed to improve the basic and employment skills of those children.

Section 222. Program Requirements.

This section contains the requirements that a State program must satisfy in order to receive funds under subpart 1, and authorizes the Secretary of Education to arrange for the provision of services directly to the target populations whenever this would be more beneficial to the children, or more efficient or economical, than relying upon the State agency.

Subpart 2—State Supplemental Program

Section 231. Eligibility and Amount.

This section makes 10 percent of the appropriation for the title available for the purpose of making payments to State educational agencies, based upon the relative incidence of children from low income families in their respective States, for the purpose of conducting programs designed to improve the basic and employment skills of those children in schools that are eligible for assistance under part A.

Section 232. Program Requirements.

This section contains the requirements that a State program must satisfy in order to receive funds under subpart 2.

Section 233. Advisory Council.

This section requires a State that receives assistance under subpart 2 to establish an advisory council whose members are selected by the Governor and the State educational agency from among the individuals who serve on the State Employment and Training Council, the State Advisory Council for Disadvantaged Children, and the State Advisory Council for Vocational Education.

Subpart 3—Vocational Education Program

Section 241. Payments to State.

This section provides for the payment of 25 percent of a State's allocation under part A, subpart 2 of part B, and section 256 to the sole State agency for vocational education in order to plan and implement programs designed to improve the basic skills, employment skills and special occupational skills of disadvantaged in-school youth in grades 10 through 12 and CETA-eligible, out-of-school youth aged 16 through 19.

Section 242. Program Requirements.

This section contains the requirements that a State program must satisfy in order to receive funds under subpart 3.

Section 243. Local Agency Application.

This section contains the application requirements that a local educational agency must satisfy in order to receive funds from the sole State agency for vocational education under subpart 3.

Part C—General provisions

Section 251. Applicability of General Education Provisions Act.

This section states that the provisions of the General Education Provisions Act applicable to the local, State and Federal administration of education programs apply to programs assisted under title II.

Section 252. Technical Assistance and Dissemination of Information.

This section requires a State educational agency that receives funds under title II to provide technical assistance to local educational agencies and State agencies, and to disseminate to them relevant information that will assist them in conducting and evaluating activities assisted under title II.

Section 253. State Monitoring and Enforcement Plans.

This section describes the elements of the plan to monitor local agency programs that each State educational agency must submit to the Secretary of Education.

Section 254. Complaint Resolution by State Educational Agency.

This section requires each State educational agency to establish procedures to resolve complaints and appeals from decisions of local educational agencies concerning violations of title II or the General Education Provisions Act in connection with programs assisted under title II.

Section 258. Program Development.

This section authorizes the Secretary of Education to set aside not more than one percent of the total appropriation for title II or $10 million, whichever is less, in order to make grants for development and demonstration activities.

Section 259. Programs in the Territories and Schools Operated by the Bureau of Indian Affairs.

This section directs the Secretary of Education to set aside one percent of the total appropriation for title II for the purpose of making payments to the Secretary of the Interior on behalf of Indian youth, and to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands for programs to improve basic and employment skills.

Section 260. Definitions.

This section defines terms used in title II.

Section 261. Authorization of Appropriations.

This section authorizes the appropriation of such sums as may be necessary for the title for fiscal years 1981 through 1984. It also authorizes the appropriation to be included in an Act making appropriations for the preceding fiscal year and to be made available for obligation and expenditure commencing on July 1 for that preceding fiscal year.●

● Mr. PELL. Mr. President, I am pleased to join my distinguished colleague, the Senator from New Jersey, in introducing the Youth Act of 1980.

I agree with the thrust and focus of this legislation. I believe that the fact that 50 percent of our unemployed are young people between the ages of 16 and 21 constitutes the single most dangerous and erosive reality facing our society today.

But I also have a major reservation. I am concerned that this program not be financed at the expense of critically important and successful education programs already in effect. That action would be as tragic as if we ignored the problem of youth unemployment that is before us.

Few problems within our society are as menacing as the alarming rate of unemployment among our young people. The average rate of unemployment for these young people is 13 percent. In my own State of Rhode Island, it is 17.9 percent. For black youth, the national rate of unemployment is close to 40 percent, and in many depressed urban areas, it exceeds 50 percent.

Nor should the immediacy of our fiscal crisis divert our attention from seeking to solve this serious unemployment problem. The concept behind this program is sound. Without improved skills these young Americans will have little chance to become responsible, taxpaying citizens.

It is important, however, that we move with care, that we refrain from raising expectations beyond our ability to produce, that we fashion a program that is as simple and direct as possible, and that it strike at the heart of the problem but not drown in a proliferation of paperwork and bureaucracy.

This, however, is just the tip of the iceberg, the symptom of much larger and more serious problems. For beneath those statistics is the disturbing reality that most of the unemployed youth lack proficiency in basic skills—reading, writing, and computing—and are unprepared in attitude and habits to enter the workplace.

The portent of this situation is ominous. It could well mean that for an entire generation of unemployed young Americans the opportunity for gainful, productive employment will not be possible. The cost of that in social terms would be staggering. But the cost in human terms would literally be devastating.

The tragedy is that our society is already traveling down this dangerous road. To change directions will not be easy, but that should not deter us.

I applaud President Carter and his administration for concentrating upon the problem of unemployed youth. I congratulate them for the public attention they have brought to bear on this situation. As chairman of the Subcommittee on Education, Arts, and Humanities, I can say that we will examine their proposals with recognition of the serious problem at hand, that we shall seek to write an effective legislation program, and that we shall act with dispatch.●

By Mr. HEFLIN (for himself, Mr. KENNEDY, Mr. DECONCINI, Mr. DOLE, Mr. COCHRAN, and Mr. SIMPSON):

S. 2387. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute; to the Committee on the Judiciary.

STATE JUSTICE INSTITUTE ACT OF 1980

Mr. HEFLIN. Mr. President, I am introducing legislation today that will create a structure known as the State Justice Institute. The Institute would provide technical and financial assistance to further the development and adoption of improvements in the administration of justice in State courts throughout the United States.

State courts share with the Federal courts the awesome responsibility for enforcing the rights and duties of the Constitution and laws of the United States. Our expectations of State courts, and the burdens we have placed upon them, have increased significantly in recent years. For example, efforts to maintain the high quality of justice in Federal courts have led to an increasing tendency to divert cases to State courts. The enactment of much recent congressional legislation, and heightened awareness throughout the country generally, in consumer, environmental, health, safety and civil rights areas have placed new demands on our State courts to redress grievances and insure justice for all Americans. The Federal Speedy Trial Act has forced both criminal and civil cases to State courts and decisions of the U.S. Supreme Court have placed increased responsibility on State court procedures.

Testimony taken at the hearings investigating the need for, and feasibility of, such an Institute revealed that because of these and other reasons, 98 percent of all cases tried today are heard in the State courts. It is, therefore, apparent that the quality of justice in the United States is largely determined by the quality of justice in our State courts.

Moreover, there have been major changes in the mission of courts and judges, both in the State and Federal systems, over the last few decades. For instance, earlier in this century there was much argument as to whether or not a judge's function included an obligation to see that cases in their courts moved toward disposition in a regular and efficient manner. Today, however, problems of administration have taken their place along side problems of adjudication as main responsibilities of judges. Nearly everyone has come to acknowledge that today's judges have a duty to insure that their cases do not simply languish on the docket, but instead are moved to a conclusion with as much dispatch and economy of time and effort as practicable.

We do not look unfavorably on the occurrence of any of these events, nor do our State courts shirk from the discharge of their constitutional duties. But it is appropriate for the Federal Government to provide financial and technical assistance to State courts to insure that they remain strong and effective in a time when their workloads are increasing as a result of Federal policies and decisions.

As the late Tom Clark, Associate Justice of the Supreme Court, once wrote:

> Courts sit to determine cases on stormy as well as calm days. We must therefore build them on solid ground, for if the judicial powers fails, government is at an end.

If we are to build our State courts on "solid ground," if we are to have State courts which are accessible, efficient, and just, you must have the following: structure, facilities, and procedures to provide and maintain qualified judges and other court personnel; educational and training programs for judges and other court personnel; sound management systems; better mechanisms for planning, budgeting and accounting; sound procedures for managing and monitoring caseloads; improved programs for increasing access to justice; programs to increase citizen involvement and guaranteed greater judicial accountability.

The creation of a State Justice Institute would be a major step toward the achievement of these goals. The Institute has been endorsed by such organizations as the Conference of Chief Justices, the Appellate Judges Conference, and the Council of the American Bar Association's Division of Judicial Administration. Such an institute—consistent with the doctrines of federalism and separation of powers—could assure strong and effective State courts, and thereby improve the quality of justice available to the American people. I sincerely hope that my colleagues in the Senate will join me in supporting the creation of such an Institute.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "State Justice Institute Act of 1980".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the quality of justice in the Nation is largely determined by the quality of justice in State courts;

(2) State courts share with the Federal courts the general responsibility for enforcing the requirements of the Constitution and laws of the United States;

(3) in the Federal-State partnership of delivery of justice, the participation of the State courts has been increased by recently enacted Federal legislation;

(4) the maintenance of a high quality of justice in Federal courts has led to increasing efforts to divert cases to State courts;

(5) the Federal Speedy Trial Act has diverted criminal and civil cases to State courts;

(6) an increased responsibility has been placed on State court procedures by the Supreme Court of the United States;

(7) consequently, there is a significant Federal interest in maintaining strong and effective State courts; and

(8) strong and effective State courts are those which produce understandable, accessible, efficient, and equal justice, which requires—

(A) qualified judges and other court personnel;

(B) high quality education and training programs for judges and other court personnel;

(C) appropriate use of qualified nonjudicial personnel to assist in court decisionmaking;

(D) structures and procedures which promote communication and coordination among courts and judges and maximize the efficient use of judges and court facilities;

(E) resource planning and budgeting which allocate current resources in the most efficient manner and forecast accurately the future demands for judicial services;

(F) sound management systems which take advantage of modern business technology, including records management procedures, data processing, comprehensive personnel systems, efficient juror utilization and management techniques, and advanced means for recording and transcribing court proceedings;

(G) uniform statistics on caseloads, dispositions, and other court-related processes on which to base day-to-day management decisions and long-range planning;

(H) sound procedures for managing caseloads and individual cases to assure the speediest possible resolution of litigation;

(I) programs which encourage the highest performance of judges and courts to improve their functioning, to insure their accountability to the public, and to facilitate the removal of personnel who are unable to perform satisfactorily;

(J) rules and procedures which reconcile the requirements of due process with the need for speedy and certain justice;

(K) responsiveness to the need for citizen involvement in court activities through educating citizens to the role and functions of courts, and improving the treatment of witnesses, victims, and jurors; and

(L) innovative programs for increasing access to justice by reducing the cost of litigation and by developing alternatve mechanisms and techniques for resolving disputes.

(b) It is the purpose of this Act to assist the State courts and organizations which support them to obtain the requirements specified in subsection (a)(9) for strong and effective courts through a funding mechanism, consistent with doctrines of separation of powers and Federalism, and thereby to improve the quality of justice available to the American people.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Institute" means the State Justice Institute;

(2) "Board" means the Board of Directors of the Institute;

(3) "Director" means the Executive Director of the Institute;

(4) "Governor" means the Chief Executive Officer of a State;

(5) "recipient" means any grantee, contractor, or recipient of financial assistance under this Act;

(6) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(7) "Supreme Court" means the highest appellate court within a State unless, for the purposes of this Act, a constitutionally or legislatively established judicial council acts in place of that court.

ESTABLISHMENT OF INSTITUTE; DUTIES

SEC. 4. (a) There is established in the District of Columbia a private nonprofit corporation which shall be known as the State Justice Institute. The purpose of the Institute shall be to further the development and adoption of improved judicial administration in State courts in the United States. To the extent consistent with the provisions of this Act, the Institute shall exercise the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (except for section 1005(a) of title 29 of the District of Columbia Code).

(b) The Institute shall—

(1) direct a national program of assistance designed to assure each person ready access to a fair and effective system of justice by providing funds to—

(A) State courts;

(B) national organizations which support and are supported by State courts; and

(C) any other nonprofit organization that will support and achieve the purposes of this Act;

(2) foster coordination and cooperation with the Federal judiciary in areas of mutual concern;

(3) make recommendations concerning the proper allocation of responsibility between the State and Federal court systems;

(4) promote recognition of the importance of the separation of powers doctrine to an independent judiciary; and

(5) encourage education for judges and support personnel of State court systems through national and State organizations, including universities.

(c) The Institute shall not duplicate functions adequately performed by existing nonprofit organizations and shall promote, on the part of agencies of State judicial administration, responsibility for success and effectiveness of State court improvement programs supported by Federal funding.

(d) The Institute shall maintain its principal offices in the District of Columbia and shall maintain therein a designated agent to accept service of process for the Institute. Notice to or service upon the agent shall be deemed notice to or service upon the Institute.

(e) The Institute, and any program assisted by the Institute, shall be eligible to be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 and as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code. If such treatments are conferred in accordance with the provisions of such Code, the Institute, shall be subject to all provisions of such Code relevant to the conduct of organizations exempt from taxation.

(f) The Institute shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, guidelines, and instructions under this Act, and it shall publish in the Federal Register, at least 30 days prior to their effective date, all rules, regulations, guidelines, and instructions.

BOARD OF DIRECTORS

SEC. 5. (a)(1) The Institute shall be supervised by a Board of Directors, consisting of eleven voting members to be appointed by the President, by and with the advice and consent of the Senate. The Board shall have both judicial and nonjudicial members, and shall, to the extent practicable, have a membership representing a variety of backgrounds and reflecting participation and interest in the administration of justice.

(2) The Board shall consist of—

(A) six judges, to be appointed in the manner provided in paragraph (3);

(B) one State court administrator, to be appointed in the manner provided in paragraph (3); and

(C) four public members, no more than two of whom shall be of the same political party, to be appointed in the manner provided in paragraph (4).

(3) The President shall appoint six judges and one State court administrator from a list of candidates submitted by the Conferences of Chief Justices. The Conference of Chief Justices shall submit a list of at least fourteen individuals, including judges and State court administrators, whom the conference considers best qualified to serve on the Board. Prior to consulting with or submitting a list to the President, the Conference of Chief Justices shall obtain and consider the recommendations of all interested organizations and individuals concerned with the administration of justice and the objectives of this Act.

(4) In addition to those members appointed under paragraph (3), the President shall appoint four members from the public sector to serve on the Board.

(5) The President shall appoint the members under this subsection within sixty days from the date of enactment of this Act.

(b)(1) Except as provided in paragraph (2), the term of each voting member of the Board shall be three years. Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified.

(2) Five of the members first appointed by the President shall serve for a term of two years. Any member appointed to serve for an unexpired term arising by virtue of the death, disability, retirement, or resignation of a member shall be appointed only for such unexpired term, but shall be eligible for reappointment.

(3) The term of initial members shall commence from the date of the first meeting of the Board, and the term of each member other than an initial member shall commence from the date of termination of the preceding term.

(c) No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

(d) Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

(e) The members of the Board shall not, by reason of such membership, be considered officers or employees of the United States.

(f) Each member of the Board shall be entitled to one vote. A simple majority of the membership shall constitute a quorum for the conduct of business. The Board shall act upon the concurrence of a simple majority of the membership present and voting.

(g) The Board shall select from among the voting members of the Board a chairman, the first of whom shall serve for a term of three years. Thereafter, the Board shall annually elect a chairman from among its voting members.

(h) A member of the Board may be removed by a vote of seven members for malfeasance in office, persistent neglect of, or inability to discharge, duties, or for any offense involving moral turpitude, but for no other cause.

(i) Regular meetings of the Board shall be held quarterly. Special meetings shall be held from time to time upon the call of the chairman, acting at his own discretion or pursuant to the petition of any seven members.

(j) All meetings of the Board, any executive committee of the Board, and any council established in connection with this Act, shall be open and subject to the requirements and provisions of section 552b of title 5, United States Code, relating to open meetings.

(k) In its direction and supervision of the activities of the Institute, the Board shall—

(1) establish such policies and develop such programs for the Institute as will further achievement of its purpose and performance of its functions;

(2) establish policy and funding priorities and issue rules, regulations, guidelines, and instructions pursuant to such priorities;

(3) appoint and fix the duties of the Executive Director of the Institute, who shall serve at the pleasure of the Board and shall be a nonvoting ex officio member of the Board;

(4) present to other Government departments, agencies, and instrumentalities whose programs or activities relate to the administration of justice in the State judiciaries of the United States, the recommendations of the Institute for the improvement of such programs or activities;

(5) consider and recommend to both public and private agencies aspects of the operation of the State courts of the United States considered worthy of special study; and

(6) award grants and enter into cooperative agreements or contracts pursuant to section 7(a).

OFFICERS AND EMPLOYEES

SEC. 6. (a)(1) The Director, subject to general policies established by the Board, shall supervise the activities of persons employed by the Institute and may appoint and remove such employees as he determines necessary to carry out the purposes of the Institute. The Director shall be responsible for the executive and administrative operations of the Institute, and shall perform such duties as are delegated to such Director by the Board and the Institute.

(2) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the Institute, or in selecting or monitoring any grantee, contractor, person,

or entity receiving financial assistance under this Act.

(b) Officers and employees of the Institute shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

(c) (1) Except as otherwise specifically provided in this Act, the Institute shall not be considered a department, agency, or instrumentality of the Federal Government.

(2) This Act does not limit the authority of the Office of Management and Budget to review and submit comments upon the Institute's annual budget request at the time it is transmitted to the Congress.

(d) (1) Except as provided in paragraph (2), officers and employees of the Institute shall not be considered officers or employees of the United States.

(2) Officers and employees of the Institute shall be considered officers and employees of the United States solely for the purposes of the following provisions of title 5, United States Code: Subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance); and chapter 89 (relating to health insurance). The Institute shall make contributions under the provisions referred to in this subsection at the same rates applicable to agencies of the Federal Government.

(e) The Institute and its officers and employees shall be subject to the provisions of section 552 of title 5, United States Code, relating to freedom of information.

GRANTS AND CONTRACTS

SEC. 7. (a) The Institute is authorized to award grants and enter into cooperative agreements or contracts, in a manner consistent with subsection (b), in order to—

(1) conduct research, demonstrations, or special projects pertaining to the purposes described in this Act, and provide technical assistance and training in support of tests, demonstrations, and special projects;

(2) serve as a clearinghouse and information center, where not otherwise adequately provided, for the preparation, publication, and dissemination of information regarding State judicial systems;

(3) participate in joint projects with other agencies, including the Federal Judicial Center, with respect to the purposes of this Act;

(4) evaluate, when appropriate, the programs and projects carried out under this Act to determine their impact upon the quality of criminal, civil, and juvenile justice and the extent to which they have met or failed to meet the purposes and policies of this Act;

(5) encourage and assist in the furtherance of judicial education;

(6) encourage, assist, and serve in a consulting capacity to State and local justice system agencies in the development, maintenance, and coordination of criminal, civil, and juvenile justice programs and services; and

(7) be responsible for the certification of national programs that are intended to aid and improve State judicial systems.

(b) The Institute is empowered to award grants and enter into cooperative agreements or contracts as follows:

(1) The Institute shall give priority to grants, cooperative agreements, or contracts with—

(A) State and local courts and their agencies,

(B) national nonprofit organizations controlled by, operating in conjunction with, and serving the judicial branches of State governments; and

(C) national nonprofit organizations for the education and training of judges and support personnel of the judicial branch of State governments.

(2) The Institute may, if the objective can better be served thereby, award grants or enter into cooperative agreements or contracts with—

(A) other nonprofit organizations with expertise in judicial administration;

(B) institutions of higher education;

(C) individuals, partnership, firms, or corporations; and

(D) private agencies with expertise in judicial administration.

(3) Upon application by an appropriate Federal, State or local agency or institution and if the arrangements to be made by such agency or institution will provide services which could not be provided adequately through nongovernmental arrangements, the Institute may award a grant or enter into a cooperative agreement or contract with a unit of Federal, State, or local government other than a court.

(4) Each application for funding by a State or local court shall be approved by the State's Supreme Court, or its designated agency or council, which shall receive, administer, and be accountable for all funds awarded by the Institute to such courts.

(c) Funds available pursuant to grants, cooperative agreements, or contracts awarded under this section may be used—

(1) to assist State and local court systems in establishing appropriate procedures for the selection and removal of judges and other court personnel and in determining appropriate levels of compensation;

(2) to support education and training programs for judges and other court personnel, for the performance of their general duties and for specialized functions, and to support national and regional conferences and seminars for the dissemination of information on new developments and innovative techniques;

(3) to conduct research on alternative means for using nonjudicial personnel in court decisionmaking activities, to implement demonstration programs to test innovative approaches, and to conduct evaluations of their effectiveness;

(4) to assist State and local courts in meeting requirements of Federal law applicable to recipients of Federal funds;

(5) to support studies of the appropriateness and efficacy of court organizations and financing structures in particular States, and to enable States to implement plans for improved court organization and finance;

(6) to support State court planning and budgeting staffs and to provide technical assistance in resource allocation and service forecasting techniques;

(7) to support studies of the adequacy of court management systems in State and local courts and to implement and evaluate innovative responses to problems of record management, data processing, court personnel management, reporting and transcription of court proceedings, and juror utilization and management;

(8) to collect and compile statistical data and other information on the work of the courts and on the work of other agencies which relate to and effect the work of courts;

(9) to conduct studies of the causes of trial and appellate court delay in resolving cases, and to establish and evaluate experimental programs for reducing case processing time;

(10) to develop and test methods for measuring the performance of judges and courts and to conduct experiments in the use of such measures to improve their functioning;

(11) to support studies of court rules and procedures, discovery devices, and evidentiary standards, to identify problems with their operation, to devise alternative approaches to better reconcile the requirements of due process with the needs for swift and certain justice, and to test their utility;

(12) to support studies of the outcomes of cases in selected subject matter areas to identify instances in which the substance of justice meted out by the courts diverges from public expectations of fairness, consistency, or equity, to propose alternative approaches to the resolving of cases in problem areas, and to test and evaluate those alternatives;

(13) to support programs to increase court responsiveness to the needs of citizens through citizen education, improvement of court treatment of witnesses, victims, and jurors, and development of procedures for obtaining and using measures of public satisfaction with court processes to improve court performance;

(14) to test and evaluate experimental approaches to providing increased citizen access to justice, including processes which reduce the cost of litigating common grievances and alternative techniques and mechanisms for resolving disputes between citizens; and

(15) to carry out such other programs, consistent with the purposes of this Act, as may be deemed appropriate by the Institute.

(d) The Institute shall monitor and evaluate, or provide for independent evaluations of, programs supported in whole or in part under this Act to insure that the provisions of this Act, the bylaws of the Institute, and the applicable rules, regulations, and guidelines promulgated pursuant to this Act, are carried out.

(e) The Institute shall provide for an independent study of the financial and technical assistance programs under this Act.

LIMITATIONS ON GRANTS AND CONTRACTS

SEC. 8. (a) With respect to grants or contracts made under this Act, the Institute shall—

(1) insure that no funds made available to recipients by the Institute shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any Executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative body, or any State proposal by initiative petition, unless a governmental agency, legislative body, a committee, or a member thereof—

(A) requests personnel of the recipients to testify, draft, or review measures or to make representations to such agency, body, committee, or member; or

(B) is considering a measure directly affecting the activities under this Act of the recipient or the Institute;

(2) insure all personnel engaged in grant or contract assistance activities supported in whole or part by the Institute refrain, while so engaged, from any partisan political activity; and

(3) insure that every grantee, contractor, person, or entity receiving financial assistance under this Act which files with the Institute a timely application for refunding is provided interim funding necessary to maintain its current level of activities until—

(A) the application for refunding has been approved and funds pursuant thereto received; or

(B) the application for refunding has been finally denied in accordance with section 8 of this Act.

(b) No funds made available by the Institute under this Act, either by grant or contract, may be used to support or conduct training programs for the purpose of advocating particular nonjudicial public policies or encouraging nonjudicial political activities.

(c) To insure that funds made available under this Act are used to supplement and improve the operation of State courts, rather than to support basic court services, funds shall not be used—

(1) to supplant State or local funds currently supporting a program or activity; or

(2) to construct court facilities or structures, except to remodel existing facilities to demonstrate new architectural or technological techniques, or to provide temporary facilities for new personnel or for personnel involved in a demonstration or experimental program.

RESTRICTIONS ON ACTIVITIES OF THE INSTITUTE

Sec. 9. (a) The Institute shall not—

(1) participate in litigation unless the Institute or a recipient of the Institute is a party, and shall not participate on behalf of any client other than itself; or

(2) undertake to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative body, except that personnel of the Institute may testify or make other appropriate communication—

(A) when formally requested to do so by a legislative body, committee, or a member thereof;

(B) in connection with legislation or appropriations directly affecting the activities of the Institute; or

(C) in connection with legislation or appropriations dealing with improvements in the State Judiciary, consistent with the provisions of this Act.

(b)(1) The Institute shall have no power to issue any shares of stock, or to declare or pay any dividends.

(2) No part of the income or assets of the Institute shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

(3) Neither the Institute nor any recipient shall contribute or make available Institute funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.

(4) The Institute shall not contribute or make available Institute funds or program personnel or equipment for use in advocating or opposing any ballot measure, initiative, or referendum, except those dealing with improvement of the State judiciary, consistent with the purposes of this Act.

(c) Officers and employees of the Institute or of recipients shall not at any time intentionally identify the Institute or the recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.

SPECIAL PROCEDURES

Sec. 10. The Institute shall prescribe procedures to insure that—

(1) financial assistance under this Act shall not be suspended unless the grantee, contractor, person, or entity receiving financial assistance under this Act has been given reasonable notice and opportunity to show cause why such actions should not be taken; and

(2) financial assistance under this Act shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the grantee, contractor, person, or entity receiving financial assistance under this Act has been afforded reasonable notice and opportunity for a timely, full, and fair hearing, and, when requested, such hearing shall be conducted by an independent hearing examiner. Such hearing shall be held prior to any final decision by the Institute to terminate financial assistance or suspend or deny funding. Hearing examiners shall be appointed by the Institute in accordance with procedures established in regulations promulgated by the Institute.

PRESIDENTIAL COORDINATION

Sec. 11. The President may, to the extent not inconsistent with any other applicable law, direct that appropriate support functions of the Federal Government may be made available to the Institute in carrying out its functions under this Act.

RECORDS AND REPORTS

Sec. 12. (a) The Institute is authorized to require such reports as it deems necessary from any grantee, contractor, person, or entity receiving financial assistance under this Act regarding activities carried out pursuant to this Act.

(b) The Institute is authorized to prescribe the keeping of records with respect to funds provided by grant or contract and shall have access to such records at all reasonable times for the purpose of insuring compliance with the grant or contract or the terms and conditions upon which financial assistance was provided.

(c) Copies of all reports pertinent to the evaluation, inspection, or monitoring of any grantee, contractor, person, or entity receiving financial assistance under this Act shall be submitted on a timely basis to such grantee, contractor, or person or entity, and shall be maintained in the principal office of the Institute for a period of at least five years after such evaluation, inspection, or monitoring. Such reports shall be available for public inspection during regular business hours, and copies shall be furnished, upon request, to interested parties upon payment of such reasonable fees as the Institute may establish.

(d) Non-Federal funds received by the Institute, and funds received for projects funded in part by the Institute or by any recipient from a source other than the Institute, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds.

AUDITS

Sec. 13. (a)(1) The accounts of the Institute shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who place or places where the accounts of the jurisdiction in which the audit is undertaken.

(2) The audits shall be conducted at the place or places where the accounts of the Institute are normally kept. All books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Institute and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to any such person.

(3) The report of the annual audit shall be filed with the General Accounting Office and shall be available for public inspection during business hours at the principal office of the Institute.

(b)(1) In addition to the annual audit, the financial transactions of the Institute for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the of the United States.

(2) Any such audit shall be conducted at the place or places where accounts of the Institute are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Institute and necessary to facilitate the audit. The full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to such representatives. All such books, accounts, financial records, reports, files, and other papers or property of the Institute shall remain in the possession and custody of the Institute throughout the period beginning on the date such possession or custody commences and ending three years after such date, but the General Accounting Office may require the retention of such books, accounts, financial records, reports, files, and other papers or property for a longer period under section 117(b) of the Accounting and Auditing Act of 1950 (31 U.S.C. 67(b)).

(3) A report of such audit shall be made by the Comptroller General to the Congress and to the Attorney General, together with such recommendations with respect thereto as the Comptroller General deems advisable.

(c)(1) The Institute shall conduct, or require each grantee, contractor, person, or entity receiving financial assistance under this Act to provide for, an annual fiscal audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the Institute.

(2) The Institute shall submit to the Comptroller General of the United States copies of such reports, and the Comptroller General may, in addition, inspect the books, accounts, financial records, files, and other papers or property belonging to or in use by such grantee, contractor, person, or entity, which relate to the disposition or use of funds received from the Institute. Such audit reports shall be available for public inspection during regular business hours, at the principal office of the Institute.

ADDITIONAL COSPONSORS

S. 1465

At the request of Mr. TALMADGE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 1465. A bill to amend the Farm Credit Act of 1971 to permit farm credit system institutions to improve their services to borrowers, and for other purposes.

S. 1679

At the request of Mr. BAYH, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1679. A bill to amend the Patent Laws, title 35 of the United States Code.

S. 1758

At the request of Mr. LEVIN, the Senator from Michigan (Mr. RIEGLE), the Senator from Montana (Mr. MELCHER), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 1758. A bill to amend title 39, United States Code, to restore to Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 1858

At the request of Mr. BAYH, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1858. A bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 2020

At the request of Mr. COHEN, the Senator from Virgina (Mr. WARNER), and the Senator from Oklahoma (Mr. BELLMON) were added as cosponsors of S. 2020. A bill to amend title 10, United

States Code, to provide expanded opportunities for individuals to earn education benefits based on honorable active service in the Armed Forces, and for other purposes.

S. 2071

At the request of Mr. Cohen, the Senator from Virginia (Mr. Warner), the Senator from Iowa (Mr. Jepsen), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 2071. A bill to provide cancellation of student loans made or guaranteed under the Higher Education Act of 1965 for military service, and for other purposes.

S. 2111

At the request of Mr. Talmadge, the Senator from Louisiana (Mr. Long), the Senator from Mississippi (Mr. Cochran), and the Senator from Arizona (Mr. Goldwater) were added as cosponsors of S. 2111, a bill to incorporate the National Federation of Music Clubs.

S. 2247

At the request of Mr. McClure, the Senator from Colorado (Mr. Armstrong) was added as a cosponsor of S. 2247, a bill entitled "Small and Rural Laboratory Protection Act."

S. 2251

At the request of Mr. Metzenbaum, the Senator from Arkansas (Mr. Pryor), the Senator from South Dakota (Mr. Pressler), and the Senator from Kentucky (Mr. Huddleston) were added as cosponsors of S. 2251, a bill to amend the Clayton Act to prohibit restrictions on the use of credit instruments in the purchase of gasohol.

S. 2258

At the request of Mr. Talmadge, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 2258, a bill to alleviate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on U.S. agricultural producers; and for other purposes.

S. 2283

At the request of Mr. Chafee, the Senator from Missouri (Mr. Danforth), the Senator from Indiana (Mr. Lugar), the Senator from Alaska (Mr. Stevens), the Senator from Wyoming (Mr. Wallop), the Senator from New Mexico (Mr. Schmitt), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 2283, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of earned income of citizens or residents of the United States earned abroad.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. Jepsen, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. Jepsen, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

AMENDMENTS SUBMITTED FOR PRINTING

ELEPHANT PROTECTION ACT OF 1979—H.R. 4685

AMENDMENT NO. 1680

(Ordered to be printed and referred to the Committee on Finance.)

Mr. CHAFEE (for himself and Mr. Culver) submitted an amendment intended to be proposed by them, jointly, to H.R. 4685, the Elephant Protection Act of 1979.

INTERNATIONAL WILDLIFE RESOURCE CONSERVATION ACT OF 1980

Mr. CHAFEE. Mr. President, hundreds of years ago, the United States was in the position that many emerging nations are today. It is really rather an enviable position. What I am talking about is the chance that these nations have to conserve and wisely manage their natural resources, particularly their wildlife, before these resources dissipate or disappear.

As a member of the Senate Committee on Environment and Public Works, I have been made painfully aware of the many serious environmental problems our country currently faces. We have made some precarious decisions over the years when we opted for economic and industrial success, at the expense of our natural resources. Now our country and its citizens are spending billions of dollars to recuperate what we have lost or at least properly manage the fragments of our environment that remain.

Mr. President, I believe that this country is actively striving to find a good balance between today's economic and energy pressures and the need for a clean, livable environment and wildlife conservation. There is certainly no lack of technological expertise, education, and general good will directed toward this goal. By submitting the International Wildlife Resources Conservation Act of 1980 today, as an amendment to H.R. 4685, I, along with the distinguished chairman of the Resource Protection Subcommittee, Senator Culver, is asking that we set our sights a little more broadly. Let us share what we have learned with other countries so that they can avoid some of the damage that we are forced to address in our own country retroactively.

Nowhere among the world's natural resources decline is there a more extreme case than in the area of wildlife and its habitat. We attempt to deal with species-by-species disappearance, through trade laws and such, but the quagmire is much deeper and so must be our approach.

I was dismayed at the tragedy of our wildlife resources highlighted during recent hearings of the Resource Protection Subcommittee of the Environment and Public Works Committee. We see species gradually disappearing from the Earth. Loss of habitat vital to wildlife, such as tropical rain forests, is a serious threat to our international wildlife resource. And I might add that one country's loss of habitat might trigger a decline in a migratory species of unique importance far beyond the boundaries of that land.

Two major problems seem to be accelerating around the world—deforestation and desertification. These two scourges of the world environment are the end result of poor forestry or forestry practices. In most instances such impacts can be avoided by the use of modern agricultural or forestry management practices and having a knowledge of the particular weaknesses and strong points of the ecosystem in which these uses are occurring. Members of the subcommittee learned that in all too many instances such knowledge is not available and the result is destruction of habitat leaving the area fit for neither man nor beast.

We all have a stake in preserving and managing the world's wildlife population. Every nation, both those who are just now developing economically and those who have perfected wildlife management methods, will bear the effects if this wonderful resource is allowed to spiral into a drastic decline. That is why a coordinated international effort, a world conservation strategy, is being announced in nations all over the world today, March 5. The OAS is the center for the announcement of our Western Hemisphere efforts.

The scope of the problem may dismay us, but there is a ray of hope in it all. Because there is the prospect that a country with the economic, scientific, and management capabilities such as ours can, with a little bit of care and commitment, try to change the deteriorating fate of our planet's wildlife.

That is what the legislation we are introducing today is all about. It is positive in its approach. Among its features is an international conservation corps system whereby experts from our country can assist other nations in developing their capability to manage their living natural resources. Training opportunities in wildlife conservation for selected foreign nationals, formal or "on the job," will also be provided. A small group of resource attachés will be stationed abroad in key regions, to be sources of needed conservation information. These and other key features of this legislation are further explained in an analysis which I shall submit for the Record at the conclusion of my remarks.

Now, what money amount are we talking about here? Billions? Absolutely not. We cannot afford to take care of all the world's resources ourselves.

But we can share our expertise and training with other nations. Therein lies the advantage of this approach. It does not take a lot of money. I have a hard time thinking of a program where the benefits could be greater for the modest amounts spent. This could be our Nation's commitment to preservation of global wildlife resources.

Earlier today, I was speaking with representatives of other nations and international organizations who share this goal. We had gathered at the halls of the OAS to participate in the announcement of our Western Hemisphere's efforts in the new world conservation startegy. I issued a general challenge at that session, in light of the strategy, that other nations join the United States in making a commitment, however modest, to turn the tide on the deterioration of our wildlife. Creativity can be even more important than dollars here, and no nation will admit to being short on creativity.

I am hopeful that the Senate will join with our Environment and Public Works Committee, Senator CULVER and me in exploring ways to fulfill the conservation role that we know this country and its wildlife managers, scientists, and its general citizenry are capable of playing.

Mr. President, I ask unanimous consent that the text of the amendment along with the analysis be printed in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

At the end thereof add the following new Title II.

SEC. 201. This title may be cited as the "International Wildlife Resources Conservation Act of 1980."

SEC. 202. FINDINGS, PURPOSES AND POLICY.

(a) FINDINGS.—The Congress hereby finds and declares that—

(1) the political, economic and social stability of the world is dependent to a great extent upon the degree to which the rising expectations of the global human populations are met:

(2) realization of these expectations is dependent, in part, upon the wisdom and expertise applied to the development of the world's natural resources;

(3) wild flora, fauna and the habitats upon which they depend represent renewable, living natural resources of inestimable scientific, economic, agricultural, medical, silvacultural, horticultural, ecological, educational, historical, cultural, recreational, and esthetic value which, if conserved and utilized in an ecologically sound manner, are inexhaustible;

(4) many developing nations are aware of these values and are seeking assistance in formulating the capabilities needed to properly integrate conservation of their wildlife resources with their social, economic and agricultural development;

(5) the United States is among the most advanced nations in the world in the conservation of wildlife resources; and

(6) sharing of this expertise with other nations or organizations thereby helping them establish and maintain ecologically responsible and sustainable wildlife resource conservation and development programs, is in the best interests of the United States, other nations and mankind.

(b) PURPOSE.—The purposes of this Act are to provide means to enable specialized agencies of the U.S. government, such as the U.S. Fish and Wildlife Service, to (1) encourage other governments and international organizations to establish and maintain institutions, systems, and procedures to ensure proper conservation and utilization of wildlife resources; (2) facilitate the worldwide sharing of wildlife resource conservation capability; (3) provide for the education or training of foreign nationals in the conservation or administration of wildlife resources; (4) improve the United States government's level of knowledge concerning the conservation status of wildlife resources throughout the world thereby providing for use in U.S. actions within foreign nations, reliable information upon which to base decisions concerning sound enhancement of utilization of their wildlife resources; and (5) provide for the proper coordination of activities carried out pursuant to this Act.

(c) POLICY.—It is declared to be the policy of Congress that all Federal departments and agencies shall encourage as is practicable, wildlife resources worldwide in furtherance of the purposes of this Act.

SEC. 203. DEFINITIONS.—For the purposes of this Act—

(1) the term "conservation" shall include all activities associated with ecologically sound scientific resource management including, but not limited to, research, census, law enforcement, habitat acquisition and maintenance, propagation, and sustainable harvest.

(2) the term "international organization" means any organization whose reasons for being include, but are not necessarily limited to, the conservation of wildlife resources; whose membership is open to and is comprised of citizens of two or more nations and of which the United States government or any department or agency thereof is a member.

(3) the term "wildlife resources" means any non-cultivated plants or non-domesticated animals, and the habitats upon which they depend, including wild varieties of cultivated plants or domesticated animals, except marine fish or marine crustaceans.

(4) the term "Secretary" means the Secretary of the Interior acting through the United States Fish and Wildlife Service.

SEC. 204. International Conservation Corps—

(a) The Secretary may, pursuant to the provisions of Title 5 of the United States Code, but without regard to those provisions of that Code which govern appointments in competitive service, assign to the Department of the Interior employees of State or local governments, research institutions, institutions of higher education or nongovernmental conservation organizations who are competent in the conservation of wildlife resources. Such employees may:

(1) be appointed to the Department of the Interior; or

(2) be deemed on detail to the Department of the Interior.

(b) On request from or with the concurrence of a foreign government or upon request from an international organization and with the concurrence of any appropriate foreign government and after appropriate consultation with the Secretary of State, the Secretary may arrange for the assignment of any employee of the Department of the Interior, or any person appointed or detailed to the Department of the Interior pursuant to subsection (a) of this section, to a foreign government, international organization, foreign research institution, or institution of higher education, for work of mutual concern to the Department and the foreign government or international organization involved. The duration of assignments under this section shall be up to 2 years. However, the Secretary may extend the period of assignment for not more than 2 additional years.

(c) The Secretary may provide such other assistance as he deems advisable in support of projects undertaken pursuant to this section.

SEC. 205. TRAINING OF FOREIGN NATIONALS.—After appropriate consultation with the Secretary of State, the Secretary may provide financial assistance for the training of foreign nationals in the field of wildlife conservation and administration. Such training may be conducted in the United States or elsewhere and may include, but shall not be limited to:

(1) formal training conducted at or in cooperation with research institutions or institutions of higher education, particularly those institutions where fish or wildlife cooperative units are being operated;

(2) specific, problem-oriented training courses or programs conducted by or in cooperation with international, national or local governmental or nongovernmental wildlife resource conservation agencies or organizations, research institutions or institutions of higher education; and

(3) on-the-job training provided by or in cooperation with international, national or local governmental or non-governmental wildlife resource conservation agencies or organizations, research institutions of higher education.

SEC. 206. REGIONAL WILDLIFE RESOURCE ATTACHEES.

(a) After giving due consideration to ecological, commercial, political and other relevant factors, the Secretary and the Secretary of State by mutual agreement are hereby authorized and directed to delineate globally up to ten (10) geographic regions, to be known as Regional Wildlife Resource Conservation Regions. From time to time, as changing conditions warrant, they may increase or otherwise alter the boundaries of any such Wildlife Resource Conservation Regions.

(b) The Secretary is authorized and directed, after consultation with the Secretary of State, to assign abroad personnel qualified in the field of wildlife resource conservation who shall serve as Regional Wildlife Resource Attachees. Except in extraordinary circumstances there shall be no more than one (1) such Regional Wildlife Resource attachee assigned to a given Wildlife Resource Conservation Region.

(c) The functions of these Wildlife Resource Attachees, as related to their assigned geographic region shall include, but not be limited to:

(1) establishment of effective liaison with international, national, and locol governmental non-governmental agencies and organizations and persons involved in, or knowledgeable of, wildlife resource conservation;

(2) provision of expert wildlife resource staff assistance to U.S. embassies, U.S. Agency of International Development offices, U.S. overseas military installation or other U.S. government or private interests;

(3) acquisition and dissemination of reliable data or information concerning:

(A) the status of species of wild fauna and flora;

(B) statutes, orders, regulations, or other laws pertaining to the taking, collecting, import, export, and other aspects of the conservation of wildlife resources;

(C) the potential impact upon wildlife resources of actions authorized, funded or carried out by the United States;

(D) opportunities to initiate or enhance the efficiency of wildlife resource conservation by the transfer of U.S. expertise through technical assistance, training, exchange of publications or otherwise;

(4) liaison with persons responsible for implementation of actions authorized, funded or carried out by U.S. agencies or persons under the jurisdiction of the United States to provide information necessary for making sound conservation decisions;

(5) any other functions which may be relevant to U.S. obligations or authorities in the field of wildlife resource conservation and which are mutually acceptable to the Secretary of State and the Secretary.

SEC. 207. PROVISION FOR ALLOWANCES AND BENEFITS.—Persons who are employed by or assigned to Executive agencies and who, pursuant to this Act, are stationed outside the continental United States shall be entitled to such allowance, differentials and other benefits as are provided for in Titles 5 and 22 of the United States Code.

SEC. 208. USE OF U.S. OWNED EXCESS FOREIGN CURRENCIES—

(1) The Secretary is authorized to provide from U.S. owned excess foreign currency wildlife resource conservation assistance (which may include, but is not limited to, the acquisition, by lease or otherwise, of lands, waters, or interests therein) to foreign countries under this section under such terms and conditions as he deems appropriate.

(2) As a demonstration of the United States to the worldwide conservation of wildlife resources, the Secretary may, subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953 (31 U.S.C. 724), use foreign currencies accruing to the United States Government under the Agricultural Trade Development and Assistance Act of 1954 or any other law to provide to any foreign country (with its consent) assistance in the development and management of programs in the country which the Secretary determines to be necessary or useful for the conservation of wildlife resources.

(3) Whenever foreign currencies are available for the provision of assistance under (1) and (2) of this section such currencies shall be used in preference to funds appropriated under the authority of this Act. However, any such foreign currencies shall be in addition to and not in lieu of any funds appropriated or otherwise made available to the Secretary for the purposes of implementing this Act.

SEC. 209.—ADVISORY COUNCIL ON INTERNATIONAL WILDLIFE RESOURCE CONSERVATION POLICY.—

(a) (1) There is hereby established the Advisory Council on International Wildlife Resource Conservation Policy (hereinafter referred to as the "Council"), which shall be composed of the following members or their designees:

(A) the Secretary, whose representative shall serve as a permanent chairman;

(B) the Secretary of State;

(C) the Secretary of Defense;

(D) the Secretary of Agriculture;

(E) the Secretary of Commerce;

(F) the Administrator of the Environmental Protection Agency;

(G) the Chairman of the Council on Environmental Quality;

(H) the Administrator of the Agency for International Development;

(I) the Director of the National Science Foundation;

(2) two members, appointed by the Secretary, from among officers and employees of the State agencies having direct responsibility for management and preservation of fish and wildlife resources within the State.

(3) two members, appointed by the Secretary, from among the public with interest or expertise in international living natural resource conservation; and

(4) the Secretary of the Smithsonian Institution is invited to appoint a member.

(b) To the maximum extent practicable the Secretary in appointing Council members under section 9(a)(2) and section 9 (a)(3) and those members designated under section 9(a)(1) in choosing their designees should endeavor to assure that such members are knowledgeable in the area of international wildlife conservation.

(c) The term of office of a member of the Council appointed under subsection (a) of this section is two years and an individual may be appointed under such paragraph for not more than two (2) consecutive terms.

(d) Members of the Council who are not regular full-time employees of the United States, or of a State agency, while serving on the business of the Council, including travel time, may receive compensation at rates not exceeding the daily rate of GS–18; and while so serving away from their homes or regular place of business, all members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of Title 5, United States Code, for individuals in the Government service employed intermittently.

(e) The Council shall from time to time examine and report to the Senate Committee on Environment and Public Works and the Committee on Merchant Marine and Fisheries in the House of Representatives on activities carried out by the United States which may effect the attainment of the purposes of this Act.

(f) Not later than eighteen months after its establishment, the Council shall submit to the Environment and Public Works Committee in the Senate and the Committee on Merchant Marine and Fisheries in the House of Representatives a report which shall include its views and recommendations on:

(1) progress and problems encountered in implementing this Act;

(2) geographic areas outside the territorial limits of the United States, in which significant wildlife resource conservation problems or opportunities exist and which should be given high priority;

(3) species, habitat or other wildlife resource conservation subject areas in which significant problems or opportunities exist and which should be given high priority;

(4) any measures the United States could take which would stimulate other nations to enhance the conservation of wildlife resources; and

(5) any additional authority or resources needed to more efficiently implement this Act or any recommendations submitted pursuant to this paragraph.

(g) The Council shall not be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.; 86 Stat. 770). The Council may establish its own operating procedures and shall meet from time to time; such meetings shall be open to the public and all reports and proceedings of the Council shall be available to the public. The Secretary is authorized to make available to the Council, on such basis as is deemed appropriate by the Secretary, such staff as may be necessary to assist the Council in carrying out its responsibilities.

(h) In the discharge of its responsibilities, the Council shall, to the extent practicable, ascertain the views and utilize the expertise of the governmental and nongovernmental scientific communities, State agencies responsible for the conservation of wild fauna and flora, and others as appropriate.

SEC. 210. REGULATIONS.—The Secretary is authorized to promulgate such regulations as may be appropriate to carry out the provisions of this Act.

SEC. 211. PROGRAM TO CONSERVE THE AFRICAN ELEPHANT.—In carrying out his responsibilities under this Act, and using other authorities available to him, the Secretary shall design a comprehensive program to conserve the African Elephant (Loxodonta africana). The program shall include measures designed to:

(1) assist in monitoring and managing pressures on wild populations;

(2) enhance the enforcement of applicable domestic and international conservation laws;

(3) insure that the import of elephants or of products derived from them are not detrimental to the wild populations; and

(4) insure that any living elephant imported will be prepared and shipped so as to minimize the risk of injury or damage to health and will not be cruelly treated.

SEC. 212. AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Department of the Interior to carry out the purposes of this Act—

(a) the sum of $7,000,000 for the fiscal year beginning September 30, 1981, of which sum $1,000,000 shall be applied to programs under this Act regarding the African elephant and up to $1,500,000 may be applied to implementation of section 206 of this Act; and

(b) the sum of $7,000,000 for the fiscal year beginning September 30, 1982, of which sum $1,000,000 shall be applied to programs under this Act regarding the African elephant and up to $1,500,000 may be applied to implementation of section 206 of this Act; and,

(c) the sum of $7,000,000 for each of the fiscal years beginning September 30, 1983, and September 30, 1984, of which sums not more than $3,000,000 may be utilized each year for implementation of section 206.

SUMMARY OF: "INTERNATIONAL WILDLIFE RESOURCES CONSERVATION ACT OF 1980"

AMENDMENT TO H.R. 4685

This bill would enable the U.S. to more efficiently encourage and assist other nations to carry out effective wildlife conservation and sustainable utilization of international wildlife and habitat upon which it is dependent, thus helping insure the continual availability of these resources for man's future food, fibre, medicinal, recreational and other needs. This will be accomplished primarily through the more efficient sharing of wildlife conservation expertise by:

The establishment of an "International Wildlife Conservation Corps." This "Corps" would not be a large organization but rather a system whereby U.S. experts working within the federal, state or private wildlife conservation communities could be identified and made available to other nations to assist them in developing programs, systems, institutions or other means of improving their capability to manage their wildlife and habitat resources;

The establishment of a system to provide selected foreign nationals formal, problem-oriented or "on-the-job" type training opportunities in the field of wildlife resource conservation and administration in the U.S. or elsewhere;

The establishment of a small group (not more than 10) of "Regional Wildlife Resource Attachees" to be stationed abroad to help insure that: actions taken by the U.S. government which may affect the conservation or utilization of wildlife and habitat are based upon the best information available.

The establishment of an "Advisory Council on International Wildlife Conservation Policy" comprised of representatives of appropriate federal agencies, the National Science Foundation, the States, and the Public which would coordinate activities that may effect the attainment of the purposes of this Bill and report to the Congress on: geographic and subject areas to be given priority under the Bill; progress and problems in implementation of the Bill and other relevant matters.

The Bill also authorizes: the use of U.S. owned, excess foreign currencies for wildlife conservation purposes, and the appropriation of $7,000,000 per year to implement the Act.

The Secretary of the Interior, acting through the Fish and Wildlife Service, in consultation and cooperation with the Secretary of State, would be responsible for implementation of the Act.

MILITARY CONSTRUCTION AUTHORIZATIONS—S. 2333

AMENDMENT NO. 1681

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. COHEN submitted an amendment intended to be proposed by him to S. 2333, a bill to authorize certain construction at military installations, and for other purposes.

● Mr. COHEN. Mr. President, I am introducing this afternoon an amendment to the administration's military construction authorization request for fiscal year 1981. My amendment is designed to enable the Air Force and the Department of Defense to meet the military construction program and family housing program needs which the Strategic Air Command (SAC) has identified at Loring Air Force Base in Limestone, Maine.

My amendment is necessary because both the fiscal year 1980 and fiscal year 1981 military construction and family housing requests were formulated in the period during which the Department of the Air Force planned to reduce this facility by 83 percent.

Following a protracted debate on Loring's past and potential value to the defense of our country, Defense Secretary Brown announced on October 31, 1979, the Department's decision not to implement its earlier reduction plans for the facility. Despite this decision, significant deterioration of Loring was permitted to occur while SAC and the Air Force were studying the possibility of a reduction and later during the period in which the Air Force was waiting for the reduction to be implemented. Unless prompt action is taken to deal with this deterioration, Loring's mission might have to be curtailed, to the detriment of the Strategic Air Command and our country's defense readiness.

The Commander in Chief of the Strategic Air Command, Gen. R. H. Ellis, sent a SAC evaluation team to survey Loring's immediate requirements late last year. The information gathered by this group was studied by SAC and a long range catch-up plan was developed by the command. My amendment would authorize those projects in the plan which come under the purview of the Military Construction Subcommittee of the Armed Services Committee and which, according to SAC, should be accomplished at Loring by the close of fiscal year 1981. My objectives are the same as General Ellis': To permit the facility to accomplish its primary strategic mission, to upgrade operational facilities and to improve the quality of life for those who are assigned there.

Specifically, my amendment would add $19,915,000 in military construction program authority to the $7,400,000 requested for Loring in fiscal year 1981 by the administration. In addition, it would add $17,245,800 in family housing program authority to the $3,000,000 requested for Loring in fiscal year 1981 by the administration. The projects which would be authorized are as follows:

Military construction, Air Force

[In thousands of dollars]

Project:	*Cost*
WSA security system modifications	$2,600.0
Communications facility 5000	210.0
Energy conservation package (4 bldgs)	895.0
Dedicated alert runway	10,800.0
Energy monitoring and control system	610.0
Unaccompanied personnel housing (450 cap)	4,500.0
Fuel cell dock alterations	300.0

Family housing, defense

(Maintenance of real property)

Project:	*Cost*
Rehabilitation of appropriated housing	3,078.5
Overlay roads	298.4
Paint exterior trim	272.0
Replace boilers (Wyoming Circle)	
Replace boilers (Wells Drive)	26.3
Replace heating systems, Presque Isle	1,484.4
Paint exteriors on-base capehart	64.6
Repair sidewalks	150.2
Paint interiors	149.0
Repair off-base capeharts (4 projects)	518.9
Replace electrical "H" frames	45.0
Replace street lights	93.6
Rehabilitate baths/kitchen—on-base capehart	241.1
Paint exterior—off-base capehart	38.8

Family housing, defense

(Improvement of existing facilities)

Upgrade/rep 400 wherry houses and garages	9,681.0
Const garages and vestibules for 114 off-base capeharts	1,104.0

One concluding point, Mr. President. I wish to make clear that the amendment which I am introducing today will address only a portion of Loring's deterioration problems. The Strategic Air Command's evaluation of Loring's needs also indicates that a substantial increase in Operations and Maintenance funds must be forthcoming in fiscal year 1981 in order to preserve and maintain Loring's value to our national defense. At the appropriate time, I plan to offer an amendment providing such an increase.●

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold two hearings on S. 2040, the Small Business Export Expansion Act and S. 2104, the Small Business Export Development Act. The hearings will begin at 9:30 a.m. on March 12 and 13, in room 424 of the Russell Senate Office Building. Further information can be obtained from the committee's offices at 224-5175.●

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

● Mr. HUDDLESTON. Mr. President, I wish to announce that the Agriculture Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices has scheduled a field hearing on March 14 in Louisville, Ky. The purpose of the hearing will be to determine the effect of alcohol fuels development on agriculture production, price support programs, and commodity reserves.

The hearing will begin at 9 a.m. in meeting room 3, East Wing of the Kentucky Fairgrounds Exhibition Center. For further information, please contact the Agriculture Committee staff at 224-2035.●

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I would like to announce 2 days of hearings that will be held by the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs. On Tuesday, March 11, and Wednesday, March 12, 1980, the subcommittee will hold hearings on S. 1699, legislation which would provide financial and technical assistance to States, local governments, and regional agencies to promote the establishment of programs to mitigate certain adverse social and economic impacts caused by major energy developments.

Tuesday's hearing will begin at 9:30 a.m. and will be held in room 1202 of the Dirksen Senate Office Building. On Wednesday the hearing will start at 10 a.m. and will also be held in 1202 Dirksen Senate Office Building.

If you have any questions regarding the hearing, please contact Sandy Spector of the subcommittee staff at 224-2627.●

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, the meeting of the Subcommittee on Child and Human Development to consider S. 1843/H.R. 2977 previously scheduled for March 27 will be held on Wednesday, March 26, at 9 a.m. until 11 a.m. in room 4232 Dirksen.●

OCCUPATIONAL SAFETY AND HEALTH PROGRAM

● Mr. WILLIAMS. Mr. President, it is now nearly 10 years since the Occupational Safety and Health Act became law. During its history, our national program to provide safe and healthful workplaces has made significant progress in protecting workers. But, the program has had its opponents, and has been adversely affected by limitations placed on the appropriations made available to the Occupational Safety and Health Administration. In addition, several bills have been introduced which would substantially alter either the scope of the act or the method of its enforcement.

The Committee on Labor and Human Resources will conduct hearings on the OSHA program, a program which I believe to be of fundamental importance to America's workers. It is now time, 10 years after enactment, to carefully evaluate the current operation of the program.

A thorough review of the existing program is essential to a fair assessment of the several pending proposals to change the program.

The first phase of the hearings will focus on program evaluation, under the following schedule:

Tuesday, March 18, 1980, 9:30 a.m.: Worker and employer education—consultation—new directions.

Friday, March 21, 1980, at 9:30 a.m.: OSHA enforcement.

Friday, March 28, 1980, at 9:30 a.m.: OSHA, 10 years after enactment—a review of the progress of the occupational safety and health program.

In the second phase of these hearings, the committee will turn its attention to assessment of various proposals to amend the Occupational Safety and Health Act of 1970.

Specifically, the committee will consider the effects on the workplace safety and health program of S. 1486, a bill to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act; S. 15772, a bill to exempt family farms from the Occupational Safety and Health Act; and S. 2153, a bill to amend the Occupational Safety and Health Act of 1970 to concentrate enforcement activities on hazardous workplaces and encourage self-initiative in improving occupational safety and health, and for other purposes.

This phase of the hearings will be held on Tuesday, Wednesday, and Thursday, April 15, 16, and 17, 1980, beginning at 9:30 a.m. each day.

All of these hearings will be held in the Committee on Labor and Human Resources' hearing room, room 4232 of the Dirksen Senate Office Building.

Persons seeking additional information on these hearings, and those who wish to testify should contact Michael L. Goldberg, of the committee staff, room 4230, Dirksen Senate Office Building, U.S. Senate, Washington, D.C. 20510 ((202) 244–3674).●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MILITARY CONSTRUCTION AND STOCKPILE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Military Construction and Stockpile of the Committee on Armed Services be authorized to meet during the session of the Senate today to consider S. 2833, the Department of Defense military construction authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the committee on Armed Services be authorized to meet during the session of the Senate today to consider S. 2294, the fiscal year 1981 Department of Defense military authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GENERAL PROCUREMENT AND SUBCOMMITTEE ON MANPOWER PERSONNEL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on General Procurement and the Subcommittee on Manpower Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate tomorrow, March 6, to hold hearings on S. 2294, the fiscal year 1981 Department of Defense military authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Friday, March 7, to consider pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate tomorrow to hear administration officials on conventional arms transfer policy.

The PRESIDING OFFICER. Without objection, so ordered.

SUBCOMMITTEE ON MERCHANT MARINE AND TOURISM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Merchant Marine and Tourism of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold hearings on S. 2248, the U.S. Travel Service authorization bill.

The PRESIDING OFFICER. Without objection, so ordered.

ADDITIONAL STATEMENTS

REPORTS OF SOVIET USE OF NERVE GAS

● Mr. GARN. Mr. President, the reports of Soviet use of chemical and biological weapons in Afghanistan should concern every American. These are weapons of mass destructive capability. The evidence is becoming increasingly persuasive.

I would call my colleagues' attention to the following unclassified segment of a classified DIA report on the Soviet use of chemical weapons. It states:

> (U) 1976 to present, Laos/Kampuchea—the evidence is highly convincing that a lethal chemical agent has been used by Vietnamese and Laotian government forces against rebel tribesmen in these areas. The evidence comes primarily from the interrogation of refugees. A few reports of use in Laos go back to the mid-1970's, and reports became more frequent in late 1978. All reports referred to air delivery of a chemical agent causing severe illness or death. In May 1979 initial interviews were conducted by a U.S. State Department representative of more than 20 H'Mong refugees who claimed to have been eyewitnesses or victims. These interviews showed that there was reason to believe lethal chemical agents were being employed on a significant scale.
>
> (U) In late September 1979, an Army medical team interviewed over 40 H'Mong eyewitnesses who claimed first hand knowledge of gas attacks on over 25 villages in Laos. Although details of the attacks varied, the agent was most frequently described as "yellow rain" or red clouds, disseminated by spray tanks or aerial rockets. Symptoms included coughing, vomiting, dizziness, burning skin and eyes, blisters, runny nose, diarrhea, bloody sputum, painful breathing, convulsions, paralysis and death within minutes to hours. The medical team produced a report that elaborated on the type of attacks and the medical symptoms of alleged victims. In some cases the reported symptoms could be attributed to riot control agents, but the majority of attacks suggest an unknown type of nerve gas or a combination of lethal agents. The reported symptoms were strikingly similar to those reported in Yemen. No confirming medical or physical evidence was obtained by the team. Samples of "poison gas residue" claimed by the H'Mong to have been collected at the sites of two attacks were chemically analyzed, but results have been inconclusive, probably due to the age of the samples. An interesting report was obtained from one refugee. Several hours after an attack on his village, in September 1978, Pathet Lao soldiers wearing masks entered the village, rounded up the survivors (15-20) and gave them injections. The next day the survivors were carried to a hospital in another village and were given additional injections on the second and fifth day after the attack. Five of this group subsequently died, apparently from the injections. This report suggests an attempt at evaluating the results of chemical attacks and indicates that some experimental therapy may have been conducted.

The DIA report concludes by noting that one common element to all the reports on Soviet or Soviet sponsored use of chemical weapons is a lack of capability to retaliate by the other side. The same can be said about the current U.S. capability to retaliate to Soviet use of chemical weapons.

In addition, the Baltimore Sun reported on Monday, March 3, that there is increasing evidence of the use of nerve gas by Soviet troops in Afghanistan. If these reports are true, Mr. President, they reflect a situation which demands the attention of deterring the use of such weapons, but we must address the question of preparing ourselves to defend against the use of such agents in a battlefield situation. It is an area of our defense capability that is not very comforting to discuss, and has been too long neglected. I commend the Sun article to my colleague's attention and ask that it be printed in the RECORD in its entirety at this point.

The article follows:

NEW REPORTS SUGGEST SOVIET USE OF NERVE GAS

(By Charles W. Corddry)

WASHINGTON.—Government sources report several new instances in which Soviet troops are believed to have used lethal nerve gas in trying to put down rebellion against their invasion of Afghanistan.

In one case, according to reports circulating in official quarters, 60 to 100 Afghans are believed to have died in an attack in late January on a village in Badakhshan province in northeastern Afghanistan.

Another 10 to 20 are reported to have died in February attacks in Badakhshan and neighboring Takhar province. Other instances are recounted in the official reports, all said to be in addition to the cases previously cited by officials in January.

At that time, the government did not make official accusations against the Soviet Union regarding use of nerve gas, and it apparently still is unready to do so.

To be able to do that, officials said, the government would want such confirming evidence as laboratory samples of the nerve agent or an autopsy performed on a victim.

In January, the State Department spokesman, Hodding Carter III, referred to unconfirmed reports of chemical warfare, which if true would be "outrageous and inhumane acts against defenseless peoples."

In private, officials' comments were less cautious, leaving no doubt they were convinced the Soviet Union had employed the deadly nerve gas.

The reports circulating in official quarters here are based mainly on interrogation of Afghan refugees, including at least one army officer. Descriptions of victims' symptoms—vomiting, loss of motor functions and quick death—fit what is known about the effects of the nerve agent Soman, officials said.

Reports also accord with other known details of Soviet actions in specific places at specific times, it was said. The incident reported in the northeast in late January, for example, occurred at a time when rebels had ambushed a Soviet column attempting to relieve an Afghan army unit.

As the State Department's Mr. Carter pointed out earlier, the Russians were known to have taken chemical decontamination equipment into Afghanistan. And Soviet planes were known to have been operating in areas where nerve gas attacks later were reported.

The latest instances of reported chemical warfare in Afghanistan came to light as the Soviet position in that country, by all accounts, continued to deteriorate.

Intelligence sources said there were reports from Russia as well as Afghanistan that 1,500 to 2,000 Soviet troops may have died since the late December invasion. Previously, reports have indicated there may have been 5,000 killed and wounded, but this was the first indication of such a high rate of deaths alone.

The same reports suggested the casualty reports were beginning to worry the Kremlin. Party leaders were reported to be receiving protesting letters from relatives and friends of the troops in Afghanistan, saying death in defense of the homeland was one thing and death in Afghanistan was quite another.

The military analysis here, nonetheless, is that the Soviet Union will have to expand its current 75,000-man force in Afghanistan if it is to make a firm place for itself in that country. More and more, reports to Washington describe the rebellion against the invasion as a nationwide phenomenon.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 43 that I place in the Congressional Record this notice of a Senate employee who participates in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received requests for a determination under rule 43 which permits Thomas Wasinger, of the staff of Senator Jepsen, to participate in a program sponsored by a foreign educational and charitable organization, Tunghai University of Taiwan. The purpose of the trip was to meet with educational, industrial, and governmental leaders of Taiwan, and took place from January 4 to January 12, 1980.

The committee has determined that the participation of Thomas Wasinger in this program, at the expense of the university, was in the interests of the Senate and the United States.●

CARTER PASSES THE BUCK

● Mr. DOLE. Mr. President, in the last couple of days newspaper headlines all around the world have confirmed our worst fears about the Carter administration's indecisive, incompetent foreign policy. The President announced that the United States had made a mistake when it voted Saturday for a United Nations resolution censuring Israel. The vote was 15 to 0, and for the first time Israel's strongest, loyalist ally, the United States, neither voted to support our best friend in the Mideast nor abstained from the vote.

Secretary of State Vance and U.N. Ambassador McHenry are stepping in to take the rap for this colossal "mistake," but it tells the Senator from Kansas that all the horror stories we have heard about this administration are true: Its slipshod methods; its contradictory, vascillating policies; its indecision and flip-flopping on vital issues and goals; its inability to settle on a single, cohesive doctrine for action. This characteristic weakness is summed up in the President's latest, incredible blunder.

NO MISTAKE: CARTER WANTS A SCAPEGOAT

Pro-Israel groups from around the country immediately began denouncing the President's action in the U.N. vote, and Mr. Carter quickly began looking for a scapegoat among his subordinates.

Knowing this administration as we do, this Senator believes the vote could have been the result of crossed signals. But it is much more likely that the President had no idea of the enormity of his decision to go along with the censure of Israel. His policies have consistently tried to pressure the Begin government into unilateral concessions to the Arabs. Perhaps Mr. Carter should get out of the White House a little more often, leave his self-imposed, sequestered style of campaigning, and find out what is going on in the U.N. and the rest of the real world.

The administration now claims that the instructions on the vote should have been to abstain if the U.N. vote included references to east Jerusalem. But the U.N. measure consisted of several points that are departures from past American policy, including its call for dismantling Israeli settlements on the West Bank, the reference to "Palestinian territories," and the unprecedented call for sanctions against Israel. This vote was no mistake, but a deliberate attempt to bully our ally.

PREDICTABLE BACKLASH

The outlook for the American hostages in Tehran is gloomy, and before it starts to sour his artificially high polls the President wanted to quickly limit the damage to himself among Jewish voters.

The Jewish vote will be very important to any Democratic candidate in the coming primaries, and the enormous, but predictable backlash against the President for the U.N. vote could hurt him badly. As the Iranian crisis continues to drag on, the public is beginning to perceive how badly Carter's failed policies are: Appeasing the militants, lifting the sanctions, and refusing to consider military force from the beginning. The Commission of Inquiry has not even seen the hostages yet, let alone come close to arranging for their release. Mr. Carter is looking ahead, for once, and the future is not bright.●

SENATOR KENNEDY ADDRESSES HUMAN RIGHTS IN TAIWAN

○ Mr. CRANSTON. Mr. President, at the request of my distinguished colleague and friend, the senior Senator from Massachusetts (Mr. Kennedy), I am pleased to ask that his statement on the Kaohsiung incident and human rights in Taiwan be printed in today's Record. I share the concerns expressed in Senator Kennedy's thoughtful statement which I commend to my colleagues' attention. I ask that the full text of this statement be printed in the Record at this point.

The statement follows:

Statement by Mr. Kennedy

Recent developments in Taiwan indicate that the authorities on the island have discontinued their earlier efforts to permit greater freedom of expression. I had been encouraged by attempts over the past year to relax the strict measures adopted 14 months ago, when the United States established diplomatic relations with the People's Republic of China. Indeed, by mid-1979, there were increasing signs of political liberalization in Taiwan, including the establishment of Formosa magazine, which served as one of the principal outlets for the opposition movement.

As Formosa magazine became the central forum for opposition criticism of the Kuomintang government, its popularity steadily increased. The circulation of the magazine grew from 45,000 in August to 90,000 by November, reflecting the widespread desire among Taiwanese for uncensored political debate.

Positive developments continued in other areas as well. Political discussion and debate in Taiwan had become more open and lively than at any time in the recent past. The Government itself sponsored two national development seminars permitting debates on normally sensitive subjects which were reported in the press. There were even some signs that the parliamentary elections which had been suspended in December 1978 would be rescheduled for late 1979 or early 1980.

However, as the time approached for the formal termination of the U.S.-Taiwan Mutual Defense Pact, these favorable trends abruptly came to a halt, with Formosa magazine serving as the primary target of the Government crackdown. In November and early December, vigilante-style groups—apparently condoned, if not instigated, by Taiwan's secret police—carried out violent attacks on the office of Legislator Huang Hsin-chieh, publisher of Formosa magazine, and on the Kaohsiung and Pingtung branch offices of the magazine. Later the Taichung office was also attacked. These attacks were ignored by the local authorities, and no punishment was meted out to those responsible.

In late November, the Formosa magazine office in Kaohsiung requested permission to sponsor a peaceful outdoor celebration of the 31st anniversary of the Universal Declaration of Human Rights on December 10. The permission was initially denied; nevertheless, the publishers of the magazine decided to proceed with their plans for a non-violent ceremony. On December 9, two employees of the magazine driving sound-trucks to advertize the next day's events were arrested by local police and transferred to the custody of the Taiwan Garrison Command. Before their release four-and-one-half hours later, the two were severely beaten, requiring later hospitalization. The security authorities eventually granted permission for a rally outside the Formosa magazine office, but continued to deny permission for a march.

The next day, several thousand people gathered outside the Formosa magazine office. Violence ensued as police and the military blocked the parade route, pushed troop trucks through the crowd, and finally released tear-gas grenades. The fighting continued late into the night.

While little physical damage appeared to result from the riot, the Government later announced that 183 of its troops had been injured by "mob violence." It is reported by on-the-scene spectators that the police appeared to exercise considerable restraint, for none of the demonstrators is reported to have been seriously injured. The authorities also claimed that the demonstrators had deliberately sought a confrontation with the Government's security forces. In response, the opposition leaders argued that the Government not only had provoked the riot in the first place but also had greatly overstated the level of violence in its official reports.

Regardless of which side actually bore more of the responsibility for the original incident, what is important is that we recognize the consequences of the actions that followed. The day after the rally, Government riot troops raided and destroyed the Kaohsiung branch office of Formosa magazine and the authorities closed down the other nine branch offices. That magazine and the relatively moderate political journal The Eighties—published by Legislator K'ang Ning-hsiang, who did not attend the Human Rights celebration—were banned from further publication. Then, beginning on December 13, Taiwanese security forces conducted a mass roundup of members of the political opposition, including several who were not even present at the Kaohsiung march and rally. According to reliable reports, more than 100 persons were detained and 53 continue to be held since their arrest last December.

In retaliation, Taiwan's CCNAA offices in Los Angeles, Seattle, and here in Washington have been attacked. These acts cannot be condoned, and the attackers should be brought to justice.

In Taiwan, the attacks and the wholesale arrests alone would be cause for great concern, but I am even more disturbed by the reports of harsh conditions and abuses, including the harassment of some detainees' families. Furthermore, eight of the dissidents, including Legislative Yuan member Huang Hsin-chieh, have now been indicted on charges of sedition—which carries a maximum penalty of death—and will apparently be standing trial before a military tribunal very soon. These events do not augur well for the future of the democratic movement in Taiwan and, unless altered, they are bound to affect the future course of U.S.-Taiwanese relations.

I am deeply disturbed by the confirmed reports that on February 28, the mother and twin 7-year-old daughters of one of the indictees, Lin Yi-hsiung, were stabbed to death in Mr. Lin's home and that another daughter was severely wounded. The murders occurred 90 minutes after Mr. Lin's mother had spoken with someone in Japan about the torture Mr. Lin had allegedly undergone in prison.

Our attention in foreign policy has been focused to such a large extent on the recent events in Iran and Afghanistan that little notice has been given to the new repressive actions of the authorities on Taiwan. Nonetheless, I believe it is not too late for the United States to use its influence to encourage renewed movement toward participatory democracy in Taiwan. Premier Y. S. Sun has stated that the Kaohsiung affair will not adversely affect the cause of democracy in Taiwan; we should strongly encourage him and his government to follow through on this undertaking.

We must recognize that with the leaders of the organized democratic movement in prison, there is a danger that the peaceful roads to democracy will appear to be closed. and there there will be increased political confrontation and further violence on the island. That is a situation we all want to avoid.

In the present case, my first hope was that those detained in connection with the Kaohsiung incident would be released or be subject to minimal penalties. Since this did not come about, it is important that the defendants receive prompt and fair trials in open civilian courts with the counsel of their choice and that their sentences be commensurate with any crimes they may have committed. Prosecution recommendations for leniency are a positive, if limited, first step. Carrying out the other steps would be a welcome indication of progress on the part of the Taiwanese Government.

In the longer term, we must also encourage the leaders of Taiwan originating from the mainland to share a much greater degree of political power with the other inhabitants of the island. While there have been commendable increases in the proportion of native-born Taiwanese serving in the provincial governments, the mainland Chinese retain virtually full control at the national level. A more broadly-based government in Taiwan, and an end to the more than 30 years of martial law, will best assure the future stability and security of the island.

In the past, I have supported the sale of defensive weapons to Taiwan. A year ago, I joined the senior Senator from California (Mr. Cranston) and 28 of our colleagues in offering a joint resolution that provided for the continued sale of defensive arms to Taiwan and expressed our deep concern for the peace, prosperity, and welfare of the people on Taiwan. The substance of this resolution was later incorporated into the Taiwan Relations Act of 1979.

However, I do not believe that arms sales should be construed as approval of the recent repressive measures adopted by the officials in Taipei. It is clear that violations of human rights will only hamper our efforts to maintain as close a relationship as we have had with Taiwan. Under the Taiwan Relations Act, the United States has undertaken to preserve and enhance "the human rights of all the people on Taiwan," and this obligation should be fulfilled.

Taiwan has made enormous progress in its economic development, with an economy that now ranks among the fastest-growing in the world. I join with those in Taiwan—both within and outside the Government and the Kuomintang—who believe the time has come for political advances to match those made in the economic sector. While there are differences over the exact nature and pace of these advances, there is a broad consensus on the direction. We are now at a turning point: the authorities in Taiwan, by their conduct of the Kaohsiung trials and by their handling of forthcoming elections, have the opportunity either to continue the new wave of repression or to resume their earlier program of political liberalization. The final decisions that are made in this regard will go far in determining both the future stability of Taiwan and the prospects for continued close U.S.-Taiwan relations.●

A NEW HEALTH PLAN

● Mr. DURENBERGER. Mr. President, I wish to have an article which appeared in the Washington Post on Saturday, March 1, 1980, titled "New Health Plan Claimed To Do More and Cost Less" by Spencer Rich, printed in the CONGRESSIONAL RECORD.

The article describes the work by Alain Enthoven and others which has appeared in a new book called "New Directions in Public Health Care," published by the Institute in Contemporary Studies, and edited by Cotton Lindsay of UCLA.

The article points out the benefits which would be expected from adding competition to the health care system.

These ideas have formed the basis of the Health Incentives Reform Act of 1979, S. 1968, which is sponsored by myself and cosponsored by Senators JOHN HEINZ and DAVID BOREN.

Chairman TALMADGE of the Finance Committee Subcommittee on Health has been kind enough to arrange hearings on this bill and the ideas behind it, to be held on March 18 and 19. I will look forward to full public discussion of our approach at this time.

I recommend the following article by Spencer Rich for my colleagues as a lucid discussion of some elements of the competition in health care proposals.

The article is as follows:

NEW HEALTH PLAN CLAIMED TO DO MORE AND COST LESS

A panel of experts says a new national health plan, based on marketplace competition and designed by Stanford University expert Alain Enthoven, would cost less and serve the public better than the comprehensive plans proposed by President Carter and Sen. Edward M. Kennedy (D-Mass.).

The panel, which included Enthoven, a former Pentagon "whiz kid," sets out its conclusions in a book called "New Directions in Public Health Care," published by the nonprofit Institute for Contemporary Studies, a San Francisco think tank.

UCLA professor Cotton Lindsay, who wrote part of the book and edited it, said studies of national health insurance in Canada and Britain and of some government programs in the United States indicate that a comprehensive national program here would mean "truly staggering" cost escalation, waste and increasing government control.

He said there is little evidence that people in Canada and Britain are in better health as a result of national programs than if alternative health systems were in effect—but the cost is greater and controls and waiting lines for treatment, far greater.

Enthoven said a major reason for cost-escalation here is that health-insurance plans—usually obtained through an employer—don't foster competition between hospitals or doctors to hold costs down, and usually the employee hasn't any choice of plans.

He proposed giving everyone in the country a basic government payment, in the form of a refundable tax credit, to buy health insurance. Employers would be required to offer employees a choice of several plans, all meeting at least minimum benefit standards set by the government.

Recipients would tend to use their government payments to buy the plan that offered the most for the least money. The plans would thus have to compete against one another in efficiency.

In the case of a group health association (HMO), its own doctors and hospitals and administrators would be able to control costs, fees and purchases directly in order to hold costs down.

In the case of a plan in which you choose your own doctor and the insurance company pays part of his fees, Enthoven said, the companies would be impelled by the competition to pressure doctors and hospitals to hold costs down—or even sign them up to work at fixed fees.

The key to the whole scheme, Enthoven said, is giving each person a range of plans, so that he can choose the one that offers the most value. This would foster cost-competition. Universal coverage would be achieved by making everyone eligible for the tax credit.

In addition to paying a large part of the initial costs of an illness, the basic plan would protect the insured against added "catastrophic" costs exceeding perhaps $1,000 a year. (The poor would get extra subsidies to cover this $1,000.)

He gave this illustration: Suppose the government credit is $60 a month. An employer would offer workers Plan A, which costs perhaps $100 in premiums and contains only the basic protection package; Plan B, with somewhat richer benefits but costing $120; Plan C, even richer but $125. The worker would decide which is the best value for him.

Enthoven said plans like this are already working in Oregon, Hawaii and several other locales. Rep. Al Ullman (D-Ore.), chairman of the House Ways and Means Committee, has introduced a version of it in Congress, but President Carter opted against it when he drew up his own national health proposals.●

AMBASSADOR MILTON A. WOLF HONORED

● Mr. GLENN. Mr. President, I call the Senate's attention to a distinct honor recently bestowed on a distinguished American, the U.S. Ambassador to Austria, Milton A. Wolf.

Last Thursday, in Vienna, Austria's President, Dr. Rudolf Kirchschlaeger, awarded Ambassador Wolf that nation's highest honor, the "Great Gold Medal of Honor With Sash" for outstanding service.

I take great pleasure in informing the Senate of this honor for my friend and fellow Ohioan, Milt Wolf, who shortly will be returning to private life. I ask that a dispatch to the Secretary of State announcing the award be printed in the RECORD.

The dispatch follows:

HIGHEST AUSTRIAN DECORATION AWARDED AMBASSADOR MILTON A. WOLF

VIENNA, February 27.—A most distinguished and successful contribution toward the enrichment of Austro-American relations has earned the American Ambassador to Austria, Milton A. Wolf, that nation's highest award. The "Great Gold Medal of Honor With Sash" for outstanding services was presented to Ambassador Wolf today by Austria's President, Dr. Rudolph Kirchschlaeger, in a ceremony conducted in the presidential office in Vienna's famed Hofburg Palace. This distinctive award, Austria's Medal of Honor, is only bestowed upon those very select few whose services to the State are considered exemplary. For more than two and a half years, Ambassador Wolf has used his domestic and international business and academic skills to represent the American people in his daily contacts with government, business cultural and academic leaders. The successful impact of these relationships was recognized by President Kirchschlaeger in making this award. The high honor conferred upon Ambassador Wolf is a signal event, because it has never before been awarded to an Ambassador while still serving in Austria. A national business leader, and well known for his involvement in community and academic affairs in his home city of Cleveland, Ohio, Ambassador Wolf will be returning to private life. He is anxious to re-join his family and look after his personal affairs. The Ambassador is also planning to re-enter academic circles and to work actively in the campaign for President Carter's re-election.●

NURSES

● Mr. DURENBERGER. Mr. President, I request that the article entitled "Why We Don't Have Enough Nurses" be printed in the RECORD. It appeared in the Washington Post on Sunday, March 2, 1980.

The article describes in vivid terms the various forces which have kept our hospitals under-supplied with nursing staff. The problems are not simply those of inadequate numbers of nurses being trained, but are a complex mix of sociologic, personal, and psychological reasons.

I recommend this interesting article to my colleagues and readers of the RECORD.

The article follows:

WHY WE DON'T HAVE ENOUGH NURSES

(By Colman McCarthy)

Sigrid Eriksson, a nurse for 20 years, had the healthiest of reactions when she glanced down to check her notebook. "Nine probable hires," she said happily. "That's really pretty good. If we get only two hires, we've covered expenses."

That was odd talk for a nurse, except that Eriksson's elation came not as she worked in a hospital but as she was winding up her three days at a recent employment convention in a Washington hotel. She was one of two nurse recruiters at the booth (rented for $340) of National Medical Enterprises, a Los Angeles firm that owns and manages some 40 hospitals in six states.

More than 60 other nurse recruiters had come to this job fair, all representing either hospitals or health care companies that are alarmed about—and aggressively taking action against—the chronic and often acute shortage of nurses.

The competition to find nurses is so intense that Nursing Job Fair, a Boston company, had scheduled employment conventions in seven major cities in the first four months of 1980. Each was booked to capacity by recruiters hard on the hunt for nurses.

Or at least nurses who want to work as nurses. Of the country's 1.4 million nurses, according to the American Nursing Association, some 420,000 are inactive. A survey commissioned by HEW projected that in 1982 a need will exist for between 1.2 and 1.6 million working nurses.

Geographically, some areas are more critical than others. Illinois has 106 hospitals that have 1,800 openings for nurses. The National League for Nursing reports that Arizona cannot fill 21 percent of its budgeted nursing slots. In western Tennessee, it is 33 percent, in Texas 14 percent and California 17 percent.

But behind the blacks and whites of the numbers game lie a number of grays that defy easy analysis but which suggest that the profession is currently bedeviled both by the demands of its own members from within and economic and social pressures from without. Some believe that nursing needs only an aspirin; others call for major surgery.

As members of a humanistic profession, nurses work within a natural tension; they are called on as a group to uphold altruistic values while individually each nurse is subjected to authoritarian and economic structures that can have little concern, much less reward, for intangibles like kindness and caring.

Nursing isn't a job; it's a vocation. It is 98 percent female but it is accountable to professionals—doctors and hospital administrators—who are mostly male. Worksite pressures can force the nurse who began as an idealist to burn out and become a mere functionary, ever cautious lest she turn up as the object of incident reports or patient gripes.

These philosophical probings are far from the concerns of the nurse recruiters. Rounding up the workers is their mandate.

Imagination helps. A hospital in Des Moines, having trouble getting nurses to work the 11 p.m.-7 a.m. shift, offered the use of a new car as part of the deal for a one-year contract to work nights.

In a Long Beach, Calif., hospital the problem is not the night shift blues but the daytime gripes: St. Mary's Medical Center has installed what it calls "the job line" by which nurses can phone in their complaints anonymously.

In a Minneapolis hospital, a bounty of $500 is paid any employees who brings in a registered nurse for full-time employment. Other hospitals around the country pay $1,000.

In Palm Springs, Calif., the Desert Hospital has 300 nurses on its current staff. But with a planned expansion from 225 beds to 361 beds, about 30 more nurses are needed. "In order to insure the health and happiness of its nurses," the hospital said in the current issue of Nursing Job News, "an Employe Assistance Program has been created." It "provides counseling services for staff members who may be experiencing personal problems, such as financial difficulties, marital discord, alcoholism or substance abuse."

Even with new cars, job lines and perks, one fact remains: Nursing is hard work, often wearying and usually poorly paid. The average national salary for full-time working nurses is $6.78 an hour, which in many areas is about the same wages as supermarket checkout clerks. Women dockworkers, unloading crates of bananas on the New York waterfront, earn $10.40 an hour.

Although only some 15 percent of America's nurses are unionized, RN magazines reported last month that "full-time" general duty nurses who are covered by AFL-CIO, Teamsters, state and federal employes union or other nonprofessional association contracts earn, on average, nearly 20 percent more than the mean for all full-time general duty nurses." Nurses working in private, for-profit hospitals receive salaries 2 percent below the mean.

A generation ago, nurses were thinking less about their low pay. The career alternatives were few. "For many young women," says Charlene Dean of the nurse recruitment office of Johns Hopkins Hospital in Baltimore, "it was pretty much a choice of one of the big three: nurse, teacher or secretary. But now it's changed. Just look at affirmative action. Women can get preferential treatment for mid-management positions in any number of industries that were once closed to them. And they start off with better salaries than a lot of nurses are making after 10 years in the hospital.'

At the same time that nurses are making only the faintest progress financially—while toiling next to physicians whose average income is $65,000—it appears also that they are working harder. Constance Holleran, a nurse and a lobbyist for the American Nursing Association, believes that "the demand on nurses has increased because of the changing nature of health care. People are in and out of the hospital so much faster today that the patients, while in the hospital, require more intensive nursing care. In the past, where one nurse might have had eight to 10 patients, she now has two or three—but who are very sick. Thus, throughout the hospital, you have the same number of patients but they are sicker. And the nurse must work harder."

As members of one of the traditional "women's professions," nurses are finding that suddenly both the definition and image of their work is changing.

The turf problem is the most obvious. The nurse of 1980 has moved into diagnostic, treatment and prescribing territories that were far off limits to the nurse of only 1960. She has also left behind, or is proudly walking around, much of the menial.

Susan Sparks Le Duc, in an aptly titled article, "We've Been Put Down Long

Enough!" in a recent issue of RN magazine, described an incident in a pediatric unit: "A doctor walked rapidly up to the nurses' station and proclaimed that a boy on the unit 'needed a nurse.' The nurse dropped what she was doing and went to the youngster, only to discover that what he needed was a diaper change."

State legislatures cannot protect nurses against their being treated as cleanup crews by doctors, but medical practice laws have been changed in nearly 40 states in the past 10 years in ways that give expanded medical authority and responsibility to nurses.

What the legislatures don't give, many nurses are ready to take for themselves. Nurses of 20 or 30 years' experience tell of the days when they were seen as whitened angels fluttering at the feet of doctors playing God. If the diety entered the room, a nurse would instinctively rise and offer her chair. Today nurses not only stay put but they might be sitting there thinking about the best approach to take when they next witness a doctor giving incorrect or unethical medical treatment.

Occasionally, a nurse comes along who can take no more of the structure but who still loves her vocation, and refuses to leave it. Since 1971, Lucille Kinlein has seen 1,700 patients in her Hyattsville, Md., office. She practices nursing, not medicine. "Organized nursing and most nurses," she argues, "have chosen to remain under the mantle of medicine, with three results: One, achievement of professional status in the field is impossible. Two, the professionally oriented nurse cannot find fulfillment. Three, the public is deprived of a much needed and different kind of care."

In "Nurse," a best-seller about a big-city general hospital, Peggy Anderson summarizes what is happening: "Many nurses want to bring their own intelligence to the job and are becoming aggressive about doing so. A lot of our time is still spent carrying out orders written by doctors. But more and more often nurses are questioning those orders. Questioning is considered good nursing judgment. So is making suggestions to doctors about things that might help patients. So is refusing to carry out an order you disagree with, so long as you do it according to established procedures. I think a nurse must make decisions that affect what she's doing. If she's a robot, she's nothing."

Superficially, this thinking appears to be the early restiveness that will soon erupt into a rebellion against the doctors. In reality, it is an overdue move toward professional independence that separates medical diagnosis and care from nursing diagnosis and care, the two intended to create harmony, not opposition.

This isn't mere theory. It is working in routine ways. A Washington-area physician, who has a high-volume office practice and employs eight full-time nurses, says that "90 percent of what I know and what I can do my nurses know and can do also. I have trained them in patient education, which is the key to sound medical practice. Even if I spend only five minutes with a patient in my office, my nurse can spend up to an hour afterwards. I make it a practice that no patient leaves my office without a chance to know as much about their disease as they desire. If they are still unhappy, I schedule them to come back early in the morning when I will give them all the time they want. The nurse that runs my office knows more about the mechanics of the specialty than most of the physicians in practice. Remember, she works with these problems every day and is experienced in both the side effects and benefits of the medications used."

However much this doctor's enlightenment creates an independent professional function for nurses, the handmaiden image still persists throughout all of medicine. A survey by RN magazine noted that "three out of four doctors regard nurses as their assistants—and nothing more." The editors concluded that for nurses who care about "professional identity, this has got to be a fairly depressing statistic."

Another downer in the survey is that "more than 78 percent of the MDs believe nurses already have enough say in patient care, and close to another 10 percent feel they have too much authority already."

One of the most dramatic moves for independence is in the growth of supplemental personnel services. These are independent firms that allow nurses to choose if, when and where they work. The hospitals pay the firms and the latter pay the nurses.

Hospital administrators grumble about the supplementals, as do others in organizational settings. "These days," said one director of nursing at a local hospital, "everyone wants to work days, Monday through Friday. I have no shortage of nurses for those shifts. I run low in filling up nights, weekends and holidays."

Shift rotations may be health hazards in themselves. A 30-month study sponsored by the National Institute for Occupational Safety and Health found that rotation "imposes excessive physical and psychological costs on shift workers."

In Washington, lobbying groups like the American Nursing Association have their own struggles. In late 1978, President Carter pocket-vetoed the Nurse Training Act, a decision that meant a severe cutback in grants, loans and training aid programs. The administration argued that two decades' worth of federal aid had already gone to nursing schools and that the problem now was less in the shortage of nurses than in their retention.

Henry A. Foley, head of the Health Resources Administration, says there is no evidence that "we are suffering from a lack of production [of nurses]. We are just not holding them in the hospital setting once they are produced." Three problems still remain, Foley argues: low wages, inadequate training and sagging morale.

Budget fights are popular in Washington because an illusion of simplicity is created. Regarding nurses, both sides are right. Sen. Richard Schweiker (R-Pa.) had the facts with him when he told Foley during recent hearings that nurses laugh at the administration's health policy in nursing. "There isn't a hospital I go to that doesn't laugh at it and wonder what's wrong." And Foley is on firm ground when he says that "There's no evidence that if we keep producing nurses in the old way that they will stay in the profession. We have to be concerned about sitting down with nurses and hospitals and figuring out—together—ways to provide incentives for nurses to stay in the workforce."

The traditional out for this impasse is to summon a commission for "a study." That's what Congress did, with the interim findings due next fall. Or winter. Or spring.

Until a coming together of all interests occurs, nursing is likely to be trammeled by one "no" after another: no to legislation for training funds, no to wage increases that might keep nurses from leaving to become real estate brokers, no to younger nurses asking for professional independence, no to union organizing, no to the movement that wants to shed the image of nurses as women who couldn't make it through college.

Into this vacuum of negativism, a few yeses are needed. Despite their being the largest part of the health care industry, nurses are probably the least difficult group to deal with. Large numbers of them are idealists.

Without some immediate and strong attention from outside the profession—from physicians, administrators, politicians and bureaucrats—nurses are likely to be forced more and more to treat their ailing craft rather than the ailing patient.●

THE CIA

● Mr. BAYH. Mr. President, on February 16, it was my privilege to host a meeting in Indianapolis with Adm. Stansfield Turner, Director of Central Intelligence, whose visit to Indiana was also sponsored by 14 veterans groups and military organizations. At that time, Admiral Turner delievered an address to about 350 people who had braved the results of a winter storm the night before to join us at the Airport Sheraton. I know those who were on hand were vitally concerned about this Nation's ability to have the best intelligence in the world. As the chairman of the Select Committee on Intelligence, it has been a unique challenge to work toward this end and it was extremely rewarding to realize the depth of concern about this vital aspect of our national security indicated by those I represent. The Indiana groups who joined in sponsorship of the event were as follows:

American Legion.
Veterans of Foreign Wars.
AMVETS.
Disabled American Veterans.
Navy League of Indiana.
Marine Corps League of Indiana.
The National Guard Association of Indiana.
Navy Club of the U.S.A.
Reserve Officers Association.
The Retired Officers Association.
Veterans of World War I.
Air Force Association of Indiana.
The Service Club of Indianapolis.
Civil Defense Council of Indiana.

In addition, I also express my appreciation to Mr. Lewis Lundberg, president of the Navy League, and Mrs. Arlene Hicks who is the president of the Indiana Auxiliary of the American Legion for their formal participation in the program.

Because so many of those attending Admiral Turner's speech were interested in receiving a copy of his remarks, I also at this point ask that it be printed in the Record.

The remarks follow:

Admiral Stansfield Turner's Address to Indianapolis Veteran Groups

Thank you Senator Bayh. Thank you all for being here on this glorious, sunny, Indiana afternoon. As a fellow midwesterner, I always enjoy coming back to this part of the country. We who live and work in Washington sometimes begin to believe that everything written on the Eastern shore is true, and representative of the opinion in the rest of the country. In fact, it frequently is not. Consequently, it is a wonderful opportunity for me to have this chance to be with you and to tell you a little about the trends in intelligence activities today. Then I would be happy to respond to your questions and, hopefully, hear your ideas, suggestions and other thoughts about what we are doing or should be doing.

Over the past five years, the institution of American intelligence, particularly the Central Intelligence Agency, has undergone more public scrutiny than any intelligence organization in history. That it has survived so well this fundamental shake-up and overall public review is a tribute to the high quality men and women who constitute that community. It is also to the great credit of your senior Senator, Birch Bayh, that the Congress has played such a constructive and helpful role in bringing the American intelligence world back into balance. Senator Bayh served on the Senate Select Committee on Intelligence in the 95th Congress and now, in the 96th Congress, he is that Committee's chairman. He is a strong and enlightened leader; one on whom I can depend to have done his homework, to ask piercing questions, and always to support what is best for the national security. I will say more a little later about the role of the Senator's committee and how important it is to us.

Let me go back to the issue of public scrutiny and the fundamental problem that past investigations have created. The problem is one of exacerbating the already difficult job of keeping secrets in the atmosphere of openness and inquiry which exists today.

The CIA is and should be the most secretive organization in our government. The fact that it has been opened to the public to the extent that it has, has been traumatic for those in intelligence. It has damaged morale. The typical intelligence officer, for example, feels that he is performing a difficult but a patriotic task which often requires great sacrifice on his part and on the part of his family. When he sees what he does in good conscience exposed, increasing the risks he must take, and is criticized in the public media, he can reasonably feel that the country neither understands nor appreciates the sacrifices he is making. That is a tragedy, because I can assure you that the intelligence professionals this country is privileged to have are totally dedicated to you and to our country.

Public exposure also makes our job much more difficult. When adequate secrecy cannot be guaranteed, foreigners who spy on our behalf and the intelligence services of foreign governments which complement ours are much less willing to do so. I need not emphasize to this audience of individuals, who have dedicated themselves to the patriotic support of our country, that we simply must be able to collect good information about what is going on in the rest of the world if the United States is to have a sound and sensible foreign policy.

The world we live in is not the ideal world which we would like. More societies than not are closed and totalitarian. Not all countries are willing to tell us what they plan to do in advance of doing it, even if what they do may affect United States interests adversely. Look, for instance, at the the hostage situation in Iran; at the Soviet invasion of Afghanistan. Events all around the world confirm that, while we have always needed good intelligence, today we need it more than ever before.

Thirty-two years ago, when the Central Intelligence Agency was founded, we were the predominant military power in the world. We were independent economically and many, if not most, of the free nations of the world took their political cues from us. How different is today's world. We are one of several interdependent economic powers. We do not dominate the world's political scene. Small nations and large are activist and independent. We are much closer to military parity. In these circumstances, the leverage of knowing what is going on in the rest of the world is much more important than it ever was in the days of our economic, political and military superiority.

But, if we are to have good intelligence, we must also be able to keep national secrets. How then do we resolve the contradiction between this need for secrecy and the danger of any secrecy in a democratic society? Secrecy can lead to unidentifiable power. Power of any type can be abused, but unidentified power has a particular potential for abuse. How then can we provide our country with good intelligence and at the same time insure against abuse? On the one hand, we could underreact. We could simply assume that the relatively limited number of abuses of the past will not be repeated because different people are in government and because we are more conscious of the problem. On the other hand, we could overreact and apply such stringent controls on the intelligence process that we would handcuff ourselves out of business. Either course would be shortsighted.

We need to achieve a balance. The best way to achieve that balance is through a system of accountability. Accountability to the Legislative Branch of our Government, accountability to the Executive Branch, and even accountability directly to the American public. We have found that we can do this, and that we can do it in ways that will not diminish our necessary capabilities.

Let me first describe how we now account to you, the American public, directly. In the past, very little of what we did was ever made known to the public. So, public accountability was impossible. That is no longer the case. The public investigations, the Freedom of Information Act, the perseverance of the American press have all made American intelligence much more accessible to the public. In addition, for the past several years we have carried out a deliberate policy of being more open. We publish more, share more of the studies and estimates that we do whenever that can be done in unclassified form and without jeopardizing security. My presence here with you today, something that might not have been possible four or five years ago, is another earnest of our desire to keep the public as well as informed as we can.

But because we cannot share everything directly with the public, we have constructed two systems of surrogates for the public in overseeing intelligence activities. One is a series of accountability mechanisms in the Executive Branch. Let me initially focus on those involving the presidency.

First, the President has the Intelligence Oversight Board composed of three non-government members who investigate any allegations of wrong doing or abuse which anyone may present to them. This Board then reports directly to the President. Second, the President is informed of sensitive intelligence activities, and personally signs an approval for any covert action activity that we are directed to undertake. Finally, President Carter has strongly supported the concept that Congress be well-informed about our activities so that it too can carry out its oversight responsibilities. This attitude is vital to the whole process of accountability.

The other accountability surrogate is the Congress. Sometimes people are skeptical here, feeling that the record of the Congress is no better than that of the Executive Branch in overseeing intelligence activities. Yet the Congress is elected separately from the Executive and operates independently of the Executive, therefore provides a wholly separate check on our activities.

Being accountable to two branches of government provides, I believe, a reinforcing assurance. There are two committees in the Congress, one in each chamber, dedicated exclusively to this oversight task. One is the Senate Select Committee on Intelligence which Senator Bayh chairs. I assure you we are open and forthcoming with the Senator and his colleagues. I can assure you also that Senator Bayh and the members of his committee are probing and thorough in their review of our activities. Their questioning and their guidance, both in advice and in law, are indeed very helpful to us. After all, accountability that is exercised properly is healthy for any organization.

Accountability must also be internal. It must ultimately start and end with the people who do the intelligence work. Under the President's mandate, I have reorganized the CIA and the staff that guides the overall intelligence community to strengthen them and to assure improved control. Policy has been reshaped to conform with the changed national environment, the need for more vigorous oversight, and the demands of new intelligence requirements. Steps were taken, such as the well-publicized and often criticized reductions in personnel, to improve our personnel management. The objective was to invigorate the organization, to preserve the dynamism and challenge which have always attracted to the Central Intelligence Agency the best talent that this country has to offer. Rather than purging the Agency of its ablest and best, as some allege, this personnel reduction has opened the top of the organization to new ideas, to greater flexibility, and to a heightened sensitivity to the changed world in which we must operate. Plenty of able and experienced hands remain to lead the young chargers, I assure you.

Having laid out for you the fundamentals of ensuring accountability, the next logical question is, what has that done to our capabilities? Does the necessary balance exist between accountability and our capabilities to produce effective intelligence?

In his State of the Union address just a few weeks ago, President Carter said:

"Clear and quick passage of a new charter to define the legal authority and accountability of our intelligence agencies is necessary. We will guarantee that abuses do not reoccur, but we must tighten our controls on sensitive intelligence information and we need to remove unwarranted restraints on America's ability to collect intelligence."

This statement recognizes the fulfillment of the President's commitment to intelligence reform.

The charter he is asking the Congress to enact will do three things. It will delineate what our authorities are, what we are authorized to do. It will delineate what restrictions are placed on us, what we may not do. And, it will codify the oversight process which will check on how well we are using the authority we are given and whether we are exceeding or ignoring the restrictions and the prohibitions that have been laid out.

Senator Bayh and his committee are blazing the trail in this regard. Last week they introduced charter legislation to the Congress. We all hope very much the Congress will act on this charter during the forthcoming session.

It is precisely because this system of authorizations, restrictions, and oversight procedures has proven so successful in the last few years that the President and the Congress can now contemplate lifting some of restraints on intelligence activities. Frankly, following the investigations of 1975 and 1976, the government went a little overboard in restricting intelligence agencies. From the point of view of many, this was necessary since adequate oversight and control mechanisms did not then exist. Today they do. Now there will be no danger in lifting some of those shackles that disadvantage American intelligence activities.

Let me cite four examples for you. First is the Hughes-Ryan Amendment. This Amendment requires that whenever we undertake a covert action we report it to as many as eight committees of the Congress. Reducing that reporting requirement to the two intelligence oversight committees would greatly diminish the risk of leaks, which could endanger lives, without diminishing Congressional oversight.

Second is the Freedom of Information Act. This Act requires that, for every request for information we receive, we must search all of the CIA's files, including those which contain information about our most sensitive sources. Limiting that review primarily to finished intelligence from which the source information has been removed would go far to reassure important sources overseas that there is no chance of a deliberate or inadvertant release of information which could compromise them. Without this reassurance, they are becoming increasingly reluctant to cooperate with us because they fear their identities may become known.

Third, the discovery process in courts of law can require us to reveal more sensitive, classified information in open court to prosecute an alleged espionage case than was compromised in the first place by the accused. Often, rather than do this the government will drop the case. This is called graymail. It could be avoided if we legislate some protective rules which govern the use of classified information in espionage and other criminal cases.

Finally, we do not have adequate legislation today to deal with those few scurrilous people who deliberately disclose the names of CIA officers, agents overseas, informants and other sources of information.

Legislation for all four of these problems is either incorporated in the charters or is tabled before the Congress. We are very hopeful of their support in these directions in these next few months.

In conclusion, let me say that intelligence reform has taken place. American intelligence services operate under the informed control of the Executive and the Legislative Branches. No one is proposing today that, in lifting these restrictions, that be changed. However, we are moving today closer to the enactment of a permanent charter which will formally legislate the authority and the limits of our country's intelligence activities. The moment is right not only to reassure ourselves that the safeguards of our Constitutional rights and our civil liberties are firmly in place, but also to assure that we have balanced those guarantees against the practical imperative of maintaining the best intelligence arm of which we are capable.

It is not a perfect world. It is not an open world. It is a world in which we must balance idealism and reality. We must be sure that the check of accountability encourages idealism. We must also be sure that the check of accountability is made sufficiently flexible so that idealism can be tempered with realism. We are not there yet but we are moving strongly in the right direction. It is an exciting period, an important period in American intelligence. A period where we are, in effect, evolving a new, uniquely American model of intelligence; one tailored to the values and standards of our society, yet, one which is also designed to ensure that we remain exactly what we are today, the number one intelligence service in the world. Thank you very much.●

HOSPITAL COSTS

● Mr. DURENBERGER. Mr. President, I request that an article which appeared in the Washington Post on Sunday, March 2, titled "Using Hospitals Right Will Bring Down Cost," by Henry Fairlie, be submitted to the RECORD.

The article describes in a wry and amusing way the experience of one reporter with hospitalization. It points out that as patients and potential patients we all have to reassess our own expectations of hospitals and the medical care delivery system overall.

Specifically, the article points out that we cannot buy health even with all the money in the world. As long as we expect "to be made whole and rejuvenated" we are bound to have unfulfilled expectations. Mr. Fairlie points out that "It is our own attitudes to health and ill health that need revising."

It is this sort of enlightened thinking about the place of hospitals and their true potential, as opposed to the unrealistic expectations we may have of them, that should be added to our ongoing considerations of health care costs.

I recommend the article for consideration by my colleagues.

The article follows:

[From the Washington Post, Mar. 2, 1980]

USING HOSPITALS RIGHT WILL BRING DOWN COSTS

(By Henry Fairlie)

As I was driven to the hospital not at all confident about my future, and feeling more ready for the scrap heap, I said to the friend who was driving me, "There is one thing about being a journalist at moments like this: We always find something to write about whatever happens to us."

"You mean that we use it as a form of transcendence," said my friend. (He is a literary critic, and can be relied on to dignify my most commonplace ideas with words like that; he probably uses them at breakfast.)

The longer I lay in the hospital, which is a fresh experience for me, the more I thought of what we had said. Our point can be made of others than journalists. A watchful and detached curiosity about what is going on around one is an inexhaustible resource on which to draw to avoid dwelling on one's own wretched condition. There is in the hospital a cosmos to watch. One has only to use one's eyes and ears, and quickly one is taken out of oneself.

I watched and listened to the other patients—especially to the five who, one after the other, occupied the second bed in my room—and it was disturbing how few of them have this resource.

This is not their fault. They simply have not been reared to be curious. They are not really interested in the world except in how they are affected by it, and so grow only more absorbed in themselves. What is other than them is strange and frightening. Just as outside they feel at the mercy of the big bureaucracies, public and private, so now they feel at the mercy of the hospital which is caring for them. Much that happens to them is just not understandable. These people are in fact deprived.

What is most distressing of all to see, they feel at the mercy even of their own ill health. It is a wonder that they are not more superstitious and paranoid than they are, like the man in the bed opposite me who believed that every hospital was torturing him. Yet now he wanted to go to Johns Hopkins.

In fact, I became more and more convinced that, in this age of reason and science, we have all become superstitious about our health. We are so convinced that we should all be wondrously well at the time that we are no longer able to think of ill health as normal. This determines what we expect of our medicine. We increasingly expect our physicians to be not healers but witch doctors. We look to our hospitals not for treatment but for exorcism. There is no cost we will not pay to have the devil thrown out.

Many suits for malpractice may be brought only by the greedy, not least by the lawyers today who are no better than the ambulance chasers in the past, but the awards of the courts reflect our superstition.

But there is another effect. As a friend who visited me in the hospital put it, we have all been made to feel guilty about ill health. There is so much emphasis today on what I can only describe as violent good health that we are marked down as backsliders if we happen to be ill. Again we do not go to a hospital to be made better, we go to have the devil cast out and be made perfect.

Hospital costs are determined largely by our own expectations. We think that our doctors should have the royal touch. We lie under the huge and expensive machines, but what we are really looking for is a laying on of hands.

Two of my roommates were sent home after a brief stay. Two were whisked away, both in the dead of night, to the intensive care unit. How quickly one's attention is diverted to the new arrival in the bed opposite. One is naturally assuming the importance of the hospital itself. The bed is stripped and remade, within an hour or two the new occupant is wheeled in, the memory of the first is erased. He might almost have never been there.

Only an enthusiastic nurse asked one morning after one of the patients who had disappeared during the night. Her inquiry was considerate, but it seemed out of place. She will learn.

The routine of a hospital has much to teach, not only to a big bureaucracy like the telephone company, but also to us who are often so impatient with routine. But the routine of a hospital is predictable so that it may deal with the unpredictable. It gears itself to an emergency, not by a flurry of improvisation, but by still following the rules.

We are too suspicious these days of routine, thinking that if we are treated uniformly it must be impersonally, that we have been reduced to mere units. It is important to see how in a vast organization it is the routine which makes possible any individual attention at all. It is often not the routine of a bureaucracy of which we should complain, but the lack of routine which enables it to change step in an orderly way.

A patient's bed in a good hospital today is like the bridge of an ocean liner, with the battery of equipment and sockets and dials. When one presses one's button, one knows that the ship will respond.

An inefficient bureaucracy must depend on the exceptional willingness of some member of its staff; the routine of a hospital makes one member of its staff as dependably willing as the other. Whenever I felt the need of some attention in the hospital, I knew that it would come and come promptly, not because one nurse or doctor was unusually caring, but because the routine enables them all to be caring.

It may be said that I was fortunate to be in a good teaching hospital in Washington. When I was praising the nurses, one of the doctors said as much. I should go and look at some of the other hospitals in the area (he mentioned two by name). At first one thinks that this means only that the funds available for hospital care are inadequate and unevenly distributed. But it is more difficult than that.

As one who has an egalitarian impulse in my blood, I often sadly wonder if there is not a limit to providing a good education to all, simply because there are not many potentially good teachers to be found. How many good doctors and nurses are undiscovered?

As I watched them in Georgetown University Hospital, much of their efficiency and ability and willingness to care was obviously due to their training, but all of them also seemed to be moved by a spark of their own. The nurses could all have been highly paid receptionists in a lawyer's office, but it was not just imagination to detect in them also a sense of calling. Are there all that many who have it?

A thought slid through my mind. The nurses are still called nurses. They have not asked to be known as medical assistants.

Their pride is in what they do. They nurse. They do not need a fancy name.

Then the doctors, the old and the young. We read so much these days of malpractice and misconduct and mismanagement that we forget the skill and dedication of most of the physicians and surgeons in a hospital. There may be doctors who deserve our criticisms, especially among those in private practice. But not here, by and large, not in the hospital. At least not in this hospital.

With what infinite patience they explain one's illness, trying to gain the cooperation of the patient, without which even their skills cannot do their good. They seem to have all the time in the world, until they scurry to the next patient.

One can measure the depth of concern in what they do by the admiration with which the young doctors talk of the skill and involvement of some of their elders. The head of the department of cardiology at Georgetown, Dr. Proctor Harvey, was described to me as one of the deans of cardiology in America. The man is a born teacher. He cannot stop teaching. He talked to me as if I were a pupil. His actual pupils talk of him with affectionate awe.

On Thursday evenings he conducts a seminar for all the cardiologists in the area, so that they may present and discuss any interesting new case. Late on a Thursday evening after a full day in hospital, 90 cardiologists gather in an auditorium to discuss and learn.

I am used to cardiologists jumping with excitement when they listen to my heart. Aha! what a specimen. I always have to put up with a trail of students who come to examine me. At one moment I rebelled. One of the young doctors whom I had already marked down as officiously no good asked to take a rectal examination at 8:30 p.m. "Why are you the only doctor," I asked "who wants to take a rectal examination at 8.30?" He suggested that I should do the thing myself and I never saw him again.

But Dr. Harvey was teaching and most of the students were practicing what I had first observed in a great cardiologist in London. "Use your fingers and your ears; and use also your eyes," he added. "You can learn a lot just by looking," and he pointed out some irregular movement in my neck. For all the machines now available, it is the fingers which as a patient I trust.

You can go through the extraordinary operation of a cardiac catheterization, when they feed wires into one's arteries in one's groin, and then one can eerily watch them fish about one's heart. But the next morning it is most reassuring to feel the fingers again, and it is with a final use of the fingers and ears that one is sent home. In the hospital at least, man is still in charge of his machines.

It is no wonder that Plato so often takes medicine as the example of an education in something like an art, and again I wondered how many there are who could benefit from and then use the training in such skills.

It is also no wonder that hospital care is expensive. The machines are massive and numerous and costly, but they are not frills, and it is not they which are the main source of the expense. We are paying for the individual attention of skills which are the result of not only a complicated but a lifelong training, just as the established cardiologists still give up a Thursday evening to go on educating themselves. We are paying for a training more elaborate than that of lawyers, yet complain more of health than of legal costs.

The only way to bring down the costs of health care is for us to use our hospitals more intelligently. There are malingerers among the patients in a hospital, and costly they are, but they are not as costly as our own expectations of a hospital.

If we were satisfied with the real but limited benefits of healing, and did not expect to be made whole and rejuvenated, we would significantly reduce the costs of health care in a trice. It is our own attitudes to health and ill health that need revising. The more advances there are in medical science, the more superstitious we get of what it should do, for we really do expect miracles of it.

When one is lying under one of those great machines, it brings one down with a bump to look at the names of the manufacturers, such domesticated names as General Electric and Sanyo, and think of how one's dishwasher and television set work at home. One stops expecting a miracle.

As I watched it seemed that much of what we now expect of our medicine is really no more than cosmetic.●

SENATOR CRANSTON ADDRESSES THE VFW

● Mr. TALMADGE. Mr. President, on Sunday, my good friend and colleague, the Senator from California (Mr. CRANSTON), who serves as the Chairman of the Committee on Veterans' Affairs, on which I am privileged to sit, addressed the Veterans' of Foreign Wars' National Legislative Committee meeting at the organization's Washington Conference of National Officers and Department Commanders. During the course of his presentation, Chairman CRANSTON made a number of very timely and incisive points about the current status of veterans affairs, especially about health care for our Nation's veterans' through the Veterans' Administration's health-care system. I believe the distinguished chairman's remarks deserve wide circulation. I, therefore, ask unanimous consent that the full text of his remarks appear in the RECORD at the conclusion of my statement.

Although those of us actively interested in veterans' matters appreciate the fact that concerns about veterans' benefits and services are ultimately concerns about national defense, I am not certain that this is widely understood. I believe that Senator CRANSTON's views on this point are compelling, especially now when events around the globe have given new urgency to questions about our national defense capabilities. If we ever break faith with those brave men and women who answered their country's call for service in the past, it will prove a difficult, if not impossible, task to recruit new members of our Armed Forces.

Mr. President, there is another point in Senator CRANSTON's remarks to the VFW that I want to highlight—namely, his discussion about the relationship between the VA health-care system and any proposal for a national health plan. I am in absolute agreement with Senator CRANSTON's position that the VA must continue as a strong and independent entity. It must be ready and able to meet the health-care needs of our veterans, and it must be free from any control or interference from the Department of Health, Education, and Welfare or any other Federal agency or entity. I wholeheartedly support the chairman's position in this regard and will work with him to assure that any legislation considered by the Senate on national health care recognizes, respects, and explicitly preserves the independence of the VA's health-care system.

Mr. President, I commend Senator CRANSTON's views on veterans affairs, as expressed to the VFW National Legislative Committee, to all of our colleagues and to our fellow Americans, and I submit his remarks for the RECORD.

The remarks follow:

ADDRESS OF SENATOR CRANSTON

It is indeed a pleasure to be with you today.

I'm grateful for this opportunity to work with your national officers, your legislative policy makers, and staff to achieve a successful national legislative committee meeting.

To each and all of you I extend warm greetings from all the members of the Senate Veterans' Affairs Committee. We are looking forward to our Committee's hearing on Tuesday when you will present your legislative program and priorities for 1980. I also want to take this opportunity to say how pleased I am that the Committee has such a good rapport with your Washington office staff—Cooper Holt, Don Schwab, and others—and your Commander-in-Chief, Howard Vander Clute, and National Legislative Committee Chairman, Ted Connell. They do a most effective job representing you.

You are all to be congratulated on a job well done in fullfilling your commitment to safeguard the rights of our Nation's veterans.

I am also particularly pleased to share the podium of this great organization with the Chairman of the House Committee on Veterans' Affairs, the Honorable Ray Roberts.

My relationship with Ray Roberts has been as effective as my relationship was with our most highly honored and very dear friend Tiger Teague. Ray Roberts' announcement of his retirement at the end of this Congress comes as a blow to all veterans and a real, personal loss to me. But, he has our deepest gratitude and I know he wants us to carry on the excellent cooperative relationship between the House and Senate Committees on Veterans' Affairs.

You have my pledge today to do everything in my power to see that we do. What's right and fair for veterans has never been a divisive matter; it has never been a partisan matter; and it's never been a cause for contention between the two Houses of Congress. We are all in this effort as equal partners.

We all know that the Veterans for Foreign Wars is a fighting organization. You have fought in the past to protect this Nation from its enemies. You are fighting now to keep the Nation strong and to defend America's honorable commitments to those who have borne the battle, to their families, and to their survivors.

I long ago enlisted in this cause. And I am telling you today that we are going to win. I also want to tell you today that there has never been a more clear connection between the strength of our defenses and the way we treat the veterans of this Nation's wars.

VETERANS' BENEFITS IN THE 95TH AND 96TH CONGRESSES

As we meet today, we are past the halfway mark in the 96th Congress. The first session of this Congress was a good year for the 30 million veterans of this nation—a good year made better by the vigorous and effective participation of the Veterans of Foreign Wars.

In the past year, and in the preceding Congress—the 95th—, your organization has worked together with the Senate Committee and with the House Committee so ably led by my good friend, Ray Roberts. Together we have accomplished many things. We have helped disabled veterans and their surviving spouses and children by providing three consecutive cost-of-living increases for VA compensation beneficiaries—a 9.9-percent increase for the current fiscal year, and we also have expanded and improved both the disability compensation program and dependency and indemnity compensation program. We have improved the Veterans' Administration pension program for veterans and their survivors. Working together, we have expanded education benefits, housing assistance, and burial payments for veterans and their survivors.

In this session, the Senate has passed major GI Bill legislation, including provisions to extend eligibility for certain educationally disadvantaged and unemployed veterans and to provide for a 15-percent cost-of-living increase this year for veterans using the GI Bill to get an education or job training. For both of those provisions, I had your active support, and for that I am very grateful. You were the only major veterans organization to support the targeted delimiting date extension, and your strong support was indispensable to our success.

Yes, the list of our cooperative accomplishments is long and also relates to the VA hospital system, which I will discuss in a few minutes. But, first, I want to mention one more accomplishment specifically because I sincerely believe that it represents a major milestone of great importance to veterans.

This past year the Senate passed landmark legislation to give veterans the right to seek court review of claims for benefits when the VA decides a case against a veteran.

Right now, as you know, the VA is virtually alone among Federal agencies in that its rulings on claims for benefits are immune from review in a court of law.

The VFW knows that such things as compensation and pension benefits, education assistance, and VA medical care are matters of fundamental justice to veterans.

Your organization knows that the absence of judicial review in the VA is basically unfair to veterans. Last year the VFW again stood tall among major veterans' organizations by backing our efforts in the Senate to pass the Veterans' Administration Adjudication Procedure and Judicial Review Act, S. 330.

With your considerable help, that bill passed the Senate. I am hopeful that the House will give this important bill favorable consideration.

VA HEALTH-CARE STAFFING

I now want to turn to another matter of urgent importance to all of us—VA medical care.

The effective teamwork that Ray Roberts and I enjoy with the VFW and the other veterans' organizations was center stage last October and we joined forces to investigate the current status of the veterans' health-care system.

We set out together to probe allegations that the VA is not fulfilling its responsibility to provide prompt and efficient medical treatment to eligible veterans.

We wanted to air charges that fiscal cuts and personnel ceiling reductions—forced on the VA by the Office of Management and Budget—were undermining the effectiveness of the VA medical-care system.

We were especially interested in exploring complaints that some veterans face long delays in receiving treatment and in some cases have been turned away from VA facilities.

Sitting as a Joint Committee, Senators and members of the House heard from a wide range of witnesses on this all-important issue. Your National Commander-in-Chief; Howard Vander Clute, gave us especially forceful and eye-opening testimony.

To address the problems raised at that hearing, we set in motion corrective actions for the problems that beset the system.

First, in the appropriations process, fiscal year 1980 funding was provided for 3,800 health-care employees above the Administration's original request. This was necessary to help restore personnel cuts that were made in 1979 and planned for fiscal year 1980.

Ray Roberts and I, together with other members of both Veterans' Affairs Committees—with strong help from the VFW—led the fight in Congress to get those funds appropriated and to assure that the funds were clearly earmarked for health-care staffing.

Next, we won a major battle to guarantee, by law, that funds for VA medical personnel positions will never again be waylaid and diverted and spent for other purposes, as they have in the past.

With your help, Public Law 96-151, the Veterans Health Programs Extension and Improvement Act of 1979, was signed into law by President Carter last December 20.

One part of this new law requires the Director of the Office of Management and Budget each year to provide the VA with the personnel positions and funding for the health-care staffing for which the Congress has appropriated funds.

This new law also mandates the Director of OMB to certify to the Congress quarterly that he has complied with this requirement and the Comptroller General must review that certification and tell us whether OMB has in fact complied.

Because of these actions, combined with our persistent prodding of the Executive Branch for the swiftest possible action to allocate and use the staff positions that Congress authorized, the VA received full health-care personnel authority virtually as soon as the appropriations bill was signed into law so it could begin its hiring efforts immediately. As of a month ago, the VA had filled 80 percent of the new positions, and it is working on a priority basis to fill the rest.

In the course of the joint hearings and followup, we also learned of other problems hampering the VA's efforts to provide quality health care.

The October hearings confirmed the need to provide a permanent special pay program—replacing the now out-dated, stop-gap legislation under which the VA has been operating for five years.

This is needed to help the VA in recruiting and retaining quality physicians and dentists.

The hearings also pointed out the need to make other legislataive changes to help the VA overcome difficulties it is having in hiring and keeping other direct patient-care personnel, particularly nursing staff.

I will soon introduce legislation to develop permanent solutions to those VA health-care staff recruitment and retention problems.

I look forward to support from the VFW in enacting a permanent special pay measure to improve care for eligible veterans. I know I will have that support. This is a major problem that must be remedied.

VA REHABILITATION PROGRAM FOR SERVICE-CONNECTED DISABLED VETERANS

A few weeks ago I introduced legislation to make comprehensive improvement, expansion, and modernization of the VA's rehabilitation programs for service-connected disabled veterans. The basic structure of the VA's current vocational rehabilitation program was established in 1943.

In light of the great changes that have occurred since 1943 in rehabilitation concepts and in the roles of serious handicapped individuals in our society, I am extremely pleased that we are moving forward with this legislation.

The Committee will mark-up this legislation later this month. Ray Roberts and I are both committed to enacting this year the best possible legislation that we can design in this important area. At the hearing on my legislation last Thursday, the VFW voiced its strong support for it. I thank you for that.

The Veterans of Foreign Wars can be assured that, on all issues involving veterans benefits and services, the Senate Committee will act this year to preserve the gains made in the past and to make improvements needed now and in the future.

You have my word on that. There must be no retreat in the service to veterans, no decline.

VA INDEPENDENCE IN NATIONAL HEALTH PLAN LEGISLATION

This brings me to a matter that I know lies at the heart of our shared concern for the independence and vitality of a separate system of health care and medical services for veterans.

There is a bill pending in the Senate—a proposed National Health Plan Act, S. 1812—that poses a serious threat to VA health-care programs and services.

Included in this otherwise worthy bill—proposed by the President—is a provision that would classify the VA as a provider of health-care services in the national health plan to receive reimbursements through the Secretary of Health, Education, and Welfare for the non-service-connected care that the VA would render.

I want to share with you a firm determination I have reached only this week and which I am going to communicate to the President and the bill's chief sponsor, Senator Ribicoff, about this provision: I will oppose totally any such reimbursement provision, whether in this bill or any other.

This approach is a bad one, and I intend to assure that it is stopped, right here, before that bill is considered further.

If such a reimbursement policy is adopted, it could radically alter the present pattern of VA health care. It threatens to make the VA less patient-oriented. Moreover, to monitor exchanges of money between HEW and the VA, enormous additions to the bureaucracy would be needed—a veritable army of auditors, attorneys, and billing clerks.

Worst of all, I believe this scheme would seriously undermine the VA's ability to provide quality health-care services to eligible veterans. I believe it would bring on a sharp decline in the VA health-care system.

So, be assured that I am utterly opposed to this attempt to commingle funds between the Veterans' Administration and HEW when it comes to providing health care for any veterans—whether service-connected or not.

I will urge Senator Ribicoff, the sponsor of S. 1812, to remove from that bill those provisions that would include the VA in a national health plan and to substitute a provision making clear that the VA is to remain dependent on funds appropriated by the Congress—not on funds provided through health insurance policies.

I will stress to Senator Ribicoff—and also to Senator Russell Long, Chairman of the Finance Committee, and to Senator Herman Talmadge, its Health Subcommittee Chairman and a member of our Veterans' Affairs Committee—that the effect of these provisions would be to require the VA to plan its health-care programs on the basis of retrospective reimbursement.

In other words, the VA—after providing care to a veteran—would have to go seeking reimbursement for costs through another agency whose priorities are other than to assure that the health-care needs of our Nation's veterans are met.

I will point out the insurmountable difficulties that this would create for the VA's ability to plan adequately for the provision of care in its 172 hospitals and hundreds of other health-care facilities. I will point out how it would jeopardize the VA's own successful ccst-containment efforts.

Thus, I have determined that national health insurance legislation must explicitly protect the ability of the VA health-care system to provide quality health care to our Nation's veterans.

My goal and yours must be to assure that the VA health-care system will not be integrated into any national health insurance program. Not now, not ever.

This leads me to the same conclusion regarding another bill, S. 759—proposed by the VA—and being pushed very aggressively by OMB and the Senate Budget Committee.

This bill would provide for the VA to start the process toward national health insurance by seeking reimbursement from private insurers providing veterans with private health insurance coverage.

The only purpose of this kind of legislation, as far as I'm concerned, is to take a first step toward the VA's participation in national health insurance.

Since I have concluded—along with you—that such participation would be counterproductive and most unwise for the VA health-care system, I am announcing to you today my firm opposition to S. 759.

I pledge my commitment to do all I can to defeat that bill. I call on you for your help.

My opposition to the provisions of S. 1812 that I have discussed and to S. 759 are part of my larger commitment to a strong, independent VA health-care system.

VA HEALTH-CARE SYSTEM—A VITAL ELEMENT OF NATIONAL DEFENSE

Today—with our Nation seriously confronted by the actions of our adversaries abroad—that commitment takes on additional meaning.

I know I don't have to spell out for the members of the Veterans of Foreign Wars what could be the consequences of a worsening situation in the Middle East and in Southwest Asia.

I don't need to tell you that your Washington Conference is taking place in the Nation's capital at a time when there is a renewed urgency in considering matters of war and peace, of military preparedness, and of the needs of veterans.

The Nation badly needs your advice, your counsel, and the advantage of your experience at this time of crisis and challenge.

Organizations like the VFW can drive home the point that the costs of war do not stop when the last soldier sheds the uniform.

We must make every American aware that the defense of our Nation and the great cost of war includes our commitment to those who wage the war after they have served and to their families and their survivors.

The citizens and taxpayers of this country can no more afford to cut short what we owe to veterans than we can afford to give our soldiers less than what they need to fight the battle.

Just as surely as we must provide the weaponry and the ammunition for the warfare itself, we must assure the resources to restore our warriors who are injured while serving our Nation. It would be the height of folly to think we can spend more for national defense by spending less for those who defended the Nation in the past.

Once again the question of conscription and voluntary military service are on the minds of the American people and their representatives in Congress. These questions are very much on my mind and, I know, on yours.

How in the world can we think America can have an adequate military force—with eager enlistments and with high morale—if we renege on our promises to those who served in uniform in years gone by?

If we break our word to today's veterans will those in the service today and needed tomorrow believe our promises? I think not. And if they don't believe our promises, our ability to mount and maintain a capable, motivated, ready fighting force will surely be impaired.

The grave events occurring halfway around the world also cast the role of the veterans' health care system in a different light.

It is essential that we keep in mind the role that the VA might be called upon to perform in the tragic event that another generation of Americans is called to fight in defense of our country.

Most of you are familiar with a Defense Department report which shows that our governmental medical resources are inadequate in the event of war. The General Accounting Office has criticized this so-called "Maximum Report" for selling short the major role that VA hospitals can perform in the event they are needed to care for wounded troops. The GAO's point is well taken.

The VA health care system—the largest hospital system in the U.S.—is and always has been an outstanding national defense resource.

It is—and it has always been—available as a back-up to our military hospitals if, God forbid, we should ever again need it during time of war.

This kind of contingency planning draws this point into extremely sharp focus: now is the worst time—and there has never been a good time—to slight our all-out support for VA hospitals and health care-facilities.

I am working closely with officials in the Defense Department and in the Veterans' Administration to develop a clear understanding of the VA's role in defense contingency planning.

Discussions with top officials in both agencies make it clear to me that the VA is not only the number one back-up to the military's rather meager health-care resources, but that the VA health-care system is absolutely indispensable to our military preparedness.

So, as we work together to make our VA hospitals strong, well-funded, and well-staffed to serve the needs of veterans who have earned their right to medical care, we must keep in the forefront of our minds and the minds of the American people that the VA is a vital element of our national defense.

I don't want to give the impression that I think we are on the brink of war. I do not believe we are.

Whatever the long-range consequences of events in Iran and Afghanistan, this much is certain: The United States has a new opportunity to stand tall in the eyes of the rest of the world.

Our people are united behind major foreign policy goals.

For the first time in many years the United States finds its policies supported, and those of the Soviet Union despised, in much of Latin America, Africa, and Asia—the so-called third world. We are demonstrating to the world the distinctly different outcomes of the American revolution and the Russian revolution.

The Soviet experiment is barely 60 years old, yet is already geriatric, fearful, reactionary, closing in upon itself with an obsessive need for central control and security.

By contrast, the American revolution, at age 204, is ever enlarging the freedom and enhancing the range of choices available to its people.

We strive to extend the rights we believe inherent in humanity and in our democratic inheritance.

We show by our treatment of veterans that our word is good and honorable and our foresight clear.

We move to keep America strong in order to keep America at peace.

And as, together, we do these things, we honor our finest American traditions and we fulfill our most cherished ideals.●

ORDER OF PROCEDURE

The **PRESIDING OFFICER.** Will the majority leader suspend to receive a message from the House of Representatives?

Mr. **ROBERT C. BYRD.** No.

ORDER FOR RECESS UNTIL 12:45 P.M. TOMORROW AND TO CONSIDER ROCK ISLAND RAILROAD LEGISLATION

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12:45 p.m. tomorrow and that at 1 p.m. tomorrow the Senate proceed to the consideration of Calendar Order No. 656, S. 2253.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **ROBERT C. BYRD.** Now, I will gladly yield to receive a message.

Mr. **STEVENS.** Mr. President, that is the Rock Island Railroad Transition Act is definitely laid down?

Mr. **ROBERT C. BYRD.** Yes.

Mr. President, I did not suspend a moment ago, not out of disrespect for the Chair, but I have found, after considerable experience around here, that if there is agreement to go with a bill we had better nail it down quickly because, in the course of 10 seconds, things may occur that would not allow us to vote.

(Mr. BAUCUS assumed the chair.)

THE TRAGIC U.S. VOTE IN THE U.N. SECURITY COUNCIL

Mr. **BRADLEY.** Mr. President, the mistaken U.S. vote in support of a Security Council resolution condemning Israeli settlement policy in the West Bank runs the very serious risk of creating misapprehensions about American commitment to the long-term security of Israel and to the evolution of a lasting solution to the Palestinian problem through the Camp David framework of negotiations on Palestinian autonomy.

Let there be no "failure of communication" as to the position of this Senator and as to what I believe to be the position of the American people. Israel is an important and reliable ally whose contribution to U.S. security interests is magnified by the turbulence of events in other parts of the region. Israel's Government is democratic and stable; its interest in guaranteeing Western access to the region's strategic corridors and in arresting Soviet penetration reinforces our own. By doing injury to Israel's security we could only do injury to our own.

The question of Jewish settlements on the West Bank is a very complex and sensitive one. Responsible people of good intentions have different views as to the propriety, legality, and political wisdom of expanding Israeli settlements in the West Bank. But there should be consensus as to the imperative of doing nothing to undermine the fragile negotiations on Palestinian autonomy currently in progress.

In my view, there is no doubt that American endorsement of a resolution such as the one adopted by the Security Council would be interpreted as a tilt away from Israel. It could be construed as an invitation to parties outside the Camp David framework to remain aloof and to press for a more radical, even forcible, approach. If the United States in the forum of the U.N. Security Council appears to question the good faith of Israel in the autonomy negotiations by a wholesale censure of one of its security policies, how can the United States expect to encourage Israel's historic adversaries to have confidence in these negotiations?

And if the United States acts to embarass an ally such as Israel in the midst of Israeli efforts to safeguard a most vital interest—its territorial security—then how can we ask for and expect concerted allied support for Amercan initiatives to safeguard our vital interests in the Middle East? We would be undermining an ally with stakes that are far more immediate in a way that is more damaging than anything our allies have done to cast doubt on Western unity in responding to Soviet threats in the Middle East.

Israel has understandable security interests in establishing settlements on the West Bank. They serve as outposts of information against attacks against its population and set a precedent aimed at establishing the right of Jewish settlement in the West Bank regardless of the area's ultimate political status. If we have differences with Israel as to their security policies in the West Bank, we should raise them directly with Israel's Government. Certainly there are better means than a resolution which in effect denies all Israeli claims to the West Bank.

American support for such a resolution is out of line with our historic commitments, our policies to date, and our future interests. I take some relief in knowing that the President has renounced this tragic vote. This Senator, for one is strongly opposed to lending U.S. support to this resolution.

(Mr. BRADLEY assumed the chair.)

RECESS UNTIL 12:45 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand recessed until 12:45 p.m. tomorrow.

The motion was agreed to; and, at 5.29 p.m., the Senate recessed until Thursday, March 6, 1980, at 12:45 p.m.

NOMINATIONS

Executive nominations received by the Senate March 5, 1980:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Joseph C. Wheeler, of Virginia, to be Deputy Administrator of the Agency for International Development, vice Robert Harry Nooter, resigned.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

David Marion Clinard, of Virginia, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency, vice John Newhouse, resigned.

FEDERAL MARITIME COMMISSION

Peter N. Teige, of California, to be a Federal Maritime Commissioner for the remainder of the term expiring June 30, 1980, vice Karl E. Bakke, resigned.

Peter N. Teige, of California, to be a Federal Maritime Commissioner for the term of 5 years expiring June 30, 1985 (reappointment).

CONFIRMATION

Executive nominations confirmed by the Senate March 5, 1980:

DEPARTMENT OF STATE

Robert E. White, of Massachusetts, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, March 5, 1980*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious Lord, we implore Your blessing on us and what we do. Ever guide this Nation in the paths of peace and understanding. May Your spirit give confidence to Your people, especially to the hostages, refugees, and homeless who stand in need of our constant prayer. Give to all who are anxious or afraid the knowledge of our concern and the promise of Your abiding love, that armed with the faith that You alone can give, they may find hope and assurance in Your ever-present word. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 1829. An act for the relief of Loraine Smart and Robert Clarke; and

H.J. Res. 493. Joint resolution providing for the appointment of William G. Bowen as a citizen regent of the Board of Regents of the Smithsonian Institution.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4612. An act to amend title XVI of the Social Security Act to maintain for an additional 3 years the current program of preventive services, referral, and case management for disabled children receiving SSI benefits.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1156) entitled "An act to amend and reauthorize the Solid Waste Disposal Act," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Randolph, Mr. Muskie, Mr. Culver, Mr. Stafford, and Mr. Chafee to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 149. Joint resolution to recognize the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson*, March 15, 1980.

The message also announced that the Vice President, upon the recommendation of the majority and minority leaders, pursuant to Public Law 86–420, appointed Mr. DeConcini (chairman) and Mr. Percy (vice chairman) to attend the Mexico-United States Interparliamentary Conference, to be held in Washington, D.C., May 5 to 8, 1980.

The message also announced that the Vice President, upon the recommendation of the majority and minority leaders, pursuant to Public Law 86–42, appointed Mr. Zorinsky (chairman) and Mr. Stevens (vice chairman) to attend the Canada-United States Interparliamentary Conference to be held in San Diego, Calif., May 23 to 27, 1980.

RESOLUTION OF INQUIRY INTRODUCED ON U.S. VOTE IN UNITED NATIONS

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HOLTZMAN. Mr. Speaker, yesterday I expressed my deep concern over the vote cast in the United Nations on March 1 condemning Israel's settlement policy on the West Bank. Today, together with Representative Christopher Dodd of Connecticut, I have introduced a resolution of inquiry requiring President Carter to turn over to the House of Representatives all information and facts regarding the decision by the United States to vote for a resolution in the United Nations Security Council on March 1.

The United States precedent-breaking vote in the Security Council was very disturbing. Subsequent explanations have been in conflict and not credible. They have raised more questions than they have answered. We have a right to know what really happened and why. This resolution will enable us to find out promptly.

PRESIDENTIAL CANDIDATES' SOLUTIONS FOR INFLATION

(Mr. JOHN L. BURTON asked and was given permission to extend his remarks at this point in the Record.)

Mr. JOHN L. BURTON. Mr. Speaker, I spent the early part of this week meeting with the economic advisers to the Republican candidates for President, as well as the Democratic candidates for President, and they have given me a three-step program that will cure inflation. It is as follows:

I hope all the Members join me in this program.

BIG NEWS: BUREAUCRAT SAYS HE WILL ABIDE BY WISHES OF CONGRESS

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, what is newsworthy has generally been described as the unusual event: When a dog bites man, that is not news; but when a man bites a dog, that is news. So, therefore, what appears in the press must be newsworthy.

Last night I saw in the Washington Star a headline which is obviously newsworthy. It says "FTC Set To Accept Congress' Will: Pertschuk."

☐ 1510

Mr. Speaker, is that not newsworthy—that an unelected bureaucrat has finally decided to do what Congress says for him to do, and that is news? I think it is a sad commentary on our times that it becomes news when the bureaucrats announce that they have decided to do what Congress says they are supposed to do.

Who knows what is next? Maybe some agency will put out a press release agreeing to abide by the U.S. Constitution.

WE HAVE WAITED LONG ENOUGH

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, our 50 American hostages have been in captivity now for a tortuous 4 months. Yet today we wait while the Iranians quibble over who is running their country.

Mr. Speaker, we are a patient people. We were told during the weeks following the attack on our Embassy to be patient and let the U.N. Security Council act.

We were told to be patient while our allies mustered to our cause.

Then we were told to be patient until the world court had acted.

Then we were told to be patient until the Iranian people elected a new President.

Then we were told to be patient until the U.N. Commission was formed.

Most recently we were told we must now wait until a new Iranian Parliament is in place 2 more months from now.

Mr. Speaker, when does patience become procrastination? When does procrastination become complete stagnation?

The bungled vote at the U.N. suggests that if we cannot secure our communications between Washington and New York, there surely must be gaps in Jimmy Carter's communication with the rest of the world out there.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HIGH INTEREST DEMOCRATS

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, the late Chairman Wright Patman of the Banking Committee used to wag his finger and accuse the Republicans of bringing "the highest interest rates in the history of the United States."

I wonder what he would say now. The Carter administration and the big-spending Democrats in Congress have produced a leap-year economic disaster. The prime interest rate has leaped to 17¼ percent—an alltime record. The home mortgage rate has leaped to 14 percent—another record.

It is clear that the Democrats have brought us the highest interest rates in American history. It is becoming impossible for working people to make ends meet or to buy a home.

Mr. Speaker, it does not have to be this way. For 25 years the Democrats have dominated Congress and pressed false economic doctrines. They are spending our tax dollars at the rate of $1 million a minute.

To halt inflation and lower interest rates, we need a Republican Congress—for a change.

U.S. PRESTIGE SUFFERS FROM INEPT HANDLING OF FOREIGN AFFAIRS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, what is going on with the Carter administration? Can they not get their act together?

First, they decide to vote for a U.N. resolution criticizing Israel's settlement policy, then they say that was a mistake resulting from a "failure in communications."

No wonder they cannot deal with Iran. They cannot even get their signals straight between the White House and the State Department.

Although Secretary Vance is taking the blame for the mixup, it is obvious he is the fall guy in this latest example of the Carter administration's inept handling of foreign affairs.

Frankly, I think President Carter changed his mind not only because of the apparent failure to communicate but also because he miscalculated the strong adverse diplomatic and domestic political reaction.

U.S. prestige is suffering at home and abroad thanks to the continuing saga of a President who is flunking his on-the-job training.

U.S. CENSURE OF ISRAEL: POLITICS OR INCOMPETENCY?

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, on Monday, from the House floor, I strongly criticized the Carter administration's vote in the United Nations Security Council censuring Israel for maintaining Jewish settlements on the West Bank and in East Jerusalem.

Monday night, after a storm of protest all around the country, the President announced that his administration had made a mistake. A mistake, Mr. Speaker?

Our vote marked the first time in U.N. history that the United States had voted against Israel on the settlements question. This is an extremely delicate and serious matter, one of great concern to the American people. The resolution had been under consideration in the Security Council for weeks. The President said he instructed Ambassador McHenry to abstain. A spokesman for Jewish leaders who heard the President's explanation said it was "incredible and no one in the room believed it."

Mr. Speaker, the only real explanation of the Carter administration's handling of this matter is either politics or incompetency, and in either case the American people are not being well served.

THE AMERICAN DREAM—A NIGHTMARE WITH "JUST FINE" POLICIES

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, just recently President Carter spoke of his anti-inflation program and said: "It suits me just fine." With the highest interest rates in history, the biggest budget in history, and inflation approaching double-double digit levels, one has to wonder at Mr. Carter's acceptance of it. Perhaps he has concentrated so hard on staying in the rose garden that he has lost touch with the realities of our economy. He should get out among the people and find out what his "just fine" policies are doing to the living standards of working American men and women.

As home ownership recedes into never-never land for more families, and pensions and savings accounts melt away under inflation, and as small businesses struggle with stratospheric interest rates, it is apparent that under the Carter administration, the American dream has turned into a nightmare.

Mr. Carter may think his hand-wringing—watch and weep anti-inflation policies are just "Jim dandy" they are a disaster for the American people, who are being Carterized by runaway inflation.

A FURTHER MOCKERY OF THE BUDGET PROCESS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, House Budget Committee Democrats today outvoted Republicians to recommend a Budget Act waiver for legislation to raise the food stamp ceiling from $6.2 billion to $8.7 billion this year, and to further liberalize the food stamp program.

The committee also approved publishing a report recommending stronger Government controls as a way to curb inflation, instead of cuts in Federal deficit spending for nondefense programs comprising three-fourths of the Federal budget.

All this following yesterday's disclosure that spending by Congress has already breached this year's $548 billion budget ceiling by $10 billion.

The budget waiver signals Congress, bureaucrats, and citizens everywhere that Congress does not intend to force a needed limitation on profligate spending.

The Budget Committee in my judgment should be leading efforts to enact several billion dollars worth of money-saving, not spending, proposals that will help us to balance the budget and cut taxes.

THE "F. G. TITANIC" CAPTAINED BY JAMES EARL CARTER

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, once upon a time, there was a ship named the "F. G. Titanic"—the Federal Government Titanic. It was captained by James Earl Carter, with First Officer EDWARD KENNEDY on board. As they took over from the previous Republican crew, their mission was to continue to sail through calm economic waters.

Almost immediately, the captain and first mate changed course and headed toward icy waters. Even though the major icebergs of inflation were dead ahead, they continued on—because only a small portion of the icebergs were immediately visible.

Indeed, the first officer insisted they go full steam ahead, crying, "Spend more, spend more!" Sure enough, they collided with the biggest iceberg in history—and the ship went down.

As the captain and first officer made it into a lifeboat, they immediately got into a fight over who was at fault.

Yet, as soon as they were rescued at sea, they were back again—applying to the American people for another command—this time of an even larger Federal ship with even more power in its spending and regulating engines. Can we afford to give the captain or the first officer of the Titanic another 4 years?

We should not—but we had better take care.

In this primary era where the press declares winners losers, and the losers declare themselves winners—alas, even fairy tales can come true.

□ 1520

LET'S CHANGE THE DEMOCRAT POLICY OF ECONOMIC FAILURES

(Mr. CARNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARNEY. Mr. Speaker, I read a disturbing article in the newspaper this morning; major banks have raised their prime lending rate to 17¼ percent in response to the Federal Reserve Board and inflation.

But how have we gotten to a point of 17¼ percent interest rates and 18 percent inflation?

We have gotten here because Congress holds the pursestrings and the Democrat majority only knows how to hold them open.

For 25 years, the Democrats have controlled Congress. They made the laws, they set the budgets, they built the bureaucracy, and they deficit-spent to put us where we are today.

For 25 years, the Democrat majority has refused to impose fiscal responsibility.

A Democratic majority has failed to cut spending: Failed to balance the budget; failed to maintain the value of our dollar. A Democratic majority which is now spending our taxes at the rate of a million dollars a minute has lost touch with reality.

But the people have not lost their good sense. Things can change, the Congress can change, by changing the Democrat-policy of economic failures to a Republican Congress of responsibility.

COMMUNICATING WITH THE UNITED NATIONS

(Mr. MARTIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN. Mr. Speaker, with sympathetic understanding of the difficulty the administration has had in communicating its policy to our Ambassador to the United Nations, and out of concern for the diplomatic blunder that took place on the recent incomprehensible vote against Israel in the U.N. Security Council, which many of our colleagues have pointedly and correctly criticized here today, and out of genuine sense of wanting to be helpful to the President in overcoming this vital communications gap, I hereby disclose and ask to be spread upon the record and recommend that he use, the official listed telephone number of our Diplomatic Mission to the United Nations: Area 212–826–4566.

That is in New York City, 212–826–4566. If there's no answer the administration should dial the general information number there: 212–826–4524.

JOHN B. ANDERSON'S BRILLIANT FLASH IN THE PRIMARIES

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, JOHN B. ANDERSON and I took the oath of the office the same moment January 3, 1961, in this Chamber, and the intervening years have brought us close together in many a cause. And today I speak of the inward rejoicing I felt when late news from Massachusetts and Vermont brought word of JOHN's astonishing vote in the Republican primaries. This of course is but a flash in an uncertain sky, but a brilliant flash it is. And, although I am an unpledged candidate for delegate to the nominating convention and will not for some time decide my own choice for the Presidential nomination, I speak, I know, for most of my colleagues on both sides of the aisle in voicing our pleasure, yes, happiness, at the tribute given Tuesday to our distinguished colleague. I know of no Member of this body more universally admired by all.

GOVERNMENT COMPETITION WITH PRIVATE BUSINESS

(Mr. HOPKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOPKINS. Mr. Speaker, once again we have been reminded that one of the cardinal rules in this Nation's army of bureaucrats seems to be: "Anything private industry can do, the bureaucracy can do better."

This is not true today, it has never been true in the past, and it is not likely to be true anytime in the future. And yet, last Friday, a report submitted by an official Small Business Administration task force revealed that small businesses could earn $2 billion more each year and taxpayers could save about $3 billion annually if the Federal Government stopped competing with private firms in supplying goods and services consumed by the bureaucracy.

Time does not permit me to list the incredible number of commercial activities being pursued by our "tireless" bureaucrats. But just a few examples include: Retailing, printing, manufacturing, travel services, and communications.

The report said, and I quote,

> The extent of government commercial and industrial activities is astounding.

Mr. Speaker, I hope that my colleagues are as concerned about this information as I am, and that in the very near future, the House Committee on Small Business will review the task force findings and report back to the full House their recommendations for correcting this deplorable situation.

□ 1530

REPORT ON CONCURRENT RESOLUTION PROVIDING FOR PRINTING OF BROCHURE ENTITLED "HOW OUR LAWS ARE MADE"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–798) on the concurrent resolution (H. Con. Res. 95) to provide for the printing of the brochure entitled "How Our Laws Are Made," which was referred to the House Calendar and ordered to be printed.

REPORT ON CONCURRENT RESOLUTION PROVIDING FOR PRINTING OF FINAL REPORT OF INDIAN CLAIMS COMMISSION AS HOUSE DOCUMENT

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–799) on the concurrent resolution (H. Con. Res. 162) providing for the printing of the final report of the Indian Claim Commission as a House document, which was referred to the House Calendar and ordered to be printed.

REPORT ON CONCURRENT RESOLUTION PROVIDING FOR PRINTING AS HOUSE DOCUMENT AN ANTHOLOGY OF CAPTIVE NATIONS WEEK PROCLAMATIONS, ADDRESSES, AND OTHER RELEVANT MATERIAL

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–800) on the concurrent resolution (H. Con. Res. 233) to provide for the printing as a House document an anthology of Captive Nations Week proclamations, addresses, and other relevant material, which was referred to the House Calendar and ordered to be printed.

REPORT ON CONCURRENT RESOLUTION AUTHORIZING PRINTING OF REVISED EDITION OF "OUR AMERICAN GOVERNMENT" AS HOUSE DOCUMENT

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–801) on the concurrent resolution (H. Con. Res. 279) to authorize the printing of a revised edition of "Our American Government" as a House document, which was referred to the House Calendar and ordered to be printed.

REPORT ON SENATE CONCURRENT RESOLUTION AUTHORIZING PRINTING OF REVISED EDITION OF "HANDBOOK FOR SMALL BUSINESS" AS SENATE DOCUMENT

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–802) on the Senate concurrent resolution (S. Con. Res. 45) authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document, which was referred to the House Calendar and ordered to be printed.

REPORT ON SENATE CONCURRENT RESOLUTION AUTHORIZING REPRINTING OF COMMITTEE PRINT ENTITLED "SYNTHETIC FUELS"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–803) on the Senate concurrent resolution (S. Con. Res. 56) authorizing the reprinting of the committee print entitled "Synthetic Fuels," which was referred to the House Calendar and ordered to be printed.

REPORT ON CONCURRENT RESOLUTION PROVIDING FOR PRINTING AS HOUSE DOCUMENT THE PUBLICATION ENTITLED "FEDERAL ELECTION CAMPAIGN LAWS RELATING TO THE U.S. HOUSE OF REPRESENTATIVES"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–804) on the concurrent resolution (H. Con. Res. 283) to provide for the printing as a House document the publication entitled "Federal Election Campaign Laws Relating to the U.S. House of Representatives," which was referred to the House Calendar and ordered to be printed.

TO EXTEND AND INCREASE CERTAIN AGRICULTURAL LOAN PROGRAMS

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6291) to amend the Emergency Agricultural Credit Adjustment Act of 1978 and the Commodity Credit Corporation Charter Act to extend and increase certain agricultural loan programs, and for other purposes.

The SPEAKER pro tempore (Mr. MOAKLEY). The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6291, with Mr. DICKS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Washington (Mr. FOLEY) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MADIGAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the bill H.R. 6291, as reported by the Committee on Agriculture.

H.R. 6291, as amended, extends the economic emergency loan program of Farmers Home Administration from May 15, 1980, to September 30, 1981, increases the funds available for the program and makes revisions to tighten administration of the program and make the program more workable in the light of testimony received by the committee. H.R. 6291 also amends the farm storage facility loan program of Commodity Credit Corporation to modify restrictions on such loans so as to enable the program to be more effective in meeting the demand for farm storage resulting from the long-term producer reserve program, the increased needs for the storage attributable to the grain embargo recently imposed on shipments to the U.S.S.R. and other factors.

In 1978, the Congress reacted to a rapidly deteriorating economy in the agricultural sector by enactment of the Emergency Agricultural Credit Adjustment Act of 1978 which established a new economic emergency loan program. At the time, farmers and ranchers were experiencing severe financial problems due to low prices, high costs of production, overextension of too much short-term credit, and the lack of adequate credit from their normal creditors. The program has largely been successful in meeting its mandate. The funds available under the program—$4 billion—have been exhausted and the program is due to expire May 15, 1980.

Today there still remains a critical need for the type of credit provided by the act and, accordingly, the committee has acted to extend and expand the program with additional safeguards to protect the public interest. On Tuesday, February 26, the Wall Street Journal on the first page headlined an article "Rural Squeeze, Many Small Banks Are Short of Money, Long on Worried Customers, Farmers and Little Concerns Are Being Hurt." The headline concisely portrays the issue addressed by H.R. 6291.

The article states that ever since the Federal Reserve Board moved to restrict monetary growth last October, many smalltown banks have been caught in a profit squeeze that is making it harder and harder to provide the credit needed by their communities. Credit tightening moves by the relatively few local banks typically move quickly through a rural community and are felt more sharply than in an urban area. Because farmers are heavy seasonal borrowers after operating on their profit margins, they are particularly sensitive to tight and costly credit.

The USDA estimated, prior to the suspension of grain and soybean sales to the Soviet Union, that net farm income for 1980 could be 20 percent below the 1979 level. Postembargo estimates indicate that there may be an increase in that projected falloff. The estimated reduction in net farm income for 1980 will severely reduce the repayment ability of farmers; therefore, increasing the need for refinancing short- and intermediate-term debt provided by the economic emergency loan program.

The credit needs of agriculture continue to grow as the cost of production inputs rise. Farmers in the southern areas of the Nation are beginning to plant their crops and they are finding credit unavailable through private credit sources while all available funds under the economic emergency loan program have been committed.

Federal policy decisions to raise interest rates hopefully to curtail inflation have placed an added burden on American farmers who are little able to pass their increased interest costs on up the economic ladder. When interest rates are high, farmers face particularly acute short-term liquidity and cash-flow problems.

About 60,000 to 65,000 farmers have received economic emergency loans since the program began in August 1978. Some received a total refinancing package while others received loans to meet operating or current credit needs. The financial condition of many of these borrowers has improved during the past year, but many have not sufficiently recovered to be eligible for private credit. Without economic emergency assistance, especially operating loans, significant numbers of these borrowers and other new FmHA borrowers will not be able to continue operations.

A survey of bankers at the annual meeting of the American Bankers Association indicated strong support for extending the program. Of a total of 110 bank representatives from 25 States, 92—83.6 percent—supported its extension.

To meet these needs H.R. 6291 extends the economic emergency loan program from May 15, 1980, to September 30, 1981, and increases from $4 billion to $6 billion the total amount of loans that can be outstanding at any time.

Loans made under the program are both insured and guaranteed. Only about 4 percent of the loans made to date have been guaranteed. H.R. 6291 contains several provisions which would encourage the making of guaranteed loans. It also tightens the requirement that a borrower can receive a loan only if he cannot obtain credit elsewhere. It requires as a prerequisite that there be at least one refusal of private credit in writing—two for loans over $300,000—with authority to waive this requirement in unusual situations. Also, it requires periodic review of the loan to determine when the borrower can be graduated to private credit.

Additional provisions of H.R. 6291 amend the farm storage facility loan program of Commodity Credit Corporation. Under the program, farmers can borrow money from the Commodity Credit Corporation to build on-farm storage and drying facilities for grains and certain other commodities. Loans are also available for building high-moisture forage and silage storage facilities and for remodeling existing facilities. The program has made it possible for farmers to hold crops on their farms for extended periods of time. This has been especially important in recent years of consecutive record crops. Additionally, the on-farm storage capacity has provided farmers the ability to participate in the grain reserve program of CCC.

The amendments increase the maximum size of a farm storage facility loan from $50,000 to $100,000, delete the requirement that the size of the storage facility financed could not exceed 2 years' production and limits the maximum interest rate to 8 percent per annum.

The increase in the maximum loan authorized by H.R. 6291 reflects the continuing inflation in the general economy which makes construction much more expensive than when the limit was added to the act in the Food and Agriculture Act of 1977.

The committee amendment would delete from the governing statute the limitation on the size of a facility for which a loan can be obtained. It was decided desirable for the Secretary to have the flexibility, if necessary, to provide financing for larger size facilities because of a number of factors. These include the large quantity of grain being stored on farms under the long-term producer reserve program, the need for additional farm storage because of the reduction in exports resulting from the grain embargo to the U.S.S.R., and transportation backups resulting from the bankruptcy of the Milwaukee Railroad and the Rock Island Railroad. In any event there is a statutory limit of $100,000 on the total amount that a producer could receive in financing under the program.

A decision in March 1979 to increase the interest rate charged for loans from 7 percent to 10.5 percent has significantly reduced the attractiveness of the program. The number of loans made under the program dropped by more than half from 1978 to 1979. In order to enable the program to meet its objectives, H.R. 6291 has provided a ceiling on interest rates of 8 percent per annum.

The committee believes that there is a potential high demand for the benefits of the program. In announcing the program for the 1980 crop, the Secretary has ruled out any set-aside requirement. Accordingly, all producers of that crop will be eligible for program benefits. The committee anticipates that there will be a high demand for price support loans in the next crop year and the administration likely will be encouraging participation in a producer reserve program. This coupled with the initiatives undertaken in the aftermath of the grain embargo should increase substantially the demand for additional farm storage facilities. H.R. 6291 will assist in meeting this need.

H.R. 6291 was ordered reported by a rollcall vote of 37 to 1. As you can see it has strong bipartisan support.

Mr. Chairman, total net outlays under H.R. 6291, as amended, are estimated at $38 million in fiscal year 1980, $43 million in fiscal year 1981, $28 million in fiscal year 1982, $29 million in fiscal year 1983, and $25 million in fiscal year 1984. The net outlays are all from the farm storage facility loan program, except for $3 million in fiscal year 1982, $4 million in fiscal year 1983 and $1 million in fiscal year 1984 attributable to loan defaults under the economic emergency loan program.

I am advised that there is a potential problem under section 401(a) of the Congressional Budget Act of 1974 raised by the amendments to the farm storage facility loan program. In order to cure that problem I intend to sponsor an amendment to H.R. 6291 that would make the amendments to that program effective for any fiscal year only to such extent or in such amounts as are provided in appropriation acts.

Mr. Chairman, I urge the Members to join me in support of this important legislation.

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Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 6291. I wish to associate myself with the remarks of Mr. Foley, chairman of the Committee on Agriculture and urge that my colleagues support this legislation.

The need to extend the economic emergency loan program of the Farmers Home Administration from May 15, 1980, to September 30, 1981, is urgent. In 1978, the Congress reacted to a rapidly deteriorating farm economy by enacting the Emergency Agricultural Credit Adjustment Act of 1978, which established a new economic emergency loan program. At that time, farmers and ranchers were experiencing severe financial problems due to low prices, high production costs, over extension of short-term credit and the lack of adequate credit from commercial lenders. The initial program had authorized up to $4 billion in Government-insured and guaranteed loans—which has already been completely obligated. H.R. 6291 authorizes an additional $2 billion in similar loans.

The $2 billion is urgently needed because the credit needs of farmers are growing as their production costs rapidly increase.

Furthermore, President Carter's recent grain embargo increased the justification for extending this program. As Mr. Foley just mentioned, prior to the embargo, USDA estimated that farm income for 1980 would be 20 percent below the 1979 figure. The adverse economic impact of the President's embargo will decrease farm income even more.

Mr. Chairman, the committee has reviewed this loan program very closely. We did not extend the program "carte blanche." We made changes in the economic emergency loan program which will insure loans are made only to needy farmers that cannot get credit elsewhere. Furthermore, the committee imposed requirements for periodic reviews of loans which will result in repayment of more economic emergency loans so that additional funds would become available to make loans to borrowers currently in need.

Mr. Chairman, I would again like to emphasize the immediate need for this legislation and urge my colleagues to support H.R. 6291.

Mr. Chairman, I yield such time as he may consume to the distinguished ranking minority member of the Committee on Agriculture, the gentleman from Virginia (Mr. Wampler).

Mr. WAMPLER. Mr. Chairman, I rise in support of H.R. 6291, a bill to amend the Emergency Agricultural Credit Adjustment Act and the Commodity Credit Corporation Charter Act. I want to associate myself with the remarks of my colleagues and urge swift passage of this legislation.

Mr. Chairman, there is a crucial need in our farming sector for the type of credit provided by the economic emergency loan program. Administered by the Farmers Home Administration, the program originally was enacted by Congress in 1978 to deal with a collapsing farm economy. At that time, farmers and ranchers were faced with critical financial problems due to high costs, low prices, and lack of adequate credit from commercial lenders. While the loan program provided by the 1978 act has been largely successful in dealing with these conditions, available funds have been completely exhausted, the program is scheduled to expire this May, and our farmers and ranchers still face many, if not more, of the same type of financial problems.

H.R. 6291 is a major effort to alleviate such problems. The bill extends the economic emergency loan program from May 15, 1980, to September 30, 1981, while providing an additional authorization of $2 billion for the purpose of making insured and guaranteed loans. I also would like to point out that while the committee increased the funding authorization for the overall program, the $400,000 cap on individual loans was retained, and several provisions were added to the bill to tighten administration and improve delivery of the program.

In addition to improving the economic emergency loan program, H.R. 6291 also amends the Commodity Credit Corporation Charter Act in regards to providing credit for the construction of crop storage facilities on farms. The ceiling on individual storage loans would be raised from the present $50,000 limit to $100,000, and interest rates on such loans would not be more than 8 percent. In making these changes, the Committee on Agriculture felt that such steps were necessary to meet the increased need for storage facilities, a need which has become even greater as a result of the recent Russian grain embargo. Therefore, in order to make the grain reserve program a useful program for farmers, we must have the capability to store more grain for a longer period of time. The committee feels that H.R. 6291 will help accomplish this goal.

Mr. Chairman, the need for continuation of the economic emergency loan program and improved loan terms for crop storage facilities are crucial to our farm sector. H.R. 6291 addresses that need.

I urge passage of this important legislation.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I will be delighted to yield to my distinguished colleague, the gentleman from Missouri.

Mr. COLEMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman's excellent statement points out the reasons for this bill. I would just like to bring to the gentleman's attention, although he already knows it, and to the full House the reason the farmers are in such a bind, because of higher costs of production. For example, last year the cost of a tractor went up 14 percent. Fuel is increasing at the rate of 35 percent a year. Some pesticides are up to as much as 20-percent increase over 1979. Fertilizer has increased its cost 18 percent. Interest rates are up 15 percent; so these are the reasons why the farmer is getting squeezed from both sides and why this bill is definitely needed for passage.

Mr. WAMPLER. Mr. Chairman, I

thank the gentleman from Missouri for his contribution. The gentleman makes a very valid observation. This is one of the reasons, and a contributing reason why we need to continue this very vital program. I thank the gentleman for his contribution.

Mr. DASCHLE. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Conservation and Credit, the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Chairman, I rise in strong support of the bill, H.R. 6291, as reported by the Committee on Agriculture and which I cosponsored.

Mr. Chairman, the economic emergency loan program was designed to be a temporary program to help farmers through an economic emergency, that is, a period of economic stress resulting from low farm prices and tight credit. Farm prices earlier this year were looking very strong, that was until the Russians decided to invade Afghanistan and the administration embargoed further grain sales to the U.S.S.R. Prices nosedived and projections are that net farm income will fall by 20 to 25 percent in 1980. In October of this year, the Federal Reserve moved to restrict monetary growth by imposing higher rates for money borrowed by member banks. The effect of this credit tightening is prime interest rates now exceeding 17 percent and may go even higher.

These factors have created a credit crisis on farms across the Nation.

The intent of this policy is to hold down borrowing and curtail inflation. Certainly there is some merit in this approach but farmers must put in a crop this year and must borrow the money to do so. The tractors need to be rolling this very day but due to Government action operating funds are not available.

Farmers finance their production and capital expenses from net farm income, off farm income, and borrowed funds. The importance of borrowed funds in that mix has been increasing. The percentage financed by borrowing has increased from just under 6 percent in 1970 to more than 17 percent in 1978. The total interest cost paid by farmers of $11.9 billion in 1979 is about 25 percent higher than 1978. Interest costs rose faster than overall production expenses in 1979. Now we find out that rural banks are both short on loanable funds and unwilling to make risky farm loans. At the recent American Bankers Association convention 83 percent of those bankers responding to a survey said the economic emergency loan program should be continued temporarily. The situation is obviously critical when that many bankers want a Government program of this type to be continued.

In testimony before our committee, the Agriculture Department testified, that the loan-to-deposit ratios in many rural banks are so high they are less able to extend additional credit to present borrowers. Uncertainty regarding commercial interest rates have caused commercial banks to favor short-term loans and limit longer term credit. Rapid increases in the costs farmers face for all agricultural inputs increases demand for production loans, increases risk, and reduces the ability of marginal operators to obtain commercial credit from their normal sources.

This growing credit crunch in rural farm areas is described in the February 26 Wall Street Journal article, "Rural Squeeze—Many Small Banks Are Short of Money, Long on Worried Customers." I recommend that all members read this enlightening article which I request may be printed in the RECORD following my remarks.

Mr. Chairman, the emergency economic loan program has been a very useful one. It has enabled many farmers to stabilize their current obligations and continue to get credit for ongoing expenses from their conventional lenders. This program has been primarily used by family farmers. Ninety-five percent of all the borrowers have been farmers who operate as individuals, they have used 83 percent of program moneys. I hope Members will support H.R. 6291 and I urge its passage.

Additionally, Mr. Chairman, I want to comment briefly on the provisions of H.R. 6291 regarding the farm shortage facility loan program. As a former chairman of the Tennessee ASC Committee, I am familiar with the great benefit of this program. I am also aware that most administrations turn these funds on and off like water from a faucet by manipulating interest rates and loan terms. The provisions were tightened some in the 1977 farm bill but unfortunately we were overridden in our effort to set the interest rate in the law.

The result was that on March 22, 1980, the administration increased the interest rate by 50 percent. The program has since declined and farmers are discouraged from building storage bins which would give them some small control over their own economic destiny.

In my opinion the storage facility loan program is one of the finest we have at USDA and these amendments strengthen it.

In closing, I want to compliment Mr. HARKIN, the sponsor of H.R. 6291 and Chairman FOLEY and Representative SEBELIUS who sponsored similar bills. The credit situation is very serious in farming communities and H.R. 6291 will help a lot. I urge my colleagues to vote for it.

[From the Wall Street Journal, Feb. 26, 1980]

RURAL SQUEEZE: MANY SMALL BANKS ARE SHORT OF MONEY, LONG ON WORRIED CUSTOMERS—FARMERS AND LITTLE CONCERNS ARE BEING HURT; BANKS SWITCH TO FLOATING RATES

MEADVILLE, PA., FEELS PINCH

(By Carol Hymowitz)

MEADVILLE, PA.—John Tracy, a banker in this town of 16,200, sees a big change ahead. Soon, he says, "the friendly country banker won't be around."

Mr. Tracy doesn't want to become unfriendly. Rather, the vice president and manager of a Pennsylvania Bank & Trust Co. branch here is simply citing a problem little noticed outside rural America. Ever since the Federal Reserve Board moved to restrict monetary growth last October, many small-town banks have been caught in a profit squeeze that is making it harder and harder to provide the credit needed by their communities.

In fact, the prospect of a genuine credit shortage is looming in many rural areas—particularly in the wake of the Fed's most recent increase in its discount rate. Like many big-city institutions, so-called country banks have had to raise interest rates sharply in the past few months. But while most urban banks still have plenty of money to lend, money is scarce at many country banks "and likely to remain that way for some time," says Marvin Duncan, an economist at the Federal Reserve Bank of Kansas City.

GRIM OUTLOOK

This outlook doesn't bode well for rural economies. Credit-tightening moves by the relatively few local banks typically move quickly through a rural community and "are felt more sharply" than in an urban area, explains Juan de Torres, an economist at the Conference Board, a business-research organization based in New York. And because farmers are heavy seasonal borrowers often operating on thin profit margins, they are particularly sensitive to tight and costly credit.

"Everything farmers need is costing more," says Phillip Allen, an Agriculture Department economist, "and when they add in the extra (money) they'll be paying for loans, their profits are going to decline sharply." Indeed, the department expects net farm income to drop as much as 20 percent this year.

The threat of a rural credit squeeze is rooted in country-bank lending methods. While most big-city banks have long been making business loans at interest rates that float up or down over a loan's term with their own cost of funds, few small-town banks had adopted the practice—until recently. Instead, they had continued to make business loans at fixed rates of interest, partly because their customers demanded it and partly because their own costs of money remained relatively stable.

All that changed last fall, when the Fed moved to fight inflation by restricting growth in the money supply. To continue to maintain a reserve of lendable funds, big banks began selling certificates of deposit at yields more than double the 5¼-percent paid on regular bank savings accounts. Country banks had to follow suit—offering the same high yields to keep their own large depositors from switching to city institutions—particularly because rural residents have become more sophisticated than in the past about seeking out the higher returns.

TIGHT SQUEEZE

However, small-town banks with portfolios of fixed-interest loans yielding, say, 9 percent annually can't easily absorb deposit costs suddenly approaching 10 percent to 11 percent. Thus, country banks stuck with fixed-rate loans are "being squeezed tight," says Edwin Demoney, manager of financial institutions at the Federal Reserve Board in Washington. While the Fed is concerned about these banks, he adds, "we can't help them out with their earnings." In fact, the Fed can't even lend many of them funds because few such banks are members of the Federal Reserve System.

Nor can country banks easily turn to big-city banks for help. Although most small banks have at least one so-called correspondent relationship with a large bank, most rely on their correspondents simply for administrative services such as check processing and for help with an occasional big loan. But few small banks can afford, as a constant mode of operation, the high interest rates involved in loans from big banks.

And for the same reason, they can't afford to buy so-called federal funds, the overnight loans that banks make to one another.

Caught in this predicament, many country banks are abandoning the fixed-rate policy in favor of floating rates. Many are also trying to deal with the problem by sharply restricting loans to only the most creditworthy customers able to pay today's high interest rates.

A REGIONAL CENTER

These problems are being felt in Meadville, a pretty town of stately homes and tree-lined streets in northwestern Pennsylvania. As in many such areas, the local work force is fairly evenly divided between farming (23 percent)—mostly dairy and grain farms—and manufacturing (27 percent)—mostly small machine shops making tools and dies. In addition, Meadville serves as the seat of Crawford County and also as a sort of rural financial center: Four regional banks have branches here. The branches, along with two locally owned banks elsewhere in the county, are grass-roots institutions, deriving most of the funds from local depositors and making most of their loans to local farmers, businesses and customers.

Only two of the banks here are Federal Reserve members, and only one has traditionally attached floating interest rates to commercial loans. The others, burdened with many fixed-rate loans, are finding it hard to recover the sudden increases in their own interest costs.

"It's getting difficult to show a profit," says Mr. Tracy at the Pennsylvania Bank & Trust branch here. Pennbank, as it is known, is one of the area's largest banks; based in nearby Titusville, it has 24 offices and assets of about $500 million. Ever since the Fed pushed up interest rates, Mr. Tracy says, Pennbank's Meadville customers have been transferring their money from checking and regular savings accounts to high-yielding certificates of deposit.

Today, these certificates represent about 25 percent of the Meadville branch's deposits, up from 6 percent a year ago, and they are costing the bank an average annual interest rate of about 11 percent. But with more than 75 percent of its business loans out of fixed-interest rates, the branch is earning only 9 percent on its loan portfolio. As a result, the branch's net income in the 1979 fourth quarter fell to $82,464 from $108,249 a year earlier. (Pennbank as a whole did better, however, with quarterly earnings rising to $1.8 million from $1.3 million. Officers at the Meadville branch explain that there was more switching of deposits into high-paying certificates at their unit than at some other branches. Earlier, however, in the bank's third quarter report, William F. Roemer, president, noted that Pennbank as a whole was being hurt by the surge in its interest expense on time deposits.)

Seeking to bolster the branch's profits, Pennbank has raised its interest rates on new loans to a minimum of 14 percent, and, Mr. Tracy says, "as much as possible we're trying to switch to floating rates" pegged to the prime rate charged by big-city banks to their best customers.

With profits down and competition for deposits fierce, Pennbank has little money to lend at any price, of course. But so far, high interest rates have curbed loan demand. Since the Fed's moves last October, the Meadville branch hasn't made more than one commitment a month to finance farm and manufacturing equipment; previously, the branch had been making about four such loan commitments monthly. However, one loan officer says, "If demand picks up, we'll have to restrict lending because we don't have the funds."

A RIVAL TIGHTENS UP

Credit is already being tightened by the First National Bank of Cochrantan, a small bank north of Meadville with assets of $12 million. Loans for "anything nonessential" and to anyone not a steady customer are out, C. M. Mead, president, says. Moreover, borrowers are being told "not to take loans they can't afford," says, Mr. Mead, a sixth-generation descendant of Meadville's founder.

Like other local banks, however, Mr. Mead's institution hans't stopped lending altogether. "If we do that," he says, "we'll strangle the community." And Pennbank's Mr. Tracy adds that farmers are getting top priority. "They can't put seed into the ground unless they borrow, and we'd have to be out of funds completely before we wouldn't lend to them," he explains.

But some local farmers grumble that at today's high interest rates they can't afford even what bank credit is available. A typical example is Daniel Jablonski, a dairy farmer who has had to abandon his plans to borrow to finance a new silo and a doubling of his 20-cow herd. With his other operating costs already up sharply, he says "there's no way I can afford a 14 percent loan on top of everything else."

ALTERNATIVE LENDER

Other farmers are turning to farm credit production associations—a kind of cooperative that raises money through public debt offerings and, in the case of the Meadville Production Credit Association, can offer loans today at rates of about 12¾ percent. But even this bargain rate is up from 9 percent last summer and seems too steep for farmers such as Bernard Tobin. He recently got a loan of only half the $21,000 that he had sought because, he says, the Meadville association "figured it would be too much of a burden for me to handle" the full request.

Although a bit unhappy about the cutback, Mr. Tobin says he also has taken the association's "advice" to cut another request, for a fertilizer loan, to $6,000 from $10,000. "I'll have to get that amount just to stay in business," he says.

Mr. Tobin is better off than many others, however. "A lot of marginal farmers won't be able to afford loans and will go under," warns Blair McCurdy, assistant director of the Meadville association.

Like the farmers, Meadville's tool and die makers are being hurt by costly and scarce bank credit—without being able to turn to credit associations or, like small manufacturers in metropolitan areas, to a variety of banks.

FRUSTRATED BUSINESSMAN

Alden Hills, owner of A. C. Machine Co., says he can't get a loan for new machinery even though his business is "bursting at the seams." He says all four bank branches here turned down his request to borrow $100,000 and told him to "sit still" until the economy picks up. But Mr. Hills, who recently doubled the size of his machine shop and wants to increase his work force to 45 from 30, complains that if he doesn't expand, he won't be able to fill all his orders.

With both farm and manufacturing output slowing, the credit squeeze is filtering through the rest of Meadville's economy. Retailers, for example, are saddled with loans taken out for merchandise that they now can't sell because consumers are getting ready for hard times.

"Buying has come to a screeching halt," says David Mattocks, owner of Feed'N'Gro supply store, whose sales have dropped 40 percent from a year ago. With farmers delaying purchases of fertilizer, Mr. Mattocks says, he is "stuck with high inventories" and with the costly loans financing them.

Mr. Mattocks says he is only one of many Meadville residents being pinched by the credit squeeze. "Banks are essential to this community," he says, "and credit squeezes have a domino effect." But he isn't blaming the local bankers. "They're doing what they can to keep us alive," he says, "but they've got their hands tied" by the federal banking authorities.

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Mr. DASCHLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 6291, legislation dealing with the extension of the Farmers Home Administration's Economic Emergency Loan Program, and the Agricultural Stabilization and Conservation Service's storage facility loan program.

Many farmers and ranchers throughout the Nation have not yet recovered from the effects of the President's embargo decision. Grain prices that were moving to a level that reflected the cost of production plummeted with the embargo notice only now recovering to their pre-embargo levels.

The pleas for post embargo assistance have been met with pre-embargo estimates for 1980 farm income down by 20 percent. This cost/price squeeze confronting the agricultural sector is obvious when one considers the projected increases in the cost of production for 1980: energy costs up by 83 percent, fertilizer up by 35 percent, and interest costs on borrowed money up by 42 percent.

Added to the low farm prices and high cost of production figures is the tight money policy of the Federal Reserve. The effect of this policy has doubly impacted the agricultural sector simply because of the farmer's necessary reliance on borrowed funds for operating expenses. In a manner of speaking, a farm is one of the few businesses which purchases its inventory in one lump sum during a short period of time, thus necessitating borrowed money.

Since the 1960's debt outstanding has been consistently higher than net farm income. Recent statistics indicate that this ratio has grown from two to three times higher in the 1960's to more than a 4-to-1 ratio in recent years.

Add this increasing debt ratio to the Federal Reserve's tight money policy and it is easy to see why agricultural credit is at a crucial point.

The economic emergency loan program within the FmHA has been a lifesaver for many family farmers and ranchers throughout the Nation. Nearly 65,000 farmers nationwide have received FmHA assistance through this loan program which is aimed at providing temporary credit assistance for producers caught in a low farm price/high cost of production squeeze and unable to obtain commercial credit.

In addition, Mr. Chairman, a recent survey at the American Bankers Association annual meeting indicated overwhelming support, nearly 83.6 percent of the representatives present, for an extension of the economic emergency loan program.

In addition to an extension of the economic emergency loan program, H.R. 6291 also addresses itself to the changes in the ASCS grain facility loan program.

This legislation increases the maximum storage facility loan from $50,000 to $100,000 and places an 8-percent interest rate ceiling on the facility loan.

Not a day goes by when I am not contacted by a South Dakota farmer who cannot obtain financing from his bank because they are out of money and are unable to get funding through the Farmers Home Administration because they have already committed their funds through October. They ask, "Where am I to get financing for spring planting? How am I to survive if I can't get financing to get my crop in the ground?"

Mr. Chairman, the economic emergency loan program will not be the panacea answer for these farmers. However, this extension of the economic emergency loan program will help meet the temporary credit needs of many of our Nation's farmers and ranchers. For that reason, I urge the adoption of H.R. 6291.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I would like to speak in favor of H.R. 6291, a bill to extend the Agriculture Department's Farmers Home Administration economic emergency loan program. This bill is similar to a bill I introduced the same day, but it goes a little further by increasing the loan limits for on-farm storage bins.

President Carter's recent decision to suspend grain sales to the Soviet Union brought unforeseen pressure into the Nation's farm economy. While the President has offered a number of initiatives aimed at minimizing the economic costs to farmers, it appears that more help may be needed.

A simple, inexpensive and cost-effective method of helping farmers is to assure that they will have the financial resources they will need to put in the next year's crops and to service existing debts. This is by no means the answer to the economic problems that have plagued farmers in recent years. Farmers must have better prices if they are to continue to provide ample supplies of reasonably priced food to the American people.

Still, farmers must have access to adequate financing if they are to keep going. Only a little over a year ago, we passed a bill to help financially pressed farmers consolidate and refinance their debts. This program has worked well, but will expire May 15, 1980 unless this bill is passed.

Farmers do not work their ways out of financial problems in 1 year, generally. It takes time. A farmer may have borrowed up to the $400,000 authorized in the original bill. With this money, he probably was able to bring his payments to a more manageable level. However, that does not mean he is in a position where a commercial lender would consider him a good credit risk.

If he paid back $40,000 of his loan in the past year, his outstanding balance would be $360,000. This spring, he will need to put a crop in the ground or, possibly, replace some livestock. If we extend this program, he will be able to turn to Farmers Home and borrow back up to the limit. If we are committed to saving the family farm, this very modest program is essential for the marginal operations that give agriculture its future diversity.

At the same time, our farmers are going to need more space to store the grain that was embargoed earlier this year. For that reason, the committee felt it was appropriate to increase the individual loan limit for Commodity Credit Corporation farm storage facility loans from $50,000 to $100,000. It is an unfortunate consequence of OPEC's greed that $50,000 does not buy much storage space anymore. If we are going to hold onto this grain, we are going to have to have a place to keep it.

Mr. Chairman, I support passage of H.R. 6291 and urge my colleagues to do likewise. Thank you.

Mr. MADIGAN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, there is a severe credit crunch in the countryside right now, and we need to move this legislation along as quickly as possible to help meet that pressing need. In doing so, though, we must keep one fact well in mind: We do not do farmers any favors by helping them dig deeper into debt. Producers need large amounts of credit in their normal operations. That credit must be available and reasonably priced. Trouble comes in two major ways—when farmers are unable to obtain the operational credit they need, and when they find they must mortgage more and more of their equity in order to survive economically.

The first is basically a credit problem. The second is a deeper problem of agricultural prices and income. We need to take steps to make sure that credit is there for farmers when they need it, but if this is not backed up with agricultural policy and programs that allow producers to receive an equitable return, then we are just helping them dig a deeper hole for themselves.

Inflation and rising production costs—especially the skyrocketing interest rates—are placing many producers in an untenable position. Unable to pass on their increased costs, they are at the same time faced with the uncertainties of the grain embargo situation and the downward pressure on commodity prices resulting from it. Adding to the uncertainty is the administration's apparent inability or unwillingness to make good on its promise to keep U.S. agriculture from bearing the full load of the embargo.

Without a sound and healthy agricultural economy all the credit in the world will not do any good. Farmers cannot borrow their way to prosperity. So, while we need this bill today, much more is necessary in terms of an agricultural policy that provides producers some economic protection, and farm programs that offer more than platitudes and promises.

Mr. DASCHLE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I rise in strong support of the Emergency Agricultural Credit Adjustment Act of 1980, H.R. 6291. This vitally important program was established in 1978 to meet the economic emergency credit needs of farmers. It has reached the limit of its lending authority and is fast approaching its expiration date of May 15, 1980.

Literally tens of thousands of farmers across this Nation were informed late last year and early this year that their loan applications could not be approved due to lack of funds. The need to reauthorize this program and to increase its lending authority is particularly crucial to California farmers who are fast approaching their winter harvest and spring planting season. Unless we act soon, we will witness the most tragic loss of family farms we have seen in recent decades.

The credit crisis that presently grips the Nation has its tightest hold over our farmers. As their crops ripen and as planting season approaches, they must obtain credit at whatever the prevailing rate or they will perish. They cannot wait for interest rates to come down. The very nature of their business prevents them from postponing their credit needs. Last week our Nation's banks increased the prime rate to 16¾ percent—the highest rate in our Nation's history since the Civil War.

High interest rates, spiraling farm production costs, and the scarcity of funds are driving more and more farmers on a desperate search for credit. The banks simply cannot meet the need. Inflation has caused savers to withdraw funds from time deposits and to invest in Treasury bills, notes, and certificates of deposit thus drying up loan moneys. The country banks to which most farmers turn are feeling this crunch hardest of all.

Many of the farmers who face financial ruin, sadly enough, are already participating in the economic emergency loan program. Finding themselves on the verge of getting back on their feet, they are being faced with a cutoff of their credit source. We cannot allow this tragedy to occur and it will occur if we fail to reauthorize this program.

Just last week I received a call from a farm family in my district that received a loan last year after having experienced some severe setbacks in previous seasons. If their loan is not forthcoming this year, they will be forced to sell. The matron of this family told me almost in tears that if they sold out they would be able to live comfortably on the interest from the sale of their 500 acres which have appreciated dramatically in the last few years. But, selling out would mean an end to two generations of farming by her family on that land. It would also quite possibly mean the end altogether of agricultural production on that land.

The bill before us today extends until September 30, 1981, what has proven to be one of the most successful programs of the Farmers Home Administration. It also adds $2 billion to the program's loan authority while tightening up on program administration. It would require two refusals of credit elsewhere for loans in excess of $300,000, prohibit refinancing of any real estate loan debt unless the real estate was acquired at least a year prior to the time of the loan application, and require periodic reviews to determine whether a borrower can graduate to private credit. The last requirement is intended to result in the repayment of more Farmers Home Administration direct loans so that additional funds can be made available to borrowers currently in need.

Since this programs was enacted in 1978, farmer interest has focused on the direct loan portion. About 96 percent of the loans made under this authority have been direct while about 4 percent have been made by private lenders backed by a Farmers Home Administration guarantee. At present, there is a tremendous backlog of applications for direct loans resulting in delay of processing.

To encourage greater private bank participation and to help relieve pressure on the Farmers Home Administration which is causing delays in processing, the committee recommends that the Secretary be authorized to pay interest subsidies to lenders based on the difference between the insured and guaranteed loan rates. The cost of this subsidy is offset somewhat by the savings in administrative cost due to servicing of the loan by private lenders.

I'm hopeful that this initiative will encourage banks to provide loan moneys to farmers.

The steps recommended in H.R. 6291 are essential to the continued health of our farm economy. With the embargo on grain and other agricultural sales to the Soviet Union still in effect, the downward pressures on farm income are likely to continue. Our farmers need help. They do not want charity or Government handouts. All they want is the credit necessary to continue working their land. I urge your support for H.R. 6291.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. STANGELAND).

Mr. STANGELAND. Mr. Chairman, I rise in support of H.R. 6291, a bill to extend and increase agricultural loan programs. This is very much needed legislation. It is time that we support the agricultural community in this fashion. As has been said before, this is not the panacea that is going to help the farmers out of their problems, but it is going to assist many of them in staying on the farms.

Banks advise me in my area that they have loaned up to as much as 80 percent. There is not a cash flow out there. They are going to need credit to put that crop in this spring, and this is the kind of legislation that can assist them.

The current credit situation facing the agricultural sector is rapidly approaching a crisis. This has been brought on by a combination of factors; the general inflationary pressure in our economy resulting in ever-increasing prices for farm inputs, the decision of the President to halt the shipments of grain to the Soviet Union, the tight credit situation in other parts of the economy causing less farm credit to be available at rural banks, and other factors.

The U.S. Department of Agriculture estimate of net farm income for 1980 before the grain embargo was 20 percent below the net farm income for 1979. In addition to the reduction in net farm income, farmers are facing increased production costs. According to USDA estimates, tractors are projected to increase in cost by as much as 14 percent in 1980, fuel by 35 percent, pesticides by as much as 20 percent, fertilizers by 18 percent, and interest rates by as much as 15 percent. However, I share the views of those who feel that these estimates are conservative. These two factors, increasing costs and lower net farm income, point out clearly the current financial situation facing farmers and the critical and immediate need for this legislation. I would like to make it clear to my colleagues that I do not feel that this is the answer to the problems of the farmers. It is only an interim measure which will keep many farmers from being forced from their farms until Congress can address the problem of low commodity prices for farmers.

The legislation before us today extends the economic emergency loan program in Farmers Home Administration from May 15, 1980 to September 30, 1981 and increases the amount of funds available in the program from $4 billion to $6 billion. The bill also has provisions which will tighten the administration of the program and make the program more workable. It also amends the farm storage facility loan program of the Commodity Credit Corporation to modify restrictions on such loans so as to enable the program to be more effective in meeting the demand for farm storage resulting from the long-term producer reserve program and other factors such as the increased needs for storage attributable to the grain embargo recently imposed on shipments to the U.S.S.R. The members of the Agricultural Committee have explained the details of the provisions.

I congratulate my colleagues of the Agricultural Committee for moving forward and reporting this legislation. However, I feel that there is a lot of work to be done regarding farm programs. After the administration's decision last Friday not to have a paid diversion program for feed grains, it seems clear to me that the administration was not sincere in its promise to share the burden of the decision to halt grain sales to the Soviet Union. Consequently, I feel that Congress must move immediately to assure that what the administration promised is in fact delivered. I can assure my colleagues that I will be working toward that goal.

Presently, in an effort to address at least some of the needs of farmers, I urge my colleagues to join me in supporting H.R. 6291.

Mr. DASCHLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I rise in support of H.R. 6291. The first part of this bill which extends the Emergency Agriculture Credit Adjustments Act of 1978 from May 15, 1980, when it was due to expire, to September 30, 1981, and increases the total amount of loans from $4 billion to $6 billion is needed rapidly and badly by the farmers. It is needed for two reasons: Because of a tightening of credit in rural areas and because we are not about to pass the kind of legislation that will begin the process of solving the real problem of our American farmers.

Time and time again, the farmers in my district tell me that what they do not need is more credit. What they need is to be able to make a decent profit. The farmers of America are living on their equity and pretty soon, with extending more and more credit, that equity is going to be eaten up. Then the crash will come.

However, at this point in time we need to get credit to the rural areas. It has not only been the farmer who has been contacting me about the credit problem, but the small town banker who literally has no money to lend out. I would just like to quote from a recent newspaper editorial in the Des Moines Sunday Register headlined: "Bank Funds Tight, but Farmers Get By":

> Hardest hit are some of the banks in cattle-raising areas of western Iowa. They're experiencing the double whammy of slowed grain sales and unprofitable cattle prices.
>
> Ed Claussen, president of Farmers State Bank in Schleswig, figures his customers are short $1 million in deferred grain sales so far this year. And many are holding cattle in hopes of higher prices.
>
> His bank is usually loaned up to 80 percent of its deposits. But note renewals this year have pushed that lever over 85 percent.
>
> Claussen thinks the next 30 days are "critical," as March 1 land payments come due and farmers need cash. "Frankly, I don't know where all the money's going to come from," he said.
>
> Claussen reluctantly agrees that grain prices, which in his area are below the cost of production, have recovered as much as they're going to from the shock of the embargo.

What this additional $2 billion will do is to get needed credit in the short term to our rural areas. By assisting the farmers whose credit situation is already tight the FmHA through this program will be helping local banks by relieving the pressure on them. It will, in fact, loosen up more private credit to farmers who are more able to obtain that private credit.

It is my understanding that the administration supports the bill, but only if certain changes are made. I have looked over their recommended changes, and in every case the administration request is to make this program nothing more than an extension of private credit. It seems the administration does not understand, or refuses to understand, that this is what the problem is: Not only a lack of private credit but a lack of private credit at rates farmers can afford. Farmers must take what they can get in the marketplace and do not have the ability to cover their increased costs of production, including the cost of money. Right now, for example, in Iowa, cash corn is selling for $2.15 to $2.20 a bushel—and the cost of production for last year's corn was $2.47 a bushel.

The cost of production, as estimated by ISU Extension Service, for this year will be $2.64 a bushel, that is for Iowa. So the farmer is not even getting back his cost of production let alone a profit. Also farmers costs are skyrocketing.

So many of my friends from urban areas seem incredulous. They say, "If that is the case, why are not all these farmers going broke? How can they continue to produce? Something must be wrong with your figures."

The answer, of course, is readily apparent to the farmer: Agriculture debt is increasing at an astounding rate and the farmer is living on his equity. As the price of land goes up and the farmer's equity goes up, the farmer is able to borrow more money to continue his operation. Farm debt in the United States has increased from a level of $90 billion at the beginning of 1976 to an estimated $157 billion at the first of this year. We expect this level to exceed $182 billion by the beginning of 1981. With the recent grain embargo, with the recent announcement that there will be no paid diversion or set-aside program this year, and now with the administration requesting changes in this "band aid bill," it appears more and more that the administration is making the farmer the "whipping boy" of inflation.

The second part of this bill is one which I consider to be as meaningful, if not more meaningful, as the first part. This part of the bill makes needed changes in the farm storage facility loan program. It increases the maximum loan from $50,000 to $100,000. Again, this is needed because of the tremendous increases in costs of these structures. Right now, a silo which will hold 32,000 bushels of dried corn and is 24 feet in diameter and 80 feet high, costs about $63,000, exclusive of loading equipment which will also be needed.

The average price for a single unit to store grain, whether high-moisture or dry grain, in 1979 was $36,500. So one can see that if a farmer needed just two of the average-sized facilities, he would be over the $50,000 limit that now applies. Since 1977 when this program was expanded, prices have increased over 22 percent up to the first of this year.

A second change made in the program by this bill is to delete the requirement that the storage facility not be able to hold more than 2-year storage. Again, this was put in the bill in 1977 and drastic changes have happened in our production and carry-over in just those 2 years. For example, in 1977 we produced 6.4 billion bushels of corn in the United States and last year we produced 7.7 billion bushels. In 1977, we had 776 million bushels of corn in our carryover stock. In 1980 our carryover was close to 1.9 bushels. So the 2-year requirement is way out of date and must be repealed. Added to this, of course, is the fact that farmers are now entering the 3-year reserve program and need additional storage to carry over for these years.

The last part of this bill is the one that has provoked the most opposition from the administration. It is the provision setting a maximum of interest rate on these loans of 8 percent.

Until March of 1979 the interest rate on these loans was 7 percent and in that month the Secretary of Agriculture decided to increase the interest to 10.5 percent. The number of applications for this program after that began to decline rapidly.

I believe there is one massive, overriding reason why we must provide these loans at a reduced rate of interest and it has nothing to do with decisions made by farmers, but it has everything to do with the impact on farmers of decisions made by this administration. I am speaking of the decision by this administration to embargo grain to the Soviet Union. I am speaking of the decision of this administration to not have any set-aside program for this year. The reduction of exports to the Soviet Union will require additional farm storage or it will require the farmers to dump their grain at low prices.

The decision to not have a set-aside means that we will have another year of "fence row to fence row" planting. Personally, I thought we had totally repudiated the policy of Earl Butz when he left office, but it seems we are back making the same mistakes he made, with farmers forced by necessity to go all out in production. This year, we can see ahead the largest carryover ever of corn and wheat.

The farmers recognize this and the one thing we can do to help them is to get these additional farm storage facilities.

There is another factor that necessitates the building of these storage facilities, and that has to do with the transportation tieups in the Midwest, resulting from the bankruptcy of the Milwaukee Railroad and the Rock Island Railroad.

Every change that our subcommitee and full commitee made with regard to the facility storage program is a change that is needed to protect both the farmer and the consumer. The interest subsidy that would be required is a small price to pay because the loans themselves will, of course, be repaid by the farmer.

I urge passage of this bill.

SELECTED PRICES PAID BY FARMERS[1]

Year	Self-propelled combine	Tractor, 120 hp	Diesel fuel, cents/gallon	Hybrid seed corn/bushel	Anhydrous ammonia fertilizer/ton
1974	$29,900	$16,800	40.5	$25.00	$183
1975	37,300	19,400	40.7	36.50	265
1976	42,300	21,700	41.5	36.50	191
1977	46,000	23,700	39.3	40.00	177
1978	53,200	25,900	40.2	43.00	164
1979	60,700	29,000	81.0	45.50	194
1980[2]	78,000–86,000	36,000	95.2	50.50	(?)

[1] Source: ESCS—USDA.

[2] Estimates.

□ 1600

Mr. MADIGAN. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. Mr. Chairman, I rise in support of H.R. 6291, a bill to amend the economic emergency loan program of the Farmers Home Administration and the farm storage facility loan program of the Commodity Credit Corporation.

This bill would extend the economic emergency loan program from May 15, 1980 to September 30, 1981, increase the funds available for the program, and tighten administration of the program by making several changes in the credit-elsewhere test and other provisions. The bill also would amend the farm storage facility loan program to increase the maximum size of individual loans from $50,000 to $100,000, eliminate the restriction on the size of the facilities which may be financed, and limit the maximum interest rate to 8 percent per annum.

President Carter's embargo on grain exports to the Soviet Union, cost increases for just about all farmer's production items—particularly fuel and credit—and declining prices as a result of the embargo have placed many farmers in a severe cost-price squeeze. For example, the parity ratio declined to a 29-month low of 64 on January 15, 1980. Also, the February 1980 index of prices received by farmers was 1.2 percent below a year ago, while the index of prices paid by farmers as of mid-February was 13 percent above a year earlier.

The current economic situation is similar to that prevailing in 1978 when Congress enacted the economic emergency loan program to respond to a rapidly deteriorating economy in the agricultural sector.

The need for the type of credit provided by this program is just as critical today as it was in 1978. Because of declining prices for commodities caused by the embargo and the cost-price squeeze, many farmers have an urgent need for additional credit which cannot be provided by their normal lenders. Therefore, I support extension of this program and urge that any differences between the House and Senate bills be resolved quickly.

The changes in the farm storage facility loan program are designed to enable that program to be more effective in meeting the demand for farm storage resulting from the producer reserve program and the increased needs for storage attributable to the grain embargo. This has been a good program for farmers, but because of the dollar limitation, the size limit on facilities, and increased interest rates, participation in this program has progressively fallen off during the last year. The changes to be made by this bill will insure that this successful program continues to serve the best interests of the farmer and the American public.

Mr. MADIGAN. Mr. Chairman, I yield such time as she may consume to the distinguished gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of

H.R. 6291, legislation to respond to a critical need for additional credit resources for our farmers and ranchers.

Many grain producers are struggling to make ends meet and pay their creditors in the face of skyrocketing production costs, and farm prices which are in many cases lower than they were 2 months ago. Just when the producers thought they might get on top of their obligations, they were hit with a crippling grain embargo. Grain trading practically stopped because prices were so adversely affected. No producer could afford to sell and take further losses. There has been some recovery, but prices are still under pre-embargo levels.

In 1978 when many producers faced the same type of gloomy financial situation, even without the extra burden of the grain embargo, Congress came to their aid and enacted the Emergency Agriculture Credit Adjustment Act of 1978. This was for the purpose of debt consolidation and refinancing. It literally saved many producers. As an emergency measure, it was intended to be short term, so it expires on May 15, this year. But the emergency does not expire. In fact, it gets worse. We need an extention of the law and we must act with dispatch.

I am cosponsor of similar legislation to extend the Emergency Agriculture Credit Act of 1978, and to make significant changes to deal with today's realities. It would extend the emergency loan program through September 30, 1981; raise the overall funding authorization from $4 to $6 billion; and increase the individual loan limitation from $400,000 to $600,000.

The enactment of these provisions becomes most important. I know what it will mean to hard-pressed farm families in the third district of Nebraska. Just before I returned to Washington for the new session, I met with a group of these families from one small area in my district. All of them had serious financial problems. Most were in dire straits. They had been seeking emergency loans from the Farmers Home Administration to hold on to their farms, meet rising production costs and in some instances just to exist.

The FmHA could not accommodate them because there are not enough funds to go around. Nebraska is faced with an incredible number of applications. An effort has been made to divide State allocations evenly between the counties of the State. This does not permit distribution of the loans on the basis of greatest need. All of the funds could be committed to just one area similar to the one where the meeting I attended was held. Many other counties would be completely out in the cold as far as loan funds are concerned.

In fiscal year 1979, Nebraska's allocation for all FmHA loan programs was $255,125,340. Out of this amount, $170,888,660—some two-thirds—was distributed as economic emergency loans. This shows the value and popularity of this program in Nebraska. I assume this is typical of other States as well.

Currently, Farmers Home in Nebraska has used all its funds under farm operation for 1980. Without the renewal of this economic emergency loan program, they will not be able to fund any requests for operating financing for the remainder of the year. Already they estimate these requests will equal at least $100 million. Unless this legislation is adopted, this need cannot be met.

Therefore, Mr. Chairman, it appears that the extension of this program with an increased authorization, and higher loan limits, is the very minimum we can do in the light of the critical financial situation on many farms and ranches. When the embargo was imposed, the administration promised to take all necessary steps to minimize the impact upon individual grain producers. Some steps have been taken, but it is obvious much more needs to be done. The extension of the Emergency Agriculture Credit Adjustment Act is an additional response to a need that must be taken. I respectfully urge my colleagues to join in the adoption of this bill.

Mr. DASCHLE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON. Mr. Chairman, I support H.R. 6291, a bill to extend and increase certain agricultural loan programs. I also yesterday supported the conference report on the Agriculture Adjustment Act of 1979 (H.R. 3398) which increased target prices for corn and wheat for the 1980 and 1981 crop years.

I feel constrained to say, however, that not enough is being done. The President said in his budget message to the Congress last January that farmers would not be required to suffer "disproportionately" from other taxpayers from the effects of the Russian grain and soybean embargo. The Director of the Office of Management and Budget, Secretary of the Treasury, and the chairman of the Council of Economic Advisers, in testimony before the full Committee on Appropriations and in response to my questioning, said that this meant that farmers would pay only as American taxpayers for support of programs to blunt the effects of the embargo.

They said that this administration would do whatever is necessary to assure that commodity prices were not below the prices at the time the embargo was invoked, to wit: January 4, 1980, or what the prices would be had there been no embargo. The Secretary of Agriculture and his chief economic adviser echoed these views in response to my questioning before the Subcommittee on Agriculture Appropriations when appearing to justify the President's USDA budget for fiscal year 1981.

A negative action taken by the administration is the announced decision that there will be no set-aside, nor paid diversion program, for the 1980 crop year. In announcing his decision, Secretary Bergland said:

> Our grain exports will be at record levels this year and will continue to grow in the future.

He went on to say that—

> According to our estimates, we are expecting U.S. feed grain exports to reach a record 68 million tons in this marketing year and U.S. wheat exports to total 36 million tons—also a record amount.

This may all be true but it misses the point. The point is that the commodity market prices must be maintained or improved. The sad fact of the matter is that these prices are not firming up, but continue to erode. By the embargo the administration has chosen to place serious restrictions on free market mechanisms. It is going to take strong affirmative action in order for the President to keep his pledge in the budget statement. The Secretary has discarded perhaps the most reliable mechanism for doing this by refusing a set-aside and/or paid diversion program.

Congress and the American people must press the President. The farmers' burdens are simply too great to pay the economic costs of American foreign policy, no matter how essential and how exemplary that foreign policy is. The merits of the foreign policy are certainly not being questioned. That is irrelevant. The sole issue is who is going to pay for this foreign policy.

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Mr. JONES of Tennessee. Mr. Chairman, this side has no further requests for time. I yield back the balance of my time.

Mr. MADIGAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 6291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ECONOMIC EMERGENCY LOAN PROGRAM AMENDMENTS

SECTION 1. The Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is amended by—

(1) (A) in clause (C) of section 202, striking out "unable at the time the loan application is filed to obtain sufficient credit from normal credit sources to finance actual needs at reasonable rates and terms" and inserting in lieu thereof "not able to obtain sufficient credit elsewhere"; and

(B) in the last sentence of section 202, striking out "and" and inserting immediately before the period at the end of the sentence the following: "; and the term 'able to obtain sufficient credit elsewhere' means able to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. For the purpose of determining whether an applicant under this title is not able to obtain sufficient credit elsewhere, the Secretary shall require at least one written indication of declination of credit, from a legally organized lending institution within reasonable proximity to the applicant, that specifies the reasons for the declination: *Provided*, That, for loans in excess of $300,000, the Secretary shall require at least two such written declinations: *And provided further*, That, for loans of $300,000 or less, the Secretary may waive the requirement of this sentence if the Secretary determines that it would impose an undue burden on the applicant";

(2) in section 203(a)(1), inserting before the comma at the end thereof the following: ": *Provided*, That no loan may be insured or guaranteed under this title for the purpose of refinancing outstanding indebtedness on farm or home real estate unless such real estate was purchased by the applicant at least one year prior to the date of the loan application";

(3) in section 204, adding at the end thereof a new subsection (e) as follows:

"(e) For guaranteed operating loans under this title, the Secretary may pay interest subsidies to the lenders in an amount not to exceed the difference between the interest rate being charged for insured loans and the maximum interest rate for guaranteed operating loans, as established under subsection (b) of this section.";

(4) in section 205(d)(2), inserting before the period at the end thereof the following: ": *Provided*, that for purposes of carrying out this agreement, in the case of any insured loan under this title, not later than three years after the loan is insured, and not later than at the end of every two-year period thereafter for the term of the loan, the Secretary shall review the loan; and if, based on such review, the Secretary determines that the borrower is able to obtain a loan from a source specified in this paragraph at reasonable rates and terms for loans for similar purposes and periods of time, the borrower shall, on request by the Secretary, apply for and accept such a loan pursuant to the terms of the agreement and this paragraph";

(5) at the end of section 205, adding a new subsection (e) as follows:

"(e) No loan that is for more than $300,000 may be insured under this title, unless the Secretary determines that the applicant is not able to obtain from a private or cooperative lending agency a loan guaranteed by the Secretary under this title sufficient to finance the applicant's actual needs at reasonable rates and terms taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.";

(6) in section 207(c), striking out "$4,000,000,000", and inserting in lieu thereof "$6,000,000,000"; and

(7) in section 211, striking out "May 15, 1980" and inserting in lieu thereof "September 30, 1981".

FARM STORAGE FACILITY LOAN PROGRAM AMENDMENTS

SEC. 2. Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by—

(1) striking out "$50,000" both places it occurs and inserting in lieu thereof "$100,000";

(2) striking out "the size of such facility for which a loan is obtained shall be based upon the amount of space required to store the quantity of the commodity estimated to be produced by the borrower during a two-year period;"; and

(3) inserting "but not to exceed 8 per centum per annum" immediately after "based upon the rate of interest charged the Corporation by the United States Treasury".

EFFECTIVE DATE

SEC. 3. The provisions of section 1(6), section 1(7), and section 2 of this Act shall become effective upon the date of enactment of this Act. The remainder of this Act shall become effective upon promulgation by the Secretary of regulations implementing such provisions within a reasonable time after the date of enactment, but in no event shall such provisions become effective later than October 1, 1980.

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY: Page 6, on lines 9 through 11, strike out the first sentence of section 3 and insert in lieu thereof the following:

"The provisions of section 1(6) and section 1(7) of this Act shall become effective upon the date of enactment of this Act. The provisions of section 2 of this Act shall become effective for any fiscal year to such extent or in such amounts as are provided in appropriation Acts.".

Mr. FOLEY. Mr. Chairman, this amendment is offered by me and urged upon the committee at the suggestion of the Committee on the Budget. It is an amendment which is made necessary by section 401(a) of the Budget Act.

The second portion of this bill would provide for farm storage facility program amendments; namely, increasing the ceiling on storage loans from $50,000 to $100,000 and altering the interest rate. The Committee on the Budget has asked that we accept this amendment in lieu of a more elaborate budget waiver that would otherwise be required.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding. We have had an opportunity to review the amendment on our side of the aisle and understand the necessity of that part of our bill being submitted to the budgetary process before that part of the bill can become effective and would urge support of the amendment by the committee.

Mr. FOLEY. Mr. Chairman, I thank the gentleman from Illinois.

Mr. MARLENEE. Mr. Chairman, would the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I rise in support of the Emergency Agricultural Act, H.R. 6291. At a time of skyrocketing interest rates and farm prices far below the cost of production, farmers and ranchers need credit made available to them in order to maintain a viable operation. These funds are designed to assure continued operation of a farm or ranch by covering the unavoidable expenses incurred in the normal operation of business. This is an interim measure to allow farmers and ranchers to keep in business. What farmers need are higher on-farm prices for their products, and I will continue to push strongly for increased farm prices. But until such time arrives, credit must be available to keep these businesses going. These are operations which can be profitable if they receive some assistance in the current crisis. Farm income in 1980 is going to suffer drastically due to soft prices, a sagging economy ripe with inflation, and the increased cost of inputs. This bill is not a giveaway program nor is it a new program. The Agriculture Committee has extended a good program which has shown itself to be beneficial. Historically, loans administered by the Farmers Home Administration have a minimal rate of default. In writing this bill, we have also strengthened the credit-elsewhere tests to assure that funds go only to the individuals who are confronted with the most serious financial crisis. The legislation before us has proven its worth in the past, and I strongly urge its adoption.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

As I understood it, then, under this amendment all of section 2 of this act would become effective only as provided in subsequent appropriation acts?

Mr. FOLEY. That is correct.

Mr. HARKIN. I am sorry I did not discuss this with the chairman earlier, but it seems to me when one says all of section 2 that also means the increase in the amount—that is from $50,000 to $100,000.

Mr. FOLEY. The gentleman is correct.

Mr. HARKIN. It also means the deleting of the 2-year requirement and the reduced interest rates.

Mr. FOLEY. The gentleman is correct.

Mr. HARKIN. Mr. Chairman, it was my understanding that the objection of the Committee on the Budget was to the reduction in the interest rates, not to the deletion of the 2-year requirement, and not to the increase from $50,000 to $100,000.

Mr. FOLEY. If the gentleman will allow me, the increase in the authority for loans from $50,000 to $100,000 was part of the concern of the Committee on the Budget. I thought the gentleman might have understood that.

In any case I think the gentleman also knows that the present authority for farm storage facility loans up to $50,000 at the current interest rate formula will continue until, and unless, there is action by the Appropriations Committee and the appropriations process as provided in the amendment.

Mr. HARKIN. Mr. Chairman, will the gentleman yield further?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. HARKIN. Then, the provisions of this bill in terms of deleting the 2-year requirement would have to wait until the Committee on Appropriations then acts on that. Does the gentleman know if there is any provision in the bill which would allow the Secretary to waive that 2-year requirement without specific action by the Committee on Appropriations? The need is now and I do not know when the Committee on Appropriations is going to act on this.

Mr. FOLEY. I cannot say when the Committee on Appropriations might act. This is a problem, I think the gentleman knows, which was presented by the Budget Act, and it is true the entire section 2 is not effective until the Committee on Appropriations acts.

Mr. HARKIN. If the gentleman will yield further, I might comment that I cannot see why we would have to wait for the Committee on Appropriations to act to delete the requirement of the 2 years, the 2-year requirement that the storage facility cannot provide any more than 2-year storage.

Mr. FOLEY. Mr. Chairman, I think the difficulty that is presented by the concern of the Committee on the Budget is that it is really part of an entire change in the authority to contract.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. That refers to the amounts of interest paid and the 2-year-period requirement. I think we have obtained, frankly, the agreement of the Committee on the Budget to turn this provision of section 2 into an authorization which would then become effective at such time as the appropriations process would approve it. I am sorry there is not a more expeditious method but I am afraid the alternative method would be the disagreement of the Committee on the Budget with this section and a point of order being raised against which would result in our losing the entire section. At least this way we have an authorization which would otherwise not be in the bill at all, perhaps.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY).

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

□ 1620

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NEDZI) having assumed the chair, Mr. DICKS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6291) to amend the Emergency Agricultural Credit Adjustment Act of 1978 and the Commodity Credit Corporation Charter Act to extend and increase certain agricultural loan programs, and for other purposes, pursuant to House Resolution 589, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HARKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 22, not voting 19, as follows:

[Roll No. 117]

YEAS—392

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—22

Ashley
Atkinson
Collins, Tex.
Crane, Daniel
Dannemeyer
Dodd
Fenwick
Forsythe
Giaimo
Gibbons
Goldwater
Holt
Holtzman
Kelly
Minish
Mottl
Paul
Rinaldo
Rousselot
Russo
Scheuer
Wydler

NOT VOTING—19

Abdnor
Anderson, Ill.
Biaggi
Boggs
Bonker
Collins, Ill.
Crane, Philip
Davis, S.C.
Ford, Mich.
Jones, N.C.
McDonald
Murphy, Ill.
Patten
Ratchford
Stewart
Stockman
Treen
Weaver
Wilson, C. H.

□ 1630

The Clerk announced the following pairs:

Mr. Biaggi with Mr. Anderson of Illinois.

Mr. Ratchford with Mr. Abdnor.

Mr. McDonald with Mr. Treen.

Mr. Jones of North Carolina with Mr. Philip M. Crane.

Mr. Patten with Mr. Davis of South Carolina.

Mr. Stewart with Mr. Murphy of Illinois.

Mr. Weaver with Mr. Charles H. Wilson of California.

Mrs. Boggs with Mrs. Collins of Illinois.

Mr. Ford of Michigan with Mr. Bonker.

Mr. SNYDER changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1640

GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2269) to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

EXTENSION OF THE ECONOMIC EMERGENCY LOAN PROGRAM

SECTION 1. The Emergency Agricultural Credit Adjustment Act of 1978 is amended by—

(1) in section 207(c), striking out "$4,000,000,000" and inserting in lieu thereof "$6,000,000,000"; and

(2) in section 211, striking out "May 15, 1980" and inserting in lieu thereof "September 30, 1981".

INTEREST RATES ON INSURED LOANS

SEC. 2. Section 204(b) of the Emergency Agricultural Credit Adjustment Act of 1978 is amended by striking out the second sentence and inserting in lieu thereof two sentences as follows: "Loans insured under this title shall bear interest at rates prevailing in the private market for similar loans, as determined by the Secretary. However, the interest rate on any insured real estate loan under this title shall not be less than the average rate charged by the Federal land banks for similar loans, and the interest rate on any other insured loan under this title shall not be less than the average rate charged by production credit associations for similar loans.".

CREDIT ELSEWHERE TEST

SEC. 3. Effective October 1, 1980, section 202 of the Emergency Agricultural Credit Adjustment Act of 1978 is amended by—

(1) amending clause (C) to read as follows:

"(C) is not able to obtain sufficient credit elsewhere due to economic stresses, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities."; and

(2) striking out "and" in the last sentence and inserting immediately before the period at the end of the sentence a semicolon and the following: "and the term 'able to obtain sufficient credit elsewhere' means able to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time".

STUDY AND REPORT ON ECONOMIC EMERGENCY LOANS

SEC. 4. The Emergency Agricultural Credit Adjustment Act of 1978 is amended by adding at the end thereof a new section 212 as follows:

"STUDY AND REPORT

"SEC. 212. (a) The Secretary shall conduct a comprehensive study of the operation and effectiveness of the program of financial assistance authorized under this title. The study shall include, but shall not be limited to, an examination and analysis of the following items:

"(1) the effect of loans insured or guaranteed under this title on the overall financial condition of borrowers and their ability to maintain viable agricultural production operations;

"(2) the implementation and effect of the provisions of this title requiring, as a condition of eligibility, that loan applicants not be able to obtain sufficient credit elsewhere;

"(3) the loan repayment delinquency rate and the percentage of borrowers who subsequently are able to obtain credit from other sources and repay the loans extended to them under this title;

"(4) the use under this title of loan guarantees as compared with insured loans;

"(5) the purposes for which loans are actually insured or guaranteed under this title in relation to the purposes specified in section 203, and an evaluation of the family farm preference established under section 203(b);

"(6) the methods of servicing loans and encouraging the repayment of loans insured or guaranteed under this title; and

"(7) the need for extending beyond September 30, 1981, the authority for insuring and guaranteeing loans under this title.

"(b) The Secretary shall complete the study required under this section and submit a report to Congress by March 31, 1981. Any recommendations by the Secretary for extending the authority to insure and guarantee loans under this title shall contain an evaluation of possible alternatives, such as (1) the merger of the program of financial assistance authorized under this title with the farm ownership and operating loan programs authorized under the Consolidated Farm and Rural Development Act, and (2) the combination of all farm loan programs into a single program.".

MOTION OFFERED BY MR. JONES OF TENNESSEE

Mr. JONES of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. JONES of Tennessee moves to strike out all after the enacting clause of the Senate bill, S. 2269, and to insert in lieu thereof the provisions of the bill, H.R. 6291, as passed, as follows:

ECONOMIC EMERGENCY LOAN PROGRAM AMENDMENTS

SECTION 1. The Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is amended by—

(1)(A) in clause (C) of section 202, striking out "unable at the time the loan application is filed to obtain sufficient credit from normal credit sources to finance actual needs at reasonable rates and terms" and inserting in lieu thereof "not able to obtain sufficient credit elsewhere"; and

(B) in the last sentence of section 202, striking out "and" and inserting immediately before the period at the end of the sentence the following: "; and the term 'able to obtain sufficient credit elsewhere' means able to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. For the purpose of determining whether an applicant under this title is not able to obtain sufficient credit elsewhere, the Secretary shall require at least one written indication of declination of credit from a legally organized lending institution within reasonable proximity to the applicant, that specifies the reasons for the declination: *Provided*, That, for loans in excess of $300,000, the Secretary shall require at least two such written declinations: *And provided further*, That, for loans of $300,000 or less, the Secretary may waive the requirement of this sentence if the Secretary determines that it would impose an undue burden on the applicant";

(2) in section 203(a)(1), inserting before the comma at the end thereof the following: ": *Provided*, That no loan may be insured or guaranteed under this title for the purpose of refinancing outstanding indebtedness on farm or home real estate unless such real estate was purchased by the applicant at least one year prior to the date of the loan application";

(3) in section 204, adding at the end thereof a new subsection (e) as follows:

"(e) For guaranteed operating loans under this title, the Secretary may pay interest subsidies to the lenders in an amount not to exceed the difference between the interest rate being charged for insured loans and the maximum interest rate for guaranteed operating loans, as established under subsection (b) of this section.";

(4) in section 205(d)(2), inserting before the period at the end thereof the following: ": *Provided*, That for purposes of carrying out this agreement, in the case of any insured loan under this title, not later than three years after the loan is insured, and not later than at the end of every two-year period thereafter for the term of the loan, the Secretary shall review the loan; and if, based on such review, the Secretary determines that the borrower is able to obtain a loan from a source specified in this paragraph at reasonable rates and terms for loans for similar purposes and periods of time, the borrower shall, on request by the Secretary, apply for and accept such a loan pursuant to the terms of the agreement and this paragraph";

(5) at the end of section 205, adding a new subsection (e) as follows:

"(e) No loan that is for more than $300,000 may be insured under this title, unless the Secretary determines that the applicant is not able to obtain from a private or cooperative lending agency a loan guaranteed by the Secretary under this title sufficient to finance the applicant's actual needs at reasonable rates and terms taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.";

(6) in section 207(c), striking out "$4,000,000,000", and inserting in lieu thereof "$6,000,000,000"; and

(7) in section 211, striking out "May 15, 1980" and inserting in lieu thereof "September 30, 1981".

FARM STORAGE FACILITY LOAN PROGRAM AMENDMENTS

SEC. 2. Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by—

(1) striking out "$50,000" both places it occurs and inserting in lieu thereof "$100,000";

(2) striking out "the size of such facility for which a loan is obtained shall be based upon the amount of space required to store the quantity of the commodity estimated to be produced by the borrower during a two-year period;"; and

(3) inserting "but not to exceed 8 per centum per annum" immediately after "based upon the rate of interest charged the Corporation by the United States Treasury".

EFFECTIVE DATE

SEC. 3. The provisions of section 1(6) and section 1(7) of this Act shall become effective upon the date of enactment of this Act. The provisions of section 2 of this Act shall become effective for any fiscal year to such extent or in such amounts as are provided in appropriation Acts. The remainder of this Act shall become effective upon promulgation by the Secretary of regulations implementing such provisions within a reasonable time after the date of enactment, but in no event shall such provisions become effective later than October 1, 1980.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Emergency Agricultural Credit Adjustment Act of 1978 and the Commodity Credit Corporation Charter Act to extend and increase certain agricultural loan programs, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 6291) was laid on the table.

INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. GONZALEZ. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3829) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. GONZALEZ).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3829, with Mr. DUNCAN of Oregon in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Texas (Mr. GONZALEZ) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. HYDE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3829 is a bill submitted by the administration for the purpose of providing new authorizations for the Inter-American Development Bank, the Asian Development Fund, and the African Development Fund. Each one of these is a regional, multilateral development, lending agency, and each one of them plays a crucial role in economic development within the area it serves. Each region is, needless to say, an area in which this country has immensely important commercial, economic and political interests.

I should begin by saying that the concept of multilateral lending institutions was pioneered by the United States at the Bretton Woods Conference of 1944, where the World Bank was proposed. The job of the World Bank was to finance the reconstruction of Europe, which was then devastated by the war. The World Bank did its job well, and played a central, probably the single most important, role in the rebuilding of Europe, one of the great economic accomplishments of all time. Needless to say, the countries that were then the beneficiaries of World Bank help subsequently became donors, contributors to the Bank.

These regional institutions we are considering today are modeled after the World Bank. They are multilateral in nature; they provide development assistance strictly on the basis of economic merit; they operate on a loan basis; they raise a great deal of their money on private markets; and they provide financing that is tailored to local needs. These institutions operate with great efficiency and immense effectiveness.

Today, the multilateral development banks are the single most important source of development assistance. Their concept has been proved throughout the world, and donor countries as well as recipient countries enthusiastically embrace these institutions. These are agencies that are sound, that are proven to work, and that serve our basic interests in a tremendously effective way.

The greatest amount provided in this bill would go to the Inter-American Development Bank, which has been in business for 20 years and in that time earned a solid reputation throughout the world. After operating for 15 years as a strictly hemispheric organization, the Inter-American Development Bank opened its membership to Europe and Japan, with the result that Europe and Japan have joined the United States and Canada in providing resources for the Bank. The willingness of those nonregional countries to join the Inter-American Development Bank proves two things: First that the Bank works, and second that Latin America is important to the whole industrial world, not just the United States.

The Inter-American Development Bank is presently seeking a total of $8 billion in new capital. Of that amount the United States would contribute 34.5 percent, or $2.740 billion, which is the amount reflected in this bill.

Ordinary capital resources of this kind are part paid in and part callable. In this case the only cash outlay we make is 7.5 percent of our total subscription, or $206 million. This paid-in capital would be spread over a 4-year period at a rate of $51.5 million per year. Of the callable capital, I should emphasize that no multilateral development bank, including the Inter-American Development Bank, has ever made a call on capital. It is extremly unlikely that any call ever would be made—so unlikely in fact that the paid-in requirement has been dropped from 10 percent to 7.5 percent of the amount subscribed.

To simplify what may seem a complex situation, let me simply say this: We pay $206 million into the Inter-American Development Bank. They accept our guarantee against the remainder of the amount we subscribe, and then they raise money on the private capital markets of the world to use in their lending program. For our investment of $206 million, the bank realizes $2.7 billion in new lending resources. That is a good deal in any league.

Loans from the ordinary capital resources of the Inter-American Development Bank are made on so-called hard terms—terms that are close to commercial rates of interest and for relatively short maturities. These ordinary capital loans go to countries that are relatively strong. But not all countries can afford to pay hard terms, and not all projects can support hard loan terms. For that reason, the Inter-American Development Bank has a soft-loan facility, the Fund for Special Operations. This soft-loan window provides help for the countries that are too poor to meet any other type of loan terms.

This bill provides a U.S. contribution of $700 million to the Fund for Special Operations. This is 40 percent of the total amount being raised, and it represents a lower amount for the facility compared to our last contribution 3 years ago. Here we have a case in which our aid commitment clearly need not grow forever: it can actually be reduced, not just in relative terms, but in absolute dollar amounts as well. This bill provides a contribution to the Fund for Special Operations that is $100 million lower than our last one was—proof positive that this is a program that has worked.

Title II of this bill provides new resources for the Asian Development Fund, the soft-loan facility of the Asian Development Bank. The total amount authorized for the Asian Development Fund is $445 million, payable over a period of 4 years, at a cost to us of $111.25 million per year. Altogether, the Asian Development Fund is seeking $2.1 billion, and our share of this total amounts to just 21 percent, or a shade less. The Asian Development Fund makes loans on concessional terms to the poorest of its member countries, places like Burma, Bangladesh, and Pakistan. Some of the money, though, will go to countries like the Philippines and Indonesia, which have immense numbers of extremely poor people.

Title III of this bill provides for new U.S. contributions to the newest of the multilateral development banks, the African Development Fund. In this case, our contribution would be $125 million, which is 17.5 percent of the $770 million being raised by the Fund. Our participation in the African Development Fund has not been commensurate with our great wealth, nor has it been commensurate with the importance of Africa to the world and our own interests. This authorization will help bring our share up to a reasonable part of the African Fund's program.

The bill also contains provisions that are designed to conserve U.S. cash by limiting drawdowns to levels that actually reflect cash needs of the banks, and provisions that are intended to strengthen the reporting of human rights information to the Congress. Our hope is that this strengthened human rights reporting effort will help bring consistent application of our policy on human rights, which hopefully will lead other member countries to support our efforts. Finally, the bill would encourage U.S. exports by directing the Executive to make better and more timely information on bank projects available to U.S. businesses that could sell goods and services that are needed in project development.

Over the years, the concept of multilateral banks has been proved as a system that can work in any place in the world. These banks have compiled a record of achievement that is remarkable in its scope and depth. Their projects pay off; they operate on a fair and businesslike basis; there is no question of their sound and efficient management. These are are institutions that have earned our confidence.

Every President and every Secretary of the Treasury, since World War II, has supported the multilateral development banks. These banks, and this bill, merit your approval.

□ 1450

Mr. HYDE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I take this opportunity to support this bill.

As my colleagues know, the bill authorizes just over $4 billion for the three regional development banks, and covers the next 4-year period.

The essence of this bill is the multilateral approach to foreign aid. Under this approach the contributing countries pool their resources and lend—not give, but lend—funds to developing countries for foreign exchange earning projects.

Those of my colleagues who have visited some of these development projects can testify that they work. The borrowing countries themselves are quick to admit that these institutions comprise the largest source of capital available to them and that without them development prospects would be very dim.

Critics of the multilateral approach make a number of arguments against it. They claim that Congress is not consulted by the administration before we find ourselves locked into long-term funding commitments. This is not the case. The funding in this bill was the subject of consultations between the administration and Congress which began a year and one-half ago. Prior to each replenishment agreement, administration officials and U.S. representatives to the banks came before our committee to consult with us on the appropriate size of the U.S. contributions. In a series of oversight hearings organized by the distinguished subcommittee chairman, the gentleman from Texas, we assured ourselves that these foreign assistance programs were indeed working. It is true that occasionally it is possible to find problems in administration or excesses associated with a few projects. But far more typical are the scores of very successful projects that have had a strong, positive, impact on development in poorer countries.

Because of the need for long leadtimes in preparation for complicated projects, it is necessary for the development banks to have a clear idea of what resources will be available in future years. For this reason it is helpful to authorize funding on a multiyear basis. Because each country's obligations are contingent upon other countries' contributions, we must regard our authorization levels as negotiated obligations. All the other donor countries subscribe to this theory. The United States continues to be the only contributing member to any of these institutions which has failed to meet its obligations in recent years.

Many of the criticisms of multilateral aid focus on the fact that multilateral aid sometimes goes to countries with whom our relations are not the best, or to countries which produce products which are in surplus here in the United States. We have to keep in mind that the United States does not have absolute control over who gets the money or how it is spent. Even though we have the largest share of the vote in the IDB, it is not great enough for us to dictate who will use the money and how. More important, perhaps, is the fact that no one else controls this either. Other countries cannot prevent funds from these banks from flowing to countries who are our friends—even though like Egypt or Israel they may not be on the top of everyone's list of friends.

Support for channeling most of our foreign assistance through the multilateral development banks represents a conscious policy choice—shared by the last four administrations. It is based on the understanding that benefits from multilateral aid outweigh the costs: That the 50-to-1 leverage we get for each dollar paid in more than makes up for the fact that we lack total control over where the money goes.

No Member knows better than I that a vote for foreign aid is not an easy vote to justify back home. My colleagues will not win the hearts and minds of the U.S. electorate by supporting these programs. But I contend that there are answers to concerns expressed by your constituents and mine, if we will give this issue the full and fair consideration it deserves.

The most commonly asked question is, "Why should we be supporting foreign aid when we are being asked to tighten our belts at home?" Let me list four short answers to that important question.

First. Most of the money in this bill will aid people with incomes below $500 a year;

Second. These programs more than pay for themselves. For every dollar paid into these banks, the United States gets roughly $3 back in exports and related growth;

Third. This $4 billion bill really results in annual appropriations of only $380 million a year for 4 years. For comparison purposes that is: only 5 percent of what we will spend on the food stamp program this year; roughly equal to the expenditures of one office of the Environmental Protection Agency (Research and Development Office); and

Fourth. Finally, it is in the U.S. interest to keep faith with the developing countries. They supply us with 95 percent of our bauxite needs, 81 percent of our tin, and 97 percent of our cobalt. In addition, they are our biggest and fastest growing export market.

For all these reasons, multilateral development assistance makes good sense.

In summary, Mr. Chairman, the institutions funded in this bill are doing a good job overall in channeling assistance to the poorest countries without regard to political or ideological persuasions. They are a cost-effective, and politically pallatable means of fulfilling our Nation's humanitarian ideals, and they bring to the United States real economic and political benefits. In helping to stabilize economies of underdeveloped nations—in providing access to their raw materials and creating customers for our own goods and services this legislation indeed serves our own national interests.

I join my colleagues in the subcommittee and committee leadership in supporting this legislation.

□ 1700

Mr. GONZALEZ. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from New York (Mr. LAFALCE).

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, 10 years ago the average American asked about the importance to this country of Kuwait, Dubai, or Bahrain would probably have reacted with a blank look. These small, exotic sounding places were little known and of little interest to most Americans only a few years ago. Now, however, after the advent of oil shortages, gas lines, and dollar-a-gallon gasoline we all pay a great deal more attention to these small, faraway places.

My point is this, we live in a shrinking world. Our interdependence with other nations, even those that are small and far away, is increasing every year; and who is to say which areas of the world that are taken for granted or ignored today may not be of great importance to us 10 years from now.

I strongly support and urge my colleagues to support the continuation of this country's contributions to the international development banks, without petty restrictions on the use of those contributions which would make them unusable. I have spoken out consistently against human rights violations and repressive regimes wherever they have come to my attention in the world since coming to the Congress, but I do not believe that the United States should use the World Bank and the regional development banks as a vehicle for jabbing our finger at these regimes, at the risk of wrecking the international lending institutions which have done so much good in the developing nations of the world. We can cut off our own foreign aid to any nation which has earned our disapprobation, and we have done this in the past on many occasions. We also have ample opportunity to present the views of the United States on who should and should not receive development grants and loans through our representation on the governing boards of the international development banks.

U.S. participation in the development banks is not simply the fulfillment of what we may feel is a moral responsibility; it is a sound investment. Every dollar we commit to these institutions has a threefold effect. Furthermore, by contributing to the development of dozens of nations which are struggling to lift themselves out of relatively primitive conditions into the modern world we are actually contributing to the development of dozens of new markets for our goods and dozens of sources of raw materials and other items, the value of which we may not fully appreciate at the present time.

Mr. LAFALCE. Mr. Chairman, I come here with some degree of embarrassment today because it has taken so long for the House of Representatives to take up this bill for consideration, and also because the United States is the sole factor for the delay in the replenishment of the various funds, which replenishments for each of the three multilateral institutions that we are considering today were agreed upon at least a year and usually a year and a half or so ago. The time factor has made passage of this bill absolutely imperative if the banks and funds themselves are to carry on their normal functions.

Mr. Chairman, I cannot stress enough the urgency with which I view enactment of this legislation before us today. This bill, H.R. 3829, would authorize funding for agreed-upon replenishments, and U.S. contributions, to the Inter-American Development Bank, the Asian Development Fund, and the African Development Fund. Earlier this week, I met with officials from the administration regarding the consequences of our delay in acting upon this legislation. I find it unconscionable on the part of the Congress that because of our slow action, funding levels which were agreed upon a year ago for lending programs in the multilateral development banks cannot be translated into moneys which can be drawn upon because we, the Congress, have not yet seen fit to authorize this legislation before us today.

The countries which are suffering the most from our inaction are those most in need—the poorest nations belonging to the Asian and African Development Funds which have an average per capita income of $400. I am embarrassed to say that the United States is the sole delaying factor here; other donor nations' contributions have been held up pending U.S. authorization of its long-overdue contributions. The situation has reached a critical juncture. The banks are rapidly running out of money and, in all instances, are being forced to dramatically curtail all new lending activity. I could go on and on with generalities but I think the degree of urgency is better portrayed by discussing each bank and its particular needs and status at this time.

INTER-AMERICAN DEVELOPMENT BANK

Funding for the Inter-American Development Bank accounts for 80 percent of the funding to be authorized by this bill and is in its fifth replenishment. The amount of funding was negotiated in December 1978—over a year ago. There has been no lending for the Fund for Special Operations (FSO) within the IDB since October 1979. Over 75 percent of the FSO loans go to the poorest countries and although $156 million in loans has been processed on a contingency basis, none of that money has been able to be paid out. This is because the IDB charter provides the United States with veto power over FSO policies and operations which in turn requires us to maintain 34.5 percent of the voting power and a like share of the Bank's capital. Therefore, any cuts in the U.S. capital subscriptions force the Bank to reject subscriptions by other countries, multiplying the cost to the Bank's lending program. This would also increase pressure to remove the U.S. veto power in the Bank.

In considering our participation in the IDB, it is important to note that more equitable burden sharing has been achieved under this replenishment. This is something for which we have been striving. The U.S. share of capital increase will be 34.5 percent as opposed to 36.6 percent currently and our share of the FSO increase is 40 percent compared with the current share of 61.6 percent. The nonregional members (Europe and Japan) will take a share of the capital increase which is 2½ times larger than their current share—11 percent versus 4.4 percent. It seems ironic that now that the other donor countries have shown greater interest in doing their share, we have thus far defaulted on our part of the bargain.

This legislative package for the IDB also contains a smaller percentage of paid-in capital (7.5 percent as opposed to 10 percent) than under the previous replenishment—a reduction of 25 percent. The smaller replenishment of the FSO will result in an absolute reduction, in the annual U.S. contribution, of $25 million—down to $175 million from $200 million. Consequently, the total of the FSO contributions and the paid-in capital subscriptions will mean an annual budgetary outlay of $226.5 million or, to put it another way, an absolute reduction of $13.5 million per year from the previous replenishment negotiated in 1976.

The important facts to remember here, in consideration of the IDB authorization are:

The burden sharing has improved with the nonregionals taking on a larger share;

There is a lid on the borrowing the big three (Argentina, Mexico and Brazil) can do and increased emphasis on funding for low-income countries;

All other donor nations (25 in number) have contributed their share for the first installment of the IDB except the United States; and

No funding can go forward on the second installment of the IDB until the United States contributes its share.

What it boils down to is that we are holding hostage $344 million of other countries contributions for the second installment when we have not even given our first. There is currently $10 million in the FSO fund; a figure which does not accurately portray the situation I have been describing until you consider that the FSO has $40 million already approved in loans for this year—a shortfall of $30 million.

ASIAN FUND

Replenishment of the Asian Development Fund resources will enable recipient countries in the Far East and Asia to continue in their economic growth and development. This particular replenishment, the second, renews access to concessional lending for Thailand, the Philippines and Indonesia and also places a greater emphasis on lending to the poorer countries. The largest borrowers from the Asia Fund are Bangladesh, Pakistan, and Burma. Cambodia is no longer part of the Fund and no new loans have been made to Vietnam since 1975.

The U.S. share of the total replenishment of $2.15 billion amounts to $445 million. This funding was agreed to in July of 1978 and the first installment of payments from the other donor countries has gone forward without U.S. participation. However, similar to the FSO arrangement, the other participating countries are not willing to go forward with the second installment without the U.S. contributions and some display of good faith.

Our share in the Asian Fund represents a significant degree of burden sharing by the other members of the Fund. Our total share of contributions is 20.69 percent which is well below the 22.24 percent level set by Congress in fiscal year 1979. The U.S. share requires an annual appropriation of $111.3 million spread over 4 years. Any cut in this amount, would allow other donor nations to cut back their contributions proportionately and thereby sharply curtail the lending programs of the MDBs to the poorest countries in the world.

AFRICAN FUND

Africa is of growing national security and foreign policy interest to the United States. Our increasing interest in the African nations is reflected by our recent increased involvement in the African Fund. The U.S. share in the second replenishment to the Fund is $125 million, representing approximately 17.5 percent of the total contributions pledged in mid-1978. This percentage is well below the level of our contributions to both the Asian Fund and the Inter-American Development Bank and we are behind other nations partially due to our joining the Fund 3 years after most other countries had done so.

Our contribution in this replenishment will help redress our earlier neglect of the Fund and will illustrate our continuing good faith in the economic support of the African nations. Once again, the first installment of funds for lending has gone forward without U.S. participation and, as with the others, the second installment is contingent upon our contribution.

The African Fund is not yet out of money like the others; it can go on without U.S. funds, but only for a few more months until the second installment is due. Our first payment of $41.7 million is due now. U.S. participation in the second replenishment is one way to strengthen our ties with the African nations which are becoming increasingly important to U.S. strategic and political interests. Not to act now will certainly hinder our progress toward that goal. It is very difficult to continue to ask these nations for base rights and cooperation in the United Nations forum when we are not willing to give them cooperation in the economic development which is so very important to them.

It would be irresponsible on the part of the Congress to delay action on this measure any longer—in fact, it has been irresponsible for us to delay as long as we have. The Senate has already reported a bill and did so almost a year ago, yet the House continues to languish. Our delay has already brought a halt to further replenishments of the Asian and African Development Funds. Further delays will be interpreted as lack of interest by the United States and would not only jeopardize the contributions of other donors, and thereby the liquidity of the Funds, it would damage our relations with developing countries by calling into question U.S. commitment to the Banks.

I ask that my colleagues in the House join me today in overwhelming passage of this very important legislation.

□ 1710

Mr. GONZALEZ. Mr. Chairman, I take pride in yielding 5 minutes to the distinguished chairman of the House Committee on Foreign Affairs (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I rise in strong support of H.R. 3829.

I commend my colleague from Wisconsin, the chairman of the Committee on Banking, Finance, and Urban Affairs, for shepherding this legislation through committee, and I commend the committee for reporting a good bill which we can all support.

H.R. 3829 provides authorization for fiscal year 1980 funding of U.S. contribution to the regional development banks: The Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

United States support is important for the continued success of these institutions, which is not only in the interest of developing countries but also in the direct national interest of the United States and of all developed countries.

We benefit twofold from the activities of the regional banks. In the first instance, the economic progress and stability which they promote in the Third World is in the U.S. economic and strategic interest. We have a primary interest in promoting stability in the world in order to protect our important political and security interests around the world, and we have an interest in protecting our economic interests throughout the developing world. Economic growth in the developing world promotes U.S. exports. The more developing countries, which already purchase some 40 percent of U.S. manufactured exports, grow, the more they are able to purchase from the United States. In fact, a recent study indicates that, because of the economic linkages, a 3-percent GNP growth in the nonoil exporting developing countries translates into a 1-percent GNP growth for the OECD countries, including the United States.

In the second instance, U.S. contributions to the regional lending institutions do not actually represent a flow of capital out of the U.S. economy that is lost somewhere in the unknown sea of the international system. First, most of the U.S. contribution is in the form of callable capital, so no funds actually leave the U.S. Treasury. Second, the amount of procurement in the United States from projects sponsored by the regional banks is larger than the U.S. contribution to those banks. So the direct economic benefit to the United States is considerably larger than its contribution.

Finally, it must be emphasized that the influence the United States enjoys in the banks is directly related to its contribution, because voting is weighted to each member's contribution. U.S. ability to influence important bank policies declines if we fail to meet our obligations to these institutions.

Mr. Chairman, this legislation authorizing continued U.S. contributions to the three regional development banks promotes the U.S. economic and strategic interests, and I urge the Members to support it.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Chairman, today we are considering H.R. 3829 which will provide authorization for U.S. participation in the Multilateral Development Banks. Although the institutions are not perfect, on balance the banks have performed their mission of promoting rapid and equitable growth and stability in developing countries.

In 1978 U.S. exports of almost $700 million are directly attributable to contracts procured through the Multilateral Development Bank projects. Virtually every State in the Union benefits from procurement opportunities of the banks in terms of additional jobs. The Treasury Department has calculated that during the period 1972–77 between 50,000 and 100,000 additional jobs were generated in the U.S. economy in each of those years which can be traced to the direct effects of U.S. participation in lending programs of the banks. The indirect effects (increased exports due to bank supported growth) multiply even further the benefits to the U.S. economy.

In order that each Member should understand the extent to which his or her State has already benefited from our participation in the Multilateral Development Banks below is a State-by-State breakdown of the 1979 procurement activities for the IBRD and the IDA. (The CONGRESSIONAL RECORD of September 21, 1979 included the tables for 1978 procurement activities. In addition, information is also compiled for the payments made to the U.S. suppliers and contractors with resources dispersed under IDB financed projects for 1976 and 1977. I have also included data on U.S. procurement activities at the IDB for 1974 and 1975 as well.)

I believe that a review of the material will indicate that past U.S. contributions to the Multilateral Development Banks have been returned to our economy in terms of jobs.

In addition, the hearing record includes an article from the recent edition of the Business America—The Journal of Industry and Trade entitled, "Winning Contracts From Development Banks." I commend that article to my colleagues and would like to point out that it contains the results of an interagency working group, composed of Treasury, Commerce, and State Department officials, examining the procurement levels of the U.S. firms. The group examined 1,500 contracts of the banks and found that American companies bid on only 20 percent of the project opportunities. It is important to point out, however, that when U.S. firms did get involved, they won 33 percent of the awards. It is therefore reasonable to conclude that additional biddings by American companies will yield a significantly increased procurement level for U.S. firms. And that means jobs.

I am particularly pleased that the subcommittee approved my amendment, now title IV—export opportunity enhancement, because I am convinced that with more timely information about procurement opportunities our U.S. firms will bid on and win more contracts; and that means more jobs. The administration seems to have already been convinced by our subcommittee that better channels of information to U.S. businesses, large and small, can increase our return on our contributions to the Multilateral Development Banks (MDB). A quick comparison of 1978 and 1979 U.S. procurement levels from the World Bank shows a slight decrease in 1979. The decrease serves to emphasize the need for title IV. There are many firms in each of our congressional districts who are not participants in MDB activities because they do not know how to get involved. That is why I, along with my colleague from Illinois, Congressman HYDE, today sent a "Dear Colleague" letter attached to which is a Treasury Department publication entitled, "Export Opportunities for American Businesses Through the International Development Banks." I urge my colleagues to review it and make it available to the firms in your areas. My office will be happy to make a limited supply available to interested Members.

Over the past 12 months the Treasury Department, working closely with Commerce and State, organized the MDB procurement seminar series. The purpose of the seminars is to acquaint U.S. businesses with procurement opportunities associated with MDB-financed projects, and to explain the consultant selection and bidding procedures employed by the banks.

The first seminar series was held in September and October 1979 and focused on the Asian Development Bank. Seminars were held in the following cities: Atlanta, Boston, Chicago, Cincinnati, Detroit, Denver, Houston, Los Angeles, Philadelphia, Pittsburgh, San Francisco, and Seattle. Participation in each seminar averaged from 40 to 50 firms. At each seminar two ADB staff experts on procurement spoke to the business representatives in addition to comments by Commerce, Treasury, and State officials. When requested, the seminar speakers met with individual business representatives as well.

Because of the enthusiastic response to this seminar series, it was decided to undertake a second series focusing on Inter-American Development Bank procurement. Using a similar format, Treasury, Commerce, and State are organizing IDB procurement seminars during May and June of this year in the following cities: Los Angeles, Phoenix, Houston, St. Louis, New Orleans, Miami, Portland, Minneapolis, Milwaukee, New York, Cleveland, and Pittsburgh. Plans are also underway to organize a World Bank procurement seminar series for later in 1980 or early 1981. Members who want additional information about the seminar schedules should contact Don Sherk, 566-2173, at the Treasury Department.

I hope all my colleagues will support this urgently necessary and worthwhile legislation and I commend the distinguished chairman of the subcommittee for his dedication on this issue.

● Mr. FASCELL. Mr. Chairman, I rise in support of H.R. 3829. The Committee on Banking, Finance and Urban Affairs is to be commended not only for the hard and able work they have done on this bill, but for the effective way they have worked over the years to strengthen the international financial institutions which play such a vital role in the world economy.

By far the largest part of the funds authorized by this bill, $3.4 billion, are for the Inter-American Development Bank. From the time the IDB was established, I have closely followed the organization, its policies, its management and its effectiveness. Over the years, I have found many an opportunity to criticize one or another aspect of the bank, but I have always remained a strong supporter of the basic concept behind the bank: Cooperation with our hemisphere neighbors in building our future together to our mutual advantage.

In recent years, the IDB has shown a willingness to adopt new management techniques and to speed up the application of its scarce resources to tough development problems. Faced with persistent old problems such as high levels of unemployment and underemployment and tough new problems brought on by the rapid increase in energy prices, the IDB has demonstrated a flexibility and degree of imagination which merit the continuing support of this Congress.

At a time when our own people are facing a difficult economic period here at home, many in this Chamber understandably have asked "can we afford to continue to spend such large sums on programs abroad?" In my view, we not only can afford these programs, but it would be enormously shortsighted of us to fail to continue to fully support these institutions because they are not operating just in someone else's interest; they are operating in our interest as well.

Take the Inter-American Development Bank as an example: Its programs help finance the search for and production of energy and other vitally needed resources; its programs generate jobs and lessen the heavy pressure of hemisphere migration to the United States; and the projects it funds promote U.S. exports, profits, and jobs.

Mr. Chairman, the Inter-American Development Bank is doing a good job—a job not only in the interest of the people of Latin America and the Caribbean, but a job in the interest of our own people as well. I urge my colleagues to support H.R. 3829.●

□ 1720

Mr. GONZALEZ. Mr. Chairman, I have no further requests for time.

Mr. HYDE. I yield myself 30 seconds. Mr. Chairman, I just want to say because the gentleman is retiring at the end of this year from service in the Congress that the gentleman from Nebraska (Mr. CAVANAUGH) has made a significant contribution to the work of this subcommittee and to the end product of this subcommittee. While we are of opposite parties, I have learned a great deal from listening to the gentleman, and he will be missed.

I yield back the remainder of my time.

Mr. GONZALEZ. Mr. Chairman, I yield myself 1 minute. I rise because my colleague, the gentleman from Illinois (Mr. HYDE), I think makes it almost necessary on my part also to rise and make some remarks with respect to the contribution of such a young and dynamic Member who unfortunately too soon has announced he is leaving us. I learned that just recently and with a great deal of regret, because it is very true that he has contributed greatly to the success of this subcommittee in the consideration in the immediate past 2 years of very difficult subject matter during very critical times last year and the year before last. It is with a great deal of regret that we learn he is leaving the House of Representatives. It is the loss of the House and the loss of the country. Certainly I wish him well in his future endeavors.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 3829

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTER-AMERICAN DEVELOPMENT BANK

SEC. 101. The Inter-American Development Bank Act, as amended (22 U.S.C. 283 et seq.), is further amended by redesignating section 29 as section 28 and by adding at the end the following new section:

"SEC. 29. (a) The United States Governor of the Bank is authorized to vote for two resolutions which were proposed by the Governors at a special meeting in December 1978, and are pending before the Board of Governors of the Bank. These resolutions provide for (1) an increase in the authorized capital stock of the Bank and additional subscriptions thereto and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of these resolutions, the United States Governor is authorized on behalf of the United States (1) to subscribe to two hundred twenty-seven thousand eight hundred and ninety-six shares of the increase in the authorized capital stock of the Bank of which two hundred ten thousand eight hundred and four shall be callable and seventeen thousand and ninety-two shall be paid-in and (2) to contribute to the Fund for Special Operations $700,000,000: *Provided, however,* That any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription and contribution provided for in this section, there are hereby authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury (1) $2,749,207,988 for the United States subscription to the capital stock of the Bank and (2) $700,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the Fund for Special Operations authorized by this section by letter of credit in four annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.".

Mr. GONZALEZ (during the reading). Mr. Chairman, I move that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CARTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I might engage the distinguished gentleman from Florida (Mr. YOUNG) in a few minutes of colloquy, I would be eminently pleased, since he is on the committee.

Mr. YOUNG of Florida. Will the gentleman yield?

Mr. CARTER. I would be happy to yield to the gentleman from Florida.

Mr. YOUNG of Florida. I would be happy to respond to anything the gentleman might ask. I am not a member of this committee.

Mr. CARTER. The gentleman is on the Appropriations Committee, that is right. I stand corrected. However, I believe he has shared some interest in this over the years.

Mr. YOUNG of Florida. The gentleman is eminently correct.

Mr. CARTER. I notice that in the total amount of millions, really $2,749,000,000 to the Inter-American Development Bank, I wonder what our Treasury will pay for this money that is given to the bank.

Mr. YOUNG of Florida. Will the gentleman yield?

Mr. CARTER. I am happy to yield to the gentleman.

Mr. YOUNG of Florida. Treasury bills were sold this week at 15 percent.

Mr. CARTER. At 15 percent. What interest will the Inter-American Development Bank in turn charge the people who borrow money from it?

Mr. YOUNG of Florida. Will the gentleman yield?

Mr. CARTER. I will be happy to yield.

Mr. YOUNG of Florida. As the gentleman knows, all of these organizations have different funding windows. The hard loan window will be making loans at approximately 8.5 percent.

Mr. CARTER. Eight and one-half percent, while we, the taxpayers, are paying no less than 15 percent, is that correct, for this same money?

Mr. YOUNG of Florida. That is correct. Of course, as the gentleman knows, the soft loan windows, for example, the Fund for Special Operations and, although the World Bank is not involved in this bill, the International Development Association of the World Bank also falls into the category of concessional loans for which no interest is charged.

There is a three-quarters of 1 percent administrative handling charge, and, of course, there is no repayment during the first 10 years of the 50-year loan.

Mr. CARTER. Yes. At one time I believe for the first 10 years there was no interest charged. Then for the next 40, 2½ percent. I see it has been changed at this time until there is only a three-quarters of 1-percent charge.

Mr. YOUNG of Florida. The gentleman is correct.

Mr. CARTER. And the American taxpayers pay for the balance. Could my distinguished friend, the gentleman from Florida, tell me the approximate extent of the repayments the Inter-American Development Bank is receiving from what it is loaning or has loaned in the past.

Mr. YOUNG of Florida. If the gentleman will yield, I really cannot respond to that question in dollars and cents, but I would have to say to the gentleman that the hard window loans have been paid back with a relatively good record.

Mr. CARTER. Yes.

Mr. YOUNG of Florida. Most of those at the soft loan windows are still in the grace period.

Mr. CARTER. The soft loan windows are not repaid very well, is that correct?

Mr. YOUNG of Florida. What I said to the gentleman was that most of the soft loans are still in the 10-year grace period, so we have no record on that.

Mr. CARTER. All right, sir, and while we deny our own citizens, who are in dire difficulty, who have been flooded, who have had such acts of nature and natural disaster against them, we deny them interest at lowered rates; yet we give this interest to other countries at only a three-quarters of 1 percent charge; is that correct?

Mr. YOUNG of Florida. The gentleman is correct.

Mr. CARTER. Does my good friend, the gentleman from Florida, feel that that is fair and right to the good people, the taxpayers of this country?

Mr. YOUNG of Florida. I appreciate the gentleman's asking that question. He already knows the answer, since I have spent a lot of time attempting to make major reforms in our entire foreign aid program to make sure that we do get a dollar's worth of value for the dollars that we spend, and that the moneys are not being dropped down the crack through administrative costs at the headquarters of some of these organizations, or that the moneys are not lost because of pushed projects just to get a lot of quantity of money flowing as opposed to the quality of the development project that is being funded. The gentleman has known for a long time my feeling on that.

Mr. CARTER. I thank the distinguished gentleman. I would say we are really lending this money in the hope that it will be helpful to these countries. Yet they are not paying it back. Are they voting with us in the United Nations?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. CARTER was allowed to proceed for 1 additional minute.)

Mr. CARTER. Do these nations to whom we lend money at the soft window vote with us at the United Nations?

Mr. YOUNG of Florida. If the gentleman will yield, I think the best example of the point he is getting at here would have been the Havana Conference of the so-called nonalined nations where one after the other stood up to condemn the United States of America and our policies and to heap praise on Fidel Castro and his Cuba and the Soviet Union, so I believe that that is a very direct answer to the gentleman's question.

Mr. CARTER. As the Bard of Avon once said,

> Neither a borrower nor a lender be;
> For loan oft loses both itself and friend,
> And borrowing dulls the edge of husbandry.

I yield back the remainder of my time.

The CHAIRMAN. Are there amendments to title I?

□ 1730

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: Page 3, after line 20, add the following new section:

SEC. 102. The President shall evaluate a proposal for joint action by the countries of the Western Hemisphere and other nations which participate in the Inter-American Development Bank to increase exploration for and exploitation of energy and mineral resources of the Western Hemisphere through investment insurance administered by the Inter-American Development Bank and through other multilateral incentives to private investment in such resources. The President shall report his findings to the Congress not later than June 30, 1980, together with such recommendations as he considers appropriate.

Mr. BINGHAM. Mr. Chairman, this amendment simply seeks to assure prompt executive and congressional attention to an imaginative proposal to stimulate energy and mineral development in Latin America.

The proposal to which the amendment refers is one developed by the international staff of the Inter-American Development Bank to establish under Bank management a program of insurance and guarantees for foreign private investment in Latin American energy and mineral resources.

Mr. Chairman, the status of this proposal is that the various developed and developing countries of the Western Hemisphere who are members of the IADB are studying it for possible support. A certain amount of attention has been paid to it by our own administration. Secretary Vance, in his September 24, 1979, speech before the United Nations General Assembly, endorsed the proposal in principle. It could, he said, "be an effective means of stimulating energy development" which we would "pursue with the Bank" and "work with other countries to develop." Assistant Treasury Secretary Fred Bergsten has been studying and discussing the plan informally with his European and Japanese counterparts.

This IADB proposal is refreshing and promising in several respects. First, it is not an American initiative, but a truly multilateral one reflecting primarily the interests of the developing countries of the Western Hemisphere. Energy and mineral development anywhere in the world are obviously in the long-term interests of the United States, and we have been trying to convince the LDC's to adopt measures to increase their energy self-sufficiency. This is such a measure.

This proposal also acknowledges and encourages private enterprise and investment. Our own Overseas Private Investment Corporation has had difficulty operating in Latin America because of suspicions and official policies hostile to foreign private investors. The IADB plan suggests a readiness on the part of at least some Latin American countries to revise their thinking about private investment, which we should welcome.

Finally, the IADB proposal is promising in that it would cost little. Indeed, if successful, it would operate on a financially self-sustaining basis, as has our own Overseas Private Investment Corporation. Under the plan, the IADB would administer a program of insurance against political and some economic risks of investment in energy and minerals, as well as an investment guaranty program, to encourage private investors particularly from the developed countries who are members of the IADB, including the United States, the European countries, and Japan, to invest in energy and mineral projects. In light of the dependence of the Latin American countries upon the financial programs of the IADB, such investment insurance and guarantees should be extremely well-secured.

It is expected, Mr. Chairman, that the other nations of the IADB will soon be prepared to enter into preliminary multilateral discussions of the proposal—perhaps by this summer. The United States should not impede this proposal by any delay in formulating its own position. On the contrary, the executive branch should formalize its position and consult with the Congress in a timely way so that it could participate constructively in any multilateral discussions or negotiations that may arise, as Secretary Vance has indicated we would. In light of the executive branch study which has already gone into this proposal, the deadline of June 30 for consultation with the Congress on this matter is a realistic one. This amendment in no way commits the United States to the proposal as it now stands or as it may evolve. It only assures timely formulation of a U.S. position and appropriate consultation with the Congress, and I urge its adoption.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman from New York yield?

Mr. BINGHAM. I will be happy to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I am very pleased that the gentleman from New York (Mr. BINGHAM) is offering this amendment, and that the distinguished chairman of the Committee on Banking, Finance and Urban Affairs (Mr. REUSS) has expressed himself in support of it.

There is no economic development of the past 40 years which has had greater, or more adverse, impact on our own economy than the continuing spiral in the price of petroleum. We have seen it daily in the gasoline and oil bills which all of us have to pay, and in the rising rate of inflation which is creating hardships for millions of our people and undermining lifetime savings of the average American family. And we could well face similar situations with any one of a number of minerals in the future decades.

Latin America has a great potential in terms of energy and mineral resources, but appropriate means must be found to realize that potential in a way which would be fair and acceptable to the countries which possess the resources as well as to those whose investments and technology are needed for the exploration and development of those resources.

For this reason, I agree that the proposal advanced by Mr. Ortiz Mena, the former finance minister of Mexico and president of the Inter-American Development Bank, should be studied carefully by our government in collaboration with the governments of Latin America and of the other countries which belong to the bank.

I commend the gentleman from New York (Mr. BINGHAM) for offering his amendment and I hope that it will be adopted.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

Mr. Chairman, I think this is an excellent amendment but I have a problem with the short date. It is June 30, 1980, which is almost upon us. I am wondering if the gentleman's amendment would be impaired if that date of June were changed to September 30, 1980? I think the pressure that would be put on the administration to reach agreement could undermine negotiations which are going on now, I am informed, concerning this issue. I wonder what would be the gentleman's response to making the date September 30 instead of June 30?

Mr. BINGHAM. Mr. Chairman, the time does seem very short. I looked at this myself earlier today. I understand, as I said, this review is going forward and that is why I left it as it is, but if the gentleman wishes to propose an amendment to my amendment to change the date I certainly would not object to it.

Mr. HYDE. Mr. Chairman, I ask unanimous consent that the amendment be modified, as follows:

In the next to the last line of the amendment change "June" to "September".

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendment.

The Clerk read as follows:

> In the next to the last line of the amendment change "June" to "September".

Mr. BINGHAM. I thank the gentleman for his comments.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(At the request of Mr. CAVANAUGH and by unanimous consent, Mr. BINGHAM was allowed to proceed for 3 additional minutes.)

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I wish to commend the gentleman and to point out to the other Members of the House the importance of this amendment by quoting from a statement that Mr. Ortiz Mena delivered to the National Press Club February 26 of this year. The gentleman is now the President of the Inter-American Development Bank. He outlined at that tme the importance of the Latin American region in terms of future development of energy and mineral resources.

I quote Mr. Ortiz Mena as follows:

> As a region, Latin America has twice the oil reserves of the United States and accounts for nearly 20 per cent of the world's total petroleum prospecting areas. Nonetheless, through the end of 1978 only 14,000 exploratory wells had been drilled in the region and its cumulative production had barely passed the 50 billion barrel mark, compared with 2.5 million wells drilled and 130 billion barrels produced in the United States. A similar situation prevails with regard to mineral resources. Despite vast potential deposits only a small percentage of the region's vast deposits have been exploited. In both cases increased investment in exploration and development is required.

The gentleman's amendment goes directly to the issue of focusing the Bank's attention and our country's attention on the great benefits to be derived from developing the petroleum and mineral resources of Latin America.

Mr. Chairman, I commend the gentleman for his amendment. It should be accepted.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I personally see no problem with the amendment. However, I should point out negotiations are already underway by the United States within the Inter-American Development Bank for precisely the matter set forth in this proposal. When I first found out about this amendment, I wondered if it would help or deter for us to add further pressure because the United States is currently engaged in negotiations within the Inter-American Development Bank on the creation of this kind of a fund with respect to the development of minerals and other extracted products.

Mr. Chairman, it is a complex matter. It is necessary that they work out technical formulae. That is my only hesitation.

Actually, Mr. Chairman, I see nothing wrong with the amendment and certainly I favor it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM) as modified.

The amendment, as modified, was agreed to.

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent that the bill be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. Are there further amendments to title I?

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have some amendments I wanted to offer to this early part of the bill, but a number of Members left the floor early with the impression given distinctly that this bill was going to be ended when we got through the general debate.

What is the plan before the Committee? Are we going to go forward with amendments throughout the bill, and how long, if that is the case?

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. GONZALEZ. The plan is to be here no later than 6:30.

It was our hope that we could endeavor to dispose of amendments noncontroversial in nature such as the Bingham amendment, and if we ran into any trouble before 6:30, and there occurred the likelihood of a vote on some controversial issue, we would move that the Committee rise, thereby avoiding any embarrassment to those Members who departed under the impression that we would not go beyond the general debate.

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Mr. BAUMAN. I thank the gentleman for that explanation. The only purpose is, if we open the bill to amendment at any point, that of course allows, at the appropriate time, a motion to cut off any debate, which could be made tomorrow. I would very much like to preserve my rights and the rights of others.

Mr. GONZALEZ. Mr. Chairman, if the gentleman will yield further, on the contrary, the reason I made the unanimous-consent request that we open up the bill to amendment at any point is that we have what are apparently noncontroversial amendments that we thought we could consider. Also, I think the gentleman's prerogatives would be even more protected if it were open to amendment at any point, to come back and go over the first part of the bill as well as any other part. Does the gentleman agree, or am I wrong in that interpretation?

Mr. BAUMAN. The gentleman from Maryland would agree that if, in fact, the bill is open to amendment at any point, a motion to limit debate would be in order. But, I understand the gentleman from Ohio (Mr. ASHBROOK) has a noncontroversial amendment which he is going to offer at this point. It is to the first section, and that will solve the argument.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 3, line 20, strike out the closed quotation marks and second period.

Page 3, insert the following after line 20:

"(d) None of the funds authorized to be appropriated by this section may be used for any form of assistance to Cuba.".

Mr. ASHBROOK. Mr. Chairman, currently Cuba is not a member of the Inter-American Development Bank. However, given some of the signals that have emanated from the Carter administration in the last 3 years, it is entirely possible that officials at the White House or the State Department may open the door for Cuba sometime in the future. As this bill includes funds that will be used as much as 8 to 10 years from now, I think the Congress needs to establish long-term policy related to Cuba.

Last week the House passed an aid bill for the nation of Nicaragua. During the consideration of that legislation there was considerable discussion of how American dollars needed to be employed to compete with Cuban efforts to win over Nicaragua. While I would differ with my colleagues on just how competitive the situation is in Nicaragua I think the point that Cuba is our chief competitor in the Americas is a valid one. I, therefore, submit that we should go on record today stating that we do not want to have Cuba using American money via the Inter-American Development Bank to compete with American dollars via direct aid to the nations of the Americas. Stranger things have happened in the wake of Mr. Carter's foreign policy "innovations."

This policy declaration is important. It is entirely possible that Mr. Carter, if he is returned for another 4 years to the Oval Office, could at some juncture warm relations with the government in Havana. Given the bargains we have received through the Panama Canal, SALT II, Communist China, and Iranian negotiations, I think it is in the best interests of the Nation to have the Congress on record limiting the chips the President can offer up to Havana in the event Cuba comes into vogue again. If, at some point, the government in Havana shifts toward being a democratic, pro-west republic, then the Congress may wish to revise this language. However, at that time, the burden of proof will be on the administration rather than on the Congress, which is a check whose time has come.

As in the past, some may consider any funding prohibition an unreasonable affront to the autonomy of the development banks. I contend that it is our taxpayers' money that is at stake here. We have seen the impact similar amendments have had on the World Bank. After years of fighting the flow of funds to Vietnam and Cambodia, the President of the World Bank, Mr. Robert McNamara, finally pulled the plug on those regimes for all fiscal year 1980. To insure that similar policy concessions occur from the other possible sources of development money amendments, such as the one I am offering, need to be adopted. Our voices are heard by these banks and we should make sure the best interests of not only the United States, but the west in general, are protected. I urge a "yes" vote.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. LaFALCE. Mr. Chairman, I wonder if the gentleman would accept an amendment to the effect that, after the word "Cuba", delete the period and quotation marks and add the words, "or the Soviet Union".

Mr. ASHBROOK. "or the Soviet Union"?

Mr. LaFALCE. Yes.

Mr. ASHBROOK. Well, is my colleague saying that the Soviet Union is becoming a part of the Inter-American community?

Mr. LaFALCE. I think there is as much chance of that as Cuba becoming a part, yes.

Mr. ASHBROOK. Well, at least by definition we know that Cuba is a part of the Inter-American community.

Mr. LaFALCE. They could amend the charter of the Inter-American Development Bank, and we have to be careful about that.

Mr. ASHBROOK. If the gentleman wants to offer that amendment I probably would end up accepting it.

Mr. LaFALCE. Would the gentleman accept it?

Mr. ASHBROOK. I would rather that my friend would offer that and let it stand on its own. Let us treat Cuba separately, and if the gentleman wants to bring in the Soviet Union I would be glad to support him.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the suggestion we just heard sort of makes light of the amendment and suggests that by offering the amendment the gentleman from Ohio is perhaps a little bit too cautious, but it was this Carter administration less than 2 years ago that established an interest section here, which we have in Washington, and opened one down in Havana. Thus, we were going to resume trade and embrace our great friends on the island just off the coast of Florida. Suddenly, in retrospect, they noticed that there were Soviet divisions there and that there might be other activities on that island, and they dropped those plans. But, it was this administration that was talking about it, and as surely as night follows day the Inter-American Development Bank would have been urged to give assistance to our newfound friend, Mr. Castro.

So, I think the gentleman's amendment is not prudent—I think it is absolutely necessary in the context of the foreign policy of the Carter administration and those in this Congress who embrace it every day.

Mr. ASHBROOK. I thank my colleague for his contribution. Obviously, I agree.

Mr. PETRI. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Wisconsin.

Mr. PETRI. Mr. Chairman, given the record of this administration, it is always possible for odd actions to happen such as we have seen in the United Nations, and perhaps on others.

Mr. ASHBROOK. I think perhaps the amendment my friend suggested might be appropriate. Maybe at some time somebody will delete Cuba and put U.S.S.R. in there, but I still would rather have this amendment stand on its own two feet.

Mr. HYDE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my good friend from Ohio is usually very careful in crafting amendments, and it is presumptuous of me to question the craftsmanship on this, but, as I read the bill, we are in compliance with this. None of the funds are going to be appropriated to captive people, but to the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, and so it is not contemplated anywhere but the agencies. If the gentleman wants to put a limitation on the agencies, I just do not think this language will do it.

But, notwithstanding that, I just want to say this: If we are going to start to put strings on this money, we are going to say to the bank, "We are going to give it to you but only for these purposes and not for these other purposes."

Then, we fall into the trap of getting a litany of countries that some Members may not like. I know that the gentleman from Iowa has an amendment that would inhibit any loans going to Chile. The gentleman from Ohio has one that inhibits any loans going to Cuba, and we simply destroy the multilateral basis of it. The beauty of the institution is that it is not politicized, that it goes to countries regardless of their political makeup or who approves of what, to help poor people, to stabilize economies, and to raise the standard of living of people who need it, in addition to stabilizing access to raw materials for this country and helping our export imbalance. But, this is the very type of amendment that is superficial, but strikes at the very heart of the multilateral system.

Now, I am going to oppose the amendment of the gentleman from Iowa that says that no loans from the bank go to Chile, but I have to oppose the amendment of the gentleman from Ohio that no funds go to Cuba. Cuba is not a member, has not been a member, and I cannot see them becoming a member, a responsible member, of these institutions. I hope this amendment is defeated because the nature of the institution says, "No strings. Do not politicize these. The very purpose of the institutions will be frustrated."

AMENDMENT OFFERED BY MR. CAVANAUGH TO THE AMENDMENT OFFERED BY MR. ASHBROOK

Mr. CAVANAUGH. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CAVANAUGH to the amendment offered by Mr. ASHBROOK: Page 3, line 20, strike out the closed quotation marks and second period.

Page 3, insert the following after line 20: "(d) None of the funds authorized to be appropriated by this section may be used for any form of assistance to any nonmember nation.".

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Mr. CAVANAUGH. Mr. Chairman, I believe this amendment should satisfy the gentleman from Ohio (Mr. ASHBROOK) and every other Member in this area of interest. It accomplishes substantially the purpose which the gentleman seeks to accomplish, that is, to prohibit any funds appropriated for the Inter-American Development Bank to be used for any nonmember nation.

Cuba is a nonmember nation and would, under the terms of this amendment, be precluded from participating, therefore accomplishing the purpose of the gentleman from Ohio but, at the same time, not destroying the institutions themselves and prohibiting a U.S. participation and unduly doing injury to other nations' interests and to the maintenance of the international development banking system, which I am hopeful the gentleman does not seek to accomplish.

Mr. Chairman, I urge adoption of the amendment.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, for the purpose of the legislative history, would my colleague consider the nonmembership as being something that is permanent during this authorization? If Cuba, for example, should become a member 2 months from now, it would not apply; would that be correct?

Mr. CAVANAUGH. Mr. Chairman, any nation that would become a member would not fall within the terms of the restriction of this amendment, but so long as a nation were not a member, its ineligibility would continue under the terms of my amendment.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for that clarification.

So in effect we would be saying that the minute Cuba becomes a member it would be qualified. Of course, the thrust of my amendment is that it would not be qualified even when it becomes a member, because the Congress would have to take a second look at it.

So I think that this does not accomplish the purpose my friend, the gentleman from Nebraska, indicates of trying to make my amendment uniform.

Mr. CAVANAUGH. Mr. Chairman, what I would say in answer to that is that this precludes the enjoyment of Cuba in the participation in the Inter-American Development Bank because Cuba does not enjoy membership now and, to my knowledge, is not seeking membership in the immediate future.

Mr. ASHBROOK. Mr. Chairman, if my colleague will yield further, if Cuba does seek membership and would be accepted in the next several months, the money would then go to them, and the gentleman would have gutted my amendment, whereas under my amendment, if it is put into effect, the money would not go to Cuba. It does not suggest whether they are a member or not; it leaves it up to the Congress in the future because it gives us the option of saying, "Let us take a look at it."

We may or we may not want to give them money, and we would retain in the Congress that decision rather than leave it stand by the language of this amendment.

Mr. CAVANAUGH. Mr. Chairman, the purpose of the amendment would be to accomplish what the gentleman from Ohio seeks to accomplish today, which is to preclude the participation of Cuba from eligibility in the Inter-American Development Bank.

As the gentleman pointed out in the presentation of his own amendment, his amendment suffers from the deficiency that should the circumstances arise that the form of government to which the gentleman objects that currently exists in Cuba should change, it would require a statutory change to allow them to participate. That would be a serious impediment to the operation of the bank and to the free participation of, let us say, friendly member nations participating in the bank.

This amendment would not suffer from that same limitation. Should the Government of Cuba change and should Cuba then become a member, it would be entitled to the full and equal status of every other member. But until such changes in circumstances occur, so long as Cuba occupies the position that it permanently occupies, it would be precluded from participation, therefore accomplishing the articulated goals the gentleman from Ohio has expressed and that he seeks to achieve by his amendment.

So, Mr. Chairman, I would hope that the gentleman would view this amendment as a refinement of his own amendment. It would provide a more sophisticated and flexible method of achieving the goals the gentleman expressed.

Mr. ASHBROOK. Mr. Chairman, my colleague predicates his entire argument on the theory that Cuba, as it is presently constituted, cannot and will not become a member of the Inter-American Bank.

Can the gentleman absolutely give us that assurance? I do not believe he can. That is what worries me a little bit.

Mr. CAVANAUGH. Mr. Chairman, of course I cannot absolutely give that assurance, but the facts do speak for themselves, that Cuba is not a member and is not seeking membership.

Mr. ASHBROOK. Mr. Chairman, I thank my friend, the gentleman from Nebraska.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe that we have gone through this matter before. I do not know this, but I believe that perhaps the distinguished gentleman is aware of the fact that the real thrust of this amendment, were it to be ultimately considered under any given fact situation, would destroy the institution and would in effect preclude this institution, which perhaps the gentleman has been against in concept from the beginning, from normal operations.

I would note that I think that is a separate policy debate to which the Congress ought to address itself with respect to the whole concept and the integration into our foreign policy of the continuing need for the multilateral development financial institutions approach. There are those Members of Congress—and they continue to be—who have been against this concept from the beginning, but that is a general foreign policy matter.

In a manner of speaking, we do have that control now because this is one bank that is unlike the Asian Development Bank where we do have veto power. I think there could be no question of any more ironclad assurances that could ever be given at any time that Cuba would qualify, because we have the veto power now which is in Congress.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. Certainly, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

Let me ask, have we ever exercised that veto power on this bank?

Mr. GONZALEZ. We have.

Mr. ROUSSELOT. When?

Mr. GONZALEZ. We have done it on loans.

Mr. ROUSSELOT. I do not recall that but maybe the gentleman knows something we do not know.

Mr. GONZALEZ. Mr. Chairman, I did not understand the gentleman.

Mr. ROUSSELOT. I say that I do not recall the use of veto power by our representatives to this bank.

Mr. GONZALEZ. Oh, yes.

Mr. ROUSSELOT. When was that, and against whom, what member or nonmember?

Mr. GONZALEZ. Mr. Chairman, we are talking about the Inter-American Development Bank. This is the institution to which the gentleman's amendment is addressed. Of course, our representative, meaning the United States, can use its power because of our weighted vote.

Mr. ROUSSELOT. And they do have the right to veto?

Mr. GONZALEZ. Yes, at this point.

Mr. ROUSSELOT. Our Governor has the right to veto?

Mr. GONZALEZ. It amounts to that.

Mr. ROUSSELOT. I see.

Mr. GONZALEZ. Because we have that weighted vote in the bank, and we do not, for example, have to make just an assumption.

Mr. ROUSSELOT. Mr. Chairman, can the gentleman give us an example currently where our Governor or our representative has vetoed some loan that clearly was bad like, say, Cuba? Of course, Cuba is not a member, I realize.

Mr. GONZALEZ. No, but some of the member countries have been vetoed in their requests for loans in the past.

Naturally, in this regard and looking at the question, I do not have the history, but there has been more than one occasion—and that is for sure—when we have exercised the veto power. More often than not, we have accomplished the same purpose by just threatening to use the veto power.

Mr. ROUSSELOT. Mr. Chairman, I do not recall the veto being used, when our Governor exercised the veto.

Mr. GONZALEZ. Mr. Chairman, I will be delighted to obtain the information and supply it to the distinguished gentleman from California.

Mr. ROUSSELOT. Fine. What I was trying to do is recall an instance when we have genuinely vetoed a bad loan or a loan that really should not be made. I am sure the gentleman and I both would agree that if suddenly Cuba should become a member, there would probably be a lot of instances when we might want to veto. I would refer to any loans, for instance, that might be made to enhance Cuba's submarine base on the southern side of Cuba.

Mr. GONZALEZ. I understand that the gentleman as flailing that issue.

Mr. ROUSSELOT. I am not flailing the issue. This is a real threat down there in Cuba.

Mr. GONZALEZ. I know that, but the gentleman has conjured up and imagined every hypothetical situation which is not confronting us at this minute, so it is not real.

What I am trying to tell the gentleman is that I will be glad to supply that information for him. What I am also trying to say is that on other occasions and in other instances, at that time when we had the weighted vote that gave us either the veto directly or indirectly, we exercised the veto. We have done that. I cannot remember specific instances, except that on some occasions in the past I can recall that one or two of the South American countries were the beneficiaries of our veto.

Mr. LaFALCE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I favor the amendment to the amendment only as a means of opposing the basic amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

Actually the amendment to the amendment creates a situation where we do have a simple redundancy. Presently no international financial institution can give substance to a nonmember bank, and this would merely restate that language. But in order to defeat the primary amendment, I will certainly support this amendment.

Let us talk about the primary amendment. We have two basic approaches that we have seen on the floor of the House of Representatives in the past 2 years, and I think both have been unwise. One is to give specific directions to a U.S. director as to how to vote.

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I think that is inherently unwise because of ever-changing circumstances that can exist. But at least it is only giving direction to the U.S. Director. It is not going to the fundamental character and charter of the institution itself.

What we are faced with here is that latter type of an amendment, an amendment that goes to the character in which the money is given. It goes to the fundamental tenets of the charter under which we are operating. Basically it is saying that we want to play according to the rules of the game but only if the rules of the game can be changed when we say they should be changed, which is like saying you do not want to play according to the rules of the game.

The fundamental question here, really, when amendments of this nature are offered, is whether the United States wants to engage in exclusively bilateral foreign aid or whether we also want to engage in multilateral assistance. If we want to engage in multilateral assistance, we cannot condition the funds that we give to the multilateral institutions.

Further, even if there were some legal means of doing this, it would have no effect. It might make the individuals feel good, but that is about the only effect it would have, because suppose you are giving $25 million out of a total of $100 million, which is the whole pot; so your $25 million, if it did pass, was effective, the money could be accepted, would not go to a particular country or they would take the money from the remaining $75 million. So it would just be useless. Your $25 million would go to countries that you would favor. It would have no practical effect whatsoever. It might make the individual feel good to go back home and say what great things he had done to the folks back home, but in reality the facts are that he would have accomplished nothing.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. LaFALCE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding and I thank the gentleman for his support of my amendment. The gentleman correctly identifies the amendment as a redundancy of the current law. The fact is that the Ashbrook amendment, which my amendment amends, is also a redundancy of the current law. Cuba is not now eligible, is not now a member of the Inter-American Development Bank and, therefore, not eligible to participate in its benefits.

What my amendment does is remove from the particular and state that condition again redundantly, as the law is, therefore avoiding the potentiality for placing the United States in violation of the charter of the institution by selecting out or naming individual nations ineligible.

The fact is that Cuba is ineligible. It would be ineligible under the Ashbrook amendment, and it would be ineligible under the Cavanaugh amendment.

Mr. LaFALCE. Yes. I certainly would agree with the gentleman from Nebraska entirely.

I would like to make the following point, too: This type of amendment is nothing new. It is being offered now under the Carter administration. This type of an amendment was offered under the Ford administration, the Nixon administration, and every single administration that has existed since the multilateral financial institutions have existed. And every single one, Republican or Democrat, conservative or liberal, has opposed this type of amendment. And if there should be in the future a Carter administration or a Kennedy administration or a Reagan administration or a Connally administration or a Bush administration or an Anderson administration, that administration would oppose this type of an amendment because every one in a position of responsibility realizes the irresponsibility of this kind of an amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH) to the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

Mr. GONZALEZ. Mr. Chairman, I move that the Committee do now rise.

PARLIAMENTARY INQUIRY

Mr. LaFALCE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LaFALCE. Mr. Chairman, it seems to me that there was a unanimous consent implicit, if not explicit, by all of those in attendance at the time, which I think is every Member here on the floor, that there would be no actual vote, that we would rise.

Mr. ROUSSELOT. Regular order, Mr. Chairman.

Mr. ASHBROOK. Regular order. Mr. Chairman, I did not agree to anything.

The CHAIRMAN. The Chair will advise the gentleman from New York (Mr. LaFalce) that he has not stated a proper parliamentary inquiry.

The question is on the motion offered by the gentleman from Texas (Mr. Gonzalez).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Does the gentleman from Ohio demand a recorded vote and make the point of order that a quorum is not present under the motion for the Committee to rise?

Mr. ASHBROOK. Yes, Mr. Chairman.

The CHAIRMAN. The Chair will advise the gentleman that a quorum is not required on a preferential motion that the Committee rise.

Does any Member join in the demand for a recorded vote? The Chair will count. Twelve Members have arisen, an insufficient number.

Mr. ROUSSELOT. Mr. Chairman, I demand a division.

The CHAIRMAN. On the motion that the Committee do now rise?

Mr. ROUSSELOT. Yes, Mr. Chairman.

PARLIAMENTARY INQUIRY

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GONZALEZ. Mr. Chairman, may I ask of the distinguished Chairman what the motion is?

The CHAIRMAN. The Chair will advise the gentleman that the motion is a preferential motion offered by the gentleman from Texas (Mr. Gonzalez) that the Committee do now rise. A division has been demanded.

The Chair will now count for a division.

On a division (demanded by Mr. Ashbrook) there were—ayes 15, noes 14.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Moakley) having assumed the chair, Mr. Duncan of Oregon, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 3828) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, had come to no resolution thereon.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the general debate just concluded on H.R. 3829, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONGRESSMAN SONNY MONTGOMERY WINS VFW CONGRESSIONAL AWARD

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, at last night's national dinner of the Veterans of Foreign Wars, a colleague of ours was presented with the highest honor of this organization, the VFW Congressional Award. Recipients of this coveted award are recognized for their public service to American's veterans and their support of our national defense. In either case, there is no Member of the House of Representatives with a more distinguished record than that of last night's honoree, Congressman Sonny Montgomery, of Mississippi. He has devoted his time and his efforts toward the maintenance of a strong national defense as a member of the House Armed Services Committee. Congressman Montgomery has protected those benefits which a grateful country provides for our veterans, their widows and their orphans as a senior member of the House Committee on Veterans' Affairs.

He has traveled to Southeast Asia searching for a ray of hope of our missing in action and prisoners of war. I am proud to count Congressman Montgomery among my friends in the House of Representatives.

For the benefit of those who unfortunately missed last night's banquet, I would like to enclose for the Record Congressman Montgomery's remarks which are both, informative and thought provoking, and extend my own congratulations to him for his service to America's veterans, the Armed Forces, the Congress, and our country:

Remarks of Representative G. V. Montgomery, Acceptance of V.F.W. Congressional Award, Washington, D.C., March 4, 1980

National Commander Vander Clute, head table guests, my colleagues in Congress and sisters and comrades of the V.F.W.

For some fourteen years, I have attended these annual dinners and sat at the table with my Mississippi V.F.W. delegation. Never in my wildest dreams did I believe I would one day sit at the head table, much less be honored by the V.F.W. It is a thrill and privilege that I shall long remember.

For this handsome plaque and the honor that goes with it, I say thanks to the national V.F.W. and my colleagues in Congress for making this occasion possible. I accept this award on behalf of the millions of men and women who have worn the uniform of our nation, wear it today and will wear it tomorrow and on whose behalf I have the privilege to work in Congress.

The title of this award—for dedicated service—means a great deal to those of us who have received it because it recognizes that we have tried to do our jobs well and that we have tried to contribute to the well-being of mankind during our productive lives.

The $1,000 scholarship which accompanies the award is also appreciated and I would like to announce that I have designated Mississippi State University as the recipient of this scholarship. It was at Mississippi State that I had the privilege to receive four years of R.O.T.C. training that made it possible for me to earn a Reserve commission in the Army. Because it is an outstanding institution of higher learning, I know Mississippi State will use the scholarship wisely and in a way that will bring credit to the V.F.W.

On a more personal note, I would like to thank some of my friends that are not members of the V.F.W., but who are present to share this honor with me. I especially appreciate those who made a special trip up from Mississippi to be with us tonight.

I am fortunate to serve on two committees in the House of Representatives that provide me much satisfaction and sense of accomplishment—the Veterans Affairs Committee and the Armed Services Committee. You might say that I share in the oversight of America's young men and women from the time they join the armed services through the period they are eligible for and receive benefits from the Veterans Administration.

Chairman Ray Roberts of the Veterans Affairs Committee has been most helpful and fair with me in my work as chairman of the Subcommittee on Compensation, Pension, Insurance and Memorial Affairs. Mr. Roberts has given me pretty much of a free hand in guiding the subcommittee. However, whenever I foul-up, he lets me hear about it and puts me back on the right track. We will certainly miss Chairman Roberts when he retires at the end of this year. Also Chairman Price has been helpful to me as a member of the full House Armed Services Committee and Military Personnel Subcommittee.

As you know we in Congress depend to a great extent on the advice of those most directly affected when considering legislation. And as long as we have strong and active veterans organization, such as the V.F.W., we will be able to improve veterans programs in the years to come.

Under our Nation's Constitution, our Government has very few specific obligations. Over the years, however, the Government has rightfully developed a responsibility to the men and women of this Nation who answered the call to fight and even gave their lives in defense of this country. I know a majority of my colleagues realize this responsibility and obligation and are dedicated to providing a strong defense and fair and sufficient benefits for our veterans who served our Nation in a time of need.

I believe I can safely say tonight that Congress will protect the benefits and programs that are doing the most for America's veterans and their families and will try to improve these programs within the financial capabilities of our Nation.

Speaking of veterans' programs, this administration keeps trying to whittle away at veterans hospitals by reducing personnel and beds. When will they learn downtown that veterans hospitals are for veterans and nobody else and that the Congress is not going to allow any administration to do away with or weaken the VA hospital system.

We on the Veterans Affairs Committee have tried to adopt the Marine Corps philosophy of taking care of our own and reworking the programs that will take veterans off of welfare and give them an opportunity for a better way of life.

You will be interested in legislation introduced by Chairman Roberts to establish a Veterans' Administration health personnel scholarship program. The legislation is designed to solve problems in recruiting and retaining physicians and nurses.

The basic provisions of the bill are: First, substantially increase the quantity and quality of full-time physicians employed by the department of medicine and surgery; second, eliminate the need for the VA to spend millions annually in contracting for critical services; third, bring about a drastic reduction in the number of foreign medical graduates; and fourth, bring into the medical program 600 nurses per year when fully implemented.

This legislation will be considered by the subcommittee on medical facilities and benefits.

There are very few organizations in this country dedicated to patriotism and a strong national defense. But thanks to the VFW and a few other groups, we in America are beginning to wake up to the realization that America does face very serious problems in military strength in comparison to the Soviet Union.

But we are going to need an even greater awakening in the months ahead if we expect to reverse the trend in military strength. That is why I commend the VFW for forming a political action committee in order to become more involved in the political process in America. It was a smart move on your part to start a political action committee.

In the remaining time, I would like to share with you in greater detail the defense needs of our country—needs which must be met if we are to continue to deal from a position of strength.

First, let me dispel a myth which has developed in this country concerning those of us who support a strong defense. We are not trying to push our Nation into war, rather we are advocating the belief that a nation that remains strong and shows the resolve to use that strength will not be tested on the field of battle. Daniel Webster explained this philosophy best when he said, "God grants liberty only to those who love it, and are always ready to guard and defend it."

Those of us in this room who have fought in foreign wars know the horrors of combat. And because of our prior experiences we more than anyone know the need—the strong need—to take the necessary steps to prevent our involvement in another war. Based on history, we also know that strength maintains peace, but weakness invites attack. The most vivid examples of this are the Japanese attack on Pearl Harbor and the Russian retreat in the Cuban missile crisis of the early 1960's. These examples show what weakness can cause and how strength can solve a problem without a shot being fired.

So, I totally reject the charges of that vocal minority who allege those of us pushing for a strong national defense are trying to push our Nation into war. I have been to Moscow and talked face-to-face with Soviet military and political leaders. And if there is one lesson I learned from these talks it is that the Soviet Union understands and respects military strength. And that is why I so firmly believe that as long as the United States can deal from a position of strength in world affairs we will be able to keep our Nation out of war.

And what do we need to deal from a position of strength. Our first objective must be a strong resolve on the part of the administration and Congress that we are going to allocate an adequate amount of our Nation's resources to rebuild our military strength to an acceptable level. Yes, it is going to be expensive, but can we really put a price on freedom and democracy and the American lives we seek to protect through a strong defense. I think not. Or can we ask our men and women in uniform to protect us and our fellow citizens with understrength units and a lack of equipment and logistical support. I think not.

As strongly as I feel about improving our Nation's military capability, I am equally committed to a sound fiscal policy in America and a balanced Federal budget. I believe we can achieve our defense objectives without wrecking our Nation's economy. There are documented instances of waste, abuse, duplication and even fraud in domestic programs that run into the billions of dollars annually—billions of dollars that could be reallocated to the defense function of the Federal budget.

Let me also emphasize that just spending money will not solve our defense problems. We must achieve cost effectiveness in the Department of Defense as is the case with any agency of the Federal Government. Military spending must be conducted in a businesslike manner. And defense contractors must realize that it is going to be necessary to return a dollar of value in military equipment for every tax dollar received. We do not expect industry to suffer loss on military contracts, but neither do we expect them to reap unreasonable profits as a result of a national need to rebuild defense capability as quickly as possible.

As far as major weapons systems are concerned, I think we need to reconsider the B-1 bomber because I do not believe refitted, aging B-52's can fulfill our needs for strategic bomber capability in the future. We must move forward on the neutron weapon and its deployment in Europe, just as we must push forward with design and production of the cruise missile. Our Nation is in great need of an improved tank such as the XM and we cannot afford to delay this project any longer. Also a compelling need is a greatly expanded naval capacity in terms of carriers and combat support ships.

But as important as tanks and ships and planes and missiles might be, we have an even more compelling need from the standpoint of national defense and that is manpower and the capability for the rapid mobilization of manpower in times of national emergency.

We must realize that our nuclear weapons are a last resort defense because no one wants to contemplate the worldwide holocaust that would develop from the use of even theatre nuclear weapons. That is why our military strength must be based first and foremost on conventional forces or the manpower needed to fire the rifles, drive the tanks and fly the airplanes.

We are actually facing two very distinct problems from the standpoint of manpower in the Armed Forces. One involves enlisted personnel and the other involves retention of NCO's and chief petty officers.

In many ways the loss of NCO's and PO's will be the hardest problem to solve because we are talking about people leaving the service after ten to fourteen years who cannot be replaced easily. Nor can we quickly bring others up to the same level of experience and competence.

One way we can improve retention of NCO's and chief petty officers is to improve the benefits of these people in order to make the military competitive with similar civilian jobs in the private sector of the economy. Both Republican and Democratic administrations have arbitrarily held military pay raises well below the level of inflation the last few years. Now we are beginning to realize this mistake with the loss of highly dedicated and trained personnel.

Another way to attack the problem of losing NCO's is to raise the esprit de corps and educational level of enlisted personnel being brought into the military. One of the biggest concerns expressed by NCO's and chief petty officers is that they fear having to take into battle units of men who are increasingly unable to read instruction manuals or read the maps to get to the target. Also because of the Privacy Act, police departments will not give recruiters information on young men coming into the service and therefore the military is unable to weed out persons with past criminal records.

The lessening quality of new recruits in the enlisted ranks has come about as a result of an effort by the Department of Defense to make the all volunteer military work. The last couple of years, the military has been forced to lower the mental standards for new volunteers. Last summer they even began allowing 17 year old high school drop-outs to reenlist.

Solving the problem of a declining quality of new recruits will not be easy, but we must seek solutions because I believe the NCO's and PO's are justified in their concern.

I have said many times both publicly and privately that our NCO's and chief petty officers are the backbone of our Armed Forces. I might add that our officer corps is also of excellent quality. The problem is in enlisted recruiting and enlisted retention.

Now let us turn our attention to the problem of overall strength levels in the military and our capability for rapid mobilization in case of an emergency.

After successfully fighting us last year on the issue of peacetime registration, the Carter administration has at last reversed its position and called for a resumption of Selective Service registration.

I might mention at this point my deep thanks to the V.F.W. for your strong support last September when draft registration was debated on the House floor. You helped us round up votes, but we still fell short of the majority needed to be successful. Now that we have the President's backing, I think we will be successful this year in the interest of our national security.

Before outlining my reasons for supporting draft registration of men, let me discuss my reasons for being strongly opposed to including women in registration.

I have three basic reasons for opposition. First, registering women would be the first step toward placing them in combat roles should America be faced with an emergency in the future. Women always have made and will continue to make outstanding contributions to our defense effort, but in my opinion they should be limited to noncombatant roles. Not even the Israelis, who make the most extensive use of women in the military of any country in the world, allow women to serve on the front lines.

Second, our Armed Forces are securing a more than adequate number of women volunteers of a high quality to fill military support slots. Our primary need is for a higher quality of men to fill combat arms slots. And this requirement could be met in an emergency provided we already had an ongoing program of registering males, but not females.

Third, registration of women would only compound the problems to be faced by the Selective Service System in any mass registration effort.

As you know, the Selective Service System has been dormant for some five years and consists of about 100 employees spread among the national headquarters and six regional offices. Yet, now they are going to be asked to conduct a massive nationwide registration and to compile and computerize the data resulting from this registration.

The sheer numbers involved in registering both men and women would prove too big a burden for an agency which must also revitalize itself simultaneous with registration. The Presidents proposal of registering 19 and 20 year old males this year would involve some 3.8 to 4 million persons and next year would bring in another two million registrants. If we were to include women, it would basically double the numbers to eight million this year and four million next year.

In summary, let me state that I consider all three reasons valid arguments against registering women for the draft with the possibility of them being placed in combat roles the most compelling argument.

But let's turn our attention to why we even need draft registration of young men. The answer in three words is "rapid mobilization capability."

Consider for a moment the theoretical possibility that Russia attacked our NATO flank tonight and tomorrow morning President Carter requested authority from Congress for immediate mobilization. Well, within a few hours, the Congress could approve the necessary authority for the President but it wouldn't be worth the paper it was written on.

But if we already had draft registration in place and a revitalized Selective Service System, then mobilization could begin as soon as Congress had acted to authorize a call-up. It is estimated that we could save up to sixty days just by knowing how many young men are available and where they are located. President Carter has even indicated a savings of as much as 90 days.

Equally important is the impact registration would have on the Selective Service System itself. Registration will necessitate taking selective service out of the deep freeze and making it a viable organization once again fully capable of functioning on a moments notice. It will mean the acquisition of computer equipment to compile data and to send out induction notices if necessary. It will also mean setting up stand-by State headquarters and local boards. And these actions will save considerable time if mobilization should ever become necessary.

But is registration all we need to strengthen our defenses in America. I think not. Therefore along with others, I have introduced legislation to begin a limited draft of up to 200,000 men each year for service in the Individual Ready Reserve. Selection would be on a lottery basis and there would be no student deferments allowed.

Inductees into the IRR would have a total obligation of six years. The first four to six months would be spent in basic training to learn a military occupational speciality. For the remainder of the time, the inductees could return to their local communities in a civilian capacity, but would be subject to call in case of an emergency and would have to attend two weeks of training each year.

My reason for wanting to resort to a limited draft to build up the strength levels in the IRR is based on the complete lack of strength this vital part of our reserve components has.

Based on Department of Defense plans, the IRR should be at a total strength of 700,000 men. The current strength level is slightly over 200,000, which means a shortfall of some 500,000 personnel.

Without a fully manned Individual Ready Reserve, it means that we cannot bring our active duty forces and other Reserve components up to full combat strength. Nor can we provide replacements for battlefield casualties during the first crucial weeks of fighting. In effect, without a fully manned IRR we would be stymied before we even began to fight.

The question of peacetime registration and a revitalized Selective Service System, and even a limited draft for the Individual Ready Reserve, involves the much larger question of America's ability to deal from a position of strength in world affairs.

Former Army chief of staff, General Maxwell Taylor, said it best when he noted that "if the United States wants to convince the Russians that we mean business and are committed to a strong defense, then we should reestablish draft registration and a limited draft for the IRR. This will get the word to the Russians." End of quote.

The perception other nations have of our ability or lack of ability to respond to military aggression on their part will in large measure influence their decision to take aggressive action. By maintaining necessary strength levels in our Armed Forces and Reserve components and insuring our ability for rapid mobilization through the Selective Service System, we can signal an America of strength and resolve that hopefully will never have to be tested on the field of battle.

Are we willing to put our words of defending peace and freedom here and abroad into action in a time of emergency? I think we are. And I think you and a vast majority of your fellow Americans will agree that a return to peacetime registration is needed and is a proper message to the Soviet Union during these troubled times.

Yes, the 1980's will be a time of sacrifice for all Americans. A time when we must consider the welfare of the Nation as a whole over our own personal self-interest. Let us heed the words of the father of our Nation, General George Washington, when he said in his first annual address to Congress, "To be prepared for war is the most effective means of preserving peace."

Thank you.

ARTHUR L. DAVIS, 25-YEAR MEMBER OF KNIGHTS OF PYTHIAS

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I would like to pause in the business of the House to pay tribute to Arthur L. Davis, a 25-year member of the Knights of Pythias. The order of Knights of Pythias, which Arthur Davis gives liberally of his time and talent, is a great international fraternity which was founded in Washington, D.C., in 1864 by Justus H. Rathbone and embraces more than 2,000 subordinate lodges in the United States.

The story of Arthur Davis' life presents us with an inspiration that is noble, uplifting, and humanitarian. He has dedicated his life to the service of others, through the three cornerstones of Pythianism, which are friendship, charity, and benevolence. Arthur has supported the practical expression of the cornerstones in the form of working and raising funds to aid the Pythian Camp for disadvantaged boys. Arthur Davis has been an active citizen in his community and is dedicated to the principles of his religion. He is a member of the Lt. Milton Kelkey Jewish War Veterans Post No. 575. On December 16, 1979, Davis was presented with the "Four Chaplains of Honor Award." Arthur Davis served in the Army under Gen. Douglas MacArthur from 1943 through 1945 as a combat reconnaissance photographer in the 8th Army, 1st Cavalry, where he received combat ribbons for the battles and liberation of Leyte, Philippines, New Guinea, Admiralty Islands, and Japan.

Arthur has achieved the honor of becoming chancellor commander of the Benjamin Ort Lodge in 1967 and was honored by his Pythian Brothers in 1969 as "Man of the Year." Certainly, Arthur Davis' dedication as a member of Ben Ort Lodge of the Knights of Pythias made him an outstanding candidate for such an award. Arthur has been most active as a member of the Grand Lodge of Pennsylvania. He is a member of the grand lodge finance committee, grievance committee, and coeditor of the State Pythian newspaper.

Under the leadership of Arthur Davis, Benjamin Ort developed such programs as a membership phone and address directory, suit club to raise operating revenues for the lodge, and the Benjamin Ort Credit Union. Arthur Davis has written, typed, and organized distribution of the Benjamin Ort monthly newspaper since 1966. He is responsible for the revitalization for area No. 1, which encompasses all Pythian Lodges in the eastern district of Pennsylvania.

In addition, Arthur Davis led the Benjamin Ort building committee in locating the lodge's first real Castle Hall, and can be found every night and weekend working to improve the interior of this building. Castle Hall, which at one time was only a shell of a building, is now pointed to with pride by the brothers and guests of Benjamin Ort Lodge.

All of the above, plus many other contributions too numerous to mention, add up to a very full schedule of accomplishments of a man whose personal warmth and depth of understanding have been equal to all the many responsibilities thrust upon him. Mr. Speaker, I ask my colleagues in the House to join with me in saluting Arthur Davis for his untiring efforts on behalf of the Knights of Pythias and the people of Philadelphia.

DRAFT REGISTRATION DOES NOT MAKE SENSE

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, the more we hear about the draft registration plan, the less it makes sense.

While I can support many of the steps the country is taking in response to the Soviet invasion of Afghanistan, a return to peacetime draft registration is not one of them.

As a reaction to the Soviet situation in Afghanistan, this idea is simply off-target. It will not remove a single Russian tank from Afghanistan. It will cause more upheaval in America than in the Kremlin.

At the very best, it will shave only 7 days off the time it would otherwise take to implement the draft in a national emergency.

Even the Director of Selective Service is reported to have advised against this plan.

What registration might in fact do is give a false impression to Americans that "something is being done" and become a substitute to effective action against the Soviet challenge—such as replacing lost Iranian military bases, aiding Pakistan and Afghani resistance forces, increasing our strategic coopertion with China, establishing a regional military alliance, improving our intelligence-gathering functions and upgrading of military transport and materiel delivery capabilities.

But most important of all, Mr. Speaker, if a threat to our vital interests in the Persian Gulf is at the root of this crisis, as a result of our dependence on Arab oil, then we should first, ask all Americans to shoulder a larger sacrifice to end this dependence. This should be done before calling on young people to sacrifice by standing in line for a call to arms.

What is worse, we are being asked to restore draft registration when this year's foreign oil import quota actually exceeds last year's imports by 400 million barrels a day.

Mr. Speaker, no reasonable person can rule out draft registration under any circumstances. But registration simply does not fit the nature of the challenge we face today. We need bases, alliances, support initiatives—not symbolic half-steps that risk national unity at the very moment we need a resolute show of national purpose.

Mr. Speaker, if this crisis at this very moment is so awesome, so overwhelmingly urgent, then why has no one in authority moved to activate the Reserves? Or at least put them on alert? The Reserves, after all, are precisely the force meant to respond to military emergencies. Is not it just possible that these reservists have more political clout than college sophomores, juniors, and seniors? It is not only possible, it is certain. I do not think activation of the Reserves is necessary now. I do not think draft registration is necessary now. In fact, either at this time would be dangerous and divisive.

But let me say this: If America were ever confronted with an emergency in the Middle East or elsewhere that makes the draft necessary, then it ought to be fair. It ought to apply to men and women alike.

No case for equal rights for women in this country can stand without equal obligations. I happen to be the father of a son and a daughter who are both a few years away from the proposed registration age. I love them equally. But as much as I oppose this registration proposal, I believe they have an equal obligation to their country.

CREDIT TO MEXICO

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, only recently we gathered in this Chamber to honor the Government and people of Canada for the humanitarian assistance they gave to six U.S. citizens trapped in the political turmoil in Iran. I sincerely hope that we shall never forget this generous act. This one act on the part of the Canadians should remind us of the importance of our relations with our neighbors.

Another example of our neighbors importance to us relates to our efforts to reduce the flow of illegal drugs into the United States. In this matter, we are dependent on the Government of Mexico's day-to-day cooperation, without which we have little hope of reducing the drug abuse which is so prevalent among certain sectors of our society.

Mr. Speaker, I am offering this editorial from the Houston Chronicle of February 13, 1980, as an excellent example of the benefits of maintaining healthy relations with our neighbors. In a meeting with the Texas press, Peter B. Bensinger, Administrator for the Drug Enforcement Administration praised the level of cooperation which Mexico has given us in stemming the flow of illegal drugs from that country.

If we are to continue to benefit from this type of cooperation from our neighbors, we must remain cognizant of their needs and desires on a day-to-day basis and not let ourselves be totally blinded by our domestic problems or by the daily headlines which attract our attention to activities on the other side of the globe.

A Credit to Mexico

While relationships between the United States and Mexico today are variously termed bad, poor, worsening and deplorable, there is one area in which cooperation could hardly be better. That area is the fight against drugs.

Peter B. Bensinger, the administrator of the Drug Enforcement Administration, has nothing but praise for the way Mexican officials have worked to halt the flow of heroin and marijuana from Mexico into the United States. The Mexican government's poppy eradication program has materially reduced the amount of heroin coming into the United States from that country. One result is a reduction in the number of heroin-related deaths and injuries in the United States. Mexican efforts to control production of marijuana have made Colombia the main source of the weed now.

In addition, Mexico is credited with sustained enforcement efforts against drug traffickers. Upper-echelon dealers are being arrested and sent to prison. U.S. agents are stationed in Mexico and intelligence data is freely exchanged.

This degree of cooperation is a credit both to the DEA and to Mexico. Two nations that can work closely together in the battle against narcotics can work together closely in other areas, too.

REINTRODUCTION OF HOUSE JOINT RESOLUTION 431 TO AUTHORIZE VIETNAM VETERANS MEMORIAL FUND

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, last October I had the privilege of introducing House Joint Resolution 431, which would authorize the Vietnam Veterans Memorial Fund, Inc., to erect a memorial on public grounds in the District of Columbia in honor of those men and women of the Armed Forces who served in the Vietnam war. It gives me great pleasure to reintroduce that measure today, with more than 100 cosponsors.

It has taken us, as a society, a long time to overcome the bitterness and polemics that surrounded the word "Vietnam," and to begin to assimilate that period into our national consciousness. Like almost every war, Vietnam touched all of us. But unlike any recent war, it touched us all in many different ways. One thing we must join together in, at the very outset of our national reconciliation, is the recognition that those who served did so with dignity, and often at great personal cost.

The memorial which this resolution proposes offers a most appropriate device for such a recognition. It will provide us all a visible and attractive remembrance of a period too many have been tempted to forget. It will remember our war dead from Vietnam, but equally as important, it will give us a way to stop for a moment, on a park bench or by a pond, and contemplate an entire era in our history.

I hope this bill will obtain quick passage in the House of Representatives. I note that it already has a majority of the Senate as cosponsors, and I invite those of my colleagues who have not yet expressed their support to do so.

I am including in the Record the remarks of Jan C. Scruggs, president of the Vietnam Veterans Memorial Fund, Inc.

Remarks of Jan C. Scruggs

Not since the Civil War has any conflict so divided Americans as did our involvement in Vietnam. The unity that preserves us as a free nation was nearly crippled by that conflict which provoked bitter debate and social unrest, dividing generations and families and severing friendships.

As that tragic war divided us at home more than 57,000 Americans died and over 300,000 were wounded in Vietnam. The way that the war was waged indeed seemed unique . . . but treatment of the returning veterans was even more unprecedented.

When I was nineteen I served with an army infantry company in Vietnam. There was little enthusiasm for the war among those I was with, most of whom were draftees from working class families. Yet by the end of my tour half of them became casualties in combat. Many died performing acts which would have made them heroes in any other conflict. But this war was different.

When I returned I soon found that being a veteran of that unpopular war was a rather dubious distinction. The true story of a Vietnam vet amputee being told "it serves you right" epitomizes the psychological quagmire that Viet vets were cast into and have for too long endured. Most veterans just tried to forget, but many were too scarred, physically and emotionally, to forget.

In 1976 I presented professional testimony to a congressional hearing on the psychological impact on Vietnam veterans. Our study found that many who were exposed to heavy combat evidenced low self-esteem, had high rates of divorce and negative attitudes toward our political system. I recommended, as others had before, the establishment of a psychological out-reach program for Vietnam veterans. Tragically, only now, in 1980, is that program beginning to get underway to deal with that unhappy legacy of the Vietnam war.

Last April the Vietnam Veterans Memorial Fund was created to provide a very visible and rather belated tribute to those who served. Yet it is a project with a further overdue goal—to begin the healing process . . . the reconciliation of our Nation after the Vietnam war. This country's ultimate challenge is to restore the national unity and confidence which have been so sorely lacking since that divisive era, and we want to help—especially at this time when our country faces so many challenges which clearly exemplify the need for our Nation to be cohesive and unified.

We want this tribute to stand in the shadow of the Lincoln Memorial. It seems especially appropriate there, for President Lincoln often spoke of his concern for reconciliation after the incredible schism of the American Civil War. The circumstances most certainly differed, but the need for unity after a divisive era is just as great. Today we are especially delighted by the bipartisan support that this bill has as it is introduced into the House. We are confident that this bill will be passed before our goal of Memorial Day.

Since our formation many organizations have helped us. Just recently the Reserve Officers Association of the U.S. fully endorsed our effort. Other organizations which have given us publicity and/or contributions include the VFW, The Marine Corps League, The Retired Officers Association, The National Guard Association and numerous others. Yet one organization is above all others in their commitment to our effort and that group is the American Gold Star Mothers. Half of the members of this association lost a son in Vietnam. They very understandably yearn for the day when they can visit the memorial, for upon it will be the name of each American who died in Vietnam. These women each gave this country a brave son and our Nation, in its haste to forget the war, has conveniently forgotten to honor these men.

In closing let me state that this memorial will not bring back the dead, it will not heal the wounded; but it will stand not only as an acknowledgment by our society of the sacrifices rendered by Vietnam veterans—it will stand as a symbol of our unity as a Nation and as a focal point for all Americans regardless of their views on Vietnam, for remembering the tragedies wrought by that conflict—and of the lessons taught us.

If this memorial can remind present and future generations of these things then it will indeed be worthy of the support of all Americans.

SUPPLEMENTALS—A GROWING CONCERN

(Mr. PURSELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PURSELL. Mr. Speaker, early last year during consideration of the 1980 fiscal year budget headlines such as the following appeared in newspapers throughout the Nation: "President Carter's New Budget Calls for $24.9 Billion Deficit." "House Budget Committee Proposes $24.9 Billion Deficit." "Congress Approves $23 Billion Deficit." "Second Budget Resolution Sets Deficit at $29.8 Billion." Now, 1 year later, when the headlines are filled with references to the 1981 fiscal year budget, we have to look someplace between the obituaries and the want ads to find recognition of the fact that revised projects for the current fiscal year deficit are now running in the vicinity of $40 billion. The administration itself has pegged it at $39.8 billion—almost $10 billion more than was originally projected.

Meanwhile, the President has presented supplemental appropriation requests totaling almost $16 billion in budget authority and $15 billion in outlays. In each case, this includes approximately $9 billion for so-called entitlement programs, such as medicaid and Government employee retirement benefits, and about $6 billion for discretionary programs over which there is a little more control.

As a member of the House Appropriations Committee, as well as the Representative of over a half million taxpayers, I am deeply concerned about these supplemental requests. I am even more troubled by the disturbing fact that this is not an isolated incident, but part of a trend that has been developing over the past several years.

During the 1970 fiscal year the Nixon administration requested $6.9 billion in supplemental budget authority and Congress approved $6.3 billion. By fiscal year 1974 such requests had reached $13.7 billion, with almost the entire amount passed by Congress. Last year, fiscal year 1979, $13.8 billion was approved out of requests for almost $17 billion. Following is a similar breakdown for each of the years since 1970:

Fiscal year	Supplemental request	Amount approved
1971	$10,901,694,341	$9,970,115,765
1972	11,998,343,819	11,599,059,700
1973	11,679,529,114	11,426,520,889
1974	13,745,852,959	13,682,732,280
1975	29,049,575,726	29,561,384,076
1976	23,672,426,227	22,255,709,087
1977	57,776,081,315	49,353,776,260
1978	16,407,517,986	16,073,580,000
1979	16,900,000,000	13,800,000,000

As you can see, enactment of the Budget Reform Act in 1974 has not slowed the trend of increased supplementals. On the contrary, from fiscal 1964 through 1974, an average of four supplemental bills were approved annually, adding an average of $10 billion each year. The annual average added during the years since the new budget procedure was initiated has been $26.2 billion.

This was not at all to say that the Budget Reform Act cannot be helpful in getting a handle on Federal spending. However, it is obvious that we must take a hard look at what is happening despite very good intentions.

In 1977, the Office of Management and Budget asked the various Federal agencies to avoid supplemental requests by making "every effort to absorb costs from existing funds." That same year, the Senate Appropriations Committee indicated that supplemental funding should "only occur under circumstances beyond the control of the initial planning stages." Nevertheless, that same year the administration asked for $57.8 billion in supplementals and Congress approved over $49 billion.

Such supplemental requests are not necessarily the result of unforseen circumstances. Administrations of both political parties have been criticized for basing original budget requests on inaccurate economic assumptions. For example, in 1978 President Carter estimated that the following year's inflation rate would be 6.1 percent. The actual rate turned out to be 9 percent. The 12.7 percent inflation rate incurred last year was originally predicted to be 7.4 percent. Needless to say, with so many budget items now pegged to cost-of-living escalator clauses, we do not have to go very far into a fiscal year before expenditures far outstrip predictions, when those predictions are based on incorrect assumptions.

Congress, too, is not exempt from such criticism. Often from the time the first concurrent budget resolution is passed in the spring to when the second one is approved in the fall budget "targets" are raised enough to accommodate such supplemental requests.

Ironically, it is not the deficit "targets" that usually must be raised, but those relating to expenditures and revenues. This is, in part, because the soaring inflation we are experiencing pushes taxpayers into higher tax brackets and brings in a "windfall" of revenues. These automatic tax increases, levied without a single vote in Congress, bring in billions of additional dollars each year—dollars subsequently spent by the Government and no longer available to individuals for paying bills or to businesses for investments.

The Budget Committee expects to bring the first concurrent budget resolution for fiscal year 1981 to the House floor before the Easter district work period next month. There will be considerable debate, numerous amendments, and a great deal of effort expended—and rightfully so. As cochairman of the Northeast/Midwest Budget Task Force, I expect to be very much involved in the whole process.

At the same time, however, I want to do what I can to insure that commensurate attention and effort are given to the supplemental appropriations situation I have just outlined. The future of the budget process could very well depend on it. The effectiveness of the appropriations process depends on it. And, more importantly, the health of our economy may, in no small part, depend on it.

IMPORT QUOTAS ON FOREIGN AUTOMOBILES

(Mr. TRAXLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAXLER. Mr. Speaker, today I have introduced tough legislation designed to repel the calculated Japanese invasion of our economy during a time of vulnerability and transition. My bill would impose strict import quotas on foreign automobiles, forcing an immediate 35-percent cutback on foreign car imports. In addition, my bill would require cars sold in the United States by foreign manufacturers to have 75-percent American content by 1985.

These are times when all Americans are vitally concerned about our national security. However, foreign interests have been posing more than military threats to our security: The flood of car imports causes a grave threat to the economic security of American workers.

The Japanese have been exporting more than cars to the United States: They have been exporting unemployment. More than 200,000 American auto workers have been indefinitely laid off in the past several months. One-third of that unemployment is directly attributable to the rise in imports.

Let us look at the fact: In 1979, passenger car sales in the United States declined by 652,000 units, but foreign imports rose by 327,000 units. So, domestic auto sales dropped by almost 1 million units. Most of the increase in imports came from the Japanese; some 700,000 Americans are out of jobs today because of this Japanese assault upon our economy.

The situation is getting worse almost weekly: Foreign imports accounted for 17.7 percent of the American market in 1978, shot up to 22 percent in 1979, and could rise as high as 27 percent this year.

Japan accounts for almost all of the increases. From 1978 to 1979, Japanese imports increased 30 percent, with Japan's share of all imports rising from 68 to 76 percent. In December 1979, Japan sold 70 percent more cars in the United States than it did a year before, and its share of all imports was 83 percent.

Even more startling is the fact that more than 4 out of every 10 automobiles purchased in California last year were manufactured overseas.

Look at the impact of all this upon our trade deficit. When I came to the Congress, an American trade deficit of $2 or $3 billion was regarded as serious business, cause for concern in terms of damage to the value of the dollar, the rise in unemployment, and the impact upon inflation.

Now, of course, we are running huge trade deficits, thanks mostly to the cost of imported oil. But, many people do not know that imported automobiles are the second biggest contributor to the trade deficit, to the tune of over $9 billion this year alone.

We cannot let this continue; we cannot afford the trade deficit caused by imported oil and we cannot afford to transfer an additional $9 billion of American wealth to the Japanese because of car imports. The massive trade deficit we are now experiencing has caused the decline in the value of the dollar abroad, which in turn has forced outrageously high interest rates here, higher unemployment, uncontrollable increases in the Federal budget deficit, and a great deal of economic disruption in our country.

This unprecedented flood of Japanese imported cars is not a regional problem—it has a major impact upon every congressional district in this country. The downturn in our domestic automobile industry, and the ripple effects as it spreads throughout the economy, impacts upon every State in the Union. This is a critical national problem.

We also should not get lost in a lot of numbers: let me assure you that behind those numbers are real people—American families out of work; American families draining our Federal and State treasuries with unemployment insurance and food stamps, when they would prefer to be working and paying taxes; American families who are shortchanged by inflation; American families who see the Japanese taking calculated advantage of our bad times. This is very much a human story.

Certainly, the overall state of our economy, the recession, the high interest rates—these factors have all contributed to the decline in automobile sales. But the problem this time is not just a cyclical one—we have weathered those storms before. Furthermore, the typical fiscal responses to sagging economic demand are probably not appropriate during this time of high inflation.

Rather, on top of the business cycle problems we are faced with a situation in which our domestic auto industry is undergoing an unprecedented process of reindustrialization in which some $80 billion will be spent by 1985 to convert domestic auto production to smaller fuel efficient cars that are now in high demand by American consumers.

The industry is working hard, using all of its know-how and all of its capital, to make this conversion. You and I know that American manufacturers and American workers are the best in the world. They will succeed. But the process takes time; it cannot be done overnight.

In the meantime, we are in a period of transition. Our friends from across the ocean have moved in, at a most vulnerable time, and literally assaulted our beaches with waves of their cars. Their efforts at market penetration are permanent in nature, and are aided by their banks and their government. If they are successful, American autoworkers may find their jobs are lost permanently.

We have called upon the Japanese, through both official and private contacts, to restrict their exports to the United States voluntarily. We have called upon the Japanese to build plants here—if they want to sell their cars to Americans, then let Americans build them.

For the most part, our pleas have gone unheeded. The Japanese have agreed to talk, to negotiate. But it appears that that is all they are willing to do. They could negotiate forever. They are very good at it.

The time has come to force a commitment from them, and I believe the only route is for this Congress to give serious consideration to tough legislation. The Japanese must know that we mean business, and that we are not going to sit idly by and watch them put more Americans out of jobs.

We have always had a very open market here in the United States. We have no quotas, no local content requirements for foreign manufacturers, and exceptionally low tariffs—about 3 percent. Ideally, this is the way it should be.

Unfortunately, we are all alone in this respect. Our openness has been a one-way street. No other country in the world is as open as we are. Japan itself has effectively barred U.S. car imports through a variety of tariffs and trade devices that makes the price of U.S. cars prohibitive for the average Japanese consumer.

The Common Market in Europe imposes a tariff of 11 percent. Brazil imposes one of 170 percent. France only allows 3 percent of its market to be imports. The United Kingdom only allows 10 percent. Italy only permits 2,000 imported cars per year—period.

Mexico requires at least two-thirds of its cars to have local content. By and large, the story is the same throughout the world. Other countries have erected barriers to free trade, excluding American exports, promoting their own domestic companies.

On the other hand, our own Government has taken a remarkably antagonistic attitude toward our own domestic automobile manufacturers. We impose very high regulatory costs upon them, and in some cases we actually discriminate in favor of imports.

For example, a proposal is pending that would give certain imports preferential treatment in meeting fuel-economy standards.

We also require American manufacturers to have 75 percent North American content in order for their cars to "count" toward the fuel efficiency standards in the law. No such restriction is imposed upon foreign manufacturers. I cannot conceive of any other government treating its own companies that way.

We should not ban all Japanese imports. We should provide strong incentives for them to build plants here and sell their domestically made cars here. That approach preserves competition, keeps our American companies on their toes, and gives the American consumer a wide selection of choice. Domestic production of foreign cars will also enhance the ability of consumers to get replacement parts and shorten delivery time for cars ordered with specific options. The American consumer will benefit, not be hurt, by my proposal.

My bill would impose an annual quota of 1.5 million units to be imported into the United States from now through 1983, and a further reduction of that quota by 20 percent per year for the succeeding years. There would be an exemption for the first 200,000 cars from a foreign manufacturer, so that most of the smaller importers would not be affected.

The impact of these quotas would be to reduce the current level of foreign imports by about 35 percent, with further reductions in succeeding years.

In addition, my bill would state that beginning in model year 1983, except for the smaller number of cars allowed to be imported under the strict quotas, all would have to have 25 percent American content. In 1984, this would rise to 50 percent and in 1985 and after the figure would be 75 percent. This requires that substantially all of the cars sold here will be built here—from the ground up. This would prevent the Japanese from simply shipping cars here in two or three pieces and assembling them here only. If they want to sell cars here, let them build them here.

Mr. Speaker, in the long run, trade barriers are not in the best interests of the American economy or the American people. If the Japanese would voluntarily make firm commitments to restrict imports and firm commitments to build automotive plants here, I would be most happy to withdraw my bill.

NO PRICE CONTROLS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, our country is in a state of shock over the serious mistake that President Carter made in our foreign relations when he submitted the wrong vote on the recent Israel question in the United Nations.

The usual response from the administration is to follow one bad move with one that is even worse.

In trying to visualize what would be the worst thing that could happen to America, there is one obvious answer and that is for President Carter to install controls. Instead of solving the cause of our inflation, we can anticipate that President Carter's administration will turn to controls on prices, wages, interest, and rent. Or they might try a modified plan with controls on some things and not on others.

This control approach is like advising the man who has a headache to get drunk. Then the next day he has a worse headache so he just stays on a permanent drunk. But he cannot live a drunk life, and our country cannot live under price controls.

This country has a headache with the 18-percent inflation which the Carter administration has brought on this country. Any economic adviser at the White House who recommends price controls should have his economic credentials reviewed by his peers. Never in 4,000 years have price controls worked in peacetime history. To put on price controls is like recommending that the country stay in a continual drunk. And there is bound to be the day to sober up.

How can the Nation have price controls when energy costs are escalating rapidly? How can you have wage controls when there is 18-percent inflation? How can you have a freeze date of March 5 and expect the group who is expecting a wage increase on March 15 to not receive it? How can you have a March 5 freeze and limit one industry when another industry got a wage increase on February 1.

The other day I was talking to the president of J. C. Penney. They make a little over 2 cents on each dollar of sales. With inflation moving at 18 percent, how can a business live under price controls when it has a 2-cent profit margin?

What is the cause of inflation? Inflation is obvious to everyone when the Federal Government spends more money than it takes in and covers this deficiency with more paper money. Before President Carter took over, the budget for Congress was $366 billion a year. He promised fiscal austerity. But yet, President Carter has submitted a budget for next year of $616 billion and we have 18-percent inflation. There is no austerity. There is no congressional eliminations of boondoggles. There has been no cutbacks on excessive welfare. With taxes getting 42 cents of each dollar, there is no room to add on additional tax burdens to America. We must balance the budget even if it takes a constitutional amendment to create the discipline that is needed for Congress to stop spending.

In the meantime, the Nation should all pray that President Carter's leadership in this country will never invoke price or wage controls. That would be an admission of defeat and an economic disaster for America.

BELLYING UP TO THE SAME OLD BAR

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, the Democratic majority has controlled the Congress for the past quarter of a century. For the past 25 years, the majority has set the fiscal course for the Nation. A very brief glimpse at the country's annual financial statement is about all anyone can stand these days without falling into a deep—pardon the expression—depression.

In the 1st session of the 96th Congress, the House authorized total expenditures of $547 billion, roughly an expenditure of a billion and a half dollars a day, or $2,486.36 for every man, woman, and child in the country. The budget is now more than double what it was in 1974. In just 6 short years, this Congress has increased spending 100 percent.

The spending, of course, invariably includes an expenditure of funds that we do not have. The first projection of the fiscal year 1980 budget deficit was $29 billion. However, the real deficit will probably reach $40 billion. The United States now owes $887 billion. The interest alone on this debt is now the third largest item on the budget, behind social welfare and national defense. We are paying this high interest because the Democratic-controlled Congress has refused to balance the budget for nearly all of the last 15 years out of their quarter century of rule. We are, therefore, paying interest on money that could have remained in the private sector to expand commerce and create real jobs.

Never fear. The White House has tranquilizing news for my colleagues and the hard-working taxpayers of our country. A fiscal valium. You may recall that the President's original $532 billion spending plan for fiscal year 1980 was, in the President's words, "lean and austere," until the Democratic Congress agreed to fatten it up to $547 billion. Well, the beleaguered American taxpayer will be comforted by the knowledge that the 1981 $615.8 billion budget authorization, the largest in the Nation's history, is, in the President's words, "prudent and responsible," and that the projected deficit will only be $15.8 billion. If this good news holds true, we are going to end up with a "lean, austere, prudent, and responsible" national bankruptcy.

Forget the aspirin, just relax and absorb that tranquilizing rhetoric.

U.S. VOTE IN UNITED NATIONS

(Mr. BLANCHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLANCHARD. Mr. Speaker, this past weekend's so-called mistaken vote at the United Nations is a sad and regrettable chapter in what appears to be continuing confusion in the management of U.S. foreign affairs.

It is unclear what happened last Saturday at the United Nations when the United States changed its position and voted in favor of a resolution concerning the Israeli presence in the West Bank, Gaza Strip, and East Jerusalem. I frankly, find it very hard to understand how such a damaging error could have been made on a resolution that was debated at the U.N. for 7 days. Nevertheless, without laying the blame as to how this happened, there are two very disturbing aspects of this U.S. vote. First, the carelessness of the vote could be a tragic error given the delicate nature of ongoing negotiations regarding the future of the West Bank and Gaza Strip. Second, and of greater concern to me, is the fact that this vote appears to be one more development in a dangerous and foolish trend in U.S. Mideast policy. That policy appears to entail a lessening of our commitment to Israel in order to curry favor with neighboring regimes.

There are a number of examples of this ill-conceived trend. First, in 1977 the United States attempted to bring the Soviet Union back into the delicate dynamics of the Mideast when we issued a joint communique. In retrospect that communique appears to have triggered President Sadat's historic trip to Jerusalem. Like others, he feared that Soviet intervention in the Mideast would work against arrangements for peace and stability. Next, the administration pushed for the sale of our most sophisticated jet fighter, the F-15, to Saudi Arabia claiming it would encourage moderation on their part. We have yet to see such political moderation. Then last fall, former U.N. Ambassador Andrew Young made overtures secretly to the PLO which resulted in his resignation as our U.N. Ambassador. Finally, there was our temporary consideration of amending the United Nations' Resolution 242 to encompass language about Palestinian national rights. These are but a few examples which formed the backdrop leading to last weekend's "mistake."

Such events, as well as the U.S. emphasis on the unresolved problems in the Mideast, appear to be suggesting U.S. skepticism toward Egyptian-Israeli harmony. Unfortunately, that attitude may risk losing everything that has been gained thus far if we insist on a resolution of all outstanding Mideast issues in a short period of time. We should be allowing the Camp David process to work its will, slowly trying to build upon its fragile base. The last thing we need is to appear as though the U.S. desire for oil is outweighing previous and longstanding commitments in the Mideast.

Obviously the administration will insist that it is maintaining the U.S. commitment for secure borders and for the sovereignty of Israel. We can talk all we want about this commitment and reaffirm our position over and over again. But if that commitment does not include the understanding that Israel will need some type of security presence at certain strategic points on the West Bank, then our words are meaningless.

If that commitment does not include the understanding that a PLO run state on the West Bank and Gaza, pledging its intent to destroy the state of Israel, is a threat to Israel security, then our words are meaningless. If our commitment does not include the understanding that we cannot simply impose changes on the delicate agreements contained in the Egyptian-Israeli peace treaties, then our words are meaningless.

Why would the United States vote for a treaty calling for Israelis to evacuate the West Bank, Gaza Strip, and East Jerusalem, and to abandon and dismantle all settlements, and then, 3 days later, say that we do not believe Israelis should leave East Jerusalem, and that we feel a dismantling of all settlements would be "improper and impractical"? Does this administration really believe that we can build new friendships based on such inconsistent and unreliable commitments to our existing friends?

Israel remains our oldest and most trusted ally in the Middle East. It is the only truly democratic country in the region. Not only do we have a moral commitment to Israel, but it is also in our own best strategic interest to maintain, and indeed, strengthen our commitment. Recent threats to the Persian Gulf make even more clear the great value of our relationship with Israel. Our new friendship with Egypt is important as well. What we should be doing now is helping to strengthen the relationship between Egypt and Israel, not endangering the process that was begun at Camp David in hopes of achieving a one-shot comprehensive settlement.

There are some specific instances where Congress will be in a position to help or hurt the peace process. In this year's foreign aid bill the Administration is calling for a significant increase in the sale of sophisticated military equipment to Egypt. We should be helping President Anwar Sadat solve Egypt's economic problems as well as helping insure Egypt's military security.

However, we must remember that without Sadat as head of state in Egypt, the country could take on a very different role from the one that it is presently playing in the Mideast. The history of instability in this part of the world should teach us to move slowly and carefully in our efforts to build relationships through the sale of military hardware.

Congress should also take the initiative to reaffirm the U.S. commitment to Israel. We must send a message to the administration that we oppose the shifting trend in Mideast policy. One way that Congress could demonstrate the United States' strong commitment would be to increase the amount of aid that we provide to Israel in the foreign aid bill.

The bill currently calls for Israel to receive $200 million in foreign military sales (FMS) credits. The problem is that Israel's economy is already suffering from a huge foreign debt burden. Israel's foreign debt is largely the result of its defense needs, which have been a fact of life for this small country that has always been surrounded and vastly outnumbered by hostile neighbors. In 1981 alone, Israel's debt service to the U.S. Government will be roughly equal to the total Economic Support Fund assistance it will receive from the United States this year. Congress would provide more effective assistance and would demonstrate a reaffirmed U.S. commitment to the welfare of a strong and secure Israel by extending additional aid to Israel in the form of forgiven FMS credits.

Finally, let me say I am hopeful that my colleagues will take a moment and review the course of events in the Mideast over the past few years. We are moving in an ominous direction. We need to express strong opposition to the recent vote at the U.N. and reassert our unyielding commitment for our lasting friend and democratic ally in the Middle East, the state of Israel.

We cannot make new friends in the international community if we ignore our longstanding friends. We cannot claim a principled basis in our foreign affairs if we change our principles to suit immediate crises. We cannot claim "human rights" as our standard when "oil rights" dominates our rhetoric. We cannot demand respect in the world when confusion and foolishness dominate our foreign policy pronouncements. In short, we cannot have a successful foreign policy without the key ingredients of success; namely, loyalty, principle, and competence. It is time for the administration and the Congress to reaffirm these qualities in our Mideast policy.

□ 1810

THE IMPRISONMENT OF GARY ACKER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DORNAN) is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, 4 years ago, two young Americans, Gary Acker and Daniel Gearhart, volunteered to fight for the highly publicized pro-Western forces in the Angolan Civil War.

Both men were captured by Cuban-led Marxist forces. Daniel Gearhart, a Vietnam veteran, was executed. A Marine Corps veteran of the Vietnam war, Gary Acker is still being held in an Angolan prison. He completed 4 years of captivity on last February 14.

Two years ago, I delivered an eulogy for Danny Gearhart on the floor of the House of Representatives; for, in the spirit of Lafayette, he crossed the Atlantic to fight for the liberty of a neglected people. He was a Flying Tiger, an "Eagle Squadron" type volunteer. The war in which he gave his life still continues.

I also called for an investigation of the CIA's involvement in the Angolan affair. Sadly, the investigation never began, and young Gary Acker remains, to this very hour, a prisoner of a pro-Soviet Government.

The State Department has yet to make a significant effort to secure Gary Acker's release. Today I met again with Gary Acker's parents, Carl and Joyce Acker of Sacramento, Calif. I was dumbfounded when I learned from them that State Department officials have never, even after 4 years, requested their sons release from an Angolan prison. This conduct on the part of the officials of the State Department, as well as the CIA, raises serious questions. Those questions will remain until Gary Acker is returned to answer them.

Today is the 123 day of captivity for our American citizens held in Teheran. Our Ambassador is still held by terrorists in Columbia. I think that the American people should receive a Nobel prize for "patience." I think, given the case of Gary Acker, the State Department will be nominated for a leather, mule leather, Nobel prize for unprecedented "self-restraint and lack of initiative."

It is my hope that someday, and someday soon, we will restablish our self-confidence and prestige to the point that no nation will ever dare to even consider seizing and holding an American citizen hostage and that this long dark night of America's humiliation will come to an end.

MONETARY MORASS NO. 5

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 10 minutes.

● Mr. CAVANAUGH. Mr. Speaker, as the Subcommittee on International Trade, Investment and Monetary Policy, on which I serve, continues its hearings on the proposed increase in U.S. participation in the International Monetary Fund (IMF), I would like to share some relevant information.

Today I am including a copy of a New Year's speech given by President Nyerere of Tanzania which reflects, from his Third World point of view, the problems which face many countries. In rather atypical fashion, President Nyerere used the New Year's address to accredited foreign diplomats to Tanzania to lash out at those "people who honestly believe that the IMF is politically or ideologically neutral. * * * there was a time when a number of people were urging that all aid to the Third World countries should be channeled through international institutions. They honestly believed that such institutions would be politically and ideologically neutral * * *. [The IMF] has an ideology of economic and social development which it is trying to impose on poor countries irrespective of their own clearly stated policies." And when we reject IMF conditions we hear the threatening whispers; without accepting our conditions you will not get our money, and you will get no other money. Indeed, we already heard hints from some quarters that money or credit will not be available to us until we have reached an understanding with the IMF. President Nyerere has cogently described the effective "good housekeeping seal of approval" value of an IMF stand by agreement.

Because private banking credits have been so easily available to especially lesser developed countries since the first OPEC price rise of 1973–74, many of those countries have postponed for too long going to the IMF for assistance in financing their continually increasing balance-of-payments deficits. Once they do go they are subject to more extreme IMF conditionality given the fact that under the existing IMF guidelines stabilization programs must be conducted and completed over a relatively short period of time. The burden of the resulting adjustment is disproportionally placed on the lower economic strata of those countries.

One of the major reasons for the expansion in LDC debt to private banks was the western recession of 1975. The huge OPEC deposits in the private banks triggered an aggressive marketing program by the banks to the lesser developed countries. The oil importing countries chose to go with the banks because the money came unconditioned and put off going to the IMF. With the new round of OPEC price increases the external demand for credit from oil-importing countries will again increase dramatically and it appears that the western industrial world is again headed for an economic slowdown if not a 1975-type recession. If we are back at square one in the recycling process we must realize that we cannot pursue recycling the expanded OPEC surpluses to the oil importing countries in the same manner as we did in the past. The already high debt service costs of the oil-importing countries will clearly not tolerate a continuation of the current system and the private banks may not be in the position to play the same recycling role. President Nyerere's speech follows:

PRESIDENT NYERERE'S SPEECH AT THE DINNER GIVEN FOR DIPLOMATS ACCREDITED TO TANZANIA

Your Excellencies; Ladies and Gentleman, on my own behalf, and on behalf of Tanzania, I thank you for the good wishes expressed on behalf of the Diplomatic Corps by the Dean, His Grace Archbishop Franco Brambilla. I thank you also for the cooperation which you, as representatives of your nations, have afforded to my Government and our people during the past year.

I can assure you that the good wishes for 1980 which have been expressed tonight—and by other means—are heartily reciprocated. Tanzania takes great pleasure in its international friendships, for my country has a great desire to cooperate with other nations, and other peoples, in the world struggle for peace, justice, and progress.

It is not my intention tonight to make a survey of the events of 1979. The war in which we were still engaged when we met together a year ago has fortunately ended. But Tanzanian troops are still in Uganda. Despite what our detractors say, they are not there as an Army of Occupation, but at the request of the Uganda Government. I could wish that those countries which criticise us for what we and Uganda regard as an act of Third World and neighbourly solidarity had been more forthcoming when the Ugandans made approaches for help with their Defense problem. For it now appears that Amin's victims are to be economically punished by those who claimed to welcome his fall, simply because although both poor, Tanzania and Uganda are cooperating to deal with an obvious national security problem in a way which prevents Super-Power intervention. We continue to believe that it would be irresponsible for us to withdraw all our troops from Uganda while a new Defense Force is being trained and while the Uganda Government requests us to stay.

One other event of 1979 which gives satisfaction to us is the end of hostilities in Rhodesia following the Agreement reached in London between the British and the Patriotic Front. We congratulate everyone concerned in reaching that Agreement. But we congratulate in particular the Patriotic Front and the people of Zimbabwe for their achievement. For it is a regrettable fact, but nonetheless a fact, that it is the guerrilla war which forced on the minority rulers of Rhodesia this surrender of power, and enabled the British to re-establish their authority.

The sincerity with which the Nationalists, and Africa, have been saying that they are fighting for a transfer of power and not for individual leaders must now be obvious to all. For a real transfer of power following free and fair elections is all that the Patriotic Front has insisted upon as the price of a Cease Fire. In all other respects they have accepted political and military conditions which are disadvantageous to them. So the Agreement has been signed. If it is carried out by all parties, it will lead to a transfer of power to the majority following upon the elections in February. And Tanzania will accept the result of those elections, provided only that they are judged free and fair by the group of Commonwealth Observers, and provided that South Africa does not interfere. We notice however that a spokesman for the White Minority has predicted a civil war if the Patriotic Front wins the elections. And we take note also of British and South African silence on that comment.

In Namibia, unfortunately, the same progress has not been made. South Africa is still being allowed to prevent peace and to maintain its domination over the country. The result can only be more violence. For Africa—including Tanzania—is committed to the struggle for Namibian freedom. If South Africa is permitted with impunity to continue its manoeuvres and its delays over the United Nations plan for the transfer of power to the people of Namibia, then we shall have no choice but to back up an intensified guerrilla war.

Your Excellencies; Tanzania needs peace—in Africa and elsewhere. But the major economic problems which have preoccupied us in recent months, and which darken the coming year, were not caused by the war against Amin's Uganda, nor the African struggle for freedom. These make things worse; they added to the strain on our resources and deflected our attention at an important time. But we were experiencing inflation before October 1978; our balance of payments was in serious deficit before that war; oil price increases have nothing to do with events in East or Southern Africa.

These externally caused problems are obvious, and so is our need for an injection of balance of payments support. What recently became equally obvious to me, but nevertheless strange and repugnant, was the attempt by the I.M.F. to exploit those difficulties in order to interfere with the management of our economy.

The I.M.F. always lays down conditions for using any of its facilities. We therefore expected that there would be certain conditions imposed should we desire to use the I.M.F. Extended Fund Facility. But we expected these conditions to be non-ideological, and related to ensuring that money lent to us is not wasted, pocketed by political leaders or bureaucrats, used to build private villas at home or abroad, or deposited in private Swiss Bank accounts. We also accepted that we could justly be asked how we were planning to deal with the problem in the medium or longer term. We could then have accepted or rejected such conditions; but we would not have felt it necessary to make a strong and public protest.

Tanzania is not prepared to devalue its currency just because this is a traditional free market solution to everything and regardless of the merits of our position. It is not prepared to surrender its right to restrict imports by measures designed to ensure that we import quinine rather than cosmetics, or buses rather than cars for the elite. My Government is not prepared to give up our national endeavour to provide primary education for every child, basic medicines and some clean water for all our people. Cuts may have to be made in our national expenditure, but we will decide whether they fall on public services or private expenditure. Nor are we prepared to deal with inflation and shortages by relying only on monetary policy regardless of its relative effect on the poorest and less poor. Our price control machinery may not be the most effective in the world, but we will not abandon price control; we will only strive to make it more efficient. And above all, we shall continue with our endeavours to build a socialist society.

When an international institution refuses us access to the international credit at its disposal except on condition that we surrender to it our policy determination, then we make no application for that credit. The choice is theirs—and ours. But such conditions do reinforce our conviction about the importance of the Third World demand for changes in the management structure of the I.M.F. It needs to be made really international, and really an instrument of all its members, rather than a device by which powerful economic forces in some rich countries increase their power over the poor nations of the world.

There was a time when a number of people were urging that all aid to the Third World Countries should be channelled through International Institutions. They honestly believed that such institutions would be politically and ideologically neutral. I do not know whether there are now people who honestly believe that the I.M.F. is politically or ideologically neutral. It has an ideology of economic and social development which it is trying to impose on poor countries irrespective of their own clearly stated policies. And when we reject I.M.F. conditions we hear the threatening whisper: "Without accepting our conditions you will not get our money, and you will get no other money." Indeed we have already heard hints from some quarters that money or credit will not be made available to us until we have reached an understanding with I.M.F.

When did the I.M.F. become an International Ministry of Finance? When did nations agree to surrender to it their power of decision making?

Your Excellencies: It is this growing power of the I.M.F. and the irresponsible and arrogant way in which it is being wielded against the Poor that has forced me to use this opportunity to make these unusual remarks in a New Year Speech to you. The problems of my country and other Third World Countries are grave enough without the political interference of I.M.F. officials. If they cannot help at the very least they should stop meddling.

I have made it repeatedly clear to my countrymen, however, that whatever decisions are made by us, and by our friends, 1980 is going to be a very difficult year for Tanzania. I believe that when they understand the problem our people will respond to this economic challenge as they have responded to other challenges in the past. I believe they will bear the further sacrifices, and further burdens, which present conditions impose upon us just as long as they are assured that we are doing our best to share the burdens equitably, and continuing to pursue our own policies.

Your Excellencies: Despite these grim predictions about the immediate future I do sincerely wish you and your Families a Very Happy New Year. I ask you all for your continued personal cooperation, sympathy, and understanding, as we enter 1980. I assure you that my government will, for its part, continue to work in friendship with you and your governments throughout the coming year.

I express to you personally, and through you to your governments and peoples, the good wishes of the Tanzanian Government and people. And I now ask you all to join in a Toast:

To World Peace, Justice, and Friendship.●

UNDERSTANDING PLO DUPLICITY IN IRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, Yasser Arafat's appearance recently at the celebration of the anniversary of the Iranian revolution brings to mind the duplicitous role which the Palestinian Liberation Organization played when our Embassy in Tehran was seized November 4. Shortly after the seizure, the PLO offered to mediate. The press gave a great deal of attention to the offer, and to the U.S. State Department's grateful acceptance. Then, suddenly, the matter dropped out of the public eye. We must give equal attention to the much less publicized role of the PLO after that offer—and before.

On November 19, PLO leader Yasser Arafat said the PLO mediation effort had been abandoned for the time being.

Then the PLO sharply criticized stationing of U.S. naval forces "near Iranian territorial waters," and called President Carter's freeze of Iran's assets dangerous and illegal.

On November 22, the PLO sponsored an Iranian delegation at an Arab League summit conference, urging Arab heads of state to back Iran in its confrontation with the United States.

From Paris, PLO spokesman Ibrahim Souss declared:

> We are allies of the Iranian revolution. It is a strategic alliance.

By December 7, in a radio broadcast, Arafat himself had dropped all pretense. Declaring his organization "at Khomeini's side," he pledged military support:

> We are prepared to send our columns to fight with them there in the frontline trench.

In fact, PLO links with elements of the street army which captured the American Embassy in Tehran go back a long way. When the PLO took possession of the former Israeli Embassy in Tehran a year ago, Arafat boasted of the years of training the PLO gave young Iranian terrorists.

Americans must see the PLO role for what it was: A duplicitous scheme aimed at winning support in the United States.

Our President and our State Department should not so easily allow themselves to be had again.●

IT IS BETTER TO ADMIT A MISTAKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 10 minutes.

● Mr. ADDABBO. Mr. Speaker, I wish to commend President Carter for his courage in admitting that our Government erred in its vote in the United Nations Security Council, when it supported an Arab-initiated resolution which condemned Israel's administration of the West Bank and Gaza.

It is regrettable that the lack of communication between the White House, the State Department and the U.S. Ambassador to the United Nations came about. Nevertheless, it is better to admit a mistake and be done with it than to live with the knowledge that the world misunderstands our true position.

I have long maintained that Israel has a very basic tactical need for security in the West Bank and Gaza areas if it is to have true defensible borders. This can not be ignored and discussions of how to obiviate this need can only be resolved by the Government's of Israel and Egypt in their continuing peace negotiations. The United Nations, no matter how high minded its purpose might be, only complicates already thorny issues when it intervenes in what is basically a two-country issue.

The damage from last Saturday's vote is more likely to be to America than to Israel for the utilization of the West Bank region controversy dates back to 1947 and will not greatly be affected by the Saturday Security Council vote. What is a matter of politics to the Security Council members is to the Israelis an integral element of national security which, if breached, could result in the loss of lives.

In the eyes of the world, however, the indecision and subsequent change of official attitude on this issue may well be seen as an indication of a lack of strong resolve. That is unfortunate and it could not come at a worse time, given the many international problems with which we are now preoccupied.

Be that as it may, this too will pass. And I firmly believe that the President was right to immediately set the record straight. The friendship between the United States and Israel is of long standing and I hope will not seriously be changed even with these bumps in the road. We must go on from here and I believe that it is easier to do so now that the record has been set straight for all to see.●

A REFLECTION OF WIDESPREAD POPULAR SUPPORT FOR CONGRESSMAN JIM HANLEY IN HIS DISTRICT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 10 minutes.

● Mr. STRATTON. Mr. Speaker, Members of this House on both sides of the aisle were not only shocked but disappointed when the able and affable gentleman from New York, the hardworking chairman of the House Committee on the Post Office and Civil Service, JIM HANLEY, broke the news that he planned to retire from Congress at the end of this term.

Those of us who have known JIM HANLEY over the years, and who know the quality of his service to this House and to the people of central New York, were genuinely saddened that a man of JIM's personality, broad legislative experience, and keen grasp of the intricacies of the Postal Service as well as of the civil service, should decide to put down the burdens of elective office and retire so soon to the beauties and attractions of New York State's Finger Lake region.

We in New York felt especially saddened because, as Members know, our little State, besieged by all its problems, and only now just beginning to dig itself out of all the snow left behind in Lake Placid by those fabulous 1980 winter Olympics, realize we need every bit of clout, expertise, and friendly persuasiveness in our delegation to see that New York gets its well-deserved share of Federal attention and recognition.

As chairman of the Post Office and Civil Service Committee, JIM HANLEY, in his 16 years here, has become one of the top leaders of this House. He is our expert on the Post Office. He is a tireless spokesman for central New York. We really do feel we cannot do without him here. The load on the rest of us—soon to decline in number from 39 to 35, if the advance census predictions prove to be correct—will just be too great. We need JIM to help us over the trauma of 1982.

So imagine our delight the other day when we had brought to our attention a leading editorial that appeared in the Syracuse Herald Journal urging JIM to stay on the job for one more term. That is great news for New York State. It is great news for the New York congressional delegation. We hope JIM heeds this very wise and sound advice.

And so that our colleagues may have the benefit of this editorial's cogent arguments, Mr. Speaker, with which to add their persuasiveness to the gentleman from Syracuse, I include with my remarks, the text of the Syracuse Herald Journal editorial of February 27:

WHO'LL REPLACE JIM HANLEY?

Not surprisingly, everyone or his brother (no sister so far) is a contender for Congress now that Jim Hanley has decided to quit the political ring.

Hanley rode into Washington in 1964 on the coattails of Lyndon B. Johnson. His victory over long-time Republican incumbent R. Walter Riehlman was all the more astonishing since Hanley's only political experience up to then was a loss to Andrew Sturick in a race for county supervisor.

Hanley didn't take very long to recognize the best way to get ahead in the new job.

It was just to be there a long time.

For decades after the Civil War, an angry South refused to send Republicans to Washington. To be nominated on the Democratic ticket meant election to a lifetime job.

The rules provided that longevity meant power. Southern Democrats literally ruled the nation for a century, having successfully lasted long enough in Washington to control all the important committees of Congress.

Hanley wasted no time in putting together a top-notch staff headed by John Mahoney, a savvy Syracuse native then working for a Midwest lawmaker, and they let the folks back home know no problem was too small for their personal attention.

Most voters in this area know the rest of the story. Hardly a Central New Yorker hasn't been touched in some way by the congressman, either with help in bad times or congratulations in good.

Hanley is serving an eighth term. He is chairman of the prestigious Post Office and Civil Service Committee and chairman of its subcommittee on investigations. He is a senior member of the Committee on Banking, Finance and Urban Affairs and the Committee on Small Business.

In a nutshell, he has clout.

Few New Yorkers over the years have had clout in Congress. Notable exceptions besides Hanley are upstater Sam Stratton and a few downstaters, mostly from the five boroughs of New York City.

In the early days, despite the conservative nature of the territory he represented, Hanley "was a little left of Bella Abzug," as one opponent once described it. In recent years, he has pulled toward the center and actually had a "right" rating in a recent national survey.

The suggestion that any one political issue, like abortion, gas rationing or even Ethiopian policy would force him to toss in the towel after 16 years is ridiculous.

Hanley appears to be in excellent health. He jogs, keeps trim and is not yet 60.

He knows full well that no matter what happens this year, New York will lose some seats when the nation is reapportioned after the 1980 census. It virtually is certain one of those seats will be in Central New York.

This means a head-to-head square-off in 1982 between Republican Congressman Gary Lee (assuming he continues to win) and the person who sits in the seat Hanley now holds.

That is no task for an amateur. Lee is experienced, efficient and politically capable.

The question then, it seems to us is * * * in the 32nd Congressional District for the next two years?

The person should have clout to assure we get back our fair share of the millions we pour into Washington in taxes.

The person should have the experience to handle what has become an extremely tough job.

He should have a proven record so that no matter who wins in 1982, Central New York James M. Hanley.

We think he's honestly just fed up with the rat race. In most Congressional districts, it's come down to "serve a year, run a year," and that is no fun when your district is spread all over the map.

Hanley has nearly $40,000 in a campaign fund. He temporarily has canceled a local fund-raiser, but it could be put on easily. His polls, according to his staffers, show he could win.

He hasn't resigned from anything up to now.

Perhaps all Jim Hanley needs is a little loving—a little pat on the back for a job well done.

Perhaps the best thing Central New Yorkers could do for themselves is to draft Jim Hanley for Congress.●

WE MUST CUT OIL IMPORTS NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 30 minutes.

Mr. NEAL. Mr. Speaker, I have today introduced legislation which would require the President to set mandatory energy conservation targets for each of the States, in accordance with the provisions of title II of the Emergency Energy Conservation Act of 1979.

I have done so because the time has come, in my opinion, for the administration, the Congress, and the States to work together to significantly reduce this Nation's dangerous dependence on foreign oil.

Mr. Speaker, it is known to all of us that we are now importing almost half of all the oil we use. Much of it comes from unstable countries, some of which are unfriendly or hostile to the United States. Moreover, much of this oil is transported over precarious routes which are extremely vulnerable. We have no short-term supply solutions to a drastic curtailment of this oil, whether by embargo or by intervention in production and shipment. As a result, the United States and its allies are precariously vulnerable—militarily, economically, and socially—to the whims of foreign governments and to the threatening expansionist policies of the Soviet Union.

I believe these conditions pose a very grave threat to the United States, and that in dealing with the situation we have basically only four options.

First. We can continue to do little or nothing to lessen our dependence on foreign oil, and hope for the best.

Second. We could add burdensome taxes of one kind or another to gasoline and other petroleum products, but that would not be fair and, I believe, would not be approved by the Congress.

Third. We could require nationwide rationing by coupon, but that would be bureaucratic, very expensive, and acceptable only as a remedy of last resort.

Fourth. Finally, we can, by enacting proper legislation, impose a discipline upon ourselves and determine that we are going to reduce these imports by a specific amount by setting and achieving mandatory energy conservation goals in each of the 50 States, and thus in the Nation as a whole.

In setting these conservation targets, I believe the goal should be to reduce our oil imports by 10 percent by the end of the first 6 months of the program, and by another 10 percent by the end of the second 6 months. Since we import about half of all the oil we use, to reduce imports by 20 percent over a 12-month period would require that we reduce our total consumption by 10 percent. This 20-percent reduction in imports would, I believe, produce many benefits, including the following:

First. Our foreign oil bill (expected to be $90 billion this year) would be reduced by a corresponding percentage, or about $18 billion. Our trade deficit would thus be lessened by approximately the same amount, and through the ensuing increase in the value of the dollar, the price of our imports would also be reduced.

Second. Since at least 4 percentage points of inflation (as measured by the Consumer Price Index) are directly related to the price of oil and the effects of the trade deficit, this action would fight inflation.

Third. The decrease in demand would put pressure on OPEC countries to limit price increases, in both amount and frequency, and conceivably could at some point encourage price reductions.

Fourth. Since we are presently importing about 1.8 million barrels of oil a day from the Persian Gulf States—which is almost 20 percent of our total oil imports—this reduction would put us in a position to virtually eliminate our dependence on the Persian Gulf area, if events should make that advisable or inescapable.

Fifth. While requiring such reductions in our imports would clearly show that our dependence on oil from abroad constitutes an emergency, it would, at the same time, lessen tensions among those people who perceive our expanded military presence in the Indian Ocean, and our increased emphasis on preparedness, as the beginning of "a war over oil."

Sixth. As a result of mandatory conservation, the American people would think more seriously about using energy more efficiently. Perhaps the greatest benefit of this action would be the release of the creative vitality that exists in our market system and among individuals, who would find creative and innovative ways to overcome this threat to our security and our heritage.

Is such a conservation goal realistic? Can each American reduce his or her oil use by 10 percent over the next 12 months?

Certainly we can. We comprise about 6 percent of the world's population, but use about 30 percent of its energy. A cutback to 27 percent, in the objective view, would constitute very little real sacrifice, but some inconvenience.

Finally, Mr. Speaker, we must ask ourselves if the States can achieve the goals without resorting to coupon rationing. I am convinced that they can. There are many things they could do to adjust to the shortfall. They could require that city lighting be reduced (most cities are lit up like carnivals at night). They could require that each car not be driven 1 day a week. Some States might want to go to a 4-day workweek. States could enforce or reduce highway speed limits. They could raise the age requirement for initial driver's license. States could work out many energy-savers on their own, and I believe they would ask only that the targets be set in an equitable way which does not penalize them for geography, demography, or inordinate dependence on imported oil.

Mr. Speaker, I am reminded of a statement made by Gen. Douglas MacArthur in the 1930's to the famous Kansas newspaper editor, William Allen White. This is what the general wrote:

> The history of failure in war can be summed up in two words: Too late. Too late in comprehending the deadly purpose of a potential enemy; too late in realizing the mortal danger; too late in preparedness; too late in uniting all possible forces for resistance; too late in standing with one's friends.

General MacArthur was writing, of course, in another era about another subject, but I think his comments are relevant to our energy situation. I believe the way to avoid failure in the future is to act now. The most effective action we can take, in my judgment, is that which I have proposed in this bill.

Let it not be said by our own children, or by some future generation, that we did too little, and acted too late.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. THOMPSON (at his own request), for March 6 and 7, on account of official business.

To Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOPKINS) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 5 minutes, today.

(The following Members (at the request of Mr. LELAND) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GLICKMAN, for 5 minutes, today.
Mr. CAVANAUGH, for 10 minutes, today.
Mr. DASCHLE, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.
Mr. ADDABBO, for 10 minutes, today.
Mr. STRATTON, for 10 minutes, today.
Mr. NEAL, for 30 minutes, today.
Mr. BRADEMAS, for 60 minutes, March 11, 1980.
Mr. DRINAN, for 60 minutes, March 13, 1980.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HOPKINS) and to include extraneous matter:)

Mr. KEMP.
Mr. YOUNG of Alaska.
Mrs. SNOWE in two instances.
Mr. BROOMFIELD.
Mr. GRASSLEY.
Mr. WHITEHURST.
Mr. WYDLER.
Mr. GREEN.
Mr. MARTIN.
Mr. CAMPBELL.
Mr. DORNAN in four instances.
Mr. QUAYLE.
Mr. PORTER.

(The following Members (at the request of Mr. LELAND) and to include extraneous matter:)

Mr. JACOBS in two instances.
Mr. FAUNTROY.
Mr. WON PAT.
Mr. ALEXANDER in two instances.
Mr. BRODHEAD.
Mr. WAXMAN.
Mr. DODD.
Mr. PREYER.
Mr. STUDDS.
Mrs. SCHROEDER.
Mr. ATKINSON.
Mr. BARNES in two instances.
Mr. SANTINI.
Mr. DRINAN.
Mr. KASTENMEIER.
Mr. AKAKA.
Mr. VENTO.
Mr. FLORIO in two instances.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1792. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1829. An act for the relief of Loraine Smart and Robert Clarke;

H.R. 3398. An act to adjust target prices for the 1980 and 1981 crops of wheat and feed grains; to extend the disaster payment programs for the 1980 crops of wheat, feed grains, upland cotton, and rice; and to authorize the Secretary of Agriculture to require that producers of wheat, feed grains, upland cotton, and rice not exceed the normal crop acreage for the 1980 and 1981 crops; and

H.J. Res. 493. Joint resolution providing for the appointment of William G. Bowen as a citizen regent of the Board of Regents of the Smithsonian Institution.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 4, 1980, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 3756. An act to authorize appropriations for certain insular areas of the United States, and for other purposes;

H.R. 4337. An act to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes;

H.J. Res. 267. Joint resolution to provide for designation of Friday, March 7, 1980, as "Teacher Day, United States of America"; and

H.J. Res. 434. Joint resolution to authorize and request the President to issue a proclamation designating April 6 through 12, 1980, "National Medic Alert Week."

ADJOURNMENT

Mr. LELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 16 minutes p.m.), the House adjourned until tomorrow, Thursday, March 6, 1980, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3672. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years; to the Committee on Agriculture.

3673. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the U.S. Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

3674. A letter from the Executive Director, Neighborhood Reinvestment Corporation, transmitting a draft of proposed legislation to extend the authorization of appropriations for the National Neighborhood Reinvestment Corporation; to the Committee on Banking, Finance and Urban Affairs.

3675. A letter from the Secretray of Labor, transmitting a report that the Department has been unable to design a valid study regarding certificated air carriers, as required by section 4(d)(2) of the Fair Labor Standards Act; to the Committee on Education and Labor.

3676. A letter from the Secretary of Labor, transmitting a report that the Department has been unable to design a valid study regarding operating taxicabs as required by section 4(d)(2) of the Fair Labor Standards Act; to the Committee on Education and Labor.

3677. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of September 30, 1979, pursuant to section 613(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3678. A letter from the Secretary of the Treasury, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3679. A letter from the Assistant Secretary of Commerce for Administration, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3680. A letter from the Chairman, Consumer Product Safety Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3681. A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3682. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

3683. A letter from the President, Inter-American Foundation, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3684. A letter from the Information Units Supervisor, Copyright Office, Library of Congress, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3685. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3686. A letter from the Acting Director, Office of Government and Public Programs, National Science Foundation, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

3687. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3688. A letter from the Acting Administrator, Panama Canal Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3689. A letter from the Secretary, Railroad Retirement Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3690. A letter from the Assistant Secretary of Transportation for Administration, transmitting notice of proposed changes in certain existing records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3691. A letter from the Public Printer, transmitting his annual report for fiscal year 1979; to the Committee on House Administration.

3692. A letter from the Deputy Secretary of Energy, transmitting the 1979 annual report on the Department's activities under the Powerplant and Industrial Fuel Use Act of 1978 and under section 2 of the Energy Supply and Environmental Coordination Act of 1974, pursuant to section 806 of Public Law 95–620; to the Committee on Interstate and Foreign Commerce.

3693. A letter from the Assistant Secretary of Energy for Conservation and Solar Energy, transmitting notice of a delay in the submission of the results of the evaluation of electric motors and pumps to determine standard classifications and the practicability and effects of requiring all or part of the classes to meet standards for energy efficiency, required by section 342(a) of the Energy Policy and Conservation Act, as amended (92 Stat. 3269); to the Committee on Interstate and Foreign Commerce.

3694. A letter from the General Counsel of the Department of Energy, transmitting notice of the cancellation of a meeting related to the International Energy Program called for March 5, 1980, in Paris, France; to the Committee on Interstate and Foreign Commerce.

3695. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the first volume of the third annual report of the Energy Information Administration, covering calendar year 1979, pursuant to section 57(a)(2) of the Federal Energy Administration Act, as amended; to the Committee on Interstate and Foreign Commerce.

3696. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend provisions of the Noise Control Act of 1972, as amended, for 2 years; to the Committee on Interstate and Foreign Commerce.

3697. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Solid Waste Disposal Act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

3698. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Toxic Substances Control Act for 2 years; to the Committee on Interstate and Foreign Commerce.

3699. A letter from the President, U.S. Railway Association, transmitting the sixth annual report of the Association, covering fiscal year 1979, pursuant to section 202 (e)(1) of the Regional Rail Reorganization Act; to the Committee on Interstate and Foreign Commerce.

3700. A letter from the Group Vice President for Passenger Services and Communications, National Railroad Passenger Corporation, transmitting the annual report of the Corporation for fiscal year 1979, pursuant to sections 308 and 805 of the Rail Passenger Service Act of 1971, as amended; to the Committee on Interstate and Foreign Commerce.

3701. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

3702. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to extend by 2 years the streambank erosion control and demonstration program; to the Committee on Public Works and Transportation.

3703. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to amend section 1812, Revised Statutes, pertaining to the annual report of the Chief of Engineers; to the Committee on Public Works and Transportation.

3704. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to amend section 107 of the River and Harbor Act of 1948, Public Law 80–858, as amended (22 U.S.C. 275a), to remove the limitation on funding for U.S. participation in the Permanent International Commission of the Congresses of Navigation; to the Committee on Public Works and Transportation.

3705. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Federal Water Pollution Control Act, as amended, for 2 years; to the Committee on Public Works and Transportation.

3706. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstrations for fiscal years 1981 and 1982; to the Committee on Science and Technology.

3707. A letter from the Chairman, National Agricultural Research and Extension Users Advisory Board, transmitting the Board's annual appraisal of the President's proposed budget for the food and agricultural sciences, pursuant to section 1408(f)(2)(F) of Public Law 95–113; jointly, to the Committees on Agriculture and Appropriations.

3708. A letter from the Comptroller General of the United States, transmitting a report on the major issues concerning the development of the MX weapon system (PSAD–80–29, Feb. 29, 1980); jointly, to the Committees on Government Operations and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 95. Concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made" (Rept. No. 96–798). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 162. Concurrent resolution providing for the printing of the final report of the Indian Claims Commission as a House document; with amendment (Rept. No. 96–799). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 233. Concurrent resolution to authorize the printing as a House document an anthology of Captive Nations Week proclamations, addresses, and other relevant material (Rept. No. 96–800). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 279. Concurrent resolution to authorize the printing of a revised edition of "Our American Government" as a House document (Rept. No. 96–801). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. Senate Concurrent Resolution 45. Concurrent resolution authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document (Rept. No. 96–802). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. Senate Concurrent Resolution 56. Concurrent resolution authorizing the reprinting of the committee print entitled "Synthetic Fuels" (Rept. No. 96–803). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 283. Concurrent resolution authorizing the printing of "Federal Election Campaign Laws Relating to the United States House of Representatives." (Rept. No. 96–804). Referred to the House Calendar.

Mr. BROOKS: Committee on Government Operations. H.R. 6585. A bill to extend the reorganization authority of the President under chapter 9 of title 5 (Rept. No. 96–805). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBOSTA:

H.R. 6703. A bill to provide that the U.S. district court for the eastern district of Michigan shall be held at Mount Pleasant, Mich., in addition to the places currently provided by law; to the Committee on the Judiciary.

By Mr. ANDREWS of North Carolina (for himself, Mr. PERKINS, and Mr. COLEMAN):

H.R. 6704. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to extend the authorization of appropriations for such act, and for other purposes; to the Committee on Education and Labor.

By Mr. BREAUX:

H.R. 6705. A bill to amend section 20 of the act of March 4, 1915 (38 Stat. 1185; 46 U.S.C. 688) to provide that actions may not be maintained under such section or under any other maritime laws of the United States for damages incurred by foreign persons or such persons' legal representatives when such persons are injured or killed outside the United States, the territorial waters of the United States, or the Outer Continental Shelf of the United States, while employed on certain special-purpose vessels engaged in activities relating to the offshore exploration for, or production of, oil, gas, or other minerals unless no remedy is available under the laws of the country asserting jurisdiction over the area in which the incident giving rise to the action occurred or in which the individual maintained citizenship or residency; to the Committee on Merchant Marine and Fisheries.

By Mr. DODD:

H.R. 6706. A bill to amend the Congressional Budget Act of 1974 to limit the levels of total budget outlays contained in concurrent resolutions on the budget; to the Committee on Rules.

By Mr. FISHER:

H.R. 6707. A bill to rescind the authority of the Secretary of the Army to revoke unilaterally any permit for the use of any water delivered to any water system in the State of Virginia, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER (for himself and Mr. Gudger):

H.R. 6708. A bill to place the Federal Correctional Institution at Butner, N.C., entirely within the eastern district of North Carolina; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Rodino, Mr. Drinan, Mr. Gudger, Mr. Oberstar, and Mr. Butler):

H.R. 6709. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State justice institute; to the Committee on the Judiciary.

By Mr. KILDEE:

H.R. 6710. A bill to amend the Communications Act of 1934 to regulate the interception of communications by common carriers, to provide greater judicial scrutiny with respect to the interception of certain communications by common carriers and other persons, and for other purposes; jointly, to the Commissions on Interstate and Foreign Commerce and the Judiciary.

By Mr. PERKINS (for himself, Mr. Goodling, Mr. Ford of Michigan, Mr. Buchanan, Mr. Kildee, Mr. Jeffords, Mr. Biaggi, Mr. Simon, and Mr. Peyser):

H.R. 6711. A bill to extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private-sector initiative program, to authorize intensive and remedial education programs, for youths, and for other purposes; to the Committee on Education and Labor.

By Mr. SATTERFIELD (by request):

H.R. 6712. A bill to amend Public Law 95–520, to extend the deadline for reporting on hospital care and medical services furnished by the Veterans' Administration in Puerto Rico and the Virgin Islands, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SHANNON:

H.R. 6713. A bill to amend the Internal Revenue Code of 1954 to provide a middle-income energy tax credit for households which use heating oil; to the Committee on Ways and Means.

H.R. 6714. A bill to establish a program under which the Secretary of Health and Human Services, under agreements made with appropriate State agencies, will assist low-income and elderly households in meeting the increased costs of residential fuel; jointly, to the Committees on Interstate and Foreign Commerce and Education and Labor.

By Mr. SOLOMON:

H.R. 6715. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $10,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 6716. A bill to amend title 5, United States Code, to provide for the consideration of military retirement benefits or veterans benefits in lieu thereof in determining minimum disability benefits under the civil service retirement system, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STEED:

H.R. 6717. A bill to provide for the use and distribution of Delaware Indian judgment funds in dockets 289, 27–A and 241, 27–B and 338, 27–E and 202, and 27, before the Indian Claims Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TRAXLER:

H.R. 6718. A bill to establish quantitative limitations on the importation of automobiles and to impose restrictions on the domestic sale of automobiles; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. WHITLEY (for himself, Mr. Neal, Mr. Hefner, Mr. Preyer, Mr. Andrews of North Carolina, Mr. Rose, Mr. Jones of North Carolina, Mr. Fountain, and Mr. Gudger):

H.R. 6719. A bill to amend title 23, United States Code, to establish uniform standards for maximum weights and lengths of vehicles using the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of California:

H.J. Res. 503. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. BARNES:

H.J. Res. 504. Joint resolution designating May 1980 as "Better Hearing and Speech Month"; to the Committee on Post Office and Civil Service.

By Mr. de la GARZA:

H. Con. Res. 294. Concurrent resolution expressing the sense of the Congress that the people of the United States should publicly display the American flag until the hostages being held in Iran are released; to to the Committee on Foreign Affairs.

By Mr. BROWN of Ohio (for himself, Mr. Broyhill, Mr. Buchanan, Mr. Burgener, Mrs. Byron, Mr. Cleveland, Mr. Clinger, Mr. Collins of Texas, Mr. Corcoran, Mr. Courter, Mr. Duncan of Tennessee, Mrs. Fenwick, Mr. Forsythe, Mr. Frenzel, Mr. Grisham, Mr. Goldwater, Mrs. Holt, Mr. Horton, Mr. Hyde, Mr. Jeffries, Mr. Kemp, Mr. Kindness, Mr. Kramer, Mr. Lent, Mr. Lewis, Mr. Lungren, Mr. McCloskey, Mr. McDonald, Mr. Marks, Mr. Martin, Mr. Moore, Mr. Quillen, Mr. Regula, Mr. Ritter, Mr. Rousselot, Mr. Royer, Mr. Sawyer, Mr. Shumway, Mr. Solomon, Mr. Symms, Mr. Vander Jagt, Mr. Whitehurst, Mr. Whittaker, and Mr. Winn):

H. Res. 597. Resolution expressing the sense of the House of Representatives that the first concurrent resolution on the budget for fiscal year 1981, reported by the Committee on the Budget of the House of Representatives, shall limit total budget outlays to 21 percent of the gross national product as projected for fiscal year 1981 by the Congressional Budget Office; to the Committee on Rules.

By Ms. HOLTZMAN (for herself, Mr. Dodd, and Mr. Fish):

H. Res. 598. Resolution to direct the President to furnish to the House of Representatives information and facts regarding the U.S. decision to vote for the resolution in the United Nations Security Council on March 1, 1980; to the Committee on Foreign Affairs.

By Mr. SOLOMON:

H. Res. 599. Resolution expressing the sense of the House regarding the failure of the Government to curb its own energy use; to the Committee on Government Operations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

364. By the SPEAKER: Memorial of the Legislature of the State of Indiana, relative to public relations and communications between the U.S. Forest Service and the private land owners adjoining the Hoosier National Forest, Ind.; to the Committee on Agriculture.

365. Also, memorial of the Legislature of the State of Indiana, relative to recognizing the Miami Indians of Indiana; to the Committee on Interior and Insular Affairs.

366. Also, memorial of the Legislature of the State of Idaho, relative to management of nuclear wastes at the Idaho National Engineering Laboratory; jointly, to the Committee on Armed Services, Interior and Insular Affairs, and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. LUJAN introduced a bill (H.R. 6720) to quiet title of property in Albert and Eulia Rodriquez, which was referred to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1002: Mr. Williams of Ohio.

H.R. 1200: Mr. Heftel.

H.R. 1918: Mr. Whitehurst, Mr. Emery, and Mr. Edwards of Oklahoma.

H.R. 3603: Mr. Bingham.

H.R. 3778: Mr. Frenzel.

H.R. 4093: Mrs. Collins of Illinois.

H.R. 4516: Mr. Goodling.

H.R. 4563: Mr. Daniel B. Crane.

H.R. 5225: Mr. Clausen and Mr. Courter.

H.R. 6012: Mr. Daniel B. Crane, Mr. Daschle, Mr. Evans of Georgia, Mr. Watkins, Mr. Weiss, Mr. Dellums, Mr. Evans of Delaware, Mr. Wyatt, Mr. Bailey, Mr. Davis of South Carolina, Mr. Bowen, Mr. Robinson, and Mr. Livingston.

H.R. 6070: Mr. Forsythe and Mr. AuCoin.

H.R. 6171: Mr. Madigan, Mr. Corcoran, Mr. Gray, Mr. Walgren, Mr. Anthony, Mr. Tauke, Mr. Robert W. Daniel, Jr., Mr. Evans of Georgia, Mr. Drinan, Mr. Murphy of Pennsylvania, Mr. Davis of South Carolina, Mr. Bowen, and Mr. Watkins.

H.R. 6212: Mr. Davis of South Carolina and Mr. Livingston.

H.R. 6303: Mr. Matsui, Mr. Miller of California, Mr. Weiss, Mr. Diggs, Mr. Mitchell of Maryland, and Mr. Stokes.

H.R. 6461: Mr. Andrews of North Dakota, Mr. Neal, and Mr. Wyatt.

H.R. 6519: Mr. Williams of Montana and Mr. Marlenee.

H.R. 6556: Mr. Scheuer and Mr. Wolpe.

H.R. 6566: Mr. Leland.

H.R. 6612: Mr. Lagomarsino, Mr. Porter, Mr. Edwards of Oklahoma, and Mr. Ottinger.

H.R. 6635: Mr. Kastenmeier.

H.R. 6699: Mr. Railsback.

H.J. Res. 322: Mrs. Holt and Mr. Sharp.

H.J. Res. 417: Mr. Fascell, Mr. Tauke, Mr. Benjamin, Mr. Brinkley, Mr. Satterfield, Mr. Stark, Mr. Stratton, Mr. Lowry, Mr. Cavanaugh, Mr. Forsythe, Mr. Solomon, Mr. Broomfield, Mr. Udall, Mr. Lagomarsino, Mr. Gonzalez, Mr. Natcher, Mr. Boner of

Tennessee, Mr. Marriott, Mr. Luken, Mr. Hall of Ohio, Mr. LaFalce, Mr. Flippo, Mrs. Bouquard, Mr. Fish, Mr. Conyers, and Mr. McDonald.

H.J. Res. 431: Mr. Symms, Mr. Winn, Mr. Corrada, Mr. Scheuer, Mr. Pursell, Mr. Russo, Mr. Goldwater, Mr. Duncan of Tennessee, Mr. Lagomarsino, Mr. Whitehurst, Mr. Richmond, Mr. Mineta, Mr. Carter, Mr. Porter, Mr. Burgener, Mr. Evans of the Virgin Islands, Mr. Barnes, Mr. Pepper, Mr. Stratton, Mr. Dougherty, Mr. Synar, Mr. Chappell, Mr. Pashayan, Mrs. Byron, Mr. Jeffords, Mr. Long of Maryland, Mr. Hughes, Mr. Markey, Mr. Mollohan, Mr. Jones of Tennessee, Mr. Frenzel, Mr. Lee, Mr. Young of Alaska, Mr. Lott, Mr. Hutto, Mr. Hubbard, Mr. Dan Daniel, Mr. Corcoran, Mr. Lungren, Mr. Johnson of California, Mr. Fountain, Mr. Kildee, Mr. Stokes, Mr. Pease, Mr. Anderson of Illinois, Mr. Kazen, Mr. Gibbons, Mr. Madigan, Ms. Mikulski, Mr. Blanchard, Mr. Santini, Mr. Rangel, Mr. Bevill, Mr. Buchanan, Mr. Sebelius, Mr. Guyer, Mr. Cleveland, Mr. Stangeland, Mr. Udall, Mr. Kramer, Mr. Cotter, Mr. Applegate, Mr. Mitchell of New York, Mr. Peyser, Mr. Charles Wilson of Texas, Mr. Erdahl, Mr. Pickle, Mr. Roe, Mr. Bethune, Mr. Hance, Mr. Weaver, Mr. Ottinger, Mrs. Snowe, Mr. Garcia, Mr. Tauke, Mrs. Spellman, Mr. McEwen, Mr. Bailey, Mr. Oberstar, Mr. Wolpe, Mr. LaFalce, Mr. Carney, Mr. Hall of Texas, Mr. Abdnor, Mr. Weiss, Mr. St Germain, Mr. Martin, Mr. Coelho, Mr. Broyhill, Mr. Hansen, Mr. Marriott, Mr. Staggers, Mr. D'Amours, Mr. Livingston, Mr. Emery, Mr. Mitchell of Maryland, Mr. Annunzio, Mr. Wylie, Mr. Anthony, Mr. Zablocki, Mr. Quayle, Mr. Fisher, Mr. Drinan, Mr. Panetta, and Mr. Preyer.

H.J. Res. 487: Mr. Ritter, Mr. Dornan, Mr. Ottinger, Mr. Ertel, Mr. Scheuer, Mr. Harkin, Mr. Watkins, Mr. Davis of Michigan, and Mr. Pease.

H. Con. Res. 104: Mr. Frenzel.

H. Con. Res. 262: Mr. Hagedorn, Mr. Symms, Mr. Leach of Iowa, Mr. Tauke, Mr. Gingrich, Mr. Bereuter, Mr. Mottl, and Mr. Fithian.

H. Res. 449: Mr. Howard, Mr. Waxman, and Mr. Beard of Rhode Island.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

294. By the SPEAKER: Petition of the Board of Directors, Southern Baptist Home Mission, Darlington, S.C., relative to domestic hunger; to the Committee on Agriculture.

295. Also, petition of the City Council, Alexandria, Va., relative to the Federal emergency fuel assistance program; to the Committee on Appropriations.

296. Also, petition of the Lithuanian American Council of Boston, South Boston, Mass., relative to the current plight of the Lithuanian nation; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

DODD FEDERAL SPENDING CONTROL ACT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. DODD. Mr. Speaker, this morning, March 5, 1980, I testified before the Task Force on Federal Spending Limitation Proposals of the Committee on Rules. Following is the text of my remarks:

Mr. Chairman and members of the Rules Committee Task Force on Federal Spending Limitation Proposals, I would like to thank you for the opportunity to testify before you on the subject of how to most effectively control the growth of federal spending.

First, I want to leave no doubt that I have always opposed, and will continue to oppose, attempts to amend the Constitution to include spending limitations of any kind, whether they require a balanced budget or some other constraint. The various types of spending limit legislation are all based on economic theory that is widely disputed and may very well prove wrong. Proponents of Constitutional changes in this area should ask themselves: Do we really want to include in the Constitution of the United States of America amendments that strike at the heart of federal tax and expenditure policy when these amendments are based on theory which might be incorrect? If the theory is wrong, what do we do during the several years that it would take to repeal it?

Also, many of the bills presently pending would fix expenditures to a given percentage of our gross national product in each fiscal year. This approach has considerable merit, but as presently constituted, these bills would have the unfortunate effect of requiring cuts during economic downturns—which would only contribute further to the downturn.

Obviously, any overall statutory limitation to federal spending is an approach fraught with complications, and the constitutional amendment approach should very definitely be avoided. However, historical evidence strongly suggests that we in Congress ought to take definite action to come to grips with excessive and wasteful government spending across the board.

During the post World War II period, federal budget outlays as a percent of our gross national product have slowly but steadily crept upward, from 13.5 percent in 1948, to 19.8 percent in 1958, to 20.8 percent in 1968, to 21.6 percent in 1978. In 1975, this figure reached a postwar high of 23.3 percent. This upward movement is due to numerous factors, including the growth of social programs in the 1960s, the ever-increasing cost of national defense, and the rapidly rising cost of entitlement programs such as social security. I do not question for a moment the essential nature of these programs, but due to changing economic and demographic conditions, we must find a way to manage all of these programs more effectively. We simply cannot allow government to slowly gain control over an ever-increasing share of our national output. Sooner or later, the continued growth of federal consumption of our resources will sharply curtail the competitive freedom of the individual enterprises which have characterized our economy for decades and have formed the basis of our strength.

If we are to preserve the continued growth, creativity and prosperity of our free enterprise system, we must insure that the bulk of our resources are left to aspiring entrepreneurs and other private entities who, in response to market conditions, have historically provided us with our most important innovations. We must insure that government spending contributes to the growth of innovation and productivity and not to the satisfaction of the whims of every special interest group, as is increasingly the case.

We must not continue to allow the tax dollars of the American worker to keep funding questionable projects while, over the last 10 years, the average production and non-supervisory worker's purchasing power has fallen at an average annual rate of 0.2 percent, and the middle income family's effective federal tax rate has nearly doubled. In addition, the inflationary spiral in a number of critical areas continues unchecked, further undermining the welfare of the American worker. In 1979, energy prices were up 25.2 percent, health care was up 9.3 percent, food was up to 10.9 percent, homeownership was up 15.5 percent, and so on.

Since we all know that excessive spending contributes to our high inflation rate, we owe it to the public to make sure that the spending we undertake is worthwhile spending. I am supportive of attempts to direct spending toward those areas with the greatest need and to cut the waste out of government.

However, it is fairly easy to espouse the goal of restricting government spending, but it is considerably more difficult to actually devise a plan for achieving that goal without seriously disrupting both the economy as a whole and the congressional budget process.

Dozens of bills purporting to achieve fiscal discipline by mandating a balanced budget have been introduced over the past few years. Some of these bills call for a constitutional amendment to achieve that objective. These approaches, in my opinion, are totally unworkable. During recessions, any stimulative reduction in taxes would have to be offset by a restrictive cut in federal outlays. During a national emergency, when expenditures would have to rise rapidly and substantially, there would be a considerable shortfall in revenues needed to finance the emergency preparations while at the same time maintaining a balanced budget. By requiring conflicting tax and expenditure policies, a balanced budget requirement would seriously complicate the stabilization role of fiscal policy.

In sum, the balanced budget approach would severely reduce, if not eliminate, the flexibility needed to enact the appropriate fiscal policies needed to deal with the major economic problems facing our country—poor productivity, lagging capital formation, underutilization of existing resources, unemployment. The constitutional amendment has the added disadvantage of taking years to complete, and if the theory upon which it is based proves wrong, it would take years to repeal.

As I stated earlier, the approach of restricting expenditures to a given percentage of gross national product is a far better approach to the problem. It injects a much-needed dose of fiscal discipline into the budget-making process by limiting future government spending to a percentage of gross national product somewhat below the present levels without seriously disrupting the budget process by prohibiting deficits outright. However, this approach has a flaw in that it requires expenditures to fall as GNP falls—exactly the opposite of what should happen during a downturn. While the need to get a handle on excessive and wasteful government spending is beyond question, such a development would only seriously aggravate the downturn.

I have requested that the legislative counsel draw up a bill that will combine what I view as a basically sound approach contained in the Jones, Giaimo and similar bill with a new analytical approach. The provision I will discuss first would limit budget outlays to a fixed percentage of full employment GNP. For our purposes, we have defined full employment as actually meaning 4 percent unemployment, considerably below our present rate and consistent with the goals included in the Full Employment and Balanced Growth Act of 1978. The actual calculation of full employment GNP will be performed by the Congressional Budget Office.

In the first year, federal budget outlays would be limited to 20 percent of full employment GNP, and 19 percent for all succeeding years. The crucial difference between this provision and the provisions contained in H.R. 5371 and H.R. 6021 is that it would not force the ceiling to drop as GNP fell. Full employment GNP, according to CBO and the President's Council of Economic Advisers, rises at an annual rate (in constant dollars) of 2.5 percent in fiscal years 1979 through 1981 and at a rate of 3 percent in 1982 and thereafter. The ceiling would thus rise accordingly, regardless of the actual changes in actual GNP. This provision would alleviate somewhat the pro-cyclical characteristics contained in these bills which run counter to the commitments to full-employment policies that Congress passed in the form of the Employment Act of 1946 and the Full Employment and Balanced Growth Act of 1978. However, once we reached full employment, the ceiling would be just as firm as the ceiling contained in the other bills. In fact, the language in H.R. 5371 actually has a ceiling of 21 percent for the first year and 20 percent each succeeding year, one percentage point higher than my bill. In a real economic emergency, a waiver of the ceiling could be proposed by either the President or the Budget Committee of either House, and passed if a majority of both houses agrees to it.

A second provision takes into account the likelihood of a recession in fiscal year 1981. Since the consensus of most economists seems to be that at least a mild recession in 1980 and 1981 is likely, I am recommending that we delay implementation of this bill until fiscal year 1982, when hopefully the economic outlook becomes clearer and the predicted recession passes. Also, the President's 1981 budget has already been submitted, and immediate enactment of this bill would only complicate matters.

Thirdly, the attempt contained in H.R. 6021 to place limits on "tax expenditures" is an uncertain venture at best. Measurement of tax expenditures is a very uncertain and controversial undertaking. It is difficult, if not impossible, to derive a total for the tax expenditures that equals the sum of the parts. Changes in tax expenditures affect the value of other tax expenditures. The Special Analysis of the fiscal year 1981 Budget illustrates this problem by pointing out that, while the aggregate revenue loss arising from all deductions resulting in tax expenditures would be $44.5 billion, the sum of these expenditures, taking each item separately, would be $58.9 billion. Unless we can arrive at a consistent and accurate measure of the total revenue loss resulting from tax expenditures and figure out how to match the components of these losses with the various specific deductions, we ought not try to enact a limit which we cannot enforce. For this reason, I have not included tax expenditures in these limitations.

Finally, we must realize that all of these spending limitation bills are based on the theory that, if they become law, they will contribute to increasing the total welfare of society. This theory is not universally believed, and in any event we must not assume that the conditions requiring enactment of these provisions will always hold. Numerous factors, including the rate of capital accumulation, the composition of the labor force and its rate of growth, and changes in productivity trends, may require significant changes in the numbers and provisions contained in this legislation. I am not wedded to any of the specific numbers contained in this bill. And because we have no way of really knowing years in advance what economic conditions will prevail, I have drafted a provision which would terminate this bill at the end of fiscal year 1984, and another provision which would require the House Budget Committee to conduct a study of the effectiveness of this bill and any amendments, and to produce a report, no later than March of 1984, containing a detailed statement of its findings and conclusions. Upon review of this report as well as the economic conditions then prevailing, we in the Congress can decide whether or not the provisions contained in this legislation merit renewal or change. This legislation will permit Congress to observe, without fear of irreversible damage to the economy, the consequences of enacting a prior limit on total spending years in advance, while at the same time permitting new language to be enacted three years hence if economic conditions warrant it, the Budget Committee advises it, and the Congress wills it.

CHART 1—ACTUAL GNP, FULL EMPLOYMENT GNP, AND APPROPRIATE BUDGET LEVELS, FISCAL YEARS 1981–85

[Dollars (current) in billions]

Fiscal year	Actual GNP estimates	Full employment GNP estimates [1]	Projected outlays	Dodd ceiling	Percent change
1981	$2,842	$3,096.0	$615.8		
1982	3,206	3,442.5	686.3	$688.5	+0.3
1983	3,619	3,809.9	774.3	723.9	−6.5
1984	4,052	4,189.3	838.9	796.0	−5.1
1985	4,498	4,576.5	902.6	[2] 869.5	−3.7

[1] Full employment GNP calculations take into account a 4 percent unemployment rate.

[2] The Dodd ceilings amount to 20 percent of full employment GNP in fiscal year 1982 and 19 percent of full employment GNP in fiscal years 1983 and 1984. Of course, the ceiling for fiscal year 1985 assumes that the bill is extended for at least 1 year.

Sources: Actual GNP estimates—"The Budget of the United States Government, Fiscal Year 1981." Projected outlays—"The Budget of the United States Government, Fiscal Year 1981." Full employment GNP estimates—President's Council of Economic Advisers; figures adjusted by CBO for 4 percent unemployment rate.●

RESULTS OF OPINION SURVEY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. BROOMFIELD. Mr. Speaker, as in previous years, I have conducted a survey of Michigan's 19th Congressional District, which I am privileged to represent, to ascertain the people's views on a variety of issues of national importance.

The response has been overwhelming as the people have made their viewpoints known to me through their response cards and through hundreds of letters further clarifying their positions. It has also been my practice to ask the high schools in the district to participate in my survey. This year, a record 26 high schools took part in polling their senior classes. The views of these students provide an interesting comparison with the views of their parents.

Mr. Speaker, I have always found the results of these surveys quite helpful as this body considers the issues facing us. I would, therefore, like to share the results of my survey with my colleagues with the hope that they find it equally valuable.

Survey Results

Do you favor the President's request for an increase in defense spending this year? Adults—Yes, 86 percent; No, 13 percent.[1] Students—Yes, 78 percent; No, 22 percent.

Do you believe a tax cut is desirable this year to offset the increases in tax collections caused by inflation? Adults—Yes, 68 percent; No, 28 percent. Students—Yes, 72 percent; No, 28 percent.

Would you support the establishment of U.S. military bases in the Middle East? Adults—Yes, 79 percent; No, 18 percent. Students—Yes, 63 percent; No, 37 percent.

Do you support the Administration's handling of the situation in Iran? Adults—Yes, 56 percent; No, 37 percent. Students—Yes, 49 percent; No, 51 percent.

Do you believe the development of nuclear power plants should be limited? Adults—Yes, 42 percent; No, 54 percent. Students—Yes, 72 percent; No, 28 percent.

Would you favor a single, six-year term for the President of the United States? Adults—Yes, 39 percent; No, 59 percent. Students—Yes, 37 percent; No, 63 percent.

Should Congress have the authority to veto or modify rulings of Federal regulatory agencies? Adults—Yes, 73 percent; No, 19 percent. Students—Yes, 42 percent; No, 58 percent.

Would you support a Constitutional Amendment requiring a balanced budget except in times of national emergency? Adults—Yes, 82 percent; No, 14 percent. Students—Yes, 76 percent; No, 24 percent.

Would you favor passage of "sunset" legislation automatically terminating government programs that have outlived their usefulness? Adults—Yes, 95 percent; No, 3 percent. Students—Yes, 78 percent; No, 22 percent.

Would you favor easing environmental restrictions so that coal could assume a larger role in meeting our energy needs? Adults—Yes, 81 percent; No, 17 percent. Students—Yes, 56 percent; No, 44 percent.

Would you favor import quotas to limit sales of Japanese cars? Adults—Yes, 72 percent; No, 26 percent. Adults—Yes, 68 percent; No, 32 percent.

Would you favor legislation making the first $7,500 of retirement income tax exempt? Adults—Yes, 93 percent; No, 5 percent. Students—Yes, 79 percent; No, 21 percent.●

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[1] Balance equaling 100 percent undecided.

VIOLENCE IN GREENSBORO

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. PREYER. Mr. Speaker, on November 3, 1979, Greensboro, N.C., was the scene of a confrontation and shooting between the Ku Klux Klan and a Communist group known as the Communist Workers Party. That confrontation left five people dead and the reputation of the Greensboro community in serious question.

The violence in Greensboro did not follow any predictable pattern. Though it seemed to have racial and ideological overtones, it lacked any clear motive and was completely out of character for the community. Following the violence, the national media flocked to Greensboro to report the disruptions and subsequent marches and observances to the Nation. Their reports, while factually accurate, failed to examine the social and racial makeup of the community. I want to share with my colleagues an article by Robert Watson which appeared in the Washington Post this past Sunday, March 2, 1980. This article examines the entire incident in detail and presents some points that are important to any thorough consideration of the incident. I commend it to my colleagues:

The Other Side of the Greensboro Shootout

(By Robert Watson)

In two minutes on Saturday morning, Nov. 3, 1979, a gang of Ku Klux Klanners shot and killed five self-styled Communists of the Workers' Viewpoint Organization and wounded 12 others in a low-income, black neighborhood in Greensboro, N.C.

Within a few hours the shootout had become a major news story around the world: Greensboro was seen as a target for a resurgent Klan, a city with a police force willing to turn its back when armed Klansmen rode into a black neighborhood with intent to kill.

By Sunday night, reporters from the wire services, many major newspapers and all the major networks were in Greensboro. Some stayed briefly, others stayed for a while and then left. Of those who remained, few seemed to know much about the South and, in particular, Greensboro. They seemed confused because their preconceptions of Greensboro and the shootout were not borne out as they examined the facts.

The drama of the shootout had a prologue. It was a copy of a letter dated Oct. 22, 1979, that began with the salutation: "An open letter to Joe Grady, Gorrell Pierce, and all KKK members and sympathizers," and went on to say, "The KKK is one of the most treacherous scum elements produced by the dying system of capitalism * * * Yes, we challenged you to attend our Nov. 3 rally in Greensboro. We publicly renew that challenge," the letter stated, and ended with, "We take you seriously and we will show you no mercy. DEATH TO THE KLAN. Workers' Viewpoint Organization."

The reverse side, under large letters saying "Death to the Klan," supplied this information: An anti-Klan march and conference would be held on Nov. 3; the assembly point for the march would be the parking lot at the Windsor Community Center; the time, 11 a.m.

After circulating their letter, the Workers held a press conference outside the Greensboro Governmental Center to promote their anti-Klan rally.

From the challenge and the press conference, it is clear that the Workers' Viewpoint Organization was not, as many thought, secretly ambushed or assassinated. The Workers knew that those in the Klan, mostly poorly educated, country-boy fanatics, don't like their bravery questioned, especially by the people they consider the chief menace to our nation, "a racially mixed bunch of Commies." And in order to make any confrontation appear racial, the Workers set their parade in a black section of Greensboro.

An assortment of Klansmen and Nazis, mostly from the western part of the state, arose early on Nov. 3, and began arriving at 4:30 at a small house a few miles from Greensboro. Some 30 or 40 men drove off to take up the Workers' challenge. One of the Klansmen had earlier gone to the Greensboro Governmental Center to look at the Workers' parade permit, which stated that the marchers would assemble at the corner of Everitt and Carver Streets in front of the Morningside Homes housing project. Thus the Klan headed for Everitt Street instead of the Windsor Community Center, the assembly point printed on their invitations.

When four television crews and a team from the Greensboro Daily News arrived at the Windsor Community Center, they were told the parade would assemble at the Everitt Street location. There they found the Workers—some armed—beginning to form a group of about 100 including spectators and children. But police were not told about the new assembly point. They had been told to stay away by the Workers' leadership. Indeed, the police, unlike the Klan, still thought the parade was to assemble at Windsor Community Center.

At 11:20 the caravan of Klansmen drove without warning down Everitt Street toward the 100 or so still-unassembled marchers. The two groups began yelling obscenities at each other. Some of the marchers laughed and began to pound the Klansmen's cars with fists and sticks. The Klansmen stopped and got out of their cars. Someone (no one is now sure whether it was a Worker or a Klansmen) began firing shots in the air. Suddenly it was all a whirling chaos of fists, sticks and shouts.

Klansmen, with calm precision, removed rifles and semiautomatic weapons from car trunks and began shooting, reloading and shooting again. Communists shot back. Quickly the Klansmen returned to their vehicles and drove off. Most of the killers were captured within minutes by the police. Blood-spurting bodies were everywhere. The survivors instantly began shouting Communist slogans and "Where were the pigs?" ignoring the fact that they had asked the police to stay away.

The local television crews and newsmen were so stunned that they could not immediately comprehend what had happened. One cameraman received a load of buckshot in his knee and had a dying man fall into his camera. Jim Waters, at local Channel 2, said he felt as though he were photographing a Vietnam war scene, but he also said, "I think the Klansmen had picked their targets, the white leaders. I think the black woman was caught in a crossfire. I'm not sure, it was so confusing and lasted such a short time." A CBS television crew was dispatched from Atlanta and within one hour had set up in Greensboro.

There it was, the two minutes of chaos and slaughter everyone in the country would see in a few hours on television. When I saw it on the CBS evening news at 6:30, correspondent Bruce Hall reported that Klansmen had shot into a predominantly black crowd at a Communist Workers' rally. Then a segment of film shot by local cameramen was shown: Klansmen shooting into the confused crowd and some people from the crowd apparently shooting back. End of report.

As usual, the network news left unanswered the more instructive questions, among them: Who belonged to each group? How many were on each side? Where did they come from?

Fifteen years ago the Klan had an estimated 80,000 nationally unified members, but today the B'nai B'rith Anti-Defamation League estimates a decimated national membership of 9,000, split into various factions with differing names and political points of view. About 800 of these are estimated to belong to a half-dozen factions in North Carolina.

Six of the 14 suspects in the Nov. 3 shootings told police they were Klansmen, and three said they were Nazis. None of the Klansmen were from Greensboro. The majority were in their late 20s and early 30s; one was an upholstery worker, two were self-employed loggers, one was a sheet-metal worker, others were mill workers.

No one I knew in Greensboro was aware that Communists of any variety were at work in the state until the shootout. And initially everyone thought the Workers were poor, ignorant people, much like the Klansmen, except racially mixed. Just another gang—the kind that starts fights in bars.

But they were wrong. They were mostly northern whites, men and women in their late 20s and early 30s, educated in some of the nation's leading universities. Only one of the five dead was black: Sandra Smith, 29, a native of South Carolina who came to Greensboro in 1969 to attend Bennett College, a small, excellent black liberal-arts college for women, where she became president of the student government.

The other dead were all white and male. Cesar Cauce, 29, a refugee from Cuba, graduated magna cum laude from Duke in 1975 with a degree in political science and history. William Sampson, 31, from Richmond, attended the Sorbonne, Harvard Divinity School and the University of Virginia Medical School. Michael Nathan, 33, came from Washington and in 1973 graduated from the Duke Medical School. James Waller, 37, was a graduate of the University of Chicago Medical School.

The educational qualifications of the Workers, or of those known to have participated, were impressive. Paul Bermanzohn, a New Yorker who graduated from Duke Medical School in 1974, was severely wounded. James Waller's widow, Signe, who some feel is one of the most militant and belligerent of the group, came to Greensboro from Rhode Island about a decade ago with her first husband, an art historian at the University of North Carolina at Greensboro. Signe Waller has a PhD in philosophy and had taught at Bennett College.

The spokesman for the group is Nelson Johnson, 35, a black native of Halifax County, N.C. In 1969, when he was student vice president at the state's Agricultural and Technical College in Greensboro, he came to the predominantly white University of North Carolina at Greensboro to urge the students to burn down the chancellor's house as a way of forcing a settlement in a workers' strike at the student cafeteria.

The curious little band of about 25 revolutionaries has over the past 10 years been trying to organize textile workers in Cone Mills in Greensboro and elsewhere in the state—with no success.

Far from being disheartened by the massacre of their members, the local group of Workers responded with a kind of macabre élan. Everything that they had hoped for had come true. They had created a media event, with the eyes and ears of the world focused on them at last after the years of frustration at Cone Mills.

The script was successful; the "Death to the Klan" rally had really worked. Hadn't they, the downtrodden workers, been brutally assassinated by the most despicable organization in America? Wouldn't they now receive worldwide sympathy and acclaim?

The surviving Workers worked at high pitch to set the stage for the next act—the great media funeral march on Sunday, Nov. 11, which they estimated would bring from 2,000 to 5,000 sympathetic marchers, with loads of fellow party members to arrive from all major cities.

The funeral march was scheduled to begin at 1 p.m. on Sunday, Nov. 11, on the corner of Edward R. Murrow Boulevard and West Market Street. The Workers carefully placed the beginning of the march well inside the black section at a small shopping center, and chose deliberately to bury the four slain white men in a city cemetery where no whites had ever been buried. (The body of Sandra Smith, the black woman, would be sent later to South Carolina to be buried.) Why the black setting? It was chosen to inject once again the false issue of race.

Sunday morning it had turned cold and was raining hard with no sign of letting up. Nelson Johnson, early Sunday morning, had called the owner of the Cosmos II restaurant at the small shopping center asking him to serve the Workers brunch and to provide them a warm, dry place to wait. The owner complied cheerfully, telling Johnson that as a capitalist he didn't mind making a few bucks from Communists.

By 12:30 the corner of Murrow and Market had been transformed into a movie director's dream for a war film setting. Lines of Greensboro police in shining riot gear, armed with rifles, stood at three-foot intervals on both sides of the street. At a nearby gasoline station the National Guard had parked armored personnel carriers and jeeps. Up the street and behind a church were busloads of guardsmen in battle regalia. Overhead two military helicopters chattered in the air. Sawhorses blocked streets and state police cars cut off all traffic into the area. Guardsmen frisked all entering pedestrians.

The walkways of the small shopping center were thronged with photographers, television crews and reporters. Estimates of their numbers ranged from 150 to 400. An ABC cameraman said that well over $1 million worth of television cameras and equipment was being rained on. Wet newsmen walked back and forth trying to find spectators to interview. They were hard to find and were apt to be plainclothes policemen. They finally settled on interviewing one another, or reading the pamphlets on sale, which offered a new explanation of the shootout:

"On November 3, 1979, under the direction and aid of the FBI and the rest of the overt repressive machinery of the capitalistic state, the KKK and Nazis with military precision assassinated five members of the Communist Workers' Party . . ." Readers were welcome to join their party, except those who were "revisionists," or, in other words, Soviet imperialists, the government in China and the Vietnamese "revisionist scum." Followers of Pol Pot (Cambodia's former hangman), though, were especially welcome to join the Workers, although one wonders how many admirers of Pol Pot there are in Greensboro.

At 3 o'clock, two hours late, a group who called themselves "The May Day Singers" climbed onto the truck to sing a ballad over the loudspeaker. Then the Workers' procession began to file out of the Cosmos II restaurant.

The coffins were unloaded, from the waiting hearses and set on wheeled contraptions that looked like oversized shopping carts. The last words from the sound truck before the procession begin to move were: "There will be a Communist Workers' Party press conference after the funeral at Signe Waller's house at 6 p.m."

The final stage business was arranged: The unloaded rifles, examined by National Guardsmen, were returned to the honor guard. These prop rifles were critical to the melodrama. The Workers wanted to look as militant and powerful and dangerous as possible for the world media photographs—a strategy of terror and violence on display developed in the 1930s by none other than the Brown Shirts as a recruitment gimmick.

For the most part the marchers wore old army jackets and raincoats left over from the Sixties, and berets seemed popular among the men. Signe Waller in the vanguard looked like a female Ernest Hemingway on safari. All the marchers wore red armbands and carried placards with photographs of their slain comrades. Someone on the sound truck shouted, "Long live the invincible Communist Workers' Party," black banners were raised and they were off. The 300 marchers, of whom two-thirds were black, waded through the press and started up East Market Street between the protective ranks of police and National Guardsmen, pushing the red-draped coffins toward the cemetery and shouting into the television cameras, "The world is watching, avenge the CWP."

Not many people were along the parade route. Even when the marchers passed A&T, Nelson Johnson's alma mater, few students came to watch. At the service at Maplewood Cemetery perhaps 200 more curious onlookers or sympathizers joined to listen to long speeches of propaganda. No prayers for the dead were offered. The Workers had turned them into props in their drama, had cut off sympathy for the dead by not showing sorrow themselves. One of the few spectators during the long wait outside the Cosmos II, an elderly black man said to another elderly black man, "I'll tell you what this all amounts to: three fleas on a dog, three fleas on a dog."

The Workers' Viewpoint Organization—a tiny, mostly white group of recent inhabitants of the area—is estranged from almost all of life in Greensboro, or anyplace in America. Full of hatred because of their failures, the members reduced their lives to cliches, and five of them died in an event rigged for self-destruction. But because the Workers managed to parade against symbols of popular dread—fascism and racism—before the glittering, indiscriminate eye of the television camera, they were watched with the rapt attention normally reserved for presidential campaigns.

Unable to distinguish between an authentic political conflict and one that displays violence to attract a following, the media reduced their role to that of convenient stooges, and in their confusion fell back on the stereotype of the Klan-dominated South to fill up a few minutes on the evening news. The event was not racial or even political, although it did have the fascination of shock and horror. It was, to use an old-fashioned word, evil.

In "Paradise Lost" Milton writes the basic dramatic formula for inciting crowds to evil behavior in his description of Satan exhorting his fallen angels to rise up as one mighty army and overthrow God by force or guile. All the props are there in Milton's description: the banners, the weapons, the music, the shouting, the marching and the rhetoric of lies. We see Hitler in the old film clips following Milton's formula when he addresses jampacked, banner-waving Nazis. We see Stalin in Lenin Square following the same Miltonic formula, just as we saw an attempt at the formula televised in Greensboro, in a shabby little shopping-center version, where without the massed police and media it would have seemed like an attraction in a small carnival's midway on a cold, wet afternoon.●

WINDFALL REVENUE FOR THE FEDERAL GOVERNMENT ACT OF 1980

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. YOUNG of Alaska. Mr. Speaker, after reviewing the agreements reached by the Conference Committee on the Windfall Profits Tax, I feel that a more appropriate title for the measure should be "The Windfall Revenue for the Federal Government Act of 1980."

First of all, I find it abhorrent that the Federal Government has gone to the extreme position of publicly chastising the oil industry for producing energy. The Federal Government, rather than admit the numerous policy errors of the past, has instead chosen to blame the oil industry for the failure of Federal energy policy. Errors such as maintaining an artificially low price for oil and gas, eliminating incentives to explore and develop energy resources in our own country, and creating an American dependence upon foreign sources of energy have put the United States in a precarious position. It is a shame that private industry must bear the cost of mistakes made by the Federal Government. In fact, it is literally slanderous for the Federal Government to point the finger at one industry and blame them for the current energy problem.

Let us examine what is taking place here. The Federal Government will realize a windfall revenue of $227.7 billion over the next decade. All of the revenue will be paid to the Federal Government by the energy industry and the American consumer. Now, logic would have it that in order to produce energy, exploration and development are required. Without funds to perform such activities, the production of energy will decline.

Instead of allowing private industry to retain profits to invest and produce new energy in the form of oil, natural gas, solar, geothermal, hydro, and so forth, the energy industry is being forced to subsidize the Federal Government and its bad habits. The breakdown for expenditure of the windfall revenue is atrocious.

Only 15 percent of the windfall revenue is earmarked for energy and transportation programs. This is appalling. The use of money derived from the sale of energy should be reinvested in this activity so that more energy can be produced. There has been criticism of some oil companies for investing in mergers that the Federal Government leads the public to perceive as not related to energy production. In fact, the Federal Government conveys the notion to the public that it is morally wrong for the energy industry to invest in anything but energy-related activities. The Federal Government, however, comes along and proposes to expend only 15 percent of the subsidy it will receive from the energy industry for energy-related programs.

The Windfall Revenue Act earmarks 25 percent for low-income assistance. Granted, low-income people should not pay the price for the perennial absence of an effective energy policy by the alleged leaders of this Nation. Efforts to mitigate the situation are needed. An expenditure of this magnitude could have been avoided if the administration would have had the foresight to eliminate the disincentives for energy development in this Nation. Punishment of those striving to produce domestic energy will not ultimately be in the best interest of the United States.

The most blatant misuse of the windfall revenue is the proposed income tax reductions. Sixty percent is to be used for this measure. While on the surface, taxpayers may be happy that they will pay less taxes, in the long run the same Government wastes will be permitted to continue. And guess who will be subsidizing this Government waste? The energy industry and the American consumer. Rather than cut out needless spending, the Carter administration has chosen to hide behind the cloak of the windfall revenue they are about to receive from the energy industry as decontrolled prices continue. Whereas the basic premise of private industry is to maximize profits by making the most efficient use of each dollar of profit; the Federal Government, on the other hand, takes $3 to spend $1 of American taxes. I fail to understand how this policy will alleviate the energy crisis. In fact, such a policy can only damage energy production in the United States.

I hope the Congress will identify the gross mistakes evident in the windfall revenue bill and act in the responsible manner for which they have been entrusted by the constituents in their respective districts.●

UPDATING THE 1934 VINSON-TRAMMELL ACT

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. PATTERSON. Mr. Speaker, when the Congress abolished the Renegotiation Board early in 1979, the Vinson-Trammell Act was reactivated. This 1934 law, if unchanged, will subject thousands of defense contractors and subcontractors to onerous reporting requirements beginning on April 15, which is less than 2 months away.

After reviewing the 1934 act, the changes in defense procurement since 1934, and current needs, I introduced on September 27, 1979, H.R. 5433. This legislation amends the 1934 act substantially. The result is a contractor profit-monitoring system which can be implemented without hiring additional staff and which will subject only large, noncompetitive DOD contracts to review. This past February 25, the Senate Armed Services Subcommittee on Procurement Policy and Reprograming held hearings on this legislation. On February 26, Subcommittee Chairman ROBERT MORGAN introduced S. 2331, which is identical to H.R. 5433. Speaking on behalf of the administration at the hearing, Deputy Under Secretary of Defense Dale Church stated that the administration supports H.R. 5433 as written.

For the benefit of my colleagues, the National Journal article of March 1 on the Vinson-Trammell Act, authored by James W. Singer, is inserted in the RECORD at this point:

DON'T LOOK NOW, BUT AN OBSCURE LAW COULD HAMPER DEFENSE EXPANSION EFFORT

(By James W. Singer)

As the country embarks on a massive defense buildup, an obscure 1934 law threatens to entangle the effort in red tape and cause key suppliers to forgo military business.

The law—the Vinson-Trammell Act—is as unwieldy as it is obscure. It sets profit limits for certain defense work: 12 per cent for the construction of airplanes and 10 per cent for ships. And it requires all contractors and subcontractors whose contracts exceed $10,000 to file reports with the Defense and Treasury Departments when the work is completed.

The act was suspended in 1951 when the Renegotiation Board was created to recapture excess profits from defense contractors but revived in late 1976 when Congress declined to renew the board's authority over new contracts. The first filing date for contractors under the revived law has been repeatedly postponed; it is now set for April 15, although that deadline will probably also be extended.

While no one knows exactly what the impact of the law would be, the Defense Department estimates that some 30,000 companies would be required to file a million reports a year at a cost of $50 million. Sixteen major defense contractors have estimated that industry's compliance costs could run as high as $670 million.

The most serious impact of the law, government and industry officials believe, is that it would dissuade many small subcontractors—who provide essential materials, components and subsystems—from seeking defense business at a time when subcontractors are in short supply.

"The Vinson-Trammell Act would be extremely damaging to the small business industrial base," said Major Grady L. Jacobs, chairman of the Defense Department's contract finance committee. "The law could well put some of them out of business and cause many others to think very carefully before accepting defense work."

In a recent survey conducted by three members of the American Electronics Association, half of the 800 small suppliers who responded said they would not accept defense business if the law were applied. Most of the others said they would have to decide on a contract-by-contract basis.

To make matters worse, the Defense and Treasury Departments, which have joint responsibility for implementing the law, have not been able to agree on how it should be interpreted.

While there is no one—including the Carter Administration, the Defense and Treasury Departments, Members of Congress and defense contractors—that likes the law or wants it to be applied in its present form, no consensus has emerged as to what should be done. But unless Congress acts within the next several months, defense contractors and suppliers may have to file reports on their business dating back to October 1976.

The defense industry is pushing for repeal of the law, saying that new laws and modern contracting procedures make special excess profit limitations unnecessary. The Carter Administration opposes repeal and favors modification of the law, although it has not decided exactly what it wants.

Repeal seems unlikely. Members of Congress probably will not want to expose themselves to the charge that they are opening the door to defense profiteering—particularly with the government embarking on a spending spree.

Under the Carter Administration's fiscal 1981 budget, defense outlays for the next five years are expected to be about $100 billion above what would be required to maintain spending at its current level—and there is strong pressure in Congress to push spending even higher. The Administration has asked that outlays for fiscal 1981, which begins next Oct. 1, be increased by $15.3 billion to $142.7 billion.

Congress authorized the Vinson-Trammell Act and the Renegotiation Board during similar periods: the 1934 law was passed at a time when the Navy was being expanded, while the board was established during the Korean War.

Several bills dealing with the law have been introduced in Congress. Unofficially, the Defense Department supports a bill (HR 5431, S 2331) sponsored by Rep. Jerry M. Patterson, D-Calif., and Sen. Robert Morgan, D-N.C., that would impose profit limits only on noncompetitive contracts over $5 million.

The Senate Armed Services Subcommittee on Procurement Policy and Reprogramming, chaired by Morgan, began hearings on the 1934 law on Feb. 25.

While the defense industry now appears to be largely united in seeking repeal of Vinson-Trammell, small defense contractors and suppliers almost certainly would settle for a change that would raise the contract threshold of the law to exempt most of their work.

"At the moment, we're going along with the effort to repeal the law," said Bruce N. Hahn, governmental affairs manager for the National Tool Die and Precision Machining Association, which represents small defense suppliers. "But we could live with something like the Patterson bill."

THE LAW

Although the Vinson-Trammell Act officially has been back in effect for the past three years, the law was largely ignored while the Renegotiation Board continued to function.

The board's authority to review new defense contracts ceased after September 1976, but Congress continued to authorize the board to work on its backlog until it finally let it go out of business last March. Up to that point, the board—and not the Vinson-Trammell Act—remained in the spotlight. (See NJ, 4/21/79, p. 642.)

Even with the board gone, the 1934 law did not receive much attention for some time, in part because few people thought it would ever really be used. The law is now causing increasing concern, however, because of the fear that Congress may not act in time to prevent it from being applied in its present form.

The April 15 filing deadline will be postponed again, government officials say, but unless Congress changes the law, filings almost certainly will be required by this fall—if Defense and Treasury can resolve their administrative differences.

As it stands, the law is widely considered both unfair and unworkable.

It limits profits only for the construction of ships and airplanes. It does not apply to contracts to maintain, repair and recondition existing ships and planes or to supply other military hardware such as missiles, space and communications systems, tanks and munitions.

Subcontractors say that it would be virtually impossible for them to comply with the law because they have no way to determine how the parts they manufacture eventually will be used.

William P. Gentz, who owns Gentz Industries Inc., a manufacturer of jet engine parts in Warren, Mich., said he never knows whether the parts he supplies are used for military or commercial aircraft. "We just make the parts and I never know which orders are for what," he said.

It may have made sense in 1934 to apply the law to all contracts and subcontracts over $10,000, but that level is far too low today, critics complain. The effect, they say, would be to generate a useless paper blizzard and needless costs that would deter many suppliers from competing for defense business.

Ernest E. Cormier, owner of Precision Machinery Co. Inc., a Providence (R.I.) company that makes parts for airplanes, submarines, tanks and other equipment, said his firm could not comply with the paperwork provisions of the law without hiring an accountant. For this and other reasons, he said, the law would force his firm out of the defense business even though practically all of its work has been in this area.

Defense Department officials say that the profit limitations of the law—12 per cent for aircraft and 10 per cent for ships—would substantially affect small suppliers but have little impact on prime contractors who receive the large contracts that cause the most concern about possible profiteering.

In recent years, officials point out, few if any prime contractors have made more than the law permits, with most making considerably less. But they add that smaller suppliers often exceed these limits and, with their vastly lower sales volume, must exceed them to survive.

While it is not necessary for his firm to make more than 10 or 12 percent on all contracts, Cormier said, it must do so on some to compensate for its losses on other contracts. "Ninety-nine out of 100 times, we've never seen an item that we bid on," he said, "All we see is the blueprint, so all we can do is give an educated guess about what we can make it for. Sometimes it costs more than we estimated, and we've got to be able to cover the cases where we lose money."

AGENCY CONFLICT

In addition to these problems, the Defense and Treasury Departments have not been able to agree on how the 1934 law should be interpreted. They have issued different proposals for applying it.

Defense held hearings on its proposed regulation on Feb. 19 and 20 and may hold more; Treasury has scheduled hearings on its proposal for March 12.

The Treasury Department, through the Internal Revenue Service (IRS), is responsible for enforcing the law. The Defense Department must see to it that the terms of the law are included in its contracts. And the IRS determines how excess profits are calculated—with the concurrence of Defense.

One difference between the IRS and Defense concerns the number of times contractors and subcontractors should be required to file reports. The IRS takes the position that companies should submit reports every time they deliver a new ship or plane. Defense argues that reports are necessary only when the last ship or plane covered by a contract is received.

The major dispute between the IRS and Defense, however, concerns the method to be used in determining excess profits. Ironically, the IRS favors the defense acquisition regulation—the regular Defense Department procurement code—while Defense prefers the more generous federal tax code and IRS regulations. Not unexpectedly, contractors support the Defense Department's position.

The intent of the Vinson-Trammell Act and the existing 1939 regulations implementing it, Treasury officials say, is to limit the price the government pays for its ships and planes. Current defense procurement rules, they contend, have the same purpose and also specify the costs that the government will allow companies in fulfilling their contracts.

The tax code and IRS regulations, on the other hand, permit deductions for costs such as advertising expenses and idle plant capacity that Treasury believes should not be allowed on government contracts. The rules also are used to achieve certain economic and social goals—such as allowing a company fast depreciation for installation of pollution controls—and are therefore inappropriate for determining excess profits, the Treasury officials argue.

In addition, the officials say, the IRS rules are set up to determine a company's total cost of doing business and are not suited to cost calculations on a contract-by-contract basis, as required by the Vinson-Trammell Act.

Defense officials, however, say their regular procurement rules are inappropriate because they are not intended to determine the actual cost of fulfilling a contract but only the amount of costs the government will allow to be paid as a matter of public policy.

As an example, the officials note that the interest a firm must pay on money borrowed to do business is not reimbursable under the regular procurement rules, although such an expense can be deducted under the tax laws and should be allowed in computing profits.

Defense officials also argue that the IRS rules were used by the Renegotiation Board for more than 25 years to determine excess profits.

Discussions between Defense and Treasury officials, which were broken off early last year, are expected to be resumed after hearings on the regulations are completed.

PROPOSED CHANGES

The real question now, in light of widespread dissatisfaction with the Vinson-Trammell Act, is not whether the law should be changed but how it should be changed.

There is no dearth of suggestions. In addition to the Patterson-Morgan bill, bills have been filed to repeal the law (S1687, HR 3254), to raise the threshold amount from $10,000 to $1 million (S 2232) and to apply it only to firms that do more than $3 million a year in defense business (HR 3623).

The defense industry, which led the fight to abolish the Renegotiation Board, is the primary proponent of repeal. The industry contends that existing laws, regulations and contract procedures prevent defense contractors and subcontractors from earning excess profits. Only in wartime is a special law needed, industry officials say, to recapture excess profits that some manufacturers inevitably make in the frantic rush to step up production.

"The Vinson-Trammell Act can't be patched up, and there's no need to do that anyway because existing controls are more than adequate," said Kenneth C. O. Hagerty, vice president of government operations for the American Electronics Association.

Defense Department officials, however, say current laws do not prevent excess profits, particularly when the contracts are awarded without competition.

They argue that the government can only estimate what labor, material and other costs will be in the future and that these estimates play a large part in determining the price of non-competitive contracts. Special provisions are needed, they say, to recover excess profits that might be realized as a result of erroneous estimates.

"Existing laws would not preclude a situation where a contractor would exploit a sole-source marketing position to demand higher prices or profits than would be sought in a competitive position environment, or where poor or hurried negotiations would result in a contractor realizing excessive profit." Robert F. Trimble, the Defense Department's director of contracts and systems acquisition, wrote to Patterson last December.

Rather than repeal the Vinson-Trammell Act, the Defense Department favors the bill by Patterson and Morgan that would amend the law to limit profits to 15 per cent for all noncompetitive defense contracts and certain subcontracts of more than $5 million.

"Simple repeal of Vinson-Trammell is unacceptable," Patterson said. "We need to be protected in situations where there's bound to be some excessive profits that should be recovered."

Unlike the current law, which applies to ship and airplane contracts and subcontracts above the $10,000 threshold, the Patterson-Morgan bill would impose the profit limits only on so-called first-tier subcontracts—those made directly with prime contractors.

The measure, which would be enforced by the Defense Department for five years on a trial basis, would allow losses from noncompetitive contracts of any amount to be offset against excess profits. The losses could be carried forward for four years.

The bill would repeal the Vinson-Trammell profit limitations from the time the law was revived in October 1976, and the new limits would be imposed only on contracts made after the bill passes.

The bill, Defense officials say, would cover 80 per cent of the department's yearly procurement without imposing an undue administrative burden. About 2,000 contracts and subcontracts would be covered by the bill each year.

Defense officials also said the bill would allow the department to reward firms that do particularly good work or develop new manufacturing procedures that save the government money without counting such bonuses in determining the amount of excess profits.

At this time, it's hard to tell what Congress will decide to do about the Vinson-Trammell Act. At some point, it undoubtedly will make some change in the old law, but it will have to move fairly quickly to make sure that the law is not enforced by Defense and Treasury.

With hearings under way, Congress could act in time to relieve companies of having to comply with the law in its present form. If it doesn't, the obscure 1934 statute will become a lot better known on Capitol Hill.●

U.S. ACTION ON RESOLUTION REGARDING ISRAEL

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. BRODHEAD. Mr. Speaker, I have been appalled by the developments surrounding the March 1 vote in the U.N. Security Council on the resolution regarding Israel's administration of the West Bank, Gaza, and East Jerusalem. Subsequent administration attempts to deny, explain, and excuse the vote have clouded a delicate issue that cannot bear obfuscation.

Substantial progress has been made toward a lasting peace since the Camp David summit. This progress—the opening of borders between Egypt and Israel, the Israeli withdrawal from the Sinai, cultural exchange and the exchange of ambassadors—has come as the result of careful negotiation, rather than hasty and ill-considered action. The United States has been able to contribute to the peace process because both sides have generally accepted that we had a clear, coherent, and even-handed policy toward the many sensitive matters that are under negotiation.

The United States should take a clear and consistent stand in regard to the need for a solution to the West Bank issue. Firm U.S. support for Israel is essential if the ongoing negotiations on this question are to be successful. Our country should not impede these negotiations by sending out crossed signals as to our position or upset the carefully balanced situation in the Middle East by raising questions about our commitment to the peace process that was begun at Camp David.

The goal of a just and lasting Mideast peace can only be achieved if all sides approach this matter thoughtfully and straightforwardly. I am deeply concerned that U.S. action on the resolution, by falling short of these goals, has worked against the interests of Israel and the peace process as a whole.●

ADMINISTRATION FLIP-FLOPS AND MEANDERINGS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mrs. SCHROEDER. Mr. Speaker, the administration's flip-flop on the Israeli vote in the U.N. is hardly surprising to anyone who has followed their meanderings in draft registration.

Today's New York Times editorial on this subject follows:

[From the New York Times, Mar. 5, 1980]

AND NOW, THE COMMUNICATION GAP

Somewhere, maybe, there is someone who believes that the United States Government would cast a precedent-shattering vote against Israel at the United Nations, in an election year, without having read and re-read and re-read the language of the resolution. If that actually happened, as the White House contends, you would have thought that everyone entrusted with the nation's security affairs would have moved mountains to cover it up. For now it has become a case not only of betraying Israelis and then Arabs, but also of dismaying all who depend on the competence and constancy of American leaders. Not even crass political calculation can explain this kind of whirligig diplomacy. How does it help a President to demonstrate that, on an issue of domestic as well as foreign significance, his political calculus cannot hold from Saturday to Monday?

For the moment, we can only guess at the circumstances that produced President Carter's pathetic confession of a "failure to communicate." Perhaps he approved the vote in anger at the Israelis' newest venture in West Bank settlement, only to be frightened off on reflection, or by the reaction in Israel—and Massachusetts. Perhaps the State Department, thirsting to side with the Arabs, misread a White House signal of consent and rushed over a rhetorical cliff.

It doesn't much matter. Far more worrisome than even this escapade is the fact that the people who caused an ethnic war by somehow losing touch with Andy Young have made clumsy reversal on major issues a trademark of their regime.

There was the case of the Soviet "brigade" in Cuba, probably set off by an intelligence failure. It was compounded by political panic—the fear that Senate opponents of the SALT treaty would capitalize on the "discovery" unless the President became the first to demand withdrawal of the troops. When the Russians proved that they had nothing special to withdraw, Mr. Carter could only retreat, dragging the treaty toward oblivion.

There was the case of the military budget. For months, Mr. Carter had insisted that he could not profitably spend more than a 3 percent increase in Pentagon funds. But to buy SALT votes in the Senate, essential new projects were miraculously found requiring an additional 2 percent increase.

Then came the budget as a whole. After promising for three years to balance it for fiscal 1981, and despite the need to cool inflation, Mr. Carter last month proposed a deficit of at least $16 billion. That permitted him to satisfy Pentagon clients on the right and Kennedy liberals on the left. But it soon became obvious that inflation had created an even greater political menace in the middle—and the White House discovered that it could rewrite the budget in just a few days after all.

And then there was the summons to register draft-age youth. Mr. Carter called it necessary for national defense—until the Pentagon and Selective Service indicated that it would reduce the time needed for mobilization by only a few days. The White House then said registration was needed to demonstrate a new public tolerance for military preparedness. With great fanfare, and an eye on the women's lobby, Mr. Carter said women, too, had to register. But within days, the great public referendum was allowed to fizzle. Registration was proposed for only 19- and 20-year-olds, and Congress was quietly told it didn't really have to include women.

After all that, what's another fumble in the United Nations? More than a failure to communicate. [Italic supplied.]●

DRUG ENFORCEMENT ADMINISTRATION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. WAXMAN. Mr. Speaker, on behalf of Dr. CARTER, Mr. SATTERFIELD, Mr. WALGREN, and Mr. GRAMM, I am pleased to introduce H.R. 6700, a bill to extend for 3 fiscal years the authorization of appropriations for administration of the Controlled Substances Act (CSA). The CSA is the statute under which the Drug Enforcement Administration (DEA) obtains authority for its drug enforcement activities and programs.

Mr. Speaker, when the Congress enacted the Controlled Substances Act in 1970, it resolved that reducing the supply of dangerous drugs and lessening their impact upon society would require a concerted and unified effort at the Federal level. The Congress recognized that there were many drugs, both licit and illicit, which were subject to abuse and that the abuse of these substances inflicted a substantial and detrimental effect upon the health and general welfare of the American people.

Mr. Speaker, 9 years following enactment of this landmark legislation, the abuse of narcotics and other controlled substances continued to represent one of this Nation's most intractable public health programs.

H.R. 6700 would provide the DEA sufficient authority to continue its many important enforcement and intelligence operations, while modestly expanding efforts in newly emerging problem areas. The increased budgetary authority provided is needed and will significantly enhance the ability of DEA to more effectively discharge its statutory obligations.

Mr. Speaker, I would ask that a copy of H.R. 6700 be printed in the RECORD at this point:

H.R. 6700

A bill to extend for three fiscal years the authorization of appropriations for the administration of the Controlled Substances Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 709(a) of the Controlled Substances Act (21 U.S.C. 904(a)) is amended (1) by striking out "and" after "1979,", and (2) by inserting after "1980," the following: "$225,000,000 for the fiscal year ending September 30, 1981, $260,000,000 for the fiscal year ending September 30, 1982, and $300,000,000 for the fiscal year ending September 30, 1983,".

(2) Section 203 of the Psychotropic Substances Act of 1978 (Public Law 95-633) is amended by striking out subsection (d).●

REPRESENTATIVE CLAUDE PEPPER CITES WEAKNESSES IN AGING SURVEY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. DRINAN. Mr. Speaker, an excellent letter to the editor appeared in the February, 29, 1980, edition of the New York Times. This letter was written by the Honorable CLAUDE PEPPER, chairman of the House Select Committee on Aging, in response to an op-ed article by Alvin Rabushka and Bruce Jacobs.

Based on a survey of approximately 1,500 elderly American homeowners, Rabushka and Jacobs attempt to argue that poverty among the elderly is a myth. After producing a litany of facts, these authors conclude that the elderly poor are not of sufficient numbers to deserve being singled out for special treatment by our society.

Mr. PEPPER's letter correctly points out the many weaknesses of Rabushka and Jacobs' study. His letter is a sensitive and accurate portrayal of older citizens in this country. No group should be singled out and subsidized at the expense of other groups. Nevertheless, society has a responsibility to all its citizens. Mr. PEPPER shows us that the existence of the elderly poor is no myth.

The letter follows:

[From the New York Times, Feb. 29, 1980]

OLDER AMERICANS ARE THE POOREST AMERICANS

WASHINGTON, D.C.,
February 21, 1980.

To the EDITOR:

With the race to embrace fiscal responsibility in high gear, academicians, journalists and politicians are falling over one another in an effort to find "waste" and "fat" in the Federal budget. All too often, "waste" constitutes expenditures for persons who are the least able to defend themselves politically.

It is small wonder then that the new panacea for the budget-cutters is the slashing of benefits for America's aged.

The most recent but surely not the last salvo to be fired in this direction landed on your Feb. 15 Op-Ed page ("Are Old Folks Really Poor? Herewith a Look at Some Common Views.") In a cynical attempt to portray the staggering proportions of poverty among the aged as a "stereotyped view of aging," the authors sought to create a fantasy land of typically wealthy, healthy and well-nourished elderly persons who plead poverty in order to live off the fat of the land.

The writers of the article, Alvin Rabushka and Bruce Jacobs, believe that there is a "commonly held image of misfortunate and need" with respect to the elderly, but they are curiously silent regarding the origin of this image, which they claim has fooled Americans for so long into supporting programs for the elderly.

Where does this so-called myth originate? To find out, Messrs. Rabushka and Jacobs polled 1,500 elderly homeowners on the effects of poverty on their lives. This is not unlike testing 1,500 graduate school students to determine the extent of illiteracy among young Americans. Needless to say, it was easy to "sketch a much brighter picture" of the elderly population.

Perhaps Rabushka and Jacobs would have encountered more difficulty had they bothered to poll the 14.6 million elderly persons with incomes under $5,999, or the more than 16 million over 65 with incomes under $6,999. These groups constitute 64 and 70 percent, respectively, of the total elderly population in America. From the standpoint of time alone, the authors did well to confine their survey to 1,500 elderly homeowners.

From a standpoint of accuracy, however, the economic plight of the aged was distorted to the point where any connection with reality was purely accidental. Surely these researchers had access to Census Bureau statistics which reveal that persons over 65 constitute almost 23 percent of everyone in America with an income under $4,999 although they are only 10.7 percent of the overall population. In fact, by any analysis or interpretation of the Census Bureau's poverty figures it is clear that older Americans are the poorest Americans.

These statistics expose the glaring deficiencies of the very programs the authors use to sketch their brighter picture. Supplemental Security Income does indeed, as stated in the article, provide a guaranteed minimum income to all older Americans. The maximum benefit of $208 to a person with no other income was casually omitted from discussion. If those anxious to "cut the fat" ever attempted to live on $208 per month, the inadequacies of the benefit level would acquire new significance.

While poverty statistics do not include the "in-kind income" of benefits from Medicare and Medicaid, I would seriously question the concept that elderly persons are somehow enriched as the result of a catastrophic illness. In view of the fact that Medicare pays less than 43 percent of an average older person's health bill, it is not very likely that one will find many people who have received a fiscal windfall as a result of in-kind health benefits.

I would also question the "self-assessment" survey techniques utilized to "prove" that elderly persons receive a sufficient income, have proper health care and live in adequate housing. It should come as no surprise that this generation of elderly people are too proud to accept "charity" and that they are too humble to demand the decent standard of living for which they have worked all their lives.

In light of the disproportionate incidence of poverty among the elderly, it is cruel and callous to suggest that older people are luxuriating in unearned and undeserved benefits. Our Federal policy toward the elderly leaves little margin for survival, much less for extravagance. Hiding the millions of elderly poor behind a brightly colored facade only serves the purpose of insuring that millions more younger Americans will one day be trapped behind that wall.

CLAUDE PEPPER,
Chairman,
House Select Committee on Aging.●

THREE MEMBERS OF JAYCEES RETIRING

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. ATKINSON. Mr. Speaker, it is a pleasure for me today to make special mention of three members of the Upper Beaver Valley, Pa., Jaycees: Drew Grivna, Joseph Sabella, and James Shanor.

These gentlemen have reached the age of 36 and as is stipulated in the bylaws of the U.S. Jaycees, they must now retire from the organization.

As members of the Jaycees, their individual contributions have been numerous and the impact their efforts have had on their communities has been far reaching. Advancements in areas such as mental health and mental retardation, youth and elderly assistance, and community development, to name a few, have been greatly enhanced by their efforts and concern.

Drew, Joe, and Jim have expressed through their achievements a genuine willingness to adhere to the philosophy of the Jaycees, that, "Service to humanity is the best work of life."●

RADIATION PROTECTION

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. WYDLER. Mr. Speaker, I intend to introduce a bill called the Radiation Protection Act this week. This will complement my low-level nuclear waste bill, H.R. 6570, which I introduced on February 21, 1980.

I think it is important that Members of the House be aware of the real risks of nuclear power and the issue of radiation protection as background for consideration of this legislation. Recently, a letter from Morton Goldman, senior vice president, Environmental Systems Group, NUS Corp., Rockville, Md., appeared in the December 1979 issue of Civil Engineering-ASCE.

The letter follows:

In 1950 Dr. Goldman helped found the radiation protection program of the old U.S. Public Health Service. In 1961 he left to help found NUS Corp., a consulting firm that provides radiation expertise to the electric utilities, which were then thinking about building nuclear plants.

To the Editor: This is prompted by the letter from Mr. Haynes in your September issue, page 40, which is entitled "Nuke Hazards Outweigh Benefits?"

As an engineer who has "really listened to (more than) a little of the other side of the story" for 30 years, in government and as a consulting engineer, I would like to tell the facts as those working in the field of environmental effects of radiation understand. Following are comments on some of Mr. Haynes' statements:

1) "Nuclear wastes are so toxic . . . that we have no frame of reference . . ."

This is nonsense. Radiation protection standards were first established 50 years ago, long before standards for most other toxic materials were even conceived as necessary. Over 20 years ago, permissible concentrations for several hundred radionuclides in air and water (and foods) were established in the United States and internationally which have remained largely unchanged. EPA has to date established maximum concentration levels for less than a dozen toxic elements in drinking water, despite the thousands of toxic compounds in the environment.

Plutonium is toxic, as are a host of other natural and man-made chemical elements and compounds. However, the toxicity of any substance can be managed (as many have been) by engineered control systems. The uncounted number of "small specks of plutonium" in the tons of that substance distributed worldwide during the atmospheric weapon testing era do not seem to have killed off mankind. The three tons of plutonium produced in Gabon, West Africa, by a natural fission reactor at Oklo some two billion years ago also seem to have spared the human race, despite the absence of engineers. The toxic chemicals PCB, PBB, dioxin, etc., are much newer threats to human health and life. But life will go on.

2) "Radiation and the human body are not compatible. Even natural background radiation . . ."

The human race (as well as every other living species) has evolved from the beginning of time in a background radiation environment from natural sources which has, in fact, been much higher in the past than at present. So there is not much case for 'incompatibility'. Even at present, in areas of the world (Brazil, India, France) where background radiation is many times the average, it has not been linked to any increase in ill health. Denver, Colorado, which has a radiation background more than double the United States average, does not have a higher incidence of cancer in people.

3) ". . . the official safe tolerance level . . . has been decreased several times"

The basic radiation protection standards for both workers and members of the public have remained essentially unchanged for the past 20 years; 5 rems and 0.5 rems per year respectively. However, as technology has improved, design objectives for effluent control systems have been made more stringent, reflecting the philosophy that controllable releases and resulting exposures should be reduced to a level which is as low as practicable.

4) ". . . quantities of low-level wastes and uranium mill tailings are not small . . . and are also lethal to use."

There are indeed large volumes to these wastes (relatively speaking for the nuclear industry, although not compared with those generated by the coal or other mineral extraction industries). But they are not lethal. For example, mill tailings, although requiring more attention than they have received in some past instances, have recently been analyzed in a generic environmental impact statement by the NRC. Using very conservative assumptions as to radon releases, transport and intake, NRC predicts that with no controls whatsoever the emanations from nuclear wastes in mill tailings would produce no detectable difference (less than 0.1%) in the average natural background radon exposure of the U.S. population.

Since the ranges of variations in natural radon concentrations, both geographically and in time, exceed this increment by many times, it is hard to justify a conclusion of "lethality" even in the absence of any control, let alone with the kinds of reasonable control needed to prevent local migration or erosion of the tailings.●

THE AMTRAK PARADOX

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. JACOBS. Mr. Speaker, at the request of Mr. Herm Albright of Indianapolis, Ind., I insert the following article in the CONGRESSIONAL RECORD:

THE AMTRAK PARADOX

(By Tom Wicker)

NEW YORK.—In June, thanks mostly to long lines at the gasoline pump, Amtrak ridership rose 24 percent over that of June 1968, to a total of 2,050,000. It was the first month in the system's brief history that it had carried more than 2 million passengers. About this, two paradoxes might be noted:

October 1 brought a congressionally ordered cutback in Amtrak service.

Yet, the outlook for a decent intercity rail passenger service now seems marginally improved.

The route pruning that finally goes into effect—lawsuits are contesting some of the cuts—actually will be only a small part of the 43 percent cutback the Carter administration originally sought and Congress at one time seemed sure to approve.

The summer's gasoline shortage—or whatever it was—gave Congress renewed concern for public transportation. The legislators largely rescued Amtrak from the administration assault and even improved its financing. Now, with energy concern continuing and gasoline prices drastically increased, it is unlikely that serious cutbacks will be threatened anytime soon.

A strong public transportation advocate, former Mayor Neil Goldschmidt of Portland, Ore., now heads the traditionally highway oriented Department of Transportation. Goldschmidt, unlike his predecessor, preferred the limited route cuts ordered by Congress to the 43 percent reduction proposed by the administration, and he told Ernest Holsendolph of the New York Times that he "would not be surprised if we had another Amtrak crisis in the next two years, comparable to the rush to trains during the fuel crisis" of last summer.

Nevertheless, the Carter administration remains no more than grudgingly interested in intercity rail service. Whether Goldschmidt will or can make much headway in that atmosphere remains to be seen. And the major problem of Amtrak is still what it has always been—that no administration of either party and no Congress has ever given it enthusiastic support, much less sufficient funds and authority.

Outmoded work rules could be eliminated. The 16-hour trip of the Montrealer from New York through New England to Canada, for example, now requires six crew changes, running up wage costs exorbitantly. Authority to hire its own crews under new and more efficient work rules would be a great step forward for Amtrak—and for lower deficits.

Amtrak also could be efficiently used to carry mail, as trains used to. This would be energy-efficient (highway postal trucks cannot carry passengers) and provide much-needed revenue. American Airlines received $36.5 million for carrying mail in 1978. Greyhound Bus took in $152.5 million for its package express service in 1976.

A sensible public transportation system also would use trains and buses to the maximum extent, dovetailing their schedules as much as possible and making these schedules convenient to passengers. Incredibly enough, such cities as Buffalo, Pittsburgh, San Antonio Charlotte, Omaha, Hartford and Syracuse are served by Amtrak only between 11 p.m. and 7 a.m. The Floridian, one of the trains being discontinued (despite a 19.6 percent ridership increase in the first half of this fiscal year), does not include Atlanta on its Chicago-Miami route. Is that any way to run a railroad?

One major obstacle for Amtrak is the persistent notion that rail passenger service must pay its way. That is not possible against the competition of swift airlines and convenient automobiles. But the government spent $1.8 billion in 1978 on the Air Traffic Control System and since 1971 it has spent $8.5 billion from general funds on highway construction and maintenance. The subsidies for Amtrak have been minuscule in contrast.

Besides, rail passenger service is needed for areas the airlines can't serve and to provide an energy-efficient alternative to energy-wasting autos and airliners. A six-coach train carrying 600 passengers produces 400 passenger miles per gallon—an unsurpassed potential, if Amtrak only had the equipment, the roadbeds, the scheduling, and the government backing to make it possible.●

REMARKS OF HON. GEORGE BUSH

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. WHITEHURST. Mr. Speaker, three nights ago, on the evening of March 2, a former colleague of ours, Hon. George Bush, spoke at Harvard University on the increasingly perilous situation facing us and the world. I think it is a message that deserves a wider forum than the environs of a university campus, even as great a one as Harvard, and I am pleased to include Ambassador Bush's remarks in the RECORD.

The speech follows:

As we meet here tonight, ominous shadows threaten the security of our Nation and the peace of the world.

I speak of the twin shadows of international lawlessness and aggression, first cast one hundred and twenty days ago over the American Embassy in Tehran—then spread across the mountains and plateaus of Afghanistan—and which now menace the vital interests of the free world and the Persian Gulf.

Think of it: one hundred and twenty days of captivity for fifty Americans.

During these four long months, I have refrained from public criticism of the Carter administration's handling of the hostage situation in Iran. Along with the overwhelming majority of the American people, I believe that in a time when American lives and interests are at stake, we as a nation must present a united front to the world.

For this reason, I did not and do not share the view of one Presidential candidate, Senator Kennedy, that this is a time to enter into public debate over past American policy regarding Iran.

Nor can I share the position taken by another presidential candidate, Governor Reagan, who says that his answer to the current crisis in Tehran is to set a deadline for the release of the hostages—unless and until I know what it is that Governor Reagan proposes to do if the irresponsible forces now controlling Iran do not meet his deadline.

In short, I disagree with those critics of the Carter Administration's handling of the Iranian hostage crisis who, on the one hand, think the answer lies in American apology for alleged past sins or, on the other hand, think we can free the hostages by bluff and bluster.

Yet, having said this, I think that, while an international crisis is no time for reckless partisan criticism, neither is it a time for a President to give mixed signals to the American people regarding matters involving American lives and interest.

We have had four months of varied Carter Administration approaches to the hostage crisis. In recent weeks, hopes were raised that critical behind-the-scenes negotiations were taking place that would soon see the hostages freed.

Now it seems that despite reassuring words from the White House and State Department, those hopes were false.

Tonight, according to the most recent word from Tehran, we are no closer to solving the hostage crisis than we were at the moment the embassy was seized.

Through this difficult one hundred and twenty days, the American people have given the President their overwhelming support. Indeed, we have witnessed an outpouring of national feeling and the crystallization of national unity seldom seen in modern times.

But, unity behind any presidential policy in a free society is a two-way street. As we saw during the days of Vietnam war, no administration can expect unqualified open-ended support of a policy about which the public is given insufficient or misleading information.

This is to say that if other candidates for president have an obligation not to view the hostage crisis in partisan political terms, that obligation falls even more heavily on the man who occupies the White House.

My point is simply this: After four months, the time is long overdue for the Carter Administration to be honest with the American people about the reality of the hostage situation. We need to know the truth behind the facade of diplomatic activity that the administration claims has been taking place in recent weeks—truth that can only come from the President himself, not through White House or State Department leaks calculated to inspire false optimism.

Yet, the crisis in Iran is simply a microcosm of the larger crisis that affects American Foreign Policy and National Security.

Indeed, let it be understood that those hostages in Tehran are flesh and blood victims of a weak and vacillating foreign policy based on such false optimism regard**ing the state of the world in which we live.**

Since January 1977, we have heard it said that Jimmy Carter is a President who believes in the power of symbolism as a technique of leadership.

In a very real sense, the fifty American hostages are products of that kind of leadership. For while flesh and blood, they are also symbols of this administration's disastrous foreign policy—a policy based over three long years on this President's naive view of the real world.

What are we to call a President who, in the year 1980, publicly confesses that the invasion of Afghanistan gave him a new un-

derstanding of Soviet character and Communist intentions?

To say that he is naive is to put it mildly. He is either dangerously uninformed regarding the history of the twentieth century or so blinded by his own narrow perceptions that he cannot see the true nature of the crisis confronting America as we enter the decade of the eighties.

But even if Jimmy Carter has by his own admission only recently enrolled in his first class in Soviet Power Diplomacy, it is vitally important that the American people understand the full dimensions of this crisis.

We must realize, first of all, that, while the hostage crisis understandably is uppermost in our thoughts, the foremost threat to the freedom of the American people remains today—as it has been for 35 years—the expansionist policies of the Soviet Union.

What we are witnessing in Afghanistan is the result of a relentless and massive buildup in Soviet military power, concurrent with a deterioration and weakening of American military strength.

Over the past decade alone, the Soviet Union has spent thirty percent more for defense than has the United States. By last year, 1979, the Soviet Union was spending about one hundred and sixty-five billion dollars—approximately fifty percent higher than the total United States expenditure.

In the critical category of defense investment—that is, spending for real military hardware—the Soviets outspent the United States by eighty percent in the second year of the Carter administration.

Let me repeat—that is eighty percent in the year 1979 alone.

It should come as no surprise to anyone familiar with post World War II history that the leaders of the Soviet Union understand and respect the uses of power.

For all their recent utterances regarding détente, the men in the Kremlin today still adhere to the philosophy expressed by their mentor, Josef Stalin. It was Stalin who, when someone mentioned the displeasure of Pius the Eleventh regarding a particular Russian move, cynically inquired: "And how many divisions has the Pope?"

From Stalin to Brezhnev, that philosophy still holds. Thus, when Soviet troops poured into Afghanistan, it was not a radical act as President Carter naively believes—it was the logical extension of policies designed to create a change in the world power balance based on a significant shift in the U.S.-Soviet military balance.

Let there be no mistake: The actions—or, as it were, inaction—of the Carter administration has accelerated this dangerous shift. It is a matter of record that major cuts in defense spending were central to candidate Carter's campaign in 1976—and, in this area, unlike so many others, he has regrettably kept his promises.

As early as February 1977, Jimmy Carter boasted that he had cut three billion dollars from the defense budget in his first three weeks.

Five months later, he proudly announced that he was cancelling the B-1 bomber.

And, that was only the beginning of this administration's policy of retreat and retrenchment in dealing with our country's basic defense needs.

Thus, while we've heard talk in recent weeks of the development of a so-called "Carter Doctrine" to face up to America's overseas responsibilities, there has, in fact, already been a Carter Doctrine developed over the past three years.

Indeed, it was this "Carter Doctrine" that, more than anything else, triggered the crises now taking place in Iran, Afghanistan and other critical areas of the world.

What is the "Carter Doctrine" as practiced over the past three years?

Simply stated, it is that the United States, though the professed leader of the free world, should not be depended on to meet force with anything except words and phrases—because this Nation's military power has been reduced to the point where America does not, in fact, have the strength to meet its commitments around the world.

So it is that in the interests of an illusory "detente" based on the "Carter Doctrine's" naive vision of Soviet intentions, we cancelled the B-1 bomber—even as the Soviets began to develop their own new bomber.

Under the "Carter Doctrine", we slowed down development of our new ICBM—while the Soviet Union began developing no fewer than five new missiles.

Under the "Carter Doctrine," we cancelled the neutron warhead—even as the Soviet Union build up medium-range missile targeting against western Europe.

Then, of course, we have borne witness to the "Carter Doctrine's" unique obsession with SALT Two.

Until the invasion of Afghanistan, it appeared that no Russian action, no matter how flagrant, could cause Jimmy Carter to question the motives of the Soviet leadership or the value of the Salt agreement.

By the terms of the "Carter Doctrine", therefore, the President, his Secretary of State and his National Security Advisor vigorously opposed any "linkage" between SALT and even so flagrant an action as the placement of a Soviet brigade in Cuba ninety miles off the American coast.

That Administration's obsession with SALT continues even to this day. Only seventy-two hours ago, in fact, the White House announced that it intends to pursue the ratification of SALT Two next year.

In addition to being completely at odds with the Carter Administration's supposed policy of keeping sustained pressure on the Soviet Union to remove its troops from Afghanistan, this latest White House announcement—to say the least—presumes a great deal about the composition of the executive as well as the legislative branch this time next year.

It also indicates that, regardless of what the public opinion polls may look like today, Jimmy Carter's reading of the intentions of the American people come November are as inaccurate as his naive assessment of the Soviet behavior.

And consider, if you will, the harsh reality of that behavior in recent years. The reality about the Soviet Union that the Carter Administration has yet to face up to.

I have spoken of the Russian build-up of raw material power. On a strategic plane, the Soviets, given confidence by their burgeoning strength, have embarked on a course that threatens to strangle the oil life-line of the United States, Western Europe and Japan.

This strategic advance began as far back as 1975 when over forty thousand Russian-supplied Cuban mercenaries invaded Angola to prop up a collapsing Communist regime. Significantly, the Democratic-controlled Senate, then led by a coalition of Senators Walter Mondale, Edward Kennedy and Robert Byrd, voted to cut off assistance to the non-Communist Angola forces.

Now, there are those who ridicule the idea of a "domino theory" as it applies to aggression. Yet, listen to what has followed in the wake of this country's failure to aid the anti-communist forces in Angola five years ago.

In 1977, these same Cuban troops in Angola sponsored an invasion of neighboring Zaire.

There was no American action.

In the fall of 1977, Cuban troops swarmed across Africa to Ethiopia, where, under the command of a Soviet general, they defeated Somalia.

Again, there was no response.

Then, in April 1978, the government of Afghanistan was overthrown, its president murdered, and a communist government installed.

Again, the United States did nothing. The Carter administration even offered aid to the so-called democratic Republic of Afghanistan.

In June, 1978, communists from South Yemen assassinated the leader of North Yemen, and a few days later one communist faction overthrew another and executed the so-called president of South Yemen.

In November, 1978, the Soviets concluded a friendship treaty with Vietnam. Two months later, Vietnamese troops invaded Cambodia.

In December, 1978, the Soviet Union signed a friendship treaty with Afghanistan. Less than one year later, in September, 1979, there was an abortive coup against the same Afghan leader who signed this treaty. Three months later, Soviet troops invaded the country and murdered him, while a new puppet leader was installed, with the aid of active Soviet troop intervention.

Keep in mind, this was the same period in which the Carter administration, after first praising the Shah, watched the government of Iran disintegrate. Indeed, incredibly enough, this was the same period in which the Carter administration not only halted all military assistance to Pakistan but actually opened talks with the Soviets to de-militarize the Indian Ocean.

Add to all these strategic failures of will the appalling tendency of this president to deal in overblown language—pompous words without action—and it is obvious why not only the Soviet Union but the weak regime that now rules Iran show nothing but contempt for American power.

When an American president declares that Russian troops in Cuba are—I quote—"Unacceptable"—but then proceeds to accept that hostile presence as a fact of geopolitical life, is there any wonder why this country has lost credibility not only among its friends and allies, but its adversaries, whether in Moscow or Tehran.

So it is that tonight, March 2, 1980, Russian troops still remain in Cuba and in Afghanistan and American hostages are still being held in Tehran.

Military weakness—and erratic and often incoherent foreign policy—these are the bitter fruits of the "Carter Doctrine". More, they are the high price of Jimmy Carter's continuing on-the-job education regarding Soviet intentions and the reality of world power.

Nor have we yet seen what the consequences of this weak and erratic leadership will be in other potential trouble spots of the world—for example, in Post-Tito Yugoslavia, where we may hope the Soviets will not take precipitate action based on their experience in Afghanistan.

What can we do to prevent such action? Having outlined the pattern of the Carter administration's overseas failures in the past three years, let me move on to what I consider the three essentials of an effective defense and foreign policy—the foundations of a decade of peace based on strength.

First, we must move quickly to improve the balance of America's military strength with that of the Soviet Union. Our defenses must be dramatically strengthened, and on a crash program basis.

In this regard, it is hardly consistent for an administration to ask for draft registration while, at the same time, ignoring the need for an immediate reversal of its own past decisions that surrendered American leadership in the area of technology.

Twenty years ago, the Chief Executive, in whose memory this center is dedicated, while calling for a similar increase in American military capability, said that no future president should ever be faced with a choice between nuclear devastation on the one hand and the surrender of our Nation's freedom on the other. What was true in John F. Kennedy's day is true today. If we are to avoid the unthinkable, we must possess the military strength needed to discourage those adversaries who by reckless action would jeopardize world peace and security.

As your President, I would apply my experience in the field of foreign affairs to give priority to securing that peace by renegotiating a SALT Two Treaty based on an equitable military balance and adequate safeguards for verification.

Second, we can restore the world balance needed for a stable and lasting peace only by rebuilding American credibility among our allies and those who share our interest in maintaining world order.

I propose to create a set of new inter-related alliances—a network of "ocean alliances"—that would weave together a new fabric of international security.

When I say ocean alliance, I mean all oceans. We must have a U.S. Navy capable of deploying superior forces to any place in the world where American lives or vital interests are in danger.

Moreover, the powerful seafaring and trading nations that share our interests should also share the responsibility for defending the sea lanes vital to those interests. NATO powers take no military responsibility for the South Atlantic or Indian Ocean. Japan, the world's second most economically productive nation, spends less than one percent of its GNP on defense of its own territory and home waters.

It is time for those who have benefitted over the years from the protective umbrella of American power to assume their fair portion of the burden of protecting the lifelines of the free world.

Third, if we are to safeguard our freedoms and the interests of world peace and stability during the coming decade, we must have a new American leadership that restores not only our strength and credibility, but our vision.

We need a leadership for the eighties that sees the world not as we wish it to be, but as it truly is.

We need a leadership for the eighties that deals in the substance, not the mere symbols of power.

We need a leadership for the eighties that does not require on-the-job teaching in dealing with the aggressive forces loose in the world.

We need a leadership for the eighties that understands the danger of irresponsible rhetoric in a nuclear age.

Finally, we need a leadership for the eighties which recognizes that in a free society true national unity and foreign affairs can only proceed from a policy of levelling with the American people on the vital issues that affect their lives.

This is the leadership I propose to bring to America in the coming decade. A leadership—based on strength, credibility and vision—but most important, on faith in the American people themselves.

For in 1980, as in 1960, we have come upon a crossroads in history, when only the people can provide the answers to the crises facing our nation—a time when we must look beyond our own narrow individual interests to those of the country as a whole.

Join me in providing this leadership. Give me your help in this campaign to free an America held hostage by the failed policies and programs of past years. Give me your support in bringing fresh meaning to the American dream of a world of peace, freedom and prosperity for all peoples.

Thank you.●

DR. DAVID T. SHANNON, PRESIDENT, VIRGINIA UNION UNIVERSITY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. FAUNTROY. Mr. Speaker, on Friday, March 7, 1980, Virginia Union University of Richmond, Va., will inaugurate its eighth president in its illustrious 115 year history. I take this opportunity to call the event to the attention of the Congress of the United States and the American people not only because of the tremendous contribution that this private, church-established and church-supported institution of higher education has made to American life and culture, but also because of the knowledge and skills to make significant contributions to the growth and development of our Nation. It is Virginia University today which, as an accredited church-related college of liberal arts and sciences and a graduate school of theology, continues to train needed leadership for our Nation's future.

It is Virginia Union University that has sent such majestic rays across the landscape of our Nation and world such as: Samuel Gravely, vice admiral of the U.S. Navy; Dr. Samuel Proctor, past president of Virginia Union University and North Carolina A. & T. State University, currently pastor of the Abyssinian Baptist Church of New York City; the Honorable Henry L. Marsh, mayor of Richmond, Va.; Dr. Jean Harris, a member of the Governor's cabinet in the State of Virginia; Dr. Wyatt T. Walker, pastor of the Canaan Baptist Church of Christ of New York City; the Honorable L. Douglas Wilder, State senator for the Commonwealth of Virginia; Dr. John L. S. Holloman, president of the board of trustees, Virginia Union University and a private physician; Dr. Benjamin Lambert III, a member of the Virginia House of Delegates; and Dr. Frank S. Royal, vice president of the board of trustees, Virginia Union University and a private physician.

It may not surprise you, Mr. Speaker, that Virginia Union University is also my alma mater, the school to which the kind members of my home church, New Bethel Baptist Church raised funds to send me for my own initial experience in higher education some 29 years ago, now.

And now it is Virginia Union University that has dipped into the reservoir of its own outstanding graduates to select its leadership for the eighties and beyond. Dr. David T. Shannon was born on September 26, 1933. He received his earlier education in the Richmond public schools, his collegiate education at Virginia Union University. Dr. Shannon obtained the bachelor of arts in history in 1954 and graduated cum laude. He continued his studies in theology at Virginia Union where he graduated summa cum laude in 1957 and received the bachelor of arts of divinity degree. In 1959, Dr. Shannon earned both the bachelor of divinity and master of sacred theology degrees, at the Oberlin Graduate School of Theology in Oberlin, Ohio. Dr. Shannon received the doctor of ministry degree at Vanderbilt University in 1974, and the doctor of philosophy degree in higher education from the University of Pittsburgh in 1975. Dr. Shannon has studied at Harvard University and several universities abroad.

Dr. Shannon comes to Virginia Union University from a number of distinguishing professional positions. His immediate past professions include, dean of the Pittsburgh Theological Seminary for 9 years. He was appointed to distinguished professorships of biblical studies at the Hartford Seminary Foundation in Hartford, Conn., in 1979. In September 1979, Dr. Shannon was unanimously chosen to become the eighth president of Virginia Union University. He is an active member in a number of civic, State, and National organizations, including the board of directors of the First & Merchants Bank of Richmond; the Baptist World Alliance; the General Board of the American Baptist Churches, U.S.A.; the American Association of Higher Education; and many others. Dr. Shannon has written several articles and books, which include "A Strange Song in a Strange Land," 1971; "New Approaches to Wisdom Literature," 1973; and "Roots: Some Theological Reflections," spring, 1979. Dr. Shannon was also listed in "Who's Who in Black America," 1977.

I thought, Mr. Speaker, that this marriage of a truly outstanding black institution of higher education with one of its illustrious alumni as president bodes well for the continuing viability and contributions of black institutions for the growth and development of our Nation. Such institutions merit the continued and unqualified support of our Federal Government and the American people.●

MCPL NUCLEAR ALERT: VII

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. STUDDS. Mr. Speaker, as my colleagues know, Members of Congress for Peace Through Law has been involved—since its inception—with numerous topics involving foreign and defense issues. Inherent in this interest are the realities of war, and specifically the holocaust of a nuclear exchange.

Lately, we have been concerned by dangerous comments regarding the feasibility of a limited nuclear war. Surely, the idea of using nuclear weapons in a limited capacity cannot be taken seriously. However, since these remarks have been reported in the press, Members of Congress for Peace Through Law finds it necessary to continue its efforts to inform the public regarding the horrific consequences of nuclear war.

Recently, many distinguished physicians, health specialists, scientists, and other concerned citizens gathered to discuss the effects of nuclear war at a symposium in Cambridge, Mass. At the close of this symposium they issued a statement of their findings which was reprinted as a full page paid announcement in the New York Times on March 2, 1980. Given the present world situation it would behoove us all to consider the views of such distinguished experts as Dr. George Kistiakowsky and several Nobel prize winners that the catastrophic impact of nuclear war would be as inescapable as it is unimaginable. The article follows:

Danger—Nuclear War

To President Carter and Chairman Brezhnev:

As physicians, scientists, and concerned citizens, alarmed by an international political climate that increasingly presents nuclear war as a "rational" possibility, we are impelled to renew a warning, based on medical and scientific analyses, that:

1. Nuclear war, even a "limited", one, would result in death, injury and disease on a scale that has no precedent in the history of human existence;

2. Medical "disaster planning" for a nuclear war is meaningless. There is no possible effective medical response. Most hospitals would be destroyed, most medical personnel dead or injured, most supplies unavailable. Most "survivors" would die;

3. There is no effective civil defense. The blast, thermal and radiation effects would kill even those in shelters, and the fallout would reach those who had been evacuated;

4. Recovery from nuclear war would be impossible. The economic, ecologic and social fabric on which human life depends would be destroyed in the U.S., the U.S.S.R., and much of the rest of the world;

5. In sum, there can be no winners in a nuclear war. Worldwide fallout would contaminate much of the globe for generations and atmospheric effects would severely damage all living things.

Therefore, in the interests of protecting human life, we appeal to you to:

1. Defuse the current tensions between our countries.

2. Ban the use of all nuclear weapons.

3. Recognize the threat posed by the very existence of our enormous nuclear arsenals, and begin dismantling them.

We urge you to meet with us to discuss the medical consequences of nuclear war. We urge all physicians in the U.S. and the U.S.S.R. to join us in this appeal. This statement was released at the conclusion of a two-day symposium on the medical consequences of thermonuclear war held in Cambridge, Massachusetts on February 9 and 10. It derives from our understanding of the destructive potential of the nuclear explosions that would result should nuclear war occur. To share with you our perspective on this possibility we ask you to consider the following: The single bomb dropped on Hiroshima had the explosive force of approximately 15,000 tons (15 kilotons) of TNT. Today the U.S. has over 30,000 nuclear bombs and Russia has 20,000. Nuclear weapons in present day arsenals range in size from one kiloton to 20 megatons (20 million tons of TNT). All the bombs dropped during the eight and a half years the U.S. fought in Vietnam were equivalent to four million tons of TNT (4 megatons).

A 20 megaton thermonuclear bomb exploded on a clear day at ground level on a large East-Coast city would create a fireball one and a half miles in diameter, with temperatures of twenty to thirty million degrees Fahrenheit. Everything in the downtown area, the streets and the earth below, and all living things, would be vaporized, leaving a crater several hundred feet deep.

At six miles from the epicenter, all people would be instantly killed by a huge silent heat flash traveling at the speed of light. Glass would melt, and buildings would collapse when hit by a supersonic shock wave and winds of 300 miles per hour.

Within a ten mile radius, or roughly the distance to Route 128 from Boston, to Newark from New York City, or to the Maryland Beltway from Washington, D.C., the blast wave, 180 mile per hour winds, and fires would inflict almost total casualties with at least 50% dead and 40% injured. Even at 20 miles from the epicenter, 50% of the people would be killed or injured by the direct thermal radiation and blast pressures. A single nuclear device would result in tens of thousands of severe burn injuries. The entire U.S. has intensive care facilities for fewer than 2,000 such cases.

Many would be killed by random spontaneous fires fueled by oil storage tanks, natural gas lines, gasoline and LNG tanks. These fires might coalesce into an enormous firestorm 1,200 square miles in area, fanned by 100-200 mile per hour winds creating temperatures capable of cooking and asphyxiating those in shelters.

Survivors of the fires would be exposed to lethal or sublethal doses of radiation from short-term fallout. Even mild winds of 20 miles per hour would carry fallout as far as 150 miles where everyone exposed could receive a lethal dose within 24 hours. This would cause acute radiation sickness, with decreased resistance to infection, and death within one to two weeks. Sublethal doses would produce an increased incidence of still births, fetal malformations, leukemia, and cancer. In subsequent generations genetic damage would probably appear.

Hospitals would be destroyed and most medical personnel would be among the dead and injured. There would be millions of corpses. Food, air, and water would be contaminated. Survivors would die from starvation, dehydration, radiation sickness and infections.

In an all-out exchange, all major population and industrial centers would be hit, both in the U.S. and U.S.S.R. Such an exchange could be complete in one hour, and could destroy most life in the northern hemisphere. Worldwide fallout would result, with possible destruction of the ozone layer, changes in the earth's temperature and mutation of crops. It would be a different world afterwards, colder, harsher, and contaminated by radiation for thousands of years. The number of deaths would break scales of comparison.

Herbert L. Abrams, M.D., Philip H. Cook, Professor and Chairman, Department of Radiology, Harvard Medical School, Radiologist-in-Chief, Peter Bent, Brigham Hospital and the Stanley Farber Cancer Institute* Mary Ellen Avery, M.D., Physician-in-Chief, Children's Hospital Medical Center, Thomas Morgan Rotch, Professor of Pediatrics, Harvard Medical School* Robert J. Boyd, M.D., Assistant Clinical Professor of Orthopaedic Surgery, Harvard Medical School* Eugene B. Brody, M.D., Professor of Psychiatry and Human Behavior, University of Maryland* Helen M. Caldicott, M.B., B.S., Associate in Medicine, Children's Hospital Medical Center* Eric Chivian, M.D., Clinical Fellow in Psychiatry, Harvard Medical School* Oliver Cope, M.D., Professor Emeritus of Surgery, Harvard Medical School* Daniel Deykin, M.D., Maurice B. Strauss, Professor of Medicine, Boston University and Tufts University Schools of Medicine* Frank Epstein, M.D., Physician-in-Chief, Beth Israel Hospital, Herman Bloomgart, Professor of Medicine, Harvard Medical School* Stuart Finch, M.D., Professor of Medicine, Rutgers Medical School, Former Director, Radiation Effects Research Foundation, Hiroshima* Shervert H. Frazier, M.D.* David Freeman, M.D., Professor of Pathology, Harvard Medical School* John Gardner, M.D., M.P.H., Harvard School of Public Health* H. Jack Geiger, M.D., Arthur C. Logan, Professor of Community Medicine, City College of New York* Norm Geschwind, M.D., Director, Neurological Unit, Beth Israel Hospital, James Jackson Putnam, Professor of Neurology, Harvard Medical School* Walter Guralnick, D.M.D., Professor of Oral and Maxillofacial Surgery, Harvard School of Dental Medicine* Howard H. Hiatt, M.D., Dean, Harvard School of Public Health, Professor of Medicine, Harvard Medical School* Franz J. Ingelfinger, M.D., Editor Emeritus, New England Journal of Medicine* Kurt J. Isselbacher, M.D., Mallinckrodt Professor of Medicine, Harvard Medical School* Carl J. Johnson, M.D., M.P.H., Associate Clinical Professor of Social and Environmental Medicine, University of Colorado Medical School* Merton Kahne, M.D., Psychiatrist-in-Chief and Professor of Social Psychiatry, Massachusetts Institute of Technology* R. W. Lamont-Havers, M.D.* Alexander Leaf, M.D., Jackson, Professor of Clinical Medicine, Harvard Medical School* Robert J. Lifton, M.D., Foundations Fund Research Professor of Psychiatry, Yale University Medical School* Bernard Lown, M.D., Professor of Cardiology, Harvard School of Public Health, Coordinator, U.S.-U.S.S.R. Cooperative Study on Sudden Death* Salvador Luria, M.D., Ph.D., Institute Professor Emeritus and Director, Center for Cancer Research, Massachusetts Institute of Technology, Nobel Prize in Medicine and Physiology, 1969* Henry J. Mankin, M.D., Edith M. Ashley, Professor of Orthopaedic Surgery, Harvard Medical School* James Mann, M.D.,* Donald M. Medearis, M.D., Charles R. Wilder, Professor of Pediatrics, Harvard Medical School* Daniel Nathans, M.D., Professor of Microbiology, Johns Hopkins University School of Medicine, Nobel Prize in Medicine and Physiology, 1978* Sven Paulin, M.D., Radiologist-in-Chief, Beth Israel Hospital, Professor of Radiology, Harvard Medical School* George R. Prout, Jr., M.D., Professor of Surgery, Harvard Medical School* Frederick C. Robbins, M.D., Nobel Prize in Medicine and Physiology, 1954* Edwan W. Salzman, M.D., Associate Surgeon-in-Chief, Beth Israel Hospital, Professor of Surgery, Harvard Medical School* Victor Sidel, M.D., Professor of Community Medicine, Albert Einstein College of Medicine* William Silen, M.D., Surgeon-in-Chief, Beth Israel Hospital, Johnson and Johnson, Professor of Surgery, Harvard Medical School* Benjamin Spock, M.D.* Edwin O. Wheeler, M.D.* Augustus A. White III, M.D., Orthopaedic Surgeon-in-Chief, Beth Israel Hospital, Professor of

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*Affiliation for identification purposes only.

Orthopaedic Surgery, Harvard Medical School.●

REGISTRATION IS THE WRONG PRESCRIPTION

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. GREEN. Mr. Speaker, the defense of this Nation is one of the primary responsibilities we share as Members of Congress, and we are now considering ways to improve the strength of our military. The President has proposed the registration of young people, but I believe this is the wrong prescription for what ails our military.

Some people are concerned about the size and quality of our military population. They need only look over our history to see that our peacetime forces have always dwindled down from their wartime levels. That is appropriate in a democracy.

When our Nation or our allies were threatened, we proved able to expand our forces rapidly. Before the entry of our country into World War II our Armed Forces increased from 217,000 to 1,310,000 in 1 short year.

For those who may foresee future "traditional" wars, the traditional solutions hold.

For those who may foresee future, short-lived wars, no system of registration or draft could possibly meet the demands for a quick-strike force. Such a force would have to be in uniform, in place, immediately.

Furthermore, the technological changes in military hardware have reduced the need for armies of slogging foot soldiers: A Brookings Institution study notes that during the Civil War, 95 percent of the military personnel needed physical vigor and stamina for long marches, sustained ground fighting and the like, but that demand dropped to 25 percent in World War II and is now estimated to be at about 16 percent.

Obviously there is little need to have millions of men running obstacle courses with full field packs when, more than ever before, the demands of modern warfare are more on the mind than on the body.

On this point, the major problem facing the military is not acquiring new unskilled recruits, but retention of the necessary highly trained technicians operating sophisticated weapons systems such as modern planes, tanks, and missiles.

Unfortunately, second term retention rates have dropped in all services. The Air Force, for example, retains only 59 percent of its second-term personnel compared with an earlier rate of 79 percent. We are losing middle-grade enlisted people and low- and middle-level officers.

The cost of recruiting and training replacements is high. Brookings estimates that retaining 14,000 trained personnel would save the Government $300 million.

Rotating unwilling 18- and 19-year-olds through the Armed Forces for 18 to 24 months will not solve the problem. Merely registering 18-year-olds certainly will not solve it.

How do we keep them down on the base? By using some of that money now wasted on training newcomers to improve the pay and benefits of military personnel who stay in the services. We could use the money President Carter wants to spend on registration to make military careers more attractive for volunteers.

The fact is that real compensation—salaries, benefits, et cetera—have declined between 7 and 14 percent for service personnel over the past 7 years.

The fact is a basic recruit, an E-1, makes less than the minimum wage.

An E-4 handling a $25 million jet aboard an aircraft carrier puts in about 100 hours a week without overtime and winds up with a per-hour wage less than a cashier at McDonald's.

The marines guarding our foreign embassies make far less than the average foreign civilian employee at such embassies.

According to the American Enterprise Institute, 17 percent of the enlisted families live below the Bureau of Labor Statistics minimum standard of living.

Enlisted people with families cannot live on their salaries, and more and more are having to seek outside work. Eventually they say "forget it" and leave for full-time private employment.

Frankly, we have to make it worth their while if we are to have these people stay on. It will be better for them, better for the services, and better for the country to have people in the military who want to be in the military and to leave out those who want to stay out.

I hope that a close congressional review will bring today's military needs and realities into the public light so we can properly consider the problems and pitfalls of a peacetime registration. I see the signing up of a million teenagers to solve the services problems as a case of military malpractice.●

TIME MAGAZINE SOLUTION TO METALS VULNERABILITY: MORE COMPROMISES—MORE MINING

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. SANTINI. Mr. Speaker, in late January, Time magazine became the first popular weekly news magazine to discuss the growing crisis over America's strategic and critical minerals. In an article entitled "Strategic Metals, Critical Choices—Worries Over Dependence on Dubious Suppliers," Time raised concerns over the growing dependence of the United States on foreign sources for the minerals essential to our national survival.

One mineral on which attention was focused was cobalt—a white metal used in jet aircraft engines as well as mining and machine-tool bits. The conclusion regarding cobalt:

> The cobalt situation is one of the most serious problems facing consumers of critical materials today.

What was Time's solution:

> More experiments, more domestic mining, and some compromises on the environmental front would help avoid repetition of the oil saga of the 1960's and 1970's, when the United States became needlessly over-dependent on dubious foreign suppliers.

I could not agree more.

Recently, the Interior Committee by an overwhelming vote of 23 to 15 achieved such a compromise "on the environmental front" by assuring "domestic mining" on America's only economically viable cobalt deposit—a deposit which, if allowed to develop to its full extent, would supply 20 percent of America's present needs. In the weeks ahead, that compromise will come to the floor, and I urge my colleagues, in the interest of achieving a small degree of independence regarding the mineral cobalt, to uphold that compromise.

Mr. Speaker, I insert the article "Strategic Metals, Critical Choices" in the RECORD:

[From Time, Jan. 21, 1980]

STRATEGIC METALS, CRITICAL CHOICES—WORRIES OVER DEPENDENCE ON DUBIOUS SUPPLIERS

The rising use of trade sanctions around the world has demonstrated how economic warfare is now diplomacy by other means. Since 1973 oil producers have openly used their petroleum weapon to further their Middle East political objectives. Last year Nigeria introduced natural resources trade-offs by threatening to cut oil exports to the U.S. if the Carter Administration lifted the American boycott on chrome imports from racially troubled Zimbabwe Rhodesia. Both the possibility of other OPEC-type raw material cartels and Soviet economic retaliation against the U.S. have begun to worry the experts. Warns Harry J. Gray, chairman of United Technologies: "The minerals situation is similar to oil. Without an intelligent national minerals policy now, we will become increasingly vulnerable."

The U.S. is already alarmingly dependent on imports for many of its most critical industrial raw materials. In all, 98 percent of America's manganese, 97 percent of its cobalt, 93 percent of its aluminum and 91 percent of its chromium come from foreign ores. More than 50 percent of its tin, nickel, zinc and and tungsten ores are also imported. The supply of several of these materials is susceptible to interruption because they come from either the Soviet Union or from unstable southern African nations that suffer serious internal troubles. The most important minerals include:

COBALT

A white metal used in jet aircraft engines as well as mining and machine-tool bits, cobalt is supplied mainly by Zaïre, which has 65 percent of the non-Communist world's reserves. Recurrent civil wars over the past three years have kept the price dancing between $6.40 and $50 per lb. Other producers include the U.S.S.R. and Cuba, reports Charles River Associates, a consulting firm in Boston: "The cobalt situation is one of the most serious problems facing consumers of critical materials today."

MANGANESE

The Soviet Union and South Africa provide more than 60 percent of the world's supply of this metal, which is essential in steel production. Australia is a major exporter, but its potential for expansion is limited. Other non-Communist exporters, such as Brazil and Gabon, have either declining exports or unstable internal politics. The Boston consultants call the manganese situation "a cause for some concern" because the possibility of finding substitutes is "extremely limited."

CHROMIUM

The major deposits of this material, used in stainless steel, ball bearings and surgical equipment, are in South Africa, Zimbabwe Rhodesia and the Soviet Union, says Allen G. Gray, technical director of the American Society of Metals: "A cutoff of our chromium supply could be even more serious than a cutoff of our oil supply. We do have some oil, but we have almost no chromium."

TITANIUM

As strong as steel but 45 percent lighter, this metal suddenly became scarce around the world early last year, after the Soviet Union, the largest supplier of titanium "sponge," the semiprocessed metal, abruptly stopped signing new export contracts. Military experts speculate that the Soviets have diverted their normal 3,500 tons of exports to the construction of many submarines and aircraft. Since the metal is used extensively in high-performance jets, missiles and nuclear plants, U.S. and European aerospace companies have been scrambling to buy the remaining titanium sponge produced by Japan, Britain and China. As a result, since last March prices in Europe have jumped from $3.98 to $25 per lb.

Ever since oil-exporting countries showed how to run up prices by banding together, other developing countries have dreamed of emulating OPEC's success. Discussions have been held about forming cartels to cover commodities as varied as coconut oil, copper and phosphate rock. Such Xerox copies of OPEC have almost universally failed because of easily available substitue products or the unwillingness of would-be cartel members to cut production enough to maintain high prices. The copper exporting organization, for example, was weakened when industrial users began replacing that metal with plastics and aluminum, and effectively collapsed when the last recession produced a worldwide copper glut. The danger of other cartels remains remote—for now. Even so, individual nations may be moved to reduce exports, and those actions could severely tighten supplies and send prices surging.

The American dependence has focused attention on the size of current stockpiles and the feasibility of developing new domestic sources. Since World War II the Government has maintained strategic stockpiles of 93 key materials, including tin, copper and titanium, for use in a national emergency. Some are critically low. Only 32,000 tons of titanium are stockpiled, far below the 130,000-ton goal. Cobalt reserves are 22,000 tons short of the 43,000-ton target.

Though no modern industrial nation can be a totally self-sufficient island, the U.S. has little choice except to build safe stockpiles of those essential materials, such as chromium and manganese, that are found in quantity in only a few countries. The mineral-rich American West, Alaska and the oceans bordering the U.S. contain vast unmined natural resources that hold the longer-term promise of more domestic sufficiency and security. These minerals often remain in the ground or under water because of ecological concerns or the higher profits that firms can earn abroad. Steep mining taxes in Minnesota, Montana and other states have also discouraged digging. Geologists have singled out 40,000 acres of federal land in Idaho as a possible source of cobalt. Yet last November the Senate Energy and Natural Resources Committee designated 2.2 million acres surrounding the site as a wilderness preserve, and banned any commercial activity that would disturb the elk, bighorn sheep and 188 other species that inhabit the area.

Of course, companies can do more to develop secondary and tertiary sources, many of which will become both economically feasible and absolutely necessary as conventional minerals become costlier in the 1980s. For example, the U.S. imports 93 percent of its bauxite, the major aluminum ore, but the Bureau of Mines is experimenting with a process to extract alumina from clays found in Georgia and Arkansas. More experiments, more domestic mining and some compromises on the environmental front would help avoid repetition of the oil saga of the 1960s and 1970s, when the U.S. became needlessly overdependent on dubious foreign suppliers. In an era of growing economic confrontation, increasing reliance on imported minerals creates a potentially dangerous breach in the nation's defenses.●

SUPPORT FOR GOVERNOR REAGAN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. DORNAN. Mr. Speaker, while I was in New Hampshire a few weeks ago, I had the pleasure of meeting Mr. Joseph Sirois. Mr. Sirois has a son named Brian in Trinity High School in Manchester, N.H. A mighty blow for freedom was struck on February 26 by the good people of that independent-minded State. Brian is the coeditor in chief of the school paper, Pioneer Pride. Brian wrote a vibrant editorial supporting the Presidential candidacy of former California Governor, Ronald W. Reagan. Brian put forth the Governor's marvelous record and predicts that the Governor has widespread support, while all the experts were saying the race was neck and neck. I ask that the editorial appear in the RECORD.

The editorial follows:

[From Pioneer Pride, Jan. 31, 1980]

OUR NEXT PRESIDENT

(By Brian Sirois)

Ronald Reagan is one of those figures well known to most Americans. As governor of California, he helped that state to greatly overcome its financial difficulties. On November 13, 1979, Ronald Reagan announced his candidacy for the Presidency of the United States. The support for him is certainly here. The American people have continuously moved to the right. Liberals such as Kennedy and Brown have no place or want.

Governor Reagan has proved time and time again that he can do the job. As Governor, he balanced the budget, kept it that way and turned a $500 million surplus over to his successor. He turned back to the taxpayers $5.7 billion in credits and rebates. This all happened in a state with a heavy Democratic voter majority. Ronald Reagan is the man for America. He is what America needs right now. He speaks out for America in a strong voice. He speaks out for a comprehensive foreign policy that will help American interests. He also fights for supporting our allies, such as Israel and Taiwan. I feel he is the right man for the job. He is qualified and presents a formidable array of solutions for our present economic and social problems. Reagan in '80.●

DRAFT REGISTRATION SUMMARY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mrs. SCHROEDER. Mr. Speaker, the New York Times today has a good summary of some of the issues surrounding the debate over draft registration.

The article follows:

REGISTRATION OF MEN AND WOMEN FOR MILITARY DRAFT

(By Richard Halloran)

WASHINGTON, March 4.—President Carter's proposal to register young men and women for possible military conscription has apparently cracked the national unity on defense that was generated by the seizure of American hostages in Iran last November.

Mr. Carter's competitors for the Presidency have divided across party and ideological lines. In Congress, the only vote on the issue so far ended in a 6-to-6 tie last week in a subcommittee of the Appropriations Committee on whether to finance registration of men. That was a defeat, according to House rules. Earlier, the subcommittee cut out funds for registering women because the House Armed Services Committee had not voted to authorize that.

A Gallup Poll published over the weekend showed that 83 percent of the persons interviewed favored registering men and 56 percent supported the registration of women. Among adults 18 to 24 years old, 77 percent favored registering men and 58 percent backed registering women.

THE BACKGROUND

President Carter disclosed his plan to register young men in his televised State of the Union Address on Jan. 23. In early February, the White House announced that the President also intended to ask Congress for the authority to register women.

The Administration's current plan calls for registering men and women born in 1960 and 1961, producing a registration pool of about eight million people.

The registrants would go to their local post offices to fill out brief forms sometime this summer. They would take no physical examinations and would not be classified into levels of eligibility for the draft.

The plan calls for continuous registration, beginning next year, of all young people as they reach their 18th birthday.

FOR REGISTRATION

Mr. Carter and senior officials of his Administration have contended that draft registration is necessary to send a signal to the Soviet Union that the United States is resolved to deter further aggression beyond Afghanistan.

Administration officials further maintain that young people in the United States should contribute to that national effort in the same way that athletes have been asked to forgo participating in the summer Olympics in Moscow, businessmen have been forbidden to sell certain sophisticated goods and technology and farmers have been precluded from some sales of grain.

White House spokesmen have contended that registering young people now, before mobilization, would speed up the drafting, induction and training of soldiers by 90 to 100 days at a relatively small cost—estimated by Selective Service at $35 million the first year and $24 million a year thereafter.

AGAINST REGISTRATION

Opponents of registration have argued that it sends no message to deter the Russians because it does nothing to enhance military readiness any time soon. They contend that true signs of national determination would have been to put military units on a higher state of alert, to ask for funds to increase readiness, to retain experienced officers and noncommissioned officers and to improve the reserves and National Guard.

Opponents further maintain that registration is a prelude to the draft and that a peacetime draft may be a violation of civil liberties and would possible be unconstitutional.

The President's plan would save only seven days in the event of mobilization, say the opponents, citing an analysis done by the Selective Service System for the White House. That study asserted that 650,000 people could be registered and inducted within 124 days after the President declared an emergency, as against 117 days if registration was accomplished before mobilization. Both schedules would meet Pentagon requirements of 650,000 draftees in 180 days.

THE OUTLOOK

A House Appropriations subcommittee has approved funds only for strengthening the Selective Service System but not for actual registration of men. It has made no provision for registering women, and the House Armed Services Committee has strongly indicated that it would forbid the registration of women. That part of the President's plan thus appears to be dead.

The House Appropriations Committee is scheduled to vote on the subcommittee's bill this week, and an amendment will most likely be offered to restore the President's registration plan. The vote count appears too close to call.

Assuming the bill gets out of committee, the Administration hopes to get it to the floor of the House as soon as possible to get a vote before spontaneous mail builds up against it and before opponents have time to generate mail. In addition, an antiregistration rally is scheduled for Washington on March 22.

In the Senate, the appropriations subcommittee scheduled to consider the bill is headed by Senator William Proxmire, Democrat of Wisconsin, a critic of the draft and the war in Vietnam who has said he has to be convinced of the need for registration now. A hearing has been planned for next week.

Beyond that, there are possibilities of filibusters either in the Appropriations Committee itself or on the floor of the Senate, where Senator Mark O. Hatfield, Republican of Oregon, is among the leaders of the antiregistration forces.

If Congress votes funds to register men, the Administration plans to begin that registration as soon as possible, probably in June. But among the first men to register will be one accompanied by an attorney from the American Civil Liberties Union, which plans to take the issue to court.

The question will then be whether men can constitutionally be registered without women also being registered. In this day of debate over women's rights, the Department of Defense and the Selective Service say no while the Justice Department says yes.

The first turning point then will be to see whether a lower court will hand down an injunction against registering men while the issue works its way up through the court system. Either way, the entire issue seems destined for the Supreme Court.●

COMBAT TROOPS RECOMMENDED FOR PROTECTING EMBASSIES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. DORNAN. Mr. Speaker, when I interrupted the proceedings of the House on February 27 to announce because of terror in Bogotá that we possibly had more than 93 hostages across the world, I had no idea the figure would grow in less than a few hours to 133. This humiliation in our own Western Hemisphere added to the madness in Tehran is, I think, more than any nation should have to bear.

I firmly believe the President of the United States now needs the help, advice, and counsel of the Senate and the House of Representatives more than at any time since World War II.

Campaigning in New Hampshire for my former Governor, Ronald Reagan, who, I believe will become the President of the United States next January 20, I came across a fascinating idea in one of the campaign brochures of the minority leader of the Senate, Mr. HOWARD BAKER. He said that this country should form a first brigade of rescue troops—black belt karate-qualified, airborne-qualified fighting combatants—including Marines, Navy demolition teams, Army Rangers, and Air Force commandos.

We should not hide this crack rescue force as the West Germans bury their border guards, the unit which boldly rescued the terrorized hostages at Mogadishu a few years ago.

We must show our crack rescue team, our first brigade, to the world and clearly demonstrate to any nation that we will protect our people to the maximum. If Americans taken as hostages are not released in 72 hours, the United States will send our special unit in to get the job done, with or without the support of the host country. Maybe then we will stop this national humiliation.●

DR. SANCHEZ WRITES WORLD WAR II BOOK

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. WON PAT. Mr. Speaker, it is fairly common knowledge among students of World War II that my own island of Guam was invaded by enemy forces and held captive for 3 long and terrible years.

What is not common knowledge, however, is the real story of the horrible suffering my people endured out of total loyalty to the American system of government.

Now, for the first time, the story has been put into print by a local resident of Guam. In a book appropriately titled: "Uncle Sam, Please Come Back to Guam," Dr. Pedro C. Sanchez, an educator and former president of the University of Guam, has put forth a highly literate and interesting account of what it was like to be on Guam from December 1941 to June 1944 when the U.S. Armed Forces arrived to liberate Guam from the Japanese Army.

I was there during those unforgettable days as was my administrative assistant, George Eustaquio, and we both agree that Dr. Sanchez' book does an outstanding job of telling it like it was.

Recently, the Pacific Daily News began the first of a series of excerpts of Dr. Sanchez' book and I ask permission at this time to place this initial episode in the CONGRESSIONAL RECORD. I urge my colleagues to carefully read these words because few of us have had the misfortune to experience firsthand the enslaving hands of a military conqueror. I can tell you that it is not only devastating from a personal standpoint, but the memory of the few American forces along with local militia who fought in vain to stave off overwhelming attacking forces on that long ago Sunday will never make me forget the need to be prepared.

This is why I am perhaps one of the most active on the House Armed Services Committee in support of a strong American defense system.

To those who question a high military budget, I ask them to read the attached article and attempt to put themselves on Guam while enemy forces pull down the American flag and place theirs in its place. Those of us who have lived through such a scenario will never forget it.

Our freedon is often taken for granted today. The majority of younger Americans do not remember a time when this country was directly threatened by military invasion. The long years of the cold war have hardened attitudes for many and replaced a watchful concern with a suspicion that the Pentagon has contrived the possibility of invasion or nuclear war for their own purposes.

I believe that a careful reading of "Uncle Sam, Please Come Back to Guam" may change their minds. The threat of war today is too real to dismiss with a cavalier attitude or simplistic notions. This is not to say we cannot have guns and butter. I support both, but in careful measures which will help keep our entire Nation strong.

Those interested in reading Dr. Sanchez' entire book can contact my office for copies. Thank you.

The article follows:

UNCLE SAM, PLEASE COME BACK TO GUAM

(By Pedro C. Sanchez)

Sunday, Dec. 7, 1941 was an uneventful island day, except for preparations going on for the Feast of the Immaculate Conception of Mary the following day, and for those elderly Guamanians who read signs in the sky. All through Sunday, animals were being slaughtered and cleaned and farm produce was being gathered in great abundance as most of the island prepared for one of the most important of Guam's many Catholic feast days.

At the setting of the sun, Guam was unusually calm and aglow in deep sunset colors. The wind was still, the sea was calm and two-thirds of the sky was in deep red. "Kalan Hotnu" ("like the inside of a red-hot oven"), the people noted. It was a spectacular tropical sunset.

To some Guamanian elders the eerie combination of unusual stillness, the deep red color in the sky and the strange stirring of animals was not a good omen.

"Baba sinatna y langet!" ("bad signs in the heavens") was the way a few people put it. They noted that the animals were "estotbao" ("bothered and restless").

Some predicted a big typhoon, or a tidal wave, or an earthquake, or all three. There was prediction of a famine. Some of those who remembered the dreadful influenza of 1918 saw another epidemic on the horizon. Because it was outside their experience, no one predicted war!

Many a Guamanian elder went to bed that Sunday night with an unsettled feeling that something tragic was about to happen, but didn't really know when and what form it would take.

"Si Yuus ha tumungo!" ("Only God knows") was what most of them concluded.

In the dawning hours of that fateful Monday morning, as men and women—and some children, too—heard the first Masses of the day, the news of the Japanese sneak attack on Pearl Harbor reached the Governor's Palace, the Government House in Agana where Guam Governor and Naval Station Commandant George J. McMillin Jr. kept both his living quarters and office.

It was about 5:45 a.m. when the governor read the war message from the commander-in-chief of the U.S. Asiatic Fleet. After reading the cable, he immediately ordered his Navy and Marine Corps officers and enlisted personnel alerted. Then the governor directed that the island's top American and Guamanian civilians be officially informed of the Pearl Harbor attack. Navy officers who headed the civilian departments of the Naval Government of Guam fanned out through Agana as daylight was breaking and in short order informed their civilian counterparts. Among the first to be notified were Chief of Police Juan A. Roberto, who was instructed to mobilize his native police force, and Superintendent of Schools Simon A. Sanchez, who was told to close all public schools until further notice.

News had always traveled fast in the small island community, and this type of major news traveled even faster. Within an hour or so the news of the war had spread all over Agana and throughout the outlying districts.

Because of their strong faith in Uncle Sam's mighty Navy and Marine Corps, the Guamanians at first seemed neither disturbed nor alarmed by the news of hostilities between Japan and the United States. The people met their church obligation, went about their morning business and continued their last minute preparations for the island's feast day.

Japanese planes first appeared over Guam from the north, the direction of Saipan, shortly after 8 a.m. The formation of nine planes high up in the sky flew over Agana heading south. At the sight of the planes, too high to see their insignias with the naked eye, many Agana residents were jubilant as some thought they were American carrier-based planes giving notice to the people of Guam that the United States Navy was protecting them. The planes disappeared to the south.

In the town of Sumay, population 2,000, Juan D. Perez, a Guamanian supervisor at the Commerical Pacific Cable Company at the outskirts of the town, has received word of the Japanese attack on Pearl Harbor. He went into town and advised the people he met to move out of their homes and seek shelter in the woods beyond the village.

As the people were preparing to leave, the nine Japanese planes appeared in the sky over Sumay. Before the residents realized what was happening, the planes descended upon the Marine barracks above the town and dropped their first bombs on the Marine Reservation. The time was 8:27 a.m., according to the governor's report. Some of the Marines were still in their barracks, or on their normal duties throughout the post. Several were injured running across the golf course for protection in the surrounding thickets. The Pan American Airways hotel kitchen received a direct hit killing some Guamanians. At the same time other planes dropped bombs and strafed the U.S.S. Pengium outside the harbor and the R. L. Barnes and the small craft in Apra Harbor. The Piti Navy Yard was also hit.

News of the bombing of Sumay came to Agana in no time. In the Cathedral of Dulce Nombre de Maria, Bishop Olano, upon learning of the bombing, interrupted his Solemn High Mass at communion time and calmly told his people to leave the Cathedral.

As the people were rushing out of the Cathedral and from government offices and places of work, some survivors and eyewitnesses of the air raid in Piti and Sumay had reached Agana. They brought with them terrifying and vastly exaggerated stories of deaths and destruction in the Piti-Sumay area. These stories spread fast among the frightened people. Then from out of nowhere in particular a rumor rounded the city like wildfire that Agana would be bombed next.

"Within half an hour" was the way people heard it. And they believed it. In a single moment pandemonium broke loose. People dropped whatever they were doing and poured out from their homes and places of work onto the streets and trails leading out of the city. Above the dreadful cries and noise of people in panic, "lachadik" ("hurry!") became the frantic cry of the hour.

Agana was in utter confusion!

In the rush to seek shelters outside the capital, horror-stricken people left their homes and places of work without securing them. Some stores were left wide open as both owners and employees took off in haste. Spouses were separated from one another and children from their parents. People were shouting everywhere to keep families together or to locate lost ones. The anguished cries of the women and children could be heard above the noise.

People were rushing everywhere it seemed. As in other troubled times, virtually everyone was invoking God's name, pleading help from their favorite saints. Many were pressing Rosary beads between their fingers as they rushed out of town.

For awhile, all trails and the four major roads leading out of Agana were crowded with people as some 11,000 residents rushed out to seek shelter in the wooded outskirts and outlying districts. The few private cars, jitneys and trucks transported goods and people out of town. Bullcarts which brought farm produce into Agana for the fiesta only the night before were being rushed out of town with their frightened human cargoes. Many people had no particular place to go. They huddled in the first wooded areas they could find away from Agana.

As it turned out, the rumor of immediate bombing was false. The capital city was spared during the Monday morning air raid. However, in the afternoon enemy planes flew over Agana and dropped one bomb in the San Ramon district, hitting the store of Don Luis Baza, a local businessman, and the home of a Navy sailor, George R. Tweed, who remained on Guam during the entire occupation period. They flew freely over other parts of Guam. The raids ceased about 4 p.m.

On the first day of the war with Japan, Agana sustained only slight damages. Elsewhere, damages were light to heavy. In Sumay, the Standard Oil tanks caught fire from strafing and bombing. The Marine barracks, the Cable Station and the Pan American facilities, also in Sumay, and the Navy landing docks in Piti suffered severe to extensive damage. The U.S.S. Penguin came under heavy attack and sank off Orote Point after being scuttled by the crew. Her skipper, Lt. J. W. Haviland, and several members of the crew were wounded. They and other crew members came ashore in life rafts. Later on, the skipper died at the Naval Hospital in Agana. The U.S.S. Barnes suffered leaks in her hull from strafing and bombing but survived the raids. She was towed to Japan.

The physical damage to Agana on this first day of the War was negligible. But damage to its way of life was irreparable. In the first place, by noon of December 8, Agana was a virtual ghost town. It was practically deserted, except for a few brave residents who waited till December 10 to leave the city. American military personnel and Guamanian members of the Insular Force and Guard patrolled the town.

The wartime exodus shattered the life of the city. Agana as the 21,000 residents of Guam knew her prior to the war was never to be the same again. She became the first major casualty of the war—her face and lifestyle changed forever.

Bombing continued on Tuesday, December 9. According to Gov. McMillin's report, considerable additional material damage was done at the Marine Reservation, Pan American Airways installation, Standard Oil tanks (which had been set on fire by bombs on Monday's raid), Navy Yard Piti and Libugon lookout station.

The raiding planes flew freely over Guam without any interference from local defenders. They strafed with machine gun fire the lookout stations at Libugon (now known as Nimitz Hill) where some heavy guns and radio tower were dismantled in the '20s and at Ritidian Point in the northern end of the island. The governor also reported machine gun strafing in Dededo, Inarajan, Merizo and Umatac without casualties. In Agana one bomb landed in the Palace garden and another, possibly intended for Government House or the Communication Office behind it, struck the house of Dr. Thomas Mesa, a Guamanian dentist, causing extensive damage to the building, including the Underwood Store in the basement. The explosion did minor damage to the Agana lockup across the street, which then housed the Saipanese men and the island's Japanese nationals. Protected by the thick concrete wall, the internees were unharmed but badly shaken by the shock of the bomb. They begged to be released. The governor denied the request and kept them in confinement until they were set free by the Japanese Army following the invasion and surrender of the island.

On this day, the second day of the war, Agana continued to be a virtual deserted city. Some Guamanians returned during daylight hours to secure their homes and other buildings and to obtain food, clothing and other commodities which they left behind in the Monday morning rush to get out of town. The Navy and Marine Corps enlisted men and their Guamanian counterparts went about their patrol of the city. They reported no looting nor other unusual incidents.

The governor remained in Government House while others took to their previously assigned stations. Anticipating an invasion, Gov. McMillin ordered his men to take and distribute food and other goods from the U.S. Navy commissary rather than have them fall into the hands of the Japanese invaders. Navy trucks passed them out that afternoon to the ranch houses in the outskirts of Agana.

Most Guamanians spent Tuesday in small ranch houses or in makeshift shelters in the woods. Meanwhile, unknown to them, the Japanese invading forces were making their way toward Guam. That evening the Japanese invasion fleet appeared off Guam under the command of Rear Admiral A. Goto. By midnight Japanese naval crafts surrounded the island.

The invasion of Guam by forces of the Japanese Imperial Army and Navy took place on Wednesday, Dec. 10, 1941. Between 3 and 4 a.m. the first waves of Japanese invaders hit Dungca's Beach at Aporguan, now known as lower Tamuning. They met no resistance. About 4 a.m. Gov. McMillin was informed by the watch that flares had been seen in the vicinity of the beach to the east of Agana (Dungca's Beach) and it was thought landing operations were in progress. A telephone call from Tumon School by a Guamanian civilian to police headquarters informed officials that landing in Tumon was also taking place.

Orders from the governor went out immediately to all stations to carry out the mission previously assigned them. The U.S. Marines at the Marine barracks in Sumay took up field positions above the town under the command of Lt. Colonel William K. MacNulty, USMC. Japanese invasion forces were expected to land in the Apra Harbor area. In Agana, Navy enlisted men and the Guamanian Insular Guards took up defense positions at the Plaza de Espana, with no equipment except a few .30-caliber machine guns and rifles, according to the governor's report.

In addition to the main invading force at Dungca's Beach, an estimated 3,000 troops landed in Tumon. These two landing forces made up the first wave of the invasion army and was its main force. Later in the day, other landings were reported at Togcha and Agat beaches. There was no defense at any of these points. More than 5,000 troops took part in the invasion.

A number of Guamanians fleeing Agana before dawn met head on with the invading troops in Aporguan. About 20 men, women and children were killed and later piled on the roadside beside their overturned cars and jitneys. Among them were the island's only native mortician and the children of a Japanese national and his Guamanian wife from Piti.

From Aporguan, some 700 troops of the Special Naval Landing Force under Commander Hayashi marched toward Agana without meeting any of the island's defenders. At about 4:45 a.m. the governor reported that shooting was heard in the San Antonio district (east of the Plaza) and fires were observed. The shots heard were directed at Guamanians fleeing the city. Some were killed at the San Nicolas Bridge; others were wounded.

The fire observed by the American defenders burned one house to the ground in San Antonio. Within a few hundred yards of the Plaza at the San Antonio and San Nicolas bridge, a truck loaded with Guamanians was attacked by the invading troops. All of the passengers were killed.

Under cover of darkness, the invaders approached the Plaza de Espana by way of San Nicolas street which led directly to the Cathedral immediately to the east of the Plaza and by the narrow street in front of the Cathedral. A smaller band took to the street which led behind the jailhouse and entered the street heading directly at the Governor's Palace.

The invaders converged upon the Plaza shortly after 5 a.m. According to the governor's report, "the Insular Force Guard stood their ground around the Plaza and opened fire with machine guns and rifles hot enough to halt the invading force for a short time." But the governor almost immediately found the situation "simply hopeless, resistance had been carried to the limit."

Above the cracking of gun fires, three blasts were sounded at 5:45 a.m. on the horn of an automobile which was standing in front of the Palace. Reported Gov. McMillin: "This was not a prearranged signal to cease fire, but it seemed to have been understood by both sides, and firing stopped immediately."

From the area of the Cathedral, a Japanese shouted in English: "Send over your Captain." The governor responded by sending his aide for Civil Affairs, Navy Commander Donald T. Giles, and Navy Chief Boatswain's Mate Robert Lane. They were taken by Japanese troops to the San Antonio district and made contact with the Commander of the landing force. While Commander Giles was making his contact with the leader of the Japanese forces, Gov. McMillin was captured in the Palace reception room, "about 20 minutes after the cease firing signal." The governor was ordered to remove his coat and trousers and was taken clad only in his underclothes to the Plaza in front of Government House where other captured Naval officers and enlisted men and Guamanian guards were being assembled, covered by troops with machine guns.

Commander Giles returned to the Plaza about 5:45 a.m., accompanied by the Japanese commander of the landing force. Giles identified the governor and together they went into the Palace. None of the Japanese could speak English so Gov. McMillin managed to indicate that Japanese nationals were across the Plaza in the jailhouse. Two well-known local Japanese merchants were brought to the Palace. The governor noted in his report that one of them, Mrs. K. Sawada, was very emotional and in tears when she came into the Palace and saw the governor. The two interpreted for both the Americans and the Japanese officer.

After a short discussion, governor McMillin gave up the military command of the island and the responsibility for the people of Guam. He signed the surrender paper.

At a later date, the Japanese reported by radio that they had asked Gov. McMillin if he had been confident of holding out and that he reported, "I was not. It is impossible to defend a little island like Guam with a small garrison consisting of a group of marines and police against a strong attacking force."

With the island's surrender the Japanese captured about 4,000 barrels of gasoline and a handful of military arms and ammunition. A 25,000 barrel fuel oil tank filled shortly before the outbreak of the war and never used was set on fire by a Mr. H. H. Sachers, a civilian employee of the Public Works Department who was later recommended by the governor for special commendation. The large diesel trucks used by the contractors were also destroyed prior to the invasion. One of the YP patrol boats and the R. L. Barnes fell into Japanese hands. The Japanese Army confiscated all properties belonging to the U.S. Navy as well as the personal properties of American officers and enlisted men. Disregarding their commander-in-chief's proclamation, the troops took up quarters in many private homes and public buildings and looted them for everything they could carry. In a special order, the Army confiscated all military and privately owned motor vehicles, radios, cameras and firearms. Needless to say, no compensation was given for private properties confiscated.

Casualties were light on both sides during the first three days of the war. Although no report of the number of Japanese casualties was ever publicly released, several wounded and dead troops were seen early Wednesday morning near the Plaza area. According to the governor's report, the American casualties numbered eight Guamanian guards and 13 Navy and Marine Corps officers and men killed in action; eight Guamanian guards and 37 Navy and Marine Corps officers and men wounded; one American and 30 to 40 Guamanina civilians killed and an unknown number wounded.

In his report to Secretary of the Navy, Gov. McMillin reported that the "officers and men assigned to the station . . . generally performed their duties in a satisfactory manner." In a special paragraph he said this of the Guamanian Guards:

> The Insular Force Guard which had been organized beginning in April 1941, proved themselves to be a valuable asset, even though they were green troops. They stood their ground in their short action in the Plaza, until they were called back. I consider that these fine natives are entitled to recognition for the showing they made on this occasion.●

MAINE'S WINNER OF VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mrs. SNOWE. Mr. Speaker, for 33 years, the Voice of Democracy contest has provided secondary school students with a means of competing for scholarship prizes through their written expression of American life.

The theme of this year's contest was "My Role in America's Future", and I'm extremely proud that the State winner from Maine is a constituent of mine—Jeanne Beth Scott of Buckfield, Maine.

Jeanne is an 18-year-old senior at Buckfield Junior-Senior High, and plans to pursue a career as a child psychologist, beginning with studies at the University of Maine at Orono or the University of Maine at Farmington.

It is my extreme personal pleasure to insert a copy of her winning essay below, and I commend it to my colleagues for their interest:

MY ROLE IN AMERICA'S FUTURE

(By Jeanne Beth Scott)

Many people view with trepidation, America's future. Newpaper headlines scream our economic woes the world around as the value of U.S. currency declines and the lights in our homes dim in the face of a growing energy shortage. The problems appear more insurmountable every day and Americans throughout the country grow increasingly discouraged and despairing. "What can I do as one person alone?", they ask. "My efforts are so inconsequential." But it is each person's seemingly insignificant daily contribution that will shape the future of America.

There is a task for each of us, whatever our walk of life. My personal vocation is to become a child psychologist. This aspiration does not, however, preclude my larger role as an American citizen.

I forsee the future as a time when each of us must care more deeply about our fellow man. This means that I must become personally involved in the welfare of my neighbors, my community, and the elderly. If the future is to be different from, better than, the past, then I cannot stand meekly by, while an elderly neighbor's heat is shut off from failure to meet increasing fuel costs on fixed incomes. I must not turn my back on children who are ill-fed and improperly clothed against the bitter cold of winter. I cannot, for whatever poor excuses, allow referendums to pass by me unconsidered and unvoted. The nation's belt must be tightened by notches, but first I must tighten my own. I cannot be wasteful of food on my table if America is to continue to feed the starving. Each bottle or can or plastic container that is thoughtlessly cast on a roadside, leaves less of our ever diminishing resources for future generations.

My role in America's future should be an investment of myself. It is really not so difficult to call on a neighbor who is ill, to visit a shut in, or to shovel a Senior Citizen's walk. It is really not so difficult to be a little more caring of each other every day. I think that it is on the community grassroots level that changes in America will occur. If we will all strive to make a few small personal sacrifices, the results will have a dramatic effect on America. By adding a sweater rather than turning up the thermostat, by walking to a neighbor's home instead of starting the car, or just by flipping off the light switch when I leave the room; I can conserve energy. Each of us must do all we can right now, so that our combined efforts will keep America strong. This is the right time for each of us to be responsible for our own actions. We cannot idly sit and blame bureaucracy when we do nothing to improve our own lives. If each of us tries, as I will try, my children will have a chance for a far better world, for America's future is being built today.●

THE IMPORTANCE OF THE SCIENCE FOUNDATION'S SOCIAL SCIENCE RESEARCH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. BROWN of California. Mr. Speaker, as part of the budget authorization process of the National Science Foundation, the Subcommittee on Science, Research and Technology of the House Science and Technology Committee has recently completed a special day of hearings on the issue of support for the behavioral and social sciences at the National Science Foundation. In terms of the amount of money involved, this is a small issue, but in terms of the impact of the research that is supported through Foundation grants, it is a very important issue indeed.

It is becoming increasingly clear that solution of many of our most difficult societal problems, such as the conservation of scarce energy supplies and the prevention of health problems will require a better understanding of human behavior and social interactions. Finding the answers to these problems depends very much on the behavior of individuals acting alone or in groups rather than on hardware related fixes. The technologies of social interaction are in many cases the emerging ones of interest. To be effective, however, all such technologies must be firmly based in careful fundamental research of the kind supported by the National Science Foundation.

The hearings established a clear record to draw on in a continuing effort to provide accurate information on the nature and purposes of behavioral and social science research. In addition to the Foundation presentation of reports in four program areas of neuropsychology, linguistics, anthropology, and economics, testimony was obtained from the following outside witnesses:

Dr. Herbert Simon, Nobel prizewinner in economics, from the Carnegie-Mellon University,

Dr. Frederick Mosteller, president of the American Association for the Advancement of Science and biostatistician at Harvard University,

Dr. Kenneth Prewitt, president of the Social Science Research Council and a political scientist at the University of Chicago,

Dr. Judith Rodin, social psychologist from Yale University,

Dr. Harlan Lane, psychologist in linguistics from Northeastern University, and

Dr. Reynolds Farley, sociologist from the University of Michigan.

This very distinguished group of witnesses provided numerous firsthand accounts of the importance and usefulness of research in the fields they represent. They also emphasized the vital role played by the National Science Foundation in maintaining meaningful research in many of the fields. In some cases, such as in linguistics and in anthropology, the Foundation is virtually the only means of research support, however modest the programs may be. Funding rates in terms of the percentage of proposals approved and funded are low in all these areas ranging from 16 to 25 percent.

Coincidentally, Dr. Richard C. Atkinson, Director of National Science Foundation, makes many similar points concerning the social and behavioral sciences in a recent February 22, 1980, volume 207, No. 4433, page 829 editorial in Science magazine which I include for the information of my colleagues. Dr. Atkinson is himself a social scientist and so speaks with some authority on these issues. He makes the important point that although the nominal funding level for these areas has remained constant for over a decade, there has been a remarkable decline in the percentage of the research performed at universities. This may not necessarily be harmful, but it may indicate a move away from the most basic form of research so important to the foundations of the science. One of our witnesses, Dr. Prewitt, points it out with this statement:

> * * * I bring to your attention the danger of an imbalance between the science and the application, between the painstaking, autonomous research which tests models and perfects tools and the rapid growth of a social science R&D industry.

We clearly cannot afford to let such an imbalance grow. We must continue supporting the kind of basic social science research embodied in the programs of the National Science Foundation. Dr. Atkinson's essay follows:

FEDERAL SUPPORT IN THE SOCIAL SCIENCES

The debate regarding the federal role in the support of social science research is long-standing and tends to intensify at this time of year as Congress begins its annual examination of the President's budget. There are supporters of the social sciences in Congress, but there are also vigorous critics. Criticism follows two contradictory lines of argument. In the first, social science research is regarded as irrelevant to societal needs and, therefore, a waste of taxpayers' dollars. The contrary argument is that the social sciences are all too relevant—leading to social engineering and manipulation of moral values—and should not be encouraged, let alone supported. Both of these views create difficulties for those who argue for increased support for social science research.

How has this debate affected federal funding for the social sciences? The facts are surprising. As a percent of the federal budget for both basic and applied research, the social sciences—defined in the National Science Foundation data base as anthropology, economics, political sciences, geography, and sociology—have remained remarkably constant at 5 percent of the total for well over a decade. A somewhat different picture emerges, however, if one examines where the research is performed (in colleges and universities, independent nonprofit organizations, industry, or government laboratories). Consider, for example, federal funds for basic research. Across all fields of science, the percentage of basic research performed at academic institutions has been roughly constant at 48 percent since 1973—the first year such data were collected. In contrast, 60 percent of basic research in the social sciences was performed at academic institutions in 1973, but that number had decreased to 47 percent by 1978. The cumulative impact is significant: from 1973 to 1979, federal funds for basic research at colleges and universities in all scientific fields increased 97 percent; in social sciences the increase was 37 percent. The same trends hold for federally supported applied research and for the composite of basic and applied research.

Setting aside questions about the classification of basic and applied research and possible spillovers from developmental work, these data indicate a shift of social science research away from academic institutions. We will have to know more about the nonacademic performers and the research they are doing before the trends can be interpreted. We do know that the job market is a factor. Although faculty positions in the social sciences have increased at about the same rate as the average for all fields of science, the number of new social science Ph.D.'s requires that many seek employment outside universities. Another factor may be that federal agencies are exercising more control over the content and climate of research. Professor Theodore Schultz, the University of Chicago's most recent Nobel Laureate in Economics, has commented on the distortions in economic research introduced by the influence of patrons—federal and private—and the resultant decline in academic research with no readily apparent utility. Constrained by the criticism mentioned above, funding agencies may be trying to ensure that the relevance of the social science they support is easily justified and, at the same time, poses no threat to society's values.

The shift away from academia in the social sciences has consequences for graduate education, for methodological work, and for the balance between fundamental and policy-oriented research. A case can be made that the shift has been beneficial for certain specialties and has strengthened links between academia and the real world. Whatever the judgment, it is important that we be aware of what is taking place and consider the consequences in planning for the future.—Richard C. Atkinson, Director, National Science Foundation, Washington, D.C. 20550.●

KEN HARDING

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. JACOBS. Mr. Speaker, Ken Harding, who retired last month as Sergeant at Arms for the U.S. House of Representatives, is the politician's statesman and the statesman's politician. He represents the very best of both worlds.

He has served his party well as a strategist. Later he has served the entire House of Representatives as its excellent Sergeant at Arms.

Beyond, and in a sense above all this, he is a decent and pleasant person. We shall miss his smiling face except on those eagerly awaited occasions when he comes back to visit his House.●

STUDIES ON SACCHARIN

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. MARTIN. Mr. Speaker, the House has already acted again to "bomb the ban" on saccharin, because we believe that any risk associated with its normal use is so exceedingly remote that we should not deprive diet conscious Americans of the right to use saccharin as an artificial sweetener.

The other body has deferred action on a similar resolution offered by the Senator from California, Mr. HAYAKAWA, until they had the benefit of two authoritative epidemiology studies of the factors associated with human bladder cancer. Those two studies have now been published after the close scrutiny that is required for inclusion in scientific journals. Their conclusion, separately and together, is that no detectable risk of cancer from normal use of saccharin by humans is present. In fact, they found 10 percent less risk for humans who use saccharin and cyclamates than for those who do not.

Members will question how that numerical average can be consistent with finding a 20-percent reduction for men users and a 50- to 60-percent increase for women, but will correctly surmise that this results from the well-known incidence of bladder cancer which is far less for women than for men from all causes. Ironically, an earlier, now discredited study that prematurely reported a higher rate for men users but a lower rate for women users, disregarded its findings for women simply because of the same small number of cases of bladder cancer among women. The Associated Press wire story follows:

People who drink artificially sweetened soft drinks and use other food containing Sachharin face little or no unusual risk of developing cancer of the bladder, two new studies conclude.

A study of 1,118 people, conducted at the Harvard School of Public Health, is the latest in a series that fails to show any broad link between the controversial sweetener and bladder cancer.

A similar study of 367 bladder cancer patients by the non-profit American health foundation, to be published in the journal science on Friday, reaches the same conclusion.

"Taken together, the results to date support the conclusion that the use of artificial sweeteners is not an important risk factor for bladder cancer," the Harvard researchers said.

The reviews were undertaken after scientists discovered that large doses of saccharin cause bladder cancer in rats, diet drink bottlers must label their soda with warnings of the lab animal results.

Despite the latest findings, a Federal cancer expert urged that nondietetic children and pregnant women avoid saccharin.

The Harvard study, directed by Dr. Alan S. Morrison, was published in Thursday's issue of the New England Journal of Medicine.

The Harvard doctors were not sure why saccharin makes rats sick but not humans. They speculated that the reason may simply be that rats are different from people, or may be saccharin is such a slow-acting cancer cause that its bad effects have not yet appeared.

Saccharin has been widely used since the 1960s. The researchers noted that it took 30 to 50 years for health officials to spot the danger when some occupational hazards caused bladder cancer.

Overall, the researchers found that the bladder cancer rate for men and women who use saccharin and cyclamate, a sweetener that was used in 1969 was 10 percent lower than among people who shun the artificial sweeteners.

The rate was 20 percent lower for men who drank diet soda or used packaged sugar substitutes, while among women, the risk was 50 to 60 percent higher.●

STATE JUSTICE INSTITUTE

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. KASTENMEIER. Mr. Speaker, today I am proud to introduce legislation to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute. I join with an illustrious and diverse group of colleagues in the House (Mr. RODINO, Mr. DRINAN, Mr. GUDGER, Mr. OBERSTAR, and Mr. BUTLER). All of these individuals have shown continued dedication to improving the administration of justice throughout this country, in both State and Federal courts.

Likewise, I am extremely pleased to join with an equally dedicated and respected group of Senate colleagues. Senator HOWELL HEFLIN, former chief justice of the State of Alabama and present chairman of the Senate Judiciary Subcommittee on Jurisprudence and Governmental Relations, has introduced identical legislation in the Senate. His bill is cosponsored by Senators KENNEDY, DECONCINI, DOLE, SIMPSON, and COCHRAN.

In fact, Senator HEFLIN has already held 2 days of exploratory hearings on the need for such legislation. He has received testimony from a respected group of witnesses, all of whom testified positively as to the merits of creating a State Justice Institute. I applaud Senator HEFLIN's interest in improving State administered justice, his willingness to lend his expertise and knowledge to this endeavor, and the judicious manner in which he has already considered the proposal.

Mr. Speaker, I would like to share with my colleagues the rationale behind the legislation.

The legislation proceeds from the assumption that there is a legitimate basis for Federal financial support for the State judicial systems. There are six reasons for this. First, the quality of justice at the National level is largely determined by the quality of justice rendered at the State level. Second, according to the supremacy clause of the U.S. Constitution, State courts share the general responsibility of enforcing the requirements of the Constitution and the laws of the United States made pursuant to those constitutional provisions. Third, the Federal Government is providing more and more work to the State courts by reason of Federal legislation. Fourth, the ever-increasing burdens on the Federal judiciary have led to diversion of many of these matters to the State courts. Fifth, the Federal speedy trial act has resulted in increased numbers of criminal cases being filed in State courts. And, sixth, the U.S. Supreme Court has placed more responsibilities on the State courts to apply due process and equal protection requirements.

These propositions, individually or collectively, do not mean that the Federal Government should get into the job of regulating State administered justice. The conclusion does follow, however, as in other areas like transportation, health care, and education, that the State and Federal Governments have concomitant obligations. They must work together to satisfy mutual goals. And the need for quality justice in this country, especially as perceived by the citizen-litigant, does not change depending on whether a State or Federal court handles the matter. Rather, the citizen's expectation of fair, inexpensive, and expeditious resolution of his dispute remains constant.

The question becomes: How can the judicial independence of State justice systems be preserved while making Federal funds available to them? The legislation accomplishes this in three ways. The first is by clearly recognizing the separation of powers in the functioning of State governments and the independence of State judiciaries. Second, the grant program is to be directed by a national institution whose members in the substantial majority represent the State court systems. A final principle is that nationwide organizations and educational institutions supporting State judicial systems should be the principal recipients for the allocation of Federal funds and all grants should be awarded on a discretionary basis. By making the legislation contingent on these three principles, the independence of the State justice systems will be protected from Federal encroachment. The twin themes of federalism and separation of powers, upon which our Government is premised, will remain intact.

Parenthetically, I would like to mention costs. The bill does not provide for the authorization of any moneys. The rationale behind this is that budgetary decisions will be made and discussed during the hearing and markup processes. Based on economic and political considerations, a consensus position on how much money ought to be authorized then can be reached. I do believe that the importance of this legislation is contained not in the money authorized but in the creating of an institute. In addition, if the Congress would pass legislation abolishing the diversity of citizenship of the Federal courts (see H.R. 2202)—as the House did on two occasions during the 95th Congress—an annual savings of well over $50 million would occur. As I have stated previously, there is no reason why State law cases should remain in Federal court, especially those which ground jurisdiction on out-of-State residence. The State courts are ready, willing, and able to accept them. By coupling the creation of a State Justice Institute with the abolition of diversity, we could accomplish two needed reforms with no additional cost to either the Federal Government or to the State court systems. It is not often that major improvements to existing institutions can be effected with no cost to the taxpayers. This point deserves to be highlighted here.

In closing, I would like to note that the seeds for this legislative endeavor were sown by the State courts themselves. In August of 1978 the Conference of State Chief Justices passed a resolution creating a task force on a State Court Improvement Act. The committee was charged with the responsibility of recommending innovative changes in the relations between State courts and the Federal Government and of identifying ways to improve the administration of justice in the several States without sacrifice of the independence of State judicial systems.

The task force was chaired by the able chief justice of the State of Washington—Hon. Robert F. Utter. Ten other chief justices freely gave of their time and expertise: Hon. Albert W. Barney (Vermont), Hon. Bruce F. Beilfuss (Wisconsin), Hon. James Duke Cameron (Arizona), Hon. Arno H. Denecke (Oregon), Hon. Joe R. Greenhill (Texas), Hon. John B. McManus, Jr. (New Mexico), Hon. Robert C. Murphy (Maryland), Hon. Neville Patterson (Mississippi), Hon. William S. Richardson (Hawaii), Hon. Robert J. Sheran (Minnesota). Four State court administrators assisted in the preparation of the report: Mr. William H. Adkins II (Maryland), Mr. Roy O. Gulley (Illinois), Mr. Walter J. Kane (Rhode Island), Mr. Arthur J. Simpson, Jr. (New Jersey). And three advisers to the task force aiding in the drafting: Prof. Frank J. Remington, Mr. Ralph N. Kleps, and Prof. Maurice Rosenberg.

The task force held numerous meetings, circulated several drafts, consulted with political representatives from both Houses of Congress and maintained liaison with national bar associations. I commend the task force for the quality of its work, for the honest and open manner in which it satisfied its written mandate, and for its willingness to work with all segments of the bar, the three branches of government, and State and Federal officials. Its final report and draft legislation reflect the conscientious manner in which the task force did its work.

In short, Mr. Speaker, I am honored to be lead sponsor of this legislation. I look forward to working on it in the House of Representatives, where it will be scrutinized by my colleagues, subjected to budgetary and political analyses, and refined by the legislative drafting process.●

MAY 1980—BETTER HEARING AND SPEECH MONTH

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. BARNES. Mr. Speaker, today I am introducing a joint resolution to designate the month of May this year as "Better Hearing and Speech Month." The joint resolution also requests that President Carter issue an appropriate proclamation in recognition of the continuing national effort to help persons with speech, hearing, and language problems. I will shortly be sending my colleagues in the House a letter providing additional information, and I urge Members to give serious consideration to cosponsoring the joint resolution. A total of 218 cosponsors are required by the House Post Office and Civil Service Committee before the legislation can be considered on the House floor.

For the information of my colleagues, I submit for the RECORD the text of the joint resolution:

H.J. RES. 504

Joint resolution designating May 1980 as "Better Hearing and Speech Month".

Whereas one of the hallmarks of a truly civilized nation is the effort it makes on behalf of its handicapped citizens;

Whereas human communication is a necessity if all persons are to participate fully in the world around them;

Whereas more than ten percent of children and adults in the United States have speech, language, or hearing impairments so severe that educational, vocational, personal, and social functioning are adversely affected; and

Whereas the continuing efforts of the many organizations and individuals working for and developing programs to assist those with hearing, speech, and language problems deserve recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 1980 is designated as "Better Hearing and Speech Month" and the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.●

LEGISLATION RESTRICTING CLAIMS BY FOREIGN SEAMEN

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. BREAUX. Mr. Speaker, today I am introducing legislation which would bar claims by foreign seamen initiated because of a loophole in Federal law.

In recent years, increasing numbers of foreign seamen and offshore workers have been suing U.S. companies in U.S. courts for alleged injuries sustained while working in foreign waters onboard special purpose vessels engaged in the exploration for, and development and production of hydrocarbon resources underlying such foreign waters.

In these instances, the foreign claimants had available to them remedies in either their home country or under the laws of the country in whose waters they were operating. In too many of these cases they collected under such remedies and then proceeded to file claims here in the United States as well.

These suits have been made possible by court interpretations of a loophole existing in Federal law—a law that was designed with the principal purpose of protecting the rights of U.S. citizens and permanent resident aliens.

Accordingly, as stated in the preamble, the purpose of my bill is to provide that actions may not be taken in U.S. courts for damages incurred by foreign workers when they are injured or killed outside the United States while employed on certain special purpose vessels engaged in activities relating to the offshore exploration for, or production of, oil, gas, or other minerals unless no remedy is available under the laws of the country asserting jurisdiction over the area of the action or citizenship of the person involved. The bill has no other purpose and effectuates no other change in either the Jones Act or any of the other maritime laws that are designed to protect the rights of American workers.

Nothing in the legislation denies or abridges any existing legal rights held by U.S. citizens regarding such claims.

This legislation has resulted from the unwarranted deluge of recent claims by foreign workers who are double dipping. Having obtained their full measure of remedies under a foreign law which is the more logical approach to their need for compensation, they then proceed to file claims in the United States. I have received dozens of letters calling these inequities to my attention.

In order to insure that appropriate remedies do, in fact, exist in these foreign countries, I asked the Law Library of the Library of Congress to research the local law in the countries whose citizens have filed claims in the United States. These generally were the countries which are developing their offshore petroleum resources. In each case, the Library of Congress reported an array of local available remedies. Yet, despite the availability of these remedies which are fully taken advantage of abroad, the foreign claimants continue to stream into the United States with additional claims.

My bill accordingly amends one section of title 46 of the United States Code in order to correct its overbroad application by U.S. courts to noncitizens or nonpermanent resident aliens of the United States whose employment activities, duties, or status does not readily fall within that class of persons Congress intended to protect when it enacted such legislation. Enactment of the amendments will, in effect, establish a choice of law rule with respect to such individuals who are employed on certain special purpose vessels. The desired end result of the amendments will be:

First, the prevention of double awards which often result in unjust enrichment for certain foreign claimants;

Second, the imposition of some sort of limit on skyrocketing maritime insurance costs;

Three, the enhancement of the competitiveness of U.S. concerns operating in foreign offshore areas; and

Fourth, a lessening of the burden on Federal Government employees who have been forced to process so many foreign claims.●

CRAMER HILL BOYS CLUB

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in paying tribute to the Cramer Hill Boys Club on the anniversary of their 25th year of service to the young people of Cramer Hill. The boys club has for years operated an ambitious program of athletics and community service designed to instill in young people a sense of community and purpose.

The club has its roots in a meeting of 14 people who gathered in a borrowed hall 25 years ago. The first president of the club was John Horn, a distinguished State senator who is presently serving as commissioner of labor for the State of New Jersey. From this nucleus of 14 people, the club has grown in membership to over 500 strong. As the membership has increased so has the service it renders to the youth of the city. A bright new facility was dedicated in 1977 and bears witness to the Cramer Hill Boys Club commitment to the city of Camden and it's youth.

The leadership of the Cramer Hill Boys Club president Joseph Galiano, Sr., and the board of directors, are to be commended for the outstanding record of service they have compiled. ●

U.N. VOTE HAS REINFORCED DOUBTS ABOUT U.S. COMMITMENT TO ISRAEL'S SECURITY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. LEHMAN. Mr. Speaker, the U.S. vote on the United Nations resolution condemning Israel's administration of the West Bank and Gaza and calling for the dismantling of settlements on the West Bank is most distressing. The explanation that the error resulted from a communications foulup along the line will not, I believe, reassure Israel or the American Jewish community.

Unfortunately, the incident is going to add to growing doubts as to the dependability of our Government's leadership. Neither the President's statement that he did not realize the resolution contained unacceptable references to Jerusalem nor Secretary Vance's statement that he failed to properly communicate instructions to Ambassador McHenry really satisfies anyone.

Even more disturbing than the question of whether the U.S. vote was due to a high-level decision or whether it was due to a communications mixup is the vacillation of the administration on its commitments to Israel's security and to the Camp David peace treaty. The latest anti-Israel resolution authored by the U.N.'s Arab Rejectionist Front is a clear impediment to peace and in violation of U.N. Resolution 242 and the Camp David peace treaty. As one of the authors of the peace treaty, the United States should be well aware of this resolution's contradiction of key treaty provisions.

I am disappointed that the administration had merely wished to abstain instead of voting a firm no on objectionable references concerning Jerusalem. Furthermore, it is disturbing that the United States continues to believe that Israel's settlement policy violates international law, when legal scholars are not in agreement on this issue and Assistant Secretary of State Alfred Atherton has testified before Congress that the question of whether settlement policy is in violation of international law has not yet been resolved.

Before the war of 1948, no Arab state had sovereignty over the West Bank area. In 1950, the annexation by Transjordan of the West Bank was an occupation which, until 1967, prohibited Palestinian Jews from remaining in their homes on the West Bank. The West Bank was used, between 1950 and 1967, as a base for launching terrorist incursions against Israel.

The State Department's position on Israel's settlement policy indicates an insensitivity toward the security needs of Israel. This position goes beyond U.N. Resolution 242's recognition of the need for territorial security. To not make the distinction between those settlements that are strategically important to Israel's security and those settlements that do not fall into this category is less than a full commitment to the security of Israel. Neither Israel nor the United States can afford to ignore these security needs.

President Carter has stated numerous times that Israel is of vital strategic importance to the security of the United States. We in the Congress must continually impress this fact on the administration. A late-night statement of error on an anti-Israel United Nations vote is no way to deal with our only dependable democratic ally in the Middle East.●

TREATMENT OF DR. SAKHAROV REVEALS NATURE OF SOVIETS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. PORTER. Mr. Speaker, Dr. Andrei Sakharov was recently sent into internal exile by the repressive Soviet regime. In fact, as the Moscow Olympic games approach, dissidents are being rounded up all over the Soviet Union and swept out of the way. The Carter administration, however, seems to have fired off its entire diplomatic salvo protesting the invasion of Afghanistan and apparently has little left to aim at Dr. Sakharov's maltreatment.

But the scientific community, of which Dr. Sakharov is such a prominent member, has done a great deal to help. The Scientific Forum, a gathering of 30 nations in Hamburg, recently provided a platform for statements in his behalf and many strong condemnations were in fact delivered from it. Moreover, the National Academy of Sciences has suspended contacts between itself and its Soviet counterpart for the next 6 months in protest of Dr. Sakharov's abuse. Other scientific groups have announced that they will not continue contacts with the Soviets so long as that mistreatment continues.

These efforts in behalf of Dr. Sakharov deserve our strong support and commendation. It seems incredulous to us in the West that a man of Andrei Sakharov's stature can be brutalized by his own government. His lifelong efforts in scientific endeavors have made him a man of renown; but his efforts against injustice and tyranny have made him one of the outstanding human beings of our time.

Nevertheless, his government has taken away his honors, sent him to exile in Gorki, away from his wife and home, and its secret police have broken into his apartment and actually physically abused him. These actions of the Soviets against this man of justice and humanity reveals, once again, for all who would open their eyes and see, the nature of the regime in Moscow and the kind of world they intend for all of us.●

THE SIMON WIESENTHAL MEMORIAL

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. DORNAN. Mr. Speaker, I was immensely pleased by yesterday's 289-38 vote on H.R. 5548, authorizing a gold medal for Mr. Simon Wiesenthal.

When the final chapter of this turbulent period in Western history is written, I have no doubt that the name of Mr. Simon Wiesenthal will have a high place among the men and women who stood forth for justice in a world that has, in many respects, lost its moral moorings. I think it would be a mistake to suggest that Wiesenthal is only a hero of the Jewish people, because he has sought to win justice for the helpless millions of his coreligionists who were struck down by the immense, inhuman totalitarian machine of Nazism. The truth is that Simon Wiesenthal has sought justice for humanity because the crimes that were committed by Hitler's ministers of death were crimes against humanity itself.

Nazi totalitarianism is so repugnant to us because it represents a combination of the worst, the most depraved instincts or passions of our nature, the primitive hatreds and bigotry that mar virtually every page of human history, and the modern, streamlined organization of an advanced, industrial society. Sometimes, I think it is pointless, as well as demeaning to our ancestors, to speak of primitive men as savages, in light of the savagery that characterizes modern life.

The world witnessed the holocaust of World War II, Hitler's murderous campaign against the Jews. We and our Western Allies were struck dumb with horror at the revelations of the mass killings in concentration camps in Eastern Europe. Yet, we pick up the newspapers today and we see the same thing: Again, and again, and again. The same type of stories filter out from the Third World and from behind the Iron and Bamboo Curtains. The great Russian novelist Solzhenitsyn revealed Stalin's mass murder of millions in the Soviet Union during the very time that Hitler himself had come to power. As a result of systematic terror, millions have recently died in Cambodia. The madness of Idi Amin, an avowed admirer of Hitler himself, had decimated Uganda. In Equatorial Guinea, a little nation that very few Americans could locate on a globe, the population was reduced by roughly one-half through a wave of terror initiated by the country's late, pro-Soviet dictator Francisco Macias Nguema.

So the story remains the same. The world has not learned. Totalitarian atrocities continue.

Mr. Speaker, totalitarianism is a peculiarly modern phenomenon. The most absolute prince of medieval Europe, the most powerful monarch of the 16th century, could never have dreamed of exercising the degree of control found in the regimes of Lenin, Stalin, Hitler, Amin, or Pol Pot. Totalitarianism is, at root, a marriage of arrogant, absolute, totalistic political claims and modern technology. The threat posed by totalitarianism is the greatest single threat to human liberty in human history. The specific challenge of our time is the union of practical and ethical life, public life, and personal conscience. Mere personal moral outrage at crimes committed against humanity will never serve as a satisfactory response for men entrusted with public authority.

Simon Wiesenthal, through his efforts to secure justice for the dead as well as the living, constantly reminds us of the challenge. By reminding us of the injustices of the past, he has served to strengthen us to meet the moral and political challenges of the future. In a world in which the forces of totalitarianism are once again on the march, his courage and determination ought to be an example to us all. I am proud beyond description just to know him.●

TRIBUTE TO KENNETH R. HARDING

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. AKAKA. Mr. Speaker, I would like to express my warmest aloha and best wishes to Ken Harding as he retires from a long and distinguished career of public service. On behalf of all the Members of the House, I would like to acknowledge our debt of gratitude to Ken for the dependable manner in which he planned, coordinated, and implemented the vast and intricate network of support services utilized by all Members of the House. I will miss this dedicated public servant; however, I want to wish both Ken and Jane much happiness in the years ahead.●

YEARBOOK OF AGRICULTURE

HON. CHARLES E. GRASSLEY

OF IOWA,

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. GRASSLEY. Mr. Speaker, I would like to voice my objections to the USDA 1979 Yearbook of Agriculture.

In particular I would like to bring to your attention a letter I received from the Assistant Secretary, James C. Webster, who has written to me to defend this publication:

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 27, 1980.

HON. CHARLES E. GRASSLEY,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN GRASSLEY: Your comments in Sunday's Des Moines Register about our 1979 Yearbook of Agriculture raise a number of interesting questions and deserve an explanation about why we chose a book as different as "What's to Eat? And Other Questions Kids Ask About Food."

The primary question that concerns all of us who serve American agriculture is how, in an increasingly urban society, we can develop sound public policies that translate into legislation affecting the food and agriculture system.

We have considered it our mission at USDA, and especially in the public affairs area, to produce the kind of information that will help people form sound and informed judgments on food and agriculture questions.

Secretary Bergland has repeated on many occasions the truth that you know so well—that hardly three dozen Members of 435 are primarily farm districts. And that means it is increasingly difficult to obtain support for specifically farm-interest legislation unless it can be shown that there is a benefit to non-farm Members and to their constituents.

The 1979 Yearbook of Agriculture is designed, in large part, to help you and your colleagues from farm districts do exactly that.

Most likely it's the first book ever done for an audience of any age—certainly the first by the Government—which describes the U.S. food and agriculture system from start to finish as a cohesive unit with parts that fit together. And it tries to do so in a way that makes it clear that the farmer is the linchpin that holds it all together.

It's targeted to children for a couple of reasons—one is that boys and girls at that stage have an enormous curiosity (they really do wonder if prehistoric kids ate bugs) and are open to learning new things; the other is that kids talk to their parents a lot. So not only do we reach a generation of Americans that will be making political decisions in a few short years, we stimulate conversations that will lead many parents to want to learn more about agriculture and food.

It's precisely because the book is targeted to children that we chose the writing and pictorial approach that was used. Some of the humor is pretty corny to those of us who have spent our lives in and around agriculture, but at the same time it grabs the attention of elementary schoolers.

The newspaper quotes you as saying that past Yearbooks of Agriculture helped farmers grow hogs and corn better. The fact is that a Yearbook hasn't done that for more than 15 years. But it's no comic book either. In between the attention-getting devices is jammed an amazing amount of useful information about agriculture and food.

Our professional guess is that this will be the most popular yearbook USDA has ever published. Personally, I think it's the best book any Government agency has ever done for any audience.

Cordially,

JAMES C. WEBSTER,
Assistant Secretary.

Mr. Speaker, the yearbook was supposed to assist the farmers with problems they encountered on the farm. As a farmer, I can tell you that this has not been the case for some time and this year's publication is evidence that someone at the USDA is placing the wrong priorities on what the book is intended to do. The USDA prints thousands of publications each year. Why the Department decided to publish its children's fables in this particular book escapes me.

Secretary Webster stated in his letter that this book was aimed at elementary schoolchildren. Of the 290,160 issues printed, 233,450 were given to Members of Congress for free distribution. The balance must be purchased at a price of $4.50. I really wonder just how many schoolchildren are really going to benefit from this limited publication.

The small family farms are facing ever increasing pressures to stay in business today. Children no longer have the same opportunities to carry on the heritage of the family farms as in the past and the wives of farmers are faced with the task of helping their husbands to keep the family farm solvent—a burdensome task, to say the least. Yet, Assistant Secretary Webster had the nerve to state in his letter to me, "Personally, I think it's the best book any Government agency has ever done for any audience."

For a book that has just cost the taxpayers $587,544, I would like to give you a sample of some of the material incorporated in this book, and you judge for yourself whether this book has any value to a schoolchild, let alone a farmer.

The material follows:

CHICKEN FACTS

EATING CHICKENS

Forty years ago, Americans ate only about half a pound of chicken a year. Things have really changed.

Would you believe it's now 37 pounds? That's right. Americans eat an average of about 37 pounds of chicken a year. That's a lot of drumsticks!

A REAL EGG FACTORY

Forty years ago, the average egg-laying hen laid 100 eggs a year.

She's more than doubled her egg-laying ability. Today, an average hen lays about 240 eggs a year. Let's hear it for the hen!

GO TO THE HEAD OF THE CLASS

Elephants are said to have long memories. Hogs are very good at solving problems. But the chicken? Well, the poor chicken would probably never go to the head of the class. Chickens are just not very smart.

"YOU'RE A CHICKEN!"

Why do some people say, "You're a chicken," when they mean you're afraid to do something? Why don't they say, "You're an elephant," or "You're a horse?"

Maybe the reason is chickens are small and can't defend themselves very well. So, to survive danger, they must run or fly away.

WOULD YOU BELIEVE

There are more chickens in the world today than there are people! And the number of chickens is growing faster than the human population. It's true!

"WHAT'S TO EAT?" DRESSING FOR YOUR SALAD—AN INTERVIEW WITH MR. SOY BEAN

When people think about food crops, they usually think about corn, or tomatoes, or even wheat. But few ever think about soybeans. Yet, soybeans give us salad oil and many other products. If a soybean could talk, what do you think it would have to say for itself? You can't be sure, but an interview with a soybean might go like this.

Ms. Video. Good evening, I'm Barbara Video, and I'm here in Illinois at the farm of the Soy Bean family. As you can see, the Soy Bean family is upset. They say they get no respect. Tonight, we'll be talking with the head of the Soy Bean family, Mr. Soy Bean himself.

Soy. Good evening, Barbara.

Ms. Video. Good evening, Mr. Bean.

Soy. Call me Soy.

Ms. Video. Thank you. I must say you're looking fresh as a daisy.

Soy (Upset). Fresh as a daisy! See what I mean? Even daisies get more respect than soybeans! Why didn't you say "fresh as a soybean?"

Ms. Video. Excuse me. I didn't mean to upset you.

Soy (Feeling sorry for himself). Soybeans get no respect.

Ms. Video. Perhaps if we knew a bit more about soybeans, that would help.

Soy (Cheered up a little more). That sounds like a good idea. What would you like to know?

Ms. Video. Why don't you begin by telling us where soybeans come from.

Soy (Playfully). Guess!

Ms. Video. Well, judging from your name, I'd say you come from China.

Soy (Disappointed). How'd you guess?

Ms. Video. Just lucky, I suppose.

Soy. Well, you're right. Soybeans have been grown in China for 3000 years. But a lot of people think soybeans came from Cleveland.

Ms. Video. Cleveland? You're kidding!

Soy. Yeah, I am. That was just a little joke. Soybeans have a great sense of humor.

Ms. Video. I can tell.

Soy. Actually, I do have an uncle who grew up in Cleveland. But, today more soybeans live right here in Illinois than in any other State. We soybeans also grow well in Iowa, Missouri, Arkansas, and Indiana.

Ms. Video. I didn't know that.

Soy. Well, here's something else I bet you didn't know. More of us soybeans grow up in the United States than in any other country—including China.

Ms. Video. No, I didn't know that.

Soy. You've probably never given us Soybeans any thought at all.

Ms. Video. Well, now, Soy, that's not exactly true. Why, just last night I asked the waiter to bring me some soy sauce for my Chinese dinner.

Soy. Soy sauce! Is that all you think we're good for?

Ms. Video. Well, I don't know. Perhaps you could tell us: What are you good for?

Soy. What am I good for? Are you crazy? I guess it never occurred to you that soybeans are used as feed for livestock and food for you human beings, and are even used in some of the products you buy, like plastics, paint, varnish, candles, and soap.

Ms. Video. Hey, that's interesting.

Soy. You bet it is. But nobody ever gives the soybean credit for all those things. Even carrots get more credit than soybeans do.

Ms. Video. What do you mean?

Soy. All over the country, you hear parents tell their kids, "Eat your carrots. They're good for eyesight." You never hear anyone say, "Eat your soybeans," do you?

Ms. Video. You, uh, do have a point.

Soy. Well, here's another little tidbit of information. In many countries, people eat soybeans instead of meat, eggs, or cheese. That's because soybeans are a good source of high-quality protein. And they're a lot cheaper than those other foods, too.

Ms. Video. Perhaps you could tell us exactly how soybeans are used.

Soy. Okay, but I'm only going to say this once, so listen carefully.

You see, first we soybeans produce seeds. Are you with me?

Ms. Video. So far, so good.

Soy. After soybeans are harvested, the seeds are cleaned. Then they are crushed into flakes. And oil is removed from those flakes.

Ms. Video. And then the flakes are just thrown away, right?

Soy. Not on your life! Those flakes make up soybean meal which is fed to livestock. Over 90 percent of the soybean crop is fed to animals. The rest of the soybean meal is further processed in different ways, and added to foods like baby food, cereals, even candy. It provides an extra protein source for these foods.

Ms. Video. What happens to the soybean oil?

Soy. I'm glad you asked that, Barbara. About 90 percent of the oil is used for food products, about half of that is used for vegetable shortening and margarine. Think about that.

Ms. Video. H'mmm. I will.

Soy. Anyway, the other half of the oil that is put in food is used for mayonnaise, salad dressings, and cooking oils.

Ms. Video. That's fascinating.

Soy. And you thought all we did was make a little soy sauce. Let me tell you, we soybeans are one of America's most important and versatile crops.

Ms. Video. I apologize.

Soy. Listen, I don't have all day to stand around gabbing, so if you're going to ask me about pests, you better hurry up.

Ms. Video. Pests?

Soy. Sure, pests. Most snoopy reporters who come around here ask about pests and pesticides.

Ms. Video. Okay, what about pests?

Soy. They're real pesty! Har-dy-Har-Har-Ho-Ho! Boy, you really fell for that one, didn't you Barbara? I told you we soybeans have a sense of humor.

Ms. Video. Yes, I can see. You're just a regular Steve Martin of the soybean set.

Soy. Actually pests are mostly weeds and some insects and they used to be a bigger problem for us soybeans than they are today. Farmers have learned how to control those pesty old things. The farmers now have a lot of different pesticides to kill the weeds and insects—they help to protect us.

Ms. Video. I'm glad to hear that.

Soy. Not nearly as glad as we are.

Ms. Video. Just one last question, Mr. Bean. How does the future look for you and your family?

Soy. Terrific. Absolutely terrific. Why it's possible we could someday provide the calories and protein for all the peoples of the world.

Ms. Video. That's what I call a bright future! Well, I want to thank you for taking the time to talk with us this evening.

Soy (shyly). I must admit I was a little nervous in front of the camera.

Ms. Video: Oh, really? You seemed cool as a cucumber.

Soy. Cool as a cucumber! See! There you go again. Why couldn't you have said "Cool as a soybean," or "Smart as a soybean," or "Delightful as a soybean."

Ms. Video. I apologize.

Soy (Feeling sorry for himself again). Soybeans get no respect.

Ms. Video. Maybe I could help you come up with a nice soybean slogan.

Soy. Now you're talking! What do you have in mind?

Ms. Video. Well, from what you've told me, soybeans seem like very strong, healthy, reliable plants.

Soy. Oh, we are! We are!

Ms. Video. So, how about this: "Sound as a Soybean!"

Soy. I like that. It has a nice ring to it. (proudly) Sound as Soybean!

Ms. Video. Once again I'd like to thank you for sharing this time with us.

Soy. Oh, you're welcome, very welcome. And listen, if you ever get to Cleveland, say hello to my uncle for me.

Ms. Video (as she exits). I sure will.

Soy (proudly). Sound as Soybean. I like that!

Mr. Speaker, Secretary Webster stated in his letter, "Our professional guess is that this will be the most popular yearbook USDA has ever published." If this is professionalism at USDA, we better all be taking a closer look at the activities in the Department of Agriculture.●

TEXTILE HALL WINS EXPORT AWARD

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. CAMPBELL. Mr. Speaker, the inventive and aggressive merchandising of American goods abroad by the Textile Hall Corp. of Greenville, S.C., was recently recognized by the U.S. Department of Commerce through the presentation of the Presidential "E" Award. It is with pride and pleasure that I share with you the following release:

Textile Hall Corp., Greenville, S.C., today received the Presidential "E" Award for outstanding performance in promoting U.S. international trade.

The company, a non-profit service organization that puts U.S. manufacturers in touch with potential foreign buyers through its international show facilities, was cited for its outstanding creative marketing and promotional services to U.S. exporters.

According to the Commerce Department the Amercian Textile Machinery Exhibition-International, which Textile Hall sponsors every two years, ranks high among U.S. trade shows in attracting foreign visitors.

The company promotes the exhibition world-wide through mailings to 15,000 foreign mills, textile associations, airlines, travel agents, banks and U.S. embassies and consulates. It advertises in 28 foreign textile publications and prints promotional material in a variety of foreign languages. In addition to its activities in Europe and Africa, Textile Hall also promotes the exhibition in China, working through appropriate government ministries.

The "E" Award was presented to Dr. Robert C. Edwards, Chairman of the Board of Textile Hall, by Margaret Patrick, director, U.S. Department of Commerce district office, Columbia, S.C., on behalf of Secretary of Commerce Philip M. Klutznick.

The "E" Award consists of a certificate signed by Secretary Klutznick on behalf of President Carter, an "E" flag and "E" lapel pins.●

WHITE HOUSE DRAFT REGISTRATION BRIEFING BACKFIRES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mrs. SCHROEDER. Mr. Speaker, last month the administration dragooned student leaders to the White House for a briefing on the President's proposal for draft registration.

The copresidents of the University of Colorado at Boulder student government went to the briefing skeptical and came out "flatly opposed." They found the administration's answers "evasive and indirect" and they left the briefing "disillusioned and disappointed."

The February 26, 1980, Denver Post article follows:

[From the Denver Post, Feb. 26, 1980]

CARTER REGISTRATION ANSWERS "DISILLUSIONING"

(By Art Branscombe)

The nature of pleas about reviving Selective Service registration by President Jimmy Carter and his top aides transformed the views of two University of Colorado student leaders, who now oppose the registration.

They went to Washington as part of a group of 300 student leaders recently at the invitation of the White House, said Nancy Coleman and Steve Reddy, co-presidents of the University of Colorado Student Union, student governing body at the University of Colorado Boulder campus. They went with some skepticism about the issue.

After hearing Carter appeal to their patriotism and hearing from Stuart Eizenstat, the president's domestic affairs adviser, and other top presidential aides, the two students returned to Colorado "flatly opposed" to registration, they said Monday.

"We asked very tough questions . . . We came there to seek information and clarification," said Miss Coleman during a press conference at the Denver Press Club. "The answers we received were evasive and indirect . . . We left disillusioned and disappointed."

"I asked Eizenstat about the dramatic shift in emphasis by the administration," said Reddy. "They talked a year ago about how citizens needed to make sacrifices in using oil. Now we're being asked to sacrifice lives. He said he was appalled at such a question being asked and walked off the stage."

"Most of the students at CU would rather switch than fight," Reddy added. "They would rather give up some energy than go to the Middle East and fight for it."

Later, listing reasons for opposing reinstating draft registration, he said, "We feel registration equals the draft . . . There's no need for registration unless someone is planning a draft."

"What we are proposing instead," Reddy continued, "is to challenge Carter to rally the American public around the conservation of energy, so we can do without Middle Eastern oil. I think we can do it and eventually we will have to do it anyhow."

Told that two Colorado State University students who also attended the White House briefing, Steve Meier and Tom Hastings, reportedly felt that student opinion was split about 50-50 after the briefings, Reddy observed that probably a third of the students simply listened without comment. The other two-thirds, he said, appeared to split about 50-50.

When the registration proposal was first broached in the president's State of the Union speech, Miss Coleman commented, most students probably "felt a sort of nationalism and were ready to fight. Now I think people are really starting to question it. And I think after a lot of education about it, a solid majority will be opposing it."●

ANOTHER SLAP AT A FRIEND

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. QUAYLE. Mr. Speaker, the White House has acknowledged another foreign policy mistake when the United States last Saturday voted in support of an Arab-initiated resolution condemning Israel's administration of the West Bank and Gaza.

This latest U-turn in the United Nations by the United States is all the more puzzling because twice in the last year, the United States had abstained on similar less extreme resolutions, explaining that during delicate negotiations on the West Bank and Gaza it wanted to take a neutral stance—seeking not to inject irritants in the process.

The bungled vote in the United Nations on March 1 sent a new signal to Israel and the Arab nations in the troubled Middle East. The Carter administration, in effect, was repudiating its own efforts achieved through the Camp David accords. By supporting the Arab resolution at the United Nations, and reversing previous U.S. policy, the United States has further damaged its credibility with Israel and undermined the delicate Egyptian-Israeli autonomy negotiations and encouraged those Arab States opposed to the Egyptian-Israeli peace process.

The President has now disavowed the vote cast by the U.S. Ambassador to the United Nations, and Secretary of State Vance has assumed all blame for this mistake. However, the damage has been done. It is an embarrassment to the United States, and only underscores what apparently has become a mainstay of Carter foreign policy—punish our friends and reward their enemies. Let us hope the chances for Middle East peace have not been similarly bungled.●

NATIONAL NATURAL LANDMARKS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. VENTO. Mr. Speaker, I wish to call to my colleagues' attention the following article appearing in the March issue of the National Parks and Conservation magazine. Written by Chris Delaporte, Director of the Interior Department's new Heritage Conservation and Recreation Service—HCRS—the article details substantial improvements which HCRS has made in the national natural landmarks program since the agency assumed this responsibility 2 years ago.

On March 17 and 18, the House National Parks and Insular Affairs Subcommittee will consider legislation prepared by the administration which proposes further and significant reforms in the landmarks program. That legislation, the National Heritage Policy Act, H.R. 6504, has been introduced in the House by Congressman BURTON and cosponsored by me with Congressmen UDALL, SEIBERLING, KOSTMAYER, BINGHAM, FLORIO, and SEBELIUS.

I congratulate HCRS for its improvements in the landmarks program.

The article follows:

PROGRESS AND PROSPECT: A REPORT ON THE NATIONAL NATURAL LANDMARKS PROGRAM

(By Chris Therral Delaporte)

The Heritage Conservation and Recreation Service was criticized in the March 1979 issue of National Parks and Conservation Magazine for its failure to deal adequately with the National Natural Landmarks Program. By late 1978, there was a large backlog of potential landmarks awaiting the necessary review. NPCA's criticism was valid, and in my letter to the Association (NP & CM, June 1979) I outlined the steps we were taking to streamline the process and reduce the backlog. The purpose of this article is to report to you the results of our efforts, and to consider the landmark program's future.

In retrospect, we now recognize that our backlog problem resulted in part from the study/review/designation process that had evolved in the landmarks program. The process consisted of four steps.

1. Natural history studies were conducted in the 33 designated natural regions of the 50 states, Puerto Rico, and our island dependencies. These studies produced lists of potential National Natural Landmarks (NNLs).

2. Each of those potential NNLs (except where common knowledge or familiarity made it superfluous) was then inspected by an outside expert, who then would recommend to HCRS those sites judged worthy of NNL status.

3. Those recommended sites would then be reviewed by the National Park System Advisory Board, and the sites it approved would be sent to the Secretary of the Interior.

4. The Secretary would approve or disapprove the nomination.

This process had several delay-causing weaknesses. For one, as increasing numbers of studies were completed, the number of potential NNLs grew apace. Site visits were a major bottleneck, as limited budgets and the large amount of time required to inspect numerous widely scattered sites seriously slowed the review process. Some of the site reports were of low quality, causing additional loss of time in gathering and checking data. And finally, the Advisory Board met infrequently.

By January 1979 the backlog of potential NNLs stalled at various points in the process was approximately 1,700 and growing. Our small NNL staff and the resources at its disposal were overwhelmed, and matters were getting worse. Clearly, without a major change the processing and nominating of landmarks would fall farther and farther behind.

In January 1979 I ordered an agency-wide concentration on this problem. This temporary, ad hoc effort was to eliminate the existing backlog while at the same time changing our review process so as to streamline it and make it more efficient.

Recognizing the sources of delay in our existing procedures, we streamlined the process by making three basic changes:

First, we eliminated the requirement that every potential landmark be personally inspected onsite by an expert in the appropriate natural science field. It was assumed that sufficient data for making a decision on a site would usually be obtainable in the parent natural history study, in published material, and through the personal knowledge of eminent professionals.

Second, we eliminated the Advisory Board review. The Board does not necessarily consist of professional natural scientists, so it had not served as a scientific review panel. The preparation of documents and the infrequency of the Board's meetings consumed time and resources that I thought would be better used if dedicated to a consideration of the potential landmarks themselves.

And third, the job was assigned to our eight field offices, with overall coordination assigned to the NNL staff in Denver. I made the processing of potential NNLs a high priority for each HCRS Regional Director, and ordered that they assign adequate personnel to this project for the five or six months necessary to complete it. Coordinators were appointed in each region, and each received special training in the landmarks program and the task at hand.

An initial review and screening of the potential NNLs revealed some duplication of sites and some errors in counting. Additionally, in some cases more than one site could logically be combined in one, and in others an obvious lack of landmark quality permitted their elimination from further consideration. As a result of this consolidation and screening, approximately 1,400 potential landmarks remained to be studied and decided on, rather than the previously assumed figure of 1,700.

Although the accelerated procedure varied—as determined by each region's number of potential landmarks to be reviewed, its available personnel, and other high-priority tasks that had to continue—it consisted essentially of the following steps.

In place of the site-by-site inspection, each regional director convened groups of outside experts in appropriate natural science disciplines to review the potential landmarks. They were sent the available data on each site and then met in groups to discuss them. They then made individual recommendations to us on whether or not each site should be a national natural landmark. This phase was completed on schedule in July.

Next, the NNL staff in Denver reviewed those recommendations and made its own recommendations to me. Approximately 15 percent of the sites that went through this process were judged to meet the criteria for landmarks. I have already recommended 31 of them to the Secretary. About 50 percent of the sites were judged as not meeting the criteria, and their rejection was recommended.

In the case of the remaining 35 percent we found that we lacked sufficient data to make a positive or negative recommendation. The data and resource description on a given site that had been available to the consulted experts—from the pertinent natural history study, from other sources, and from their firsthand experience—were simply inadequate for making the necessary qualitative decision. Lacking the funds and time necessary to make on-site inspections, which in most cases would have provided the necessary data, decisions on these sites were deferred.

The first 31 sites to complete this process and to be nominated for approval as NNLs were sent to the Secretary of the Interior in January 1980. The near term result of our accelerated processing project is expected to be about 150 to 200 new natural landmarks. Similarly (assuming the same 50 percent rejection rate), the approximately 500 sites on which decisions have been deferred will—at such times as site visits can be made or other data gathered—produce 200-250 more designated natural landmarks.

I am not satisfied with this block of deferred sites. I had wanted the complete elimination of the backlog that existed one year ago. In these 500 or so cases, however, we were faced with making a decision with inadequate data or making no decision at all. Given, on the one hand, the importance of maintaining the integrity and high quality of NNLs by designating only those areas that clearly meet the criteria, and, on the other hand, our reluctance to reject a site that might later prove to have been eligible, the staff decided that a deferred decision was the most prudent one. I concurred in their judgment.

We learned a lot from our experience in processing those 1,400 sites, and that experience is already reflected in program improvements. The major results of our experience are the new National Natural Landmarks Program regulations. These became effective on an interim basis with their publication in the Federal Register of November 20, 1979. For the first time since the program was created in 1963, these regulations publicly describe the process used to study, designate, register, and monitor NNLs. They also spell out the criteria that a site must meet in order to qualify. I don't intend for these regulations to be static; they will continue to evolve in an effort to have the most efficient way of identifying and establishing landmarks. But we must be careful not to sacrifice integrity in the selection process in order to gain efficiency in processing.

Another significant innovation that arose from our experience last year—and that is manifested in the regulations—is that notification will be made to the private or public owners of potential landmarks, to local and state officials, and to members of Congress. Notification will occur when a potential landmark is being evaluated by consulted experts and HCRS staff and when the site is designated an NNL by the Secretary. At each stage there is an opportunity for public comment.

The independent review by outside scientists proved valuable and will be a permanent procedure. The large number of deferred sites from our recent exercise shows conclusively, however, that the independent review must be supplemented and preceded in many cases by on-site visits. The regional staffs proved invaluable in reducing the backlog and will continue their review function, with high priority being given to site visits or other data gathering on the deferred sites.

There are approximately thirty natural history studies currently underway or soon to start, and these studies will identify many hundreds of potential NNLs within the next several years.

These studies, which deal with the ecological and geological resources of the thirty-three natural regions, have served us well, as witness the excellent NNLs currently being designated. But an exciting program currently being adopted by individual states presents a marvelous opportunity to the NNL program as the present round of studies comes to an end. Generally known as natural heritage programs, and already operating in more than twenty states, their fundamental purpose is the scientific, systematic, and continuing collection of data on the state's natural features, especially its flora and fauna. The data (whether from published sources, existing collections, or new field research) are systematically organized and stored. This data system, as well as the nomenclature used, is common to most of the states with natural heritage programs and is rapidly developing into a multistate data base. In some of these states the heritage programs have already become the most complete source of knowledge on their states' natural ecosystems.

Although these data bases are being used increasingly as effective sources for such state and private planning purposes as the A-95 clearinghouse reviews required by the Office of Management and Budget, the preparation of environmental impact statements, and predevelopment planning, a major intended purpose of the state natural heritage program is to identify the species and communities that are most in danger of extirpation within the state, and to provide the data to determine priorities for preservation action.

The scientific knowledge from these state heritage programs is similar to the data provided by the landmark program's natural history studies, the main differences being that it is collected on a state-by-state basis rather than on a natural region basis, and can be aggregated as a multistate data base, and that it is generally more detailed and specific. These state programs have the capacity to scientifically compare the occurrences of particular resource types within a state, a comparison that cannot usually be made today. Such a comparison, applied to the NNL process, would make the nomination more objective and assure the high quality of new landmarks. The states themselves would be able to make NNL recommendations directly from this comprehensive data base. Thanks to the quality of the heritage program data, and nominations coming out of it, HCRS would probably find the need for site visits and additional information less than what it is now.

This is only one of the many expected benefits to state and federal conservation, preservation, and planning efforts from these state programs and is why President Carter and the Secretary of the Interior have proposed the National Heritage Policy Act.

Introduced in the Senate by Senator Jackson as S. 1842, this act would, among other things, encourage the state heritage programs to nominate potential NNLs to HCRS. Also, it would provide direct federal protection to National Natural Landmarks for the first time. Under the proposed act, prior to any federal undertaking that would adversely affect any national natural or historic landmark, the federal agency involved would have to determine that no prudent and feasible alternative exists and would have to take steps to minimize the harm.

I am extremely proud of the way HCRS regional staffs and the NNL staff responded to some difficult demands I made of them, and we can all be pleased with the results. There are (or soon will be) about 150 to 225 newly designated NNLs, and the entire landmark program has been streamlined and made more efficient.

I appreciate NPCA's concern for and attention to the National Natural Landmarks Program, and I am pleased to be able to report the results of our efforts to raise the program to the priority it deserves.

(Chris Therral Delaporte served as executive director of the North Georgia Mountains Authority from 1969 to 1972. From 1972 to 1976 he was director of Oklahoma State Parks. Delaporte was appointed director of the Department of the Interior's Bureau of Outdoor Recreation in 1977 and became the first director of the Heritage Conservation and Recreation Service in January 1978.)●

TRIBUTE TO SISTER ELIZABETH CORRY, OSF

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in paying tribute to Sister Elizabeth Corry, OSF. Sister Elizabeth's friends and colleagues will gather next Wednesday to honor her for 31 years of service to her fellow man as a sister of Saint Francis.

Born and raised in Jersey City, Sister Elizabeth received her bachelor of science from Fordham University and her masters degree in hospital administration from Columbia University. She joined the staff of Our Lady of Lourdes as assistant administrator in 1964 and was elevated to the post of administrator in 1969. In 1978 she assumed the position of executive director whose duties entail acting as the chief of overall operation of the hospital. Sister Elizabeth is a past president of the New Jersey Catholic Hospital Association and is at present a trustee of the New Jersey State Hospital Association.

As executive director of our Lady of Lourdes Hospital, Sister Elizabeth has demonstrated her commitment to the availability of superior health care for all persons. As a sister of Saint Francis, she has demonstrated her personal commitment to the guiding principle in the life of Saint Francis; namely, a reverence for all life.●

GASOHOL: QUESTIONS AND ANSWERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. HAMILTON. Mr. Speaker, Hoosiers in all 19 counties of the Ninth District are talking about the energy problem and possible solutions to it. Here are some of the questions they have asked me about gasohol:

WHAT IS GASOHOL?

The term gasohol usually refers to a blend of 10-percent alcohol and 90-percent conventional gasoline. Used in cars as an alternative to pure gasoline, gasohol achieves about as many miles per gallon with slightly better performance. Alcohol fuels are not new. Some of the earliest automobiles ran on them, and during the 1930's and World War II the use of gasohol was widespread because of the shortage of petroleum. After the war, gasohol was dropped in favor of gasoline produced from cheap, readily available crude oil. A decrease in the availability of crude oil has renewed interest in alcohol fuels.

HOW IS ALCOHOL PRODUCED?

The alcohols being considered as fuels are methanol and ethanol. Methanol is made from coal, wood, and urban wastes, as well as from natural gas. Although it is cheaper than ethanol, methanol produced from nonpetroleum sources would require large-scale conversion plants that would take several years and up to $1 billion each to build. Ethanol is derived from agricultural products such as sorghum, wheat, and corn through a process of fermentation and distillation. Unlike methanol, ethanol can be produced in small-scale facilities.

WHAT IS OUR CURRENT AND FUTURE CAPACITY TO PRODUCE ALCOHOL?

There is virtually no production of methanol from nonpetroleum sources today, and no change in capacity is expected between now and 1985. Current production of ethanol is about 80 million gallons a year, an enormous increase over the past few years. Most of this ethanol comes from a single plant in Illinois. The Department of Energy (DOE) recently predicted that production of ethanol could reach 600 million gallons a year by 1985, an amount sufficient to save 40,000 barrels of petroleum a day and replace 6 percent of the Nation's consumption of pure gasoline. The impact of gasohol is expected to be greatest in agricultural States like Indiana.

DOES IT TAKE MORE ENERGY TO PRODUCE ALCOHOL THAN THE ALCOHOL ITSELF YIELDS?

Some conversion plants now in operation use less energy to produce alcohol than the alcohol itself yields. Indications are that new technology could allow plants to use 1 unit of energy for every 4 units of energy produced. However, even if the production of alcohol consumed energy on the whole, it could still be worthwhile since it would convert an abundant, renewable energy source into a much more useful form. This, in fact, is the situation we face when we generate electricity: We need 3 units of coal or oil energy to produce 1 unit of electrical energy.

WOULD INCREASED PRODUCTION OF ALCOHOL RAISE RETAIL FOOD PRICES?

Steps could be taken to minimize the impact on retail food prices. Much of the grain used could be surplus, such as that not sold to the Soviet Union. Distressed grain or waste, rather than edible stocks, could be used as well. In addition, we should keep in mind that more than one-half of the corn grown in the United States is fed to animals. One of the byproducts of alcohol production, distiller's grain, could replace some of this feed because it has more protein than the original grain. Finally, it should be pointed out that even if we produced 600 million gallons of alcohol a year, we would consume much less than 5 percent of our total grain harvest. No massive diversion of crops would be required.

WHAT HAS THE FEDERAL GOVERNMENT DONE TO ENCOURAGE THE USE OF GASOHOL?

Several actions must be mentioned. The National Energy Act exempted gasohol from the 4 cents per gallon Federal excise tax on gasoline, resulting in an effective tax break of 40 cents per gallon on alcohol. DOE adopted regulations to include some producers of ethanol in the entitlements program, giving them additional benefits of 5 cents per gallon. Congress legislated $60 million in loan guarantees for the construction of four pilot plants to produce alcohol. It also set up a national commission both to study the potential for alcohol fuels and to formulate a comprehensive policy on such fuels. For 1980, about $26 million has been appropriated for alcohol fuels programs. Research into advanced fuel crops and conversion techniques is being conducted by various agencies. In addition to steps already taken, substantial provisions in two new bills—concerning synthetic fuels and taxes on the windfall profits of oil companies—are nearing final approval in Congress.

WHAT FEDERAL ASSISTANCE IS AVAILABLE FOR SMALL-SCALE ALCOHOL PRODUCTION?

Many Federal agencies provide aid. The Internal Revenue Service administers investment tax credits for alcohol-producing plants. Various kinds of loans and grants are available through the Farmers Home Administration, DOE's Office of Small-Scale Technology, the Economic Development Administration of the Department of Commerce, the Small Business Administration, and the National Center for Appropriate Technology of the Community Services Administration.

WHERE CAN ONE GET FURTHER INFORMATION ABOUT GASOHOL?

DOE has two toll-free hotlines: 800-533-5333 and 800-535-2840. The Department of Agriculture issues publications through its Office of Energy, 14th Street and Independence Avenue SW., Washington, D.C. 20250. Those interested in obtaining the license necessary to set up a small still should contact the Regional Regulatory Administrator, Bureau of Alcohol, Tobacco, and Firearms, 550 Main Street, Cincinnati, Ohio 45202.●

THE BATTLE AGAINST INFLATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1980

● Mr. DORNAN. Mr. Speaker, in a 1919 work entitled "The Economic Consequences of the Peace," the famed British economist John Maynard Keynes observed:

> By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens * * * There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency.

A dire warning.

Though policymakers in the Carter administration concede that this 18.2-percent inflation is America's public enemy No. 1, their general approach to the problem, jawboning business and labor, implies the belief that the private sector is somehow responsible for the intolerable levels of the current inflation. In other words: We are all guilty of contributing to inflation.

Nonsense. The chief domestic culprit is the Federal Government. Prices are not rising; the value of the dollar is being eroded. America's dollar is being debased through massive Federal deficit spending for a myriad of Federal programs financed by the printing of more and more money.

Mr. Speaker, inflation is a monetary problem; it is principally caused by an expansion in the supply of money without a corresponding increase in the total volume of production. With more and more money chasing fewer and fewer goods, the private sector, business and labor, farmers and housewives, bid up the prices of goods and services. Thus, the growth of the money supply, fueled by excessive Government spending, kicks off a general price hike throughout the economy. So, as every housewife knows, the price of everything goes up.

The roots of our current inflation are, as a prominent economist remarked, very deep. Federal deficits averaged $23 billion a year from 1965 to 1978. This was almost nine times the average deficit for the previous 15 years. The Federal budget quintupled in just 19 years from under $100 billion to over $500 billion. Now it is over $600 billion.

The national debt limit raised to almost $820 billion, with interest payments on the debt amounting to over $58 billion, the third largest item in the Federal budget. At the same time, there has been an awesome growth in the Nation's supply of money. From 1940 to 1978, U.S. currency and bank deposits rose from $52.7 billion to $815.9 billion. In recent years, the overall growth of the money supply has continued to accelerate, rapidly outpacing the Nation's output of goods and services. And money, to use Adam Smith's phrase, is supposed to represent the real "wealth of the Nation," the goods and services produced by its people.

The battle against inflation must be waged on many fronts. Congress must eliminate costly Government regulations that inhibit growth and innovation, encourage capital formation and productivity through imaginative tax reform, and discipline its spending to the point where Federal expenditures equal receipts. I have addressed questions of fiscal policy with H.R. 1000, the American Tax Reduction Act. But not to be overlooked is a sound monetary policy, curbing an excessive increase of the money supply to promote real economic growth and price stability. Following the prescriptions of the Nobel Prize winning economist Milton Friedman of the University of Chicago, I have introduced the Money Supply Control Act, H.R. 3833, which would gradually decelerate the growth of the money supply over a 6-year period, leveling it off between 3 and 4 percent. Such a gradual approach would allow time for economic adjustments and avoid unacceptable levels of development.

If unchecked, the current rate of inflation will inevitably lead to sharp economic decline accompanied by increasing Government controls. Of all things, inflation is perhaps best described as the "mother of tyrannies."●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 6, 1980, may be found in the Daily Digest of today's Record.

Meetings Scheduled

MARCH 7

8:30 a.m.

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold hearings on S. 2045, proposed Judicial Conference and Councils in the Sunshine Act.

6226 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to continue to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

324 Russell Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the revenue sharing and the New York City funding programs administered by the Department of the Treasury.

1318 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Inspector General, Office of Civil Rights, policy research, departmental management, and refugee assistance programs, all of the Department of Labor.

S-128, Capitol

Banking, Housing, and Urban Affairs

To hold hearings on S. 2352, extending the authority of the Council on Wage and Price Stability through fiscal year 1981, and authorizing funds for fiscal years 1980 and 1981 for activities thereof; to be followed by oversight hearings, in conjunction with the aforementioned bill, on the Administration's anti-inflation programs, and on recent proposals for mandatory wage and price controls.

5302 Dirksen Building

Environment and Public Works

Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

4200 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To hold hearings on title II, education related programs of the proposed Youth Act of 1980.

4232 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment figures for February.

318 Russell Building

10:30 a.m.

Armed Services

To hold hearings on the nominations of Michael Blumenfeld, of the District of Columbia, John A. Bushnell, of Connecticut, John W. Clark, of Louisiana, Clifford B. O'Hara, of Connecticut, and William Sidell, of California, each to be a Member of the Board of the Panama Canal Commission; Robinson O. Everett, of North Carolina, to be a Judge of the U.S. Court of Military Appeals; William E. Peacock, of the District of Columbia, to be an Assistant Secretary of the Army; and routine unobjected to nominations.

212 Russell Building

MARCH 10

10:00 a.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To resume hearings on S. 2352, extending the authority of the Council on Wage and Price Stability through fiscal year 1981, and authorizing funds for fiscal years 1980 and 1981 for activities thereof; to be followed by oversight hearings in conjunction with the aforementioned bill on the administration's anti-inflation programs, and on recent proposals for mandatory wage and price controls.

5302 Dirksen Building

Environment and Public Works

Business meeting, to markup S. 2080, to establish criteria and set limits on leasing of public buildings by the General Services Administration, and to enforce procedural safeguards in lease negotiations.

4200 Dirksen Building

*Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 2144, proposed Health Professions Educational Assistance and Nurse Training Act, S. 2375, proposed Health Professions Training and Distribution Act, and S. 2378, proposed Health Care Management and Health Care Personnel Distribution Improvement Act.

4232 Dirksen Building

1:00 p.m.

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.

5302 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for general administration and legal activities of the Department of Justice.

S-146, Capitol

Environment and Public Works

Environmental Pollution and Resource Protection Subcommittees

To resume joint markup of S. 1480, to provide for the adequate and safe treatment of hazardous substances released into the environment.

4200 Dirksen Building

MARCH 11

8:30 a.m.

Energy and Natural Resources

To resume closed hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

S-407, Capitol

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To hold oversight hearings to examine the Federal Government's efforts in encouraging alternative energy technology and its impact upon the agriculture community, focusing on the President's alcohol fuels program, and the role biomass energy research will play in that program.

324 Russell Building

9:30 a.m.

Budget

To hold joint hearings with the Governmental Affairs' Subcommittee on Intergovernmental Relations to examine the intergovernmental fiscal aid section of the administration's fiscal year 1981 budget proposal, and the administration's youth employment initiative, respectively.

6202 Dirksen Building

Governmental Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To hold hearings on S. 1699, proposed Energy Impact Assistance Act.

1202 Dirksen Building

Governmental Affairs

Intergovernmental Relations Subcommittee

To hold joint hearings with the Budget Committee to examine the intergovernmental fiscal aid section of the administration's fiscal year 1981 budget proposal, and the administration's youth employment initiative, respectively.

6202 Dirksen Building

Judiciary

Business meeting, to consider pending calendar business.

2228 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Selective Service System (Registration).
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs administered by the Secretary of Energy.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Bureau of Investigation, Department of Justice.
S-146, Capitol

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1981 Congressional budget.
6202 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
Business meeting, to resume markup on S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.
4200 Dirksen Building

1:30 p.m.

Budget
To continue joint hearings with the Governmental Affairs' Subcommittee on Intergovernmental Relations to examine the intergovernmental fiscal aid section of the administration's fiscal year 1981 budget proposal, and the administration's youth employment initiative, respectively.
6202 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue joint hearings with the Budget Committee to examine the intergovernmental fiscal aid section of the administration's fiscal year 1981 budget proposal, and the administration's youth employment initiative, respectively.
6202 Dirksen Building

2:00 p.m.

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Immigration and Naturalization Service, Department of Justice.
S-146, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1981 Congressional Budget.
6202 Dirksen Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings to review wilderness and rangeland management programs administered by the Bureau of Land Management.
3110 Dirksen Building

MARCH 12

8:30 a.m.

Agriculture, Nutrition, and Forestry
To hold hearings on S. 2249, to increase the minimum level of price support on quota peanuts for the 1980 and 1981 crops.
324 Russell Building

9:00 a.m.

Armed Services
General Procurement Subcommittee
To resume hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement of the DOD, focusing on Navy and Marine Corps procurement programs with the exception of the subjects of tactical air and air defense.
212 Russell Building

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

Budget
To hold joint hearings with the Governmental Affairs' Subcommittee on Intergovernmental Relations to examine the impact of tax and expenditure limitations on State and local governments.
6202 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 2320, authorizing funds for fiscal years 1981 and 1982 for the National Bureau of Standards.
235 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold joint hearings with the Budget Committee to examine the impact of tax and expenditure limitations on State and local governments.
6202 Dirksen Building

Labor and Human Resources
*Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 1312, proposed Work and Training Opportunities Act.
5110 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Indian Education, and the Institute of Museum Services.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Drug Enforcement Administration, Department of Justice.
S-146, Capitol

Banking, Housing, and Urban Affairs
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1981 Congressional budget.
6202 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
318 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 2025 and H.R. 5926, bills to establish the Biscayne National Park in Florida; S. 2299, to add lands to Valley Forge National Historical Park in Pennsylvania; S. 1431 and S.J. Res. 119, measures to establish a Vietnam Veterans' Memorial in New Mexico and the District of Columbia, respectively; and S. 1924, to designate the Salinas National Monument in New Mexico.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
Business meeting, to continue markup on S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.
4200 Dirksen Building

Governmental Affairs
*Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 1699, proposed Energy Impact Assistance Act.
1202 Dirksen Building

Labor and Human Resources
*Health and Scientific Research Subcommittee
To resume hearings on S. 2144, proposed Health Professions Educational Assistance and Nurse Training Act, S. 2375, proposed Health Professions Training and Distribution Act, and S. 2378, proposed Health Care Management and Health Care Personnel Distribution Improvement Act.
4232 Dirksen Building

2:00 p.m.

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Prison System, and Office of Justice Assistance, Research and Statistics, Department of Justice.
S-146, Capitol

MARCH 13

9:00 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold hearings on proposed legislation to establish Commissions on National Youth Service and Volunteerism.

457 Russell Building

9:30 a.m.

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To hold oversight hearings on the impact of payroll taxes on inflation.

5302 Dirksen Building

*Labor and Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To resume hearings on S. 1129, 2021, 2218, and 2286, bills to provide career employment opportunities for disadvantaged youth.

6226 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the International Development Cooperation Agency, and certain programs of the Agency for International Development.

1114 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary, and the Office of the Solicitor.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

3110 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

Business meeting, to continue markup on S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.

4200 Dirksen Building

11:00 a.m.

Labor and Human Resources

Business meeting, to mark up S. 1076, to improve the regulation of multiemployer pension insurance plans, and to provide sufficient funds to pay benefits.

4232 Dirksen Building

2:00 p.m.

*Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 2123, proposed Colorado National Forest Wilderness Act.

3110 Dirksen Building

Select on Intelligence

To resume hearings on S. 2284, proposed legislative charter governing the intelligence activities of the United States

1202 Dirksen Building

MARCH 14

8:30 a.m.

Energy and Natural Resources

To resume closed hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

S-407, Capitol

9:00 a.m.

Banking, Housing, and Urban Affairs

To resume hearings on S. 2352, extending the authority of the Council on Wage and Price Stability through fiscal year 1981, and authorizing funds for fiscal years 1980 and 1981, for activities thereof; to be followed by oversight hearings, in conjunction with the aforementioned bill, on the administration's anti-inflation programs, and on recent proposals for mandatory wage and price controls.

5302 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

Business meeting, to resume markup of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.

4232 Dirksen Building

9:15 a.m.

Veterans' Affairs

Business meeting, to consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

412 Russell Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agriculture Credit and Rural Electrification Subcommittee

To resume hearings on S. 1465, proposed Farm Credit Act Amendments of 1979.

324 Russell Building

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

MARCH 17

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on S. 864, 1499, 1663, 1744, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 2322, authorizing funds for fiscal year 1981 for certain maritime programs of the Department of Commerce.

235 Russell Building

Select on Indian Affairs

To hold hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C. Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

457 Russell Building

MARCH 18

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development.

1114 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for alternative fuels program of the Department of Energy.

1223 Dirksen Building

*Banking, Housing, and Urban Affairs

International Finance Subcommittee

To continue hearings on S. 864, 1499, 1663, 1744, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.

5302 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

Room to be announced

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold oversight hearings on the implementation of the Outer Continental Shelf leasing program.

3110 Dirksen Building

*Select on Indian Affairs

To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

1224 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

2:30 p.m.

Finance

Health Subcommittee

To hold hearings on S. 1968, proposed Health Incentives Reform Act.

2221 Dirksen Building

MARCH 19

9:30 a.m.

Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on proposed legislation authorizing funds through fiscal year 1985 for the urban mass transportation program.
5302 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Select on Indian Affairs
To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.
457 Russell Building

10:15 a.m.

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 1652, to provide consumers with nutrition and ingredient information on food labels, and to remove the burdens on the food industry in providing such information.
4232 Dirksen Building

2:30 p.m.

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds through fiscal year 1985 for the urban mass transportation program.
5302 Dirksen Building

Finance
Health Subcommittee
To continue hearings on S. 1968, proposed Health Incentives Reform Act.
2221 Dirksen Building

MARCH 20

9:30 a.m.

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on the scope of the general revenue sharing program.
3302 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development, and for the Peace Corps.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold oversight hearings on the scope of rental, multifamily, and public housing.
5302 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume oversight hearings on the implementation of the Outer Continental Shelf leasing program.
3110 Dirksen Building

2:00 p.m.

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1318 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

MARCH 21

9:00 a.m.

Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency, and for the Council on Environmental Quality.
1318 Dirksen Building

MARCH 24

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the U.S. embargo of grain and technology exports to the Soviet Union.
5302 Dirksen Building

Energy and Natural Resources
To hold oversight hearings on the activities of the Department of Energy.
3110 Dirksen Building

2:00 p.m.

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Census, general administration, and economic and statistical analysis, Department of Commerce.
S-146, Capitol

MARCH 25

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the scope of the general revenue sharing program.
3302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed authorizations for the National Science Foundation.
4232 Dirksen Building

*Veterans' Affairs
Business meeting, to consider S. 1188, to revise the vocational rehabilitation program administered by the Veterans' Administration.
412 Russell Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development; the international narcotics control program of the Department of State; and for the Inter-American Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Development Administration, and Regional Planning Commission, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer

Continental Shelf) from environmental degradation due to oil and gas well drilling activities.
5110 Dirksen Building

Energy and Natural Resources
*Parks, Recreation, and Renewable Resources Subcommittee
To receive testimony from Administration officials on the following land conveyance and other measures affecting the Forest Service and the Bureau of Land Management: S. 1506, 2261, 1923, 1972, 1985, 1997, 2209, 1910, 1715, 2307, H.R. 1762, 3928, 1967, and 920.
3110 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to resume consideration of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.
357 Russell Building

2:00 p.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Cost Accounting Standards Board, and the General Accounting Office.
S-128, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 26

9:00 a.m.

Labor and Human Resources
Child and Human Development Subcommittee
Business meeting, to mark up S. 1843 and H.R. 2977, proposed Domestic Violence Prevention and Services Act; and proposed legislation to establish Commissions on National Youth Service and Volunteerism.
4232 Dirksen Building

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Industry and Trade Administration, Minority Business Development Agency, and the U.S. Travel Service, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

2:00 p.m.

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Oceanic and Atmospheric Administration, Department of Commerce.
S-146, Capitol

MARCH 27

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from AMVETS, Paralyzed Veterans, Blinded Veterans, WWI Veterans, and Military Orders of the Purple Heart.
1202 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Smithsonian Institution.
1223 Dirksen Building

*Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Patent and Trademark Office, and science and technical research, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 1784, to improve the electric generating efficiency of joint Federal-civilian pooling practices in Alaska.
3110 Dirksen Building

2:00 p.m.

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Telecommunications and Information Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 28

9:00 a.m.

Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation, and for the Office of Science and Technology Policy.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

MARCH 31

9:00 a.m.

Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

10:00 a.m.

*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.
5302 Dirksen Building

2:00 p.m.

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Chrysler loan guarantee program.
S-146, Capitol

APRIL 1

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

APRIL 2

9:30 a.m.
*Veterans' Affairs
To hold hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration's health-care facilities.
412 Russell Building

10.00 a.m.
*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Commission on Air Quality, the American Battle Monuments Commission, and U.S. Army cemeterial expenses.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the urban development action grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1318 Dirksen Building

APRIL 3

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.
1224 Dirksen Building

Energy and Natural Resources
To hold hearings on the environmental effects of carbon dioxide present in the atmosphere.
3110 Dirksen Building

APRIL 15

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal inspector for Alaska pipeline, and the Energy Information Administration, of the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
*International Finance Subcommittee
To hold hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.
5302 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Energy Regulatory Commission and for the Office of Hearings and Appeals.
6226 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

APRIL 16

9:00 a.m.
*Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.
412 Russell Building

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 1424, proposed International Health Act.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Gallery of Art, and the Commission of Fine Arts.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 17

9:30 a.m.
*Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the development of children who benefit from adoption by facilitating their placement in adoptive homes.
457 Russell Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Forest Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1114 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Regulatory Ad-

ministration, and the Energy Information Administration.
5110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Emergency Management Agency.
1318 Dirksen Building

Energy and Natural Resources
To hold hearings on a report entitled "Energy in Transition: 1985-2010" of the Committee on Nuclear and Alternative Energy Systems (CONAES) of the National Academy of Sciences.
3110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

APRIL 22

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Regulatory Administration, Department of Energy.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury, and on the U.S. Postal Service.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
S-146, Capitol

APRIL 23

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.
1114 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

APRIL 29

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, U.S. Tax Court, and President's Commission on Pension Policy.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

APRIL 30

9:30 a.m.
*Veterans' Affairs
Business meeting, to consider proposed legislation on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.
412 Russell Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Elections Commission, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped, and the Administrative Conference of the U.S.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 1

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.
1114 Dirksen Building

*Labor and Human Resources
Child and Human Development Subcommittee
To hold hearings on issues Congress might consider which would affect youth in the coming decade.
6226 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

MAY 6

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.
1224 Dirksen Building

MAY 13

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.
1224 Dirksen Building

MAY 14

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

MAY 29

9:30 a.m.
*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

CANCELLATIONS

MARCH 13

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 18

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.
5302 Dirksen Building

MARCH 19

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.
235 Russell Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.
235 Russell Building

MARCH 25

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 26

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

MARCH 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for the Department of Transportation.
1224 Dirksen Building

11:30 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

SENATE—*Thursday, March 6, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12:45 p.m., on the expiration of the recess, and was called to order by Hon. Max Baucus, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Wisdom is the principal thing; therefore get wisdom; and with all thy getting, get understanding.—Proverbs 4: 7.

Almighty God, our fathers trusted in Thee and were not confounded. Thou rulest over all men and all nations and we have so much to ask of Thee. Our burdens are heavy, our needs are many. Though we love Thee and worship Thee we do not ask for more piety but for more wisdom. Take our feeble, finite minds and hearts and anoint them with Thy higher wisdom and grace. As events sweep across the landscape of the world keep us steady and strong and close to Thee. Instruct us in the moral use of power. Overrule our mistakes. Deliver us from the consequences of our blunders. Confirm and strengthen us when we are right. Assuage our impatience when prudence prescribes waiting. Then give us courage to act when we can act and the wisdom to act with understanding. What we pray for this body we pray for all whom we have set in authority that this Nation may ever seek to know and to do Thy will. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., March 6, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Max Baucus, a Senator from the State of Montana, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. BAUCUS thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

WELCOME BACK, SENATOR BAKER

Mr. ROBERT C. BYRD. Mr. President, I wish to welcome back to the Senate daily sessions our distinguished colleague, the Republican leader (Mr. Baker). He has been on a temporary sabbatical waging political wars, but we have been keeping up with him.

In his absence the distinguished minority whip (Mr. Stevens) did a very dedicated job. I am sure that the distinguished minority leader and members of his party, as we are on this side, are proud of the work that Senator Stevens did, and we thank him for the cooperation we received from him. I am sure that the cooperation the distinguished Republican leader has given to this side of the aisle in the past will continue. We welcome him back.

We know he will be out campaigning again, but for the moment he will be with us.

Mr. BAKER. Will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. I am pleased to yield.

Mr. BAKER. Mr. President, I have a dilemma. My instinct is to say I am glad to be back, and indeed I am glad to be back, but to say that without any elaboration would signal that I regret the recent undertaking on the fields of political conflict. That would also not be correct, because I have no regrets for that experience, only for the result.

It was a pleasure for me to have an opportunity to travel about the country and campaign for the Republican Presidential nomination. You learn a lot, Mr. President. But it is also good to return here and to find the warmth and camaraderie that has been extended to me by my colleagues on both sides of the aisle, and to acknowledge with appreciation the kindly remarks by the distinguished majority leader this morning. I thank him.

I would like to say just a word, if I may, about the good works of the distinguished Senator from Alaska (Mr. Stevens), who served in my absence, as our conference rules provide, as the acting Republican leader. He served diligently and well. He was capable and energetic. He performed under difficult circumstances. He daily met the onslaught and challenge of the majority leader. As far as I can tell, the Republican side of the aisle, while battered, is unbowed.

Mr. President, I must say in frankness that I am glad to be back but that I, too, am battered but unbowed. I look forward to extending even further the good relationship which has evolved and developed between the majority leader and me.

Let me say that I expect to cooperate on every matter where it is possible to do so—of course, on those matters on which we must, but to do so in either case.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader.

Mr. BAKER. Not "acting."

Mr. ROBERT C. BYRD. I have been so accustomed to saying "acting" that I have fallen into the habit.

Let me say that I have no doubt that the distinguished Senator from Tennessee is Presidential material, but only one man can be President at any time. The distinguished Senator has fought a good fight and he has kept the faith. Whether or not he has finished the course, I am in no position to say.

I suppose we do not always achieve our goals and our dreams at the present moment, but we continue to strive and, who knows? Senator Baker may yet some day be President, although I hope he will not be, as much as I respect him and admire his ability.

We do welcome him back. I am glad that he has maintained his usual good humor, his equanimity and his presence of mind and state of good health. We look forward to working with him as we continue to try to serve the interests of the Nation here, in this public forum.

Mr. BAKER. Mr. President, I thank the distinguished majority leader.

THE COAL ALTERNATIVE

Mr. ROBERT C. BYRD. Mr. President, America's continued reliance on imported oil has brought us to the verge of a national crisis. This dependence is a threat to our most vital economic and national security interests. Escalating world oil prices undermine our ability to manage our economy, hamper our efforts to bring inflation under control, and contribute significantly to our continued balance-of-payment problems. Our first priority must be to reduce our excessive dependence on foreign oil.

This Nation's vast available coal reserves must be tapped if we are to stem oil imports. Coal is abundant and available, and it can be burned cleanly. The direct use of coal for the generation of electricity is one critical component of a strategy to replace oil with alternative fuels. Utility coal conversion is one action which can achieve important and immediate oil savings. It is also a policy which can furnish thousands of Americans with needed employment and provide a less expensive source of electricity to the consuming public.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The need for an effective utility coal conversion program has been repeatedly emphasized. Although the fuel use act, enacted by the 95th Congress, was intended to promote the displacement of oil with coal, the scheme of exemptions and exceptions contained in that bill has stymied the rapid conversion of eligible powerplants. Given the urgent need to reduce foreign oil imports, the mandatory conversion of coal-capable generating plants is required.

Legislation to promote the increased use of coal by utilities remains an unfinished item on the energy agenda.

Earlier today, a press conference was conducted in the Lyndon Johnson room and upon that occasion, Dr. Sawhill, the Deputy Secretary of the Department of Energy, and Mr. Eizenstat were present to state the proposal of the administration by way of dealing with mandatory conversion. Senator FORD, who is chairman of the Senate Coal Caucus, was there. Senator HEINZ, who is vice chairman of that Coal Caucus, was there. Senator RANDOLPH, my colleague, who is a member of the President's Coal Commission, and Governor Rockefeller, who chairs the President's Coal Commission, were there. Senator HUDDLESTON could not be present this morning. Senator PERCY was there. He is also on the Coal Commission. Other Senators and Members of the House, including Representative RAHALL from my State of West Virginia, who heads the House's Coal Caucus, was there and various members of the energy committees of the two Houses were present.

The legislation will be introduced by Mr. FORD and other Senators on a bipartisan basis very soon—possibly by the middle of next week, hopefully. I just want to take the moment at this time to recognize and commend the work that Dr. Sawhill and his staff have done in preparing the proposals.

I commend the Senator from Kentucky (Mr. FORD), the Senator from Kentucky (Mr. HUDDLESTON), my senior colleague from West Virginia (Mr. RANDOLPH), the Senator from Illinois (Mr. PERCY), who is on the Coal Commission, the Senator from Pennsylvania (Mr. HEINZ), who is vice chairman of the Coal Caucus, and all other Senators who have joined in working to support legislation that will reduce the reliance of this country on imported oil.

I also commend the representatives of the coal industry, the utility industry, and the mine workers for their cooperation and initiative. I must say that their efforts have helped to forge a critical political constituency which, I hope, will lead to fairly expeditious passage of this legislation by Congress.

I strongly support the effort to increase the use of coal by utilities. It is a certainty that this legislation will receive high priority on the congressional calendar this year.

Mr. President, I yield for a message.

THE RETIREMENT OF SENATE LEGISLATIVE CLERK HAROLD G. AST

Mr. BAKER. Mr. President, another familiar face is missing from this Chamber, that of Mr. Harold G. "Bud" Ast, legislative clerk to the Senate, who retired February 29 after 33 years' service.

We have passed a resolution honoring Bud Ast for his tireless, efficient, and loyal service, but I want to add my personal thanks today for the part he has played as principal clerk in making my own duties easier and more enjoyable.

I know that all the Senators on this side of the aisle will miss him, for his depth of knowledge and experience, for his unfailing courtesy, and for his warmth and wit.

We know the importance of the support staff to the Senate's functioning, although it is not often we thank or even acknowledge those who work with us. But we do appreciate his long and exemplary service, and we are grateful for the personal qualities Bud Ast possesses in generous measure, which made working with him a genuine pleasure.

He first came to the staff of the Secretary of the Senate in 1946 as a research assistant in the Senate Library and spent some 12 years at the desk, until assuming the supervisory responsibilities of legislative clerk. Assistant Legislative Clerk Bill Farmer will now carry out that function.

I want to wish Bud Ast a long and happy retirement and to say again that he has our thanks for his outstanding service.

MOTHER LADD

Mr. BAKER. Mr. President, I wish to point out that my grandmother, Lillie Ladd Mauser, was featured in the Washington Post on Tuesday. The Post reprinted a story by Los Angeles Times reporter Rudy Abramson—a native Tennessean and a man of unquestioned veracity—which supports everything I have been saying about my grandmother in this Chamber for years. I suspect that some may have had, perhaps, slight doubts about my version of that dear lady's spunk and good sense and my accounts of how she once served as sheriff of Roane County, Tenn., and captured dangerous men who had escaped from her jail despite her hospitality to them. They may not have fully believed me when I told them how she was playing cards—for money—well up into her nineties.

I know that publication in the daily press will put to rest for all time any suspicion that I may have elaborated just a tad on my grandmother's wonderful qualities.

The headline in the Washington Post suggested that my dear grandmother could be "a Republican Miss Lillian." I do not know yet what she thinks of that idea. I do not know what I think of it. But I would like to point out that while I have two lovely sisters, I do not have a brother.

RETIREMENT OF SENATE LEGISLATIVE COUNSEL HARRY B. LITTELL

Mr. BAKER. Mr. President, one of the most respected and well-liked Senate aides, Mr. Harry B. Littell, legislative counsel to the Senate for the past 9 years, retired February 29 after a record 33 years' service in that office. I would like to add to my colleagues' praise my own thanks for Mr. Littell's dedicated and conscientious work here.

Legislative drafting may not be well-known to the public, but Mr. Littell's skill and expertise and high degree of professionalism—serving in a confidential role totally without political considerations—have left their mark on the laws of our land. All of us have benefited from his help, always given willingly and cheerfully.

I know his close relationship with the Committee on Rules and Administration, on which I have the privilege to serve, has been of invaluable assistance. In addition to being one of the leading authorities on Senate rules and procedures, Mr. Littell is an expert on tax and tariff matters, as principal draftsman in that complex area for a number of years. He had an important responsibility in the activist sixties, working in civil rights legislation, and he is one of the primary drafters of the Immigration and Naturalization Act of 1954.

Harry Littell began his association in 1947, as a young law graduate of Indiana University, as a law assistant, appointed with the approval of the President pro tempore of the Senate, Senator Arthur Vandenberg of Michigan. He was appointed assistant counsel; then senior counsel; and in 1971, he was named legislative counsel of the Senate by President pro tempore Senator Allen J. Ellender of Louisiana.

I understand Mr. Littell and his wife Becky are leaving for a vacation in Florida. He leaves with my most sincere appreciation and warmest wishes for every possible happiness in the future.

AUTHORIZATION FOR MAJORITY LEADER TO CONTROL TIME OF MINORITY LEADER TODAY

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the distinguished Republican leader to ask that I may have control of his time under the standing order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

OIL DEPENDENCY: A FINANCIAL TIME BOMB

Mr. ROBERT C. BYRD. Mr. President, in late February, the Commerce Department reported a merchandise trade deficit of $4.76 billion for the month of January. The deficit for 1979 was $29.1 billion compared to $33.7 billion in 1978.

These enormous trade deficits are disheartening. In the 30 years prior to 1976, the United States generated trade surpluses in every year but 3. But as the buffeting experienced by the dollar in late 1977 and 1978 attests, the United States no longer enjoys such a predominant position in world trade.

The January deficit figure is somewhat inflated compared to historical levels, since it includes the cost of insurance and freight in the import calculations. However, the January deficit does reflect an unhealthy trend of the last several months of increasing imports of manufactured goods. Unlike the disappointing pattern in 1979 of ever-increasing imported oil bills, the cost of imported petroleum actually declined 4 percent in January.

By comparison, in 1979 the cost of imported oil increased by 42 percent over 1978, to a total of $60 billion. Growth in exports of 28 percent in 1979, had it not been overtaken by the surge in petroleum costs, would have eliminated a large portion of the U.S. merchandise trade deficit.

According to the Bureau of Economic Analysis at the Department of Commerce, the volume of petroleum products imported last year increased by 1 percent, although consumption declined by 2 percent. Thus, the tremendous surge in imported oil costs are entirely based on the increase in the price we pay for a barrel of oil, not on a significant change in the number of barrels we import.

Most observers attribute the significant increase in our exports to a combination of relatively healthy economic growth in the developed countries and the devaluation of the dollar which occurred in 1977 and 1978. These developments spurred foreign demand for U.S. goods by 28 percent. In contrast, a softening U.S. economy resulted in a 14 percent increase in nonpetroleum imports.

The significance of our growth in exports compared to our growth in nonpetroleum imports should not be overlooked in assessing the U.S. trade picture. The positive conditions which led to this relative increase in exports should continue through 1980.

However, being satisfied with our export growth cannot overshadow our perennial trade problem—the phenomenal cost of imported petroleum.

The strategic significance of our dependence on foreign oil is an obvious area for concern.

Similarly, the financial threat posed by our $160 billion oil bill and an estimated $110 billion worldwide OPEC surplus is a matter of extreme gravity.

The impact of this oil dependence on the dollar has been substantial. Discussion persists on fixing OPEC oil prices to a basket of currencies. While such a process should not fundamentally affect the dollar's value, it could have a psychological impact on the dollar. Our foreign oil bills have resulted in a large share of the world's dollar reserves ending up in the hands of a relatively few oil exporting countries. This phenomenon subjects our currency to potential severe fluctuations. Should one or more OPEC countries attempt to divest themselves of dollar holdings, the international financial markets would be strained to absorb them.

"Dollar blackmail" could have a significant domestic impact, particularly on the price of our imported goods. A concerted effort to dispose of dollars by holders of large dollar reserves could throw the entire international monetary system into disarray, with deep and widespread damage to all the economies of the world.

Such mischief would never be in the interest of countries holding large dollar reserves. But wars are rarely in the interest of most countries; yet they occur.

In the same way we must strengthen our conventional military forces to prevent an outbreak of war, we must strengthen our conventional economic defenses—starting with the vulnerability of the dollar.

Decreased dependence on foreign oil not only provides us increased strategic flexibility, but it protects the economy from potential financial sabotage.

Based on historical standards, little or no increase in the number of barrels of imported oil is progress. But it is not enough progress. When the price of imported oil effectively doubles, as it did from the beginning to the end of 1979, simply holding the line on the number of barrels imported means doubling our loss of wealth to oil exporting nations.

We have made notable legislative strides to reduce our oil dependence, but we still have a long way to go. We must complete work on the pending energy conferences with a minimum of delay.

In this respect, I wish to compliment our Senate conferees and the House conferees. They are making progress. They are meeting. They are attempting to expedite as rapidly as possible the remainder of their very difficult assignment.

We must pass a meaningful utility oil backout bill this year. We must continue to aggressively pursue alternative energy sources. And we must increase our efforts to conserve petroleum products.

Additionally, progress must be made in adjusting the international financial system to absorb excess foreign reserves, and recycle OPEC surpluses, particularly to less developed countries.

We should proceed with the creation of substitution accounts at the International Monetary Fund where countries could exchange unwanted foreign currency for an international currency, specifically special drawing rights, or SDR's.

In addition, the world community must prevail upon OPEC countries to significantly increase their direct loans and grants to lesser developed countries (LDC's). This "recycling" of funds which OPEC has extracted from the LDC's in the form of higher oil prices has largely been done by private lending institutions. The lending institutions bear the risk that the precariously financed LDC's might be unable to repay these loans.

A system of direct loans from OPEC countries to lesser developed countries, perhaps with the banks receiving a fee for arranging the loans, would promote stability in world credit markets.

If OPEC countries had to depend on the financial health of the countries to which they make loans, future oil price increases would have to be weighed against the damage price increases inflict on these countries' ability to repay their creditors.

As we well know, initiatives which result in significant energy conservation or major shifts in the international financial system are not easily achieved.

However, it should be clear that failure to make significant progress in these areas today, invites instability and danger tomorrow.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

THE SAKHAROV CASE REMINDS THE SENATE TO RATIFY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, today I would like to explore the Soviet treatment of dissident leader and scientist Andrei Sakharov. Russia's internal exile of this man is a slap in the face of justice. This action at once reveals Soviet repression and reminds the United States to maintain its posture against such abuse.

In January Dr. Sakharov joined several other Soviet dissidents in a statement condemning Soviet interference in Afghanistan. One day after signing the criticism Sakharov and his wife were banished from Moscow and sent to Gorky, a city closed to foreigners. He is reportedly prohibited from leaving Gorky or contacting foreigners, including his children abroad.

Further humiliation of Dr. Shakharov came down from the highest levels of Soviet authority. As reported in the New York Times of January 24, an order signed by Leonid Brezhnev himself deprived him of several honorary decorations. Soviet leaders had previously harassed Dr. Sakharov by barring him from properly accepting his greatest award. In 1975, Sakharov won the Nobel Peace Prize for his longstanding advocacy of human rights. But the Soviet authorities forbade him to travel to Norway to receive the prize.

More recently, the Sakharov controversy has become compounded. Two new turns in the story shed more light on the gloomy picture of Soviet repression. First, several prominent American Universities—including MIT, Harvard, and Princeton—have offered Sakharov faculty or research positions. But he cannot accept these posts for fear he will be forever barred from returning to his home country, that is, if he were permitted to leave Russia in the first place.

Second, Sakharov himself has called for his own trial. He asks only for due process—to be charged and to have a chance to refute those charges, to be judged on the merits and not prejudged and sentenced by fiat. Sakharov expressed best the insidious method of confinement to which he is being subjected. He beseeches the authorities to let him face an open trial and be free from his, and I quote "guilted cage of internal banishment,". Guilted though it may be, his confinement makes a mockery of justice.

The fact that Soviet authorities scoff at the rights of a prominent Soviet citizen as the world anxiously watches, reflects the arrogance of those authorities. The case of Dr. Sakharov is a lesson to us all. The moral is that we must keep our guard up against injustice. When even well-publicized cases of injustice by a superpower persist, then we know the minds of many world leaders are not yet attuned to the right of individuals.

Sakharov and other Soviet dissidents have appealed to the West to ratify several international treaties. The Genocide Convention is one such treaty now before the U.S. Senate. It is a critical but neglected document. It is a document aimed at the usually latent malignancy of disregard for basic rights which the Soviets' treatment of Sakharov manifests. This disregard, if left unchecked, can fester and find expression in the malicious and depraved treatment of certain groups and individuals.

The Genocide Convention can help protect all people from the kind of abuse we have seen throughout history in flashes of outcry and gore. This treaty promises to guard against the recurrence of genocide. I urge my colleagues in the Senate to ratify the Genocide Convention.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:45 p.m. today.

There being no objection, the Senate, at 1:21 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROCK ISLAND RAILROAD TRANSITION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2253, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2253) to provide for an extension of directed service on the Rock Island Railroad and to provide transaction assistance to the purchasers of portions of said railroad.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Rock Island Railroad Transition Act".

CONGRESSIONAL FINDINGS

SEC. 2. (a) Congress finds that—

(1) a cessation of service over the Rock Island Railroad appears imminent;

(2) a cessation of operations by the Rock Island Railroad would have serious repercussions on the economics of the States in which such railroad principally operates;

(3) a cessation of service would have a dramatic impact on the farm economy due to the volumes and value of fertilizer and agricultural products moved on the Rock Island Railroad, damaging the economic viability of the Nation's grain producers and handlers by seriously impeding the movement of grain for both domestic and export sales;

(4) a cessation of operations of the Rock Island Railroad would result in the loss of many thousands of jobs of railroad workers and other workers whose employment is dependent upon rail service over the lines presently operated by the Rock Island Railroad;

(5) premature cessation of services over lines which are the subject of pending purchase application would result in harm to the shipping public and could imperil continuation of vital commuter service;

(6) uninterrupted continuation of such services is dependent on adequate employee protection provisions covering Rock Island Railroad employees who are not hired by other railroads; and

(7) for the Rock Island Railroad employees not hired by other rail carriers, there is no other practicable means of obtaining funds to meet the necessary costs of such employee protection that are assumed by the Rock Island Railroad.

(b) The Congress declares that emergency measures set forth in this Act must be taken to avoid extensive disruptions in transportation services in the areas served by the Rock Island Railroad.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Board" means the Railroad Retirement Board;

(2) "Commission" means the Interstate Commerce Commission;

(3) "employee" includes any employee of the Rock Island Railroad working for the Kansas City Terminal Railway Company on March 1, 1980, in its capacity as a directed service operator, but does not include any individual after he is offered employment in his craft with a rail carrier providing temporary service over Rock Island Railroad lines and which becomes the acquiring carrier of such lines, or any individual serving as president, vice-president, secretary, treasurer, comptroller, counsel, member of the board of directors, or any other person performing such functions; and

(4) "Rock Island Railroad" means the Chicago, Rock Island, and Pacific Railroad Company.

SERVICE CONTINUATION

SEC. 4. (a) Directed service over the lines of the Rock Island Railroad which were in operation on March 1, 1980, shall be continued by the Commission through the 45th day after the date of enactment of this Act.

(b)(1) No later than 45 days after the date of enactment of this Act, the Commission shall issue a final decision on all applications for temporary emergency operating authority over lines of the Rock Island Railroad which are filed with the Commission prior to or on the 21st day after the date of enactment of this Act.

(2) The terms of compensation for all trackage rights, joint facilities, and similar arrangements between other railroads and the trustee of the Rock Island Railroad which are in effect on portions of the lines of the Rock Island Railroad involved in temporary emergency operations under this subsection shall be continued in effect during the duration of the temporary emergency operating authority with the carrier providing temporary emergency service substituting for the trustee. In its determination of the merits of such an application, the Commission shall give weight to continuation of service and other public interest benefits provided by any applicant carrier which performs or offers to perform temporary operations over the properties which are the subject of the application.

(3) The trustee of the Rock Island Railroad shall receive compensation from the temporary emergency operator for the use of the properties and facilities of the Rock Island Railroad on reasonable terms determined by the Commission.

(4) A decision by the Commission to authorize temporary emergency operations pursuant to this subsection shall be sufficient authority for the temporary emergency operator to enter upon and operate the properties and facilities of the Rock Island Railroad without permission of the trustee.

(5) Decisions and determinations made by the Commission pursuant to the provisions of this subsection shall not be subject to review in any court except to insure that no less than the constitutionally required minimum compensation has been provided. Any appeal shall not stay the Commission's decision.

(c)(1) Until December 1, 1980, the provisions of this section shall be in lieu of any directed service on any line of the Rock Island Railroad under section 11125 of title 49 of the United States Code. Notwithstanding the provisions of such section, payments under this section are authorized only to the extent that budget authority has been provided in advance in appropriations Acts.

(2) Notwithstanding any other provision of law, the funds for directed service under this section and section 17, not to exceed $15,000,000, shall immediately be made available to the Commission for implementation of the directed service provisions by the Secretary of Transportation out of funds appropriated under Public Law 96–131 to implement section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 or such other previously appropriated funds as the Secretary may deem appropriate.

RAILROAD HIRING

SEC. 5. Each person who is an employee of the Rock Island Railroad on March 1, 1980, and who, prior to September 30, 1980, is separated or furloughed from his employment with such railroad or from his employment with another rail carrier providing temporary service over Rock Island Railroad lines (other than for cause) as a result of a reduction of service by any such railroad shall, unless found to be less qualified than other applicants, have the first right of hire by any other rail carrier which is subject to regulation by the Commission for any vacancy except where such priority would interfere with the achievement of a carrier's equal employment obligations under (1) an affirmative action plan, or a hiring plan designed to eliminate discrimination, which is required by Federal or State statute, regulation, or executive order, or by the order of a Federal or State court or agency; or (2) a permissible voluntary affirmative action plan: *Provided, however,* That any employee who does not accept any of the first three employment offers, in his craft, made pursuant to this section shall have no further rights under this section and section 7 of this Act. For purposes of this section, a rail carrier shall not be considered to be hiring new employees when it recalls any of its own furloughed employees, and the rights afforded to Rock Island Railroad employees by this section shall be coequal to the rights afforded to Chicago, Milwaukee, Saint Paul, and Pacific Railroad Company employees by section 8 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 907).

EMPLOYEE PROTECTION AGREEMENTS

SEC. 6. (a) The Rock Island Railroad and labor organizations representing the employees of such railroad may, not later than 10 days after the date of enactment of this Act, enter into an agreement providing protection for employees of such railroad who are adversely affected as a result of a reduction in service by such railroad or a restructuring transaction carried out by such railroad. Such employee protection may include, but need not be limited to, interim employee assistance, moving expenses and separation allowances.

(b) (1) If the Rock Island Railroad and the labor organizations representing the employees of such railroad are unable to enter into an employee protection agreement under subdivision (a) of this section within 10 days after the date of enactment of this Act, the parties shall immediately submit the matter to the Commission. No later than 30 days after the date of enactment of this Act, the Commission shall impose upon the parties by appropriate order a fair and equitable arrangement with respect to employee protection unless the Rock Island Railroad and the authorized representatives of its employees have entered into a labor protection agreement. For purposes of this subsection, the term "fair and equitable" shall mean fair and equitable in accordance with the use of such term in section 9(c) (1) of the Milwaukee Railroad Restructuring Act (15 U.S.C. 908(c) (1)).

(2) Any agreement or order entered into pursuant to this section shall be accomplished within financial limitations set forth in sections 10(c) and (d) of this Act.

(c) Any order of the Commission entered pursuant to subsection (b) of this section may not be stayed by any court and is appealable directly to a United States circuit court of appeals having jurisdiction in the matter. Appeal to such court shall be filed within 5 days after entry of the Commission's order, and such court shall finally determine any appeal under this subsection within 60 days after the filing of an appeal. Review of determinations by such court under this subsection shall be limited to that normally afforded informal rulemaking.

(d) If an employee protection arrangement is imposed by the Commission under subsection (b) of this section, the Rock Island Railroad reorganization court shall authorize and direct the trustee of the Rock Island Railroad immediately to implement the arrangement, and such trustee and the labor organizations representing the employees of the Rock Island Railroad shall immediately implement the arrangement.

(e) (1) Any claim of an employee for benefits and allowances under an employee protection agreement or arrangement entered into pursuant to this section shall be filed with the Board in such time and manner as the Board by regulation shall prescribe. The Board shall determine the amount for which such employee is eligible under such agreement or arrangement and shall certify such amount to the Rock Island Railroad for payment.

(2) Benefits and allowances under an agreement or arrangement entered into under this section shall be paid by the Rock Island Railroad from its own assets or in accordance with section 10 of this Act.

(f) Any interim employee assistance received by any employee pursuant to this section shall be considered to be compensation solely—

(1) for purposes of the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.); and

(2) for purposes of determining the compensation received by such employee in any base year under the Railroad Unemployment Insurance Act.

(g) The first sentence of section 7(b) (7) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b) (7)) is amended by inserting "and the Rock Island Railroad Transition Act" immediately before the period at the end thereof.

EMPLOYMENT OF ROCK ISLAND RAILROAD EMPLOYEES

SEC. 7. (a) The Board shall prepare and maintain—

(1) consistent with sections 5 and 15 of this Act, a list of employees separated from employment who indicate a desire to appear on a list to be made available to rail carriers; and

(2) a list of employment, by class and craft, available with rail carriers, based upon information submitted to the Board by the Rock Island Railroad and other rail carriers. Upon the request of any rail carrier, the Board shall make available to such carrier a copy of the list described in paragraph (1) of this subsection.

(b) The Board shall maintain the lists required by subsection (a) of this section through December 31, 1984.

ELECTION

SEC. 8. (a) Any employee who receives any assistance under an employee protection agreement or arrangement entered into under section 6 of this Act shall be deemed to waive any employee protection benefits otherwise available to such employee under (and except to the extent provided in an implementing agreement executed by employee representatives and any rail carrier acquiring or temporarily serving Rock Island Railroad lines, which agreement shall be consistent with the Milwaukee Railroad Restructuring Act (45 U.S.C. 901 et seq.), no such temporary service or acquiring carrier shall have any liability to any Rock Island Railroad employee under, and upon execution of said implementing agreement by an acquiring carrier, as to employees hired by any acquiring carrier, the Rock Island Railroad shall have no further liability under) the Bankruptcy Act, (title 11 of the United States Code), subtitle IV of title 49 of the United States Code, or any other applicable contract or agreement.

(b) Any employee of the Rock Island Railroad who is entitled to receive assistance under this Act shall, no later than April 1, 1981, file a statement with the Board indicating whether such employee elects to receive (1) assistance under this Act; or (2) any employee protection benefits otherwise available to such employee under the Bankruptcy Act (title 11, United States (Code), subtitle IV of title 49, United States Code, or any applicable contract or agreement.

(c) With regard to any employee who elects benefits under subsection (b) (2) of this section, nothing in this Act shall be deemed to determine or otherwise affect the priority status or timing of payment of, or the liability for a claim or claims, if any, for employee protection which might have existed in the absence of this Act.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated to cover administrative expenses under this Act for fiscal year 1981 not to exceed $750,000. Such sums shall remain available for obligation until expended.

OBLIGATION GUARANTEES

SEC. 10. (a) The Secretary of Transportation, under the authority of section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831), shall guarantee obligations, not to exceed $50,000,000, of the Rock Island Railroad for purposes of providing employee protection in accordance with the terms of any employee protection agreement or arrangement entered into under section 6 of this Act. Guarantees under this section shall be entered into without regard to the requirements of section 511(g) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831(g)).

(b) Initial obligations up to $30,000,000 guaranteed pursuant to this section shall be treated as an administrative expense of the estate of the Rock Island Railroad and shall be utilized prior to guarantee of additional obligations. Furthermore, additional obligations not to exceed $20,000,000 beyond obligations classified as administrative claims shall take priority in the Rock Island Railroad estate only to claims of common stockholders and shall be below the claims of general unsecured creditors of the Rock Island Railroad estate in existence or accruing as of April 1, 1980.

(c) The aggregate unpaid principal amount of obligations which may be guaranteed by the Secretary pursuant to this section shall not exceed $50,000,000. Furthermore, the guarantee of loans and commitments to guarantee loans are authorized for any fiscal year only to the extent and in such amounts as are provided in appropriation Acts.

(d) The total liability of the Rock Island Railroad in connection with benefits and allowances provided under any employee protection agreement or arrangement entered into under section 6 of this Act shall not exceed $50,000,000.

(e) Except in connection with obligations guaranteed under this section, the United States shall incur no liability in connection with any employee protection agreement or arrangement entered into under section 6 of this Act.

(f) Section 516 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 836) shall not apply to any obligation guaranteed under this section.

EXPEDITED PROCEEDINGS

SEC. 11. (a) The Commission shall give all proceedings involving the Rock Island Railroad preference over all other pending proceedings related to rail carriers and make all of its decisions at the earliest practical time.

(b) The Commission shall, within 100 days of the filing of an application or such shorter period as the court may set, pursuant to section 17 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 915), reach a decision on all proceedings filed after January 1, 1980, which involve a sale, transfer or lease of any line of the Rock Island Railroad to a solvent carrier.

TRANSACTION ASSISTANCE

SEC. 12. Section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825) is amended by adding at the end thereof the following new subsection:

"(h) PURCHASE OF ESSENTIAL PROPERTIES FOR COMMON CARRIER SERVICE.—(1) Notwithstanding subsections (a) through (g) of this section (other than subsections (b)(2) and (d)(3)), the Secretary shall, to the extent applications are filed, immediately purchase not less than $25,000,000 in redeemable preference shares, bonds, or trustee certificates convertible to redeemable preference shares under this section as necessary to facilitate the purchase of properties of the Rock Island Railroad by responsible noncarrier entities to be used for common carrier rail service. Such entities may include, but are not limited to, an association or associations composed of representatives of national railway labor organizations, employee coalitions, and shippers (or any combination thereof) which wishes to acquire and rehabilitate Rock Island Railroad lines pursuant to a feasible employee or employee-shipper ownership plan. Such association could also contain any railroad or other responsible entity which wished to combine its property under common ownership with the property being acquired by the association. Such business plan shall be submitted to the Secretary on or before the date specified in section 4(a) of the Rock Island Railroad Transition Act, or such later date as the Secretary shall deem advisable. For purposes of this subsection, the term 'railroads' in subsection (a) of this section shall be deemed to include responsible noncarrier entities. This subsection shall apply only to purchase applications filed with the Commission prior to June 1, 1980.

"(2) The loan shall be granted upon such terms and conditions as insure that the applicant will be financially capable of making the requisite interest and principal payments without a drain on its financial resources: Provided, That the Secretary shall insure that all indebtedness under this section is secured.".

APPLICABILITY OF NEPA

SEC. 13. The provisions of the National Environmental Policy Act and the Energy Policy and Conservation Act of 1975 shall not apply to transactions carried out pursuant to this Act.

AUTHORITY OF THE RAILROAD RETIREMENT BOARD

SEC. 14. (a) The Board may prescribe such regulations as may be necessary to carry out its duties under this Act.

(b) In carrying out its duties under this Act, the Board may exercise such of the powers, duties, and remedies provided in subsections (a), (b), and (d) of section 12 of the Railroad Unemployment Insurance Act as are not inconsistent with the provisions of this Act.

PUBLICATIONS AND REPORTS

SEC. 15. Within 45 days after the date of enactment of this Act, the Board shall publish, and make available for distribution by the Rock Island Railroad to all eligible employees, a document which describes in detail the rights of such employees under sections 6, 7, and 8 of this Act.

SEPARABILITY

SEC. 16. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

AMENDMENTS TO MILWAUKEE RAILROAD RESTRUCTURING ACT

SEC. 17. (a) Section 18 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 916) is amended—

(1) by striking "Until" and inserting in lieu thereof "(a) Except as provided in subsection (b) of this section, until"; and

(2) by adding at the end thereof the following new subsection:

"(b) The Commission shall provide for directed service, not to exceed 30 days, on the Milwaukee Railroad under section 11125 of title 49, United States Code, limited, however, to those lines or line segments where railroads, States, local governments or other entities have entered into agreements with the trustee of the Milwaukee Railroad for the acquisition of such lines or line segments, or where legislation is currently pending before a State legislature which would provide for such State to tender a bona fide offer for acquisition of such lines or line segments. The Commission shall have authority under this subsection to direct service by the Milwaukee Railroad without inclusion of a 6 percent profit factor.".

(b) Section 22(a) of such Act (45 U.S.C. 920(a)) is amended by striking "Until" and inserting in lieu thereof "Subject to the provisions of section 18 of this Act, until".

RAIL TECHNOLOGICAL IMPROVEMENTS

SEC. 18. Notwithstanding any other provision of law, the Federal Railroad Administration shall have the authority and discretion to exempt from the mandatory requirements of the provisions of the Act of March 2, 1893, the Act of March 2, 1903, and the Act of April 14, 1910 (45 U.S.C. 1 through 16), also referred to as the Safety Appliance Acts, any railroad equipment, or equipment which will be operated on rails, when such requirements preclude the development or implementation of more efficient railroad transportation equipment or other transportation innovations under the existing statutes.

AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

SEC. 19. (a) Section 216(f)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)(5)) is amended by adding the following sentence after the first sentence thereof: "For purposes of this subsection, the Railway Labor Executives' Association shall be deemed to represent all of the representatives of crafts or classes of employees of the Corporation and its subsidiaries as though that organization held powers of attorney from each representative of a craft or class for the limited purposes of negotiating and agreeing upon an employee stock ownership plan.".

(b) Section 216(f)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)(5)) is further amended by adding the following sentence after the second sentence thereof: "The plan shall not be subject to change under the provisions of section 6 of the Railway Labor Act until after such time as securities have been distributed from the plan to the participants in the plan or their beneficiaries pursuant to the terms of the plan.".

(c) Section 216(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)) is further amended by adding the following at the end thereof:

"(8)(A) Except as provided in subparagraph (B), no person described in subparagraph (C) shall have or be subject to any fiduciary responsibility, obligation or duty, nor shall any such person be subject to civil liability, under any Federal or State law, as a fiduciary or otherwise, (i) in connection with the employee stock ownership plan and related trust established by the Corporation pursuant to the requirements of this subsection or with ConRail Equity Corporation on account of any reorganization or restructuring of the Corporation, its successors or assigns, or their assets or capital structure, or on account of any action taken or not taken by the Corporation which may affect its ability to attain the performance levels established in connection with the plan pursuant to paragraph (2)(A)(ii) of this subsection, (ii) for or in connection with the establishment, continuation or implementation of the plan and related trust or of ConRail Equity Corporation or the acquisition of, investment in or retention of any security of the Corporation or ConRail Equity Corporations, or of any of their successors and assigns, by the plan or ConRail Equity Corporation, or the disposition of any such security to the extent that such disposition is made in connection with a reorganization or restructuring of the Corporation, its successors and assigns, or their assets or capital structure, as directed or approved by or on behalf of the Association or the United States, or the acquisition or retention of any cash, security or other property received in connection with any such reorganization or restructuring, or (iii) for or in connection with any other action taken or not taken pursuant to any term or condition of the plan or related trust agreement or of the articles of incorporation or bylaws of ConRail Equity Corporation, provided that any actions described in clauses (i), (ii), or (iii) are taken at the direction, or with the consent, of the Association.

"(B) Subparagraph (A) shall not be interpreted to relieve any person from any fiduciary or other responsibility, obligation or duty under any Federal or State law to take or not to take actions in respect to the plan in connection with (i) receiving contributions, (ii) exercising custodial responsibilities (iii) determining eligibility to participate in the plan, (iv) calculating, determining and paying benefits, (v) processing and deciding claims, (vi) preparing and distributing plan information, benefit statements, returns and reports, (vii) maintaining plan records, (viii) appointing plan fiduciaries and other persons to advise or assist in plan administration and (ix) other than as provided in subparagraph (A), acquiring, holding or disposing of plan assets.

"(C) The term 'person' as used in subparagraph (A) shall mean each of the following:

"(i) the trustee or trustees of the plan, the Corporation and its subsidiaries, ConRail Equity Corporation, the Association, and any of their successors and assigns;

"(ii) each director, officer, employee and agent of the Corporation of any of its subsidiaries, of ConRail Equity Corporation, of the plan, of the Association or of any of their successors and assigns; and

"(iii) each member of the Finance Committee and any of their employees and agents.

"(D) Neither this paragraph nor paragraph (9) shall be construed to grant immunity from any criminal law of the United States or of any State or the District of Columbia.

"(9) The United States shall idemnify, defend and hold harmless the persons described in paragraph (8)(C) from and against any and all liabilities, claims, actions, judgments, amounts paid in settlement, and costs and expenses (including reasonable fees of accountants, experts and attorneys) actually incurred in connection with the establishment, implementation or operation of the plan or ConRail Equity Corporations or with any transaction which is required by or is appropriate to effectuate fully the provisions of this subsection, except as may arise in connection with the execution of a responsibility, obligation or duty excluded from paragraph (8)(A) by paragraph (8)(B), if it is determined that such persons were acting in good faith. The indemnity provided in this paragraph shall be a full faith and credit obligation of the United States.

"(10) All securities of the Corporation, all securities of any subsidiary of the Corporation and of ConRail Equity Corporation and all interests in the employee stock ownership plan which are issued or transferred in connection with the employee stock ownership plan established by the Corporation pursuant to the requirements of this subsection shall be deemed for all purposes to have been issued subject to and authorized and approved pursuant to section 11301(b) of title 49 of the United States Code and any corresponding provision of any successor statute.".

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum call.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 2253.

Mr. CANNON. The committee has favorably reported S. 2253, the Rock Island Railroad Transition Act. This legislation is an emergency measure designed to extend directed service over the Rock Island Railroad to avoid cessation of service during a transition period to operation of large portions of the system by other railroads. The bill continues such directed service for 45 days from date of enactment. In addition, it provides transaction assistance to encourage purchase of Rock Island lines by responsible noncarrier entities, and it provides an arrangement for protection of employees of the Rock Island who are not hired by other railroads.

The purpose of the legislation, as I have indicated, is to provide a transition period and to resolve labor protection problems so new service can commence. The committee views this as final action. Various committee members have expressed concern about possible requests for further extensions. I wish to make it very clear that additional extensions are not contemplated.

DIRECTED SERVICE UNDER THIS LEGISLATION IN LIEU OF ANY FURTHER DIRECTED SERVICE

The funds for continuation of service, to the extent not available out of existing ICC funds, are to be made available from appropriated funds of the Department of Transportation. The bill, as reported, contains a ceiling of $15,000,000. An amendment I propose will reduce that amount to $10,000,000. There is also a ceiling on the labor protection provisions. These provisions, patterned after the Milwaukee legislation, are limited to $50,000,000 under section 10 of S. 2253. Most of this amount ($30,000,000) is to be treated as an administrative expense of the estate of the Rock Island and thus repayment is assured.

With regard to the Milwaukee Railroad, the legislation as reported provides a very limited exception to the Milwaukee Railroad Restructuring Act, for 30 days of additional service primarily in South Dakota where legislation to authorize is presently pending before the legislature. However, it is my understanding that an additional amendment will be proposed on the floor which would continue service over the western line of the Milwaukee. For that reason, I will briefly outline the existing situation.

Various reorganization plans are presently pending before the ICC. A decision is expected by the middle of this month. Meanwhile, the trustee is proceeding with purchase negotiations, and some temporary operations by other carriers are in place. Operations over the CORE are continuing. In addition, the trustee is continuing service with ERSA funds over certain lines where firm bids have been submitted. Service over other lines, including Missoula, Montana West, ceased over the weekend.

Estimates of continued service over that line range from $5 to $7 million per month. Since the line is not now in operation, startup costs are also involved. It is estimated that such costs could be as much as $6 million.

I am informed that the amendement to be proposed by Senators MELCHER, MAGNUSON, and others would provide for continued directed service for 45 days from enactment. Like the legislation now before us, the proposed amendment is intended to provide a transition to other operations by the reorganized road or other entities. In effect, only the lines west of Miles City will be covered by this amendment. Funding is proposed by an amendment to section 4 which would raise the ceiling from $15,000,000 to $25,000,000.

At the time S. 2253 was reported out of committee earlier this week, it was our belief that ICC's directed service funds would be exhausted by the date such service is scheduled to expire—March 22, 1980. It now appears that the Commission may have overestimated the cash drain on directed service funds, and that in fact there may be as much as $10,000,000 remaining in addition to funds for winding down operation when the directed service order expires later this month. Under this amendment, funding provisions in section (4)(c) of S. 2253 would not become operative until directed service funds have been fully utilized.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER (Mr. HEFLIN.) The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I would just like to say that, one, I am a member of the Surface Transportation Subcommittee. The ranking minority member (Mr. PRESSLER) could not be here today. He asked that I express his full support for this legislation. I am particularly grateful that there has been such strong support on the part of the Commerce Committee for taking rapid action because it is of vital concern to those of us in the Midwest who are affected by the service of the Rock Island Road.

We are meeting several deadlines and because of that, it has been of the utmost importance to move ahead as quickly as possible. On March 15, the embargo against inbound traffic will take place. March 23 is the end of directed service. Therefore, it was essential that we draw up some legislation that could strengthen the transportation system and encourage the purchase of the Rock Island line.

It is not any attempt to bail out the Rock Island Railroad. It is, I think, a very successful piece of legislation as far as attempting to facilitate the purchase of various parts of the Rock Island line.

I think the chairman has covered very well the major points. We certainly had to address the question of labor protection and some transition assistance that could be made available in the form of a loan to enhance the purchase of various parts of the track.

I thank the Senator.

Mr. CANNON. Mr. President, I ask unanimous consent that Senator GARY HART be added as a cosponsor of S. 2253, a bill to provide for an extension of directed service on the Rock Island Railroad and to provide transaction assistance to the purchasers of portions of said railroad.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, will the Senator yield to me?

Mr. CANNON. Certainly.

Mr. McGOVERN. Mr. President, I want first to commend the chairman of the Commerce Committee (Mr. CANNON) and the other members of the committee for their swift action in bringing this legislation to the floor.

The Rock Island Transition Act is the second piece of emergency rail legislation to be considered by the Senate this session. Last fall, the committee considered assistance for the bankrupt Milwaukee Railroad to allow for a reorganization of that carrier which would be fair and equitable to the employees, creditors and shippers.

These two railroad bankruptcies have paralyzed midwestern agricultural transportation. Together, the Rock Island and the Milwaukee Road provided service on more than 15,000 miles of track in the Nation's agricultural heartland. The bankruptcy reorganization plans of these railroads call for a much smaller rail system, leaving scores of communities without rail service.

In addition to the employee protection provisions of this bill, the Rock Island Transition Act also provides for limited continuation of rail service in order that shippers may have sufficient time to locate other modes of transportation, as well as to provide the necessary time for other carriers and governmental authorities to acquire segments of track.

Mr. President, this is similar to the Milwaukee Railroad Restructuring Act that passed the Congress last year. Under that bill, the Secretary of Transportation provided subordinated ERSA funds to continue full rail service on the Milwaukee pending an Interstate Commerce Commission decision on an alternative reorganization plan submitted by rail employees and shippers. This plan was not approved by the Commission.

In the 3 months that have passed since the Commission's decision, other railroads, shippers and Government authorities have been investigating the possibility of acquiring major portions of Milwaukee track that would be abandoned under the reorganization plan.

Few of these plans for acquisition were completed before the trustee embargoed more than 4,600 miles of noncore system track on March 1. Where bonafide offers for acquisition were made, the Secretary of Transportation provided additional funds to continue operations on those lines for 30 days. This effort did not restore any service on the 974 miles of track embargoed in my State of South Dakota.

Mr. President, South Dakota faces a unique situation. Our State legislature has been considering a plan to acquire this track and provide financing to restore service on nearly 1,000 miles of track that otherwise would be out of service. The State legislature meets again on March 12, less than a week from now, to reach a final decision. Yet because this legislation has not completely passed the legislature, our offer to the trustee for acquisition is not considered "bonafide." Thus, the Secretary of Transportation has determined, at least for the time being, that we are not eligible to receive interim rail service through ERSA funds.

Mr. President, I express my sincere appreciation to the members of the Senate Commerce Committee who supported an amendment I offered during markup on this bill. This amendment would provide for interim operations on many South Dakota lines in light of the pending legislation. As presently drafted, and included in the committee's bill brought to the floor, the amendment would direct the Interstate Commerce Commission to provide directed service over these lines for 30 days. This would be sufficient time for our legislature to act and would ease the implementation of their plan to take over these embargoed lines.

Mr. President, at this time, I offer a simple amendment to this section of the Rock Island Transition Act. I have been recently advised by the Department of Transportation that it may be possible for them to provide sufficient funding under the Emergency Rail Service Assistance Act to restore interim rail service in South Dakota. The details of this agreement have not yet been finalized.

However, if this agreement can be achieved, it would result in the same amount of service at less cost. As we all know, directed service is the most expensive means of continuing rail service and should only be utilized at last resort.

Consequently, what I am proposing, I say to the chairman, is that I should like to add language to my amendment which states simply that the Commission will only provide direct service over these lines if an agreement with the Department of Transportation cannot be reached.

UP AMENDMENT NO. 1009

I urge the committee chairman and the ranking member to accept this amendment, which I now send to the desk.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. McGovern) proposes an unprinted amendment numbered 1009:

At the end of Section 17(b) insert the following:

The Commission shall take the action described in this subsection only in the event that the Secretary of Transportation determines that such service cannot be continued under the Emergency Rail Service Assistance Act.

Mr. **McGOVERN**. Mr. President, I urge the adoption of the amendment.

Mr. **CANNON**. Mr. President, the amendment is acceptable to the committee.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. **McGOVERN**. Mr. President, I thank the chairman.

Mr. **McCLURE** and Mr. **HART** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Idaho.

Mr. **McCLURE**. Mr. President, I must say that I see some rather serious difficulties with this further extension of directed service over the Rock Island Railroad.

In the first place, it is not clear in my mind what the rationale for directed service is to begin with. I have heard that a basic reason is to provide for a period of time within which an orderly transition of the assets of the Rock Island can occur. Indeed, that seems to be indicated by the emphasis in this legislation on the purchase of redeemable preference shares from State and local governments, shippers' associations, employee associations, or other nonrailroad carrier groups. But it needs to be pointed out, Mr. President, that on the face of it this legislation is just a further delay of the transfer of assets of the Rock Island. In the first place, I do not think an orderly transition is possible. In the second place, what we are doing here is allowing a further dissipation of the assets of the railroad at the expense of the American taypayer.

I have been told that the estimated liquidation value of the Rock Island Railroad is approximately $400 million, with creditors' claims in the neighborhood of $386.6 million. If true, why not liquidate now instead of dragging this painful process out further to the point where the claims of creditors may actually exceed the assets of the railroad?

There are a number of other additional points to be made here, Mr. President. This bill will presumably require further outlays in 1980 which may well put us over our budget ceiling. Actually, we cannot tell what the outlay impact is, because the Department of Transportation is given discretion in how the money is outlayed. Nevertheless, because of the short timeframe within which this is to occur, the outlay question seems to me to be a very serious one indeed. I assume, for example, that the purchase of redeemable preference shares might occur very quickly, in which case we would be over the budget ceiling for 1980 very shortly. I assume that is what is anticipated by the committee's bringing this legislation to the floor.

It also needs to be pointed out, Mr. President, that we have not really had an opportunity to seek capability statements from the Department of Transportation regarding the real impact of this legislation and indeed, there is some dispute about how much directed service money remains available to the Interstate Commerce Commission under the previous directed service order. The bottom line here, Mr. President, is that we are rushing through legislation without really having had time to understand its impact and whether or not there are other alternatives.

We agonized over the transportation bill for fiscal year 1980 just a few short months ago and, after having cut the original Senate proposal for rail rehabilitation from $150 million to $100 million, we are now being asked by the Commerce Committee to reduce the availability of that money by another $40 million. I wonder how many of the Members of this body realize that the Transportation Subcommittee, during consideration of the bill last year, provided that one-half of the amount available under railroad rehabilitation would be used to implement the provisions of Public Law 95–620, which calls for the rehabilitation of railroads to haul coal.

One of the real reasons the Rock Island has gotten into the situation it is in is that rehabilitation and maintenance of existing track did not occur as needed and yet here, once again, we are taking existing funds that have been made available for just that purpose and diverting them into what everybody agrees is a questionable, if not frivolous use of the taxpayers' money.

Finally, I think it needs to be pointed out that we are taking a stand here that is, as far as I understand it, absolutely unacceptable to the House. We are rushing in with legislation that may well be tied up in conference for a long time. I, for one, would have very much appreciated the opportunity to really take a look at this bill and consider whether there might be a more moderate approach. Certainly, we would be in much better shape if we could go to the House with a united front in this matter.

Finally, I think it notable to observe that we have in effect, in this legislation, subverted the whole redeemable preference share process as it now exists in the law. Why go to the trouble of establishing programs which require the orderly consideration of criteria in the purchasing of redeemable preference shares if, every time another transportation crisis occurs we will merely subvert the meaning and intent of the established law. Not only are we pursuing a questionable purpose, Mr. President, but we are pursuing it without the right kind of information.

With all due respect to the Commerce Committee and their laudable goals in trying to aid the transfer of the Rock Island into the hands of other carriers, I must say that I understand the plight with which they are faced. The Rock Island has been involved in something like a 7-year downhill struggle now and I think it is time that we recognized the need to get on with the business of providing service via other carriers. As I indicated before, the longer we wait to effect the transfer which everyone agrees must come, the more we dissipate the assets of the railroad and undercut the ability of creditors to establish their claims in an orderly fashion.

In addition, Mr. President, and perhaps more importantly, it has come to my attention that the whole transfer picture regarding the Rock Island has changed as a result of the labor agreement which was signed just 2 days ago. As a result of that labor agreement, it now appears that there has been an offer by at least one railroad to operate a large segment of the Rock Island Railroad in Iowa, southern Minnesota, Illinois, and perhaps other States without compensation. I also understand that the Southern Pacific is now willing to take over portions of the Rock Island in Arkansas, in addition to the Tucumcari line, which until recently was the only portion of the Rock Island anyone appeared interested in. The whole point, Mr. President, is that the transfer picture regarding the Rock Island has changed in just the last 2 days as a result of a new labor agreement which just came into being.

Mr. President, it seems to me that there is some additional information which the Senate ought to have before acting on this legislation.

First, what is the current status of bids from other lines for operating portions of the Rock Island system? That is changing daily, indeed, almost hourly. Second, what is the budget impact? How much does the ICC say is remaining in available funds? We get different estimates according to whom we talk to down there. The committee has given me two different figures. The ICC gave me two other figures. DOT gives me another.

Does the DOT have a statement as to the impact of the use of rail rehabilitation or other moneys? Where does DOT say the money would come from out of their budget? This bill really says they can take it from any source. I assume they will take it from some source. If it does not come from rail rehabilitation money, then where will it come from?

Finally, Mr. President, what is the answer to the question regarding the impact of these new outlays on the fiscal 1980 budget?

Mr. President, these are not frivolous questions. I do not really believe the Commerce Committee has brought this matter to the floor without being concerned about those questions. My point in raising them is not to indicate that is the fact, except that I cannot get the answers I need. Perhaps it might be better to say that I cannot get definitive answers. I get different answers from different places.

But if, as a matter of fact, this money is to come out of rail rehabilitation, then what happens to those programs? If there is someone on the committee, the floor manager of the bill, or the minority member handling this on the floor, who would care to comment, I would be happy to receive it because we are concerned about rail rehabilitation.

Mr. CANNON. I can say that I do not know any more than the Senator has been able to find out.

The authority would be there for the Secretary to take it out of the funds, if he has them available. I do not know whether it will out of these funds, rehabilitation funds, or out of other money. We do not have that answer.

But to answer on the budget impact, it would come out of funds already appropriated for this year. So it should not affect on this year's budget.

Mr. McCLURE. It would if, as a matter of fact, there are outlays within this year; and if those redeemable certificates are actually purchased, and purchased in the quantities authorized in this bill over a short period, we would be over the ceiling in the budget resolution within this budget year.

Mr. President, I only say that to indicate that the bill is probably subject to a point of order under the Budget Act. I am not going to make that point of order, except to raise the issue that, as a matter of fact, we do not know.

Mr. CANNON. The information I have is that the Budget Committee does not see or find any problem with the bill.

Mr. McCLURE. They are of several different minds. They are groping with a lack of information, as are the Senator and I, apparently. But if the redemptions occurred, as might occur, in a short period of time under this legislation, there would be no question but that we would go over the outlay ceiling in the budget resolution.

Mrs. KASSEBAUM. Mr. President, I would like to answer my distinguished colleague for a minute because he raises some questions we have been wrestling with, as a matter of fact, for quite some time.

As the Senator knows, in September the ICC determined that the Rock Island Railroad was bankrupt, and since October has been operating under directed service, which has been costing approximately $11 million and $15 million a month.

Obviously, this is not the solution. We have attempted through these various months since then to arrive at legislation that we felt would be beneficial to all parties concerned, particularly the taxpayers and those affected along the line, the shippers and the purchasing railroads. This is what we felt could possibly answer, to the best possible means we had to gather information.

True, we have received some conflicting information, as well.

There are those who would like to sea the line go completely bankrupt and out of operation. I think, personally, that would only add to further depreciation of the property.

True, it is difficult at this time to determine the assets and liabilities of the Rock Island Railroad. But if it goes completely defunct, I think it will only add to the liability. If we can, through some legislation which would attempt to deal with a positive view, add to the worth of that property, it is going to be to the benefit of the taxpayers ultimately and certainly to those who are shippers along the line. So I feel that is an important part of the bill.

The Senator raised the question about the House. The measure that has been introduced in the House is considerably more expensive than the bill in the Senate. I think the amount in the House bill is approximately $75 million. We have attempted to strike a compromise which we felt would be acceptable in the House as well.

Regarding the labor protection—this was a difficult issue to deal with—one of the major concerns was about the employees on the lines that would be purchased. The agreement that was signed regarding labor protection did not address that issue, and that there would be a possibility of wildcat strikes, and that is one of the things we were hoping to deal with in this legislation.

Mr. McCLURE. I say to the Senator from Kansas that the House bill is much more expensive, because it does deal directly with the question of labor protection and puts a dollar figure on it.

Mrs. KASSEBAUM. It puts $6.5 million in labor grants in addition to the $75 million.

Mr. McCLURE. In addition to the $75 million. Another reason why I am concerned about this measure is that, while it calls for potential indemnification under the Conrail employee stock ownership plan, there is no estimate of the budgetary impact of that provision, either.

Regarding whether or not it is better to liquidate now or later, it is clear that a railroad which is going downhill becomes worth less every day it operates at a loss, and it also declines in its ability to provide services.

The sooner we can get a transfer of assets into the hands of those who will operate the various segments, the better off we all will be.

Mrs. KASSEBAUM. I could not agree more with the Senator from Idaho. That is what we were attempting to do with this legislation. True, it does extend service beyond March 23, but only for 45 days after enactment of the legislation;

and it is hoped that many of the purchase bids would be accepted and acted upon and consummated before that time.

Mr. McCLURE. There are two points that might be made in that regard.

First, is it not true that just in the last day or two, there have been offers to take over the operations of substantial segments of the railroad; offers that had not been made before because there was no labor agreement? The labor agreement has been signed, and there now have been offers as a result.

Mrs. KASSEBAUM. I am not sure whether new bids have come in within the last 2 days.

One of the things that also has prompted this is a resolution that they look forward to, covering the employees and the question of the employees on parts of the line that would not be purchased, because there is always a threat of a wildcat strike.

Mr. McCLURE. Is it not true that as long as we have directed service, the impetus for the takeover, the bidding, the substitution of new operations for the old, will be delayed? The more directed service we have, the longer it will be before there is a resolution of the problem.

Mrs. KASSEBAUM. This is very true, but we need a period of time for orderly transition; and directed service is only on the part of the line where there have been definite purchase bids.

Mr. McCLURE. I understand that. But if there have been definite purchase bids, perhaps we should let them exercise those and relieve the taxpayer of the estimated $18 million additional cost that would be imposed under this legislation.

Mrs. KASSEBAUM. That is what would be done. As to those lines that have no purchase bids on them, the directed service will expire March 23.

Mr. McCLURE. If there are no purchase bids between now and March 23. But if there are purchase bids, is there any reason why it cannot be expedited and the purchaser take over? The Chicago & Northwestern, I understand, has made an offer to operate substantial segments, without any cost at all to the taxpayer.

Mrs. KASSEBAUM. And that would start immediately, under this bill.

Mr. McCLURE. Would directed service start immediately, or would there be a continuation of directed service in that event?

Mrs. KASSEBAUM. They could start operating as soon as the bid would be consummated and approved by the ICC.

Mr. McCLURE. The concern I have is that when you have directed service, so that service continues during the period of time, you have less and less impetus for transfer at an early date.

What I view this legislation as doing is the commendable effort to make certain that service does not stop until somebody else takes over. I understand that. But it has the effect, on the other side, of continuation of the status quo, because the directed service funds pay for the cost of operation.

I am still concerned not only about the continuation of service in that area but also about where the money comes from. It may have been authorized and appropriated already, but it is still a pool of money that, if expended for this purpose, is not available for another; and there is going to be a real impact upon some of the programs in the Department of Transportation, the more money that flows out under this.

We took the rail rehabilitation money and last year cut it by one-third to $100 million, and we are now taking $40 million of that money for this single purpose. In addition, I understand that while it is not in the bill yet, it is anticipated that before the bill is passed this afternoon, another effort will be made to get more money for the Milwaukee. The two together could almost totally bankrupt the fund that is available to DOT for rail rehabilitation.

If DOT intends to take the money out of some other place rather than rail rehabilitation, they have failed to identify that source of money.

From my understanding of contacts between my staff and the staff of the committee, DOT has not identified from where they would take the money if they do not take it out of the rail rehabilitation fund. Is that correct?

Mrs. KASSEBAUM. That is my understanding.

Mr. McCLURE. So the best of our knowledge now is that it would come out of the rail rehabilitation funds, and I think that everybody who is interested in rail rehabilitation anywhere in the United States must be concerned about the viability of that source of funding.

Mrs. KASSEBAUM. I say to my distinguished colleague that these are questions with which we have wrestled as well, and I share his concerns.

It is estimated that, at most, it would be only 25 percent coming out of the railroad rehabilitation. It is my feeling that if we do not at least use that part of the money, we will have very little railroad to even need funds to improve.

So I think we have to realize that we are going to have to spend money in order to get something that is going to be worth keeping.

Mr. McCLURE. I say to the Senator from Kansas that it is my understanding of the effect of the legislation that—unlike the characterization she gave, to the effect that if there is a bid, directed service ceases—the effect of the legislation, legally, technically, and practically, is probably the opposite; that, as a matter of fact, the directed service would have to be continued under this bill and that the ICC could not accept bids until the end of directed service.

Second, I point out that in a byline article by Helen Ericson in the Journal of Commerce on February 11, this comment was made:

> Also, bidders for track purchases could be scared off by continuation of Rock Island service, the spokesman warned.

That, incidentally, is a spokesman not of the railroad but of the Government, which is involved in this and which is concerned that the directed service provision in this bill will delay the transfer, will delay the bidding, and might scare off the bidders who otherwise would bid in less time, and in that manner increase the exposure of taxpayers to the cost of directed service.

Mrs. KASSEBAUM. If I felt that we could accomplish what we hope to accomplish by March 23, I would concur. I do not think anyone wants to continue directed service any longer than necessary. The Department of Transportation has said they would need 30 days after the acceptance of a bid, after approval of any legislation which would take us beyond the stalemate we have reached, to get the system and the legislation organized. I do not see how, under the best of circumstances, we could accomplish anything by March 23.

Mr. McCLURE. I understand, also, from my private conversations with the distinguished Senator from Kansas the concern she has regarding any interuption of service during the harvest period.

I somewhat facetiously remarked to her that if Kansas wheat does not get shipped, Idaho wheat might have a better market. That certainly is not the reason that I am interested. Again I will return to the point that I do not know if there is any orderly way one can terminate a railroad, transfer its operations, and liquidate its assets. I think it is kind of a disorderly process at best. There will be some temporary problems whenever that occurs, whether it is labor difficulties that cause the cessation of the service or otherwise.

The 45-day extension may well put that harvest period much more at jeopardy than if it were to occur at the end of March.

Mrs. KASSEBAUM. As the Senator knows, one of the other aspects that we are dealing with here is an embargo on March 15 of inbound traffic on fertilizer, seed corn, and so forth. That is extremely important in the Midwest. What we are only trying to minimize is the disorderly process.

Mr. McCLURE. I understand that. I understand the difficulty that the Senator has. There is no convenient time to have difficulty with an essential transportation link. Indeed, I did not insist upon the 3-day rule in this instance, which I ordinarily do, in order to give us an opportunity to look at some of these questions.

I raise these questions now because I think they are substantial questions. I know that the other body is going to be dealing with this legislation and that we must, in turn, deal with them in conference because I think it is very unlikely that they are just going to take the Senate-passed legislation and run with it. But before we come back with a conference bill, I hope that we have some answers to these questions and some very specific answers with respect to whether or not we slow down the process of bidding and transfer, rather than expediting it.

I am very much concerned that the later will be the case, and it is not just my fear. ICC spokesmen have indicated that in Senate hearings and in private conversations. It has been written about in the trade press. I think there is a substantial possibility that rather than increasing the certainty of transportation, we may have only increased the uncertainty and delayed the day of reckoning and done so at a rather high cost both to the taxpayers and also to the programs which may suffer as a result of transfer of funds during fiscal 1980 within the Department of Transportation.

Mr. HART. Mr. President, I urge my colleagues to support S. 2253, the Rock Island Transition Act legislation before us.

The rail lines currently owned by the Rock Island are of major economic importance to many Midwestern and Western States, including Colorado. They are vital for the movement of much of the grain traffic, as well as a number of other bulk commodities. The effects not only on the West, but on the entire Nation, would be extremely severe if these commodities could no longer be moved at a reasonable cost, as would be the case in the event of abandonment of the Rock Island's main lines.

I do not believe the Senate would want to inflict so serious an economic blow on the country, especially at a time when the economy is already faltering. Therefore, the question is not so much whether to provide continued service over the more significant Rock Island lines, but how.

One proposed answer has been Federal support in the nature of some sort of bailout legislation. Various versions of a bailout have been suggested ever since the Rock Island went bankrupt. Some of those suggest giving profitable railroads tax credits for rehabilitating those Rock Island segments they may acquire. The theory of that is that the lines require so much expensive rebuilding that other railroads will not seek to acquire them unless the taxpayer foots the bill for reconstruction.

Wisely, the Commerce Committee has rejected this approach in the bill before us. The tax credit bailout has two major flaws:

First, it ignores the fact that a railroad will acquire or refuse to acquire a portion of the Rock Island, not on the basis of rehabilitation costs, but on the basis of long-range predictions of profitability. However good the condition of a line, no railroad will want it if it cannot operate profitably. Similarly, even if a line is in bad condition, if it promises a good long-term return on investment in the form of operating profits, it is an attractive investment. The cost of line rehabilitation means the investment will provide a net profit later than it otherwise would, but the line is still a good investment. Federal funds for track rehabilitation would undoubtedly be a nice bonus for an acquiring railroad, but it would be an unusual railroad management that made its decision on that basis, rather than on the basis of long-term return.

The second flaw is the assumption that the track must be rebuilt and maintained to class III condition. This is probably true from the standpoint of a major railroad, since that railroad would be emphasizing runthrough rather than local freight, and the runthrough freight must move at a high speed for the railroad to be competitive. However, our concern here is not runthrough operations, but local service. Local service can often be provided quite adequately on class II and even class I track, if service is sufficiently frequent. It is less the line speed of trains than their frequency which determines the quality of service from the local shipper's standpoint. Thus, major track rebuilding may be a requirement from the standpoint of the larger railroads, but not a requirement from the standpoint of the shipper, short-line railroads which may serve the shipper, or the Federal Government.

This bill correctly refuses to follow Conrail with what we might call Cornrail, whether through direct subsidies or tax credits—both of which mean a bigger deficit and higher inflation. Instead, it does what is necessary to preserve service to local shippers: It extends the ICC directed service for an additional 45 days, facilitates operations over Rock Island lines by entities acquiring those lines, makes provision for the protection of displaced Rock Island employees—at a reasonable cost to the Treasury—and takes strong steps to encourage the formation of short lines. It takes a free-enterprise approach instead of promoting a bailout.

I am particularly pleased that S. 2253 stresses the short-line option. Short lines in the East have successfully taken over a number of surplus Conrail lines and have been economically successful while actually improving service to local shippers. I have strongly urged Coloradans to consider forming short-line railroads to operate the Rock Island lines in Colorado, and I have urged them to welcome outside short-line entrepreneurs who might be interested in the potentials in our State. Short lines offer a viable, free-enterprise solution to the problem of providing continued service without draining the Federal Treasury. Again, I strongly commend the Commerce Committee for taking this approach. I look forward to working with the committee, the Department of Transportation, the government of the State of Colorado, and interested potential operators in moving rapidly to realize the short-line option.

Mr. President, it would be easy for Senators from States in which the Rock Island operates to back a bailout. But I do not intend to vote against the bailout of Chrysler because it is in Michigan, and a bailout of the Rock Island lines in Colorado. The free market will work if we give it a chance. If there is a need for the service, a service will be offered to meet the need, if the market system is permitted to function. It is time we let the market function in this and other situations.

I thank the distinguished chairman of the committee for yielding time.

TIME: LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the minority, and with the manager, and the ranking manager.

Mr. President, I ask unanimous consent that there be a time agreement on S. 2253 as follows:

That there be 30 minutes on the bill to be equally divided between Mr. CANNON and Senator KASSEBAUM; 30 minutes on any amendment; 30 minutes on an amendment by Mr. MELCHER on the Milwaukee Railroad; 20 minutes on any debatable motion, appeal, point of order if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. ARMSTRONG. Mr. President, reserving the right to object, I did not quite hear the majority leader. Is he asking for a time agreement on the pending bill?

Mr. ROBERT C. BYRD. Yes, and the agreement has been cleared with the minority, cleared with Senators CANNON and KASSEBAUM, and I hope it will not be object to.

Mr. ARMSTRONG. The reason for my inquiry is, even as the majority leader propounded his unanimous-consent request, I was on my feet seeking recognition. It is my desire to address the Senate on this subject for about 5 minutes. I do not know how that fits in with the time agreement. I have no objection, provided my right to speak is preserved.

Mr. ROBERT C. BYRD. Senator CANNON and Senator KASSEBAUM will have 30 minutes on the bill, from which they could yield 5 minutes to the Senator, and I am sure he will have no problem getting that time.

Mrs. KASSEBAUM. I will be happy to yield.

Mr. ARMSTRONG. I thank the Senator.

I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair and I thank all Senators.

Mr. ARMSTRONG addressed the Chair.

Mrs. KASSEBAUM. Mr. President, I would be glad to yield 5 minutes or whatever time the Senator wishes, to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate my colleague from Kansas yielding.

One of the reasons why I wanted to address the Senate on this matter is to compliment her on the leadership she has shown in the handling and the presenting of this very difficult and complex question.

Like my colleague from Kansas, I have a very deep and abiding interest in the survival of the Rock Island because it has a tremendous economic impact on my State, just as it has on the State represented by my friend from Kansas. As a matter of fact, as I understand the purpose of the bill, it is really a stopgap solution, and what I want to point out to my friends throughout the country is that this is not going to solve, in my opinion, the basic problem of getting trains moving again on the Rock Island line as, at least, it relates to Colorado. I do not profess to know how other railroads are affected, but continuing the affected service is merely a stopgap solution.

The other portion of the solution which provides a form of subsidy for community groups or local governments or employee groups to take up portions of this track and provide service it seems to me would be unlikely of success. I am certainly willing to give it a chance to work out that way, and if it does, then, that is fine. But I fear we are going to be coming to a place very soon where it comes down to a choice of taking further action or simply permitting that service to be abandoned in large areas of the country, including the State of Colorado.

Since there are a number of communities and a huge economy which depend upon this service, my staff and I have been in consultation with some of the affected interests and have tried to determine what kind of an approach might be the next step, if an additional step is needed.

Here is what it comes down to: I am convinced, and no one can be sure of the future, but I am convinced, first, that another major railroad will not make an offer to buy the Rock Island, the line, at least that portion of it, that runs through Colorado. Therefore, unless community groups or the State comes forward to do something, we will see that service terminated.

Second, the proposals which have been suggested, which are not, as I understand it, included in this bill, but which have been suggested on other occasions for various sorts of operating subsidies, subsidized interest-rate loans, and so forth, probably will not attract the kind of buyer we would like to see take over the Rock Island line in Colorado.

There may be an approach and, in fact, my colleague from Colorado, Representative KEN KRAMER, who represents the district of the State of Colorado which is most affected, has been in consultation with some of the people in the railroad business who know the most about this, has come up with an idea about a tax-credit approach, in which I am very much interested, and which, at the right time, I might well support in order to save the service in this area.

The essence of the proposal which I would urge my colleagues to think about—we are certainly not going to act on it today, but it is a live possibility which I think deserves serious consideration—is this: First, that a railroad buying up the track of a bankrupt road, such as Rock Island, would be permitted to make investments in increasing the maintenance on the track to bring it up to minimum safety standards, and would get a tax credit for doing so.

It is not suggested that there be a tax credit for the acquisition of the railroad because that would simply bail out the present owners, or actually the present bondholders, nor is it suggested that there be an operating subsidy, or anything like that, or a tax credit for that purpose, because if it is not an economically sound enterprise on an operating basis, then other arrangements should be made.

But the proposal which my colleague KEN KRAMER and others are working on, and which at the right time I will be disposed to support, is simply to say that they would get a tax credit for improving the maintenance up to the point where rail service can be safely run across the track

For those of you who are not thoroughly familiar with the problem, let me just say that in many areas along the Rock Island you cannot safely run a railroad train at any speed. It is not a question of whether it is 50 miles an hour, or 75 miles an hour, or 7 miles an hour. There are some portions of that track you simply must not run a railroad train over without danger that the track will give way and the train will be spilled off the track.

So that proposal probably will be coming before the Senate at some point in time.

There are some jurisdictional questions. I, at one point, considered offering something on this bill as an amendment, and I think that would not be the wise course of action. This is a Finance Committee matter, and obviously would have to be studied by the Finance Committee, and the question of whether such tax legislation should originate in the Senate. But we will have to make some disposition of this unless the optimistic position of the community groups taking over these lines is realized which, in my own opinion, is a somewhat far-fetched possibility, but I hope it works.

Let me just sum up the tax credit in this way: It differs from any kind of a subsidy or any kind of an operating loan guarantee in this way.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ARMSTRONG. May I ask my colleague to yield 2 additional minutes?

Mrs. KASSEBAUM. Of course, I yield 2 additional minutes.

Mr. ARMSTRONG. I thank my colleague.

The tax credit idea, first of all, would attract a strong company to come into this, and by definition this is a company that has profits and, therefore, could benefit from tax credits.

Second, the tax-credit idea, unlike a subsidy of some kind, would provide no up-front money for the purchase of the trackage, but only provide credits to the extent money was actually plowed in to improving the physical condition of the road.

The tax credit would allow for money to be spent to bring the tracks up to class III standards, which is the safety requirement for moving shipping on this trackage.

Last, but not least, Mr. President, let me point out that one of the reasons, possibly the main reason, why the Rock Island is in such an awful mess is because for 12 long years the ICC declined to permit the kind of economic arrangements which Rock Island thought were necessary for its survival, and after dragging it out for 12 years, the railroad finally is going belly up, and it is no wonder, the way they were regulated, both by the ICC, and with respect also to their labor agreement.

So I think in this case, the Senate, the Government, has some responsibility to put back in order, or at least to permit the private sector to put back in order, what it bears such a heavy responsibility for having injured in the first place.

Again I thank my colleague for yielding. May I again compliment the Senator from Kansas for her handling and presentation of this complex issue.

Several Senators addressed the Chair.

Mr. CANNON. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. BOREN. I thank the distinguished chairman.

Mr. President, I am very pleased to be a cosponsor of this legislation introduced by Senator KASSEBAUM and others, dealing with the myriad problems of the Rock Island Railroad.

My colleagues and I representing States served by the Rock Island have often stood in this body to speak of the devastating effects that a collapse of the Rock Island would have in the Midwestern part of the United States. There is a potential for the loss of several thousand jobs, and a disruption in the transportation capabilities of this major grain-producing area of our country. We cannot stand by and allow this rail service to terminate completely. It would be very shortsighted to allow this rail service to fail now, when we are in these uncertain times of energy supply. You can be assured that we must continue to rely on rail transportation more and more in the future and it will be a lot more costly to get back into the railroad business at some future time, if we allow it to go under, than it will be to help maintain this service now.

I want to highlight here some of the special problems that we have in my home State of Oklahoma.

Some of our neighboring States are in a much more enviable position in terms of competing bids for Rock Island lines and the total amount of Rock Island trackage bid on in those States. We in Oklahoma would be particularly hard hit by a complete collapse of the Rock Island system.

In some cases, the Rock Island is the only railroad serving many of our grain-producing areas in Oklahoma. The Rock Island serves 154 communities in Oklahoma with over 400 industries located along those lines. The Rock Island serves an area in Oklahoma that in 1979 produced 73 percent of our State's total grain crop. Over 15 percent of the Rock Island system serves Oklahoma. Only Kansas and Iowa have more than the 1,055 miles of Rock Island lines found in Oklahoma. Rock Island accounts for a substantial portion of our entire railroad network.

The adverse economic impact of the loss of rail service to Oklahoma Rock Island shippers would be tremendous. Discontinuance of rail service to these shippers and communities will force them to become "captive," because the movement of products to and from their facilities can only be accomplished by the trucking mode. Recent figures have shown that to move grain by truck to Houston from some points in Oklahoma would add from 13 to 32 cents more per bushel over the costs of moving this grain by rail. These added costs of transportation will come out of the pockets of farmers who cannot afford it.

These facts are especially important in light of the bids from other railroads to purchase portions of the Rock Island in Oklahoma. At the present time, Oklahoma has only received bids from two class I carriers which cover only 39 percent of our Rock Island trackage. If we allow 61 percent of the Rock Island in Oklahoma to fail, we will have committed a serious error not only in lost service, but in a lost opportunity for energy conservation. State officials, shipper groups, and other private citizens in Oklahoma are gearing their efforts toward bidding on this remaining 61 percent of Rock Island lines. But additional time is needed to persuade rail carriers to operate these lines that the State and other groups may eventually own.

Mr. President, I am encouraged by the committee's efforts to extend directed service over the Rock Island for 45 days. Although some States may not need this much additional time to consummate purchase bids between the trustee and the rail carriers, we in Oklahoma will be able to use this time to a great advantage.

I am pleased that the proposed legislation will expedite the proceedings of the ICC and the FRA in getting the purchasing carriers in place either under temporary operating authority, or as final purchasers of the lines.

The labor protection provisions and the reserved amounts of money available for loans for acquisition and rehabilitation of lines to responsible noncarrier entities will greatly aid each State in preserving its essential rail-service lines.

Mr. President, I have previously pledged my efforts at working with the committee to offer legislation that we can all support and that will be a big step in preserving the economic stability of this section of our country through continued and uninterrupted rail service. I renew this pledge to the committee, and my other colleagues, and urge this body to support this most important legislation.

I heartily endorse the bill of the Senator from Kansas. I commend her for her leadership in this effort and I urge my colleagues in the Senate to adopt this piece of legislation and give us a chance to solve our own problems at the State and local level.

I thank the chairman for yielding.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. CANNON. Mr. President, I yield 1 minute to the Senator.

Mr. BUMPERS. Mr. President, I associate my remarks with the Senator from Oklahoma.

Mr. President, few issues have been as troublesome and difficult as the Rock Island Railroad strike and subsequent directed-service periods. My State depends heavily on the Rock Island for the transport of agricultural goods, timber products, and goods produced by small businesses. A disruption in service would cause dire economic consequences, not only for individual shippers and laid-off Rock Island employees but for the State's whole economy.

Apart from my own State's dependence on the Rock Island, it seems to me to be a very impropitious time for Congress to allow the abandonment of substantial portions of the rail system, forcing shippers to more expensive modes of transport, such as trucking which is not nearly as efficient as railroad service can be. No one argues with the fact that since World War II, there simply has not been the capital investment in the railroad industry that we have made in our highway and airport systems. As noted in the committee report on S. 1946, the railroad regulatory reform bill, inadequate investment in maintaining track and equipment leads to poorer service which eventually results in lower revenues and a greater inability to maintain the track and make technological improvements.

I want to commend the Commerce Committee, particularly Senators KASSEBAUM and LONG, for holding hearings so expeditiously and approving a bill that will insure an orderly transition of Rock Island's track and facilities. Directed service will continue 45 days after enactment. The Interstate Commerce Commission will have to issue decisions on temporary authority applications and sale and transfer bids within certain periods. Employees who are adversely affected by the cessation of service will have first-hire rights with other railroads.

A procedure for determining employee protection provisions is set up. Finally, transaction assistance of no less than $25 million in preference shares, bonds or trustee certificates is made available to responsible noncarrier entities, such as shipper or employee groups. These provisions carefully balance the legitimate interests of employees, acquiring railroads, shippers, and the public interest.

Yet I would be less than candid with you if I did not mention that over one-third of the track in Arkansas has not attracted serious attention of any prospecting purchaser, so 500 employees will probably lose their jobs. Some would argue that because a relatively low number of shippers would be affected, this is not so bad. But the towns of Booneville, Danville, Mansfield, and the others on the Sunbelt route west of Little Rock are the small, vital towns that are the heart of Arkansas. When the businesses in those towns suffer, the whole area suffers, and the State and Nation suffer.

Mr. President, I ask unanimous consent that my testimony before the Senate Commerce Committee be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

SENATOR DALE BUMPERS: TESTIMONY BEFORE THE SENATE COMMERCE COMMITTEE

Mr. Chairman and members of the Committee, thank you for scheduling these hearings on legislation designed to redress the terrible economic impact which would accompany the demise of the Rock Island Railroad.

I am a cosponsor of Senate Joint Resolution 139, which would order a continuation of service over Rock Island lines until August 31, 1980, and authorize an additional $50 million in trustee certificates. I am also cosponsoring S. 2246, legislation introduced by Senator DOLE, which would extend directed service for an additional 90 days. I do so for three reasons:

(1) the economies of several states, especially Arkansas, are directly tied to the availability of this rail service,

(2) our energy problems do not afford us the luxury of turning to lesser efficient transportation systems, and

(3) the interdependence of the entire railroad system is at stake.

BACKGROUND

We are now feeling the full impact of the so-called love affair that Americans have had with cars and superhighways since World War II. Our dependence on imported oil has risen dramatically in the past decade, yet we have witnessed the collapse of northeastern railroads, the Milwaukee Railroad, and the Rock Island Railroad, as well as a deterioration in our rail passenger service that necessitated creation of a quasi-governmental corporation. Congress has responded to these situations by creating Conrail, passing the Milwaukee Road Restructuring Act, Amtrak legislation and the Railroad Revitalization and Regulatory Reform Act of 1976.

The problems of the Rock Island Railroad are a continuation of those problems, and the shippers and employees affected are as fully deserving of thoughtful attention—despite the perils of an election year and national balance-the-budget fever—as those affected by earlier collapse.

I might also point out that the Committee has reported S. 1946, a railroad regulatory reform bill, which proposes changes in ratemaking, abandonment and merger procedures and the authority of the Interstate Commerce Commission. The Committee has worked hard on this legislation to strike a proper balance between government involvement and allowing railroads freedom from unnecessary government interference. Yet at the same time I hear that the Rock Island lines should be abandoned.

It reminds me of last year when the Department of Transportation was ready to reduce rail passenger service, in terms of route mileage, by some 43%. The Inter-American, preserved under the regional-balance concept, had never had a chance under Amtrak. Inadequate or non-existent station facilities, inadequate equipment, tri-weekly service, abysmal on-time performances, lack of dining and sleeping cars, you name it, demanded that this train be deemed a "failure."

I submit to the Committee that the Rock Island Railroad, managed as it has been for the past five years, is not one of the finest trains running.

Despite its problems, however, there are many small shippers, particularly west of Little Rock, who depend on the Rock Island Railroad. Faced with elimination of such service, many will go out of business or be forced to turn to trucking at twice the cost of what it costs them today to ship by rail. These businesses are often the major employers in such towns as Booneville and Danville. When they go out of business, either immediately with the loss of service on the Rock Island Railroad or later when they can't afford to be in business, the impact on these towns will be devastating.

The Rock Island hauls the kinds of products most suited for rail transport, i.e. bulky products such as farm and food products and timber products. Rice and soybean producers both use the Rock Island extensively. I would only add that these two products are also two of the country's largest export goods.

Agricultural interests in Arkansas depend on the Rock Island to ship large quantities of fertilizer for the spring planting season for corn, soybeans and other crops. The railroad provides the best service because of its ability to move the fertilizer in volume in a timely fashion.

Potential development of lignite resources in the southern part of the State bodes well for development of our own domestic energy resources, but such growth is contingent on the availability of rail service.

Lastly, I would be less than candid with you if I didn't mention that over half of the estimated 900 Arkansas Rock Island employees are not expected to be reemployed by future owners of the Rock Island lines. I would be the last to suggest that the new owners ought to be saddled with unnecessary numbers of employees or unreasonable labor protection provisions, but by the same token, I cannot help but question a system that allows lifelong employees to lose everything under a court-ordered liquidation. I understand that the Federal Railroad Administration has been attempting to work with the unions and prospective rail owners to work out an agreement.

Transportation and energy policies are intimately related, but the simple fact remains that we can work to reduce our dependence on imported oil by:

(1) improving the energy efficiency of all modes of transport;

(2) changing our energy consumption patterns in transportation; and

(3) conservation.

It is simply inconceivable to me that at the same time we are talking about developing a national energy policy, energy conservation, reducing our dependence on petroleum and the like, we, in the same breath, talk of closing a system which will result in about 12% of the carloads previously carried on the Rock Island Railroad being shifted to trucks, more expensive rail, or simply discontinued.

The policies of neglect since World War II have resulted in deterioration of track, equipment and station facilities, which in turn has led to poor service and lower revenues with which to improve the capital plant, which in turn has led to lower utilization levels by shippers. As the Committee points out in the report accompanying the freight deregulation bill, "In short, many of the railroads are caught in a vicious cycle."

I would also point out that some railroads such as the Norfolk & Western and Southern Railway Company, posted all-time high profits in recent months.

Perhaps most importantly, the interdependent nature of the rail system ought to make us think twice before we allow a railroad that provides service in thirteen states, employs over 8,400 employees, and hauls over 770,000 carloads of goods to experience severe disruptions in service or lose service entirely.

Congress has approved $3.3 billion in budget authority for Conrail operations since 1976, and paid out that amount, pending Congressional action on the Administration's request for $185 million for FY 81. For the Milwaukee Railroad, $25.1 million in outstanding ERSA loans have been approved $33.8 million in preference shares issued and $21.4 million approved for Section 511 loans, for a total of $80.3 million in assistance.

The cost of running the Rock Island directed service is estimated at $12 to 13 million per month, which would lessen each month as the Bankruptcy Court and the Interstate Commerce Commission approve the transfer of ownership and operating authority of the Rock Island Railroad system. Senate Joint Resolution 139 would not impede these processes. It seems reasonable to me to provide this assistance for this transition period so that an orderly transfer of ownership can take place. The worst possible scenario would be for disrupted service to occur on March 2, forcing shippers to turn to other ways of transporting their goods before the administrative steps that must be taken are taken. Track conditions may deteriorate rapidly with late winter weather, agricultural and industrial production will decline and agricultural crops dependent on the movement of fertilizer and feed will be in chaos. The ultimate bearer of this vast economic disruption will be the consumers.

Mr. BUMPERS. Mr. President, could I just enter into a very short 30-second colloquy with the floor manager?

There was, as the Senator knows, the possibility under the present directed service that freight would not be accepted 8 days prior to the expiration of the termination of directed service. They would not accept any inbound freight from other railroads that they could not deliver during that period of time.

I wonder if it is the intention of the floor manager and the committee to allow them to take any freight that can be expeditiously delivered anytime during that period. For example, if somebody wanted to load a car on Rock Island 10 days before the expiration of directed service that Rock Island could easily deliver, say, within 15 days, I assume it would be the intention of the committee that they should take that freight.

Mr. CANNON. Mr. President, the bill does not address that precise point, may I say to my colleague. We will urge the ICC to address that issue informally, because it is reasonable for them to take such actions as directing the acceptance and delivery where it can be accomplished before the expiration of the directed service period.

Mr. BUMPERS. I thank the Senator very much and I thank him for yielding.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I wonder if my distinguished colleague from Kansas would yield me 5 minutes.

Mrs. KASSEBAUM. Mr. President, I am happy to yield to the Senator.

Mr. DOLE. Mr. President, this Senator from Kansas supports the other Senator from Kansas in this legislation. I, too, want to commend her and the distinguished chairman for their quick action, because it is critical that this legislation be approved today. I guess those of us who live in Rock Island territory, those who have already spoken, will understand the importance of the legislation.

It will help insure adequate rail service is provided in the future to those who have relied on the Rock Island in the past.

It may not be common knowledge to all of our colleagues how critical this legislation will be, but to avoid maybe repeating what has been said, I want to emphasize that we do have hundreds of Kansas communities and shippers who depend solely on Rock Island. Nearly 40 percent of the total grain storage capacity of Kansas is served by the Rock Island. Over 125 Kansas grain elevators receive their sole service from the Rock Island railroad. In addition to that, dozens of manufacturing companies in places like Clay Center and Topeka rely on Rock Island service.

ONLY REAL SOLUTION IS PURCHASE

While Kansans desperately need continued service on the Rock Island, they realize that permanent service cannot and should not be provided by the Government and the taxpayer's expense. There is a clear consensus in Kansas that the only true solution is the purchase and operation of Rock Island track by strong, healthy railroads.

The Government should act to facilitate and encourage those purchases, and make the transition from the Rock Island to future owners as smooth as possible. That is exactly what the Rock Island transition act would do.

45 DAYS OF DIRECTED SERVICE CRUCIAL

Certainly, the 45 additional days of directed service will allow shippers and railroads extra time to finalize purchase arrangements and alternate means of transportation. This 45-day period is a reasonable compromise. Some of us want more; some suggested less. But I think this compromise worked out in the committee certainly should be very helpful. The bill I have introduced provided for 90 days of service. Senator KASSEBAUM's original bill included only 30 days. While the railroads and shippers I have visited with feel that 30 days is too short, they can live with 45 days. And because that extra 45 days runs from the date of enactment instead of March 2, we will have even more time to work out other plans.

OTHER PROVISIONS

I need discuss the other provisions only briefly. The labor protection provisions will help resolve what has long been the major stumbling block to purchases by other railroads. And allowing shippers and State and local governments to receive at least $25 million in loans from the Federal Railroad Administration will encourage continued service where the large railroads do not make offers. This could be particularly important on the track across northern Kansas where no railroads have bid in line with what the distinguished Senator from Colorado said.

I might add that we are exploring the possibility of tax credits in the Finance Committee. This Senator from Kansas has been working on the possibility of tax credits on the theory that that might make it easier for some private company to move in and purchase if we provide a tax credit for rehabilitation.

HOPE THIS ENCOURAGES PURCHASES

I trust that this bill will make it easier for railroads to begin service over the Rock Island. I am particularly concerned about the Denver to Omaha and Kansas City route. No one has exhibited serious interest in making an offer for this track. Now that the labor protection issue is largely resolved, I hope the Denver and Rio Grande Railroad can take a hard look at that track. Millions of dollars in FRA loans are available at 2 percent for rehabilitation, which is badly needed. I hope the Denver, Rio Grande will take advantage of that. Additionally, I think this bill will make it easier for some of the shipper groups looking at parts of that line—groups I have been working with in Phillipsburg, Clay Center and elsewhere.

OTHER POSSIBLE SOLUTIONS

Many believe that additional Federal funding for rehabilitation of this track is necessary to prompt purchases and facilitate adequate service on the Rock Island. While this should be a last resort, I think we all will continue to look at the possibility of a tax credit, as indicated, again, by the Senator from Colorado (Mr. ARMSTRONG). The Finance Committee will have a role to play there.

In summary, this piece of legislation can ease the Midwest through the rough times ahead and provide a format for developing a healthy, viable railroad system that is not dependent upon the Federal Government and the American taxpayer. It is a remarkably cheap bill. I hope my colleagues will approve it.

I would say finally that we have had hearings this morning in the Senate Agriculture Committee trying to measure the impact of the so-called grain embargo—what it will cost the taxpayers of America. It has been estimated that the cost of that embargo is $2.5 billion to $3 billion.

But I suggest the loss to the American farmer will be—in other words, the American farmer and the Kansas farmer and the other farmers in the Midwest——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. DOLE. May I have 2 additional minutes?

Mrs. KASSEBAUM. Mr. President, I am happy to yield 2 additional minutes.

Mr. DOLE. The farmers in the Midwest will bear the brunt of the cost.

We find an administration, which said 2 months ago that they would make certain the American farmer did not alone bear the burden of the grain embargo, now not offering anything to assist the American farmer.

We were told this cannot be done because of high interest rates and high inflation rates and higher unemployment rates and lower farm prices. There is no doubt in the minds of many of us who were there this morning in the Agriculture Committee hearing, that had it not been for the embargo the prices farmers received for corn or soybeans or wheat would have been much higher now.

It seems to me that there is this obligation, whether you are for or against the embargo. We should not single out the farmers of America for punishment.

They were told, when the President imposed the embargo in December, that their income would be protected. But now we find the same administration which made that statement reluctant to provide that protection.

Maybe it is a mistake, based on previous recent actions by the administration. Maybe they did not mean to say that. Maybe they meant to say something else. But it is a pledge they made to the American farmer. It is a pledge that we have not focused on because of all the interest problems and all of the foreign policy considerations. But it is a problem the American farmer is focusing on when he pays his bills and tries to meet the payments at the bank and everything else.

I would suggest that, again, the farmer takes it on the chin when he cannot market his grain. He takes it on the chin in Kansas and in every other State represented on this floor today. I would hope that the administration would take a look not solely at the Rock Island legislation but farm legislation generally. They did make a pledge to the American farmer. They have not fulfilled that pledge. The grain embargo has not hurt the Soviet Union one iota, but it has done great damage to the American farmer. I thank my distinguished colleague for yielding.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

UP AMENDMENT NO. 1010

(Purpose: To provide a reasonable transition and continued service on lines served by the Milwaukee Railroad if such lines are proposed to be served in the future under an Interstate Commerce Commission approved plan of reorganization or under the 401 process of the Railroad Revitalization and Regulatory Reform Act of 1976)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself, Mr. MAGNUSON, Mr. JACKSON, Mr. CHURCH, and Mr. BAUCUS, proposes an unprinted amendment numbered 1010.

Mr. MELCHER. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, insert a new Section 18 and redesignate the following sections accordingly:

"SEC. 18. (a) The Commission shall provide for directed service, not to exceed 45 days, on the Milwaukee Railroad under section 11125 of title 49, United States Code, and such service shall be provided in whole by the Milwaukee Railroad without regard to the limitation concerning directed rail service by a carrier over its own lines limited however, to:

1. such lines of its railroad system for which firm initial bids of purchase have been made by responsible parties prior to the date of enactment of this subsection, pursuant to the process carried out under section 401 of the Railroad Revitalization and Regulatory Reform Act of 1976 (49 U.S.C. 1654), and such bids remain effective however provided, that this requirement shall not apply to lines where alternative operators are operating such lines under interim service orders or where alternative operators are willing to operate said lines at no cost to the United States; and

2. those lines included in the reorganization approved, conditionally or unconditionally, by the Commission.

"(b) The service shall be at a level no less than the regular level of service provided as such service existed on October 15, 1979, except as provided in subparagraph (1) of this section, and there shall be no embargo traffic on such lines (other than when necessitated by acts of God or other safety requirements), or abandon or discontinue service over any such lines."

"(c) The interstate Commerce Commission, through its Bureau of Investigation and Enforcement, shall promptly investigate and report to the Congress within thirty days after the enactment of this Act, the extent to which the Milwaukee Railroad has compiled with the amendments made by subsection (a) of this section and whether the Milwaukee Railroad has taken the steps necessary to comply with section 22(c) of the Milwaukee Railroad Restructuring Act."

On page 10, line 5 strike "$15,000,000" and insert in lieu thereof the following: $25,000,000".

On page 10, line 11, at the end of section 4(c)(2) add the following new sentence: "Funds shall not be made available pursuant to this provision until the Commission has exhausted its directed service funds.".

On page 10, line 4, after "17" add "and section 18".

Mr. MELCHER. Mr. President, I offer this amendment on behalf of myself, Mr. MAGNUSON, Mr. JACKSON, Mr. CHURCH, and Mr. BAUCUS.

Mr. President, various proposals are being considered by the ICC to reorganize the Milwaukee. The revised plan of New Milwaukee, Inc., is being prepared by the ICC to the court appointed trustee's plan. Naturally, it is assumed that the court is satisfied with the trustees' proposal. However, we cannot be satisfied with it since it ends Milwaukee service at Miles City. No Milwaukee operation west of Miles City to the Pacific coast would continue under the trustee's plan. That leaves the Montana Milwaukee service in limbo.

If there is nothing else in rail service to continue rail freight service in this vast area of Montana, part of Idaho and the State of Washington, the lack of competition for the Burlington Northern would invite—almost assure—rapid and monstrous freight rate increases.

Already staggered by inflationary cost increases, Northwest producers of wheat, timber products, coal, and other commodities, cannot stand to have that happen. I hope the ICC in its consideration of the Milwaukee reorganization will continue to make their judgment with the need of rail competition as very much in the public interest.

The New Milwaukee, Inc., proposal provides that competition.

The Gellman report, ordered by the ICC and published yesterday, comparing these two plans found that the New Milwaukee, Inc., plan would return a higher rate of return on investment but more risk than the trustee's plan. There are, however, other recommendations besides these two plans that the ICC could make.

One of those is liquidation. That simply cannot happen. This country needs rail freight transportation, and particularly in the Northwest. Commodities of the Northwest have to be freighted long distances—grain to the west coast for export, timber products to meet the country's needs, coal for energy needs throughout the country.

The most cost-effective and the most fuel-efficient method is by rail freight.

The ICC will have to recommend the Milwaukee reorganization in the public interest. It may be the New Milwaukee, Inc., plan or another revision of it that assures operation of the Milwaukee from Miles City to points in the State of Washington.

Governor Judge, of our State, has entered negotiations with the trustee for the Milwaukee right-of-way from Miles City to Marengo, Wash. Our amendment will keep the Milwaukee operation intact from Miles City west while these considerations are transpiring during the next 45 days.

This amendment would require the Milwaukee Road to operate those lines included in a reorganization plan approved, conditionally or unconditionally, by the Commission, and those lines included in initial bids for purchase of lines outside of such a reorganization plan pursuant to the section 401 process conducted by the Secretary of Transportation. Currently, the trustee is operating only lines included in his plan of reorganization and some lines he believes are the subject of offers to purchase. This amendment will assure that service will be continued on lines that are included in a reorganization plan approved by the Commission which may be different from the trustee's own plan, and as well as on lines not included in such a plan but which are likely to be sold to other parties. It will provide the essential breathing room to work out the myriad of acquisition problems for lines not included in the approved plan and to resolve any conditions relating to any plan of reorganization, exactly the same as is being provided here for the Rock Island. Further, this amendment would require the Secretary of Transportation to provide funding to the Milwaukee Road to operate the lines as discussed above in the same manner and from the same authorization as is being provided in this legislation already for Rock Island lines and for Milwaukee lines in South Dakota by section 17 of this bill.

Finally, the amendment would require the Bureau of Investigation and Enforcement of the ICC to investigate and report to the Congress on whether the Milwaukee Road has complied with the requirements relating to maintenance of service on its system as required by this amendment. Specifically, the Bureau would investigate whether the Milwaukee has complied with the "level of service" requirement.

This amendment is a rational way to assure that there is an orderly transition from the present system to whatever system emerges from the ICC reorganization process.

It is consistent with the restructuring provision of the MRRA, the Milwaukee Railroad Restructuring Act that we passed last year.

Mr. President, I yield to my colleague from Montana (Mr. BAUCUS).

The PRESIDING OFFICER (Mr. BOREN). The Senator from Montana.

Mr. BAUCUS. I thank my senior colleague from Montana for yielding.

Mr. President, the amendment offered by Senator MELCHER will help us resolve a very difficult problem. On the one hand we wanted to continue competitive rail service in the Northern Tier States. On the other hand, we do not want to continue to provide public funds indefinitely for any railroad.

Very simply, the amendment we are offering provides that the ICC will direct service by the Milwaukee Railroad on those portions of the Milwaukee which the ICC approves in its reorganization decision expected March 15. That service will continue for 45 days. Alternatively, if the State of Montana or any other State bids to purchase portions of the railroad, directed service will also be provided on those portions.

I might add, Mr. President, our amendment will enable the ICC to determine the future of rail service in Montana and other parts of the country—not the trustee and not the courts.

Our amendment is necessary to prevent a de facto reorganization by the bankruptcy trustee and court. Last Friday, the trustee terminated service on lines west of Frenchtown, Mont. Service on branches in Iowa, South Dakota, Wisconsin, and Illinois was also abandoned.

These lines are not included in the trustee's proposal for reorganizing the railroad. However, some are included in the competing New Milwaukee Lines reorganization plan. Also, offers to purchase are pending for some of these lines the trustee is abandoning.

Our amendment requires the Secretary of Transportation to provide funding under the Emergency Rail Services Act of 1970 to operate Milwaukee Lines which:

Are included in a reorganization plan approved, conditionally or unconditionally, by the Interstate Commerce Commission, and

Lines which are outside of such a reorganization plan but for which initial bids for purchase have been made pursuant to the section 401 process conducted by the Department of Transportation.

This amendment will insure that the bankruptcy trustee does not abandon lines on which permanent, viable service is possible.

My colleagues who are familiar with railroad problems know that, once a railroad line is abandoned, it is very difficult to resume service. Shippers along abandoned lines find other methods of transporting their goods. The railroad property and trackage deteriorate rapidly through lack of maintenance and vandalism.

Thus, it is vitally important that service be continued on potentially viable lines.

We recognize that much of the Milwaukee system ultimately will be abandoned. But, we do not want to throw the baby out with the bath water.

It would be tragic if after keeping the Milwaukee operating for so many months now, Congress allowed viable lines to be abandoned while permanent solutions are in sight.

MILWAUKEE REORGANIZATION PLANS

Mr. President, two proposals to reorganize the Milwaukee Railroad are pending before the Interstate Commerce Commission.

Neither the bankruptcy trustee, the Federal Railroad Administration, nor Congress should prejudge the Commission's decision. The ICC has the expertise and staff resources to make the best possible decisions to retain viable Milwaukee services.

The first proposal comes from the bankruptcy trustee. It would reduce the Milwaukee system from 10,000 miles to about 3,200 miles concentrated in the Midwest and operating to Miles City in eastern Montana and to Kansas City.

An alternative plan has been developed by a coalition of Milwaukee employees and shippers called New Milwaukee Lines. The New Milwaukee Lines system is similar to the trustee's in most respects. However, it does not include the Kansas City branch and it retains the crucially important transcontinental line to the west coast.

Congress has given the Interstate Commerce Commission authority for reorganizing railroads. The ICC is expected to rule on the Milwaukee reorganization by March 14. The Commission may approve the New Milwaukee Lines plan, the trustee's plan or some other plan of reorganization.

Yesterday, Gellman Research Associates, consultants to the Interstate Commerce Commission, submitted a financial analysis of the two reorganization plans.

Gellman concluded that the trustee's plan would provide a rate of return on capitalization ranging from a high of 1.5 percent to a low of −2.4 percent.

On the other hand, Gellman projects a higher rate of return of 1.9 percent for the New Milwaukee Lines plan.

Gellman projects modest positive returns for both plans under optimistic conditions and substantial losses for both plans under worse-case economic scenarios.

PUBLIC BENEFITS OF NEW MILWAUKEE LINES

The Interstate Commerce Commission will not make its reorganization decisions based on financial considerations alone. It is required to consider the public interest.

The New Milwaukee Lines plan provides substantial public benefits which the trustee's plan does not. The ICC should approve the New Milwaukee Lines plan because:

It provides service in the northern tier States now suffering from chronic transportation shortages;

It prevents a rail monopoly over thousands of miles of the West;

It preserves employment in areas where employment opportunities are limited and small communities depend on railroad-related activities for their economic survival;

It preserves a transportation alternative for moving coal from the rich Fort Union coal deposits—development of these deposits is all but inevitable as our need for domestically produced fuel increases;

The Milwaukee Western lines provide the only possible competition to the Burlington Northern for increased coal traffic;

The New Milwaukee Line plan preserves a transportation link between major grain growing regions of the Northern Tier and north coast ports. These ports will be the outlet for expanded grain sales to China and Pacific rim countries; and

Finally, the New Milwaukee plan provides the opportunity for employee and shipper ownership. Congress is strongly committed to this concept.

MONTANA'S CONTINGENCY PLAN

Mr. President, the State of Montana is developing a contingency plan to assure continued service in case the trustee's reorganization plan is accepted by the Interstate Commerce Commission.

If the more desirable New Milwaukee Lines plan is rejected, the State proposes to purchase Milwaukee tracks from Miles City west to Marengo, Wash. This track would be rehabilitated, using private, State and Federal funds and operated as a short-line railroad.

The State has made a preliminary offer for purchase of these lines to the trustee. The State is developing a comprehensive financial and operating plan.

It will take at least 2 months for the State to complete this work and be in a position to take over operation of the Montana lines. Thus, the amendment Senators MELCHER, MAGNUSON, and I are proposing is important even if the New Milwaukee Line plan is rejected.

SUMMARY

Mr. President, we are very close to permanent decisions about the Milwaukee Railroad's future.

The reorganization process has been a trying one for Milwaukee employees, shippers, and for public officials. We have all had to make hard decisions and sacrifices.

It would be tragic to abandon the progress that has been made so far. Approval of our amendment will cost little but insure that the best possible reorganization decisions are made for the Milwaukee Railroad.

Again, I urge my colleagues to accept this important amendment.

● Mr. MAGNUSON. Mr. President, there are several sound reasons for adoption of the Melcher amendment. Under the current timetable, service has been discontinued along certain lines of the Milwaukee system. Many of these lines will ultimately retain service upon the completion of the ICC and bankruptcy court proceedings. But at the moment they have been embargoed. The Melcher amendment would maintain service over lines which are covered by both of the reorganization plans and lines where responsible offers to purchase have been made. Currently service is being provided only on lines covered by the Milwaukee II system. Many lines are under contract or subject to continued service depending on the outcome of the ICC and court proceedings.

What we have at the moment is termination of service over lines which will have service upon the completion of the proceedings. That does not make much sense and it prejudices the proceeding before the ICC. So for a limited period of time service would be provided under the Melcher amendment, which would help provide an orderly transition to whatever system is approved by the ICC.

Mr. President, the elimination of Milwaukee Road service in the West will cause great hardship for employees and their families, shippers, and a number of communities. I see little sense in a rail policy that would encourage deregulation on the one hand, and eliminate competition with the other. Those of us who have carried this battle over the last 2 years will be proven right. I predict that in the not too distant future we will all rue the day if the Milwaukee Road is eliminated in the West.●

Mr. CANNON. Mr. President, I am informed that the amendment proposed by Senator MELCHER will provide for continued directed service for 45 days from enactment.

Like the legislation now before us, the proposed amendment is intended to provide a transition to other operations by the reorganized road or other entities. In effect, only the lines west of Miles City will be covered by this amendment. Funding is proposed by an amendment to section 4 which would raise the ceiling from $15,000,000 to $25,000,000.

At the time S. 2253 was reported out of committee earlier this week, it was our belief that ICC's directed service funds would be exhausted by the date such service is scheduled to expire—March 22, 1980. It now appears that the Commission may have overestimated the cash drain on directed service funds, and that in fact there may be as much as $10,000,000 remaining in addition to funds for winding down operation when the directed service order expires later this month. Under this amendment, funding provisions in section (4)(c) of S. 2253 would not become operative until directed service funds have been fully utilized.

I am concerned about the projected costs associated with this amendment—from $5 to $7 million a month for directed service and approximately $6 million for startup costs. These costs, however, may well prove to be far less depending upon what lines are included in the final reorganized Milwaukee Railroad—facts we hope to know before we go to conference with the House.

Inasmuch as a similar provision for transitional directed service was in the Milwaukee legislation as passed by the Senate and deleted by the House, I shall reluctantly accept this amendment with a change from 45 to 30 days for the period of directed service.

I ask the Senator if he will be willing so to modify his amendment.

Mr. MELCHER. Mr. President, I shall modify my amendment to conform with Chairman CANNON's concerns. I hope that, by the time this bill is passed and enacted into law, the 30 days will be sufficient.

Mr. President, I so modify my amendment.

The PRESIDING OFFICER. Will the Senator state the modification?

Mr. MELCHER. The 45-day period would be changed to 30 days.

The amendment was so modified.

Mr. CANNON. Vote, Mr. President.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. CANNON. I yield back my time.

Mr. MELCHER. I yield back my time, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to, as follows:

On page 22, insert a new section 18 and redesignate the following sections accordingly:

"SEC. 18. (a) The Commission shall provide for directed service, not to exceed 30 days, on the Milwaukee Railroad under section 11125 of title 49, United States Code, and such service shall be provided in whole by the Milwaukee Railroad without regard to the limitation concerning directed rail service by a carrier over its own lines limited however, to:

1. such lines of its railroad system for which firm initial bids of purchase have been made by responsible parties prior to the date of enactment of this subsection, pursuant to the process carried out under section 401 of the Railroad Revitalization and Regulatory Reform Act of 1976 (49 U.S.C. 1654), and such bids remain effective however provided, that this requirement shall not apply to lines where alternative operators are operating such lines under interim service orders or where alternative operators are willing to operate said lines at no cost to the United States; and

2. those lines included in the reorganization approved, conditionally or unconditionally, by the Commission.

"(b) The service shall be at a level no less than the regular level of service provided as such service existed on October 15, 1979, except as provided in subparagraph (1) of this section, and there shall be no embargo traffic on such lines (other than when necessitated by acts of God or other safety requirements), or abandon or discontinue service over any such lines."

"(c) The Interstate Commerce Commission, through its Bureau of Investigation and Enforcement, shall promptly investigate and report to the Congress within thirty days after the enactment of this Act, the extent to which the Milwaukee Railroad has complied with the amendments made by subsection (a) of this section and whether the Milwaukee Railroad has taken the steps necessary to comply with section 22(c) of the Milwaukee Railroad Restructuring Act."

On page 10, line 5 strike "$15,000,000" and insert in lieu thereof the following: "$25,000,000".

On page 10, line 11, at the end of section 4(c)(2) add the following new sentence: "Funds shall not be made available pursuant to this provision until the Commission has exhausted its directed service funds.".

On page 10, line 4, after "17" add "and Section 18".

UP AMENDMENT NO. 1011

(Purpose: To clarify Section 4)

Mr. CANNON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON) proposes an unprinted amendment numbered 1011.

Mr. CANNON. I ask unanimous consent that the reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 24 add the following prior to the last sentence of section 4(b)(2): "*Provided, however*, That such continuation shall not alter or affect the ultimate rights of other railroads under trackage rights, joint facilities or similar arrangements nor prejudice the ultimate determination of any controversy or proceeding concerning rights of the parties with regard to assignment by the trustee of rights in or to the facilities or under the arrangements."

Mr. CANNON. Mr. President, section 4 of S. 2253 provides for expedited decisions on temporary service operations to encourage interim service during a transition period to operations by other railroads. At present, a controversy exists between two railroads over one of the Rock Island lines. Temporary operations by the acquiring carrier have been authorized, but the matter is in litigation in the courts. The commitee's intention in adopting this section was to encourage temporary operations—not to determine the ultimate rights of the parties. The amendment I propose merely clarifies this point.

Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. Is all time yielded back?

Mrs. KASSEBAUM. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 1012

(Purpose: To make technical amendments)

Mr. CANNON. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON) proposes an unprinted amendment numbered 1012:

On page 6, lines 2 and 3, strike "economics" and insert in lieu thereof "economies".

On page 8, line 24, strike all after "trustee" through line 4, on page 9, and insert in lieu thereof: "(3) In its determination of the merits of such an application, the Commission shall give weight to continuation of service and other public interest benefits provided by any applicant carrier which performs or offers to perform temporary operations over the properties which are the subject of the application."

On page 9, renumber paragraphs (3), (4), and (5) as (4), (5), and (6) respectively.

On page 16, line 12, after "expenses", add "Railroad Retirement Board".

On page 18, line 10, strike "practical" and insert in lieu thereof "practicable".

On page 20, line 7, strike "of NEPA".

On page 23, line 25, strike "reorganizaiton" and insert in lieu thereof "reorganization".

On page 24, lines 24–25, strike "Corporation, provided that" and insert in lieu thereof "Corporation: *Provided*, That".

On page 26, line 17, strike "Corporations" and insert in lieu thereof "Corporation".

Mr. CANNON. Mr. President, this amendment makes technical corrections in S. 2253.

I am prepared to yield back my time.

Mrs. KASSEBAUM. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back on the amendment, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON. Mr. President, I yield such time to the Senator from Iowa as he desires.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. JEPSEN. Mr. President, I commend the distinguished Senator from Kansas (Mrs. KASSEBAUM) and the distinguished chairman of the committee (Mr. CANNON) and Senator PACKWOOD for their hard work on this legislation. We have all worked very hard throughout the past months. Again now, as well as last fall, the Commerce Committee has done yeoman's work in taking the bull by the horns and working around the clock to develop legislation that will expedite the restructuring and transfer of ownership of railroads and keep the railroads, especially the Rock Island Railroad in this particular bill, operating. That is so essential to the 13 States that it operates in.

I wish also, Mr. President, especially, to commend the labor leaders and the management of the various railroads that have been a party to working out agreements for a successful restructuring of the Rock Island Railroad. I think that they have shown in the past weeks that labor and management can, indeed, work together and that, when they do, everyone benefits. This agreement certainly does complement the agreement that was worked out on Tuesday of this week by the people representing the workers of the Rock Island Railroad and the acquiring carriers. I commend all of those parties and thank again the distinguished Senator from Kansas, who was the lead sponsor on this piece of legislation.

Very good work, I say to the Senator.

Mrs. KASSEBAUM. I thank the Senator very much.

Mr. President, I appreciate the kind remarks of the Senator from Iowa, because we all share deep concern about this Rock Island Railroad as far as it affects the Midwest.

I want to say how much I have appreciated the assistance of my distinguished colleague from Nevada, the chairman of the Committee on Commerce, in facilitating and expediting the passage of this legislation.

Mr. President, I am pleased that the Commerce Committee has taken such quick action in bringing the Rock Island Transition Act, which I introduced early last month, to the floor for final Senate action. Such deliberate action underscores the crucial nature of this legislation and the need for now moving quickly both here, and in the House, to get the bill to the President for his signature. In this regard, I want to commend Senator LONG, chairman of the Surface Transportation Subcommittee and Senator CANNON, chairman of the full committee, for their quick recognition of the need for legislation and their help in moving the bill through the committee process.

Mr. President, as I said when I introduced the bill, there is no need to belabor what the effects of a complete cessation of service on the Rock Island Railroad would mean to our Nation's transportation system. Those of us who have Rock Island lines in our States, and our colleagues from other States who have been struggling with the transportation emergencies caused by failing railroads, are well aware of what happens when a railroad goes down.

In the Midwest, the Rock Island is an economic lifeline. The system is comprised of approximately 8,500 miles serving the States of Illinois, Iowa, Kansas, Missouri, Oklahoma, Texas, New Mexico, Arkansas, Tennessee, Colorado, Nebraska, Minnesota, and Louisiana.

On September 26, 1979, the Interstate Commerce Commission determined that the Rock Island Railroad was "cashless" and directed a consortium of railroads known as the Kansas City Terminal Railway Co. (KCT) to operate the entire Rock Island system for a period of 60 days expiring December 3, 1979. On December 3, 1979, the Interstate Commerce Commission extended directed service operations which will expire on March 23, 1980, subject to certain reductions in scope and other modifications. Although the Commission has statutory authority to extend directed service for an additional 67 days beyond March 23, 1980 (the Commission has authority to grant directed service for a period not to exceed 240 days), the Commission has indicated it will not order any additional extensions.

The Southern Pacific Railroad is attempting to acquire approximately 1,000 miles of the Rock Island Railroad known as the Tucumcari line, which extends from Kansas City to Tucumcari, N. Mex. Pending ICC approval, the Commission granted emergency authority to that railroad to conduct temporary operations over the Tucumcari line without Government subsidization.

Mr. President, directed service of the Rock Island Railroad has resulted in the Government expenditure of approximately $12 to $14 million a month. Directed service provides that all the rail carriers who are designated to operate are made whole by the Federal Government to cover any operating losses associated with their directed service and further are paid a 6-percent management fee for performing the directed service. It is expected that the directed service program ordered by the Commission beginning on October 5, 1979, and terminating on March 23, 1980, will total approximately $80 million. These funds are in the form of direct expenditures and are not refundable.

Fortunately, Mr. President, many class I railroads are interested in purchasing sections of the Rock Island Railroad. The Department of Transportation advises that, within the past 3 weeks, 11 railroads submitted bids for purchase and limited offers to operate more than 65 percent of the Rock Island's total trackage. The Department of Transportation advises that existing bids reach mileage that serves more than 85 percent of the existing Rock Island customers.

Although it is encouraging that a substantial portion of the Rock Island Railroad will be hopefully purchased by solvent railroads, labor protection remains a serious problem. On February 16 and 17, 1980, all acquiring railroads met with representatives of the labor unions in Miami, Fla., to discuss compromise labor protection programs for employees who would be acquired along with the Rock Island rail lines. The railroads and labor representatives reached an agreement that is, I understand, satisfactory to both parties with respect to the labor protection measures which will flow to former Rock Island employees who will now be employed by the acquiring railroads.

However, the labor agreements do not extend any labor protection to Rock Island employees who are not directly associated with the transferred lines. Another stumbling block is the fact that the labor unions have an effective tool—a strike—to prevent any operations on these transferred lines by the new carriers until labor protection is extended to displaced employees who are not fortunate enough to be picked up by the new carriers.

Another impasse is the fact that the trustee of the Rock Isand Railroad takes the position that since the Rock Island is a liquidating estate and has no more common carrier responsibilities, it also has no labor protection responsibilities whatsoever. The law is unclear at this point. There is a limited precedent which occurred when the Tennessee Central Railroad liquidated.

The ICC and the courts held that that carrier had no labor protection responsibilities because it was no longer a carrier, the Interstate Commerce Act did not apply, and accordingly, labor protections could not be imposed on the estate. The Interstate Commerce Commission General Counsel recently submitted an advisory opinion to the Commerce Committee which argues that the law has changed since the Tennessee Central case, and the Rock Island Railroad, although in a similar situation to the former Tennessee Central's, is now bound by labor protection by virtue of the 4-R Act and the Milwaukee Railroad Restructuring Act which passed during the first session of the 96th Congress.

There is no question about the fact that the service that would be performed by the new carriers is essential to the areas it serves. It is certainly in the public interest to preserve as much service as possible. However, merely pouring money into the Rock Island Railroad to preserve lines that would eventually be terminated is bad policy. Accordingly, it is in the public interest to resolve the labor protection situation to otherwise facilitate the transition of properties from the Rock Island Railroad to the new ownership.

Therefore, Mr. President, we have developed a comprehensive piece of legislation which is designed to resolve the labor protection provision without mandating specific labor protections by the Congress, and, at the same time, preserving the Rock Island estate's right to argue that the imposition of labor protection on the estate would, in fact, be an unconstitutional taking. The bill has been designed so that the total labor protection problem would be funded by a $50 million Federal loan. $30 million of the loan would take a secured position as a claim of administration. The remaining $20 million would take a position subordinated to the claims of all creditors as of April 1, 1980. Accordingly, it is possible that the estate would not be able to repay the second half of the loan. If that happens, the Federal "out of pocket" expense to resolve the Rock Island crisis would be approximately $20 million. However, it should be noted that the Department of Transportation feels that facilitating purchases will increase the valuation of the Rock Island estate. This, of course, would improve the security of the Federal loan.

Mr. President, another aspect of the problem that the bill addresses is providing a means to assist noncarrier entities who wish to purchase lines or parts of lines that carriers are not interested in. Section 12 of the bill provides "transaction assistance" to shipper groups, employees, State, and local governments or associations thereof. This would provide such groups with low interest Federal loans to help retain service on lines that carriers are not interested in purchasing.

Finally, Mr. President, the bill provides for 45 days of directed service over the entire system after the date of enactment. This should give all of the interested parties sufficient time to plan for a cessation of system-wide service. It is imperative to note that we intend this cut-off date to be final. Directed service, as I stated earlier, is not a long-term solution, it is helpful in a transition period, but it is expensive, and we must make clear that shippers and carriers cannot rely on it. This will serve to underscore the necessity of completing their alternate arrangements.

The bill also gives the ICC a deadline to rule on all applications of temporary emergency operating authority and gives the Commission the authority to arbitrate any disputes with regard to emergency operating authority. This will facilitate the entry of carriers onto those lines that are the subject of purchase negotiations, so that we won't have unnecessary disruptions of service on those lines.

Another important aspect of our bill, Mr. President, is that we have structured it in such a way as not to create new spending in this fiscal year by directing the reprograming of funds already appropriated.

Mr. President, I also want to take this opportunity to thank the committee staff for their invaluable assistance in bringing this legislation forward. Matt Scocozza of the minority staff and Jan Rosenak and Linda Morgan of the majority have worked very hard under difficult time constraints, and I am very grateful for their help.

Mr. President, I believe the Rock Island Transition Act is a responsible approach to addressing the transportation crisis occasioned by the demise of the Rock Island Railroad. I urge my colleagues to act quickly to insure its enactment in a timely manner.

Mr. CANNON. Mr. President, I thank both my colleagues for their kind remarks.

● Mr. CULVER. Mr. President, as a cosponsor, I want to express my strong support for S. 2253, "The Rock Island Transition Act," and urge its adoption. This bill will continue directed service along the Rock Island Railroad for an additional 45 days. Its enactment will avoid a premature and ill-advised shutdown of the system before successor carriers can continue service and is, therefore, vital for farmers, shippers, businesses and consumers in Iowa.

The bankruptcy and pending liquidation of the Rock Island—coupled with the insolvency of the Milwaukee Railroad—has caused severe economic dislocations across Iowa and the Midwest. My State alone has 18 million tons of grain—worth an estimated $2.2 billion—that must be moved by rail this year. Failure to move this cargo to southern terminals will, of course, cause financial hardships across the entire Corn Belt and must be prevented.

Other railroads have expressed an interest in acquiring approximately 85 percent of the Rock Island track in Iowa, and this raises the strong prospects that most essential lines will be preserved. Since the acquisition process is so far along, I told the Senate Commerce Committee last month that it would be "pennywise and pound foolish" to let the entire system grind to a halt when the existing directed services order expired on March 2, 1980.

The Interstate Commerce Commission (ICC) agreed with this assessment and voted to extend directed service until March 23. This action exhausts the remaining funds available to the Commission for service extensions. Any additional revenue which may be needed to continue directed service beyond March 23 must come from Congress.

The complex negotiations between the trustee, the bankruptcy court, the ICC, interested railroads, and the rail unions are proceeding, and one last directed service extension—enough time to conclude these negotiations and allow the ICC to grant interim trackage rights to those carriers—is manifestly in the public interest.

Since its introduction on February 1, 1980, S. 2253 has been refined to assure an efficient expenditure of scarce Federal resources. Its employees protection provisions are equitable and assure that interested railroads will move forward to complete their acquisitions of Rock Island track. As a result, there should be no need to continue directed service longer than 45 days after enactment.

This should be sufficient time for new carriers to assume uninterrupted service. The legislation requires the ICC to issue final decisions concerning the granting of interim operating authority within 45 days of enactment, which eliminates the need for an "open-ended" commitment to subsidize directed service indefinitely.

Mr. President, it is not necessary to recount all the problems that have plagued midwestern railroads during the past decade. It is now necessary to proceed with the successful rebuilding of that system so that we can again have the first-class freight rail network that is in the national interest. Congress can take the essential first step by assuring that the Rock Island does not cease running until new, permanent carriers are in place. S. 2253 accomplishes this task, and I urge my Senate colleagues to enact it.●

● Mr. GLENN. Mr. President, I support S. 2253 which extends directed service on the Rock Island Railroad. Although the Rock Island does not directly serve Ohio, I think that it is abundantly clear that any disruption of service in the Midwest has a potentially harmful "ripple" effect on consumers, shippers, and carriers in areas immediately beyond those immediately impacted.

In the case of the Rock Island, it is important to insure a short period of continued service until transfers of its lines are completed. It is also vital that labor protections be provided for Rock Island employees not hired by purchasers of the line. I am pleased that S. 2253 accomplishes these goals and also encourages certain noncarrier entities to purchase portions of the line. We have had some success with this short-line approach with State and local governments in Ohio.

I urge prompt pasage of the bill.●

Mr. CANNON. Unless someone else desires time or there are any other amendments, I am prepared to yield back the remainder of my time and pass the bill.

The PRESIDING OFFICER. Are there further amendments?

Mr. CANNON. Mr. President, I yield back my time.

Mrs. KASSEBAUM. I yield back my time.

The PRESIDING OFFICER. If there be no further amendments to be proposed, all time having been yielded back, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rock Island Railroad Transition Act".

CONGRESSIONAL FINDINGS

SEC. 2. (a) Congress hereby finds that—

(1) a cessation of service over the Rock Island Railroad appears imminent;

(2) a cessation of operations by the Rock Island Railroad would have serious repercussions on the economies of the States in which such railroad principally operates;

(3) a cessation of service would have a dramatic impact on the farm economy due to the volumes and value of fertilizer and agricultural products moved on the Rock Island Railroad, damaging the economic viability of the Nation's grain producers and handlers by seriously impeding the movement of grain for both domestic and export sales;

(4) a cessation of operations of the Rock Island Railroad would result in the loss of many thousands of jobs of railroad workers and other workers whose employment is dependent upon rail service over the lines presently operated by the Rock Island Railroad;

(5) premature cessation of services over lines which are the subject of pending purchase application would result in harm to the shipping public and could imperil continuation of vital commuter service;

(6) uninterrupted continuation of such services is dependent on adequate employee protection provisions covering Rock Island Railroad employees who are not hired by other railroads; and

(7) for those Rock Island Railroad employees not hired by other rail carriers, there is no other practicable means of obtaining funds to meet the necessary costs of such employee protection that are assumed by the Rock Island Railroad.

(b) The Congress declares that emergency measures set forth in this Act must be taken to avoid extensive disruptions in transportation services in the areas served by the Rock Island Railroad.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Board" means the Railroad Retirement Board;

(2) "Commission" means the Interstate Commerce Commission;

(3) "employee" includes any employee of the Rock Island Railroad working for the Kansas City Terminal Railway Company on March 1, 1980, in its capacity as a directed service operator, but does not include any individual after he is offered employment in his craft with a rail carrier providing temporary service over Rock Island Railroad lines and which becomes the acquiring carrier of such lines, or any individual serving as president, vice-president, secretary, treasurer, comptroller, counsel, member of the board of directors, or any other person performing such functions; and

(4) "Rock Island Railroad" means the Chicago, Rock Island, and Pacific Railroad Company.

SERVICE CONTINUATION

SEC. 4. (a) Directed service over the lines of the Rock Island Railroad which were in operation on March 1, 1980, shall be continued by the Commission through the 45th day after the date of enactment of this Act.

(b)(1) No later than 45 days after the date of enactment of this Act, the Commission shall issue a final decision on all applications for temporary emergency operating authority over lines of the Rock Island Railroad which are filed with the Commission prior to or on the 21st day after the date of enactment of this Act.

(2) The terms of compensation for all trackage rights, joint facilities, and similar arrangements between other railroads and the trustee of the Rock Island Railroad which are in effect on portions of the lines of the Rock Island Railroad involved in temporary emergency operations under this subsection shall be continued in effect during the duration of the temporary emergency operating authority with the carrier providing temporary emergency service substituting for the trustee: *Provided, however,* That such continuation shall not alter or affect the ultimate rights of other railroads under trackage rights, joint facilities or similar arrangements nor prejudice the ultimate determination of any controversy or proceeding concerning rights of the parties with regard to assignment by the trustee of rights in or to the facilities or under the arrangements.

(3) In its determination of the merits of such an application, the Commission shall give weight to continuation of service and other public interest benefits provided by any applicant carrier which performs or offers to perform temporary operations over the properties which are the subject of the application.

(4) The trustee of the Rock Island Railroad shall receive compensation from the temporary emergency operator for the use of the properties and facilities of the Rock Island Railroad on reasonable terms determined by the Commission.

(5) A decision by the Commission to authorize temporary emergency operations pursuant to this subsection shall be sufficient authority for the temporary emergency operator to enter upon and operate the properties and facilities of the Rock Island Railroad without permission of the trustee.

(6) Decisions and determinations made by the Commission pursuant to the provisions of this subsection shall not be subject to review in any court except to insure that no less than the constitutionally required minimum compensation has been provided. Any appeal shall not stay the Commission's decision.

(c)(1) Until December 1, 1980, the provisions of this section shall be in lieu of any directed service on any line of the Rock Island Railroad under section 11125 of title 49 of the United States Code. Notwithstanding the provisions of such section, payments under this section are authorized only to the extent that budget authority has been provided in advance in appropriations Acts.

(2) Notwithstanding any other provision of law, the funds for directed service under this section and section 17 and section 18, not to exceed $25,000,000, shall immediately be made available to the Commission for implementation of the directed service provisions by the Secretary of Transportation out of funds appropriated under Public Law 96–131 to implement section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 or such other previously appropriated funds as the Secretary may deem appropriate. Funds shall not be made available pursuant to this provision until the Commission has exhausted its directed service funds.

RAILROAD HIRING

SEC. 5. Each person who is an employee of the Rock Island Railroad on March 1, 1980, and who, prior to September 30, 1980, is separated or furloughed from his employment with such railroad or from his employment with another rail carrier providing temporary service over Rock Island Railroad lines (other than for cause) as a result of a reduction of service by any such railroad shall, unless found to be less qualified than other applicants, have the first right of hire by any other rail carrier which is subject to regulation by the Commission for any vacancy except where such priority would interfere with the achievement of a carrier's equal employment obligations under (1) an affirmative action plan, or a hiring plan designed to eliminate discrimination, which is required by Federal or State statute, regulation, or executive order, or by the order of a Federal or State court or agency; or (2) a permissible voluntary affirmative action plan: *Provided, however,* That any employee who does not accept any of the first three employment offers, in his craft, made pursuant to this section shall have no further rights under this section and section 7 of this Act. For purposes of this section, a rail carrier shall not be considered to be hiring new employees when it recalls any of its own furloughed employees, and the rights afforded to Rock Island Railroad employees by this section shall be coequal to the rights afforded to Chicago, Milwaukee, Saint Paul, and Pacific Railroad Company employees by section 8 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 907).

EMPLOYEE PROTECTION AGREEMENTS

Sec. 6. (a) The Rock Island Railroad and labor organizations representing the employees of such railroad may, not later than 10 days after the date of enactment of this Act, enter into an agreement providing protection for employees of such railroad who are adversely affected as a result of a reduction in service by such railroad or a restructuring transaction carried out by such railroad. Such employee protection may include, but need not be limited to, interim employee assistance, moving expenses and separation allowances.

(b) (1) If the Rock Island Railroad and the labor organizations representing the employees of such railroad are unable to enter into an employee protection agreement under subsection (a) of this section within 10 days after the date of enactment of this Act, the parties shall immediately submit the matter to the Commission. No later than 30 days after the date of enactment of this Act, the Commission shall impose upon the parties by appropriate order a fair and equitable arrangement with respect to employee protection unless the Rock Island Railroad and the authorized representatives of its employees have entered into a labor protection agreement. For purposes of this subsection, the term "fair and equitable" shall mean fair and equitable in accordance with the use of such term in section 9(c) (1) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 908(c) (1)).

(2) Any agreement or order entered into pursuant to this section shall be accomplished within financial limitations set forth in sections 10 (c) and (d) of this Act.

(c) Any order of the Commission entered pursuant to subsection (b) of this section may not be stayed by any court and is appealable directly to a United States circuit court of appeals having jurisdiction in the matter. Appeal to such court shall be filed within 5 days after entry of the Commission's order, and such court shall finally determine any appeal under this subsection within 60 days after the filing of an appeal. Review of determinations by such court under this subsection shall be limited to that normally afforded in formal rulemaking.

(d) If an employee protection arrangement is imposed by the Commission under subsection (b) of this section, the Rock Island Railroad reorganization court shall authorize and direct the trustee of the Rock Island Railroad immediately to implement the arrangement, and such trustee and the labor organizations representing the employees of the Rock Island Railroad shall immediately implement the arrangement.

(e) (1) Any claim of an employee for benefits and allowances under an employee protection agreement or arrangement entered into pursuant to this section shall be filed with the Board in such time and manner as the Board by regulation shall prescribe. The Board shall determine the amount for which such employee is eligible under such agreement or arrangement and shall certify such amount to the Rock Island Railroad for payment.

(2) Benefits and allowances under an agreement or arrangement entered into under this section shall be paid by the Rock Island Railroad from its own assets or in accordance with section 10 of this Act.

(f) Any interim employee assistance received by any employee pursuant to this section shall be considered to be compensation solely—

(1) for purposes of the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.); and

(2) for purposes of determining the compensation received by such employee in any base year under the Railroad Unemployment Insurance Act.

(g) The first sentence of section 7(b) (7) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b) (7)) is amended by inserting "and the Rock Island Railroad Transition Act" immediately before the period at the end thereof.

EMPLOYMENT OF ROCK ISLAND RAILROAD EMPLOYEES

Sec. 7. (a) The Board shall prepare and maintain—

(1) consistent with sections 5 and 15 of this Act, a list of employees separated from employment who indicate a desire to appear on a list to be made available to rail carriers; and

(2) a list of employment, by class and craft, available with rail carriers, based upon information submitted to the Board by the Rock Island Railroad and other rail carriers. Upon the request of any rail carrier, the Board shall make available to such carrier a copy of the list described in paragraph (1) of this subsection.

(b) The Board shall maintain the lists required by subsection (a) of this section through December 31, 1984.

ELECTION

Sec. 8. (a) Any employee who receives any assistance under an employee protection agreement or arrangement entered into under section 6 of this Act shall be deemed to waive any employee protection benefits otherwise available to such employee under (and except to the extent provided in an implementing agreement executed by employee representatives and any rail carrier acquiring or temporarily serving Rock Island Railroad lines, which agreement shall be consistent with the Milwaukee Railroad Restructuring Act (45 U.S.C. 901 et seq.), no such temporary service or acquiring carrier shall have any liability to any Rock Island Railroad employee under, and upon execution of said implementing agreement by an acquiring carrier, as to employees hired by any acquiring carrier, the Rock Island Railroad shall have no further liability under) the Bankruptcy Act, (title 11 of the United States Code), subtitle IV of title 49 of the United States Code, or any other applicable contract or agreement.

(b) Any employee of the Rock Island Railroad who is entitled to receive assistance under this Act shall, no later than April 1, 1981, file a statement with the Board indicating whether such employee elects to receive (1) assistance under this Act; or (2) any employee protection benefits otherwise available to such employee under the Bankruptcy Act (title 11, United States Code), subtitle IV of title 49, United States Code, or any applicable contract or agreement.

(c) With regard to any employee who elects benefits under subsection (b) (2) of this section, nothing in this Act shall be deemed to determine or otherwise affect the priority status or timing of payment of, or the liability for a claim or claims, if any, for employee protection which might have existed in the absence of this Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 9. There are authorized to be appropriated to cover administrative expenses of the Railroad Retirement Board under this Act for fiscal year 1981 not to exceed $750,000. Such sums shall remain available for obligation until expended.

OBLIGATION GUARANTEES

Sec. 10. (a) The Secretary of Transportation, under the authority of section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831), shall guarantee obligations, not to exceed $50,000,000, of the Rock Island Railroad for purposes of providing employee protection in accordance with the terms of any employee protection agreement or arrangement entered into under section 6 of this Act. Guarantees under this section shall be entered into without regard to the requirements of section 511(g) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831(g)).

(b) Initial obligations up to $30,000,000 guaranteed pursuant to this section shall be treated as an administrative expense of the estate of the Rock Island Railroad and shall be utilized prior to guarantee of additional obligations. Furthermore, additional obligations not to exceed $20,000,000 beyond obligations classified as administrative claims shall take priority in the Rock Island Railroad estate only to claims of common stockholders and shall be below the claims of general unsecured creditors of the Rock Island Railroad estate in existence or accruing as of April 1, 1980.

(c) The aggregate unpaid principal amount of obligations which may be guaranteed by the Secretary pursuant to this section shall not exceed $50,000,000. Furthermore, the guarantee of loans and commitments to guarantee loans are authorized for any fiscal year only to the extent and in such amounts as are provided in appropriation Acts.

(d) The total liability of the Rock Island Railroad in connection with benefits and allowances provided under any employee protection agreement or arrangement entered into under section 6 of this Act shall not exceed $50,000,000.

(e) Except in connection with obligations guaranteed under this section, the United States shall incur no liability in connection with any employee protection agreement or arrangement entered into under section 6 of this Act.

(f) Section 516 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 836) shall not apply to any obligation guaranteed under this section.

EXPEDITED PROCEEDINGS

Sec. 11. (a) The Commission shall give all proceedings involving the Rock Island Railroad preference over all other pending proceedings related to rail carriers and make all of its decisions at the earliest practicable time.

(b) The Commisison shall, within 100 days of the filing of an application or such shorter period as the court may set, pursuant to section 17 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 915), reach a decision on all proceedings filed after January 1, 1980, which involve a sale, transfer or lease of any line of the Rock Island Railroad to a solvent carrier.

TRANSACTION ASSISTANCE

Sec. 12. Section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825) is amended by adding at the end thereof the following new subsection:

"(h) PURCHASE OF ESSENTIAL PROPERTIES FOR COMMON CARRIER SERVICE.—(1) Notwithstanding subsections (a) through (g) of this section (other than subsections (b) (2) and (d) (3)), the Secretary shall, to the extent applications are filed, immediately purchase not less than $25,000,000 in redeemable preference shares, bonds, or trustee certificates convertible to redeemable preference shares under this section as necessary to facilitate the purchase of properties of the Rock Island Railroad by responsible noncarrier entities to be used for common carrier rail service. Such entities may include, but are not limited to, an association or associations composed of representatives of national railway labor organizations, employee coalitions, and shippers (or any combination thereof) which wishes to acquire and rehabilitate Rock Island Railroad lines pursuant to a feasible employee or employee-shipper ownership plan. Such association could also contain any railroad or other responsible entity which wished to combine its property under common ownership with the property being acquired by the association. Such business plan shall be submitted to the Secretary on or before the date specified in section 4(a) of the Rock Island Railroad Transition Act, or such later date as the Secretary shall deem advisable. For purposes of this subsection, the term 'railroads' in subsection (a) of this section shall be deemed to include responsible noncarrier entities. This subsection shall apply only to purchase applications filed with the Commission prior to June 1, 1980.

"(2) The loan shall be granted upon such terms and conditions as insure that the applicant will be financially capable of making the requisite interest and principal payments without a drain on its financial resources: *Provided*, That the Secretary shall insure that all indebtedness under this section is secured.".

APPLICABILITY

SEC. 13. The provisions of the National Environmental Policy Act and the Energy Policy and Conservation Act of 1975 shall not apply to transactions carried out pursuant to this Act.

AUTHORITY OF THE RAILROAD RETIREMENT BOARD

SEC. 14. (a) The Board may prescribe such regulations as may be necessary to carry out its duties under this Act.

(b) In carrying out its duties under this Act, the Board may exercise such of the powers, duties, and remedies provided in subsections (a), (b), and (d) of section 12 of the Railroad Unemployment Insurance Act as are not inconsistent with the provisions of this Act.

PUBLICATIONS AND REPORTS

SEC. 15. Within 45 days after the date of enactment of this Act, the Board shall publish, and make available for distribution by the Rock Island Railroad to all eligible employees, a document which describes in detail the rights of such employees under sections 6, 7, and 8 of this Act.

SEPARABILITY

SEC. 16. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

AMENDMENTS TO MILWAUKEE RAILROAD RESTRUCTURING ACT

SEC. 17. (a) Section 18 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 916) is amended—

(1) by striking "Until" and inserting in lieu thereof "(a) Except as provided in subsection (b) of this section, until"; and

(2) by adding at the end therof the following new subsection:

"(b) The Commission shall provide for directed service, not to exceed 30 days, on the Milwaukee Railroad under section 11125 of title 49, United States Code, limited, however, to those lines or line segments where railroads, States, local governments or other entities have entered into agreements with the trustee of the Milwaukee Railroad for the acquisition of such lines or line segments, or where legislation is currently pending before a State legislature which would provide for such State to tender a bona fide offer for acquisition of such lines or line segments. The Commission shall have authority under this subsection to direct service by the Milwaukee Railroad without inclusion of a 6 percent profit factor.

The Commission shall take the action described in this subsection only in the event that the Secretary of Transportation determines that such service cannot be continued under the Emergency Rail Service Assistance Act.".

(b) Section 22(a) of such Act (45 U.S.C. 920(a)) is amended by striking "Until" and inserting in lieu thereof "Subject to the provisions of section 18 of this Act, until".

PROVIDE A REASONABLE TRANSITION AND CONTINUED SERVICE ON LINES SERVED BY THE MILWAUKEE RAILROAD

SEC. 18. (a) The Commission shall provide for directed service, not to exceed 30 days, on the Milwaukee Railroad under section 11125 of title 49, United States Code, and such service shall be provided in whole by the Milwaukee Railroad without regard to the limitation concerning directed rail service by a carrier over its own lines, limited however, to—

(1) such lines of its railroad system for which firm initial bids of purchase have been made by responsible parties prior to the date of enactment of this subsection, pursuant to the process carried out under section 401 of the Railroad Revitalization and Regulatory Reform Act of 1976 (49 U.S.C. 1654), and such bids remain effective; *Provided, however*, That this requirement shall not apply to lines where alternative operators are operating such lines under interim service orders or where alternative operators are willing to operate said lines at no cost to the United States; and

(2) those lines included in the reorganization approved, conditionally or unconditionally, by the Commission.

(b) The service shall be at a level no less than the regular level of service provided as such service existed on October 15, 1979, except as provided in subparagraph (1) of this section, and there shall be no embargo traffic on such lines (other than when necessitated by acts of God or other safety requirements), or abandon or discontinue service over any such lines.

(c) The Interstate Commerce Commission, through its Bureau of Investigation and Enforcement, shall promptly investigate and report to the Congress within 30 days after the enactment of this Act, the extent to which the Milwaukee Railroad has complied with the amendments made by subsection (a) of this section and whether the Milwaukee Railroad has taken the steps necessary to comply with section 22(c) of the Milwaukee Railroad Restructuring Act.

RAIL TECHNOLOGICAL IMPROVEMENTS

SEC. 19. Notwithstanding any other provision of law, the Federal Railroad Administration shall have the authority and discretion to exempt from the mandatory requirements of the provisions of the Act of March 2, 1893, the Act of March 2, 1903, and the Act of April 14, 1910 (45 U.S.C. 1 through 16), also referred to as the Safety Appliance Acts, any railroad equipment, or equipment which will be operated on rails, when such requirements preclude the development or implementation of more efficient railroad transportation equipment or other transportation innovations under the existing statutes.

AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

SEC. 20. (a) Section 216(f)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)(5)) is amended by adding the following sentence after the first sentence thereof: For purposes of this subsection, the Railway Labor Executives' Association shall be deemed to represent all of the representatives of crafts or classes of employees of the Corporation and its subsidiaries as though that organization held powers of attorney from each representative of a craft or class for the limited purposes of negotiating and agreeing upon an employee stock ownership plan."

(b) Section 216(f)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)(5)) is further amended by adding the following sentence after the second sentence thereof: "The plan shall not be subject to change under the provisions of section 6 of the Railway Labor Act until after such time as securities have been distributed from the plan to the participants in the plan or their beneficiaries pursuant to the terms of the plan.".

(c) Section 216(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)) is further amended by adding the following at the end thereof:

"(8)(A) Except as provided in subparagraph (B), no person described in subparagraph (C) shall have or be subject to any fiduciary responsibility, obligation, or duty, nor shall any such person be subject to civil liability, under any Federal or State law, as a fiduciary or otherwise, (i) in connection with the employee stock ownership plan and related trust established by the Corporation pursuant to the requirements of this subsection or with ConRail Equity Corporation on account of any reorganization or restructuring of the Corporation, its successors or their assets or capital structure, or on account of any action taken or not taken by the Corporation which may affect its ability to attain the performance levels established in connection with the plan pursuant to paragraph (2)(A)(ii) of this subsection, (ii) for or in connection with the establishment, continuation or implementation of the plan and related trust or of ConRail Equity Corporation or the acquisition of, investment in or retention of any security of the Corporation or ConRail Equity Corporations, or of any of their successors and assigns, by the plan or ConRail Equity Corporation, or the disposition of any such security to the extent that such disposition is made in connection with a reorganization or restructuring of the Corporation, its successors and assigns, or their assets or capital structure, as directed or approved by or on behalf of the Association or the United States, or the acquisition or retention of any cash, security or other property received in connection with any such reorganization or restructuring, or (iii) for or in connection with any other action taken or not taken pursuant to any term or condition of the plan or related trust agreement or of the articles of incorporation or bylaws of ConRail Equity Corporation: Provided, That any actions described in clauses (i), (ii), or (iii) are taken at the direction, or with the consent, of the Association.

"(B) Subparagraph (A) shall not be interpreted to relieve any person from any fiduciary or other responsibility, obligation or duty under any Federal or State law to take or not to take actions in respect to the plan in connection with (i) receiving contributions, (ii) exercising custodial responsibilities, (iii) determining eligibility to participate in the plan, (iv) calculating, determining and paying benefits, (v) processing and deciding claims, (vi) preparing and distributing plan information, benefit statements, returns and reports, (vii) maintaining plan records, (viii) appointing plan fiduciaries and other persons to advise or assist in plan administration and (ix) other than as provided in subparagraph (A), acquiring, holding or disposing of plan assets.

"(C) The term 'person' as used in subparagraph (A) shall mean each of the following:

"(i) the trustee or trustees of the plan, the Corporation and its subsidiaries, ConRail Equity Corporation, the Association, and any of their successors and assigns;

"(ii) each director, officer, employee and agent of the Corporation of any of its subsidiaries, of ConRail Equity Corporation, of the plan, of the Association or of any of their successors and assigns; and

"(iii) each member of the Finance Committee and any of their employees and agents.

"(D) Neither this paragraph nor paragraph (9) shall be construed to grant immunity from any criminal law of the United States or of any State or the District of Columbia.

"(9) The United States shall indemnify, defend and hold harmless the persons described in paragraph (8)(C) from and against any and all liabilities, claims, actions, judgments, amounts paid in settlement, and costs and expenses (including reasonable fees of accountants, experts and attorneys) actually incurred in connection with the establishment, implementation or operation of the plan or ConRail Equity Corporation or with any transaction which is required by or is appropriate to effectuate fully the provisions of this subsection, except as may arise in connection with the execution of a responsibility, obligation or duty excluded from paragraph (8)(A) by paragraph (8)(B), if it is determined that such persons were acting in good faith. The indemnity provided in this paragraph shall be a full faith and credit obligation of the United States.

"(10) All securities of the Corporation, all securities of any subsidiary of the Corporation and of ConRail Equity Corporation and all interests in the employee stock ownership plan which are issued or transferred in connection with the employee stock ownership plan established by the Corporation pursuant to the requirements of this subsection shall be deemed for all purposes to have been issued subject to and authorized and approved pursuant to section 1130(b) of title 49 of the United States Code and any corresponding provision of any successor statute.".

The title was amended so as to read:

A bill to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the majority leader.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 1 hour, that Senators may introduce bills and resolutions for referral only during that period, and that Senators may speak during the period, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE JOINT RESOLUTION 137 AND SENATE JOINT RESOLUTION 138 TO BE INDEFINITELY POSTPONED AND FOR SENATE ACTION TO BE VITIATED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Joint Resolution 137 and Senate Joint Resolution 138 be indefinitely postponed. The House joint resolutions have already been passed.

Also Mr. President, I ask unanimous consent that the Senate action in passing Senate Joint Resolution 137 and Senate Joint Resolution 138 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SENATE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, in the light of some of the budget reestimates, some of the measures that are on the calendar cannot be called up because they would be subject to a point of order.

As I indicated recently, there are other measures on the calendar that have been on there for months and will probably be on there when the Senate adjourns sine die at the end of this session.

There are other measures on there that deal with energy, but they are just backup measures for the energy bills that are in conference at the present time, and once those conference reports have been finally enacted the bills will be taken off the calendar.

I hope committees will take advantage of the opportunity during days that the Senate is not in session to mark up bills and report them dealing with authorizations. It is important that the Senate act as soon as possible on authorization measures.

The appropriation bills will be coming from the House of Representatives, hopefully, in May or early June.

At this time, our appropriation subcommittees are conducting hearings on appropriation bills, but will not be able to mark them up and bring them to the floor until the House measures come over.

At the present time, there just is not anything on the calendar that lends itself to floor action, for one reason or another.

But it is extremely important, Mr. President, that committees be working and preparing measures for floor action. I will do anything I possibly can to assist committees in getting authorization bills up as soon as possible after they are reported. I am confident that the minority leadership will be cooperative and assist me in this regard. Until the bills are reported, the Senate cannot take them up.

I say all this by way of explanation that there will not be any work for the Senate tomorrow, and there will not be any work for the Senate on Monday.

I hope committees will be able to take advantage of both those days. I know I will be busy working with other Senators on matters. But I hope these are opportunities that will not be permitted to slip by because they will not come again too many times, and the further we proceed into the year the more we will have need for our time to act on measures on the floor.

So if they could be getting to the floor, some of them, as soon as possible, we could pace ourselves, take up those measures, and be ready for the subsequent measures as they are reported from the committees.

ORDER FOR RECESS AND FOR PRO FORMA SESSION TOMORROW; ORDER FOR RECESS FROM TOMORROW UNTIL 11 A.M. ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon tomorrow; that it be a pro forma session only; that no business be transacted; that no business be in order; that no Senators be recognized for speeches; and that when the Senate completes its pro forma session tomorrow, it stand in recess until 11 a.m. on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION BY THE SECRETARY OF THE SENATE DURING RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the period from the close of business today to 11 a.m. on next Tuesday, the Secretary of the Senate be authorized to receive messages from the other body and/or from the President of the United States and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION DURING RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the same period, the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS AND CONFERENCE REPORTS ON FRIDAY AND MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow and on Monday, between 12 o'clock noon and 3 p.m., committees may be authorized to file report and conference reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I hope that our respective cloakrooms will let Senators know that the Senate is now transacting morning business, for the purpose of speeches. If Senators have speeches, I hope they will come to the Chamber and make them, so that the Senate can then go out for the day and we can do other work.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Ohio is recognized.

U.S. POLICY IN THE MIDDLE EAST

Mr. METZENBAUM. Mr. President, on February 25, the President of United States made a remarkable speech on the Middle East before the United Jewish Appeal Young Leadership Conference.

In that speech, Mr. Carter reminded his audience of the pledge he made to Prime Minister Begin at a ceremony commemorating the anniversary of Israel's Independence.

"For 30 years," the President said:

> We have stood at the side of the proud and independent nation of Israel. I can say without reservation, speaking on behalf of the American people, that we will continue to do so, not just for 30 years, but forever.

Later in his remarks, President Carter spoke as follows:

> Let me restate a clear policy that has guided me through all of these deliberations and which will guide me in the future. I am opposed to an independent Palestinian state, because in my own judgment and in the judgment of many leaders in the Middle East, including many Arab leaders, this would be a destabilizing factor in the Middle East, and would not be in the United States' interest.
>
> I will not negotiate with nor recognize the Palestinian Liberation Organization, unless it first recognizes Israel's right to exist and accepts the United Nations Security Council Resolutions 242 and 338. It is past time for a total end to terrorism against Israel and the people who live there.

That is a clear policy—one to which our Government has held for many years.

It is a policy that has the overwhelming support of Congress and the American people.

But I think it is time to ask whether that position, spelled out so eloquently and so recently by the President is, in fact, the true policy of this administration.

Much has been said, Mr. President, about the U.N. Security Council resolution for which our Ambassador voted on March 1.

But so far, most public attention has been directed toward clarifying what was intended—did the President or did he not approve the language on Jerusalem.

But, Mr. President, the question of Jerusalem is only one part of the whole resolution. And the balance of that resolution is an outrage—a total contradiction of what the President himself had described as our policy less than a week before.

If this administration truly opposes the creation of a Palestinian state, then how, I ask, could our U.N. Ambassador have voted for a resolution describing the territories occupied in 1967 as "Palestinian and other Arab territories"?

If this administration truly believes that a Palestinian state would be, in the President's words, "a destabilizing factor in the Middle East that would not be in the U.S. interest," how could our Ambassador have cast this Nation's vote for resolution language describing the occupied territories unequivocally as "Arab land"?

Has the administration given any thought to what that expression means?

Are they aware at the White House and the Department of State that the expression "Arab land" carries with it the implication of full Arab sovereignty over that land?

Do they know that in the Arab world, Arab sovereignty in the West Bank means one thing—and that is a state dominated by the PLO?

And did anyone at the White House or at State give any consideration to the fact that by implicitly endorsing the maximum Arab claim with regard to the West Bank, the United States has seriously endangered the West Bank autonomy negotiations that are now in progress between Egypt and Israel.

Given the U.N. vote, the Egyptian side will be under massive pressure to resist any compromise. And faced with the prospect of a PLO state aimed like a pistol at the heart of Israel, no reasonable person can expect any Israeli Government to do anything but dig in and defend its vital security interests.

I reemphasize that the objectionable language to which I refer has nothing to do with the now-famous "mistake." That so-called "failure to communicate" had reference only to language regarding the status of Jerusalem.

And I also call the attention of the Senate to the fact that the U.N. resolution for, which our Nation voted, based its condemnation of Israel on the report of a special U.N. Commission established in 1979 "to examine the situation relating to settlements in the Arab territories occupied since 1967."

On March 22, 1979, when that Commission was established, the United States, Britain and Norway withheld their support.

"My Government has grave doubts," our representative said at the time, "about the utility of the creation of a Security Council Commission—Now that Egypt and Israel have made a first important step toward a comprehensive peace—we believe that it is incumbent on the Security Council not to interject itself into the process."

And in July 1979, when the Commission submitted its findings, the United States once again refused to support its conclusions. Our delegate criticized those findings for going "beyond the question of settlements to deal with such matters as Jerusalem. These matters, as well as issues such as settlements and the future of the occupied territories themselves can only effectively be dealt with in the course of negotiations between the parties, negotiations which are now underway.

And so, Mr. President, I find it more than strange—more than inconsistent—that in March 1980, the United States uncritically voted to endorse those very findings.

One of the most distinguished Members of our Senate, who is in the Chamber today and who will soon address himself to this same issue, who himself served as our Ambassador to the United Nations, today described that report on which the resolution was based as a fabric of lies.

And there can be no doubt that the report reflects the views of the most extreme Arab rejectionists who have never accepted Israel's most fundamental right—the right to exist.

The U.N. resolution was a disaster.

I think that all of us can agree on that.

Our vote for the resolution was wrong—wrong in terms of our national interests, wrong in terms of our establishing honest relationships with Arab nations, and wrong in its cavalier and contemptuous disregard for the most basic interests of Israel, a sister democracy that has for 30 years been our loyal and reliable friend and ally.

But above all, Mr. President, this vote and its subsequent disavowal must give rise to serious questions about the quality of this administration's judgment in foreign policy.

According to press reports, the administration's original intent in supporting the Security Council resolution was to convey its strong opposition to Israel's settlement policy.

That is and has been an area in which this country and Israel have disagreed.

But there are many ways to express disapproval. And I do not understand what motivated this administration to take the particular action it took—an action potentially more dangerous to Israel than almost anything else that could have been done.

Surely, Mr. President, the administration could have made its views known to Israel by means short of undermining that nation's entire negotiating position.

Surely, Mr. President, the United States of America has no need to overreact to every disagreement with a friendly foreign nation.

And surely this great Nation must have a foreign policy that makes sense, that is based on a firm understanding of its own interests and of the implications of its own actions.

We do not have that where the Middle East is concerned. We do not know and the world does not know just what our policy is and just where it is heading.

This administration faces a credibility problem of crippling proportions. And the time has come for some straight answers to the questions raised by its wildly inconsistent behavior.

Should we, for example, take as a definitive statement of policy what Jimmy Carter said on February 25 to the UJA Young Leadership Conference.

Should we take as a guide the March 1 Security Council resolution, with all its implications?

Or should we perhaps listen to Prince Fahd of Saudi Arabia who on January 11 told an interviewer that in talks 2 years ago, President Carter was "quite enthusiastic about upholding Arab rights and supporting their fair demands?"

This administration has a clear obligation to fully explain its vote at the U.N.

And the administration has an even greater obligation to spell out in detail its true intentions in the Middle East.

Congress has a right to know. And I am pleased to hear that the distinguished chairman of the Foreign Relations Committee has indicated that he intends to conduct a hearing to examine into that very question.

Our allies in Israel, who depend so much on the reliability of America's commitments—they have a right to know.

And the millions of Americans who agree today with what candidate Jimmy Carter said 4 years ago—that "the survival of Israel is not just a political issue, it is a moral imperative"—they, too, have a right to know.

Finally, Mr. President, I address another very disturbing aspect of this whole sorry episode—and that is the widely-held belief that the President's decision to disavow parts of the U.N. resolution were the result of political pressure from the American Jewish community.

Certainly, that is how the Arabs have interpreted the administration's behavior. The President has been described by the Arabs in the Middle East as a "bungler," a "coward" and "a toy in Israel's hand."

I certainly do not associate myself with that kind of language. But that is the fact, and that is what the Arabs have been saying.

I am not in a position to know whether or not domestic political considerations played a role in these events.

But if they did—if the administration shifted its position out of concern for the Jewish vote—then I am deeply concerned about the kind of thinking that now dominates our foreign policy process.

It is true that the vast majority of Jewish Americans are passionately concerned with the security and survival of Israel—a commitment that is shared by millions of Americans who are not of the Jewish faith.

It is true that America and Israel are and have been bound together by common values, common beliefs and a common passion for freedom, independence, and human rights.

But in talking about these profoundly important ties of the spirit, we must not forget that in the tough, hard world of international politics, Israel is still our strongest and only reliable ally in the Middle East. Israel is a nation whose loyal friendship brings us enormous strategic and military benefits.

Recent events in the Middle East have clearly demonstrated Israel's strategic value to the United States.

When Iran blew up—when the Soviets moved into Afghanistan—when the monarchy in Saudi Arabia began to show signs of real weakness—when all these things happened our defense planners began to look around the Middle East and South Asia for bases we might use if, Heaven forbid, we have to deploy our military forces in that region.

Saudi Arabia does not want foreign bases.

Oman has offered naval facilities—but the government there is challenged by a long-standing insurgency.

Somalia may let us use a former Soviet naval base on its territory—but only at the price of our providing the wherewithal for a new war with Ethiopia.

According to a senior Pakistani official, that country is no longer interested in the $400 million aid package we have offered. And even if some arrangement is ultimately worked out, we are dealing in Pakistan with an unpopular military government whose hold on its own people is in serious question.

Sadat's Egypt, on the other hand, has been a steadfast friend to this country in the face of anti-American hysteria in the Moslem world. But what about Egypt after Sadat? Can we be sure that a friend today will be a friend tomorrow? We cannot.

That leaves us with one country—one place where we know we can land a plane or dock a ship—one place where we know that a coup or a revolution will not confront us with a violently anti-American regime where once we had an ally.

That one country is Israel.

And I say, Mr. President, that if those who are today charged with making our foreign policy cannot see that obvious fact—if they devalue the courage and the loyalty that Israel has brought to its relationship with this country—then perhaps the time has come to change our foreign policy team.

Mr. President, I want this country to have a strong foreign policy that is consistent with America's values and traditions.

I want America to act in the world with power, dignity and wisdom.

But the administration's handling of this has had precisely the opposite effect.

It has alienated Israel.

It has outraged the Arab countries.

And worst of all, it has presented an image of America to the world as a bumbling, stumbling, unreliable country—a country whose policies are framed on an ad hoc basis without clear priorities or well-defined objectives.

I deeply resent that, Mr. President, and I say that it cannot and must not continue.

I yield to the distinguished Senator from New York.

Mr. MOYNIHAN. I thank my friend from Ohio.

Mr. TSONGAS. Mr. President, will the Senator yield? I merely want to find out what the order is of speakers, so that I will know how long I have to wait.

Mr. MOYNIHAN. I am happy to yield to the Senator from Massachusetts.

Mr. TSONGAS. Will the Chair indicate what order he intends to call Members?

The PRESIDING OFFICER (Mr. EXON). We are in morning business, and the floor is open for the recognition of any Senator by the Chair. The Senator from New York has been recognized. He has the authority to yield to whomever he wishes.

Mr. TSONGAS. I do not wish to break up this one issue. I am prepared to wait, but I would like to have some idea of how long that wait will be.

Mr. MOYNIHAN. I think in 15 minutes this colloquy will have concluded.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I first express the appreciation of this Chamber to the Senator from Ohio for his remarks which placed in such specific context the difficulty, the alarm, and the measure of humiliation which so many of us feel at what has been revealed about the conduct of American policy in the Middle East over these past 5 days.

The Senator from Ohio has spoken to the large pronouncements of the administration in this area which seem so incompatible with the record of the past 5 days. I would like to take the time of the Senate and of my dear and revered friend from Washington, who is going to speak later with the authority only he can bring to the matter, to draw attention to three seemingly small items in the Security Council resolution adopted on Saturday which, prima facie, ought to have made it unacceptable to any American Government regardless of any other issues. Unacceptable because we are supposed to stand for something in international affairs, for standards of conduct, of reference, and of fact, standards which this Nation has a right to expect of its leadership.

These three items will seem small compared to some of the enormities in this resolution, but they reveal a pattern of diplomacy and of policy which has brought us to these enormities.

Item one: In what is called the preambular section of the resolution, the fourth paragraph states:

> Affirming once more that the Fourth Geneva Convention Relative to the Protection of Civilian Persons in Time of War is applicable to Arab territories occupied by Israel since 1967, including Jerusalem.

Now, Mr. President, what is the Fourth Geneva Convention and, specifically, article 49 to which this refers? Very simply, following World War II it was recognized that the behavior of the Nazi government during the war had been so outside the bounds of any previous experience of civilized nations, that the rather large body of treaty law we associate with the Hague Conventions, which were designed to impose laws of war and limits on the behavior of governments, were not sufficient. They did not envision such behavior as the Nazis brought to modern experience, and so in four conventions sanctions declaring the behavior of the Nazi government illegal were codified under international treaty law.

What is article 49? The historical context of article 49 centers on the practices of the Nazi government in transferring masses of workers from occupied territories to war industries in Germany where they were properly known as slave labor.

It refers also to plans—never really carried out—to depopulate western Poland and move German settlers in.

The article refers to "mass forcible transfers of people." How on earth could the experience of the West Bank in the last 13 years, where not a single Arab has been forcibly moved and where at most 5,000 to 7,000 Israelis have moved in, be referred to, be compared to, the Nazi transfers of entire populations? That is an outrage, and we accommodated ourselves to it.

A second point, Mr. President, in the eighth preambular paragraph, the resolution says,

> Bearing in mind the specific status of Jerusalem and, in particular, the need for protection and preservation of the unique spiritual and religious dimensions of the holy places in the city

That would seem innocent enough to someone who had not read the report upon which this resolution is based, and the history behind it.

But it is a fact that paragraph 102 of the report referred to:

> The archeological excavations which, although repeatedly condemned by UNESCO, were still continuing, thus inflicting serious damage to Islamic shrines.

Now, Mr. President, this is a lie. It has attained to the condition of an official lie by UNESCO, a politicized UNESCO, that archeological work now being done in Jerusalem is desecrating religious sites. The very opposite is the case. There has probably not ever been as careful and as creative a bit of archeological digging done.

Twice UNESCO has appointed authorities to look into this desecration. In the first place, Professor Lemaire, of the University of Louvain, and, in the second place, Prof. Paul Marc Henry, of the University of Paris.

They have both gone to Jerusalem. They have come back. They have made reports to UNESCO. The reports have stated that nothing whatever is true as charged and UNESCO has refused to release the reports. Those are the standards of evidence, openness, and procedure which now obtain in UNESCO.

I would like to take this opportunity, Mr. President, to make a personal note. My wife happens to have not a small amount of experience in these matters. Concerned with the issue herself, she visited the excavation and a year ago wrote for the Washington Post a short article describing what, in fact, was the extraordinary success and care—painstaking care—with which these excavations are being undertaken.

Mr. President, I ask unanimous consent to have her article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

CIVILIZATION, LAYER BY LAYER

(By Elizabeth B. Moynihan)

During the past six years in the course of field work on a project in architectural history, I've traveled extensively in the Mideast and India and visited Central Asia. My particular interest is the Islamic period; at some sites, buildings were in ruins; some were being excavated or were under restoration, other were well preserved. Throughout history, it was common in this part of the world for one civilization to build on the site of previous structures; so, inevitably, I've observed many archaeological excavations of ancient sites.

In the pursuit of this study, I've seen architectural monuments saved by technical assistance from UNESCO, such as the 10th century Ismail Samani Mausoleum in Bukhara, Soviet Central Asia. UNESCO has also recorded and preserved in wonderful volumes unique art treasures, such as the ancient frescos in the Ajanta Cave temples of Central India. For such valuable work in preserving the world's artistic heritage, UNESCO must be applauded and thanked.

Like many people mindful of such contributions by UNESCO, I felt dismayed by the actions taken at its general conference in 1974. A resolution introduced by the Arab bloc and passed with communist and Third World support to withhold economic assistance for cultural activities from Israel also excluded it from European regional membership—effectively banning Israel from any regional grouping.

A similar controversial resolution was passed at the Nairobi conference in 1976, though with softer language, and Israel was reinstated in the European regional group. (Mainly because of the regional ban, the U.S. Congress voted to withhold UNESCO dues for two years.)

On Nov. 28, 1978, at the 20th general conference, UNESCO members voted to continue economic sanctions in a resolution that was a harshly worded, blatant political attack upon Israel. The stated basis for these repeated condemnations is that Israeli archeological excavations being conducted at the South Wall of Temple Mount in the Old City of Jerusalem endangered Moslem and Christian religious monuments.

On Nov. 28, I was in Jerusalem and visited the South Wall with Prof. M. Ben-Dov of Hebrew University, now in charge of the site. I have never seen an excavation conducted with such care and historical sensitivity. Far from damaging existing Moslem buildings on the Mount, the Israel archaeologists have uncovered a previously unknown Islamic palace and complex of five other buildings of the Omayyad period (660–750) adjacent to the Wall. Apparently destroyed in the major earthquake of 747–748, the large buildings were then neglected and forgotten, became buried under debris and eventually built upon by later inferior buildings. Preservation of the remains and schematic reconstruction of the palace have been possible as a result of the painstaking excavations.

Begun in 1968, the dig at the South Wall has been conducted by a skilled team working at the highest level of competence. As archaeology is a science that usually destroys its evidence, one layer of civilization disappearing as another is revealed, this excavation is unusual and very exciting. The buildings in this area were not razed when the city was taken by successive invaders, perhaps because it was a residential quarter and not a fortification. The stratigraphy is dramatic: Standing in the Omayyad palace courtyard, one can look down through two stories of Byzantine houses to buildings dating from the Second Jewish Commonwealth, destroyed by the Romans in the first century.

Discoveries have been made that are important to Christians, Moslems and Jews. That was confirmed by a series of on-site investigations conducted for UNESCO by the Belgian archaeologist, Raymond Lemaire. He found that the allegations against Israel were groundless. A visit to the South Wall supports that view.

Israel is not the loser in this example of what The Times of London called "the politicization of UNESCO"—the amount of assistance withheld was a fraction of its own contribution to the world body. The world is the loser. UNESCO has been seriously damaged and its future endangered by its use for political and propaganda purposes. In a strong statement, the American delegate, Ambassador John Reinhardt, objected to the language of the resolution in which Israel was accused of continuing to "Judaize" Jerusalem. The Israeli delegate, Ambassador Amiel Najar, aptly defined this charge as "a blatant expression of cultural imperialism by the Arabs." The language of the resolution suggests an attempt to suppress the evidence of history; its passage a discouraging willingness to debase UNESCO for political ends.

When visiting the South Wall, one feels a responsible UNESCO membership would have supported the excavations, not condemned them.

Mr. MOYNIHAN. Our Government knows these facts, but it does not object to the continuation of the lie.

Finally, Mr. President, beyond these matters which most likely have not aroused the rage of the Nation and those concerned as much as other aspects of this incident, let me simply point to the fundamental legal fact of the Middle East which belies all of the paragraphs of the resolution, as such, which refer to the Arab territories occupied since 1967, including Jerusalem.

There is one elemental fact and that is that the legal status of Jerusalem has never been established. The United Nations no more than proposed a partition plan for Palestine in 1947 than the Arab league commenced hostilities against the Jewish areas. Those hostilities resulted in de facto boundaries, never officially accepted by the Arab League nor by any international juridical body, which held until the 1967 war.

The legal status of Jerusalem, then, remains the prior issue to be resolved before any subsequent legal findings are made regarding that territory.

When the U.S. diplomacy acquiesces in this distortion of international law, this misrepresentation of archeological and cultural facts—for the charge of desecrating holy places is not a light charge—it emboldens the very forces which are committed to the destruction of Israel and to the disruption of the present peace in the Middle East. Yet we still accept the official lie and associate ourselves with an assertion that is false, to wit, that a sovereignty exists in Jerusalem which has been victimized.

In such circumstances you have a diplomacy which has excused itself from standards of fact and reference, which a nation of our heritage and our concern for law and convention and treaty surely ought never to have abandoned. We have abandoned it in this case. We have been doing so for years now and it is no accident.

It is the inevitable consequence of such an abandonment that one should come to such an enormous mistake as that which took place over the weekend. We can only hope that it was a mistake. The President has disavowed the event after the event. Yet the resolution stands. No statement can undo it.

We welcome the President's disavowal. But the question is, will he and his administration see the pattern of practice, or malpractice, which brought it about?

I see the Senator from Washington is here and I also see my colleague from Ohio.

Mr. METZENBAUM. The distinguished Senator from New York was our U.N. representative for a period of considerable time.

Mr. MOYNIHAN. That is correct. It seemed like a considerable time.

Mr. METZENBAUM. And acquitted himself so well in that role.

Can the Senator from New York understand or explain how there could be any misunderstanding or mixup or confusion in connection with a matter as sensitive as this? Or does the Senator believe this to be a reversal of policy after the fact?

Mr. MOYNIHAN. Mr. President, I can only say to my friend from Ohio that he, himself, observed, the Foreign Relations Committee is going to hold hearings and we are going to learn more.

But I would say, since I am on the record about this, that prior to this event, in my experience at the U.N., no area required more explicit and precise direction and instruction than that of the Middle East.

I stated in a book I have written on the subject that, with respect to this matter, an instructed Ambassador did exactly as told.

If you would like to know the degree of minutiae involved, I have a quick anecdote. A lot is said about this subject at the U.N., but it is often the same thing said over and over again and any change is immediately spotted and is weighed for its implication.

One evening I was about to read a statement. I think it was on the Golan Heights. I will not hold myself to that. I recognized that something was wrong with a sentence I was about to read; it seemed to me that the last time I had read it there had been a semicolon in that sentence and I found only a comma.

I asked the president of the Council if we could recess. I went out. I found an Assistant Secretary of State somewhere in Washington, in the middle of the evening. Within a half-hour I received an urgent call from the Department of State: "My Lord, you're right. That comma should be a semicolon."

It is with such attention to detail that these matters are carried forward, or were. And one must wonder about the seeming confusion over existing arrangements.

Mr. METZENBAUM. Mr. President, I thank the distinguished Senator from New York. I commend him for a very excellent statement on the subject.

I yield to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I shall be very brief.

At the outset, I commend the distinguished Senator from Ohio for his detailed remarks in connection with the problem that we are discussing here on the floor. I associate myself with those able comments.

Likewise, Mr. President, no living American is more familiar with the operations of the United Nations, and in particular the role and responsibility of our Ambassador to the United Nations, than the distinguished junior Senator from New York, who served so ably during a very, very difficult period for our country in foreign policy, and specifically with the problems that we faced in the Middle East at that time.

As I view it there are two fundamental issues here. One is the procedure that was followed. Clearly, there are questions that have not been answered. They go to the integrity of the decision-making process.

I am delighted that the chairman of the Foreign Relations Committee, Senator CHURCH, will undertake hearings next week to get at the details of that decisionmaking process, because the candor and integrity of the process are at stake.

I think we should know whether or not there are adequate safeguards so that the decisions made by the President of the United States are carried out in the action taken by our representative in the United Nations, the Ambassador.

Are instructions being followed? Or does the Ambassador have the authority to modify any of those instructions? I think very clearly he does not, from all of my past understanding. And I gather that is the understanding of the able Senator from New York who served so well in that post in the United Nations.

Mr. President, I believe on the procedural question the only way that the American people can be reassured—and it goes beyond the question of this particular incident—is for the administration to make available to the Senate the instructions that were given by our Government to the Ambassador in writing. There should also be made available to the Senate the verbal instructions, together with supporting memoranda of conversations, whether they be by telephone or in the form of direct verbal instructions.

This goes to the integrity of the decisionmaking process, Mr. President, in this all-important area of foreign policy. There are real unanswered questions in that area. Knowing the determination of the chairman of the Foreign Relations Committee as he has previously expressed it, I am hopeful that the committee will do everything possible to get that information.

Mr. President, on the substantive side, the Security Council resolution simply has ignored history when it comes to the issue of settlements. The legal scholars would point out that the area in question goes back, juridically, to the mandate system, that was established in the Treaty of Versailles and was a part of the League of Nations. The area in question here, Mr. President, was the mandate of the British authority over Palestine.

Under the mandate system, the right of people to settle in that area was uninhibited. That meant Jews, Moslems, Christians, people of all religions having a right to move in and settle in that area.

Mr. President, it misrepresents the situation to support a resolution saying there is no legal authority to take that course of action. I would point out that with the end of the League of Nations which administered the mandate system, United Nations took over that authority. The legal scholars argue, I think quite effectively, that the right to settle in that area which is covered by the resolution continues to be open to all peoples.

I may not agree, Mr. President, on the way in which some of these settlements have been made, but to summarily say that Jews cannot go in and settle in those areas is to ignore international law and the legal history of this particular area dating back to the Treaty of Versailles.

I believe the distinguished Senator from New York really touched on a bit of irony when he noted that the U.N. resolution affirms the application of the Fourth Geneva Convention Relative to the Protection of Civilian Persons in Time of War of August 12, 1949, "to the Arab territories occupied by Israel since 1967, including Jerusalem."

Mr. President, if there has ever been a misapplication of that particular convention, it is certainly in this particular area. The very people who were the victims of the holocaust, who are now living in that area, are being, in effect, accused of gross Nazi misconduct.

What kind of nonsense is that?

Mr. President, I can only say that for our Government to be associated with that kind of finding is very sad.

I hope that out of all of this will come a recognition that, one, the substantive issues have yet to be resolved. They are not going to be resolved by a simplistic resolution of the Security Council.

And, second, I think quite clearly the Congress should have the assurance of the integrity of the decisionmaking process, from the Presidential decision right on down to the person who must carry out that decision. We do not have that assurance, I regret to say, as a result of the events of last weekend.

Mr. President, the State Department has the duty to lay on the table all of the facts so that we can, in the future, know that once a decision is made, it is going to be carried out honestly and in accordance with the decisions made by the President of the United States.

I commend my colleagues for their initiative in this matter and the skill in which they have presented the key issues for which this body, the U.S. Senate, has a special responsibility in the field of foreign relations, and particularly issues relating to treaties to which the United States is a party.

Mr. MOYNIHAN. Mr. President, we have heard a masterful presentation from a man whose record on this subject is part not just of American history but of world history. It is an honor to have been associated with him in such a colloquy.

Mr. METZENBAUM. Mr. President, I rise to commend the Senator from Washington not alone for his excellent statement on this issue but for his very courageous, able, and concerned leadership for peace in the world and his particular concern about peace in the Middle East. I am pleased to be associated with him.

I yield to my colleague from Nebraska.

Mr. EXON. I thank my colleague for yielding.

Mr. President, I first completely associate myself with the remarks from my distinguished colleagues from Ohio, New York, and Washington for the most excellent statements which have been made on this matter we are presently discussing.

I am somewhat ashamed of the posture of my United States of America these days. I do not know how I can muster up any new words that could possibly come up to the remarks which have been made by my colleagues who have had vastly more experience in this particular matter than I.

I would just like to say that I am so pleased to see that the Foreign Relations Committee is going to check into this matter. I believe what is at stake here is the conscience of the United States of America.

Yes, it is only proper that we should be concerned about human rights, and that we should be concerned about individual rights. The conscience of the United States of America is being tested by what I am hopeful—I emphasize "I am hopeful"—was a mistake that was made over the weekend at the United Nations.

I am not addressing the overall fundamental issues as to what was right or wrong as to our overall policies with regard to the most difficult situation in the Mideast today, but I am very much concerned that the policy seems to shift and seems to change and seems to take different directions.

I have not been happier about anything in our international relationships than I was about the Camp David accords. I say that I think that would not have happened had it not been for the dedication, the sincerity, the concern about human rights of President Carter. I am still hopeful that the Camp David accords and what that sounded for a new era for that very troubled land, going back centuries, can still come to pass.

I only hope and pray, Mr. President, that the mistake, if that is what it was, that was made at the United Nations over the weekend will not deter us from what I think most of us understand were the legitimate goals of Camp David. Anyone who has been in Israel, as I have on two occasions, and has seen the developments at the old temple site, as I have seen it firsthand, for hours and hours on two different occasions, knows, as was so eloquently explained by my colleague from New York, that never has there been a more painstaking effort to save and bring back some of the treasures of the years past, regardless of which faith was primarily involved. Since I have been there twice, I also know that the State of Israel is scrupulously protecting the rights of the Islamic faith, the rights of the Christian faith, and the rights of the Jewish faith in the whole city of Jerusalem, especially in the Old City area.

I emphasize once again that I am disappointed at what has happened over the weekend. The American conscience, I think, is at stake. I hope, indeed, that we shall find, through the investigation by the Committee on Foreign Relations, that it was a mistake. I hope that we can get back on course on human rights for all and remember that we have obligations not only to our friends of many years, the Israelis, but also to pursue the goal of peace in the whole Middle East.

I thank the Chair.

Mr. MOYNIHAN. Mr. President, I know that I speak for the Senator from Washington, who had to leave to meet the Ambassador and I certainly speak for myself in thanking the Senator from Nebraska for his observations, which are straightforward and plain in a way one could wish our diplomacy might be. But perhaps we do not have enough diplomats from Nebraska.

Mr. METZENBAUM. Mr. President, I, too, commend the Senator from Nebraska. I think it is rather significant that he was seated in the Chair at the inception of this debate and that he came to the floor unaware that the debate was even going to take place and saw fit to speak out so eloquently and so strongly and so effectively on this issue. I say to him that I am very grateful to him for his remarks and that we appreciate his sincerity of purpose and concern.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, when will the period for routine morning buisness expire?

The PRESIDING OFFICER. The time for morning business has just expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an additional period not to exceed 30 minutes under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. I thank the majority leader for his consideration.

AN ACT OF POLITICAL REPRESSION

Mr. TSONGAS. Mr. President, on the afternoon of March 4, 2 days ago, the South African Government sent two officials to the office of Bishop Desmond Tutu, a prominent black moderate and secretary general of the South African Council of Churches. The two officials handed Bishop Tutu a letter which said that his passport had been revoked and was no longer valid for travel outside the country. They demanded and received the bishop's passport.

I think my colleagues should be aware of how significant this act of political repression is in the South African context. I know that my colleagues who have met the bishop have reacted to it, but for those Members who are, perhaps, unaware of who he is and what he is, I would like to go into the issue.

Bishop Tutu is one of the most well-known African leaders in the country. He has been a vocal but reasoned critic of his government's apartheid policies. I had a long meeting with this man 2 months ago in Johannesburg, and I can assure you that he is no revolutionary. He is a black moderate in every sense of the word. He believes in working inside the system. He rejects violence and seeks the peaceful reform of unjust laws. To undercut and proscribe such a man flies in the face of logic. If the moderates become radicals, who will the government have left to talk to?

The seizure of the bishop's passport is a threatening and ominous act. Passport revocation falls into the category of coercive tools available to the Pretoria regime. It is used to silence critics. If passport revocation fails, then the government can impose a banning order which restricts the movement and activities of an individual. I was there 2 months ago and met a number of people who had been banned. If a banning order does not work, the Anti-Terrorist Act permits the government to imprison the accused indefinitely. These are the sanctions which Bishop Desmond Tutu faces if he does not remain silent.

Why has the government revoked the bishop's passport? When I spoke with him yesterday, I asked him that question. As is usual in such cases, no reasons are given. It is tactically efficient to leave the victim ignorant of his exact offense. In that way, he will be silent on a wide range of issues.

This senseless act of repression comes at a particularly inopportune time. As some of us will recall, last year, Prime Minister Botha promised that significant change would be forthcoming for the black majority. This raised expectations in South Africa and, indeed, in the world, considerably. Black moderates have staked their political future on those expectations.

The revolutionaries, of course, discount promises from an apartheid regime. The revolutionaries say that Prime Minister Botha is insincere or worse and that the moderates are fools to believe him. Radicals have every confidence that the moderates will be discredited by an intransigent minority rule government.

In this context, the hopes for peace are riding on Mr. Botha's policy decisions this year. So far his rhetoric has been disappointing, but we all know that rhetoric from the right or the left is just that, rhetoric. But now he has backed up the rhetoric with an unwarranted act of political persecution.

He has singled out Bishop Desmond Tutu for special harassment and sanction. As a leading black moderate, Bishop Tutu and his colleagues are the Prime Minister's best potential allies in a program of real change. It is simply incredible that Prime Minister Botha has chosen to alienate a black leader on whom his promises for change rely. It is incredible, it is counterproductive, it is senseless.

Some of my distinguished colleagues from the Chamber and from the House have joined me in a letter to President Carter, urging him to protest the revocation of Bishop Tutu's passport. In the interests of peace, I call on Prime Minister Botha to rescind this order for revocation. We urge him to cooperate with black moderates, not persecute them.

Mr. President, I ask unanimous consent that the text of the letter to President Carter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AD HOC MONITORING GROUP
ON SOUTHERN AFRICA,
March 5, 1980.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR PRESIDENT CARTER: We, the undersigned, urge you to strongly protest the revocation of Bishop Desmond Tutu's passport by the South African government.

On the afternoon of March 4 two government officials appeared at Bishop Tutu's office in Johannesburg and handed him a letter from the Department of Interior. The letter said that the Bishop's passport was revoked and it ordered Bishop Tutu to surrender the document. The Bishop complied. No reasons for the government's action were provided to Bishop Tutu.

We view the revocation of the Bishop's passport as an unwarranted and senseless act of political persecution. The Bishop is a prominent black moderate in South Africa. As Secretary General of the South Africa Council of Churches and as the former Anglican Bishop of Lesotho, he has voiced balanced and reasoned criticism of his government's apartheid policies. His moderate approach to South Africa's racial crisis is crucial to the hopes for a peaceful transition to full political and economic rights for the black majority. This attempt to silence him will only encourage revolution and violence.

Last year Prime Minister Botha promised that significant change would be forthcoming for the black majority. We are alarmed at how little these promises have meant to date. In the interest of peace in South Africa, we call on you, Mr. President, to make known our government's unqualified opposition to this act of senseless political repression.

Sincerely,

THOMAS J. DOWNEY,
Congressman.
PAUL N. MCCLOSKEY,
Congressman.
PAUL E. TSONGAS,
Senator.
MARK O. HATFIELD,
Senator.

Mr. TSONGAS. Mr. President, finally, I would like to add a footnote relative to my own State of Massachusetts.

Bishop Tutu received national attention in America when he received an honorary degree from Harvard University. Of all the participants in the graduation ceremony this past spring, Bishop Tutu received the warmest response from the students, their parents, and friends.

It was an emotional embrace of a man of peace by the leading university of the United States.

Sadly, it is Harvard which has decided against divestiture of investments in South Africa. Divestiture, the university argues, lessens our influence for positive action.

Now what?

Now what for the adopted son of Harvard, Bishop Desmond Tutu?

Now what for Harvard's position on this issue?

The actions taken against Bishop Tutu diminish us all. It is a setback to all those who seek peace and condemn violence.

I hope the voice of this Senator and my colleagues on this letter will comfort the bishop in this time of his need.

ASIAN/PACIFIC AMERICAN HERITAGE WEEK TO BE OBSERVED MAY 7–14, 1980

Mr. MATSUNAGA. Mr. President, I am happy to report that President Carter has recently issued a proclamation designating the week of May 7–14, 1980, as "Asian/Pacific American Heritage Week."

Asian/Pacific American Heritage Week was observed for the first time in May 1979 under the provisions of a joint resolution passed by the Senate and House of Representatives and signed into law by President Carter.

There are more than 4 million Americans of Asian and Pacific Island ancestry. Although they constitute a relatively small minority of our total population, their contributions to our multicultural society have been very significant.

I strongly believe that the celebration of Asian/Pacific American Heritage Week will enable all Americans to gain a better understanding of and appreciation for the contributions made to our great Nation by Asian/Pacific Americans.

By his action, President Carter established himself as the first President of this great Nation to recognize the peacetime contributions of Asian/Pacific Americans to our American Heritage. All Americans especially those of Asian/Pacific origin, I know join me in congratulating and commending President Carter on his depth and breadth of understanding.

Mr. President, I ask unanimous consent that the full text of President Carter's Proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

A PROCLAMATION

America's strength is in the heart of its people and the richness of its cultural diversity.

Those who have come from Asian and Pacific countries have long added a special quality to our American mosaic. In spite of adversity, in spite of violence inflicted on their peoples and cultures, Asian and Pacific Americans have shed sweat and blood in the struggle for America's nationhood and in the quest for freedom and opportunity. Out of all proportion to their numbers, Asian and Pacific Americans have contributed to our Nation's progress in a wide range of fields—science, the arts, literature, agriculture, industry and commerce. Bringing with them the strong and varied traditions of their Asian and Pacific homelands—China, Japan, Korea, the Philippines, the Pacific Islands, and Southeast Asia—they have greatly enriched our cultural heritage and institutions.

As we welcome new groups of Asian and Pacific peoples to our shores, our hearts are saddened by the suffering that has caused many of them to leave their homelands, but we are proud to be able to offer them freedom and hope and opportunity in America.

As we work together to help them make the difficult adjustments to a new land and new lives, we are deeply aware of our debt to the generations of Asian and Pacific Americans who have come before them. We are grateful for their presence and glad for the opportunity to continue our tradition as a land of immigrants, people who have come from every corner of the earth, united by a common commitment to human rights and human liberty.

Now, therefore, I, Jimmy Carter, President, of the United States of America, declare the seven days beginning May 7, 1980, as Asian/Pacific American Heritage Week. I call upon the people of the United States to observe this week with appropriate ceremonies and activities.

In witness whereof, I have hereunto set my hand this twenty-seventh day of February, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fourth.

JIMMY CARTER.

JOHN GRAHAM

Mr. LEAHY. Mr. President, the State of Vermont recently lost one of its most dedicated and compassionate public servants. John Graham, through his work with the Addison County Community Action Group, touched the lives of thousands of impoverished and underprivileged Vermonters. His commitment to making their existence more bearable demonstrated his belief in the dignity of human life. Vermont was indeed honored to have a man of his stature. His sensitivity and love for his fellow man inspired his commitment to ease the pain of the inflicted which in turn instilled a hope of a brighter future.

Mr. President, I ask unanimous consent that an article appearing in the January 23 edition of the Valley Voice honoring John Graham be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHN GRAHAM

Our social machinery obeys laws of its own. Welfare for the poor is established with the best intentions, but our best programs can work to undermine the very human element, the sense of compassion, that inspired them in the first place.

John Graham, who died and was buried last week, worked both within and without the system. At Addison County Community Action, Graham knew how to get the grants, set up programs, find the aid, inspire the assistance, needle the bureaucrats, and play the game. Ultimately, however, he was playing the game, not as a bureaucrat, subject to organizational and political imperatives, but as a man serving other men. The motive force was that everyone who knew him views as a rare power to love that which was human. even in those who abused his love.

The stories about John abound. We heard recently of the time when a poor woman, tending her seriously ill husband, called for help because her plumbing was out of order.

John Graham didn't send a helper or tap into some instant aid program (there was probably none available). He traveled to the home and fixed the plumbing himself. There is nothing glamorous about helping the poor.

It is a rare man whose funeral is attended by as sweeping a cross-section of a community as attended John Graham's funeral last week. The lame, the blind and the impoverished joined the privileged and the prominent, packing the Weybridge church. It has been said that this final tribute was vivid evidence of the love that a loving man inspired.

ENVIRONMENTAL STUDY CONFERENCE ENERGY CONSERVATION GUIDE

Mr. LEAHY. Mr. President, in searching for ways to reduce our dangerous dependence on foreign energy supplies, we have found one alternative that is immediately available, inexpensive and relatively free of adverse environmental effects. That alternative is energy conservation.

My constituents frequently ask me where they can obtain more information about energy conservation, a question asked more and more as the public strives to cut their energy consumption.

The question comes from homeowners interested in upgrading their insulation, from local officials seeking technical and financial assistance, from small businessmen trying to establish themselves in the beginning conservation industry and from many others.

The answers to such seemingly simple questions are often hard to come by. This task has now been made a little easier, thanks to an easy-to-use guide, prepared by the Environmental Study Conference, of the Federal energy conservation assistance programs.

Mr. President, as vice chairman of the ESC, I request unanimous consent that the recently updated program guide be printed in the RECORD. I would also like to take this opportunity to congratulate the staff of the ESC for their work on this effort.

There being no objection, the guide was ordered to be printed in the RECORD, as follows:

ESC GUIDE TO FEDERAL ENERGY CONSERVATION ASSISTANCE

(By Grace Malakoff)

(NOTE: The ESC will update this factsheet as appropriate. If you have any suggestions for improvements or know of other programs not mentioned here, please let us know.)

Copies of this factsheet may be obtained by writing your Representative or Senator in Congress.

USER INDEX

This index lists programs according to the specific groups or individuals who may benefit. Many programs are listed more than once.

HOMEOWNERS

Internal Revenue Service: Residential conservation tax credits.

Department of Energy: Energy Extension Service, Residential Conservation Service: appropriate technology grants, technology and information dissemination, energy education.

Housing and Urban Development: product dissemination and transfer, community development block grants, section 312 loans, home improvement loan insurance, basic home mortgage insurance.

Community Services Administration.

Veterans Administration.

Department of Agriculture: Farmers Home Administration, Extension Service.

Tennessee Valley Authority: home insulation loans, certified heat pump installation.

Consumer Product Safety Commission.

Federal Trade Commission.

RENTERS

Internal Revenue Service: residential conservation tax credits.

Department of Energy: Energy Extension Service, Residential Conservation Service.

Housing and Urban Development: home improvement loan insurance, NVACP.

Community Services Administration.

Department of Agriculture: Farmers Home Administration, Extension Service.

Tennessee Valley Authority: home insulation loans.

DRIVERS/FLEET OWNERS

Department of Energy: State Energy Conservation, Energy Conservation in Transportation, Vehicle Performance.

Department of Transportation.

LOW-INCOME/ELDERLY/HANDICAPPED

Department of Energy: Energy Extension Service, Residential Conservation Service: weatherization grants.

Department of Transportation.

Housing and Urban Development: community development block grants, energy conservation research, product disseminations, section 312 loans, NVACP.

Community Services Administration.

Department of Agriculture: Farmers Home Administration, Extension Service.

Health and Human Resources: grants for programs on aging.

SCHOOLS/HOSPITAL/NURSING HOMES

Department of Energy: schools, hospitals, public buildings grants, faculty development, educational materials development, workshops/seminars.

Department of Transportation: National Highway Traffic Safety Administration, Urban Mass Transit Administration.

Health and Human Resources: energy conservation in health care.

Department of Education: energy and education, environmental education.

INVENTORS/ENERGY TECHNOLOGY PRODUCERS

Department of Energy: electric vehicles, solar energy centers, industrial conservation, community technology systems.

Department of Commerce: National Bureau of Standards.

Housing and Urban Development: solar heating and cooling demonstration, product dissemination and transfer, energy conservation research.

BUSINESS/INDUSTRY

Internal Revenue Service: business energy tax credits.

Department of Energy: Energy Extension Service, Residential Conservation Service: Solar Federal Energy Centers, appropriate technology grants, energy conservation in transportation, industrial conservation, industrial energy reporting, energy analysis and diagnostic centers, small business energy cost reduction, workshops/seminars.

Housing and Urban Development: energy conservation research, product dissemination and transfer, loan insurance for multi-unit housing, solar heating and cooling demonstration, urban development assistance grants.

Department of Commerce: energy conservation, professional services grants, energy related inventions.

Small Business Administration: energy loans, small business training.

Department of Agriculture, Food Safety and Quality Service.

General Services Administration.

Tennessee Valley Authority: waste heat utilization, cogeneration.

STATE/LOCAL GOVERNMENTS

Department of Energy: Energy Extension Service: state energy conservation, supplemental state programs, educational materials, faculty development, weatherization grants, schools, hospitals, public buildings grants, appropriate technology grants, comprehensive community energy management, community technology systems, President's clearinghouse for community energy efficiency, energy conservation in transportation.

Department of Transportation.

Housing and Urban Development: community development block grants, product research dissemination, urban development action grants, public and Indian housing.

Department of Transportation.

Community Services Administration.

Department of Commerce: energy conservation, professional services grants.

General Services Administration.

Action.

RURAL/AGRICULTURAL USERS

Department of Energy: Energy Extension Service: appropriate technology grants.

Community Services Administration.

Department of Agriculture, Office of Energy, Farmers Home Administration, Extension Service, Rural Electrification Administration, Forest Service, Agricultural Stabilization Service, Soil Conservation Service.

Tennessee Valley Authority: waste heat utilization.

BUILDERS/ARCHITECTS/ENGINEERS

Department of Energy: Energy Extension Service, Residential Conservation Service: appropriate technology grants, technology and information dissemination, workshops/seminars.

Housing and Urban Development: loan insurance for multi-unit housing, urban development action grants, energy conservation research, solar heating and cooling demonstration.

Department of Commerce: energy conservation, energy related inventions.

Tennessee Valley Authority: super saver electric homes, certified heat pump installation.

General Services Administration.

CITIZEN GROUPS

Department of Energy: Energy Extension Service: weatherization grants, appropriate technology grants, conservation education, energy conservation in transportation.

Housing and Urban Development: Office of Neighborhoods, Voluntary Associations and Consumer Protection.

Department of Commerce: energy conservation.

Department of Education: environmental education.

GENERAL PUBLIC

Department of Energy: Energy Extension Service: appropriate technology grants, energy conservation in transportation, technology and information dissemination, education materials, consumer impact/citizen participation, publications, exhibits, audiovisual.

Department of Agriculture: Extension Service, Food and Nutrition Service.

Department of Transportation.

Housing and Urban Development: Office of Neighborhoods, Voluntary Associations and Consumer Protection: product research dissemination.

Consumer Product Safety Commission.

Federal Trade Commision.

Council on Environmental Quality.

ALTERNATIVE ENERGY SUPPLIERS

Department of Energy: Residential Conservation Service: schools, hospitals, public buildings, appropriate technology grants, institutional liaison, solar energy centers, President's Clearinghouse, technology and information dissemination, Energy Analysis and Diagnostic Center, community technology systems.

Housing and Urban Development: basic home mortgage insurance, neighborhoods, consumer protection, solar heating and cooling demonstration.

Department of Commerce: professional service grants.

Small Business Administration.

Community Service Administration.

Department of Agriculture: Farmers Home Administration, Extension Service.

Tennessee Valley Authority.

Environmental Protection Agency.

INTERNAL REVENUE SERVICE

Residential insulation and conservation tax credit

Homowners and renters are eligible for a non-refundable tax credit of 15 percent of the first $2000 spent on purchasing and installing conservation equipment, for a maximum $300 credit.

Qualifying equipment includes insulation, caulking and weatherstripping, modified flue openings, storm doors and windows, automatic furnace ignition systems and clock thermostats.

Property claimed for credit must be installed April 20, 1977, to December 31, 1985, in the taxpayers' principal residence, which must have been substantially completed before April 20, 1977. New homes do not qualify. Condominiums and cooperatives are eligible when they are the principal residence. Vacation homes are not included.

If the authorized credit exceeds the tax owed, it may be carried forward on future tax returns through 1987.

For solar, wind or geothermal property a tax credit of $2200 may be claimed (30% of the first $2000 and 20% of the next $8000 of expenditures). This applies to the principal place of residence regardless of date of construction.

Final administrative rules are being developed for these programs, under the Energy Tax Act of 1978, PL 95–6118.

The appropriate form (No. 5695) and a booklet (No. 903) explaining the credits are available from local IRS offices. See also the Internal Revenue Service "Tax Information" listing under U.S. Government in your local telephone white pages.

Congressional contact: Walter Woo, Legislation and Regulation Division, Office of the Chief Counsel, Room 4311, 1111 Constitution Avenue, N.W., Washington, D.C. 20224. 566–3734.

Business energy tax credits

Businesses can qualify for a 10 percent investment tax credit for new equipment that uses a fuel or feedstock other than oil or natural gas or that increases efficient fuel use. This credit may be claimed in addition to the current 10 percent credit allowed for investments in business property. The credit is not available to utilities. Except for solar equipment, the credits are nonrefundable and cannot be carried forward.

Qualifying equipment includes:

Boilers and other combustors that use coal or an alternative fuel.

Modifications to permit existing equipment to burn a fuel that is less than 75 percent oil or gas.

Equipment for producing synthetic liquid, gaseous or solid fuels.

Pollution control equipment required for the above equipment.

Solar or wind equipment to provide heat, cooling or electricity for an existing or new building or industrial or commercial process.

Equipment that recovers or reduces waste industrial heat, recycles solid waste, or produces oil from shale rock or methane gas from geopressurized brine.

To discourage industrial use of oil and gas, the National Energy Act denies the existing 10 percent investment credit and accelerated depreciation to businesses that install oil or gas boilers, except where required by air pollution rules.

Rapid depreciation is permitted for oil and gas boilers that are retired before the end of their useful life to be replaced by boilers using other sources of energy.

For more information obtain the free pamphlet "Tax Information on Investment Credit" (No. 572) from local IRS offices or call the "Tax Information" listing under U.S. Government, Internal Revenue Service, in your local telephone white pages.

Contact: Bob Bley, Legislation and Regulation Division, Office of the Chief Counsel, Internal Revenue Service, Room 4300, 1111 Constitution Avenue, N.W., 20224. 566–3373.

Note: Proposals to boost these residential and business energy credits were under consideration in Congress at press time.

DEPARTMENT OF ENERGY

State energy conservation

One of the Department of Energy's major conservation efforts is the State Energy Conservation Program, established on December 22, 1975, by the Energy Policy and Conservation Act (PL 94–163) and amended in 1976 by the Energy Conservation and Production Act (PL 94–385).

The aim of the so-called SECP program is to reduce energy consumption projected for 1980 by 6.6 percent, or 5.4 quadrillion British thermal units (quads), to 76.7 quads. All 50 states, the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands and the North Marianas participate. The program received a total of $159.5 million through fiscal year 1979, and $47 million are available in fiscal 1980. The main eligibility requirement is preparation of a base plan and a supplemental plan, each with certain required measures.

The base plan must include five elements:

Mandatory lighting efficiency standards for non-federal public buildings. The minimum standards are so-called 90–75 standards established by the American Society of Heating, Refrigeration and Airconditioning Engineers (ASHRAE).

Mandatory thermal efficiency standards for new and existing residential and nonresidential buildings. They are based on the ASHRAE 90–75 levels.

Mandatory programs to promote the availability and use of carpools, van pools and public transportation.

Mandatory energy efficiency standards governing the procurement practices of a state and its political subdivisions.

Mandatory regulations, which, to the maximum extent practicable and consistent with safety, permit motor vehicles to turn right at a red light after stopping.

The supplemental plan must include procedures for:

Conducting an ongoing public education program on energy conservation measures.

Insuring effective intergovernmental coordination.

Encouraging and carrying out energy audits or inspections of energy systems in buildings and industrial plants.

In addition, a state may initiate other appropriate measures to conserve energy, such as:

Oil and gas burner inspections

Utility audits of homes

Bans on master metering in new multiunit dwellings

Comprehensive state/local government energy management plans

Driver education programs

Truck fleet efficiency programs

Cogeneration, the use of industrial waste heat to generate electricity or residential heat.

Program administration is largely decentralized, with plan review, approval and funding authority delegated to the 10 DOE regional offices. These offices serve as primary liaison with state agencies. Responsibility for coordination, clearinghouse functions, preparation of technical assistance materials, workshops, etc., ties with national headquarters. Contact: Gail McKinley, Director of State Grant Programs, Conservation and Solar Applications, DOE, Forrestal Building, 1000 Independence Avenue, N.W., Room 2H032, Washington, D.C. 20585. 252–2344.

Supplemental State programs

Other DOE programs to help state and local governments include assistance in developing purchasing strategies that will save energy. The Office of State Energy Conservation Programs provides information and technical help. Contact: Jack Aellen, Program Manager, State Energy Conservation Programs, Conservation and Solar Applications, DOE, Forrestal Building, 1000 Independence Avenue, N.W., Washington, D.C. 20585. 252–2353.

Another program encourages the recovery, refining and re-use or acceptable disposal of used oil. Technical assistance is provided to states and local governments and civic, community and public interest groups through such organizations as the Conference of Mayors and National Association of Counties.

This program is funded through the State Energy Conservation Program. Contact: Doris Ellerbe, Office of State Energy Conservation Programs, Conservation and Solar Applications, DOE, Forrestal Bldg., 1000 Independence Ave N.W., Room 2HO32, Washington, D.C. 20585. 252–2360.

Energy extension service

This DOE program provides advice and information on saving energy and on the use of renewable resources to individuals, small private firms, local governments, architects, savings and loan officers, farmers, tenants and homeowners.

The EES was established by the National Energy Extension Service Act of 1977 (PL 95–39). Ten states received pilot grants of about $1.1 million each and started to provide services. Grants of $30,000 were awarded to the remaining states to prepare for participation in a nationwide program.

Congress approved an appropriation of $25 million for fiscal 1980, along with $4.7 million carried over from fiscal 1979, to extend this program to all 50 states. Fifty percent will be divided equally among all states, and fifty percent allocated on the basis of population. (PL 96–126). Details are published in the Federal Register November 21, 1979, page 66780.

The Extension Service aims to reduce the impact of fuel shortages and price increases on small consumers through such services as building audits, specialized training, workshops and an energy hotline. The states design and operate the program, while DOE provides guidance and technical assistance. There is no funding available for an activity if it duplicates other state energy conservation programs. Funds may be used to create new programs or to supplement existing programs. The program takes its impetus from the Agricultural Extension Service, but rather than working through land grant universities and federal extension agents, EES works through governors' offices and existing state and local organizations.

Another objective of the program is to provide to DOE and other decision makers information on institutional and technological barriers to the adoption of energy-saving measures.

Contact: Mary Fowler, Energy Extension Service, Intergovernmental and Institutional Relations, DOE, 8G–031 Forrestal Building, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–2300.

Weatherization grant

The weatherization grant program is designed to help low-income people, particularly the elderly and handicapped, make home repairs and energy conserving improvements. The maximum grant expenditure per dwelling is approximately $800. A total of $199 million is appropriated for fiscal 1980.

States receive the grant funds and in turn make grants to community-based organizations, particularly community action agencies, to carry out the program at the local level. Funding follows a state plan that receives prior approval from DOE. Contact: Carolyn Martin, Weatherization Assistance Program, Office of State Programs, DOE, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–2204.

Schools, hospitals, local public buildings and public care institutions

A total of $141.25 million is available for fiscal 1980 to help schools and hospitals pay for energy audits and installation of energy conservation and solar equipment. These grants can cover up to 50 percent of costs. Funds or in kind contributions from any source may make up the matching 50 percent. Eligible schools include public and private, non-profit elementary and secondary schools, colleges and universities.

A separate grant program ($17.5 million budgeted for fiscal 1980) finances energy audits and technical assistance only for public buildings owned by local governments and non-profit public care institutions such as nursing homes, community health centers, neighborhood health centers and orphanages. State energy offices prioritize and recommend to the Department of Energy the grants to be funded in accordance with a state plan. A free fact sheet is available on request. Federal Register description of program rules in 1979: April 2, p. 19340, April 17, p. 22940–57, Oct. 24, p. 61171 and 61317. Contact: Michael Willingham, Acting Director, Institutional Buildings Grants Program, State and Local Programs, Conservation and Solar Applications, DOE, Room 2H043 Forrestal Bldg., 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–2335.

Residential conservation service

Created by the National Energy Act, this program requires large electric and natural gas utilities to inform customers of possible conservation and renewable resource energy improvements and provide cost and savings estimates. DOE hearings on state plans for the program will be underway until June. Local circumstances will dictate final requirements. For example the use of waste heat from air conditioners for heating household hot water may be required in a state plan as a measure to be evaluated in an audit. Because it is cost effective in only a few states, it was not adopted as a nationwide measure required for audit evaluation. Audits will first become available in early 1981 in most parts of the country.

Upon request, utilities must inspect customer's residences to determine which improvements would be cost-effective. They must provide a list of lenders, suppliers and contractors and must offer to act as a "project manager," arranging installation and financing. Utilities may bill the customer on his monthly statement and offer to make financing arrangements so that the customer can spread out repayment.

Utilities generally are barred from installing or financing conservation and solar measures themselves, with two exceptions: First, utilities may finance and install furnace efficiency modifications and electrical or mechanical furnace ignition systems that replace standard gas pilot lights. Second, utilities may make loans not exceeding $300 for purchase or installation of other conservation measures.

States may extend the provisions of this program to cover home heating suppliers, primarily oil dealers. States also may apply for an exemption from the general prohibition on installation and financing by utilities. For additional information see the Federal Register, p. 64602–64670, Nov. 7, 1979 or request a "Fact Sheet, Residential Conservation Service Program," from Jim Tanck, Residential Conservation Service, Office of Buildings and Community Systems, Conservation and Solar Energy, DOE, 1000 Independence Ave., S.W., Washington, D.C. 20585. 376–4734.

Appropriate technology grants

This program encourages the development and demonstration of small-scale, decentralized energy systems that use local, renewable resources. It is administered by the 10 DOE regional offices.

Individuals, local non-profit organizations and institutions, state and local agencies, Indian tribes and small businesses are eligible for support.

Grants of up to $50,000 are available for support of a broad variety of technologies, including solar heating and cooling, energy conservation, biomass, wind and small hydroelectric power generation. The funding cycle is annual and begins on January 15. The fiscal 1979 budget was $8 million and fiscal 1980 appropriation is $12 million.

Contact: Ann Hegnauer, Conservation and Solar Applications, Division of Buildings and Community Systems, DOE, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376–4524.

Solar energy centers

These centers provide general information and assistance for commercialization of solar technologies, including technical assistance and local market analysis. For more information, contact the appropriate regional center: Northeast Solar Energy Center, 70 Memorial Drive, Cambridge Mass. 02142, (617) 661–3500; Mid-American Solar Energy Center, 8140 26th Ave. South, Minneapolis, Minnesota 55420, (612) 853–0400; Western Solar Utilization Network, 921 Southwest Washington St., Suite 160, Portland, Ore. 97205, (503) 241–1222; Southern Solar Energy Center, 61 Perimeter Park, Atlanta, Ga. 30341, (404) 458–8765. Main office: Solar Energy Research Institute (SERI), 1536 Cole Blvd., Golden, Colo. 80401, (303) 231–1000.

Office of Institutional Liaison and Communications

This office is responsible for public communications which promote programs in conservation and solar technology. Documents produced are available through the Technical Information Center, P.O. Box 62, Oak Ridge, Tennessee 37830. Contact: Thomas Tatum, Director, Institutional Liaison and Communications, Conservation and Solar Energy, DOE, 20 Massachusetts Ave., N.W., Mail Stop 2221C, Washington, D.C. 20585.

Comprehensive community energy management program

This program is a two-year program in 17 communities to develop comprehensive community planning processes. The total budget for the communities is $5 million for the two years. The Academy of Contemporary Problems is monitoring the program.

Energy conserving site designs were compared with conventional designs in five case studies at sites consisting of 100 acres to 500 acres each. A brief slide presentation on findings in one case study and copies of reports are available upon request to the program office.

Eight communities have received funds to assist in modification of their regulations in order to facilitate energy conserving development.

Argonne National Laboratories is administrating these programs. Contact: Jacob Kaminsky, Office of Buildings and Community Systems, Conservation and Solar Energy, DOE, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376–1964.

Community technology systems

This program supports research and demonstration projects. One phase conducts demonstrations of dispersed energy systems for cities. About 15 cities are included in the fiscal 1980 program, with funds of $7.5 million.

Alternative fuels projects, primarily involving conversion of municipal waste to energy, will be funded by this office as part of the total alternative fuels program budgeted for $3.2 billion for fiscal 1980 (PL 96–126). Additional information appears in the Federal Register July 18, 1978, pp. 40294 and 42110, and January 10, 1979, p. 2079. Research and demonstration of waste energy projects are supported through loan guarantees and price supports funded at $13 million for fiscal 1980. Details are in the Federal Register Sept. 7, 1979, p. 5264 and April 25, 1979, p. 24298.

A separate program is demonstrating the capabilities of 40-kilowatt fuel cells. These are highly efficient small-scale electric generation units which can use any available fuel.

A cell of this capacity can produce electricity for a single apartment building or shopping center. The program is aimed at demonstrating cogeneration possibilities. Fiscal 1980 funds: $9 million. Contact: Donald J. Walter, Community Technology Systems Branch, Conservation and Solar Energy, DOE 1000 Independence Ave., S.W., Washington, D.C. 20585. 376–1964.

President's clearinghouse for community energy efficiency

This program is administered by the Community Service Branch of the Department of Energy in cooperation with the White House. The clearinghouse provides information on local energy conservation activities of communities and on federal programs offering technical and financial assistance to state and local governments. Services are for state and local officials only. Requests should be addressed to The President's Clearinghouse for Community Energy Efficiency, DOE, Suite 185, 400 N. Capitol St., N.W., Washington, D.C. 20001.

Energy conservation in transportation

DOE has a collection of programs focused on improving transportation systems efficiency and vehicle performance. One program promotes computer ridesharing and vanpooling. Other programs are designed to improve the energy efficiency of intercity and urban passenger and freight transport and to provide technical assistance on various transportation alternatives to states implementing energy conservation plans. Vehicle performance programs distribute vehicle gas mileage ratings, promote improved fuel use by commercial trucks and buses and educate motorists on conservaion techniques for automobilies.

The DOE regional office is the first point of contact for assistance. Headquarters contact: Sidney Berwager, Acting Director, Division of Transportation, Systems Utilization, Conservation and Solar Energy, DOE, Room 5HO36, 1000 Independence Ave., S.W. Washington, D.C. 20585. 252–8000.

Vehicle performance branch

This office has several outreach programs which promote improved fuel efficiency in transportation by:

Providing information on new technology and techniques to increase fuel efficiency for voluntary adoption by truck and bus users, in cooperation with the Department of Transportation.

Improving driver awareness of fuel saving through maintenance and driving techniques.

Publishing The Gas Mileage Guide for new cars. The first edition is issued in October, the second in March.

Evaluating inventions and new ideas for improving fuel efficiency.

Contact: Maurice D. Starr, Chief, Vehicle Performance Branch, Transportation Systems Utilization, Conservation and Solar Energy, DOE, 5H056, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252-8003. The Gas Mileage Guide rating new car performance is free from any new car dealer. Bulk orders will be filled by the Technical Information Center, DOE, P.O. Box 62, Oak Ridge, Tenn. 37830.

Electric vehicles

In addition, DOE manages an electric vehicle demonstration program involving the private sector and federal, state and local governments. Contact: Thomas Beason, Electric and Hybrid Vehicles Division, Transportation Programs, Conservation and Solar Energy, DOE, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–8034.

A loan guarantee program for the electric vehicle industry has a $16 million dollar ceiling for fiscal 1980. First priority for funding is production of vehicles; second, development of prototypes or components; and, third, research and development. Contact: Lura A. Demers, Demonstration and Incentives Branch, Transportation Programs, Mail Stop 2221C, DOE, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–8034.

Technology and information dissemination

The objective here is to provide a communication link between the Division of Buildings and Community Systems and end-user groups, such as builders, architects, engineers, code officials and residential consumers. This is achieved by developing and disseminating technical, non-technical and "how-to" publications, exhibits and other visual material, educational and pilot outreach programs and workshops and seminars. Contact: Nancy Fanning, Program Liaison and Support, Division of Buildings and Community Systems, DOE, 20 Massachusetts Ave., N.W. Washington, D.C. 20585. 376–4669.

Industrial conservation

The function of DOE's industry energy conservation office include:

Development and demonstration of new, more energy-efficient industrial technologies, procedures and processes. Development work is both industry-specific and cross-industry in nature.

Promoting commercialization of existing underused conservation technologies and procedures through publications, technical assistance, workshops, energy audits and other means. Contact: Douglas G. Harvey, Office of Industrial Programs, DOE, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–2072.

Industrial energy reporting program

Corporations report energy efficiency improvement to trade associations or directly to the federal government. Some are required to report by the Energy Policy & Conservation Act, while others report strictly on a voluntary basis. Contact: Tyler Williams, Office of Industrial Programs, Industrial Reporting Programs, Conservation and Solar Energy, DOE, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–2371.

Energy analysis and diagnostic centers

This program primarily helps small- and medium-sized industrial firms improve energy efficiency through audits and technical assistance. Under contract with DOE, audits and analyses are provided by the Georgia Institute of Technology, University of Pittsburgh and University of Tennessee. Contact: Dave Hoexter, Office of Industrial Programs, Conservation Technology Implementation Branch, Conservation and Solar Energy, DOE, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–2392.

Faculty development

Grants are awarded to colleges and universities to support energy-related training for college, high school and elementary school teachers. About 11,000 teachers will be served with a fiscal 1980 program budget of $1.2 million. Contact: Don Duggan, Education Programs Division, Office of Consumer Affairs, DOE, 1000 Independence Ave., S.W., Room 8G–031, Mail Stop 7E054, Washington, D.C. 20585. 252–6484.

Small business energy cost reduction

This program provides technical assistance to help small businesses reduce energy costs and consumption. Guidebooks are the primary technical assistance tool.

Guidebooks have been completed for 13 sectors: laundry and dry cleaning, commercial printing, automobile dealers, apartment building operations, gasoline service stations, automotive repair, wholesaling, retailing, florists (both retail and greenhouse operations), furniture manufacturing, bakeries and dairies.

Trade associations, which co-sponsor the program, publish and distribute the guidebooks and many have sponsored energy cost-reduction workshops through their state and local affiliates. Additional outreach efforts have begun in conjunction with State Energy Offices and the Energy Extension Services. Contact: Jane L. Miller, Program Manager, Office of Small Business, Conservation and Solar Energy, DOE, Room 2252–C, 20 Massachusetts Ave., N.W., Washingon, D.C. 20545. 376–4888.

Educational materials development

The Education Programs division produces energy education materials and activities for schools and youth groups and an energy education newsletter for teachers. DOE's Technical Informattion Center and educational associations are the delivery mechanisms. Contact: Don Duggan, Education Programs Division, DOE, Room 8G031, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–6484.

Consumer impact and citizen participation

These two divisions in the Office of Consumer Affairs try to involve the public, particularly the poor, elderly, minorities and handicapped, in federal energy programs. The citizen participation division sponsors public meetings and briefings and publishes a consumer briefing summary on DOE activities.

The consumer division acts as a consumer advocate within the department. Contact: Richard Moorer, Intergovernmental and Institutional Relations, Office of Consumer Affairs, Room 8G031, Independence Ave., S.W., Washington, D.C. 20585. 252–5877/252–5866.

Workshops/seminars

DOE cooperates with universities, trade associations and government agencies in presenting workshops, seminars and conferences on conservation for engineers and business managers. Contact: Floyd E. Larkton, Office of Industrial Programs, Conservation Technology Implementation Branch, Conservation and Solar Energy, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–2392.

Publications branch

This office produces for the general public non-technical publications on DOE programs and scientific concepts in the energy field. Contact: John Sullivan, 252–6249, or Estell Wiser, 252–6173, DOE, Intergovernmental and Institutional Relations, Office of Public Affairs, Room 7203, 20 Massachusetts Ave., N.W. Washington, D.C. 20545.

Exhibits branch

This office coordinate development, design, construction and operation of exhibits for general and specific audiences.

About 450 programs a year reach around 18 million people in local fairs, shopping centers, special symposiums, public meetings, service clubs, professional organizations, energy fairs, and conferences. Contact: John Bradbourne, Jr., Chief of Exhibits Branch, Office of Public Affairs, Room A1–5000, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 353–5441.

Audiovisual branch

This program produces and distributes DOE audiovisual material to the public. Contact: John Moser, or Jerry Ward, Room 8G031, Office of Public Affairs, Forrestal Bldg., 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–4670.

Free energy periodicals

Energy Insider, biweekly. Request subscriptions from DOE, Mail Stop 8G031, Washington, D.C. 20585, 252–5568.

The Energy Consumer, monthly. Contains information on new publications, workshops, funding, etc. Request from Consumer Affairs, DOE, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–5877.

DOE regional office

The following officials are regional contacts on energy conservation and institutional grants programs.

Region I: Robert Philpott, DOE, 150 Causeway St., Analex Building, Room 700, Boston, Mass. 02114. (617) 223–3106. Covers Connecticut, Maine, New Hampshire, Massachusetts, Rhode Island, Vermont.

Region II: Terence Sands, DOE, 26 Federal Plaza, Room 3200, New York, N.Y. 10007. (212) 264–8856. New York, New Jersey, Puerto Rico, Virgin Islands.

Region III: William Kaplan, DOE, 1421 Cherry St., Philadelphia, Pa. 19102. (215) 597–3606. Delaware, Maryland, Pennsylvania, Virginia, West Virginia, District of Columbia.

Region IV: Wanda Rachels, DOE, 1655 Peachtree St., N.E., Atlanta, Ga. 30309. (404) 257–2526. Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.

Region V: Kenneth Johnson, DOE, 175 West Jackson Blvd., Room A–333, Chicago, Ill. 60604. (312) 353–0650. Illinois, Indiana, Minnesota, Michigan, Wisconsin, Ohio.

Region VI: Dan Deaton, DOE, P.O. Box 35228, 2626 W. Mockingbird Lane, Dallas, Tex. 75235. (214) 749–7714. Arkansas, Louisiana, New Mexico, Oklahoma, Texas.

Region VII: Dwain Skelton, 324 East 11th St., Kansas City, Mo. 64106. (816) 758–3815. Iowa, Kansas, Missouri, Nebraska.

Region VIII: James McCool, DOE, P.O. Box 26247 Belmar Branch, 1075 South Yukon St., Lakewood, Colo. 80226. (303) 234–2165. Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.

Region IX: Stacy Swor, DOE, 111 Pine St., Fourth Floor, San Francisco, Calif. 94111. (415) 566–1465. Arizona, California, Hawaii, Guam, American Samoa, Nevada.

Region X: Gilbert Haselberger, DOE, 1910 Federal Building, 915 Second Ave., Seattle, Wash. 98174. (206) 399–1746. Alaska, Idaho, Oregon, Washington.

DEPARTMENT OF TRANSPORTATION

Over half of all petroleum used in the nation goes for transportation. Department of Transportation policies are reducing inefficient use of energy in transportation and promoting conservation.

Technical support and transportation energy conservation analyses are provided to public transportation offices and to elected officials and their staffs. Printed materials are available to the general public, including: "Energy Conservation in Transportation," 120 pp. R. V. Grangrande, DOT Transportation Systems Center, Kendall Square, Code 151, Cambridge, MA 02142. (617) 494–2486; "Transportation Energy Contingency

Planning: Local Experiences, Memphis, Seattle, Los Angeles, Washington, D.C., Dallas-Fort Worth, Minneapolis-St. Paul," 161 pp.; and "Transportation Energy Activities of the DOT: A Technical Assistance Directory of Programs, Projects, Contacts, and Conferences," 110 pp. Contact: Al Linhares or Judy Kaplan, Technology Sharing Division, 426-4208.

Additional sources: Donald Trilling, Energy Policy, Intermodal Transportation, DOT, 426-4220; Mary Trullinger, Public Affairs, for materials on ridesharing, speed limits, etc. 426-4333; Bill Wilkinson, Environment and Safety, for bicycle programs, 426-4414. All offices at U.S. Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590.

Federal Highway Administration

Programs are underway to reduce simultaneously traffic congestion, air pollution and energy consumption by reducing the number of one-to-a car trips and by expanding the use of carpools, vanpools, buses and trains.

Loans for van purchases, tax credits, road space and gasoline preference plans, insurance initiatives, and demonstration projects are included. The program also aids localities in analyzing the number of vehicles on the streets and in making more efficient use of existing highways and parking facilities.

Brief pamphlets on the program are free, including: "Rideshare and Save—A Cost Comparison," Office of Public Affairs, I-38, DOT, 400 7th St., S.W., Washington, D.C. 20590. In each state and many localities FHWA divisional offices and ridesharing agencies provide information. Contact: Barbara Reichart, Ridesharing, HHP-33. Federal Highway Administration, Department of Transportation, 400 7th St., S.W., Washington, D.C. 20590. 426-0210.

Bikeways

Bicycle facility design and construction standards are developed. Information on design, demonstration, and funding of bikeways is provided. Contact: Tom Jennings, Engineering, FHWA, 426-0314 or Bill Wilkinson, Office of the Secretary, Environment and Safety, 426-4414, DOT, 400 7th St., S.W., Washington, D.C. 20590.

Systems management

Preferential lanes for high occupancy vehicles, parking policies and staggered work hours are part of energy saving efforts. Contact: Gary Manning, Transportation Systems Management, Highway Planning, DOT, 400 7th St., N.W., Washington, D.C. 20590. 426-0210.

National Highway Traffic Safety Administration

For NHTSA information on improving energy consumption of trucks, heavy equipment and commercial vehicles contact: Harry Close, Heavy-Duty Vehicles Research, 426-4553. On inspection, maintenance and repair programs for improving fuel economy, contact Dick Strombotne, Fuel Economy Standards, 426-0846.

On driver education and related programs contact: John Eberhard, Driver and Pedestrian Research, 426-4892; and Larry Pavlinski, Driver Pedestrian Programs. National Highway Traffic Safety Administration, DOT, 400 7th St., S.W., Washington, D.C. 20590. 426-4910.

Urban Mass Transportation Administration

Energy planning research: Richard Steinmann, Planning Assistance, UMTA, DOT, 400 7th St., S.W., Washington, D.C. 20590. 426-2360.

Advanced transit vehicles and concepts research: Henry Nejako, Technology Development, UMTA, DOT, 400 7th St., S.W., Washington, D.C. 20590. 426-9261.

Reducing transit travel time, increasing transit area coverage, improving transit reliability and productivity, and improving the mobility of those dependent on public transit: Ronald J. Fisher, Service and Methods Demonstrations, UMTA, DOT, 400 7th St., S.W., Washington, D.C. 20590. 426-4995.

Local, State and regional information availability

Additional sources of information are regional offices of the Urban Mass Transportation Administration, National Highway Safety Administration and the Federal Highway Administration. State and local offices are maintained by the FHWA and DOT's Ridesharing program. Consult your local telephone white pages under U.S. Government.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community development block grants

This program channels funds to units of local government for development activities primarily for low- and moderate-income people. Housing rehabilitation projects, including weatherization projects, are eligible. Many urban areas have an automatic entitlement to funds. Smaller communities may apply to the HUD area offices for discretionary grants. Fiscal 1980 appropriations are $3.8 billion, but only a smaller part goes to energy conservation. The community's chief executive or office of housing and community development is the contact for individuals or neighborhood groups. Energy audits, weatherization, solar retrofit and other technologies have been financed. Contact: HUD Regional Offices listed under U.S. Government in telephone white pages or Jim Broughman, Entitlement Cities Division, Assistant Secretary for Community Planning and Development, Room 7282, 451 7th St., S.W., Washington, D.C. 20410. 755-9267. Jim Forsberg, Director, Small Cities Program, same address. 755-6322.

Urban development action grants

Urban development action grants may be awarded for projects incorporating commercially feasible technologies for energy recycling and/or renewable energy supply as one aspect of a development proposal. Projects must provide new permanent jobs and increased revenues for a distressed city or urban county to be eligible. Technical assistance is provided directly through subcontractors. Projects may be residential, business or industrial, commercial or for local government. Total fiscal 1980 UDAG budget: $675 million. Contact: David Cordish, Room 7232, Community Planning and Development, HUD, 451 7th St., S.W., Washington, D.C. 20410. 472-3947.

Section 312 loans

Direct federal loans are available for bringing residential and non-residential property up to code standards. Rehabilitation loans are available at 3 percent interest for 20 years, or less, with a maximum of $27,000 per residential and $100,000 per non-residential loan. The cost of insulation, storm doors and windows, heat pumps, and solar installations, among other energy saving items, can be financed by Section 312 loans. Eligible applicants may be owners or non-residential tenants in urban renewal areas, code enforcement areas, designated for rehabilitation under the Community Development Block Grant Program or Urban Homesteading areas under Section 810. Priority is mandated for low and moderate income applicants. The local office administering community development programs is the first point of contact. The fiscal 1980 appropriation is $135 million plus $55 million in available repayment and carryover funds, part of which is earmarked for urban homesteading units. Contact: Robert I. Dodge, III, Director, Office of Urban Rehabilitation and Community Reinvestment, HUD, Room 7170, 451 7th St., S.W., Washington, D.C. 20410. 755-5685.

Product dissemination and transfer

This division disseminates HUD-sponsored energy conservation research to architects, planners, builders, home buyers and owners, state and local government officials, and the general public through publications, workshops, exhibits and other means. Fiscal 1980 appropriation: $1.3 million.

Publications include: "In the Bank or Up the Chimney—a Dollars and Cents Guide to Energy Saving Home Improvements" (GPO No. 0023-000-00-411-9, $1.70) and "The Energy-Wise Home Buyer—A Guide to Selecting an Energy Efficient Home" (GPO No. 023-000-00518-2, $2.00), available from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. (202) 783-3238. Additional publications are available by post card and walk-in request at the Publications Service Center, Room B 258, HUD, 451 7th St., S.W., Washington, D.C. 20410. An Information Center is at the same address, Room 1104. 755-6420. Contact: Heather Aveilhe, Program Analyst, Office of Policy Development and Research, HUD, 451 7th St., S.W., Room 8126, Washington, D.C. 20410. 755-5544.

Loan insurance for multifamily housing

Under the National Energy Act, HUD is authorized to insure Federal Housing Administration and conventional loans to owners of private multi-family housing to make energy saving improvements. The loan insurance is available for loans to install energy conservation equipment or solar energy systems or to convert an apartment building from a master electric meter to meters for each apartment.

The interest rates on such loans are set by HUD at a level no higher than necessary to meet market demands.

This program expands HUD's existing authority to insure loans to multi-family property owners for general improvements under Section 241 of the National Housing Act by providing more favorable terms for energy saving loans. Contact: Michael C. Wells, Program Analyst, Office of Housing, Room 9220, HUD, 451 7th St., S.W., Washington, D.C. 20410. 755-6454.

Home improvement loan insurance

Government insurance for privately-owned home improvement or Title I loans covers such things as energy conservation and solar systems. Borrowers must be credit worthy and tenants must have leases that run six months longer than the term of the loan to be eligible. The original mortgage is not usually affected by the program. Fifteen years is the repayment period. Maximum home loans are $15,000 at 13 percent interest. For apartments the maximum is $7,500 per unit and $37,500 per building. Contact: local HUD-approved lending institutions, or local HUD area offices. At HUD, contact: John Brady, Title I Insured Loan Division, HUD, 451 7th St., S.W., Washington, D.C. 20410. 755-6880.

Basic home mortgage insurance

Established by section 203 of the Housing Act of 1949 and used primarily for one-to-four-unit homes, basic home mortgage insurance is available to any credit worthy applicant seeking to buy new or existing properties. Energy conservation projects may be part of the insured property. For properties more than one year old, the limits on mortgage insurance may be increased by up to 20 percent if the increase is due to installation of a solar energy system. Maximum loans range from $67,500 for single-family housing to $107,000 for a building with four or more units. Contact: Local HUD-approved lending institutions, HUD area offices, or Single-Family Development Division, Office of Single-Family Housing, HUD, 451 7th St., S.W., Washington, D.C. 20410. 755-6720.

Neighborhoods, voluntary associations and consumer protection

This office attempts to reach consumers burdened by steep increases in fuel costs. Tenants and landlords with energy inefficient structures are most frequently assisted through counseling services, forums and publications. The office's youth employment division has aided the installation of solar systems and weatherization. A consumer complaints section systematically monitors complaints in order to develop information that will allow consumers to make educated purchases. Contact: Cal Wilson, NVACP, Room 4228, HUD, 451 7th St., S.W., Washington, D.C. 20410. 755–6920.

Energy conservation research

Research is underway in 21 areas of energy conservation, including: residential energy efficiency, effects of moisture on thermal performance of walls, on-site performance of insulating glass, comparison of wood and masonry walls, mobile homes, public housing, and solar demonstrations for various purposes. Contact: Joan E. Simons, Energy Building Technology and Standards, HUD, 451 7th St., S.W., Washington, D.C. 20410. 755-8154.

Solar heating and cooling demonstration program

More than 750 demonstrations of solar technology in more than 12,000 housing units have been funded through this program. It aims to encourage the use of solar technology; to stimulate the market for solar; and to inform builders, designers, lenders, realtors, buyers and others involved in residential housing about solar techniques. Information on program results can be requested free by telephone: From Pennsylvania: (800) 462-4983; from other states: (800) 523-4700; from Hawaii/Alaska: (800) 523-2626. Mailing address: Solar Heating, P.O. Box 1607, Rockville, Md. 20850. Fiscal 1980 budget is $4 million, with some support from DOE. Contact: David C. Moore, SHCD, Room 8162, HUD, 451 7th St., S.W., Washington, D.C. 20410. 755-6900.

Public and Indian Housing

Energy conservation efforts are conducted through public housing agencies and in assistance to Indian housing. Maintenance engineers in HUD field offices advise owners and managers on energy conservation. Contact: Thomas Sherman, Low Rent Public Housing, Room 6254, 451 7th St., S.W., Washington, D.C. 20410. 755–5380.

COMMUNITY SERVICES ADMINISTRATION

The Community Services Administration, formerly the Office of Economic Opportunity, administers several special programs to help poverty level households which suffer special hardship due to increased fuel or electrical costs.

CSA's energy conservation services include:

Crisis intervention assistance to prevent hardship or danger to health due to fuel shut offs, through grants, loans, fuel vouchers or stamp programs, payment guarantees, mediation with utility companies or fuel suppliers, financial counseling, maintenance of emergency fuel supplies, warm clothing, blankets and temporary quarters. In addition to normal funding, $200 million a year was added to this program for a special crisis intervention program to help the poor through the cold winters in 1977, 1978 and 1979. In fiscal 1980, CSA received $400 million for its Energy Crisis Assistance Program (ECAP).

Dissemination of energy conservation guidance and studies of the impact on the poor of rising energy costs such as "Too Cold . . . Too Dark," 1980. Single copies are available from the agency without charge.

Support of energy conservation education programs and of 39 statewide energy advocacy projects which represent the interests of the poor in public proceedings.

The balance of CSA's activities are in the nature of training and technical assistance and research and demonstration programs in the following areas:

Energy and agriculture projects that include research and demonstration activities designed to lower the energy intensiveness of agriculture with special emphasis on helping low-income small farmers stay in business.

Alternative energy resource development that emphasizes non-fossil fuels or renewable energy sources such as wind, solar and methane digesters and improved conservation equipment and practices. As part of this effort, the National Center for Appropriate Technology (NCAT) develops and supports locally oriented technologies geared to the needs and resources of low-income people and communities. Its research and small grants program supports community experiments and demonstrations. Regionally based (NCAT) field representatives are the point of contact for communities. Contact: Edwin Kepler, NCAT, P.O. Box 3838, Butte, Mont. 59701. (406) 494–4572.

A consulting role in the federal weatherization grant program.

CSA offers weatherization and emergency utility payments for migrant farm workers through such organizations as the National Association of Farm Organizations. Weatherization assistance is also available to Indians through the Administration on Native Americans, a part of HEW.

CSA's programs are carried out by Community Action agencies, which serve over ninety percent of the counties with energy nonprofit community-based organizations. Research and development funding is carried out by the CSA national office.

CSA's appropriated budget for energy programs in fiscal 1980, exclusive of energy crisis assistance, is $3.7 million, which is earmarked for the National Center for Appropriate Technology. Some additional funds are being transferred to energy programs by the CSA director pursuant to Title VI of the Economic Opportunity Act (PL 88–452). The total budget probably will be less than $10 million. Contact: Dick Saul, Chief, Energy Programs, CSA, 1200 19th Street, N.W., Washington, D.C. 20506. 632–6503.

VETERANS ADMINISTRATION

The Veterans Administration's direct and guaranteed home loan program may be used to finance a variety of conservation improvements, including insulation, caulking, weatherstripping, storm doors and windows, furnace modifications, and economical solar or wind power installations. Direct loans are available in housing credit shortage areas at an interest rate established by the administrator and an amortization period of 25 to 30 years.

The maximum direct loan amount, established by statute, is currently $33,000. The VA loan guarantee benefits may be used for guaranteed or direct loans to eligible veterans for the purchase of either new or existing homes and for completing home improvements. Contact: Albert W. Glass, Acting Director, Loan Guarantee Service, Department of Veterans Benefits, Washington, D.C. 20420. 389–2332. Local or regional contact: Loan Guarantee Office at the nearest Veterans Administration Office.

DEPARTMENT OF COMMERCE

The National Bureau of Standards

Energy Conservation: The National Bureau of Standards provides technical information on reducing energy waste to industry; federal, state and local governments; trade and standard organizations; technical, engineering and professional societies; and consumer and public interest groups. The program, supported by other federal agencies, including GSA, DOE and HUD, publishes technical reports, data, laboratory and field demonstration evaluation guidelines, handbooks and general information publications. Contact: Jack Snell, Director, Office of Energy Programs, National Engineering Laboratories, NBS, Washington, D.C. 20234. 921–3275. For general information, contact Norma Redstone, Administration Bldg., Room A617, National Bureau of Standards, Washington, D.C. 921–2318.

Energy related interventions

This National Bureau of Standards program evaluates inventions designed for energy conservation and recommends those judged most promising for federal funding support. Since April 1975, 13,500 proposals have been received. They are evaluated in order of date of receipt. Brochures on the program, "The NBS/DOE Energy-Related Invention Evaluation Program": are available from the program office. To make applications for review, request NBS Form 1019. Contact: George Lewitt, Office of Energy Related Inventions, National Bureau of Standards, Washington, D.C. 20234. 921-3694.

Economic Development Administration

Run by the Economic Development Administration, this program helps local governments develop energy conservation programs, use alternative energy sources and conduct energy resource planning. EDA has set up an energy information network which operates in about 300 economic development districts, covering 1,685 counties (or about two-thirds of the country). The total budget for professional services grants in energy is about $350,000. A typical grant is $20,000 which can be no more than 75 percent of the total project. Contact: Patricia Keeler, Office of Development Organizations and Planning, Room 6113, Economic Development Administration, DOC, 14th and Constitution Ave., N.W., Washington, D.C. 20230. 377–2418.

Small Business Administration

Energy Loans: The Small Business Administration can make direct loans or guarantee bank loans to small energy-oriented businesses under the new solar and renewable energy sources loan program created by PL 95–315, July 4, 1978.

The loans are available to designers, manufacturers, distributors, marketers, installers or servicers of energy conservation or renewable resources equipment using solar energy, wind, biomass, hydoelectric or industrial cogeneration. Energy conservation equipment is defined by DOE and includes insulation, individual utility meters, storm windows, improved heating ventilation and air-conditioning controls. The loans are available through local SBA offices for plant construction, conversion, expansion or start ups as well as acquisition of equipment and facilities.

For fiscal 1980, appropriations include $15 million for direct loans and $30 million in guarantees. To stretch the funds, SBA stresses maximum bank participation in each loan under its guarantee program. The maximum loan available under the guarantee program is $500,000 at interest rates negotiated between the borrower and lender, subject to an SBA maximum (currently one-half percent over the New York premium interest rate). If unable to obtain a guaranteed loan, an applicant may apply for a direct loan which is limited to $350,000 at an interest rate based upon the cost of money to the federal government (8¼ percent for FY 1980).

In fiscal 1979, most loans were made for solar applications and insulation, with a few for other alternative technologies such as one for gasohol production. In total, 141 loans worth $19 million were made in fiscal 1979.

Information on the program is available in 63 major cities from SBA district offices listed in the telephone white pages under U.S. Government. Regulations consist of Part 130 of SBA rules, reprinted in the Federal Register, Jan. 5, 1979, pp. 1369ff. Contact: Evelyn Cherry, Chief, Special Project Division, Office of Financing, SBA, 1441 L Street, N.W., Washington, D.C. 20416. 653–6696.

Small business training

This program assists small business owners and managers in reducing energy costs by providing training and counseling. Seminars and individual counseling by the Service Corps of Retired Executives are available through the SBA district field offices working with DOE. Free publications are available from the program office with conservation programs for apartment management, service stations, retail stores, florists and greenhouses, dry cleaners, printers, and garages. Contact: Johnnie Albertson, Chief of Business Management Training, SBA, 1441 L Street, N.W., Washington, D.C. 20416. 653–6337.

DEPARTMENT OF AGRICULTURE

Office of Energy

This office serves as a focal point for all USDA energy and energy-related matters. Contact: Weldon Barton, Director, Office of Energy, Office of the Secretary, USDA, Room 226–E, Administration Building, Washington, D.C. 20250. 447–2455.

Farmers Home Administration

The Farmers Home Administration provides a variety of energy conservation-related loans and grants targeted for rural areas:

Home weatherization loans of up to $1,500 with five years for repayment for low and moderate income families in good credit standing who cannot obtain other loans. The families must own and occupy the repaired home. County offices administer the programs. Arrangements for work and monthly billing for repayment is provided by the local public utility. These loans are a small part of the FmHA program of loans for home construction, purchase and repair. All units must meet weatherization standards. The total program is funded at $3 billion for fiscal 1980 under Section 502 of the Housing Act of 1949. (PL C. 388, 63 Stat. 413.)

Loans through county offices for insulation and weatherization purposes, with subsidized interest rates for those who qualify. Interest can be as low as 1 percent. Recipients must own and occupy the home for which repairs are requested. For very low income persons a separate program is available through county offices with loans at 1 percent interest and a maximum assistance of $7,500. This total may include a grant of up to $5,000 for persons 62 years of age or older who cannot repay loans.

For fiscal 1980, this program has an appropriation of $48 million, half for loans, half for grants, under Section 504.

Loans to owners of rental properties where tenants are farm workers who meet the low and moderate income criteria.

Strict insulation standards for all homes and rental units FmHA finances have been adopted by the agency. For fiscal 1980, $868 million is appropriated for rental construction under Sec. 515.

For programs under Sec. 502 and 515 (new rental construction), 60 percent of all funds must go for low income residents, defined as residents whose incomes are 80 percent of the area median income or less.

Over 500 solar converters, some alcohol and methane plants, and small hydroelectric installations have been financed. Contact: Gordon Cavanaugh, Administrator, Farmer's Home Administration, USDA, Room 5014, South Agriculture Bldg., Washington, D.C. 20250. 447–7967. For general information: Stanley Weston, 447–6903.

Cooperative Extension Service

The Cooperative Extension Service works through the 71 land grant colleges in the U.S. The service provides information and assistance emphasizing energy conservation and alternate energy choices for homes, farms, and agribusinesses. Local information outlets are the land grant colleges or the cooperative service offices located in all of the 3,150 counties, usually in the county seat. Contact: Glenda Pifer, Extension Service, Science and Education Administration, USDA, Room 5412, S. Bldg., Independence Ave., Washington, D.C. 20250. 447–2179.

Rural Electrification Administration

The REA issued a policy requiring certain energy conserving activities by its electric distribution borrowers as a condition for future loans.

It requires the board of directors of electric distribution cooperatives to adopt official policies on energy conservation. They are required to submit with loan applications reports on the efforts of the cooperative to conserve energy in operation of its own facilities and to assist its members in using electricity efficiently.

REA has prepared an energy conservation manual for its electric distribution borrowers to assist them in planning and developing conservation programs. Rural electrical cooperatives have received grants for projects involving alternative energy sources, electric peak load management, and weatherization. A brochure describing the projects, "Our Commitment to Energy Conservation" is available from Rural Electric Cooperative Association, 1800 Massachusetts Ave., N.W., Washington, D.C. 20036. Contact: Dick Pence, 857–9550. Also available from the same source is a report of a November 1979, survey of energy conservation and alternative source activities of the rural electric co-ops. Contact: Harlan M. Severson, Assistant to the Administrator, Rural Electrification Administration, USDA, Room 4324, South Agriculture Building, Washington, D.C. 20250. 447–5606.

Forest Service

Conservation activities of the Forest Service are aimed at improved construction and weatherization of wood-frame housing; more complete use of timber through efficient harvesting, woodland management; improved wood products processing; substitution of wood for more energy-intensive material; use of wood for fuel or production of chemicals now derived from nonrenewable petroleum; and cooperative programs to disseminate energy-related research findings and technology to users. Contact: R. Max Peterson, Chief, Forest Service, USDA, Room 3008, S. Bldg., Washington, D.C. 20250. 447–6861.

Agriculture Stabilization and Conservation Service

The agricultural conservation program (ACP) helps finance two farming practices with substantial energy conservation benefits: conservation tillage, which yields savings in labor, fuel and machinery, and windbreaks for reducing fuel and animal feed bills.

ACP also provides technical and financial assistance for access road construction, forest management plans and marking of timber to be removed as fuelwood in a pilot project in New England. The practices are designed to protect forests from over cutting and to make supplies of fuelwood available to the public.

ASCS also has a pilot energy-saving loan program in 35 counties in 9 states to encourage wet storage and acid treatment for corn and sorghum and use of solar grain drying systems. Technical assistance is available for projects such as:

Using animal waste sites to produce electricity with the use of biomass converters. It is estimated that a fifty-cow dairy herd could produce electricity for several families, and save substantial amounts of traditional fuels in high-energy use activities such as dairying.

Establishing tree farms of fast growing trees for use as fuel.

Contact: John Goodwin, Associate Administrator, Agricultural Stabilization and Conservation Service, USDA, P.O. Box 2415, Washington, D.C. 20013. 447–6215.

Soil conservation service

SCS provides technical assistance on several soil and water conservation practices that contribute to energy conservation. They include minimum tillage, conversion of marginal cropland to pasture and hay production use of windbreaks and shelterbelts, proper irrigation water management, crop rotations with legumes, organic waste and crop residue management, improved drainage, terracing and contour farming and proper management of grazing lands. Contact: William M. Johnson, Deputy Administrator for Technical Services, USDA, Soil Conservation Service, P.O. Box 2890, Washington, D.C. 20013. 447–3905.

Food safety and quality service

This office encourages industry to save energy through its regulatory programs and works to get industry to use more efficient food processing methods. Sanitation guidelines for meat and poultry processing plants have been revised to permit energy saving processes. Major savings have resulted from allowing the use of cold water in operations previously using large quantities of hot water. Contact: Dr. Donald Houston, Administrator, Food Safety and Quality Service, USDA, Room 332–E, Administration Building, Washington, D.C. 20250. 447–7025.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Energy conservation in health care

HEW's Division of Energy Policy and Programs helps develop, stimulate and implement energy management principles in health care services delivery. Films, slides, pamphlets and reprints are available. Contact: Burt Kline, Director, Division of Energy Policy and Program, Bureau of Health Facilities, Financing, Compliance and Conversion, Health Resources Administration, Public Health Service, DHEW, Hyattsville, Md. 20782. 436–7263.

Grants for State and community programs on aging

As one of several missions, this program helps older low- and moderate-income consumers reduce their energy expenses through grants, loans and technical information offered by HEW, CSA, DOE and other agencies.

Services are channeled through 56 state units on aging, 590 area agencies on aging, and 1200 nutrition projects at the local level.

Contact: Dr. Willis Atwell, Chairman, Ad Hoc Interagency Energy Task Force, Administration on Aging, 330 Independence Ave., S.W., Room 4751, Washington, D.C. 20201. 245–6809.

Publications: "Energy Fact Sheet"; "Suggestions for Older Americans: Part I Saving Energy in the Home, Part II Finding Financial Assistance."; "Directory: State Agencies on Aging and Regional Offices"; available from HEW, Office of Human Development Services, Administration on Aging, Washington, D.C. 20201; "Winter Survival: A Consumer's Guide to Winter Preparedness," available from DOE, Office of Consumer Affairs, Washington, D.C. 20585.

DEPARTMENT OF EDUCATION

Energy and Education Action Center

This program provides information about sources of federal education funds for energy-related activities, prepares a data base for conservation-focused curricula and helps educators develop increased awareness of energy problems in schools and colleges. The center offers such services as technical assistance, teacher and administrator in-service training, clearinghouse capacities, and an information hotline. The office is sponsoring expositions in several cities. It has a summary publication: "A Selected Guide to Federal Energy and Education Assistance." Contact: Wilton Anderson, Director, Energy and Education Action Center, ED, Reporter Building, Room 514, 300 7th Street, SW., Washington, D.C. 20202. 472-7777.

Environmental education

This program offered financial assistance through competitive grants for the development of education resources to increase public understanding of problems of environmental quality in the context of quality of life. Energy problems were frequently selected as the focal issue for projects. Grants were made for resource material development, personnel development, elementary and secondary programs and community education. Budget: fiscal 1979, $3.5 million; no new grants budgeted for fiscal 1980. Contact: Walter Brogan, Director, Office of Environmental Education, ED, Room 2025, 400 Maryland Ave., SW., Washington, D.C. 20202. 245-9231.

GENERAL SERVICES ADMINISTRATION

GSA administers several programs designed to reduce energy use in GSA buildings, vehicles and equipment and has issued regulations to encourage energy-efficient procurement practices. Among GSA's efforts are:

Designing, constructing, operating and retrofitting federally owned buildings to increase energy efficiency.

Applying federal policies to the operation of GSA-leased buildings and to new buildings designed specifically for lease to GSA.

Demonstrating use of solar energy for hot water, heating and cooling in federal buildings.

Publishing energy conservation booklets.

Acquiring fuel efficient passenger automobiles and light trucks for use in the Interagency Motor Pool System (IMPS) and for other federal agencies.

Cooperating with DOE in testing certain fuel economy devices and electric vehicles within the IMPS.

Using a "life-cycle costing" procurement policy, which emphasizes energy-efficient products and equipment.

GSA achieved an overall federal passenger motor vehicle fleet average of 22.4 miles per gallon (mpg) in 1979, introduced standards for truck fuel efficiency and achieved averages of 19.6 mpg for two-wheel drives and 17.9 mpg for four-wheel drive models. Also, GSA has achieved a 33 percent reduction in energy use in GSA-owned buildings since 1973. GSA is responsible for 223,200,000 square feet of space in nearly 7,500 federally owned buildings; about 93,300,000 square feet of leased space in 6,700 other buildings. Its program covers other facilities in a total of 11,000 leased buildings. Contact: John Holton, Director, Energy Conservation Division, Public Buildings Service, 18th and F Streets, NW., Washington, D.C. 20405. 566-1735; Motor Vehicles, Larry Frisbee, Director, Motor Equipment Services Division (FZM), Room 314, Crystal Mall address. 577-8565.

TENNESSEE VALLEY AUTHORITY

TVA has initiated a number of innovative energy conservation programs. The states in the TVA service area are Tennessee, Virginia, North Carolina, Alabama, Georgia, Kentucky and Mississippi. Among the programs are:

Home insulation loans

TVA offers free home energy surveys to any residential consumer who requests them. Customers heating electricially may obtain interest-free loans of up to $2,000 with a seven-year repayment for attic insulation, floor insulation, storm windows, weatherstripping and caulking, and insulated doors. TVA inspects the work to insure that it meets installation standards for energy efficiency. For those who only cool electrically, loans are available for the above except for floor insulation and storm windows. A "warm room" loan program insulates a single room in large older homes where complete insulation is too expensive.

After insulation and weatherization, consumers may receive a low-interest loan for the purchase and installation of a heat pump, with a repayment period of up to 10 years. Sixty-five percent of TVA's residential customers are participating in this program.

Super-saver electric homes

This program is designed to upgrade the energy efficiency of new all-electric homes. TVA staff works with the 160 local distributors of TVA generated power in encouraging builders, contractors and consumers to meet "Super-Saver" standards when building new homes. TVA is considering an expansion of this activity into a certification program, including inspection of new homes.

Certified heat pump installations

TVA offers training courses to insure knowledgeable installation and quality servicing of heat pumps—"the most cost-effective form of solar heating now available for TVA's climate," according to TVA. TVA certifies participating dealers and contractors. Heat pump installations are inspected.

Waste heat use

This program is aimed at turning waste heat into industrial process steam and using waste heat in agricultural applications. Agricultural uses include heated greenhouse soil, which results in double yields; biorecycling, which combines waste heat and manure to produce aquatic organisms valuable for livestock feed; improving sludge digestion by producing high rates of organic solid destruction; and controlling temperatures in feeding confined animals. Contact: Bary Goss, Manager of Biology Projects, Energy Research, TVA, Chatanooga, Tenn. 37401.

Alternative fuels and load management

Demonstrations using solar, wind and wood as energy sources have been undertaken by TVA.

Load management efforts include radio-controlled air conditioning/water heater hookups to switch off current during hours of peak consumption; thermal storage in brick, water and salts; and new electric meters which prominently display the cost of electric use minute-by-minute at rates adjusted by time-of-day.

Expanded load research includes analyses of requirements for electric back-up for solar systems.

Cogeneration

Cogeneration involves sharing steam between a power generating plant and other uses, such as providing heat or industrial process steam. TVA established a division to encourage use of cogeneration facilities. Contact: Victoria Churchville, TVA, 412 First St., SE., Washington, D.C. 20446. 245-0101. A publication "Summary of Energy Conservation Programs" is available free by written request from TVA, Information Office, 400 Commerce Ave., Knoxville 37902. Contact: Robert F. Hemphill, Jr., Director, Division of Energy Conservation and Rates, Office of Power, TVA, Chattanooga, Tenn. 37401. (615) 750-2061.

ACTION

A small number of Volunteers in Service to America are assigned to communities to initiate weatherization and other conservation activities. Volunteers also are assigned to energy conservation projects, such as construction and maintenance of solar greenhouses and reform of utility rate structures. Contact: Nora Manning, Legislative Research Specialist, Room M401, 806 Connecticut Ave., NW., Washington, D.C. 20525. 254-8070.

CONSUMER PRODUCT SAFETY COMMISSION

The commission is developing home insulation safety rules to protect against the dangers of fire, cancer, irritation and poisoning. The Consumer Product Safety Commission supplies publications containing consumer tips and hazard information. It also operates toll-free hotlines to receive and dispense pertinent hazard information as follows: Mainland USA (800) 638-8326, except for Maryland which is (800) 492-8363; outside mainland USA (800) 638-8333; hearing impaired teletype line (8:30 a.m.-8 p.m.) (800) 638-8270 except for Maryland which is (800) 492-8104. Contact: Mike Feinstein, Office of Communications, 5401 Westbard, Room 318, Washington, D.C. 20207. 492-6720.

FEDERAL TRADE COMMISSION

The commission issued a rule requiring disclosure in promotional material and at point of sale of the energy efficiency of insulation and appliances. The rules are published in 44 Federal Register 50218 (Insulation Rules) and 66466 (Appliance Rules). The rules are aimed at helping consumers make informed decisions with specific labeling and advertising requirements and with test requirements set by the American Society of Testing and Materials. New automobile fuel economy advertising requirements are covered in a publication in 43 Federal Register 55747. Contact: Bill Rothbard, Deputy Director, Division of Energy and Product Information, Room 7311, FTC, 1101 Pennsylvania Ave., N.W., Washington, D.C. 20580. 724-1524.

DEPARTMENT OF DEFENSE

Defense Department demonstration and information programs on energy conservation are directed at officials in the military services. Available to the public is a 525-page reference work containing chapters on each of a wide variety of energy sources. For copies, write National Technical Information Service, Springfield, Va. 22161 for "U.S. Navy Energy Fact Book" $15.25, No. AD-A-069-138. For free copies of "Energy Awareness Week Planning Guide," contact the Navy Energy Office, 695-4775. Contact: Cpt. Robert E. Mumford Jr., Assistant for Energy Conservation, Directorate for Energy, Environment and Safety, Room 1D760, Pentagon, Washington, D.C. 20301. 697-2500.

ENVIRONMENTAL PROTECTION AGENCY

EPA provides research and development contracts and grants and information to community agencies, industry, and other government agencies on the environmental effects of optimum energy use in industry. Fiscal 1980 budget: $250,000. Contact: Alden Christianson, Energy Systems and Environment Control Division, Industrial Environmental Research Laboratory, 5555 Ridge Ave., Cincinnati, Ohio 45268. (513) 684-4207.

NATIONAL SCIENCE FOUNDATION

NSF's Science for Citizens program fosters opportunities for informed community debate on policy issues involving science and technology, including energy problems. It also provides public service science residencies. The residencies allow scientists or engineers to work for a year with organization of citizens in need of their expertise. Contact: Rachele Hollander, Office of Science and Society, National Science Foundation, Washington, D.C. 20550. 282-7770.

COUNCIL ON ENVIRONMENTAL QUALITY

A Council publication, "The Good News About Energy," is available free upon written request with a self-addressed mailing label. Energy is reviewed in annual reports, titled Environmental Quality, which are also free. Address requests to Council on Environmental Quality, 722 Jackson Place, NW., Washington, D.C. 20006. 395-5770.

PROTECTION OF OUR INTERESTS IN THE MIDDLE EAST

Mr. STEWART. Mr. President, as the headlines of the Nation's newspapers testify, there is no area strategically more important in the world today than the Middle East. From Afghanistan on the east, the Persian Gulf, the oil fields in Iran and Saudi Arabia, and the Suez Canal on the west, the Middle East region supplies much of the world with energy, and is also particularly explosive in terms of U.S.-Soviet relations.

Given our current economic difficulties, and with international uncertainties constantly mounting, people in Alabama are more concerned than ever with insuring the uninterrupted flow of our oil through the Middle East. This region has long been troubled by radical regimes, terrorist organizations, and the instability of friendly governments. These problems have only been compounded in recent months by the open aggression of the Soviets in Afghanistan.

Now is the time, therefore, for our Nation to take a hard look at our interests in the Middle East, and the best way to protect them. We need to establish the military capability, through basing arrangements in Kenya, Oman, and Somalia, to defend our oil supply routes. We also need to reaffirm our commitment to defending the historic peace process in the Middle East begun by Israel and Egypt.

Israel, in particular, has played an important role in protecting American interests in the Middle East. Israel is the only stable and democratic ally of the United States in this region of the world, and it has been the most reliable country in terms of protecting the U.S. political and military position in the Middle East. Its defense forces have given the United States invaluable information on the combat capabilities of U.S. armament and the performance of Soviet equipment it has captured. Perhaps most importantly, the Israeli military forces are counted on to come to our assistance in the event of a localized conflict between the United States and the Soviet Union.

The value of our aid to Israel was perhaps best demonstrated in 1970, when Soviet-backed Syrian forces attacked the pro-Western Government of Jordan. In this instance, the massing of Israeli armor on the Syrian border, at the request of the United States, was instrumental in preventing the government of King Hussein from being toppled.

Today, unfortunately, Israel is in dire economic straits, facing an unbelievably high rate of inflation. In 1981 alone, Israel will have to spend $2.6 billion out of a GNP of $14 billion on oil imports—one-half billion dollars to Egypt alone for oil that was returned as a result of the Camp David peace accords. Because of these economic difficulties, President Carter has recommended that an additional $200 million in loans be granted to Israel; however, it may be necessary for Congress to alocate additional amounts in the future.

During this period of international tension and instability, it is essential that the United States act to protect our vital interests in the Middle East. I believe that insuring the military and economic strength of Israel, long our most reliable and effective friend in this region of the world, is one of the most important steps which we can take in this regard.

EMERGENCY GAS RATIONING AND THE NEWSPAPER INDUSTRY

Mr. STEVENS. Mr. President, the petroleum emergency confronting the Nation forces us to consider a wide range of problems as to how we allocate resources that drive our society forward. There is now on the President's desk a plan for emergency gas rationing developed for his consideration by the Department of Energy. After he weighs the plans and considers any possible inequities and deficiencies, he will submit that plan to Congress for its approval. As Senators know, only a joint resolution of disapproval by both Houses can impede the plan once it is before us. For that reason, it is essential for Congress to draw to the President's attention an element in the plan that gives cause for grave concern to all of us who consider the free flow of information to be an essential ingredient of a democratic society.

As submitted by the Department of Energy, the emergency gas rationing plan provides for several classes of priority activity. They include public safety, law enforcement, defense activities, medical services, sanitation services, public passenger transportation, telecommunications, and energy production activities. Each of these activities, it goes without saying, is essential to the functioning of this society. But, despite the urgings of the Senate Energy Committee in its report of May 3, 1979, the Department has made no provision for a priority classification for the American newspaper industry. The simple fact is that, in an emergency such as that foreshadowed by the implementation of gas rationing, a free press, deeply involved in describing and explaining the events of the day, is more important than at any other time. But all of the typewriters in the world, and all of the neatly stacked newspapers in the warehouses, are of no use at all if they cannot reach their readers. We may be on the verge of inadvertently creating a form of "censorship by omission." I know that such is not the President's desire, and it is for that reason that I believe the implications of this omission should be called to his attention as effectively and reasonably as we can. The distinguished majority leader, as well as many other Members of the Senate, can offer evidence from their own States of the dramatic impact a failure to include newspapers as an essential activity would imply for their own constituents.

Alaska, of course, is a large State. It therefore offers a stunning example of the consequences if the newspapers of my State were cut off from the fuel supply required to bring our newspapers to their readers. Let me offer but two examples of the gasoline-intensive nature of newspaper production and delivery.

The Anchorage Times has a circulation of 97,000 people, covering six counties in a territory of 77,000 miles; 77,000 miles, Mr. President, is a lot of territory. But it is small potatoes compared to the territory covered by the 15,000 readers of the Fairbanks Miner-News. Those readers are served by a newspaper that must be delivered over an area of 307,500 miles. Unless priority status is accorded the publishers of American newspapers, the people of Alaska would suffer what amounts to a news blackout at a time when information would be vital to democratic decisionmaking during a time of grave national emergency. Full discussion of the issues is fulfilled only by the American newspaper and that full discussion must be fostered and preserved.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on March 6, 1980, he had approved and signed the following joint resolution:

S.J. Res. 109. Joint resolution to provide for the designation of October 3, 1980, as "American Enterprise Day."

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 12:57 p.m., a message from the

House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 643. An act to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes;

H.R. 5913. An act to amend section 502(a) of the Merchant Marine Act, 1936; and

H.J. Res. 494. Joint resolution for the appointment of Carlisle H. Humelsine as a *citizen regent* of the Board of Regents of the Smithsonian Institution.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 3:48 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the bill (S. 2269) to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes, with amendments in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The PRESIDENT pro tempore (Mr. MAGNUSON) announced that on today, March 6, 1980, he signed the following enrolled bills and joint resolution, which had previously been signed by the Speaker of the House of Representatives:

S. 1792. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal;

H.R. 1829. An act for the relief of Loraine Smart and Robert Clarke;

H.R. 3398. An act to adjust target prices for the 1980 and 1981 crops of wheat and feed grains to extend the disaster payment programs for the 1980 crops of wheat, feed grains, upland cotton, and rice; and to authorize the Secretary of Agriculture to require that producers of wheat, feed grains, upland cotton, and rice not exceed the normal crop acreage for the 1980 and 1981 crops; and

H.J. Res. 493. Joint resolution providing for the appointment of William G. Bowen as a citizen regent of the Board of Regents of the Smithsonian Institution.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 6, 1980, he presented to the President of the United States the following enrolled bills:

S. 643. An act to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugees Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes; and

S. 1792. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3176. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3177. A secret communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, Selected Acquisition Reports (SARs) and the SAR Summary Tables for the quarter ending December 31, 1979; to the Committee on Armed Services.

EC-3178. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The MX Weapon System—A Program With Cost and Schedule Uncertainties," February 29, 1980; to the Committee on Armed Services.

EC-3179. A communication from the Executive Director, Neighborhood Reinvestment Corporation, transmitting a draft of proposed legislation to extend the authorization of appropriations for the National Neighborhood Reinvestment Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-3180. A communication from the President, Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by Eximbank during December 1979 and January 1980 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-3181. A communication from the Group Vice President, Passenger Services and Communications, transmitting, pursuant to law, the corporation's annual report for fiscal year 1979; to the Committee on Commerce, Science, and Transportation.

EC-3182. A communication from the Group Vice President, Passenger Services and Communications, National Railroad Passenger Corporation, transmitting, pursuant to law, the corporation's annual report for fiscal year 1979; to the Committee on Commerce, Science, and Transportation.

EC-3183. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report for calendar year 1979 on the utilization of authority to designate and rent inadequate quarters, lease family housing, and hire quarters; to the Committee on Commerce, Science, and Transportation.

EC-3184. A communication from the Deputy Secretary of Energy, transmitting, pursuant to law, the 1979 annual report on Powerplant and Industrial Fuel Use; to the Committee on Energy and Natural Resources.

EC-3185. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Federal Water Pollution Control Act, as amended; to the Committee on Environment and Public Works.

EC-3186. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend provisions of Noise Control Act of 1972, as amended, for two years; to the Committee on Environment and Public Works.

EC-3187. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Solid Waste Disposal Act, as amended, and for other purposes; to the Committee on Environment and Public Works.

EC-3188. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstrations for fiscal years 1981 and 1982; to the Committee on Environment and Public Works.

EC-3189. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend Title I of the Marine Protection, Research, and Sanctuaries Act, as amended, for two years, and for other purposes; to the Committee on Environment and Public Works.

EC-3190. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report of the Office of Revenue Sharing, covering federal fiscal year 1979; to the Committee on Finance.

EC-3191. A communication from the Fiscal Assistant Secretary of the Treasury transmitting, pursuant to law, a report on inventory of nonpurchased foreign currencies as of September 30, 1979; to the Committee on Foreign Relations.

EC-3192. A communication from the Assistant Secretary of Transportation for Administration, transmitting, pursuant to law, documentation that proposes to acquire 10 small computers to replace existing automatic data processing equipment configuration at various locations identified in the enclosures; to the Committee on Governmental Affairs.

EC-3193. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report covering the implementation of the Board's administrative responsibilities under the Freedom of Information Act during calendar year 1979; to the Committee on the Judiciary.

EC-3194. A communication from the Secretary of the Treasury, transmitting, pursuant to law, its sixth annual report on Freedom of Information experience during calendar year 1979; to the Committee on the Judiciary.

EC-3195. A communication from the Secretary, Railroad Retirement Board, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3196. A communication from the Acting Director, Office of Government and Public Programs, National Science Foundation, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3197. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3198. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 506 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-3199. A communication from the Chairman of the Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, the annual report of the Council under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3200. A communication from the Assistant Secretary of Commerce for Administration, transmitting, pursuant to law, the annual report of the Department under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3201. A communication from the Acting Administrator of the Panama Canal Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3202. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the annual report of the administration under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC-3203. A communication from the Chairman of the Architectural and Transportation Barriers Compliance Board, transmitting, pursuant to law, the annual report of the Board for fiscal year 1978; to the Committee on Labor and Human Resources.

EC—3204. A communication from the Public Printer, U.S. Government Printing Office, transmitting, pursuant to law, the annual report of the Public Printer for fiscal year 1979; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

Mr. EAGLETON, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3824) to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval (Rept. No. 96-619).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. CANNON. From the Committee on Commerce, Science, and Transportation, I report favorably sundry nominations in the Coast Guard which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they may lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations appeared in the RECORD on January 24, February 1, and February 26, 1980, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHURCH (by request):

S. 2388. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to preserve and enhance the historic relationship between agriculture and school feeding programs by (1) maintaining and improving the role of the United States Department of Agriculture in carrying out the price support, surplus removal and other programs which are designed in part to increase the consumption of domestic agricultural commodities and prevent waste; (2) maintaining and improving the role of the United States Department of Agriculture in determining the specific commodities and the amounts, quality and timing of purchases for use in school feeding programs; (3) improving the purchase, delivery and payment mechanisms for such domestic agricultural commodities by increasing the levels of State and local responsibility; (4) enabling schools to improve meal acceptability and reduce plate waste by providing for maximum local choice in menu planning in line with local needs and tastes within established meal guidelines and standards; (5) achieving substantial cost savings at the Federal, State and local levels by using regular commercial channels of trade; (6) providing assistance to the States and schools to develop improved food procurement, storage, and sanitation methods for school feeding programs; the National School Lunch Act and the Child Nutrition Act of 1966 are amended to provide for the issuance of commodity letters of credit by the United States Department of Agriculture for the purchase of domestic agricultural commodities by schools to carry out school feeding programs in lieu of the purchase, storage, transportation, handling, processing and distribution of said commodities to the States by the United States Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. FORD:

S. 2389. A bill for the relief of Doctor Jaime Bon Tiu; to the Committee on the Judiciary.

By Mr. RIBICOFF (by request):

S. 2390. A bill to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATFIELD:

S. 2391. A bill authorizing the Secretary of the Interior to convey certain lands to Alfred W. Steinhauer, Greenleaf, Oregon; to the Committee on Energy and Natural Resources.

By Mr. LUGAR:

S. 2392. A bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978; to the Committee on Energy and Natural Resources.

By Mr. JACKSON (by request):

S. 2393. A bill to amend section 6(e)(1) of the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MATSUNAGA:

S. 2394. A bill for the relief of Lydia Delos Santos Colcol; to the Committee on the Judiciary.

S. 2395. A bill for the relief of George A. Albert; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. 2396. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain lending or finance businesses for purposes of the tax on personal holding companies; to the Committee on Finance.

By Mr. DOLE:

S. 2397. A bill to amend the Freedom of Information Act to provide a hearing for persons objecting to disclosure of private confidential information, to preserve the confidential status of certain kinds of private information contained in government records, and for other purposes; to the Committee on the Judiciary.

By Mr. HATFIELD:

S. 2398. A bill to extend the provisions of the General Exchange Act, as amended, to certain lands in order that they may become parts of the Umatilla and Wallowa National Forests, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STEWART (for himself and Mr. DOLE):

S. 2399. A bill to amend title 39, United States Code, relating to nonprofit service clubs qualifying for third-class nonprofit rates of postage; to the Committee on Governmental Affairs.

By Mr. METZENBAUM:

S. 2400. A bill to require business concerns which undertake changes of operations to give notice to the Secretary of Labor, and to affected labor organizations, employees, and local governments; to require business concerns to provide assistance to employees who suffer an employment loss caused by changes of operations; to authorize the Secretary of Labor to provide assistance to affected employees and local governments; and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAUCUS:

S. 2401. A bill to amend chapter 31 of title 28, United States Code, with respect to the litigation authority of the Attorney General, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH (by request):

S. 2388. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to preserve and enhance the historic relationship between agriculture and school feeding programs by first, maintaining and improving the role of the U.S. Department of Agriculture in carrying out the price support, surplus removal and other programs which are designed in part to increase the consumption of domestic agricultural commodities and prevent waste; second, maintaining and improving the role of the U.S. Department of Agriculture in determining the specific commodities and the amounts, quality, and timing of purchases for use in school feeding programs; third, improving the purchase, delivery, and payment mechanisms for such domestic agricultural commodities by increasing the levels of State and local responsibility; fourth, enabling schools to improve meal acceptability and reduce plate waste by providing for maximum local choice in menu planning in line with local needs and tastes within established meal guidelines and standards; fifth, achieving substantial cost savings at the Federal, State, and local levels by using regular commercial channels of trade; sixth, providing assistance to the States and schools to develop improved food procurement, storage, and sanitation methods for school-feeding programs; the National School Lunch Act and the Child Nutrition Act of 1966 are amended to provide for the issuance of commodity letters of credit by the U.S. Department of Agriculture for the purchase of domestic agricultural commodities by schools to carry out school feeding programs in lieu of the purchase, storage, transportation, handling, processing, and distribution of said commodities to the States by the U.S. Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SCHOOL LUNCH LOCAL CONTROL ACT OF 1980

● Mr. CHURCH. Mr. President, the bill I introduce today, by request of the Independent School District of Boise City, the School Lunch Local Control Act of 1980, is the culmination of years of study of the school lunch program. It could reduce the cost of the program by as much as $200 million in its first year.

My legislation would enable local school officials to purchase food on their own, thus eliminating the costly and unnecessary middleman role currently played by the U.S. Department of Agriculture.

Most importantly, however, my bill would also preserve a primary purpose of this program—as an outlet for plentiful or surplus farm commodities.

Under my new system, the Agriculture Department would issue commodity letters of credit to the schools, in the same way it now makes purchases of commodities, which it ultimately sends to the schools.

In the present system, the Agriculture Department (USDA) buys foods from manufacturers at market prices. USDA pays shipping costs to transport them to State and central warehouses or railsidings. Additional costs occur for warehousing, handling, and further transportation to local school lunch programs.

Mr. President, over 5 cents per school lunch was spent during the 1979 school year just to move USDA-bought foods from place to place with intermittent storage handling and processing. That means that $236 million spent during the last school year on school lunches did not contribute one bit to improved nutrition. Almost 3.5 cents per school lunch meal of this spending was unnecessary, and would be saved with my legislation.

Put another way, Mr. President, once USDA bought the food at the manufacturers' plants, the price per pound went up by 16.5 cents for each of the 1.4 billion pounds bought, before the food ever reached the school lunch kitchen for use in meals. At least 67 percent of this spending was unnecessary.

USDA is spending fully $700 million each school year to purchase foods for schools participating in the school lunch program. Already 80 percent of the food used for school lunches is bought locally by the schools themselves, but USDA's purchases still account for 20 percent of the food used to serve the 4.5 billion meals during the 1978–79 school year.

My legislation would open this large market up to the free enterprise system. Schools could choose, for example, whether they wish to buy fresh, frozen, or canned peaches—but most importantly to our farmers, they would still be buying the same amount of peaches. The only differences would be the elimination of the USDA middleman, and the discretion of the schools to buy commodities in the form they and the children they serve desire.

For years, Mr. President, the State of Kansas has been the envy of all other States, since it has operated under a commodity letters of credit law. Commodity letters of credit have been studied over and over again, most recently in the 1978–79 school year. In this study, specifically mandated by Congress, eight school districts were permitted to receive the cash-value of USDA-purchased commodities for purchases on their own. Boise, Idaho, was among these districts, and I ask unanimous consent that material on the monetary and administrative savings it achieved be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. The results for all eight school districts showed that, from the largest to the smallest, all were able to meet the meal requirements for the national school lunch program more cheaply by buying locally than they could using USDA-purchased foods.

The U.S. food production, processing, transportation, and distribution system is the envy of the world. What better way to assure that food gets to the schools where it is supposed to be, when and how it is needed, economically and efficiently, than to rely on the competitive forces of the free marketplace? Being outside the competitive marketplace, it is impossible for the USDA's food system to function effectively and economically—as its cost clearly demonstrates.

If there is a need to remove surplus beef from the market and this ground beef can be used in the schools, then the schools should get that beef in the quickest and most economical way possible. There is no need to pay the enormous middleman costs which the present USDA system incurs. There is no reason why the price of that ground beef should increase by 10 cents a pound by the time it gets to a school lunch kitchen.

This 10 cents a pound adds no value to the ground beef. All this 10 cents a pound does is move the ground beef from place to place within a State before it gets to the kitchen. In some States, this cost can be as high as 26 cents a pound; 10 cents is only the average. Actual cost comparisons for ground beef and frozen french fries, two favorite school lunch foods, provide perfect examples of these unnecessary costs that would be eliminated by my legislation. I ask unanimous consent that such examples from the State of California be printed at this point in the RECORD.

There being no objection, the examples were ordered to be printed in the RECORD, as follows:

Product—Frozen ground beef (80% lean) 55-pound case

USDA product charges:	*Case*
USDA purchase price for the frozen ground beef	$68.20
USDA paid charges for transportation, storage and handling of the ground beef from the processor to the State warehouse	2.20
State charges to school districts for storage, handling and transportation of ground beef from the State warehouse to local school district storage	14.75
School district storage, transportation and handling charges for the ground beef delivered by the State	1.25
Total costs for USDA donated ground beef	86.40
Locally bought product charges:	
Bid price delivered to schools in school district with deliveries spaced as needed, $1.36 pound	74.80

Actual savings to school district of $11.60 per case with locally bought product.

Product—Frozen french fries, 30-lb. case USDA grade B or better

USDA product charges:	*Case*
USDA purchase price for frozen french fries	$6.05
USDA paid charges for transportation, storage and handling of french fries from processor to State warehouse	1.05
State charges to local school districts for storage, handling and transportation of french fries from State warehouse to local school district storage	2.00
School district storage, transportation and handling charges for french fries once delivered by the State	1.25
Total costs for USDA donated french fries	10.35
Locally bought product charges:	
Total wholesaler delivered cost for locally bought french fries	6.76

Actual savings to school district of $3.59 per case with locally bought product.

Mr. CHURCH. Last year, Mr. President, States and school districts also spent at least $45 million to process USDA-bought foods into usable end products for school lunches. The methods and costs vary widely among the States, and even among school districts within a State, so that it is extremely difficult to estimate them.

Under my commodity letter of credit system, schools will have the flexibility to purchase commodities in the form they—and their children—desire. They can get ground beef either in bulk or in patties. They can get chicken in any one of a dozen ways. They get mozzarella cheese for 22 cents a pound cheaper than they can now for use in pizzas. They can reduce their costs for french fries and buy either fresh, frozen, canned, or chilled items depending on their needs.

The bottom line, Mr. President, is that my commodity letter of credit system will increase the flexibility of local school lunch programs in using agricultural commodities. Their menus will have greater variety. Their meals will be more appetizing and nutritious. There will be less plate waste. And, American farmers will retain the very same outlet for plentiful and surplus commodities that they have always had. I ask unanimous consent that two examples of how a commodity letter of credit system would work for the same item, flour, be printed at this point in the RECORD.

There being no objection, the examples were ordered to be printed in the RECORD, as follows:

EXAMPLE 1: FLOUR

Commodity letter of credit, 5,000 lbs.
USDA price guide, 10 cents per pound.

Our same sample school district purchases bread using this Commodity Letter of Credit requiring that the flour utilized be specified as contained in USDA all-purpose flour specification WF–16 (August 15, 1975). The bid is on 10,000 16 oz. loaves.

The bid would specify what kind of bread, sizing, and additional specs including: flour price per pound; amount of flour in each unit; total pounds of flour utilized; unit cost; total product cost; content of product; labeling; containers and shipping. Any additional instructions the school district believes appropriate could be added.

Bids are received showing costs as follows:
Unit cost 16 oz. loaves, 75 cents.
Flour used per unit, 8 oz.
Flour cost per lb., 10 cents.
Flour cost per unit, 5 cents.
Unit cost 16 oz. loaf, 95 cents.
Flour used per unit, 8 oz.
Flour cost per lb., 15 cents.
Flour cost per unit, 7.5 cents.

The accepted bid would be the 75 cent a loaf bid under the Commodity Letter of Credit. The vendor would be paid $7,500—$500 of that amount would come from the Commodity Letter of Credit price support account and $7,000 from the school district's general fund for food service.

Report to the State:

(1) Commodity group, grain.

(2) Product quantity purchased, 10,000 16 oz. bread loaves.

(3) Commodity Letter of Credit and quality, flour/5,000 lbs. and WF–16.

(4) Delivered commodity price per lb.—10 cents.

(5) USDA price guide, 10 cents lb.

(6) Commodity specifications, see attached.

EXAMPLE 2

Commodity Letter of Credit—Flour 8,000 lbs.

USDA Price Guide—10 cents lb.

Same as previously except the school district wants to buy not bread but 8,000 lbs. of all purpose flour.

(1) Bid specifies USDA all purpose flour, specification WF–16 (August 15, 1975) 8,000 lbs. Bid also calls for price per pound and contains specs on: content; labeling; containers and shipping plus any additional instructions the school district believes appropriate.

(2) Bids received with low bid at 10 cents lb. for entire 8,000 lbs.

(3) Bid accepted and vendor paid $800.00 from the Commodity Letter of Credit.

(4) The school district report to the State Agency would provide the following information:

(1) Commodity group—grain.

(2) Commodity Letter of Credit—flour/8,000 lbs. WF–1.

(3) Product specifications—see attached.

(4) Commodity and quantity bought—flour/8,000 lbs.

(5) Commodity delivered cost per lb.—10 cents.

(6) USDA price guide—10 cents.

Mr. CHURCH. My legislation, Mr. President, makes no changes whatsoever in support programs and figures, either for schools under the School Lunch Act, or for farmers under the commodity support programs that contribute to school lunch. In addition, it makes no real change in the responsibility of the USDA; that is, instead of issuing purchase orders for Federal food acquisitions, the USDA would issue commodity letters of credit for State and local purchases. It does, however, make some distinct improvements in the School Lunch Act itself.

First, my bill has been drawn to decrease present paperwork requirements. My legislation, in this same vein, would reemphasize prompt delivery of commodity letters of credit to the schools, so that they can properly plan their food programs. Commodity letters of credit should certainly expedite this process, as compared to the costly and often inconvenient deliveries under the present USDA-purchase program.

Of importance for farmers, my bill would, for the first time, specify the purchase of "domestic" commodities under the School Lunch Act. This would deter recent reports of imported beef purchases under this program.

Given the new or expanded responsibilities the States and local schools will have under my legislation, I have also included a modest but significant fund for technical assistance.

This technical assistance fund would also apply to other programs, such as summer camps, which would be formally converted to commodity letters of credit. I believe, Mr. President, that all programs like school lunch should enjoy the benefits of commodity letters of credit. I recognize, however, that special circumstances may exist in other programs, and I am not totally wedded to their inclusion. It is my understanding that they already operate under systems like mine, and I include them for the sake of uniformity.

I also wish to point out that this bill has been discussed at length with all groups concerned with the School Lunch Act. I recognize that some are wary of changes in the present system, but I stress again that my bill would simply maintain the status quo for schools and farmers alike, save for changing the method of commodity purchases. I am entirely open to any suggestions to strengthen the bill in this regard.

This year, Mr. President, Congress will consider reauthorization legislation for the School Lunch Act. Earlier Congress required the latest study of eliminating USDA's bureaucratic barriers in buying lunch commodities.

Under my commodity letters of credit system, Mr. President, each and every State would save considerable amounts, as would the Federal Treasury. The Carter administration, ignoring or perhaps according this bureaucratic boondoggle, has recommended instead of these savings, that Federal support for school lunches be reduced. Far too often, savings suggestions—whose cost is only to the bureaucracy—are beaten, compromised or shelved and forgotten. The savings my commodity letter of credit system would achieve must not be lost. I ask unanimous consent that a State-by-State breakdown of some of the savings that would be obtained be printed at the conclusion of my remarks, as well as the text of the bill itself.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 2 and 3.)

Mr. CHURCH. Congress should be convinced by the answers to its own questions on commodity letters of credit. This year is the time to act on these conclusions. My bill would save Federal, State, and local money; eliminate red-tape and burdensome bureaucratic barriers; place responsibility for school lunches where it belongs, in local and State hands; give local and State school officials the flexibility to supply meals they wish to serve, and their children wish to eat; and maintain the parallel primary purpose of the program, to serve as an outlet for plentiful and surplus farm commodities. For all of these reasons and more, I urge the Senate to join me in supporting commodity letters of credit for the School Lunch Act.

EXHIBIT 1

JULY 6, 1979.

Hon. FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: The Independent School District of Boise City, Boise, Idaho, is extremely interested in continuing the school lunch "cash-in-lieu pilot program" during the 1979–80 school year.

We are requesting that this program be continued in the Boise Schools for an additional year in order that a more accurate study can be documented. Participation in school lunch is traditionally higher in October than in May, so comparing a month in the spring to a month in the fall is not an accurate figure. We believe that two complete years should be compared to reflect changes in participation, labor costs, and food cost and quality.

Following is a short summary of the Boise Schools' cash-in-lieu school lunch program, some documented improvements, and why we feel an additional year would be worthwhile.

a. During this past year our overall food cost was lower by five cents per tray.

(This may not have been clearly shown by comparing only one month with another.)

b. Labor costs were cut by 7 percent.

(Employees received an 8 percent C.O.L. raise. yet labor costs over the district decreased 7 percent. This will not be clearly shown in the four schools used for comparison since labor was decreased through attrition.)

c. Plate waste was greatly reduced.

(The study does not really show the improved quality of menu items. Previously, commodity food items were received in a form not accepted by our students: canned chicken and canned ground beef. Commodities were received that were not eaten by students in this area: candied sweet potatoes, pink dry beans and bulgar. Some commodity foods were received that were of very poor quality: dehydrated potatoes, large size canned peas, etc.)

d. Participation was up by more than 10 percent.

(Participation increases gradually. It takes more than a month to change students' attitudes toward school lunch.)

The Boise Schools are eager to continue the cash-in-lieu of commodity program for the school year 79/80 and any assistance you can give us will be greatly appreciated.

Sincerely,

Dr. Barney C. Parker,
Superintendent of Schools.

EXHIBIT 2

USDA DONATED COMMODITIES, SCHOOL YEAR 1979 VERSUS COMMODITY LETTER OF CREDIT

	USDA—Commodities			Commodity Letter of Credit		
State	Total State and local warehouse, storage, handling charges paid	Total cases ordered	Average delivered price/case	Average delivered price/case	Difference in delivered cost w/CLOC	Savings to States and schools
NEW ENGLAND						
Connecticut	1, 839, 827	450, 938	$21.71	$19.04	$2.67	$1, 204, 004
Maine	1, 530, 985	212, 342	24.87	19.07	5.80	1, 231, 503
Massachusetts	4, 105, 001	935, 080	24.23	21.43	2.80	2, 618, 224
New Hampshire	289, 540	103, 778	22.42	21.20	1.22	126, 609
Rhode Island	357, 156	104, 738	21.86	19.95	1.91	200, 049
Vermont	316, 128	88, 800	21.55	19.43	2.12	188, 256
Total	8, 438, 637					5, 568, 725
MID-ATLANTIC						
Delaware	245, 923	90, 413	24.29	23.30	.99	89, 508
District of Columbia	174, 961	65, 775	22.91	21.87	1.04	68, 400
Maryland	2, 073, 225	628, 250	21.06	19.18	1.88	1, 181, 110
New Jersey	2, 838, 116	857, 437	21.14	19.26	1.88	1, 611, 981
New York	8, 810, 813	2, 553, 859	20.71	18.64	2.07	5, 286, 488
Pennsylvania	5, 839, 426	1, 791, 235	21.41	19.60	1.81	3, 242, 135
Puerto Rico	3, 018, 271	766, 046	26.18	24.02	2.16	1, 654, 659
Virginia	3, 533, 692	1, 015, 429	22.40	20.43	1.97	2, 000, 395
Virgin Islands	1, 680, 078	40, 895	27.05	24.78	2.27	92, 831
West Virginia	1, 809, 171	296, 100	25.18	20.60	4.58	1, 356, 138
Total	30, 043, 626					16, 583, 651
SOUTHEAST						
Alabama	3, 612, 765	1, 111, 620	18.59	16.57	2.02	2, 245, 472
Florida	5, 112, 655	1, 527, 980	20.76	18.92	1.84	2, 903, 483
Georgia	5, 183, 229	1, 604, 715	19.78	17.87	1.91	3, 065, 005
Kentucky	3, 403, 153	1, 043, 912	18.62	16.59	2.03	2, 119, 141
Mississippi	1, 856, 570	564, 307	21.95	20.15	1.80	1, 015, 752
North Carolina	6, 764, 854	1, 448, 577	21.20	17.85	3.35	4, 852, 732
South Carolina	3, 130, 110	815, 133	21.79	19.39	2.40	1, 956, 319
Tennessee	2, 937, 333	887, 412	20.73	18.81	1.92	1, 703, 831
Total	32, 000, 669					19, 861, 735
MIDWEST						
Illinois	5, 611, 374	1, 255, 341	24.87	22.03	2.84	3, 565, 168
Indiana	2, 718, 014	742, 627	25.75	23.86	1.89	1, 403, 565
Michigan	4, 917, 649	1, 080, 802	24.07	21.08	2.99	3, 321, 597
Minnesota	2, 091, 589	622, 497	24.99	23.36	1.63	1, 014, 670
Ohio	5, 601, 795	1, 605, 099	20.39	18.25	2.14	3, 434, 911
Wisconsin	2, 445, 752	687, 009	21.64	19.53	2.11	1, 449, 588
Total	23, 386, 173					14, 099, 499
SOUTHWEST						
Arkansas	1, 809 679	468, 829	21.83	19.41	2.42	1, 134, 566
Louisiana	4, 674, 330	1, 230, 087	20.00	17.50	2.50	3, 075, 217
New Mexico	828, 888	202, 168	23.98	21.47	2.51	507, 441
Oklahoma	2, 019, 851	528, 757	21.03	18.59	2.44	1, 290, 167
Texas	10, 855, 570	2, 693, 690	21.71	19.09	2.62	7, 057, 467
Total	20, 188, 318					13, 064, 858
MOUNTAIN PLAINS						
Colorado	1, 233, 231	378, 292	23.32	21.66	1.66	627, 964
Iowa	1, 735, 477	505, 970	23.17	21.32	1.85	936, 044
Kansas	Cash	Cash	Cash	Cash	Cash	Cash
Missouri	2, 430, 615	702, 490	24.23	22.43	1.80	1, 264, 482
Montana	589, 681	127, 361	24.64	21.61	3.03	385, 903
Nebraska	802, 565	259, 730	22.01	20.43	1.58	410, 373
North Dakota	538, 716	110, 167	24.04	20.68	3.36	370, 161
South Dakota	712, 912	154, 310	20.85	17.53	3.32	512, 309
Utah	1, 398, 872	348, 846	21.36	18.74	2.62	913, 976
Wyoming	295, 792	72, 321	21.20	18.48	2.72	196, 713
Total	9, 737, 861					5, 617, 925
WESTERN						
Alaska	253, 613	63, 088	20.29	17.57	2.72	171, 599
American Samoa	37, 746	9, 532	24.23	21.89	2.34	22, 304
Arizona	1, 239, 789	334, 175	24.14	22.06	2.08	695, 084
California	12, 557, 385	2, 391, 883	24.09	20.35	3.75	8, 969, 561
Guam	57, 705	15, 266	26.14	24.15	1.99	30, 379
Hawaii	773, 095	194, 245	22.25	19.73	2.52	489, 497
Idaho	316, 709	98, 357	20.77	18.95	1.82	179, 009
Nevada	396, 560	107, 761	22.12	19.92	2.20	237, 074
Oregon	967, 090	267, 152	25.83	23.99	1.84	491, 559
Washington	1, 334, 309	391, 293	23.58	21.78	1.80	704, 327
Total	16, 934, 001					11, 990, 393
Total	140, 729, 285					86, 786, 786

EXHIBIT 3

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6 of the National School Lunch Act (42 U.S.C. 1755) is amended to read as follows:

"FEDERAL EXPENDITURES

"SEC. 6. (a) The funds provided by appropriation or transfer from other accounts for any fiscal year for carrying out the provisions of this Act, and for carrying out the provisions of the Child Nutrition Act of 1966, other than section 3 thereof, less—

"(1) not to exceed 3½ percent thereof which percent is hereby made available to the Secretary for his administrative expenses under this Act and under the Child Nutrition Act of 1966;

"(2) the amount apportioned by him pursuant to sections 4 and 5 of this Act and the amount appropriated pursuant to sections 11 and 13 of this Act and sections 4, 5 and 7 of the Child Nutrition Act of 1966; and

"(3) not to exceed 1 percent of the funds provided for carrying out the programs under this Act and the programs under the Child Nutrition Act of 1966, other than section 3, which percent is hereby made available to the Secretary to supplement the nutritional benefits of such programs through grants to States and other means for nutritional training and education for workers, cooperators, and participants in such programs, for pilot projects and studies required to be carried out under this Act, and for necessary surveys and studies of requirements for food service programs in furtherance of the purposes expressed in section 2 of this Act and section 2 of the Child Nutrition Act of 1966,

shall be available to the Secretary during such year to provide commodity letters of credit to the States and schools and service institutions participating in the food service programs under this Act and under the Child Nutrition Act of 1966, for the purpose of purchasing domestic agricultural commodities and other foods in accordance with the needs of such States, schools, and service institutions as determined by the local school and service institution authorities.

"(b) For purposes of carrying out subsection (a), the Secretary shall issue commodity letters of credit each fiscal year to each State participating in the food service programs under this Act or the Child Nutrition Act of 1966 for the purchase of domestic agricultural commodities and other foods for use in carrying out these programs. The Secretary shall implement the commodity letters of credit no later than the school year beginning September 1981. The Secretary shall specify the types of agricultural commodities and other foods that shall be purchased with commodity letters of credit issued under this section, and in so doing, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates (which may include domestic seafood commodities and their products).

"(c) For the fiscal year ending September 30, 1981, and subsequent fiscal years, the national average value of commodity letters of credit issued for the purchase of domestic agricultural commodities and other foods shall not be less than 10 cents per lunch and that amount shall be adjusted on an annual basis each school year after June 30, 1975, to reflect changes in the Price Index for Food Used in Schools and Institutions. The Index shall be computed using five major food components in the Bureau of Labor Statistics' Producer Price Index (cereal and bakery products, meats, poultry and fish, dairy products, processed fruits and vegetables, and fats and oils). Each component shall be weighted using the same relative weight as determined by the Bureau of Labor Statistics. The value of food assistance for each lunch shall be adjusted each July 1 by the annual percentage change in a three-month simple average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year. Such adjustment shall be computed to the nearest one-fourth cent.

"(d) The Secretary shall, in a timely manner, apportion the commodity letters of credit among the States on the basis of the number of lunches served in each State in the latest preceding school year for which the Secretary determines data are available at the time such funds are apportioned bears to the total number of such lunches served in all States in such preceding school year. If any State cannot utilize all of the funds apportioned to it under the provisions of this section, the Secretary shall, in a timely manner, make further apportionments to the remaining States in the manner set forth in this section for apportioning funds among all the States.

"(e) The States shall, in a timely manner, allocate the value of the commodity letters of credit apportioned to them to the schools on the basis of the number of lunches served in each school in the latest preceding school year for which the State determines data are available at the time of such apportionment.

"(f) Not later than July 1 and January 1, the Secretary shall forward to each State an advance program payment that shall be available to the States for the payment of purchases by the schools, under commodity letters of credit issued by the Secretary, of domestic agricultural commodities and other foods as prescribed by the Secretary and limited to the requirements for lunches and breakfasts for children as provided in regulations issued by the Secretary.

"(g) The Secretary shall establish standards for the proper, efficient, effective, and timely administration of the commodity letters of credit, including the provision for prompt payment of all valid claims submitted against such commodity letters of credit, and the proper withholding of funds for claims judged to be invalid by the State.

"(h) Notwithstanding any other provision of this section, not less than 75 per centum of the food assistance provided under subsection (c) of this section shall be in the form of commodity letters of credit for the school lunch program.

"(i) Any school participating in food service programs under this Act may refuse to accept not more than 20 percent of the total value of commodity letters of credit for the purchase of agricultural commodities and other foods tendered to it in any school year; and if a school so refuses, that school may receive in lieu of the refused commodity letters of credit, other commodity letters of credit to the extent they are available to the State during that year. The provisions of law contained in the proviso of the Act of June 28, 1937 (50 Stat. 323), facilitating operations with respect to the purchase and disposition of surplus agricultural commodities under section 32 of the Act approved August 24, 1935 (49 Stat. 774), as amended, shall, to the extent not inconsistent with the provisions of this Act, also be applicable to expenditures of funds by the Secretary under this Act. In commodity letters of credit for the purchases of such agricultural commodities and other foods, the Secretary shall not issue specifications which restrict participation of local producers unless such specifications will result in significant advantages to the food service programs authorized by this Act and the Child Nutrition Act of 1966.

"(j) Not later than May 15 of each school year, the Secretary shall make an estimate of the value of commodity letters of credit for the purchase of domestic agricultural commodities and other foods that will be provided during that school year to States for the school lunch program. If such estimated value is less than the total level of assistance authorized under subsection (c) of this section, the Secretary shall pay to each State educational agency, not later than June 15 of that school year, an amount of funds that is equal to the difference between the value of commodity letters of credit as then programmed for such State and the total level of assistance authorized under subsection (c) of this section. In any State in which the Secretary directly administers the school lunch program in any of the schools of the State, the Secretary shall withhold from the funds to be paid to such State under the provisions of this subsection an amount that bears the same ratio to the total amount of such payment as the number of lunches served in schools in which the school lunch program is directly administered by the Secretary during that school year bears to the total of such lunches served under the school lunch program in all the schools in such State in such school year. Each State educational agency, and the Secretary in the case of private schools in which the Secretary directly administers the school lunch program, shall promptly and equitably disburse funds to schools participating in the school lunch program, and such disbursements shall be used by such schools to purchase United States agricultural commodities and other foods for their food service program. Such foods shall be limited to the requirements for lunches and breakfasts for children as provided for in regulations issued by the Secretary.

"(k) Notwithstanding any other provision of law, the Secretary, until such time as a supplemental appropriation may provide additional funds for the purpose of subsection (j) of this section, shall use funds appropriated by section 32 of the Act of August 24, 1935 (49 Stat. 750, 7 U.S.C. 612c) to make any payments to States authorized under such subsection. Any section 32 funds utilized to make such payments shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out subsection (j) of this section, and such reimbursement shall be deposited into the fund established pursuant to section 32 of the Act of August 25, 1935, to be available for the purpose of such section 32.

"(l) Any funds made available under subsection (j) or (k) of this section shall not be subject to the State matching provisions of section 7 of this Act."

(b) Section 9 (c) of the National School Lunch Act (42 U.S.C. 1758 (C)) is amended to read as follows:

"(c) School lunch programs under this Act shall be operated on a nonprofit basis. Each school shall, insofar as practicable, utilize in its lunch programs agricultural commodities designated from time to time by the Secretary as being in abundance, either nationally or in the school area. The Secretary may issue commodity letters of credit pursuant to the authority of section 32 of the Act of August 24, 1935, (49 Stat. 774), as amended, to schools in accordance with the needs as determined by local school authorities, for utilization in the school lunch programs under this Act, as well as other schools carrying out nonprofit school lunch programs and institutions authorized to receive such commodity letters of credit. The Secretary is authorized to prescribe terms and conditions respecting the use of commodity letters of credit issued pursuant to section 32, pursuant to section 416 of the Agricultural Act of 1949, as amended, and pursuant to section 709 of the Food and Agriculture Act of 1965, as amended, as will maximize the nutritional and financial contributions of such commodity letters of credit in such schools and institutions. The requirements of this section relating to the service of meals without cost or at a reduced cost shall apply to the lunch program of any school utilizing commodity letters of credit issued pursuant to any of the provisions of law referred to in the preceding sentence. None of the requirements of this section in respect to the amount for 'reduced cost' meals and to eligibility for meals without cost shall apply to schools (as defined in section 12 (d) (6)) of this Act which are private and nonprofit as defined in the last sentence of section 12(d)(6) of this Act) which participate in the school lunch program under this Act until such time as the State educational agency, or in the case of such schools which participate under the provisions of section 10 of this Act the Secretary certifies that sufficient funds from sources other than children's payments are available to enable such schools to meet these reqiurements."

(c) The first sentence of section 11 (e) (1) of the National School Lunch Act (42 U.S.C. 1759a(e)(1)) is amended by striking out "or any commodities donated by the Secretary" and inserting in lieu thereof "or commodity letters of credit issued by the Secretary."

(d) Subsection (h) of section 13 of the National School Lunch Act (42 U.S.C. 1761h) is amended to read as follows:

"(h) Each service institution shall insofar as practicable use in its food service under the program foods designated from time to time by the Secretary as being in abundance. The Secretary is authorized to issue to States, for distribution to service institutions, commodity letters of credit for the purchase of domestic agricultural commodities and other foods as prescribed by the Secretary. Commodity letters of credit may be distributed only to service institutions that can use them efficiently and effectively, as determined by the Secretary.

(e) Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended to read as follows:

"TYPES OF COMMODITIES TO BE PURCHASED

"SEC. 14. (a)(1) Notwithstanding any other provision of law, the Secretary, during the period beginning October 1, 1980, and ending September 30, 1982, shall use funds available to carry out the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), which are not expended or needed to carry out such provisions, to issue commodity letters of credit to States participating in the program to purchase (without regard to the provisions of existing law governing the expenditure of public funds) domestic agricultural commodities and other foods of the types which had been customarily purchased under such section (which may include domestic seafood commodities and their products) necessary to maintain the annually programmed level of assistance for programs carried out under this Act, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965.

"(2) Not withstanding any other provision of law, the Secretary, during the period beginning October 1, 1980, and ending September 30, 1982, shall also use funds of the Commodity Credit Corporation to issue commodity letters of credit to States participating in the program to purchase agricultural commodities and products thereof of the types customarily made available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) to carry out this Act, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965.

"(b) Among the products to be included in the commodity letters of credit issued by the Secretary shall be cereal and shortening and oil products.

"(c) The Secretary may use funds appropriated from the general fund of the Treasury to issue commodity letters of credit to purchase domestic agricultural commodities and their products of the types which had been customarily purchased for donation under section 707(a)(4) of the Older Americans Act of 1965 (45 U.S.C. 3045f(a)(4)) or for cash payments in lieu of such donations under section 707(d)(1) of such act (42 U.S.C. 3045f(d)(1)). There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this subsection.

"(d) In providing assistance under this Act and the Child Nutrition Act of 1966 for school lunch and breakfast programs, the Secretary shall establish procedures which will—

"(1) insure that the views of local school districts and private nonprofit schools with respect to the type of agricultural commodities and other food products needed in participating in the program to purchase (without regard to the provisions of existing law governing the expenditure of public funds) domestic agricultural commodtities and other foods of the types which had been customarily purchased under such section (which may include domestic seafood commodities and their products) necessary to maintain the annually programmed level of assistance for programs carried out under this Act, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965.

"(2) Notwithstanding any other provision of law, the Secretary, during the period beginning October 1, 1980, and ending September 30, 1982, shall also use funds of the Commodity Credit Corporation to issue commodity letters of credit to States participating in the program to purchase agricultural commodities and products thereof of the types customarily made available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) to carry out this Act, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965.

"(b) Among the products to be included in the commodity letters of credit issued by the Secretary shall be cereal and shortening and oil products.

"(c) The Secretary may use funds appropriated from the general fund of the Treasury to issue commodity letters of credit to purchase domestic agricultural commodities and their products of the types which had been customarily purchased for donation under section 707(a)(4) of the Older Americans Act of 1965 (45 U.S.C. 3045(a)(4)) or for cash payments in lieu of such donations under section 707(d)(1) of such act (42 U.S.C. 3045f(d)(1)). There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this subsection.

"(d) In providing assistance under this Act and the Child Nutrition Act of 1966 for school lunch and breakfast programs, the Secretary shall establish procedures which will—

"(1) insure that the views of local school districts and private nonprofit schools with respect to the type of agricultural commodities and other food products needed in schools are fully and accurately reflected in reports to the Secretary by the State with respect to State commodity preferences and that such views are considered by the Secretary in the allocation of commodity letters of credit for the purchase of domestic agricultural commodities for use in food service programs;

"(2) solicit the views of States with respect to the acceptability of domestic agricultural commodities and other foods designated by such commodity letters of credit;

"(3) insure that the timing of the issuance of commodity letters of credit to States is consistent with State school year calendars, as well as seasonal commodity harvests and marketing periods, and that such commodity letters of credit are issued with sufficient advance notice and that such commodity letters of credit operate to have maximum impact in reducing surpluses of agricultural commodities and in effectively removing from the market price-support commodities;

"(4) provide for systematic review of the costs and benefits of providing commodity letters of credit for the purchase of agricultural commodities and their products of the kind, quality, and quantity that are suitable to the needs of local school districts and private nonprofit schools; and

"(5) make available technical assistance on the use of commodity letters of credit by the schools to improve procurement practices to insure that program standards of safety, quality and nutrition are achieved. Technical assistance shall also be directed toward the achievement of maximum reductions in transportation, storage, handling and labor costs through the use of commodity letters of credit. Additionally, the Secretary may provide to the States from any funds carried over from the previous fiscal year under section 32 of the Act approved August 24, 1935 (49 Stat. 774) an amount not to exceed .25 cent per eligible meal served under this Act and the Child Nutrition Act of 1966 to provide schools with technical assistance to improve food procurement practices and procedures.

The Secretary shall establish procedures to insure that contracts for the purchase of agricultural commodities and other foods shall not be entered into unless the previous history of the contracting party with respect to compliance with applicable meat inspection laws and with other appropriate standards relating to the wholesomeness of food for human consumption is taken into account.

"(e) Each State educational agency that receives commodity letters of credit under this Act for any school year shall establish for such year an advisory council, which shall be composed of representatives of schools in the State that participate in the school lunch program. The council shall advise such State agency with respect to the needs of such schools relating to the purchase of domestic agricultural commodities under commodity letters of credit."

(f) Section 16 of the National School Lunch Act (44 U.S.C. 1765) is amended to read as follows:

"(a) Notwithstanding any other provision of the law, where a State phased out its commodity distribution facilities prior to June 30, 1974, such State may, for purposes of the programs authorized by this Act and the Child Nutrition Act of 1966, elect to receive cash payments in lieu of commodity letters of credit. Where such an election is made, the Secretary shall make cash payments to such State in an amount equivalent in value to the commodity letters of credit that the State would otherwise have received. The amount of cash payments in the case of lunches shall be governed by section 6 (c) of this Act.

"(b) When such payments are made, the State educational agency shall promptly and equitably disburse any case it receives in lieu of commodity letters of credit to eligible schools and institutions, and such disbursement shall be used by such schools and institutions to purchase United States agricultural commodities and other foods for their food service programs."

(g) Subsection (g)(4) of section 17 of the National School Lunch Act (42 U.S.C. 1766 (g)(4)) is amended to read as follows:

"(4) Each institution shall, insofar as practicable, use in its food service foods designated from time to time by the Secretary as being in abundance, either nationally or in the food service area."

(h) Subsection (h) of section 17 of the National School Lunch Act (42 U.S.C. 1766h) is amended to read as follows:

"(h) The Secretary shall issue commodity letters of credit for agricultural commodities produced in the United States for use in institutions participating in the child care food program under this section. The value of such commodity letters of credit (or cash in lieu of commodity letters of credit) issued to each State for each school year shall be, at a minimum, the amount obtained by multiplying the number of lunches and suppers served in participating institutions in that State during that school year by the rate for commodity letters of credit or cash in lieu thereof established for that school year under section 6(c) of this Act. Any State receiving assistance under this section for institutions participating in the child care food program may, upon application to the Secretary, receive cash in lieu of some or all of the commodity letters of credit to which it would otherwise be entitled under this subsection. In determining whether to request cash in lieu of commodity letters of credit, the State shall base its decision on the preferences of individual participating institutions within the State, unless this proves impracticable due to the small number of institutions preferring commodity letters of credit."

(i) Subsection 22(a) of the National School Lunch Act is amended to read as follows:

"(a) For the purpose of obtaining Federal payments and commodity letters of credit in conjunction with the provision of lunches to students attending Department of Defense dependents' schools which are located outside the United States, its territories or possessions, the Secretary of Agriculture shall make available to the Department of Defense, from funds appropriated for such purpose. the same payments and commodity letters of credit as are provided to States for schools participating in the National School Lunch Program in the United States."

Sec. 2 (a). Section 8 of the Child Nutrition Act of 1966 (42 U.S.C. 1777) is amended by striking out section 8 and inserting in lieu thereof the following:

"UTILIZATION OF FOODS

"SEC. 8. Each school participating under section 4 of this Act shall, insofar as practicable, utilize in its program foods designated from time to time by the Secretary as being in abundance, either nationally or in the school area. Funds made available in the form of commodity letters of credit under section 416 of the Agricultural Act of 1949 (63 Stat. 1058, 7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (49 Stat. 750, 7 U.S.C. 612c), and section 709 of the Food and Agriculture Act of 1965 (79 Stat. 1212, 7 U.S.C. 1446a–1), may be used, as provided in the National School Lunch Act, by participating States for the purchase of domestic agricultural commodities or other foods to be utilized in feeding programs under this Act."

(b) Subsection (a) of Section 20 of the Child Nutrition Act of 1966 is amended to read as follows:

"(a) For the purpose of obtaining Federal payments and commodity letters of credit in conjunction with the provision of breakfasts to students attending Department of Defense dependents' schools which are located outside the United States, its territories or possessions, the Secretary of Agriculture shall make available to the Department of Defense, from funds appropriated for such purpose, the same payments and commodity letters of credit as are provided to States for schools participating in the school breakfast program in the United States."

Sec. 3. (a) The first sentence of section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by striking out in clause (3) thereof "in nonprofit school lunch programs, in nonprofit summer camps for children," and "and in charitable institutions, including hospitals, to the extent that needy persons are served."

(b) The last sentence of section 416 of the Agricultural Act of 1949 is amended by striking out "nonprofit school lunch and other nonprofit child feeding programs," and "and in charitable institutions, including hospitals, to the extent that needy persons are served,".

(c) Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding the following sentence at the end thereof: "In carrying out this section, the Secretary may use funds of the Commodity Credit Corporation for the purpose of issuing commodity letters of credit to States for the purchase of agricultural commodities and other foods for use in the child feeding programs under the National School Lunch Act and the Child Nutrition Act of 1966, and in other nonprofit child feeding programs, including nonprofit summer camps for children, and in charitable institutions, including hospitals, to the extent that needy persons are served."

Sec. 4. Section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1) is amended to read as follows:

"Sec. 709. The Secretary of Agriculture is hereby authorized to use funds of the Commodity Credit Corporation to provide commodity letters of credit to States for the purchase of dairy products for use in the school lunch program and other programs carried out under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) and to provide commodity letters of credit for the purchase of dairy products (other than fluid milk in the case of schools) at market prices to meet the requirements of any child feeding program (other than programs carried out under the National School Lunch Act and the Child Nutrition Act of 1966), and such other programs as are authorized by law, and to purchase sufficient supplies of dairy products at market prices to meet the requirements of domestic relief distribution, community action, and such other programs as are authorized by law, when the Commodity Credit Corporation has insufficient stocks of dairy products available for such purposes."

Sec. 5. (a) Whoever, in connection with any application, procurement, record-keeping entry, claim for reimbursement, or other document or statement made in connection with commodity letters of credit knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious, or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, or whoever, in connection with commodity letters of credit knowingly makes an opportunity for any person to defraud the United States, or does or omits to do any act with intent to enable any person to defraud the United States, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

(b) Whoever being a partner, officer, director, or managing agent connected in any capacity with any partnership, association, corporation, business, or organization, either public or private, that receives benefits under the program, knowingly or willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any benefits provided by commodity letters of credit, or any money, funds, assets, or property derived from benefits provided by commodity letters of credit, shall be fined not more than $10,000 or imprisoned for not more than five years, or both (but if the benefits, money, funds, assets, or property involved is not over $200, then the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both).

(c) If two or more persons conspire or collude to accomplish any act made unlawful under this subsection, and one or more of such persons do any act to effect the object of the conspiracy or collusion, each shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

Sec. 6. (a) The Proviso of the Act of June 28, 1937 (50 Stat. 323), "Commodities for Summer Camps", is amended to read as follows:

"*Provided,* That such transferred funds, together with other funds of the Corporation, may be used for purchasing, exchanging, processing, distributing, disposing, transporting, storing, and handling of agricultural commodities and products thereof and inspection costs, commissions, and other incidental costs and expenses, without regard to the provisions of existing law governing the expenditure of public funds, and for the issuance of commodity letters of credit for the purchase of domestic agricultural commodities and other foods to States, schools and service institutions, as provided in the National School Lunch Act, the Child Nutrition Act of 1966, and other provisions of law, and to nonprofit summer camps for children, and for administrative expenses, including rent, printing and binding, and the employment of persons and means, in the District of Columbia and elsewhere, such employment of persons to be in accordance with the provisions of law applicable to the employment of persons by the Agricultural Adjustment Administration."

(b) The final sentence of the Act of June 28, 1937 (50 Stat. 323), "Commodities for Summer Camps", is amended by deleting at the end thereof the words "and for use in nonprofit summer camps for children".

Sec. 7. (a) Subsection (a) of section 4 of the Agriculture and Consumer Protection Act of 1973 (87 Stat. 249) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the Secretary may, during fiscal years 1978, 1979, 1980, and 1981, purchase and distribute sufficient agricultural commodities with funds appropriated from the general fund of the Treasury to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to distribution to institutions, supplemental feeding programs wherever located, disaster areas, summer camps for children, the United States Trust Territory of the Pacific Islands, and Indians, wherever a tribal organization requests distribution of federally donated foods pursuant to section 4(b) of the Food Stamp Act of 1977. However, during fiscal year 1981 the Secretary shall convert from the purchase and distribution of agricultural commodities to the issuance of commodity letters of credit for the purchase of domestic agricultural commodities and other foods to States, schools, and institutions as provided in the National School Lunch Act, the Child Nutrition Act of 1966, and other provisions of law, and to summer camps for children. In providing for commodity distribution to Indians, the Secretary shall improve the variety and quantity of commodities supplied to Indians in order to provide them an opportunity to obtain a more nutritious diet."

(b) Subsection (b) of section 4 of the Agriculture and Consumer Protection Act of 1973 (87 Stat. 249) is amended to read as follows:

"(b) The Secretary may furnish commodities, and in fiscal year 1981 commodity letters of credit for the purchase of domestic agricultural commodities and other foods, to summer camps for children in which the number of adults participating in camp activities as compared with the number of children under 18 years of age so participating is not unreasonable in light of the nature of such camp and the characteristics of the children in attendance."

Sec. 8. (a) Subsection (a) of section 311 of the Comprehensive Older Americans Act (P.L. 95–478) is amended to read as follows:

"(a) (1) Commodity letters of credit issued by the Secretary of Agriculture for the purchase of domestic agricultural commodities and other foods under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be provided to a recipient of a grant or contract to be used for providing nutrition services in accordance with the provisions of this title.

"(2) Commodity letters of credit issued by the Secretary of Agriculture for the purchase of domestic agricultural commodities and other foods under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) shall be provided to a recipient of a grant or contract to be used for providing nutrition services in acccordance with the provisions of this title.

"(3) Commodity letters of credit issued by the Secretary of Agriculture for the purchase of dairy products under section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1) shall be used to meet the requirements of programs providing nutrition services in accordance with the provisions of this title.

"(4) In providing commodity letters of credit under this subsection, the Secretary of Agriculture shall maintain an annually programmed level of assistance of not less than 15 cents per meal during fiscal year 1976, 25 cents per meal during fiscal yaer 1977 and fiscal year 1978, and 30 cents per meal during the three succeeding fiscal years. The amount in this paragraph shall be adjusted on an annual basis for each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the domestic agricultural commodities and other foods to be purchased under commodity letters of credit under this subsection, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates. The Secretary of Agriculture, in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the provision of commodity letters of credit under this subsection. The Secretary, in consultation with the commissioner, shall implement the commodity letters of credit not later than October 1, 1981."

(b) Subsection (c) of section 311 of the Comprehensive Older Americans Act of 1978 (P.L. 95–478) is amended to read as follows:

"(c) (1) Notwithstanding any other provision of law, a State may, for purposes of the programs authorized by this Act, elect to receive cash payments in lieu of commodity letters of credit for all or any portion of its project. In any case in which a State makes such an election, the Secretary of Agriculture shall make cash payments to such State in an amount equivalent in value to the commodity letters of credit which the State otherwise would have received.

"(2) When such payments are made, the State agency shall promptly and equitably disburse any cash it receives in lieu of commodity letters of credit to recipients of grants or contracts. Such disbursements shall only be used by such recipients of grants or contracts to purchase United States agricultural commodities and other foods for their nutrition projects.

"(3) Nothing in this subsection shall be construed to authorize the Secretary of Agriculture to require any State to elect to receive cash payments under this subsection."

SEC. (9). This bill shall become effective as of July 1, 1981.●

By Mr. RIBICOFF (by request):

S. 2390. A bill to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members, and for other purposes; to the Committee on Governmental Affairs.

● Mr. RIBICOFF. Mr. President, at the request of the Director of the Office of Personnel Management, I am introducing legislation to amend the Federal Employees' Group Life Insurance (FEGLI) law, title 5, United States Code, chapter 87.

The Director advises that the proposed legislation will redesign the FEGLI benefit structure to first, authorize two new employee-pay-all options providing additional life insurance on employees, expressed in multiples of salary, and flat amounts of life insurance on family members; second, modify the schedule of regular FEGLI benefits to afford greater protection to young employees; and third, require that insured employees who after December 31, 1988 become eligible to continue insurance as a recipient of compensation for work injuries under subchapter I of 5 U.S.C., chapter 81 or after retiring on immediate annuity, continue paying premiums for unreduced FEGLI coverage until age 65.

The Director advises further that enactment of this proposed legislation would meet well-deserved criticisms of the present program, improve the attractiveness of the program to employees and future annuitants, and correct present inequities with only a minimal increase in total Government outlays in the years immediately following enactment, which are expected to be offset in the long run.

I ask unanimous consent that the text of the bill, a sectional analysis and the accompanying letter of explanation be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8704 of chapter 87 of title 5, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) The basic insurance benefit shall be an amount equal to the lowest multiple of $1,000 which is not less than the employee's annual rate of basic pay as prescribed by law, plus $2,000, but in no event may such amount be less than $10,000 nor more than the annual rate of pay applicable to positions at level II of the Executive Schedule under section 5313 of this title rounded to the next higher $1,000 plus $2,000."

(2) by redesignating subsections (b), (c), and (d) of section 8704 as subsections (c), (d), and (e), respectively, and inserting the following new subsection "(b)":

"(b) An employee eligible for regular insurance is entitled to be insured for—

(1) group life insurance in an amount equal to the product resulting when the basic insurance benefit, defined in subsection (a), is multiplied by the factor assigned to the employee's age under the following schedule:

Age	Life insurance payable
35 and under	$2.0 times basic benefit
36	1.9 times basic benefit
37	1.8 times basic benefit
38	1.7 times basic benefit
39	1.6 times basic benefit
40	1.5 times basic benefit
41	1.4 times basic benefit
42	1.3 times basic benefit
43	1.2 times basic benefit
44	1.1 times basic benefit
45 and over	1.0 times basic benefit

and

(2) group accidental death and dismemberment insurance in an amount equal to the basic insurance benefit defined by subsection (a)."

(3) by amending the last sentence of redesignated section 8704(c) to read as follows:

"For any one accident, the aggregate amount of group accidental death and dismemberment insurance that may be paid may not exceed an amount equal to the basic insurance benefit consistent with the employee's annual rate of basic pay."

(4) by amending newly designated section 8704(d) to read as follows:

"(d) The Office of Personnel Management shall prescribe regulations providing for the conversion of other than annual rates of pay to annual rates of pay and shall specify the types of pay included in annual pay. For the purposes of this chapter, 'annual pay' includes:

"(1) premium pay under section 5545(c)(1) of this title; and

"(2) with respect to a law enforcement officer as defined in section 8331(20) of this title, premium pay under section 5545(c)(2) of this title."

SEC. 2. Section 8706(b) of title 5, United States Code, is amended by deleting the phrase "without cost to the employee" in paragraphs (1) and (2).

SEC. 3. Section 8707 of title 5, United States Code is amended to read as follows:

"§ 8707. Employee deductions; withholding.

"(a) During each period in which an employee is insured under a policy purchased by the Office of Personnel Management under section 8709 of this title, there shall be withheld from the employee's pay his share of the cost of the group life insurance and accidental death and dismemberment insurance. Whenever life insurance continues after an employee retires or while he is receiving compensation for work injuries, as provided under section 8706(b) of this title, employee deductions for insurance shall be withheld from annuity or compensation until the end of the calendar month in which the employee becomes 65 years of age, except that insurance shall be continued without cost to employees who retire on immediate annuity or become eligible to continue insurance as a recipient of workers' compensation on or before December 31, 1988. The amount withheld from the pay, annuity, or compensation of each employee subject to insurance deductions shall be at the rate, adjusted to the nearest half-cent, of 66⅔ percent of the level cost as determined by the Office of Personnel Management for each $1,000 of the basic insurance benefit consistent with the current or final annual rate of basic pay as an employee.

"(b) Where an agency fails to withhold the proper amount of life insurance deductions from an individual's salary, compensation, or retirement annuity the collection of such unpaid deductions may be waived by the agency when, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, where the agency so waives the collection of unpaid deductions, the agency must nevertheless submit the full amount of both the uncollected deductions and related agency contributions required under section 8708 of this title to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund."

SEC. 4. Section 8709 of title 5, United States Code is amended by adding a new subsection "(d)" as follows:

"(d) The provisions of any contract made pursuant to this chapter which relate to the nature or extent of coverage of benefits, (including payments with respect to benefits) shall supersede and preempt any state or local law, or any regulation issued thereunder, which relates to group life insurance to the extent that such law or regulation is inconsistent with the contractual provisions."

SEC. 5. Section 8714a of title 5, United States Code is redesignated "§ 8714a. Standard Optional Insurance" and is amended—

(1) by inserting the word "standard" before the word "optional insurance" wherever they appear;

(2) by redesignating subsections (e) and (f) of section 8714a as subsections (f) and (g), respectively; and

(3) by inserting the following new subsection (e) as follows: "(e) Where an agency fails to withhold the proper cost of standard optional insurance from an individual's salary, compensation or retirement annuity, the collection of amounts properly due may be waived by the agency when, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, where the agency so waives the collection of any unpaid amount, the agency must nevertheless submit the full amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund."

SEC. 6. Chapter 87 of title 5, United States Code, is further amended by adding after section 8714a the following two new sections:

"8714b. Modified optional insurance

"(a) Under the conditions, directives, and terms specified in sections 8709–8712 of this title, the Office of Personnel Management, without regard to section 5 of title 41, may purchase a policy which will make available to each employee insured for regular insurance additional amounts of optional life insurance only (without corresponding amounts of accidental death and dismemberment insurance) in addition to, or in lieu of, the standard optional insurance available under section 8714a of this title.

"(b) The modified optional insurance provided for by this section shall be made available to each insured employee, under such conditions as the Office of Personnel Management shall prescribe, in multiples of one, two, three, four, or five times the lowest multiple of $1,000 which is not less than the employee's annual rate of basic pay, at the employee's election, up to a maximum amount equal to five times the annual rate of basic pay for positions at level II of the Executive Schedule under section 5313 of this title rounded to the next higher $1,000. An employee may reduce or terminate coverage elected pursuant to this section at any time.

"(c) The modified optional insurance elected by an employee pursuant to this section shall stop on his separation from service, 12 months after discontinuance of his pay, or on entry on active duty or active duty for training, subject to a provision for a 31-day temporary extension of insurance coverage and for conversion to an individual policy as provided in sections 8706(a) and 8706(d) of this title. However, if on the date that insurance would otherwise terminate, the employee retires on an immediate annuity or is receiving compensation for work injuries under subchapter I of chapter 81 of this title, so much of the modified optional insurance as has been in force for not less than—

(1) 5 years immediately preceding such date, or

(2) the full period or periods during which such insurance was available to him, if less than 5 years,

may be continued under conditions determined by the Office of Personnel Management after retirement or while the employee is receiving compensation under subchapter I of Chapter 81 of this title because of disease or injury to himself and is held by the Department of Labor to be unable to return to duty. The amount of insurance continued under this subsection shall be reduced by 2 percent per month effective at the beginning of the second calendar month after the date the employee becomes 65 years of age and is retired or is in receipt of compensation for work injury. Such reduction shall continue for 50 months at which point the insurance terminates.

"(e) Where an agency fails to withhold the proper cost of modified optional insurance from an individual's salary, or compensation retirement annuity, the collection of amounts properly due may be waived by the agency when, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, where the agency so waives the collection of any unpaid amounts, the agency must nevertheless submit the full amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund."

"(f) The cost of the modified optional insurance shall be determined from time to time by the Office of Personnel Management on the basis of the employee's age relative to such age groups as the Office of Personnel Management establishes under section 8714a(e) of this title.

"(g) The amount of modified optional insurance in force on an employee at the date of his death shall be paid as provided in section 8705 of this title.

"8714c. Optional life insurance on family members.

"(a) Under the conditions, directives, and terms specified in sections 8709–8712 of this title, the Office of Personnel Management, without regard to section 5 of title 41, may purchase a policy making available to each employee insured for regular insurance optional life insurance (without accidental death and dismemberment insurance) on family members.

"(b) The optional life insurance on family members shall be made available to each insured employee under such conditions as the Office of Personnel Management shall prescribe and in the amount of $5,000 for a spouse and $2,500 for each child.

"(c) Optional life insurance on family members shall terminate upon the employee's separation from the service, completion of 12 months in a non-pay status, entry on active duty or active for training, or death, subject to a provision for a 31-day temporary extension of insurance coverage and for conversion to individual policies by the employee or his surviving family members. However, if on the date optional life insurance on family members would otherwise stop under this subsection, the employee retires on an immediate annuity or is receiving compensation under subchapter I of chapter 81 of this title because of disease or injury to himself and has had in force insurance under this section for no less than—

(1) 5 years immediately preceding such date, or

(2) the full period or periods of service during which such insurance was available to him, if less than 5 years,

optional family insurance may be continued under the same conditions as provided in section 8714b(c) of this title.

"(d) During each period in which the optional family insurance is in force, the full cost thereof shall be withheld from the employee's pay; when an employee is retired or receiving compensation for work injuries and is eligible to continue family optional insurance, the full cost of the insurance shall be withheld from annuity or compensation, except that at the end of the month in which such employee becomes 65 years of age the optional family insurance shall be without cost to him. Amounts withheld under this subsection shall be deposited, used and invested as provided in section 8714 of this title and shall be reported and accounted for together with amounts withheld under sections 8714a(d) and 8714b(d) of this title.

"(e) Where an agency fails to withhold the proper cost of optional life insurance on family members from an individual's salary, compensation, or retirement annuity, the collection of amounts properly due may be waived by the agency when, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, where the agency so waives the collection of any unpaid amounts, the agency must nevertheless submit the full amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund.

"(f) The cost of the optional family insurance shall be determined from time to time by the Office of Personnel Management on the basis of the employee's age relative to such age groups as the Office of Personnel Management establishes under section 8714(e) of this title.

"(g) The amount of optional life insurance in force on a family member of an employee or retired employee on the date of the death of the family member shall be paid, on the establishment of a valid claim to the employee or retired employee or, in the event of the death of the employee or retired employee before payment can be made, to the person or persons entitled to the group life insurance in force on the employee or retired employee, under section 8705 of this title."

SEC. 7. Section 8701 is amended—

(1) by changing the catchline to read "Definitions"; and

(2) by adding the following new subsection:

"(c) For the purpose of this chapter, 'family member' means the spouse of an employee or annuitant and an unmarried dependent child (other than a stillborn child), including an adopted child, stepchild, or recognized natural child, under 22 years of age or such dependent unmarried child regardless of age, who is incapable of self-support because of a mental or physical disability which existed before age 22. For purposes of this subsection, a child shall be deemed dependent on the employee or annuitant unless, at the time of the child's death, the employee or annuitant was neither living with nor contributing to the support of such child and the child is not the legitimate child of the employee or annuitant."

SEC. 8. Section 8713 of title 5, United States Code is repealed.

SEC. 9. (a) Unless otherwise specified, the amendments made by sections 1 through 5, and 8 of this Act shall take effect on the first day of the first pay period which begins on or after the sixtieth day following the date of enactment and shall have no effect in the case of an employee who died, was separated, or retired prior to the date of enactment. In the case of an employee who dies or retires during the period beginning on the date of enactment of this Act and prior to the effective date of the amendments made by sections 1–5 of this Act, the amount of insurance shall be determined as if the amendments made by section 1 were in effect for such employee during such period.

(b) The amendments made by sections 6 and 7 of this Act shall take effect on the first day of the first pay period which begins on or after the one hundred and eightieth day following the date of enactment or on any earlier date that the Office of Personnel Management may prescribe which is at least sixty days after the date of enactment and shall have no effect in the case of an employee who died, was finally separated, or retired prior to such effective date.

SEC. 10. The Employees Optional Life Insurance Fund is available without limitations for expenses incurred by the Office of Personnel Management in carrying out sections 6 and 9 of this Act.

SECTIONAL ANALYSIS OF PROPOSED FEGLI AMENDMENTS

The proposed bill will amend the Federal Employees' Group Life Insurance Program authorized under chapter 87 of title 5, United States Code to:

(1) modify the existing schedule of regular FEGLI benefits to afford greater protection to young employees;

(2) require that employees who become eligible after December 31, 1988 to continue regular FEGLI while retired or receiving compensation for work injuries pay premiums until age 65; and

(3) authorize agencies to waive collection of retroactive deductions for regular or optional life insurance when the proper amounts have not been deducted from salary or retirement benefits through no fault of the insured individual.

(4) authorize two new employee-pay-all options offering additional life-insurance on employees, expressed in multiples of salary and flat amounts of life insurance on immediate family members.

Section 1 redesignates the existing regular FEGLI life insurance amount as the "basic insurance benefit" and provides additional, age adjusted life insurance coverage under the regular FEGLI program to employees age 44 and under, with no increase in cost over the present FEGLI regular premium. Regular group life insurance coverage for all insured employees presently consists of life insurance in an amount equal to the employee's annual salary, rounded to the higher $1,000, plus $2,000 (subject to a minimum of $10,000 and a maximum of $60,000) plus an equal amount of accidental death and dismemberment insurance. For employees age 35 and under, the regular life insurance benefit will be changed to 2.0 times the present life insurance amount; for each year in excess of age 35, the factor 2.0 will be reduced by .1, until by age 45, and thereafter, the factor will be 1.0 and only the basic life insurance amount will be payable. Accidental death and dismemberment protection will continue to equal the basic insurance benefit for all employees.

Section 1 also provides that premium pay awarded to Federal law enforcement officers under 5 U.S.C. 5545(c)(2) shall be included as a part of annual pay for FEGLI purposes. Public Law 93–350, approved July 12, 1974, previously amended the Civil Service Retirement law to include such premium pay as a part of basic pay for annuity computation purposes.

Sections 2 and 3 propose to amend sections 8706(b) and 8707 of title 5 U.S.C., respectively, to require that employees who are under age 65 and retire or commence receiving workmen's compensation after December 31, 1988 continue to pay premiums until age 65 for the unreduced FEGLI regular coverage which is provided under the present law at no personal cost.

Requiring employees who retire before age 65 to pay for continuing unreduced coverage is common practice in the group insurance plans of many national employers. Employees who elect to continue optional FEGLI coverage while retired or receiving workers' compensation have since the inception of the optional program in 1968 been subject to premiums for unreduced coverage to age 65 With respect to recipients of workers' compensation, it should be noted that when FEGLI was extended to employees in receipt of compensation for work injury by Public Law 84–541 (70 Stat. 213) in 1956, the legislative intent was to accord these individuals the same consideration as disability retirees. However, since Federal employees are currently relying on the Government's promise of unreduced coverage until age 65 at no personal cost when they retire on immediate annuity or are receiving workmen's compensation under prescribed conditions, those who become entitled to annuity or compensation benefits in the next several years should not be subject to this change.

Section 3 of the bill also adds a new subsection 8707(b) to title 5, U.S.C. authorizing Federal agencies to waive retroactive collection of regular insurance deductions when the proper amounts have not been deducted from salary or retirement benefits through no fault of the insured individual. However, while the employee or annuitant may be excused from paying retroactive deductions, the erring agency would still be required to submit the amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund.

A recent court decision [*Shannon* v. *U.S.C.S.C.* 444 F. Supp. 354 (N.D. Ca., 1977)] required that the Office of Personnel Management provide certain due process rights to annuitants from whose recurring payments debts are collected, including an opportunity for reconsideration of the debt (with the possibility of waiver or compromise, if applicable under the statute under which the debt arose) before collection begins. Although the resultant permanent injunction was technically limited to overpayments of annunity, the judge ruled that the waiver provision in the Civil Service Retirement law (5 U.S.C. 8346(b)) applied to all payments made to individuals as annuity and that the reason for the overpayment is not relevant. However, in its administration of the Federal Employees' Group Life Insurance law, the Office of Personnel Management has consistently held that underdeduction of life insurance deductions results in a debt owed to the FEGLI trust fund and that the statue esablishing his program does no provide for waiver. In the interest of effective administration of the Shannon order and in the interest of equity for all FEGLI participants, section 3 proposes to insert specific waiver authorization in the FEGLI law.

Section 4 exempts the Federal Employees' Group Life Insurance Program from any state or local law or regulation pertaining to the nature or extent of group life insurance coverage or benefits to the extent that such law or regulation conflicts with the provisions of any contract made under the FEGLI law. A similar provision was inserted in the Federal Employees Health Benefits law by Public Law 95–368 approved September 17, 1978. The provision for preemption of state and local group life insurance law is deemed advisable to eliminate all possibility of a conflict between section 6 of this bill increasing levels of optional group life insurance available to employees and any provision of state law limiting the amount of insurance which may be provided under a group insurance contract to citizens of the state.

Section 5 redesignates the existing optional FEGLI program which has been in effect since February 1968 as the "Standard Optional Insurance" program thereby distinguishing it from the new optional coverages authorized by section 6. It also provides discretionary authority for Federal agencies to waive retroactive collection of optional insurance deductions corresponding to the authorization provided under section 3 with respect to regular FEGLI deductions.

Section 6 authorizes the Office of Personnel Management to purchase insurance policies making available two, new, employee-pay-all FEGLI options. Proposed section 8714b of title 5 offers all employees participating in regular FEGLI a "Modified Optional Insurance" plan under which they may purchase additional life insurance in multiples of one, two, three, four, or five times their salary, subject to a maximum limitation of five times the pay for positions at level II of the Executive Schedule under 5 U.S.C. 5313 (currently $57,500) rounded to the next higher $1,000. Employees who elect less than their maximum optional coverage will be permitted to increase their insurance whenever there is a change in marital status or a child is born or adopted into their immediate family.

Proposed section 8714c of title 5 added by Section 6 offers all employees participating in regular FEGLI a plan of optional insurance in flat amounts on certain family members. Benefits amount to $5,000 on the spouse of an employee (or annuitant) and $2,500 on each unmarried child from birth to age 22 or any such child regardless of age who is incapable of self-support because of mental or physical disability which existed before age 22. Employees who waive participation in the plan may enroll or re-enroll whenever there is a change in marital status or a child is born or adopted into their immediate family. The amount of optional insurance in force on the date of the death of a family member shall be paid, upon establishment of a valid claim, to the employee or former employee. In the event of an employee's death before payment can be made to him, benefits shall be paid to the person or persons entitled to the group life insurance in force on the employee or former employee.

There is no accidental death and dismemberment protection under either of the new optional plans. Premium rates for both plans shall be determined from time to time by the Office of Personnel Management and will be age-adjusted on the basis of the same age groups as those specified for Standard Optional Insurance. Modified Optional Insurance will be rated per $1,000; Optional Insurance on Family Members will be rated as a flat amount for all enrolled employees in a given age group regardless of the number of family members. There are also provisions authorizing agencies to waive retroactive collection of deductions when the proper amounts have not been withheld through agency error, as was explained above in the discussion of section 3.

Modified Optional Insurance and Optional Insurance on Family Members stops, subject to a 31-day temporary extension and the privilege of converting the insurance to individual policies, upon the employee's separation from service, completion of 12 months in a non-pay status, or entry on active military duty. In addition, surviving family members may convert all or any part of the optional family insurance to individual policies within 31 days of the insured employee's death. However, if on the date that an employee's coverage would otherwise terminate, the employee retires on immediate annuity or is receiving workmens' compensation under 5 U.S.C., chapter 81 and is held by the Department of Labor to be unable to return to duty, so much of the optional insurance as has been in effect for the immediately preceding 5 years, or from the employee's first opportunity to elect such coverage (if less than 5 years) may be continued, provided payment of premiums is continued until age 65. At the beginning of the second calendar month after the date on which the employee becomes 65 years of age and is retired or is receiving workmens' compensation, benefits under both optional plans begin reducing by two percent per month for 50 months until protection ends. No premiums are required while the optional insurance is subject to reduction. Employees and annuitants may reduce their Modified Optional Insurance or terminate coverage under either optional plan at any time.

Section 7 defines "family member" for FEGLI purposes to include the spouse of an employee or annuitant as well as any unmarried dependent child (other than a stillborn child), including an adopted child, stepchild, or recognized natural child, who is under 22 years of age or who, regardless of age, is incapable of self-support by virtue of mental or physical disability which existed before age 22. This section further provides that a child shall be deemed dependent on the employee or annuitant unless, at the time of the child's death, the employee or annuitant was neither living with nor contributing to the support of such child and the child is not the legitimate child of the employee or annuitant.

The above definition of "child" is broader than the current definitions under the Civil Service Retirement (CSR) law (5 U.S.C. 8341 (a)(3)) and the Federal Employees Health Benefits (FEHB) law (5 U.S.C. 8901(5)) which permit benefits and coverage only to those acknowledged illegitimate children who live with the Federal employee (or annuitant) in a regular parent-child relationship. However, recent court decisions have declared the "living with" requirement in the Civil Service Retirement law unconstitutional on the basis of Supreme Court decisions holding that statutes designed to pay benefits to dependent children may not deny benefits to some dependent children without allowing such children an opportunity to prove dependency. In the latest of the decisions (*Proctor* v. *United States*, Civ. No. 76–436, D.D.C., filed November 30, 1977) a three judge court enjoined the Civil Service Commission (now Office of Personnel Management) from applying the "living with" requirement in administering CSR benefits.

Amendments to the CSR and FEHB laws are currently under consideration to fully implement the judicial decisions and extend benefits and coverage to all dependent children. All unmarried children will be deemed dependent unless they are illegitimates not living with their parent. While not deemed dependent, acknowledged illegitimates not living with their parent may submit proof of dependency and thus qualify for benefits. Proof of dependency may be established by a showing of regular and substantial parental support. Because uniform definitions greatly facilitate adjudication of Federal employee benefits and dissemination of information to beneficiaries, the broader definition of "dependent child" is adopted for FEGLI purposes.

Section 8 proposes to abolish the Employee Advisory Committee on Federal Employees Group Life Insurance. Routine consultations with representatives of employee unions and agency directors of personnel have proven to be more effective vehicles of employee opinion in recent years and the last committee meeting of record was December 1971.

Section 9 establishes the effective dates of these amendments to 5 U.S.C., chapter 87. The changes prescribed by sections 1, 4, and 5, with respect to increased regular FEGLI coverage, agency authorization to waive unpaid regular and standard optional deductions under certain conditions, and preemption of state or local group life insurance laws, are effective for all employees as of the first pay-period beginning on or after the sixtieth day following enactment. These changes shall have no effect in the case of employees who die, separate, or retire prior to the date of enactment. In the case of employees who die or retire during the interim between enactment and the effective date, however, the amount of insurance shall be determined as if section 1 was in effect for such employee during the interim period.

As noted previously, sections 2 and 3 requiring deductions for regular FEGLI from insured individuals who are under age 65 and are retired or receiving workers' compensation applies only in cases of employees who retire or begin receiving workers' compensation after 1988.

The new optional insurance plans shall become effective on the first day of the first pay period that begins 180 days subsequent to enactment, or any earlier date that the Office of Personnel Management may prescribe which is at least 60 days after enactment and shall have no effect on employees who die, separate, or retire before the effective date.

Section 10 avails the existing Employees Optional Life Insurance Fund to meet expenses incurred by the Office of Personnel Management in establishing the two new optional plans.

OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C. March 13, 1979.
Hon. WALTER F. MONDALE,
President of the Senate.

DEAR MR. PRESIDENT: I submit for the consideration of Congress and recommend favorable action on, the attached draft bill to amend the Federal Employees' Group Life Insurance (FEGLI) law, title 5, United States Code, ch. 87.

The proposed bill is nearly identical to the proposal which our predecessor, the Civil Service Commission, submitted to the 95th Congress and which was introduced as H.R. 12924. Like the previous proposal, the attached draft bill will redesign the FEGLI benefit structure to (1) authorize two new, employee-pay-all options providing additional life insurance on employees, expressed in multiples of salary, and flat amounts of life insurance on family members; (2) modify the schedule of regular FEGLI benefits to afford greater protection to young employees and (3) require that insured employees who after December 31, 1988 become eligible to continue insurance as a recipient of compensation for work injuries under subchapter I of 5 U.S.C., chapter 81 or after retiring on immediate annuity, continue paying premiums for unreduced regular FEGLI coverage until age 65. The Office of Personnel Management also proposes to issue regulations pursuant to 5 U.S.C. 8706(b) and 8716(a) increasing post-retirement, lifetime benefits for employees who participate in the program for more than 25 years. H.R. 12924 also provided for a uniform 5-year participation requirement for post-retirement continuation of regular or optional insurance; this provision was enacted as part of Public Law 95-583, approved November 2, 1978.

The FEGLI Program has been criticized by employees, unions, Members of Congress, annuitants, the General Accounting Office, the Quandrennial Commission on Executive, Legislative and Judicial Salaries, the press and many others as no longer comparable to the group insurance plans of other national employers. Their criticisms relate to the sharing of the program's costs between the Government and employees, the premium rates, and the design of the benefit package itself. To a considerable degree, this criticism is justified.

The proposed changes are expected to improve the attractiveness of the Program to employees and future annuitants with no increase in the level cost of the regular insurance, and with a minimal increase in total Government outlays in the years immediately following enactment which will be offset in the long run.

CURRENT FEGLI PROGRAM

The FEGLI law was enacted in 1954, and there have been few major amendments. At this time, employees may purchase FEGLI regular and FEGLI optional protection. The amount of protection available through FEGLI regular is equal to the employee's salary rounded to the next higher $1,000, plus $2,000, with $10,000 as the minimum benefit payable. The FEGLI optional protection consists of $10,000 of additional protection. Both FEGLI regular and FEGLI optional pay double indemnity to employees for accidental death. Both provide dismemberment protection to employees.

In addition, FEGLI regular and optional programs offer post-retirement, lifetime benefits. Annuitants who retire on an immediate annuity on or after November 2, 1978, and have participated in the respective FEGLI program during the 5 years of service immediately preceding retirement, or during all periods in which insurance was available if less than 5 years, are eligible to continue their group insurance. Unreduced FEGLI regular coverage is provided from the date of retirement through age 65 at no charge to eligible annuitants; annuitants pay for continuing unreduced FEGLI optional protection until they reach age 65. After age 65 the benefits payable to survivors of annuitants through regular and optional FEGLI begin reducing at two percent per month until 25 percent of the face value of the insurance in force before the first reduction remains as permanent, lifetime insurance.

The financing of FEGLI regular insurance is presently based on a level premium rate of which one-third is paid by the Government and two-thirds by employees, except in the case of Postal employees. The Postal Service pays 100 percent of the cost of FEGLI regular for its employees. FEGLI optional is funded on an employee-pay-all basis with rates that increase with age.

Overall responsibility for administration of the FEGLI Program rests with the Office of Personnel Management. With respect to the responsibility to purchase the policy(ies) from the insurance industry for the purpose of providing FEGLI benefits, the law qualifies companies eligible to issue a policy under the Program and provides that the Office of Personnel Management shall determine premium rates to be charged on a basis consistent with the lowest rates charged large employers for this type of insurance and shall stipulate maximum expense and risk charges consistent with the general level of such charges made by life insurance companies under policies of group life and accidental death and dismemberment insurance issued to large employers.

The Civil Service Commission and the eight companies who initially qualified as primary insurers in 1954 mutually agreed that Metropolitan Life Insurance Company should issue the policy and administer FEGLI for the insurance industry solely on the arbitrary basis that it was the largest company in the group life insurance field. Competitive bidding has been bypassed with respect to FEGLI because the law requires that a company issuing a policy providing benefits under the program reinsure the major portion of program liabilities with other companies, as approved by the Office of Personnel Management for participation, under a weighted formula which benefits smaller companies and limits the maximum amount of FEGLI any one company may hold. The Office of Federal Employees' Group Life Insurance (OFEGLI) was established under the direction of Metropolitan in New York as the administrative office for the insurance companies underwriting FEGLI and is primarily responsible for settling claims for losses and determining insurability of employees seeking to revoke waivers of coverage under the program.

Recent critics of FEGLI have cited two major problems with the structure of the Program:

(1) The FEGLI Program does not afford employees a reasonable range of choices concerning the amounts and types of protection commonly available today. Furthermore, approximately 20 percent of new hires decline to enroll, in large part because younger employees can buy much higher amounts of term insurance protection in the open market for the same cost to them as the lesser coverage available through FEGLI.

(2) The FEGLI regular and optional plans do not reward annuitants who have paid into them for full careers, and the regular plan is too liberal to annuitants with brief participation.

A Solution to Problem 1: Benefit Comparability and New-Employee Participation:

The proposed bill authorizes two new FEGLI options, financed on an employee-pay-all basis, providing additional life insurance on employees as well as life insurance on family members for the first time. The 1976 Report of the Commission on Executive, Legislative, and Judicial Salaries noted that most major private industry employers provide a life insurance benefit equal to two to three times salary, often at no cost to the employee. And, Metropolitan Life Insurance Company, as the largest underwriter of the FEGLI Program, advises that life insurance on dependents is being included in a growing number of major programs as it is particularly appreciated by younger employees who might not otherwise purchase insurance on spouses and children.

In offering the new optional plans, the Government acts as a purchasing agent for Federal employees and passes on to those who wish to buy these kinds of protection the savings of buying insurance in mass quantities. Employees participating in FEGLI regular may purchase additional life insurance in multiples of one, two, three, four, or five times their salary, subject to a maximum limitation of five times the pay for positions at level II of the Executive Schedule. They may also purchase family life insurance providing $5,000 on death of the spouse and $2,500 on death of a child from birth to 22 years of age.

Neither the additional employee nor the family insurance plans include accidental death and dismemberment protection. Both plans offer conversion to individual policies if employees leave Federal service before qualifying for immediate annuity. Employees who are enrolled in these options for at least 5 years or from first opportunity following enactment of the proposed bill and retire on immediate annuity may continue coverage by paying premiums to age 65. At age 65, or retirement if later, coverage under these plans will continue at no cost but benefits payable will be reduced by 2 percent for 50 months at which time coverage will end.

The proposed bill would also improve benefits payable through regular FEGLI for younger employees. For employees age 35 and under, the life insurance benefit payable would be changed to 2.0 times the basic benefit. The life insurance benefit payable for employees age 36 would be 1.9 times the basic benefit; for those age 37, 1.8 times the basic benefit; those 38, 1.7 times the basic benefit; etc., and for employees age 45 and older, the basic benefit would be paid. All participants in regular FEGLI will continue to pay a level premium on the basic benefit, salary rounded to the next higher $1,000, plus $2,000, subject to a minimum of $10,000. Accidental death and dismemberment for all participants will continue to equal the basic benefit.

We believe that offering additional insurance at competitive rates, providing family coverage, and increasing the FEGLI regular benefits payable to younger employees increases the Program's comparability to insurance plans offered by other leading national employers and is likely to lead to an increase in participation among new hires.

A Solution to Problem No. 2—FEGLI Post-Retirement Protection:

As indicated earlier, Public Law 95–583 provided a partial solution to the second problem. Prior to enactment of that law, individuals who retired on immediate annuity after at least 12 years of creditable service or on account of disability, or who were receiving compensation for work injury on the date that insurance would otherwise terminate, were eligible to continue regular FEGLI at no further cost. Employees did not necessarily have to pay premiums during their service in order to continue the insurance during retirement or receipt of workers' compensation. Employees under age 50, who declined coverage initially, could apply for FEGLI, furnish medical evidence of insurability, have one or more biweekly FEGLI payable deductions, retire, and then enjoy unreduced coverage at no personal cost to age 65. In lieu of the length-of-service requirement, Public Law 95–583 established a participation requirement with respect to continuation of regular FEGLI. Employees who separate on or after November 2, 1978, must be covered by regular FEGLI during the 5 years of service immediately preceding retirement or eligibility to continue insurance as a recipient of worker's compensation, or from first opportunity to enroll, in order to retain coverage.

For administrative consistency, Public Law 95–583 reduced the original requirements governing employees' rights to continue optional FEGLI during retirement or receipt of workers' compensation from 12 years' to 5 years' participation in that plan.

The proposed bill would, in addition, require retirees, as well as individuals receiving employees compensation because of work injury to themselves, who are under age 65 to continue to pay premiums until they reach that age for the unreduced FEGLI regular benefit that they now enjoy at no personal cost. Requiring contributions from retirees under age 65 for continuing unreduced insurance coverage is common practice in the group insurance plans of many national employers and seems to appropriately recognize the wide variety of circumstances applicable to different employees; unlike when the FEGLI Act was passed in 1954, significant numbers of Federal employees now retire prior to age 60. Employees in receipt of workers' compensation would appropriately be required to pay premiums for continuing unreduced regular FEGLI since when FEGLI coverage was extended to these individuals by Public Law 84–541 (70 Stat. 213) in 1956 the expressed intent of Congress was to accord them the same consideration as disability annuitants for insurance purposes. However, since employees currently are relying on the Government's promise of unreduced FEGLI regular coverage after retirement until age 65 at no personal cost, those who become entitled to annuity or compensation in the next several years should not be subject to this change. Employees would be subject to the change if they retire or become eligible to continue insurance while receiving compensation on or after January 1, 1989.

If the proposed bill is enacted and the premium structure changed as we recommend, we propose to make a further regulatory change for employees who are qualified to continue the regular or the existing optional FEGLI insurance into retirement. For these people, we propose amending our regulations to provide permanent, lifetime benefits equal to 25 percent of regular or optional insurance in force prior to any post-retirement reduction, plus one-half of one percent for each full year of participation in the plan in excess of 25. An employee who participates for 41 years, for example, would earn a lifetime benefit of 33 percent. Under the premium structure in the existing law it is not financially feasible to so liberalize this post-retirement benefit.

Finally the proposed bill would make three technical amendments to chapter 87 of title 5. U.S.C. Section 1(4) provides that premium pay awarded to Federal law enforcement officers under 5 U.S.C. 5545(c)(2) shall be included as part of "annual pay" for FEGLI purposes. Section 2(a)(3) of Public Law 93–350, approved July 12, 1974, amended the Civil Service Retirement law to include premium pay received by law enforcement officers under 5 U.S.C. 5545(c)(2) as part of basic pay for annuity computation purposes. Section 5545(c)(2) of title 5 provides that employees whose positions require substantial amounts of irregular, unscheduled overtime (primarily law enforcement personnel) shall receive premium pay on an annual basis. Accordingly, it was determined that the regularly recurring nature of this premium pay makes it part of the career pattern of the employee and a reasonable basis for determining employee benefits. However, Public Law 93–350, perhaps inadvertently, failed to make a similar change in the Federal Employees' Group Life Insurance law. Consequently, for law enforcement personnel, retirement benefits are computed on one annual rate of pay and life insurance benefits on another. The above amendment would establish a uniform basis for these benefits.

Sections 3 and 5(3) of the bill would amend sections 8707 and 8714a of title 5 U.S.C., respectively, to provide authority for both employing agencies and the Office of Personnel Management to waive collection of deductions for regular or optional life insurance when the proper amounts have not been deducted from salary or retirement benefits through no fault of the individual. While the employee or annuitant may be excused from paying retroactive deductions, the erring agency would still be required to submit the amount due to the Office of Personnel Management for deposit to the Employees' Life Insurance Fund.

Section 8 would abolish the Employee Advisory Committee on Federal Employees Group Life Insurance. Section 12(b) of the Federal Employees' Group Life Insurance Act of 1954 (Public Law 83–598, approved August 17, 1954) directed the Chairman of the Civil Service Commission to appoint a committee composed of five employees insured under the employees group life insurance program to serve without compensation and advise the Commission regarding matters of concern of employees. During recent years, the need for regular meetings of the Employee Advisory Committee on Group Life Insurance has diminished. The last committee meeting of record was December 1971. Routine consultations with respresentatives of employee unions and agency directors of personnel have proven to be more effective vehicles of employee opinion.

Since the employee pays the entire cost of the two new additional insurance options, this coverage will not increase the cost to the Government, except for minor incidental administrative expenses which cannot be precisely estimated. However, increases in the amounts payable to survivors of younger employees under FEGLI regular, and increases in the amounts payable because of the higher post-retirement benefits will result in additional annual outlays from the FEGLI Trust Fund ranging from $21 million in the year following enactment of the proposal to $55 million after the year 2000. Beginning in 1989, contributions from and on behalf of annuitants under age 65 will provide additional annual income to the Fund, ranging from $10 million to $90 million after the year 2000. These additional contributions will in the long run, fully offset additional outlays from the FEGLI Trust Fund attributable to the proposal.

But between enactment and 1989, the entire cost of paying additional benefits, effectively, will be borne by the Government, as budget outlays will be increased in amounts corresponding to the greater disbursements from the FEGLI Fund. The net effect, then, of enacting the proposal will be to increase the Government's expense in the form of an additional outlay of $21 million in the first full year of operations, and up to approximately $25 million in the fifth full year of operations. The Fiscal Year 1980 Budget includes this proposal.

We conclude that those who criticize FEGLI have solid grounds for doing so. When one of an employer's major benefit programs is rejected by a high percentage of new hires, constructive change is needed. In this case, the change involves apportioning the costs more fairly among employees and annuitants, among younger and older employees, and among carrerists and those who work in the Federal service for only a few years. It also involves permitting employees more latitude in choosing the amounts and types of coverage they need, rather than offering a single, universal benefit that cannot possibly satisfy each individual's wants and needs.

The Office of Management and Budget advises that enactment of this legislative proposal would be consistent with the Administration's objectives.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely yours,

ALAN K. CAMPBELL,
Director.

By Mr. LUGAR:

S. 2392. A bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978; to the Committee on Energy and Natural Resources.

● Mr. LUGAR. Mr. President, the bill I am introducing today has a simple purpose—to repeal title II of the Natural Gas Policy Act. Title II of the Natural Gas Policy Act of 1978 (NGPA) provides for the incremental pricing of natural gas to most interstate industrial gas users. Incremental pricing requires that certain natural gas acquisition costs incurred by interstate pipelines be borne entirely by industrial users of natural gas until the rate paid by these users reaches the price of fuel oil. Intrastate industrial gas consumers are exempted from incremental pricing.

Incremental pricing will not achieve its stated purpose of protecting residential gas consumers. If industries convert to oil, gas utilities will lose the ability to "load balance," thereby transferring additional fixed system costs to residential customers. Whether industries switch to oil or remain on natural gas, their energy costs will increase and will be passed on in the form of higher product prices to all consumers. The irony of this policy is that oil and electric residential consumers will not only pay far more for fuel, but they will be subsidizing those customers that heat with gas. The reason is that the industrial users who are directly subsidizing the residential gas users will pass through these higher costs in the form of higher prices for all the goods and services they produce. Since incremental pricing will eventually affect virtually all industries, oil heat customers will face higher prices across the board.

During consideration of the NGPA, the practical effects of incremental pricing were only partially explored, and its mistaken assumptions were not fully examined by the Senate. Since then, key factors have changed dramatically, and have made more clear the folly of the concept.

First, when Congress passed the NGPA in the fall of 1978, oil prices appeared to be relatively stable, and it seemed that, if anything, oil prices would increase more slowly than the price of natural gas. This situation has changed radically within the last year: First, the price of imported oil doubled during 1979; second, availability of foreign oil supplies is less certain; and third, gas supply outlook has improved materially.

These developments, when examined from a national perspective, will result in incremental pricing having an extremely negative economic impact on U.S. industry and on the economy. An independent study by the Wharton Econometric Forecasting Associates has concluded that full implementation of incremental pricing, in comparison to total repeal of incremental pricing, will result in:

First, inflation between 1980 and 1990 averaging nearly 1 percent higher each year (with the greatest impact in 1981 when the GNP price deflator will be 1.4 percent greater);

Second, a reduction in the real GNP by $35 billion in 1985; and

Third, an increase in the unemployment rate of 1 percent (1 million jobs lost by 1990).

Incremental pricing will cause industry to convert to oil, in direct conflict with Federal policy favoring maximum displacement of oil by gas or other fuels. The gas industry has estimated that it will lose approximately 480 billion cubic feet (Bcf)—roughly equivalent to 240,000 barrels of oil a day in energy content—of interstate industrial loan in 1981. This represents 11 percent of total expected 1981 interstate utility sales. The largest fuel source substituting for this gas load loss will be imported liquids—oil and propane. By 1990, from 1.9 to 3.2 trillion cubic feet (Tcf) of gas sales would be lost. This represents a potential buildup in oil demand of between 950,000 to 1,600,000 barrels of oil per day.

Title II of the NGPA should be repealed because it is inflationary, it is contrary to the Nation's energy policy of reducing oil imports, it will cause industrial dislocations, and it will not help the residential gas customers. I feel that the bill which I have introduced today will help our Nation avoid the harsh economic and inflationary impacts of title II and eliminate the intrinsic unfairness to oil and electricity customers and, ultimately, to all energy consumers. I hope that my colleagues will support this measure, and I urge its prompt and favorable consideration.

Mr. President, I ask unanimous consent that my "Dear Colleague" letter on incremental pricing be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 4, 1980.

DEAR COLLEAGUE: Title II of the Natural Gas Policy Act provides for incremental pricing of natural gas to most interstate industrial gas users. Incremental pricing was enacted to protect residential energy consumers from the impact of rising natural gas prices by shifting much of the burden to industrial gas users.

Since the Natural Gas Policy Act passed in 1978, a number of events have rendered incremental pricing provisions totally inappropriate.

No protection for residential users.

Incremental pricing was intended to protect residential gas customers from higher prices. Ironically, it will result in higher prices for all consumers. First, if some industries convert to oil, the remaining industrial customers will bear the burden of all fixed costs and rising gas costs. These will be passed on to all consumers in the form of higher prices for goods and services. Second, oil and electricity customers who pay two and three times as much for heating oil than do gas customers, and who enjoy none of the modest benefits of incremental pricing, will also bear the burden for these higher prices. As a result of incremental pricing Wharton Economic Forecasting Associates predict that by 1990, the average household purchasing power will decline by $92.00.

Negative impact on industry.

In 1978 the increase in natural gas prices was expected to rise about 65 percent for industrial customers from $2.10 per mcf to $3.50 per mcf. However, oil prices, which determine the ceiling price that industrial customers can be charged under incremental pricing, have doubled. They are now the equivalent of $6.80 per mcf. The ceiling on gas prices charged to industrial customers will rise, not by 65 percent, but by 225 percent!

Increased oil imports.

As natural gas begins to approach the price of oil, industrial users are encouraged to convert from natural gas to oil because industrial gas users have long been assigned a low priority in times of curtailment. The oil allocation system does not place such restrictions on industrial oil use. Thus, oil is a more secure fuel than natural gas for an industry which can readily convert from one fuel source to another.

Negative economic impact.

Wharton Econometric Forecasting Associates have concluded that incremental pricing will result in inflation between 1980 and 1990 averaging nearly 1 percent higher each year, a reduction in real GNP by $35 billion in 1985 and an increase in unemployment totalling a loss of 1 million jobs in 1990.

Environment.

Natural gas is cleaner to burn than oil. The switching by industrial users from natural gas to oil will impact air pollution levels in many parts of the country.

Therefore, Title II of the NGPA should be repealed because it is inflationary, will not protect residential customers, will add to the use of imported oil, and could have a negative impact on air pollution goals.

I introduced legislation today, March 4th, to repeal incremental pricing. If you would like to cosponsor, please call Nancy Maloley at 47442.

Sincerely,

RICHARD G. LUGAR.●

By Mr. JACKSON (by request):

S. 2393. A bill to amend section 6(e) (1) of the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to amend section 6(e)(1) of the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Assistant Secretary be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Land and Water Conservation Fund Act (78 Stat. 897; 16 U.S.C. 4601–4 et seq.), as amended, is further amended as follows:

In the first sentence of section 6(e)(1) delete "but not including incidental costs relating to acquisition" and substitute therefor "including appraisal costs but not including other incidental costs relating to acquisition."

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 15, 1980.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend section 6(e)(1) of the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

Section 6 of the Land and Water Conservation Fund Act (16 U.S.C. 4601–8) authorizes the Secretary of the Interior to provide financial assistance to the States for, among other things, outdoor recreation real property acquisition. Before initiating negotiations for such acquisitions, the States are required to obtain appraisals of the fair market value of the property proposed to be acquired. The States must then advise the landowner of the amount of the approved appraisal and offer him no less than that amount. The appraisal and advising requirements were established by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91–646) in order to assure consistent treatment for landowners and promote public confidence in government land acquisition practices.

Section 6(e)(1) of the Fund Act specifies that the Federal assistance for State outdoor recreation real property acquisitions may not include "incidental costs relating to acquisition." and the Department has disallowed claims of States for assistance for appraisal costs on the grounds that they fall within the "incidental costs" category.

The enclosed draft bill would permit the States to receive Federal assistance for these appraisal costs.

The State grant program under the Land and Water Conservation Fund Act involves a high volume of acquisition projects, many of which are multitract projects for which appraisals are required on each individual tract. Under the Land and Water Conservation Fund Act the States are reimbursed for preplanning costs in connection with grants to them for outdoor recreation development, and in our opinion, appraisal costs for acquisition projects are similar to preplanning costs since they are expenses that must be incurred in order to proceed with the projects.

Moreover, enactment of this legislation would make the administration of the Land and Water Conservation Fund Act consistent with related grant programs administered by this Department for historic preservation, wildlife restoration, and fish restoration and management as well as grant programs administred by other Departments, such as HUD's Community Development Block Grant program, wherein States are reimbursed for appraisal expenses.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

BOB HERBST,
Assistant Secretary.●

By Mr. JEPSEN:

S. 2396. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain lending or finance businesses for purposes of the tax on personal holding companies; to the Committee on Finance.

● Mr. JEPSEN. Mr. President, this bill alters a provision contained in present law which restricts consumer finance companies to the inclusion of loans maturing in less than 60 months in determing whether those companies are personal holding companies. It is a provision which has had so little impact, until recently, that it appears to have been reinserted in the law (after having been deleted) as the result of a technical error which has gone unnoticed for almost 15 years. For the reasons stated, the 60-month requirement conflicts with the consistent policy underlying the general exception, because it unfairly places small consumer finance companies at a competitive disadvantage in relation to widely-held companies engaged in the same business.

PRESENT LAW

Present law imposes a tax of 70 percent on the undistributed income of a personal holding company (section 541–547). A personal holding company is defined as a corporation, 60 percent of whose adjusted ordinary gross income is personal holding company income (generally passive investment income), and 50 percent of whose stock is owned by five or fewer persons. Certain types of companies whose active businesses involve the investment of funds and the earning of interest and dividends (that is, normally passive income is income not from the active conduct of a business), are excluded from the personal holding company provisions.

Among the business excluded from the definition of a personal holding company are certain consumer finance companies (section 542(c)(6)). Among the types of consumer finance companies intended to be excluded are licensed personal finance companies operating under the small loan (Russell Sage) laws of the various States, lending companies (not of the Russell Sage type) engaged in the consumer finance business, Morris plan banks, and finance companies engaged in the business of factoring inventories, accounts receivable, and otherwise financing the short-term and intermediate-term needs of business.

HISTORICAL BACKGROUND

While the tests to be met in order to enjoy the exclusion are the same, regardless of the type of finance company involved, this has not always been the case; and, it was as the result of congressional attempts to simplify the various earlier exclusions that the present 60-month limitation inappropriately became a rule of general application.

The exception from the application of personal holding company rules to licensed personal finance companies was added to the Internal Revenue laws by the Revenue Act of 1938. The exception was added to grant exemption for companies operating in the various States under statutes similar to the Uniform Small Loan Act drafted by the Russell Sage Foundation. These statutes have typically been referred to as Russell Sage laws. Under these State laws, interest could not be payable in advance or compounded and could be computed only on unpaid balances. Furthermore, the laws limited the principal amount of the loan (usually to less than $500), the term (usually less than 3 years) and the amount of interest (usually less than 3 percent a month).

The provision contained in the tax law attempted to mirror these general State requirements, rather than being more strict, as a means of insuring that the exception generally reflected the active business practices which it was designed to except. As the result, when the circumstances of the consumer lending business have rendered the tax requirements more strict than State regulatory provisions, the tax provisions have been altered as well. The primary example of this reflective action is the change effected in the provision in 1962.[1]

Prior to 1962, the personal finance company exception mirrored the earlier restrictive provisions of Russell Sage laws. The conditions for exception under the law at that time required that a finance company must:

First. Be authorized to engage in the small loan business under one or more State statutes providing for the direct regulation of such business;

Second. Derive 80 percent or more of their gross income from lawful interest, discount, or other authorized charges;

Third. Derive the 80 percent of their income, referred to above, from loans maturing in not more than 36 months made to individuals in accordance with the provisions of applicable State law;

Fourth. Derive this 80 percent of their income from loans where the interest and all other authorized charges do not exceed the amount equal to simple interest computed at the rate of 3 percent per month not payable in advance and only on unpaid balances;

Fifth. Derive 60 percent of their gross income from lawful interest, discount, other lawful authorized charges received from individuals whose indebtedness to the company does not exceed the limit prescribed by the applicable State law, or, if there is no such limit, $500;

Sixth. Have trade or business expense deductions (other than compensation for personal services rendered by shareholders or members of their family) equal to 15 percent or more of their gross income; and

Seventh. Have outstanding loans with respect to any person who is a shareholder having a 10-percent interest in the stock of the company (including stock owned by members of the family) or not in excess of $5,000.

Recognizing that the requirements no longer reflected the then-existing State statutory limits, but were more strict, Congress, in the 1962 legislation, deleted the 3-percent interest requirement entirely, deleted entirely the 36-month loan limit, and increased the limit on maximum amounts for loans from $500 to $1,500. The legislative history of these changes as contained in the report of the Senate Committee on Finance is instructive (in pertinent part):

> This bill omits this 3-percent-simple-interest requirement entirely, on the grounds that the personal holding company tax is not intended as a means of regulating the lending companies but rather as a tax applicable in certain cases, to passive investments. In any event, this is an ineffectual regulatory device since this restriction applies only to about 10 percent of the outstanding small loans. This occurs because the bulk of the small loans are made by widely held finance companies, and therefore not treated as personal holding companies since they do not have five or fewer stockholders owning more than 50 percent of their stock. Moreover, even the companies presently subject to this restriction need to meet it only with respect to 80 percent of their gross income.
>
> The bill also deletes the requirement that these lending companies derive most of their income from loans maturing in not more than 36 months. Several States already have gone beyond this as a permissive period for loans and it appears likely that in the near future a number of additional States may extend maturities to more than 36 months. Your committee agrees with the House committee that it should not impose a requirement substantially more restrictive in nature than the State laws regulating this type of lending company.
>
> A third change made by the House bill modifies the maximum size of a loan which may qualify under the 80-percent-income requirement where there is no State law governing the maximum size of a loan. Under present law where there is no such limit under State law, a limitation of $500 is provided. Under the bill this limitation is increased to $1,500. It is understood that the only State which does not have a ceiling of its own is the State of California. When the $500 limit provided by present law was considered, this represented the usual ceiling among the States. The States have

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[1] It should be noted that in 1950, an exception was added to permit interest on business loans to be computed by the "dollar add on" method to reflect changes in the law of almost one-half of the states permitting such loans.

> changed these ceilings materially, however, with the result that today relatively few States have a ceiling of $500 or less and even in these cases there usually is provision for supplementary loans which exceed this ceiling in certain situations. The $1,500 provided by this bill, where there is no applicable State limitation, today is substantially in conformance with the ceilings applicable in those States providing their own maximums.
>
> A fifth change relates to the use of the term, "small loan business," which represents the type of business in which a lending company must be engaged in order to be removed from application of the personal holding company tax under this exception. The bill adds after the term "small loan business" the term "(consumer finance business)". This is intended to make it clear that this exception is not limited to small loans in the narrow sense, but rather is intended to encompass consumer finance loans generally. Moreover, the reference to consumer finance business will bring this exception more directly in accord with the terminology now used by a number of State legislatures which have retitled the applicable provisions governing these institutions as "consumer finance laws" as a means of providing a more descriptive title for the type of business involved. S. Rep. No. 2047, 87th Cong., 2d Sess. ——— (1962), reprinted in [1962] U.S. Code Cong. and Ad. News 2825, 2827–2828.

An equally compelling policy reason for eliminating tax requirements which are more restrictive than requirements of the various State laws was expressed by then-Assistant Secretary of the Treasury, Stanley Surrey, in his comments to the Senate committee on the proposed revisions:

> It has been the Department's consistent position that taxpayers in like situations should be subject to the same rules and rates of taxation. The effectiveness of our self-assessing system to a large extent depends upon each taxpayer's willing compliance with laws which are regarded as rational and fair. Since [the small loan provisions] selects only a portion of the small loan industry for regulation, and since that portion is similar to other businesses not subject to these rules, the Department has no objection to the removal of the 3-percent-a-month and 36-month regulatory limits. S. Rep. No. 2047, 87th Cong., 2d Sess. ——— (1962), reprinted in [1962] U.S. Code Cong. and Ad. News 2825, 2830–2831.

While the 1962 legislation vastly improved the equity of the tax treatment accorded closely-held finance companies, the provision, as amended, remained extremely complex. As the result, in the Revenue Act of 1964, Congress simplified the exception by imposing one set of standards upon all types of finance companies. In so doing, a limitation on the term of loans for consumer finance companies found its way back into the law.

Subsequent to the revisions made by the 1962 act, there remained four different types of personal finance companies which were excluded from the personal holding company category:

1. Licensed personal finance companies, 80 percent of whose gross income is interest from loans if at least 60 percent of their gross income is received from loans classified as "small loans" by State law (or $500 if there is no State law limit) and if the interest is not payable in advance and computed only on unpaid balances. In addition, loans to a person who is a 10-percent shareholder must not exceed $5,000 in principal amount. These frequently are known as "Russel Sage" type personal finance companies.

2. Other lending companies engaged in the small loan or consumer finance business, 80 percent of whose gross income consists of interest or similar charges on loans to individuals and income from 80-percent-owned subsidiaries which in turn themselves meet this test. In addition, at least 60 percent of the company's income must be from interest or similar charges made in accordance with small loan or consumer finance laws to individuals where the loans do not exceed the [sic] State specification for small loans (or if there is no such limit, $1,500) and if the trade or business expenses of the company represent 15 percent or more of the company's gross income. These companies also must not have loans outstanding to shareholders, with a 10-percent interest or more, which exceed $5,000.

3. A loan or investment company (such as a Morris Plan bank), a substantial part of whose business consists of receiving funds not subject to check and evidenced by certificates of indebtedness or investment, and making loans and discounts. Here also loans to a person who is a 10-percent shareholder may not exceed $5,000 in principal amount.

4. A finance company actively engaged in purchasing or discounting accounts or notes receivable, or installment obligations, or in making loans secured by any of these or by tangible personal property, if at least 80 percent of its gross income is derived from such business. In addition, at least 60 percent of such a company's gross income must be derived from certain categories of income. These categories, in general, relate to business or factoring-type loans: such as purchasing or discounting accounts or notes receivable, or installment obligations arising out of the sale of goods or services by the borrower in his business; making loans for not more than 36 months to businesses where the amounts are secured by accounts or notes receivable or installment obligations of the type described above, or secured by warehouse receipts, bills of lading, inventories, chattel mortgages on property used in the borrower's trade or business, etc In the case of these companies, the trade or business expense deductions must represent at least 15 percent of the gross income of the company, and loans to those who are 10-percent shareholders in such company must not exceed $5,000 in principal amount.

It should be noted that the only type of finance company upon which a maturity limit was imposed was a finance company engaged in purchasing or discounting accounts or notes receivable, or installment obligations, or in making loans secured by any of these or by tangible property. Such factoring-type companies were required to earn at least 60 percent of its income from, inter alia, loans to businesses for not more than 36 months, where the loans arose out of the borrowers trade or business.

Curiously, when the Congress "simplified" the exception in the 1964 act, the limit was written to have precisely the opposite effect. As the result of the 1964 act, the 36-month limit was expanded to 60 months, but rather than applying to loans by factoring-type companies, the limit, now contained in section 542(d)(1)(B)(i) was written to apply to all but such factoring-type loans.

It is important to note that if the word "unless" in section 542(d)(1)(B)(i) were changed to the word "if", the new law would have accomplished the simplification result without resurrecting a limit previously deleted as too restrictive. That simplification was the intent of the 1964 changes and that the same policy underlying the deletion of the 36-month limit was to be retained is clearly reflected in the House committee report:

> In the interest of simplification, your committee concluded that it would be desirable to have one exclusion available for all four of these categories of lending or finance companies. At the same time, it saw no need for purposes of the personal holding company provision to restrict the type of loans which these companies could make. This is properly a matter of regulation by State law governing these lending or finance businesses. Moreover, it was recognized that in any event the personal holding provisions do not apply to widely held corporations. In such cases only State law governs the type of loans which can be made. H. Rep. No. 749, 88th Cong. 2d Sess. ——— (1964), reprinted in [1964] U.S. Code Cong. & Ad. News 1313, 1389–1390.

In the absence of an explicit explanation in the legislative history of the inclusion of a 60-month limit, one might conclude that Congress merely painted with too broad a brush when it simplified prior law. However, in light of the total reversal of the type of company to which it was to be applied and the reiteration of the policy underlying the original deletion, it is far more plausible to conclude that the 60-month limitation of present law does not reflect legislative policy, but rather inadvertant error.

REASONS FOR CHANGE

Whether the result of error or generalization, the 60-month limit needlessly restricts closely held consumer finance companies from competing on an equal basis with more widely held companies in rapidly expanding areas of consumer finance.

As previously stated, the limitation on the term of loans was deleted because the restrictions under most State laws had become far more liberal than the Federal tax provision. That is even more the case today. Most consumer finance companies presently operate, not only under small loan laws, but also under the generally applicable usury laws. In almost all instances, the general usury law imposes no maximum maturity. This expansion beyond small loan laws has resulted from fundamental changes in the competitive structure of the entire finance industry. Rather than competing for small loans, the bulk of recent market expansion has been in the areas of revolving credit and second mortgage loans. In the case of revolving credit, the loans have no fixed maturity. In the case of second mortgage loans, probably owing to the size of the loan, the maturities typically equal or exceed 60 months.

The trend in personal loans is definitely toward longer maturities, and, in the case of the rapidly expanding revolving or open-end credit, no fixed maturity at all in the traditional sense. As the table below demonstrates, according to statistics provided by the Federal Reserve Board, the percentage of personal loans having a maturity of over 42 months increased from a negligible amount in 1972 to 26.4 percent of loans made in 1977. The 1977 figure almost doubles the percentage of lower maturity loans from the year before.

FINANCE RATES, MATURITIES, AND AVERAGE AMOUNT FINANCED BY FINANCE COMPANIES, 1972-77

	1972	1973	1974	1975	1976	1977[1]
Average finance rates (percent):[2]						
Personal loans	21.1	20.6	20.7	21.0	21.0	20.5
Automobiles:						
New	11.9	12.1	12.6	13.1	13.2	13.1
Used	16.5	16.7	17.2	17.6	17.6	17.6
Mobile homes	12.4	12.8	13.3	13.6	13.4	13.6
Other consumer goods	19.3	18.9	19.1	19.8	19.5	19.1
Average maturities:[2]						
Personal loans in months	32.3	33.5	34.8	36.3	37.6	42.9
Automobiles—Percent:						
New—Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent over 42 mo					14.5	26.4
Percent 37 to 42 mo	[3] 0.9	[3] 2.7	[3] 8.4	[3] 23.6	17.8	21.2
Percent 31 to 36 mo	84.3	83.2	78.4	65.3	55.8	40.4
Percent 30 mo or less	14.5	13.9	13.2	11.2	11.7	11.9
Percent balloon	0.3	0.3	0.2	0.1		
Used—Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent over 36 mo					3.6	8.7
Percent 31 to 36 mo	[4] 47.7	[4] 49.9	[4] 52.9	[4] 54.2	53.3	57.3
Percent 25 to 30 mo	33.3	31.3	29.2	31.1	29.9	23.6
Percent 24 mo or less	18.9	18.7	17.8	14.7	13.2	10.4
Percent balloon	0.1	0.1	0.1			
Mobile homes	106.4	115.7	121.2	121.0	123.3	126.2
Other consumer goods	21.7	21.4	21.1	21.1	22.2	22.9
Average amount financed:[2]						
Personal loans	$996	$1,169	$1,162	$1,260	$1,384	$1,530
Mobile homes	6,307	6,645	7,292	7,686	8,404	9,037
Other consumer goods	396	405	434	464	510	538
Average size of contract on automobiles:[2]						
New	3,686	3,929	4,314	4,967	5,496	6,116
Used	1,890	2,090	2,436	2,650	2,846	3,076

[1] Preliminary NCFA estimates.

[2] Unweighted means of periodic sample data for each year.

[3] Over 36 mo.

[4] Over 30 mo.

Note: Parts may not add to totals due to rounding.

Source: Federal Reserve Board.

Additional data on consumer finance transactions compiled by the First National Bank of Chicago reflects that the percentage of loans written for longer than 37 months (the only category including over 60-month loans) grew from 11.76 percent in 1972 to 20.35 percent in 1977 to 30 percent in 1978.

These data reflect not only the increase in numbers of longer maturity loans but the rapidity with which the numbers of such loans are increasing. It may be expected that particularly with the tremendous increase in the volume of second mortgage loans (almost all of which have maturities of at least 60 months or longer), the strength of the trend will continue.

PROPOSED LEGISLATION

The proposed bill would amend section 542 of the Internal Revenue Code in two respects. First, section 542(d)(1)(B)(i) would be amended by replacing the 60-month maturity limitation with a limitation of 144 months. Additionally, the bill would except from the computation of average maturities all open end credit transactions (revolving credit) as that term is defined in the Truth in Lending Act.

The second amendment would tighten the eligibility rules for the consumer finance company exclusion from the definition of "personal holding company." Subsection (c) of section 542 excepts a number of business enterprises from the definition of a "personal holding company." Paragraph (6) of that subsection provides for the exclusion of certain lending or finance companies if certain conditions are met. Among those conditions is the requirement that the sum of deductions which are directly allocable to the finance business must exceed the sum of 15 percent of the first $500,000 of ordinary gross income from the finance business, plus 5 percent of the second $500,000 of gross income from the finance business.

At the request of the Joint Committee on Taxation, the bill would extend the amount to which the 5 percent applies from $500,000 to the total amount of all gross income derived from the finance business which exceeds $500,000. The result will be that overall percentage of deductions directly attributable to gross income from the finance business must be greater than under present law in order for a consumer finance company to qualify for exclusion under the personal holding company provisions.

The bill, therefore, represents a balance between the need to accommodate a changing business environment and the need to insure that the exception is not employed as a device to avoid the personal holding company rules.

Mr. President, it is my understanding that this is a noncontroversial bill and that the Treasury Department supports its passage. I hope that early action on this measure can be scheduled by the Finance Committee and that it can become law this year.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) clause (ii) of section 542(c)(6)(C) of the Internal Revenue Code of 1954 (relating to exceptions from definition of personal holding company) is amended by striking out "but not $1,000,000".

(b) Clause (i) of section 542(d)(1)(B) of such Code is amended to read as follows:

"(i) making loans, or purchasing or discounting accounts receivable, notes, or installment obligations, if (at the time of the loan, purchase, or discount) the remaining maturity exceeds 144 months; unless—

"(I) the loans, notes, or installment obligations are evidenced or secured by contracts of conditional sale, chattel mortgages, or chattel lease agreements arising out of the sale of goods or services in the course of the borrower's or transferor's trade or business, or

"(II) the loans, advances or installment obligations are made or acquired by the taxpayer and meet the requirements of subparagraph (C)."

(c) Paragraph (1) of section 542(d) of such Code is amended by adding at the end thereof the following new subparagraph:

"(C) INDEFINITE MATURITY CREDIT TRANSACTIONS—For purposes of subparagraph (B)(i), a loan, advance, or installment obligation meets the requirements of this subparagraph if it is made under an agreement—

"(i) under which the creditor agrees to make loans or advances (not in excess of an agreed upon maximum amount) from time to time to or for the account of the debtor upon request, and

"(ii) under which the debtor may repay the loan, advance or installment obligation in full or in installments."

(d) The amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.●

By Mr. DOLE:

S. 2397. A bill to amend the Freedom of Information Act to provide a hearing for persons objecting to disclosure of private confidential information, to preserve the confidential status of certain kinds of private information contained in Government records, and for other purposes; to the Committee on the Judiciary.

PRESERVATION OF CONFIDENTIAL INFORMATION ACT

● Mr. DOLE. Mr. President, I rise today to introduce legislation to amend the Freedom of Information Act. Last April, when the Supreme Court handed down its decision in Chrysler Corporation against Brown, I expressed my concern that the FOIA had in certain ways been transformed from a mechanism by which citizens could learn about the operations of their Government into an instrument for industrial espionage.

This bill responds to that problem by amending the FOIA to give the person who submits private information to the Government notice when disclosure of that information is requested and to give the submitter an opportunity to voice his objections to the release of the information. Furthermore, the bill modifies the FOIA to reflect the original intention of Congress that information normally not disclosed by the submitter should not be released by the Government through the FOIA.

Congress never intended the FOIA to be used for unrestricted access to otherwise nonpublic information submitted by private citizens. The FOIA was originally an amendment to the public information provisions of the Administrative Procedure Act which narrowed the standards by which agencies could withhold Government information from the public and abolished the requirement that the requester had to show his direct interest in obtaining the requested records.

In enacting the FOIA, Congress did not anticipate what we have seen come to pass: The increased use of the FOIA to obtain private data from Government files. Yet while the FOIA has opened Government files to an even greater extent, those same Government files have been absorbing an unprecedented amount of information from the private sector. Thus, Government files contain much valuable and sensitive information about private citizens and businesses; and the abuse of the FOIA can have dramatically harmful consequences.

This abuse has become widespread. As one informed witness described the situation in testimony before a subcommittee of the House Government Operations Committee:

> [Today, the FOIA is being utilized by an extremely diverse group as a means of obtaining . . . private data. The act has been employed by competitors, analysts, investors, disgruntled employees, potential and existing adverse litigants, self-styled "public interest" groups, foreign businesses and governments and a wide variety of others to obtain information concerning private businesses which, but for the FOIA, would not be available to them. Yet, now, for the price of a postage stamp, such persons can generally obtain such data from federal agencies.

In short, as this expert explained—

> While initially intended to serve as a means for the public to learn more about its Government, the act has increasingly become a vehicle for surveillance, at public expense, of the private affairs of commercial enterprises by their adversaries.

The use of the FOIA as a tool for industrial espionage has reached such a level that businesses have been organized for the sole purpose of making blanket FOIA requests and selling the business information gleaned from the released records. Indeed, Prof. Allen Weinstein, an eminent historian and the author of a forthcoming report on the FOIA, has concluded that:

> [M]ore than three out of every five FOIA requests are filed not by the scholars, crusading congressmen, public-interest advocates and enterprising journalists for whom the act was intended, but, rather, by the business community and the law firms that represent it.

One obvious reason for this problem is that the FOIA makes no provision for the rights of the submitter of private information contained in Government records. The FOIA sets out a detailed administrative and judicial procedure by which a requester can challenge an agency decision not to disclose particular records. Yet the statute provides no similar mechanism by which a submitter of confidential information can challenge a decision to release that information. And as the House Government Operations Committee concluded following its study of this problem during the 95th Congress—

> Businesses have a strong and identifiable interest in maintaining the confidentiality of this information and have expressed great concern about the public release by the Government of information considered by the submitter to be confidential.

To afford the submitter some escape from this predicament, the courts over the last several years have recognized what has been called the reverse FOIA lawsuit by which submitters have been allowed to challenge in court an agency's decision to disclose confidential information. As many commentators have increasingly noted, this implied relief has been beset by a variety of practical and technical problems. However, the Supreme Court's decision in Chrysler Corporation against Brown has undermined even this limited remedy. Simply put, in the words of the American Bar Association, the Supreme Court in Chrysler "denied the submitter of information standing to invoke the FOIA exemptions to prevent disclosure." The Court did offer a confused alternative remedy: a cause of action under the Administrative Procedure Act, with the substantive law provided by the Trade Secrets Act.

The Senator from Kansas believes that the Chrysler decision has left our freedom of information system with an inadequate and awkward mechanism for accommodating the interests of both requesters and submitters. Furthermore, the law as it has been interpreted in the Chrysler decision may now operate in ways which are unfair to each of the interested parties: the requester, the submitter, and the agency.

Presently, submitters have no right to receive notice when their information is requested under the FOIA and have no right to be heard before an agency discloses the information. At the same time, the requester can appeal a decision not to disclose, first within the agency, and then to the courts.

It is unrealistic to assume that an agency, once it decides that no governmental interests prevents disclosure, will somehow act to protect the private interests of the submitter. Even if an agency wanted to protect these private interests, it is unlikely that it is equipped to do so. How can a bureaucrat in a Federal agency, inundated with thousands of FOIA requests, evaluate each piece of private information to determine whether it constitutes exempt confidential information, the disclosure of which could be harmful to a particular business?

This silence of the FOIA regarding submitters' rights has served only to produce litigation, as submitters have had no recourse, when they did have advance notice of an impending disclosure, but to leap into court to seek injunctions of contemplated FOIA disclosures. Such a lawsuit often puts the requester in an awkward position. The requester has an obvious interest in participating in such a suit, but the FOIA requires him to exhaust his administrative remedies before he goes into court. Thus the requester ends up fighting on two fronts.

The bill the Senator from Kansas introduces today attempts to deal with these problems in two ways. First, a procedure is set up within an agency to allow a submitter to express his objections to the disclosure of confidential information. When an agency receives a FOIA request for a record containing such information, it is required to give the submitter notice of the request. The submitter then may submit written objections to disclosure of the information or request an informal hearing before the agency, or both. If still dissatisfied following these procedures, the submitter may appeal to the courts for de novo review of the case. This appeal to the courts is a mirror image of the judicial review now available to requesters.

The time periods set out for these various procedures have been determined in the spirit of accommodating the needs of the submitter in making a full presentation of his objections and the interest of the requester in receiving a prompt response to his request. Far from prolonging the resolution of FOIA controversies, it can be expected that these proceedings will expedite the workings of the whole FOIA mechanism. Under the provisions of this bill, a submitter is no longer forced into the time-consuming and rigid procedure of the courts but may present his concerns in the relatively more expeditious context of an informal agency proceeding. It is likely that many submitters will feel no need to pursue their case to the courts. If a particular matter was carried to the courts, those proceedings would certainly take no longer than they do now.

Care has also been taken to include provisions in this bill to safeguard the interests of requesters. A requester is notified when the provisions of this bill apply to his request and is similarly notified of important steps in the proceedings, such as when the agency grants a submitter an informal hearing. If the time periods of the bill are not followed, or if the requester is not kept advised of the proceedings, he may proceed directly to court.

The second amendment made by this bill directly affects the so-called trade secrets exemption of the FOIA. In its present form, this provision exempts trade secrets and confidential commercial or financial information from the mandatory disclosure requirements of the FOIA. To determine what is "confidential," the courts have developed the "substantial competitive harm test" which characterizes information as confidential if its disclosure is likely to cause substantial harm to the competitive position of the submitter, or if such disclosure will impair the ability of the Government to obtain necessary information in the future. Because the application of this test requires a court to delve into the murky area of an individual business "competitive position," this test has generated much confusion and litigation.

Yet this judicially created test is clearly at odds with the intentions of the Congress in enacting this exemption. The legislative history, in both the Senate and House reports, conclusively indicates that this exemption was intended to protect information which—and here I quote from the Senate Judiciary Committee report—"would customarily not be released to the public by the person from whom it was obtained." This understanding requires no uncertain analysis of "competition," but relies on a more verifiable fact, the practice of the submitter.

This bill therefore amends the trade secrets exemption to specifically include in its scope information not customarily disclosed by the submitter. The Senator from Kansas believes that this change in the FOIA will increase the certainty in the application of this exemption, and thereby reduce the needless and costly litigation which has swirled around this statute in recent years.

Finally, the bill would make the trade secrets exemption mandatory unless either the submitter consented, or did not object, to disclosure, or the agency could demonstrate an overriding public interest in disclosure. This change responds to the holding in the Chrysler decision that the FOIA exemptions were only discretionary; that is, if an exemption applied in a particular case, the agency could still decide to disclose the requested information. One can argue that the Government should be able to disclose information in this fashion where the information originated in the Government. Where a private party produces the information, however, none of the motivation behind the FOIA suggests that the Government should be able to disclose it at will. Thus, this bill would close off the discretion of agencies to release confidential commercial information.

In the extended effort of preparing this complicated legislation, my staff and I have had the assistance of several experts in this area. I would like to take this opportunity to publicly extend my thanks to Mr. Burt Braverman, one of the attorneys who argued the Chrysler case, Mr. Thomas Hussey, an attorney now in private practice who for a number of years served in the FOIA section of the Civil Division at the Department of Justice, and Mr. James O'Reilly, the author of the leading treatises on the FOIA. These gentlemen contributed great amounts of their valuable time and energy to insure that this bill responsibly addressed these significant problems surrounding our system for disclosure of Government information.

In sum, this bill is narrowly directed toward certain specific problems that have plagued the administration of the Freedom of Information Act. The resolution of these problems is long overdue. The drafters of the FOIA did not appreciate these defects in the statute, and this bill in no way undermines the purpose of the FOIA. The Senator from Kansas recommends this bill to his colleagues as a balanced piece of legislation worthy of their support.

Mr. President, I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Preservation of Confidential Information Act."

NOTICE OF REQUEST FOR DISCLOSURE AND INFORMAL HEARING PROCEDURE

Sec. 2. Section 552(a) of title 5, United States Code, is amended by inserting immediately after paragraph (6) the following new paragraph:

"(7) (A) (i) Whenever an agency receives a request for records which contain or are based on information not already in the public domain which has been obtained from any private source or which concerns any individually identifiable private party, and the agency has not decided to withhold such records, the agency shall, within ten working days from the date of receipt of such request, give written notice to the submitter of the information contained in the record, or on which the record is based, of such request. This notice shall describe the nature and scope of the request and advise the submitter of his right to submit written objections and his right to an informal ex parte hearing pursuant to this paragraph.

"(ii) For the purposes of this section, the terms 'private source' and 'private party' refer to any person (as defined by section 551 of this title) who is not an agency (as defined by this section), an officer or employee of such agency, or any instrumentality, officer, or employee of a state or local government.

"(iii) For the purposes of this section, the term 'submitter' includes the private source who provided the requested record, the information contained in the requested record or on which the requested record is based, the private proprietor of such information, and the individually identifiable private party who is the subject of such information.

"(B) (i) The submitter may, within ten working days after receipt of the notice, provide the agency with written objections to disclosure of the records requested, clearly and succinctly describing the factual and legal grounds for the objections.

"(ii) Upon proper request by the submitter made within five working days after receipt of the notice, the agency shall provide the submitter with an opportunity for an informal ex parte hearing at a location suitable for the interests of the submitter and of the agency, except that the agency may deny a request for hearing upon a written determination that on the particular facts of the case the request is clearly frivolous, the requested hearing would severely prejudice specifically stated interests of the agency or identified third parties, or the requested hearing has been rendered unnecessary by virtue of a determination to deny the underlying request for disclosure. This hearing shall be held no later than thirty days after the agency receives the request for a hearing, but not earlier than a reasonable time for the submitter to prepare his presentation for the hearing.

"(iii) The time limits set forth in this subparagraph may be extended by the agency where required by the circumstances of the case to permit development of the evidence for the record or where required by other exceptional circumstances. When an agency extends such time limits, it shall make a written finding of such circumstances, specifically describing each such circumstance and why such circumstance justifies an extension of the applicable time limits. The agency shall send the submitter a copy of this finding by certified or registered mail.

"(C) (i) Within thirty days after the agency receives the written objections of the submitter, or, if an informal ex parte hearing was held, within thirty days after the conclusion of the hearing, the agency shall make a final decision regarding disclosure of the requested agency records, unless such time limitations are extended by the agency due to the existence of exceptional circumstances justifying such extension. When the agency extends such time limitations, it shall make a written finding of such circumstances, specifically describing each such circumstance and why such circumstance justifies an extension of the applicable time limits. The agency shall send the submitter a copy of this finding by certified or registered mail.

"(ii) When the agency makes its final decision, it shall give the submitter written notice of its decision by certified or registered mail. Where the agency has decided to disclose the records requested, this notice shall clearly describe the factual and legal grounds on which the agency based its decision.

"(D) An agency may not disclose records which are subject to the provisions of this paragraph unless—

"(i) more than ten working days have passed since the submitter received notice of the request for disclosure and the submitter has not provided the agency with written objections to the disclosure of the records requested or requested an informal ex parte hearing,

"(ii) more than ten working days have passed since the submitter received notice of the final decision of the agency following submission of written objections where the submitter has not requested an informal ex parte hearing, or where the request of the submitter for such hearing was denied, or

"(iii) more than ten working days have passed since the submitter received notice of the final decision of the agency following an informal ex parte hearing.

"(E) (i) Whenever an agency gives a submitter written notice of a request for agency records pursuant to this paragraph, the agency shall also give the requester written notice by certified or registered mail that the record requested is subject to the provisions of this paragraph and that notice of the request is being given to the submitter, provided, however, that such notice shall not describe or identify in any way the information contained in the requested record, or on which the record is based, or identify the submitter of such information.

"(ii) Whenever an agency grants the request of a submitter for an informal ex parte hearing, the agency shall give the requester written notice, by certified or registered mail, that an informal hearing will be held pursuant to the provisions of this paragraph.

"(iii) At the same time the agency gives notice of its decision to the submitter, the agency shall give a similar written notice of its decision to the requester by certified or registered mail. Where the agency has decided not to disclose the requested record or part thereof, the notice shall be made in such a manner so as not to prejudice in any way the status of the record, or part thereof, as exempt from the disclosure provisions of this section.

"(iv) Whenever an agency extends the time limitations set forth in subparagraphs (B) or (C), the agency shall send a copy of the written findings of exceptional circumstances to the requester by certified or registered mail at the same time such finding is sent to the submitter, provided, however, that the copy of such findings sent to the requester shall not prejudice in any way the status of the record, or part thereof, as exempt from the disclosure provisions of this section.

"(F) The requester may deem the request for disclosure of records denied if—

"(i) more than forty days after the requester received notice that the requested record was subject to the provisions of this paragraph, the requester has not received written notice that an informal ex parte hearing has been granted, written notice of the final decision of the agency, or a copy of the findings of exceptional circumstances requiring an extension of the time limits of subparagraphs (B) or (C); or

"(ii) more than sixty days after the requester received notice that an informal ex parte hearing has been granted, the requester has not received either written notice of the final decision of the agency or a copy of the findings of exceptional circumstances requiring an extension of the time limits of subparagraphs (B) or (C).

"(G) Any written finding made by an agency that exceptional circumstances require an extension of the time limits of subparagraphs (B) or (C) shall be subject to review in the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are located, or in the District of Columbia. If the reviewing court finds the challenged extension to be unwarranted by the facts, it may declare such extension invalid and order such relief as it deems proper, including initiating de novo review of the request for disclosure and the related objections of the submitter, pursuant to subparagraph (H), and ordering the award of attorney fees, pursuant to subparagraph (4)(E) of this section.

"(H)(i) Any determination made by an agency following the procedures provided by this paragraph to disclose all or part of the records requested to be disclosed shall be subject to de novo review in the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records containing the information are situated, or in District of Columbia. The district court may examine the contents of such records in camera to determine whether such records or any part thereof shall be withheld under any of the exemptions set forth in subsection (b) of this section. The burden is on the agency to sustain its action by a preponderance of the evidence.

"(ii) The court may access against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this subsection, in which the complainant has substantially prevailed.

"(I) Nothing in this paragraph will be construed to be in derogation of any other rights established by law protecting the confidentiality of private information."

CONFORMING AMENDMENTS

Sec. 3. (a) Section 552(a)(3) of title 5, United States Code, is amended by inserting "and except as provided in paragraph (7) of this subsection" immediately after "this subsection".

(b) Section 552(a)(4)(B) of title 5, United States Code, is amended by striking out "On" at the beginning of subparagraph (B) and inserting in lieu thereof "Subject to the provisions of paragraph (7) of this subsection, on".

(c) Section 552(a)(6)(A) of title 5, United States Code, is amended by striking out "Each" at the beginning of subparagraph (A) and inserting in lieu thereof "Subject to the provisions of paragraph (7) of this subsection, each".

(d) Section 552(a)(6)(B) of title 5, United States Code, is amended by striking out "In" at the beginning of subparagraph (B) and inserting in lieu thereof "Subject to the provisions of paragraph (7) of this subsection, in".

(e) Section 552(a)(6)(C) of title 5, United States Code, is amended by striking "Any" at the beginning of subparagraph (C) and inserting in lieu thereof "Subject to the provisions of paragraph (7) of this subsection, any".

EXEMPTION FOR CONFIDENTIAL INFORMATION

Sec. 4. (a) Section 552(b) of title 5, United States Code, is amended by striking "This" at the beginning of subsection (b) and inserting in lieu thereof "The disclosure provisions of this".

(b) Section 552(b) of title 5, United States Code, is amended by striking paragraph (4) and inserting in lieu thereof the following:

"(4) subject to provisions of subsection (f), (A) trade secrets, (B) confidential or privileged commercial or financial information, (C) proprietary information which would not customarily be disclosed to the public by the person from whom it was obtained, or (D) information which the agency in good faith has obligated itself not to disclose;"

(c) Section 552 of title 5, United States Code, is amended by inserting immediately after subsection (e) the following new subsection:

"(f) An agency shall not disclose any records containing or based on, information described under subsection (b)(4) unless—

"(1) the submitter of such information consents in writing to its disclosure;

"(2) the submitter of such information did not make a timely objection to its disclosure pursuant to the provisions of this section; or

"(3) the agency can demonstrate by clear and convincing evidence that the failure of the agency to disclose the records would seriously injure an overriding public interest."

Sec. 5. Section 1905 of title 18, United States Code, is amended by adding to the end thereof "This section shall be deemed to fall within the provisions of section 552(b)(3) of title 5, United States Code."

APPLICATION

Sec. 6. The provisions of this Act shall apply to requests for disclosure of agency records submitted after the effective date of this Act.●

By Mr. HATFIELD:

S. 2398. A bill to extend the provisions of the General Exchange Act, as amended, to certain lands in order that they may become parts of the Umatilla and Wallowa National Forests, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. HATFIELD. Mr. President, I am today introducing legislation to adjust slightly the land exchange boundaries of the Umatilla and Wallowa-Whitman National Forest in eastern Oregon. The modification of the exchange boundaries would allow the Forest Service to negotiate a land exchange for a small amount of private land which is near or adjacent to the national forest. If an exchange was consummated, it would eliminate potential land management conflicts on public and private lands within and adjacent to these two national forests. It is my understanding that preliminary work has been completed on this proposal as a part of an ongoing land exchange program on the forests, and this exchange is supported by the Forest Service; the private landowner, Boise Cascade Corp.; and local government officials.

This bill contains two major features. First, it expands slightly the exchange boundary by some 2,500 acres to authorize the Forest Service to exchange for private lands which should be included as part of the national forest system. The local forest service supervisors have indicated that this minor land adjustment would be in the public interest. In addition to this first part, the second portion of the proposal would remove a larger area, about 123,000 acres, of land from the exchange boundaries of these two national forests. This provision would eliminate the possibility of future Forest Service acquisition of these lands by taking them out of the exchange boundary. Although there is already an understanding among the parties that these private lands will not be acquired by the Forest Service, enactment of the bill would formally codify this decision.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act of March 20, 1922 (42 Stat. 465, as amended), are hereby extended to the following described lands: Willamette Meridian—Township 3 North, Range 36 East, section 13, that part of the east half of the southeast quarter and of the south half of the southwest quarter of the southeast quarter lying south of the Umatilla River; section 21, that part of Lot 3 lying south of the Umatilla River, Lot 4 and southeast quarter of the southeast quarter; section 22, those parts of Lots 9, 10, 11, and 12 lying south of the Umatilla River, Lots 13, 14, 15, and 16; section 23, that part of the north half, and the north half of the southwest quarter lying south of the Umatilla River, and southwest quarter of the southwest quarter, and the north half of the southeast quarter; section 24, that part of Lots 3 and 4 lying south of the Umatilla River, Lots 5 and ;

Section 28, Lots 1 and 2, east half of the northeast quarter.

Township 2 North, Range 41 East, section 26; section 35, east half; section 36.

Township 5 South, Range 32 East, section 29, southwest quarter of the southeast quarter.

Sec. 2. Lands conveyed to the United States under section 1 of this Act shall, upon acceptance of title, become parts of the Umatilla and Wallowa National Forests and shall be subject to the laws, rules, and regulations applicable thereto.

Sec. 3. The Act of March 4, 1925 (43 Stat. 1279), is hereby amended to exclude the following described lands:

Willamette Meridian

Township 4 North, Range 41 East, section 9, east half, northwest quarter of the northwest quarter, south half of the northwest quarter and the southwest quarter; sections 10 to 17 inclusive; sections 20 to 29 inclusive; section 32, east half and east half of the west half; sections 33, 34, 35, and 36.

Township 4 North, Range 42 East, sections 19 to 36 inclusive.

Township 3 North, Range 40 East, sections 13, 24, 25, and 36.

Township 3 North, Range 41 East.

Township 3 North, Range 42 East.

Township 2 North, Range 40 East, section 1, north half.

Township 2 North, Range 41 East, sections 1 to 17 inclusive.

Township 2 North, Range 42 East, sections 1 to 12 inclusive.

Township 3 South, Range 37 East, sections 28, 29, and 30.

Township 3 South, Range 45 East, sections 13, 14, and 15.

Township 3 South, Range 46 East, section 18.

Township 4 South, Range 38 East, section 26.

SEC. 4. The Act of June 19, 1936 (49 Stat. 1534), is hereby amended to exclude the following described lands:

Willamette Meridian

Township 3 South, Range 37 East, sections 1, 2, 3, 4, 5, the west half, the south half southeast quarter, the north half northeast quarter, and the southeast quarter northeast quarter section 7; the east half, the northwest quarter, the east half southwest quarter, and the southwest quarter southwest quarter section 8, sections 9 to 24 inclusive, and sections 29 and 30.

SEC. 5. The Act of June 17, 1940 (54 Stat. 402), is hereby amended to exclude the following described lands:

Willamette Meridian

Township 1 South, Range 39 East, section 12, south half.

Township 1 South, Range 40 East, sections 3, 4, and 5; section 6, south half; sections 7, 8, 9, and 10.

Township 4 South, Range 38 East, sections 11, 14, and 23.

Township 6 South, Range 38 East, sections 17, 20, 29, and 32.●

By Mr. STEWART (for himself and Mr. DOLE):

S. 2399. A bill to amend title 39, United States Code, relating to nonprofit service clubs qualifying for third-class nonprofit rates of postage; to the Committee on Governmental Affairs.

POSTAL RATES FOR SERVICE CLUBS

Mr. STEWART. Mr. President, today I would like to come to terms with a regulation which for too long has hampered the valuable functions of this Nation's service clubs. The sponsors of humanitarian efforts in every State and throughout the world, these groups contribute mightily to the quality of world fellowship. I am a member of Civitan International in my home State of Alabama and am acutely aware of the concern for community welfare which emanates from all such organizations. We should do all we can to enhance their effective role in our communities and be ever watchful that they are fairly treated.

It is such vigilance which I now wish to advocate. The regulation to which I refer crept almost unnoticed into our law books in 1951, during the 82d Congress. With the blessings of Congress, the U.S. Postal Service was authorized to exclude from reduced nonprofit mailing rates certain groups which would seem highly qualified to receive them.

To receive the rate reduction, regulations require that a group must qualify under such broad categories as "religious, educational, fraternal, and philanthropic," among others. The Nation's service clubs certainly serve these functions. But for no reason which makes any semblance of sense, we have excluded them from the nonprofit status for third-class mailing rates. Perhaps unintentionally, we have slighted members of Civitan, Rotary, Kiwanis, Lions, and many other fine organizations.

When it drafted its legislation in 1951, the Senate specifically included service clubs. The Senate committee report stressed that the Webster's Dictionary definition of "service clubs" includes as examples "Rotary, Kiwanis, and Lions Club." The Senate recognized that such groups, organized for the public good, certainly should qualify for the special rates.

Unfortunately, the House of Representatives included no such special provision for service clubs when it drafted its companion bill. When the conflicting measures emerged from the complex deliberations of a conference committee, service clubs had been slashed from the eligibility list in a manner which seems arbitrary. The Postal Service has never since held the service clubs eligible in applying the reduced rate provision.

It is interesting to note that the Internal Revenue Service exempts service clubs, as nonprofit groups, from Federal income tax. It defines service clubs as "operated exclusively for the promotion of social welfare." It would be wise, if only for the sake of uniformity and legislative equity, to apply the same criterion to the Postal Service provision.

There never has been any clear reason for excluding service clubs from the benefits of a third-class mailing rate, and lacking a good reason we must take action to correct an error made 30 years ago. Service clubs serve much too valuable a function in our society for us not to undertake such action with expedience.

By Mr. METZENBAUM:

S. 2400. A bill to require business concerns which undertake changes of operations to give notice to the Secretary of Labor, and to affected labor organizations, employees, and local governments; to require business concerns to provide assistance to employees who suffer an employment loss caused by changes of operations; to authorize the Secretary of Labor to provide assistance to affected employees and local governments; and for other purposes; to the Committee on Labor and Human Resources.

EMPLOYMENT MAINTENANCE ACT OF 1980

Mr. METZENBAUM. Mr. President, I am today introducing the Employment Maintenance Act of 1980, a bill designed to assist communities and employees effected by plant closings and other major reductions in business operations.

In the past 10 years, such reductions have created severe hardships for communities all over this country. In Ohio alone, plant closings in the past decade have eliminated the jobs of approximately 100,000 working men and women. And in addition, those closings have sharply reduced tax revenues in the affected communities while at the same time, increasing the requirement for unemployment benefits and other social services.

United States Steel's decision to eliminate its Youngstown facilities provides a classic example of what a major plant closing can do to an American community.

United States Steel's action will drive unemployment in the Youngstown area to a level of 13 percent or more.

Some communities in the Youngstown area will at one blow lose up to 70 percent of their tax base.

I ask anyone to tell me how a community can withstand this kind of trauma without substantial help and proper advance planning.

I do not believe that any community can sustain the loss of an industry that has been a way of life for its people without severe damage.

And I do not believe that any American community should be forced to suffer as Youngstown has suffered.

But unfortunately, that belief is far from universal in the business community.

Recently, for example, documents came to my attention that deal with high level discussions within the Ford Motor Co. with regard to moving Ford's small engine production to Mexico in cooperation with a foreign auto manufacturer. That decision could, if carried out, have disastrous consequences for employment at Ford's Brook Park facility in Cleveland. I ask unanimous consent that those documents, as well as the text of the legislation I am introducing today, be printed in the RECORD at the conclusion of my remarks.

A glance at these documents, Mr. President, will show that Ford executives took many factors into account in considering this sourcing decision.

Ford's North American governmental affairs people provided an analysis of the likely political implications of the decision. Government affairs did "not believe that potential adverse governmental reaction should unduly influence a decision to outsource if it is not otherwise clearly disadvantageous."

Ford's public relations people laid out a strategy to "low key" the decision in the United States while seeking maximum exposure in Mexico. An evasive statement was prepared "for use on inquiry only."

Ford's financial people laid out detailed estimates on investment requirements and profitability.

Ford hit all the bases. But I wonder how much thought Ford executives gave to the question of Ford's obligations to its own employees and to the community in which it has been operating for so many years.

I believe that the relationship between a business and its host community must be a two-way street. Business depends upon the community for labor, often for capital and always for an environment conducive to a profitable enterprise. In return, the community receives employment opportunities for its residents and revenue from taxes. This relationship benefits both parties. It amounts to a joint pact—unwritten, unspoken, but a pact nonetheless.

When a business decides to terminate its operation or to relocate, that pact is dissolved. It is dissolved by the action of one party because the community does not have an opportunity to be involved in the decision to move the business or close the plant's doors.

Clearly, it is time to recognize in the law that the most elementary standards of business and equity require companies to recognize that they have obligations to their employees and to the communities in which they operate. And if a company decides to close or relocate a major facility, it has an obligation to assist the community and its own displaced workers in making an orderly transition.

Mr. President, the bill I am introducing today spells out the obligations of companies to their employees and their host communities in the event of plant closings. And it establishes mechanisms to protect legitimate individual and community interests.

The bill requires companies with $100 million in assets or sales to provide employees and affected communities with 2-year prenotification of its intent to change its operation.

The bill requires, for those firms with $250 million in assets or sales, that workers be given an opportunity to fill equivalent jobs in other company locations. And for those workers who cannot be transferred, the bill requires payment for 1 year of 85 percent of salary and of such benefits as health insurance and pension contributions. These benefits will be reduced according to the overall compensation an employee might receive through State or Federal programs in order to ensure that a worker will not receive as much or more than he or she did while employed.

In order to make companies more accountable to host communities, the bill requires payment of taxes for a year after major reductions take place. And it establishes on the part of companies a liability to the Federal Government for 300 percent of lost taxes in the event that the facilities in question are relocated abroad. Some may describe this provision as punitive. But I believe that it is high time for this Nation to discourage companies that flee the country in search of cheap labor, nonexistent occupational safety and health requirements and lax environmental regulations. It is time, Mr. President, to remind American business that this Nation's welfare must come first.

Other members of the Labor and Human Resources Committee have introduced similar legislation. I plan to work with them for the speedy enactment of this badly-needed legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Employment Maintenance Act of 1980."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) abrupt and unforeseen changes of operation at establishments of business concerns disrupt commerce and cause unemployment to increase substantially in certain areas of the Nation, and

(2) adequate notice to affected employees and communities is needed to avert or to minimize the dislocation of employment opportunities, and new mechanisms of public input are needed to assure that private investment decisions adequately reflect employee and community needs and all costs of dislocations of employment.

(b) It is the purpose of this Act to avert or minimize the harmful economic and social effects of unemployment on employees and on local governments caused when business concerns undertake changes of operations.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "beneficiary" shall have the meaning given it in section 3(8) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(8)).

(2) The term "business concern" means any person who directly or indirectly owns a controlling interest in, or controls, a commercial enterprise.

(3) The term "change of operations" means the transfer of any operation from an establishment, the termination of any operation, or the relocation of any operation.

(4) The term "defined benefit plan" shall have the meaning given it in section 3(35) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(35)).

(5) The term "employee benefit plan" shall have the meaning given it in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)).

(6) The term "employee pension benefit plan" shall have the meaning given it in section 3(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(2)) but shall not include a multiemployer plan.

(7) The term "employee welfare benefit plan" shall have the meaning given it in section 3(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)) but shall not include a multiemployer plan.

(8) The term "employment loss" means with respect to an employee—

(A) the failure of such employee to receive for each week in any 26-week period from any business concern which employs him, wages that equal or exceed 85 percent of the average of the wages paid by such business concern to such employee for the 26-week period immediately preceding the first such week, or

(B) the suspension or termination of the employment of such employee by such business concern, which is in effect 26 consecutive weeks, if such failure, suspension, or termination is caused by such business concern when it undertakes a change of operations ordinarily performed at the establishment where such employee is employed.

(9) The term "establishment" means—

(a) any factory, plant, mine, business office, facility, or other single working place, or

(b) the functional equivalent of such working place, at which the average of the number of employees employed on the last working day of each month in the calendar year immediately preceding the date the change of operations involved is undertaken exceeds 500.

(10) The term "executive agency", shall have the meaning given it in section 105 of title 5, United States Code.

(11) The term "individual account plan" shall have the meaning given it in section 3(34) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(34)).

(12) The term "multiemployer plan" shall have the meaning given it in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37)).

(13) The term "nonforfeitable" shall have the meaning given it in section 3(19) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(19)).

(14) The term "normal retirement age" shall have the meaning given to it in section 3(24) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(24)).

(15) The term "normal retirement benefit" shall have the meaning given it in section 3(22) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(22)).

(16) The term "Secretary" means the Secretary of Labor.

(17) The term "State" means the several States, the District of Columbia, and any territory or possession of the United States.

(18) The term "taxable year" shall have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954 (defining taxable year).

NOTICE OF INTENT TO CHANGE OPERATIONS

SEC. 4. (a) Whenever a business concern which has assets or sales in excess of $100 million intends to undertake a change of operations at an establishment and such business concern determines that the number of employees at such establishment who will suffer an employment loss in any 18-month period, as a result of such change of operations, exceeds 15 percent of the employees at such establishment, then such business concern shall give written notice, in accordance with subsection (b), of such intended change of operations.

(b)(1) The notice required in subsection (a) shall include a statement of—

(A) the nature of the establishment at which the change of operations described in subsection (a) is to be undertaken,

(B) the reasons for undertaking such change of operations at such establishment,

(C) alternatives to undertaking such change of operations,

(D) the estimated extent of the employment loss which will result from such change of operations,

(E) plans to minimize the effects of such change of operations on employees at such establishment and on any unit of general local government having taxing jurisdiction over the geographical area in which such establishment is located,

(F) the economic circumstances of such establishment, including the level of profitability of operations at such establishment, and any plans for future investment, employment, and production at such establishment,

(G) the economic circumstances of such business concern and the feasibility of transferring employees affected by such change of operations to other establishments of such business concern, and

(H) the names and addresses of all employees who will suffer an employment loss as a result of such change of operations.

(2) The notice required in subsection (a) shall be given to the Secretary of Labor, to the employees and any representative of any affected labor organization at such establishment, and to such units of general local government as the Secretary may require by rule.

(3)(A) Except as provided in subparagraphs (B), (C), and (D) the notice required in subsection (a) shall be given not later than two years before such business concern takes any action, in connection with any intended change of operations, to reduce the weekly wage, or to suspend or terminate the employment of any employee.

(B) Upon the request of such business concern, the Secretary may allow such business concern to give the notice required in subsection (a) at a time later than the time required in subparagraph (A), but only if the Secretary finds that an increase in the number of employees at such establishment within the applicable time period required in such subparagraph makes it impossible for such business concern to comply with the requirements of such subparagraph.

(C) If in the two year period beginning on the date of the enactment of this Act sufficient time does not elapse to permit a business concern required to give notice under subsection (a) to comply with the applicable requirement in subparagraph (A), then such business concern shall give such notice—

(i) not later than 30 days after such change of operations begins if such change of operations begins in the 60-day period beginning on the date of the enactment of this Act, or

(ii) not later than 30 days after the date of the enactment of this Act if such change of operations begins after the expiration of such 60-day period.

(D) If any such business concerns could not have reasonably anticipated any action, in connection with any intended change of operation, requiring notice pursuant to subparagraphs (A), (B), or (C), such business concern shall give notice not later than 7 days after it determines such action necessary.

(c) Not later than 30 days after the Secretary receives the notice required in subsection (a), the Secretary shall inform each employee at the establishment with respect to which such notice is given, of—

(1) all rights such employee may have to receive assistance under section 7 from the business concern involved, and

(2) the protection, services, and assistance available to such employee under this Act.

INELIGIBILITY OF CERTAIN EMPLOYEES FOR ASSISTANCE

Sec. 5. An individual who becomes an employee of a business concern required to give notice under section 4(a)—

(1) by accepting employment at an establishment with respect to which such notice is required, after such notice is given, and

(2) with knowledge that such notice has been given,

shall be deemed not to be an employee at such establishment for purposes of section 7, 8, 9, and 10.

STATEMENT OF EMPLOYMENT STATUS

Sec. 6. (a) Whenever a business concern required to give notice under section 4(a)—

(1) reduces the wages paid for any week to an employee to an amount less than 85 percent of the average of the wages paid in all weeks to such employee by such business concern during the 26-week period immediately preceding such week, or

(2) suspends or terminates the employment of such employee, at an establishment with respect to which such notice is required, such business concern shall give such employee, not later than 7 days after the week for which such wages are so reduced or such employment is suspended or terminated, a written statement of employment status.

(b) If a business concern which gives a statement of employment status in accordance with subsection (a) to an employee fails to include in such statement an assurance that such business concern will increase the wages of or reinstate such employee, as the case may be, to prevent such employee from suffering an employment loss, then such employee shall be deemed to suffer an employment loss as of the week for which such business concern reduces the wages, or suspends or terminates the employment, of such employee as described in such subsection.

(c) If a business concern which gives a statement of employment status in accordance with subsection (a) to an employee includes in such statement an assurance that such business concern will increase the wages of or reinstate such employee, as the case may be, to prevent such employee from suffering an employment loss and if such business concern fails to prevent such employment loss, then such business concern shall pay such employee, in addition to any other payment required in this Act, a lump sum equal to the product of 26 and the amount described in section 7(a)(A)(i).

(d) An employee with respect to whom a business concern required to give notice under section 4(a) fails to comply with subsection (a) shall be deemed to suffer an employment loss as of the week for which such business concern reduces the wages, or suspends or terminates the employment, of such employee as described in such subsection.

TRANSITIONAL ASSISTANCE BY BUSINESS CONCERNS

Sec. 7. (a) (1) Subject to subsection (c), any business concern which has assets or sales in excess of $250 million shall—

(A) pay to each employee who suffers an employment loss at such establishment as a result of such change of operations a weekly income maintenance payment—

(i) equal to 85 percent of the product of the weekly equivalent and the rate of pay, in effect on the date such employment loss occurs for the position having the highest rate of pay so measured which such employee held at any establishment of such date, or

(ii) equal to 100 percent of such product if such employee is participating, during the week for which such income maintenance payment is required, in any training program provided or required by the Secretary under section 13(a)(1) and

(B) make payments with respect to such employee as if such employee had not suffered such employment loss, to any employee benefit in effect at such establishment to which such business concern is obligated to contribute with respect to such employee for the week immediately preceding the 26-week period ending on the date such employment loss occurs, for the 52-week period beginning on the date such employment loss occurs.

(2) For purposes of paragraph (1)(A)(i) and paragraph (3)(B)(ii), the term "weekly equivalent" means the greater of the average number of hours per week such employee worked during—

(A) the 26-week period immediately preceding the date by which such business concern is required to give notice under section 4(a), or

(B) the 26-week period immediately preceding any reduction of wages, or any suspension or termination of the employment, of such employee resulting in such employment loss.

(3)(A) A payment payable under paragraph (1)(A) to an employee who receives for the week with respect to which such payment is required wages from—

(i) such business concern, or

(ii) an employer other than such business concern for employment accepted with such employer after such employment loss occurs, shall be reduced by an amount described in subparagraph (B).

(B) The amount by which such payment shall be reduced under subparagraph (A) shall be equal to the difference between;

(i) the sum of such wages and such payment payable without regard to this paragraph, and

(ii) the product of the weekly equivalent and the rate of pay, measured at the equivalent of an hourly rate of pay, in effect on the date such employment loss occurs for the position having the highest rate of pay so measured which such employee held at any establishment of such business concern at any time in the 1-year period immediately preceding such date.

(4) A payment payable under paragraph (1)(A) to an employee who receives—

(A) compensation under any unemployment compensation law of any State or of the United States, or

(B) a trade readjustment allowance under part I of subchapter B of chapter 2 of title I of the Trade Act of 1974 (19 U.S.C. 2991–2294), for the week with respect to which such payment is required shall be reduced by an amount equal to the sum of such compensation and such allowance.

(5) A payment made by a business concern under paragraph (1)(A) to an employee shall be deemed—

(A) not to be wages for the purpose of determining the eligibility of such employee to receive any payment under any unemployment compensation law of any State or of the United States, and

(B) to be wages for all other purposes, including the determination of any contribution to be made to, and any credit to be received any benefit to accrue under, any employee benefit plan to which any payment is required in paragraph (1)(B).

(6) No business concern shall be required to make total payments under paragraph (1)(A) exceeding $25,000 for any 52-week period to each employee who suffers an employment loss.

(7) No business concern shall be required to make a payment under paragraph (1) with respect to an employee for any week beginning after such employee begins any employment offered under section 8(a) to such employee.

(8) No business concern shall be required to make a payment under paragraph (1) with respect to an employee for any week beginning after such employee refuses to accept employment offered by such business concern or by any employer other than such business concern, located within a reasonable commuting distance of the regular place of residence of such employee, if such employment—

(A) provides—

(i) wages that equal or exceed the wages, and

(ii) benefits (including benefits under any employee benefit plan) substantially equivalent to the benefits, for the position having the highest rate of pay, measured at the equivalent of an hourly rate of pay, which such employee held at any establishment of such business concern at any time in the 2-year period preceding the date the employment loss of such employee occurs, and

(B)(i) is substantially similar in kind to such position, or

(ii) utilizes skills acquired by such employee as a result of any previous employment or participation in any training program.

(9) No business concern shall be required to make a payment under paragraph (1) with respect to an employee for any week during which such employee refuses to participate, or fails to make satisfactory progress, without good cause, in any training or placement program made available to such employee under section 10(a)(1).

(10) No business concern shall be required to make a payment under paragraph (1) with respect to an employee for any week for which such employee receives a retirement benefit under any employee pension benefit plan to which such business concern made any payment with respect to such employee before such week.

(a) If an employee suffers an employment loss arising from the suspension or termination of his employment by a business concern required to make payments under subsection (a) and if such employee accepts employment offered by such business concern not later than 3 years after the date such employment loss occurs, then such business concern shall pay any reasonable expenses incurred by such employee in connection with moving to a new residence for the purpose of beginning such employment.

(b)(1) Notwithstanding the expiration of the 52-week period for which a business concern is required to make payments with respect to an employee under subsection (a), such business concern shall continue to make, with respect to each employee who on the expiration of such 52-week period has attained 53 years of age and has not yet attained 61 years of age, the payments described in such subsection during the number of years specified in paragraph (2) if such payments would be required under such subsection with respect to such employee but for the expiration of such 52-week period.

(2) A business concern shall make the

payments required in paragraph (1) with respect to such employee during the number of years equal to the number by which 5 exceeds the absolute value of the quantity 57 less the number of years of age such employee attains before the expiration of such 52-week period.

TRANSFER OF EMPLOYEES

SEC. 8 (a) In accordance with rules promulgated by the Secretary, a business concern required to give notice under section 4(a) shall offer to any employee who suffers an employment loss at an establishment with respect to which such notice is required any employment which becomes available at any establishment of such business concern in the 3-year period beginning on the date such employment loss occurs and which such employee is qualified to perform, to the extent that such business concern can provide such employment under this paragraph without violating any provision of any collective bargaining agreement in effect with respect to such employment, such establishment, or such business concern.

(1) Such employment shall provide—

(A) wages that equal or exceed the wages, and

(B) benefits (including benefits under any employee benefit plan) substantially equivalent to the benefits, for the position having the highest rate of pay, measured at the equivalent of an hourly rate of pay, which such employee held at any establishment of such business concern at any time in the 2-year period preceding the date the employment loss of such employee occurs notwithstanding the terms and conditions otherwise applicable with respect to such employment.

(b) Any employee who is aggrieved by any failure of a business concern to comply with subsection (a) may seek relief in accordance with section 13.

EMPLOYEE BENEFIT PLANS

SEC. 9. (a) An employee who participates in any employee benefit plan to an establishment with respect to whom payments to such plan are required under section 7(a)(1)(B) shall be eligible to participate in such plan during any period for which such payments are required.

(b) If an employee participates under subsection (a) in any employee pension benefit plan, then such employee shall—

(1) receive credit for the purpose of the vesting of any right in such plan, and

(2)(A) accrue benefits to the extent that such plan is a defined benefit plan, and

(B) receive credit to the account of such employee to the extent that such plan is an individual account plan, for each period for which a payment is made under section 7(a)(1)(B). For purposes of determining credits to be received and benefits to be accrued under the preceding sentence, any week for which a payment is required under section 7(a)(1)(A) with respect to such employee shall be deemed to be a week during which such employee is employed.

(c)(1) If an employee suffers an employment loss at an establishment with respect to which notice is required in section 4(a) and if such employee is credited before such employment loss occurs with at least 5 years of vesting service in an employee pension benefit plan with respect to which subsection (a) applies in the case of such employee, then the rights of such employee in such plan shall vest completely and nonforfeitably for all purposes on the date such employment loss occurs. For purposes of the preceding sentence, any period during which any suspension or termination of the employment of such employee is in effect shall not be considered to be a break in service if such suspension or termination of employment results in such employment loss.

(2) A business concern required to make payments under section 7(a)(1)(B) to any employee benefit plan with respect to an employee shall be liable to such plan for unfunded liability of such plan resulting from the operation of paragraph (1).

(d) Any employee who suffers an employment loss at an establishment with respect to which notice is required in section 4(a) and who attains 55 years of age before such employment loss occurs shall be eligible to retire and to receive any retirement benefit under any employee pension benefit plan with respect to which subsection (a) applies in the case of such employee, beginning on the date such employee attains 62 years of age, if the normal retirement age under such plan is any age greater than 62 years of age. The amount of such benefit payable in accordance with this subsection shall be an amount equal to the actuarial equivalent of the normal retirement benefit payable to such employee under such plan.

(e) Any violation of this section shall be deemed to be a violation of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001–1144) for which a civil action may be brought under paragraph (3) or paragraph (5) of section 502(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132 (a)).

FEDERAL ASSISTANCE TO EMPLOYEES

SEC. 10. (a) The Secretary shall implement a comprehensive program in accordance with subsection (b) to provide assistance to employees who suffer or may suffer an employment loss at an establishment with respect to which notice is required under section 4(a). Such program shall include, but shall not be limited to, testing, counseling, training programs and job placement services.

(b)(1) To the extent practicable, the Secretary shall provide assistance under subsection (a) to employees who may suffer an employment loss, before such employment loss occurs.

(2) To the extent practicable, the Secretary shall provide assistance under subsection (a) through existing programs established by law before the date of the enactment of this Act. To the extent that such assistance cannot be provided through any existing program, the Secretary may provide such assistance through new programs established by the Secretary for the purpose of furnishing such assistance, including programs to be carried out by grants to, or contracts with, private organizations.

(c)(1) Before the Secretary implements any program under subsection (a) to retrain employees who suffer or may suffer an employment loss at an establishment, the Secretary shall, to the extent practicable, consult with the business concern involved, and with any authorized representative of any affected labor organization at such establishment, for the purpose of developing a retraining plan which will meet the manpower needs of such business concern.

(2) Any employee who receives testing, counseling, training or placement assistance under subsection (a) shall be paid allowances by the Secretary for reasonable and necessary expenses incurred for travel and subsistence when such testing, counseling, training, or placement assistance is provided at facilities which are not within a reasonable commuting distance of the regular place of residence of such employee. The Secretary shall prescribe by rule the amount of such allowances applicable with respect to the different geographical regions of the United States, taking into account regional variations in the general levels of such expenses.

SEC. 11 (a) Any unit of general local government of a State affected by a change of operations undertaken by a business concern at an establishment (without regard to whether such establishment is within the jurisdiction of such unit of general local government) may apply to the Secretary for a determination of eligibility for relief under subsection (c) of this section.

(b)(1) If, after a hearing on the record, the Secretary determines that such unit of general local government has suffered, or will suffer, as a result of such change of operations—

(A) a substantial decrease in income resulting from a decrease in the amount of revenue paid to such unit of government by such business concern or by the employees of such establishment.

(B) a substantial increase in the demand for, or utilization of, social services provided by such unit of general local government, or

(C) a substantial increase in the number of unemployed individuals who reside within the jurisdiction of such unit of general local government—then such unit of general local government will be eligible for relief under subsection (c) of this section.

(2) The Secretary shall make a determination regarding the eligibility of a unit of general local government under this subsection not later than 120 days after application is made by such unit of general local government.

(3) If the Secretary determines that a unit of general local government is eligible for relief under this subsection, the Secretary shall develop, in consultation with such unit of general local government and the business concern required to give notice under section 4(a), a schedule to provide such relief as required under subsection (c) of this section.

(c)(1) If the Secretary determines that a unit of general local government is eligible for relief under this subsection, then the business concern required to give notice under section 4(a) shall be liable as provided in paragraph (2) to each unit of general local government to which such business concern was liable for any revenue payable with respect to real or personal property at the establishment involved, in any of the 3 fiscal years of such unit of general local government preceding the first fiscal year of such unit of general local government in which such business concern undertakes the change of operations with respect to which such finding is made.

(2) The amount for which such business concern shall be liable under paragraph (1) to such unit of general local government shall be an amount equal to 85 percent of the difference between—

(A) the average of the amounts of such revenue for which such business concern was liable to such unit of general local government for the taxable years ending in such 3 fiscal years, and

(B) the amount of such revenue for which such business concern is liable to such unit of general local government for the first complete taxable year of such business concern occurring after the end of the period with respect to which such findings is made, to the extent that such difference is directly related to such change of operations.

(d) Whenever a business concern fails to pay to any unit of general local government any amount for which such business concern is liable under subsection (a)—

(1) such amount shall be deemed to be a debt owed to the United States by such business concern and shall bear simple interest at 9 percent per annum, and

(2) the Secretary shall pay such amount to such unit of general local government at the request of such unit of general local government.

(e)(1) If, after a hearing on the record, the Secretary finds that a business concern is required to give notice under section 4(a) with respect to an establishment located in the United States and such business concern undertook a change of operations which involved the transfer of such operations from such establishment to an establishment outside the United States when an economically viable alternative to such transfer existed, then such business concern shall be liable to the United States as provided in paragraph (2).

(2) The amount for which such business concern shall be liable under paragraph (1) shall be an amount equal to 300 percent of the difference between—

(A) the average of the amounts of revenue allocable to such establishment for which such business concern was liable to the United States for the 3 taxable years of such business concern preceding the first or only taxable year in which such business concern transfers the operations with respect to which such finding is made, and

(B) the amount of revenue allocable to such establishment for which such business concern is liable to the United States payable for the first complete taxable year of such business concern occurring after the end of the period with respect to which such finding is made.

CIVIL VIOLATIONS AND PENALTIES

SEC. 12. (a) (1) It shall be unlawful for any business concern which should have known that it was required to give notice under section 4 to fail to give such notice—

(2) for any business concern required to make payments under this Act to fail to make such payments,

(3) for any business concern to fail to pay any debt owed to the United States under section 7(d) (1) or section 11(d) before the expiration of the 180-day period beginning on the date such debt is incurred.

(b) The Secretary may hold a hearing on the record to determine whether a business concern has violated subsection (a).

(c) If, after a hearing under subsection (b), the Secretary finds that a business concern has violated subsection (a), then the Secretary shall assess against such business concern a civil penalty not to exceed an amount equal to the sum of—

(1) an amount equal to any allowable credit claimed by such business concern under section 38 of the Internal Revenue Code of 1954 (relating to investment in certain depreciable property) with respect to any equipment transferred, disposed of, or abandoned as a result of the change of operations which is the subject of such violation,

(2) an amount equal to any allowable deduction for depreciation claimed by such business concern under section 167 of the Internal Revenue Code of 1954 (relating to depreciation) or section 611 of the Internal Revenue Code of 1954 (relating to allowance of deduction for depletion) with respect to any property transferred, disposed of, or abandoned as a result of such change of operations,

(3) an amount equal to any allowable deduction for ordinary and necessary expenses claimed by such business concern under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), to the extent such expenses are directly related to such change of operations,

(4) an amount equal to one-half of the value of any economic benefit given by any government of a foreign country to such business concern in the 1-year period beginning on the date such business concern concludes the change of operations with respect to which such violation is found, as an inducement to undertake such change of operations, and

(5) an amount equal to the amount by which the sum of the aggregate wages and the aggregate taxes imposed by chapter 23 of the Internal Revenue Code of 1954 (relating to the Federal Unemployment Tax Act) payable by such business concern for the taxable year—

(A) preceding the date which occurs 1 year before such change of operations is to begin, in the case of a business concern required to give notice within the time required in section 4(b) (3) (A), exceeds one-half of sum of the aggregate wages and the aggregate taxes imposed by chapter 23 of the Internal Revenue Code of 1954 (relating the Federal Unemployment Tax Act) payable by such business concern for the period of 2 taxable years beginning after the date such business concern concludes such change of operations, to the extent that any amount calculated in accordance with this paragraph is directly related to such change of operations.

VIOLATIONS OF EMPLOYEES' RIGHTS

SEC. 13 (a) It shall be unlawful for any business concern required to give notice under section 4(a) to fail to comply with section 8(a) in the case of any employee who suffers an employment loss at any establishment with respect to which such notice is required.

(b) It shall be unlawful for any business concern to discriminate against any employee because such employee participated in, assisted in any manner, or requested any investigation, hearing, or other proceeding under this Act.

(c) (1) If any employee of a business concern believes that any violation of subsection (a) or subsection (b) has been committed with respect to him, then such employee may file a complaint with the Secretary, not later than 180 days after the commission of such violation.

(2) (A) The Secretary may hold a hearing on the record with respect to any act, or failure to act, described in such complaint to determine whether such act, or failure to act, occurred and is in violation of subsection (a) or subsection (b).

(B) Not later than 180 days after such complaint is filed with the Secretary, the Secretary shall notify such employee whether a hearing under subparagraph (A) will be held.

(3) (A) If the Secretary finds in accordance with paragraph (2) (A) that a violation of subsection (a) or subsection (b) has occurred, then the business concern which committed such violation shall take such action with respect to such employee as the Secretary finds equitable and orders, including the transfer or reinstatement of such employee.

(B) Whenever the Secretary orders a business concern to transfer or reinstate an employee under subparagraph (A), such business concern shall pay such employee an amount equal to 300 percent of the amount of the wages such employee would have received from such business concern if such employee had been offered and had accepted the employment with respect to which a violation of subsection (a) is found or if such employer had not discriminated against such employee in violation of subsection (b), as the case may be.

(C) Subsection (a) and subsection (b) shall not be construed to authorize any private right of action with respect to any act or failure to act which may violate subsection (a) or subsection (b).

RECOVERY OF OVERPAYMENTS

SEC. 14. (a) If the Secretary has reasonable cause to believe that any recipient of assistance under section 10 has knowingly made, or has caused another person to knowingly make, any false statement of any material fact or has knowingly failed, or caused another person to fail, to disclose any material fact, and as a result of such action has received any payment of assistance under such section, then the Secretary shall—

(1) refuse to make any additional payment of assistance to such recipient if such recipient is ineligible to receive such assistance, or

(2) reduce the amount of such payment of assistance paid to such recipient if such recipient is eligible to receive a reduced amount, but shall deduct from any such payment an amount equal to the amount of any overpayment received by the recipient which is not repaid to the Secretary by such recipient.

(b) Any amount repaid to, or deducted by, the Secretary under subsection (a) (2) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which such payment was made.

GENERAL POWERS OF SECRETARY

SEC. 15. For purposes of carrying out the provisions of this Act, the Secretary shall prescribe such rules and regulations as he may deem necessary.

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Sums appropriated pursuant to this section shall remain available until expended.

ADDITIONAL COSPONSORS

S. 1480

At the request of Mr. CULVER, the Senator from Oregon (Mr. HATFIELD), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 1480, a bill to provide for liability, compensation, cleanup, and emergency response for hazardous substances released into the environment and the cleanup of inactive hazardous waste disposal sites.

S. 1629

At the request of Mr. JACKSON, the Senator from Hawaii (Mr. INOUYE), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1629, a bill to amend section 9441 of title 10, United States Code, to provide for budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force.

S. 1794

At the request of Mr. MELCHER, the Senator from Ohio (Mr. GLENN), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 1794, a bill to amend the Public Health Service Act to provide for research concerning Reye's syndrome, and for other purposes.

S. 1984

At the request of Mr. WALLOP, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1984, a bill to amend the Internal Revenue Code of 1954 to provide an unlimited marital estate and gift tax deduction, to modify provisions relating to special valuation of certain farm and other real property, and for other purposes.

S. 1996

At the request of Mr. MELCHER, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 1996, a bill to authorize the recovery of wood residues in the national forests for use as fuel, for conversion to use as petrochemical substitutes or wood products, and for other purposes.

S. 2082

At the request of Mr. ZORINSKY, the Senator from Kansas (Mrs. KASSEBAUM), the Senator from South Dakota (Mr. McGOVERN), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 2082, a bill to amend title 17 of the United State Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders.

S. 2253

At the request of Mr. CANNON, the Senator from Tennessee (Mr. SASSER), and the Senator from Colorado (Mr. HART) were added as cosponsors of S. 2253, a bill to provide for an extension of directed service on the Rock Island Railroad and to provide transaction assistance to the purchasers of portions of said railroad.

At the request of Mrs. KASSEBAUM, the Senator from Arkansas (Mr. BUMPERS), and the Senator from Louisiana (Mr. LONG) were added as cosponsors of S. 2253, supra.

S. 2360

At the request of Mr. HELMS, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 2360, a bill to reduce overlap between the food stamp and school lunch programs.

SENATE JOINT RESOLUTION 100

At the request of Mr. SASSER, the Senator from Minnesota (Mr. DURENBERGER), the Senator from Vermont (Mr. STAFFORD), the Senator from Idaho (Mr. McCLURE), the Senator from Montana (Mr. BAUCUS), the Senator from North Carolina (Mr. MORGAN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of Senate Joint Resolution 100, a joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day."

SENATE JOINT RESOLUTION 136

At the request of Mr. SASSER, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of Senate Joint Resolution 136, a joint resolution to designate the month of March 1980 as Gospel Music Month.

AMENDMENTS SUBMITTED FOR PRINTING

CRIMINAL CODE REFORM AND REVISION ACT OF 1979—S. 1722

AMENDMENT NO. 1682

(Ordered to be printed and to lie on the table.)

Mr. SIMPSON submitted an amendment intended to be proposed by him to S. 1722, a bill to codify, revise, and reform title 18 of the United States Code, and for other purposes.

Mr. SIMPSON. Mr. President, at a time when we are facing unprecedented crises overseas—in Iran, in Afghanistan, in the Middle East, and possibly now in Yugoslavia—we should be doing all that we possibly can to strengthen the capability of our intelligence and counterintelligence agencies in order for them to function effectively and efficiently.

During the past 5 years we have observed—with an almost morbid fascination—the near destruction and dismantling of American intelligence and counterespionage capabilities. This has come about, in part, because of the inability of the Justice Department to successfully prosecute those individuals who intentionally disclose the identities of undercover CIA agents.

One such international disclosure lead to the assassination of our CIA station chief in Athens, Greece. For this same reason, many foreign intelligence services, who have in the past willingly cooperated with the CIA, now refuse to do so. They fear the fact that their cooperation will be "made public," or that their sources of intelligence will be compromised.

I am pleased that President Carter has recognized—however belatedly—the absolute necessity for simplifying the awesomely difficult task of the CIA with his request for repeal of the Hughes-Ryan amendment and a lessening of the other restrictions that were unwisely placed on the CIA during the last 3 years.

I am also heartened by the fact that Senator NUNN, and others, are sponsoring legislation that would also provide for CIA agents the type of legal protection that my amendment to the proposed criminal code will provide.

I join in, and support, Senator NUNN's effort; however, we do not know when—or whether—his legislation will emerge from the Intelligence Committee, or in what form. I might add that I, as well as many leading constitutional scholars, such as former U.S. Solicitor General Robert Bork, has grave doubts about the constitutionality of a detailed CIA charter. We might well be better served by a charter embodying only a general statement of purposes. I am reserving judgment on that issue. There will be ample time to discuss and debate it at length, if the CIA charter is reported to the floor.

The criminal code, however, is here for our consideration now. The problem this amendment addresses is purely one of criminal law; it does not, in any way deal with the substance of the CIA's, or the FBI's daily operations.

It merely serves to protect those CIA, FBI, and DEA agents who are daily risking their lives in undercover capacities, from having their undercover identities deliberately and maliciously blown by those who are hostile to the very idea of those agencies existence, much less to their proper functioning.

Domestic law enforcement agencies, including the FBI and the Drug Enforcement Administration, have also experienced difficulties in recruiting informants, since these persons rightly fear that leaks to newspapers could endanger their lives. Three years ago, we witnessed the absurd spectacle of the DEA frantically trying to prevent a local newspaper from publishing the names of DEA agents then risking their lives working in undercover capacities in the Washington metropolitan area.

In order to prevent these, and similar aberrations of logic from recurring I am introducing an amendment to the proposed Criminal Code (S. 1722) that will make it a crime to deliberately reveal the identity of any undercover agent, or to reveal that any person was giving assistance to a Federal law enforcement or intelligence agency. This amendment would assure that there will no longer be any doubt concerning the Government's willingness—or ability—to protect those of its citizens who choose to serve their country in some of its most dangerous assignments.

The first substantive section of this amendment makes it unlawful for any present or former employee of any intelligence or law enforcement agency from using that position to funnel information regarding the undercover identity of any agent, or the fact that any person is providing operational assistance to any law enforcement or intelligence agency. Only in cases such as these would the mere fact of international disclosure constitute an offense. In those instances where the target of the prosecution was the organization that had printed the disclosure, it would be necessary for the Government to prove an intent to impair or impede the law enforcement or intelligence functions of the CIA or the NSA. This provision of the amendment's second section is to avoid any possible conflict with freedom of the press guarantees of the first amendment.

For too long it has been fashionable, in self-styled elitist circles, to deride the need for a strong intelligence gathering and counterespionage capability. It has similarly been the "in thing" to deride the FBI and other law enforcement agencies, as being somehow quite pedestrian and "out of touch" with the will or needs of the people.

Tragically, some have thought that by attacking and crippling the CIA or the FBI they could ride that particular tiger to a level of high visibility on the national scene. It took a brutal invasion of Afghanistan to suddenly convince those critics and this administration that the Soviet Union was not to be trusted, and that if one wanted to know "before the fact" what they were up to, then this country required a functioning CIA—and not a "toothless tiger" CIA.

I do not, by these remarks, want to imply that I unreservedly approved of anything and everything that was done in the name of "national security" by either the FBI or the CIA during the past 10 years. But I deeply believe that the orgy of self-flagellation through which we have passed must come to an end. The previous errors have been exposed and corrected. Future vigilance will assure they do not again occur.

We cannot continue to demand that the CIA and FBI agents of the 1980's go on paying for the errors of those who preceded them in the 1960's. It is a new era, and a far more dangerous world. We must face up to those realities, and this amendment is but one step toward that. I urge my colleagues to join in this effort.

Mr. President, I ask unanimous consent to have printed in the RECORD a "Dear Colleague" letter, a factsheet, a news release, and the text of the amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON THE JUDICIARY,
Washington, D.C., March 3, 1980.

DEAR COLLEAGUE: During the past five years we have observed—with an almost morbid fascination—the near destruction and dismantling of American intelligence and counter espionage capabilities. This has come about, in part, because of the inability of the Justice Department to successfully prosecute those individuals who intentionally disclose the identities of undercover CIA agents.

One such intentional disclosure lead to the assassination of our CIA Station Chief in Athens, Greece. For this same reason, many foreign intelligence services, who have previously willingly cooperated with the CIA, now refuse to do so. They fear the fact of their cooperation will be "made public," or that their sources of intelligence will be compromised.

Domestic law enforcement agenices, including the FBI and the Drug Enforcement Administration, have also experienced difficulties in recruiting informants, because these persons rightly fear that leaks to newspapers would endanger their lives. Three years ago, we witnessed the spectacle of the DEA frantically trying to prevent a local newspaper from publishing the names of DEA agents risking their lives working in undercover capacities in the Washington metropolitan area.

In order to prevent these, and similar aberrations of logic from recurring, I am introducing an amendment to the proposed Criminal Code (S. 1722) that will make it a crime to deliberately reveal the identity of any undercover agent, or a criminal offense to reveal that any person was given assistance to a federal law enforcement or intelligence agency. This amendment would assure that there will no longer be any doubt concerning the Government's willingness—or ability—to protect those of its citizens who choose to serve their country in some of its most dangerous assignments.

I would hope that you might join with me in cosponsoring this vitally needed amendment, a copy of which is attached. Should you have any questions, please call Joel Mandelman, at 4–1322 or Ken Bergquist, at 4–9132.

Sincerely.

ALAN K. SIMPSON.

FACTSHEET ON THE SIMPSON AMENDMENT TO THE CRIMINAL CODE

Purpose: To make unlawful the intentional disclosure of a confidential intelligence or law enforcement relationship.

Effect: The Simpson Amendment will make it a crime for a present or former employee of the CIA, FBI or any other federal law enforcement or intelligence agency to disclose the undercover identity of any employee, agent, or informant.

The Simpson Amendment will also make it a crime for anyone who receives such information to further disclose that information with the specific intent to impair or impede the intelligence or law enforcement activities of the United States.

Additional information: The burden on the Government to establish an intent to impair or impede the intelligence or law enforcement activities of the United States in publication of such a disclosure protects the news media in the legitimate exercise of their First Amendment rights.

"Whistle Blowers" are also protected by provisions pertaining the confidential disclosure of such information to the appropriate oversight committees of Congress.

The Amendment specifically provides that nothing in its provisions may be construed as authority to withhold information from Congress or a committee or subcommittee of either House of Congress, duly authorized to receive such information.

It shall be a defense to any prosecution that prior to the disclosure or publication the Government publicly acknowledges the existence of the previously confidential relationship.

NEWS RELEASE

WASHINGTON, D.C.—Senator Al Simpson (R-Wyo.) has introduced an amendment which should assist in preventing the disclosure of the identity of undercover federal agents.

The legislation—an amendment to the proposed Criminal Code—will make it a criminal offense to deliberately reveal the identity of any undercover employee, agent, or informant working for or providing assistance to a federal law enforcement agency.

In a letter to his Senate colleagues, Simpson stated that during the past five years there has been a near destruction and dismantling of American intelligence and counter espionage capabilities. This is due, in part, to the inability of the Justice Department to successfully prosecute those individuals who intentionally disclose the identities of undercover agents.

Our CIA Station Chief in Athens, Greece, was assassinated as the result of an intentional disclosure of his identity. Many foreign intelligence services—who have previously willingly cooperated with the United States—now refuse to do so because they fear the fact that their cooperation will be "made public."

Domestic law enforcement agencies—including the FBI and the Drug Enforcement administration—have also experienced difficulties in recruiting informants. These persons fear that leaks to newspapers will endanger their lives.

"This amendment would assure that there will no longer be any doubt concerning the government's willingness—or ability—to protect those of its citizens who choose to serve their country in some of its most dangerous assignments," Simpson said

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AMENDMENT No. 1682

At the end of section 1126, insert the following new section:

§ 1127. Unauthorized Disclosure of a Confidential Intelligence or Law Enforcement Relationship

(a) OFFENSES.—

(1) Having had access to intelligence, counterintelligence, or law enforcement information in the course of Federal employment or as an employee of a contractor to the Federal Government, a person is guilty of an offense if he intentionally discloses to any individual not authorized to receive such information, any information that he knows or has reason to know—

(i) identifies a person as an officer or employee of a Federal intelligence agency, or of the Federal Bureau of Investigation, Drug Enforcement Administration, or any other Federal law enforcement agency with investigative responsibilities, or as a member of the Armed Forces assigned foreign intelligence or counterintelligence duties, any individual who in fact is such an officer, employee, or member, and whose identity as such an officer, employee, or member is classified or otherwise restricted, or whose identity or relationship with the United States Government is not acknowledged for the individual's protection or for purposes of law enforcement, counterintelligence, or foreign intelligence operations; or

(ii) identifies a person as being or having been an agent of, informant for, or source of operational assistance to, any agency described in subparagraph (a)(1)(i) who in fact is or has been such an agent, informant, or source, and whose identity as such an agent, informant, or source is classified or otherwise restricted, or whose identity or relationship with the United States Government is not acknowledged for the individual's protection, or for purposes of law enforcement, counterintelligence, or foreign intelligence operations.

(2) A person is guilty of an offense if he, with the intent to impair or impede the intelligence, counterintelligence, or law enforcement activities of the United States, discloses to any individual not authorized to receive such information any information that—

(i) identifies as an officer or employee of any agency described in paragraph (a)(1) or as a member of the Armed Forces assigned foreign intelligence or counterintelligence duties any individual who in fact is such an officer, employee, or member, and whose identity as such an officer, employee, or member is classified or otherwise restricted, or whose identity or relationship with the United States Government is not acknowledged for the individual's protection, or for purposes of law enforcement, counterintelligence, or foreign intelligence operations, or

(ii) identifies as being, or having been an agent of, informant for, or source of operational assistance to, any agency described in paragraph (a)(1) any individual who in fact is, or has been, such an agent, informant, or source, and whose identity as such an agent, informant, or source is classified or otherwise restricted, or whose identity or relationship with the United States Government is withheld for the individual's protection, or for purposes of law enforcement, counterintelligence, or foreign intelligence operations, knowing, or having reason to know, that the information disclosed so identifies such individual and that the United States is taking affirmative measures to conceal that individual's relationship with the United States Government.

(b) AFFIRMATIVE DEFENSES.—

(1) It is an affirmative defense to a prosecution under subsection (a) that before the commission of the offense with which the defendant is charged, the United States publicly acknowledged the foreign intelligence, counterintelligence, or law enforcement relationship with the United States of the individual the disclosure of whose foreign intelligence, counterintelligence, or law enforcement relationship to the United States is the basis for the prosecution.

(2)(i) Subject to subparagraph (ii) no person, other than a person committing an offense under subsection (a)(1), shall be subject to prosecution under such subsection by virtue of section 401 or 402 of title 18, United States Code, or shall be subject to prosecution for conspiracy to commit an offense under such subsection.

(ii) Subparagraph (2)(i) shall not apply in the case of a person who acted with the intent to impair or impede the intelligence, counterintelligence, or law enforcement activities of the United States.

(iii) It shall not be an offense under subsection (a) to confidentially transmit the information described in such subsection directly to the Select Committee on Intelligence of the Senate or the Permanent Select Committee on Intelligence of the House of Representatives if such information relates to intelligence or counterintelligence activities, or to the Judiciary Committee of the Senate or the Judiciary Committee of the House of Representatives, if such information relates to law enforcement activities.

(iv) Nothing in this section shall be construed as authority to withhold information from Congress or from a committee or subcommittee of either House of Congress duly authorized to receive such information.

(c) Grading.—An offense described in this section is—

(1) a class B felony in the circumstances described in paragraph (a)(1); and

(2) a class D felony in the circumstances described in paragraph (a)(2).

(d) Extraterritorial Jurisdiction.—There is jurisdiction over an offense under subsection (a) committed outside the United States if the individual committing the offense is a citizen of the United States or an alien lawfully admitted to the United States for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act.)

(e) Proof of the Confidential Relationship.—For the purpose of establishing the employment or other relationship between the United States and the person whose identity was disclosed, it shall be sufficient that the Government prove that the person whose identity was disclosed is, or was in fact, employed by the intelligence or law enforcement agency in question, or that such person was a source of information or operational assistance to the agency, and that his identity is classified, or otherwise restricted, or withheld, for the purposes of law enforcement, intelligence operations, or counterintelligence. No inquiry shall be made into the nature or scope of the intelligence, counterintelligence, or law enforcement activities of the individual whose identity was disclosed.

(f) Definitions.—For the purpose of this section—

(1) The terms "classified" and "restricted" refer to information or material designated or represented, pursuant to the provisions of a statute or Executive order (or a regulation or directive issued pursuant to a statute or Executive order), or pursuant to an order of the head of the agency or his designee, as requiring protection against unauthorized disclosure for reasons of national security or law enforcement.

(2) The term "disclose" means to communicate, provide, impart, transmit, transfer, convey, publish, or otherwise make available.

(3) The term "Federal intelligence agency" means the Central Intelligence Agency or any foreign intelligence or counterintelligence component of the Department of Defense.

(4) The term "informant" means any individual who furnishes or has furnished information to a Federal intelligence agency or Federal law enforcement agency in the course of a confidential relationship protecting the identity of such individual from public disclosure.

(5) The terms "officer" and "employee" have the meanings given such terms by sections 2104 and 2105, respectively, of title 5, United States Code.

(6) The term "Armed Forces" means Army, Navy, Air Force, Marine Corps, and Coast Guard.

(7) The term "United States", when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

● Mr. JACKSON. Mr. President, I wish to announce that the Subcommitee on Energy Conservation and Supply of the Committee on Energy and Natural Resources has scheduled a hearing on the Community Energy Act—not yet introduced—in Boston, Mass.

The hearing will be held on Friday, March 7, 1980, starting at 10 to 12:30 p.m., at the Boston City Hall, city council chambers in Boston, Mass.●

SUBCOMMITTEE ON ECONOMIC STABILIZATION

● Mr. RIEGLE. Mr. President, on March 13 the Subcommittee on Economic Stabilization will hold a hearing on the effects of payroll tax increases on the economy. The hearing begins at 9:30 a.m. and will be held in room 5302 of the Dirksen Senate Office Building. The witnesses are:

Alice M. Rivlin, Director, Congressional Budget Office.

Arnold H. Packer, Assistant Secretary of Labor for Policy Evaluation and Research.

Thomas Cochran, executive director, Northeast-Midwest-Institute.

William J. Dennis, Jr., director of research, National Federation of Independent Business.

Questions about the hearing should be addressed to Thomas Dernburg, staff director of the subcommittee at 224-3608.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce a change in the schedule of briefings on the geopolitics of oil which are being held by the Committee on Energy and Natural Resources. The briefing on the "Less Developed Countries" formerly scheduled for March 14 will now be held on March 20 at 8:30 a.m. in room S407 of the Capitol. The briefing will be closed to the public.

The briefing on the "Industrialized Consumers" will still be held on the scheduled date of March 11 at 8:30 a.m. in room S407. This briefing will also be closed.

Any questions concerning the briefings on the geopolitics of oil should be directed to James Z. Pugash, staff counsel, at (202) 224-0611.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources will hold a hearing to review the current status of the strategic petroleum reserve. The hearing will address the question whether or not the administration will propose the resumption of filling the strategic petroleum reserve.

The hearing has been scheduled for Monday, March 10, 1980, at 3 p.m. in room 3110 Dirksen Senate Office Building.

Questions regarding this hearing should be directed to George Dowd of the subcommittee staff at 224-2564.●

SUBCOMMITTEE ON CONSUMER AFFAIRS

● Mr. TSONGAS. Mr. President, the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs will be holding hearings on March 10 and 11 beginning at 1 p.m. on March 10 and 10 a.m. on March 11 in room 5302 of the Dirksen Senate Office Building to consider the administration's insurance privacy proposal. S. 1928, the Fair Financial Information Practices Act, is sponsored by Senator William Proxmire. Title V of that legislation—the Fair Insurance Information Practices Act—will be the subject of the 2 days of hearings. This title attempts to balance the needs of the insurance industry for the efficient exchange of personal information while safeguarding personal privacy.

The witnesses appearing before the subcommittee on March 10 will be: Hon. Barry Goldwater, Jr., U.S. House of Representatives, State of California; Mr. Ronald L. Plesser, attorney, Blum and Nash, Washington, D.C.; Mr. James R. Martin, chairman of the board and chief executive officer, Massachusetts Mutual Life Insurance Co.; Mr. Thomas McDermott, vice president, Metropolitan Life Insurance Co.; Mr. David H. Harris, executive vice president and chief administrative officer, Equitable Life Assurance Society; Mr. Robert Ellis, editor, Privacy Journal.

The witnesses appearing before the subcommittee on March 11 will be: Hon. James W. Newman, commissioner of insurance, State of Virginia; Mr. Robert R. Googins, senior vice president and general counsel, Connecticut Mutual Life Insurance Co.; Mr. Robert S. Seiler, senior vice president and general counsel, Allstate Insurance Co.; Prof. Harold Skipper, Jr., department of insurance, Georgia State University; Mr. Horace C. Sherrill, Jr., testifying on behalf of Professional Insurance Agents; Mr. Donald L. Jordan, assistant vice president, Alliance of American Insurers; Mr. James L. Kimble, counsel, American Insurance Association.●

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

● Mr. JEPSEN. Mr. President, I wish to announce that I have scheduled field hearings in several Iowa locations on the subject of agricultural transportation. The hearings will be held under the auspices of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, and this has been cleared by the subcommittee chairman, Senator Huddleston. The hearings will be held on March 8 in both Spencer and Council Bluffs; and on March 15, in Iowa Falls and Cedar Rapids. If further information is needed, please contact the Agriculture Committee staff at 224-2035.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public field hearings before the Select Committee on Indian Affairs.

A hearing is scheduled for March 28, 1980, beginning at 10:15 a.m. in the council chambers of City Hall, Billings, Mont. Testimony is invited regarding S. 2126, a bill relating to certain leases involving the Secretary of the Interior and the Northern Cheyenne Indian Reservation.

A hearing is scheduled for March 28, 1980, beginning at 1 p.m. in the council chambers of City Hall, Billings, Mont. Testimony is invited regarding oversight of the Indian Health Service, including the reauthorization of Public Law 94-437, the Indian Health Care Improvement Act.

For further information regarding the

hearings you may wish to contact Virginia Boylan or Max Richtman of the committee staff on extension 224-2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate. Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

INCOME TAX INDEXING

● Mr. HART. Mr. President, the March 4, 1980, Wall Street Journal includes an excellent article describing how successfully income tax indexing has worked at the State level in the five States that have adopted it. The article details the benefits taxpayers of these States have reaped because of indexing, including those in Colorado, site of the Nation's first indexing law.

The experience of the States adds to the already strong arguments that the time has come for indexing at the Federal level. Especially now, with a rate of inflation projected at 18 percent a year, one of the cruelest side effects becomes the hidden tax imposed by cost-of-living increases which push wage earners into higher tax brackets although they have received no real increase in income. Indexing automatically corrects this situation.

Mr. President, I have long supported indexing and have introduced proposals to index the personal income tax brackets in the last two Congresses. In 1978, then Senator Griffin and I built a strong bipartisan coalition that came extremely close to getting indexing passed. At the end of last year, I joined with Senator ARMSTRONG in offering an indexing amendment which also came very close to being approved by the Senate.

Because the need for indexing is greater now than ever before, I intend to reoffer an amendment to index the income tax brackets at the earliest opportunity this year. Indexing is an idea whose time has come, and I think the Senate will confirm this when it acts on my amendment.

Mr. President, I submit for the RECORD an article from the Wall Street Journal entitled "Lightening a Load."

The article follows:

SEVERAL STATES ADJUST INCOME-TAX BRACKETS TO DISCOUNT INFLATION

(By Lawrence Ingrassia and Laurel Leff)

In this world, nothing is certain but death and taxes—and, it could be added lately, higher tax brackets.

"Every time I get an increase in wages, I go into a higher tax bracket," says Jerry McDonough, a Shoreview, Minn., electrician who voices the common complaint—that pay increases before taxes don't even make up for the inroads of inflation. To then be taxed at a higher rate strikes him as unfair.

This year Mr. McDonough is getting some relief, at least on his state income taxes. Thanks to Minnesota's new income-tax indexing law, which raises tax brackets in tandem with inflation, he stays in the same bracket for his 1979 earnings, although he made more than in 1978. Mr. McDonough knows chiefly that he is filing for a $505 refund this year; last time he got back only $386.

Taxpayers in five states—Minnesota, California, Colorado, Arizona and Iowa—now are sending smaller checks to their state tax collectors or pocketing bigger refunds (with their total savings this year estimated at more than $500 million), and Wisconsin residents will share the joy of indexing starting with their returns for 1980 incomes.

THE REVENUE PROBLEM

A far bigger taxpayer boon, of course, would be indexation at the federal level. Rudolph Penner, director of tax policy at the American Enterprise Institute for Public Policy Research, estimates that indexation would slice 1980 federal tax bills by $11 billion to $13 billion. At least two indexing bills have been introduced in Congress. But relief at the federal level soon is considered unlikely. Many in Washington oppose indexation—not least because of the prospective loss of revenue.

State governments are conscious of that problem too—and worried about it. Bureaucrats warn that the loss of revenues could force cutbacks in services or tax increases in other areas. "So far, we've only seen the good side of indexing, and people haven't wakened up to the bad one," says Wisconsin State Sen. Paul Offner, a Democrat.

But indexing has gained momentum since passage of the first state law two years ago, and it may turn out to be one of the most solid achievements of the taxpayer revolt that was signaled by the 1978 passage of Proposition 13 in California.

BEST AVAILABLE

Supporters of indexing say it is the best relief available for the taxpayer in an inflationary economy. If it is built into the tax sytsem more or less permanently, they say, then future tax cuts making up for inflation won't depend on the largess of lawmakers.

"Speaking for taxpayers, we don't like one-shot rebates; indexing will continue for years," notes Donald Paterick, executive director of the Minnesota Taxpayers Association. So it will, in Minnesota; but other states, reflecting bureaucratic concern about losing revenue, have passed laws for limited periods; legislative renewal will be needed.

In Colorado, site of the first indexing law, the change hasn't been controversial. Robert Kirscht, a Democratic leader who voted against indexing, now says, "I can't complain. There's absolutely nothing negative about it."

The taxpayers certainly like it. In Minnesota, 6% more returns were mailed in this January than in the previous January, and for good reason—30% more of the early filers have refunds coming back. Kathleen Wiese, a St. Paul insurance underwriter, is getting her first refund ever from the state, to her surprise and pleasure.

I LIKE IT

"I figure I had done something wrong because it showed me getting back $150," she says. "Last year I owed the state $50. I'm not real sure what indexing is, but I like it. That's because the bottom line is money in my pocket."

Robert Buck, a St. Paul bank controller, figures the new indexing law (and other tax changes) saved him 9% on his 1979 state taxes (he would have paid $1,808, but wound up paying $1,648), but he says the saving is less important than getting rid of the "hidden" tax levied as inflation moves taxpayers into higher brackets.

"This way, if legislators want to increase the share of income they take out of your paycheck, they'll have to come and tell you," he asserts.

Most of the state indexing laws don't completely offset the effect of inflation. In Colorado, tax brackets were raised 7% in 1979, just a little more than half the 13.3% rise in the consumer price index. Minnesota's law increases tax brackets by 85% of the annual rate of inflation. Arizona indexes deductions and exemptions, but not brackets.

However, indexing—paying the same percentage of taxes on higher income rather than paying a higher percentage of taxes on higher income—has a built-in escalation factor. The savings to taxpayers grow each year. Indexing will reduce 1979 Minnesota income taxes by $60 million, officials estimate; but the estimate for 1983 is more than $300 million (helped a bit by indexing of credits and exemptions starting in 1981).

The escalation factor is one of the things that have bureaucrats and politicians biting their fingernails. In California, indexation saved taxpayers $270 million in 1978, is saving $395 million in 1979 and will cut 1980 tax bills by a huge $775 million or so. (The state raised brackets by 5.2% on 1978 returns and 6.9% on 1979 returns and will index at the full rate of inflation in 1980 and 1981, the last years of the current law.)

Considering indexation, the effect of Proposition 13 on property taxes and the prospective effect of Proposition 9 (a proposal to halve state income-tax rates and require full inflation indexing), California officials are wondering where their next dollar is going to come from.

In June 1978, the state surplus was $3.7 billion. Even without Proposition 9 (which is coming to a vote this June), the surplus will have dwindled to $500 million by mid-1981. The combination of tax cuts is "digging a deeper hole for the governor and future governors," warns Martin Huff, president of the California Tax Reform Association.

Iowa has taken a go-slow approach to indexation, reflecting official concern about long-term effects. Its law covers only 1979 and 1980; new legislation will be needed to extend the program. The Iowa law also has a safety -valve feature requiring a $60 million cushion in the state treasury each year before indexation comes into play.

MAKING SURE

"The concept (of indexing) is good, but we want to make sure we know what indexing does and that we can meet our other commitments," says Dennis Nagle, an aide to Gov. Robert Ray.

Even with limited indexing—it is saving Iowa taxpayers $6 million on their 1979 returns—the state doesn't have enough money for everything it would like to do, Mr. Nagle contends. "The department of transportation wanted $10 million to upgrade railroad mainlines," he says. "We don't have the money to do that, and we might have had it without indexing."

The Montana legislature passed a bill to start indexing brackets in 1981, but Gov. Thomas L. Judge vetoed it. "Nobody could make an accurate determination of the effect of the bill," says an aide. Taxpayers there settled instead for an increase in the personal exemption, which lowered taxes, but officials say indexing isn't dead.

Government managers fret that indexing may force them to raise other taxes or fees. Surplus income-tax money long has been used to lower property taxes in Wisconsin. The state's new indexing law, which will raise brackets at the rate of inflation up to a maximum of 10 percent a year, won't leave much surplus to draw upon.

PROPERTY LEVIES UP?

"Down the road, the impact is going to be substantially higher property taxes," says State Sen. Offner.

Officials point out that fast-growing Western economies like those of Arizona and Colorado generate increased tax revenues without an assistant from inflation. (Both also have laws limiting the annual growth in state spending.) They question whether Eastern states—or the federal government—can deal as well with a loss of revenue from indexing.

"For New York State and other states in the industrial Northeast, economic growth has been minimal," points out an aide in the New York State Senate. "If you put a cap on revenue without a cap on expenditures, you very quickly get to the point where it's difficult to meet normal expenditures." A New York State indexing bill introduced last year still is languishing in the state assembly.

Supporters of indexing scoff at these complaints. "It's the typical knee-jerk reaction when somebody talks about cutting back spending," says David Brenzel of the Public Expenditure Survey of Wisconsin.●

THE SOVIET HORROR IN MICROCOSM

● Mr. DOLE. Mr. President, with the passing of the seventies, we look toward the eighties with renewed idealism and the hope that solutions will be found to the problems that plagued our country during the past decade. However, the eighties are barely off the ground and they are already overshadowed by the Soviet invasion of Afghanistan. While there is no question that the Soviets are guilty of violating international law, there seems to be little that can be done by the United States at this point to encourage the peaceful removal of Soviet troops, unless we are willing to accept and even guarantee Soviet control in Kabul.

The Soviets have suggested that we "write off" the Afghanistan incident and get on with the business of the world and the resumption of détente. Gathering force is a new Soviet peace offensive, symbolized soon by the probable withdrawal of token numbers of Soviet troops. They would like us, and the rest of the world which has so strongly condemned the Russians' actions to forget. To accept and to forget. They would like to have their cake and eat it too, to get Western nations to pursue disarmament even while they flex their military might. And it would be very easy for our country to do just that. But it is the feeling of the Senator from Kansas that Afghanistan should not be so easily brushed off in the pursuit of world stability and détente. We should no longer feel such a compulsive need to engender good will with Russia as we have been quick to do in the past. Too many concessions have been made already, and too many deceptions have occurred. We have been tolerant for too long. Our Government and our people, throughout the seventies, vigorously pursued every opportunity to open the channels of communication with Russia, in the hope of expanding détente. But too often our efforts were simply exploited by the Soviets for their gain.

THE SOVIET HORROR IN KERALA

Mr. President, the Kerala massacre, which took place on April 20, 1979, even before the Soviet invasion, involved the senseless mass execution of more than 1,000 unarmed men and boys who had been accused of collaborating with anti-government Muslim fighters. Soviet advisors, called in by the Moscow-dominated, Afghan Government, were responsible for the slaughter, under orders to quell resistance to the Government at any cost. This unconscionable act of violence involved the execution of more people than when the entire male population of Lidice, Czechoslovakia, was slaughtered during World War II by the Nazis, or when American troops killed civilians in the Vietnamese village of My Lai in March 1968. But unlike the United States, which was horrified at this irrational crime and moved to investigate it and punish the individuals responsible, the Soviets have been quick to deny the accounts of the execution as "monstrous misinformation."

Yet, I am afraid, Mr. President, that this massacre is not uncommon in Russian history under the Communist dictatorship. Ethnic minorities in the Soviet Union have often risked extinction. But this particular crime shows a remarkable continuity of method and policy by the Soviet High Command. This flagrant violation of international law is frighteningly similar to the Katyn Forest massacre of 1940 when the Soviets executed over 10,000 Polish officers who where prisoners of war. Then, too, the Soviet Union denied to the world their responsibility for the atrocity. The Soviets were so committed to the coverup of one of the most barbaric international crimes in world history that great efforts were made to rewrite history books, and severe restrictions were placed on the printing of the incident in the Soviet Union, as well as in other countries where Soviet power is supreme.

The discovery of the Katyn massacre by the West occurred at a critical time in history, during the final negotiations to end World War II. Congressional hearings held in 1952 on the incident objectively disclosed that the United States was blind to all information that should have warned us of the crime, ignoring all that pointed a finger at the Soviets for the Katyn massacre, out of a strong desire to see an end to the war—to cooperate with Russia no matter what the expense. Soviet appeasement was far reaching, even affecting how the Voice of America reported the incident, using self-censorship to reflect the Soviet version, rather than stir up the world's conscience.

LESSON FOR THE WEST

Mr. President, the lesson we have learned from the 1940 Katyn massacre is that the willingness to overlook human atrocities such as this can be easily interpreted as tolerance—a willingness to forgive and forget in hopes of an improved relationship for some indefinite future. It is the belief of the Senator of Kansas, however, that we gain more for peace and freedom in the long run by stirring the world's conscience.

The Kerala massacre is a flagrant violation of international law, and a malevolent abuse of human rights. To overlook this tragedy is as good as giving to the Soviets our approval of mass slaughter. Our media should continue to report atrocities such as this without censorship. And the administration should openly address and condemn this violent execution of innocent people rather than continue along the path chosen by Mr. Carter, selectively addressing human rights violations only when it serves the political direction his administration wants to go. If the Carter administration ignores the Kerala massacre, it will add to the burden of human rights hypocrisy presently shared by all those who wink at Russia's "indiscretions" for fear of the expense of taking action.●

LATIN AMERICA'S AGENDA FOR THE 1980's

● Mr. CHILES. Mr. President, for many developments in Latin America which catch attention are frequently limited to newspaper, radio, and television reports of coups, less drastic government changes, civil strife, and poverty.

However, two events have already taken place in 1980 which affect our neighbors in this hemisphere but which do not fall in that general category.

The first is the beginning of the celebration of the 20th anniversary of the Inter-American Development Bank, the oldest of the regional development banks and an institution which has done yeoman's work in helping to promote and support social and economic development of Latin America.

The second were the far-ranging and perceptive remarks of the President of that Bank, Mr. Antonio Ortiz Mena, delivered on February 26, before the National Press Club of Washington, D.C.

In his speech, Mr. Ortiz Mena described the profound changes taking place in Latin America, progress achieved by the countries of the region in the last two decades, and the job that remains to be done if the hopes and aspirations of the Latin American people are to be realized.

For Latin America, he said, "there is no acceptable alternative to overdue sociopolitical reforms," to more equitable distribution of the fruits of economic progress, and to adequate rates of economic growth.

In the agenda for the 1980's, which he outlined for Latin America, Mr. Ortiz Mena called for the political will to accomplish basic reforms which would give the masses of the people of the region the opportunity for a better life, structural reforms in agriculture, expansion of energy and minerals production, and continued development in industrialization as an important element in creating jobs for the unemployed millions of Latin Americans.

Mr. President, I believe that his remarks warrant careful attention and I like to commend them to my colleagues. I ask that the speech delivered by Antonio Ortiz Mena be inserted in the RECORD.

The speech follows:

THE CHALLENGE OF THE NEW DECADE FOR AMERICA

I am grateful for the opportunity extended to me by the National Press Club to speak to you today.

I would like to express my high appreciation for the effective contribution of the Washington press in disseminating in this country, in Europe and particularly in Latin America, accurate information about the operations of our Bank and analysis of United States-Latin American economic relations in general.

We stand today on a threshold of a Decade of Trial—a decade which will test many of our basic concepts, the institutional and economic relations which have developed in the world during the past half a century, our notions of progress and self-interest, and, most of all, our resolve to meet head-on the consequences of the profound changes which are taking place in our world.

Since the 1950s, relations between the different regions of the world have moved along fairly well defined patterns. Today, those patterns are under considerable stress—and crumbling. The persistent inflation and unemployment problems in the industrial countries, including the United States, the inadequate progress of less developed countries highlighted in the recent report of the Brandt Commission, and the energy situation, play an important part in these developments.

As a consequence, the pace of world economic activity, based for decades on the presumed stability of the industrial countries, on the potential success of international assistance to the less developed countries, and on the availability of ample supplies of inexpensive energy, has faltered. The distortions introduced into the world financial system by the events of recent years, with huge, undigested financial surpluses being counter-balanced by rising external debts of countries often ill-equipped to bear the burden, are fueling the fires of inflation and adding to instability. The weakening pace of development in the world's less developed regions, combined in some areas with high rates of unemployment and population growth, add to tensions. And the predicted shortages of minerals crucial to the smooth functioning of the world economy are further increasing the uncertainty about the future.

It is appropriate, therefore, to review the course which we have been pursuing and identify the directions which may offer a better promise of meeting the challenge of our times.

Latin America is a good place to begin this reappraisal.

The Inter-American Development Bank has been intimately involved in Latin America' process of change. Twenty years ago, when the Bank was established, the region lacked the basic institutional structure necessary for an effective development effort. We have helped the countries of the region to build these institutions. As an advisor to the Latin American governments—as the first international bank to provide financing for health and sanitation, clean water systems, education, housing and rural development—and as a mobilizer of private savings in the United States, Western Europe, Japan and in our own region for Latin America's development—the Inter-American Bank has been involved at the grass roots and in the mainstream of the change taking place in our part of this Hemisphere.

In the process, our capital resources have been repeatedly increased—from $1 billion at the start to nearly $28 billion under the Replenishment Agreement—and our lending volume rose to over $2 billion a year.

It may interest you to know that the revenues from our lending operations not only pay all the expenses of the Bank but also finance our grant technical cooperation activities and have made possible the accumulation of substantial reserves against potential losses. We are also probably the only international institution which has operated with a virtually zero real growth in its budget during each of the last five years, during which time the workload of our staff has nearly doubled.

We are proud of that record. We are proud of the high quality and dedication of our staff on which almost all of our nationalities are represented. And we are determined to continue to perform the tasks assigned to us to the best of our ability.

When we describe change in Latin America, we speak from first-hand experience: having lived with, and understanding, both the aspirations of that continent and the formidable tasks that have to be performed in order to realize its people's dreams.

The plain facts today are that:

Living conditions have improved substantially in the last 20 years for a large proportion of Latin America's population in terms of opportunities for education and remunerative work, as well as in nutrition, health services and environmental sanitation.

There is a budding, modern, industrialized economy which stretches from Tierra del Fuego in the South to the borders of Texas and California in the North.

There is a continent which, through conscious effort for integration, is tied today by highways and railroads, communication systems, sea and air-borne traffic, joint multinational ventures, a community of interests, and rapidly increasing intra-regional trade.

In less than two decades, the Gross Domestic Product of the region, in constant dollars, has tripled.

In spite of a sizable increase in the population—from 200 million in 1960 to 340 million last year—the per capita GDP has nearly doubled.

The value added by manufacturing has more than tripled.

And exports—another important indicator of economic activity—have more than doubled in constant prices.

These achievements did not come easily. They required great effort and concentration on a limited number of priorities, at times at the expense of neglecting others. The extent of these efforts is underlined by the fact that about 80 per cent of the investment which made the achievements possible came from domestic savings. And nearly one-fourth of the region's product, over the past 20 years, has been allocated to capital formation.

In Latin America, however, as elsewhere in the world, the positive achievements of the past two decades have been counterbalanced by some negative—even regressive—trends.

The glaring inequalities between the countries of the region—and between the different sectors of society within many countries—have tended to sharpen. In 1978, the per capita GDP of the region ranged from about $200 for Haiti to over $2,100 for Venezuela. And according to the estimates of the United Nations Economic Commission for Latin America, more than 100 million people in the region continue to dwell at the edge of subsistence.

Change has also produced some strange paradoxes. A continent which twenty years ago exported excess food, today cannot feed itself and is a net importer of foodstuffs. Although, potentially, Latin America can be self-sufficient in energy and mineral resources, many of its countries are today going deeper into debt because of overwhelming dependence on imported oil, the rising price of imported capital goods and the volatile nature of earnings from commodity and mineral exports. And while social services and opportunities for better life have been extended to millions of people, the deprivation suffered by other large sectors of the region's population has become unbearable.

The social and political consequences of this uneven progress in development are reported daily in your press, on radio and television. I need not embellish those reports. I only mention them to underscore both the magnitude and the complexity of the challenge which confronts Latin America in the opening days of this decade.

The fact of the matter is that Latin America, as a region, is undergoing profound social and political, as well as economic, change. This change is not orderly. In many countries, it is accompanied by acute social tensions, even civil strife. The advances which have been achieved, and the institutions which made them possible, are still very fragile. If progress in development is to be continued, and if it is to result in the kind of structural changes that are desired and increasingly demanded by the masses of the Latin American people, then the role of the international financing institutions—particularly in the area of concessional lending—must be strengthened rather than curtailed.

The Inter-American Development Bank, through its various activities, supports and promotes constructive change. We deal today in our region with a wide range of politico-economic systems in different stages of evolution. We are not troubled by this variety. We recognize that the 19th century model of a capitalist system is neither attainable nor appropriate under conditions which obtain in many of our countries. But in order to be effective in promoting constructive change, change which meets the aspirations of our people, we need resources for concessional lending and the backup guaranties—which do not involve any outlay of your taxpayer's money—to enable us to mobilize private funds for our conventional lending operations.

In the regional context, what are the most urgent items on Latin America's agenda?

The foremost is a renewed dedication to the building of a more equitable, just and democratic realm both within and among the countries of our region.

In the past two decades—and I am speaking here from our Bank's experience—the process of modernization of Latin America has been accompanied by a growing realization that the betterment of the basic human condition is a sine qua non of national progress. The prime beneficiaries of that change have been the marginal sectors of the Latin American societies: the long-abandoned inhabitants of the hinterlands, the campesinos, and the urban poor, many of whom fled the countryside in search for an opportunity for better life.

These groups have received a substantial share of the investments devoted during the past two decades by the national governments to the provision of social services and the socio-economic infrastructure. But because their numbers are so high, and because the resources available for these programs have been limited, the tasks which continue to face the Latin American countries in this respect are, indeed, tremendous.

From the beginning of its operations, the Inter-American Development Bank has provided a sizeable, and increasing, share of its resources to help finance programs which benefit directly the lower-income sectors in Latin America, and the less developed countries of the region. During the past four years, over 70 per cent of the foreign exchange lent by the Bank on concessional terms went to our least developed Latin American members even though they account for only 13 per cent of the region's population. And during the next four years, at least 50 per cent of the Bank's lending—both the long-term, low-interest loans and those made from our capital resources—will be devoted to projects which directly benefit the lowest income sectors.

These efforts, however, by themselves cannot remedy the inequalities to which I referred earlier. What is required is a total commitment and the political will to carry it out. To buttress such an undertaking, more adequate flows of long-term, public financing channeled through institutions such as our Bank are indispensable.

A second major task on Latin America's agenda for the 1980s is an increase in the production of food and a substantial upgrading of the rural environment.

Agriculture continues to be an unstable and precarious sector—the Achilles' Heel of most Latin American economies. In overall terms, agricultural production during the last 25 years has only increased by about 3 percent annually. At the same time, food imports have grown very rapidly, especially in recent years. During the past 5 years, such imports have doubled, and in 1978, amounted to $8 billion.

Moreover, in many countries, at least one-fourth of the rural labor force is unemployed, and underemployment is much higher. Nutritional levels are unacceptably low. Land tenure conditions continue to be seriously deficient. There is great inequality in access to land, and alarming ecological deteriorations in many areas. As a consequence, outmigration from rural areas has swollen. During the past 25 years, over 40 million rural people have gone to urban areas in search of a better life.

This situation calls for concerted action on a heroic scale. Latin America must pay more attention to its valuable rural land resources and to the welfare of its rural people. Appropriate technologies must be developed and put to use, policies of more rational land distribution and land use must be put into effect, and the transformation of the traditional farming sector must be given a proper place in the agricultural development strategies of the region. But above all, rural social conditions will have to be improved to prevent a depopulation of the countryside. Latin America will have to re-discover the value of its potentially rich agriculture and of the welfare of its rural people.

During the past two decades, the Inter-American Development Bank has channeled nearly one-fourth of its lending—almost $4 billion—to Latin America's agriculture. Additional hundreds of millions of dollars have been lent by our Bank for the social and economic infrastructures of the region's rural areas. In the current four-year period, 1979 to 1982, we expect that fully one-third of our lending will be devoted to rural development—provided, of course, that our member countries put the Fifth Replenishment of our resources into effect without further delay.

Another major challenge which confronts Latin America is the development of its energy and mineral resources.

On a country-by-country basis, the impact of the oil situation varies greatly. For the oil importing countries, the problem is self-evident: the gains of the past decade are in danger of being negated by the oil price rise. For those blessed with significant oil reserves, the promise of a development breakthrough appears at hand. But even in those situations, caution must be exercised. Unless appropriate policies are adopted, structural problems in agriculture corrected, and efficient industrial development pursued, their high expectations may prove illusory.

As a region, Latin America probably has doubled the oil reserves of the United States. According to current estimates, about 20 percent of the world's petroleum prospecting areas are situated in the region. Nevertheless, through the end of 1978, only 14,000 exploratory wells have been drilled in Latin America and the region's cumulative production has barely passed the 50 billion barrel mark. In comparison, two-and-a-half million wells have been drilled in the United States and this country has produced over 130 billion barrels of oil—almost 32 percent of total world production through the end of 1978.

The answer to the paradox lies in the rate of investment in petroleum exploration and development, which has been declining in Latin America in relation to other regions. If this trend can be reversed, Latin America can not only satisfy the needs of its expanding economy but also become a prime source of petroleum for other areas.

The situation with respect to Latin America's non-fuel mineral resources parallels that of petroleum. Today the region is a leading supplier of a wide range of minerals required by the industrial economies. In terms of the United States, Latin America is a major source of imports of bauxite, copper, iron ore, barium, antimony, manganese, gypsum, tin, tungsten, nickel, silver, zinc and several rare minerals. But Latin America's currently worked deposits are probably only the tip of the proverbial iceberg. With increased investment on terms which are fair both to the foreign investor and to the countries owning them, the region can become an important, and secure, source of mineral resources for decades to come.

Our direct lending, together with that of the World Bank, can make only a small dent in the demand for investment capital required to develop Latin America's energy and mineral resources. That is why, responding to the suggestion of some of our Latin American members, we have proposed the establishment of a multilateral investment insurance and guaranty fund, to be administered by our Bank. The objective of this Fund would be to stimulate the inflow of foreign investment for oil and mineral development on conditions that the Latin American countries would consider fair and beneficial. The Fund would serve to facilitate such a flow of private capital by reducing political risks for the foreign investor, providing financial support for the local governments participating in the project, and enhancing the stability of contract arrangements. This proposal is under intensive study by our member governments.

The fourth major prerequisite for the achievement of satisfactory and self-sustaining growth in Latin America entails the development of our region's industrial and technological capability.

The desire to industrialize is shared by all the developing regions of the world. It is certainly strong in Latin America where manufacturing has been the main factor in economic growth, trade and employment-creation during the past two decades.

It is important to note in this connection that industrial development in the developing regions does not pose a threat to the basic economic interests of the industrial countries. The latter countries, with less than one-fifth of the world's population, today provide two-thirds of world production and 80 percent of world trade. They also possess the preponderance of the infrastructure and knowledge in technology, and the capacity for research and development needed to support technological progress. For the most part, the manufactured exports of our region do not compete with their products in world trade. While in some marginal areas they may cause minor displacements and require adjustments, on the whole they complement the industrial output of the United States, Europe and Japan. At the same time, however, they provide us with the means to continue to increase the purchase of capital goods and other manufactures which our region needs in order to grow.

Lasting, mutually-beneficial economic relations between regions can only be based on reciprocity. Latin America, for a long time to come, will continue to need access to the financial capital and the technology of the industrial countries. At the same time, it will need access to your markets—not just for oil, scarce minerals and agricultural commodities, but also for its manufactures. The existing impediments to the entry of such goods, supported by rising protectionist tendencies in some of the industrial countries, should be reconsidered and removed.

The picture which I have presented leads me to mention the last and more serious of the paradoxes which troubles most of us: namely, that the perception of our region's success, especially during the past 20 years, without remembering our region's grave problems, appears to have created a situation in which Latin America's access to international cooperation for development runs the risk of being cut.

Most of the Latin American countries have made a special effort in recent years to maintain minimum adequate rates of economic growth, in order to cushion the impact of the recession in the industrial countries and to meet the increased cost of imported oil. But the maintenance of the region's growth could only be achieved by large-scale borrowings in the international capital markets and by intensive efforts at trade liberalization to support the expansion of the regions' exports. This has increased strongly the need of close and intensive cooperation from the industrial countries and the international financial institutions.

We note, however, a strong line of thinking that suggests that the access to development assistance in Latin America should be limited to a few of the relatively less developed countries of the region, which account for a very small percentage of its population and economic activity. This reasoning ignores, among other things, the fact that the bulk of the population living in poverty is found in several of the so called "medium-income" countries of the region.

The reluctance of some industrial countries to continue to increase the lending capacity of the multilateral financial institutions, and the restrictive attitude in relation to the increased need for short-, medium- or long-term financing from public and private money markets, may only help to neutralize, or even wipe out, much of the progress achieved by our region in recent years.

In my opening remarks, I referred to the 1980s as the Decade of Trial. I also look upon it as the Decade of Opportunity. All of us—in Latin America, in the United States and Canada, in Europe and Japan—are being challenged to take advantage of the profound changes taking place all around us to help fashion a more just, equitable and progressive environment for all our people. I am both hopeful and confident that we will rise to that challenge.

For Latin America, there is no acceptable alternative to reduce socio-political reforms, with particular attention to the distributive side of the region's economic system, and to adequate rates of economic growth. A failure to advance in those directions, with emphasis on the four areas identified in my remarks, is likely to be reflected in a mounting level of social tension and strife, reciprocal strengthening of repressive tendencies, and a reversal of the progress which Latin America has been making in recent decades.

For you in the United States, and for the people of the other industrial nations, the solution of the basic problems which are exacerbating world imbalances and aggravating international instabilities, is equally important. In the pursuit of those solutions, however, you should be aware that our region's success in meeting the challenge of the 1980s can bring substantial dividends.

We, in the Inter-American Development Bank, a strong symbol and strong reality of enlightened cooperation, are ready to play an active and intensive part in this difficult but challenging enterprise.●

TRIBUTE TO DENVER DICKERSON

● Mr. HATFIELD. Mr. President, I want to take this opportunity to offer a special tribute to Mr. Denver Dickerson, who recently retired as staff director of the Joint Committee on Printing. During his tenure in office, I greatly appreciated his expertise, and I shall sorely miss his counsel.

Before coming to the Joint Committee on Printing in July of 1973, Mr. Dickerson had a long and dedicated career in service to the American people. Denver's professional career includes serving as a Nevada legislator for two terms before he was elected speaker of that House in Nevada in 1943. Later, he served in the American Embassy in Burma, as executive secretary to the late Senator Bible of Nevada, and as the Lieutenant Governor of Guam. Outside his public service, Denver was president of the Nevada State Press Association, and he maintains a current membership in the National Press Club.

Denver Dickerson has had a long and distinguished career, and he can take justifiable pride in his many accomplishments.

I join my colleagues and his many friends in wishing him every happiness and fulfillment in his well-deserved retirement. I know that my fellow members of the Joint Committee on Printing—Senators Claiborne Pell and Howard W. Cannon and Representatives Frank Thompson, Jr., Augustus F. Hawkins, and William L. Dickinson—will miss his able support.●

VISIT TO SOUTHEAST ASIA

● Mr. LEVIN. Mr. President, I recently returned from a 10-day visit to Southeast Asia, under the auspices of the Senate Armed Services Committee. My primary purpose in making this trip was to examine the relationship between the current political and military instability in Cambodia, the refugee situation along the Thai-Cambodian border, and the overall security situation in Southeast Asia.

I know that my colleagues in the Senate are interested in and concerned about these same issues, and I hope that my observations will be of some value to them. I ask that my report be printed in the Record.

The report follows:

Report to the Senate Armed Services Committee on a Visit to Southeast Asia

SUMMARY

This report is based on my visit to Southeast Asia from January 10–January 19, 1980. The trip was made under the auspices of the Senate Armed Services Committee, and I wish to express my gratitude to the Committee chairman, Senator John C. Stennis, for his support of my mission.

There were a number of purposes to my travel to the Far East. I was interested in examining the relationship between the current instability in Cambodia, the refugee situation along the Thai-Cambodian border, and the overall security situation in Southeast Asia. I spent 5 days in Thailand, which included a 3-day tour of eight refugee camps along the border. During these visits I was able to speak with a number of Cambodians who had fled their country, and gained an understanding of the situation within Cambodia with respect to the Vietnamese military presence, political instability, and the lack of food distribution throughout the country. I also met with a number of Thai government and military officials, as well as U.S. embassy personnel, and discussed the demands which the relief effort has placed upon the Royal Thai Government, and the threat to Thailand's security which does result from the presence of hundreds of thousands of refugees along the border and of massive Vietnamese forces within Cambodia.

Following my visit to Thailand, I travelled to Hanoi for discussions with the Vietnamese Foreign Minister. Subjects which I raised in these discussions, in which I joined a House delegation led by Congressman Lester Wolff, included the responsibility of Vietnamese army, as the only organized force in Cambodia, for food distribution, Vietnamese objectives in invading Cambodia, and the likelihood of withdrawal of Vietnamese forces.

Because of the involvement of member states of the Association of Southeast Asian Nations (ASEAN) in the effort to reach a political settlement in Cambodia, and because of the insecurity in the region which has resulted from the Vietnamese invasion, I decided to visit the ASEAN countries to discuss with their respective foreign ministers their perceptions of the political situation and of their own security needs. I met with the foreign ministers of Thailand, Indonesia, Singapore and the Philippines, and a member of my staff met with an official from the Malaysian foreign ministry.

Finally, in the Philippines I visited Subic Bay Naval Base, and Clark Air Base. During these visits I explored the missions of the forces stationed at these bases, and the role which they can play in Southeast Asia and the Middle East.

A complete list of the major figures with whom my staff and I met is included as an appendix to this report.

As a result of this trip, I have reached a number of conclusions as to actions which our government should be taking, and which I hope to pursue in the months ahead:

1. We must press the United Nations to provide a presence in the refugee camps on the Thai-Cambodian border, as has been requested by the Thai government.

2. We must continue to put pressure on the Soviet Union, the Vietnamese, and the Heng Samrin government in Cambodia to improve the distribution of food within Cambodia.

3. We should withdraw our support for seating the Democratic Kampuchean government at the United Nations, unless real changes are made in the leadership of that government which would remove the people responsible for the atrocities suffered by the people of Cambodia.

4. We need to expand and expedite Foreign Military Sales and other parts of our security assistance to the Thai government and other Southeast Asian governments, in order to help them meet the new threat to the stability of the region.

This report is written in four sections, each of which expands on one of these points.

INSECURITY ALONG THAI-CAMBODIAN BORDER

During my visit, I travelled to eight refugee camps, five of which are located in Thailand, and three of which are on or very close to the Thai-Cambodian border. Although all of the camps share some common problems, the camps on the border (which are really not organized camps at all, but rather encampments where large numbers of refugees have more or less spontaneously gathered) face the most serious difficulties.

The three refugee camps along the border which I visited were Nong Samet, Non Mak Mun, and Non Chan. Nong Samet and Non Mak Mun have each held an estimated 200,000 refugees, although as described below, fighting within the Nong Samet camp virtually emptied it of its inhabitants during the time I was there. Nong Chan has a small resident population of perhaps 2,000 to 5,000 refugees, but provides food for probably as many as 100,000 people who travel to the camp periodically from their homes within Cambodia to obtain food supplies.

In fact, an important part of the border feeding operation at all of these camps is the infusion of food through the border to people remaining inside Cambodia. While there is clearly a serious food shortage in Cambodia, many Cambodians are reluctant to resettle, even temporarily, at the border camps where food is available. There are numerous reasons for this reluctance: refusal of the Vietnamese to allow people to travel through Cambodia, or fear of punishment if they attempt to do so; unwillingness to leave family members in Cambodia who cannot make the trip to the border; fear of being denied permission to return to their homes, should the internal situation improve; and so on.

Because internationally-supplied food entering Cambodia through Phnom Penh and Kompong Som is apparently not being distributed in adequate amounts throughout the provinces, the border feeding program is playing an important role in getting food into country. At all of the camps, one finds Cambodians preparing to carry food back with them into the interior, on bicycles, with ox carts, or on their backs. This is a vital part of the relief effort, and one which will be necessary until an effective centralized distribution of food within the country is organized by the Cambodian and Vietnamese authorities.

Although the border camps are succeeding in their basic function of keeping many Cambodians from starving, serious problems exist within the camps which decrease their effectiveness and jeopardize their long-term survival. Neither the Thai Government nor the United Nations considers the border camps to be within its jurisdiction or responsibility, and as a result the camps are administered internally, under the leadership of different Khmer Serei (Free Khmer) groups. Although the vast majority of the camp residents are civilians, there are armed groups within the camps which have proven to be a major source of instability.

The ostensible mission of the Khmer Serei forces is to continue armed resistance to the Vietnamese army in control of Cambodia, and to work ultimately towards the liberation of the country. These forces are at present too weak to pose a credible threat to the well-organized and numerous Vietnamese army. Tragically, they also seem to devote much effort to infighting for control of the camps and of the valuable food supplies.

For example, several days before my visit to the border, an armed clash occurred in the Nong Samet camp. While the genesis of the fighting was somewhat unclear (some reports claimed an attack by Khmer Rouge, others an attack by Khmer Serei from a neighboring camp), the outcome was not: the entire population of the camp, including many refugees in fragile physical condition, were forced to flee in fear for their personal safety. Some fled to camps further into Thailand, others fled to nearby border camps, and others simply scattered into the forests surrounding Nong Samet. In fact, a week after the attack, when I visited, I was not permitted to enter the Nong Samet camp itself, and instead was taken to a patchwork encampment about a kilometer away to which approximately 15,000 refugees from Nong Samet had fled during the fighting.

The lack of supervision at the border camps leads to other problems as well, some of which were well illustrated at the Mak Mun camp during my visit. Because the international agencies simply drop food off at the camps (using population figures supplied by the leadership to determine the amounts) and do not supervise its distribution, it is difficult to know precisely what happens to the food once it reaches the camps. However, it is clear that a considerable portion of the food supplied for humanitarian relief purposes, and paid for by the United States and other UN donor countries, is being siphoned off into the thriving black market in the border area, and that a number of the camp leaders are enriching themselves at the expense not only of the international agencies, but of the refugees within the camps themselves.

During my visit, the International Committee on the Red Cross, which was supplying food to the Mak Mun camp, decided to cut off temporarily its food deliveries to that camp. Two reasons were given for that decision: (1) a food convoy was attacked by some camp residents before it had even entered the camp, and was looted of a good portion of its supplies and the safety of the relief workers jeopardized, and (2) too much of the food being supplied was routinely raked off and re-sold for the personal enrichment of these who controlled the camp. While the food cut-off is a drastic and, in my opinion, an unacceptable response, the problems to which the ICRC was responding are severe and must be dealt with.

The Thai Government is familiar with and concerned about the problems in the border camps. The Thai military is unwilling to take over administration of the camps, partly because the camps are at least partially on Cambodian soil (some Thai maps show them to be totally within Cambodia) and the Thais do not want to be accused of violating Cambodian sovereignty, and partly because they see those problems as intra-Khmer disputes which they do not wish to mediate. However, the Thais have made some proposals which would help to alleviate the situation.

First, they have proposed the creation of a safe haven in the border area, in order to secure international sanction for its use as a sanctuary for Cambodian refugees in need of humanitarian assistance, and hence its inviolability from attack. Unfortunately, the Vietnamese have dismissed this proposal out of hand, claiming that the border is instead being used as a haven for the enemies of the Vietnamese-backed Heng Samrin regime. While it is true that, without Thai or international supervision, it is impossble to insure that armed opposition elements are not using the border camps for recuperation, there can be no doubt that the vast majority of the camps' inhabitants are civilians who have come seeking security, food and medical assistance, and who pose no threat to the Vietnamese or to the government which they have installed in Phnom Penh.

The Thai government has also requested that the United Nations provide international observers in the border camps. Although there have been some informal discussions of this proposal, it has not yet received serious consideration, and certainly has not been acted upon, by the U.N. In view of the serious problems in the border camps, and the threats which are posed as a result to the refugees and to Thailand itself, it seems incumbent upon the U.N. to provide an international presence of some kind in those camps.

There are four major purposes which a U.N. presence in the border camps could fulfill:

(1) It would help to promote the security and stability of the refugees in the border camps. There are reports that many of the civilians in the camps are terrorized by the armed leadership, and much of the conflict within the camps centers around control of the camps themselves and, more importantly, of the food distribution which is their lifeblood. If the U.N. were to take a greater role in the food distribution and administration of the camps, as it does in the camps within Thailand, the stability of the camps would be enhanced, the stakes in the battles for control of the food would be diminished, and the chances of serious conflict within the camps would decrease.

(2) It would help to insure that internationally-supplied food delivered to the camps reaches those refugees for whom it is intended. While all of the food which is supplied to the border camps by the U.N. and I.C.R.C. is intended for distribution free of charge to all refugees within the camps, the reality is, as has been discussed above, that a considerable amount of food is skimmed off and re-sold either to inhabitants of the camps or to people inside Cambodia. While it does not appear that anyone in the camps is denied a minimally adequate diet, the result of this profiteering is that those who are able to pay with gold or to barter for other items of value receive a better diet than those who are not, and that some individuals are amassing sizeable fortunes by abusing the generosity of the international community. Activities of this kind could ultimately undermine the continuation of the feeding program. The leaders of the border camps, aware of the criticisms of the nefarious administration of food distribution within the camps, have challenged the United Nations to take over the distribution and do a better job. Whether these challenges are sincere or not, the U.N. ought to take them up, both to insure that the contributions made by its donor countries are being used as intended and not lining anyone's pockets, and to insure that relief supplies are being fairly distributed to those refugees who are most in need of them.

(3) It would demonstrate to the international community that the assistance which is being provided to refugees in the border camps is solely for humanitarian purposes. Recent statements by the Vietnamese describe the border camps as a sanctuary for opponents of the Heng Samrin government, and raise the possibility that that might be used as a pretext for initiating hostilities in the border area, or even for a Vietnamese military incursion into Thailand. In fact, all of the international aid which is being supplied to refugees in the camps is coming from United Nations agencies, from the International Committee on the Red Cross or national Red Cross societies, or from private voluntary agencies, and not directly from foreign governments. It is also clear that the aid is being provided in reaction to a desperate humanitarian plight: namely, the threat of massive starvation and disease. A UN presence in the camps would highlight the real purposes of providing aid to the camps, and help to avoid any misinterpretation, intentional or otherwise, of the motives underlying the humanitarian assistance.

(4) It would encourage all nations in the region to respect the use of the border area as a sanctuary for those Cambodians who are in need of humanitarian assistance. The Cambodian refugees in the border camps have truly created for themselves a no-man's-land, from which there is no viable exit at the present time. They were forced to leave Cambodia because they were unable, for one reason or another, to survive there, and are unlikely to go back until the fighting ceases, a political settlement is reached, and adequate food is available. On the other side, they are reluctant to enter Thailand, for fear that they will be cut off from their homeland and because of the historical enmity between Thais and Khmers, and the Thais are no more willing to see a new influx of half a million refugees from the border camps into the refugee camps under their jurisdiction. For the time being, then, the inhabitants of the border camps have nowhere else to go, and are totally dependent upon international aid for their survival. While that remains the case, it would be a violation of all standards of international morality for these refugees to be subjected to threats to their personal safety and well-being, by being caught in the crossfire of a conflict in which they wish to take no part. A United Nations presence in the border area would hopefully help to deter any aggressive intentions towards the refugees in the camps, and help maintain a de facto inviolate status for them.

In furtherance of this objective, I have introduced along with Senator Hayakawa and other co-sponsors) a resolution calling upon the President to ask the U.N. to provide a presence in the border camps. This resolution has also been introduced in the House by Congressman Zablocki, Chairman of the Foreign Affairs Committee, and many other members. I hope that the resolution will receive speedy and decisive consideration by the Congress, and that the President, buttressed by a strong expression of congressional support, will make a determined effort to get the United Nations to take action.

I would not attempt to prescribe, at this point, what the nature of the United Nations presence should be. I would hope that all of the parties involved in the Cambodian problem would recognize the advantages of a U.N. presence in the border area, and would cooperate in its establishment. It is possible that some parties might object, however, and that this might limit the type of presence which could be created (an armed peacekeeping force, for example, might not be able to secure the approval of the Security Council). It might also be necessary, should the Cambodian government refuse to cooperate, for the U.N. personnel to operate only on the Thai side of the border, which would make their role more difficult but still definitely feasible and worth undertaking. These specific matters should be negotiated by the delegated representatives to the U.N.; the fundamental point is that some sort of United Ntions presence could and should be established in the border camps.

My conclusions in this regard are based both on my personal observations from touring the border area, and on discussions with a number of interested and involved parties. I met with both the Prime Minister of Thailand, General Kriangsak Chomanan, and the Foreign Minister, Upadit Pachariyangkum, who reiterated Thailand's request for U.N. observers and their desire to see some action taken. I met with Sir Robert Jackson, a special representative sent by U.N. Secretary General Kurt Waldheim to examine the relief situation, who agreed that the idea had merit and that it ought to be pursued. And my staff and I met with officials of international relief agencies operating in the border area, and the staff of the U.S. embassy's Kampuchean Emergency Group, all of whom felt a U.N. presence might result in some real improvement in the situation in the border camps.

Another serious problem in the border camps, and in some of the camps inside Thailand as well, is a shortage of water.

The international relief agencies spend about $100,000 a week delivering water to the Cambodian refugee camps. Two or three wells could be drilled for those dollars, each and every week. If the relief agencies would concentrate on digging wells, the expense of providing water over the long term would be reduced significantly. Wells, moreover, could mean a locally available supply of water. During our three-day visit to the camps, we found only the Sa Kaeo holding center with an adequate water supply. Sa Kaeo was a camp in which the United Nations High Commissioner on Refugees concentrated on the digging of wells.

The water situation was particularly disturbing at the Nong Chan camp. Nong Chan is a camp with a very small resident population, but it probably serves the most people. It is at a point on the border where many Cambodians can come for food and then deliver it back to friends and relatives inside Cambodia. Unfortunately, there is not very much water for those Cambodians who journey to Nong Chan. Over and over, refugees at Nong Chan told me that there was not enough water there. The refugees showed me a muddy well out of which they obtained water.

The Thai government has given permission for wells to be drilled in the Thai towns of Nong Samet and Non Mak Mun, close to the two refugee camps. The advantages of drilling in the towns, in addition to supplying water for the refugees, are that water could be supplied to the local populace as well, and perhaps some of the resentment of the Thai population towards the presence of the refugee encampments could be defused.

While far less severe than those I have discussed, serious problems do exist in the other refugee camps within Thailand. I visited five of these camps, four of which are occupied by primarily Cambodian refugees, and one by Vietnamese boat people. The four Cambodian camps I visited were Khao I Dang, with a population of about 105,000, Sa Kaeo (32,000), Kamput (2,300), and Mai Rut (7,000). The mostly Vietnamese camp was Laem Seing (2,000).

Despite the problems which still remain in these camps, the smoothness and efficiency with which these camps are generally run is a tribute to what can be accomplished with cooperation between the Thai government and military and the international agencies. In a few months' time, protective huts or barracks have been constructed, well-equipped hospitals have begun functioning, food distribution has been organized, and so on. While the lives of the refugees in these camps are far from pleasant, they are receiving satisfactory treatment and minimally adequate food, water and medical care for their survival. While emphasizing as I have the difficulties which still exist in the border camps, I hope not to overshadow the remarkable accomplishments which have already taken place.

Because of these accomplishments, and because the need for relief assistance will continue or even expand for the forseeable future, it is critical that the financial support for the international and voluntary agencies operating in the camps and inside Cambodia continue to flow from both the United States government and from private individuals. Despite the problems, basic needs are being met: hungry people are being fed, sick people are being nursed back to health, and thousands of lives are being saved. Thanks to the generosity of private donors, the voluntary agencies are able to provide urgently-needed services, like hospitals and supplementary feeding stations, in the refugee camps. Americans have responded to the need with characteristic charitable spirit, and my observations in the camps have convinced me that the good work being done by the voluntary agencies deserves all of our continued support.

Finally, I was impressed by the magnitude of the contribution which the Thai Government has made to the relief effort for Cambodian refugees. The maintenance of such a large refugee population in Thailand and along the border has placed considerable strain on Thailand, and yet the Thais continue to provide asylum for all who leave Cambodia across their border. The international community owes a great debt to Thailand for her humanitarian response to the Cambodian problem, and strong support for her efforts to find a peaceful solution to the conflict.

FOOD SITUATION WITHIN CAMBODIA

One of the original purposes of my visit to Southeast Asia was to spend a significant amount of time inside Cambodia, in order to gain a first-hand impression of the extent to which food was or was not being distributed within the country by the Cambodian or Vietnamese authorities. While other congressional representatives have visited Phnom Penh and discussed the relief effort with Cambodian officials there, I had hoped to spend several days traveling through the country observing the distribution of food, and thus allowing Cambodian authorities to provide observational evidence to back up their claims that their people are being fed.

Unfortunately, I received no response to my repeated requests for permission to visit Cambodia. These requests were made directly to the Cambodian embassies in Moscow and Hanoi, and were transmitted through the offices of the Vietnamese Embassy in Bangkok, so I have no doubt that they were received by government officials in Phnom Penh who, for reasons known only to themselves, declined to answer them. I was thus prevented from having any direct opportunity to study the situation inside Cambodia.

However, I was able to form some conclusions with regard to that situation, from my discussions with refugees in the Thai and border camps who had recently left Cambodia, from discussions with officials or relief groups operating in Phnom Penh and Kompong Som, and from discussions with government officials familiar with the problems. It seems clear from the available evidence that there remains a serious starvation problem in many parts of the country, and that international relief supplies entering the country are not reaching large segments of the population.

The refugees I spoke with in the camps came from many different regions in Cambodia, although the majority were from the northwestern part of the country which is relatively more accessible to the border area. All reported that food supplies were inadequate in the places they had come from, and very few reported the distribution by local authorities of the rice being supplied by international relief groups. While the internationally-supplied rice might not be easily distinguishable, and while the Cambodian and Vietnamese officials are not likely to attribute the supply of rice to "Western" relief organizations, overall rice supplies were generally reported to be insufficient.

More common among refugees were reports of the distribution of low-quality feed corn, presumably that which is being supplied by the Soviet Union, and which the Cambodian people find extremely distasteful. However, the reports of a rice shortage are particularly disturbing in view of the recent harvest, which ought to provide at least a temporary surge in the rice supply within the country. If rice supplies are inadequate now even with the amounts that have been domestically harvested, then the shortage is likely to be much more severe in the coming months when the locally-produced supply is depleted.

Those who are familiar with the situation in Cambodia have reached conflicting conclusions as to the reasons for the lack of rice distribution within the country. Some claim that it is due to willful refusal of Vietnamese and/or Cambodian authorities to allow food to be distributed outside the immediate vicinity of Phnom Penh and perhaps also those areas that are considered to be loyal to the Heng Samrin administration. Variations on this argument suggest that internationally-supplied food is being diverted for the use of Vietnamese troops in Cambodia, or even into Vietnam itself.

A primary exponent of this view has been the United States Government. In a December 6 statement issued by the White House, it was stated that:

"Relief supplies are piling up in Phnom Penh and other points of initial delivery because local and Vietnamese authorities continually change or delay agreed arrangements for delivery.

"Taxes and tariffs are collected on the delivery of relief supplies—in effect imposing a surcharge on human survival.

"We continue to receive reports that relief supplies are diverted or stockpiled for the use of military forces, and that what distribution does take place is skewed to favor officials and supporters of the Heng Samrin regime.

"There is even interference with the attempts of the Kampuchean people to feed themselves. For example, refugees have reported the mining of rice fields to prevent a harvest."

On the other hand, many of the relief groups operating in Cambodia take issue with this, and argue instead that inadequate distribution is due to managerial and logistical shortcomings of the Cambodian government, and their inability, despite good faith efforts, to administer the massive relief program necessary to feed the entire country. For example, excerpts from a recent letter to me from Joseph Short, Executive Director of Oxfam America, state:

"Since mid-October we have been providing aid within Cambodia, through representatives in Phnom Penh, under a written agreement with the Samrin government which outlines an aid program of up to $50 million. We have received the closest and most cordial cooperation of the Samrin government all along . . . Our general sense of things is that despite severe handicaps and obstacles our aid and delivery program is well set and expanding at an encouraging rate."

Because I was unable to enter Cambodia and examine the situation for myself, I have not drawn any conclusions as to the reasons for the failure of the Cambodian government to distribute food throughout the country. However, from the welter of conflicting facts and statistics, I believe there are three clear points which emerge, and which highlight the effort which could be underway to feed the people of Cambodia:

(1) There is starvation in Cambodia. I have already stated my reasons for coming to this conclusion.

(2) Massive amounts of food have piled up in warehouses in Kompong Som and Phnom Penh. There does not seem to be any dispute about this; all of the relief groups report such a build-up, and even the Cambodians seem to acknowledge that this is a problem which concerns them. Thus, regardless of explanation or motive, it is clear that there are large amounts of undistributed food inside Cambodia. Moreover, the U.N. World Food Program has reportedly slowed down food shipments into Cambodia until the bottleneck is cleared up, and as a result the amount of relief food entering the country is less than it could be.

(3) There is one force within Cambodia which has the manpower, the geographical dispersion, and the logistical capability to distribute food to the populace: the Vietnamese army. There are an estimated 200,000 Vietnamese troops involved in the occupation of Cambodia. While ultimately these troops will have to be removed if peace is to return to Cambodia, and if the Cambodian people are to reclaim control over their own destiny, the fact remains that those forces are in Cambodia at the present time. They are garrisoned throughout the country; they have transportation equipment available (which, if insufficient, could be supplemented by the hundreds of trucks which have been provided by international organizations and foreign governments for purposes of the relief effort); and they have the discipline and administrative capabilities which are fundamental to a large-scale military organization. There is absolutely no reason why the Vietnamese could not undertake a massive food distribution program (on the contrary, such an effort might well serve their interests by helping to mitigate the hostility of the Cambodian people towards the Vietnamese invaders.)

I carried this message directly to the Vietnamese with whom I met in Hanoi. Their response was that their forces did assist with food distribution, but only when specifically requested to do so by the Cambodian government which was in charge of the food operation. They did not give me any indication of how frequently such requests were made, although I specifically asked them. Regardless of the actual relationship between the Vietnamese and Cambodian governments (whether, as is generally accepted in the West, the Vietnamese maintain iron-clad control over their Cambodian puppet government, or rather, as the Vietnamese claim, the Cambodian government is independent and sovereign), the fact remains that so long as they are in Cambodia, the Vietnamese possess a unique ability to assist with food distribution, and it is incumbent upon both the Cambodians and the Vietnamese to insure that that capability is fully utilized, in the interests of the survival of the Cambodian people.

The international community should use all means at its disposal to focus international pressure on both governments, and to make clear to them that their inaction, regardless of its motive, has not and will not be tolerated.

Pressure must also be brought to bear on the Soviet Union as well, for it is only through their continued support that the Vietnamese are able to maintain their military presence in Cambodia. In this vein, I was supportive of the international effort to organize a convoy of trucks loaded with food and medical supplies, which attempted unsuccessfully to enter Cambodia overland from Thailand in order to distribute its relief supplies throughout the Cambodian provinces.

I am pleased that the Thai Government has indicated its willingness to allow this humanitarian convoy to travel through the Thai checkpoint on the border, but I have no optimism that the Cambodians will demonstrate that same willingness. They have, in the past, been quite critical of the use of the so-called "land bridge" from Thailand to Cambodia as an access route for relief supplies, claiming that it is simply a ruse which the West hopes to use to supply food to Pol Pot and other opposition forces. If the Vietnamese truly fear this, then there is an obvious way for them to terminate the pressure to open the land bridge: simply by demonstrating to the world that food arriving in Cambodia through the accepted routes is reaching the people. Until that happens, those who are supplying relief aid will remain understandably skeptical, and will continue to seek ways to get their aid to those in Cambodia who need it.

POLITICAL PROSPECTS FOR CAMBODIA

The present need, and short-term goal for U.S. policy with regard to Cambodia, is to counteract the immediate threats to the Cambodian people, threats which could imperil their continued survival as a people. We must provide food, water, shelter, medical care, and security for those Cambodians who have been forced to flee the country, and for whom we can provide direct assistance through the U.N. and other international and voluntary relief agencies. We must also provide as much aid as we can, given the constraints imposed by the governments involved, to those Cambodians who remain inside the country. To the extent that we can alleviate the suffering of the Cambodian people, inside or outside the country, we have a moral obligation to do so.

Beyond the immediate and life-threatening crisis, however, we must work towards a solution to the Cambodian problem which will allow people to return to their homes, and will help the country to reconstruct its agricultural productivity and rebuild its society, both of which have been ravaged by years of war and political oppression. In order to enable these things to happen, a political settlement will have to be reached in Cambodia, and although the solution will ultimately have to come from the Cambodian people themselves, there are ways in which the United States can play a constructive role in the process.

One condition for a political solution to the conflict is the removal of the Vietnamese military presence from Cambodia. The Vietnamese claim that their presence in Cambodia results not from any expansionist ambitions, but rather from a desire to help the Cambodian people rid themselves of a tyrannical and genocidal regime. This has now taken place; the Pol Pot regime has been effectively driven from power, and the international community should now hold the Vietnamese to their stated aims and demand both the removal of their troops, and their cooperation in establishing a government in Phnom Penh which has the support of the Cambodian people, and which will thus prevent the possible return to power of a Pol Pot-led regime.

It is not the role of any foreign government to attempt to prescribe what the future government of Cambodia should be. As a matter of political pragmatism, the government which emerges will probably have to be acceptable, not only to the Cambodians, but also to the Thais and the Vietnamese, who share lengthy borders with Cambodia and who will want to be assured that they will not face a hostile government across those borders. But as for the question of whether the government should represent a coalition of the forces now vying for control of the country, or whether a nationalistic third force will emerge with popular support, this should not be prejudged by outside forces, and no attempt should be made to impose such a settlement on the Cambodian against their will.

What then can the United States do to contribute to a viable political settlement in Cambodia? First, we must make absolutely clear that we will never recognize, nor will we accept, any government in Cambodia which is kept in power by a Vietnamese military presence in that country. This is a flagrant violation of the right of the Cambodian people to self-determination. On this point, we should be speaking in unison with the members of the Association of Southeast Asian Nations (ASEAN), which has taken an active role in the promotion of a Cambodian solution. We are in full agreement with them that external aggression must not be permitted to determine Cambodia's, or any nation's political future.

However, the ASEAN policy towards Cambodia goes a step beyond opposition to Vietnamese presence and to a Vietnamese-backed regime. Following the leadership of ASEAN, the United Nations has voted to continue to accept the credentials of the Democratic Kampuchean government, the government which was ousted by the Vietnamese, as the legitimate government of Cambodia. The United States voted last year in support of this position. However, I believe that, under current circumstances, that policy must be re-examined.

There can be no doubt, given the evidence that he emerged in the last few years, that the Democratic Kampuchean government, under leadership of Pol Pot, was responsible for genocidal crimes against the people of Cambodia. No one can estimate accurately the extent of the killing which was carried out by that regime, but few refugees I spoke with had not lost at least one family member during their years in power. We cannot justify continuing to give any international sanction to a government which has committed such atrocities, and which now has neither a moral nor a territorial claim to represent Cambodia.

I do not believe that continued U.N. recognition of the DK government in keeping with the wishes of the Cambodian people. In my discussions with refugees, I repeatedly asked whether they would prefer to see Cambodia governed by Pol Pot or Heng Samrin, and in every case they were unable to answer the question. They detested both alternatives. If the Cambodians themselves cannot make a choice between two equally abominable governments, then we should not take it upon ourselves to make that choice for them. We should leave the seat vacant in recognition that no government exists with a claim to represent the people of Cambodia.

Moreover, in one important respect, our vote to seat Democratic Kampuchea plays into the hands of the Vietnamese. They make the strong propaganda argument that their continued military presence in Cambodia will be justified so long as "outside aggressors" continue to support the criminal Pol Pot regime. While I am not suggesting that we should be so naive as to believe that the Vietnamese would withdraw their forces as soon as this support is terminated, I do believe that it gives ammunition to the Vietnamese for their defense of their occupation of Cambodia which we should be unwilling to bestow upon them. It is somewhat inconsistent for us to argue for self-determination for the Cambodian people, while continuing to support at the UN a government which is totally unacceptable to them.

Continuing to seat Democratic Kampuchea in the U.N. effectively grants to them the leadership of the opposition to the current Heng Samrin government in Cambodia. In reality, there are other opposition groups which, while they may be less powerful militarily, are more representative and have greater acceptance among Cambodians, and could play an important role in a political solution. So long as the DK forces continue to have the opposition mantle handed to them by the U.N., this will serve as a deterrent to the emergence of other, more acceptable opposition groups, and to the unity of the opposition movement.

This point was emphasized to me forcefully and convincingly in a conversation with Mr. Chhean Vam, Vice President of the Khmer People's National Liberation Front, and subsequently restated in a letter from Son Sann, President of the KPNLF. Son Sann, a former prime minister of Cambodia under Prince Sihanouk, is widely respected both inside and outside Cambodia, and is generally considered a man of great integrity and one of the most sincere of the opposition leaders in his desire to restore a democratic government to Cambodia. Chhean Vam indicated to me that, while there might be some military advantage to the KPNLF in cooperating with the Khmer Rouge forces, to do so would result in the loss of the popular support which the KPNLF now enjoys, because the Khmer Rouge are so feared and hated by the Cambodian people. A portion of Son Sann's letter to me states:

"Neither the Khmer Rouge 'Government,' overthrown by the invasion of Vietnamese forces a little more than a year ago, nor the Heng Samrin 'Government' installed in Phnom Penh by Hanoi for the needs of the Vietnamese cause, represent anyone other than themselves, because neither enjoys any popular support. The Khmer people as a whole vow implacable hatred for the Khmer Rouge who savagely tortured them during almost four years (nearly three million dead!) and have deep contempt for the new leaders in Phnom Penh, whom they properly regard as pitiful puppets in the hands of the hereditary Vietnamese enemy, of whom the least that can be said is that they have sought for centuries to colonize our country and make our national existence disappear."

The letter expresses the "ardent wish" that the U.S. not vote again to seat the Khmer Rouge/Pol Pot government at the U.N. Since the ostensible purpose of that vote is to strengthen the opposition to the Heng Samrin government, the testimony of a man like Son Sann who is struggling against that very same government must be given considerable weight when he argues that our vote works against, not in favor of, the creation of a broad-based resistance movement.

Very basically, providing any modicum of support for a government as tyrannical as Pol Pot's is simply not in keeping with American ideals and American tradition. There are good reasons for trying to keep a resistance movement alive in Cambodia, but not a movement which is as hideous as that which it is opposing. Carlos Romula, Foreign Minister of the Philippines, told me that he feels it "demeans" those seeking to get the Vietnamese out of Cambodia to continue to vote for Pol Pot, although it remains true that ASEAN, of which the Philippines is a member, continues to lead the effort to keep Democratic Kampuchea seated at the U.N.

Several of the ASEAN foreign ministers with whom I met made a distinction between the Government of Democratic Kampuchea, on the one hand, and Pol Pot and the leaders who were responsible for the genocide in Cambodia, on the other. They argue that we can condemn Pol Pot, while continuing to seat the DK as a government, and point to the recent leadership shift in the DK, in which Khieu Samphan succeeded to the position of prime minister, while Pol Pot was "demoted" to commander-in-chief.

There seems to be little evidence that this change of command is anything other than cosmetic, and every reason to believe that Pol Pot and his close associates are still very much in charge. If the Democratic Kampuchean forces hope to regain any international credibility, far more substantial changes in the leadership will have to be made. This point should be made strongly to the People's Republic of China, which is providing moral and material support to the DK/Khmer Rouge forces, and thus is in the strongest position to prompt leadership changes.

Perhaps those who were responsible for the crimes against the people of Cambodia can be removed from the movement, and perhaps that would allow the DK to regain some of its claim to support as a legitimate opposition movement. If that does not happen, I do not believe that we can continue to sanction that movement in any manner, including voting to seat it at the U.N.

If such a shift in American policy does take place, there are two important steps which should accompany it, and which could help to cushion the blow to those countries which might protest the change. In the first place, we must unequivocally state that voting to unseat Democratic Kampuchea is not a first step towards seating of Heng Samrin, and that we will never vote to seat that or any other Vietnamese puppet government. Second, we must make clear that the move does not represent any diminution of support for ASEAN as an organization or for any of its members, particularly Thailand. In this regard, we should increase and expedite requested military and economic assistance to those countries, to help them cope with the impacts of the turmoil in Cambodia and in Indochina generally, and to help them increase their defenses against the new external threat which they perceive as a result of the Vietnamese invasion of Cambodia. While we may differ with ASEAN on this one issue, we should support in every way possible their efforts to reach a political settlement in Cambodia.

SECURITY PROBLEMS IN SOUTHEAST ASIA

The Vietnamese invasion of Cambodia in early 1979 introduced a new and dangerous element into the security equation in Southeast Asia. In my discussions with officials of the ASEAN nations, it became clear that the invasion, particularly following as it did Vietnamese Premier Pham Van Dong's personal asurances to ASEAN members (only a few months earlier) that Vietnam had no aggressive intentions towards any country in the region, provoked a serious reconsideration of ASEAN members' perceptions of the external threats facing them. The opinion of a number of the foreign ministers with whom I spoke was that, while China is still considered the greatest long-term threat to the stability of the region, they are far more concerned about the immediate threat posed by Vietnamese expansionism.

Resulting from this change in perceptions is a significant change in the missions to which the military forces of the nations in the region are devoted. Traditionally, with the exception of the Vietnam war period, the armed forces of the ASEAN countries have been largely dedicated to internal counterinsurgency activities. More recently, however, these countries have begun to weigh more heavily the need for defense against external attack. This is most true in Thailand, which is the only ASEAN country that faces a direct threat from Vietnamese forces across its border, but it applies to the other member countries as well.

At the same time that these countries are concerned about enhancing their defense potential, though, a number of them are also anxious to maintain peace and stability in Southeast Asia, and are working to achieve an accord with Vietnam toward that end. These twin objectives require that the countries pursuing them maintain a fairly delicate balance, and our foreign policy should be designed to support them in both parts of that two-pronged effort.

The area in which the United States can perhaps be of the greatest assistance to these countries is in helping to supplement their defensive capabilities. This is largely achieved through two of our security assistance programs, so far as the ASEAN nations are concerned: Foreign Military Sales (FMS) and International Military Education and Training (IMET). We must be acutely sensitive, given present circumstances, to the role which these programs can play in enabling the ASEAN countries to modernize and enhance their armed forces. We should give serious consideration to requests for FMS and IMET increases, particularly for the Thai military which must cope with the immediate problems of border security and refugee camp protection. We should also consider Economic Support Funds (formerly security supporting assistance) for Thailand, to assist the Thais in undertaking development projects which will enhance their national security, and help to avoid economic dislocations which could result from the burdens of national defense and refugee assistance.

The unique security situation facing Thailand deserves special elaboration. There are three main reasons for this:

(a) Its long-standing, close security relationship with the United States—a relationship which antedates even our heavy involvement in Vietnam;

(b) The importance placed on that relationship by the other ASEAN nations, who view it as a meaningful barometer of our willingness to maintain our commitments to promote peace and stability in the region; and

(c) The importance these ASEAN nations place on the security of Thailand itself as crucial to their own future and to the longer-term stability of Southeast Asia.

As a key member of ASEAN, Thailand is the only nation in the international association which shares borders with Communist countries. Her success, assisted by the United States, in withstanding the military and diplomatic pressure embodied in Vietnam's invasion of Cambodia is viewed with extreme interest by the other ASEAN states.

ASEAN perceives that Thailand must have the support of the U.S. if she is to continue as a positive force for regional stability, and it is in our own national security interests to be sensitive to these perceptions.

The best way we can demonstrate such sensitivity is to respond positively to reasonable Thai requests for increased FMS credits expedited delivery, and expanded IMET grants. Therefore, I am pleased that the Administration is seeking an increase in FMS financing from $40 million in Fiscal 1980 to $50 million in Fiscal 1981. Unfortunately, the amount of IMET funding requested for FY 81 remains the same—$891,000—as in FY 80, which means that inflation actually will reduce the scope of the program.

The U.S. Government also has taken several other steps to respond to growing Thai and ASEAN concerns regarding Vietnamese expansionism. These initiatives, which were outlined in a letter to me from our Ambassador to Thailand, Morton I. Abramowitz, include the following:

We have expedited the delivery of certain military equipment already in the pipeline for Thailand.

The Department of Defense last year raised Thailand's priority from a "Force Activity Designator" level of five (common to most FMS programs in other countries) to three (critical areas.) Without this FAD-3 priority many Thai requirements would be seriously delayed.

We have airlifted to Thailand 105MM howitzers, dragon anti-tank missiles and other badly needed items which had been ordered under MAP.

The Joint Chiefs of Staff has identified some $9.2 million worth of supplies in U.S. stocks which can be diverted for Thai use if necessary. Of this, $3.9 million was already an order and will now be shipped not later than April 1. Some high-priority items are being diverted from programs of other countries.

We provided on a grant basis $11 million worth of ammunition stockpiled in Thailand since the withdrawal of our forces in 1975.

The Congress should support the Administration in these efforts, and we should encourage the Executive Branch to do even more, consistent with the national security need to maintain our own forces at high readiness levels and with the foreign policy need to properly apportion military assistance among many nations whose security and stability are important to us and our allies.

An increase in FMS credits to Thailand, either in the context of an FY 80 supplement or an FY 81 budget request amendment, would appear to be appropriate. Not only would this contribute to the improvement of Thai military capabilities, it would be a significant signal to ASEAN, other developing countries, our allies and our adversaries. It would further demonstrate that the United States stands by its commitment to promote stability and democracy throughout the world.

The United States also ought to consider extending to Thailand Economic Support Funds in Fiscal 1981, although the Administration's initial foreign security assistance budget request to the Congress contains no such allocation.

It is true that Thailand has an expanding economy which thus far has been able to successfully underwrite, through foreign borrowing, the development of the nation. But certain economic development projects important to building its basic national security have failed to attract the necessary financing, in part due to their proposed locations in the rugged, distant northeastern part of the country.

It is this very area which is most exposed to the symbolic and real pressures of Vietnamese expansion, and American efforts to help the Thai help themselves in this region will show our cooperative commitment to building a strong nation, economically and militarily secure within its own borders.

Thus, I believe the Administration and the Congress should seriously consider a reasonable amount of Economic Support Funding for Thailand.

One specific problem with which the Thai government must cope is that of attacks by pirates on Vietnamese boat people in the Gulf of Thailand. The problem is a serious one; a group of boat people I met in the Laem Seing camp, who had arrived only 4 days earlier, were attacked three times by pirates during their journey. I saw physical injury which resulted. Prime Minister Kriangsak assured me that the Thais are concerned about this problem. We should provide patrol boats or any other needed equipment through the military sales program to wipe out the despicable practice.

Lastly, our government's financial support for IMET appears to be sadly insufficient, and I urge the Administration to consider increasing its request for FY 81 in this area at the very least to offset the effects of inflation on the program.

IMET is a relatively low-cost program which yields immeasurably large dividends for the United States—not only in specific improvement in Thai military capabilities, but also in promoting good-will and an appreciation and understanding of U.S. institutions and ideals among Thai armed forces personnel.

The Thai value highly their participation in our IMET program, and the skills they learn contribute greatly to their military preparedness to respond to the present—and future—challenges facing their nation.

Their greater appreciation for democracy resulting from increased exposure to America and Americans through IMET also contributes to the development of Thailand as a free nation and as an example of democracy in that region of the world.

Unfortunately, the number of Thai students trained under IMET has fallen dramatically in recent years, and unless increased funding is provided to hold the line against inflation, we can expect further decreases in participation.

Such decreases in participation erode the overall effectiveness of the IMET program in Thailand, retard the improvement of their military and the growth of their democracy and work against the best interests of the United States, ASEAN and the other free nations in Southeast Asia.

The Administration should request, or Congress should enact, increases in IMET for Thailand in either an FY 80 supplemental or an FY 81 budget amendment, so as to provide reasonable, real growth in the program. The small costs involved would be well worth it.

In summary, as the attention of our nation is caught up in the crises in Iran and Afghanistan and in protecting our interests in the Persian Gulf/Indian Ocean region, we should not forget other areas of critical interest in other parts of the world.

Vietnam might not seem as great a threat to the United States as is Soviet adventurism in Southwest Asia, but our own national security interests are intertwined with stability and well-being of democracies of the nations of South East Asia. We must recognize the threat that Vietnam aggression against its neighbors poses to ourselves.

We must demonstrate our sensitivities to the perceptions and realities confronting our friends in the region, and we should respond by prudently and calmly evaluating what must be done to deter further Communist pressures and promote democratic resolve in Southeast Asia.

Increasing the United States security assistance programs to nations in that region as I recommend, would represent just such a prudent response.

APPENDIX: MEETINGS WITH MAJOR FIGURES DURING VISIT

In Thailand:

Prime Minister Kriangsak Chomanan.

Prime Minister Upadit Pachariyangkum.

Minister attached to Office of Prime Minister Air Marshal Sitthi Sawetsila.

Supreme Commander, Royal Thai Armed Forces: General Soem na Nakhon.

Deputy Commander in Chief, Royal Thai Army: General San Chitpatima.

U.S. Ambassador to Thailand Morton Abramowitz.

Special Representative to the Secretary General of the United Nations Sir Robert Jackson.

Vice President of the Khmer People's National Liberation Front Chhean Vam.

Khmer Serei Mak Mun camp leaders Von Saren and Norodom Soriavong.

In Vietnam:

Vice Foreign Minister Phan Hien.

In Indonesia:

Foreign Minister Mochtar Kusumaatmaja.

U.S. Ambassador to Indonesia Edward Masters.

In Singapore:

Foreign Minister Sinnathamby Rajaratnam.

U.S. Ambassador to Singapore Richard F. Kneip.

In the Philippines:

Foreign Minister Carlos Romulo.

U.S. Ambassador Richard Murphy.

Father Edicio de la Torre.

Subic Bay Naval Base Commander Rear Admiral Lee E. Levenson.

Clark Air Base Commander Major General James R. Hildreth.●

ROSE KAPOLCZYNSKI

● Mr. HART. Mr. President, the Senate Energy Committee will soon begin consideration of the Colorado "RARE II" proposals for national forest wilderness areas. I would like to acknowledge the valuable contribution that Rose Kapolczynski, of the Colorado Wilderness Workshop and the Colorado Open Space Council, has made to this issue.

Although thousands of Coloradans have participated, directly and indirectly, in the preparation of legislation on this subject, Ms. Kapolczynski deserves special recognition for her efforts. She has worked diligently over the past few years to develop a knowledge of Colorado's national forest lands and an expertise on wilderness issues. She has used that knowledge and talent in helping me review the administration's and State government's Roadless Area Review and Evaluation (RARE II) recommendations.

As the principal environmental group spokesperson on Colorado wilderness issues, Ms. Kapolczynski has done an admirable job of representing the thousands of members of the Open Space Council and all Coloradans, in fact, all who advocate the preservation of Colorado's magnificent wilderness. Equally important, while working on RARE II, Ms. Kapolczynski has displayed a patient understanding of the views of others.

Her willingness to listen to and work with others, even those with opposing views, has contributed greatly to the cooperative spirit with many people in Colorado on this issue. Even those who fundamentally disagree with Ms. Kapolczynski respect her professionalism.

Ms. Kapolczynski has recently left Colorado to work for the Sierra Club in Washington, Idaho, Oregon, and Montana. Colorado's loss is the Northwest's gain. My colleagues from the Northwest doubtless will find Rose as much of a pleasure to work with as I have.●

THE 50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER AS THE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, as Secretary of Commerce in the Harding and Coolidge administrations, Herbert Hoover strongly promoted trade association movements and other cooperative business activities, which he believed would lead to a more stable and progressive capitalism. Yet in his book, "American Individualism," Hoover expressed concern that the business community could obtain too much power. He viewed business as one of three major interest groups, whose powers should remain in balance. He feared that too much business influence would lead to fascism. Too much power by the other groups, workers, and the general public as represented by the National Government, would lead to socialism or bureaucratic tyranny, respectively. A fourth concern was the possibility of a "syndicalist" situation in which power would be held by a few members of each bloc.

How Hoover balanced his interest in some cooperative business activities with his fear of vesting too much power in business hands, is the subject of an essay by Prof. Robert Himmelberg of Fordham University. Professor Himmelberg has submitted the essay to me for publication in the series commemorating the 50th anniversary of the inauguration of Hoover as our 31st President. Much of the essay is reprinted from a longer essay printed in "Herbert Hoover and the Crisis of American Capitalism," which was published and copyrighted by the Schenkman Publishing Co., of Cambridge, Mass.

Professor Himmelberg focuses on the Hoover administration's antitrust policy and enforcement. Antitrust policy under Hoover's predecessor, Calvin Coolidge, had been notably lax. The Justice Department under Coolidge had encouraged the trade association movement to experiment with cooperative practices by attacking only clear agreements to limit production or fix prices, and by giving advance approval of cooperative programs proposed by the associations. Despite this cozy arrangement, business had launched an effort to relax the antitrust laws.

Existing organizations, such as the Chamber of Commerce, and organizations especially formed for the purpose, all urged President Hoover to lend his weight to business' efforts. Hoover, however, remained committed to procompetition principles, and gave little support to the revisionists. The leader of one group wrote that Hoover was "the one man" who could spur the movement, but "it would be idle to attempt to discuss the subject with him until he can approach it in a very different mind from the one he had when we were in Washington."

Hoover's dedication to antitrust principles is also evident in the actions of the Justice Department during his administration. Antitrust prosecutions, although not large in number, were highly significant in that they represented a retreat from the Coolidge policy of encouraging trade associations to experiment with cooperative practices. Hoover's Justice Department reversed the existing practice of giving advance approval of trade association plans. The administration even took action against existing industry plans which had won Government approval under Coolidge.

The change in antitrust attitudes was also evident at the Federal Trade Commission. Under Coolidge, the FTC had adopted procedures which undermined the Sherman Act, and had approved numerous questionable codes submitted by trade association. In 1931, the Commission began revising these codes by eliminating and qualifying offensive anticompetitive language. Pressure from the Antitrust Division at Justice was directly responsible for this switch at the FTC.

Professor Himmelberg concludes that despite a general reversal of the enforcement of the antitrust laws, there were some lapses in Hoover's insistence on procompetitive policies. With Hoover's recovery program so dependent on the good will and cooperation of the business community, some concessions were inevitable. The most publicized example was Hoover's push for a congressional investigation of the antitrust laws in relation to the natural resource industry. Here, the argument that competition bred waste and inefficiency was particularly popular.

Mr. President, Professor Himmelberg's essay is an excellent treatment of the state of the antitrust laws in the 1920's and early 1930's, and a highly interesting study of how Hoover's philosophy and practices meshed in this important area. I request that the essay, and a brief biographical sketch of the author, be printed in the Record.

The material follows:

BIOGRAPHIC SKETCH—ROBERT F. HIMMELBERG

Born: July 16, 1934.

Education: B.A., Rockhurst College, 1956; M.A., Creighton University, 1958; Ph.D., Pennsylvania State University, 1963.

Professional experience: Fordham University—from instructor to associate professor, 1961–1977; chairman, department of history, 1968–71; professor, American History, 1977.

Memberships: American Historical Association and Organization of American Historians.

Publications: Author: The War Industries Board and the Antitrust Question in November, 1918, Journal American History, 6/65; The Great Depression and American Capitalism, Health, 1968; Business, Antitrust Policy, and the Industrial Board of the Department of Commerce, 1919, Business History Rev., spring 1968.

Contributions: Herbert Hoover and the Crisis of American Capitalism, Schenckman, 1973; The Origins of the National Recovery Administration: Business, Government and the Trade Association Issue, 1921–1933, Fordham University, 1976; Herbert Hoover and the Great Depression, In: Power and the Presidency, Scribner's, 1976.

PRESIDENT HOOVER, ORGANIZED BUSINESS, AND THE ANTITRUST LAWS: A STUDY IN HOOVERIAN IDEOLOGY AND POLICY

Hoover as Commerce Secretary under Harding and Coolidge had protected and promoted the trade association movement. Indeed, he had regarded the cooperative activities of businessmen in industrial organizations as the key element in his plans for a better coordinated, stabilized, and more progressive American capitalism. Moreover, as depression president, Hoover relied heavily upon associational business activities to achieve recovery. Yet, Hoover was deeply concerned about the consequences of unchecked cooperative activities and, as President, found the demands of organized business for relaxation of legal barriers to cartelistic activities one of his most pressing and embarrassing political problems. Though paradoxical, in view of his commitment to applying the mechanism of voluntary cooperation to the whole range of economic and social problems, his conviction that intra-group cooperation could easily run to extremes was deep and unalterable.

The source of this conviction lay in Hoover's conceptualization of the American social-economic order. In *American Individualism*, a brief but pithy little book of 1922, Hoover explained how he understood the nature of American life and propounded a political theory which, judging from the consistent and tenacious way in which he rehearsed it in his speeches during the remainder of his public life, was the guide for his actions. Hoover explained that he regarded American society as divided into three functional interest groups: capitalists (including agrarian capitalists), workers, and the general public, represented by the national government. Hoover's concern was for the maintenance of a balance among these groups. Too much power to one would mean fascism, socialism and bureaucratic tyranny, respectively. A fourth contingency was a "syndicalist" situation in which political and economic power would be wielded by a few members of each bloc, the whole constituting a tightly-knit oligarchy. Hoover did not regard these groups as economic collectivities. Rather, he explained, relations between the members of these groups still were and should continue to be regulated by market competition, albeit a competition mitigated somewhat by certain forms of cooperation.[1]

An essential point is that Hoover did not fear each of these groups equally as a potential class dictator, or feel that a syndicalist stand-off between all of them was a substantially likely outcome of political evolution.

In the very early twenties, with memories of the excesses of the class rivalries he had witnessed during his war-work in Europe still fresh in mind, Hoover does appear to have wondered whether all interest groups in America might turn into class blocs and destroy the American system. In 1920, speaking of the development of national associations of farmers, workers, and businessmen, Hoover thought the "question of the successful development of our economic system rests upon whether we develop the aspects of these great national associations toward coordination with each other in the solution of national economic problems, or whether they grow into groups for more violent conflict," which could "spell breakdown to our entire national life."[2] The theme received a full statement in *American Individualism*. "If [such groups] develop into warring interests," Hoover wrote, "if they dominate legislators and intimidate public officials, if they are to be a new setting of tyranny, then they will destroy the foundation of individualism. Our Government will then drift into the hands of timorous mediocrities dominated by groups until we shall become a syndicalist nation on a gigantic scale." Even in *American Individualism*, however, and certainly in the speeches of the later 20's and the early 30's, Hoover frankly acknowledged the actual power relations in American society by ignoring organized labor or agrarians as potential class dictators and identifying bureaucracy and business as the two likely sources of political tyranny. That a major preoccupation of Hoover's political thought was a cataclysmic vision of the American system of equality of opportunity, competitiveness and social mobility falling victim to bureaucratic power, is of course precisely what the standard Hoover literature argues. The sheer frequency of Hoover's pronouncements in this vein, especially during the presidential years as he struggled to block one after another Congressional project for expanding government direction of the economy, has however had an unfortunate effect. It has overshadowed and concealed from his interpreters Hoover's equally strong preoccupation with what he thought was an equally dangerous threat to the survival of the American system—business in government.

Though circumstances during the Presidency dictated that Hoover would expend most of his oratorical energy fighting what he thought was a threat of bureaucratic control, it can be shown that in his political thinking the threat of business loomed as large as bureaucratic domination. In *American Individualism* a rhetorical pattern was established that appears in many later expressions of Hoover's political philosophy, especially in the campaign speeches of 1928. Maintaining the proper relation between the state and the business system is defined as the primary problem of modern government. Business is depicted as having threatened the nation, before the reforms around the turn of the century with "a form of autocracy of economic power." The resulting "regulation of public utilities and . . . legislation against restraint of trade" had preserved, and continued to preserve, equality of opportunity, the foundation of the American system. The fight "against economic and political domination" was ceaseless, and the nation sometimes "lag[ged] behind in the correction of the forces that would override liberty, justice and equality of opportunity." But vigilance could prevail; "the principle [of equality of opportunity] is so strong within us that domination of the few will not be tolerated." Over-compensation was, of course, the reciprocal danger. To preserve the "initiative and creative faculties of our people," Hoover wrote, "the Government must keep out of production and distribution of commodities and services. This is the deadline between our system and socialism."[3]

In a number of speeches during the campaign of 1928 and early in his presidency, Hoover endeavored to capsulate his political philosophy. These pronouncements underscored the same enemies of equality of opportunity and individualism that he had defined in *American Individualism*. One of the campaign speeches expressed especially clearly the symmetry of the forces that threatened the American system. First denouncing bureaucratic control of business, Hoover went on to acknowledge that from "bitter experience," the American people had a "rightful fear that great business units might be used to dominate our industrial life and . . . destroy equality of opportunity." He credited the Republican Party with creating the laws that maintained competition and prevented destruction of "the smaller units." "It is just as important," Hoover concluded, "that business keep out of government as that government keep out of business."[4]

References to this appetite of big business for political and economic domination are frequent in the addresses of this period. Hoover's acceptance speech pictured the Sherman Act as upholding Lincoln's conception of the "equal chance" for all Americans; the King's Mountain speech in 1930 assaulted as a "corruptive" influence "any practice of business which would dominate the country by its own selfish interests;" and the Valley Forge address in the spring

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Footnotes at end of article.

of 1931 warned of the necessity equally to protect individualism from the "deadening restraint of government" and "the encroachments of special privileges and greed or domination by any group or class."[5]

The battles with Congress in 1931 and 1932 and with Roosevelt during the campaign over unemployment and relief, the farm and public power problems, as I have mentioned drove the threat of bureaucratism to the forefront of Hoover's political argumentation. But his tract *Challenge to Liberty*, published in 1934 two years after his defeat at Roosevelt's hands and after a year of the New Deal, returned to the theme of a joint threat to individualism.

Looking backward over the recent past, Hoover sees the "same lack of political cohesion" which had destroyed "Continental Liberalism," the same "growth of indefinite blocs of business, farm, veterans, labor, silver, public works, socialists and what not." Expansion of governmental authority in the economy threatened to entrench these as privileged groups. But the analysis that follows makes clear that the New Deal had enthroned the two most powerful of these. Government intrusion into economic life meant that bureaucrats were exerting increasing control over Congress.

Similarly, the collective control of the economy that the National Recovery Administration was granting to businessmen would soon lead them to exert political control as well.

"Regimentation has already organized some four hundred trades and industries with their officially recognized representatives in the Capitol. These representatives are made effective in influence upon government by the cloak of government agency. Their 1,500,000 different business firms are in every town and village, and each of them has potentially more than one vote. The interests of these regiments run parallel in many directions. Sooner or later their political good-will becomes necessary to every elected person. Thus we have organized invisible government into a smoothly oiled machine."

Congress, he concluded, could not run business, "but business can run Congress—to the bankruptcy of Liberty."[6]

Perhaps it will be thought that, though Hoover's social analysis was somewhat more complex than the anti-statism to which interpreters have generally limited him as an ideologist, the fact had little real importance or concrete effect. The Hoover literature is largely silent as to the existence of policy battles other than those with a Democratic Congress bent upon extending the responsibility of the federal government for aiding the unemployed. Very little has been recorded concerning the Hoover Administration's response to the business community's attempts to seize, through legislation, or to assume, through default of legal administration, that monopolized control of the economy Hoover had, rhetorically at least, consistently opposed. The President's response to the business community's efforts through these two means, to achieve a more formal and thorough concentration of economic control, should determine whether Hoover really did see himself during the depression as standing against a future dominated by an organized business bloc.

Hoover's action require inspection at two levels. How did he respond to the pressure businessmen brought to bear to persuade him to support the many plans for abolishing or drastically revising the antitrust policy which assumed an ever-higher place on the agenda of organized business as the depression deepened? Equally, perhaps more important, how did his Administration stand up to the requirement, if the antitrust policy were to survive, that a reasonably adequate enforcement standard be maintained at a time when businessmen attempted to portray every government interference with monopolistic arrangements as a contribution to deflation and unemployment?

The first question is the easier to answer, requiring simply the discovery of Hoover's replies to explicit business requests. However, the background for these requests needs first to be sketched. Well before the depression struck, a very widespread interest in securing relaxation of the federal antitrust policy had appeared within the business community, and several organizations had taken up the cause during the later 1920's.

Antitrust relaxation meant to contemporaries a weakening of the barriers the law proposed to the creation of formalized, workable, cartel agreements. Legal and economic antitrust specialists speak of two basic phases of the policy. One phase has as its object the prevention of monopolization, of the emergence of single-firm domination. The other is aimed against collective control of markets by agreement among competitors against what are called "loose-knit" combinations. Formation of a national policy toward single-firm monopolization had been forged between 1901 and 1920, during the Progressive era. During the 1920's and 1930's the great question in the field of antitrust interpretation and enforcement was how far trade associations and other forms of industrial organization should be allowed to go in strengthening inter-firm cooperation at the expense of competition. Supreme Court decisions in the mid-twenties validated trade associations and their practices in principle; but these decisions and others in the later 20's, especially the Sanitary Pottery decision in 1927, reaffirmed the traditional ban upon cooperative behavior which extended to or tended to result in agreements on prices, production schedules, or allocation of customers. Market competition, the Court made clear, would remain the primary guide for the economy, at least to the degree that the law could influence practice.[7]

Despite the remarkably lax antitrust enforcement policies of the Coolidge era's Justice Department, antitrust revision was already becoming a recognized goal of organized business when the depression began. Of course businessmen's interest in securing leave to form genuine cartels mounted increasingly as the economy swung downward after the fall of 1929. Even an incomplete survey of the attempts business groups made to secure Hoover's backing for revisionist schemes will convey a sense of the number, variety, and intensity of these overtures. Well before the crash in 1929, a group supported by *Forbes* magazine and led by Benjamin A. Javits, a well-known New York trade association attorney, and Manny Straus, an investment banker, began maneuvering to get Administration support for formation of an "Institute for Industrial Co-Ordination." This was to be a grand league of business leaders whose main function, it seems, would have been to lobby for antitrust relaxation with the supposed end of achieving stability of production and employment. Javits, too, once the crash came, was one of the first to urge that Hoover's plan of maintaining investment and employment through the cooperation of the major industries could not be successful unless he sponsored "a revision of the anti-trust laws," thereby making his "industrial co-ordination plan" effective.[8]

The most persistent and, politically, most persuasive group urging Hoover to lead the way on the antitrust question was the Chamber of Commerce of the United States. Led by Julius Barnes, Chairman of the Chamber's Board of Directors between 1929 and early 1932, and Hoover's former associate in the Food Administration during World War I, the organization applied unremitting pressure. This was especially true during 1931 when the Chamber's Committee on Continuity of Business and Employment made its well-known report advocating antitrust relaxation to permit "agreements . . . keeping production related to consumption." Barnes spent much of the fall of 1931 trying to convince Hoover that business sentiment on the issue was too strong to resist. Antitrust revision, he told the President, was "the largest question in business today;" on his trips throughout the country, he insisted, "this question comes up everywhere."[9]

Early in 1932 a large ad hoc body of businessmen representing firms of middling size met in Washington and attempted to impress upon the President the extent of grass-roots support for revisionism. The spokesman for the organization, which styled itself the Industrial Group, tried to impress upon Hoover especially that, as George W. Wickersham put it in a letter the Group solicited from him, "the only chance to get action [on the antitrust question] lies in securing the President's active interest." He alone could persuade "the leaders of both parties" in Congress to act.

Henry I. Harriman, the new President of the Chamber of Commerce, made the same point a little later that year, suggesting that Hoover could, if he wanted, move the House Rules Committee to act on a resolution it had before it authorizing the Judiciary Committee to investigate the revision question. Hoover's laconic reply, referring Harriman to the President's Annual Message of December 1931 in which an investigation had been suggested already to Congress, underscored how remarkably little satisfaction Hoover had given to the revisionists during the depression. Hoover's only public concessions had been given in a speech before the A.F.L. in the fall of 1930 and in the Annual Messages in December of that year and the next one. Hoover had indeed suggested investigation of the antitrust laws, but had insisted substantive change could be considered only in the case of the natural resource industries. Even this limited recommendation was delivered unenthusiastically. And in December 1931 Hoover coupled his repeated suggestion that the natural resource industries might deserve special treatment, with warnings that drastic change in the law's bearing on general industry would "open wide the door to price fixing, monopoly, and destruction of healthy competition."[10]

The revisionists, then, obtained little support from the Administration. Hoover's reply to Harriman in June 1932 was almost insulting. Gordon Corbaley, the originator of the Industrial Group, was infuriated by the fact and, apparently, by the manner of Hoover's refusal to help. "Your Chief," Corbaley wrote Lawrency Richey, the President's secretary, was "the one man" who could give impetus to the revision movement, but it would be "idle to attempt to discuss the subject with him until he can approach it in a very different mind from the one he had when we were in Washington." Indeed, Hoover seems to have come almost to relish what he conceived of as a duty to deflate the various projects businessmen devised for revising or circumventing the antitrust laws. When he learned of the imminent announcement of what became known as the Swope Plan in September, 1931, Hoover hastened to the attack although nothing was asked of him, urging Senator Herbert of Rhode Island to expose the plan as one calculated to establish businessmen as a political and economic elite caste.[11]

The acid test for ascertaining the genuineness of these conceptions as a component of Hoover's political ideology is of course not what he said about antitrust enforcement but what he did about it. An investigation of the Hoover Administration's enforcement policy reveals two lines of development. Following the one line creates a strong impression that Hoover's antitrust

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policy represented a declaration for the survival of antitrust enforcement and the tradition of competitive enterprise. Following the other, however, raises reservations in the observer's mind. Every reader will have to judge the importance of these reservations for himself.

The evidence which suggests that public policy under Hoover represented a revival of a pro-competitive stance is derived from three separate patterns of activity. First there is, simply, the enforcement activity of the Antitrust Division of the Justice Department between 1929 and 1933. Second, there is the clash of 1931 between the Justice Department and the Federal Trade Commission in which the Commission was forced to retreat from sponsorship it had assumed of a large number of "codes of fair competition" that were justly suspected of fostering collusive behavior. Finally, there are the trade-association policies of the Commerce Department. Although the Department had no responsibility for antitrust enforcement, it continued to try to guide the development of industrial cooperation, as it had in the twenties. Its activities therefore help to illuminate the Administration's intentions with respect to the issue of cartelism.

In merely quantitative terms, the record of prosecutions during Hoover's four years against trade associations pursuing cartel-like policies is unimpressive. The number of such engagements were relatively small, totalling only eight. The government's won-lost record was, however, exceptionally good. Of these eight cases, six had been determined by decrees framed on the government's terms at the time when the Hoover Administration ended on March 4, 1933. The remaining two were pending in the lower courts. A skeptic might comment, however, that an impressive won-lost record hardly compensates for what appears to be but a meager number of challenges to trade association conspiracies.[12]

In this context, however, statistics are a poor guide to significance. Though few in number, the impact of the prosecutions was profound. This was true, first because they amounted to a repudiation and reversal of a long period during the Coolidge Administration when the Antitrust Division had actually encouraged trade associations to experiment with cooperative practices that clearly exceeded the guidelines the Supreme Court had provided to govern such behavior. Businessmen received, in other words, a jarring and demoralizing shock when government policy shifted, spoiling their expectation that antitrust enforcement was dwindling to the point of no return. The prosecutions had major significance, in the second place, simply because they raised the probability that any genuine, effective cartel agreements would be hauled into court. And, in a context of declining sales and weak prices, these were the only kind of agreements that were not likely to collapse as soon as they were made.

The Coolidge Administration's antitrust enforcement policies had encouraged trade associations to experiment with the law in two ways. First, by a willingness to tolerate such practices so long as they fell short of plain, overt agreements to fix prices or limit production. In the afterglow of the Coolidge period before the new Administration had made any changes, the threat of antitrust prosecution was so lightly regarded that the *New York Times* business magazine felt that it was appropriate, admiringly and in great detail, to describe the Wool Institute's success in holding up prices. Under a normal administration of the antitrust laws, the Institute would gladly have seen the compliment omitted.

But Col. William Donovan, the Antitrust Division's chief during the Coolidge years, had in addition established a special procedure for positively stimulating trade association experimentation with advanced cooperative programs. This had consisted of examining and approving an association's program before its adoption. A liberal approval policy and a willingness to avoid judging too harshly the way the approved program worked out in practice had placed the Justice Department in the potentially embarrassing position of standing behind certain trade associations whose programs were notorious or celebrated, depending on one's point of view, for the liberties they appeared to be taking with the law.[13]

When Hoover assumed the Presidency in 1929, businessmen could, so they thought, look forward to a continuation of those policies. Within a few months, the expectation had been shattered. Almost immediately, the Justice Department reversed Donovan's practice of giving advance approval to trade association plans. Within a year, enforcement policy was challenging certain of the most imposing and precocious of the Coolidge-era experiments, including some that had originally been approved, and the traditional Sherman Act ban on cartel behavior had, in principle at least, been reaffirmed.

It appears doubtful that Hoover was aware of the difficult heritage Donovan and Coolidge had prepared for him, or that the dramatic events just described would be required of his Administration. Hoover certainly knew, long before 1929, of the Justice Department's policy of advising trade associations respecting their plans, but it appears unlikely he was aware how generous the advice had been. He appears to have felt the policy was sound in principle and to have intended it should continue.[14]

Hoover, however, for directly political as well as the more profound reasons we have discussed, was unwilling to countenance such policies. He was extremely sensitive to the criticism that he favored trade combinations and was clearly determined from the outset of his term not to be made the goat for any industry's experiments at the fringes of the law. He demonstrated this in March and April 1929, when the oil industry, through the American Petroleum Institute, prepared a maneuver by which the Administration would be gulled into approving an industry-wide agreement to restrict petroleum production. Upon learning that the oil men had agreed on a limitation scheme, Hoover asked his Attorney General, William D. Mitchell, to investigate; and when a Petroleum Institute delegation came to Washington in April to ask the Federal Oil Conservation Board to approve the plan as a sound conservation measure, Secretary of Interior Wilbur and the Attorney General forcefully rejected the request, suggesting, as one of the oil men put it, that the industry was seeking an "immunity bath" for its scheme.[15]

During the summer of 1929 it was brought home to the Administration that the policies and arrangements inherited from the Coolidge era, if continued, exposed it to serious political embarrassment. The reaction was the same as when the oil men had attempted their maneuver that April. Paradoxically, it was an organization that favored radical liberalization of the antitrust laws, the National Civil Federation, which persuaded the new Administration that antitrust enforcement had been scandalously lax under Coolidge and Donovan. The Federation, a survival from the Progressive era, had become, under the direction of its executive secretary Ralph Easley, heavily committed to anti-radical activity during the 1920's. But the organization still claimed to be, and in some degree was, a meeting ground for capital and labor, and in the late twenties was engaged in lobbying for antitrust revision, arguing, with the support of many prominent industrialists and important A.F.L. figures as well, that competition caused industrial instability.

During 1928, the Federation's Committee on Antitrust became convinced that, without stiffer antitrust enforcement, their drive for revision could muster little support. The Bolt, Nut and Rivet Manufacturer's Association, whose program Donovan's office had approved in 1927 but which, the Committee felt, was operating in flagrant violation of the law, particularly attracted the Committee's resentment. When the Justice Department changed hands, the Committee swung into action to obtain prosecution of the Association. It was easy for the Committee to get the Administration's ear. Its Chairman, Wheeler P. Bloodgood, a Milwaukee attorney, was a personal friend of Robert P. Lamont, Hoover's Secretary of Commerce; only a few months previously the two had been partners in a venture known as the Howard Finance Company. Ralph Easley knew Hoover personally. Most important perhaps, the Committee could count on the help of William E. Lamb, one of Bloodgood's legal associates. Lamb had been the Commerce Department's Solicitor during 1921–24 and had worked very closely with Hoover in bringing about the clarification and strengthening of the legal rights of trade associations. Now Lamb penned for the Federation's Committee an analysis which concluded that, under Coolidge, "the apparent policy of the Department of Justice," with respect to encouraging industrial cooperation "was way beyond anything ever advocated by the Department of Commerce" and called for a return to a proper administration of antitrust policy.

In mid-June 1929, Bloodgood began his Committee's attempt to steer the Administration toward a shift in antitrust enforcement when he saw Lamont and warned him that public exposure of past Republican laxity was impending. A well-known trade association lawyer, Felix Levy, from whom the Antitrust Committee had obtained many of its facts, Bloodgood said was threatening to turn his material over to Walter Lippmann, the *New York World's* editor, as a basis for a political attack on the Administration. Lamont took the threat seriously, expressed gratitude when Bloodgood announced he had persuaded Levy to give the new Administration an opportunity to act, and arranged for members of the Antitrust Committee to meet with John Lord O'Brian, who had just been installed as the Antitrust Division's new head. Meanwhile, Lamb's indictment reached Attorney General Mitchell.[16]

The Committee's thrusts catalyzed a shift in enforcement policy. O'Brian opened an investigation of the Bolt and Nut Association immediately after he took office on July 1. The Department decided almost immediately to stop approving trade association plans. At the fall meeting of the American Bar Association Mitchell publicly proclaimed the change, repudiating the former approval policy and declaring that the antitrust statutes would be upheld. The message came through clearly to trade association attorneys who visited the Department seeking an indulgence for their plans. "Any extension of trade association activities beyond the limits of the decision in the Maple Flooring case," Charles Neagle, the counsel for the National Electrical Manufacturers Association, concluded after his conversation with O'Brian in November, "involved the willingness of those concerned to stand prosecution, either by indictment or by suit in equity." [17]

Neagle's observation fittingly described the principle O'Brian employed as he began to bring a series of court actions in which he sought to limit trade association activities to those which the Supreme Court had validated in the landmark decisions of the 1920's. Associations such as the Bolt, Nut and Rivet Manufacturers Association were employing a variety of cooperative devices that O'Brian regarded as probably illegal in principle and which, he became convinced,

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were being used to implement price agreements. Despite the ever-worsening depression, three important cases were started during 1930. Those against the Wool Institute and the California petroleum refiners both ended during the same year in decrees meeting the government's terms. During 1931 the Bolt and Nut Association was compelled to sign a consent decree putting an end to the notorious "Graham Plan." Proceedings were initiated during the year also against the Sugar Institute, which Donovan had approved in 1927, and which was nearly as notorious as the Bolt and Nut Institute for its disregard of normal legal limitations.[18]

The Department's successes earned it bitter resentment and criticism from businessmen. The Sugar Institute struck back with a well-funded propaganda attack when it came under fire, claiming treachery since the Department had originally approved its plan of cooperation. The decree against the Bolt Association, its counsel asserted, would "do infinite and unnecessary damage to the entire economic structure of the country, particularly in the presence of the conditions which prevail in the business world." But, insofar as political calculation determined the Administration's antitrust policy, the conclusion seems to have been that public opinion, though it might not be demanding a spectacular trust-busting campaign, nonetheless wanted reassurance that the government was not tolerating blatant price-fixing by organized industry. Both Republican insurgents and Democrats stood ready to exploit any obvious laxity in enforcement that might appear to benefit them politically. It is interesting to note in this connection that Hoover's lieutenants frequently replied to businessmen's pleas for legislative antitrust relaxation with the observation that public opinion would not tolerate it. No doubt they felt the same difficulties inhered in relaxing the law through administrative finagling.[19]

The most striking illustration of the Administration's reluctance to place itself in the position of abetting cartel behavior occurred during 1932 when Col. Donovan asked that it assist him in forming a combination among the soft-coal producers of one of the major mining regions. Donovan, acting as counsel for the mine owners, planned to create a common selling agency arrangement that would apportion output quotas and maintain stable, non-competitive prices. His original request was that O'Brian would simply ignore the prospective combination and allow it to operate. When the reply was that "those promoting this plan ought to proceed on the understanding that they must either obtain legislation permitting it or face litigation to test this plan," Donovan next explained how the Department, if it conducted its case properly, could improve the odds on the Supreme Court's extending the rule of reason to let the agreement stand. O'Brian, first, should stay his hand and withhold court proceedings until the scheme actually was in operation; otherwise a number of important prospective members might hold back. Next, he should agree to try the case on the basis of stipulated facts, to which both parties agreed, placing only the bare legal issues before the Court. O'Brian rejected both requests when they were made initially early in 1932. The Department expected to institute suit in time to prevent the plan "or any part of it from being put into actual operation before its legality has been judicially examined," he said, and could try the case only upon facts developed by the Department's independent investigation. His attitude was not hostile; O'Brian agreed at the outset to expedite the case to the Supreme Court, by the fall term if possible. But he insisted upon leaving the decision to amend the antitrust law entirely to the judiciary.[20]

Between February and August 1932 when the case went to trial, O'Brian softened his position somewhat, and many questions of fact were agreed upon before the trial. Others were contested, however, since, for example, O'Brian felt some degree of coercion had been used to enlist members for the Appalachian Coals organization. As the date for the trial approached there were press intimations that, as Donovan wished were the case, the government sympathized with the mine owners and hoped to draw a liberalization of the law from the Court, but evidence is entirely lacking to support that view. There is good evidence O'Brian was personally convinced that the Supreme Court would follow the established precedents in interpreting the rights of trade associations. O'Brian appeared in court himself and made the chief arguments for the government during the proceedings of August.

In his opening statement he expressly denied the government was conducting a "test case" except in the sense any case was such. "This is a straight out, bona fide litigation for which no issues have been framed for this court, and in which both parties are acting in utmost good faith," he insisted. "Counsel for the Government," he asserted, "are in deadly earnest in opposing the legal contentions of defendants." His closing statement was a well-reasoned rebuttal of the argument that the extremely depressed state of the industry warranted extension of he rule of reason to cover the combination it had formed, and persuaded the Court to issue a decree dissolving the Appalachian Coals agreement. The Supreme Court, after reviewing the proceedings, decided to reverse the decision, because it chose to agree with the contentions O'Brian had rebutted and the lower court had rejected. For this famous departure from the traditional rule that overt price and production agreements are illegal per se, a rule to which the Court soon returned, the Hoover Administration can claim no credit, nor incur any blame.[21]

Repudiation of the policies of the Coolidge-era Justice Department was the most important but not the only step O'Brian's Antitrust Division took to reaffirm the traditional antitrust policy. O'Brian soon came into conflict with the Federal Trade Commission which, beginning in about 1928, also had adopted procedures that tended to undermine the Sherman Act. As all the standard works on the Federal Trade Commission point out, the Commission beginning in 1926 approved a large number of trade-practice codes submitted by trade associations. Many of the provisions of these codes represented, as one economist has commented, " 'the substance of things hoped for' by businessmen." In the spring and summer of 1931, following premonitory rumblings in the previous fall, the Commission revised many of the codes, eliminating offensive rules in some instances, qualifying them in others. The Commission's unilateral and wholesale revisions reduced most of the codes to mere statements of the elements of the law of fair competition. Trade associations, recognizing that the Commission's "policy of cooperation with business in order to develop . . . a new era of industrial self-regulation," had ended, realized that only through legislation could the codes again be made effective instruments for reducing the intensity of competition within their industries. It was these disaffected associations that lobbied hardest for passage of the Nye bills of 1932 which were major direct models for the N.I.R.A.[22]

What is not known except very indistinctly is that the Justice Department was directly responsible for the FTC's policy shift. The reason for conflict between the two agencies was the code of the American Petroleum Institute the FTC approved in the summer of 1929. By December of that year, O'Brian and his staff were convinced that the industry was "being led to believe that the Federal Trade Commission has affirmatively approved both price fixing and the allocation of customers." After securing evidence of price fixing and dealer coercion by the West Coast refiners, the Department opened civil proceedings against them in February 1930.[23]

Publicly, the Department minimized the role of the oil code in the conspiracy, although in the decree handed down in September 1930 it secured an explicit mention of one of the offending rules and a statement prohibiting refiners from alleging to their dealer customers that the rule forbade price cutting. Privately, however, O'Brian complained more forcefully. In February 1930 in conference with the entire Commission, he had objected to the rules in the oil code he considered offensive, probably mentioning similar examples in other codes as well. The following June, O'Brian repeated his charges in a "personal talk" with Garland Ferguson, the Commissioner's Chairman. In December 1930 and on several occasions in the spring of 1931, O'Brian continued to press the Commission. In the absence of any other stimulus for the Commission's changed attitude (and none has come to light in the course of this writer's research) it is proper to conclude that O'Brian's representations, together with the involvement, even though tangential, of one of the FTC codes in the West Coast refiners case, were responsible for the policy change that emasculated the trade-practice conference movement.[24]

The third step the Administration took to prevent the growth of attitudes and arrangements that would have helped create a cartelized business system came through the Commerce Department's relations with trade associations. The Department's efforts amounted to a persistent but somewhat pathetic attempt to renew trade association interest in the traditional, relatively innocuous practices that had seemed so important in the 1920's but which the depression had made largely irrelevant. Frederick M. Feiker, a Hoover associate for a time in the early 1920's was made Chief of the Bureau of Foreign and Domestic Commerce in July 1931 and took the leading part in this effort. Before his appointment Feiker had served as managing director of the Associated Business Papers and was a well-known figure in the trade association world. Although Feiker and other Bureau officials took up the contemporary watchword that industries, through their trade associations, had to "balance" production and consumption, their recommendations stopped far short of collective controls and amounted to little more than a rehash of ideas from the 1920's. Feiker labored to revitalize faith in these ideas in his speeches before the American Trade Association Executives, in meetings with editors of trade periodicals, and in the Bureau's direct contacts with associations. By the summer of 1932 he acknowledged how hollow the depression made these ideas sound to trade association leaders. "We are entering into a period of the control of production and of prices," he wrote privately, "not on the basis of some of the old slogans or old philosophies, but on the basis (among other policies) of the control of credit [and capital funds] exercised indirectly through the Federal Reserve Board and the Reconstruction Finance Corporation." But Feiker spent his term as the Bureau's director upholding the "slogans" of the Hoover trade association philosophy and had done nothing to bring about the collapse of them he was predicting.[25]

But did Hoover entirely resist the pressure the business community applied so contin-

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uously during the depression to make him concede on the issue of antitrust relaxation? There were, in fact, important lapses from the pro-competitive policies I have been describing. Hoover's recovery program depended so largely upon the good will and cooperation of businessmen and their organizations that he could scarcely have escaped concessions upon this issue. Gauging the extent and estimating the significance of these concessions is, however, difficult.

One concession was obvious and aboveboard and has been mentioned already. In the Annual Messages of December 1930 and 1931, Hoover advocated Congressional investigation of the antitrust laws in relation to the natural resource industries, suggesting that for them enforced competition might be inappropriate. His correspondence with Chamber of Commerce and other business leaders indicates that Hoover anticipated his suggestion would go far to satisfy their demands. In this he was of course mistaken. The scope of the relaxation he proposed was far too limited, and besides, as we have already seen, the Chamber leaders resented the fact that at no time did the President follow his rather lack-luster proposal up with string-pulling efforts to get a Congressional investigation started.

The argument that competitive operations bred inefficiency and waste in the natural resource industries had gained considerable acceptance and was a good deal less controversial than the contention that the antitrust tradition was outmoded altogether. Hoover nevertheless had not wanted to accept the argument. This showed most clearly in his dealings early in his Administration with the petroleum industry, which was clamoring loudly for relief from antitrust prosecution even before the depression began. During this period Hoover invested considerable effort in a campaign to persuade the oil men and the oil producing states that uniform conservation practices, including unitary pool operation, enforced by an interstate compact, was their proper objective. He acknowledged privately that good conservation practices would moderate the pace of petroleum production and help stabilize oil prices. But this would be incidental, and not the main purpose of such programs. The Administration's oil policy, the President told Secretary Wilbur in 1929, should avoid connection with proposals for direct limitation of oil production, whether by the oil men or by a compact among the oil states. "We must put [our policy] on a higher basis than this," he insisted.[26]

Heeding perhaps the political power of the oil states, a power of which the oil men and their political representatives never tired of reminding the President, Hoover by 1930 was ready to accept oil-state efforts to limit petroleum output through prorationing agreements. But it was the steps the Administration took, in 1931 when the program threatened to break down, that genuinely contradicted the other policies. When the controls asserted by oil-state governors could not continue unless the big Eastern oil companies reduced their imports from Latin America, Hoover, as he publicly announced, permitted the Federal Oil Conservation Board to request each company independently to limit imports.[27]

The Administration's effort went much further than what it publicly announced, however. Secretary Lamont was appointed to negotiate with the companies and worked to initiate and maintain agreement among them. It seems clear that Lamont was effectuating an arrangement that most antitrust lawyers would have held illegal. Overzealous subordinate attorneys in the Antitrust Division, hearing something of these activities from the press, pronounced them illegal and mentioned the matter to their superiors. The Attorney General assured them, however, that they were mistaken, and that the "Federal officials in contact with this are quite aware that it is desirable to keep clear of concerted arrangements." But Lamont's correspondence with Western oil men, in which he explained that continuation of import restrictions depended upon adopting a stiffer proration plan among the states, makes it clear that he was, in fact, the organizer of what can only be regarded as an agreement among the Eastern importers.[28]

At about this same time the Oil Conservation Board initiated a practice that went well beyond mere approval for interstate prorationing agreements and verged upon sponsorship for direct production limitation among petroleum producers. In 1930 the Board had begun to publish periodic reports that made short-run market forecasts and urged industry members to limit their production to a pro-rata share of the market. Initially, the reports emanated from a so-called Voluntary Committee on Petroleum Economics, composed of American Petroleum Institute members, and was published by the Board as its Secretary, E. S. Rochester, explained, "merely as an expression of opinion of gentlemen having no official connection" with it. Beginning in April 1931, however, at the Petroleum Institute's insistence members of the Commerce and other Departments began to sit on the Voluntary Committee and endorse its reports. This made the Board responsible for them, Rochester thought, a conclusion that led him to urge the Board to sever the connection between the government and the Committee. But the relationship persisted, and the reports, estimating petroleum and gasoline requirements and advising all branches of the industry to regulate production accordingly, continued until the very end of the Hoover Administration.[29]

The Administration's efforts to maintain a respect for the antitrust laws in the oil industry broke down completely after this, so that not only the petroleum-producing but also the refining and marketing branches of the industry received special treatment. In 1930 the Justice Department had obtained a decree against the California refiners in an action that shook the whole structure of the FTC codes. But in 1931 the Department's policy softened. O'Brian, discovering the 1930 decree was defective, felt additional action was required. But Mitchell in what seems patently a policy move decided by the President, told him to go slowly. Earlier, during the preliminary stages of the government's 1930 prosecution of the California refiners, Mitchell had urged caution upon O'Brian, reminding him that the Administration was working with these companies to bring about oil conservation. While this did not justify lawbreaking, "it does form a reason why we should give careful consideration to any contention by the oil interests that they should be given an opportunity to correct any illegal practices they may have developed." By 1931, apparently even greater consideration seemed justifiable.[30]

Although the Administration maintained a cool attitude toward another major natural-resource industry, the coal industry, and as we have seen, refused to cooperate with its plan of obtaining judicial antitrust relaxation, the lumbermen received more generous treatment. Early in 1931, the Timber Conservation Board composed of Lamont, Wilbur, Secretary of Agriculture Hyde, and a number of industry representatives, and which Hoover had recently created, began to publish market reports similar to the Oil Conservation Board's. By November the reports had become, in the eyes of the industry, and according to the Secretary of the National Lumber Manufacturers Association, "the focal point around which to secure the balancing of production and consumption."[31]

The members of these favored industries could scarcely have understood these policies as anything less than an invitation to ignore the Sherman Act. Whether this led them to act accordingly is less important than the fact that the Administration, in order to encourage stabilization in the oil and timber industries, was willing to jeopardize the whole effort it was making to maintain the traditional antitrust policy. Executive liberalization of the law in relation to these industries amounted to an admission that the depression had in some measure rendered the traditional policy unworkable and inappropriate, precisely the argument so many attorneys, including those directing the Appalachian Coals scheme, believed they could persuade the Supreme Court to accept with the Administration's support. Moreover, the Administration's selective liberalization jeopardized the credibility of its announced commitment to enforce the antitrust laws.

If the Administration had supported cartelism, even in this indirect manner, in nonnatural resource industries, then probably we would have to conclude that Hoover was a devious President indeed, and that while making a show of upholding the antitrust tradition for one constituency, he was nullifying it for another. However, I cannot find much evidence of this. Secretary Lamont did intervene when a price collapse threatened the cement industry in the late fall of 1930, and he appears to have arranged, at least to have been prepared to arrange, and agreement on prices among the producers.[32] But this was an exceptional and, so far as I have been able to discover from the archival and manuscript sources, a unique experiment. Professor Louis Galambos has argued that the support the Administration gave to the Cotton Textile Institute's program for limitation of day-and-night running time to fifty-five and fifty hours, respectively, and for eliminating female and child labor from the night shift constituted an important qualitative change in the government's relations with trade associations. By the criterion employed in the present discussion this does not seem necessarily the case. It is true that limitation of output by agreement had been as unequivocally denounced by the courts as price fixing, and that the CTI program was definitely intended as an effort to limit production. However, the method employed was very indirect and ostensibly served important social purposes. It was these social goals that the CTI magnified in its dealings with the government and the public, and it was possible to represent them as the program's paramount aim. Under the prevailing economic conditions, moreover, the program held little promise of seriously reducing the output of cotton goods. The legality of the program was certainly moot. The Commerce Department's legal authorities, which Lamont consulted before the Administration endorsed the "55–50" plan, "saw nothing out of the way with it." Because the legal issues were ambiguous, and because the CTI plan was not one capable of widespread imitation, it does not appear reasonable to regard the endorsement as lending itself to the erosion of the antitrust laws. The Adimitation, it does not appear reasonable to little more than an effort to promote stability by encouraging means that, if unusually vigorous, were not seriously repugnant to the antitrust laws as they had been interpreted by the courts.[33]

The evidence brought forward in the foregoing account supports the conclusion that the Hoover Administration refused to bend to the business community's pressure for ad-

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ministrative antitrust relaxation except selectively, in the area of the natural resource industries where the rationale for control of competition was most persuasive. Even though the Antitrust Division's enforcement activities hardly added up to an antitrust crusade, they were sufficient to maintain the traditional ban upon overt, formalized cartelist agreements. It is doubtful that less formal agreements could have become or remained operational in the context of the depression. The FTC, chastened after its clash with the Justice Department, supported the Antitrust Division's stand; so did the Commerce Department.

Hoover's concern over the threat that a further concentration of economic control posed to the American way, as he defined it, was therefore not merely verbal. This concern was as real as the anti-bureaucratic, anti-centralizing bias that has received so much comment. It seems fair to conclude that we should, as was suggested at the outset of this argument, interpret the presidential Hoover as embattled from two directions, as struggling, in his own understanding of events and in his actions as well, with two, not one, substantial perils to the values he treasured.

FOOTNOTES

[1] Hoover, *American Individualism* (Garden City: Doubleday, 1922), 41–44, 53–55.

[2] Hoover, "Plea for Cooperation," *American Federationist*, XXVIII (January, 1921), 36–37.

[3] *American Individualism*, 41–44, 53–55.

[4] Hoover, *The New Day, Campaign Speeches of Herbert Hoover, 1928* (Stanford, Calif.: Stanford University Press, 1928), pp. 164–166.

[5] Acceptance speech in Hoover, *New Day*, p. 41. Other speeches in *The State Papers and Other Public Writings of Herbert Hoover*, 2 vols., (New York: Doubleday, 1934) vol. I, pp. 339, 568.

[6] Hoover, *Challenge to Liberty* (New York: Charles Scribner's, 1934), pp. 121–129.

[7] Few if any major issues involving "close-knit" combinations were before the courts during the period. But many of the major precedents bearing upon "loose-knit" combinations date from the 1920's and 30's. Compare the citations Milton Handler gives in his discussion of the antitrust laws in relation to trade association behavior with those given for the law in its relation to mergers and consolidations in U.S. Senate, Temporary National Economic Committee, *Monograph No. 381. A Study of the Construction and Enforcement of the Federal Antitrust Laws* (1941), pp. 9–45, 46–90.

Since World War II it has been assumed by economists and lawyers in the antitrust field that anti-cartelism was a fixed policy. The major question debated has been whether the law should make greater efforts to break down oligopolistic market structures. See Carl Kaysen and Donald F. Turner, *Antitrust Policy: An Economic and Legal Analysis* (Cambridge: Harvard University Press, 1959).

[8] Javits to George Akerson, 25 July 1929; to Hoover, 29 November 1929, in "Unemployment" and "Business" files, respectively, of the Presidential Files, Herbert Hoover Papers, Hoover Presidential Library. All following citations to the Hoover Papers (abbreviated as HHP) are to the Presidential Files.

[9] Barnes to Hoover, 10 October and 30 November 1931; 27 May 1932, "Chamber of Commerce" file, HHP.

[10] Malcolm Whitman to Lawrence Richey, 17 March 1932 (enclosing a letter, Wickersham to Whitman, 17 March 1932), "Business" file; Harriman to Hoover, 13 June 1932; Hoover to Harriman, 15 June 1932, "Antitrust Laws" file, HHP. *State Papers*, I, 437–438; II, 51–52.

[11] Gordon G. Corbaley to Richey, 7 April 1932, "Corbaley" file; Hoover to Felix Herbert, 11 September 1932; Herbert to Hoover, 18 September 1932, "Business" file, HHP.

[12] The eight organizations against which actions were begun are as follows. (The number before each entry is the number given the case in the *Federal Antitrust Laws: With Summary of Cases Instituted by the United States* (New York: Commerce Clearing House, 1949). (368), Greater New York Live Poultry Chamber of Commerce (February 1930); (369), California oil refiners (February 1930); (375), Wool Institute (June 1930); (377), Asphalt Shingle and Roofing Institute (December 1930); (378), Bolt, Nut and Rivet Manufacturers Association, (March 1931); (379), Sugar Institute (March 1931); (382), Corn Derivatives Institute (April 1932); (383), Appalachian Coals, Inc. (June 1932).

[13] Edward S. Mead, "The Wool Institute: A Successful Cooperative Control of an Industry," *Annalist* XXXIV (23 August 1929): 347–348. For Donovan's practices, see especially files 60/104/13 and 60/126/13, for 1927–1928, in Record Group 60 (Records of the Antitrust Division of the Department of Justice), National Archives (cited hereafter as NA).

[14] See Thomas Thacher to Hoover, 17 April 1929, "Justice Department" file, HHP.

[15] Hoover to Mitchell, 23 March 1929; Mitchell to Hoover, 30 March 1929; "Record of meeting between Federal Oil Conservation Board and Representatives of the American Petroleum Institute," 4 April 1929; Wilbur to R. C. Holmes, 8 April 1929, all in "Oil" file, HHP.

[16] The formulation of the policies of the Federation's Committee on Antitrust can be followed in the Committee's "Minutes" of 16 March 1928 and 28 March and 21 May 1929, in boxes 65 and 134 of the National Civic Federation Papers, New York Public Library.

The maneuvers of the Committee in Washington can be traced in the following letters, all in the General Correspondence files of the NCF; Bloodgood to Lamont, 6 April, 22, 27 June, 5 July, 12 August, 1929; Lamb to Bloodgood, 3 July 1929; Lamont to Bloodgood, 29 June 1929.

[17] Undated memorandum (written in mid-August 1929) for Russel Hardy by O'Brian; O'Brian to William J. Donovan, 3 September 1929; both in file 60/10/5, RG 60, NA. Mitchell to George Akerson, 30 October 1929, "Justice Department" file, HHP. Executive Committee *Minutes* of the National Electrical Manufacturers Association, 15 November 1929 (in office of the Association, New York City).

[18] These cases are summarized in *Federal Antitrust Laws*, as cited in note 13 above. This paragraph is based upon a study, for the 1928–1932 period, of files 60/126/13, 60/104/13, 60/57/32, 35, RG 60, NA.

[19] The Institute stated its grievances in a pamphlet, *The Sugar Institute, Inc., Its History Policies and Achievements*, which frequently turns up in government and business files of the period. See James F. Burke (the Institute's counsel) to O'Brian, 6 May 1930, file 60/126/13, RG 60, NA. For an episode involving a response to critics (in this case Senator King of Utah) see two memoranda, one by George P. Alt for O'Brian, 20 May 1931, one by O'Brian, 22 June 1931, both in file 60/105/5, RG 60, NA.

Lamont to William M. Ritter, 3 May 1930; to Henry L. Doherty, 19 October 1931, Lamont Papers, RG 40, NA.

[20] File memorandum by O'Brian, 7 January, 10 March 1932; O'Brian to Donovan, 26 January, 9 February 1932; O'Brian to Mitchell, 27 January 1932; to Williamson (of the firm of Donovan and Raichle) 27 January 1932; all in file 60/187/67, RG 60, NA.

[21] A memorandum prepared for Frederick Feiker, Chief of the Bureau of Foreign and Domestic Commerce of the Commerce Department by Jay Judkins, a Bureau official, dated August 1932, relates personal views regarding the future of antitrust law, which O'Brian had stated in a conversation. The memo is in the Feiker Papers, box 7, Record Group 151 (Records of the Bureau of Foreign and Domestic Commerce), NA.

Transcript of Proceedings, U.S. v. Applachian Coals, District Court for the Western District of Virginia, in file 60/187/67, RG 60.

[22] Myron W. Watkins, *Public Regulation of Competitive Practices in Business Enterprise* (New York): National Industrial Conference Board, 1940), pp. 243–246; John Perry Miller, *Unfair Competition* (Cambridge: Harvard University Press, 1941), pp. 270–273.

[23] John H. Amen to O'Brian, 27 December 1929, file 60/57/35, RG 60, NA.

[24] Memo for O'Brian by Alber J. Law, 8 December 1930; memo for Mitchell by O'Brian (with draft of proposed letter to Commissioner Ferguson), 16 December 1930; memo for Mitchell by O'Brian, 21 July 1931; in file 60/57/32, RG 60.

[25] Feiker to Edward R. Dewey, 15 August 1931; "Notes for use in Asheville Speech, dictated after Division Chiefs Meeting . . . on Trade Association and Stabilization Plans," 19 September 1931; "Notes on a Meeting in the Engineer's Club, New York City, Friday, September 11, [1931] Concerning Relationship of the Department in the Trade Association Movement and the Asheville Convention of the A.T.A.E."; Feiker to E. W. Davidson, 9 May 1932; to Roscoe C. Edlund, 22 September 1932, all in Feiker Papers, RG 151, NA.

[26] Hoover, press release, 2 April 1929; Wilbur to R. C. Holmes, 8 April 1929; Hoover to Wilbur, 10 April 1929; E. B. Reeser to Wilbur, 24 April 1929; Wilbur to George H. Dern, 23 April 1929; Wilbur to Hoover, 15 April 1929; E. K. Burlew (with enclosure, statement of Wilbur before Conference on Oil Conservation at Colorado Springs, June 1929) to Theodore Joslin, 17 August 1931. All in "Oil" file HHP.

[27] Mark L. Requa to Lawrence Richey, 30 September 1929 (two letters) with enclosure, memo of Santa Fe meeting with oil industry leaders; T. F. Hunter to former Senator Henry J. Allen, 28 February 1931; White House press release, 13 March 1931; Department of Interior press release, 7 August 1931; Requa to Walter Newton, 31 December 1931; all in "Oil" file, HHP.

[28] Lamont to Richardson Pratt, 3 February 1931; Walter Teagle to Lamont, 16 June 1931; Lamont to J. F. Lucey, 24, 29 June, 9 July 1931; Lamont Correspondence, RG 40. Lamont to Robert G. Stewart, 20 March 1931; William R. Boyd, Jr., to Lamont, 25 June 1931, file 82272/1, RG 40, NA. Israel B. Oseas to O'Brian, 25 March 1931; undated memo (but written before 31 March 1931) by Attorney General Mitchell, commenting on Oseas memo; both in file 60/01/6, RG 60, NA.

[29] Rochester to Secretary Wilbur, 1 April 1932, box 7, Record Group 232 (Records of the Federal Oil Conservation Board), NA.

[30] Mitchell to O'Brian, 21 January 1930; O'Brian to Mitchell, 21 July 1931; Mitchell to O'Brian, 21 July 1931; O'Brian to W. B. Watson Snyder, 9 December 1932; in file 60/57/35, NA.

[31] "Third Executive Meeting of the Timber Conservation Board," 25 November 1931; in General File, Timber Conservation Board records, RG 151.

[32] William J. Donovan to Lamont, 20, 21 October 1930; Lamont to Theodore Dickinson, 23 October 1930; Dickinson to Lamont, 30 October 1930; Donovan to Lamont [15 November 1930?]; Blaine Smith to Lamont, 22, 24 November 1930; Lamont, telegrams to a number of cement producers, 1 December 1930; in Lamont Papers, RG 40. Blaine Smith to Lamont, file 82276/21, RG 40, NA.

[33] See Louis Galambos, *Competition and Cooperation: The Emergence of a National Trade Association* (Baltimore: Johns Hopkins Press, 1966), Chap. VII, for a different view.●

PHYLLIS AND VICTOR PUCCI

● Mr. DURKIN. Mr. President, I would like to take this opportunity to extend my warmest congratulations to two leading New Hampshire citizens who I am also proud to call my close personal friends, Phyllis and Victor Pucci, of Salem, N.H. On Monday the Puccis are celebrating their 35th wedding anniversary, a magnificent milestone for a marriage which will be marked this weekend by a most festive occasion hosted by the Puccis' eight children.

Phyllis Pucci is a remarkable woman who is not only a devoted mother and loving wife, but is also a leader in New Hampshire political and civic affairs. She is a hardworking State representative serving the people from Salem in the New Hampshire State Legislature. On top of all this, Mrs. Pucci is the chairperson of the Salem Council on Aging, committing endless hours to the needs of the senior citizens in her community.

Victor Pucci is also a leading figure in southern New Hampshire's political life, serving as the Rockingham County Democratic chairman. And while Victor and Phyllis Pucci's commitment to community involvement is unquestioned, their foremost commitment has always been to their family. It has been my pleasure to know the Pucci family over the years and to watch all eight children grow into personable, committed, mature young men and women. Don, Tony, Vicki, Betty, Ellen, Barbara, Phyllis, and Peggy are all children that their parents can be proud of. This Sunday's wedding anniversary celebration at Gaythorne Hall is a simple but profound expression of thanks from the Pucci children. It is thankful testimony that Victor and Phyllis Pucci are the kind of special parents who instill pride and love in their kids. And it is a marvelous memorial to 35 meaningful years.

By any standard 35 years is a long time, but knowing Victor and Phyllis as I do, I am sure those years flew by, and they are eagerly looking forward to enjoying 35 more.●

HUMAN RIGHTS IN TAIWAN

● Mr. GOLDWATER. Mr. President, yesterday the senior Senator from California, Mr. CRANSTON, had placed in the RECORD a statement on human rights in Taiwan made by the Senator from Massachusetts, Mr. KENNEDY.

That statement contains some of the most one-sided arguments I have ever seen, and I doubt whether the Senator from Massachusetts would have made such serious charges, by innuendo, if he had been present to read it.

The statement purports to discuss developments arising out of the so-called Kaohsiung incident. Kaohsiung is a southern port city in Taiwan where a street demonstration occurred on December 10, which turned into acts of violence by a small group of rioters.

As a result of the riot, several demonstrators were detained and investigated and eight persons were indicted for actions to overthrow the government by illegal means.

The statement by Senator KENNEDY characterizes this riot and the subsequent arrests as "repressive action."

Mr. President, I would like to balance the historical record by stating my observations of what occurred. My conclusions are based upon lengthy inquiries which I have made with many sources who have first-hand information of events in Taiwan, and represent the best analysis I can make after studying information provided by all sides on the subject.

Frankly, Mr. President, I believe the Government on Taiwan has shown unusual restraint in the face of extreme provocation.

What happened is this. On December 10, some 500 persons participated in an illegal march, after they had been granted permission to hold a rally only in front of a particular office. Of this larger group, about 200 actually engaged in acts of violence. Of this smaller group, only 68 have been detained.

The accused ringleaders of the riot publish a political magazine called "Formosa," which is the cover for a political movement. The violence started when some of this group attacked police barricades.

In all, 183 people were injured, all of them being security officers.

Approximately 47 military police and 47 civilian police were so badly injured that they were hospitalized.

There is irrefutable, on-the-site evidence that the police exercised great restraint. The police were under strict orders not to use force and did not carry firearms. As the violence grew, some tear gas was used by the police.

The mob attacked the police with torches, iron clubs, axes, glass bottles, and bricks.

Of the 68 persons who were detained in connection with the violent attacks on police, 8 have been formally indicted by military prosecutors of the Taiwan Garrison Command. Their trials will be conducted in military court, but the trials will be open.

Another 50 persons have been turned over to civilian court jurisdiction and some of them may yet be indicted and tried at public trials for lesser crimes. It should suprise no one that suspected participants in such acts of violence are being detained, or tried, in accordance with local and national laws.

The question we should ask is whether an orderly and fair procedure exists and is being applied during the investigations and during any trials.

I, for one, do believe legal processes are being, and will be, adhered to in connection with the Kaohsiung riot.

Mr. President, I think it is clear that a small minority of the demonstrators at Kaohsiung had decided on a policy of deliberate confrontation with the government. My impression is that the vast majority of the population in the Republic of China on Taiwan is happy with their economic prosperity and general freedoms. The critics of Taiwan, however, are using human rights as an issue that the ordinary citizen in Taiwan does not need to think about and is not troubled by, but which can, if it is blown all out of proportion, weaken the stability of authority and orderly society on Taiwan.

Mr. President, I would caution critics of Taiwan to check the evidence before conferring the legitimacy of publication in the CONGRESSIONAL RECORD on the wildest possible accusations. I sincerely believe that if anyone would check the charges of so-called harsh conditions reported in the statement by the Senator from Massachusetts with officials at the American Institute in Taiwan, or the Department of State, or any other source that cannot be said to be linked either with the Taiwan Government or Taiwanese radical groups, you will find the charges to be without foundation.

In particular, I cannot understand how anyone could suggest that the Taiwan Government is any way responsible for the cruel stabbing to death of twin, 7-year-old daughters of one of the accused rioters.

Mr. President, I have never accepted the term "McCarthyism," but if such a thing exists, it has been carried to its heights in the written statement of the Senator from Massachusetts.

It is a tragic fact that the mother and twin girls of one of the accused rioters were brutally killed at their home on February 28, and that another daughter was severely wounded. The statement by Senator KENNEDY claims that these murders occurred within 90 minutes after the mother had spoken with someone in Japan about the alleged treatment of her husband in prison.

The innuendo of the statement is that she was killed in retaliation for voicing her concerns. The context in which the deaths are mentioned further implies that the killings occurred at the direction of the government. The two sentences of the Senator's statement in which the murders are discussed are followed immediately in the text by a sentence which refers to "the new repressive actions of the authorities." The direct association of the two items, one the murders, and the other "repressive actions," leaves no doubt that the latter is meant to refer to the former.

Mr. President, I cannot believe that anyone connected with the governing authorities on Taiwan had anything to do with the savage killing of this family. In my opinion, it does a disservice to truth and to the reputation of a still valuable friend of our country to make or report accusations of this extreme nature without having any evidence to support it.

The truth is that the Government of the Republic of China has posted the highest reward ever offered for any criminal in its history in this case. In fact, a suspect was briefly detained yesterday in connection with the murders, and it was an American, not a Chinese or Taiwanese. The individual reportedly called at the home very shortly before the time of the killings. No charges have been brought as yet, but there is absolutely no evidence to link the ROC authorities with this tragedy.

It is expected that the trials of the eight persons charged with sedition, which I should note, translates not as mere publication, but as physical acts to overthrow the government by force, will likely begin within the next 2 weeks. These trials will be open, with at least 60 places being reserved for members of the international press. Also, I am advised that the American Institute in Taiwan will have two observers present at the trials.

Mr. President, I believe any fair-minded observers of the trials will conclude that the defendants are being treated justly. True, the legal system in Taiwan is more closely patterned after the continental, European system, rather than the British common-law practice, with a blending of some traditional Chinese concepts. My own study convinces me that, within this context, ample procedures for safeguarding the interests of accused persons do exist in Taiwan and are being applied in this case.

The Chinese on Taiwan have a modern system of law, and where differences exist, it is not so much points of difference between United States law and Chinese law, but difference between the Anglo-American common-law system and the civil law system of the rest of the free world.

Mr. President, I am as interested as anyone in seeing that the investigations and trials of accused rioters are handled in an orderly and proper manner in Taiwan and I have every confidence that this is exactly how they will be handled.●

BALANCING THE BUDGET

● Mr. BAUCUS. Mr. President, earlier this week I introduced the Fiscal Responsibility Act of 1980. This bill would enable Congress and the administration to regain control over the Federal budget, and help us halt runaway Government spending.

So far this year, the economic news has been devastating. The administration's anti-inflation program has failed to bring under control the rapid escalation of prices. Interest rates jump to new, unprecedented highs almost weekly, it seems.

The January Consumer Price Index sent shock waves ricocheting through the Halls of Congress and the White House. Most economic analysts now say we will be lucky to hold inflation to 10 to 12 percent this year. And, believe it or not, some hope a recession comes sooner rather than later.

This Nation's economy is in serious trouble when economists begin hoping a recession—throwing thousands out of work—comes in April rather than in August.

We must take corrective action and we must do so now. The American people are not looking for excuses from Congress and the White House; they want action. And a good place to begin would be to reduce Government spending and balance the Federal budget.

Balancing the Federal budget would be a signal to the American people that Congress is serious about fighting inflation. We cannot expect Americans to tighten their belts if Congress is not willing to exert the same kind of discipline on Federal spending.

Some Members of Congress say the budget is too tight already. Cutting more would be impossible they say.

I disagree. We can cut spending. And I for one intend to work for a budget resolution for 1981 which results in a balanced budget.

All of us know we will not stop inflation just by cutting spending to balance the budget. We cannot reverse interest rates just by cutting spending and balancing the budget.

But we can let the American people know that Congress intends to take the lead in solving economic problems. We intend to be part of the solution, rather than a major cause.

The Fiscal Responsibility Act of 1980 would require the President to propose a balanced budget each year. If circumstances warrant a budget that includes deficit spending, the President would have to send Congress a balanced budget in addition to the one he is actually proposing.

If this legislation were in effect for the 1981 fiscal year, revenues and spending both would be held to about $590 billion. Achieving this level would require cutting $25 to $30 billion from the President's proposed budget.

And, if this legislation were in effect we would not be frantically trying to find ways to cut Federal spending. We would already have before us a balanced budget proposal as a starting point. The administration already would have analyzed where spending can be cut and where it cannot. And, much of the 3-hour discussion in Wednesday's Democratic conference would not have been necessary.

Today I am sending President Carter a letter urging him to adopt this concept in the next fiscal year. The President does not have to wait for Congress to act, he can endorse this procedure.

The advantages are obvious. This is a commonsense approach and will enable us to insure balanced budgets and spending restraint.

The President could help us achieve this goal by adopting this concept.

Finally, all of us agree that Congress is going to have to make some tough decisions in the upcoming weeks.

Federal spending will be cut—the only question is how.

To most Americans cutting a proposed deficit of $20 to $30 billion from the Federal budget is almost inconceivable. The word billions staggers the mind.

A billion dollars is a lot of money. By comparison, a billion minutes ago, Jesus Christ lived. A billion hours ago man had not yet appeared on Earth.

But the U.S. Government spent a billion dollars since yesterday afternoon.

Twenty-four billion dollars is the latest estimate for the deficit of President Carter's budget. This amount is roughly 3 percent of the President's budget for fiscal year 1981. And I believe that cutting 3 percent of our budget is not an unrealistic goal.

In fact, cutting 3 percent across-the-board is a very sound option, in my judgment. Most Federal programs would not suffer at all. In most cases such a cut would just eliminate some of the waste and inefficiency rampant in the Federal bureaucracy.

But there is another reason for considering an across-the-board cut. It may not be the best approach, but it is the only one politically possible. While we all agree that spending must be cut, the problem is in gaining agreement on which programs should be forced to sacrifice. Across-the-board cuts would require an equal sacrifice by all.

There would have to be some cuts in some program benefits. But I know the American people are ready for a strong step like a 3-percent cut.

To summarize, I propose we cut proposed outlays by $24 billion next year. We can do that by cutting spending $18 billion (3 percent of $600 billion) and tax expenditures $6 billion (3 percent of $200 billion).

Currently, Congress provides over $200 billion in tax benefits, as shown in the table following my remarks. These tax deductions and credits are described in greater detail in special analysis G of the President's 1981 budget.

Although it may not be academically correct to add these tax expenditures, for the purpose of my remarks, I would suggest that they will exceed $200 billion for the next fiscal year. Thus, if we assume a 3-percent reduction can be made in these expenditures, the proposed deficit could be reduced $6 billion. Adding this to the proposed spending cuts, outlays would be reduced $24 billion, effectively eliminating the estimated deficit reported today in the Washington Post.

I believe the American people are willing to make some sacrifices if they believe the cuts are fair. If the result is less Federal spending and less inflation such cuts could be the kind of medicine Americans need—to cure inflation.

But it is up to Congress to demonstrate that it is willing to lead this Nation out of the economic disease that now afflicts us.

It is strong medicine, but a necessary step. Across-the-board budget cuts this year coupled with adoption of the Fiscal Responsibility Act could help us prevent the kind of runaway Federal spending we are facing today.

I submit for the RECORD the tax expenditure estimates by function.

The material follows:

TABLE G-1. TAX EXPENDITURE ESTIMATES BY FUNCTION

[In millions of dollars, fiscal year 1981]

Description	Corporations	Individuals
National defense:		
Exclusion of benefits and allowances to Armed Forces personnel		1,585
Exclusion of military disability pensions		135
International affairs:		
Exclusion of income earned abroad by United States citizens		600
Deferral of income of domestic international sales corporations (DISC)	1,470	---------
Deferral of income of controlled foreign corporations	480	---------
Special rate for Western Hemisphere trade corporations		

TABLE G-1. TAX EXPENDITURE ESTIMATES BY FUNCTION—Continued

[In millions of dollars, fiscal year 1981]

Description	Corporations	Individuals
General science, space, and technology:		
Expensing of research and development expenditures	1,930	40
Energy:		
Expensing of exploration and development costs	1,815	750
Excess of percentage over cost depletion	1,350	1,670
Capital gains treatment of royalties on coal	10	90
Residential energy credits		460
Alternative, conservation and new technology credits	495	(*)
Natural resources and environment:		
Exclusion of interest on State and local government pollution control bonds	245	265
Exclusion of payments in aid of construction of water, sewage, gas and electric utilities	110	
Five-year amortization on pollution control facilities	15	
Tax incentives for preservation of historic structures	20	45
Capital gains treatment of certain timber income	470	135
Capital gains treatment of iron ore	10	10
Agriculture:		
Expensing of certain capital outlays	80	475
Capital gains treatment of certain income	20	405
Deductibility of noncash patronage dividends and certain other items of cooperatives	590	−190
Exclusion of certain cost-sharing payments		75
Commerce and housing credit:		
Dividend exclusion		515
Exclusion of interest on State and local industrial development bonds	335	360
Exemption of credit union income	115	
Excess bad debt reserves of financial institutions	965	
Deductibility of mortgage interest on owner-occupied homes		14,760
Deductibility of property tax on owner-occupied homes		8,975
Deductibility of interest on consumer credit		4,240
Expensing of construction period interest and taxes	585	160
Excess first-year depreciation	50	145
Depreciation on rental housing in excess of straightline	65	290
Depreciation on buildings (other than rental housing) in excess of straight line	140	125
Asset depreciation range	3,400	180
Capital gains (other than agriculture, timber, iron ore and coal)	810	14,885
Deferral of capital gains on home sales		1,111
Capital gains at death		5,085
Surtax exemption (through 1978)		
Reduced rates on the first $100,000 of corporate income	7,510	
Investment credit, other than ESOP's and rehabilitation of structures	16,860	3,115
Investment credit for rehabilitation of structures	140	65
Transportation:		
Deductibility of nonbusiness State gasoline taxes		
Five-year amortization on railroad rolling stock	−40	
Deferral of tax on shipping companies	70	
Community and regional development:		
Five-year amortization for housing rehabilitation	10	15
Education, training, employment, and social services:		
Exclusion of scholarship and fellowship income		400
Parental personal exemption for students age 19 or over		1,045
Exclusion of employee meals and lodging (other than military)		380
Employer educational assistance		35
Exclusion of contributions to prepaid legal services plans		35
Investment credit for ESOP's	740	
Deductibility of charitable contributions (education)	360	885
Deductibility of charitable contributions, other than education and health	450	6,645
Maximum tax on personal service income		1,580
Credit for child and dependent care expenses		900
Credit for employment of AFDC recipients and public assistance recipients under work incentive programs	50	10
General jobs credit	85	
Targeted jobs credit	275	40
Health:		
Exclusion of employer contributions for medical insurance premiums and medical care		15,215
Deductibility of medical expenses		4,050
Expensing of removal of architectural and transportation barriers to the handicapped	(*)	(*)
Deductibility of charitable contributions (health)	220	1,330
Income security:		
Exclusion of social security benefits:		
Disability insurance benefits		820
OASI benefits for retired workers		8,695
Benefits for dependents and survivors		1,205
Exclusion of railroad retirement system benefits		380
Exclusion of workmen's compensation benefits		1,385
Exclusion of special benefits to disabled coal miners		50
Exclusion of untaxed unemployment insurance benefits		3,110
Exclusion of public assistance benefits		450
Exclusion of disability pay		190
Net exclusion of pension contributions and earnings:		
Employer plans		14,740
Plans for self-employed and others		2,520
Exclusion of other employee benefits:		
Premiums on group term life insurance		1,635
Premiums on accident and disability insurance		100
Income of trusts to finance supplementary unemployment benefits		10
Exclusion of interest on life insurance savings		3,895
Exclusion of capital gains on home sales for persons age 65 and over		
Exclusion of capital gains on home sales for persons age 55 and over		590
Additional exemption for the blind		40
Additional exemption for elderly		2,070
Tax credit for the elderly		135
Deductibility of casualty losses		665
Earned income credit[1]		360
Exclusion of interest on State and local housing bonds	1,020	615
Veterans benefits and services:		
Exclusion of veterans disability compensation		1,115
Exclusion of veterans pensions		55
Exclusion of GI bill benefits		130
General government: Credits and deductions for political contributions		80
General purposes fiscal assistance:		
Exclusion of interest on general purpose state and local debt	3,900	2,625
Deductibility of nonbusiness state and local taxes (other than on owner-occupied homes and gasoline)		17,305
Tax credit for corporations receiving income from doing business in United States possessions	860	
Interest: Deferral of interest on savings bonds		250
MEMORANDUM		
Combined effect of provisions disaggregated above:		
Capital gains	1,320	22,310
Exclusion of interest on state and local debt	5,500	3,865
Deductibility of state and local nonbusiness taxes		24,795
Deductibility of charitable contributions	1,030	8,860
Itemized deductions		44,505
Deductibility of mortgage interest and property tax on owner-occupied homes		22,340
Benefits for the elderly:		
Exclusion of social security and railroad retirement plus the additional exemption and tax credit for the elderly		12,410

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* $2.5 million or less. All tax expenditure estimates have been rounded to the nearest $5 million. ●

U.S. VOTE ON SECURITY COUNCIL RESOLUTION

● Mr. LEVIN. Mr. President, the recent confusion and controversy surrounding the U.S. vote on the Security Council resolution on the West Bank and Gaza must certainly be dismaying to all who are committed to the pursuit of a just and lasting peace in the Middle East, and who have pinned their hopes on the autonomy negotiations, now being conducted with American mediation, for achieving that result. The vote itself, and the President's subsequent acknowledgment of error, have only succeeded in raising doubts in the minds of Israelis, Egyptians, and the American people, as to the policy which the U.S. Government is pursuing. And the voting mishap threatens to undermine or disrupt the negotiations currently in progress.

The President's explanation of why the United States cast its vote mistakenly may or may not prove to be one step toward clarification of the policy with which he wishes our Government to be identified. But in the either event, it does not go far enough.

The President has said that he meant for our U.N. ambassador to abstain on the resolution if it contained any reference to the status of Jerusalem, but that is not the only aspect of the vote which seems to signal a change in American policy.

The fact that we intended to vote for the resolution at all, with or without the reference to Jerusalem, is a departure from past practice. We have repeatedly abstained on resolutions dealing with this issue, purportedly because we were reluctant to do anything which might compromise our role as a mediator in the negotiations on the status of the West Bank and Gaza. The President, however, has made clear that absent the language on Jerusalem, he did intend to vote for the resolution. That policy shift deserves explanation.

Moreover, the resolution specifically calls for dismantling of existing Israeli settlements. The administration has, in the past, stated that the settlements were "in violation of international law and an obstacle to peace." But our Government has not previously called for dismantling of all Israeli settlements, or by implication, indicated that Israel has no legitimate security basis for any of the settlements which she has established. If this is our policy, then here again explanation is called for.

Finally, the resolution denies any legal validity to any measures taken by Israel to change, among other things, the "institutional structure or status of the Palestinian and other Arab territories occupied since 1967." This is vague wording, but it would seem that the "institutional structure and status" of the West Bank and Gaza are precisely what the autonomy negotiations are to determine, and it seems odd that the United States, with the role of impartial mediator in the negotiations, would dismiss before the conclusion of negotiations, the legitimacy of actions taken and defended by one of the parties.

Mr. President, the point is that President Carter has not yet dispelled all of the confusion surrounding the U.S. vote, nor has he demonstrated that the action does not represent a shift in U.S. policy. If no change in policy was intended, then the President should lay out for the American people the full record of events leading up to the vote, so that there will be no lingering suspicion that the administration's about-face was intended to communicate a message to the negotiating parties. And if a change in policy was intended, then the President owes the American people a full explanation of what U.S. policy is and why. We certainly cannot afford to establish a pattern of policymaking by mistake.●

NATIONAL SNOWMOBILING MONTH

● Mr. HUMPHREY. Mr. President, I am pleased to join as cosponsor to Senate Concurrent Resolution 80, designating the month of February as "National Snowmobiling Month." I commend the distinguished Senator from my neighboring State of Vermont (Mr. LEAHY), where the snow falls almost as deep as in my own snowy State of New Hampshire, for introducing this resolution.

In New Hampshire, we live with the snow and cold temperatures for as long as 5 months a year. Once, winter often meant being virtually homebound for these months. Now, more and more citizens of New Hampshire are discovering the joys of outdoor winter recreation through the use of snowmobiles. The snowmobile has truly improved the quality of life for many people in my State.

In addition to improving the quality of life for many people through this enjoyable recreational activity, the economic benefits of snowmobiling are also substantial. Recent statistics in New Hampshire show that total annual economic activity directly related to snowmobiling amounts to $35,187,000. Additionally, revenues to New Hampshire State government total $981,820 through the State gasoline tax and registration fees. I must add that hundreds of thousands of dollars in wages are paid to those employed in snowmobile sales, service and support roles. Clearly, snowmobiling represents both an important recreational and economic benefit to my State.

In New Hampshire, there are estimated to be more than 290,000 snowmobilers—one out of every three citizens in my State. These individuals have realized that their sport is essential to their pursuit of happiness, an essential constitutional guarantee. Proclaiming February as "National Snowmobiling Month" would grant deserved recognition to this pursuit of happiness.●

LORETTA LYNN

● Mr. McGOVERN. Mr. President, recently while on a flight from Denver, Colo. to Washington, D.C., I read an article in the Continental Airlines magazine about the great country singer, Loretta Lynn. In view of the remarkable career of this talented artist and the personal opportunity that I have had to hear her sing on several occasions, I submit for the RECORD the article referred to above.

The article follows:

LORETTA LYNN: NOTHING STOPS THIS COAL MINER'S DAUGHTER

(By Jack Hurst)

It is night—as surrealistically dark and foggy as a night can be in the deep, chilly hollows of Appalachia. Toward the upper reaches of one of them stumbles a small party: a couple of Los Angeles film-studio employees, a prominent Tennessee record-producer and his wife and a female singing star warily revisiting a scene from her distant past. They have come as far as they could in a bus, then transferred to a truck. When road enough to accommodate the truck runs out, they continue on foot, approaching a mountain cabin. Its porch is illuminated by a ghostly light in which a man stands relaxing, taking the evening air. The prodigal daughter suddenly cries out in alarm. "Why, there's Daddy!" she exclaims.

"I started backin' back like I was gonna run, but I didn't have no place to go," Loretta Lynn recalls. "I was lost. It took me away back to a feelin' like I was trapped in in a place. You're kinda in a world all your own up in the holler there. When I lived there, at nighttime I'd lay awake listenin' to the whippoorwill or the frogs chirpin' in the summertime or the train in the middle of the night when they come pullin' into the tipple. You know how sad a train sounds.

"It was a very lonely place. You didn't realize it that much when you were little and growin' up, but go back after you've been out a long time, and you realize it was lonely. Because there's not that many people up there. When a person died, you missed 'em."

Thus when Lynn, the country singer who has become America's best-known coal miner's daughter, saw on that cabin porch an actor playing her late father, she thought for a startled moment that he really was her father. The last she had heard, this particular actor (the accomplished contemporay musician, drummer Levon Helm) had been hospitalized for treatment of kidney stones.

"I guess my mind played a trick on me—I'm crazy, anyway," Lynn says, quickly laughing. "But I thought somebody told me, 'Now Loretta, they're still filmin' up there, and Sissy Spacek will be settin' in a swing on the old front porch singin' "In the Pines." ' But nobody said that to me. When I got there and could see the old homeplace all lit up, I looked around at Owen Bradley, my producer, and said, 'I don't hear Sissy singin'.' He looked at me like I was crazy. Then when I said, 'There's Daddy,' and started backing down off the hill, I guess Owen and them thought, 'She's cracked up.' "

An authentic female folk figure who had four children before she was old enough to vote and is today still the wife of the broad-shouldered coal miner she married at thirteen, Lynn isn't unfamiliar with nervous strain. Given her life's incredible odyssey from the depths to some of the pinnacles of American society, it would probably be a miracle were she not so.

Lynn generally prefers poking fun at herself to summarizing the psychological tolls exacted by her journey, but the story of that trek remains one of the more remarkable American autobiographies. Perhaps the most remarkable thing about it is that so many other Americans have had the good taste to recognize its power. To date, Coal Miner's Daughter—Lynn's excellent, off-beat personal memoir—has sold 1.7 million copies. Soon after its publication in 1976, it made The New York Times bestseller list in both hardcover and paperback, an unheard-of feat for a book about a country-music star.

Now Universal Studios has produced an $8.5 million film of the same story. It stars some of Hollywood's best-known young names—Sissy Spacek as Lynn, Tommy Lee Jones as her husband O. V. ("Mooney" or "Doolittle") Lynn and Beverly D'Angelo as Lynn's idol and early patroness, country songstress Patsy Cline. According to David Skepner, Lynn's manager, tentative plans are to premier the film at Washington's Kennedy Center.

Lynn's feelings on the cinemazation of her not-near-finished life (she is in her mid-forties) are perhaps suggested by the nature of the incident in front of the Kentucky cabin during the filming. The feelings seem ambivalent. She acts honored and apprehensive, proud to be important enough to warrant a major screen biography and reluctant to face Spacek's attempt at a realistic portrayal of its heroine.

"If there's anything bad in that movie that she does of me, all it will do is show me—kind of help me stop whatever it is," Lynn said, sort of hopefully, in an interview in Nashville.

"We all have faults, and we all kinda overlook 'em until we see 'em on somebody else, right? I think Sissy will bring all the bad out, and prob'ly all the good, but there'll be some things I don't need to be doin'. There'll be somethin', you watch. But it'll be good for me. She'll do it, good or bad, and I want it true. I don't want no phony junk."

This commendable ideal has its price, of course.

"Doo, he gets a little upset about the drinkin' part of him," Lynn says. "But he come in and told the guy that was helpin' me write the book—that was puttin' it down, typin' it—and said, 'I told Loretta if it's true, put it in the book. If it ain't true, don't put it in there. That's the way I want it.' Well, before the day was over, the guy knew he had a little problem with drinkin', and I told him: 'If you don't want it told, don't get around the fellow that's gonna help write the book.'

"So it's in the book, and it'll be in the movie." She laughs again. "Maybe it'll learn him a lesson," she says of her husband. "I hope so."

At this writing she had seen parts of only three scenes—the one at the cabin, in which Doo asks her father's permission to marry her; one filmed at her present palatial home, in which her small twin daughters are trying to awaken her from a haze induced by tranquilizers and sleeping pills; and one in which Lynn and Cline are supposed to be performing at a fair together. To draw a crowd for the fair scene, Universal advertised that the real Loretta Lynn would also perform with her band. The filming was deep in eastern Kentucky at a place called Blackey, population 300.

"It was 8:30 in the mornin', rainin' cats and dogs, and the doggone stands was full of these old country people that had come out of the mountains from, aw, don't ask me where," Lynn recalls, a smile of pleasure accompanying the memory. "Over at one side was Patsy Cline's bus, an old Flex that looked like the first one I had, and the side of it said 'The Patsy Cline Show.' Well, it kept rainin' and kept rainin', and I'd go out and stand in the rain and say, 'Friends, stay with us. We can't play music now because I'm afraid the boys in the band'll get 'lectrocuted.' "

Finally, her show had to be skipped. Universal had to start filming—rain or no rain—or lose a very expensive day. The director sent Spacek and D'Angelo out to do their shows.

"The only thing I didn't like about it was, they gave 'em umbrellas," Lynn says. "If I was singing' at a fair, whether it was snowin' or rainin'—and I've done 'em both ways—my hair dropped. Ever' time you do a fair, your hair either falls from sweatin' or from the rain. And they gave 'em umbrellas. Maybe it won't look that bad to the public, but it just wasn't real to me."

At the "fair," the crew also filmed a sequence in which Tommy Lee Jones, playing Lynn's husband, engages in some behavior so strange that Lynn questioned the director about it.

"I said, 'What part is this?' And they said, 'He's at a fair where you and Patsy's singin'. He's out looking' for him a girlfriend while you're gettin' ready to sing. Then he goes to his car and turns on the radio to see if he can hear your record, and then he goes back out and has a drink or two.'" She shakes her head, smiling ruefully. "So Doo might as well get ready for it. I went home and told him, I said, 'Now don't get shocked. You're gonna get mad at a bunch of stuff.'"

Lynn watched that scene, she says, and she watched the part of the show scene in which D'Angelo, as Cline, sings. But she "went behind the stage" before Spacek began her part of the show, and she also hurried out of her bedroom that another time before Spacek played the scene in which the pill bottles adorned the nightstand by the bed. She acts almost superstitious about it, the way Indians used to regard mirrors and cameras: as if such objects were capable of snatching the soul from the body.

"I didn't go out and watch any of it," says Lynn, whose veins contain Indian blood. "I didn't want to see any of it."

Does she want to see it in a theater? She hesitates.

"I think I wanta see it before anybody else does," she says. "Yeah. There'll be some things in the movie—they have a part in there where Daddy died, and I don't think I want to see that that much. I almost lost my mind when Daddy died. I think I did lose it." She suddenly laughs. "Part of it hasn't recovered yet."

Lynn combines such frank, elemental perceptions of people and life with an appropriately grassroots philosophy of popularity. Her stature is such that she now plays the top stages in Las Vegas, but she doesn't fool herself that Vegas fans are faithful. "People come there to more or less gamble and have a good time," she observes. "They're not gonna go Monday mornin' and buy your record or call up a radio station and say, 'Hey, I heard this girl last night, and I wanta hear you play her record.'

"If you're gonna record, you gotta be out there with the people that buy your records. That's the way I feel about it." She still gets out there more than any other star of her magnitude. Interviewed during Fan Fair, a Nashville phenomenon that draws some 15,000 country-music fanatics for a week each spring, Lynn had spent two-and-a-half hours before the interview signing autographs. The day before, she had spent another five-and-a-half hours doing the same thing.

Lynn's distinctive views on the foundations of fame come from having lived half her life where they are anchored: at the bottom. Born Loretta Webb in Butcher Holler (that's the way she insists it's spelled, not "Hollow"), Kentucky, she got her given name from Loretta Young, a glamorous face in the movie-magazine pictures her mother cut out and tacked on the wall to brighten up the Webb cabin. She went to a mountain grade school and liked it so much that she attended the eighth grade twice rather than quit. Then she married "Mooney" Lynn, a burly little man she and his mother always called "Doolittle"—perhaps because his other, more widely used nickname refers to moonshine whiskey, which he delivered by mule in his youth.

The singer says the movie version of her life begins with Mooney's courtship of her and continues into stardom many years later. The only scene in the film that isn't in her book, she adds, is "the one where I was takin' nerve pills so bad in '75 or '76."

"It's not a success story," she observes. "It's a love story. Are you ready for that?"

The question is understandable. The Mooney-and-Loretta Lynn story isn't one of those beautiful ones where hero and heroine are of such independent means that they can devote all their time to pursuing each other. Mooney and Loretta were incredibly hard-working and indomitable people of no means at all who ended up pursuing—and capturing—fame. Their iron vitality won them, among many other things, ownership of the town of Hurricane Mills, Tennessee, some sixty miles from Nashville; an authentic mansion overlooking it and Mooneys' profitable dude ranch; a long lease on a telephoneless hideaway on the Mexican Pacific Coast; and who-knows-what-else.

Thirty-some years ago, they started with only Mooney's job with the Consolidated Coal Co. in eastern Kentucky—and that played out before they were married a year. After it did, Mooney and Loretta's brother Junior hitchhiked to the state of Washington, where Mooney found a job working on a farm near the little town of Custer. He sent money for his fourteen-year-old wife to follow him out, scared and pregnant, on a train.

"Custer was a lot different (from Butcher Holler)," she recalls today. "It was a wide place in the road, but—by goodness—there was electricity, there was farms, there was paved road ever'where. Doo was workin' for Clyde Green balin' hay, cuttin' wheat, workin' in the fields for $50 a week. We had three little rooms and an outhouse, no runnin' water. And rent was $35 a month. That was a high price when you're makin' $50 a week."

Especially for a family of some size, which theirs rapidly became. While it did, Mooney went from one farm job to another, then to logging. His bride became a good housewife, a fact in which she takes considerable pride. The first newspaper photograph ever made of her was in Bellingham, Washington, because one year she won all the blue ribbons for canning at the Washington State Fair. When Mooney's logging work began declining in hours and pay, she took a seven-day-a-week house-cleaning job to earn the rent money. When logging finally petered out altoghether, Mooney became a service-station mechanic. In the meantime, he gave Loretta a cheap guitar for her eighteenth birthday. He started encouraging her to sing.

"He told me, 'You're as good as a lot of these women out here makin' records, and I think this is maybe what we ought to try to do.'" she recalls.

What happened next is one of country music's great legends: how Mooney, under influence of drink and dream, took her down to the Custer grange hall one Saturday night and pestered the band that was playing there until they agreed to let her sing a song on their local weekly radio show. They thought he'd sober up the next day and forget it, she says, but they misjudged Mooney. He had his wife there for the taping of the little radio show at the appointed time that next Wednesday—after which the band immediately invited her to become a permanent member of the cast. They also invited her to work with them on Saturday nights for $5.00.

Even more unlikely than her debut was her rise. A Vancouver, British Columbia, businessman provided the means for her first recording titled "Honky Tonk Girl," which she wrote. Then Mooney acquired a list of all the country radio stations ("I don't know how he got it," she says) and mailed the record to every station on the list.

"Then after the record come out, somebody told us it was on the charts," Lynn recalls. "We didn't even know what the charts was. But, by golly, me and the Doolittle loaded up in that old car, and Shirley and Jay Lee Webb—my brother and his wife—kept all four kids, and we took out to hit ever' radio station that was country. Zero Records (on which her song had been recorded) give us money to buy gas—but not food—and we went all the way across the country one way and come back another way, eatin' baloney and cheese and crackers and sleepin' in the car."

And charming country disc jockeys into playing "Honky Tonk Girl."

"That record hit the Top Ten when there wasn't a soul could buy it," she says, laughing. "Record stores was callin' radio stations sayin', 'Get that thing off the air. People are drivin' us crazy.'"

That cross-country trek is Lynn's career in microcosm. With it she not only got her record enough exposure that major record firms took notice (she was soon signed by Decca, now MCA, with which she has a lifetime contract), but she also acquired her conviction that the personal approach to popularity produces the only kind that endures.

That approach, by far the most demanding of the strategies of stardom, has cost Lynn as much as she has gained. She has been known to say that her happiest years may have been the hard ones in Custer, before a touring bus became her home and made strangers of her children. But Lynn tallies these high costs without public tears. Butcher Holler, Kentucky, and Custer, Washington, long ago conditioned her to the knowledge that nobody can ever have everything and that nothing of value comes free. Lynn disagrees with suggestions that her grassroots views of popularity and life are old-fashioned in today's new world of the country-to-pop "crossover" and commonplace network TV exposure.

"I don't know why they call things old-fashioned," she muses, pensively. "The Bible never grows old. Love never grows old. It's people that grow old. Their love don't."●

JAPAN-UNITED STATES TRADE RELATIONS

● Mr. GRAVEL. Mr. President, each of us who is concerned with the future of America knows that one of our major problems is our negative balance of trade. For too long we have been importing too much and exporting too little. Throughout various segments of American society, be they the labor movement, the auto industry, the steel industry, the clothing industry, television manufacturing, et cetera, complaints about unfair competition and excessive imports have been heard. Indeed, it is fair to say that in America today there is a growing sentiment against free and open trade and for certain protectionist measures.

Without doubt, Mr. President, reckless and irresponsible trade policies that offer only limited short-term gains at the expense of our long-term well-being should be avoided. Yet we must be very careful not to protect inefficient and noncompetitive industries (such as individual companies) from open and robust competition, whatever the source. Such a policy will only promote inflation by providing fewer goods, at higher prices, to the American consuming public.

Many Americans have complained that the Japanese have long taken advantage of American generous free trade policies while at the same time systematically prohibiting importation of American goods. No doubt there was a time when such charges were valid. Indeed, not long ago, U.S. policy which was based on national security interests was to promote the importation of Japanese goods to support and develop a strong and vibrant free economy in Japan. As a Nation we benefited from that policy not only by enjoying an increased standard of living, but also by establishing a strong and trusted ally in a volatile part of the world where we have so much at stake.

More recently, Japan has become so strong economically that a change in our relationship was warranted. I for one am satisfied that many of the imbalances that existed in trade between the United States and Japan have been corrected by brilliant and successful efforts of the President's Special Trade Representative, my good friend Bob Strauss. I know there are those who still claim that the Japanese market remains closed to U.S. goods. The charge is that the Japanese are cunningly using administrative barriers rather than tariffs to limit U.S. imports. This charge is dangerous, as it has within it the seeds of a radical justification for retaliatory trade measures. Ambassador Mansfield, a man whose intellectual reputation and veracity are beyond question, has thoroughly reviewed this issue, as have I.

Independently, we both have come to the same conclusion—namely, that no such nontariff barriers exists as Government policy. American companies should be careful to distinguish between the problems.

Mr. President, I recently read an article that is without a doubt one of the clearest and most informative on this particular issue, and I would like to call it to the attention of my colleagues. I therefore ask that an article by Chikara Higashi entitled "How Open Is the Japanese Market?", which appeared in the July 10, 1979 edition of Look Japan, be printed in the RECORD.

The article follows:

HOW OPEN IS THE JAPANESE MARKET?

(By Chikara Higashi)

Is the Japanese market open enough to foreign goods? To this question, 100 out of 100 Americans would answer, "No," and the majority may even feel ridiculous to answer such a rhetorical question. Still, a scientifically correct answer should be "Yes."

The degree of openness should be measured by both tariff and non-tariff barriers. First, the Japanese tariff will be approximately 3 percent on the average after the Tokyo Round, as compared with approximately 4 percent for U.S. and approximately 5 percent for EC. The U.S. Commerce Department's "Business America" states: "These (Japanese) reductions will leave the average Japanese tariff on goods from the United States at approximately 4.3 percent. The United States has offered to reduce its tariffs by an average of 30 percent on industrial imports from Japan, resulting in an average tariff rate of 4.7 percent on U.S. imports from Japan." A specific example: The Japanese tariff on foreign cars is zero, but the U.S. imposes 3 percent on a passenger car, 4 percent on parts, and 25 percent on a small truck.

Second, the major non-tariff barriers negotiated in the Tokyo Round include quantitative import quotas, government procurements, and standards. As for the number of import quotas on industrial products, Japan has 5 left, which is compared with 6 for the U.S., 2 for Britain, 27 for France, and 11 for West Germany. The Japanese five comprise only coal mining and various leather industries, whereas the U.S. six include specialty steel, textile, and other major industrial products. As for government procurement, Nippon Telegraph and Telephone Public Corporation (NTT) became infamous as a symbol of "Buy Japan." Japan's offer to open $7 billion for foreign purchase is, however, favorably compared with the U.S. $12 billion out of its total $79 billion purchase for open biddings in view of the difference in the economic size. As for standards, the Jone's Report, published by the U.S. House Subcommittee on Trade, criticized many Japanese practices as actually functioning as non-tariff barriers. There should be further study of this issue. For example, in the case of inspection of cars for emission controls, the Japanese government sent inspectors to U.S. factories and completed inspection of the 1979 models in 50 days. Japanese manufacturers, however, had to have their 1979 models shipped by air to Ann Arbor, Michigan for the U.S. government inspection which took three months. This cost Toyota $2.5 million.

The Japanese distribution system is multilayered and premodern, reflecting the nation's social, economic and cultural structure. Eliminating this system would mean the replacement of millions of workers; building supermarkets and shopping centers; increasing reliance on motor vehicles; enlargement of refrigerators, storage facilities and homes; and establishment of a more integrated credit system. Until recently even the United States had many "Mom and Pop" stores. Modernization of the Japanese distribution system would take time. This system is difficult and frustrating to penetrate, but there is little the government can do to make it easier. The system, however, does not discriminate against foreign interests and investment. McDonald's has more than 130 restaurants in urban areas and is growing at a rate of 50 percent per year. Schick accounts for a 65 percent share of the Japanese razor market. The American Family Association has had great success in cancer insurance. Coca Cola, IBM, Kodak, Polaroid, Parker and many other U.S. companies have attained a dominant share in Japanese markets. One hundred seventeen of Fortune's top 200 U.S. firms operate profitably in Japan.

The Japanese market is presently wide open. Japan has been growing rapidly as has the openness of its markets. Why don't we stop complaining and shifting the blame, and instead compete in domestic and foreign markets with better goods and services. Free international trade would not only give better satisfaction to consumers, but also help curb inflation in the importing country.

The United States will further lose her edge in the global economic competition if she continues to defend all the cases raised by special interest groups. Most needed is the upgrading of the industrial structure by having labor-intensive industries conceding to developing countries. Nevertheless, the recent negotiation with China on textiles indicates the U.S. is not on the right track. When China came back, Americans jumped on the bandwagon to sell all kinds of capital goods. Still, the U.S. special trade representative, Robert Strauss, has imposed quite a stiff quota on textiles, only one item China can export to the U.S.

The U.S. protectionism has a long history. As early as 1890, the San Francisco Chronicle expressed in an editorial its fear that Japanese youth educated in the U.S. would eventually bring home the U.S. technology and business know-how, and cause a flood of cheap goods on the American market. In the 1890's, both the House and Senate heard a series of pleas from American producers for protection. According to W. L. Newmann: "As fears increased, fantasy began to produce wild rumors of new Japanese trade invasions. In 1896, business circles from New York to San Francisco discussed reports of the imminent onslaught of thousands of Japanese bicycles which were to sell for $12 each and drive the American-made product off the market. A similar story spread . . ." Investigation, however, showed that Japan had no bicycle plant capable of turning out more than 150 wheels annually. In the same vein, R. Porter, special envoy for the National Association of Manufacturers, reported in "Commerce and Industries of Japan" that nothing short of absolute production could exclude some Japanese products. A congressional committee established in 1896 to study the "alleged invasion of the markets of the United States" could still find no "Made In Japan" products in any quantity in American stores. This reminds us of A. T. deVere's statement that prejudice, which sees what it pleases, cannot see what is plain.

With an $11.6 billion trade deficit with Japan in 1978, the U.S. may as well increase its criticism of Japan for not buying enough American products. Americans are a proud people and, therefore, attribute an embarrassingly large deficit to the unfairness of the Japanese, particularly its lack of openness. Their logic is simple. The U.S. trade deficit means the U.S. bought more Japanese products than the Japanese bought U.S. products. This happened because the Japanese market was unduly closed either by Japanese government's guidance, the distribution system, or any other unfair practices.

All these American charges, however, are simply wrong. The basic market principle in the free enterprise system is ignored here. The good commodities sell better than the bad ones in such a system. Americans are buying Japanese products because of their better quality, cheaper prices, or both. Government regulations are not a factor. Furthermore, the Japanese government would not be able to force the Japanese to buy American products with higher prices, inferior quality, or both. If the market is protected by government action or inaction, yes, the barriers should be moved. The Tokyo Round underlined the elimination of the remaining non-tariff barriers, while the Kennedy Round had concentrated on the substantial reduction in tariffs and quantitative import quotas. The framework for freer trade is now ready for the U.S. exporters. Japan has been determined to liberalize her market significantly and has already worked on a simplification of import and export procedures, a review of standards, and a liberalization of capital transactions. The Japanese imports are increasing this year by more than 50 percent over the previous year. For the Japanese, the U.S. exports would be most welcome, although they have to compete with those from European and developing countries on equal footing.

Whenever special groups argue about openness, they should examine both sides. Only through comparative research will there be constructive problem-solving. "He who knows only his own side of the case knows little of that."—John Stuart Mill.●

KIRKWOOD'S SOLAR HOME SAVES $100 PER MONTH

● Mr. CULVER. Mr. President, if this country is going to achieve energy independence, more emphasis must be placed on the use of solar energy. One area of great potential is through the use of solar energy for heating and cooling our homes. In 1979, of 1.74 million residential housing units starts, 1.19 million were single family units. Most of the technology needed to make use of the Sun to heat these homes already exists. Many prospective home buyers, however, picture the solar home as a vast array of solar panels, piping, pumps, and storage tanks. What they do not know is that with proper design, a passive solar home could save up to $100 per month on utility costs without altering a home's appearance. The Kirkwood Energy Saver in Cedar Rapids, Iowa, is such a house.

Each year, the residential carpentry students at the Kirkwood Community College in Cedar Rapids build a single family home as a class project. This year, with the aid of a $25,000 grant from the Mid-American Solar Energy Complex (MASEC), the students constructed a home that could have yearly utility costs of about $100 based on current prices.

This project involved more than the residential carpentry students. Home furnishings students, for example, designed a decorating scheme to maximize energy savings. Horticulture, architectural drafting, and real estate students also participated. The house is now for sale and is expected to be sold and occupied by June. It represents one more outstanding contribution to national and community needs by Kirkwood.

Mr. President, this project effectively demonstrates the usefulness of passive solar heating and should serve as an example of the success that can be achieved when housing is designed from the ground up with conservation and solar energy in mind. In order that my colleagues may study this fine example of energy efficient design, I ask that the attached article from the MASEC News be printed in the RECORD.

The article follows:

STUDENTS BUILD "UNDRAMATIC" SOLAR 80 HOME

CEDAR RAPIDS, IOWA.—Lumber yard owner Joe Flynn observed that he hadn't realized the new residence on 27th Ave. NW was a solar house.

He had sold Kirkwood Community College materials to build the home, but to him it looked pretty much like the other houses in the neighborhood—modest, unpretentious, nothing dramatic.

And that's just fine with Kirkwood.

The student-built home, to be put on the market this spring, is intended to show potential home-buyers that a solar house needn't be exotic in appearance in order to achieve impressive energy savings.

It's also intended to demonstrate that solar is compatible with middle-income housing, if one can accept the unsettling notion that the "average" new home these days is in the $65–75,000 bracket.

The Kirkwood home is the first of eight MASEC-sponsored 'SOLAR 80' homes to be completed in the Region this year. SOLAR 80 refers to the fact that these homes will use 80 percent less energy than similar houses conventionally built. Therefore, the fuel bill for a SOLAR 80 house will be one-fifth that of a comparable conventional home.

According to Larry Bean, director of the Kirkwood project, the opportunity to bid on the MASEC contract came at a time when he and a group of colleagues at the college were already planning to build an energy efficient house along the lines of the Illinois Low Cal House, a concept developed by Wayne Shick during his tenure with the Illinois Small Homes Council.

"For those of us who wanted to go further and build a solar house, MASEC provided a nice piece of leverage," Bean said.

The "leverage" came in the form of a subcontract from MASEC, part of which was to defray additional costs associated with development and construction of a SOLAR 80 house.

The features incorporated into the 1,200 square foot Kirkwood home that would not be found in a similar, conventional home, include:

A double, 2 x 4 stud wall on the north, east and west, with a 2 x 6 stud wall on the south.

Super insulation of R-38 in the ceiling, R-30 in the north, east and west walls, and R-23 in the south wall.

An air-to-air counter-flow heat exchanger.

An air-lock vestibule in the main entrance.

Two inches of polystyrene insulation (R-10) on the exterior foundation walls.

Wall and ceiling vapor barriers.

Triple-glazing on the north windows.

A low-wattage electric furnance, since no suitable gas furnace is small enough to service the home's 13,000 BTU per hour peak heating demand.

The extra costs associated with the solar and conservation features of the home have been estimated to be less than $2,800.

In addition, storage mass composed of an interior four-inch solid masonry wall runs the length of the house on the first floor and a double layer of drywall is installed on several other walls.

It is expected that monitoring will show that the masonry wall provides relatively little performance improvement and the wall is therefore considered to be an optional component of the structure, noted Jack Neuzil, director of Kirkwood's Trades and Industry Department.

Bean observed that the house provided a challenge for the design team headed by architect Ed Sauter of Mount Vernon, Iowa.

"It was a little frustrating for them, because they would have liked to have done something more dramatic, but we kept emphasizing that everything possible had to be done to keep costs down," Bean said.

There were a lot of "we's" involved as the home progressed. At MASEC, Dave Pogany and Don Kraft were involved as manager of the Passive Program and staff architect, respectively, and Dave Robinson acted as technical monitor of the home.

Locally, an advisory committee composed of Sauter, a representative of Iowa Electric, a banker, and Kirkwood faculty and students worked with the home.

Members of that advisory committee sat on boards resting on sawhorses in the as-yet-unfurnished living room of the home on a recent afternoon and talked about the progress to date.

Two students in an environmental studies course told of their plans to monitor the air in the super-tight structure which has a ventilating heat exchanger to maintain its quality.

Ralph Driscoll, residential carpentry instructor, described plans for the final caulking of the exterior to be finished by the upcoming weekend, adequate caulking being an important feature of energy conserving design and construction.

After the meeting, Bean went on to discuss the other contractual elements that Kirkwood will fulfill as part of its agreement with MASEC.

They include completion of a photographic record of the various stages of construction and the conducting of three local educational workshops, the first for builders, designers, contractors and developers, the second, for bankers, real estate professionals and appraisers, and the third for potential buyers, homeowners and the media.

"We're really kind of hesitant to sell the home before we've exhausted all of its possibilities as an educational tool," Bean said. He added that he had a favorable reaction to his discussion of the house before the Iowa Homebuilders Association, and that he is scheduled to address the Iowa Lumberman's Association.

In addition, the largest home builder in the Cedar Rapids area has expressed interest in using the Kirkwood design principles in its residential market development.

(A free descriptive brochure on the two home designs produced by Kirkwood, as well as 18 others by design teams under subcontract with MASEC, will be available through MASEC.)

The first open house for the public at the Kirkwood home will be held on March 16, with the educational workshops to follow.

Once on the market, the home will offer one especially attractive feature to a couple who have to operate on a tight budget, Neuzil said.

"There's nothing very much that anybody can do about their mortgage payment," he said, "because that's a stable cost, and you just have to live with it for 20 or 30 years.

"But when you can show a couple that they're going to save $100 a month in out-of-pocket expenses for their energy compared to what they would pay in another house, well, that's something." ●

TRUCK SAFETY ACT

● Mr. GLENN. Mr. President, unfortunately, I was necessarily absent during the debate on S. 1390. I want to express my strong support for S. 1390 and my compliments to the distinguished chairman of the Commerce Committee, Senator CANNON, for bringing this measure to the floor and to the distinguished floor manager, Senator EXON, and, of course, to Senator PACKWOOD, the ranking minority member.

Anyone familiar with Ohio knows what a major commercial, manufacturing, shipping and transport State it is. We have over 17,000 manufacturers involved in the shipment of virtually every conceivable commodity. One glance at the route maps of the Nation's trucking companies and attendant satellite and break-bulk facilities clearly illustrates that a large portion of the entire Nation's truck commerce crosses, passes through, originates, or is at some stage brought into Ohio. We are extremely concerned over the issue of truck safety.

The July, 1979 GAO report on truck weight documents some of the safety problems that our States face in their own enforcement efforts relative to truck weights and by implication to the entire safety enforcement area. Ohio has 110,800 miles of streets and highways. The total number of trucks on Ohio's roads has increased greatly over the past 10 years as have the numbers of through trucks. However, our State level enforcement effort is in a constant struggle to keep up and our road maintenance efforts have been unable to keep pace and have been increasingly deferred. Large trucks that are improperly loaded or mechanically deficient further exacerbate our road maintenance problems.

S. 1390, in my estimation, will significantly improve and promote commercial motor vehicle safety and be of tremendous assistance to States like Ohio in its commercial motor vehicle safety programs. It is obvious that the scope of the safety problem is wide-ranging and multifaceted. Certainly there is a pressing need for standardization of truck weight and length limits on the Nation's interstate and defense highways. Also, it should now be clear that there is widespread violation and ignoring of safety regulations with respect to brakes, lights and so on. Surely as we approach possible significant alterations in the truck regulatory scheme, it is all the more incumbent upon us to act strongly and positively in getting the truck safety regulatory framework in order. As the committee knows, the safety issue is a major and significant one in the larger debate over the economic regulation of the trucking industry. I commend the committee and Senator CANNON for tackling the safety issue directly and substantively.

S. 1390 contains several key provisions that will significantly strengthen the truck safety effort. It provides for increased civil and criminal penalties in the commercial motor vehicle health and safety area. It provides grants to the States both to develop implementation plans and to assist in enforcing Federal rules, regulations, standards and orders. Importantly, it provides that DOT shall make fit, willing and able determinations with regard to safety. DOT clearly is the agency best suited to make these safety determinations. This comprehensive approach should encourage cooperation between State and Federal enforcement efforts. It should also help to rectify the shocking fact that DOT and its 158 inspectors was reaching less than 1 percent of the interstate commercial vehicles. S. 1390 also has provisions providing protections for employees who report unsafe equipment.

Mr. President, I cannot stress strongly enough the great need for this legislation. I commend the great cooperation of labor, the American Trucking Associations and other professional groups in the development of this legislation. I believe that this is great testimony to the fact that all parties recognize that truck accidents and fatalities are terribly serious problem that must be dealt with effectively. Truck accident fatalities are up 15 percent since 1975 and in 1978 accidents involving interstate commercial motor carrier traffic alone results in over $300 million in property losses. To a great extent, the life of virtually every member of our population is affected by our truck safety efforts on the State and Federal levels.

S. 1390 should be enacted into law quickly, and I strongly support it. It is imperative that we standardize and strengthen our overall truck safety effort as quickly as possible.●

TRIBUTE TO TONY DECHANT

● Mr. BURDICK. Mr. President, my friend, Tony Dechant, is retiring this week from 37 years of service to the National Farmers Union. Since 1966, Tony has served as president of that organization. Tony has said that he would like to spend more time at home, and certainly no one who is familiar with the demands he has placed on himself over the years can begrudge him that.

Those of us who represent a rural constituency with its unique array of problems including the farm economy, transportation, health care, education, housing, and energy must have an appreciation for Tony Dechant, who understands those problems, but even more, is willing to work with other constituencies who share in those needs. Solutions to those problems, and the problems themselves, are a constantly moving target. But Tony has helped the Farmers Union to maintain the flexibility to be compatible with changing needs, the dedication to principle to remain a credible voice for rural people, and the vision to promote organized private initiative both here and abroad.

To whatever the Farmers Union may aspire in the future will be due, in part, to the course Tony Dechant has helped to chart. I know I join with legions of Americans who wish Tony and Agnes much success in their future pursuits. And, I hope that I might continue to seek Tony's counsel in dealing with the future agenda.●

THE WORLD'S HOSTAGES

● Mr. McGOVERN. Mr. President, some of the world's best writing appears issue after issue in "The Talk of the Town" section of the New Yorker magazine. A current selection is a case in point which I submit for the RECORD.

The article follows:

THE TALK OF THE TOWN

President Carter's proposal to register women as well as men for the draft, being opposed alike by many feminists, who are against any draft, and by many supporters of the draft, who believe that wars should be fought by men, has clouded the policy that inspired the revival of registration in the first place. Intending to demonstrate the country's unity and resolve to the Soviet Union in response to its invasion of Afghanistan, the Administration has instead become embroiled in a murky altercation about the influence of women on men in the trench warfare and about ratification of the Equal Rights Amendment, all of it superimposed on a renewed protest movement against any draft and a swelling debate, greatly amplified by an exceptionally crowded and busy Presidential campaign, about just what the potential draftees, whether men or women, might have to do under the Carter policy. In the spreading confusion, a sombre declaration of national purpose to the world has degenerated into a highly visible domestic quarrel, with every member of the family loudly putting in his or her word.

So far, the argument about women and the draft has centered on reasonable-sounding questions like whether or not women are physically strong enough for combat, but intense passions, undoubtedly fed by apprehensions of a more primeval sort, are churning just beneath the surface. War, of course, got its foothold in human affairs long before women launched their drive, now in full swing in most parts of the globe, for equality with men in the public realm. In the traditional order, as feminist thinkers have often pointed out, the assignment of men to the battlefield and that of women to the domestic household were closely related. The presence of a protected, even hidden, domestic sphere, presided over by women, in which new life was brought into the world and the community was sustained, was felt to give war an elemental justification. As the bearers of children, women were the symbols and substance of peace and life, and were to be spared the destruction and death of war—except in defeat. The exclusion of women from war held intact a part of life for which wars could be fought by men. In the logic of this scheme, just as the migration of women from home to office, if it were to be unaccompanied by any rush of men in the opposite direction, would leave the home deserted, and thus would undercut one of the original aims of work—namely, the support of life—so the dispatch of women to war would, in a manner of speaking, empty out the heart of the community and undercut any justification for fighting.

But even to describe these traditional arrangements for domesticity and war, whether one looks on them fondly or with anger, is to reveal that they have broken down irreparably across the board. The most thorough transformation has taken place in war itself. Insofar as any nation's military forces ever had the ability to protect its people, they have lost it now. The invasion of the civilian realm by modern war began with universal male conscription and the bombing of cities, and was brought to completion with the advent of nuclear weapons, which assail life at its generic foundations. War has now penetrated to the core of the domestic sphere—its capacity for the renewal of life. Nuclear weapons have overmatched the procreativity of nature, and it is now they that, in an appropriation of life's characteristics, monstrously "proliferate," and bring forth one "generation" after another, as though death itself had gained the power to give birth and multiply. In the new military strategy, the role of the civilian population, including its heretofore undrafted female half, is to be held hostage by the rival nuclear power. Indeed, it is now an essential element of global stability that each superpower in effect bare the breast of its people to a nuclear attack or counterattack by its adversary; otherwise, deterrence, which depends on the vulnerability of each side to a reprisal by the other, would break down. Our nation, in a proper display of reverence for life, has exerted itself as one man to secure the release of some fifty hostages in Iran, but, in the same period, when nuclear war over Middle Eastern oil has been under discussion we have somehow managed to pass lightly over the fates of the tens of millions of hostages which are at stake in such a conflict. Once, military forces were deployed to protect the civilian population, but now the civilian population is deployed to protect the military forces. Across the oceans, two vast victim-armies face one another. No one was ever registered to serve in this force, but we have all been conscripted into it anyway. Women, who are certainly strong enough to push the button—should any of them aspire to that doubtful honor—just as they are weak enough to die in a holocaust, don't have to be sent to the front lines; they are already there.●

HOSTAGES

● Mr. ZORINSKY. Mr. President, the taking of hostages by extremist groups in various world capitals is undermining peace and security throughout the world.

Interchange between governments is only possible when their respective emissaries are able to carry out their missions free from violence or threats.

A breakdown in these diplomatic traditions and practices, such as we are now witnessing in Iran and in Colombia, destroys the very fabric of international life. It is imperative that the international community adopt stringent and effective measures designed to put an end to the violation of diplomatic premises and the taking of hostages.

I believe strongly that condemnation of these practices by statesmen and leaders throughout the world is an important first step toward raising this menace. I therefore applaud the recent statement issued by OAS Secretary Gen. Alejandro Orfila condemning the shameful, inhumane, and brutal attack on diplomatic personnel which has occurred in Bogota, Colombia. It is evident that Ambassador Orfila shares with us the sense of outrage which we feel in this body toward this violent act. I therefore submit the Secretary General's fine statement for the Record.

The statement follows:

STATEMENT BY ALEJANDRO ORFILA

WASHINGTON, D.C., February 28.—The takeover of the Embassy of the Dominican Republic and the holding of hostages by an extremist group in Bogota, Colombia, is an alarming development which once more shows a dangerous trend toward the violation of the principles of international law. This deplorable act is to be condemned most vigorously.

There is no justification whatsoever for acts that endanger innocent lives and which violate the juridical principles on which harmonious relations among nations are based.

Violence and intimidation must be eliminated and punished in order to prevent kidnapping and extortion from becoming common practice in political struggles.

I deeply regret that such a despicable act has occurred against the Embassy of the Dominican Republic.

The General Secretariat of the Organization of American States is in communication with its representative in Colombia and fervently hopes for the prompt and permanent restoration of peace and safety to the vicims of this deplorable incident.●

GIVE MARINES THE RAPID DEPLOYMENT MISSION

● Mr. HART. Mr. President, the Washington Post of March 2 contains a guest editorial I would like to bring to the attention of my colleagues. The editorial is entitled "Send in the Marines," and it was written by two of the Nation's most prominent experts on the Marine Corps, Martin Binkin and Jeffrey Record.

Messrs. Binkin and Record make two fundamental points: First, that the entire Rapid Deployment Force mission should be assigned to the Marine Corps, rather than being split between the Army and the Marines as presently planned; and second, that a substantial portion of the foot infantry Marine Corps must be mechanized if it is to carry out the mission effectively.

I strongly agree with the authors on both points, and indeed, I called for both of these steps almost 2 years ago, in the "White Paper on Defense" I issued in cooperation with former Senator Robert Taft, Jr.

Mechanization of a substantial fraction of the Marine Corps is a requirement if the Marines are to fight effectively against mechanized opponents in open terrain. The object of such mechanization is not so much protection or firepower as tactical mobility, to give the Marines the capability of waging maneuver warfare. Thus, the suggestion by Binkin and Record that the Marines avoid the Army's overly heavy and questionably effective XM–1 tanks and mechanized infantry combat vehicles, and instead mechanize with lightweight vehicles similar to armored cars, has much merit. Indeed, I hope the Marines will consider wheeled, rather than tracked, armored vehicles for their mechanized units.

Equally valid is the author's recommendation that we give the entire rapid deployment mission to the Marine Corps. Rapid deployment has traditionally been the Marine's mission. A modern rapid deployment force must be a Marine Corps, since the vehicles of a mechanized force of any size can only be moved and supported by sea. The Army could of course marry itself to the sea as the Marines have done, but then it would become a second Marine Corps, and there is little reason to have two.

If the nation is to have an effective rapid deployment force, it may be necessary to assign the mission to one service, rather than splitting it four ways. The unfortunate fact is that joint operations, especially those in which the Army and the Marine Corps must work together, are usually anything but smooth. Different operating practices, institutional rigidities, and inter-service jealousies tend to cause friction, delay, and indecision. Yet effective action in a Third World crisis demands great cohesion, smooth and rapid decisionmaking, and a clear focus on the external problem rather than internal rivalries. These qualities can probably only be obtained by giving one force—at least one ground force—the entire mission. Again, logic dictates this force be the Marine Corps.

Mr. President, I strongly recommend this article to my colleagues attention, and I strongly endorse its conclusions. I hope the Defense Department and the Congress will work together to make the U.S. Marine Corps our rapid deployment force, and to give the corps the additional resources it will require to carry out this mission.

Mr. President, I ask that the article "Send In The Marines" by Martin Binkin and Jeffrey Record be printed in the Record at this point.

The artice follows:

SEND IN THE MARINES

Increasingly, the U.S. Marine Corps has the look of an idea whose time has come. Events in the Persian Gulf and Southwest Asia argue strongly for the creation of a military force capable of prompt intervention in remote areas of the world where U.S. ground forces are not already deployed. The need for such a force has long been recognized by many observers. Official—albeit belated—recognition is apparent in the administration's proposed rapid deployment force (RDF). The force is to be capable of swift intervention in areas other than Europe and Korea across a broad spectrum of contingencies ranging from the small-scale *coup de main* to a large-scale invasion.

The core of the RDF is to consist of select airborne, amphibious assault and other existing light Army and Marine Corps infantry units whose inherent strategic mobility is to be further enhanced by 150 or so new intercontinental transport aircraft (known as the CX) and by the pre-positioning of a Marine division's equipment abroad 14 specially designed ships to be maintained on station in the Indian Ocean and other potential crisis areas. As envisaged by the administration, the largely airliftable and air-supportable RDF would form the cutting edge of any major U.S. military intervention in the Third World, to be followed by the commitment of Army tank and mechanized infantry forces, whose heaviness compels their movement by sea.

However, in its zeal to increase the speed with which existing U.S. light ground forces could be brought to bear in the remote areas, the administration has failed to address two important issues: the size of the RDF and the character of its potential opponents. The United States currently maintains far more light-infantry formations than would be required or could be moved to likely future "RDF" contingencies in the Persian Gulf and along the littorals of the Indian Ocean. Moreover, precisely because they are light infantry—foot-mobile units thin on tanks, armored personnel carriers and self-propelled artillery—they are ill-suited for combat against Soviet or Soviet-model client armies that characterize potential U.S. adversaries in the Middle East. Of what value is the timely arrival of the wrong kind of forces?

The United States today fields five active divisions (two Army and three Marine) and a variety of smaller units that are earmarked primarily for contingencies outside of Europe and Korea. These forces greatly surpass the capacity of present and planned strategic air- and sealift resources to move them overseas in a timely fashion. Additionally, because these forces have been designed to be compatible with strategic airlift and amphibious-assault shipping, they are light and hence best suited for low-intensity combat in terrain that precludes or severely constrains the effective use of armored fighting vehicles.

Yet in the Middle East and Southwest Asia, they would in all likelihood be facing numerically superior, highly mobile and heavily armored ground forces possessing great firepower and tactical mobility in terrain often tailor-made for tank warfare. While tactical air-power enthusiasts hold that close air support can make good the deficiencies of light ground forces, the October War of 1973 refutes that contention. In that conflict, the Israeli Air Force was virtually neutralized by the dense and mobile tactical air defenses of the Soviet-model Egyptian and Syrian armies.

Thus it appears that the administration may be contemplating the assignment to the RDF of forces both excessive in size and improperly structured to deal with likely adversaries. For the contingencies envisioned, three properly configured and equipped divisions would provide a quick-reaction force capable of meeting initial intervention requirements. These forces should retain existing limited capabilities for forcible entry by either airborne or amphibious assault; the principal challenge, however, is to provide them the tactical mobility and firepower needed to defeat heavier opponents without imposing the kind of unacceptable penalties in strategic mobility that equipment-laden Army tank and mechanized infantry divisions have already paid.

The most logical approach would be to give the three-division Marine Corps the rapid deployment mission—lock, stock and barrel. As a force in readiness, the corps has always been oriented primarily toward contingencies in the Third World. It is the sole repository of U.S. amphibious-assault capabilities and easily adaptable to both the airborne and air-assault mission.

As for the problem of staying on a Middle Eastern battlefield (versus getting to it on time), a solution appears at hand in the development of lightweight tanks and other armored fighting vehicles utilizing new advances in small-caliber antitank guns and ammunition. The Marine Corps has already constructed prototypes of a 14-ton minitank whose 75mm gun can destroy any known main battle tank. Some six or eight of the smaller tanks could be carried by a C5A, compared with only one of the Army's new, bulky 60-ton XM1 main battle tanks. Indeed, the lack of restraint in the Army's approach to the design of armored fighting vehicles has precluded the rapid deployment of the Army's heavy divisions, leading to growing doubts over the cost-effectiveness of the administration's proposed $6 billion program to build the CX, which, like the existing C5A, will be able to carry only one Army tank. Might not that $6 billion be better spent on the acquisition of smaller armored fighting vehicles much more compatible with existing U.S. strategic airlift capabilities?

A rapid deployment force should be based on a restructured and reequipped Marine Corps.●

AMENDMENT TO THE DEPARTMENT OF JUSTICE AUTHORIZATION BILL

● **Mr. BAUCUS.** Mr. President, public trust in our Government's ability to investigate its own wrongdoing has eroded in recent years. Watergate, Koreagate, and ABSCAM all give the public ample reason to question the underlying moral fiber of our Government.

Although the Justice Department is charged with the responsibility for investigating complaints of Government wrongdoing, the Department itself has been the target of much criticism. For example, recent New York Times articles on the Department's Immigration and Naturalization Service question its ability to discipline employee misconduct and properly review complaints.

As a member of the Senate Judiciary Committee, I am particularly concerned about the justifiable lack of public confidence in the Department of Justice. Because of these concerns, I have been reviewing the proposal of creating an inspector general for the Department and other related options. After studying several options, I have determined that at this time we should focus our attention on improving the existing structure within the Department.

In an attempt to meet this objective, Senators COCHRAN, KENNEDY, and I have proposed amendment 1679 to S. 2377, the Department of Justice fiscal year 1981 authorization bill entitled, "The Department of Justice Professional Responsibility and Audit Act." Our amendment would create a statutory charter for a new office of professional responsibility and audit.

BACKGROUND

This legislative initiative has its roots in the deliberations over the fiscal year 1980 Justice Department authorization bill. That legislation created a special investigator for the Immigration and Naturalization Service who would be responsible for overseeing the special problems of employee misconduct and administrative mismanagement within that bureau. During the consideration of the authorization bill, I agree to conduct hearings this spring on the feasibility of creating an inspector general to oversee comparable problems for the entire Justice Department. The Department agreed to evaluate the need and impact of an inspector general and to report to the Judiciary Committee the results of its findings.

The Department of Justice Inspector General report concludes that an inspector general, as defined by the 1978 Inspector General Act, is inappropriate for the Justice Department. The report points out that the agencies covered by the act are all agencies with major programmatic responsibilities that also have problems of inadequate resources, fragmentation of those resources, and poor coordination with external agencies. According to the report, the Justice Department is unique as the Nation's law enforcement agency and is not subject to those criticisms.

The report further concludes that the Office of Professional Responsibility (OPR) and the Internal Audit Staff (IAS) are successfully performing those functions which would be performed by an inspector general. The OPR handles investigations of employee misconduct throughout the Department. It reports directly to the Attorney General. The IAS conducts audits to test for economy, efficiency, and compliance as well as to identify fraud and mismanagement. It reports to the Assistant Attorney General for Administration.

The report also concludes that OPR is unique in that it can rely on the resources of the entire Justice Department by borrowing and directing personnel from any component. Such unique resources are unavailable to an inspector general.

BAUCUS-COCHRAN-KENNEDY PROPOSAL

After studying the operation of OPR and IAS, and after reviewing the Justice Department report, I am not convinced that the current arrangement at the Department is without its weaknesses. Even if we accept the notion that an inspector general is inappropriate, several concerns still remain. I am concerned about protecting the independence of OPR and IAS and therefore increasing its status and visibility. I am concerned about insuring the direct accountability of the offices both to the Attorney General and to the Congress. I am concerned about insuring uniformity and consistency in the standards of operation for the offices—especially in the areas of discipline and procedure. And, finally, I am concerned about the obvious need to consolidate the functions of the offices in order to have an effective mechanism to combat not only ethical problems and fraud, but also waste, mismanagement, and the abuse of Government funds.

My first concern about the current organization of OPR and IAS is whether these offices are structured to adequately protect the obvious need for independence. OPR is established by Federal regulation while IAS is established by departmental regulation. Because such regulations can be altered at will by the Attorney General, it is conceivable that the powers of these offices could be curtailed or even abolished.

The fact that IAS has been in three different organizational positions within the Justice Management Division within the last year clearly raises the question of the ability of that office to function independently without structural protection. Under the latest reorganization, IAS has even been reduced from a staff of 57 to 33. Another major problem with IAS is that it now reports to the Assistant Attorney General for Administration. Under guidelines recommended by GAO, IAS should report directly to the Attorney General.

Our amendment protects the independence of OPR and IAS by providing a statutory charter for a new office of professional responsibility and audit. As a result of the charter, the office will be a permanent fixture at Justice. Under the direction of a Counsel General who reports directly to the Attorney General, the status of the office will be increased. One of the purposes of merging these two offices is to eliminate their relative obscurity and increase the visability and the respect for both investigations and audits. At the same time, the current resources available to OPR would be available to OPR under our legislation.

I have also been concerned about the accountability of OPR and IAS to the Attorney General and to Congress. OPR appears to have direct access to the Attorney General although timely action by the Attorney General is sometimes a problem. OPR does not report directly to Congress, yet it publishes an annual report which is available to Congress. There is no statutory requirement, however, that the OPR annual report be a complete record of the activities of the office.

On the other hand, IAS is not directly accountable to the Attorney General because of its location in the Justice Management Division. It is questionable whether the IAS audit recommendations are ever reviewed by the Attorney General. Under the present organization, it is also difficult for Congress to assess the effectiveness of auditing functions which are performed by IAS, numerous internal audit units, and GAO. The Attorney General must assume direct responsibility for implementing IAS recommendations throughout the Department so that the Congress can hold him accountable.

Our amendment establishes a mechanism for accountability. The Counsel General of the Office of Professional Responsibility and Audit is to report directly to the Attorney General. The bill requires that the Attorney General act on Counsel General recommendations within 30 days. The bill also requires that the Counsel General report annually to Congress on its activities and those of the internal investigation and audit units which are required to report to the office. This annual report is to include an account of any Counsel General recommendations which were not followed by the Attorney General.

My third concern with the investigation and auditing offices at Justice is the lack of uniform standards for procedures, reporting, and coordination of these functions. The Department has also failed to establish uniform standards for administrative sanctions and prosecution. For example, employees found guilty of comparable violations may be given widely disparate discipline if they are employed in different divisions of the Justice Department.

Our amendment requires the Counsel General to establish uniform departmental standards and procedures for reporting and processing employee complaints. The bill also requires the Counsel General to establish comparable standards and procedures for the auditing functions. In addition, the Counsel General is responsible for formulating uniform standards for the administration of disciplinary standards for the Department. The bill requires that the Counsel General evaluate these standards and report the result of his findings to Congress within 3 years of the enactment of the bill.

My final concern centers on the effectiveness of the Justice Department's current approach to adequately combat not only ethical problems and fraud, but also waste, mismanagement, and abuse of Government funds. Under new regulations, OPR is charged with all of these responsibilities. Although OPR currently has a limited staff of only four attorneys, it does have the power to utilize employees from other divisions. Yet without consolidating the functions of investigation and audit, it is questionable whether the office will have the interest or resources to address these new areas of responsibility.

By creating a new office of professional responsibility and audit, Senators COCHRAN, KENNEDY, and I believe we can address many real concerns about the Department without creating an Inspector General. We recognize the uniqueness of the Department of Justice and we recognize the uniqueness of the present Office of Professional Responsibility. We propose a course which capitalizes on the strengths of both and strengthens the role of auditing within the Department.

The objectives of our amendment are to insure the independence of OPRA, to increase its status and visibility, to insure accountability of that office to the Attorney General and Congress, and to insure that audit and investigation functions are uniformly conducted throughout the Department.

A copy of the proposed amendment follows:

AMENDMENT NO. 1679

At the end of the bill, add the following:

TITLE II—DEPARTMENT OF JUSTICE PROFESSIONAL RESPONSIBILITY AND AUDIT ACT

SHORT TITLE

SEC. 201. This title may be cited as the "Department of Justice Professional Responsibility and Audit Act".

ESTABLISHMENT OF OFFICE OF PROFESSIONAL RESPONSIBILITY AND AUDIT

SEC. 202. (a) There is established within the Department of Justice, under the general authority of the Attorney General, an Office of Professional Responsibility and Audit (hereinafter referred to as the "Office").

(b) The Office shall be headed by a Counsel General appointed by the Attorney General. The Counsel General shall be subject to the general supervision and direction of the Attorney General, or when appropriate, of the Deputy Attorney General, the Associate Attorney General, or the Solicitor General.

(c) The Attorney General shall delegate to the Counsel General all functions administered by the Attorney General, prior to the date of enactment of this title, through the Counsel of the Office of Professional Responsibility and the Director of the Internal Audit Staff, including the power to issue subpoenas.

(d) The Attorney General may delegate to the Counsel General the functions of any other bureau, office, board, division, commission, or subdivision thereof within the Department of Justice (hereinafter referred to as the "Department") as the Attorney General determines are properly related to the functions of the Office and would, if so delegated, further the purposes of this title.

DUTIES AND FUNCTIONS OF THE OFFICE

SEC. 203. (a) The Counsel General shall—

(1) establish procedures in accordance with section 204 to receive requests for internal audits and inspections;

(2) establish uniform standards for the conduct of internal audits and inspections by internal units with such responsibilities;

(3) establish procedures and format guidelines for reporting to the Office by internal units in accordance with section 207;

(4) submit recommendations to the Attorney General, or when appropriate, to the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, on the need for changes in the standards and procedures that become evident during the course of implementing responsibilities under this title with respect to internal audit and the ethics and conduct of Department personnel;

(5) in consultation with the Attorney General, require procedural changes in the operation of any internal unit with responsibilities for audit or inspection;

(6) in addition to any investigation initiated or ordered under subsection (b)(2), undertake any relevant investigation assigned by the Attorney General, or when appropriate, the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, and cooperate as directed with any other organization, task force, or individual that may be assigned by the Attorney General to undertake such an investigation;

(7) undertake any other appropriate responsibilities assigned by the Attorney General, including responsibilities relating to the improvement of the ethics and conduct of Department personnel; and

(8) report annually to Congress in accordance with section 208.

(b) With respect to the inspection responsibilities of the Office, the Counsel General shall—

(1) receive and process, in accordance with section 204, information or allegations relating to the conduct of an employee of the Department that is or may be in violation of an Act of Congress, a regulation or order of the Department, or any internal standard of ethics or conduct;

(2) initiate or order, as he deems appropriate, an investigation of any information or allegation received under paragraph (1);

(3) prepare or review, as the case may be, any findings and reports filed as the result of an investigation under paragraph (2), and make recommendations to the Attorney General, or when appropriate, to the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, concerning such findings and reports;

(4) monitor and evaluate the performance and procedures for inspections conducted by the internal units within the Department;

(5) not later than two years from the date of enactment of this title, establish uniform standards for the administration of disciplinary sanctions for each bureau, office, board, division, commission, or subdivision thereof; and

(6) monitor and evaluate the implementation of such standards for the administration of disciplinary sanctions established under paragraph (5).

(c) With respect to the audit responsibilities of the Office, the Counsel General shall—

(1) conduct audits of each bureau, office, board, division, commission, or subdivision thereof of the Department;

(2) be responsible for necessary follow-up and implementation of audit recommendations made by the Office or by an internal unit within the Department;

(3) ensure Department compliance with the auditing standards and procedures of the General Accounting Office and the Office of Management and Budget; and

(4) serve as a liaison for the Department with respect to the audit functions performed by the General Accounting Office.

(d) If the Counsel General makes a recommendation with respect to any audit to a Department official and that official declines to implement the recommendation, the declining official shall report in writing to the Counsel General, within 30 days of the receipt of the recommendation, the reason for declining to implement the recommendation. If the Counsel General disagrees with the position of the declining official, the Counsel General may appeal to the Attorney General for implementation of the recommendation.

(e) (1) If the Counsel General makes a recommendation under subsection (d) to the Attorney General, the Attorney General shall report in writing to the Counsel General within 30 days of the receipt of the recommendation, his proposed action on the recommendation.

(2) Any recommendation by the Counsel General to the Attorney General which is not followed by the Attorney General shall be identified in the annual report to Congress under section 208.

(f) The Counsel General shall establish such rules as may be necessary to carry out the provisions of this title.

REQUESTS FOR AUDITS AND INVESTIGATIONS

SEC. 204. (a) The Counsel General shall establish such procedures as may be necessary to receive requests for audits and investigations to be conducted by the Office or by an internal unit.

(b) The procedures shall provide a mechanism for receiving and processing requests by persons employed by the Department as well as persons outside the Department, and shall include provisions to insure the privacy of any such person making a request.

SANCTIONS

SEC. 205. (a) The Counsel General may, on the basis of any findings reported to him, or an investigation conducted by him—

(1) recommend to the Attorney General or any appropriate supervising official within the Department that administrative sanctions be taken against a Department employee; and

(2) recommend the prosecution of a Department employee to the appropriate Assistant Attorney General of a division or the appropriate United States Attorney.

(b) If the Counsel General makes a recommendation under subsection (a) to any Department official other than the Attorney General, and that official declines to implement the recommendation, the declining official shall report in writing to the Counsel General within 30 days of the receipt of the recommendation, the reason for declining to prosecute or administer such sanctions. If the Counsel General disagrees with the position of the declining official, the Counsel General may appeal to the Attorney General for implementation.

(c)(1) If the Counsel General makes a recommendation under subsection (a) to the

Attorney General, the Attorney General shall report in writing to the Counsel General within 30 days of the receipt of the recommendation, his proposed action on the recommendation.

(2) Any recommendation by the Counsel General to the Attorney General which is not followed by the Attorney General shall be identified in the annual report to Congress under section 208.

ADMINISTRATION PROVISIONS

Sec. 206. (a) The Counsel General shall be compensated at a rate equal to the rate of basic pay for ES-5 of the Senior Executive Schedule established by the President under section 5382 of title 5, United States Code.

(b) The Counsel General is authorized to appoint such additional staff personnel as he deems necessary, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, and may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(c) Upon request of the Counsel General and in consultation with the head of the unit to which the employee is regularly assigned, an employee of the Department may be assigned to the Office on a case-by-case basis to perform such duties as are designated by the Counsel General. Employees assigned to the Office shall work under the direction of the Counsel General.

(d) Personnel employed in connection with contracts, property, records, and unexpended balance of appropriations, allocations, and other funds available in connection with the functions delegated to the Counsel General under section 202(c) which, prior to the date of enactment of this title, were delegated to the Counsel of the Office of Professional Responsibility and the Director of the Internal Audit Staff shall be made available to the Office and the Counsel General. Nothing in this title shall affect the classification or compensation of any such personnel.

(e) Any reference in any other Act of Congress to the Office of Professional Responsibility or the Internal Audit Staff of the Department shall be deemed to refer to the Office of Professional Responsibility and Audit.

(f) On the day after the date of enactment of this title, the functions, powers, and duties of the Office of Professional Responsibility and the Internal Audit Staff shall lapse.

RESPONSIBILITIES WITHIN THE DEPARTMENT

Sec. 207. (a) The heads of each bureau, office, board, division, commission, or subdivision thereof shall provide information and assistance requested by the Counsel General in connection with audits and investigations conducted by the Office or an internal unit, and by any other person assigned to conduct audits or investigations.

(b) The head of each internal unit with responsibilities for inspection or audit shall report monthly to the Counsel General. Each report shall include notification of initiation of any investigation or audit, and shall conform with the procedures and format guidelines established by the Counsel General under section 203(a).

REPORT TO CONGRESS

Sec. 208. (a) On or before September 30th of each year, the Counsel General shall report to the Congress on the following:

(1)(A) With respect to the inspection responsibilities of the Office, the number and a brief description of each allegation of employee misconduct received by the Office, a description of the manner in which such allegation was handled, and the final disposition of each such allegation.

(B) The information required under subparagraph (A) shall include an identification with respect to the unit or Office which received the allegation and performed the investigation, if any.

(2) With respect to the audit responsibilities of the Office—

(A) a listing of each audit initiated or completed within the reporting period by the Office or internal unit; and

(B) a summary of the recommendations by the Office and the actions taken pursuant thereto.

(b) In addition, the Counsel General shall include in such report—

(1) a description of any significant problems, abuses, and deficiencies in the policies and procedures which have become evident during the course of any investigation or audit;

(2) a recommendation for action that may be taken by the Office or by a bureau, office, board, division, commission, or subdivision thereof to correct such problems, abuses, or deficiencies;

(3) a summary of the recommendations submitted in any previous annual report under this section upon which corrective action has not been completed, with an explanation of the reasons action has not been completed;

(4) a description of any recommendation for administrative sanctions or prosecution made by the Counsel General to the Attorney General under section 205(c) which is not followed by the Attorney General; and

(5) a description of any recommendation with respect to any audit made by the Counsel General to the Attorney General under section 203(e) which is not followed by the Attorney General.

(c) If the Counsel General conducts, or orders to be conducted, an investigation of information or an allegation that the Attorney General may be in violation of an Act of Congress, regulations or orders of the Department, or of any internal standard of conduct, he shall report the findings of his investigation to the Committees on the Judiciary of the House of Representatives and the Senate upon the completion of the investigation.

(d) The Congress shall have access to the results of each audit completed by the Office or an internal unit.

(e) No later than three years from the date of enactment of this title, the Counsel General shall submit to the Committees on the Judiciary of the House of Representatives and the Senate—

(1) an evaluation of the procedures and standards for administrative sanctions and prosecution established under section 205;

(2) a comprehensive evaluation of the implementation of the provisions of this title; and

(3) specific legislative recommendations designed to remedy any problems or deficiencies in the implementation of the provisions of this title.

APPROPRIATIONS

Sec. 209. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.●

ADMINISTRATION PROPOSALS FOR COAL CONVERSION LACKING ONLY WILL OF CONGRESS TO ACHIEVE ENERGY SELF-SUFFICIENCY

● Mr. RANDOLPH. Mr. President, today the White House and the Department of Energy unveiled the administration's specifications for coal conversion legislation. In outlining a policy of mandating the oil backout from utility boilers and the substitution of coal, the Administration has sent a signal to the Nation that it is an economic and political necessity to develop a national energy plan on the direct utilization of coal. It establishes that coal can be used as a primary feedstock in utility boilers throughout this country. The $10 billion grant proposal to expedite coal conversion with environmental controls, if implemented fully, could save between 1 million and 1.5 million barrels of oil per day by the mid-1980's.

It must be emphasized that coal can be used as a basic energy resource without danger to the environment, or to the health and safety of our citizens. To proceed otherwise would preclude the possibility of a coal conversion program sufficient to achieve our goal of energy self-sufficiency. This is a realistic and vital part of the total energy program.

Several weeks prior to the release of the administration's proposed policy on coal conversion, the Senate Environment and Public Works Committee had determined to look into the expressed concerns on increasing coal emissions. Accordingly, I announced that a series of hearings will be scheduled to examine the problems of greater coal utilization. We hope to begin our hearings with an examination of the technical aspects of acid rain, beginning later this month.

Mr. President, as a representative of the coal-producing State of West Virginia, I have been an advocate of research and development of coal as a clean-burning, efficient fuel throughout my 35 years in Congress. In 1943, I authored the Synthetic Liquid Fuels Act to convert coal to oil and gasoline. This was successfully achieved, but the projects were abandoned when cheap crude oil from overseas became available in the 1950's.

I issued a warning at that time which, if heeded, might have avoided the present energy crisis and made such things as boycotts and OPEC price increases unnecessary. I said:

> In the future we will not be able to depend on the importation of oil from any foreign country, even though it may appear to be a very friendly one now, for then a major portion of our economy could be subjected to the whims and controls of outside powers. Unless we have our own sources of gasoline and oil in time of peace, we might be forced to pay exorbitant prices; and, if supplies are cut off in time of war, our entire military machine would be helpless.

It is tragic irony that these words of almost four decades ago should be so appropriate to our present situation. It is my belief that the coal conversion proposals we are now considering will move us down the road to energy self-sufficiency. Let us pray that it will not be too little and too late.

Mr. President, in order that my colleagues and others may know of the efforts being made to expedite the legislation on coal conversion, I ask that there be printed in the Record a statement I made today on the administration's oil backout proposals, together with an announcement on environmental hearings, and a letter to the Washington Post on February 18 in response to a lengthy article concerning the possibility of increasing acid rain as a result of increased emissions from burning fossil fuels, particularly from utility boilers and automobiles.

The material follows:

STATEMENT OF SENATOR JENNINGS RANDOLPH

The specifications for oil-backout coal conversion legislation being announced today establishes coal a natural successor to oil and gas fuels burned in the utility industry. Coal is the one fossil fuel that is likely to remain in abundant supply for the remainder of this century and into the next. Thus, coal reserves can supply electric power and synthetic gas and oil in large commercial volumes.

The $10 billion grant program providing for mandatory and voluntary conversion of utility boilers sends a signal to the Nation of the economic and political necessity of developing a national energy plan based on the direct utilization of coal. Through use of these funds, 102 boiler units will be converted to coal at a total of 50 stations, and result in a 400 thousand barrel per day oil savings by 1985 under Phase I. Phase II will provide an additional 600 thousand barrel per day of oil savings by 1990.

Most of this grant money will be dedicated to offset the cost of pollution control equipment. The proposal also provides us with the opportunity to set aside much of the incomplete and distorted information concerning the coal resource, which over the last few years has shaken public confidence in our attempts to increase its use. To realize coal's full potential we need not only to recognize the need to use coal, as is being done in this press conference today, but assure complementing policies in the environmental area provide for clean burning and use of coal.

It is common knowledge that this legislation recommendation which I and other members of the Coal Caucus have worked on for over a year was scheduled for delivery to the Congress last month. Because of interagency conflict over certain air quality and funding issues we experienced delay in transmittal of this proposal. To prevent the same types of delay within Congress it is essential to gather complete information on the relationship between coal and the environment.

Earlier this month, I announced that the Environment and Public Works Committee will begin a series of hearings on the effects of direct utilization of coal, and as a feedstock for the emerging synthetic fuel from coal industry. The first hearing to be held late in March will focus on the acid rain problem. Other hearings to be scheduled throughout the session will look at state implementation plans, the effects of tightening existing coal emission standards, particulate transport, and problems with increased carbon dioxide in the atmosphere, along with any other issues that might act as a deterrent to using our abundant coal resources.

The hearings I believe will provide us with the data necessary to assure environmental considerations are made an integral part of this oil backout legislation, thus negating the possibility of having yet another coal conversion effort ignored because of inadequate support for such attempts. Only a strong and consistent environmental policy can provide the stability needed to invest in new coal-fired generation facilities.

MARCH 6, 1980.

WASHINGTON.—Senator Jennings Randolph today announced a series of hearings on the effects of direct use of coal in utility boilers and as a feedstock for the emerging synthetic fuels industry.

Randolph, chairman of the Senate Environment and Public Works Committee, said the first hearing, on March 19, will focus on the technical aspects of acid rain.

"We have an essential need to gather complete information on the relationship between the environment and coal," Randolph commented. He noted that concern over increasing coal emissions has resulted in delay of the Administration's coal conversion legislation.

Other hearings will be scheduled throughout the session dealing with state implementation plans, existing coal emission standards, particulate transport, and the effects of increasing carbon dioxide in the atmosphere.

"I have maintained for many years that we must utilize coal as the keystone of our energy program to achieve energy self-sufficiency," Randolph said. "These hearings will provide us with the comprehensive data necessary to assure environmental considerations are an integral part of oil backout legislation, thus negating the possibility of having yet another coal conversion effort ignored because of an inadequate constituency for such measures."

FEBRUARY 18, 1980.

EDITOR, THE WASHINGTON POST,
Washington, D.C.

DEAR EDITOR: I was concerned with the apparent emphasis of the article of February 7, 1980, in the Washington Post stating that increased direct coal conversion would pour acid rain on our Canadian neighbors. It reflects unfairly on the reasoned efforts to construct a national energy policy that utilizes coal, our most plentiful domestic resource. It does not help solve the problems of insuring an energy policy that guarantees the health and safety of our citizens and the protection of the environment. Compounding our concern is the added coverage of the subject in your cartoon by Herblock in the Post of February 13. I note the caption above the emission stacks says may cause, not will definitely lead to such a condition.

I fully recognize the problems associated with acid rain caused primarily when utility plant, automobile, and other industrial emissions combine at high altitudes, and fall as precipitation. Because of my desire to promote the direct burning of coal within a safe environmental structure, the Environment and Public Works Committee will conduct hearings on this subject and the environmental research and development programs which address it. This activity will review the status of a very technical problem and develop a record so that the Congress can cope with the issue in an effective manner.

Further, during Senate consideration of the National Security Act (S. 932) now being finalized in the Senate-House conference committee, a provision was added which would create a Federal Acid Precipitation Task Force. This group would be responsible for developing a plan to coordinate relevant governmental and private efforts aimed at identifying and ameliorating the acid rain problem. Also, $152 million will be authorized to be spent for grants to states, localities and universities, in addition to this federal research and policy coordinating effort.

Members of Congress from coal producing states have been working for nearly a year with the Department of Energy (DOE) and the Environmental Protection Agecy (EPA) on new coal conversion (oil backout) legislation. It is my understanding that EPA and DOE have been consulting informally on sulfur dioxide and acid rain problems in the development of this legislation. The Post article indicated that DOE had not consulted EPA until January 21 of this year. This is incorrect. The memo attributed to DOE's effort is actually an EPA memo written to the Office of Management and Budget (OMB) on February 1.

In addition, that memo states that another $600 million added to the $12 billion being proposed in the oil backout legislation will solve the sulfur dioxide and acid rain problem in the northeast United States and Canada. This figure is questionable. Again, the reason for the hearings on acid rain is to collect technical information on a subject that has little data base, to decide issues on funding and the extent of the problem.

DOE, EPA and OMB must realize the emphasis that President Carter has given to coal conversion and they should be cooperating to the greatest extent possible to see that energy, environmental, and funding disputes are fully debated and settled internally. However, it is a disservice to these efforts to develop a national energy policy when partial and incomplete information on the relationship between the environment and coal is circulated and published by the press.

Truly,

JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works.●

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the minority.

I ask unanimous consent that the Senate go into executive session for not to exceed 30 seconds to consider the nominations on the Executive Calendar beginning with Department of Justice, those two nominations, and the first nomination under Civil Aeronautics Board, Mr. George A. Dalley.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that those three nominations be considered and confirmed en bloc, the motion to reconsider en bloc be laid on the table, that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without cbjection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF JUSTICE

Terry Lee Pechota, of South Dakota, to be U.S. attorney for the district of South Dakota for the term of 4 years.

Thomas K. Berg, of Minnesota, to be U.S. attorney for the district of Minnesota for the term of 4 years.

CIVIL AERONAUTICS BOARD

George A. Dalley, of the District of Columbia, to be a member of the Civil Aeronautics Board for the remainder of the term expiring Dec. 31, 1982.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President and upon the recommendation of the majority and minority leaders, pursuant to Public Law 95–45, appoints the following Senators to attend the Interparliamentary Union Conference, to be held in Oslo, Norway, April 7–12, 1980: The Senator from Nevada (Mr. CAN-

NON), chairman, and the Senator from Vermont (Mr. STAFFORD), vice chairman.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors to the U.S. Military Academy: The Senator from Louisiana (Mr. JOHNSTON) (appropriations), the Senator from Nebraska (Mr. EXON) (armed services), the Senator from New York (Mr. JAVITS) (at-large), and the Senator from Nevada (Mr. LAXALT) (appropriations).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors to the U.S. Naval Academy: The Senator from Maryland (Mr. SARBANES) (at-large), the Senator from Tennessee (Mr. SASSER) (appropriations), the Senator from Maryland (Mr. MATHIAS) (appropriations), and the Senator from Maine (Mr. COHEN) (armed services).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors to the U.S. Air Force Academy: The Senator from South Carolina (Mr. HOLLINGS) (appropriations), the Senator from Colorado (Mr. HART) (armed services), the Senator from Alaska (Mr. STEVENS) (appropriations), and the Senator from Arizona (Mr. GOLDWATER) (at-large).

ORDER FOR PRINTING COPIES OF SENATE RESOLUTION 377

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. STEVENS and myself, I ask unanimous consent that 200 individual copies of Senate Resolution 377 be printed for presentation to each of the members of the 1980 U.S. winter Olympic team, the coaches, the officials thereof, and the Lake Placid town council, with the resolving clause to read as it appears in Senate Resolution 377, but with the words "the members of the 1980 United States Winter Olympic Team, its coaches and officials," stricken and inserted in lieu thereof the individuals' names, one name in each resolution so printed, a list of which I am sending to the desk.

There are approximately 126 athletes, 50 coaches, and 24 officials who will receive copies of this resolution commending their role in the successful 1980 winter Olympics recently completed in Lake Placid.

The cost of this printing will be about $400 and will appear on parchment paper with a red border. Both the chairman and ranking member of the Rules Committee have cleared it.

I thank the minority leadership and the Secretary of the Senate for their assistance in expediting this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order entered earlier, that the Senate stand in recess until 12 o'clock noon tomorrow, for a session which will be only a pro forma session, with no business to be transacted, at the close of which the Senate will go over until Tuesday next, at 11 a.m.

The motion was agreed to; and at 4:43 p.m. the Senate recessed until tomorrow at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate March 6, 1980:

DEPARTMENT OF STATE

Julian Nava, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

DEPARTMENT OF THE TREASURY

Curtis Alan Hessler, of the District of Columbia, to be an Assistant Secretary of the Treasury, vice Daniel H. Brill, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 6, 1980:

DEPARTMENT OF JUSTICE

Terry Lee Pechota, of South Dakota, to be U.S. attorney for the district of South Dakota for the term of 4 years.

Thomas K. Berg, of Minnesota, to be U.S. attorney for the district of Minnesota for the term of 4 years.

CIVIL AERONAUTICS BOARD

George A. Dalley, of the District of Columbia, to be a Member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1982.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Thursday, March 6, 1980*

The House met at 11 a.m.

The Reverend Hamilton G. Reeve, retired pastor, the United Methodist Church of Valley Forge, Pa., offered the following prayer:

Almighty and eternal God: these are difficult and trying times. Our Nation is beset by duplicity and deception abroad and by economic chaos and confusion at home. We are disturbed by the threatening sounds of rattling sabers and rumors of war. The darkness of uncertainty and insecurity has dimmed our vision and we have lost sight of our potential for greatness. Rekindle in us the fires of the faith of our fathers and restore in us a sense of pride and high purpose.

Bless, we pray, the Members of this honored assembly. Grant them courage and moral fortitude. Motivate them with noble intentions and illumine their deliberations with a wisdom from on high.

Protect and preserve us as a nation under God and awaken in every citizen those principles of personal integrity and responsibility upon which our beloved country was established.

Hear our prayer for we pray in the name of our Redeemer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 5913. An act to amend section 502(a) of the Merchant Marine Act, 1936; and

H.J. Res. 494. Joint resolution providing for the appointment of Carlisle H. Humelsine as a citizen regent of the Board of Regents of the Smithsonian Institution.

THE REVEREND HAMILTON G. REEVE

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, it is my pleasure to introduce to the House our guest chaplain for today, Rev. Hamilton G. Reeve of Valley Forge, Pa., and the Eastern Pennsylvania Conference of the United Methodist Church. His lovely wife of 45 years, Mrs. Wade Reeve, is also with us this morning.

Reverend Reeve came into the ministry following a career in the merchandising field. He served the historic Valley Forge United Methodist Church from 1957 until his retirement in 1976. During the first 12 years of this time, he also served as vice president of the Freedoms Foundation of Valley Forge.

His work with the Freedoms Foundation was the natural culmination of the proud and visible patriotism which has characterized his life, including service to our Nation as an Army medic in the Second World War, for which he received the Bronze Star.

Reverend Reeve's love for and sense of responsibility to his fellow man have led him to yet another career, of service to his community.

He was one of the founders of Phoenixville Area Community Services, an information and referral agency, and now serves as president of its board. He is active in the local chapter of the American Red Cross, where he chairs the blood servicing committee, and the Chester County Board of Public Assistance, to which he was appointed by the Governor of Pennsylvania.

It is only appropriate that his outstanding commitment and contribution have been formally recognized by several organizations. He has received the Valley Forge Lions Club Citizenship Award, the Phoenixville B'nai B'rith Outstanding Citizen Award, and was named a Paul Harris Fellow by the Phoenixville Rotary Club in 1979.

Reverend Reeve brought his wisdom to Capitol Hill on an earlier occasion as a senior citizen in my office in 1978. His thoughtful insight and marvelous sense of humor was an inspiration to all who had the opportunity to work with him at that time.

I am sure that my colleagues will agree that we are fortunate that Reverend Reeve, known to his friends as "Ham," could share his fellowship with us this morning.

HEW REGULATIONS ON HOME OXYGEN USE MUST BE REWRITTEN

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GLICKMAN. Mr. Speaker, I want to take this opportunity to call to the attention of my colleagues regulations proposed by the Health Care Financing Administration to restrict the use of home oxygen equipment under the medicare program. Those proposed regulations are another example of Federal bureaucracy run amok. It is my strong feeling that the regulatory proposals put together by the Health Care Financing Administration go much too far, would significantly increase health care costs, and even run the risk of jeopardizing people's health. They also pose a potential threat to the right of privacy.

The intent of congressional mandates to reduce fraud and abuse in the medicare program was clearly to reduce program costs. But these particular regulations, by forcing many patients who need oxygen treatment to receive the treatment in hospitals to insure that their bills will be paid by medicare, will force up medicare costs by unduly restricting access to home oxygen treatments or will induce many older Americans to forgo needed treatment and to require them to be institutionalized as opposed to being treated at home. The regulations would also have a negative impact on the administration's high priority goal of reducing overall hospital costs by filling badly needed hospital beds with patients who could otherwise be treated at home.

I am hopeful that the public outrage at these proposals will lead to significant revision. To that end, I have prepared a letter to the Administrator of the Health Care Financing Administration to express my concerns and to urge that the regulations be rewritten. A number of you have agreed to sign that letter, and I hope others will join me in this effort.

CONGRESSMAN HANCE INTRODUCES BILL TO DEAL WITH PROBLEM OF IMPORTED AGRICULTURAL PRODUCTS

(Mr. HANCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANCE. Mr. Speaker, today I will introduce a bill that deals with the problem of imported agricultural products. Last year less than 3 percent of the products crossing the Texas border from Mexico were actually tested for health standards. The majority tested were found to be in violation of chemical standards set by the Food and Drug Administration.

Most imported products have been chemically treated, either during the growing season or during the harvesting season with levels of chemicals that are in violation of U.S. standards. At the present time there is no way to detain these violated products under present law and many are already on the grocery shelves before the lab samples can reach the labs and be tested.

My bill prohibits the importation of products in violation of the law and puts some teeth into enforcement of existing laws. It establishes test laboratories at the borders where products can be quickly and easily tested so violations can be stopped before they reach the market.

The main thing this bill will do is stop the tremendous disadvantage to the American farmer and also will stop the health hazards to the American consumer.

RESOLUTION OF INQUIRY INTO UNITED NATIONS VOTE

(Mr. DODD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DODD. Mr Speaker, yesterday my colleague from New York (Ms. HOLTZMAN) and I introduced a resolution of inquiry concerning last Saturday's vote in the United Nations Security Council and the administration's subsequent explanations. House Resolution 598 requires that the President turn over to the House of Representatives all information and facts concerning this administration's decision to vote in favor of the Security Council resolution condemning Israel's settlement policy in the West Bank and East Jerusalem.

I was shocked and dismayed at the fact that the United States for the first time supported such a blatantly anti-Israeli resolution in the United Nations. I have to admit that my dismay has hardly been eased by the administration's explanation that it made a mistake in voting for the resolution. We cannot, unfortunately, ask that the vote be retaken; it is now and forever a part of the U.N. record.

I have cosponsored this resolution of inquiry because I am deeply interested in why it took 2 full days for this terrible "mistake" to be discovered and then disavowed. The official explanations I have heard have been in conflict and are simply not credible. I hope that this resolution of inquiry will quickly provide us with a means of discovering the truth of this unfortunate matter.

I might add that the damage our vote and subsequent disavowal of that vote have caused extends beyond the Middle East. If our "communications failed on a relatively straight-forward vote in the U.N., I shudder to think of what may be happening in more complex international situations.

PRESIDENT SHOULD USE VETO OR THREAT OF VETO TO CONTROL INFLATION

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, I note from the media reports that the Carter administration is searching for ways to control Federal expenditures and the resulting inflation.

This is understandable, when we have a rate of annualized inflation rate of 18 percent and interest is moving rapidly toward a 20-percent prime rate.

Mr. Speaker, I am not in the habit of advising Presidents how to run their business. However, there is a tool that might be useful to President Carter if he has the will to use it. It is provided in article I, section 7, subsection 2 of the U.S. Constitution. It worked extremely well for President Gerald Ford and resulted in an inflation rate at the time he left office of 4.8 percent, instead of what we now have, an 18-percent rate. It is known as the veto.

It seems strange that in the year just past, with the excessive spending that helped fuel today's rate of inflation, that the President chose not to veto one appropriation bill. In fact, in 3 years in office, this administration has vetoed only one appropriation bill, contrasted to the President Ford veto of six appropriation bills.

When I hear the President state that he will veto any spending bill that exceeds the same guidelines that he has imposed on wages and prices, I will then begin to believe that this administration is serious about solving the problem of inflation and high interest rates.

□ 1110

REPUBLICAN CONGRESS WOULD GET COUNTRY MOVING AGAIN

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KRAMER. Mr. Speaker, it has been said that a taxpayer is someone who does not have to pass a civil service exam to work for the Government and, believe me, that is no laughing matter after the Democrats have been in control of Congress for 25 years.

Thanks to their leadership, the country is in terrible shape. Inflation is running at 18 percent. The national debt is fast approaching a trillion dollars. We are more dependent on OPEC oil than ever.

Tax freedom day, the day when the average American stops working for the Government and starts working for himself, will not come this year until early May. It is no wonder people are worried, worried about making ends meet, worried about whether they can afford a decent home, worried about whether they will be able to send their kids to college, after a lifetime of having worried about whether they are going to be able to retire.

It does not have to be this way. A Republican Congress would balance the budget, harness inflation, and get this country moving again.

TIME FOR A REPUBLICAN MAJORITY IN CONGRESS

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, and Members of the 2-to-1 Democrat-controlled Congress, would you believe that a pound of steak cost only 75 cents in 1954, the year your party took control of the Congress and in 1980, the 26th year of Democrat control, the same pound of steak costs $3.19? A gallon of house paint has gone from $2.89 to $16.19 in the same period of time.

The Democrat-controlled Congress is fast spending this Nation into bankruptcy, and the people deserve a change. If the dollar continues to dwindle at its current rate, in only 14 years our citizens will hold paper currency that is only worth 1 cent.

As ranking Republican member of the House Budget Committee, I have stated repeatedly that we must curb excessive spending and eliminate Federal deficits which fuel inflation and disrupt the economy. We must adopt a constitutional amendment that would require a balanced budget. We must fight for permanent tax cuts which would boost production and create jobs. We must hold down the power of Federal bureaucracy and return it—where it belongs—to the people.

The Democrat majority continues to ignore these problems.

Should their contract be renewed? No. Now, this year a change has to be made—a Republican majority in the U.S. Congress.

ANIMAL DAMAGE CONTROL ACT AMENDMENTS OF 1980

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, livestock losses as a result of predator damage have been a problem of long standing. In 1978 alone, predators were responsible for 58 percent of sheep and lamb losses and a staggering 72 percent of goat and kid losses in Texas. In addition, the USDA has estimated that during 1977 the economic impact of losses due to predation totaled $59 million in 16 Western States. Ultimately, it is the consumer who pay for these losses in higher prices for food and fiber.

Mr. Speaker, I am very concerned about the effect which current policy directives by the Secretary of the Interior would have on what recent environmental studies have shown to be responsible, effective, and essential components of an adequate predator damage management program. Therefore, today, I am joining with the vice chairman of the Agriculture Committee, the gentleman from Texas (Mr. DE LA GARZA), in introducing legislation to amend the Animal Damage Control Act of 1931. I strongly believe that this legislation reflects the desire of concerned agricultural and environmental groups to resolve this critical problem, and I urge my colleagues to join me in this effort.

PRESENTATION OF GOLD MEDAL TO FAMILY OF JOHN WAYNE

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, I would just like to advise the House that the family of the late John Wayne will be here at the Capitol this afternoon to receive on behalf of their father the special congressional gold medal which the Congress authorized last year.

I deeply regret that the medal could not have been presented to the Duke, himself, but we are grateful that the bill authorizing it was signed into law while he was still with us.

I understand that John Wayne considered this one of the greatest honors paid him in a lifetime filled with honors—which is just one more indication of the deep love and respect this man had for his Government and his country.

I am glad it pleased him because it was the least we could do to thank him for a lifetime of loving his country with a fierce loyalty and more than a little pride in its goodness and despite its faults.

Among those who will be present are: Mr. and Mrs. Michael Wayne and family, Mr. Patrick Wayne and family, Mr. and Mrs. Donal Lacava, Mr. and Mrs. Gregory Munoz, Miss Aieesa Wayne, John Ethan Wayne, Miss Mareesa Wayne, Mrs. Josephine Wayne, and Mrs. Pilar Wayne.

LET US HAVE A REPUBLICAN MAJORITY IN 1981

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, for more than 25 years we have had a Democrat majority in Congress. During that time, the Federal budget is not the only thing to have ballooned. So have consumer prices.

Bufferin will not upset your stomach, but this will. It costs $1.29, or more than twice as much to get fast, fast, fast relief in 1980 as it did in 1954. And we have twice the headaches.

Down in the valley of the Jolly Green Giant, it is much the same story. We are paying three times as much for frozen brocolli and beans as we did in 1954.

The price on a box of Kleenex has gone from 12 cents to 89 cents—that is nothing to sneeze at. And, Fasteeth denture adhesive will really stick it to you. In 1954, a 4-ounce tube cost 98 cents. Today it costs $2.89.

It is time for a change. Or perhaps I should say, it is time for some change—from your dollar that is. Let us have a Republican majority in 1981.

PERMISSSION FOR SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT TODAY DURING 5-MINUTE RULE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce be permitted to meet this afternoon during the 5-minute rule for purposes of hearing testimony on infant formula.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HOSTAGE BRACELETS

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, the Tehran hostage bracelets that I have mentioned many times since the Christmas recess have finally arrived this morning. They are available in my office for my colleagues, including yourself, sir, if you would like one.

The hostage's name engraved on the first several thousand bracelets, above the words "Never Again," and the date—11-4-79—of the overrunning of our Embassy in Tehran by terrorists, is Lt. Col. David M. Roeder, our Air Attaché in Iran. Dave Roeder's wife, Susan and their two children, Jim 14, and Dawn 8, live in the area, in Arlington. Dave is a typical outstanding American U.S. Air Force officer * * * husband, father, fighter pilot, scholar, and foreign service expert.

Colonel Roeder flew 100 combat missions over North Vietnam in the most hostile air space in the history of aerial warfare, against the Mig's, SAMS, and Soviet made radar diverted "triple A" around Hanoi and Haiphong.

He is a member of an exclusive group of pilots and pilot/POW's who survived that hell, the Red River Valley "River Rats." As an F-105 "THUD" fighterjock out of Korat he saw the worst of it.

The terrorist/students holding our Embassy stated at one point to invite Communists from Vietnam to come to Tehran and conduct a phony so-called war crimes trial against Colonel Roeder. If they dare to add one more humiliation I trust the President will take direct action.

I hope most Members will be proud in remembrance of our beleaguered 53 hostages to wear one of these "symbolic shackles."

CALL OF THE HOUSE

Mr. BRINKLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 118]

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCormack
McDade
McEwen
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nolan
Nowak
Oberstar
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1130

The SPEAKER. On this rollcall, 362 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE CONFERENCE REPORT ON H.R. 3919, CRUDE OIL WINDFALL PROFIT TAX ACT OF 1980

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight Friday, March 7, 1980, to file a conference report on the bill, H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1980.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain to us why this unanimous consent is required?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Oregon.

□ 1140

Mr. ULLMAN. The staff simply has not been able to finalize the statement of managers and the text of the language. It is a very difficult and a very complex bill, as the gentleman well knows. This is merely a request to allow them to file it as of midnight Friday.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, why does the gentleman need a unanimous consent? Is it an extension of time?

The SPEAKER. The Chair will tell the gentleman from California that when we adjourn today, we intend to adjourn for the remainder of the week. Otherwise we would have to have a pro forma session tomorrow in the event that the unanimous consent request is not in order.

Mr. ROUSSELOT. I appreciate the Speaker's comment.

Reserving the right to object, is this the new consumers' tax that we are working on, the tax that is going to go on consumers because we are going to tax the oil companies on the crude oil produced, and then it is going to be passed on to the consumers? The new tax in the conference reported bill really provides a consumers' tax, is that right?

Mr. ULLMAN. If the gentleman would yield further, that is not true, as the gentleman knows. All we want to do is have the statement available for the Members to see it. We want to get it printed. We are not going to have it ready until midnight tomorrow night. We do not want the House to stay in session. This is merely a unanimous-consent request so that we can get it filed, so that the printed copies will be available to all Members as early as possible.

Mr. ROUSSELOT. I appreciate the chairman's statement, and I am sorry to see that the Congress must now vote on another big tax on the consumers of America.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PUBLIC HEARINGS ON GENERAL REVENUE SHARING

(Mr. FOUNTAIN asked and was given permission to address the House for 1 minute.)

Mr. FOUNTAIN. Mr. Speaker, I want to announce that on Wednesday, March 19, the Intergovernmental Relations and Human Resources Subcommittee of the Committee on Government Operations, will begin public hearings on the State and Local Fiscal Assistance Act of 1972, as amended—commonly known as the general revenue sharing act—and on bills to extend and amend that legislation. The present act expires on September 30, of this year.

Members wishing to testify on general revenue sharing are invited to contact the subcommittee office (B-372 Rayburn House Office Building; extension 5-2548) as soon as possible.

Members are asked to send 25 copies of their prepared statements to the subcommittee at least 24 hours before their scheduled appearances. Written statements for inclusion in the hearing record will be accepted in lieu of oral testimony.

U.N. VOTE PUTS ANOTHER CRIMP IN U.S. FOREIGN POLICY CREDIBILITY

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, the recent seesaw of events regarding the U.S. vote on the United Nations Security Council resolution criticizing Israel, has put yet another crimp in a now less than credible U.S. foreign policy. The vote on this resolution should clearly be condemned.

Regardless of who accepts the blame for this blatant error, or who is really at fault, such philanderings, particularly when our international posture has fallen to a dramatically low point do little to win us the respect we so desperately want and need. What is most alarming about this fiasco is that it is not an isolated example of a failure in communications among our high-level foreign policy decisionmakers. Shades of the Andy Young episode which culminated in his resignation creep slowly back into our minds.

Even more recent, the wavering U.S. commitment to Pakistan—one day we were formulating an aid package, the next day we had misgivings—demonstrates a faltering U.S. foreign policy which will continue to erode any hopes to establish credible relations or alliances with other nations. The latest episode has only served to put the icing on the cake.

Mr. Speaker, we live in an interdependent world which requires, no, which demands, a foreign policy which allows us to address the many challenges we face, in a coherent fashion. Recent actions in the foreign policy realm only demonstrate that the United States still has not mastered the difficult "art of diplomacy," an art essential to regain and maintain the international credibility which our position dictates.

MOVIES TO BE SHOWN TODAY

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, I would like to invite Members and staff representatives to attend movies today which will be shown in room 2318 at 4 o'clock. This is the Science and Technology Committee room.

There are two movies being shown. One is "A Play Half Written" concerning the need for energy production. The second film was prepared by the Illinois Power Co. as an exposé of the CBS "Sixty Minutes" program on the Clinton Nuclear Plant, at Clinton, Ill. The utility company filmed CBS conducting the interviews, and prepared the documentary which shows the portions which CBS edited out—to suit their prejudices.

These films are well worth seeing, and I encourage the Members and their staffs to attend in room 2318 at 4 o'clock today.

REQUEST FOR CONSIDERATION OF SENATE JOINT RESOLUTION 149, RECOGNIZING HON. CARL VINSON ON OCCASION OF CHRISTENING OF U.S.S. "CARL VINSON"

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 149) to recognize the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson,* March 15, 1980, and a companion joint resolution (H.J. Res. 498).

Mr. Speaker, I am joined in this request by the House Armed Services Committee in honor of its former chairman, Mr. Carl Vinson, of Georgia.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. DERWINSKI. Mr. Speaker, I reserve the right to object.

Could we have an explanation of this?

Mr. BRINKLEY. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Speaker, by way of background and explanation, for the enlightenment of some Members of the House, Mr. Carl Vinson served in the Congress for 50 years. He is still living and is 96 years of age. The Navy has waived its general policy and has named the U.S.S. *Carl Vinson,* an aircraft carrier to be christened on March 15 of this year—Saturday week, after him. In conjunction with this, the Senate has passed its Senate joint resolution which would request the President to issue a proclamation extending to Carl Vinson the best wishes of a grateful nation, and expressing to him its deep appreciation.

I am joined in this request, I say to the gentleman, by more than 100 Members of the House, and also by the unanimous signing of all the members of the Georgia delegation.

Mr. DERWINSKI. Mr. Speaker, this request poses a rather delicate problem. It basically is in violation of longstanding rules we have had in the Post Office and Civil Service Committee, which are consistently upheld in the House as a whole. We have a degree of discipline over what otherwise would be many commemorative resolutions which would swamp this body. I am not aware that the Georgia delegation has checked this out with the chairman of the committee or the chairman and ranking minority member of the subcommittee. I would like to at least have the gentleman do that before we proceed, because there is a problem of precedent here in rules that I do not think we easily want to neglect.

☐ 1150

Mr. BRINKLEY. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. Yes; I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Speaker, I can satisfy the gentleman's concern that the proper procedures have been observed; at least I hope they have. Earlier today it was my privilege to discuss this matter with the gentleman from Maryland (Mr. Bauman), who, I thought, was the official objector on the gentleman's side.

Earlier, of course, I had discussed this with the gentleman from New York (Mr. Hanley), chairman of the full committee, and with the gentleman from New York (Mr. Garcia), chairman of the subcommittee, who did explain to me that the procedural policy of the committee was not to grant a commemorative type resolution, and that it had been declined for such personages as General Bradley, Mr. Bob Hope, and others. However, we, feeling that this was such a unique circumstance, called just a moment ago that we understand that the gentleman from New York (Mr. Hanley) and the gentleman from New York (Mr. Garcia) are aware that the unanimous consent request is being made and they are exercising silence.

Mr. DERWINSKI. Mr. Speaker, I want to be sure I understand the gentleman. The gentleman said they are aware. Have they given the gentleman from Georgia their positive approval?

Mr. BRINKLEY. Mr. Speaker, I will say to the gentleman that where I come from, silence gives consent. Although they have not taken a position either way on this day, they are allowing the House to work its will upon a resolution which has been passed by the Senate and where time is so very critical.

Mr. DERWINSKI. Mr. Speaker, may I advise the gentleman that I had the privilege of serving with Carl Vinson, and if we had more Members who were as patriotic and as devoted as he was, we would have a better Congress and a better country. I want the gentleman to understand that.

However, in the absence of positive assurance—and the gentleman from Maryland (Mr. Bauman) is not the Member we clear with on all matters—and in the absence of a few other contacts that I think would have to be made, I would have to object at this time.

Mr. BRINKLEY. Mr. Speaker, I wonder if the gentleman would continue to reserve his right to object and yield to me again?

Mr. DERWINSKI. All right. Mr. Speaker, further reserving the right to object, if we could meet with the gentleman from New York (Mr. Hanley), the gentleman from New York (Mr. Garcia), and other ranking subcommittee members and we could work it out on the substantive points, I probably would not object, but at this point in order to protect the situation, I must object. So, therefore, I do object.

Mr. BRINKLEY. Mr. Speaker, would the gentleman withhold for just a moment? Would the gentleman withhold his objection and yield to me under his reservation?

Mr. DERWINSKI. Yes. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Speaker, I have just received news from the Doorkeeper that the gentleman from New York (Mr. Garcia) does personally favor this resolution. In view of that circumstance, would the gentleman withdraw his objection or his reservation of objection?

Mr. DERWINSKI. No, I cannot. Mr. Speaker, this is something I would like to discuss in proper fashion with enough Members so that we can appreciate the fact that, as much as we want to honor Carl Vinson, we are not setting a precedent that will haunt us all down the line.

So, Mr. Speaker, I still must object at this point.

The SPEAKER. Objection is heard.

INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. REUSS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of Union for the further consideration of the bill (H.R. 3829) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. Reuss).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3829, with Mr. Brown of California, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Wednesday, March 5, 1980, title I had been considered as having been read and open to amendment at any point.

Pending was an amendment offered by the gentleman from Ohio (Mr. Ashbrook) and an amendment to the amendment offered by the gentleman from Nebraska (Mr. Cavanaugh) on which a recorded vote had been requested.

Does the gentleman from Ohio (Mr. Ashbrook) insist on his request for a recorded vote?

Mr. ROUSSELOT. Mr. Chairman, he does not have to.

The CHAIRMAN. For what purpose does the gentleman from California (Mr. Rousselot) rise?

Mr. ROUSSELOT. What I am saying, Mr. Chairman, is that I think that request should stay in place.

The CHAIRMAN pro tempore. The Chair will state that a recorded vote had not been ordered.

Does any other Member demand a recorded vote at this time?

Mr. ROUSSELOT. Mr. Chairman, I will demand a recorded vote. A recorded vote was already requested, but I will ask for it again.

RECORDED VOTE

The CHAIRMAN pro tempore. The gentleman from California (Mr. Rousselot) demands a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 181, not voting 42, as follows:

[Roll No. 119]

AYES—210

Addabbo
Akaka
Albosta
Anderson,
 Calif.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Bennett
Bevill
Bingham
Blanchard
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chappell
Chisholm
Coelho
Collins, Ill.
Conte
Conyers
Corman
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Ertel
Evans, Ind.
Fary
Fazio
Fenwick
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Glickman
Gonzalez
Gray
Green
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holland
Hollenbeck
Howard
Hubbard
Hughes
Hutto
Hyde
Jacobs
Jenrette
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McCloskey
McCormack
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Railsback
Rangel
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon

Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
Stack
Stanton
Stark
Steed
Stokes
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Waxman
Weiss
Whitten
Williams, Mont.
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOES—181

Ambro
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Boner
Bouquard
Brinkley
Broomfield
Buchanan
Burgener
Butler
Byron
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ga.
Ferraro
Forsythe
Fountain
Fowler
Gibbons
Gilman
Gingrich
Ginn
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Heckler
Hillis
Hinson
Holt
Hopkins
Horton
Huckaby
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McEwen
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nelson
Pashayan
Paul
Pepper
Petri
Pursell
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
White
Whitehurst
Whitley
Whittaker
Williams, Ohio
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—42

Abdnor
Alexander
Anderson, Ill.
Ashbrook
Biaggi
Boggs
Brown, Ohio
Broyhill
Campbell
Clay
Crane, Philip
Davis, S.C.
Diggs
Downey
Fascell
Fisher
Ford, Mich.
Goldwater
Holtzman
Johnson, Colo.
Jones, N.C.
Lundine
McDonald
McHugh
Mathis
Mazzoli
Murphy, Ill.
Murphy, Pa.
Nichols
O'Brien
Oakar
Rahall
Ratchford
Roberts
Runnels
St Germain
Stewart
Stockman
Thompson
Treen
Weaver
Wilson, Bob

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs for, with Mr. Jones of North Carolina against.

Mr. Biaggi for, with Mr. Nichols against.

Mr. Clay for, with Mr. McDonald against.

Ms. Holtzman for, with Mr. Diggs against.

Mr. Ford of Michigan for, with Mr. Bob Wilson against.

Mr. Stewart for, with Mr. Broyhill against.

☐ 1210

Messrs. MICHEL, WALGREN, and PEPPER changed their votes from "aye" to "no."

Messrs. ALBOSTA, CHAPPELL, and ANTHONY changed their votes from "no" to "aye."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. DANIELSON). The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK), as amended.

The amendment, as amended, was agreed to.

Mr. REUSS. Mr. Chairman, I ask unanimous consent that the bill, H.R. 3829, be considered as read and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Title I is open to amendment at any point.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: Page 2, line 22, strike out "$700 000,000" and insert in lieu thereof "$600,000,000".

Page 3, line 7, strike out "$2,749,207,988" and insert in lieu thereof "$1,649,900,000".

Page 3, line 8, strike out "$700,000,000" and insert in lieu thereof "$600,000,000".

Mr. BAUMAN. Mr. Chairman, this amendment simply is an effort to reduce the amount of the fund for special operations of the Inter-American Development Bank from $700 million to $600 million, the so-called soft-loan window and it reduces the contribution to the Inter-American Development Bank's ordinary callable capital from $2,749,207,988 to $1,649,900,000. Thus the amendment will save $1,100,000,000.

Now, why would the gentleman from Maryland seek to make these cuts in both the soft-loan window and the callable capital?

I do not know how many Members of the House noticed the other day an extraordinary event, an historic event: For the first time in 5 years of the operation of the Buget Act, you have suddenly run up against the situation in which the Congress finds itself no longer having authority to spend any more money on any new legislation, because you have run over the budget resolution limitations.

We adopted a budget ceiling for total expenditures, and we are up against that ceiling now.

It is a glorious day for the House and the other body that we have reached this roadblock, that finally you have a limitation on what you can do in the way of spending. It is unheralded in our history. I hope this trend goes forward.

Now, my amendment, I suggest to my colleagues, is an attempt to deal with that budget problem. The reason you have come to this position is because you continually vote for increases in all types of spending. Before us today we have one of the major areas of expenditures of taxpayers' funds; and that is the enormous U.S. contribution to multilateral lending institutions.

Now, I believe that the Inter-American Development Bank and any other of the institutions to which the United States is a party can undergo some very judicious and prudent pruning.

If we do not cut here and on every other bill that comes before us, we will continue to be in a situation of enormous Federal deficits and high inflation.

Now, this particular bank, the Inter-American Development Bank, for 1979 through 1982, shows a doubling of its projected loan commitments from roughly $995 million in 1979 to $1.9 billion projected in 1982.

If the Members have read the report of the Appropriations Committee of the House, or committees of the other body, they will find that there has been systematic criticism by those who have looked closely at the activities of the Inter-American Development Bank, that their loans in many instances are highly speculative, that they are not in many cases for projects that benefit the people of the countries involved, that many times there is obviously no ability of the borrowers to repay, and that generally a weakness runs through many of their loan decisions.

There has also been a problem of these loans being suggested at the end of the fiscal year when there is very little time for the U.S. directors to examine precisely where the money is going and why.

My feeling is that we in the House have a duty to begin now with the first line and the first page and the first section of this spending bill, one of the first big spending bills of the year, to start cutting. And we should do the same with every other bill.

I know there will be many arguments made for the principle that we must continue to help other countries; and we are helping other countries.

I hope some of the Members will read last week's issue of Time magazine, in the financial section, where it was indicated that multilateral lending by all of these institutions which are supported by the United States is driving the Third World nations close to bankruptcy. Many of these borrowing countries have no hope of repayment. Many of them have secured other loans from private lending institutions, such as Chase Manhattan and other American and foreign banks. And literally by continually forcing these countries into the situation where they must go to these international soft-loan institutions, we are pushing Third World countries into possible bankruptcy and even endangering our own financial institutions in the United States. Somewhere we have got to call a halt.

My amendment is a modest suggestion that we begin with the Inter-American Development Bank.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, anyone, of course, has the right, and if he believes in his proposition, indeed the duty, of offering an amendment which would have the effect of torpedoing the Inter-American Development Bank.

I oppose such an amendment, and that is precisely what this is. In my judgment, the Inter-American Development Bank is one of the most cost-effective dollar-defending investments, that we can possibly make.

☐ 1220

The amendment would, in effect, torpedo the Inter-American Development Bank, with its $8 billion of capital, by cutting down our capital contribution. It would thus render the whole Bank nugatory. It could not operate.

That capital, I remind Members, is the fulcrum which the Bank uses to raise funds in the money market from investors, on which it pays interest. It then recycles and channels that money to an area which I suggest is of prime importance to this country, namely, the hemisphere in which we live.

Now, it is true, we are in a stringent budgetary situation. It is true that we ought to balance the budget. That relates to this year's budgetary figures. That is where we are in trouble.

There is absolutely nothing of a budget-disrupting nature in this future authorization, because we will have control over the appropriations process as we proceed; so there is absolutely no relationship between this and the pickle we find ourselves in fiscally at the moment; so, from the standpoint of forwarding the great interest of the United States in seeing that there is some hope and economic progress and movement toward democratic institutions in this hemisphere, I hope that the amendment will be voted down.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I thank the chairman for yielding.

I think the most important thing for the Members and the Congress to understand is that this negotiated agreement is a substantial improvement for the position of the United States. One of the major concerns that we have had is that of the share of the burden being borne by the United States to support the development banks. Under this agreement the burden of the United States has decreased by more than 25 percent. The U.S. share of the capital increase will be 34 percent, compared with our current obligation of 36 percent.

The U.S. share for capital for funds for special operations declines from 61.6 percent of the total burden to 40 percent, an absolute reduction in the U.S. obligations of more than $13 million.

So this agreement has been negotiated with a view to spreading the burden on a broader basis among the participating nations and lessening the burden that the United States has to bear and acknowledging the fiscal constraints that we are seeking to achieve and reduce in our participation in these multinational development banks, at the same time protecting our interests and commitments. The only effect of this amendment would be to destroy those negotiations and destroy those very real advances that have been made in terms of sharing this burden of the development banks that has been made.

Mr. REUSS. Mr. Chairman, the gentleman is so right. The effect of the amendment would be simply to destroy an excellent taxpayer protecting bargain that has been made and to snatch defeat from the jaws of victory.

I think it is a very uncost effective amendment and should be voted down.

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of this amendment and I disagree with my distinguished colleagues who say that this amendment would destroy this bank. I do not believe that it would. To the contrary, I think it might help strengthen the bank to the place that we might be getting some real development for the dollars that are being put into the banks.

We will recall that last year the Appropriations Committee had an investigative study commissioned. That study was made and one of the most significant criticisms that this study made of the operation of the banks was that they are pushing quantity of loans, quantity of development, quantity of dollars, with not enough quality. There are nearly 200 pages of that type of criticism of these banks.

I believe that we could actually delay for a full year any further contributions to any of these banks and give them that year to tighten up on their procedures.

I think that it is in order that we ask them to tighten up on their procedures. I believe that it is in order for them to start producing quality of development, as opposed to quantity of loans and quantity of dollars moving.

I say that especially recognizing that in the last 7 days the Government of the United States is calling on its people to accept less funding in the social security program than was anticipated, less funding in the food stamp programs than were anticipated. In fact, we are being asked to provide less funding in almost every program that our Government provides than was originally anticipated.

Now, if we are going to ask our people to cut back, and I am willing to do that, by the way, but if we are going to ask our own people to cut back, we certainly ought to be willing to ask those who run the international financial institutions to cut back a little as well.

I am sure Members have read in the morning newspaper the same as I did that mortgage institutions in Washington, D.C., are now charging 17 percent to persons borrowing money to buy or to build a home, 17 percent. Now, one reason that interest rate is getting so high is because the U.S. Government is coming into the money markets to borrow money in a market where the money is becoming less and less available. Because the money is less available, they are having to pay higher interest rates.

Now, the higher interest rate the Government is willing to pay, that means that much higher interest rate the average consumer is going to have to pay.

It is belt-tightening time in the United States. Our economy is in desperate straits. Pay close attention to the Senator from Massachusetts, who talks about an annual inflation rate of 18 or 20 percent and says that the people just cannot survive with that kind of inflation. At least on that point, he is right and I agree with him.

The programs that we are talking about here, asking the Inter-American Development Bank or the Asian Development Bank to cut back on their programs, I think, is consistent with the request that we are making to the American people for them to cut back.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I would be happy to yield to my distinguished colleague, the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman from Florida for yielding. I associate myself with the gentleman's remarks totally.

I think the distinguished chairman of this committee, missed the whole point of the amendment of the gentleman from Maryland when the gentleman spoke about what harm it is going to do to the bank. The point of the amendment of the gentleman from Maryland is just simply this, besides the point the gentleman from Florida already made, that if Americans are asked to cut back, our aid to foreign countries legitimately ought to be cut back even before domestic programs are cut; but the most important thing is if America is going to be in an economic position to help other countries in need, we have to be economically strong from within, because if we do not get our own economic house in order and this country goes down the drain, there is not going to be any opportunity for us to help any other country; so we had better look inwardly first, get inflation under control, get the monetary policy and the fiscal policy of this country under control, or there will not be any possibility of helping the Inter-American Bank in the future.

Mr. YOUNG of Florida. Mr. Chairman, the gentleman makes a very persuasive point.

I want to say again that the investigative study made by our own Appropriations Committee has established beyond any shadow of a doubt that there is a lot of room for improvement in the operations of these banks. The only way that we are ever going to get that improvement is to put them in the position of having to operate with less money.

The CHAIRMAN pro tempore (Mr. Danielson). The time of the gentleman from Florida (Mr. Young) has expired.

(At the request of Mr. Stanton and by

unanimous consent, Mr. Young of Florida was allowed to proceed for 2 additional minutes.)

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I am happy to yield to my friend, the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, I appreciate my friend yielding. I really want to apologize to the gentleman from Florida for asking the gentleman to yield, and I am glad the gentleman from Iowa did it before me; but the gentleman from Florida was eloquent. The gentleman was outstanding. I have heard good speeches on this floor, but honestly, the remarks of the gentleman from Florida were just outstanding. It almost makes me want to sit down.

Then the gentleman from Iowa got up.

You know, this House has been led to believe that the gentleman from Florida is against this bill. I am getting that impression.

I just want to ask a couple simple questions, if the gentleman could answer them.

Somebody said at our desk that this was the Young amendment, but the gentleman from Maryland introduced it. Now, why was that; can the gentleman from Florida tell me that?

Mr. YOUNG of Florida. I just have an idea that any time anybody goes to work on the international banks, I am probably blamed for most of it, because I have been one of those in the forefront of that particular crusade.

Mr. STANTON. The gentleman from Florida has done an excellent job doing that; but did the gentleman just take some amendments and pass them around? I mean, did the gentleman have amendments that the gentleman made up and did not offer, but gave them to somebody else to offer? Is that the situation?

Mr. YOUNG of Florida. I have a folder full of amendments. I have not decided whether I will offer them all or not. If the gentleman would like for me to offer all of them, I will be glad to. I do not have a very busy schedule today and I have plenty of time today for that purpose.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I want to make clear to the gentleman from Ohio that this is the Bauman amendment. That authorship alone may pass it when the doors are opened and the rollcall bells will ring; but nevertheless, it is my amendment and if the Members of the House want to cut $1 billion $100 million and I get credit for having suggested it, fine. I hope the gentleman from Ohio will join with us so the gentleman's Ohio district taxpayers will know that the gentleman also wants to save $1 billion $100 million.

□ 1230

Mr. YOUNG of Florida. I am sure in the final analysis the gentleman will very likely make that same decision.

Mr. STANTON. Could I ask the gentleman in a serious vein a question? This is really important.

The CHAIRMAN pro tempore (Mr. Danielson). The time of the gentleman from Florida has again expired.

(At the request of Mr. Stanton and by unanimous consent, Mr. Young of Florida was allowed to proceed for 2 additional minutes.)

Mr. STANTON. Will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman.

Mr. STANTON. What I read here is that the U.S. share of the Inter-American Development Bank was $2.7 billion spread over the years, which is now down to 34.5 percent of the bank's replenishment for the years ahead. The gentleman has cut it to $1.649 billion; is that correct?

Mr. YOUNG of Florida. I would yield to the gentleman from Maryland to respond to that, since it is his amendment.

Mr. BAUMAN. That is correct.

Mr. YOUNG of Florida. That is correct. The gentleman advises that is correct.

Mr. STANTON. Does the gentleman really want to cut it? I never believe that our chairman or anybody who says they are going to cut the bill, but literally the way I read this we are authorizing over the years to come 34.5 percent of the $8 billion. The gentleman cuts it some 40 percent. So, does the gentleman think that the United States of America contribution to these things—and at one time we contributed up to 60 percent—we ought to cut our participation down to less than 20 percent, down to about 18 percent?

Mr. YOUNG of Florida. There will be another amendment?

Mr. STANTON. No; I do not think the gentleman really wants that. I just think the gentleman got carried away on this thing. I know that we should cut somewhere else, probably some other time. But I have to say to the committee that really this goes too far, and I would hope that we really would not waste too much time on this thing because it really is an overkill proposition. Especially it wastes too much time, I would say to my friends on the other side of the aisle, when the gentleman has a series of amendments. Let us sit down and talk about this.

Mr. YOUNG of Florida. I would say to the gentleman there will be another amendment to reduce the period of time for which this money is being appropriated. I would say to the gentleman there are some of us who do not think we ought to be appropriating or authorizing for that many years in advance to these international institutions. We believe that we can tighten our belts here, if we can make the American who is living on social security tighten his belt.

The CHAIRMAN pro tempore. The time of the gentleman from Florida has again expired.

Mr. GONZALEZ. Mr. Chairman, I move to strike the last word and speak against the amendment.

Ordinarily, I would not impose on the House and take this time, or impose on myself. But actually this record does need some clarification in view of what has been said here. Also we need to get back to the issue, which is the pending amendment.

I was quite gratified to see that the gentleman from Florida has endorsed the Senator from Massachusetts. I think he could use some of that endorsement.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am glad to yield.

Mr. YOUNG of Florida. I think if the gentleman will read the transcript, he will find I suggested that the Senator from Massachusetts was right in that instance when he said that the people of America will not be able to survive with an inflation rate of 18 to 20 percent. Now, he is not always wrong.

Mr. GONZALEZ. Well, I think that is a pretty good endorsement for Florida, and perhaps the Senator from Massachusetts will be reading the Record, if he has time off from the campaign, the gentleman might find him calling on the gentleman's doorstep back in Florida.

But now let us get back to the amendment. In the first place, this amendment, typical of what we have gone through in this ritual not only in this authorization process but in the appropriation particularly, is in reality the constant attempt made by those who have never voted for the multilateral, international financial institution approach which, incidentally, is the answer offered by the opponents of bilateral or foreign aid as the business-like, expeditious, national interest to the United States approach to the problem of our contributing in partnership and in conjunction with other nations with reference to special targeted areas of the world.

Now, what this amendment is—it is not, I do not believe, seriously offered as it is explained, as a measure of economy, as a measure to save an appropriate sum. On the contrary, it will do the very opposite. It will not only cut, it will gut, because I think the gentlemen are well versed enough, and I certainly would not question the expertise and the knowledge of the gentleman from Florida. Now, maybe perhaps the gentleman from Maryland, since he has multifaceted activities on the floor as the de facto minority leader, I would not expect him to have the expertise or the technical knowledge of the financing involved here. For example, the principal reason I say it not only cuts, it guts, is that the only thing we really have in any participation in any bank by way of a veto power is in the Inter-American Development Bank. Were we to adopt this we would, if the intent were carried out, we would, in effect, be dropping out from the controlling voice in that bank, first. So if at any future time the opportunity presents itself to offer Cuba—which is the great nemesis of the gentleman and mine as well, let me say I take no second place. I was not one of those who traveled to Cuba to stroke Castro's beard and kiss his fanny. But I think some Members I see over there did. So I would say if he wants to ensure that happening, let his amendment go through where the United States will not be able to veto it.

Second, it will destroy the replenishment fund, because if we failed to carry out our agreed commitment as reflected in this bill in the amount which is the bare bones amount that we are offering in this bill, then we will have to continue to limp temporarily on the other members' contributions, that are the only ones that are keeping the replenishment fund alive.

So I say to my fellow Members, if we want to vote to kill our participation, as a matter of policy, in this bank, then go ahead and vote for the amendment. But, if we want to delude ourselves into thinking we are voting for economy or to properly cut, then we are deluding ourselves.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am bearing in mind the caution the gentleman from Ohio on the other side made in terms of debating this amendment. However, I want to make a couple of points.

I represent a district which suffers from abject poverty, a district which is being torn by high unemployment, a district that is bearing the burden of inflation disproportionately.

I am defending our foreign aid programs and I am defending the proposition before us in this legislation. I think our people who are suffering are wise enough to recognize that America cannot turn its back on the rest of the world without ultimately inflicting major damage on those who are already suffering in this country.

I think it is a very specious argument to raise when one says we must tighten our belts here and, therefore, we must tighten our belts abroad. I think it is a specious argument because the belt-tightening process shas already started. Under the agreement that was worked out we have the nonregional members in the Inter-American Development Bank now prepared to take a share of the capital increase, 11 percent, which is 2.5 times larger than their current share of 4.4 percent, and will increase their cumulative share to 7 percent. Now that that agreement has been worked out, if indeed we charge our contribution, then we have got to go back to these nonregional members and ask them to take on a share larger than they have already agreed to.

☐ 1240

Let us defeat this amendment. It is ill-conceived, and certainly it is not timely.

Let me again in conclusion point out that although we are going to tighten our belts in this country, although there is poverty, although there is unemployment and all of those things that need to be addressed, we must never take the short-range view of America. We must never take the short-range view that America somehow or another must renounce its position of world leadership. Certainly what this amendment proposes would be tantamount to America's taking that position.

Mr. Chairman, I yield back the remainder of my time.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, I have tremendous respect for the gentleman from Maryland (Mr. BAUMAN) and the gentleman from Florida (Mr. YOUNG). I believe the gentleman from Maryland (Mr. BAUMAN) has helped us greatly in becoming much more aware of the necessity of having great knowledge regarding the parliamentary process and also the necessity of examining with the greatest scrutiny every dollar that is spent by the Federal Government. No one in the House of Representatives and no one in the Congress has helped bring about greater oversight of all the international financial institutions than has the gentleman from Florida (Mr. YOUNG). For that we should be very, very grateful. However, I believe their advocacy of this amendment is misguided. I think that we must distinguish, whenever we are viewing Federal expenditures, between those expenditures that are going for domestic purposes and those that are going for foreign purposes; and whenever we are talking about foreign assistance, it is necessary to distinguish between bilateral aid and multilateral aid.

Then we have to consider after making those distinctions the appropriate role that the U.S. Congress should play in the authorization and appropriation process. We have an appropriate role to play, whatever the expenditure might be. But it seems to me that there has to be a greater deference shown by this institution, this legislative body, whenever we are considering multilateral aid, the reason being by the time a bill comes to this floor when we are considering multilateral aid, international commitments have been made, and really the honor and commitment of the United States is at stake.

That is not to say we should not have a role. Of course, we should. That means there is an obligation on the part of the administration to work much more closely with the Congress in the formulation of U.S. participation prior to its commitment. This means that there should be bipartisan consultation and concurrence by the leading Members of the House and the Senate concerned with the particular bill before it is introduced in the House. That is exactly what has happened here.

Before this replenishment was agreed to, advisers from Congress were sought on both sides of the aisle, and the gentleman from Ohio (Mr. STANTON), the ranking minority member of the Committee on Banking, Finance and Urban Affairs, was asked his opinion. The gentleman from Illinois (Mr. HYDE), the ranking minority member of the subcommittee was asked, and they not only are supporters but sponsors of this legislation. What we do now is totally nullify that process and go to all the other nations of the international community and tell them that the agreement that we entered into in December of 1978 is now null and void and must be renegotiated. By the charter, the other nations, once an agreement is made, have to contribute a certain percentage. The United States has to contribute a certain percentage. For every single dollar that we would cut, we would then have to have the other nations make a similar percentage cut, only their absolute dollar cut would be much greater since the other nations are contributing much more than the United States. So it is not just the United States alone. We would be forcing another replenishment session in which they would have to also agree to cut their contributions.

As a byproduct of what would happen, we would also potentially lose the veto power the United States presently has. Further, we are talking about a big cut, $1 billion—$1 billion—of callable capital. That is the biggest cut in this amendment by far. What is callable capital? Basically, it is the same thing as a loan guarantee, such as the loan guarantee for Chrysler, for New York City, for Lockheed, on which not one single solitary dollar has ever had to be paid out. In this amendment the largest part by far is the cut in the capital provision, most of which is for callable capital.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. CAVANAUGH, and by unanimous consent, Mr. LAFALCE was allowed to proceed for 2 additional minutes.)

Mr. LAFALCE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding. I want to commend the gentleman for his comprehensive statement of what this amendment would do. I agree with the gentleman from Ohio that we should not prolong the discussion on this amendment other than to make it clear to our colleagues in the House how destructive this amendment is even to the primary and overriding goal and concern of controlling inflation, because we clearly realize—and we have suffered over the past 7 years from importation of the world's inflation—that certainly the inflation that ravages Latin America is far more extreme than that we currently suffer. The primary cause of that inflation is a lack of capital to increase the productive capacities of those nations. If we reduce our contribution to this Bank, as the gentleman from New York (Mr. LAFALCE) has pointed out, every other nation is bound and obligated to reduce its contribution.

How are the loan proceeds of these banks applied? To create economic infrastructure; they go to create transportation, communications, hydroelectric projects, rural electrification. On it depends the basic capacities of these nations which relieve the United States of the obligation for foreign aid for giveaway programs. These are banking and construction projects. These are sound economic projects that lessen the world's inflation and lessen the inflation imported into the United States from foreign countries, while at the same time spreading the burden and obligation for creating this infrastructure among many more nations. This amendment, the Bauman amendment, destroys all of the constructive economic goals which the legislation is designed to achieve.

Mr. EVANS of Delaware. Mr. Chairman, I move to strike the requisite number of words.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the bill, H.R. 3829, to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, but I do so with some reservation.

This legislation is essential not only to the developing nations of the world, but it is of immense importance to the United States and the major industrialized nations. Indeed this authorizing legislation for our participation in these international financial institutions comes before us at a critical stage in the evolution of American foreign policy. As the United States reassesses the balance of power and its relations with the Soviet Union, the strategic, political, and economic importance of many of the developing countries in Asia, Africa, and Latin America cannot be underestimated. It is precisely because of our past neglect of these countries that we must reexamine the various instruments for implementing our foreign policy objectives.

Bilateral economic and bilateral food aid international organization programs, and multilateral development banks have been essential components of our policy toward the developing countries of the world. However, the multilateral development banks provide the most unique form of assistance to the developing countries, when viewed in the context of their fostering autonomous economic growth and development.

The Inter-American Development Bank, the Asian Development Bank, and the African Development Fund concentrate in adapting multilateral assistance to the particular needs of their geographical areas.

Unlike the World Bank and other international agencies, these multilateral development institutions place great priority on institution building and strengthening specific organizations and systems in the participating countries. ADB and the AFDF have financed social and industrial or agricultural aid, capital projects, and agricultural and social programs, respectively. Consequently, the bulk of the activities of these international financial institutions, particularly the Inter-American Development Bank which would receive the bulk of the aid in the proposed legislation reflect the preferences of the borrower countries.

The autonomy of the borrower countries is further enhanced because the determining factor of the role of the assistance provided by these international financial institutions is their internal economic policies. Accordingly, our participation in these regional development institutions should be viewed as an opportunity for us to develop a foreign policy instrument which is acceptable to the countries we are assisting as well as ourselves. Of course, if we keep these factors in perspective as we deliberate on this bill, the question has to be answered as to whether our contribution in these three institutions is really adequate to meet the needs of the borrower countries—I think not.

The Inter-American Development Bank agreed to focus 50 percent of its lending activities in creating productive employment opportunities for low-income groups. Similarly, the African Development Fund targets its resources primarily to those countries with per capita incomes of less than $280. Although the Asian Development Bank concentrated approximately 60 percent of its aid on capital projects from 1965 to 1972, there has been a shift in its pattern of assistance to the poorer segments of the populations of the poorer countries. As such, the concessional loans of the Asian Development Bank will benefit six of the poorest countries in the world—Pakistan, Burma, Nepal, Afghanistan, Bangladesh, and Sri Lanka. Ironically, recent events in Afghanistan have again crystallized the political and strategic importance of developing countries to our foreign policy.

The legislation proposes $4 billion to meet the U.S. participation requirements in the three multilateral development banks during the period 1979 to 1982. Of the $4 billion, $2.5 billion is for the callable capital subscriptions; the remaining $1.5 billion represents the paid-in capital subscription and concessional funding for the Inter-American Development Bank and is a budget outlay. Since the budgetary outlays are not tied to the callable capital subscriptions, the outlay effect of this authorization bill will be stretched over an 8- to 10-year period.

I submit that the proposed level of funding in this authorizing legislation does not go far enough in meeting the needs of the developing countries in Latin America, Asia, and Africa. For example, the proposed U.S. replenishment in the Inter-American Development Bank for 1979 to 1982 would represent a 5.6-percent reduction from the 1976 to 1978 funding level. The reduced funding will have an especially severe impact on development activities since reductions are targeted to the middle level and poorer countries.

The U.S. share of the Asian Development Bank's $2.15 billion replenishment during the period from 1979 to 1982 is $445 million or 20.7 percent of the total replenishment. The fiscal year 1979 Foreign Assistance Appropriations Act suggested a 22.24-percent share of the total replenishment.

Similarly, but more disproportionate, given the prospective strategic and economic importance and need of several nations in Africa, the 17.5-percent U.S. contribution to the African Development Fund is less than the 20 percent of the total replenishment of $713.5 million. Although our contribution has increased from the less than 6-percent level of 1976 to 1978, inflation, energy price increases, and balance of payments deficits that have occurred since then will substantially erode the effectiveness of the $125 million slated for the poorest of the African countries.

Not only is the proposed level of the funding in this bill inadequate in light of the needs of the developing countries and our foreign policy considerations, but if we access the long-run implications of the funding for the American economy, there would be a prima facie case for increasing our participation in the banks. If we examine the period 1972 to 1977, the direct loan activities of the banks generated real increases in U.S. GNP of between $1.2 and $1.8 billion per year. Even if we were to make a conservative estimate of the total impact of the bank's activities, we added roughly $10 billion to our GNP. Therefore, when I hear the arguments about the level of our participation having been too large, I have trouble understanding their basis. Undoubtedly, had our level of participation reflected the needs in the developing countries, the direct employment, balance of payments and the dollar benefits would also have been better for our country.

I applaud the members of the Subcommittee on International Development, Institutions and Finance of the House Committee on Banking, Finance and Urban Affairs for adding a provision to the bill to provide procurement opportunities for large and small U.S. businesses. While I believe such a measure is in furtherance of reducing our trade deficit and thereby improving our balance of payments position, it is also essential that minority firms get a fair share of the procurement opportunities targeted to U.S. businesses. In the absence of involving minority firms in these opportunities, our evolving foreign policy will not reflect the needs of all Americans.

I understand the committee's concerns about human rights violations since our development assistance activities are aimed at improving the quality of life in the recipient countries. Indeed, in the long run the cause of human rights throughout the world is likely to benefit more from the activities of these institutions in conjunction with other forms of developmental assistance than from preoccupation with the mere form of human rights.

In the final analysis, this instrument of our foreign policy should work to promote the economic growth and development of the recipient nations and thereby our own standard of living.

I urge my colleagues to vote for H.R. 3928 without any crippling amendments.●

Mr. EVANS of Delaware. Mr. Chairman, I share the concern of many of the Members of this body about the need to do something about the inflationary spiral that we are in. We must exercise restraint because Government spending is still the prime factor in promoting inflation in this country. I recognize the concern of many Members of this body about the funding level for the Inter-American Development Bank at a time when there is a clear need for fiscal restraint in the United States. However, I would like to make several points.

The United States was successful during the replenishment negotiations in cutting back the percentage of our contribution to the Inter-American Development Bank. We achieved a more equitable and responsible sharing of the burden. Other nations increased their percentage share. We have already tightened our belts and now this amendment calls for an additional 40-percent cut which will in all probability cripple the effectiveness of the Inter-American Development Bank.

□ 1250

One of the problems that concerns me now is America's word and the perception of stability and trust that the people have in the United States.

There is precious little trust today, I might add, around the world in what America says.

Mr. Chairman, I think this is an opportunity for us to reenforce our word and I think it is also important to point out that the Inter-American Development Bank is one of the most effective instruments we have for exercising leadership and promoting growth and stability in the developing countries of the world.

Mr. Chairman, I might add in response to my distinguished friends on this side of the aisle that I believe it is in our national security interests as well, to do something to promote stability in the developing nations of the world. It is in our interests to promote stability in the Caribbean, and Central America, in South America. I would therefore suggest that we do have an East-West confrontation going on at the present time between the free nations of the world and the totalitarian nations of the world.

Mr. Chairman, I think the Inter-American Development Bank is a very effective means, a very effective instrument for winning the East-West confrontation and for promoting genuine peace throughout this world.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. Certainly I yield to my friend, the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I take this opportunity to thank the gentleman and to thank him for a most succinct and most valuable statement and appraisal of the situation. The gentleman sits on the subcommittee and is a valuable, constructive, creative, and responsible member of the subcommittee. I wish to acknowledge our debt to the gentleman and to say that this statement he has given should be reprinted and spread around because it is true if at any time it was critical that we maintain our confraternity, participation, and interests in such things as the Inter-American Development Bank it is now.

Mr. Chairman, I thank the gentleman for a most eloquent statement.

Mr. EVANS of Delaware. Mr. Chairman, I thank the gentleman for his kind remarks.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Seldom do I find myself in disagreement with the distinguished gentleman. However, in the gentleman's very strong statement that the gentleman from Texas says should be spread around, if we are going to spread it around I think the other side of the question should be presented.

Mr. Chairman, if what the gentleman says is true—and I am sure the gentleman believes it to be true—then why have not the some $8 billion we have already put into the Inter-American Development Bank stabilized the Third World countries that we would like to see stabilized?

The CHAIRMAN pro tempore (Mr. DANIELSON). The time of the gentleman from Delaware (Mr. EVANS) has expired.

(At the request of Mr. YOUNG of Florida and by unanimous consent, Mr. EVANS of Delaware was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield further?

Mr. EVANS of Delaware. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, in September just past, most of the nations that have been the recipients of development loans from this bank took to the platform in Havana, Cuba, to severely criticize and condemn the United States for our imperialism toward them, which we thought were development attempts, and also to speak out very strongly in behalf of the Soviet Union who have sent nothing in the way of foreign assistance to these countries.

If what the gentleman says is true, I would be happy, but it is my opinion that the $8 billion we have put up so far has not had the stabilizing effect to which the gentleman refers.

Mr. EVANS of Delaware. Mr. Chairman, I agree completely that the gentleman's side of this argument and his statement should appear with mine. It should be printed, and it will be printed in the RECORD. However, Mr. Chairman, I stand behind what I said previously.

Mr. STANTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when we come to vote, I hope within a minute here, we really have got to remember that it is more than just a reduction of $100 million. What we have got really, when we come to vote, is to consider that this year, over a 4-year period, the United States of America is asked to contribute to the Inter-American Development Bank some $2.74 billion in callable capital, which is 34.5 percent of what the rest of the world is going to contribute. The total is $8 billion.

The amendment would cut $1.649 billion from the authorization of the callable capital, which would cut it down to around 15 or 18 percent. I think, when the Members come to vote, Mr. Chairman, they will want maybe a little cut of some kind or other, but something like this, I have to agree with the other side, is clearly out of line.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. It appears that a quorum is not present. Pursuant to the provision of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 120]

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fisher

Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee

Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCormack
McDade
McEwen
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe

Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stokes
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

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The CHAIRMAN pro tempore (Mr. FOLEY). Three hundred and seventy-four Members have answered to their names, a quorum is present, and the Committee will resume its business.

The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote.

PARLIAMENTARY INQUIRY

Mr. LAFALCE. The Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. LAFALCE. Are we about to vote, Mr. Chairman on the Bauman amendment——

Mr. BAUMAN. Regular order, Mr. Chairman.

The CHAIRMAN pro tempore. The Chair will receive a parliamentary inquiry from the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Are we about to vote on the Bauman amendment that would cut over $1 billion——

Mr. BAUMAN. Regular order, Mr. Chairman.

Mr. LAFALCE. And thereby force a renegotiation of an agreement entered into in December 1978?

Mr. BAUMAN. Will the gentleman repeat the $1 billion cut several times for the membership?

Mr. LAFALCE. Is that the amendment before us?

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. Five minutes will be allowed for the vote.

The vote was taken by electronic device, and there were—ayes 219, noes 170, not voting 44, as follows:

[Roll No. 121]

AYES—219

Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Boner
Bouquard
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Burgener
Butler
Byron
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Cotter
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derrick
Devine

Dickinson
Dicks
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Ga.
Evans, Ind.
Findley
Fish
Fithian
Flippo
Forsythe
Fountain
Fowler
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Hansen
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Hubbard
Huckaby
Hughes

Hutto
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Pashayan
Patterson
Paul
Petri

Porter
Quayle
Quillen
Rahall
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Rousselot
Royer
Rudd
Russo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp

Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Steed
Stenholm
Stump
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible

Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—170

Addabbo
Akaka
Alexander
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bereuter
Bingham
Blanchard
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Brodhead
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
D'Amours
Danielson
de la Garza
Dellums
Derwinski
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Evans, Del.
Fary
Fazio
Fenwick
Ferraro

Fisher
Florio
Foley
Ford, Tenn.
Frenzel
Frost
Garcia
Gephardt
Giaimo
Gonzalez
Goodling
Gore
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Holtzman
Howard
Hyde
Jeffords
Johnson, Calif.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lehman
Leland
Lloyd
Long, La.
Lowry
McCloskey
McCormack
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murtha
Nedzi
Nelson

Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Reuss
Richmond
Rodino
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Stokes
Studds
Swift
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Zablocki

NOT VOTING—44

Abdnor
Anderson, Ill.
Ashbrook
Biaggi
Boggs
Broyhill
Campbell
Chisholm
Clay
Crane, Philip
Davis, S.C.
Diggs
Fascell
Ford, Mich.
Goldwater

Harsha
Horton
Johnson, Colo.
Jones, N.C.
Long, Md.
Lundine
McDonald
McHugh
Mathis
Moore
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Neal
Nichols

O'Brien
Ratchford
Roberts
Runnels
Santini
Stewart
Stockman
Stratton
Thompson
Treen
Ullman
Weaver
Wilson, Bob
Wilson, C. H.

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The Clerk announced the following pairs:

Mr. Nichols for, with Mrs. Boggs against.

Mr. Jones of North Carolina for, with Mrs. Chisholm against.

Mr. McDonald for, with Mr. Clay against.

Mr. Runnels for, with Mr. Ford of Michigan against.

Mr. Abdnor for, with Mr. Stewart against.

Mr. Moore for, with Mr. Thompson against.

Mr. Broyhill for, with Mr. Stratton against.

Mr. Anderson of Illinois for, with Mr. Biaggi against.

Mr. Goldwater for, with Mr. Diggs against.

Mr. Campbell for, with Mr. Murphy of New York against.

Mr. Ashbrook for, with Mr. Ullman against.

Mr. Philip M. Crane for, with Mr. Charles H. Wilson of California against.

Mr. DICKS changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

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The CHAIRMAN pro tempore (Mr. Edwards of California). Are there further amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—ASIAN DEVELOPMENT BANK

Sec. 201. The Asian Development Bank Act, as amended (22 U.S.C. 285 et seq.), is further amended by adding at the end the following new section:

"Sec. 24. (a) The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States $445,000,000 to the Asian Development Fund, a special fund of the Bank: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are hereby authorized to be appropriated without fiscal year limitation $445,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the Asian Development Fund authorized by this section by letter of credit in four annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.".

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Chairman, I reserve the right to object.

Will the gentleman change the request to title II, that it be considered as read, printed in the Record, and open to amendment at any point?

Mr. GONZALEZ. Would the gentleman restate his request?

Mr. ROUSSELOT. Mr. Chairman, I am reserving the right to object. Will the gentleman be kind enough to just say that title II will be considered as read and open to amendment at any point?

Mr. GONZALEZ. Mr. Chairman, I revise the request to read that I ask unanimous consent that title II of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wolff: Page 4, immediately after line 21, insert the following new section:

Sec. 202. The Asian Development Bank Act, as amended by Section 201 of this Act, is further amended by adding at the end thereof the following new section:

Sec. 25 (a)(1) Upon the establishment of a special refugee fund administered by the Asian Development Bank, the United States Governor of the Bank is authorized to contribute to that fund on behalf of the United States 25 percent of the total amount contributed by all countries to that fund, subject to the limitation contained in subsection (b) of this section. This special refugee fund shall assist regional developing member countries of the Bank impacted by service as sites for temporary asylum for refugees from South and Southeast Asia prior to their resettlement in third countries.

"(2) The special refugee fund should also be available to help any regional developing member country which may wish to formulate development plans for regions of that country which that country judges to be suitable for permanent resettlement of refugees from South and Southeast Asia.

"(b) In order to pay for the United States contribution provided for in this section, there is authorized to be appropriated without fiscal year limitation not to exceed $100,000,000 for payment by the Secretary of the Treasury.

"(c)(1) The President shall encourage other countries to support the establishment of, and to contribute to, the special fund described in subsection (a) of this section.

"(2) In addition, the President shall encourage the World Bank and other appropriate multilateral development banks to establish funds similar to that described in subsection (a) of this section to aid in the permanent resettlement in third countries of refugees from South and Southeast Asia."

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, basically this amendment should be appropriately called a burden-sharing amendment. It is designed to encourage the international donor community and the international banking community to join forces to help make refugee resettlement programs self-supporting, instead of being just the sole responsibility of the United States.

Thus, while we are asking no funds from the Congress for this amendment, eventually, if the Asian Development Bank agrees to go along with our suggestion, any moneys contributed by the United States could reasonably be expected to offset the need for money directly donated to less productive refugee programs throughout Asia and will in effect, cause refugee relief in the form of resettlement to become an international project, rather than a U.S. project alone. When the Asian Development Bank accepts our proposal, and in the event the Bank's members agree to contribute to an Asian Refugee Resettlement Fund, then and only then would the Congress be asked to authorize money. At that time, our amendment would limit to 25 percent of the total of the Fund the maximum the United States could be asked to contribute. Thus, this Fund would be similar to other United Nations and similar international projects, such as the World Bank, which we have traditionally funded at a 25-percent level.

So in essence, our amendment, which will cost the United States nothing at this stage, is a "self-help" measure in the best sense of the word, for it should help stimulate action by opening up the possibility of U.S. funding, but only if the Asian nations themselves agree to take the initiative, and bear the brunt of the financial responsibilities.

Our intent in proposing this special matching fund is to give emphasis to development in presently underdeveloped and/or underpopulated areas of Asia without disrupting the existing social or economic balance. The nations of first temporary asylum must be assured that they will not be saddled with a permanent "residue" of refugees for whom they must shoulder the burden, without hope for the future.

Our amendment also makes clear that the President is to encourage a similar matching fund from the World Bank, and that the President should work to encourage world donations to the Refugee Resettlement Fund.

For now, we face the tragic humanitarian prospect of up to 1 million refugees fleeing Afghanistan for Pakistan by this spring. This mass exodus, in itself as great as that in Indochina, is simply beyond the capacity of Pakistan, and the existing United Nations program, to adequately support.

At this critical time for the Afghan people, world support is vital to their survival. For the long range, such projects as can be funded by the Asian Development Bank can help make them self-supporting, and thus help Pakistan weather the stormy seas it is now braving to support the Afghans seeking safety on her soil.

And as for Indochina, this House has heard too many times in the past year about the horrifying conditions under which hundreds of thousands of refugees from Vietnam, Laos, and Cambodia are suffering.

It is essential that ways and means be found to help convert these people into productive members of the Southeast Asian community, resettled peacefully and productively elsewhere in the world.

Our amendment would help the Asian Development Bank explore ways of allowing the refugees to help themselves, instead of being permanent international wards.

Thus, in both Indochina and south Asia, our amendment, with the cooperation of the Asian Development Bank, could be a key to perserving economic viability and social stability in two regions of vital strategic significance to the United States.

Let me underline again that we are asking for no money from the Congress at this time, and will do so only in the future event that the Asian Development Bank agrees to set up and administer a special matching fund for refugee resettlement.

In conclusion, I have discussed this concept on many occasions with the U.S. representative to the Asian Development Bank, and can assure this House that he is enthusiastically behind the idea, as are officials of the United Nations, and other international experts, who are involved in trying to alleviate the plight of the more than 1 million refugees in Asia.

I urge support for our amendment, and thank Chairman Reuss and Chairman Gonzalez for their support on behalf of the Banking Committee.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I would be happy to yield.

Mr. STANTON. Mr. Chairman, I wish to compliment the gentleman on this amendment. I think we could find almost universal support for aid for the refugees and their help can be best coordinated by this Asian Development Bank.

I think that the gentleman has worked it out very well percentagewise. I congratulate the gentleman. I know of no objections on this side of the aisle to the amendment of the gentleman.

Mr. WOLFF. Mr. Chairman, I thank the gentleman.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I would be happy to yield.

Mr GONZALEZ. Mr. Chairman, I commend the gentleman for this amendment. We have discussed it months ago. We have had ample opportunity to study it. I think essentially that we ought to point out that the amendment calls for a matching fund. It is like a challenge grant. If other countries match our interest and concern, we will then contribute as much as up to $100 million or 25 percent of the fund to assist countries that have accepted refugees.

Now, this would be tremendously helpful in those areas that are absorbing this tremendous genocidal experience, perpetrated by Communist countries, and whose impact on these friendly countries is great and who need the help and it would be vital to them; but more importantly, this fund would be administered by organizations that have the business expertise and the know-how to do it. I think it is a very sharp and a seminal and productive type of creative amendment.

I compliment the gentleman and I certainly accept it.

Mr. WOLFF. Mr. Chairman, I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. Wolff).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Rousselot: Page 4, line 3, strike out "$445,000,000" and insert in lieu thereof "$180,000,000".
>
> Page 4, line 10, strike out "$445,000,000" and insert in lieu thereof "$180,000,000".

Mr. ROUSSELOT. Mr. Chairman, I call the attention of my colleagues that this amendment is similar to the one that was just passed, but applied to the interdevelopment agency. This would apply to the Asian Development Bank.

I believe it is necessary for several reasons. This reduction is about $265 million. Under this new authorization of the Asian Development Fund, the United States will be providing $445 million over the next 3 years. Our share equals 20 percent of the total replenishment. Besides Japan, which has a vested interest in this situation, we again are providing the bulk of the lending capability. It is important to realize that under this new replenishment for the Asian Development Fund, the OPEC countries are providing a grand total of zero. Let me repeat that. The OPEC nations, the ones that have all that tremendous cash flow coming their way, are providing zero, absolutely nothing. Here are the OPEC nations, continually raising the price of oil, which is having a devastating impact on our country and an even greater impact on the developing countries; yet OPEC countries will not be providing one cent for the replenishment of the Asian Development Fund. I think that is inequitable.

It seems to me that it would be more appropriate for this Congress by this amendment to reject such a large replenishment participation on our part and send the Treasury back to the negotiating table.

Again, I remind my colleagues that all of the IFIS, including the Asian Development Fund, are overlending right now. They are funding poorly conceived projects in some cases.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield.

Mr. GONZALEZ. Mr. Chairman, I do so only because we do not have a copy of the gentleman's amendment.

Mr. ROUSSELOT. Well, I apologize. We will send one to the gentleman right away.

Mr. GONZALEZ. I will go fetch it myself.

Mr. ROUSSELOT. Does my colleague have the amendment now?

Does my distinguished chairman of the subcommittee have the amendment now?

Mr. GONZALEZ. I am sure it is a bona fide and faithful copy of the gentleman's amendment. I take no umbrage for it.

Mr. ROUSSELOT. It is a fine amendment. I am sure the gentleman will want to support it, because I know the gentleman is concerned about OPEC's nonparticipation in this replenishment fund.

Mr. GONZALEZ. Oh, absolutely.

Mr. ROUSSELOT. Now, again, the appropriations investigation staff report on the IFIS's found:

> The present and former staff members and officials of the IFIS have decried the pressure upon staff to meet annual lending targets with emphasis upon quantity of commitments made annually, rather than upon assurances of quality projects.

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In addressing this issue the investigating staff, that is the appropriations investigating staff, pointed out "the pressure to demonstrate growth by committing an increasing amount of lending each year tends to overstrain the absorption capacity of the LDC's and thus be counterproductive in making them more dependent rather than building their own institutions." Now, the investigating staff, that is our appropriation investigating staff, visited a project in an Asian country which represented a total of seven loans by the World Bank for $248 million, and four loans by the Asian Development Bank totaling $70 million.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. Rousselot was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. The particular credit institution which received these funds has directed the bulk of its loans to a—and I now quote from the report:

> A few well-established industrial groups and has been criticized by the executive directors, and in internal bank documents, for insufficient stress upon small-scale enterprises. Despite the period of continued operation, it remains almost solely dependent upon the World Bank and the Asian Development Bank for operations and continued existence.

My main point here is that we do not need this country to extend so drastically the amount of authorization on this replenishment fund in this particular bank and that I think the OPEC nations, for instance, should be pressured and should be worked upon to participate. That is what this is supposed to be all about. They certainly can afford it far better than we can.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from California, a distinguished member of the Foreign Affairs Committee, who I know follows these institutions with great interest.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of this amendment. I also rise in opposition to United States funding of multilateral development banks, at least at the level provided in this legislation (H.R. 3829).

The United States is the single largest contributor to the multilateral development banks, giving three times more money than the next largest contributor. Yet such a contribution is hardly equitable when you compare the capability of OPEC nations to contribute and their corresponding lack of response.

The Third World nations continually charge that the developed nations, in general, and the United States, in particular, are insensitive to the needs of the developing nations and are unresponsive in giving aid to them. Those developing nations ignore U.S. contributions to multilateral development banks on the one hand, and on the other, voice no criticism of the OPEC nations for spiraling prices of oil wracking their economies. The United States, by directing distribution of aid dollars through the international financial institutions, loses any credit it might receive for its aid effort.

Perhaps most importantly in opposing aid to the World Bank group, I believe that by channeling U.S. aid through those organizations, we are not able to influence how those funds will be used. Too often, U.S. dollars are used to support indirectly governments unfriendly to the United States, or with whom we have serious policy differences, or to countries whose economic policies are unsound. Once the money is appropriated, the Congress, who should be watching out for the taxpayers' dollars, loses all control.

I urge my colleagues to oppose this funding.

The CHAIRMAN. The time of the gentleman from California has again expired.

(By unanimous consent Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, I would like to say one additional thing. The United States has already made contributions to the Asian Development Bank to the tune of $1,200,000,000, so the $180,000,000 that would be contributed as part of this replenishment operation, as a result of my amendment, instead is an addition to that. So we are not again starving this fund or drawing it down. We are trying to do two things. We are trying to say to the OPEC nations, "You get in this act, you get it in right now. You are getting a tremendous cash flow from the countries of the world from the tremendous oil prices that are being paid, and it is in your interest to see that this Asian Development Bank be properly replenished."

Second, we are saying to our taxpayers we are not going to overauthorize when we do not need to.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from New York.

Mr. SOLOMON. I thank the gentleman for yielding. I just want to commend the gentleman for bringing this information to light. I am slightly shocked that the OPEC nations do not contribute to this program. I was shocked to hear the contribution of Japan.

I would ask the gentleman a question. Does the gentleman know how much our deficit is for this present fiscal year?

Mr. ROUSSELOT. It is hard to get a final fix on what that deficit will be. Originally the add-on deficit for this fiscal year, 1980, was supposed to be around $29 or $30 billion. We now know, on the basis of the real world, it is going to be more than that. So that is just for this year.

In our Ways and Means Committee we debated the other day about kicking up that total deficit to well over $900 billion—$900 billion.

Mr. SOLOMON. Would the gentleman repeat that?

Mr. ROUSSELOT. $900 billion is what this Congress is going to be asked to kick the total to, the overall deficit of these United States to, over $900 billion in this coming fiscal year.

Mr. SOLOMON. Would the gentleman answer a question that all of the American people are asking today: What is the major cause of the rampant inflation in America today that makes it so much greater than all of the other industrialized nations in the world?

Mr. ROUSSELOT. One of the prime contributors is clearly the Federal Government and is clearly the Congress when it continues to spend more than we have, and we have to get at the task of trimming that and starting to deal with that in a constructive way. That is the purpose of this amendment, is to help this body begin to trim a little more and not get too overextended.

I would like to encourage my colleagues to vote for this very reasonable amendment and to put the pressure on the OPEC nations to contribute. Remember, they are doing nothing, zero, and yet they are getting that tremendous cash flow from those tremendous prices they are charging for crude oil.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. SOLOMON and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. SOLOMON. Would the gentleman yield further?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. SOLOMON. If the gentleman's amendment is passed, how much will it actually cut this year?

Mr. ROUSSELOT. It will cut $445 million to a $180 million authorization, and that would be a saving of $265 million which, as the gentleman knows, some consider around here a pittance, but I consider it a step in the right direction.

Mr. SOLOMON. So the truth is if we do not pass the gentleman's amendment we will continue to print money with no backing, which will further increase inflation in America. If we pass the gentleman's amendment it means our deficit is going to be just that little bit less?

Mr. ROUSSELOT. It will be $265 million less.

Mr. SOLOMON. I really want to commend the gentleman. I think every Member of this House ought to support this amendment unanimously.

Mr. ROUSSELOT. There are several good reasons, and I appreciate the gentleman's support, and I urge my colleagues to take this positive step in the right direction to save the American taxpayers $265 million.

Mr. CAVANAUGH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am one of the greatest admirers of the rhetorical and theatrical abilities of my friend and colleague from California (Mr. ROUSSELOT), and he has been duly honored by the House today for those abilities.

But the facts are that the amendment previously adopted and this amendment do, in fact, destroy our participation in these international institutions, isolate our Nation in the world, weaken our political and economic position in the world, and fuel the flames of inflation which will further afflict our Nation and every other nation in the world. The Asian Development Bank and the Inter-American Development Bank are the soundest anti-inflationary institutions that exist in the world, and they are meager in terms of their ability to combat the enormity of the inflation that now afflicts the world.

The only legitimate argument the gentleman from California has advanced today is in pointing out the impact of the OPEC oil price increases, on the economics of all the nations of the world, not only the United States, but also the less developed nations of the world. The oil-important less developed nations of the world will experience capital deficits this year in excess of $50 billion. The totality of these development loans and replenishments are $4 billion. To balance the tremendous flows of capital to the OPEC nations, we have this very small contribution and this amendment will do more to escalate world inflation, isolate the United States, and weaken our position in the world, then any other single action this Congress has taken.

By cutting by more than half our contribution to the Asian Development Bank, we become, first of all, welchers on an agreement previously made.

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We repudiate our participation in the Asian Development Bank. We completely inhibit those banks from doing those things that I enumerated earlier: bringing economic infrastructure to the less-developed countries of the world, providing them with the ability to maximize the utilization of their own resources, and we as a Nation are desperately dependent, and will in the future increase our need for those resources if we are to break our own dependence on OPEC as the primary source of our energy dependence. We must have the resources of the developing nations, of Asia, of Latin America, and of Africa. This amendment will deny us the ability to have access to those resources and to deny those nations the opportunity to develop economic independence and self-sufficiency, condemn them to continued inflation, and condemn the American people in the United States to suffering with the effects of that inflation which we will surely import.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding. Does the gentleman agree with me, regardless of those arguments he has just made and to which this side will be glad to respond in just a moment, that it is really basically wrong not to have the OPEC nations participating more than zero dollars? I mean realistically, because they are getting this tremendous cash flow from many of these underdeveloped countries as a result of the high prices of crude oil, there is absolutely no reason in the world why we should not put pressure on them to participate in this Asian Development Bank. Does the gentleman not agree with that?

Mr. CAVANAUGH. First of all, this is a regional Development Bank, the Asian Development Bank. The primary sponsor of this development institution is the primary industrial nation in that region of the world, Japan. In fact we have, through the agreements we have negotiated, reduced the burden and obligation of the United States and increased the burden and responsibility of the nation of Japan.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. CAVANAUGH was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. If the gentleman will yield further, does the gentleman agree that somebody like, say, Indonesia, which is clearly a producing nation in crude oil, should be encouraged to participate and that these other nations that are producing nations should be encouraged to participate? Does the gentleman believe that is a legitimate position?

Mr. CAVANAUGH. I would feel that they should be.

Mr. ROUSSELOT. I appreciate the gentleman's acknowledging that that is part of the purpose of this amendment—to reduce our tremendous overextension, as we have always been tremendous participants in this bank on a replenishment basis, and that our directors should encourage the OPEC nations to definitely participate. I am delighted to see that my colleague, the gentleman from Nebraska, agrees with that idea.

Mr. CAVANAUGH. The gentleman ignores one fact that does exist, and that is that our Nation has served since 1973 and 1974 as the primary recycling vehicle of the OPEC surpluses, and we continue to do that through this process. So in effect OPEC is contributing through recycling those funds through the United States its financial institutions and its contribution to the multinational financial and monetary institutions.

During general debate yesterday I made reference to the State-by-State benefits of our participation in the multilateral development banks. For some reason the charts which I had hoped to have printed in yesterday's RECORD do not appear. I therefore will include them at this point along with the article from the April 23, 1979, edition of Business America entitled "Development Banks: Contract Strategy," which I have also referred to:

DEVELOPMENT BANKS: CONTRACT STRATEGY

New loan commitments by the three major multilateral development banks—the World Bank, the Inter-American Development Bank, and the Asian Development Bank—are expected to aggregate $12 billion in fiscal 1979 and actual disbursements should run over $5 billion. Further, total commitments and disbursements are projected to increase each year through the mid-1980s.

U.S. government agencies—primarily the Commerce, Treasury and State Departments—have launched a concerted effort to encourage more American companies to bid on this burgeoning business, and to assist them through information programs, arranging contracts, and intervening directly when problems arise.

At the same time, the international lending institutions themselves are making a major effort to disseminate information as widely and as rapidly as possible on project bidding opportunities.

LOAN PROCUREMENT PROCESS

An export marketing strategy to win contracts in this field must begin with a thorough knowledge of how the banks make their loan decisions, as well as how they guide their borrowers to procure project goods and services.

A major misconception that has probably restrained many smaller and medium-sized firms from bidding is the apparent large scale of the projects and loans. Actually, however, an intensive analysis of Asian Development Bank loans revealed that 80 percent of equipment procurement contracts are less than $1 million.

The loan decision-making cycle normally takes from one to one and a half years to complete, though occasionally this period can be stretched out to two years. As soon as a project gets into the pipeline for consideration by the banks, it will appear in these institutions' monthly operating summaries, which was publicly available. As part of the loan process the banks send out appraisal teams and evaluate the technical, economic, and finanical aspects of the project, and these actions are reflected in the monthly reports to indicate progress.

Once the loans are approved, a publicity process on project components and procurement is begun. Initially, a press release is issued by the bank which indicates the name, address, and telex of the implementing organization in the borrowing country, and some brief information about the products and services on which suppliers can bid.

The actual procurement is undertaken by the borrower, but at each step along the way close guidance is maintained by the lending institutions, which insist on a system of open international competitive bidding. Invitations to tender are issued approximately 45 to 90 days before deadline for receipt of bids. The implementing organizations advertise in media of prospective supplier countries and notify the embassies of these nations as well. The U.S. Government has a fully developed system of transmitting this information to American exporters (which is described below).

EXPORT MARKETING STRATEGY

Development of an export marketing strategy to land some of this business must include attention to at least three important elements. First, it is essential to begin the marketing effort as early as possible, and thus to track the progress of loan decisions from the time applications first show up in the monthly operating summaries. This will permit tailoring of both products and marketing approaches to the nature of the project.

Second, while price is accorded heavy weight in the bid evaluation process, it is by no means the sole determinant of contract awards. The key to discounting the relative emphasis on price is to contact the government agency or private borrower in the project country (and its consultants) and "market" the particular qualitative attributes (such as durability, contracting experience, spare parts and servicing availability) of the product.

Third, local representation is often absolutely essential to winning a contract. Above all this is because it is important to demonstrate that a supplier has the capacity to provide spare parts and servicing of equipment. But in some instances it is also necessary just to ensure that a bid is submitted within the time frame available.

U.S. GOVERNMENT HELP

Stepped-up U.S. efforts to help American exporters bid on this business have been taking place in a variety of ways. The U.S. share of procurement contracts has been relatively high in the Inter-American Development Bank (IDB) and in the World Bank, and relatively low in the Asian Development Bank (ADB).

In the Asian Bank, on the other hand, the United States has only 8 percent of the contracts, though this varies depending on the type of product. For example, U.S. firms have won as much as 30 percent of consulting contracts. This situation reflects the generally more limited American business presence in Asia, especially as compared with Latin America.

A special action program has been launched to improve the Asian Bank picture (as well as the U.S. share of projects financed by the World Bank in that region). An interagency working group, composed of Treasury, Commerce, and State Department officials, has been established to review contract awards, and to coordinate efforts to keep American firms informed.

This group examined 1,500 contracts of the Bank and found that American companies bid on only 20 percent of project opportunities. When U.S. firms did get involved, however, they won 33 percent of the awards. The group has thus concluded that with a greater effort the U.S. share will move up.

An Asian Development Bank procurement mission will visit the United States in October, carrying its message to eight cities to discuss project opportunities and procurement methods. The American Chambers of Commerce in the region also have been surveying their members on their experience with the Bank, and this information is now being analyzed.

In addition, the State Department has asked the various embassy and consulate posts in the region to identify projects that are relevant to American business. A special effort is being made this year, on a trial basis, to focus on three or four projects per country. U.S. commercial officers in the posts will be working with the implementing agencies in the countries to supply early information back to American exporters.

More generally, the U.S. Government program to keep companies informed has taken several forms. The U.S. Executive Directors at the three major banks, for example, have been on the speaking engagement trail, carrying the message across the United States. The embassies abroad have been working much more closely with U.S. firms on specific projects, especially in solving problems.

A U.S. Treasury Department pamphlet analyzing the international bank procurement process is available. For a free copy of *Export Opportunities for American Business Through the International Development Banks*, write to the Office of International Development Banks, U.S. Department of the Treasury, Washington, D.C. 20220.

HOW TO STAY INFORMED

A combination of U.S. Government and multilateral development bank programs and services are now available to help exporters stay informed on project procurement opportunities.

U.S. Government facilities include the following:

Commerce Department information services, such as the computerized Trade Opportunities Program and *Business America* magazine, provide a continuing flow of bid opportunity leads.

The Commerce Department maintains an Export Information Reference Room in Washington that offers a variety of materials, including bank press releases, monthly operating summaries, and numerous economic and sector reports on individual borrowing nations. Some of this information, especially the operating summaries, is also available at District Offices.

The U.S. Executive Directors' Offices in the banks can be contacted both for information and for assistance on problems that may arise on project bidding. These offices can help firms contact the appropriate project staff members in the banks. The latter can provide important information for the preparation of a strong technical proposal.

Multilateral development bank facilities include these materials:

The World Bank and the Asian Bank have now established a subscription system for distribution of their Monthly Operating Summaries. For further information, write to: World Bank, Johns Hopkins Press Journals Division, 34th and Charles Streets, Baltimore, Md., 21218; Asian Bank, Operational Information, Information Office, Asian Development Bank, P.O. Box 789, Manila, Philippines.

Press releases issued for each project approved can be obtained on a regular basis by getting on the mailing list with each of the banks' information offices.

Each of the banks also makes available helpful pamphlets concerning the details of its international competitive bidding and consultant selection guidelines for borrowers.

Finally, the United Nations has developed a system of disseminating information on all three banks (as well as on the UN Development Program). The UN Center for Economic and Social Information (located in Geneva) publishes *Development Forum—Business Edition* every other week.

Development Forum presently lists selected bid opportunities for all these institutions, but very soon will also include as a monthly insert the World Bank's monthly operating summary. The Inter-American and Asian Banks' monthly summaries will likely be included as an insert eventually.

Subscriptions to *Development Forum—Business Edition* can be obtained, at $200 per year, from the New York sales office: Development Forum, United Nations, G.C.P.O. 5850, New York, N.Y. 10017.

	IBRD	IDA	Total
Alabama	$248, 961. 47	$114, 608. 84	$363, 570. 31
Arizona	97, 709. 14	2, 500. 00	100, 209. 14
Arkansas	23, 661. 83		23, 661. 83
California	19, 341, 536. 88	5, 541, 095. 01	24, 882, 631. 89
Colorado	1, 698, 969. 50	763, 572. 38	2, 462, 541. 88
Connecticut	6, 170, 918. 39	485, 885. 09	6, 656, 803. 48
Delaware	721, 278. 59	74, 642. 65	795, 921. 24
District of Columbia	1, 887, 802. 50	691, 630. 48	2, 579, 432. 98
Florida	6, 153, 332. 33	1, 162, 671. 26	7, 316, 003. 59
Georgia	8, 652, 876. 07	1, 262, 093. 72	9, 914, 969. 79
Hawaii	386, 085. 21	78, 332. 93	464, 418. 14
Idaho	26, 832. 34		26, 832. 34
Illinois	39, 122, 994. 70	9, 676, 269. 47	48, 799, 264. 17
Indiana	1, 872, 515. 36	408, 572. 66	2, 281, 088. 02
Iowa	3, 702, 501. 98	151, 608. 20	3, 854, 110. 18
Kansas	326, 952. 53	298, 313. 03	625, 265. 56
Kentucky	1, 311, 214. 07		1, 311, 214. 07
Louisiana	1, 186, 201. 69	972, 868. 12	2, 159, 069. 81
Maine	304, 315. 74		304, 315. 74
Maryland	4, 348, 054. 76	225, 114. 62	4, 573, 169. 38
Massachusetts	6, 181, 771. 71	1, 254, 744. 79	7, 436, 516. 50
Michigan	5, 717, 370. 26	801, 110. 14	6, 518, 480. 40
Minnesota	864, 473. 58	600, 562. 21	1, 465, 035. 79
Mississippi	552, 940. 06	15, 408. 06	568, 348. 12
Missouri	1, 772, 909. 11	3, 676, 808. 00	5, 449, 717. 11
Montana	96, 194. 24		96, 194. 24
Nebraska	42, 961. 13	12, 621. 40	55, 582. 53
Nevada	69, 818. 85	17, 235. 70	87, 054. 55
New Hampshire	142, 089. 48	71, 496. 95	213, 586. 43
New Jersey	14, 680, 164. 91	4, 602, 033. 03	19, 282, 197. 94
New Mexico	5, 196. 98	5, 750. 00	10, 946. 98
New York	51, 166, 488. 57	11, 308, 011. 25	62, 474, 499. 82
North Carolina	2, 836, 794. 24		2, 836, 794. 24
North Dakota	9, 407. 26		9, 407. 26
Ohio	18, 743, 625. 63	1, 347, 780. 34	20, 091, 405. 97
Oklahoma	3, 212, 900. 16	50, 746. 15	3, 263, 646. 31
Oregon	633, 609. 98	27, 277. 60	660, 887. 58
Pennsylvania	18, 003, 760. 98	1, 798, 301. 72	19, 802, 062. 70
Puerto Rico	543, 311. 93	200, 461. 25	743, 773. 18
Rhode Island	1, 740, 219. 46	75, 546. 86	1, 815, 766. 32
South Carolina	439, 253. 46	142, 301. 05	581, 554. 51
Tennessee	1, 103, 408. 32	10, 939, 460. 49	12, 042, 868. 81
Texas	76, 885, 968. 80	198, 358. 65	77, 084, 327. 45
Utah	104, 249. 01	256, 996. 24	261, 245. 25
Vermont	510, 463. 49	50, 033. 45	560, 496. 94
Virginia	417, 329. 51	40, 682. 90	458, 012. 41
Virgin Islands	1, 493, 965. 75		1, 493, 965. 75
Washington	4, 274, 441. 32	407, 700. 09	4, 682, 141. 41
West Virginia	471, 492. 86	3, 403. 30	474, 896. 16
Wisconsin	5, 459, 606. 42	2, 339, 578, 44	7, 799, 184. 86
Wyoming		604. 92	604. 92
State unidentifiable	50, 220, 168. 94	4, 657, 038. 15	54, 877, 207. 09
Total	365, 981, 071. 48	66, 811, 831. 59	432, 792, 903. 07

PAYMENTS MADE TO U.S. SUPPLIERS AND CONTRACTORS WITH RESOURCES DISBURSED UNDER IDB-FINANCED PROJECTS

[In thousands of U.S. dollars]

	1976	1977	1976–77
Alabama		7, 354	7, 354
Alaska			
Arizona	34		34
Arkansas	174	222	396
California	8, 284	12, 309	20, 593
Colorado	546	908	1, 454
Connecticut	542	1, 445	1, 987
District of Columbia	848	1, 466	2, 314
Delaware	699	62	761
Florida	4, 497	10, 111	5, 508
Georgia	799	1, 806	2, 605
Hawaii			
Idaho	1, 435	2	1, 437
Illinois	15, 365	13, 889	29, 254
Indiana	442	318	760
Iowa	532	1, 425	1, 957
Kansas	327	20	347
Kentucky	15	96	111
Louisiana	282	201	483
Maine			
Maryland	161	157	318
Massachusetts	2, 425	2, 226	4, 651
Michigan	767	1, 174	1, 941
Minnesota	196	2, 039	2, 335
Mississippi	781	479	1, 260
Missouri	1, 616	1, 111	2, 727
Montana			
Nebraska			
Nevada			
New Hampshire	2	11	13
New Jersey	5, 788	3, 203	8, 991
New Mexico			
New York	19, 055	15, 219	34, 274
North Carolina	3, 086	2, 058	5, 144
North Dakota			
Ohio	4, 326	8, 134	12, 460
Oklahoma	134		134
Oregon	1, 895	295	2, 190
Pennsylvania	6, 920	3, 837	10, 757
Rhode Island	256	38	294
South Carolina	10	105	115
South Dakota			
Tennessee	102	398	500
Texas	9, 410	5, 910	15, 320
Utah	257	174	431
Vermont	262	292	554
Virginia	2, 195		2, 195
Washington	72	1, 252	1, 324
West Virginia	50	4, 105	4, 155
Wisconsin	5, 657	3, 521	9, 178
Wyoming		3	3
Total	100, 244	107, 375	207, 619
Disbursements not included in survey	35, 333	89, 425	124, 758
Total	135, 577	196, 800	332, 377

PROCUREMENT—MDB's

[In millions of U.S. dollars; calendar years]

	1974	Percent	1975	Percent	1976	Percent	1977	Percent	Through Sept. 30, 1978	Percent
IDB—OC/FSO:										
United States	102.9	46.5	151.9	49.7	196.4	46.5	266.4	52.0		
Europe	46.0	20.8	73.8	24.1	65.3	15.4	84.0	16.4		
Latin America	38.2	17.3	43.8	14.4	125.8	29.7	118.0	23.0		
Other	34.2	15.4	36.1	11.8	34.8	8.4	43.6			
Total	221.4		305.6		422.3		512.0			

PROCUREMENT—MDB's—Continued

[In millions of U.S. dollars; calendar years]

	1974	Percent	1975	Percent	1976	Percent	1977	Percent	Through Sept. 30, 1978	Percent
ADB—OC/SF:										
United States	40.6	11.8	22.4	6.6	19.0	4.8	26.7	6.6	37.2	8.4
Europe	111.6	32.3	121.1	35.8	99.5	24.7	135.5	33.5	137.4	31.0
Japan	125.9	36.5	120.7	35.7	125.6	31.2	128.2	31.6	125.0	28.2
Other	67.1	19.4	73.9	21.9	158.1	39.3	114.5	28.3	143.2	32.4
Total	345.2		338.1		402.1		404.9		442.8	
IBRD/IDA:										
United States	269.0	16.5	390.8	17.7	458.4	17.5	439.0	16.5	327.7	17.9
Europe	820.5	50.4	1,138.9	51.5	1,348.9	51.7	1,286.0	48.5	881.4	48.1
Japan	358.8	22.1	355.0	16.0	485.6	18.6	564.2	21.3	405.0	20.9
Other	179.6	11.0	327.4	14.8	317.3	12.2	359.6	13.7	219.7	13.1
Total	1,627.9		2,212.1		2,610.2		2,648.8		1,838.8	

PROCUREMENT—IBRD

[In millions of U.S. dollars; fiscal years]

	1974	Percent	1975	Percent	1976	Percent	1977	Percent	Through Sept. 30, 1978	Percent
IBRD:										
United States	185.8	17.4	272.4	19.4	305.7	17.9	327.6	18.5	274.8	19.7
Europe	558.1	52.4	773.2	55.1	890.8	52.2	834.8	47.1	646.7	46.3
Japan	221.9	20.8	215.0	15.3	346.3	20.3	415.4	23.4	334.4	24.0
Others	100.1	9.4	143.3	10.2	164.6	9.6	195.7	11.0	139.3	10.0
Total	1,065.9		1,043.9		1,707.4		1,773.6		1,395.2	
IDA:										
United States	83.2	14.8	118.4	14.7	152.7	16.9	111.4	12.7	52.9	12.1
Europe	262.4	46.7	365.7	45.3	458.1	50.8	451.2	51.5	234.7	53.5
Japan	136.9	24.4	140.0	17.3	139.3	15.4	148.7	17.0	70.6	16.1
Others	79.5	14.1	184.1	22.7	152.7	16.9	163.9	18.8	80.4	18.3
Total	562.0		808.2		902.8		875.2		438.6	

PROCUREMENT—IDB

[In millions of U.S. dollars; calendar years]

	1974	Percent	1975	Percent	1976	Percent	1977	Percen
IDB—OC:								
United States	33.6	27.2	60.9	35.8	64.7	26.9	87.3	30.4
Europe	44.2	35.8	71.1	41.8	63.4	26.4	81.4	28.3
Latin America	11.8	9.6	9.1	5.4	80.7	33.6	85.4	29.7
Other	33.9	27.4	28.8	17.0	41.7	13.1	33.4	11.6
Total	123.5		169.9		240.5		287.5	
IDB—FSO:								
United States	69.3	70.8	91.0	67.0	131.7	66.8	179.1	7.1
Europe	1.8	1.8	2.7	2.0	2.9	1.0	2.4	1.0
Latin America	26.5	27.1	34.7	25.6	60.6	30.7	60.5	24.0
Other	.3	.3	7.3	5.4	3.1	1.5	10.4	4.0
Total	97.9		135.7		197.3		252.4	

PROCUREMENT—ADB

[In millions of U.S. dollars; calendar years]

	1974	Percent	1975	Percent	1976	Percent	1977	Percent	Through Sept. 30, 1978	Percent
ADB—OC:										
United States	37.6	13.2	19.3	7.4	16.4	5.2	23.7	9.2	26.3	9.0
Europe	93.9	32.9	93.9	36.4	76.1	24.0	73.6	28.5	71.5	24.5
Japan	99.0	34.6	87.8	33.4	103.3	32.6	80.0	31.0	93.4	32.0
Other	55.3	19.3	60.0	22.8	121.3	38.2	81.1	31.3	100.4	34.5
Total	285.5		262.6		317.1		258.4		291.6	
ADB—SF:										
United States	3.0	5.0	3.1	4.1	2.6	3.1	3.0	2.2	11.0	7.2
Europe	17.7	29.8	25.6	33.9	26.2	30.8	61.9	42.2	65.8	43.5
Japan	26.9	45.3	32.9	43.6	22.3	26.2	48.2	32.9	31.6	20.9
Other	11.8	19.9	13.9	18.4	33.9	39.9	33.3	22.7	42.8	28.4
Total	58.4		75.5		85.0		146.4		151.2	

CUMULATIVE U.S. PROCUREMENT IN THE MDBS (AS OF SEPT. 30, 1979)

Inter-American Development Bank/Fund for Special Operations:

United States	1,513.4
Total foreign	2,969.0
U.S. share (percent)	50.9

International Bank for Reconstruction and Development/International Development Association (as of June 30, 1979):

United States	6,047.8
Total foreign	26,359.3
U.S. share (percent)	22.9

Asian Development Bank/Asian Development Fund:

United States	214.0
Total foreign	2,763.9
U.S. share (percent)	7.7

PROCUREMENT—MDB'S

[Amounts in millions of U.S. dollars]

	Calendar year 1975	Percent	Calendar year 1976	Percent	Calendar year 1977	Percent	Calendar year 1978	Percent	Calendar year 1979 through Sept. 30, 1979	Percent
IDB—OC/IR/FSO:										
United States	151.9	49.7	196.4	46.5	266.4	52.0	255.9	38.2	178.5	37.6
Europe	73.8	24.1	65.3	15.4	84.0	16.4	187.9	28.1	128.1	27.0
Latin America	43.8	14.4	125.8	29.7	118.0	23.0	163.5	24.4	128.6	28.1
Other [1]	36.1	11.8	34.8	8.4	43.6	8.6	62.2	9.3	39.8	8.3
Total	305.6		422.3		512.0		669.5		475.0	
ADB—OC/SF:										
United States	22.4	6.6	19.0	4.8	26.7	6.6	43.0	6.6	30.8	9.3
Europe	121.1	35.8	99.5	24.7	135.5	33.5	184.5	28.2	90.0	27.0
Japan	120.7	35.7	125.6	31.2	128.2	31.6	168.5	25.7	70.7	21.2
Other [1]	73.9	21.9	158.1	39.3	114.5	28.3	258.6	39.5	141 3	42.5
Total	338.1		402.1		404.9		654.6		332.8	
	Fiscal year 1975	Percent	Fiscal year 1976	Percent	Fiscal year 1977	Percent	Fiscal year 1978	Percent	Fiscal year 1979	Percent
IBRD/IDA:										
United States	390.8	17.7	458.4	17.5	439.0	16.5	446.2	18.3	469.4	15.9
Europe	1,138.9	51.5	1,348.9	51.7	1,286.0	48.5	1,202.9	49.5	1,518.8	51.5
Japan	355.0	16.0	485.6	18.6	564.2	21.3	499.2	20.5	567.7	19.2
Other [1]	327.4	14.8	317.3	12.2	359.6	13.7	283.7	11.7	394.5	13.4
Total	2,212.1		2,610.2		2,648.8		2,342.0		2,950.4	

[1] A portion of this unallocated category (approximately equivalent to the U.S. percentage share) includes U.S. procurement.

PROCUREMENT—IBRD

[Amounts in millions of U.S. dollars]

	Fiscal year 1975	Percent	Fiscal year 1976	Percent	Fiscal year 1977	Percent	Fiscal year 1978	Percent	Fiscal year 1979	Percent
IBRD:										
United States	272.4	19.4	305.7	17.9	327.6	18.5	374.7	20.4	386.7	61.8
Europe	773.2	55.1	890.8	52.2	834.8	47.1	869.6	47.5	1,188.8	51.6
Japan	215.0	15.3	346.3	20.3	415.5	23.4	405.3	22.1	447.9	20.8
Other [1]	143.3	10.2	164.6	9.6	195.7	11.0	181.5	10.0	248.7	10.8
Total	1,403.9		1,707.4		1,773.6		1,831.1		2,302.1	
IDA:										
United States	118.4	14.7	152.7	16.9	111.4	12.7	71.5	11.8	82.7	12.8
Europe	365.7	45.3	458.1	50.8	451.2	51.5	333.3	55.5	330.0	50.9
Japan	140.0	17.3	139.3	15.4	148.7	17.0	93.9	15.6	89.8	13.9
Other [1]	184.1	22.7	152.7	16.9	163.9	18.8	102.2	17.0	145.8	22.4
Total	808.2		902.8		875.2		600.9		648.3	

[1] A portion of this unallocated category (approximately equivalent to the U.S. percentage share) includes U.S. procurement.

PROCUREMENT—IDB

[Amounts in millions of U.S. dollars]

	Calendar year 1975	Percent	Calendar year 1976	Percent	Calendar year 1977	Percent	Calendar year 1978	Percent	Calendar year 1979 through Sept. 30, 1979	Percent
IDB—OC/IR:										
United States	60.9	35.8	64.6	34.2	87.3	33	148.3	32.8	111.0	34.2
Europe	71.1	41.8	63.7	33.7	81.3	30	157.8	34.9	107.1	33.2
Latin America	9.1	5.4	13.6	7.2	38.5	14	90.9	20.1	71.1	21.9
Other [1]	28.8	17.0	47.1	24.9	61.2	23	55.2	12.2	34.9	10.7
Total	169.9		189.0		268.3		452.2		324.9	
IDB—FSO:										
United States	91.0	67.0	70.9	68.5	109.5	63	107.6	49.5	67.5	45.0
Europe	2.7	2.0	1.7	1.6	2.5	1	30.1	13.9	20.2	13.5
Latin America	34.7	25.6	27.7	26.8	51.3	30	72.6	33.4	57.5	38.3
Other [1]	7.3	5.4	3.2	3.1	9.9	6	7.0	3.2	4.9	3.2
Total	135.7		103.5		173.2		217.4		150.1	

[1] A portion of this unallocated category (approximately equivalent to the U.S. percentage share) includes U.S. procurement.

PROCUREMENT—ADB

[Amount in millions of U.S. dollars]

	Calendar year 1975	Percent	Calendar year 1976	Percent	Calendar year 1977	Percent	Calendar year 1978	Percent	Calendar year 1979 through Sept. 30, 1979	Percent
ADB—OC:										
United States	19.3	7.4	16.4	5.2	23.7	9.2	30.9	6.6	23.4	9.7
Europe	93.9	36.4	76.1	24.0	73.6	28.5	104.9	22.4	59.8	24.8
Japan	87.8	33.4	103.3	32.6	80.0	31.0	133.3	28.4	50.3	20.9
Other [1]	60.0	22.8	121.3	38.2	81.1	31.3	199.8	42.6	107.4	44.6
Total	262.6		317.1		258.4		468.9		240.9	

PROCUREMENT—ARD—Continued

[Amounts in millions of U.S. dollars]

	Calendar year 1975	Percent	Calendar year 1976	Percent	Calendar year 1977	Percent	Calendar year 1978	Percent	Calendar year 1979 through Sept. 30, 1979	Percent
ADB—SF:										
United States	3.1	4.1	2.6	3.1	3.0	2.2	12.1	6.5	7.4	8.1
Europe	25.6	33.9	26.2	30.8	61.9	42.2	79.6	42.9	30.2	32.9
Japan	32.9	43.6	22.3	26.2	48.2	32.9	35.2	19.0	20.4	22.7
Other [1]	13.9	18.4	33.9	39.9	33.3	22.7	58.8	31.6	33.9	36.9
Total	75.5		85.0		146.4		185.7		91.9	

[1] A portion of this unallocated category (approximately equivalent to the U.S. percentage share) includes U.S. procurement.

Mr. GONZALEZ. Mr. Chairman, I move to strike the last word. I do so again, as I did previously for the record only, because I noticed the absence of some observations that I think ought to be on the record, and also to signify my opposition to this amendment. The Asian Development Bank is a good example of the folly of the approach that has been used unfortunately in this Bank successfully by the opponents to this Bank from the very beginning. The gentleman from California—I do not see him here, so I just will not refer to him—was a member of the committee, if I remember correctly—I know I was—when this was initiated in the middle 1960's. Just as in the case of the Inter-American Development Bank, this is an activity that has been the most criticized by the Communists. Castro's intent was against the Alliance for Progress, and that is exactly what he said. He said the United States will make these commitments because it is good propaganda, but it neither has the gold nor the disposition to spend the gold to back up those commitments.

Fortunately, we have been a little luckier with the Inter-American Development Bank, although we are losing that, too, than we have with the Asian Development Bank. The Asian Development Bank was initiated by us with the former president of the World Bank, Eugene Black, being one of the prime moving forces behind it. He came from the private sector, not the political or the diplomatic sector, and we were the big lion of that bank. We had the veto power, and we lost it. We have in effect literally turned it over to the Japanese. As a result, at this point the biggest challenge to the United States is the emerging axis of the East Japan-China trade, and any way you want to slice that cake, it means we do not have it. The prime basis for that goes back to the middle 1960's, and people such as the gentleman from California have certainly not been friendly to this. They are the ones who insisted on the cut to begin with. They are the ones who asked for the American retrenchment and retreat from participation in the Asian Development Bank. They have succeeded, and as a result they now come and argue that if we continue our contribution, such countries as the OPEC countries that have money will. I want to know by what tortured logic our continual retreat from our participation in the Asian Development Bank is ever going to encourage the OPEC nations to contribute. In fact, it would be the very opposite.

□ 1410

Mr. CAVANAUGH. I think the chairman makes an outstanding point that the formation of these regional development banks came about as a part of our Nation's global design to thwart and combat the major political force which we confront in the world, that of communist in the Soviet Union.

Mr. Chairman, the Inter-American Development Bank was created as an economic instrument to thwart and oppose Communist initiatives in this hemisphere and to promote the building of a free capitalistic economic structure within those nations and within the nations who participate in the Asian Development Bank in order that we could effectively combat the major economic and political rival that we have in the world, international communism.

Now today, Mr. Chairman, this amendment, and the amendment previously adopted are designed and will in fact debilitate our ability to confront international communism, will isolate us in the world, will denigrate our word and the value of our word as a nation in the world. The United States will retreat from meeting our basic responsibilities and will probably do greater damage to our security militarily, politically, and economically than any other action that we can take, and this is a shameful day. For this Congress to embark on these kinds of destructive acts upon institutions which we have created and relied upon for our strength and leadership in the world over the last two decades is a serious and tragic error and one for which we will pay dearly.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amounts to a 60-percent cut. This is the total decapitation of the program. It reduces our participation from 20 percent, a modest figure, to 8 percent. What signal does this send to our friends in Asia and what signal does it send to the world? It seems we have returned to the days of the early 1930's, isolationism is the way to go. We will withdraw not only from Asia militarily as we have been doing but, of course, economically. It indicates we are not interested in the economies of the rest of the world and particularly of Asia.

Now, Mr. Chairman, what is going to happen? All the projects that are now planned will have to stop. There is $220 million in proposed projects in Pakistan alone. We have projects in Thailand, we have projects in the Philippines. Is it important that economies of those countries make some progress, get stabilized? Is it important that we have non-Communist friends, even anti-Communist friends in Asia? I guess not, because we are going to withdraw.

Now, Mr. Chairman, a renegotiation that has occurred will be nullified, as this amendment passes, and we have to go back and renegotiate. That takes, traditionally, from 1 to 1.5 years. This is the residue of isolationism following Vietnam. We are not interested in the rest of the world.

I suggest, Mr. Chairman, the signal this sends to everyone else in the international community is clear: We are retreating to our borders, we are going to build a plexiglas bubble over America and let Asia, let South America, let Africa, let the rest of the world sink because we are really not interested.

Now, Mr. Chairman, the gentleman is a noted anti-Communist. I would like to go on record saying how I admire his ferocity in fighting communism and I share that with him but there are other ways to fight communism. One way, it seems to me, is to try to keep other countries who are allied with us and who share a hostility to communism, afloat.

Mr. Chairman, the Seventh Fleet has important installations in the Philippines. Our 13 Air Force. We have some friends in Indonesia. A very important country. Why do we want to attack their economies? Why do we want to withdraw and say we do not care anymore? Why a 60-percent cut?

Mr. Chairman, the gentleman from California (Mr. ROUSSELOT) knows if this is adopted he will not vote for the bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from California with pleasure.

Mr. ROUSSELOT. I appreciate my colleague yielding because he has always been accurate in his statements. I have followed the gentleman on other amendments such as the Hyde amendment many times and I know the gentleman has always been very active.

Mr. Chairman, I am not withdrawing from anything, as the gentleman knows. I just went to the Philippines in January. I went to Taiwan, I went to Seoul, I went to Hong Kong. I am concerned as is the gentleman about our ability to finance or to work with those countries that are fighting for freedom.

Now the gentleman was good enough to mention in his comments, Pakistan. Pakistan just refused to take our aid. They have turned it down.

Mr. Chairman, this amendment is not a return to isolationism; the gentleman knows better than that. We have merely reduced the amount of the authorization. There is still $180 million in this authorization to the Asian Development Bank.

Mr. HYDE. Is this not a 60-percent cut?

Mr. ROUSSELOT. Well, Mr. Chairman, let me put it this way. We have $1.2 billion which our taxpayers have put into this Asian Development Bank.

Mr. HYDE. Over what period of time?

Mr. ROUSSELOT. A substantial period of time.

Mr. HYDE. Tell me how long a period.

Mr. ROUSSELOT. That $1.2 billion is not lost, part of that rolls over and the gentleman knows that.

Mr. Chairman, we are talking here about a replenishment authorization. We have been the biggest contributors to that replenishment activity through the years. We continue to be. We are not withdrawing.

Mr. HYDE. Mr. Chairman, may I retrieve my time?

Mr. ROUSSELOT. Of course I yield back the time to the gentleman from Illinois.

Mr. HYDE. The gentleman prides himself on his accuracy. Forgive me but Japan has been the largest contributor over the years, not the United States, to the Asian Development Bank.

I submit to the gentleman he has visited a lot of affluent countries. I might mention. Did the gentleman visit Thailand?

Mr. ROUSSELOT. I was not able to go everyplace.

Mr. HYDE. Mr. Chairman, I am personally thrilled that the gentleman did visit Asia but the economies of those countries are important to us.

Mr. ROUSSELOT. Absolutely and this amendment does nothing to stop loans to them.

Mr. HYDE. It decimates the bill.

Mr. ROUSSELOT. That is hogwash.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words in support of the amendment.

Mr. Chairman, we heard the word "welshers," here, that we are welshing on a commitment. Now when the appropriations bill comes on the floor and some of us try to work on that bill we are told, "You cannot do this on the appropriations bill because you will be welshing on a commitment and if you are really determined to do something about these international banks, work on the authorizing bill."

Now, Mr. Chairman, here we are today trying to work on the authorization bill and we are accused of being welshers and not keeping our commitments.

I submit, Mr. Chairman, that today is the time we make the commitment. When our negotiators from the Treasury Department sit down somewhere in Geneva, Tokyo or some other place where they might be visiting, and make a deal, that is only part of the commitment. That commitment is subject to approval by this Congress and until the Congress acts there is no commitment for us to welsh on. If anyone does not agree, they ought to read the Constitution and find out that nobody can appropriate dollars except this Congress.

Mr. Chairman, I am also interested in the comments made about isolating ourselves in the world. You know, that is a good theoretical argument, but for anyone who is willing to be practical for a few minutes, they will look at the ever-increasing foreign aid contributions on the part of the United States and on the same plane as our contributions go up, so does our isolated position in the world increase. We are more isolated today than we have been during the lifetimes of most of us.

Mr. Chairman, let me say what isolates us from the rest of the world. It is not by not making a very large contribution to the Asian Development Bank but the type of thing that isolates America from the rest of the world is when our President and our Secretary of State and our Ambassador to the United Nations stake out a position on an issue and then vote that way and then find that the heat is getting too great and then they back off and then say that it was a mistake in the first place. Those are the kinds of things, Mr. Chairman, that isolate us from our friends in the rest of the world.

If we want to talk about isolation, those are the kinds of things we ought to be concerned about. If we want to talk about using American taxpayers' dollars to make friends in the world then talk about your bilateral programs where the American assistance is identified, where, supposedly, the people in the country know that the help is coming from the American taxpayer. They do not know that through programs of this type.

☐ 1420

This is very interesting, talking about the countries that have been involved. Do the Members know that in the last year the Asian Development Bank has reactivated five loans for Vietnam to the tune of some $29 million? Those loans might be made; those loans might not be made, but they have been reactivated and are pending before the Bank.

In the latter part of 1979, when we had this battle over keeping American dollars from going to Vietnam, the President of the World Bank, realizing that this Congress meant business, gave us a commitment in writing that the World Bank would make no loans to Vietnam in fiscal year 1980. The President of the Asian Development Bank refused to make that commitment, so we do not know if they are going to make those loans to Vietnam or not. The fact that he refused to makes me wonder.

We were talking about some of the projects in the investigative staff report done by the Appropriations Committee that I have referred to so often in the last 7 to 8 months. It was the observation that the Asian Development Bank was the worst of all the international financial institutions we deal with in the pushing of many new projects that are ill-conceived or poorly thought out or put into countries where they cannot even absorb the project. Let me tell the Members about one made by the Asian Development Bank which is part of that report. It was a family planning center. They made the family planning center look more palatial than the Capitol of the United States, with marble entrances and big fancy lions at the doors. They made it so palatial that the families who should have been using it were frightened and they quit using it. The family planning program went to pieces.

I say to you, Mr. Chairman, that this cut in the Asian Development Bank, if you think it is a large dollar cut, you should understand that this is not a cut for fiscal year 1981. This bill authorizes that spending forever and ever and ever. There is no cutoff date in this bill for the funds for the Asian Development Bank. These funds go, according to the bill itself, without fiscal limitation.

I say, Mr. Chairman, this is a good amendment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(At the request of Mr. HYDE and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. Certainly, I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding. I wish that the gentleman would talk about some of the development projects that he has seen, and seen work; seen alleviate crushing poverty; seen provide jobs and education for people who are in a survivorship economy. But nevertheless, the gentleman has talked about how isolated we are. I suggest that we are not isolated.

Mr. YOUNG of Florida. Just a moment. I did not suggest that we were isolated. That was a suggestion made by the distinguished gentleman from Illinois and one of the distinguished gentlemen on the other side. I merely said that if we are isolated—and we are, there is no question about that I agree with the gentleman—if we are isolated it is not because of what we do here today. We are isolated because of some of the dumb things this administration does in international affairs.

Mr. HYDE. If the gentleman will yield further, I can applaud the gentleman on his insight into the foreign policy of this administration, but we are talking about the Asian Development Fund. I suggest to the gentleman that this amendment will really isolate us from countries from which we are not isolated; countries such as Singapore, Malaysia, Indonesia, South Korea, Japan, Thailand, and Burma—which just left the Third World organization saying that it was too close to the Soviet Union. There is the Philippine Islands, and yes, even the People's Republic of China. Taiwan is another matter. I deplore what we did to Taiwan, but do not cure the hurt by pulling out of a multilateral bank which is stabilizing economies where we have some friends left in the world. That is all I want to say.

Mr. YOUNG of Florida. I respond to the gentleman by saying that of course this amendment does not take all the funds out of the program, first. Second, I would say that we do have substantial ongoing, bilateral United States-to-friendly-country programs. This is not the only thing we are doing or being asked to do relative to maintaining our good relationships with some of those countries the gentleman mentioned.

Mr. HYDE. But the gentleman just said that Pakistan would not take bilateral aid, but it will take it from a multilateral bank.

Mr. YOUNG of Florida. I did not say that.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

(At the request of Mr. Rousselot and by unanimous consent, Mr. Young of Florida was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding. I would encourage my colleagues to review the comments of the substantial number of committee members on page 21 of the committee report. The various loans made by the Asian Development Bank are reviewed to back up completely what my colleague from Florida has tried to bring out. That is, this Asian Development Bank does not need much replenishment from us. Adoption of this amendment would not be a backward step by our country from this replenishment activity.

Again, I wish to emphasize that we have contributed $1,200 billion already. My colleagues—Mr. Bethune, Mr. Paul, Mr. Shumway, Mr. Campbell, Mr. Hansen, Mr. Ritter, and Mr. Hinson—all conscientious members of this committee, have reviewed for our colleagues reasons why this high contribution is not necessary. The small cut—and I say small in comparison to the billions we spill on the floor every day here—of $180 million is a reasonable amount of restraint on the part of Congress for this replenishment fund.

I hope my colleagues will review the facts presented by several members of this committee. I appreciate my colleague yielding.

Mr. YOUNG of Florida. I appreciate the comments of the gentleman. I would just like to urge all of our colleagues to go back and review the arguments we made on the first amendment relative to the Inter-American Development Bank, because they apply here. If we are going to ask the American people who are on social security to take a reduction in anticipated income; if we are going to ask retired veterans and those receiving veterans compensation to take a cut in anticipated income; if we are going to ask basically every segment of our economy to take a cut in trying to get hold of this vicious thing called inflation, then we certainly should not be bashful about asking the people who run the Asian Development Bank to take a similar cut.

Mr. ROUSSELOT. If the gentleman would yield further, this is not a backward step. We are still providing an increase in the replenishment of over $180 million. That is a lot of money, and it will go into a lot of those areas which my colleague from Illinois says are necessary. But, it also will put pressure on the OPEC nations. They are providing zero dollars—absolutely nothing.

Mr. YOUNG of Florida. I would say to my colleague that they are the ones who created development problems for most of the developing nations in the world because of the fantastic increases in the cost of energy to the very nations that we are trying to help.

Mr. ROUSSELOT. That is an excellent point, and I appreciate my colleague's mentioning it.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

(At the request of Mr. Gonzalez and by unanimous consent, Mr. Young of Florida was allowed to proceed for 1 additional minute.)

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I take this time because I am confident that the gentleman does not want in any way to mislead the House with reference to Vietnam. Since 1975, the Asian Development Bank has made no new loan to Vietnam. No proposals for new lending are in the pipeline, and it is unlikely, therefore, that any will be brought to the Board in the near future. This, I think, ought to be on the record because those are the clear assurances we have.

Mr. YOUNG of Florida. I would respond to the gentleman that I did not mislead anyone in the House, because I made the point that the loans had not been made and they might or they might not. The point I made was that there had been five loans reactivated. There were five loans that had been pending for years, that were not before the Board. Now, those five loans have been reactivated and are there. Whether they take them up and pass them or not, I do not know, but they refuse to give us a written commitment such as the World Bank did.

Mr. GONZALEZ. Will the gentleman tell the House that those five loans are for the previous administration that lost out in 1975?

□ 1430

The CHAIRMAN. The time of the gentleman from Florida (Mr. Young) has again expired.

(On request of Mr. Beard of Tennessee, and by unanimous consent, Mr. Young of Florida was allowed to proceed for 1 additional minute.)

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I apologize for not having been here for all the debate, but I am concerned inasmuch as the subcommittee chairman made this statement. Would the gentleman please describe to me what the term, "unlikely," means?

The gentleman stated emphatically that it is unlikely that these loans would be made. What exactly is the gentleman's perception of the word, "unlikely"?

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, in the first place one cannot consider a loan that has not been asked for.

Mr. BEARD of Tennessee. Mr. Chairman, I will ask the gentleman, what does he mean by "activated"?

Mr. GONZALEZ. What I think the gentleman means——

Mr. BEARD of Tennessee. No, I will ask the gentleman to please consider that we do not have much time left. The gentleman stated that the loans had been activated, and the gentleman from Texas said it is unlikely that the loans would be made.

Mr. GONZALEZ. No, no. I do not know what the gentleman means by "activated," because he is talking about five loan commitments made to the previous government, and that was back at the time the Bank was formed. Now, no loan commitment of any kind has been made since 1975, even though with the take over by the Communist regime they may have been pending.

Mr. BEARD of Tennessee. Mr. Chairman, I will ask, is there any assurance the loans will not be made? The gentleman said it was "unlikely."

Mr. GONZALEZ. Mr. Chairman, for all intents and purposes that is what I was trying to say, that those are the assurances we have been given.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Rousselot).

The question was taken; and on a division (demanded by Mr. Rousselot) there were—ayes 15, noes 16.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 189, not voting 34, as follows:

[Roll No. 122]

AYES—210

Albosta
Ambro
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Boland
Boner
Bouquard
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Carney
Carr
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W
Dannemeyer
Davis, Mich.
Deckard
Derrick
Devine
Dickinson
Dodd
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Evans, Ga.
Evans, Ind.
Fithian
Flippo
Florio
Forsythe
Fountain
Frost
Fuqua
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harkin
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffries

Jenkins
Jenrette
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Natcher
Neal
Pashayan
Paul
Perkins
Petri
Pickle
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Yatron
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Akaka
Alexander
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Bereuter
Bingham
Bolling
Bonior
Bonker
Bowen
Brademas
Brodhead
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conable
Conte
Conyers
Corman
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derwinski
Dicks
Diggs
Dingell
Dixon
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Gaydos
Gephardt
Giaimo
Gonzalez
Gore
Gray
Green
Hall, Ohio
Hamilton
Hance
Hanley
Harris
Hawkins
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hyde
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Long, La.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKinney
Maguire
Markey
Marks
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Myers, Pa.
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Peyser
Porter
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
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Synar
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Wolff
Wolpe
Wright
Wylie
Yates
Young, Mo.
Zablocki
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Abdnor
Anderson, Ill.
Ashbrook
Biaggi
Blanchard
Boggs
Campbell
Crane, Philip
Davis, S.C.
Dougherty
Garcia
Harsha
Jeffords
Johnson, Colo.
Jones, N.C.
Livingston
Long, Md.
McDonald
Mathis
Matsui
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Nichols
Nolan
O'Brien
Patten
Pritchard
Ratchford
Stewart
Stockman
Thompson
Treen
Weaver

☐ 1440

The Clerk announced the following pairs:

On this vote:

Mr. Jones of North Carolina for, with Mr. Thompson against.

Mr. Nichols for, with Mrs. Boggs against.

Mr. McDonald for, with Mr. Garcia against.

Mr. Ashbrook for, with Mr. Stewart against.

Mr. Campbell for, with Mr. Patten against.

Mr. Abdnor for, with Mr. Biaggi against.

Mr. KILDEE and Mr. BARNARD changed their votes from "aye" to "no."

Messers. HANSEN, VOLKMER, and GLICKMAN changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1450

The CHAIRMAN. Are there additional amendments to title II?

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 3, line 24, strike out "section" and insert in lieu thereof "sections".

Page 4, insert the following after line 21:

"SEC. 25. No payment may be made to the Bank by the Secretary of the Treasury for (1) the United States share of the increase in subscriptions to the paid-in capital stock and callable capital stock, or (2) the United States contribution to the Asian Development Fund, if Taiwan (before January 1, 1979, known as the Republic of China) is excluded from membership in the Bank."

Page 4, line 21, strike out the closed quotation marks and final period.

Mr. GONZALEZ. Mr. Chairman, I wish to reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Texas (Mr. GONZALEZ) reserves a point of order.

PARLIAMENTARY INQUIRY

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GONZALEZ. Mr. Chairman, is it proper for me to insist on the point of order at this point?

The CHAIRMAN. If the gentleman wishes to, he may insist on it or he may reserve his point of order and the gentleman from New York may explain his amendment.

Mr. GONZALEZ. Mr. Chairman, I insist on my point of order.

POINT OF ORDER

The CHAIRMAN. The gentleman from Texas will state his point of order.

Mr. GONZALEZ. Mr. Chairman, the amendment is not germane to the bill before us. Chapter 28 of "Deschler's Procedure" sets forth many examples of and precedents indicating that an amendment must be germane to the bill before the committee.

In this instance, the amendment offered by the gentleman from New York would, if adopted, amend the relationship of the United States to the Asian Development Bank.

The bill before the committee in no way makes any reference to the Asian Development Fund.

I would argue that the gentleman's amendment is not germane and should be ruled out of order.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) is recognized.

Mr. BAUMAN. Mr. Chairman, the legislation before us is the general authorizing legislation for all of the various multilateral lending institutions covered by the bill. The terms of this bill before us are broad in scope, and in the case of the Asian Development Bank, they specifically, for instance, in title IV, section 401, direct the Secretary of the Treasury to instruct the Directors of the Asian Development Bank to take certain steps regarding some future contingent event described therein. There are a number of other restrictions placed upon the lending institutions described in the bill.

The gentleman from New York's amendment simply suggests an additional limitation of the same quality and type already included in this bill be imposed upon the Secretary of the Treasury as it pertains to the Asian Development Bank, one of the institutions that the bill authorizes. The amendment is germane.

The CHAIRMAN. Does the gentleman from New York (Mr. SOLOMON) wish to be heard on the point of order?

Mr. SOLOMON. Yes, Mr. Chairman.

I would just like to explain, in reference to the germaneness of the amendment, that this amendment would prohibit the U.S. participation in the Asian Development Bank if Taiwan is excluded from membership in that particular bank.

Now, I offered a virtually identical amendment to the foreign aid appropriation bill, H.R. 4473, last July 18, and that amendment was accepted by this House by a vote of 244 yeas to 164 noes.

Now, I think that when we enacted the Taiwan Relations Act last year, many people in this House, including the gentleman from Wisconsin (Mr. ZABLOCKI), and the gentleman from New York (Mr. WOLFF), insisted on language being in the Taiwan Relations Act.

I would just like to read that, if I may, to the gentleman from Texas (Mr. GONZALEZ), that language that was inserted in the Taiwan Relations Act.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Texas.

Mr. GONZALEZ. Well, the gentleman

I think will find that is unnecessary, because he is referring to another bill on another subject matter. I am raising the point of order that the gentleman's amendment is not germane to this bill, because the gentleman is addressing his amendment to a subject matter that is not contained in this bill.

The gentleman is talking about the Asian Development Fund, rather, capital stock, and the pending bill makes no reference to capital stock. We are talking about the Asian Development Fund.

So the gentleman's amendment properly is not germane to the subject matter under consideration.

Mr. SOLOMON. With all due respect to the chairman, it is simply a limitation. It refers to title II, the Asian Development Bank. I would state that the amendment is germane.

Mr. GONZALEZ. Mr. Chairman, if I may be heard further, I do so only to underline the major motivation for my point of order, and this is that our bill addresses itself to the Asian Development Fund. At no point is it considering the question of capitalization structure or the stock.

The amendment the gentleman has presented specifically says, paid in capital stock, callable capital stock, et cetera. Therefore, it is not germane to the subject matter pending and under consideration.

The CHAIRMAN. The Chair would like to direct a question to the gentleman from Texas (Mr. Gonzalez).

With respect to his committee report, does not the gentleman discuss in there the capital contribution, the capital subscription and delineate between the callable capital and the paid-in capital, so the $445 million referred to in title II is in part a contribution and in part made up of capital——

Mr. GONZALEZ. Not with respect to this fund.

Mr. SOLOMON. I disagree, Mr. Chairman. I was reading the same report the chairman just read.

☐ 1500

Mr. GONZALEZ. Mr. Chairman, if the Chair will yield his attention to me, if the chairman will allow me to interrupt the discussion, because I notice the chairman is looking at the committee report. I am predicating my point of order on the bill and the germaneness of the bill, not the discussion appended to the report.

The CHAIRMAN. The Chair would direct another question to the gentleman and ask whether or not the $445 million authorized to be contributed in title II, does it include in that the U.S. share of subscriptions to the paid-up in capital stock and the callable capital stock, as well as the contribution to the Asian Development Fund?

Mr. GONZALEZ. No; if the distinguished chairman will look at page 4 of the bill, the first line, section 24(a):

> The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States $445 million to the Asian Development Fund.

There is a distinction between the fund and the bank. The amendment of the gentleman addresses itself to the bank and the capitalization structure, et cetera, et cetera. This under consideration is specifically and isolatedly and exclusively and restrictively addressing itself to the $445 million authorization for the fund.

The CHAIRMAN (Mr. Duncan of Oregon). The Chair is prepared to rule.

Having examined title II, and concurring with the gentleman from Texas that the authorizations are entirely to the Asian Development Fund and without reference to the bank and without reference to either paid in capital stock or callable capital stock, the Chair is forced to rule that to that extent the amendment offered by the gentleman from New York (Mr. Solomon) is nongermane to title II of H.R. 3829.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. Mr. Chairman, in forming the opinion the Chair just has given to the committee, did the Chair read lines 16 through 21 which specifically refer to the Asian Development Bank and undispersed balances which accrue from the previous sections that only refer to the Asian Development Fund? Perhaps the Chair overlooked that reference. It seems to me that the section covers the fund and the bank.

The CHAIRMAN. Yes; with respect to the gentleman's parliamentary inquiry, the Chair has read the lines referred to in section 24(c). It does not refer to any appropriation to the Bank. It directs the Secretary of the Treasury to obtain a certification from the Bank with respect to balances, again entirely consistent with the position of the gentleman from Texas that we are dealing here with a contribution to the Asian Development Fund and not subscriptions to capital stock or callable capital stock.

The Chair reaffirms its decision and sustains the point of order.

Are there further amendments?

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Solomon: Page 3, line 24, strike out "section" and insert in lieu thereof "sections".
>
> Page 4, insert the following after line 21:
>
> "Sec. 25. No payment may be made by the Secretary of the Treasury for the United States contribution to the Asian Development Fund, if Taiwan (before January 1, 1979, known as the Republic of China) is excluded from membership in the Bank."
>
> Page 4, line 21, strike out the closed quotation marks and final period.

Mr. SOLOMON. Mr. Chairman, as I started to say before, we are all concerned with the economy in America. We are concerned with rampant inflation which is running at 18 to 20 percent.

I think we all know that Taiwan is the seventh largest trading partner of the United States of America and provides many, many jobs in this country and man-hours for the goods that are produced that we export to Taiwan.

I do not have to tell any Member of this House that last month we had a $4.5 billion trade deficit in this country. If that continues for the next 12 months, it will hit $50 billion. That does not even take into consideration increased OPEC oil prices with which we are bound to be hit during that same 12-month period.

At the time that the Taiwan Relations Act was debated on this floor for many, many weeks, many people on that side of the aisle, as I mentioned before, including the gentleman from Wisconsin (Mr. Zablocki); the gentleman from New York (Mr. Wolff); and many of us on this side of the aisle insisted that this language be written into the Taiwan Relations Act, not only to protect the security of Taiwan, but to protect the American economy.

Let me briefly just read that language. It states:

> It is the policy of the United States of America to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security or the social or economic system of the people of Taiwan.

Further, and I quote again :

> Nothing in this Act may be construed as the basis for supporting the exclusion or the expulsion of Taiwan from continued membership in any international financial institution.

Now, we all saw what happened at the United States Olympics recently held in this country, when because the People's Republic of China, Communist China, insisted that the Taiwanese people not use their national anthem or their national flag and through coercion, in violation of this act, the Taiwan Relations Act, our State Department and the administration coerced the U.S. Olympic Committee and the International Olympic Committee into refusing to seat the Taiwanese and let them use their national anthem.

I say that in conversations we have had with American businessmen in Taiwan, with American businessmen in this country, and I represent one of the largest industries in America in my district that does $2 billion worth of business with the Taiwanese people, we have to do everything we can to protect them. The very intention of the act that we passed in good faith on that side of the aisle and on this side of the aisle indicates that we should pass this amendment, which simply says that if Taiwan is excluded, if they are forced out of the Asian Development Bank, then none of these funds shall be made available.

I think it is a reasonable amendment. It will show faith in our policy. As this amendment passed back on July 18 by a vote of 244 to 164, I would certainly urge all of us to vote on this, without having to call for a recorded vote tonight.

Mr. GONZALEZ. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I should say that I admire the purpose that the gentleman from New York is obviously telling us he has in offering this amendment. I happen to be one who certainly supports and have supported the continued independence of Taiwan; but again, as in the case of some of these other well-intended actions, it is ironic, because they bring about the possibility of doing the very opposite, of really hurting Taiwan.

I will tell you why. The People's Republic of China, at least up to now, and there is no evidence to show even now, has never indicated any interest in membership in the Asian Development Bank.

The amendment anticipates a situation that conceivably might not develop or arise at all. The important thing, though, the thing that I think can undo us, is that if we adopt this amendment and we insist on it and it goes over, it can be and it probably will be considered as placing a condition of the kind that violates the charter of the Asian Development Bank, which like other multilateral banks does not and cannot accept unilateral political restrictions on contributions.

□ 1510

If this happens to be so, and I sincerely believe that is the likelihood, the effect of the amendment would be, indeed, contradictory because it could cause the bank to reject the U.S. contribution and, in effect, cut Taiwan off from help immediately, not even waiting for the People's Republic of China to make an application or try to get in. That is the exact opposite of what I know the gentleman desires or really intends. I know the gentleman is sincere and has valid reasons why we should support and continue to support Taiwan which has been the beneficiary of $1 billion worth of support from the Asian Development Bank. This is the reason I was arguing so much against the Rousselot amendment, because it, in effect, was gutting the aid, the aid that exists up to now for such republics as Taiwan.

The amendment could cause the bank to reject the U.S. contribution and that, in turn, as I said and repeat, simply cuts off Taiwan by effectively ending or, at the very least, sharply curtailing ADB operations. If the United States were, in effect, to leave the bank, which could be the effect of this amendment's language ultimately, there would be much less help available for Taiwan, and the main support for Taiwan, namely ourselves, would disappear from the bank's councils. I think that the language again unfortunately does the opposite of what is intended, in good faith, and with the best of intentions, and with motives I share 100 percent. I really sincerely feel it could end up being a mischievous amendment.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I would be delighted to yield.

Mr. SOLOMON. I certainly do not doubt the gentleman's sincerity. As a matter of fact, I respect the gentleman's sincerity. I know the gentleman believes in what he is saying.

But, again, we have reason to believe that the time will come when Taiwan may be squeezed out of the Asian Development Bank, out of participation, out of membership. The U.S. Government has a voting right to make that decision whether they are excluded or not. With this provision in, it is simply insurance that Taiwan is not going to be squeezed out, that we are still going to do business with the Taiwanese people; we are going to protect their entity and, therefore, protect American production in this country and protect our exports which means so much to my district and to Congressman STRATTON's district, and to many other districts in this country.

Mr. GONZALEZ. If I may reclaim my time, what I want to say is that is what I was trying to say, I know those were the intentions. I know that is the purpose of this language. But I pointed out the danger of what could be the result with the likelihood of the Red Chinese intention to join, were it to happen, which is not likely because there are a lot of things that have to happen. This is an argument that I raised when we had the IMF amendments.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

Mr. GONZALEZ. When the IMF amendments came up, I was one of those that offered the amendment, or tried to, that would have had language to have prevented Vietnam, for instance, from being considered, because automatically they would have come in and have had capability for joinder and taken the place of the original Vietnamese Government when the bank was established. Nobody helped me. I could not even get 16 Members to stand up so that I could get a vote. There was nobody, not Mr. YOUNG or anybody else.

Now the same thing is happening here, because if that should arise the Chinese would have to come in and give information which up to now, for whatever reason, they have not wanted to. They would also have to have quite a bit of argument, and it would provide ample time for us to exert whatever power we have in that bank, which has been diminished now, through our representative to do the very thing the gentleman is asking.

Mr. SOLOMON. Will the gentleman yield on that point?

Mr. GONZALEZ. I yield to the gentleman.

Mr. SOLOMON. I am not offering an amendment that would preclude the People's Republic of China from becoming a participating member in the Asian Development Bank. If that is good for them and that is good for America, fine. All I am doing is protecting and insuring the right of Taiwan to continue to be a member of the Asian Development Bank. It is important to America, not only because of our national security but because of the economy of this country today and the $4.5 billion trade deficit that we had last month. We cannot afford to see them lose their viability when they are the seventh largest trading partner with America today.

Mr. GONZALEZ. The gentleman realizes, though, if the People's Republic of China did come in it would perhaps be only on the basis of preempting Taiwan.

Mr. SOLOMON. I know that very well, sir, and that is why I am offering the amendment.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

Mr. Chairman, I think the gentleman from New York has offered a very valuable amendment and one that does nothing except protect the trading status of the United States with respect to the kind of sophisticated machinery that Taiwan has been buying from us in the past, and that we hope will continue to buy in the future. I refer specifically to the turbines and the generators and the nuclear power generating plants produced by the General Electric Co., which is in my District, and also in the district of the gentleman from New York (Mr. SOLOMON).

We have been carrying on one of our major trading operations with Taiwan and with Korea and, in fact, these contracts, which are being entered into by very modern, progressive, technologically-developed countries, the Republic of China on Taiwan and the Republic of Korea are providing jobs for some 26,000 people in the City of Schenectady and in the surrounding areas. All we are doing with the Solomon amendment is trying to anticipate in advance and to prevent the possibility that Taiwan, which is a responsible trading partner of the United States and which is getting assistance from the Asian Bank, should not be excluded simply because we are also talking about trading with the People's Republic of China.

The whole operation of formally recognizing the People's Republic of China, as the President of the United States indicated at the time, and as this House put into the enabling legislation we passed, would not interfere with our existing economic relationships with Taiwan in the least. But if there is any possibility that Taiwan might be denied the same kind of credit structure which other countries have, and if that denial is then going to cut off the jobs of thousands of Americans, we simply do not want that to happen. All this amendment says, as I understand it, is simply that we do not want that to happen, that we are instructing our representatives to oppose it, and that the use of these funds would not apply in the event the Inter-Asian Bank took that decision.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the author of the amendment if I am not interpreting correctly.

Mr. SOLOMON. Mr. Chairman, I would say the gentleman most certainly is correct. The gentleman from New York was not on the floor and had just come on when I read the last section of the Taiwan Relations Act, which was the main reason that the Taiwan Relations Act was passed in the first place. They got a lot of people to vote for it because we included language in it, and it simply said that "Nothing in this act may be construed as a basis for supporting the exclusion of or the expulsion of Taiwan from continued membership in any international financial institution."

That is what the gentleman from New York is saying, and that is what I am saying.

Mr. STRATTON. I want to commend the gentleman for offering his amendment because it is extremely important for New York State, and he is doing a great service. I support the amendment wholeheartedly.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to my friend from California.

□ 1520

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding and I, too, would like to rise in support of this amendment.

I think the whole purpose of the Taiwan Relations Act as it was debated and voted on here in the House was to protect the Republic of China and the people on Taiwan. That is why we spent so much time, why we were so careful about amendments.

Mr. Chairman, I believe there to be one other thing which should be kept in mind: All around the world, countries are still questioning the treatment that we gave to Taiwan. One can argue whether we should have done what we did or not, but they are questioning that. Our credibility is at stake here, too. I think if we do not pass this amendment it will be another blow to the credibility of the United States as a friend and ally.

Mr. Chairman, I urge the adoption of the amendment.

Mr. STRATTON. Mr. Chairman, I think the gentleman is absolutely correct. Certainly we are not in a position to sell nuclear generating plants to the People's Republic of China. So we ought to be able to keep on selling them to those in Asia who want to buy them so we can protect American jobs.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I will be glad to yield to my friend from California who is so understanding of our economic problems in this smaller, tinier State of New York.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I, too, agree with my colleague from New York that this amendment is important and essential to this act and especially to make it clear that many of us in this country wish to continue to trade and deal with Taiwan, that this amendment goes far beyond this particular piece of legislation. I think it is an important element. Even my good colleague from Texas, the chairman of the subcommittee (Mr. GONZALEZ) has said that he understands the thrust and the purpose of the offering of this amendment and he agrees with that, even though he is in some technical disagreement with some of the language.

Mr. Chairman, it is far more important to our relationship with Taiwan that we have a vote on this issue and that we make it clear that this country continues to believe that Taiwan is our friend, is a good ally, and a good trading partner.

Mr. Chairman, I appreciate the strong statement of the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the gentleman from California (Mr. ROUSSELOT) is, as always, very perceptive and I thank him for his contribution.

Mr. STANTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I do not take advantage of those who say it is so important because as I understand the situation, relating it to the Asian Development Bank, it is totally meaningless so we may as well accept it.

Mr. Chairman, Taiwan has been a member of the Asian Development Bank since soon after its inception in 1966. The People's Republic of China has never been a member.

Mr. Chairman, on the division between borrowers, contributors and noncontributor countries, China itself would never qualify. If they want to contribute, of course, I hope no one would want to keep them out. There is no intention of keeping China out. As I read the amendment, Taiwan would always stay in.

This is important. I was interested in the remarks of the gentleman from New York (Mr. STANTON) with regard to Schenectady. We have given 12 loans to Taiwan over the years for $100 million. Most of those projects were major construction projects which were engineered by the United States and were projects contributed to by the United States.

Mr. Chairman, in my district, we are third behind Schenectady and General Electric.

I believe it is in Bangladesh where there is an Asian Development project pending which I think will not now go through because of the cuts we made previously. This organization is good for both Schenectady and General Electric. When it comes to passage of this legislation I think we should remember if we contribute one dollar to that bank we are going to get three dollars in return coming to our constituents.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLOMON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—AFRICAN DEVELOPMENT FUND

SEC. 301. The African Development Fund Act, as amended (22 U.S.C. 290g et seq.), is further amended by redesignating section 212 as section 211 and by adding at the end the following new section:

"SEC. 212. (a) The United States Governor of the Fund is hereby authorized to contribute on behalf of the United States $125,000,000 to the Fund as the United States contribution to the second replenishment of the resources of the Fund: *Provided, however*, That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $125,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the African Development Fund authorized by this section by letter of credit in three annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Fund that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.".

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there amendments to title III?

There being no amendments to title III, the Clerk will read.

The Clerk read as follows:

TITLE IV—EXPORT OPPORTUNITY ENHANCEMENT

SEC. 401. The Secretary of the Treasury shall instruct the United States Executive Directors of the Inter-American Development Bank, the Asian Development Bank and the African Development Fund to take all possible steps to assure that information relative to potential procurement opportunities for United States firms is expeditiously communicated to him/her, the Secretary of State and the Secretary of Commerce. Such information shall be disseminated as broadly as possible to both large and small business.

Mr. REUSS (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there amendments to title IV?

COMMITTEE AMENDMENT

The CHAIRMAN. If there are no amendments to title IV, the Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, after line 11, insert the following new title:

TITLE V—HUMAN RIGHTS REPORTING

SEC. 501. Section 701 of an Act approved October 3, 1977 (Public Law 95–118; 91 Stat. 1069), is amended—

(1) in subsection (c)—

(A) by inserting "(1)" after "(c)"; and

(B) by adding at the end thereof the following new paragraph:

"(2)(A) The Secretary of the Treasury shall report quarterly on all loans made by the institutions listed in subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Each such quarterly report shall include a list of all loans made by such institutions and shall specify—

"(i) the institution involved;

"(ii) the date of final action;

"(iii) the borrower;

"(iv) the amount;

"(v) the project or program;

"(vi) the vote of the United States Government;

"(vii) the reason for United States Government opposition, if any;

"(viii) the final disposition of the loan involved; and

"(ix) in any case in which the United States Government opposes any such loan, whether such loan meets basic human needs.

"(B) The information required to be reported under subparagraph (A) also shall be included in the annual report to Congress of the National Advisory Council on International Monetary and Financial Policies."; and

(2) by adding at the end thereof the following new subsection:

"(g)(1) The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly to the chairmen and ranking minority members of the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Subcommittee on International Development Institutions and Finance of such Committee, and the Committees on Foreign Relations of the Senate in each instance in which the United States Executive Director of an institution listed in subsection (a) opposes any loan, financial assistance, or technical assistance, for reasons regarding human rights. Each such report shall include—

"(A) the reasons for such opposition;

"(B) all policy considerations taken into account in reaching such decision to oppose such loan, financial assistance, or technical assistance;

"(C) a description of the human rights conditions in the country involved;

"(D) a record of how the United States Government voted on all other loans, financial assistance, and technical assistance to such country during the preceding two years; and

"(E) information as to how the decision to oppose such loan, financial assistance, or technical assistance relates to overall United States Government policy on human rights in such country.

"(2) The Secretary of the Treasury or his delegate shall consult frequently and in a timely manner with the chairmen and ranking minority members specified in paragraph (1) to inform them regarding any prospective changes in policy direction toward countries which have or recently have had poor human rights records.".

Mr. REUSS (during the reading). Mr. Chairman, I ask unanimous consent that title V, which is the committee amendment, be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there amendments to the committee amendment?

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA TO THE COMMITTEE AMENDMENT

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Young of Florida to the committee amendment: Page 6, line 13, insert "(a)" after "501.".

Page 8, after line 25, insert the following:

(b) Title VII of such Act is amended by adding at the end thereof the following:

"Sec. 705. The President shall direct the United States Governor of the International Bank for Reconstruction and Development, the United States Governor of the International Finance Corporation, the U.S. Governor of the International Development Association, the United States Governor of the Inter-American Development Bank, the United States Governor of the Asian Development Bank, and the United States Governor of the African Development Fund to formally propose for adoption an amendment to the Articles of Agreement of their respective institutions to establish human rights standards to be considered in connection with each application for assistance.".

Mr. STANTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the committee amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. LaFALCE. Mr. Chairman, reserving the right to object, does the gentleman have copies of his amendment?

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio that the amendment offered by the gentleman from Florida (Mr. Young) to the committee amendment be considered as read and printed in the Record?

There was no objection.

Mr. YOUNG of Florida. Mr. Chairman, the language of this amendment is the same human rights language that was adopted by the House to the appropriations bill for fiscal year 1979. I did not offer it to the fiscal year 1980 appropriations bill because it was in fact legislation on an appropriations bill and I decided not to do that. However, this is a legislative bill and I would ask that the amendment be considered favorably.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I would be happy to yield.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, we have had ample opportunity to consider this amendment. The gentleman has provided us with a copy. We have discussed it. I find nothing unfavorable about the amendment. The amendment is exactly as he has presented it to the House. I see no objection to it and in fact compliment the gentleman and will say that this shows us that at times colleagues on different sides of the aisle, on different sides of an issue, do find common ground and it displays good will and honest intentions and effective legislation.

□ 1530

Mr. YOUNG of Florida. I thank the gentleman for his comment.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I will be happy to yield to the gentleman from New York.

Mr. LaFALCE. Mr. Chairman, I have a little bit of difficulty with it because the gentleman is directing the U.S. Governor of the World Bank, of the International Finance Corporation, of the International Development Association, in addition to the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund. I do not know that that is possible for this bill. I just think it is beyond the purview of this bill.

Mr. YOUNG of Florida. I would respond to the gentleman that I had hoped that no one would raise the germaneness issue, because we are dealing with international development banks. Since the point is not raised on germaneness——

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, it is my understanding that we were told that those were crossed out and taken out of this sheet, that those others were taken out, and that is the only reason those banks which are not appropriate are in there, or I would have made a point of order. But, I understood the gentleman had crossed them off on his list there.

Mr. YOUNG of Florida. I would respond to the gentleman by saying that I do not know why he had that impression.

Mr. STANTON. I was told that.

Mr. YOUNG of Florida. By whom?

Mr. STANTON. By the gentleman's staff.

Mr. YOUNG of Florida. The amendment appeared exactly as was presented to the desk.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield further?

Mr. YOUNG of Florida. I will be happy to yield.

Mr. LaFALCE. I am not going to object to this amendment on the grounds of germaneness, although I do think that would be in order because I do think it is beyond the purview of the bill before us, because I think that this approach that the gentleman is taking by this amendment, if it is true that it is deficient because of the inclusion of the other banks, is an appropriate approach to take.

If we are going to make changes, we should try to make changes in the form of the international financial institutions through changes in the charter. I only wish that the approach the gentleman is taking by this amendment would be followed by the gentleman from Florida on all the other substantive issues on which he feels so strongly, rather than taking unilateral action by the United States in inherent contradiction to the charters of those multilateral institutions.

Mr. YOUNG of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Young) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE V—EFFECTIVE DATE

Sec. 501. This Act shall take effect on the date of its enactment, except that no funds authorized to be appropriated by any amendment contained in title I, II, or III may be available for use or obligation prior to October 1, 1979.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, line 1, strike out "V" and insert in lieu thereof "VI".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, line 2, strike out "501" and insert in lieu thereof "601".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, line 3, strike out "expect" and insert in lieu thereof "except".

The committee amendment was agreed to.

The CHAIRMAN. Are there any further amendments to what is now title VI?

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: Page 8, after line 25, insert the following new title:

TITLE VII—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

SEC. 701. The Congress hereby finds that—

(1) without an adequate supply of energy at affordable prices the world's poor will continue to be deprived of jobs, food, water, shelter and clothing, and poor countries will continue to be economically and politically unstable;

(2) dependence on increasingly expensive fossil fuel resources consumes too much of the capital available to poor countries with the result that funds are not available to meet the basic needs of poor people;

(3) in many developing countries the cost of large central generators and long distance electrical distribution makes it unlikely that rural energy by means of a national grid will contribute to meeting the needs of poor people;

(4) only one of eight rural inhabitants lives in an area which has access to electricity and even fewer rural inhabitants actually have or can afford electricity;

(5) wood, animal and agricultural waste and other "non-commercial" fuels still supply about half the total energy in developing countries and all but a seventh in rural sectors;

(6) growing dependence of the world's poor on wood for heating and cooking has forced the overcutting of forests and as a consequence erosion and loss of available agricultural land;

(7) recent initiatives by the international financial institutions to develop and utilize decentralized solar, hydro, biomass, geothermal and wind energy should be significantly expanded to make renewable energy resources increasingly available to the world's poor on a wide scale.

SEC. 702. (a) The United States Government, in connection with its voice and vote in the International Bank for Reconstruction and Development, the International Development Association, the Interantional Fiand Development, the International Development Association, the nIternational Finance Corporation, the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall encourage such institutions—

(1) to promote the decentralized production of renewable energy;

(2) to identify renewable resources to produce energy in rural development projects and determine the feasibility of substituting them for systems using fossil fuel;

(3) to train personnel in developing technologies for getting energy from renewable resources;

(4) to support research into the use of renewable energy resources, including hydropower, biomass, solar photovoltaic and solar thermal;

(5) to create an information network to make available to policy makers the full range of energy choices;

(6) to broaden their energy planning, analyses and assessments so as to include consideration of the supply of, demand for, and possible uses of renewable energy resources;

(7) to encourage the international financial institutions to coordinate the work of the Agency for International Development and other aid organizations in supporting effective rural energy programs.

(b) For purposes of this section, the term "renewable energy resource" means any resource which—

(1) meets the needs of rural communities;

(2) saves capital without wasting labor;

(3) is modest in scale and simple to install and maintain and which can be managed by local individuals;

(4) is acceptable and affordable; and

(5) does not damage the environment.

(c) The Secretary of the Treasury in consultation with the Director of the International Development Cooperation Agency shall report to the Congress not later than six months after the date of enactment of this Act and annually thereafter on the progress toward achieving the goals set forth in this title.

Redesignate the following titles and sections accordingly.

Mr. VOLKMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. STANTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. STANTON (during the reading). Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Ohio reserves a point of order.

Mr. VOLKMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Chairman, I do not plan to take the full 5 minutes. I would like to say that this amendment is one originally drafted by the gentleman from Maryland (Mr. LONG). We became cognizant of it some time ago because of our interest in trying to do something to promote renewable energy resources in the underdeveloped nations. I have, as a member of the Science and Technology Committee, became very interested in this project.

This country, of course, along with many others, is devoting a large amount of resources and trying to promote our technology for underdeveloped nations so that they can provide for their own energy needs and have less dependence on oil that some of them need. It was my understanding from my own staff, when we received this, that this amendment would be introduced on this legislation because we at the time were working on an amendment to be offered on this legislation by the gentleman from Maryland, who was the original drafter of the legislation. Since he has not been here and the bill is about ready, I just more or less—I do not say stole it—but felt this need that it should be adopted on the legislation to show to the rest of the world that we feel that the institutions concerned in this legislation would work to promote energy resources, renewable resources such as solar, hydroelectric, and these types of things in the other countries. We need to do that not only by this country, but by all the banking institutions involved.

Also, I would just like to comment that yesterday morning several of us met with Mr. Calderon, who is president of OPEC and also Minister of Energy for the country of Venezuela. They too are very interested in working on promotion of renewable energy resources in their own way.

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For those Members who were not cognizant of it, yesterday during the day, after that, we had a joint meeting of the Committee on Science and Technology and the Committee on Foreign Affairs on development and sustaining the development and coordination for development of natural resources for energy in these underdeveloped nations, especially those that are the least developed nations, so that we can promote a better standard of living for those people.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Wisconsin

Mr. REUSS. Mr. Chairman, I think this is a constructive amendment. It is one which I would be very happy to support.

I call the attention of the gentleman to the fact that in its operative section, section 602, the amendment refers not only to the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, but to the World Bank, to IDA, and to the IFC. In fact, those three latter organizations are not in this bill at all, and I notice that my friend, the gentleman from Missouri (Mr. VOLKMER) has included them.

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent that those organizations be stricken from the amendment, and that only those banks that are involved in this bill be enumerated in the amendment.

Mr. Chairman, I hope there is no objection, and I make that unanimous consent request at this time.

The CHAIRMAN. Will the gentleman from Wisconsin (Mr. Reuss) repeat the names of the institutions that are applicable to the unanimous consent request?

Mr. REUSS. Yes, Mr. Chairman. The unanimous consent request, as I understand it, is that the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank be included in the Volkmer amendment, but that the International Bank for Reconstruction and Development, the International Development Association, and the International Finance Corporation, which are really not germane, be excluded.

The CHAIRMAN. Is there objection to the unanimous consent request that the names of those three institutions delineated by the gentleman from Wisconsin (Mr. Reuss) be deleted from the pending amendment?

Mr. STANTON. Mr. Chairman, regretfully, I have to object.

The CHAIRMAN. Objection is heard.

Mr. VOLKMER. Mr. Chairman, I still have time remaining, do I not?

The CHAIRMAN. Yes, the gentleman from Missouri (Mr. Volkmer) has some time remaining.

Mr. VOLKMER. Mr. Chairman, I would just like to point out that if the gentleman from Ohio (Mr. Stanton) is objecting for purposes other than not adopting this amendment, I would like to point out to the Members that the gentleman from Maryland (Mr. Long) is present. I would like to ask the gentleman from Maryland to take this amendment which he presently has and include only those banks that are within the purview of this bill.

If the gentleman will do that at this time or in a few minutes, I believe that we will be able to offer an amendment that will not be subject to objection or to a point of order, and, therefore, we can get the amendment adopted. It would then be adopted in the true author's name, and I believe all the Members would be satisfied.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. Volkmer) has expired.

(By unanimous consent, Mr. Volkmer was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, I wish now to yield to the gentleman from Maryland (Mr. Long).

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman from Missouri (Mr. Volkmer) for yielding.

Let me say, Mr. Chairman, that this amendment is in the interest of trying to get energy to the poor people of the world without vast expense in providing grids that reach all across the country. This is trying to do it on the "cheap," to help in allowing energy to reach all the developing countries in the world without its being a fixed burden on the American taxpayer. I understand the committee on both sides is willing to accept the amendment.

Mr. VOLKMER. No, Mr. Chairman, I will say to the gentleman that it is not.

Mr. LONG of Maryland. Mr. Chairman, I rest my case.

Mr. VOLKMER. Mr. Chairman, I suggest that the gentleman from Maryland (Mr. Long) hand a copy of his amendment to the staff man seated to his right and let him strike the names of the banks from one copy. He can then deliver it to the Clerk so that only those banks that are in this bill will be included in the amendment.

Then, Mr. Chairman, as soon as I conclude my remarks, I will withdraw my amendment and permit the gentleman to offer that amendment, if he will deliver the copy to the Clerk, and we can get an amendment adopted to this bill which needs to be adopted, one which will not be subject to a point of order.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman very much. I would be happy to do that.

Mr. VOLKMER. Mr. Chairman, at this time I ask unanimous consent that I may be permitted to withdraw my amendment in favor of the gentleman from Maryland (Mr. Long).

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, I will not object, but I will ask this: We can be assured that it will now be in order for the gentleman from Maryland (Mr. Long) to offer his amendment as a substitute, is that correct?

The CHAIRMAN. Yes, if the gentleman gets recognition.

Mr. ROUSSELOT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Missouri (Mr. Volkmer) is withdrawn by unanimous consent.

Are there further amendments to title VI?

Is the gentleman from Maryland (Mr. Long) seeking recognition?

Mr. LONG of Maryland. I seek recognition, Mr. Chairman, for the purpose of offering an amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. Long).

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Long of Maryland: Page 8, after line 25, insert the following new title:

TITLE VIII—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

Sec. 701. The Congress hereby finds that—

(1) without an adequate supply of energy at affordable prices the world's poor will continue to be deprived of jobs, food, water, shelter and clothing, and poor countries will continue to be economically and politically unstable;

(2) dependence on increasingly expensive fossil fuel resources consumes too much of the capital available to poor countries with the result that funds are not available to meet the basic needs of poor people;

(3) in many developing countries the cost of large central generators and long distance electrical distribution makes it unlikely that rural energy by means of a national grid will contribute to meeting the needs of poor people;

(4) only one of eight rural inhabitants lives in an area which has access to electricity and even fewer rural inhabitants actually have or can afford electricity;

(5) wood, animal and agricultural waste and other "non-commercial" fuels still supply about half the total energy in developing countries and all but a seventh in rural sectors;

(6) growing dependence of the world's poor on wood for heating and cooking has forced the overcutting of forests and as a consequence erosion and loss of available agricultural land;

(7) recent initiatives by the international financial institutions to develop and utilize decentralized solar, hydro, biomass, geothermal and wind energy should be significantly expanded to make renewable energy resources increasingly available to the world's poor on a wide scale.

Sec. 702. (a) The United States Government, in connection with its voice and vote in the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall encourage such institutions—

(1) to promote the decentralized production of renewable energy;

(2) to identify renewable resources to produce energy in rural development projects and determine the feasibility of substituting them for systems using fossil fuel;

(3) to train personnel in developing technologies for getting energy from renewable resources;

(4) to support research into the use of renewable energy resources, including hydropower, biomass, solar photovoltaic and solar thermal;

(5) to create an information network to make available to policy makers the full range of energy choices;

(6) to broaden their energy planning, analyses and assessments so as to include consideration of the supply of, demand for, and possible uses of renewable energy resources;

(7) to encourage the international financial institutions to coordinate the work of the Agency for International Development and other aid organizations in supporting effective rural energy programs.

(b) For purposes of this section, the term "renewable energy resource" means any resource which—

(1) meets the needs of rural communities;

(2) saves capital without wasting labor;

(3) is modest in scale and simple to install and maintain and which can be managed by local individuals;

(4) is acceptable and affordable; and

(5) does not damage the environment.

(c) The Secretary of the Treasury in consultation with the Director of the International Development Cooperation Agency shall report to the Congress not later than six months after the date of enactment of this Act and annually thereafter on the progress toward achieving the goals set forth in this title.

Redesignate the following titles and sections accordingly.

Mr. LONG of Maryland (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. STANTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. MITCHELL of Maryland (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. STANTON. Mr. Chairman, the reading is almost concluded, so I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. STANTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record, and I reserve a point of order on the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. Stanton) reserves a point of order on the amendment.

The gentleman from Maryland (Mr. Long) is recognized for 5 minutes in support of his amendment.

☐ 1550

Mr. LONG of Maryland. Mr. Chairman, let me say that the purpose of my amendment really is to take a big burden off of the American taxpayer who is often being asked to not only solve his own energy problems but to spend great sums enabling poor countries to buy the oil from the Middle East which, of course, makes it more difficult and more expensive for us to get oil.

I would hope very much that the committee would accept this, because what I am trying to do is to take a burden off of the American taxpayer and at the same time get energy to the poor people of the world.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Wisconsin.

Mr. REUSS. I thank the gentleman for yielding.

Mr. Chairman, I thought it was a good amendment the first time it was offered; I think it is a good amendment this time. I shall continue to support it again and again and again.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, before I make a point of order, I want to tell the House that I think it is a very good amendment, too. It is just misplaced. Maybe not. We will have to find that out on the point of order.

But I wanted to assure the gentleman from Maryland that I have no objections against the merits or the intent of the amendment offered by the gentleman from Maryland, in regard to the content of the amendment itself. I just have to protect where it goes. And maybe I will be wrong on the point of order, but if I am, I certainly will support the gentleman's amendment.

Mr. LONG of Maryland. I hope the gentleman feels that a good amendment is never misplaced.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I wish to agree also with the previous Members who have spoken, and I wholeheartedly support the amendment. I urge the committee to adopt it.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Ohio (Mr. Stanton) insist on his point of order?

Mr. STANTON. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio will state his point of order.

Mr. STANTON. Mr. Chairman, the amendment offered by the gentleman from Maryland (Mr. Long) goes far beyond the scope of the bill that we have under consideration this afternoon. In reading the amendment, in paragraph (7) on the second page, and in the last paragraph of the bill, it continually refers to, No. 1, Mr. Chairman, the duty of the Secretary of the Treasury in consultation with the Director of the International Development Corporation. That is not under the scope of this legislation here today. That is point No. 1.

No. 2, Mr. Chairman, what we have, as I understand it, is an authorizing legislation in dollars and cents for the Asian Development Bank, the African Development Fund, and so forth. This puts definite restrictions on what these particular agencies specifically should do with regard to energy. I would hate to have us start telling the Director of the African Development Fund, for example, that they should do something about synfuels or some particular goal that we have over in our country.

I think we should leave the operation and the scope of these things up to them. But I would say to the gentleman that I think certainly his language would be absolutely appropriate in his committee, were foreign aid directly given to the Agency for International Development and we pay the full cost of that, and it should go.

That is my point of order, Mr. Chairman.

The CHAIRMAN. The Chair understands the point of order to be made on germaneness, that the amendment goes beyond the scope of the bill.

Mr. STANTON. That is correct.

The CHAIRMAN. Does the gentleman from Maryland (Mr. Long) wish to be heard on the point of order?

Mr. LONG of Maryland. Mr. Chairman, I must say that I am a little bit puzzled by that. It seems to me that we certainly are not out of order when we ask the Secretary of the Treasury to consult with other international development agencies, because the developing world is one in which we have all sorts of situations of overlapping duplication, people stepping on each other's toes. I have been working for some time now to try to get a better coordination and a better direction of our foreign aid. Of course, I am chairman of the Appropriations Subcommittee which deals with both unilateral aid and the multilateral aid that comes from this distinguished committee. So I see no way in which this could be regarded as out of order, and I urge the chair to overrule the point of order.

The CHAIRMAN. The Chair is prepared to rule on the point of order based upon the germaneness of the amendment.

The Chair notes that the germaneness of the amendment must be applied from the perspective of the bill as it has been perfected by the committee up to the point at which the point of order is made. The Chair notes that title IV of the bill as reported dealing with the export opportunity enhancement, that title V of the committee amendment dealing with human rights reporting, and that the Wolff amendment dealing with a special refugee fund have all been adopted by the committee. In view of the expansion of the scope of the bill by the adoption of those amendments and the existence of title IV in the bill as reported, the Chair is constrained to rule that the amendment is germane and, therefore, overrules the point of order.

The question is on the amendment offered by the gentleman from Maryland (Mr. Long).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Dannemeyer: Page 8, after line 25, insert the following new title and redesignate subsequent provisions of the bill accordingly:
>
> TITLE —LIMITATION ON PAYMENTS
>
> Sec. 601. Notwithstanding any contrary provision of the amendments made by titles I, II, and III of this Act, payments may not be made (and commitments to make such payments may not be made) to the Inter-American Development Bank, to the Asian Development Bank, or to the African Development Fund under any authorization contained in any such amendment in an amount which exceeds 90 percent of the amount of such authorization so long as the average salary levels of the personnel of that institution exceed by 10 percent or more the average salary levels of personnel in comparable positions in the United States Government.

Mr. DANNEMEYER. Mr. Chairman, in simple language, this amendment would provide that the Congress is going to make an effort to bring a sense of equity to the salary levels of people working in these international development banks that we are considering the authorization for this afternoon.

Right now, when you read how these people are compensated, that is, their level of compensation, it really makes all of us want to run down to their personnel office and apply. There were 4,279 people working for these banks as of December 31, 1977; 1,182 were U.S. nationals.

For some strange reason that does not seem to be apparent, at least to this Member, compensation for these people is far and beyond anything that is enjoyed by people working not only for the civil service of the U.S. Government, but also in the private sector of our country.

For example, in the professional level, the salaries total a maximum of some $53,000. That is in the old level. The taxable gross equivalent for a member of this international bank is some $97,000-plus. There are 15 people working total in that status. In other words, the compensation is almost half again as much. The net effect of all of this is that these people working in these international banks enjoy compensation that to them is tax free income taxwise. If there is a justification for that, I wish some member of this committee would bring it to my attention because it just evades me why people working for these institutions should, in effect, be given the privilege of not paying either Federal or State income tax.

So what this amendment that is now before the Committee does is this: It says that the appropriation which would follow an authorization to any one of these banks will be 90 percent of that amount, so long as salaries paid to personnel of these institutions is in excess of 10 percent of the average-paid civil service employees of the U.S. Government. That does not mean they cannot continue to pay, that is, the banks, these international banks, cannot continue to pay anything they want. But so long as what they pay is 10 percent or more than what the average wage of a civil service employee of the U.S. Government is, then they are only going to get 90 percent of the money that this Committee and this House may appropriate in connection with this legislation.

I want to point out to the Members that this authorization measure is for 3 or 4 years, which means we will not get another shot, so to speak, at this issue, this vehicle, this authorization bill, for 3 or 4 years from now. We could try to do it on an appropriation measure, but it would probably be attacked on a point of order. So today is the time, if we want to do something about this, that is, to rectify the inequity of these salary scales, and I believe this is a modest way and a just way for us to give some evidence to the taxpayers whom we all represent that we are looking out for their interests in bringing some equity to the salary scale of these public institutions. I ask for the Members' support.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, I wonder if the gentleman could tell us how this would work in reality. Would you make the cost-of-living allowances for somebody who, let us say, worked for one of the banks, for example, in Africa, Paris, or one of the very high standard-of-living areas? What I worry about with the gentleman's amendment, to be honest with the gentleman, it is good in principle but the Bank has stated to the committee that their salaries—this is a correct statement—are in line with those paid in national government service and private industry.

□ 1600

I do not know who is going to determine this. It is so open ended, the average level of personnel, comparable to the United States. I can think of maybe our AID people. Is that who the gentleman has in mind, people who work on international lending institutions and Treasury Department personnel?

The CHAIRMAN. The time of the gentleman from California (Mr. DANNEMEYER) has expired.

(By unanimous consent, Mr. DANNEMEYER was allowed to proceed for 2 additional minutes.)

Mr. DANNEMEYER. There is attached a table which has been prepared, which indicates, comparing the civil service, U.S. Government salary with private enterprise and at World Bank levels.

For example, in the general schedule 18, the salary at the maximum is $58,245. The counterpart in the private section is $61,394, and the World Bank, it is $89,570.

The way the amendment is structured is that you would take the average of the salary levels paid for comparable positions in the U.S. Government.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Ohio.

Mr. STANTON. The gentleman in the well realizes that we have gotten into this subject with the World Bank, and they have a review on now, but what we have under discussion at the moment is the Inter-American Development Bank, three different agencies, not the World Bank itself. Even within these international lending institutions, for example, IDA would handle their salaries one way, and the World Bank in another way. It is entirely separate.

I appreciate the gentleman yielding on this, and this subject of payment of income tax has come up over the years in committee.

The gentleman is certainly entitled to an answer, the best I can give it, because I at one time asked the same question.

I have got from the President of the Inter-American Development Bank that the reason they do not pay was an attempt to be equitable among all of the countries. It is not by happenstance.

We are very proud that the head of the Inter-American Development Bank and some of these lending institutions internationally are headquartered in the United States of America. They could be and maybe will be some day, if we keep on the way we are going, in Mexico or somewhere else.

So it is an attempt to treat everybody equally, both our employees and citizens as well as people who are working for the Bank. I think, as the gentleman said, there were 1,000 and some Americans——

Mr. DANNEMEYER. One thousand, one hundred and eighty-two.

Mr. STANTON. But there is a far greater number of non-Americans, are there not?

Mr. DANNEMEYER. That represents about 25 percent of the total.

Mr. STANTON. They try to treat them equitably. That is the reason.

The CHAIRMAN. The time of the gentleman from California (Mr. DANNEMEYER) has again expired.

(At the request of Mr. HOPKINS and by unanimous consent, Mr. DANNEMEYER was allowed to proceed for 2 additional minutes.)

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Kentucky.

Mr. HOPKINS. I thank the gentleman for yielding.

How many people did the gentleman say fall into this category of not having to pay Federal or State taxes?

Mr. DANNEMEYER. Well, there would be 1,182 U.S. nationals working for the World Bank. So they represent about one-fourth of the total employees of the World Bank.

Mr. HOPKINS. I can appreciate why my colleague said earlier there may be a number of people who would like to apply for a job where they do not have to pay Federal taxes. What set the precedent? Does the gentleman know why they have never had to pay Federal tax? Is there a justifiable reason?

Mr. DANNEMEYER. This Member is at a loss to give a reason historically why we should justify that people working for this World Bank somehow should be exempt from paying income taxes to the U.S. Government. It boggles the mind.

None of us who I am aware of legally can avoid that privilege of life. Why should the employees of the World Bank, U.S. nationals, or any others be permitted to enjoy that status? It is not fair.

Mr. HOPKINS. If the gentleman would continue to yield, I think it is a question that cries for an answer. Maybe somebody on the staff might like to answer.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

These are international employees, just like in the case of the U.N., and through international treaty they all fall in the same category. The World Bank is not a U.S. institution. It is not U.S. property any more than the U.N. All of these employees who are employees of the international institutions fall in that category.

If the UNESCO employees in Paris, France, who stay there all the time were to be taxed by France, it would be contrary to the international treaty. They are international employees. That is the reason.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from New York.

Mr. LaFALCE. I am sympathetic to what the gentleman is saying. First of all, I do not think we should confuse the amendment with the issue of taxation. That is separate. The issue of taxation evolves from international agreement, and if that is going to be changed we have to get the international agreement changed, but looking to the specific——

The CHAIRMAN. The time of the gentleman from California (Mr. DANNEMEYER) has expired.

(At the request of Mr. LAFALCE and by unanimous consent, Mr. DANNEMEYER was allowed to proceed for 2 additional minutes.)

Mr. LAFALCE. If the gentleman will continue to yield, take the Asian Development Bank. Now I believe that is headquartered in Manila, and take the African Development Fund. I believe that is headquartered in Abidjan.

What we are doing is that the average of an employee in Manila or the average of an employee in Abidjan, in the Ivory Coast, for example, his pay standards are going to have to be determined by the pay standards that exist in the United States, whether that employee is a citizen of the United States, a citizen of Canada, or a citizen of Japan. The amendment makes so little sense when you look at the specifics, I suggest to the gentleman.

Mr. DANNEMEYER. The gentleman's concern for these workers in foreign nations is to be commended, but please be assured that on the salary scale to which this comparison would be made, U.S. civil service employees are the highest paid in the world.

Mr. LAFALCE. I am not assured of that.

Mr. DANNEMEYER. We are not doing a disservice to these people working for the World Bank to suggest that their salaries shall be in relation to the U.S. Government.

Mr. LAFALCE. Has the gentleman traveled abroad recently to see how much more it costs in foreign countries than it does in the United States? I suggest to the gentleman that the gentleman could not get by on, say, 10 percent greater amount than his per diem if he went to most foreign countries in the world.

I understand the good intent of the gentleman's amendment, but the practical effect would be horrendous, but more so than that, what if every single country of the world felt the same way and made the same amendment?

So, a country that contributes that has an average salary that happens to be one-half that of the United States would say, "Well, you cannot pay any more than 10 percent of one-half of what the U.S. average is." That is ludicrous and the amendment is equally as ludicrous.

The CHAIRMAN. The time of the gentleman from California (Mr. DANNEMEYER) has expired.

(At the request of Mr. STANTON and by unanimous consent, Mr. DANNEMEYER was allowed to proceed for 1 additional minute.)

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Ohio.

Mr. STANTON. As I said when these international institutions started, the intent was to treat all equally. That is why the question came up about paying taxes. I did not want to leave the impression that no taxes were paid. What was decided, for example, if a gal who worked as a typist down at the Inter-American Development Bank and made $10,000 a year and came from Mexico, and a gal who grew up in Washington, D.C., made $10,000, the bank wants to keep both their salaries equal. They are side by side.

The income tax of the gal of the United States, the Bank itself pays the Treasury for whatever equivalent amount of income tax she would have had ordinarily to pay. They pay it to the U.S. Treasury, whether it was 10 percent, and if income tax in Mexico was 5 percent it is the same thing. The Bank would pay to the country of Mexico an equal amount of money in order to try to keep it equitable.

I wanted to clarify that.

Mr. DANNEMEYER. I appreciate the gentleman's observation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DANNEMEYER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 189, noes 197, not voting 47, as follows:

[Roll No. 123]

AYES—189

Albosta
Andrews, N. Dak.
Applegate
Archer
Atkinson
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Bouquard
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Carney
Carter
Chappell
Clausen
Cleveland
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Flippo
Florio
Frenzel
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hansen
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lehman
Lent
Lewis
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McEwen
Madigan
Marks
Marriott
Martin
Mattox
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Pashayan
Paul
Perkins
Petri
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Runnels
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shuster
Smith, Nebr.
Snyder
Solomon
Spellman
Spence
Stangeland
Stanton
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Watkins
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—197

Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bingham
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Cavanaugh
Cheney
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Cotter
Danielson
Daschle
de la Garza
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Fary
Fascell
Fazio
Ferraro
Fisher
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Gephardt
Giaimo
Gibbons
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Holtzman
Howard
Hubbard
Hughes
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McKay
McKinney
Maguire
Markey
Matsui
Mavroules
Mazzoli
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murtha
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Rahall
Rangel
Reuss
Richmond
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Seiberling
Shannon
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
St Germain
Stack
Staggers
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Waxman
Weiss
White
Whitley
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Mo.
Zablocki

NOT VOTING—47

Abdnor
Alexander
Anderson, Ill.
Ashbrook
Biaggi
Blanchard
Boggs
Burlison
Byron
Campbell
Corman
Crane, Philip
Davis, S.C.
Derrick
Dougherty
Early
Fithian
Garcia
Harsha
Holland
Hyde
Johnson, Colo.
Jones, N.C.
Leath, Tex.
Livingston
McDonald
McHugh
Marlenee
Mathis
Mica
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Nichols
Nolan
O'Brien
Ratchford
Rodino
Rudd
Shumway
Stewart
Stockman
Thompson
Treen
Weaver
Winn
Zeferetti

☐ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Nichols for, with Mrs. Boggs against.

Mr. McDonald for, with Mr. Corman against.

Mr. Rudd for, with Mr. Garcia against.

Mr. Livingston for, with Mr. Jones of North Carolina against.

Mr. Abdnor for, with Mr. Rodino against.

Mr. Ashbrook for, with Mr. Thompson against.

Mr. Campbell for, with Mr. Stewart against.

Mr. DAVIS of Michigan changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above-recorded.

● Mr. REUSS. Mr. Chairman, I strongly support the authorization of new funding for the multilateral development banks. Within the Banking Committee, we have considered this bill carefully and at length. We believe our continued participation in the African Development Fund, the Asian Development Fund, and the Inter-American Development Bank, is essential.

This recommendation is based, first of all, on considerations of national self-interest. The United States has important foreign policy and national security objectives in the developing countries. Participation in the banks—which promote economic growth and political stability—clearly helps us in achieving these objectives. Participation in the banks is an essential part of our overall policy toward both developed and developing countries.

We face serious international problems today—political and economic. The solutions to these problems require cooperation and concerted action among many countries, including the developing countries. We need help from these countries on matters which are of vital concern to us. In return we must be responsive to their concerns about economic progress and improvements in the living conditions of their people. Recent events in Southwest Asia underline the importance of being able to take cooperative action on international problems, and the critical role that developing countries play in this process.

Our support for this bill is also based on humanitarian concerns. There is enormous deprivation in the world. It is estimated that more than 1 billion people do not have access to potable water. Seven hundred million do not have enough to eat. Five hundred and fifty million cannot read or write. Two hundred and twenty million do not have adequate shelter. Increasingly, and with strong U.S. support, the multilateral development banks are directing their lending to the poorest people in the developing countries to meet basic human needs. They have increased the volume of lending for projects designed to reach the poor. They have made dramatic changes in the sectoral composition of their loans.

This important progress can continue with funds authorized in this legislation. During the 1979–81 period, 80 percent of African Development Fund resources will go to the poorest countries on that continent—those with a per capita GNP below $280. The Fund will focus on meeting basic food and health needs, on providing training for extension agents, and on helping small farmers to increase productivity. Clearly, the African Development Fund is reaching the beneficiaries that should receive top priority for development assistance.

The majority of Asian Development Fund lending will continue to go to six of the poorest countries in the world. The greatest concentrations of the world's absolutely poor people are found in this region. Asian Development Fund resources are now much more sharply focused on helping these people. Agricultural and rural development will continue to be the leading sector for fund lending. All projects will increasingly emphasize programs which benefit the poorer segments of the population. Greater attention will be paid to helping meet basic human needs.

In the Inter-American Development Bank the concessional Fund for Special Operations (FSO) will concentrate its lending on the poorest and least developed countries of Latin America and the Caribbean. I see this as especially needed if we are ever to develop a Caribbean coalition dedicated to economic progress and human rights. During 1979–80, the first 2 years of the replenishment, at least 75 percent of convertible FSO funds will go to these countries. During the second half of the replenishment period (1981–82), these countries will receive at least 80 percent of FSO lending. Countries outside the group of poorest and least developed which continue to receive FSO resources will limit their borrowing to projects which directly benefit their poorest people. Furthermore, one-half of the IDB's total lending—capital and concessional funds—during the 1979–82 period will be targeted to benefit low-income groups.

It is urgent that we complete action on this bill. We are now holding up contributions from other countries, and the banks are running out of money. The Inter-American Development Bank is completely out of concessional resources, and virtually out of capital. More than $150 million in concessional lending has had to be committed on a contingency basis, which means it cannot now be made available to the recipients.

This is particularly serious because, under the terms of the replenishment agreement, these funds are to be used in the less developed countries of the hemisphere, and for projects which directly benefit low-income groups, developmental priorities, and objectives which the United States has long supported.

The Asian Development Fund has also run out of money. Since the first of the year, nearly $40 million in loan approvals has had to be made on a contingency basis. It is also expected that the African Development Fund will have to curtail its lending activities soon.

Let us act.●

The CHAIRMAN. Are there other amendments to title VI?

If not, under the rule, the committee rises.

Accordingly the committee rose; and the Speaker pro tempore (Mr. Murtha) having assumed the Chair, Mr. Duncan of Oregon, chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 3829) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, pursuant to House Resolution 276, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

☐ 1630

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 219, nays 166, answered "present" 1, not voting 47, as follows:

[Roll No. 124]

YEAS—219

Addabbo
Albosta
Ambro
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Bedell
Beilenson
Bereuter
Bingham
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Cotter
Coughlin
D'Amours
Danielson
Davis, Mich.
de la Garza
Dellums
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Gephardt
Giaimo
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Horton
Howard
Jacobs
Jeffords
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murtha
Myers, Pa.
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Reuss
Rhodes
Richmond
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Sabo
Santini
Scheuer
Schroeder
Seiberling

Shannon
Sharp
Simon
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Tauke
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Young, Mo.
Zablocki

NAYS—166

Akaka
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Boner
Bouquard
Brinkley
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Carney
Carter
Chappell
Cheney
Clausen
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Deckard
Devine
Dickinson
Dornan
Edwards, Ala.
Edwards, Okla.
Emery
English
Evans, Ga.
Evans, Ind.
Flippo
Florio
Forsythe
Fountain
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Goldwater
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Lee
Lent
Levitas
Lewis
Loeffler
Lott
Lujan
Luken
Lungren
McKay
Madigan
Marlenee
Marriott
Martin
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Neal
Pashayan
Paul
Petri
Quayle
Quillen
Rahall
Regula
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Runnels
Russo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shuster
Skelton
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stenholm
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Yatron
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Duncan, Tenn.

NOT VOTING—47

Abdnor
Alexander
Anderson, Ill.
Ashbrook
Biaggi
Blanchard
Boggs
Campbell
Corman
Crane, Philip
Davis, S.C.
Derrick
Dougherty
Early
Fithian
Frenzel
Garcia
Goodling
Harsha
Holland
Hyde
Johnson, Colo.
Jones, N.C.
Leath, Tex.
Livingston
McDonald
Mathis
Mica
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Nichols
Nolan
O'Brien
Panetta
Patterson
Ratchford
Rodino
Rudd
Shumway
Stewart
Stockman
Thompson
Treen
Weaver
Winn
Zeferetti

□ 1640

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs for, with Mr. Jones of North Carolina against.

Mr. Corman for, with Mr. McDonald against.

Mr. Thompson for, with Mr. Nichols against.

Mr. Garcia for, with Mr. Rudd against.

Mr. Rodino for, with Mr. Livingston against.

Mr. Stewart for, with Mr. Abdnor against.

Mr. Hyde for, with Mr. Ashbrook against.

Until further notice:

Mr. Biaggi with Mr. Anderson of Illinois.

Mr. Panetta with Mr. Goodling.

Mr. Weaver with Mr. O'Brien.

Mr. Zeferetti with Mr. Shumway.

Mr. Alexander with Mr. Treen.

Mr. Leath of Texas with Mr. Johnson of Colorado.

Mr. Mathis with Mr. Campbell.

Mr. Derrick with Mr. Philip M. Crane.

Mr. Early with Mr. Dougherty.

Mr. Fithian with Mr. Frenzel.

Mr. Murphy of New York with Mr. Harsha.

Mr. Mica with Mr. Murphy of Illinois.

Mr. Holland with Mr. Wynn.

Mr. Blanchard with Mr. Nolan.

Mr. Davis of South Carolina with Mr. Murphy of Pennsylvania.

Mr. Ratchford with Mr. Patterson.

Mr. GRASSLEY changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, a bill similar to H.R. 3829, just passed by the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us what he is doing?

Mr. GONZALEZ. If the gentleman will yield, what we are doing is, we are substituting the Senate-passed bill, or rather we intend to substitute the Senate-passed bill for the House bill.

Mr. ROUSSELOT. Further reserving the right to object, is the gentleman substituting the text of what we have just passed with the Senate number on it?

Mr. GONZALEZ. No; that will be the next unanimous-consent request, that we substitute our House-passed bill for the Senate bill, S. 662.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, to whom does that give the advantage when we go to conference?

Mr. GONZALEZ. Well, as far as I know it will be a sort of equalization, it will not give anybody the advantage. It is even-steven. This is to expedite and to avoid the possibility of delay.

Mr. ROUSSELOT. Mr. Speaker, I am not trying to hold up the legal process. Is the gentleman sure we are not disadvantaged by this action? The House position is not compromised?

Mr. GONZALEZ. As far as I know, I can say absolutely not.

The SPEAKER pro tempore. The Chair will advise the gentleman that that is absolutely correct.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas (Mr. GONZALEZ)?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 662

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTER-AMERICAN DEVELOPMENT BANK

SEC. 101. The Inter-American Development Bank Act, as amended (22 U.S.C. 283 et seq.), is further amended by redesignating section 29 as section 28 and by adding at the end the following new section:

"SEC. 29. (a) The United States Governor of the Bank is authorized to vote for two resolutions which were proposed by the Governors at a special meeting in December 1978, and are pending before the Board of Governors of the Bank. These resolutions provide for (1) an increase in the authorized capital stock of the Bank and additional subscriptions thereto and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of these resolutions, the United States Governor is authorized on behalf of the United States (1) to subscribe to two hundred twenty-seven thousand eight hundred and ninety-six shares of the increase in the authorized capital stock of the Bank of which two hundred ten thousand eight hundred and four shall be callable and seventeen thousand and ninety-two shall be paid-in and (2) to contribute to the Fund for Special Operations $700,000,000: *Provided, however,* That any commitment to make such subscription to paid-in and callable capital stock and to make such contribution to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription and contribution provided for in this section, there are hereby authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury (1) $2,749,207,988 for the United States subscription to the capital stock of the Bank and (2) $700,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.".

TITLE II—ASIAN DEVELOPMENT BANK

SEC. 201. The Asian Development Bank Act, as amended (22 U.S.C. 285 et seq.), is further amended by adding at the end the following new section:

"SEC. 24. (a) The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States $445,000,000 to the Asian Development Fund, a special fund of the Bank: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are hereby authorized to be appropriated without fiscal year limitation $445,000,000 for payment by the Secretary of the Treasury.".

TITLE III—AFRICAN DEVELOPMENT FUND

SEC. 301. The African Development Fund Act, as amended (22 U.S.C. 290g et seq.), is further amended by redesignating section 212 as section 211 and by adding at the end the following new section:

"Sec. 212. (a) The United States Governor of the Fund is hereby authorized to contribute on behalf of the United States $125,000,000 to the Fund as the United States contribution to the second replenishment of the resources of the Fund: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $125,000,000 for payment by the Secretary of the Treasury.".

TITLE IV—EFFECTIVE DATE

Sec. 401. This Act shall take effect on the date of its enactment, except that no funds authorized to be appropriated by any amendment contained in titles I, II, or III may be available for use or obligation prior to October 1, 1979.

MOTION OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Gonzalez moves to strike out all after the enacting clause of the Senate bill, S. 662, and to insert in lieu thereof the provisions of the bill, H.R. 3829, as passed, as follows:

TITLE I—INTER-AMERCIAN DEVELOPMENT BANK

Sec. 101. The Inter-American Development Bank Act, as amended (22 U.S.C. 283 et seq.), is further amended by redesignating section 29 as section 28 and by adding at the end the following new section:

"Sec. 29. (a) The United States Governor of the Bank is authorized to vote for two resolutions which were proposed by the Governors at a special meeting in December 1978, and are pending before the Board of Governors of the Bank. These resolutions provide for (1) an increase in the authorized capital stock of the Bank and additional subscriptions thereto and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of these resolutions, the United States Governor is authorized on behalf of the United States (1) to subscribe to two hundred twenty-seven thousand eight hundred and ninety-six shares of the increase in the authorized capital stock of the Bank of which two hundred ten thousand eight hundred and four shall be callable and seventeen thousand and ninety-two shall be paid-in and (2) to contribute to the Fund for Special Operations $600,000,000: *Provided however,* That any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription and contribution provided for in this section, there are hereby authorized to be appropriated, without fiscal year limitations, for payment by the Secretary of the Treasury (1) $1,649,900,000 for the United States subscription to the capital stock of the Bank and (2) $600,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the Fund for Special Operations authorized by this section by letter of credit in four annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

"(d) None of the funds authorized to be appropriated by this section may be used for any form of assistance to any nonmember nation.".

Sec. 102. The President shall evaluate a proposal for joint action by the countries of the Western Hemisphere and other nations which participate in the Inter-American Development Bank to increase exploration for and exploitation of energy and mineral resources of the Western Hemisphere through investment insurance administered by the Inter-American Development Bank and through other multilateral incentives to private investment in such resources. The President shall report his findings to the Congress not later than September 30, 1980, together with such recommendations as he considers appropriate.

TITLE II—ASIAN DEVELOPMENT BANK

Sec. 201. The Asian Development Bank Act, as amended (22 U.S.C. 285 et seq.), is further amended by adding at the end the following new sections:

"Sec. 24. (a) The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States $180,000,000 to the Asian Development Fund, a special fund of the Bank: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are hereby authorized to be appropriated without fiscal year limitation $180,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the Asian Development Fund authorized by this section by letter of credit in four annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

Sec. 202. The Asian Development Bank Act, as amended by section 201 of this Act, is further amended by adding at the end thereof the following new section:

"Sec. 25. (a)(1) Upon the establishment of a special refugee fund administered by the Asian Development Bank, the United States Governor of the Bank is authorized to contribute to that fund on behalf of the United States 25 percent of the total amount contributed by all countries to that fund, subject to the limitation contained in subsection (b) of this section. This special refugee fund shall assist regional developing member countries of the Bank impacted by service as sites for temporary asylum for refugees from South and Southeast Asia prior to their resettlement in third countries.

"(2) The special refugee fund should also be available to help any regional developing member country which may wish to formulate development plans for regions of that country which that country judges to be suitable for permanent resettlement of refugees from South and Southeast Asia.

"(b) In order to pay for the United States contribution provided for in this section, there is authorized to be appropriated without fiscal year limitation not to exceed $100,000,000 for payment by the Secretary of the Treasury.

(c)(1) The President shall encourage other countries to support the establishment of, and to contribute to, the special fund described in subsection (a) of this section.

"(2) In addition, the President shall encourage the World Bank and other appropriate multilateral development banks to establish funds similar to that described in subsection (a) of this section to aid in the permanent resettlement in third countries of refugees from South and Southeast Asia.

"Sec. 26. No payment may be made by the Secretary of the Treasury for the United States contribution to the Asian Development Fund, if Taiwan (before January 1, 1979, known as the Republic of China) is excluded from membership in the Bank.".

TITLE III—AFRICAN DEVELOPMENT FUND

Sec. 301. The African Development Fund Act, as amended (22 U.S.C. 290g et seq.), is further amended by redesignating section 212 as section 211 and by adding at the end the following new section:

"Sec. 212. (a) The United States Governor of the Fund is hereby authorized to contribute on behalf of the United States $125,000,000 to the Fund as the United States contribution to the second replenishment of the resources of the Fund: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $125,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the African Development Fund authorized by this section by letter of credit in three annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Fund that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.".

TITLE IV—EXPORT OPPORTUNITY ENHANCEMENT

Sec. 401. The Secretary of the Treasury shall instruct the United States Executive Directors of the Inter-American Development Bank, the Asian Development Bank and the African Development Fund to take all possible steps to assure that information relative to potential procurement opportunities for United States firms is expeditiously communicated to him/her, the Secretary of State and the Secretary of Commerce. Such information shall be disseminated as broadly as possible to both large and small business.

TITLE V—HUMAN RIGHTS REPORTING

Sec. 501. (a) Section 701 of an Act approved October 3, 1977 (Public Law 95–118; 91 Stat. 1069), is amended—

(1) in subsection (c)—

(A) by inserting "(1)" after "(c)"; and

(B) by adding at the end thereof the following new paragraph:

"(2)(A) The Secretary of the Treasury shall report quarterly on all loans made by the institutions listed in subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Each such quarterly report shall include a list of all loans made by such institutions and shall specify—

"(i) the institution involved;
"(ii) the date of final action;
"(iii) the borrower;
"(iv) the amount;
"(v) the project or program;
"(vi) the vote of the United States Government;
"(vii) the reason for United States Government opposition, if any;
"(viii) the final disposition of the loan involved; and

"(ix) in any case in which the United States Government opposes any such loan, whether such loan meets basic human needs.

"(B) The information required to be reported under subparagraph (A) also shall be included in the annual report to Congress of the National Advisory Council on International Monetary and Financial Policies."; and

(2) by adding at the end thereof the following new subsection:

"(g)(1) The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly to the chairmen and ranking minority members of the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Subcommittee on International Development Institutions and Finance of such Committee, and the Committees on Foreign Relations of the Senate in each instance in which the United States Executive Director of an institution listed in subsection (a) opposes any loan, financial assistance, or technical assistance for reasons regarding human rights. Each such report shall include—

"(A) the reasons for such opposition;

"(B) all policy considerations taken into account in reaching such decision to oppose such loan, financial assistance, or technical assistance;

"(C) a description of the human rights conditions in the country involved;

"(D) a record of how the United States Government voted on all other loans, financial assistance, and technical assistance to such country during the preceding two years; and

"(E) information as to how the decision to oppose such loan, financial assistance, or technical assistance relates to overall United States Government policy on human rights in such country.

"(2) The Secretary of the Treasury or his delegate shall consult frequently and in a timely manner with the chairmen and ranking minority members specified in paragraph (1) to inform them regarding any prospective changes in policy direction toward countries which have or recently have had poor human rights records.".

(b) Title VII of such Act is amended by adding at the end thereof the following:

"Sec. 705. The President shall direct the United States Governor of the Internal Bank for Reconstruction and Development, the United States Governor of the Internal Finance Corporation, the United States Governor of the International Development Association, the United States Governor of the Inter-American Development Bank, the United States Governor of the Asian Development Bank, and the United States Governor of the African Development Fund to formally propose for adoption an amendment to the Articles of Agreement of their respective institutions to establish human rights standards to be considered in connection with each application for assistance.".

TITLE VI—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

Sec. 601. The Congress hereby finds that—

(1) without an adequate supply of energy at affordable prices the world's poor will continue to be deprived of jobs, food, water, shelter and clothing, and poor countries will continue to be economically and politically unstable;

(2) dependence on increasingly expensive fossil fuel resources consumes too much of the capital available to poor countries with the result that funds are not available to meet the basic needs of poor people;

(3) in many developing countries the cost of large central generators and long distance electrical distribution makes it unlikely that rural energy by means of a national grid will contribute to meeting the needs of poor people;

(4) only one of eight rural inhabitants lives in an area which has access to electricity and even fewer rural inhabitants actually have or can afford electricity;

(5) wood, animal and agricultural waste and other "non-commercial" fuels still supply about half the total energy in developing countries and all but a seventh in rural sectors;

(6) growing dependence of the world's poor on wood for heating and cooking has forced the overcutting of forests and as a consequence erosion and loss of available agricultural land;

(7) recent initiatives by the international financial institutions to develop and utilize decentralized solar, hydro, biomass, geothermal and wind energy should be significantly expended to make renewable energy resources increasingly available to the world's poor on a wide scale.

Sec. 602. (a) The United States Government, in connection with its voice and vote in the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall encourage such institutions—

(1) to promote the decentralized production of renewable energy;

(2) to identify renewable resources to produce energy in rural development projects and determine the feasibility of substituting them for systems using fossil fuel;

(3) to train personnel in developing technologies for getting energy from renewable resources;

(4) to support research into the use of renewable energy resources, including hydropower, biomass, solar photovoltaic and solar thermal;

(5) to create an information network to make available to policy makers the full range of energy choices;

(6) to broaden their energy planning, analyses and assessments so as to include consideration of the supply of, demand for, and possible uses of renewable resources;

(7) to encourage the international financial institutions to coordinate the work of the Agency for International Development and other aid organizations in supporting effective rural energy programs. (b) For purposes of this section, the term "renewable energy resource" means any resource which—

(1) meets the needs of rural communities;

(2) saves capital without wasting labor;

(3) is modest in scale and simple to install and maintain and which can be managed by local individuals;

(4) is acceptable and affordable; and

(5) does not damage the environment.

(c) The Secretary of the Treasury in consultation with the Director of the International Development Cooperation Agency shall report to the Congress not later than six months after the date of enactment of this Act and annually thereafter on the progress toward achieving the goals set forth in this title.

TITLE VII—EFFECTIVE DATE

Sec. 701. This Act shall take effect on the date of its enactment, except that no funds authorized to be appropriated by any amendment contained in title I, II, or III may be available for use or obligation prior to October 1, 1979.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3829) was laid on the table.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter during the course of the debate and consideration of H.R. 3829.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL STATEMENT

(Mr. WEAVER asked and received unanimous consent that his statement appear in the Congressional Record.)

Mr. WEAVER. On Thursday, March 6, I was in my district on constituent business and missed roll call No. 124 on the bill H.R. 3829, the International Development Banks' authorization. Had I been present, I would have voted "No" on the bill, and I would have voted "Yes" on the Bauman amendment to reduce the subscription.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORT ON H.R. 6702

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on House Administration have until midnight tonight to file a report to accompany H.R. 6702, a bill to amend section 603 of title 18, United States Code, with respect to certain political contributions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON THE JUDICIARY

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-810), on the resolution (H. Res. 548) to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-811) on the resolution (H. Res. 572) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, which was referred to the House Calendar and ordered to be printed.

☐ 1650

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–812), on the resolution (H. Res. 573) to provide for the expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–813), on the resolution (H. Res. 574) providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF SELECT COMMITTEE ON COMMITTEES

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–814), on the resolution (H. Res. 580) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Committees, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. NEDZI, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–815), on the resolution (H. Res. 583) to provide for the expenses of investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce, which was referred to the House Calendar and ordered to be printed.

EXPRESSING SENSE OF THE CONGRESS TO OBSERVE MARCH 11, 1980, AS NATIONAL DAY OF PRAYER AND MEDITATION FOR HOSTAGES IN IRAN

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from the further consideration of the Senate concurrent resolution (S. Con. Res. 79) expressing the sense of the Congress that the people of the United States should observe February 26, 1980, as a national day of prayer and meditation for the hostages in Iran, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore (Mr. Murtha). Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 79

Whereas the plight of the Americans held hostage at the American Embassy in Tehran, Iran, is a deep concern of our entire Nation;

Whereas in response to the unconscionable attack on our diplomatic personnel we as a Nation reaffirm our fundamental commitment to world peace and to the right of all people to enjoy basic human freedoms;

Whereas we as a Nation remain steadfast in our commitment to the safe release of our fellow citizens; and

Whereas we as a Nation stand in constant vigil with our fellow citizens held hostage in Iran: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, if the hostages being held in the American Embassy in Tehran, Iran, are not released by February 25, 1980, then February 26, 1980, shall be considered a national day of prayer, meditation, and unity for our fellow Americans, and the American people are urged to express their support for the hostages with appropriate thoughts and actions on such a day.

The SPEAKER pro tempore. The gentleman from New York (Mr. Hanley) is recognized for 1 hour.

Mr. HANLEY. Mr. Speaker, this concurrent resolution would designate February 26, 1980 as a day of national observance and prayer for the American citizens who are being held hostage in Iran. Because the House has not had an opportunity to act on this concurrent resolution since it passed the Senate, it is necessary to amend the resolution changing the date from February 26 to March 11, 1980.

AMENDMENT OFFERED BY MR. HANLEY

Mr. HANLEY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hanley: On line 2, page 1, strike out all after the resolving clause and insert the following:

That, because the hostages being held in the American Embassy in Tehran, Iran, were not released as of February 25, 1980, the date, March 11, 1980, shall be considered a national day of prayer, meditation, and unity for our fellow Americans, and the American people are urged to express their support for the hostages with appropriate thoughts and actions on such a day.

The amendment was agreed to.

The Senate concurrent resolution, as amended, was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in the Record on the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

RECOGNIZING HON. CARL VINSON ON OCCASION OF CHRISTENING OF U.S.S. "CARL VINSON"

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 149) to recognize the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson*, March 15, 1980.

I am joined in this request by the House Armed Services Committee in honor of its former chairman, Carl Vinson.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 149

Whereas the nuclear powered aircraft carrier United States Ship *Carl Vinson* (CVN70) will be christened and launched at Newport News, Virginia, on Saturday, March 15, 1980; and

Whereas Carl Vinson is the first living American to be present at the launching of a United States Navy warship which bears his name, a name that is synonymous with America's preeminent naval power, a name that stands for strength through preparedness; and

Whereas Carl Vinson served as Chairman of the House Armed Services Committee for fourteen years and as Chairman of the old Naval Affairs Committee for sixteen years, during which time he played a major role in developing a national defense posture second to none, believing always in the philosophy that "No man should ever place the defense of his nation below any other priority"; and

Whereas Carl Vinson's record of fifty years continuous service in the House of Representatives remains unsurpassed, reflecting a lifelong commitment to the security, freedom, and prosperity of all Americans; and

Whereas Carl Vinson served his country with distinction, providing enlightened leadership, and demonstrating an incomparable ability as a legislator: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation extending best wishes to Carl Vinson on this historic occasion and expressing deep appreciation on behalf of the people of the United States of America for his unswerving devotion to his beloved Nation.

• Mr. BOB WILSON. Mr. Speaker, in the jungle of Washington politics, Carl Vinson did little playing, and expected his associates to work as hard as he did. He could cut a pompous admiral or general down to size by merely sliding his glasses down his nose and staring sternly at his target.

Nor did Presidents faze him. He had worked with three very closely before they went to the White House—Lyndon B. Johnson when he was a freshman Representative on the Naval Affairs Committee, Franklin D. Roosevelt when he was Assistant Secretary of the Navy, and Dwight D. Eisenhower when he was an Army officer. President Johnson was among the former committee members who referred to themselves as graduates of "Vinson College."

And then there are those of us who served with him on the House Armed Services Committee. We knew him as quiet, reserved, but always firm, possessing strong convictions and opinions, and always responding to the dictates of his conscience. Carl Vinson was highly respected by his colleagues on both sides of the aisle and for 50 years was one of the most influential Members of the House of Representatives.

Carl Vinson was born November 18, 1883, in Baldwin County, Ga. He attended Georgia Military Academy but did not take to military life and switched to law. He graduated from Mercer University Law School in 1902.

He began the practice of law the same year at Milledgeville, and entered politics soon afterward. At the age of 23, he was elected county prosecutor for 3 years, then was chosen twice for the Georgia House of Representatives, serving one term as speaker.

He became judge of the Baldwin County Court; then was elected in November 1914 to fill an unexpired term in the U.S. House of Representatives.

During the next half century, the small-town Georgia lawyer never traveled outside the United States, but he helped develop the Nation's military forces into the world's most powerful.

Before World War II, he played a key role in launching the "two ocean" Navy and later fought for expanded air power. But he never let the generals and admirals forget that they were subject to the civilian power of Congress.

It gives me great pleasure today to support Senate Joint Resolution 149, recognizing the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson* on March 15, 1980. I speak as a graduate of "Vinson College"—that school where a major requirement for admission was always that students leave their party affiliations outside the door when strictly military matters were under discussion. Congratulations and best wishes, Mr. Chairman.•

• Mr. PRICE. Mr. Speaker, I rise in support of Senate Joint Resolution 149, recognizing the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson* on March 15, 1980.

From time to time in the history of nations there emerges a man, as human as the rest of us, but one able to capture for himself and his country the respect and imagination of all of us. By native intelligence, force of personality, diligent effort, determined leadership, and a sense of the historical, Carl Vinson became that kind of man.

During his half century of public service in the House of Representatives, the entire world felt the impact of his work and the fullness of his spirit. He has always stood for the finest qualities in our humanity: courage, tenacity, ability, dedication—all used in the eternal struggle for freedom and justice. He belongs, first of all, to Georgia; but every nation in the free world is richer because he has lived.

Some of the most important legislation ever enacted for the Armed Forces was shaped by Carl Vinson. Included in the vast array of laws are measures which have preserved the Marine Corps, established a separate Air Force with its own Academy, provided for continued growth of the Navy, set standard procurement practices, consolidated military purchasing, and reorganized the Pentagon. His battles for the Navy during a 15-year tenure as chairman of the Naval Affairs Committee earned him a reputation as a Navy partisan prompting some of his colleagues to affectionately call him "the Admiral." But when the Armed Services Committee was created out of a merger of the Committees on Naval Affairs and Military Affairs in 1947, he made it clear he would devote his future efforts to all the services.

Mr. Vinson's role in the growth of U.S. seapower was spectacular. Fleet Adm. Chester W. Nimitz once said:

> I do not know where this country would have been after December 7, 1941, if it had not had the ships and the know-how to build more ships fast, for which one Vinson bill after another was responsible.

He not only had the judgment and the vision—he had the legislative and parliamentary skills necessary to bring the legislative proposals to fruition. As the father of the two-ocean Navy, it is therefore fitting to honor him by christening an aircraft carrier, the U.S.S. *Carl Vinson*.

More than any other person, "Uncle Carl" shaped the national defense posture of this country during his 50 years in the House of Representatives. In his own words, "The most expensive thing in the world is a cheap Army and Navy. History has clearly shown that weakness invites attack." Those words are as appropriate today in Carl Vinson's 96th year as they were when they were first spoken.

Mr. Speaker, as a graduate of "Vinson College," it gives me great pleasure today to extend congratulations to my dear friend and mentor, the gentleman from Georgia, Mr. Carl Vinson.•

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 6152, RISK RETENTION ACT

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 596 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 596

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6152) to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 596 provides for the consideration of H.R. 6152, the Product Liability Risk Retention Act of 1980. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority members of the Committee on Interstate and Foreign Commerce. It is an open rule, allowing any germane amendment to be offered under the 5-minute rule.

The resolution makes the committee amendment in the nature of a substitute in order as an original text for amendment purposes, and states that the substitute shall be read for amendment by titles rather than by sections.

The rule waives points of order under clause 5 of rule XXI (21)—prohibiting appropriations in a legislative bill—against consideration of the substitute. Since the violation concerns a revolving fund established specifically to make this program self-supporting, the committee on rules granted a technical waiver of clause 5, rule XXI in this case.

Finally, the rule provides for a single motion to recommit with or without instructions.

Mr. Speaker, as a result of several State court decisions, product manufacturers and sellers find themselves potentially liable for any mishap related to the use of their products, quite apart from questions of negligence or carelessness. Currently, many firms either cannot obtain product liability insurance or can do so only for extremely high premiums.

H.R. 6152 attempts to solve the insurance aspect of the product liability problem by allowing companies to set up their own insurance cooperatives, or to obtain insurance from existing companies on a group basis.

Mr. Speaker, this legislation had bipartisan support in the House Commerce Committee. I urge Members to allow its consideration by adopting the rule before us.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in keeping with my reputation for trying to enhance the business of the House and not delay or in any way discommode the Members, I would only second the brilliant remarks of the very erudite gentleman from California, and yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1700

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of my distinguished friend, the gentleman from Mississippi (Mr. Montgomery), who was the recipient of a very great award from the Veterans of Foreign Wars this week—and I might say it is a richly deserved award—if he is in a position to inform the House as to the program for the balance of the week and for next week.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I am in position, I will say to the gentleman, to inform the Members that this completes the business for this week, and there will be no session on Friday.

Mr. Speaker, if the gentleman will continue to yield, I would like to give the program for the week of March 10, 1980.

The House will meet at noon on Monday. There will be no district bills on the calendar. There will be four suspension bills, and the votes on suspensions will be postponed until the end of consideration of all suspensions. There will be votes on Monday, if they are called for, on the suspension bills.

The bills to be considered under suspension are as follows:

H.R. 4197, wool recycling;

House Concurrent Resolution 285, disappearing persons resolution;

H.R. 6585, Presidential reorganization Act extension; and

H.R. 6702, to amend section 603 of title 18, United States Code, re political contributions.

Then, after that, there will be consideration of H.R. 6152, Risk Retention Act, under an open rule, with 1 hour of general debate. The rule has already been adopted.

On Tuesday, the House meets at noon, and we will take up H.R. 6029, to provide implementation of the 1977 International Sugar Agreement, under an open rule, with 1 hour of general debate.

The program for Wednesday and Thursday is as follows:

The House meets at 3 p.m. on Wednesday and at 11 a.m. on Thursday. We will take up the conference report on H.R. 3919, windfall profit tax.

Then we will take up a series of House committee funding resolutions, followed by consideration of S. 2222, extending time for Indian claims, subject to a rule being granted.

No legislative business is scheduled for Friday. The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time, and any further program will be announced later. Again I repeat there will be no legislative business on Friday.

Mr. RHODES. Mr. Speaker, I thank the gentleman from Mississippi. I congratulate him on the fact that for this next week we are informed well ahead of time that there will be no session on Friday. I think that is a great improvement, and I thank the gentleman for arranging it.

Mr. Speaker, I yield back the balance of my time.

ADJOURNMENT TO MONDAY, MARCH 10, 1980

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

APPOINTMENT AS MEMBERS OF DELEGATION TO ATTEND CONFERENCE OF THE INTERPARLIAMENTARY UNION TO BE HELD IN OSLO, NORWAY

The SPEAKER pro tempore. Pursuant to the provisions of 22 U.S.C. 276a–1, as amended by Public Law 95–45, the Chair announces, without objection, that the Speaker appoints as members of the delegation to attend the Conference of the Interparliamentary Union, held in Oslo, Norway, April 7 to April 12, 1980, the following Members on the part of the House:

Mr. Preyer of North Carolina, chairman;

Mr. Derwinski of Illinois, vice chairman;

Mr. Fountain of North Carolina;
Mr. Pepper of Florida;
Mr. Danielson of California;
Mr. Long of Louisiana;
Mr. Bowen of Mississippi;
Mr. Levitas of Georgia;
Mr. Fithian of Indiana;
Mr. McClory of Illinois;
Mr. Butler of Virginia; and
Mr. Erdahl of Minnesota.

There was no objection.

APPOINTMENT AS MEMBERS OF NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

The SPEAKER pro tempore. Pursuant to the provisions of section 18, Public Law 96–180, the Chair announces, without objection, that the Speaker appoints as members of the National Commission on Alcoholism and Other Alcohol-Related Problems the following Members on the part of the House:

Mr. Seiberling of Ohio;
Mr. Stack of Florida;
Mr. Carter of Kentucky; and
Mr. Martin of North Carolina.

There was no objection.

CONGRESSMAN FORD OF MICHIGAN RECEIVES HONORARY DOCTORAL DEGREE FROM WAYNE STATE UNIVERSITY

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, one of the ablest and most respected Members of the House of Representatives is our colleague, the gentleman from the State of Michigan, the Honorable William D. Ford.

I was very pleased to have been able to be present earlier this week when the gentleman from Michigan, Mr. Bill Ford, was awarded an honorary doctoral degree by his own university, Wayne State University in Michigan.

The gentleman from Michigan, Mr. Bill Ford, has served with great distinction on the Committee on Education and Labor, where he is the chairman of the Subcommittee on Postsecondary Education, and also on the Committee on Post Office and Civil Service.

I congratulate him on this honor as I as sure all my colleagues do.

I insert at this point in the Record the text of the honorary degree, as follows:

Doctor of Laws: William D. Ford

(Presented by Gov. Mildred Jeffrey)

The Honorable William D. Ford, United States Congressman, attorney, statesman, and an outstanding advocate for higher education.

William D. Ford has greatly contributed to the interest, support, and advancement of higher education in Michigan and throughout the United States. He is respected nationwide for his outstanding achievements and innovative federal legislation in support of higher education opportunities for all persons, and in recognition of the importance of higher education in enhancing the quality of life for all citizens.

A native of Detroit and a former student at Wayne State University, he is currently serving in his eighth consecutive term representing Michigan's 15th Congressional District. Among his many leadership positions in Congress, he is a a senior member of the House Committee on Education and Labor, and serves as chairman of the important Subcommittee on Postsecondary Education.

Since co-sponsoring the landmarks Higher Education Act of 1965, he has demonstrated statesmanship and leadership in his continuing efforts to advance educational opportunity. His record includes co-sponsorship of the federal Elementary and Secondary Education Act of 1965 and subsequent amendments thereto, his efforts on behalf of migrant education with the Education Commission of the States, and his service as an education advisor to UNESCO.

His Middle Income Student Assistance Act of 1978 has helped reduce the financial barriers to access experienced by many of the independent, working, and nontraditional students who seek through higher learing a new opportunity for social and economic advancement and mobility. Under his guidance, a reauthorization of the Higher Education Act of 1965 also is finding its way through Congress.

His foresight and understanding of the values of higher education are exemplified by his Urban Grant University Act, proposed as a new Title XI to the higher Education Act reauthorization. This innovative legislation, so important to Wayne State University and the City of Detroit, provides for the first time a federal recognition of the significant social and economic benefits to be derived through supporting the development of a city/university partnership to assist in the renaissance of urban America.

In recognition of his distinguished achievements, leadership and sincere ideals, Wayne State University is proud and honored to offer this tribute to William D. Ford.

THE LATE JUSTICE WILLIAM O. DOUGLAS

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. PEPPER. Mr. Speaker, on January 23 at the National Presbyterian Church, a memorial service was held for the late Justice William O. Douglas, affectionately known to his friends as Bill Douglas. On January 19, even the strong heart of Justice Douglas had to give way to illness which had afflicted the Justice for several years and that good and great man returned to his fathers; and America and many worthy causes and needy people all over the world sustained irreparable loss. We shall not see the like of Bill Douglas again.

He came to the officialdom of Washington and finally to the Supreme Court fresh from the heart of America. His coming to Washington was like Andrew Jackson's coming here to the White House. He brought the frontier, the pulsing heart of America, to Washington. Justice Douglas' career is a career of courageous innovation, of a great and strong man taking up the cause on the Court of those who needed help, who needed understanding, who needed a champion. What a champion he was! He was tireless with an extraordinary capacity to work, a brilliant mind, a keen sense of values and issues. He was a Lancelot who could bear upon his strong shoulders the burdens of many and he did.

His thinking was like the freshness of the air of the mountains which he loved. He liked to go to the heart of problems as he did to the heart of America—the mountains, the trails, the fields, the springs, and the little winding roads that lead to nowhere. He was a man not bound by any sort of artificial force, by precedent or custom or tradition or prejudice or pressure. People were his concern. A nation pure and undefiled was has objective. Healthy, happy, busy people finding something new in this great America of our time—these were the things that Justice Douglas cared about.

The multiplicity of the activities of Justice Douglas and the variety of his interests were, I believe, reflected in the eloquent eulogies given by the Chief Justice of the United States and four distinguished Americans and long-time close friends of Justice Douglas: Former Associate Justice Abe Fortas; Hon. Clark M. Clifford; Sidney M. Davis, Esquire; and Mr. Eric Sevareid. Everyone of these eminent spokesmen portrayed to a great congregation of Justice Douglas' friends different facets of the phenomenal life of that warm, compassionate, brilliant, sensitive man whom the world knew as Mr. Justice Douglas and whom so many revered as a treasured friend as Bill Douglas. I am sure that the Members of the Congress and all of the many Americans who read the CONGRESSIONAL RECORD will be so pleased to be able to read and enjoy all of these moving testimonials to each one's great friend, Mr. Justice Douglas. So, Mr. Speaker, I ask unanimous consent that the memorial tributes given in the memorial service for Mr. Justice Douglas at the National Presbyterian Church on January 23, 1980, by the Chief Justice of the United States; former Associate Justice, Abe Fortas; Hon. Clark M. Clifford; Sidney M. Davis, Esquire; and Mr. Eric Sevaried be inserted in that order in the body of the RECORD.

TRIBUTE TO WILLIAM O. DOUGLAS, NATIONAL PRESBYTERIAN CHURCH, WASHINGTON, D.C., JANUARY 23, 1980, BY WARREN E. BURGER

It has been said one measure of a person is the capacity to transmute dissatisfactions into creative pursuits and concrete results. In the common understanding of the term, Bill Douglas was not a satisfied man but he succeeded to a great extent in channeling his dissatisfactions into an amazing range and diversity of constructive pursuits. His insatiable curiosity took him all over the world to satisfy his urge to understand other peoples, to know their ways of life, their problems, their sufferings, their aspirations.

His lifelong concern for our national environment led him to study, write and act in this area long before the term "environmentalist" had found its way into the American vocabulary. The Chesapeake and Ohio Canal, which is now a National Park, is but one of the more visible manifestations of his generative powers. And there are others—more than 20 books and countless articles.

Bill Douglas' family came from the rugged land of Nova Scotia and settled in a small Minnesota town where his father was a Presbyterian minister. There Bill was born and lived the earliest years of his life. Later the family moved to the West where he lived to young manhood and then—as if anticipating the book he would one day write—he moved east as a young man to study law.

He was a passionate human being and we saw in him proof that people of imagination and strength who feel deeply and who act on their beliefs are those who make others think and rethink conventional beliefs. He was always ready to think the unthinkable. And if doing that was a threat to accepted wisdom, upsetting to some, he took a pixie-like delight in that. Whether people agreed or disagreed with him, they listened.

With Justice Holmes, he believed deeply that to live fully one must take part in the action and passion of his times. He followed that precept to the utmost and for him the action and passion of his times was a spectrum covering all of life.

As a highly visible public figure for more than four decades, Bill Douglas was in the news perhaps more than most officials. Yet we knew him as a very private person who let only a few people really come to know him.

It is this private person, as well as the public man, that we honor today.

There was a time when some who differed with him on issues mistakenly described him as an atheist and even questioned his belief in the American system. This shows how terribly wrong—even absurd—perceptions can be. He was a true believer, a Christian, in the genuine sense and his opinions while on the Court reflect his firm belief in an Almighty God, a belief inculcated by his Presbyterian minister-father and by his mother.

As a judge, he was firm in keeping the church-state separation under the Religion Clauses of the First Amendment, but this in no sense came from hostility toward religion. Quite the contrary. His positions stemmed from a profound belief that to protect the free exercise of religion, Governments must keep hands off.

Perhaps nowhere did his deep religious convictions emerge more clearly than in his opinion in Zorach v. Board of Education. In upholding the New York statute allowing release of students from classes to take part in worship or religious instruction, he wrote this:

"We are a religious people whose institutions presuppose a Supreme Being. We guarantee the freedom to worship as one chooses. We make room for as wide a variety of beliefs and creeds as the spiritual needs of man deem necessary. We sponsor an attitude on the part of government that shows no partiality to any one group and that lets each flourish according to the zeal of its adherents and the appeal of its dogma. When the state encourages religious instruction . . . it follows the best of our traditions. For it then respects the religious nature of our people and accommodates the public service to their spiritual needs. To hold that [the State] may not [do this] would be to find in the Constitution a requirement that the government show a callous indifference to religious groups. That would be preferring those who believe in no religion over those who do believe. . . . [W]e find no constitutional requirement which makes it necessary for government to be hostile to religion and to throw its weight against efforts to widen the effective scope of religious influence."

In his partial dissent in Wisconsin v. Yoder, he questioned any test of religiosity, saying:

"I am not at all sure how the Catholics, Episcopalians, the Baptists, Jehovah's Witnesses, the Unitarians, and my own Presbyterians would make out if subjected to [a test]."

In a letter to Bill Douglas on his retirement, signed by the eight remaining Members of the Court, we paid tribute to him as a unique resource for the Court and one that may never again be present at the Conference table. This resource was his intimate knowledge of the opinions of the Court going back, then, 36 Terms, with his memory of the evolution of the decisions of those cases.

His response to that letter was typical of the less well known side of this uncommon man. He said, "Your letter filled my heart with overflowing emotion." Then he went on:

"those who start down a water course [on a canoe trip] may be strangers at the beginning but almost invariably are close friends at the end. There were strong headwinds to overcome and there were rainy as well as sunny days. The portages were long and . . . some were very strenuous, but there was always a pleasant camp . . . [but] inevitably there came the last campfire, the last breakfast cooked. . . . The greatest such journey I have made has been with you my colleagues who were strangers at the start but warm and fast friends at the end."

We who knew Bill Douglas well could see that his last illness was, to him, a preparation for his next journey, and he accepted that journey as a part of God's plan for human existence. He approached it as he approach countless explorations he made into the mountains and valleys of strange and unknown lands on other continents. To him this was but another new experience, another challenge, another journey. And we know he was not one to shrink from new experiences or to fear the unknown. He was fortified by the firm religious beliefs so eloquently revealed in his opinions.

At a dinner celebrating his having served longer than any Justice, he reaffirmed the creed that guided his life. His words should fortify all of us in the days ahead:

"I think the heart of America is sound; I think the concience of America is bright; I think the future of America is great."

I am proud to join in a salute to William O. Douglas, a unique and many facetted man and notable American.

REMARKS OF ABE FORTAS—SERVICES FOR MR. JUSTICE DOUGLAS, JANUARY 23, 1980

Bill Douglas has departed, and there is an emptiness in our world.

In these final moments, we who love and revere him, seek the comfort of shared recollection of the man, and the solace that we may derive from recalling his legacy.

It is not easy; he was not a demonstrative man; and the entire world was his forum, and all of its people were the objects of his efforts. His perspective was vast; his vision was far-reaching: from a tattered, homeless vagrant to the disorder of a world in turmoil.

To seek the measure and essence of the man, we must go far beyond the law which was his basic instrument. We must go far beyond the volumes of the Supreme Court reporter which enshrine his extraordinary assertions of the rights and dignity of people. We must go beyond the archives of the Securities and Exchange Commission which memorialize his insistence that all of man's creations, including business and finance, must account to the service of society and its people. We must go beyond the records of his remarkable career at Yale and Columbia where he devised novel and effective techniques for the analysis of law and social problems.

We must go far beyond all of this. To recall to our minds the essence of our friend, we would have to summon his friends—the ranch hands at the little settlement of Whistling Jack, and at Goose Prairie, in the State of Washington; the Indians with whom he talked and fished near his cabin in Lostine, Oregon; Rup Singh, the mule driver in Central Asia; Yacoub Bishara, the peasant in Lebanon; Rahul, the Himalayan guide—to him, they were people—his friends; and the world that he fought to create was, in his view, a world which would bring peace and dignity to them, too.

We would have to go to his beloved mountains, to the wild rivers, to the peaceful paths of the Olympia Peninsula, of Mount Adams, of the Wallowas, and of our own, neighboring countryside. We would have to journey to the agricultural station at Beltsville to see the rose bushes, made sturdy by cross-breeding with the seeds which he brought from the Himalayas. We would have to visit Douglas' collection of wild flowers from all of the world, which he gathered and classified and preserved, with wonder and amazement at God's beauty, and growing dismay and anger at man's destructiveness.

In all that he did, Douglas was a conservationist—a conservationist of all that God has created. He believed, deeply believed, in people, and he fiercely resented infringement of their rights and their dignity. He believed, deeply believed, in the sanctity of nature and nature's wonders. He said, "We deal not with transitory matters, but with the Earth itself. We who come this way are merely short-term tenants."

Bill Douglas was my beloved teacher, friend and colleague for 50 years. We shared joys and sorrows; triumph and disaster; achievement and defeat; acclaim and calumy. He was a man of quivering sensitivity; yet he unhesitantly exposed himself to brutal assault. He was a man greatly in need of love; yet his life was devoted to causes which invited controversy and incited outrageous defamation.

He was a brave man: He did what his mind and heart directed, although he knew—with devastating clarity—that he would have to endure suffering and torment, and that his suffering would be almost unendurable.

Perhaps it is enviable in our world that true greatness—the capacity to create tomorrow, to implant in a primitive world the seeds of principle that may flourish in a better world of the future: Perhaps it is inevitable that pain and suffering will accompany such greatness.

For Douglas was tomorrow's man. He saw the world from the eminence of a lofty mind and exalted conscience; and he sought to raise the world's standards to the level of his own perception. His degree of success is remarkable; his failures are understandable—for he was, indeed, tomorrow's man.

I recall a precept of which he was fond: "Occupy high ground", he said. And so he did.

I remember Herblock's cartoon when Douglas retired from the Supreme Court. It shows the crest of a mountain on which the name of William O. Douglas is carved in large letters. A mother and father and their two children are at the base of the mountain, looking up to its crest. There, they seem to say, there is the high ground where Douglas took his stand; where people may live in the beauty and freedom which Douglas claimed as humanity's right.

It is extraordinary to realize that, during his lifetime, Douglas was a leader in every one of mankind's major advances towards the summit: Towards a peaceful world in which all people—and not just some—have the blessings of personal dignity and freedom from oppression or economic want; and towards a world in which the earth and all its beauties; its trees and mountains, its rivers and its atmosphere—are carefully safeguarded and scrupulously nurtured.

I cannot conclude without telling you of an experience that I do not understand: On Sunday morning, as I stood beside the bed on which lay the body from which Douglas had departed, it was not the great events of his life which came to my mind.

Instead, I saw Douglas, about 45 years ago, in his New Haven house, playfully presiding at a pretended meeting of the mythical hunt club which he and Thurman Arnold invented—when you, Bill Junior and Millie were small children. —And I saw Douglas, who fancied himself a great outdoor chef, throwing a preciously expensive steak directly on a charcoal fire, at a cookout in our back yard. —And I saw him slyly letting us know that it was he who had induced our dean at Yale to board the train to Boston instead of New York where the dean was scheduled to speak. —And I saw him with Cathy, happily striding along the C&O Canal. —And so, I recalled, as I hope you will, the moments of happiness and not of grief.

Mr. Justice Douglas belongs to the world, and its people. That is as it should be.—But Bill Douglas also belongs, in a very special way, to you Cathy, and to Bill Junior and Millie and his grandchildren, and to all of us who loved him.

REMARKS OF CLARK M. CLIFFORD AT WILLIAM O. DOUGLAS FUNERAL SERVICE

In the early summer of 1945 Bill Douglas entered my life. He became an important, vital and continuing influence for 35 years.

Bill's life was not an easy one. He had worked and struggled against poor health, poverty and lack of opportunity. But he forged his own opportunities and was eminently successful in demonstrating his keenness of intellect, his incredible industry and his willingness to find new solutions to old problems.

Bill was a restless man. He was always striving, always seeking, always looking for new dragons to slay. His enemies were injustice, intolerance and inequality of freedom.

His life was one long struggle against oppression. It was a battle to achieve those fundamental rights in which he believed so deeply, the right to be free from brutality, the right to trial by jury, the right to confront one's accuser, and the right to be informed of the charge and to have a full chance to defend.

Bill's convictions were deep seated. He believed in the right to speak freely; the right to worship as each one desired, the right to be let alone, and the supreme law of our system; the principle that government is controlled by the governed.

These precepts, to Bill, did not exist in a vacuum. They were not glittering generalities that were sterile and academic.

They involved people. Poor people. Sick people. Underprivileged and undernourished people. Oppressed people. People of foreign extraction.

These were Bill's constituents. He was their champion.

I would have given a good deal to be present when Bill entered the Gates of the Kingdom of Heaven.

The turnout must have been remarkable, even by heavenly standards. His admirers would be numbered, not in the hundreds, not in the thousands, but in the tens of millions.

And so it is on this earth. Each one of us is freer, each one of us is safer and each one of us is stronger—because of this man.

I do not know if, by today's standards, Bill would be called a religious man.

He certainly, however, would qualify under the direction given by the wise prophet Isaiah when he said:

"Learn to do well; seek judgment, relieve the oppressed, judge the fatherless, plead for the widow."

I would be remiss if I did not pay my respects to Bill's widow, Cathy.

What a magnificent figure she has been through these last difficult and tortured months. Kind and considerate, supportive and solicitous, courageous and loving—she has stood taller each passing day.

May God's grace be upon her and may she have peace.

I have a favorite poem which, I have long thought, applies with special relevance to Bill, whom I have loved so well.

Permit me to conclude with it. It is entitled:

"UP-HILL"

Does the road wind up-hill all the way?
  Yes, to the very end.
Will the day's journey take the whole long day?
  From morn to night my friend.
But is there for the night a resting-place?
  A roof for when the slow, dark hours begin.
May not the darkness hide it from my face?
  You cannot miss that inn.
Shall I meet other wayfarers at night?
  Those who have gone before.
Then must I knock, or call when just in sight?
  They will not keep you waiting at that door.
Shall I find comfort, travel-sore and weak?
Of labor you shall find the sum.
Will there be beds for me and all who seek?
Yea, beds for all who come.

—Christina Georgina Rossetti (1830–1894)

TRIBUTE BY SIDNEY M. DAVIS

Mr. Justice Douglas was born at the close of the nineteenth century, his life encompassed most of the twentieth century, and the impact of his ideas and the influence of his life are a legacy that will carry deep into the centuries ahead.

He engaged his life always in the pursuit of great causes. He said that he wanted to be remembered as one who made the earth more beautiful. He will also be remembered as one who made this country more free, more just and more civilized.

He was an introverted and private man who led an active and public life, a peaceful man who lived with conflict and a quiet man who would not hold his silence.

His energy and vitality were immense. Justice Holmes once said that life is like an electrical system which derives its quality from the current that runs through the wires. No stronger current ever ran through any man than through Bill Douglas. And if ever a man lived his life to the fullest, he did.

He led an extraordinary and useful life filled with achievement, adventure and accomplishment and he carried it off with dignity and sensitivity.

He was a tall, big-boned man with a shock of carelessly combed hair turning from sandy to silver as the years went by. His face, lined furrowed even as a young man, grew craggy and deeply creased with character. He could flash a wicked grin, reflecting a dry and salty sense of humor, and his talk was in accents of the far west. When engrossed in conversation, he would paw at his face with a large hand as though brushing an obtrusive fly from his forehead. His clothes forever bore the unmistakable stamp of habitual indifference.

His appearance was quintessentially American. Sitting on the bench of the Supreme Court in his judge's robes, scratching the side of his head and restlessly rocking in his black chair, he looked for all the world like a Remington cowboy.

He was lean and spare and tough, both physically and intellectually. His dear friend, Judge Jerome Frank, once described him as the coldest mind and the warmest heart in Western civilization. For although he governed his emotions firmly, he was a sentimental and kind man.

He had more than his share of what his Scottish forebears called * * *

He wrote extensively for the Court. But while he regarded writing for the majority as a duty, writing in dissent was for him not only an obligation of conscience but a happy luxury as well.

His years on the Court were a recurrent invocation of those libertarian principles which in his conception lay at the very heart of American constitutionalism. He cared deeply about the need to preserve and expand constitutional precepts of unfettered speech, and of fair procedures and fair play, especially for those with limited means who were confronted with great public or private power.

He was a resolute and tenacious and brave in the expression of his beliefs as he was in the way he lived his life. And he dared, always, to be himself.

That he was a privately religious man astonished even some of his close friends. When Thoreau was on his death bed, his friends brought a minister to see him. "Why have you come sir?" asked the dying man. "Mr. Thoreau," said the minister, "I've come to help you make your peace with God". "Oh?" said Thoreau, "I hadn't known there had been a quarrel". Bill Douglas never quarrelled with his God although he may have had a few other disagreements along the way.

But with it all, the strength of his beliefs and the indomitable force of his character were deeply imbedded in the personality of a man to whom heart and feeling were no strangers. He was a warm and loving man to his friends and was loved in turn by them.

Bill Douglas lived well and he died hard. He was a great Justice and a good man and he shaped his times and touched the hearts of many of us. The flavor and memory of him will stay with us for a long time and life will somehow be lonelier and darker without him.

(Sidney Davis is a New York attorney and a professor at Princeton University).

FUNERAL REMARKS BY ERIC SEVAREID

Much better authorities than I have spoken of Bill's mammoth labors for freedom under Law. I will not dwell on that, but say only two things about it. He was so passionate about civil liberties because he understood clearly that they are their own defense, can be defended only as long as we still have them. And, without them in America, even peace in the world itself would likely vanish. If both superpowers were closed and paranoid, censored societies with secrecy the rule, surely the tensions in the world would become explosively unbearable.

I think Bill Douglas felt that, if he did not express it just that way.

The marvelous freedom he discovered as a very young man was something else—freedom from personal fears. Repeatedly, as a boy, sometimes hanging by his numbed fingertips to a mountain ledge above an abyss, he cauterized his fear. When the pain was gone, fear was gone and he felt forever healed.

When a man so wins, he wrote, there comes an exquisite moment, a sense of austerity, a feeling of peace. It is then, he said, that a man discovers the power of his soul to carry him on.

It was the mountains that did this for him, and before that the trauma of his father's untimely death, the devotion of his remarkable mother, the conquest of illness and the things he saw that laid the first embers of a life long fire of rage against poverty and ignorance, injustice and power abused.

The other day I took down again from the shelf his thirty year old book on men and mountains. I had forgotten that he had inscribed it to me, in 1950. He wrote on the fly leaf, "In appreciation of his contribution to these pages." I could think of no specific contribution of mine. We had never talked much directly about boyhood and poverty and wilderness. But we were neighbors then, over in Virginia. He had read some things of mine about youth and the wilds and the pain and fright of trying to test oneself, so often foolishly. I think he felt I understood that part of him, at least, if not, in clear measure, his huge meaning for our collective life as a society in law.

In any case, to me his friendship was an honor, a blessing.

Not so long after the turn of the century, at his father's funeral in that mountain country the minister said to the small boy, "You must now be a man, sonny."

What a man he was. But in all men who are men, some part remains the small boy. The thrill and wonder of natural surroundings never left him: the feeling only mellowed and developed religious overtones. Every time he made it to a mountain top and looked about the splendid world of blue and white he felt the presence of a Supreme Being: yet he felt that man himself was the most exciting of all God's creatures. What but a Supreme Being he said, could fashion one who can laugh and cry and love, mold a soul that can aspire to the stars and a heart that can sacrifice all for an idea or a loved one.

How ignorant, those critics who thought Justice Douglas an irreverent and worldly man.

It is some effort to mourn his death because his life was such a rejoicing. He loved the very names on that western land, those wonderful names from our folk learning—Bumping River, Lodgepole, Cougar Creek, Crystal Mountain, Chinook Pass, Old Snowy and Devils Horn and Goose Prairie. No prairie at all, of course, to anyone from North Dakota like me.

I fooled a bit with a fly rod on the Bumping River as Bill watched in silence and an old saying occurred to me. I said to him, "Trout live only in beautiful places—and so do you." He liked that. He grinned that wide, country boy grin and pulled at that country boy cowlick that would never stay combed.

His person inhabited the beautiful places: so did his mind and his spirit.

How he loved this country and how he worried about it, like an anxious parent. What he wrote thirty years ago I think he must have still felt, at the end:

"We need a faith," he said, "the faith of our fathers. We need a faith for which it would be glory to die. Only if we have such a faith are we free to live."

America, Freedom, Douglas. A Triumvirate. A Trinity.

CONGRESS IN ACTION: A DEMONSTRATION PROJECT

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, several innovative teachers at Yorktown High School, Westchester County, which I am proud to say is in the 25th Congressional District of New York, have created an exemplary program entitled "Congress in Action."

Developed in 1972, the program was validated in 1977 by New York State as one both effective and worthy of adoption by other school districts in our State. To date, 13 school districts, encompassing 20 high schools, have utilized the Yorktown program to teach their students about the real world of politics and government.

"Congress in Action" is a unique approach to social studies in which students engage in a series of activities which reflect the Federal lawmaking process. Each student in the program assumes the role of a current Member of Congress and works through the legislative process with actual bills dealing with topical issues such as inflation, unemployment, education, energy, housing, and transportation.

The students introduce legislation, follow it through commitees, and determine which bills should become law. The research required enables the participants in the program to have the actual experience of a lawmaking body. Further, the students must express the philosophy of the Member they represent in taking and defending positions on each bill that comes before the Congress, and vote in accordance with that Member's record.

I have visited York High School every year for the past 7. I have been impressed always by the devotion of the faculty to the students and the relevant and germane questions posed by the students regarding my activities in Congress and the pressing issues we face in foreign and domestic affairs. I am very pleased to see that an idea created by four teachers has developed into a federally funded project under title IV–C of the Elementary and Secondary Education Act.

One of the clear merits of "Congress in Action" is the exposure to different modes of learning. Students work on their own and in groups; they learn how to locate, evaluate, and process information. Communication skills, such as being tactful and tolerant, yet persuasive and effective, are much the same as we in Congress have developed over years of practice.

Yorktown High School's program goes a long way toward removing the mystery of the legislative process from the minds of those students fortunate enough to participate. As in many other areas, theory is not sufficient and is no substitute for experience.

I am extremely proud of the dedication and effort of Janet Wedge, the project director, for making "Congress in Action" an overwhelming success. The enthusiastic response from the students and the continued support of their parents have contributed greatly to the expansion and popularity of this program.

"Congress in Action" is a project that should be noted by other States and school districts throughout the country. The total program costs are minimal; materials from Congress can be obtained easily; class size is flexible, and the practical aspects are invaluable aids to understanding how the legislative process functions.

WILLIAM "BUDDY" AYDELETTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

● Mr. EDWARDS of Alabama. Mr. Speaker, it is with great pride that I join my fellow Alabamians on March 14 in honoring one of my First Congressional District constituents, William "Buddy" Aydelette, for his outstanding achievements on the University of Alabama's national championship football team.

Buddy began his football career as an All-Stater for Mobile's Murphy High School; and during his high school career he was honored by the Mobile Optimist Club as their "Lineman of the Year." He was also a baseball letterman, pitching and playing outfield.

Buddy was a starter at left tackle for the Crimson Tide this year. During his college career he also saw action with the specialty teams and earned a letter in 1977 as a tight end. Buddy extended his service to the team by playing as a 5-year man for the Crimson Tide, and he was selected second-team All-SEC this year and was invited to play in the Senior Bowl game in Mobile. Buddy was one of five seniors who helped to lead the Tide to a second consecutive national title this year.

In honor of Buddy's outstanding career at the University of Alabama, he was named as a starting tackle recently on 'Bama magazine's Crimson Tide "Team of the Decade."

I want to take this opportunity to recognize the contributions Buddy Aydelette has made to the University of Alabama, to its fine football program and to its many devoted fans. I would also like to wish Buddy continued success in his future endeavors.●

CENTENNIAL ANNIVERSARY OF THE PICATINNY ARSENAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. COURTER) is recognized for 10 minutes.

● Mr. COURTER. Mr. Speaker, I would like to take just a few moments to inform the Congress of a special event in regard to our Nation's defense effort: The centennial anniversary of the Picatinny Arsenal located near Dover, N.J.

For an entire century the Picatinny Arsenal has supported in a most distinguished manner the Armed Forces of the United States with ordnance material vital to our Nation's defense. The Picatinny Arsenal has become a model for civilan and military cooperation typified by its outstanding achievements.

Once called the Picatinny Power Depot, it later became known as the Picatinny Arsenal and was the Army's first powder factory. During World War II the arsenal employed 8,000 people who trained in specialized techniques of mass munitions production. In addition, the arsenal was the only plant in the United States capable of producing ammunition larger than that for small arms. During the Korean war and Southeast Asian hostilities the Picatinny Arsenal had as its primary mission the development of large-caliber conventional and nuclear munitions.

Today, the Picatinny Arsenal continues to serve this Nation proudly as headquarters for the U.S. Army's Armament Research and Development Command, which employs highly skilled engineers, scientists, and technicians.

I believe that all of us wish the Picatinny Arsenal and its commander, Maj. Gen. Allen H. Light, Jr., continued success and owe its people a debt of gratitude for a job well done.

I invite my colleagues to cosponsor my concurrent resolution honoring this facility for its proud service to the Nation.●

SMALL BUSINESS INVESTMENT INCENTIVES ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 5 minutes.

● Mr. BROYHILL. Mr. Speaker, venture capital is a rare commodity, particularly for small business. Many young, growth-oriented companies become capitally starved long before they become established. Unnecessarily restrictive securities laws and regulation contribute significantly to the dilemma. Under the current regulatory scheme, venture capitalists can get into an investment, but at a later time they are unable to take the rewards associated with their risks. They become locked into their investments. Of course, the net result is that venture capitalists become reluctant to make an investment in the first place.

Another perverse outcome of the regulatory tangle is that companies are penalized for growing, inasmuch as a certain number of investors or a certain dollar amount triggers expensive and complicated registration and reporting requirements.

Last November our Subcommittee on Consumer Protection and Finance held hearings on H.R. 3991, wherein strong support for the bill was received from the National Association of Small Business Investment Companies, the National Venture Capital Association, and the American Council of Capital Formation. The Securities and Exchange Commission, when testifying, had reservations about the bill but supported the concept of lifting constraints on small business capital formation.

The bill I am introducing today responds to some of the SEC criticisms, yet still has the wholehearted support of the venture capital industry.

A section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS—SMALL BUSINESS INVESTMENT INCENTIVE ACT OF 1980

TITLE I. AMENDMENTS TO THE SECURITIES ACT OF 1933

Section 101. Definition of terms

Defines "accredited investors" as certain specified financial institutions or accounts over which these institutions exercise investment discretion. In addition the term includes purchasers of $100,000 or more of securities for cash or cash equivalent.

Defines "limited sale security" as a security bearing a legend to the effect that such security may not be sold unless registered or meets the requirements of an exemption.

Section 102. Transactions involving limited sale securities and accredited investors

Exempts limited sale securities from full registration under the 1933 Act provided all the purchasers are accredited investors and there is no general advertising or solicitation in connection with the transaction. Resales of these securities to other accredited investors do not affect the exemption.

Section 103. Resale of limited sale securities and restricted securities

No limitation is placed on the resale of limited sale securities as long as they are sold to accredited investors. Resales of restricted securities are permitted if a venture capital company has held such securities for not less than five years.

Section 104. Liability in private offerings

Currently, under section 4 of the Securities Act, a purchaser of securities made pursuant to a private offering may sue for his investment if he does not meet the tests of sophistication or net worth, or if the purchaser was not provided with all the material information by the issuer. And if one purchaser is granted standing to sue, the entire issue may be collapsed, since all purchasers are then automatically granted standing to sue, regardless of whether they meet the prescribed tests. This section would bar other purchases from recovery unless they too could prove: 1) that they did not receive all the material information or 2) at the time of the offering they could not meet the tests of net worth or sophisication.

Section 105. Rulemaking authority

Provides for specific rulemaking authority by the Commission with respect to resale of restricted securities. After a hearing on the record, the Commission is required to make findings of abuse before promulgating regulations.

TITLE II. AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940 AND THE INVESTMENT ADVISERS ACT

Section 201. Definition of venture capital company and established venture capital company

A "venture capital company" is defined as a company that meets the following conditions: (a) engages primarily in activities such as furnishing capital to industry, purchasing securities of issues for which no ready market exists, or the reorganizing of companies or similar activities and (b) at least 80% of the assets of the venture capital company valued at costs consists of securities acquired directly from the issuer in a transaction not involving the registration of securities under the 1933 Act and are restricted as to resale or received in a reorganization or exchange offer.

An "established venture capital company" is any venture capital company (a) that has been engaged in business as a venture capital company for at least three years, or (b) for venture capital companies so engaged for less than three years, 50 percent of the proceeds to such company in the sale of its equity securities are received from accredited investors.

Section 202. Exemption From Investment Company Act of 1940

Exempts established venture capital companies from the 1940 Act provided however that the established venture capital company is subject to certain reporting requirements of the 1934 Act. This section also provides a grace period of 180 days when the outstanding securities of an established venture capital company become beneficially owned by more than 100 investors. Otherwise the venture capital company would lose its exemption.

Section 203. Restrictions on established venture capital companies

(1) An established venture capital company can engage in business when (a) a majority of its board of directors are disinterested persons in the same manner as registered investment companies are required to have disinterested directors. If the established venture capital company is a partnership then the partnership agreement must name three or more disinterested "partnership advisers" who must authorize transactions between the venture capital company and any affiliate. Disinterested partnership advisers have the same duty of care and liability as directors have to the share holders of a corporation. In addition, partnership advisers shall maintain written records of their proceedings and shall send copies to all beneficial owners of the venture capital company.

In the event of death, disqualification or resignation of a director or partnership adviser, the requirements as to board membership or partnership adviser are suspended for 180 days.

(2) A venture capital company may not sell securities that were acquired in the open market, except in a manner and in amounts and at times which the company could do if it had acquired the securities in a transaction not involving a public offering.

(3) This section also provides that no director, officer, employee, controlling person, affiliated person or partnership adviser of an established venture capital company which is not an investment company and which claims exemption from this title may beneficially own, purchase, lease, or borrow any securities or other property of any company which (a) is controlled by such venture capital company, (b) which is an affiliated person of such venture capital company, or (c) to which such venture capital company furnishes capital, unless such ownership, purchase . . . is approved by a disinterested majority of the established venture capital company's board of directors or a majority of the partnership advisers, when the established venture capital is a partnership.

(4) Ownership, purchase, lease or borrowing described in this section shall be approved only if a disinterested majority of directors or partnership advisers of the established venture capital approve such transaction on the basis that (a) the terms are reasonable and fair to the shareholders and does not involve overreaching and (b) ownership or purchase is not contrary to the interests of the shareholders and is consistent with company policy.

But beneficial ownership of securities or other property by director, officer . . . or partnership adviser is not prohibited if (a) it was acquired otherwise than by purchase (b) the securities or other property are sold within 180 days of acquisition or longer period, but not to exceed 18 months, as approved by a majority of the directors or partnership advisers, (c) the terms of the sale or other disposition are fair to stockholders and do not involve overreaching.

For purposes of this subsection the "required majority for approval" of a transaction means (a) if a company is a corporation both a majority of the members of such company's board of directors who have no financial interest in the transaction and a majority of the members of such board who are not interested persons of such company or (b) if the venture capital company is a partnership, a majority of such company's partnership advisers who have no financial interest in such transaction.

Section 204. Alternative registration

An investment company which would be an investment company under the Investment Company Act of 1940, but for the exclusion provided for by the bill, may voluntarily register as an investment company as long as it is not a personal holding company.

Section 205. Registration of investment advisers

Shareholders or partners of venture capital companies may not be deemed clients of investment advisers, unless such shareholders or partner is a client of the investment adviser apart from his status as shareholder or partner of the venture capital company.

Section 206. Private right of action

Persons who knowingly and willfully violate any provisions of this title shall be liable to persons injured in actions at law or equity, if the action is brought within one year from the date of the occurrence.

TITLE III. EFFECTIVE DATE AND MISCELLANEOUS PROVISIONS

Section 301. Effective date

The amendments made by this Act shall take effect on the date of enactment.

Section 302. Rules and regulations

Commission given 180 days to prescribe

regulations necessary to carry out the amendments.

TIME FOR AN ULTIMATUM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

● Mr. GRASSLEY. Mr. Speaker, for over 4 months, the United States has been humiliated by the outrageous conduct of irresponsible authorities in Iran.

Our Embassy in Tehran was and is sovereign U.S. territory. Its invasion was and is an egregious international crime deserving of whatever recourse the United States might choose to bring to bear against the Iranian Government. By immediately repudiating the option of force, however, the President guaranteed the impunity of those who defile our Embassy and hold our citizens hostage. In so doing, he has encouraged their contempt for what they believe to be American helplessness.

The ineffectiveness of President Carter's countermeasures has justified Iran's contemptuous attitude. Most recently, the Iranian Government obtained Mr. Carter's assent to a U.N. Commisison of Inquiry which has been spoon-fed a one-sided litany of complaints and allegations against the United States. It is now obvious that the United States negotiated no condition that its assent to the U.N. Commission would result in the prompt and assured release of the hostages. Our Government was outmaneuvered. Iran will gain a propaganda victory.

The time for American patience has expired. Short of force, there are other options that can extract a painful price from Iran for continuation of the current outrage. In conjunction with the gentleman from Illinois (Mr. FINDLEY), I am today entering a proposed joint resolution that will enable the President to apply costly punitive sanctions against Iran until they release our hostages. In essence, this resolution:

First. Allows the President to use currently impounded Iranian assets for the purpose of assessing a fine against Iran.

Second. Encourages the President to demand the release of the hostages by a date to be specified by him.

Third. Enables the President to collect a fine of $50,000,000 per day from Iranian assets held by the United States for every day that the hostages are held beyond the specified deadline for their release.

According to Khomeini's most recent caprice, the hostages will not be released until the yet-unelected Iranian Parliament can act on the matter. This would be sometime in mid-May or later unless effective pressure can be brought to bear earlier. At $50 million per day, such delay would cost Iran between $3 and $4 billion. That might be an incentive for earlier action.

A copy of the proposed joint resolution has been supplied to each Member's office under a "Dear Colleague." The gentleman from Illinois (Mr. FINDLEY) and I most cordially invite and encourage your cosponsorship.●

WINDFALL PROFIT TAX LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, as the Members of this House are well aware, the conference report on the oil windfall profit tax legislation which is now being put into final form will include an exclusion from income taxes for up to $200 in interest and dividends received by an individual or up to $400 in the case of a married couple. Incentives of that type are, in my view, very important to dealing with the critical shortage of capital that we face as a nation. That is a view that I am glad to say my good friend and colleague from South Dakota, Representative TOM DASCHLE, shares and one that he was willing to support in testimony before the Ways and Means Committee earlier this year.

In that his testimony cogently points up the arguments for the income tax exclusion included in the forthcoming conference report and for legislation along the same line which TOM FOLEY and I introduced last year, I recommend it to my colleagues here in the House.

I insert his testimony at this point in the RECORD:

TESTIMONY OF CONGRESSMAN TOM DASCHLE

Mr. Chairman, and members of the committee, I appreciate having the opportunity to be here today to testify on the subject of tax incentives for savings. Without question, this is an issue that must be addressed and I commend the committee for holding hearings in this area. I also commend the chairman for recommending that the Bentsen amendment be approved with the windfall profits tax. This amendment will allow a $201 exemption for individuals and a $400 exemption for couples in interest and dividend income. Statistics show that 83 percent of the families who have deposits in savings and loan institutions also have incomes below $25,000. Furthermore, 25 percent of the total income of persons 65 and older is derived from interest income. Thus, endorsement of the Bentsen interest and dividend exemption amendment will help those who need it most; the poor, middle class, and elderly. Although this is certainly a step in the right direction, I am advocating for legislation which calls for a $1,000 exemption which I will address further toward the end of my testimony.

There is no doubt that the low level of savings by American citizens is exacerbating the current economic problems our country is facing. The rate of savings as a proportion of disposable income in the U.S. according to the Wall Street Journal is a meager 4.5 percent, as compared to 14 percent in Germany and over 20 percent in Japan. One must ask why is this so? A large part of the answer is that both the Japanese and German governments provide more incentives to private saving than the U.S. government. The Deutsche Bundesbank stimulates savings through such techniques as cash bonuses for workers who save. Japan, too, encourages savings through bonuses as well as tax exemptions for funds saved through employee savings plans. But in the U.S. it is different. Interest income generated through savings are not only taxed, but the interest rate is held artificially low as prescribed by Regulation Q. When this already unfavorable savings climate is coupled with the ravaging effects of inflation, the net effect is a loss in purchasing power for any consumer foolish enough to save at the present time. There are four major problems that result from the present disincentive to save and they are for the most part interrelated.

One is that attempts to fight inflation are complicated. This occurs when consumers frantically rush to buy products which they correctly assume will only cost more in the future (diesel and other fuel savings automobiles for example), which in turn creates fierce competition for scarce resources among business and industry. This fact is borne out by credit card companies who report that credit buying is presently at an all time high.

Secondly, low savings rates decrease industrial ability to raise capital. The unavailability of cash in lending institutions forces companies to sell stock to raise money for capital improvements, instead of going through the lending company which is generally perceived as easier and more reliable.

This in turn affects productivity. As industry finds it more difficult to obtain cash maintenance schedules become neglected and plant improvements postponed or cancelled. This problem could become especially acute in South Dakota and other rural areas as banks simply do not have the available cash to finance equipment and supplies for farm and ranch operations. Farmers and ranchers cannot sell stock, and thus are forced to obtain cash from lending institutions. This nation can ill afford its agriculture sector losing productivity, as our balance of payments attest.

Furthermore, the lack of available capital depresses the housing market as buyers are unable to get loans, again due to the unavailability of cash which forces the Federal government to increase lending totals for the FmHA and VA loan programs. When coupled with a regressive Federal Reserve policy that has pushed home mortgage rates to 14 percent, the short-term outlook remains bleak for prospective home-owners. One also cannot overlook the ripple effect on employment figures, especially in the construction industry and the increased burden on welfare rolls.

There are many approaches that could be made to promote savings. Though it would be nice if we could offer cash bonuses for savings, as the Germans and Japanese, it certainly is not a practical approach considering our current budgetary problems. There is no question in my mind that the best approach is to allow an interest exemption for the inflation ravaged small saver, i.e. the poor and middle class American who is often sacrificed at the expense of special interest groups.

Specifically, H.R. 4761, as introduced by our colleagues Tom Foley and Dan Glickman, would exempt from federal income taxes the first $1,000 in interest income ($2,000 if filed jointly) earned by persons on accounts in which the total cumulative principal does not exceed $10,000. By restricting the applicability of the tax exemption to interest on accounts with less than $10,000 in principal, this bill focuses the tax break where it is most needed, and by targeting the exemption, it assures a minimal loss of revenue to the Treasury of money that would be pulled out of Treasury bonds by people seeking the more lucrative advantages of a tax exemption.

This proposal would increase the amount and quantity of deposits placed in lending institutions which would alleviate inflationary pressures, increase cash availability for capital formation in business and industry, spur the housing market, and in general increase productivity. The expected loss to the Treasury would total $21.7 billion over the next 6 years, averaging approximately $3.6 billion per year. Without question, these losses will complicate the budgetary process and desires to balance the budget, but I feel they would be offset by the gains made in the private sector, signaling to the taxpayer that the government will allow natural market forces to work with a minimum of interdiction from that dreaded beast, the Federal government.●

U.S. ACTIONS AT U.N. ARE EMBARRASSMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, in an embarrassing series of events for the United States, the administration has succeeded in first alienating our close ally in the Middle East, Israel, and then incurring the wrath of the Arab world. By voting for the United Nations resolution condemning Israel and then reversing itself, the United States has confused and perturbed our friends abroad.

The initial U.S. endorsement of the U.N. Security Council resolution was a clear and unprecedented provocation against Israel. Never in the past has the United States voted to condemn Israel for her settlement policy. At a particularly sensitive period in the negotiations over the future of the West Bank and the Gaza Strip, it is simply unthinkable that the United States would support a blatantly anti-Israel statement initiated by Jordan and Morocco in the Security Council.

The inclusion of Jerusalem in the resolution's condemnation of Israeli settlement practices is particularly upsetting in light of the unique character of the city, and the special care Israel has taken to preserve the right of all religious denominations to worship freely.

Then, in an unprecedented move, the President told the American people and the world that the U.S. vote at the United Nations was a mistake. The explanations for the error that have surfaced in the press have added confusion to fundamental issues involved in the vote.

Mr. Speaker, I hope the Congress will be informed of the details behind the switch in votes. It is important that the nations of the world understand exactly what our policy is, just as it is essential that the people of this country know how our Government views our commitments in the Middle East.

I hope the President will take this opportunity to explain once again what his views are regarding Israeli settlements on the West Bank, the Gaza Strip, and in Jerusalem so that those affected by our policies will know where they stand. Our commitments to Israel and our other friends demand better of us.●

STATUS OF THE CONGRESSIONAL BUDGET FOR FISCAL YEAR 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. GIAIMO) is recognized for 15 minutes.

● Mr. GIAIMO. Mr. Speaker, the House Budget Committee today is notifying the Speaker of the House of the current levels of congressional action on the budget compared to the spending ceilings and revenue floor established by the second budget resolution for fiscal year 1980. Under the Budget Act a point of order lies against any measure that would cause the spending ceilings or the revenue floor established by a concurrent resolution on the budget to be reached.

This report is to advise you of the revised levels of new budget authority, outlays, and revenues compared to the second budget resolution for 1980. The revised levels are based on the current CBO 1980 economic forecast and spending and revenue reestimates for fiscal year 1980. I want to mention a brief word about these reestimates. In his January 28, 1980, budget submission, the President reestimated spending for all of the fiscal year 1980 budget accounts. A complete review of these reestimates has been conducted by CBO and the Budget Committees. In my March 3 report to the House I forewarned the House that while the review of reestimates was not completed, significant increases in outlays were expected to exceed the ceiling set in the second budget resolution. The lion's share of the increases have not been due to actions taken by Congress since passage of the second budget resolution. These increases are primarily due to changes in the economy, including higher interest and inflation rates than were assumed in the second budget resolution. These factors drive up the cost of Federal programs tied to the economy. Interest alone has gone up $4.6 billion.

The results I forewarned the House of have now occurred. While a few of the fiscal year 1980 reestimates are still under discussion between the Budget Committees—and the numbers may change slightly—the second budget resolution ceilings have been exceeded. The revised current level for budget authority is $643,365 million—$5,365 million over the resolution and for outlays it is $557,623 million, $10,023 million over the resolution.

The Budget Committee is aware that these revised spending levels prevent consideration of important spending legislation in process and urgent supplementals requested by the President. In view of this the committee will recommend that the second budget resolution be revised at the time the House considers the first budget resolution for fiscal year 1981. The committee is hopeful that these actions can be completed by the end of April.

A copy of my letter to the Speaker and of the committee's report are attached:

COMMITTEE ON THE BUDGET,
Washington, D.C., March 6, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under S. Con. Res. 53, the Second Budget Resolution for Fiscal Year 1980. This report reflects the resolution of November 28, 1979, and estimates of budget authority, outlays, and revenues based on all completed action on spending and revenue measures as of the close of legislative business March 5, 1980.

Sincerely yours,
ROBERT N. GIAIMO,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1980 CONGRESSIONAL BUDGET ADOPTED IN SENATE CONCURRENT RESOLUTION 53

(Reflecting completed action as of March 5, 1980)

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	638, 000	547, 600	517, 800
Current level	643, 365	557, 623	515, 440
Amount over resolution	5, 365	10, 023	
Amount under resolution			−2, 360

BUDGET AUTHORITY

Any measure providing budget or entitlement authority for fiscal year 1980, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 53 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays for fiscal year 1980, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 53 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1980, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 53, since the current level is already under the revenue floor.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 5, 1980.

Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the

Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the budget. The current level estimate is based on CBO's January economic forecast. This report for fiscal year 1980 is tabulated as of close of business March 4, 1980.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	634, 840	549, 488	515, 440
2. Entitlement authority and other mandatory items requiring further appropriation action	8, 457	8, 076	
3. Continuing resolution authority	65	57	
4. Conference agreements ratified by both Houses	2	2	
Current level	643, 365	557, 623	515, 440
Second budget resolution	638, 000	547, 600	517, 800
Current level is:			
Over resolution by	5, 365	10, 023	
Under resolution by			2, 360

Sincerely,

ALICE M. RIVLIN,
Director.

PARLIAMENTARIAN STATUS REPORT—SUPPORTING DETAIL FISCAL YEAR 1980, AS OF CLOSE OF BUSINESS MAR. 4, 1980

[In millions of dollars]

	Budget authority	Outlays
I. ENACTED		
Permanent appropriations and trust funds	337, 154	291, 973
Previously enacted	375, 804	335, 690
Offsetting receipts	−78, 175	−78, 175
Enacted this session: Aviation and Noise Abatement Act (Public Law 96–193)	57	
Total, enacted	634, 840	549, 488
II. ENTITLEMENT AUTHORITY AND OTHER MANDATORY ITEMS REQUIRING FURTHER APPROPRIATION ACTION		
Function 050:		
Retired pay	466	464
Civilian and military pay raise	2, 830	2, 788
Function 150:		
Pay raise limitation Export-Import Bank		(1)
Payment to Foreign Service officers retirement fund:		
Foreign asst. appn	1	1
Offsetting receipt	−1	−1
State, Justice, Commerce, appn	4	4
Offsetting receipt	−4	−4
Function 270: Energy tax credit payments	1	1
Function 350: Pay raise limitation: Federal Crop Insurance Corporation		1
Function 370: Pay raise limitation:		
Federal Home Loan Bank Board		1
Federal Savings and Loan Insurance Corporation		1
Function 400:		
Payments to air carriers	20	18
Retired pay, Coast Guard	4	4
Pay raise limitation: St. Lawrence Seaway		(1)
Maritime subsidies		44
Highway trust fund pay raise limitation		6
Function 500:		
Student loan insurance fund	425	95
Human development, social services	236	236
Unemployment trust fund pay raise limitation		9
Function 550:		
Grants to States for medicaid	2, 255	2, 255
Federal hospital insurance trust fund pay raise		5
Function 600:		
Child nutrition	337	110
Department of Labor:		
Advances to unemployment trust fund	455	419
Offsetting receipts	−419	−419
Black lung disability trust fund	494	458
Assistance payments program	80	80
Pay raise limitation:		
Railroad retirement account		1
Social security trust fund (OASI)		108
Civil service retirement trust fund		2
Milwaukee R.R. supplementary unemployment benefits (Public Law 96–101)	2	2
Unemployment trust fund pay raise limitation		141
Function 800:		
Payment to Civil Service trust fund	377	377
Offsetting receipts	−377	−377
Function 850: Federal payment for District of Columbia retirement benefits (Public Law 96–122)	52	52
Function 920: Allowance for civilian agency pay raise	1, 218	1, 195
Total, entitlement authority	8, 457	8, 076
III. CONTINUING RESOLUTION AUTHORITY		
Continuing resolution (Public Law 96–123):[2] Federal Trade Commission	65	57
Total, continuing resolution authority	65	57
IV. CONFERENCE AGREEMENTS RATIFIED BY BOTH HOUSES		
Interest forgiveness on loan repayments from Guam (H.R. 3756)	2	2
Total current level as of Mar. 4, 1980	643, 365	557, 623
Second budget resolution	638, 000	547, 600
Amount remaining:		
Over ceiling	5, 365	10, 023
Under ceiling		

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[1] Less than $500,000.

[2] Foreign assistance appropriations and appropriations for certain ongoing Labor-HEW programs under the continuing appropriations authority in Public Law 96–123 are funded for the full fiscal year and are, therefore, included in category I as enacted previous session.

Note: Detail may not add due to rounding. 5Z–43N ●

EXPORT TASK FORCE ARTICLE NO. 18: KURT ORBAN SPEAKS ON EXPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, several weeks ago I received a letter from Mr. Kurt Orban, president of Orban Export Co., expressing his views on the U.S. export situation and ways to improve our current balance of payments.

I have rarely seen the issues and problems placed in such a precise and compact manner. The letter really hits the nail right on the head. I take this opportunity to insert Mr. Orban's letter into the RECORD so that my colleagues might have the benefits of an exporters point of view. I believe that 1980 will be a year of increased congressional concern about our trade problems and hopefully the following letter will provide some food for thought:

DEAR MR. ALEXANDER: We have been active in importing and exporting through an international network of direct offices and representatives since 1942.

In addition, we also have a number of U.S. manufacturing and distributing subsidiaries so that we look at the international markets both from the viewpoint of a U.S. producer and a trader.

We understand that you are chairing the Export Task Force Commission and would like to share with you some of our views on encouraging small- and medium-size companies to export. We believe that a special emphasis should be placed on exports by such companies in order to broaden the penetration of U.S. products into international markets.

The majority of U.S. exports are currently sales of agricultural products, military hardware, heavy machinery, computers, aircraft and certain raw materials—all fields where the U.S. has a particular supply or technical advantage, and often sales are a function of financial and political negotiations.

How do we get the small- and medium-size manufacturer into world markets? United States companies have a reputation of not being export-minded and for the average firm this is quite true. They look at the U.S. as the largest single market for their product and do not see the sense of investing time and effort in promoting export sales. We have often heard from our customers overseas that U.S. manufacturers are essentially unreliable or disinterested in answering overseas correspondence and providing a continuity of supply when market conditions change.

How can one change this attitude for the overall national interest, even though for many firms the economic return may not seem to be worth the effort? Based on the shift in the value of the dollar, many U.S. manufacturers are now price competitive in world markets but just are not willing to go to the trouble of chasing after the available business.

The first need would be to promote a national awareness of the desirability of exports, so that it will become a source of pride for individual companies. Once a firm makes the decision to export, it should realize that it takes time and effort and is in fact considerably more difficult than domestic business since it requires expertise in foreign languages, marketing structures, international banking and credit, shipping, insurance and general selling.

We believe that the current Department of Commerce literature telling people how easy it is to export is counterproductive since it just is not that quick and simple. So when companies halfheartedly try to export, they quickly become disillusioned and the program becomes self-defeating.

Outside of pride of accomplishment, what incentives can be offered to companies for investing their resources in international marketing?

Tax benefits such as the DISC program which makes exporting financially attractive would help.

Secondly, manufacturers should be introduced to export management or trading companies who will help to make the export sale almost as easy as a domestic sales. The Department of Commerce matchmaker program is a good step in this direction.

We believe that the best way for small- and medium-sized U.S. manufacturers to establish themselves in international markets is through an export management company or trading firm, similar to the well-known Japanese model. Such a firm is able to maintain a constant presence in the marketplace for the manufacturer which it represents and will be on the lookout for new opportunities. Individual firms are not able to do this since they normally will concentrate on a project when it is hot and rapidly lose interest and cut back marketing efforts if sales do not materialize or do not continue.

One of the initial export steps for some manufacturers is to sell to U.S. subsidiaries or licensees overseas who use products identical or similar to those being used by their parent companies in the United States. The manufacturer gains overseas market awareness and can expand sales also to foreign firms or subcontractors. There should be a greater incentive for U.S. headquartered multinationals to use American materials and components in their overseas operations.

Our own company once had a good business selling special metals to Asian and European electronic stamping firms when their customer specified material of U.S. origin to save Customs duty when the finished end product was to be sold in the United States. This practice has been reduced so that U.S. manufacturers of these special metals are now losing business to Japanese and European makers. Thus, instead of expending U.S. exports of semifinished material, we have in effect introduced into the marketplace new competitors who eventually export to the United States.

We have found that a major export handicap to be that ocean freight rates from the United States are sometimes two or three times as high as for the same product when it is imported into the United States. This certainly makes it difficult to compete on a delivered basis even when ex-factory prices would be attractive. The steamship companies argue that if you have enough volume, they will adjust the freight rate, but it is of course difficult to develop volume without being competitive.

We believe that government regulations and paperwork requirements should be minimized since they represent an obstacle for medium-sized firms against getting into export markets. They do not want to be bothered with reporting requirements and complicated boycott regulations so that they tend to ignore many overseas inquiries.

Our company has been able to educate some of our customers to submit proper letters of credit and omit boycott reference terms, but there is no question that it has put U.S. exports at a disadvantage with those of other countries for whom doing business is less complicated.

Another major need for improving U.S. export performance is that of obtaining financing and export credit insurance which is competitive with that offered by other countries.

Current procedures may be fine for large individual deals but are too cumbersome to handle medium-sized and small repetitive transactions on a simple and routine basis.

Our parent company is a major importer as well as a distributor and manufacturer of steel and wire products within the United States.

From that viewpoint, we feel that there are perhaps some presently unexplored avenues for helping U.S. exports by pointing out to our import suppliers that their help is needed in changing any restrictive attitudes that might exist towards imports from the United States into their countries, in order to maintain and widen reciprocal trade.

This kind of business-to-business dialogue could be most valuable and important, and it is an area in which the import and the export community and Government in the United States has had much too little contact and exchange of information.

Businessmen both here and abroad either know or should know that trade must be a two-way street in order to function at all for any length of time, and we feel that much could be accomplished by the private foreign trade community on both ends in order to smooth over problems and to create positive attitudes with respect to both exports and imports with all of our major trading partners.

While we do not advocate bilateral trade arrangements or out-and-out barter deals, we do believe that a business-to-business dialogue across national borders should add greatly to the efforts made by government agencies in order to accomplish a smoother flow of two-way trade.

We hope that the above comments based on our export and import experience will be of assistance to you.

Sincerely,

K. ORBAN.●

THE SMALL BUSINESS MOTOR FUEL MARKETER PRESERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 10 minutes.

● Mr. BEDELL. Mr. Speaker, in recent years tens of thousands of small, independent businessmen have left the retail gasoline market. Some went out of business because of normal attrition, but it appears as if many were forced out of the market because they were denied an opportunity to compete on a fair and equitable basis. It is clear that this alarming trend will continue unless Congress passes corrective legislation.

The Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business, which I chair, held extensive hearings on this issue last summer and fall. In addition to meetings here in Washington, we also held field hearings in Iowa, Ohio, and Missouri. We heard considerable testimony to the effect that the combination of Government regulations and competition from their own suppliers has created intolerable business conditions for independent marketers.

There was a net loss of approximately 80,000 independent dealers between 1972 and 1979, with the current attrition rate estimated to be approximately 10 percent. We found that during the same period refiners have more than doubled the number of gallons of gasoline sold through stations that they operate themselves.

These findings, along with extensive testimony about various unfair trade practices, are extremely troubling to the members of the Antitrust Subcommittee, as they should be to all Members of Congress. Consequently, we have developed legislation which we believe will address the fundamental structural problems in the gasoline retail marketplace which presently make it most difficult for the small entrepreneur to compete in the gasoline business.

Mr. Speaker, today I am introducing H.R. 6722, the Small Business Motor Fuel Marketers Preservation Act. Joining me as the primary cosponsors are a bipartisan majority of the members of the Antitrust Subcommittee—JIM HANLEY, TONY HALL, OLYMPIA SNOWE, and TOM TAUKE—as well as NEAL SMITH, chairman of the full Committee on Small Business.

As its title implies, the purpose of this legislation is to make certain changes in the gasoline retail marketplace, which will make it possible for small and independent businessmen to compete on free and equal terms with all others in that market. With the improvement of the competitive environment, the consumer will benefit and the Government should be able to get out the business of regulating the gasoline retail marketplace. I believe the sooner we can end the need for Government regulation of gasoline marketing, the better it will be for the Nation.

The following is a brief discussion of the key provisions of this legislation. More detailed information is available at the office of the Antitrust Subcommittee.

DIVORCEMENT; REFINER SALES RATIO

The major, integrated oil companies are prohibited from directly operating motor-fuel service stations. They may, however, continue to own stations and lease them out to independent dealers to operate.

There are approximately 225,000 gasoline retail outlets in the United States at this time. Barring the integrated majors from direct retailing would affect 8,000 of the approximately 14,400 refiner-operated service stations. The remainder are scattered among the 150 or so small and independent refiners in the United States.

Refiners who are not integrated majors—those who produce less than 30 percent of their own crude oil needs or who have refinery capacity of less than 175,000 barrels per day—are subject to what we term a "refiner sales ratio." Briefly this means that small and independent refiners can continue direct retail sales, provided that the proportion of such sales to their total volume does not exceed the ratio they had in 1978. If they increase the total volume of motor fuel they put in the marketplace, they are restricted to selling that amount in proportion to their sales ratio in 1978, not to exceed 50 percent, through their own direct-operated outlets.

Both of these provisions, divorcement for the majors and sales ratios for the other refiners, are designed to reverse the trend we've seen of the refiners selling increasingly large portions of their gasoline through their own stations, yet still encourage the production of additional quantities of gasoline. It is an assertion of our belief that the independent businessman ought to have a fair chance to compete in that market.

DEALERS RIGHTS; SBA LOANS

This legislation does not compel the sale of any service station by anyone. However, it does specify that if a refiner elects to sell any property that is being leased to a dealer, then the dealer must be given the right of first refusal to purchase that station. An independent appraisal is called for in cases when the dealer and refiner are not able to reach agreement on the price of the property. The legislation makes SBA loan guarantees available to dealers who are seeking to purchase the station they currently lease.

These provisions are intended to assure dealers the right to remain in business even if the refiner/landlord decides it no longer wants to be in a given location. This is especially important where we see some oil companies seeking to withdraw from regions of the country.

OPEN SUPPLY

Under this legislation, it would be unlawful for anyone to interfere with the right of a dealer to purchase, store, or sell motor fuel obtained from anyone else. There is a proviso that dealers who operate brand-name service stations must provide point-of-sale notice to customers if the product being sold was not obtained from the brand-name supplier.

The problem we have today is that dealers in the vast majority of the service stations that have refining companies' names on them currently are prevented from marketing motor fuel supplied by anyone other than the brand-name supplier. In effect, over 150,000 stations are a captive market for sole-source suppliers. Lately, several of the major oil companies have effectively denied their dealers the right to sell gasohol, because this would violate the current monopoly supply arrangements.

The current situation leaves the dealers and the public completely at the mercy of the major oil companies. Today most dealers cannot go out and shop for cheaper gaoline to sell to customers. Nor can most dealers now go to the open market and make up for short supplies if his refiner is at a low allocation fraction or otherwise unable to meet the service station operator's supply needs.

The effect of this provision would be to open up to wholesale price competition more than 150,000 service stations that currently are locked into sole-source supply arrangements. We believe this would create wholesale price competition where none now exists and it would facilitate the movement of motor fuel products to retail customers. It would make the dealers in those stations truly independent businessmen.

RACK PRICING

Using the model of the Robinson-Patman Act, the legislation establishes the principle that persons purchasing similar quantities of motor fuel at the same time and place should all be charged the same price. Currently, the pricing structure is based primarily upon the classification of the customer, rather than any actual differences in costs incurred by the supplier.

This provision is necessary to assure the independent dealer a fair chance to compete in the retail marketplace. Otherwise, he will continue to be the victim of wholesale price discrimination, and his customers would continue to have to pay higher prices for gasoline.

Mr. Speaker, the changes in law that are outlined above are rather modest compared to some of the more rigorous proposals we have heard. Nonetheless, we believe that this legislation will achieve, with minimum disruption to the industry and no cost to the taxpayers, the changes that are necessary to assure the survival and vitality of small, independent marketers of motor fuel. In this way, we believe the interests of the American public are best served.●

A SELFLESS YOUNG ATHLETE: MIKE McCAHEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Rostenkowski) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, in light of current international tensions due to the Soviet presence in Afghanistan, I recommend to my colleagues a recent article from the Cleveland Plain Dealer which tells of the quality of character of an Olympic hopeful:

What if You Were This Man?

(By Hal Lebovitz)

Put yourself in the mind and body of Michael McCahey.

Mike is 25, single. His family has lived in Shaker Heights since 1973. His father is a senior vice president for the Chessie System. An older brother, Brady, once starred at Gilmour in football and a sister is a ski instructor at Vail, Colo. A younger brother, Bill, played football at Hawken last season and now hopes to make the varsity at Benedictine High.

Mike is Conference Suites Manager of the Town Hilton Hotel in Rye, N.Y. So much for the introduction.

Ever since he was a small boy he dreamed of making the United States Olympic team. Originally he wanted to make it as a skier, the downhill event or the giant slalom. He is quick and agile on skis, in fact quick and agile in most * * *.

His family moved to Chicago just as he entered high school. The Illinois schools have a heavy fencing program. McCahey, the athlete, took to the foil quickly. The high school coach said, "If you are willing to become serious about this sport you'll be a national champion."

That was all the incentive he needed. From then on, his goal was to make the Olympics, not in skiing, but in fencing.

In his senior year in high school he became U.S. National Champ in the age 20-and-under bracket. He enrolled at the University of Notre Dame and helped the Irish win 85 straight matches and the NCAA title two successive years.

Since then he has been fencing all over the world, always dreaming of competing for the United States in the 1980 Olympics in Moscow. Presently he is sixth ranked in the nation. Two years ago he was named to the 24-man Olympic squad from which the final four will be picked. Last June the squad was cut to 18. There have been two recent qualifiers which he survived, and on April 20 the finals will be held. Based on his performances his chances are excellent to be one of the final four.

He is training extremely hard to make it. Each day he gets up at 6 a.m., runs three miles, then runs wind sprints. After a shower he goes to his job at the Rye hotel. He works until 5 p.m., then rushes to catch a train to New York City. He arrives at the New York Fencing Club at 6:15 p.m. There he works with his coach, Semyon Pinhasov, a former member of the Soviet National fencing team. He trains under his coach until 10:30 each night, then hurries to catch the train back to Rye. He gets home around midnight and goes to bed.

This he does five days a week—all for his goal, the Olympics.

On Saturdays and Sundays he competes in matches, or goes on marathon jogs.

The cost is horrendous, the training and travel coming to almost $10,000 a year. He has been spending this sum for several years. "Unlike other sports," he notes, "fencing has no sponsors. Corporations look to back athletes in the limelight sports. Fencing isn't one of them." (Had he stayed in skiing all his expenses would have been paid.).

So out of his pocket comes the money needed for his one goal, the Olympics.

And now he is almost there. And now the president of the United States says if Russia doesn't pull out of Afghanistan the U.S. should boycott the Moscow Olympics.

All right, you are in the mind and body of Michael McCahey. You, who have worked so hard and spent so much to achieve that lifelong dream. How do you react to President Carter's boycott threat?

If you really are Michael McCahey you will say "I'm all for it."

"I did a lot of reading and thinking on the subject," he explained. "You can't look at this at what you as an individual put into it. I agree strongly with the president's views that we must show consistency in our attempt to make a point with the Soviets. We are stopping the sale of advanced technology equipment to them, and wheat and farm equipment. This is a sacrifice to people working in those fields. So it's consistent that athletes give up something, too, to make a point.

"Russia uses athletes as a political tool, to show they are a dominant people. I have to look at it as an American. I don't think our boycott will change world politics, but we have to let the Russians know we mean business or they'll walk all over us.

"I like the idea of an alternate World Games—the "Peace Games"—because that should be our goal, to promote peace.

"As an American, I'm willing to give up what I've striven for all my life. I consider it little enough sacrifice if it will do any good at all.

"And even if it doesn't, it's still worth a try."

If we had spent all that time and money could we take the same unselfish approach as Mike McCahey? You and I will never know. But I surely do applaud him.●

RETIREMENT OF CONGRESSMAN JIM HANLEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. McHugh) is recognized for 5 minutes.

● Mr. McHUGH. Mr. Speaker, I was recently saddened to learn that our good friend, Congressman Jim Hanley, who represents New York's 32d Congressional District, will be retiring from the House at the conclusion of the present session.

All of us who have had the privilege of knowing Jim Hanley are aware that the House will be losing one of its most distinguished Members, one who has represented the highest standards of integrity and dedicated service over the past decade and a half.

The Daily Star of Oneonta, N.Y., a major newspaper which serves Congressman Hanley's district and my own contiguous district, published an editorial on February 25 which admirably sums up Jim's illustrious career in the service of his district and the Nation. I am pleased to share it with our colleagues:

[From the Oneonta (N.Y.) Daily Star, Feb. 25, 1980]

A GREAT CONGRESSMAN

Rep. James Hanley's surprise decision not to seek another term in Congress represents a great loss to the Oneonta area, the 32nd District and, indeed, the nation.

Ironically, Hanley, one of the most principled men in Congress, steps down at a time when the image of the House has been badly tarnished by an FBI probe. We need more men like Jim Hanley to offset the tarnished image.

Hanley has represented the Oneonta area since 1973 (he's been in Congress since 1965). During that time, he has established an enviable record of both constituent service and forthright leadership on national issues. He has also eschewed partisan politics in favor of working for all his constituents. Area residents appreciated that service; Hanley, a Democrat, always ran well in this heavily Republican area.

At 59, Jim Hanley has earned a rest. But his decision saddens us none the less. It may be a long time before our area is as well-represented as it has been under Jim Hanley.

He is the epitome of what a congressman should be.●

RESTORING THE U.S. DOLLAR THROUGH REFORM OF OUR MONETARY POLICY AND THE FEDERAL RESERVE SYSTEM

(Mr. KEMP asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KEMP. Mr. Speaker, Lewis E. Lehrman, one of the Nation's leading entrepreneurs, has recently published an essay on monetary policy which I consider his most important contribution to the cause of effective public policy—and that is saying a great deal. As a successful businessman and a respected scholar, Lehrman has contributed enormously to our understanding of the economics and philosophy of American government.

Lehrman's essay, "Monetary Policy, the Federal Reserve System, and Gold," outlines the monetary origins of our inflation. He offers a specific program for restoring a stable dollar, and therefore, stable prices, which includes restoring dollar convertibility into gold, which I have consistently and strongly supported.

As one convinced that the central problem of our time is the collision of inflation with a steeply progressive tax code unequipped to adjust for it, I find Lehrman's work direct, enlightening, and seminal. I believe this essay will be the most important analysis of inflation that I or my colleagues will read this year. I am indebted to Barton Riggs of Morgan Stanley for having the vision to publish it.

The material follows:

ABOUT THE AUTHOR

Lewis E. Lehrman is president of the Lehrman Institute, an organization dedicated to economic research and public policy studies. He was formerly president of Rite Aid and is currently chairman of that corporation's executive committee. Born on August 15, 1938, Lehrman graduated in 1960 from Yale University with a B.A. in history and spent the following year at Yale as a Carnegie Teaching Fellow. He was awarded an M.A. in history and government from Harvard University in 1962 where he was a Woodrow Wilson Fellow.

MONETARY POLICY, THE FEDERAL RESERVE SYSTEM, AND GOLD

(By Lewis E. Lehrman)

I: A BRIEF HISTORY OF THE MONETARY SYSTEM

World War I ended the preeminence of the classical European states system. It also decimated the flower of European youth and destroyed the continent's unparalleled industrial productivity. No less significantly, on the eve of war, the gold standard—the proven guarantor of one hundred years of price stability—was suspended by the belligerents. The onset of war and the prospect of inflationary war finance made untenable the maintenance of currency convertibility into gold. In order to stem a run on the gold supplies of the central banks, the governments of Europe ceased to honor the gold clauses backing their currencies. Between 1914 and 1924, the monetary policies of the European central banks destroyed most national currencies. The Age of Inflation was upon us. Writing as early as 1919, while attending the Paris Peace Conference, John Maynard Keynes argued that there was no surer means of "overturning the existing basis of society than to debauch the currency." The process of inflation, he warned, "engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."

The suspension of the prewar gold standard in 1914 led, during the next decade, to the great paper money inflations in France, Germany and Russia—among other European countries. The ensuing convulsions of the social order, and the virtual obliteration of the savings of the middle class, led directly to the rise of Bolshevism, Fascism and Nazism. Revolution, during and following the Great War, was closely associated with the ruination of inconvertible European paper currencies.

Over fifty years later, one observes—at home and abroad—the rapid disintegration of the value of the dollar. Inflation is again upon us; but today it is simplistically described as "too much money chasing too few goods." In fact, inflation represents a decline in the value of money. Similarly, the astronomical rise of the price of gold is merely the other side of the same coin—i.e. the fall of the dollar. This entire process gradually got underway after the early phases of the Great Depression (1929–32), when Franklin D. Roosevelt abruptly terminated the domestic gold standard (1933) and subsequently (1934) reduced the value of the dollar by raising the price of gold from $20 to $35 per ounce. Constitutional questions arose over the authority of the President to violate the value of dollar contracts stipulated in gold.

The doubtful power of the Congress subsequently to pass laws prohibiting gold clauses in U.S. contracts gave rise to landmark legislation. Congress was challenged in the Supreme Court, which then upheld Roosevelt and the legislature. Gold contracts were pronounced dead: they were declared by the Congress to be "against public policy." As a result, American citizens were prohibited by law from owning gold, a right recently restored in January 1975. The dollar was, as the phrase went, no longer "as good as gold." Rather, the dollar would in the future be a managed currency, whose value would be substantially determined by the opinions of the Board of Governors of the Federal Reserve Bank.

Ten years after Roosevelt's devaluation of the dollar, the Bretton Woods Agreement in 1944 codified the central bank decisions taken at the Monetary Conference of Genoa held in 1922. The gold-exchange standard had been confirmed in Genoa where the dollar and the pound sterling were defined as de facto official reserve currencies. Gold was to be economized. To do so, dollars and pounds, instead of gold, were in the future to be exchanged by central banks to settle balance of payments deficits. The Bretton Woods Agreement merely reestablished the dollar as the post-World War II "official" reserve currency. Thereafter it would be the "numeraire" of all world monetary values. The values of foreign currencies were to be determined by their relationship to the dollar. In turn, the dollar derived its value, under the agreement, by virtue of its convertibility into gold—for foreigners, but not for American citizens. Thus the Bretton Woods Agreement wrote into international law the "official" reserve currency status of the dollar which, as a practical matter, had prevailed for the preceding 22 years.

During the 1940s and 1950s the world lived through a "permanent dollar scarcity" as Europe struggled with its inflationary disorders. During this period the dollar remained the epicenter around which other fluctuating currency systems orbited. But after 1958, the western European governments restored the mutual convertibility of their currency systems. From that very day, when the once prostrate nations of Europe hardened the value of their national monies, the U.S. has experienced virtually a "permanent" balance-of-payments deficit. Overnight, the "permanent dollar scarcity" of the 1950s became "the permanent dollar glut" of the 1960s and 1970s.

Throughout the 1960s the external deficit of the dollar, generated by expansive U.S. monetary policies, led to annual foreign exchange crises. The Bretton Woods system groaned under the flood weight of excess U.S. dollars, awash in financial markets abroad, where perforce they were accumulated in the official foreign exchange reserves of our trading partners. Since the U.S. dollar was now the primary reserve currency, foreign central banks were in effect required to purchase the excess dollars against the creation of their own monies. It was during this period that Special Drawing Rights (SDRs), so-called paper gold, were invented in order to avoid a "potential liquidity shortage" in world reserves. Indeed, it was argued that the SDR, an artificially created reserve asset allocated by the IMF, was necessary to finance growing world trade. But as one commentator remarked, the creation and allocation of the SDRs reminded him of irrigation plans during a flood.

More was to come. When President Johnson decided simultaneously to expand the Vietnam War and to build the Great Society, he moved, with the consent of Congress, to void the statutes which limited, by virtue of a stipulated gold cover, the amount of currency and credit which the Bank of Issue, the Federal Reserve System, could create. In a word, the gold cover for dollars was terminated. And, predictably, with the discipline of a legally-required gold cover brushed aside, the balance-of-payments crises intensified. The Federal Reserve Svstem simply created the money to finance the President's war budgets and his Great Society deficits, now unimpeded by any statutory rule limiting the growth of the money supply.

Lyndon Johnson even put an end to the use of silver in the production of U.S. coins. The vast silver hoard of the U.S. Treasury, part of the patrimony of every American taxpayer, was liquidated in the market at about 90c per ounce. Next, in March 1968, Johnson suspended the London Gold Pool. For almost a decade, the Gold Pool had underwritten the shaky Bretton Woods convertibility agreements by selling gold to redeem foreign dollars at the fixed $35 per ounce.

These dramatic changes were welcomed by the academic and policymaking communities. Gold and silver were "outdated," declared the "experts." Professional economists—Keynesians and Monetarists alike—proclaimed the coming of a new era of central bank "managed money." Monetarists promoted a steady growth in the money supply, a fixed "quantity rule"—to be achieved through open market operations by the Fed in the buying and selling of U.S. government securities for the portfolio of the central bank. Keynesians offered "countercyclical" monetary management, a variable quantity rule, largely to accommodate their hyperactive fiscal policies. Within these same schools of thought, the Bretton Woods fixed exchange rate regime was also found wanting. But what both Monetarists and neo-Keynesians sought was not the reform of Bretton Woods, but rather, its demolition. They advocated managed currency, floating exchange rates and the demonetization of gold—in a word, an end to fixed-exchange-rate regimes. These monetary doctrines soon became the fashionable credos propagated by academic economists and policymakers. Henry Reuss, Chairman of the House Banking and Currency Committee, went so far as to predict that when gold was demonetized, it would fall to $6 per ounce.

Nixon followed Johnson and gradually went through his own conversion to Keynesian economics ("We are all Keynesians now"). But he also absorbed some of the teachings of the Monetarist School—floating exchange rates in place of the Bretton Woods fixed rate system. On August 15, 1971, Nixon defaulted at the gold window: he refused to redeem excess dollars for gold as the British government had demanded a few days earlier. Thus Nixon globalized in 1971 the demonetization of gold, begun—on the domestic front—by FDR in 1934. The last vestiges of an official domestic and international gold standard had been abrogated by the undisputed leader of the free world.

Most of the conventional economic forecasts of the day predicted a secular fall in the gold price. Lenin had once observed that gold should henceforth adorn the floors of latrines. Since, according to the experts, gold was no more than a "barbarous relic," its value must decline. The price of gold remained below $40 until 1972. It rose to $200 in 1974 as Watergate, inflation and war upended the Nixon administration. In 1974, monetary policy was abruptly tightened; thereafter, gold gradually declined to a low of $106 in 1976. It then fluctuated under $150 as President Ford prepared to leave office and Jimmy Carter took over in the White House.

This brief history is important for several reasons. Neo-Keynesians and Monetarists, if they concurred on nothing else about monetary policy agreed (1) on the superiority of a central-bank-managed currency (a quantity rule, variable or fixed) over a currency with a fixed real value (a price rule); (2) on the superiority of a floating exchange rate system over a fixed rate system; and, finally, (3) in an era of modernity, they agreed on the irrelevance of old-fashioned gold to contemporary monetary theory and policy.

II: THE ECONOMIC CONSEQUENCES OF CENTRAL BANKERS

Our present predicament resembles the last act of an unfolding drama which has been underway for two generations.

During the past three years, President Carter, Secretary of the Treasury William Miller, and Chairman of the Federal Reserve Board Paul Volcker have become the principal actors on the stage of monetary history. The actors posture and declaim their intentions to control the price level, but their policies and deeds are, it appears, without substance and effect. The nation is engulfed by inflation. No policy seems to work.

President Carter inaugurated his administration in 1977 with an appeal to the rhetoric of austerity—pledging, among other things, to balance the federal budget. The price of gold promptly rose to over $150. A year later Carter replaced Arthur Burns with William Miller as Chairman of the Federal Reserve Board. But by the autumn of 1978 the dollar had collapsed and gold was approaching $250. Then, on November 1, 1978, new policies—designed to control the money supply and to arrest the fall of the dollar—were announced. Gold fell to $200 within 30 days. But by the middle of 1979 gold was once again rapidly rising to $300, and into the summer the dollar continued to fall on foreign exchange markets.

Thereupon, and amid much fanfare, Paul Volcker was summoned from the New York Fed to replace Miller, as Fed Chairman Miller in turn replaced Michael Blumenthal at the Treasury. Surely, said the experts, this change would work. After all, Paul Volcker was a "conservative Democrat" and a professional central banker. Nevertheless, speculation dominated all the financial and commodity markets during August and September 1979. Gold vaulted to $450 in September. Volcker returned from the International Monetary Fund meeting at Belgrade in time to announce new monetary guidelines on October 6, 1979. The new rules, acclaimed by many as truly "conservative," included, it was said, a tight monetary policy and dramatic new operating procedures sufficient to achieve a stable dollar, slow the rate of money and credit growth, and stop commodity speculation in general and gold speculation in particular.

Three months later, as the gold price touched $850 on January 18, 1980, Henry Wallich, a former Yale Economics professor and now a Fed Governor, reaffirmed the new Fed policies in an article appearing in the *Journal of Commerce*:

"The core of the Federal Reserve's Oct. 6, 1979 measures, more important than the rise of the discount rate and the imposition of marginal reserve requirements, is the new technique of controlling the money supply. Basing this control upon the supply of *bank reserves* (my emphasis) gives the Federal Reserve a firmer grip on the growth of the monetary aggregates. . . . The Federal Reserve's only lasting and fundamental power over interest rates is through the effect of its policies upon inflation."

Chairman Volcker himself stated at the National Press Club in early January that he had not changed his principal policy goals—which were: (1) to reduce unhealthy gold, commodity, and takeover speculation; (2) to operate more to control bank reserves at the Fed and less to control interest rates; (3) to generate a steady growth of money at a lower rate; (4) to insure stability in the foreign exchange markets; and, (5) of course, to reduce the inflation rate.

At the same meeting Volcker observed that the gold market was going its own way and had little to do with the Fed's monetary policies. The gold market is but "a side show," added Henry Wallich, while Secretary Miller allowed that the Treasury would sell no more gold during these "uncertain and uncharacteristic times." (Presumably this meant that whereas over half the vast U.S. gold stock had been a "good sale" at prices ranging between $35 and $200, now, in the manner of the proverbial odd-lotter, the Secretary considered gold a "strong hold" at $800.)

To recapitulate: between October 6, 1979, and January 18, 1980, the price of gold had catapulted from approximately $440 to $850. Moreover, on January 18, long-term U.S. Treasury bonds—i.e., pure interest risk securities most sensitive to inflation expectations—collapsed to all time lows, even below those prices prevailing in the demoralized Treasury markets following the October 6, 1979, monetary policy changes.

On January 21 Henry Wallich observed in *The Journal of Commerce*: "To the extent that interest rates are determined by inflation expectations, which is highly plausible at least for medium and long term rates, the expectation of its continuance would become directly operative as a factor holding up interest rates." Between January 21 and Friday, January 25, the medium and long term U.S. government bond market was shattered, falling to prices unmatched in the history of U.S. government securities markets.

If we use Mr. Wallich's long term interest rate indicators, as defined above, it would appear that inflationary expectations have risen to unprecedented levels not quite four months after the announcement of the Fed's October 6 stabilization policies.

Finally, also on January 18, commodity futures prices, following the gold lead, closed at a record high index of 290.0—up from 280.2 a week earlier, and up 25 percent (from 232.6) since one year ago. (It should be noted that the Commodity Research Bureau's index of future prices does not include gold among its 27 farm and industrial commodities.) On January 25, the gold price stood at $634 and the CRB index was 287.6.

What caused the exponential rise and the violent fluctuations of the price of gold and the simultaneous collapse of the U.S. government securities market between early December 1979 and January 25, 1980? Indeed, the surging prices for asset-based equities and commodities suggest that the new monetary policy proclaimed on October 6 has intensified rather than quelled speculation. The contradiction between goals announced and results achieved requires explanation.

To begin with, can it really be true that the Fed's monetary policy has little or nothing to do with the gyrations in the gold market?

Let us start by considering some pertinent statistical information:

Figure I shows the fluctuations in the price of gold during the past few years. (Not printed in the RECORD.)

Figure II shows the annualized rates of growth of certain monetary aggregates during the past 18 months.

	July 5, 1978 to July 4, 1979	July 4, to Oct. 3, 1979	Oct. 3, 1979 to Jan. 2, 1980	Dec. 5, 1979 to Jan. 2, 1980
Monetary base	7.7	11.8	7.8	10.7
Bank reserves[1]	3.0	11.1	11.7	19.5
Currency	9.9	12.2	6.1	7.0
Federal Reserve credit[1]	8.3	13.6	11.7	13.7
M-1	4.8	10.6	2.7	7.0

[1] Adjusted.

Source: Merrill Lynch.

Figure III shows the rate of growth of Federal Reserve bank credit in 1977, 1978 and 1979, in billions. (Note that the curve rises even more rapidly toward year-end, after October 6, 1979, under Volcker than it did under Miller after November 1, 1978.) The numerical points on the curve are the averages of daily figures of the last week of the month, as published in the *Wall Street Journal*. (Not printed in the RECORD.)

Figure IV shows the average weekly growth in total Federal Reserve Bank credit from August 1979 to January 1980, roughly coterminous with Volcker's tenure. The second column shows the magnitude of growth over the comparable week of the preceding year.

The next column gives the average monthly figures for total FRB credit during 1976.

Date	FRB credit (millions)	Annual change from preceding year (millions)
Aug. 29, 1979	$131,926	+$4,077
Sept. 5, 1979	133,126	+7,008
Sept. 12, 1979	131,823	+7,921
Sept. 19, 1979	133,799	+6,950
Sept. 26, 1979	134,244	+1,852
Oct. 3, 1979	135,472	+2,689
Oct. 10, 1979	133,231	+1,492
Oct. 17, 1979	135,424	+1,150
Oct. 24, 1979	135,321	+1,233
Oct. 31, 1979	135,949	+2,453
Nov. 7, 1979	134,508	+5,497
Nov. 14, 1979	135,412	+8,416
Nov. 21, 1979	138,651	+8,234
Nov. 28, 1979	138,114	+7,460
Dec. 5, 1979	137,906	+8,463
Dec. 12, 1979	$138,552	+$12,855
Dec. 19, 1979	139,100	+9,456
Dec. 26, 1979	141,458	+10,151
Jan. 2, 1980	143,528	+10,850
Jan. 9, 1980	140,979	+12,062
Jan. 16, 1980	139,663	+10,044
Jan. 23, 1980	138,077	+10,361

1976	FRB credit (billions)
January	$100.2
February	101.4
March	101.3
April	100.3
May	103.0
June	103.1
July	$104.8
August	105.4
September	105.9
October	107.3
November	106.5
December	107.8

Source: Federal Reserve Bank of New York.

Figure V shows a typical summary of the basic Federal Reserve balance sheet, as it is published in the *Wall Street Journal* every Friday. A different format is published by the *New York Times* on the same day. Both lack the necessary detail to analyze precisely the weekly operations of the central bank. The detail may be obtained on Friday directly from the Federal Reserve Bank.

CHANGES IN WEEKLY AVERAGES OF MEMBER BANK RESERVES AND RELATED ITEMS DURING THE WEEK AND YEAR ENDED JANUARY 16, 1980

[In millions of dollars]

Reserve Bank credit	1980	Changes from week ending Jan. 15, 1980	Changes from week ending Jan. 9, 1979
U.S. Government securities:			
Bought outright	118,713	−76	+11,582
Held under repurchase agreement			
Federal agency issues:			
Bought outright	8,216		+324
Held under repurchase agreement			
Acceptances (bought outright):			
Held under repurchase agreement			
Member bank borrowings	1,149	+478	+351
Seasonal bank borrowings	74	+13	−24
Float	6,192	−1,461	−3,162
Other Fed assets	5,319	−309	+933
Total Reserve Bank credit	139,663	−1,355	+10,004
Gold stock	11,172	−51	−437
SDR certificates	1,800		+500
Treasury currency outstanding	12,973	+17	+1,109
Total	165,608	−1,286	+11,176

Reserve Bank credit	1980	Changes from week ending Jan. 15, 1980	Changes from week ending Jan. 9, 1979
Currency in circulation	123,375	−1,469	+10,776
Treasury cash holdings	440	+10	+193
Treasury deposits with Federal Reserve banks	3,281	+469	−21
Foreign deposits with Federal Reserve banks	283	−89	+6
Other deposits with Federal Reserve banks	321	−111	−465
Other Federal Reserve liabilities and capital	5,012	+271	+522
Total	132,712	−919	+11,011
Member bank reserves with—			
Federal Reserve banks	32,896	−368	+165
Cash allowed as reserve	13,506	+2,147	+1,515
Total reserves held	46,573	+1,766	+1,713
Required reserves	45,988	+1,420	+1,532
Excess reserves	585	+346	+181
Free reserves	−564	−132	

Source: Wall Street Journal.

Figure VI shows the long term bond yields since the October 6, 1979 measures. (Not printed in the Record.)

Figure VII shows the Commodity Market's direction since Volcker's appointment as Chairman. (Not printed in the Record.)

Figure VIII shows the fluctuations in the exchange rate of the dollar. Compare the rise and fall in the value of the dollar with the rise and fall in total Federal Reserve Bank Reserve Bank credit. With modest leads and lags there is an unmistakable association between the movements of the two curves. (Not printed in the Record.)

A more detailed analysis of this statistical evidence yields some interesting comparisons.

Let us look first at the curves of Figure III which show the direction and rate of growth of total Federal Resrve Bank (FRB) credit. FRB credit is the amount of government securities, acceptances, advances, float, and other financial assets owned by the Fed. FRB credit (the Fed's financial assets) is essentially the counterpart of the monetary base, i.e., commercial bank reserves and currency (the financial liabilities of the Fed). The balance sheet of the central bank is not unlike that of any other bank. Its financial assets consist primarily of gold certificates, loans or advances (to commercial banks), and securties. The central bank's liabilities are its capital accounts, its "promissory" notes (currency) and its deposit liabilities (so-called bank reserves, which are the cash balances maintained by commercial banks). Now if the Fed intends to achieve its October 6 goal of restraining the growth of credit, presumably the Fed should begin with what it can directly control, namely the amount of credit it extends to the commercial banking system.

The point to be made is that total FRB credit accelerated, as Figure III shows, during the last few months of 1979 compared to the same period of 1978. And so did the price of gold. But is this the only correlation one observes in the charts, between the rise in total Federal Reserve Bank credit and the rise in the price of gold? Let us go back to 1976 and look. During 1976 total FRB credit remains steady at about $100 billion during the first four months. Note that the gold price is steady to falling. But between May 1976 and December 1978, total FRB credit rises to over $107 billion. With a short lag the gold price stops falling at $106 per ounce and starts up, reaching $135 by year-end. FRB credit peaks at year-end and then remains steady, oscillating around $110 billion during the first half of 1977.

Similarly, in the summer of 1977, the gold price is only a little above where it was at 1976 year-end. During the second half of 1977 total FRB credit rises toward the $120 billion mark. Up goes gold toward $175. Fed credit peaks at year-end and, with a short lag, so does the gold price in late winter. In March 1978, total FRB credit starts up again, this time to reach over $130 billion at year-end. The gold price rushes upwards to $250. FRB credit peaks after the Miller monetary policy changes of November 1, 1978 and so does the price of gold. FRB credit declines and stabilizes through the winter of 1978–1979 and so does the gold price, remaining under $250 from November 1978 to early spring of 1979.

Beginning in April of 1979 total FRB credit advances rapidly from just over $125 billion, reaching $143.5 billion during the week ending January 2, 1980. During this same period FRB credit is steady for only six short weeks, between October 3, 1979 (immediately before the Volcker moves) until November 14 (just about the time of the Iranian deposit freeze). Between November 14 and January 2 total FRB credit rises from $135 to $142 billion.

In parallel, and after a short pause, the gold price takes off from $250 in the spring of 1979, tops out at $450 with the October 6 Volcker moves, declines and steadies under $450 for a few weeks in October and early November (at a low of $372) and then vaults to $850 by January 15. Total FRB credit then declines for two weeks from its peak of $143.5 billion on January 2, 1980 to $138.077 during the week ending January 23, 1979. On January 25, at the time of this writing, the gold price has declined to $634.

I do not claim that the lagged correlation between the rise of total FRB credit and the rise in the gold price is perfect. But there is a compelling association of the two. Indeed, almost every reacceleration of FRB credit between January 1976 and January 1980 tends to be accompanied, after a varying but short lag, with a logarithmic acceleration of the rise in the price of gold. Indeed, this more than proportional rise in the gold price may be explained by the increasing sensitivity and reaction speed of market participants to information which suggests that the Fed is expanding credit, rather than, as the chairman of the Fed says, contracting or stabilizing credit. This increasing sensitivity of market participants suggests a confirmation of the much discussed theory of inflationary expectations. That is, in response to each new injection of Fed credit, individuals and businesses move ever more decisively to protect themselves against inflation in general. Each successive protective move gives rise to disproportionate rises in the prices of the protective mechanism in particular, in this case gold, the ultimate hedge against credit inflation from time immemorial.

Next, a look at Figure II shows that M-1 (currency plus demand deposits) exploded upward at a 10.6 percent rate during the six months before October 6, 1979. So did the price of gold (see Figure I).

This raises a very simple question. Does one observe in the more conventional monetary aggregates, say M–1 and bank reserves, any correlation with gold price variations? In fact, after October 6, M–1 growth slowed down for several weeks. The price of gold stabilized during that exact same period. Similarly, during the last six weeks of 1979, M–1 growth accelerated noticeably. And the price of gold doubled.

Now one might conceivably argue that the rate of change in M–1 and the rate of change in the price of gold are only approximately correlated and are therefore not entirely convincing. Perhaps larger positive variations in monetary magnitudes are required to explain the gold price changes. Let us, therefore, observe the rate change in bank reserves. After all, Chairman Volcker and Fed Governor Wallich have remarked that these reserves are now directly the target of central bank operating techniques. Therefore, the trend growth of bank reserves should indicate changes in Federal Reserve operating policies, as they are actually implemented by the open-market desk at the N.Y. Fed.

To begin with, it can be seen in Figure II that bank reserve rates of gain accelerated almost four-fold, from 3% to 11.1%, during the 13 weeks before October 6. During the steady 3% growth period—from the summer of 1978 until the late spring of 1979—the price of gold oscillated in the modest range (at least by today's standards) between $200 and $250. As bank reserve growth accelerated from 3% to 11% between July and September 1979, the gold price curve, with only a short term lag, arched exponentially toward $450. This rise then stopped, coterminously with the October 6, 1979 announcements.

For about two months, bank reserve growth seemed to have stabilized—and so did the price of gold—below $450. Then, once again, bank reserve growth rates almost doubled, from 11.7% to 19.5% during December 1979. At that point, the price of gold headed into the wild blue wonder—toward $800.

Focusing on the bank reserve component of the monetary base makes sense because market participants largely determine the volume of the other component of the monetary base—namely, currency. The users of money in the market demand the quantity of currency they desire to hold, while the central bank, through open market operations and the discount window, substantially determines the level of bank reserves at the margin.

The change in composition in the monetary base during the past six weeks, i.e., the decline in currency accompanied by rapid bank reserve growth, is especially alarming. As we know, bank reserve growth has a much more dynamic impact on the potential growth of credit and of the money supply. Moreover, by the Fed's own declarations since October 6, 1979, it tends to indicate the direction of Federal Reserve monetary policy.

Imagine for a moment a foreign gold speculator who has read the various Volcker and Wallich statements as well as the October 6 "prospectus" and who has also been observing recent bank reserve growth rates. Certainly he would conclude that one should not look at how a U.S. central banker moves his lips, but rather how he moves his feet.

In this particular case he would watch the growth in the "footings" of the central banker's balance sheet. After all, the foreign gold operator may also operate in the foreign exchange market. Consider Figure VIII which charts the movement of the dollar on foreign exchange markets. There, too, one sees that the value of the dollar, on a trade-weighted basis, had been falling before October 6, 1979 paralleling the rapid growth in bank reserves. The fall of the dollar terminated abruptly following the Fed announcements on October 6. The dollar then rose in foreign exchange markets by approximately 3.25 percent during the next six weeks, a period corresponding precisely with the steadiness of Total Federal Reserve Bank Credit (at around $135 billion) during October and early November (see Figure IV, October 3 to November 14). But as "total federal credit" expanded once again, beginning in the third week of November, the dollar resumed its decline and fell approximately 2.75 percent by early January. Since January 2, 1980, total Federal Reserve Bank credit has fallen from $142 billion to $138 billion at January 23. During the market week ended January 25, the dollar stabilized and began to rise modestly on the foreign exchanges.

Like any commercial bank, the central bank largely determines the volume and composition of its particular financial assets, i.e., total Federal Reserve credit, even if it influences only indirectly the monetary aggregates, M–1 and M–2, in general. Between November 14 and January 2 observe the path of growth of total FRB credit indicated in Figure IV. Figure II (above) shows acceleration to a 13.7 percent rate of growth in total Federal Reserve credit between December 4, 1979 and January 2, 1980. Taken together with the 19.5 percent growth of bank reserves during December (and even considering seasonality requirements), one may deduce from these rates of growth an alarming inconsistency with the stated goals of Chairman Volcker's October 6 monetary policy. It appears that hyperactive open market operations by the Fed only succeeded in amplifying substantially its portfolio of securities, thereby expending credit at a varying but escalating rate until January 2, 1980.

Several other indicators of Federal Reserve policy should also be noted. First, note the discount rate which stands today at 12 percent (where it has been since October 6, when it was raised 1 percent). The discount rate is, of course, the rate at which the central bank lends reserves ("discounts") to commercial banks in order for the banks to meet their statutory reserve requirements. Upon these "loaned" reserves, the banks expand credit. During the week of October 10, 1979, right after the Volcker announcement, these "discounts at the window" (loans) to the commercial banks averaged $938 million (including seasonal). Yet on the weekly settlement day, January 16, 1980, these same loans to commercial banks had expanded to $1,718 billion, having risen to approximately 4 percent of all the required reserves of the banking system.

Consider what it means that the discount (or central bank lending) rate is still at 12 percent (January 26). But the prime rate is 15¼ percent. Commercial paper rates are over 13 percent; 6 month CD rates are over 13 percent in the after market. Coupon equivalent yields on 6 month U.S. Treasury bills are close to 13 percent. Bankers acceptances, prime financial assets, are over 13 percent. Now, compare these rates in the market to the discount rate at the central bank. We conclude that, in effect, the Federal Reserve System is subsidizing the commercial banks—with taxpayers' dollars—by loaning them money at 12 percent, which the banks then relend at 15 percent and more, at different levels of risk. Indeed, if the banks desire no loan risks, they can still maintain and increase their government securities portfolios which yield more than a subsidized marginal borrowing rate, i.e., 12 percent (the discount rate) at the Federal Reserve System. If a banker can make a profit on a government subsidy, he will—he would be foolish not to do so. Thus, the government, while proclaiming tight money, is subsidizing the expansion of credit by maintaining the discount rate, on marginal borrowings by the banks, below market rates of interest.

One should keep another set of relations in mind: the central bank lends to the commercial banks at 12%; the commercial banks lend to market participants at 15¼%. But the annualized inflation rate in December was about 14%. Now, the "real" rate of interest is the market rate minus the inflation rate. Therefore, the real prime rate of interest is about 1¼%, 15¼% minus 14%. At this price, 1¼% interest, there is a surfeit of borrowers who think they can earn more than the cost of new credit. Ineluctably, they borrow and credit expands.

The fact that the Fed raised the discount rate to 12% on October 6 was an empty gesture. The new rate is still a subsidy to credit expansion. Indeed, the Fed's discount rate policy is perverse. It gives rise to increasing credit creation, the consequences of which are diametrically opposed to the stated goals of the Federal Reserve Bank as proclaimed by its Chairman on October 6.

Moreover, the Fed's November 1, 1978, and October 6, 1979, policies of raising marginal reserve requirements on incremental sources of commercial bank funds have also proved to be ineffectual. By raising the cost of funds to domestic banks, the Fed has merely succeeded in driving more of our banking system offshore or into the hands of foreigners.

In sum, the Fed's discount rate policy is a non-starter. It is a subsidy to credit expansion. The higher reserve requirement policy is ineffectual. The higher cost of funds may decrease the demand for credit, but the Fed has not reduced the supply. Moreover, increasing marginal reserve requirements causes the export of the U.S. banking system to lower cost banking centers. Surely, open market operations have failed. They have not stabilized the growth in bank reserves according to the October 6 goal. Rather, open market operations have merely added to the central bank's portfolio of securities, thereby creating excess cash balances in the market which intensify the rise in the price level at home and the fall of the dollar abroad.

Furthermore, if the point of the Fed's dramatic announcement on October 6 was to underline its intention to shift policy from interest rate targeting to a supply-side control of bank reserves, then we can draw only one of several conclusions: (1) Chairman Volcker had good goals and noble intentions in mind, but he does not actually know how to achieve them. (2) The Chairman believes in the goals he announces, but the Federal Open Market Committee (FOMC) staff and the staff at the N.Y. Federal Reserve Bank open market desks are pursuing different goals. (3) The Chairman does not study his own balance sheets.

Therefore, the central bank is a ship at full sail with no rudder: the helmsman has no compass; he does not know where he is headed. (4) The Chairman is about to change course and will actually achieve his original objectives in the coming months, even though the evidence suggests he has failed during the past 15 weeks. (5) The Chairman has been dissimulating all along. I rule out opinion (5) because I know and respect Paul Volcker. Any one—or a combination of all four—of the other options might be correct. About (4) especially we can only speculate; one can go long, short, or stay out of the bond market. To guess wrong is to suffer losses.

There have been many plausible "political" interpretations of the rise in speculation in markets for commodities, stocks and gold during 1979. U.S. policymakers especially have attributed the "side show" of the gold price rise to, among other things, the Iranian deposit freeze, fear of global war, and additional oil price rises. But the truth is that, by itself, the prospect of serious confrontation with Russia and/or Iran and OPEC would not necessarily intensify inflation—in the absence of an expansive U.S. monetary policy. But, naturally, worrisome interns tional events do cause the owners of dollars in world markets to focus ever more closely on the monetary policies of our central bank and of our commercial banks. Reading the balance sheets of our banks, they observe only relentless credit expansion even while—on November 1, 1978, and October 6, 1979—our leaders proclaimed new policies of credit restraint. Dollar owners will also reason that, if President Carter amplifies defense budgets and other vote-buying expenditures, then these new federal budgetary demands, superimposed on the existing deficit and accommodated by an already expansive credit policy at the Federal Reserve, will raise inflation and inflationary expectations to a new and higher level.

Thus, the speculation in gold originates in fundamental financial considerations. The exponential rise in the price of gold has been a function of accelerating rates of credit growth, as shown in the Fed's own balance sheet. War scares, oil price hikes and Iranian asset freezes are merely the proximate events which trigger new advances in the price of gold. If these proximate causes did not exist, but the same credit policies prevailed, there would still be other plausible events to trigger the same advance in the price of gold and to provide convenient rationalization to policymakers who ignore the price revolution going on before their very eyes.

The incredible rise in the price of gold is no "side show." On the contrary, it is the main event. It symbolizes defective U.S. leadership in the areas of monetary, economic and foreign policy. The mutation in the gold-dollar relationship is a concrete economic event; it is also a metaphor for the decline of U.S. prestige in general, and of its currency at home and abroad.

Caught up in the spacious present, U.S. policymakers ignored the fact that gold is the oldest money of civilized man. Today, gold price calculations still dominate large segments of the global trading system. Until a mere generation ago, gold was at the core of the fractional reserve banking system of all of Occidental civilization. The definitive rupture of this gold-backed monetary system in 1971 can be closely related to the price inflation of the past 10 years. The thirty to forty-fold rise in the price of gold since 1932 is sufficient commentary on the effectiveness of the experts who ushered in the era of central bank-managed currencies. It bespeaks the termination of the fashionable monetary doctrines of our age, preeminently the age of inflation.

There is now one crucial economic issue before us: What monetary policies *must* we embrace in order to restore sound money to our children and to our children's children?

III: TOWARD TRUE MONEY REFORM AND A SOUND CURRENCY*

First some general observations on central bank policy and the measures of money supply.

The Federal Reserve System does not determine the money supply, all superstition to the contrary notwithstanding. It influences *indirectly* the volume and composition of the total money stock; but the central bank does not determine it. The money users—consumers and producers—are sovereign. Consumers and producers demand currency and bank deposits in the market; the central bank and commercial banks supply them. M–1, M–2 (and all the other M's which bankers and economists use to measure the money supply) are, at best, first approximations of the money stock.

Moreover, definitions of the M's change, as the staffs and chairmen of the Fed change. The statistical data, used to define the M's, are unreliable, as we know from experience, and subject to constant and substantial revisions. Even after defining the money stock and revising the data, one must cope with the variable relationship between the quantity of the money stock, M–1, and the rate at which it turns over in order to finance a given volume of economic transactions at a specified price level. The rate of turnover of money, its velocity (V), is as much beyond the control of the Fed as the money stock itself.

Finally, all the M's have a supply *and a demand side*. These M's are thereby only in varying degrees influenced by (supply-oriented) central bank exhortations open market operations, reserve requirements, and discount rate policies. Ultimately, the demand for money is determined in the market by the users of money.

If the Federal Reserve does not alone determine the level of M–1 and M–2, it determines, within limits, as do all enterprises, the amplitude of its own balance sheet. A balance sheet has assets and their counterpart, equal liabilities. The Fed largely determines the volume and composition of its own financial assets, the monetary counterparts of which are, among others, commercial bank deposits and currency, that is to say, the Fed's liabilities. The Federal Reserve is, first and foremost, a "bank." It is not the experimental laboratory of the Department of Economics at Yale University. Nor is it a classroom at the University of Chicago. More precisely it is the "Bank of Issue." It has a balance sheet and it has an income statement. As a banking institution it can perform no magic. It buys assets with the resources provided by its liabilities. Within limits, the central bank varies the composition of its financial assets, Federal Reserve credit, as it pleases. Unlike the M's, there is nothing imprecise about Federal Reserve credit. It is a fixed and measurable item to be determined in the footings of the balance sheet.

In these respects, the central bank is just like every other bank. But it is unique in that, among other things, it is the clearing bank for commercial bank members. It is the Bank of Issue for legal tender currency which it supplies upon demand. Moreover, it has certain monopoly powers delegated to it by the Congress under the Constitution. These monopoly powers are euphemistically referred to as "regulatory authority over the banking system."

During the past twenty years, the relationship between the Federal Reserve, the rate of inflation, and the variations in the money stock has engendered much discussion. It is generally agreed by modern bankers and economists that the quantity of money and the rate of inflation are related. In various forms, they resurrect the classical quantity theory of money. If M is the quantity of money (or M–1, or M–2), it is generally argued that its rapid increase leads to inflation. But M is not a measure only of the supply of money. What of the demand for money? During part of 1978 the quantity of money in Switzerland grew approximately 30% while the price level rose about 1%. Even if inflation rates in Switzerland have accelerated with a lagged effect, inflation persisted at a modest fraction of the growth in the quantity of money. In the U.S. in 1979 the quantity of money, M–1, grew about 5% while the CPI inflation rate rose 13%.

Now, what kind of close correlation between the growth of the money stock, M, and the price level, P, do these dramatically opposed examples provide, even if one assumes a monetarist lag? Certainly too loose a correlation to use for forecasting accurately. And especially too loose to gauge with precision the crude operating techniques of the central bank which intervenes in the market for cash balances to bring about results which can only be known one to two years in the future under new and different circumstances.

Under these conditions, reserve requirement adjustments, hyperactive open market operations, or other central bank operating techniques geared to the monetary aggregates, M–1 or M–2, may achieve results. But only fortuitiously. The Swiss and U.S. examples, among others, show that they do not produce a specific level of money supply growth consistent with a predictable inflation rate. One observes in the real world, with or without lags and during whichever short or long intervals chosen, substantial variations between a certain quantity of money, M, and a price level, P.

Accordingly, one can have little faith in the ability of the Federal Reserve to determine the quantity of money in circulation. This is no criticism of the Fed. On the contrary, it is merely to acknowledge the limits of the human mind and the paucity of precise and ready information. This problem of imperfect and rapidly changing information illustrates the problem of monetary policy and central banking. To conduct the operations of the central bank, there must be a goal. If the goals are both price stability and a certain supply of money, M, one must know, among many other things, not only the magnitude of the supply of money but also the volume of demand for money in the market. If individuals, businesses and other entities largely generate the demand for money, the Fed must have providential omniscience to calculate correctly, on a daily or weekly basis, the total demand for money, even if it could gather reliable statistical information and even if its definitions of money were correct and constant.

The fundamental problem can be stated quite simply. Because the money stock cannot be controlled effectively by the Fed, the goals of the Fed's monetary policy must not be to control them. The Fed simply cannot determine accurately the demand for money. Neither does the Fed possess the information, the operating techniques or the perfect foresight to bring about a certain level and rate of growth of M. As we know from experience, open market operations are blunt instruments. Moreover, no stipulated level of M during a specific market interval—in the U.S., Switzerland, Germany, or elsewhere—is necessarily correlated with a specified rate of inflation, or deflation; nor is it with price stability.

Yet we do know that the Fed does determine the footings of its own balance sheet. By purchasing securities or by providing discounts (advances), it does increase credit to the commercial banks. Now if these open market operations unwittingly create excess cash balances in the market, the price level will thereby rise. But if the goal of the central bank were price stability, then the Fed must promptly reduce the volume of credit it has made available to the commercial banks. As credit contracts, so does the money stock. As a result, excess cash balances will be absorbed until the level of actual cash balances is strictly equal to the amount of desired cash balances. At that moment excess demand, created by undesired cash balances, will dissipate and the price level will gradually stabilize.

In this context, one defines cash balances in the market as currency and checking account deposits, i.e., the money held by participants in the market. Consider now that new cash balances, under the present monetary system, can be provided only from "outside" the market. In concrete terms, it is the commercial banks and the central bank, given our existing set of monetary institutions, which create new money for the market. In this specific sense banks are financial institutions outside the market, as it were, away from the market participants holding existing cash balances.

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*This entire section draws its inspiration and some of its basic definitions from the works of R. G. Hawtrey, Walter Bagehot, and especially from those of Jacques Rueff.

One distinguishes therefore between the bank rates of interest outside or away from the market and the interest rates in the money market, namely, the interest rates for commercial paper or banker's acceptances among others. Under changing conditions of supply and demand, the intersection and divergence of the bank rates and the rates in the money market first join and then disengage the rates in the money market and the rates at the banks. When joined to the rates in the market, the bank rate may be conceived as the threshold rate outside the market, at which level the market participants may gain access to new cash balances.

As I have argued, if the goal of the central bank is price stability the operating target of monetary policy at the central bank must always be to make the supply of cash balances equal to the demand for cash balances—demand as it is determined in the market place at prevailing interest rates. To achieve this goal, the central bank must simply hold the discount rate above the market rate when the price level is rising, providing money and credit only at the discount rate, as it is demanded. This is the correct target of monetary policy. It is a correct policy because it can succeed. If the target of Fed policy is the money stock, then as we have seen, it fails, because the Fed cannot determine the supply and the demand for money. It can only determine its own assets. But to supply only the new cash balances demanded by the market (our correct Fed policy) means simply that the Fed adds new assets to its portfolio (securities and discounts) while simultaneously it increases equally its liabilities (bank reserves and currency).

Under the rigorous new target of monetary policy, the Fed will supply those bank reserves and currency in an amount which is strictly equal to the demand for them from the market. Now, if the supply of cash balances is strictly equal to the demand for cash balances, the price level must tend toward stability. That is to say, there can be no excess cash balances. If there are no excess cash balances, there is no inflation.

Such a remobilized discount rate is an artful instrument, properly proportioned to the limited knowledge and intelligence of mortal man. Its effective use requires little discretion on the part of central bankers and economists. Moreover, the discount rate merely requires for its effective use the limited information available to all participants in the market for cash balances. To oversimplify but to briefly demonstrate this point, consider that the discount rate is a bank rate. It is the threshold level at which some buyers of cash balances (in this case, the banks) may gain access to new money "outside" or away from the market (that is, at the central bank).

Now, in a given market period, if actual cash balances are equal to desired cash balances, market interest rates must be stable. If in a subsequent period the market for cash balances exceeds their supply in the market, money market interest rates on bankers' acceptances and commercial paper begin to rise toward the level of the bank rate outside the market. If the demand for cash balances in the market remains unsatisfied, money users will eventually gravitate to the bank, when the market rate finally intersects with the bank rate. If the demand for money persists, then the bank rate will begin to rise in tandem with the market rate. But under a correct monetary policy, the discount rate hovers slightly over the bank rate, as the bank rate itself hovers slightly over the market rates. As soon as the banks exhaust their ready cash balances, the commercial bank rate itself will levitate toward the discount rate of the central bank. At the point where the commercial bank rate intersects with the central bank discount rate, creditworthy commercial banks may then cross the critical threshold. Thereby, they gain access to new cash balances at the central bank outside the market. The central bank's willingness to discount eligible paper as the "banker of last resort" provides the necessary cash balances still demanded but previously unavailable in the money market outside the banks. There is still no inflation, because the banking system, as a whole, supplies a quantity of money strictly equal to the amount demanded in the market. The money stock goal is met, because market participants obtain all the money they need.

In the context of the new Fed target, as defined above, reserve requirements are therefore innocuous and may be abandoned. More importantly, one terminates open market operations because the central bank cannot know all the data in the market and therefore cannot know in what precise volume and at what precise interest rate it should supply credit by buying and selling securities. Open market operations are a crude intervention; and, as experience has shown, generally result in a surfeit or paucity of cash balances supplied to the market. As a result, open market operations in the past have tended to cause unpredictable variations in the price level.

In fact, history shows that open market operations lead to secular extension of credit and a sustained rise in the price level. Is there really so great a difference between neo-Keynesian fiscal fine tuning—through tax and budget policy—and Monetarist fine tuning—through continuous open market operations in the market for cash balances? What are continuous open market operations if not an effort to fine tune the money stock, according to a predetermined rule, a rule which may or may not give rise to an equilibrium level of cash balances during a given market period?

Previous experience in the market gives one little confidence in central bankers who, even following a fixed quantity rule, have the monopoly power to manipulate—on a day-to-day basis—the interventionist tool of open market operations. First, each market period is unique. Does the Open Market Committee know enough about the peculiar origins of disturbances in the market for cash balances in a given market period? Second, financial information is neither perfect, nor is it instantaneously available. Nor are the causes and effects of the variations in the demand for cash balances, in any one market period, sufficiently well-known. Open market operations, even in the hands of intelligent men of good will, are at best nothing more than poorly educated guesses and at worst rank speculations. These guesses are hardly the stuff of a responsible monetary policy. They will not give rise to an "efficient tool" for the implementation of monetary goals, even if the rule or goal itself is efficient and simple.

Therefore, the correct policy prescription is to cease open market operations and to require the Treasury to finance its cash needs in the market, away from the banks, except for authentic self-liquidating tax anticipation bills of less than a year's maturity, made eligible thereby for rediscounting. As a result, monetary regulation in the banking system would henceforth be achieved through the supremacy of the central bank discount rate. If we wish to avoid the evils of an overly "managed currency," then it is uniquely the discount rate mechanism, alone among the tools of central banking, which achieves this goal. The discount rate is a tool scaled to the wit of men. It requires little of central bank "currency managers" who might otherwise desire to fine tune the money stock growth, according to a quantity rule, with the full panoply of their powers. The monetary policy of the future will therefore distinguish between ends and means, calibrating the latter to the former.

If we seek an end to inflation, then we seek a stable price level. We do not seek a specified quantity of money. But if the supply of money equals the demand of money at prevailing interest rates, then the price level must remain stable, and people and businesses will have all the money they desire—because, in a free and open society, the demand for money is determined by the sovereign users of money, the consumers and producers. How many solvent consumers in a market economy make a demand for money which is not supplied? None. The participants in the market create the demand for money. The commercial banks and the central bank, by guiding the bank rate and the discount rate and deftly hovering over the market, must simply be prepared to supply creditworthy borrowers without limit; and, in extremis, to be the banker of last resort.

As a result of this new policy target, the supply of cash balances in the market must always be gradually adjusted to the demand for them. Then there can be no inflation. The reason being that since the quantity of actual cash balances supplied is made strictly equal to the amount of money desired, the market for cash balances as a whole will be stable. Excess cash balances, the cause of inflation, have been ruled out. The money market, under these conditions will tend toward equilibrium; and, under the new operating target, will tend to remain there. The consequences of such a monetary policy will have pervasive effects throughout the economy. Since the supply of cash balances tends to equal the demand for them, no one in the market will desire to make a purchase with existing cash balances until he first produces a new sale in exchange for additional cash balances. In a word, no one will demand without first making a supply. When the market for cash balances tends toward equilibrium, no one will consume anything more unless he first produces something more. Under such conditions the price level will vary moderately around unity. That is to say, there will be no inflation arising from excess cash balances created by the central banking system through open market operations, since the banks will supply only the money which is demanded in the market.

As defined here, such a monetary policy comes to grips with, indeed it modifies, Say's Law of Markets and the inadequate Quantity Theory of Money. One reformulates: aggregate demand is equal to the value of aggregate supply, augmented (+/−) by the difference between the supply of actual cash balances and the level of desired cash balances.[1]

The new monetary doctrine for a sound currency is now clear: First, Fed open market operations must cease. Second, the discount rate of the central bank must be remobilized so that it ceases to be a subsidy rate, which in the past gave rise to credit expansion, excess cash balances, and inflation. The discount rate becomes instead a market-related rate and generally hovers, during periods of economic growth, above the bank rate, thus providing no profit (or subsidy) incentives to commercial banks to expand cash balances (credit) beyond the demand for them.

To be sure, Monetarists would claim to fix the total quantity of money, through a specified money stock rule, in order to regulate the government monopoly (the Federal Reserve Board) which supplies cash balances to the market. Yet the simpler, market-related technique would be to make the value of a unit of money equal to a weight unit of gold, in order to regulate the same monopoly. Some would argue that such a monetary "regulator" absorbs an excess of real resources, namely the laborious process of gold production, in order to sustain it, and is therefore, in social and economic terms, too costly.

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[1] This formulation of the quantity theory of money expresses the basic theorem of Jacques Rueff's monetary economics.

Whatever the minor incremental social cost of a convertible currency, it is nevertheless a superior stabilizer and a more efficient regulator of price stability in the long run. One test is history, and Roy Jastram's scholarship proves, in The Golden Constant, that convertible currencies yield price stability in the long run. For that matter, the goal of an enduring social order, unlike that of the individual, must not be to maximize welfare in the short run, but rather, in the long run. It is not an excessive cost to society to allocate a minor share of its real resources to the regulating mechanism of its money supply. Nothing else will assure the indispensable virture of long run trust in its monetary unit.

Therefore, in order to bring about long-run stability in the market for cash balances, the dollar must be defined in law as equal to a weight unit of a real commodity, such as gold, at a statutory convertibility rate which insures that nominal wage rates do not fall. Nothing less will yield a real fiduciary currency. Such a gold convertibility plan at a fixed rate is virtually a constitutional guarantee of the purchasing power of money and therefore of the future value of savings. The legal framework of a convertible currency makes of money an enduring political institution. As the U.S. has the oldest written political constitution, it is now time to offer the world a real money, underwritten by the constitutional guarantee of gold convertibility.

As a result, no bank, not even the central bank, could expand credit beyond the demand for it in the market. An excess supply of money would cause the general price level to rise, but the gold convertibility price would remain the same. Therefore, the fixed gold price would fall relative to the rising general price level. Elasticity of demand for the relatively cheap gold would create an increasing demand for a limited supply of it in exchange for the excess cash balances now offered for gold to commercial banks and the central bank. The failure to redeem these excess dollars for gold would, under convertibility rules, threaten the bankruptcy and dissolution of a commercial bank. A default by the Federal Reserve System would result in the breach of a solemn legal obligation and therefore violate the Constitution of the U.S. Depreciation of the currency would follow, and inflation would be a direct result.

Constrained, therefore, by law to redeem excess dollars with specified weight units of gold, the central bank, as the price level rose, would have to reduce the growth of credit and money—until once again it supplied no more money than the market demanded. As the banks contracted credit, excess cash balances would be reabsorbed, and demand for gold at the banks would cease. Convertibility would prevail. And, the threat of bankruptcy would be forestalled. The price level would descend; inflation gradually would end. Stabe prices would now prevail, even though the banking system, in order to increase profits, may have wanted to expand money and credit faster than the rate of growth of production.

At all times these institutional arrangements under the new monetary regime will assure that the supply of cash balances will be made equal to the demand for cash balances, at varying interest rates determined by participants in the market for cash balances. What matters is that the level of cash balances and the level of interest rates is determined in the open market, not in the Open Market Committee of the Federal Reserve System. So long as the discount rate hovers above the bank rate, and the bank rate above the market rate for eligible paper, the market for cash balances will yield in any given period a closely related cluster of interest rates.

The variations in these market rates, as they intersect with and disengage from the bank rates, will tend to create an equilibrium level of the money stock. There is little need in such a market for trying to fine tune the money stock through continuous open-market operations. An efficient money market, and simple institutional rules governing banking system discount rates, will tend to give rise to the necessary rate of growth in the supply of cash balances.

Above all, this growth rate would be consistent with the rate of real economic growth (say 4%) and with changes in the velocity of money as determined by economic activity and the technology of the payments mechanism—because the new target of monetary policy is to supply only the quantity of money demanded in the market. As the target is hit, the goal of monetary policy will be fulfilled: namely, a stable price level.

In sum, the present inflationary impasse requires a number of specific remedies: (1) Remobilize the discount rate. (2) Admit that the central bank cannot control the money supply, even though it can control Federal Reserve Credit. (3) Therefore, abandon hyperinterventionist open market operations, as they cannot achieve a stable money supply. (4) Stand ready at the central bank to supply, at an unsubsidized rate, all the money demanded by solvent commercial banks. (5) After achieving the first four goals, herald the restoration of dollar convertibility (in 12 to 18 months) at a fixed rate, to be determined over time largely in the market; but at a level which, under no circumstances, will reduce nominal wage rates. (6) Finally, convoke an International Monetary Conference, under the leadership of the U.S., with the goal of establishing a true gold standard, one which would rule out the special privilege of official reserve currencies and thus remedy the most profound defect of the Bretton Woods exchange-rate regime.

The effects of true monetary reform would appear immediately. The price of gold would fall to its equilibrium level, emptied of a value based on inflationary expectations. The price level would stabilize rapidly. Long term interest rates would fall 700–800 basis points. At lower interest rates there would be a vast demand for investment capital. With a stable price level, a stable dollar, and lower relative tax rates the sluice-gates would open and a flood of savings would flow into the market. Equity and debt capital would once again pour into business enterprise. The nation's productive plant would be rebuilt. Therefore the demand for labor would rise. Unemployment would decline.

The true onset of the "American Century" will have arrived, coincident with the end of inflation in the Western World.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Jones of North Carolina (at the request of Mr. Wright), for today, on account of official business.

Mr. Corman (at the request of Mr. Wright), after 3 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hinson) to revise and extend their remarks and include extraneous material:)

Mr. Edwards, of Alabama, for 5 minutes, today.

Mr. Courter, for 10 minutes, today.

Mr. Broyhill, for 5 minutes, today.

Mr. McDade, for 10 minutes, today.

Mr. Grassley, for 5 minutes, today.

(The following Members (at the request of Mr. Kildee) to revise and extend their remarks and include extraneous matter:)

Mr. Annunzio, for 5 minutes, today.

Mr. Glickman, for 5 minutes, today.

Mr. Drinan, for 5 minutes, today.

Mr. Giaimo, for 15 minutes, today.

Mr. Alexander, for 5 minutes, today.

Mr. Bedell, for 10 minutes, today.

Mr. Rostenkowski, for 10 minutes, today.

Mr. McHugh, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Kemp, and to include extraneous matter notwithstanding the fact that it exceeds 10 pages of the Congressional Record and is estimated by the Public Printer to cost $4,126.50.

(The following Members (at the request of Mr. Hinson), and to include extraneous matter:)

Mr. Young of Alaska in two instances.

Mr. Dannemeyer.

Mrs. Snowe in two instances.

Mr. Schulze in two instances.

Mr. Paul.

Mr. Bereuter in two instances.

Mr. Hyde.

Mr. Hillis.

Mr. Porter.

Mr. Derwinski in two instances.

Mr. Lewis.

Mr. Miller of Ohio in three instances.

Mr. Wampler.

Mr. Lee.

Mr. Edwards of Alabama.

Mr. Green in two instances.

Mr. Symms.

(The following Members (at the request of Mr. Kildee), and to include extraneous matter:)

Mr. Wolff.

Mr. Hamilton.

Mr. Corrada.

Mr. RICHMOND.

Mr. BOLLING.

Mr. MINETA.

Mr. SHELBY in two instances.

Mr. DODD.

Mr. WEISS.

Mr. HARRIS in two instances.

Ms. SCHROEDER.

Mr. APPLEGATE.

Mr. DONNELLY.

Mr. GARCIA.

Mr. CORMAN.

Mr. ALEXANDER.

Mr. MILLER of California.

Mr. STEED.

Mr. OTTINGER in seven instances.

Mr. VAN DEERLIN.

Mr. JONES of Tennessee.

Mr. ANDERSON of California in three instances.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 643. An act to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5913. An act to amend section 502(a) of the Merchant Marine Act, 1936; and

H.J. Res. 494. Joint resolution providing for the appointment of Carlisle H. Humelsine as a citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. KILDEE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until Monday, March 10, 1980, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3709. A letter from the Chairman, U.S. Architectural and Transportation Barriers Compliance Board, transmitting the annual report of the Board for fiscal year 1978, pursuant to section 502 of Public Law 93-112, as amended; to the Committee on Education and Labor.

3710. A letter from the Director, Office of Management and Budget, Executive Office of the President, and the Secretary of the Treasury, transmitting the annual report on the performance of functions and duties of the Office of Management and Budget and the Department of the Treasury under sections 201 and 202 of the Legislative Reorganization Act of 1970, pursuant to section 202(f) of the act, as amended; to the Committee on Government Operations.

3711. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3712. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3713. A letter from the Assistant Secretary-designate of Health, Education, and Welfare for Planning and Evaluation, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3714. A letter from the President of the United States, transmitting proposed specifications for legislation to reduce the use of oil and gas in the electric utility sector by 1 million barrels per day by 1990; to the Committee on Interstate and Foreign Commerce.

3715. A letter from the Acting Commission, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

3716. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend title I of the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years and for other purposes; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on Operations and Internal Evaluation Process of the State Department Inspector General, Foreign Service. (Rept. No. 96-806). Referred to the Committee of the Whole House on the State of the Union.

Mr. DANIELSON: Committee on the Judiciary. S. 2222. A bill to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status: with amendment (Rept. No. 96-807). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5900. A bill amending the act of August 9, 1955 (69 Stat. 539; 25 U.S.C. 415), as amended, to authorize a 99-year lease for the Moses Allotment No. 10, Chelan County, Wash., with amendment (Rept. No. 96-808). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5953. A bill to preserve, protect, and maintain the original boundary stones of the Nation's Capital; with amendment (Rept. No. 96-809). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRADEMAS: Committee on House Administration. House Resolution 548. Resolution providing for the expenses of investigations and studies to be conducted by the Committee on the Judiciary; with amendment (Rept. No. 96-810). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 572. Resolution providing for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control; with amendment (Rept. 96-811). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 573. Resolution providing for the expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf; with amendment (Rept. No. 96-812). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 574. Resolution providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives; with amendments (Rept. No. 96-813). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 580. Resolution providing for the expenses of investigations and studies to be conducted by the Select Committee on Committees (Rept. No. 96-814). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 583. Resolution providing for the expenses of investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce; with amendment (Rept. 96-815). Referred to the House Calendar.

Mr. THOMPSON: Committee on House Administration. H.R. 6702. A bill to amend section 603 of title 18, United States Code, with respect to certain political contributions (Rept. No. 96-816). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. JOHNSON of California, Mr. HARSHA, and Mr. SNYDER):

H.R. 6721. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes; jointly, to the Committees on Public Works and Transportation and Science and Technology.

By Mr. BEDELL (for himself, Mr. SMITH of Iowa, Mr. HANLEY, Mr. HALL of Ohio, Mrs. SNOWE, and Mr. TAUKE):

H.R. 6722. A bill to amend the Small Business Act to provide special loan guarantees to small-business concerns for the acquisition of motor fuel service stations, to require the divorcement of such stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes; jointly, to the Committees on Small Business and Interstate and Foreign Commerce.

By Mr. BROYHILL (for himself and Mr. RINALDO):

H.R. 6723. A bill to amend the Securities Act of 1933 and the Investment Company Act of 1940 to provide incentives for small business investment, and for other purposes;

to the Committee on Interstate and Foreign Commerce.

By Mr. DANNEMEYER:

H.R. 6724. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes to provide that $400,000 of property shall be exempt from such taxes, and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

By Mr. de la GARZA (for himself and Mr. Loeffler):

H.R. 6725. A bill to require the Secretary of the Interior, in cooperation with the Secretary of Agriculture, to implement certain requirements relating to animal damage control, and for other purposes; to the Committee on Agriculture.

By Mr. DONNELLY:

H.R. 6726. A bill to amend title 18 of the United States Code to allow the publishing and broadcast of information about lotteries in certain cases, and for other purposes; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 6727. A bill to establish the Bon Secour National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. FUQUA (by request):

H.R. 6728. A bill to authorize appropriations for activities of the National Science Foundation for fiscal years 1981 and 1982, and for other purposes; to the Committee on Science and Technology.

By Mr. GARCIA (for himself, Mrs. Chisholm, Mr. Downey, Mr. Frost, Mr. Gray, Mr. Green, Mr. Guarini, Mr. Lederer, Mr. Mitchell of Maryland, Mr. Murphy of Illinois, Ms. Oakar, Mr. Ottinger, Mr. Patten, Mr. Roe, Mr. Sabo, Mr. Scheuer, Mrs. Spellman, and Mr. Weiss):

H.R. 6729. A bill to amend the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GREEN:

H.R. 6730. A bill to establish a program of grants to States for the purpose of providing assistance to eligible households to offset rising home heating costs; jointly, to the Committees on Interstate and Foreign Commerce and Education and Labor.

By Mr. GUARINI:

H.R. 6731. A bill to provide standby authority for the general or selective control of prices and wages; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JONES of Tennessee (for himself, Mr. Foley, Mr. Madigan, and Mr. Harkin):

H.R. 6732. A bill to make available a national soil conservation program; to the Committee on Agriculture.

By Mr. KAZEN:

H.R. 6733. A bill to require the Secretary of the Interior, in cooperation with the Secretary of Agriculture, to implement certain requirements relating to animal damage control, and for other purposes; to the Committee on Agriculture.

By Mr. McDADE (for himself, Mr. Michel, Mr. Devine, Mr. Edwards of Alabama, Mr. Burgener, Mr. Shuster, Mr. Lott, Mr. Vander Jagt, Mr. Schulze, Mr. Conte, Mr. Stanton, Mr. Broomfield, Mr. Carter, Mr. Quayle, Mr. Marriott, Mr. Roth, Mr. Williams of Ohio, Mrs. Snowe, Mr. Bereuter, Mr. Bethune, Mr. Erdahl, Mr. Tauke, and Mr. Porter):

H.R. 6734. A bill to assist small business concerns by increasing Federal expenditures for research and development which go to such concerns; by providing tax incentives including accelerated depreciation, investment tax credit for used equipment, deferral of capital gains from investment in such concerns and a corporate income tax rate reduction; by awarding attorneys' fees where such concerns are successful in a suit with the Federal Government, and by providing for Federal regulatory flexibility with respect to such concerns, and for other purposes; jointly, to the Committees on Small Business, the Judiciary, Ways and Means, and Government Operations.

By Mr. MITCHELL of Maryland:

H.R. 6735. A bill to provide for the striking of medals in commemoration of Maggie Lena Walker; to the Committee on Banking, Finance and Urban Affairs.

H.R. 6736. A bill to establish Federal policies designed to minimize the involuntary displacement of individuals from housing and to provide additional assistance for those who have been so displaced; jointly, to the Committees on Banking, Finance and Urban Affairs and Public Works and Transportation.

By Mr. MYERS of Pennsylvania:

H.R. 6737. A bill to grant a Federal charter to the Italian American War Veterans of the United States; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 6738. A bill to amend the Great Lakes Pilotage Act of 1960 to limit the liability of United States registered pilots so as to provide for reciprocal and equitable participation by United States and Canadian citizens in the pilotage of vessels on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROYER:

H.R. 6739. A bill to confer U.S. citizenship posthumously upon Leopoldine Marie Schmid; to the Committee on the Judiciary.

By Mrs. SPELLMAN:

H.R. 6740. A bill to amend title 5, United States Code, to limit the initial cost-of-living adjustments provided for certain civil service annuitants; to the Committee on Post Office and Civil Service.

By Mr. STANGELAND:

H.R. 6741. A bill to amend the Small Business Act to provide direct loans for the purchase and installation of wood- or coal-burning stoves; to the Committee on Small Business.

By Mr. SYMMS (for himself and Mr. Hansen):

H.R. 6742. A bill to amend section 16(a) of the National School Lunch Act to permit the State of Idaho to receive cash payments in lieu of donated foods for purposes of programs under such act and under the Child Nutrition Act of 1966; to the Committee on Education and Labor.

By Mr. WEISS:

H.R. 6743. A bill to amend the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and opportunities industrialization centers, and other community-based organizations of demonstrated effectiveness, to carry out programs to improve the educational employment opportunity for youths; to the Committee on Education and Labor.

By Mr. WINN:

H.R. 6744. A bill to amend the Internal Revenue Code of 1954 to increase the accumulated earnings credit, to increase the amount of used equipment eligible for the investment tax credit, and to allow certain small businesses to use the cash method of accounting without regard to inventories; to the Committee on Ways and Means.

By Mr. WYDLER:

H.R. 6745. A bill to reorganize in the executive branch of the Government, by consolidating in the Environmental Protection Agency the major Federal Government responsibilities with respect to ionizing radiation, from both nuclear and nonnuclear sources, and to require such Agency to make a continuing comparison of the risks and effects of radiation from different sources and to assure that both the Congress and the public are kept aware of these risks and effect; jointly, to the Committee on Government Operations and Interstate and Foreign Commerce.

By Mr. GRASSLEY (for himself and Mr. Findley):

H.J. Res. 505. Joint resolution authorizing the President to impose on the Iranian Government a $50 million fine, payable from blocked Iranian assets, for each day that U.S. citizens held hostage or otherwise illegally detained in Iran continue to be held hostage or so detained beyond a date designated by the President; to the Committee on Foreign Affairs.

By Mr. JENRETTE:

H.J. Res. 506. Joint resolution designating the week beginning July 13, 1980, as "National Tourism Week"; to the Committee on Post Office and Civil Service.

By Mr. SANTINI (for himself, Mr. Akaka, Mr. Alexander, Mr. Ambro, Mr. Annunzio, Mr. Applegate, Mr. Archer, Mr. Bafalis, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Blanchard, Mr. Boland, Mr. Bowen, Mr. Brodhead, Mr. Brown of Ohio, Mr. Carney, Mr. Carter, Mr. Cavanaugh, Mr. Chappell, Mr. Corrada, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. de la Garza, Mr. Dickinson, Mr. Dingell, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Duncan of Oregon, Mr. Edwards of Oklahoma, Mr. Emery, Mr. Ertel, Mr. Evans of Georgia, Mr. Evans of the Virgin Islands, Mr. Evans of Delaware, Mr. Fary, Mr. Fazio, Mr. Fish, Mr. Florio, Mr. Frenzel, Mr. Frost, Mr. Gilman, Mr. Goodling, Mr. Gore, Mr. Gradison, Mr. Grassley, Mr. Gray, Mr. Guyer, Mr. Hanley, Mr. Hansen, Mr. Harris, Mr. Hightower, Mr. Holland, Mrs. Holt, Mr. Howard, Mr. Hughes, Mr. Jeffords, Mr. Jenrette, Mr. Kazen, Mr. Kemp, Mr. Kildee, Mr. Kogovsek, Mr. Kramer, Mr. Lagomarsino, Mr. Lederer, Mr. Lee, Mr. Lent, Mr. Lloyd, Mr. Lott, Mr. Lowry, Mr. Luken, Mr. Lungren, Mr. Markey, Mr. Marriott, Mr. Mathis, Mr. Matsui, Mr. Mazzoli, Mr. McDade, Mr. McDonald, Mr. McEwen, Mr. McKay, Mr. Mica, Mr. Mitchell of New York, Mr. Mollohan, Mr. Montgomery, Mr. Moore, Mr. Moorhead of Pennsylvania, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Murtha, Mr. Myers of Indiana, Mr. Myers of Pennsylvania, Mr. Natcher, Mr. Neal, Mr. Nichols, Mr. Nolan, Mr. O'Brien, Mr. Oberstar, Mr. Ottinger, Mr. Patterson, Mr. Paul, Mr. Perkins, Mr. Pickle, Mr. Porter, Mr. Preyer, Mr. Price, Mr. Pursell, Mr. Rahall, Mr. Richmond, Mr. Rinaldo, Mr. Robinson, Mr. Royer, Mr. Sabo, Mr. Santini, Mr. Scheuer, Mr. Sebelius, Mr. Sharp, Mr. Shumway, Mr. Skelton, Mrs. Smith of Nebraska, Mr. Solomon, Mr. Spence, Mr. St Germain, Mr. Symms, Mr. Tauke, Mr. Vander Jagt, Mr. Vento, Mr. Walgren, Mr. Wampler, Mr. Weaver, Mr. Weiss, Mr. Whitehurst, Mr. Whittaker, Mr. Williams of Ohio, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Wolpe, Mr. Won Pat, Mr. Wydler, Mr. Yatron, Mr. Young of Florida, Mr. Young of Alaska, Mr. Zeferetti, and Mr. McCloskey):

H.J. Res. 507. Resolution designating July 18, 1980, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. COURTER (for himself, Mrs. Fenwick, Mr. Patten, Mr. Rinaldo, Mr. Howard, Mr. Forsythe, Mr. Maguire, Mr. Florio, Mr. Rodino, Mr. Hollenbeck, Mr. Hughes, Mr. Thompson, Mr. Roe, Mr. Minish, Mr. Guarini, Mr. Whitehurst, Mr. Charles H. Wilson of California, and Mr. McDonald):

H. Con. Res. 295. Concurrent resolution to recognize the Centennial of Picatinny Arsenal in Dover, N.J.; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FAZIO:

H.R. 6746. A bill for the relief of Edmundo Jose Alagao; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 6747. A bill for the relief of Herman R. Klun and Helen Klun; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 786: Mr. Stack, Mr. Stratton, Mr. Rosenthal, Mr. Perkins, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Vento, Mr. Gray, Mr. Nolan, Mr. Dellums, Mr. Bonior of Michigan, Mr. Diggs, and Mr. Drinan.

H.R. 1603: Mr. Bennett, Mr. Moore, Mr. Mica, Mr. de la Garza, Mr. Conable, Mr. Stack, Mr. Pursell, Mr. Kelly, Mr. Kazen, Mr. Traxler, Mr. Bauman, Mr. Charles Wilson of Texas, and Mr. Livingston.

H.R. 3609: Mr. Evans of the Virgin Islands, Mr. Findley, Mr. Leach of Louisiana, Mr. Minish, Mr. Oberstar, Mr. Sebelius, Mr. Stangeland, Mr. Swift, Mr. Wright, Mr. Young of Missouri, and Mr. O'Brien.

H.R. 4448: Mr. Ford of Tennessee and Mr. Devine.

H.R. 5117: Mr. Badham, Mr. Dan Daniel, Mr. Lagomarsino, Mr. Sensenbrenner, Mr. Derwinski, Mr. Benjamin, Mr. Whittaker, Mr. Coelho, Mr. Charles Wilson of Texas, Mr. Davis of South Carolina, Mr. Hubbard, Mr. McDade, Mr. Pepper, Mr. Dougherty, Mr. Montgomery, Mr. Lott, Mr. Mitchell of New York, Mr. Huckaby, Mr. Campbell, Mr. Young of Alaska, and Mr. Clinger.

H.R. 5225: Mr. Fuqua and Mr. Foley.

H.R. 5408: Mr. Jenrette and Mr. Dougherty.

H.R. 6065: Mr. Addabbo and Mr. Roe.

H.R. 6070: Mr. Devine.

H.R. 6345: Mr. Bedell, Mr. Sharp, Mr. Downey, Mr. McCloskey, Mr. Fauntroy, Mr. Bethune, Mr. Daniel B. Crane, Mr. Mazzoli, and Mr. Dannemeyer.

H.R. 6370: Mr. Won Pat, Mr. Leach of Louisiana, Mr. Evans of Georgia, Mr. Whitley, Mr. Bedell, Mr. Neal, and Mr. Fazio.

H.R. 6380: Mr. Anderson of Illinois, Mrs. Chisholm, Mr. Corcoran, Mr. Dellums, Mr. Dodd, Mr. Giaimo, Mr. Moakley, Mr. Stack, Mr. Whitten, Mr. Wright, Mr. Young of Missouri, and Mr. Zeferetti.

H.R. 6382: Mr. Daschle.

H.R. 6473: Mr. Conable, Mrs. Smith of Nebraska, Mr. Wolpe, Mr. Dannemeyer, Mr. Courter, and Mr. Carney.

H.R. 6498: Mr. Erdahl.

H.R. 6601: Mr. Burgener, Mr. Green, Mr. Mineta, Ms. Oakar, Mr. Barnes, Mr. Conyers, Mr. Brinkley, Mr. D'Amours, Mr. Mattox, Mr. Williams of Ohio, and Mr. Weaver.

H.R. 6635: Mr. Oberstar.

H.R. 6688: Mr. Hillis and Mr. Beard of Tennessee.

H.R. 6692: Mrs. Byron and Mr. Erlenborn.

H.J. Res. 145: Mr. Jeffords, Mr. Fauntroy, Mr. Zablocki, and Mr. Staggers.

H. Con. Res. 281: Mr. Brown of Ohio.

H.J. Res. 372: Mrs. Bouquard, Mr. Bevill, Mr. Satterfield, Mr. Murtha, Mr. Daschle, Mr. Matsui, Mr. Duncan of Oregon, Mr. Holland, Mr. Kildee, Mr. Skelton, Mr. Walgren, Mr. Heckler, Mr. McDade, Mr. Nowak, Mr. Yatron, Mr. Miller of California, and Mr. Studds.

H.J. Res. 382: Mr. Akaka, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Barnard, Mr. Bedell, Mr. Bevill, Mr. Bowen, Mr. Breaux, Mr. Brinkley, Mr. Brodhead, Mr. Carter, Mr. Cavanaugh, Mr. Chappell, Mr. Cleveland, Mr. Clinger, Mr. Conte, Mr. Corcoran, Mr. Robert W. Daniel, Jr., Mr. Daschle, Mr. Davis of Michigan, Mr. Dickinson, Mr. Dougherty, Mr. English, Mr. Evans of Georgia, Mr. Florio, Mr. Foley, Mr. Fountain, Mr. Frost, Mr. Goodling, Mr. Grassley, Mr. Gramm, Mr. Gray, Mr. Hagedorn, Mr. Hanley, Mr. Hansen, Mrs. Heckler, Mr. Hinson, Mr. Hyde, Mr. Jenrette, Mr. Jones of Tennessee, Mr. Jones of North Carolina, Mr. Kildee, Mr. Kogovsek, Mr. Lederer, Mr. Lee, Mr. Levitas, Mr. Matsui, Mr. Mazzoli, Mr. McDonald, Mr. McEwen, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Montgomery, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Nichols, Mr. Nolan, Mr. Oberstar, Mr. Panetta, Mr. Pashayan, Mr. Pepper, Mr. Porter, Mr. Pursell, Mr. Quayle, Mr. Rahall, Mr. Railsback, Mr. Regula, Mr. Robinson, Mr. Roth, Mr. Sabo, Mr. Shumway, Mr. Simon, Mrs. Smith of Nebraska, Mr. Solomon, Mr. Stenholm, Mr. Stangeland, Mr. Symms, Mr. Stump, Mr. Tauke, Mr. Traxler, Mr. Watkins, Mr. Waxman, Mr. Whitehurst, Mr. Williams of Ohio, Mr. Vento, and Mr. Anderson of California.

H.J. Res. 498: Mr. Clinger, Mr. Mottl, Mr. Van Deerlin, Mr. Hansen, Mr. Wolff, Mr. Lungren, Mr. Hall of Texas, Mr. Fazio, Mr. Patten, Mr. Findley, Mr. Corrada, Mr. Dougherty, Mr. Danielson, Mr. Conte, Mr. Whitten, Mr. Guyer, Mrs. Boggs, Mr. Derwinski, Mr. Bevill, Mr. Nichols, Mr. Frost, Mr. Kindness, Mr. Montgomery, Mr. Gibbons, Mr. Anderson of California, Mr. Fish, Mr. Stangeland, Mr. Stump, Mr. Long of Louisiana, Mr. Winn, Mr. Lederer, Mr. Bennett, Mr. Mollohan, Mr. Fuqua, Mr. Panetta, Mr. Bauman, Mr. Gonzalez, Mr. Steed, Mr. Smith of Iowa, Mr. Dickinson, Mr. Perkins, Mr. Duncan of Oregon, Mr. Whitehurst, Mr. Slack, Mr. Stratton, Mr. Pickle, Mr. Ichord, Mr. Michel, Mr. Rhodes, Mr. Kostmayer, Mr. Stokes, Mr. Thompson, Mr. Reuss, Mr. Won Pat, Mr. O'Brien, Mr. Gilman, Mr. Vander Jagt, Mr. Chappell, Mr. Pritchard, Mr. Fauntroy, Mr. Roe, Mr. Robinson, Mr. Murphy of Illinois, Mr. McClory, Mr. Solomon, Mr. Grassley, Mr. Hyde, Mr. Johnson of California, Mr. Spence, Mr. Diggs, Mr. Yates, Mr. Boner of Tennessee, Mr. Nedzi, Mr. Price, Mr. Charles H. Wilson of California, Mr. de la Garza, Mr. Fountain, Mr. McEwen, Mr. Addabbo, Mr. Jones of Oklahoma, Mr. Wampler, Mr. Florio, Mr. Leach of Iowa, Mr. Green, Mr. Lowry, Mr. Hughes, Mr. Badham, Mr. Ford of Tennessee, Mr. Santini, Mr. McCormack, Mr. Brown of Ohio, Mr. Fascell, Mr. White, and Mr. Dan Daniel.

H.J. Res. 501: Mr. Carney, Mr. Lederer, Mr. Guarini, Mr. Frenzel, Mr. De la Garza, Mr. Wolpe, Mr. Robert W. Daniel, Jr., Mr. Shelby, Mr. Grisham, Mr. Gephardt, Mr. Frost, Mrs. Chisholm, Mr. Bedell, Mr. Corcoran, and Mr. Dodd.

H. Con. Res. 199: Mr. Downey, Mr. Mitchell of Maryland, and Mr. Evans of Delaware.

H. Con Res. 239: Mr. Porter.

H. Con. Res. 290: Mr. Evans of the Virgin Islands, Mr. Forsythe, Mr. Wyatt, Mr. Howard, Mr. Stangeland, Mr. Stanton, Mr. Stack, Mr. D'Amours, Mrs. Bouquard, Mr. Steed, Mr. Hagedorn, Mr. Young of Florida, Mr. Emery, Mr. Leach of Louisiana, and Mr. Lott.

H. Res. 525: Mr. Abdnor, Mr. Anderson of California, Mr. Andrews of North Dakota, Mr. Applegate, Mr. Archer, Mr. Ashbrook, Mr. Atkinson, Mr. Badham, Mr. Barnard, Mr. Beard of Rhode Island, Mr. Benjamin, Mr. Bethune, Mr. Bevill, Mrs. Bouquard, Mr. Bowen, Mr. Brinkley, Mr. Brown of Ohio, Mr. Broyhill, Mr. Buchanan, Mr. Burgener, Mr. John L. Burton, Mrs. Byron, Mr. Carney, Mr. Carter, Mr. Chappell, Mr. Cheney, Mr. Clausen, Mr. Cleveland, Mr. Coelho, Mr. Collins of Texas, Mr. Corcoran, Mr. Courter, Mr. Daniel B. Crane, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Dannemeyer, Mr. de la Garza, Mr. Derwinski, Mr. Devine, Mr. Dickinson, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Edwards of Oklahoma, Mr. Evans of Georgia, Mr. Evans of Indiana, Mr. Evans of Delaware, Mrs. Fenwick, Mr. Findley, Mr. Forsythe, Mr. Frenzel, Mr. Gingrich, Mr. Ginn, Mr. Goldwater, Mr. Gramm, Mr. Grassley, Mr. Grisham, Mr. Guarini. Mr. Hall of Texas, Mr. Hance, Mr. Hansen, Mr. Heftel, Mr. Hinson, Mr. Hopkins, Mr. Huckaby, Mr. Ichord, Mr. Ireland, Mr. Jacobs, Mr. Jeffords, Mr. Johnson of Colorado, Mr. Kelly, Mr. Kindness, Mr. Kogovsek, Mr. Kramer, Mr. Lagomarsino, Mr. Lent, Mr. Levitas, Mr. Lewis, Mr. Livingston, Mr. Lloyd, Mr. Lott, Mr. Lujan, Mr. Lungren, Mr. McCloskey, Mr. McCormack, Mr. McDonald, Mr. Marlenee, Mr. Marriott, Mr. Mavroules, Mr. Mica, Mr. Michel, Mr. Mineta, Mr. Moffett, Mr. Montgomery, Mr. Moorhead of California, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. O'Brien, Mr. Panetta, Mr. Patterson, Mr. Paul, Mr. Petri, Mr. Porter, Mr. Quayle, Mr. Robinson, Mr. Roth, Mr. Rousselot, Mr. Royer, Mr. Rudd, Mr. Runnels, Mr. Santini, Mrs. Schroeder, Mr. Shelby, Mr. Shumway, Mr. Slack, Mrs. Smith of Nebraska, Mrs. Snowe, Mr. Snyder, Mr. Solomon, Mr. Spence, Mr. Stangeland, Mr. Stark, Mr. Stenholm, Mr. Stockman, Mr. Stump, Mr. Symms, Mr. Tauke, Mr. Thomas, Mr. Treen, Mr. Walker, Mr. Weaver, Mr. White, Mr. Whitehurst, Mr. Whittaker, Mr. Bob Wilson, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Yatron, and Mr. Young of Alaska.

H. Res. 591: Mr. Charles H. Wilson of California, Mr. Lagomarsino, Mr. Winn, Mr. Brown of California, Mr. Burgener, and Mr. Porter.

EXTENSIONS OF REMARKS

STATUS OF CAMBODIAN REFUGEES

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. SCHULZE. Mr. Speaker, I wish to commend to the attention of the House, a report on the Cambodian refugee situation produced by Dr. R. Sean Randolph, senior foreign policy analyst for the Republican Study Committee. In January, Dr. Randolph toured various refugee centers along both the Thai-Cambodian and Thai-Laotian borders, and has returned with an insightful and informative report which has already received considerable attention. The points made should be borne in mind by the membership as we examine the Cambodian problem in the coming weeks and months.

The first point is heartening. The Cambodian refugees located on or near the Thai border now seem to be adequately and effectively cared for, thanks to the collective efforts of a large number of governments, international organizations, and private voluntary agencies. While continuing support for refugee programs will be necessary to prevent a new deterioration of conditions, at least at this moment the situation appears to be in hand.

The second point made in the report is more troubling. That is, that the Cambodian refugee problem, at least as it concerns the Cambodians in Thailand, will increasingly become more of a political than a humanitarian issue. For a variety of reasons discussed by Dr. Randolph, it appears most of the refugees now living on the Thai border will be forced to remain there for the foreseeable future. This will lead to a long-term, established refugee presence in or near Thailand, which may have seriously destabilizing effects on both Thailand and the region. The point made is that the Cambodian refugee problem is no longer a matter of one-shot emergency food and medical assistance, but instead has become a political problem which will not be so easily or quickly solved.

This is an incisive and highly commendable report which I call to the attention of all Members as we examine these immense problems with which we are faced.

Dr. Randolph's report follows:

CURRENT STATUS OF CAMBODIAN REFUGEES: A STAFF REPORT

Critical shortages of food and the threat of continued fighting between Vietnamese forces and Khmer Rouge forces loyal to the ousted communist government of Pol Pot have sent massive numbers of Cambodian refugees into or near neighboring Thailand. The problems posed by this human tide are both humanitarian and political in nature. For the moment the most pressing aspect of the humanitarian problem—the need for adequate food and medical assistance—appear to have passed. The political problem promises to be more long-term, however, and for the time being remains intractable.

The greater part of the Cambodian refugees are concentrated along a narrow strip of the Thai-Cambodian border, near the Thai border town of Aranyaprathet. These are divided into two distinct groupings. Approximately 140,000 are in established holding centers located away from the immediate border, which are administered by the United Nations High Commissioner for Refugees (UNHCR). Ultimate authority in the border area remains in the hands of the Thai military. The two most important of these camps are at Sakeo, located approximately 56 km from the border, and at Khao I Dang, about 10 km inside Thailand. An older and smaller camp is located just outside Aranyaprathet itself. Another 600,000 Cambodians remain in informal encampments or "concentrations" straddling the border. These concentrations are neither controlled nor administered by the UNHCR, but instead are under the control of a collection of independent non-communist leaders generically known as Khmer Serei. International relief efforts are directed to both groups, but the most effective assistance takes place in the U.N. camps.

Administration of the camps under UNHCR authority appears to be both as effective and as well organized as might be expected under the circumstances. A wide variety of voluntary relief organizations operate within the camps in conjunction with the UNHCR, in activities ranging from sanitation to food supply to medical assistance. Prominent among these organizations are CARE, Catholic Relief Services, Church World Services, Food for the Hungry, the International Rescue Committee, Medicins San Frontieres, the Save the Children Fund, and the World Vision Foundation.

Sa Keo camp contains approximately 32,000 people, many of whom arrived in the months of October and November. Conditions at that time, both human and physical, were extremely poor. It is reported that on trucks arriving in the camp from the border area, as many as 30 out of 40 persons would arrive dead or die soon thereafter. In a camp containing tens of thousands of people, no sound but coughing could be heard, owing to the weakness of its inhabitants. Today the situation has greatly improved. Death rates have been reduced to a more normal one per day. Inhabitants of the camp appear to be well fed and are carrying on a variety of normal activities. Hospital wards have available capacity, and persons in them are being well cared for. Water supplies appear adequate, though sanitation is still a problem. Housing remains a more long-term problem. Most of the inhabitants of Sa Keo are housed in tents and other makeshift shelters. The camp was originally built in a low field, with little drainage. Since it is currently the dry season in Thailand, no immediate problem exists with this. When the rainy season approaches in the later spring, however, serious problems of flooding are anticipated. Before that time it will be necessary to raise many of the shelters.

The camp at Khao I Dang was established on November 21 as a temporary holding center for an anticipated influx of refugees strung along the border, with the aid of UNHCR, the Thai Supreme Command, and USAID. The UNHCR is responsible for administration, with the International Committee of the Red Cross (ICRC) responsible for the coordination of medical services. Other voluntary agencies such as CARE are responsible for food distribution and other services. The current population of Khao I Dang is over 100,000, and is growing daily. Adequate food is available to the inhabitants. Hospitals in the camp have a capacity of 12,000, and the health of the inhabitants is generally good. Only 1.2% of the new entrants into the camp are hospitalized after initial screening; of these about 20% are suffering from malnutrition. The generally satisfactory nutritional condition of new entrants is explained by the fact that many of these people have been living in border concentrations for some time, where food has been distributed by the World Food Program (WFP). More long-term health problems remain, however, as a result of many years of having had too little food while inside Cambodia.

Khao I Dang appears to be both well-planned and well-organized. Shelters are constructed of thatch and bamboo; conditions inside are cramped but livable. Sanitation is adequate; and is built away from water supplies. As at Sa Keo, special feeding stations have been established for women with babies and small children. The most serious problem at Khao I Dang is water. No natural water exists at the camp site, though some tentative soundings have been made. All water is therefore trucked in, at considerable cost, from the Sa Kheo area in 65 12,000 liter tank trucks. That water source is now drying up, however, and new sources will have to be found. This is likely to be a long-term problem, since the area in which both camps are located is semi-arid.

The border concentrations lying outside UNHCR control provide a different set of problems. The largest of these are under the control of Khmer Serei, a loose designation for an array of separate, non-communist leaders. Ban Non Mak Mun contains over 200,000 persons, and until recently Nong Samet (otherwise known as camp 007) also contained 200,000. Khmer Serei leaders have in many instances prevented inhabitants from these camps from leaving for Khao I Dang, since these loose population groupings are their only power base, and any large-scale removal of people would therefore reduce their own authority. Fighting has taken place between rival Khmer Serei leaders, as well as between Khmer Serei and Khmer Rouge forces. Most recently, on January 6, Khmer Rouge forces attacked Khmer Serei at Nong Samet, causing that camp to be dispersed. Conditions in these camps, while worse than those in UNHCR-administered facilities, are generally satisfactory. Food supplied by international agencies is brought daily to the camps, to be distributed by Khmer Serei leaders. Medical services are provided by the ICRC, but all representatives of international-

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

al agencies are withdrawn from the border concentrations at night.

At one location, Ban Nong Chan, international authorities operate a border feeding station. Unlike other distribution centers, at Ban Nong Chan food supplies are brought up to the border, where they are supplied to persons wishing to remain inside Cambodia and who remain at the border only long enough to receive their supplies before departing. This constitutes an informal variant of the so-called "land-bridge" proposal (rejected by Hanoi), under which food would be brought to the border through Thailand and thence distributed to points inside Cambodia.

The immediate emergency of famine and disease which so shocked the world in the fall of 1979 appears, therefore, to have passed, at least in the Thai border area. (Serious famine conditions are still believed to exist inside Cambodia itself.) Through the efforts of both international relief agencies and private voluntary organizations, the basic human needs—nutritional, medical, and housing—of Cambodia's refugees are now being met. The more long term problem which must now be dealt with is political.

Thailand does not consider the Cambodians on its territory to be "refugees". If it did, they would acquire permanent rights and status in Thailand, in the long-term an enormous burden for a developing nation with its own poor to care for. Instead, Thailand regards the Cambodians as "displaced persons" temporarily on Thai territory but subject to eventual repatriation. This explains the designation of camps such as Sa Keo and Khao I Dang as "temporary holding centers" rather than as "refugee camps." Now that the human problem of starving Cambodians has been effectively taken in hand, the thornier question remains of what will happen to these people in the future. Reliable intelligence sources indicate that the Vietnamese army now in Cambodia cannot succeed in destroying Pol Pot's Khmer Rouge forces this year or at any time in the near future. As the American experience in Vietnam proved, superiority in equipment and firepower is not always an adequate answer to the problem of guerrilla warfare. While Vietnamese forces control the cities and major towns of Cambodia, their hold on the countryside is tenuous at best. At the same time, the Pol Pot forces have caches of Chinese supplied military materiel adequate to carry on a prolonged resistance. Continued warfare and instability in Cambodia can therefore be expected for many years to come. This will prevent an early return of many of the refugees, and will turn at least a part of Thailand's "temporary" refugee population into a permanent presence.

The long-term consequences of this development are hard to predict. If continued fighting forces large numbers of refugees out of Cambodia and the immediate border zone and into Thailand and the U.N.-administered camps, the total refugee population will far exceed the absorptive capacity of the United States and other third country destinations.

The economic burden of a large, established refugee population on the Thai government would be significant, particularly if international finances for refugee assistance dwindles over time. Speculation has been raised that such a population might give rise to a Palestinian-style situation, with its attendant security threats and destablizing influences. More immediately, the presence of large population concentrations mixed with Khmer Rouge or Khmer Serei armed units on or just inside the Thai border provides an inviting target for Vietnamese raids or limited military incursions. These, if sufficiently severe or prolonged, could lead to U.S. military involvement in the area under Manila Pact commitments. Thus, while continued support for refugee assistance programs will be required to maintain the populations now being cared for and to accommodate whatever new waves of refugees might result from intensified fighting inside Cambodia, the Cambodian refugee problem now appears to be moving from a humanitarian to a political phase. The ultimate solution to the Cambodian crisis can therefore be found only at the political level.●

ANDREW J. J. BRENNAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. WOLFF. Mr. Speaker, the month of March has been designated "National Red Cross Month," in recognition of the dedication of that organization to the cause of saving lives. In the spirit of this month, I wish to pay tribute to a very brave and altruistic individual, Andrew J. J. Brennan, a constituent of mine from Flushing, N.Y.

Dr. Brennan is a Ph. D. who has been trained in Red Cross advanced first aid and cardiopulmonary resuscitation—CPR. One summer day, on July 13, 1979, Dr. Brennan was driving along in his car when he heard the frantic voice of a neighbor calling his name. Dr. Brennan immediately stopped his car and rushed to investigate the cause of the apparent trouble. He arrived on the scene to find his neighbor trying to assist another neighbor who had somehow severed an artery in his arm; the damage was great, and the arm was bleeding profusely. Dr. Brennan wasted no time in applying the skills he had learned from his Red Cross training. He immediately applied pressure to the victim's left arm at a point above the wound, thus halting to a great extent the loss of blood, which had been copious. While awaiting the arrival of an ambulance, Dr. Brennan treated the man for shock. It was the opinion of the doctors who arrived on the scene that had it not been for the heroism of Dr. Brennan, the victim would surely have died.

In recognition of Dr. Brennan's exemplary action, he is due to receive the Red Cross certificate and the accompanying pin. This is the highest award given by the American Red Cross to a person who saves or sustains a life by using the skills and knowledge learned in first aid, small craft, or water safety. The certificate bears the original signatures of the President of the United States, honorary chairman, and Jerome H. Holland, chairman of the American Red Cross.

Fortunately, most of those who have been trained in CPR and similar techniques do not have the occasion to use their skills very often. It comforts me to know, however, that when the need does arise, there are so many dedicated people like Dr. Brennan who make it their business to get involved in an effort to save a life. That is what National Red Cross Month is all about.●

WALTER AND JESSIE ELLWANGER

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. SHELBY. Mr. Speaker, when Walter and Jessie Ellwanger arrived in Selma, Ala., in 1945, neither of them had any idea that the missionary work they were about to embark on would be revered some 35 years later by black and white alike in Selma, in Washington, D.C., and throughout the Lutheran community nationwide.

After receiving his undergraduate degree from Indiana University, his masters in divinity from the University of Chicago, and his ministerial training from the Concordia Seminary in St. Louis, Walter Ellwanger spent 10 years as superintendent in the southern Indiana public school system before accepting the assignment to Selma in 1945 as the Lutheran missionary within that city's black community. He now admits to "fear and trepidation" as he and his wife—also skilled as an educator—assumed the leadership role for 32 day schools, 42 mission stations, and the Alabama Lutheran Academy where young black men received the only formal training available nationwide for the ministry.

Walter and Jessie both had vision and energy. They saw the plight of the southern black child and the dire need for educational facilities. With Jessie teaching English and Latin and cataloging books for the library, Walter set out to upgrade the day schools to reach more youngsters with training in the basic three R's. Both Walter and Jessie valued the Lutheran tradition of combining academic with religious education, and upon that foundation the Alabama Lutheran Academy grew and served Selma and the entire black Lutheran community.

Undeterred by racial strife, Walter formed an academy chorus which traveled across the South recruiting youngsters to join the training in Selma. "The personal contact was one of our most valuable recruiting tools," Walter remembers, and by the early 1950's he was able to expand the academy's role to one of a junior college where both male and female could begin their higher education.

Nowadays, nearly every black Lutheran minister nationwide looks back upon his years in Selma as the solid footing from which his ministry—as well as his formal education—was launched. Nowhere else in the country were blacks offered formal religious training, except at the Alabama Lutheran Academy located in Selma.

Nowadays, nearly 300 students populate the campus of the junior college and academy. Accreditation for the junior college is close to becoming a reality. And, as of last month, a brand new learning resource center on campus bears the name of Walter H. Ellwanger, along with that of his colleague, Peter R. Hunt.

It is my extreme honor to share with my colleagues today this acknowledgement of a job so well done by two outstanding human beings. I am proud to know that my congressional district had the good fortune to be the home of Walter and Jessie Ellwanger for 29 unforgettable years. And I am thrilled that Walter and Jessie have now seen the day when full public recognition is freely given and appropriate praise proudly uttered by all who have known the Ellwangers and their work.

Somehow, Walter and Jessie also managed to raise three upstanding sons—two of whom are now Lutheran pastors while the third is an acclaimed lawyer and executive director of the District of Columbia Bar Association. At ages 82 and 87 respectively, Walter and Jessie are still going strong in their home of 4 years, Austin, Tex. Walter conducts regular devotions in area nursing homes while Jessie remains active in church activities. In fact, just 2 years after relocating in Austin, Jessie Ellwanger was recognized as the Texas Lutheran Woman of the Year.

This wonderful example of service to others in spite of adversity is one we should all keep in mind as we take our hats off to Walter and Jessie Ellwanger.●

INFLATION: PRACTICAL POLICIES CAN WORK

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. HARRIS. Mr. Speaker, last week's economic statistics showed in cold numbers what Americans in cold houses have known all along: Inflation has reached critical levels, and if decisive action is not taken, the American way of life could be placed in jeopardy.

In real terms, 18-percent inflation means much more than high prices. It means family budgets busted by midmonth, and senior citizens living from day to day. Soaring electric rates and rising grocery bills mean plans for college shelved, and necessary purchases postponed. Northern Virginia families know that inflation is more than a statistic—it is a dream deferred or a hope abandoned.

What decisive actions can be taken to get inflation under control? First, Congress must reimpose controls on energy costs. Allowing oil prices to rise to the so-called market level when that level is dictated by the OPEC nations is an open invitation for price gouging by the big oil companies. Tough, effective inflation fighting begins with the reimposition of oil price controls. Unless we act, the oil cartel will continue to sack our economy.

Second, Congress should enact my bill to establish an independent oil import purchase authority. At the present time, oil companies import petroleum at the price OPEC demands, and neither the oil companies nor the OPEC nations want the system changed. But by requiring sealed, competitive bids for oil import licenses, we can break the OPEC-big oil alliance that profits from hardships imposed on the average citizen.

Third, Federal spending should be reduced through the elimination of waste in the Federal budget, and by subjecting all Government programs to a thorough review. Programs that have outlived their usefulness, or that have failed to meet specific goals, should be eliminated.

In addition, I have been leading a major investigation of the rapid growth of costly Federal contracting, and wasteful yearend spending sprees by Government agencies. As a result of my findings, I have developed legislation which could save taxpayers $10 billion annually by requiring economy in contracting, and by restraining yearend spending.

My bill has been approved by the House Post Office and Civil Service Committee. If enacted, it would sharply curtail Government waste, and bring us that much closer to a balanced Federal budget.

Some policies currently being proposed, however, would contribute to inflation, not reduce it. For example, some have advocated a 50-cent gasoline tax or a new oil import fee to raise energy prices and discourage consumption. But for the sake of minimal energy savings, prices in every sector of the economy would be forced higher. Shortsighted energy policies, enacted without regard to their inflationary impact, are wrong.

Other policies, such as increasing interest rates, should also be rejected. Record interest levels could well throw the entire economy into a serious recession by forcing plant closings and layoffs, discouraging investment, and slowing needed technological improvements in the manufacturing sector.

High interest rates will also blow the bottom off of the construction industry, causing high unemployment among those who can least afford it. The price of homes will rise beyond the reach of young couples, who must abandon all hope of raising a family in a home of their own. Like the decontrol of energy prices, high interest rates will victimize working Americans for the sake of textbook solutions that just won't work.

We can't cure inflation overnight. The problem we face today is the product of ill-advised policies by successive administrations, and successive Congresses. Decisive action must be taken, and unpopular decisions made. Above all, we must face head on the special interests who profit from unrestrained oil prices and high inflation.

The anti-inflation policies I advocate—energy price ceilings, competitive bidding for oil import licenses, a balanced Federal budget, lower Federal expenditures—can put a halt to destructive inflation, and restore life to the American economy, and to the American dream.●

ESTATE AND GIFT TAXATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. DANNEMEYER. Mr. Speaker, today I have introduced legislation that will increase the unified credit against estate and gift taxes to provide that $400,000 of property shall be exempt from these taxes. In addition, this legislation contains a provision to tie the amount of the exemption to the Consumer Price Index so that inflation will not continue to erode the value of the exemption.

I have taken this action to bring the present tax credit into line with the amount provided for in the original act drafted in the early part of this century. In many ways our present estate and gift tax law has its roots in the Revenue Act of 1916. That law contained an exemption of $50,000 plus related costs to the estate. Today's law provides for an exemption of $175,625 by 1981 but has no provision to account for inflation. The value of the tax credit in today's law does not begin to match the value of this original $50,000 exemption because of the effect of inflation over the intervening 64 years. Quite simply, this bill attempts to compensate for the effects of inflation on the original estate tax law.

For too long the American worker has been severely taxed by the effects of inflation. The value of the individual's estate has been eroded by the insidious disease that grows like a cancer within the fabric of the Nation's economy. The Government has benefited from the effects of inflation through its progressive tax codes and relatively static exemptions and credits that do not recognize the decreasing value of the dollar. In the case of the estate and gift tax, the current credit does not provide an exemption as valuable as the original law. This has the greatest impact on the modest estate belonging to middle-income persons. Large estates do not rely upon the basic exemption to keep them intact, but small family businesses and family farms cannot survive in many cases under today's estate tax law. This proposed legislation would give the middle class taxpayer a reasonable exemption so that a modest family farm or business could be passed on to heirs.

This bill would go beyond a simple update of the exemption because it also provides for an annual adjustment to the credit based upon the change in the Consumer Price Index. This provision would remove the advantage to the Government that comes from inflation. No longer would Government continue to collect greater revenues simply from the effect of inflation, because the exemption would grow to compensate for the loss in value that inflation causes. This simple indexing provision is an act of fairness that is a logical response to the economic times in which we live.

Economists recognize that the actions of the Government in expanding the money supply are the prime cause of the inflation that we now experience. To continue to permit the Government to benefit from the effects of inflation by not indexing the various tax codes is to encourage the Government to continue to inflate the economy. This bill is a small step toward removing from the Federal Government an incentive to inflate the currency.

I urge your consideration of this attempt to give the middle class of America an opportunity to pass along a portion of their estate to their heirs. This legislation is a modest first step in that direction and it is my hope that it will be adopted as soon as possible.●

FALLS OF THE OHIO NATIONAL MONUMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. HAMILTON. Mr. Speaker, I rise in support of the bill H.R. 6644, which will establish the Falls of the Ohio National Monument, and give the Secretary of the Interior the authority and funds needed to preserve and protect the rare and beautiful geological formation known as Falls of the Ohio.

The falls is the only place on the Ohio River where water flows over bare bedrock. It is a world-renowned, 300-million-year-old coral reef, which has been studied by geologists for the past 100 years. The Falls of the Ohio is located below the McAlpine Dam in Jefferson County, Ky., and borders on Floyd and Clark Counties in my congressional district in Indiana. The Federal Government has already recognized the value of the falls by declaring it a national natural landmark in 1966.

Unfortunately, no funds are available for the protection and preservation of national landmarks. I say that this is unfortunate because the intervention of man is threatening the beauty and scientific value of the Falls of the Ohio. Changes in the waterflow of the Ohio River caused by the McAlpine Dam, which was built and is maintained by the Army Corps of Engineers, has caused excessive amounts of silt to build up around the falls, obscuring it from view, and potentially threatening the coral reef.

The falls and the reef are also threatened by vandals and souvenir hunters who destroy or chip away parts of the fossil deposits in the coral reef, and by persons who dump garbage on the adjoining riverbank.

The question of who should take the responsibility for caring for this natural treasure has been kicked around for years now. The Corps of Engineers says it is not responsible for the falls. The National Park Service studied a proposal for a park in the area, but said Indiana and Kentucky should develop a park and take care of the falls. The two States tried to assume responsibility, formed an interstate park commission, and made plans for protection and development of the falls and surrounding land. But, the commission and its plans got caught in the crossfire of other, irrelevant disputes between Kentucky and Indiana, and so hopes for a bistate solution to this problem seem unlikely.

The time has come for the Congress to take action to preserve this natural landmark. This bill gives the Secretary of the Interior flexibility in dealing with the problem. By making the falls a national monument, the National Park Service will be charged with the responsibility of caring for the falls. Funds can be used to build a dike, as recommended by the Corps of Engineers, to help wash away the excessive silt and make the falls once again accessible to the public. The structure will be put in place to begin acquiring land to form a park around the falls and provide protection from vandals and souvenir hunters.

It would have been good if the States of Indiana and Kentucky could have worked together to preserve the Falls of the Ohio, but this simply is not going to happen in the foreseeable future. I believe the value of the falls to the Nation as a natural asset, for both its natural beauty and its scientific worth, justify Federal responsibility for its protection and preservation, and I urge my colleagues to support this measure.●

FTC INSURANCE REPORT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. BEREUTER. Mr. Speaker, I would like to share with my colleagues an editorial that recently appeared in the Columbus (Nebr.) Telegram. I believe the editorial, written by publisher David Lyons, contains some thought-provoking comments on a recent study by the Federal Trade Commission. I submit the excerpt to be reprinted.

THE TRUE STUPIDITY OF THE FTC INSURANCE REPORT

(By David Lyons)

It seems that now that the airlines are deregulated, oil is about to be deregulated and the trucking industry looks like it might be deregulated in the near future, the Federal Trade Commission, the biggest "regulators" of them all in Foggy Bottom, is looking towards other industries to regulate and keep their thousands of bureaucrats busy poking their noses into places where they have no right being.

We carried an Associated Press story in our Monday Telegram that reported on an "in-depth" study by the FTC on the value of life insurance as compared to savings accounts or other investment avenues. The FTC study concentrated on whole-life or straight-life insurance, the kind that provides savings as well as payment on the death of the insured. The FTC, in all of its half-baked wisdom, came up with the conclusion that this kind of investment was not a very good buy for the consumer.

Here are some facts:

(a) FTC says the buying of whole life insurance yields an average investment of only 1.3 percent.

(Fact) I have a copy of my own whole life insurance policy that I purchased when I was 34 years old that is producing a rate of return of over 6.8 percent—more than five times greater than the 1.3 percent claimed by the FTC. I know of others that return up to 9 percent.

(b) FTC says that price competition does not exist in the life insurance industry.

(Fact) Since 1950 the number of life insurance companies has tripled to nearly 1750 operating in the United States today. No competition? C'm, on!

(c) FTC says that insurance companies are raking off huge profits at the expense of the policyholders.

(Fact) The price of life insurance has actually decreased steadily over the past thirty years. One of my companies has decreased its premiums by more than 70 percent. Maybe you can just thank competition for that, which blows FTC's other theory right out the window. And another, more specific, point: the insurance industry's official and substantiated profit and loss statement for 1977 shows that 79¢ out of every dollar received by life insurance companies went to benefit payments and additions to funds for policyholders and beneficiaries; 16¢ went to operating expenses; 4¢ went to taxes and 1¢ went to profits. Does that sound like "raking off huge profits?"

(d) The FTC compares life insurance unfavorably with bank savings on their respective yields.

(Fact) That's like comparing apples with oranges. The primary purpose of life insurance is to provide death protection, not as an investment. When someone buys a whole life policy, he is buying a contract that assures him that his purchase of death protection is at a guaranteed premium throughout his lifetime. Let's use an example: Mr. A puts $3,500 in a savings bank and Mr. B puts $3,500 in an annual premium on a $100,000 life insurance policy. Both died. The bank gives back to Mr. A's family the $3,500 plus interest to that point (which is taxable, by the way). The insurance company gives Mr. B's family $100,000 (with no capital gains tax).

I could go on and on, exposing more misleading points in this FTC report, but let me just relate a personal experience along these lines:

Fifteen years ago a friend of mine in South Texas, who owned a small weekly and job shop, told me at the San Antonio Press Club one night that he had dropped all of his insurance policies and took what cash value he had coming. When I asked why, he said, "I don't need 'em anymore. My business is all paid for, we're making a tidy profit, and if anything happened to me the wife and kids will get the whole business." Well, they got the business alright. Two years later he died of a heart attack and when the Feds got through taxing the estate his wife had to sell the business to pay the taxes. The last I heard was that she was working as a hostess in a hotel and I doubt that his two sons ever did follow their Dad as graduates of the University of Texas school of journalism.●

CONGRESSIONAL INFLATION

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. PAUL. Mr. Speaker, in 1954, a small can of frozen orange juice cost 12 cents. A pound of hamburger was 37 cents. The best sirloin steak was 75 cents a pound.

Since then as we all know, congressionally caused inflation has driven working and middle-class Americans to the wall.

Congress tries to blame unions, businessmen, Arabs, and even consumers themselves for inflation, but only Congress—working through the Federal Reserve System—is responsible.

Inflation is the expansion of the supply of money and credit. This expansion depreciates the value of each existing dollar. For many years, Congress has gotten away with inflation, which it has caused to pay for deficits and to stimulate the economy. This inflation has stolen hundreds of billions of dollars from orphans and widows, from the aged and the poor, from the thrifty and hard working.

Congress is guilty of this crime, and Congress must be reformed. We need many new faces here next year, if we are to have a chance of preventing disaster for our country. I predict the people will clean this House. It needs a thorough cleaning.●

FISCAL RESPONSIBILITY IN THE CONGRESS: WHERE IS IT?

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. PORTER. Mr. Speaker, last week, the House voted substantial increases in spending for House committees. My personal guideline in voting on the 16 separate resolutions on which rollcall votes were taken was a 10-percent increase. I voted against 15 of the 16. Only one committee, Small Business, asked for an increase of less than 10 percent. The others ranged from increases of 11.5 to 88.2 percent. All resolutions passed, most with substantial margins.

The public perception is that excessive Federal spending is the main cause of inflation. The public is right. Federal deficits in 22 of the last 23 years have had to be monetized, and it has been done through excessive increases in the money supply not justified by economic growth. That is the essence of inflation, and Congress has been responsible for initiating the entire sordid process.

Now with inflation raging at 18 percent, the prime rate at 17¼ percent, and home mortgage money at a controlled 15 percent, it seems long past time for Congress to show some fiscal responsibility. But where is it? If Congress cannot show the small leadership needed to rationally control spending increases in its own committees, how can it ever show the larger leadership needed to control spending increases in the rest of the Government?

The Wall Street Journal recently spoke out on this subject and the editorial is all too apropos:

A CRISIS STAGE

A consensus appears to be developing in Washington that cuts in the federal budget are essential to escape from our inflationary agonies. We can only welcome that belated dawning. What remains to be seen is whether the President and Congress are prepared to go beyond cosmetic cuts and do the kinds of things that will really help. There is not much to encourage us so far.

We can offer applause to those 43 Senators who jumped the gun on both the President and (much to Ed Muskie's annoyance) the Senate Budget Committee this week and demanded that $26 billion be extracted from the President's proposed 1981 budget. This would be done through a cap, proposed by Senators Roth and Proxmire, that would hold federal spending to 21 percent of the Gross National Product.

A cap for 1981 would be fine, of course, but inflation is now. Inflation is accelerating and productivity is dropping in large part because the budget is out of control for fiscal 1980—which does not end until next September. Spending for fiscal 1980 is now estimated at $564 billion, up $32 billion from what was originally budgeted for the year. With President Carter talking of an inflation at "a crisis stage," we wonder if anyone has any thoughts about curbing the voracious appetite this year. Or are we just supposed to live with 18 percent inflation until we can get around to doing something about it in September?

It should be pretty evident that we can't afford to do that. The Fed, saddled with the entire task of controlling inflation and being loaded with more boulders every time the Treasury comes into the market, has been forced to put a genuine crowding-out squeeze on private lending. The bloodshed of bond houses, savings and loans and country banks needs staunching. The best kind of treatment—the only treatment if we look at some of the horrid alternatives being proposed—is for the federal government to quickly offload some of its current spending, and thus reduce the Treasury's net demand on the capital markets.

Such a proposal brings cries of shock on Capitol Hill: "How can we do that?" The answer is simple. Just as Congress can pass bills appropriating money, it can pass bills suspending appropriations. How about trying the latter for a change?

In the present climate of Washington, there will be a temptation to try to cut spending across the board or not at all. We might settle for across-the-board cuts in preference to nothing to all, but it is basically a mindless approach. The money being spent through CETA to hire college graduates to catalog historic houses is somewhat less important, we would say, than running the Indian Ocean fleet and protecting vital oil lines there. Anyone who thinks billions couldn't be cut from the federal budget overnight with only good effects hasn't taken a look at that document. But there will be Congressmen prepared to fight tooth and nail against cuts in CETA, EDA, CSA or hundreds of other money wasting schemes.

Indeed, there are Congressmen still yelling for more, unbelievable as it may sound in light of our economic problems. The Senate Labor and Human Resources Committee, chaired by Senator Harrison Williams of New Jersey, has just voted for a 25 percent increase in budget authority next fiscal year for the projects under its jurisdiction. Senator Eagleton's Subcommittee on Aging contributed to this large boost by demanding a 202 percent increase. Senator Cranston's Child and Human Development unit got a 31.3 percent boost. Senator Nelson's Subcommittee on Poverty and Migratory Labor wanted a 26.4 percent increase but Senator Metzenbaum got the full committee to raise it to 31 percent. You can see what the budget cutting forces are up against.

We welcome the attention the federal budget finally is getting. We welcome the administration's forswearance of wage and price controls and Chairman Volcker's resistance to further efforts to rig the credit markets. But experience has taught us caution. We'll reserve our full opinion until the music ends.●

VITAL MISSION OF RFE/RL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. DERWINSKI. Mr. Speaker, as a long-time supporter of the radios—Radio Free Europe, Radio Liberty, and the Voice of America—those vital nonlethal weapons in the war for truth, I welcome the statement of the AFL-CIO Executive Council on Radio Free Europe and Radio Liberty issued at Bal Harbour, Fla., on February 25, 1980. The AFL-CIO leaders, concerned, as I am, at the continued slow disintegration of the radios, and disturbed by the cuts in transmitter power and hours and reductions in staff and program resources, have called upon the Congress and the administration to provide the leadership and resources to continue the vital mission of RFE/RL.

The text of the AFL-CIO statement follows:

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON RADIO FREE EUROPE AND RADIO LIBERTY

Radio Free Europe and Radio Liberty broadcasts, like those of the Voice of America, provide complete and timely news and analysis to the captive people who live behind the Iron Curtain. Without this source of information, these people have little or no access to the truth.

The broadcasts of Radio Free Europe and Radio Liberty serve as a lifeline of communication to those who courageously defend human rights in Eastern bloc countries. The airwaves provide protection for Andrei Sakharov and others who have no other defense except for public prominence

The AFL-CIO Executive Council is deeply concerned by the continued slow disintegration of these broadcasting organizations. The reach of their message is being restricted by cuts in transmitter power and hours, and reductions in staff and program resources.

Bureaucratic delays have prevented the positioning of important new transmitters to reach Soviet Central Asia and Siberia, and there is a demonstrated need to increase the number of transmitters beamed at the heartlands of European Russia and the Ukraine.

We call upon the Congress and the Administration to work together to provide the leadership and resources necessary to continue the vital mission of Radio Free Europe and Radio Liberty.●

PRAISE FOR AGRICULTURE YEARBOOK

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. RICHMOND. Mr. Speaker, I would like to express my enthusiasm for the 1979 yearbook published by the Department of Agriculture, "What's to Eat? And Other Questions Kids Ask About Food." USDA has taken an innovative approach in honor of the International Year of the Child and has dedicated its 1979 yearbook to young people and to food.

"What's to Eat" is aimed at a group of people who are at an important stage in the formation of habits and opinions that may last a lifetime. This very attractive book instructs young people about almost every aspect of food, from farming to food production, from marketing and shopping to nutrition and gardening.

The vast majority of young people today have little or no understanding of farming. We are in danger of raising a generation of children which thinks food is grown in the back of an A. & P. parking lot. These are the people who someday could be making decisions that will affect our Government's farm policies. "What's to Eat" seeks to educate these young people about the realities of farming, and to debunk some of the misconceptions they may have about food.

As chairman of the House Agriculture Subcommittee on Nutrition I am pleased to report that "What's to Eat" contains an understandable and enjoyable section on nutrition, including a daily food chart. As young people begin to make more of their own decisions about what to eat, it is essential that they develop good dietary habits. Knowledge about which foods contribute to a good diet is not enough. If young people believe that "food that's good for you doesn't taste good," they will not apply this knowledge. "What's to Eat" makes good nutrition seem painless and even fun.

In addition, "What's to Eat" contains such invaluable information about shopping, as how to read labels and how to decipher unit pricing. A chart entitled "Tips for Smart Supermarket Buying" provides quick, easy access to this and other information.

I am sure that adults will benefit from this material as much as their children. "What's to Eat" is a book for families. It will help them work together to improve their shopping and eating habits.

The material in "What's to Eat" should be valuable for farm and nonfarm families alike. Farm families should be especially interested in the overall picture the book provides of our food system. They should feel a sense of pride in a book dedicated to demonstrating the central role their work plays in the lives of all Americans.

"What's to Eat," with its attractive form and enjoyable style, will be an excellent tool for improving the understanding American families have of food and farming. We must not underestimate the value of educating our young people now, so that when they are in positions of responsibility in a few short years, they will provide the support that the farming community deserves.

Once again, I wish to commend the Department of Agriculture for this exciting and creative yearbook. Not only does it provide an invaluable service to young people; it is also a fine example of the way the Department is fulfilling its commitment to the American farmer and our unparalleled food system.●

INFLATION IS BRINGING AMERICA TO ITS KNEES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. YOUNG of Alaska. Mr. Speaker, inflation has been running rampant during the years of the Carter administration. The effects of double-digit inflation have had a negative impact upon our economy, our morale, and our relations with our friends abroad. The multiplicity of Government regulations have stifled many small businesses even though these businesses have done their best to comply with regulations promulgated by such watchdog agencies as OSHA, EPA, IRS, and FTC.

A longtime friend of mine, Mr. James Davis, received a telegram from Alfred Kahn and G. William Miller in regard to inflation. The response by Mr. Davis to the telegram is a succinct description of what businessmen and businesswomen have to contend with in terms of easing the bite of inflation.

As you can see, the primary cause of inflation is due to intervention by the Federal Government into the marketplace and into the personal lives of respectable American citizens.

Mr. Speaker, I share the text of the telegram written by Mr. Davis with my colleagues:

We received telegram this morning from Alfred E. Kahn and G. William Miller expressing concern with regard to inflation.

We think you will have an interest in our reply which follows:

"We are moving heaven and Earth to hold the line on expenses and retail prices. Biggest factors in increased costs for us are payroll rippling increases caused by January 1, 1980, minimum wage increase, social security increase, energy, escalating rental costs engendered by soaring interest rates. All of these are Goverment mandated except energy.

"We get salvage prices for 10 million pounds annually of edible beef fat that could be effectively worked into a soybeef burger mix if Government regulations did not make it impractical.

"If you fellows will do some practical housekeeping on your end, we will do our best to keep prices in line and comply with the standards. We want to cooperate in bringing inflation under control".●

NEED TO ESTABLISH A FEDERAL CREDIT BUDGET

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. MINETA. Mr. Speaker, along with Congressman ED BETHUNE of Arkansas, I testified before the Task Force on Federal Spending Limitation Proposals of the House Rules Committee on March 5, 1980, on the need to establish a Federal credit budget. For the benefit of the membership, I would like to enter into the record the testimony we presented at that time.

Mr. BETHUNE and I have been concerned for some time that while plans for direct and guaranteed loans are reviewed each year during the budget process, there has been no systematic mechanism in the Congress or the executive branch for reviewing the volume of total Federal credit activity. We have introduced similar legislative proposals which address this concern by extending procedures of the Congressional Budget and Impoundment Control Act to include loan and loan guarantee programs. The two bills, H.R. 5683, the Federal Credit Program Control Act, and H.R. 6241, the Federal Credit Restraint Act, are described in greater detail below.

Mr. Speaker, I would also like to enter into the RECORD an article which appeared on the front page of the New York Times today describing the impact of the credit activities that Mr. BETHUNE and I are so disturbed by. I commend it to the membership:

TESTIMONY OF HON. NORMAN Y. MINETA, BEFORE THE TASK FORCE ON FEDERAL SPENDING LIMITATION PROPOSALS OF THE HOUSE RULES COMMITTEE

Mr. Chairman and Members of the Task Force, I want to thank you for this opportunity to appear before you to discuss Title II of HR 6021, those provisions in the bill which address the question of federal loan and loan guarantee programs.

First, I would like to congratulate this Task Force for holding these hearings. I am confident that the analysis generated by your work will enable the Congress to consider the question of spending limitations on the basis of a thorough understanding of the impact that the various proposals would have on the budget and our current budget procedures.

Mr. Chairman, I originally decided to join Congressman Giaimo in sponsoring HR 6021 out of the belief that the bill represented a significant step forward in the development of the limitation concept. That is, most proposals focused solely on the size of the deficit or on direct spending, thus ignoring the economic effects of many other federal fiscal activities. HR 6021, by including tax expenditures and credit programs, adopted a more comprehensive and realistic approach.

Thus, I look upon HR 6021 as a vehicle for further discussion. Quite frankly, HR 6021 is far from a perfect bill. I would have serious misgivings if the bill were to be enacted as currently drafted. In fact, given the efforts going on right now in OMB and here in Congress to produce a balanced budget for fiscal 1981, I am not sure that Title I of the bill is even needed. However, I would prefer to share these concerns with the Task Force at a later date. Today I will direct my attention to Title II of the bill.

In this testimony I plan to touch on three major points: 1) why a credit program control system is needed, 2) a brief description of the President's proposed credit budget, and 3) a brief discussion of the control procedures set out in Title II.

I. THE NEED FOR A CREDIT PROGRAM CONTROL SYSTEM

To begin, I would like to point out to the Task Force that Title II of HR 6021 is based on a bill I introduced last year, HR 5683, the Federal Credit Program Control Act. I introduced that bill after studying at considerable length the recent history of federal loan and loan guarantee programs. I have a number of materials with me today which I would like to share with the Task Force to provide you with some additional background on this issue.

Federal credit assistance, in the form of direct loans and loan guarantees, has grown rapidly in recent years. In fact, off-budget direct loans and loan guarantees have experienced more rapid growth in recent years than have direct federal expenditures. In the four year period 1976 to 1979, expenditures increased by 35 percent. During that same period new loans guaranteed increased 108 percent and new direct loans by off-budget entities posted an increase of 70 percent. Direct loans by on-budget agencies, on the other hand, increased by only 31 percent. For fiscal 1980, the federal government will extend new loans and loan guarantees of some $135 billion, bringing the total of outstanding loans and loan guarantees to well over $400 billion. However, due to current budget accounting practices, less than $3 billion is directly reflected in the budget totals. The practical result is that the economic and budgetary consequences of federal credit programs are virtually ignored by the Congress when it makes its annual budget plans.

Currently there is no systematic policy review of credit activity as a whole, and thus, no coordination with fiscal or monetary policy. Review of individual credit programs is limited and incomplete. Large scale allocations of public resources take place without conscious consideration of possible trade-offs that would improve the allocation. Accounting to the public concerning the volume of federal credit activity is limited, obscure, and often misleading.

The need to improve the budgetary treatment of federal credit activities has been recognized for some time. Both the President's Committee on Federal Credit Programs in 1963 and the President's Commission on Budget Concepts in 1967 concluded in their final reports that reforms were needed. At a hearing which I convened of the Task Force on the Budget Process last November, representatives of the Office of Management and Budget, the Treasury, the Board of Governors of the Federal Reserve System, and the Congressional Budget Office recommended that the federal government include federal credit activity in its budget process. (A copy of the record of those hearings is included in the materials I've given the Task Force.)

II. THE PRESIDENT'S PROPOSED CREDIT BUDGET

In response to this recognized need to improve our budgetary control over federal credit programs, the Administration has included in its 1981 budget request the establishment of a credit budget. This credit budget consists of a control system itemizing the loans and loan guarantees of on- and off-budget agencies and setting forth proposed limitations on their annual activity. These limitations would be set in appropriations bills.

For fiscal year 1981, the federal credit budget is estimated to total $142.1 billion, divided between new direct loan obligations of $60.7 billion and new loan guarantee commitments of $81.4 billion. The Administration expects total federal credit assistance to continue growing in fiscal years 1980 and 1981, but not at the rapid pace of the mid-1970s. For 1981, the Administration estimates that the credit budget will increase 5.3 percent over the 1980 estimate, and 12.7 percent over the 1979 estimate.

In its first credit budget, the Administration is proceeding cautiously in proposing limitations on individual programs. Only some 45 percent of total new direct loan obligations and 40 percent of new loan guarantee commitments would be covered in actual limitations.

For a detailed discussion of the President's credit budget, I would direct your attention to a study prepared by the Congressional Budget Office for the Task Force on the Budget Process which has been distributed to the Task Force.

III. TITLE II OF H.R. 6021: A CONGRESSIONAL RESPONSE

The procedures called for in Title II of HR 6021 are built on the Administration's credit budget system. In brief, the credit program provisions call for Congress to set an annual limit on the total amount of credit to be advanced under federal loan and loan guarantee programs. This would be done within the context of our concurrent budget resolutions. That is, along with the five aggregates now established by the concurrent budget resolutions—budget authority, outlays, revenues, deficit, and debt—a sixth aggregate would be added: new obligations for credit extended. On the basis of that aggregate, limitations would then be placed on individual programs through annual appropriations bills.

The heart of the procedures are amendments to Titles III and IV of the Congressional Budget Act. Essentially, the credit budget is piggy-backed onto provisions in the Act for establishing targets and ceilings in the first and second concurrent resolutions. The requirements would be phased in over a three year period. Beginning with fiscal 1981 new credit activities would be subject to the appropriations process; for fiscal year 1982, the Congress would set targets for credit programs in the first concurrent budget resolution; and for fiscal 1983, it would also set a binding ceiling in the second resolution. A detailed explanation of HR 5683, which is virtually identical to Title II of HR 6021 is included with the material I have submitted to the Task Force.

In conclusion, Mr. Chairman, I would like to read a quote from economist Bruce MacLaury in a study he conducted on federal debt problems six years ago. He concluded that the growing use of credit as a means to achieve program objectives had "permitted Congress to proclaim that wonder of wonders—something for nothing. But as with all sleight of hand feats, the truth is somewhat different."

In fact, the effect of federal credit programs on capital markets and on economic activity is enormous. They shift capital from one sector to another; they raise interest rates for those not eligible for federal assistance in obtaining credit; and they cause investors to make their decisions not on the basis of which investment makes the most economic sense, but rather on the extent of the federal government's commitment to repay the lender in the case of default.

While I would encourage this Task Force to proceed very cautiously in its deliberations on proposals to limit federal spending, I would encourage you to act very quickly on Title II of HR 6021. The need for a systematic control mechanism over credit programs is clear, and the provisions called for in Title II are very carefully crafted to work within existing Congressional budget procedures.

A credit budget system is needed to force Congress to recognize federal credit programs as a major economic activity of the government and no longer treat them like a "free good." Subjecting loans and loan guarantees to the discipline of the budget process will increase Congress's ability to coordinate guarantee programs with other fiscal activities. In addition, it will result in more rigorous oversight and improve our understanding of the actual effect of these programs. Ultimately, a credit control system will encourage Congress to choose financing mechanisms based on desired objectives and efficient allocation of resources rather than on the false appeal of low budgetary costs.

I strongly urge the Task Force to recommend adoption of the procedures called for in Title II of HR 6021.

Thank you.

STATEMENT BY HON. ED BETHUNE BEFORE THE RULES COMMITTEE TASK FORCE ON FEDERAL SPENDING LIMITATION PROPOSALS

Thank you, Mr. Chairman, for permitting me to appear before this Task Force to testify on H.R. 6241, the Federal Credit Restraint Act of 1980. Yours is a monumental task, and I support your endeavor. The battle against inflation simply won't work if our credit policies are not coordinated with monetary and fiscal policy. To do that we need to understand where we are and we need to know more about what we are doing with federal credit.

Congress has a mechanism for controlling federal spending. We all hope that budgetary process will soon end deficit spending. Ironically, however, as our budgetary tools are now constructed, there is no device to control credit extended by the federal government.

You have already heard testimony on Congressman Mineta's bill and H.R. 6021 which was introduced by Chairman Giaimo. Since my bill is like theirs insofar as it concerns the need to control aggregate credit, I will concentrate today on Title III, which would amend House Rules to provide sequential referral of credit legislation to the Banking Committee. Before doing that, I would make a few general comments about the need for Titles I and II.

TITLES I AND II, CEILINGS ON LOANS AND LOAN GUARANTEES

For 1981, the President's budget sets the credit totals of $142 billion, which is almost one quarter the size of federal budget spending. The volume of new direct loans made by off-budget federal entities grew by 70 percent between 1976 and 1979, or twice the rate of growth in total budget outlays. During that same period, new loan guarantees grew even faster, by 108 percent. Most of this growth is occurring outside of congressional review because of the extra-budgetary nature of loan guarantees and the predominance of off-budget direct lending.

Congress needs to reckon with this exploding preemption of private credit.

According to the Congressional Budget Office, "In a period of restrained growth of money supply, such as we now face, growth in the total amount of credit provided through federal programs may well mean that borrowers not eligible for these programs who seek credit in the private market may not be able to obtain it, or may have to pay more for it through higher interest rates."

At a time when our national productivity is declining we need to know whether we are directing credit to non-productive ventures and taking it away from productive enterprise. We need to know and control the total amount of credit and Titles I and II are a step in that direction.

My legislation, like that of Congressmen Mineta and Giaimo, would establish procedures for setting targets and ceilings, in the congressional budget process beginning FY 1981. Further, it would check backdoor spending by subjecting all federal credit programs to the annual appropriations process.

TITLE III—TIGHTER CONTROLS AND TESTS OVER INDIVIDUAL CREDIT PROGRAMS

Title III of my bill is different. It, to me, is the more important feature of the legislation we consider because it would help us to intelligently assess and control the impact of federal credit assistance on national economic policy.

Specifically, Title III of my bill would give the Banking Committee sequential referral of portions of authorization bills which contain credit programs. I chose the Banking Committee as the best forum because it has a history of jurisdiction over credit programs. It can review new programs, whereas the Government Operations Committee has jurisdiction only over on-going government programs. During the 95th Congress 27 bills contained some kind of loan guarantee. The largest percentage of those (six bills) were considered by Banking.

It is not my intent for the Banking Committee to have any say over the dollar amount authorized for credit programs. This power should rightly be left up to the authorizing committee. What my bill would do is give Banking an opportunity to: (1) analyze the nature of the risk of individual federal credit programs; (2) to evaluate overall economic impact by reviewing the mix of credit programs with regard to risk and maturity; (3) help set universal terms, definitions, default policies, thus adding overall consistency to government credit policy; and (4) determine the impact of individual credit devices and overall credit on our national financial institutions.

According to information provided by CBO and prepared by Peat, Marwick, Mitchell & Company, and the Banking Subcommittee on Economic Stabilization, there is definite need for order and control over the many authorized programs now in existence as well as to help provide a framework for necessary overview of their economic impact and cost. Studies show that in many instances, there is no clearcut knowledge about the nature and extent of obligations created by federal credit assistance programs.

This is caused by:

1. Ambiguity as to whether a program provides guaranteed loans or insured loans, and hence the amount of liability.

2. Inadequate information about the soundness of insured loan programs.

3. Lack of uniform financial information, such as debt-to-equity ratio of the project or the revenue-generating capabilities of the asset being financed for a commercial project or the income of the borrower for an individual loan.

4. Lack of standardized loan contracts.

5. Inconsistencies in the interest rate structure. (Some programs charge as little as 3 percent interest, while the Treasury borrows at around 12 percent).

6. Lack of equity interest by the borrower in the project being financed with a guaranteed or insured loan or obligation.

7. No requirement for a credit elsewhere test, nor a requirement for collateral.

8. Inconsistent, vague definitions for default and other key terms, including delinquency and forbearance. Variations in these key words make it difficult for effective congressional oversight and control.

9. Lack of timely early warning devices about programs or borrowers that are likely to default.

10. Incomplete knowledge about the credit flow stimulated by loans and loan guarantees, which complicates the coordination of fiscal policy and monetary policy. No understanding of how much lending would have occurred anyway, in the absence of federal guarantees.

11. A lack of understanding about how credit programs affect the economy. Guaranteed lending programs may, during periods of high inflation bring higher borrowing costs to the federal government. The issuance of large amounts of federally guaranteed debt produces, according to CBO, a large class of borrowers who are relatively insensitive to market interest rates. The Federal Reserve may have to force much higher interest rates in order to accomplish a desired cooling of the economy. Higher federal borrowing costs would be the result, and all taxpayers would end up paying the cost of loan guarantee programs.

12. No clear understanding of how credit programs are restructuring the financial system. For example, the Federal Land Banks have driven many insurance companies out of rural lending. How many other patterns are taking place?

Granted, there is no simple uniform formula that can be applied to each federal credit program. However, Congress needs to develop banker-like skills so that government intervention in credit activities will protect the interests of the public and foster programs that are consistent with sound economic policy. If some of the problems I described to you can be resolved, we may eventually be able to devise a system that can "red flag" programs in trouble. We could strengthen credit programs. We could better understand the impact credit policy has on our national economy. Before this is possible, however, there must be a better understanding of what we are doing and a greater uniformity in federal credit policies.

Mr. Chairman, I am very sensitive to the need for workable, practical solutions, and the workload of the Congress. Even the best of intentions can go sour if they are not practical or if they cannot be implemented properly. I believe a sequential referral system is workable. Although there are well over a hundred credit programs in existence, their authorizing legislation is periodic. Thus, the work load would not be unsurmountable. For example, during the 95th Congress only 27 bills contained some kind of loan guarantee.

Finally, I'd like to say that there are strong indications of support for gaining control of federal credit assistance programs. The awareness of this Task Force, indications from the President's new credit budget, bills introduced by my colleagues, testimony by Dr. Alan Greenspan before the Banking Committee hearings on Chrysler, and the endorsement by 65 House and Senate members of the following resolution at the Republican Tidewater Conference this year, is a clear signal to me that some action is necessary and that we have the backing to make it possible. The resolution from the Tidewater conference reads as follows:

I. Resolved: Because Federal credit programs have profound effect on the marketplace, the federal government should amend the Budget Reform Act to establish a procedure to set annual ceilings for and determine the nature and extent of Federal loan guarantees and direct loans.

Thank you very much, Mr. Chairman.

[From the New York Times, Mar. 6, 1980]

GOVERNMENT LENDING SHOWS SURGE, RAISING FEARS ON ECONOMIC IMPACT

(By Ann Crittenden)

Despite rising calls for curtailing the growth of Federal spending, one major Government economic activity is growing faster than ever, almost totally unchecked by Congress and largely unnoticed by the public.

Direct Federal loans and guarantees of loans to the private sector will rise by an estimated $100 billion in the current fiscal year and are up about 30 percent in the last two years, to more than $500 billion.

Since loan guarantees involve no direct Government outlays, they have been seen as a costless way to accomplish desirable economic goals, such as helping families buy their own homes.

ONE-SIXTH OF ALL CREDIT

But economists across the spectrum fear that the recent explosion could involve potentially costly economic distortion. Among those who have expressed concern are Alice M. Rivlin, director of the Congressional Budget Office; Nancy Teeters, a governor of the Federal Reserve Board, and Alan Greenspan, a former chairman of the President's Council of Economic Advisers.

The $1.5 billion loan guarantee to the Chrysler Corporation is just the most publicized example of financing activity that subsidizes, among others, shipbuilders, steel companies, railroads, homeowners and students. In total, these programs account for one-sixth of all of the credit outstanding in the United States.

Although there is a broad variety of Federal guarantee programs, basically when the Government agrees to guarantee a borrower against default that borrower gains a preferred status in credit markets. Federally guaranteed loans rank only after Treasury bills in the bond markets and therefore carry a favorable interest rate. Borrowers without the guarantee have to pay higher rates to attract money. A direct Government loan is simply a transfer of funds to the borrower from the Treasury.

"No one has ever evaluated the real costs of these programs," Mr. Greenspan said. "But they do involve significant subsidies, and they substitute political judgments for the discipline of the marketplace in the allocation of credit."

Among other things, economists say, the rising volume of Federal credit could be adding to inflationary pressures. When the growth of credit is being restricted, as is currently the case, borrowers without Federal backing have to pay higher interest rates. And the presence of Federal guarantees tends to allocate resources to politically influential borrowers rather than to investments that might make more economic sense.

Some experts worry that as more and more guarantees are extended to single large borrowers in financial trouble, such as Chrysler, New York City and Amtrak, the risks of default will increase. The office within the Treasury Department that approved the first two loans, that of the Assistant Secretary for Domestic Finance, is jokingly referred to within the department as the "Big Lemon."

FEW DEFAULTS SO FAR

Thus far, the approximately 160 federally guaranteed programs have taken few losses, according to a study done last year by the accounting firm of Peat, Marwick, Mitchell & Co. for the Congressional Budget Office. The worst defaults have occurred under the student-loan program, which has cost the Federal Government more than $1 billion on total loan commitments of $16.4 billion since the beginning of the program in 1967.

Another major failure was the Department of Housing and Urban Development's New Communities program. Developers of 13 new communities were given loan guarantees, and all 13 defaulted, leaving the Government with a bill of about $100 million.

But as Mrs. Teeters said, "the issue isn't the default rate, but the fact that the nature and the use of these programs has changed and that they are growing like Topsy." She added, "We have to devise a system to bring some control into this area, that can tell us what these programs are doing and how well they are working."

In 1979 the total amount of Federal loans and loan guarantees outstanding was $529.3 billion, an increase of 162 percent since 1970. By 1981, that total is expected to rise to more than $670 billion.

In the budget for the 1981 fiscal year, the Administration did propose a credit control system to try to bridle this growth. The president would recommend, as part of the unified budget, a target for the total volume of credit to be advanced under the direct loan and guarantee programs. Congress would then shape a credit budget, subject to the annual appropriations process, and set limits on both total credit and guarantees extended under individual programs.

Legislation complementing these proposals has been introduced in the House by Representative Norman Y. Mineta, Democrat of California.

Congressional sources say that the Mineta bill has little chance of passage in this session, however, and the Administration this year explicitly exempted the bulk of Government credits from its proposed controls. These include the politically powerful mortgage guarantees issued by the Federal Housing Administration and the Veterans' Administration, and the Government National Mortgage Association guarantees of mortgage-backed securities.

The housing guarantees, introduced during the Depression to help people purchase their own homes, were the first Federal guarantees. They are essentially insurance programs and are sound on an actuarial basis: The Government pools the risk of a large number of small loans and borrowers fund the cost through their insurance premiums. Part of the expenses of H.U.D. are covered each year by the receipts from such programs.

Little by little, Congress has extended guarantees on loans to a multitude of other borrowers. As a result, mortgage insurance, which made up 93 percent of outstanding loan guarantees in 1960, now accounts for only about two-thirds of the total.

Guarantees now assist farmers to purchase land and equipment, foreign governments to buy arms, shipping companies to build vessels and small businesses to expand. Most of these programs cost more than they earn in premiums, although since they involve large numbers of relatively small loans, the risk to the Government is small.

Questions have been raised, however, about the necessity or the desirability of many of these credits, critics noting that as the programs mature, they tend to be utilized for politically convenient purposes.

CONTRADICTORY GOALS CHARGED

"We have credit programs offering loans at 7, 6 and 2 percent," said Representative Mineta. "On the one hand we're trying to slow money growth to stop inflation while on the other hand we're handing out Federal loans at interest rates below what it costs the Treasury to borrow the money from the public."

More recently, a new type of guarantee has emerged, which finances a single venture, such as the Washington Metro subway system, or a single needy borrower, such as the Lockheed Aircraft Corporation or Chrysler.

In this category are sweeping proposals to guarantee loans for synthetic fuel plant construction. Such guarantees could amount to tens of billions of dollars by the early 1980's, when the plans to finance new energy technologies will be in full swing.

A study of loan guarantees prepared by the Congressional Budget Office in 1978 warned that because such programs involved relatively large guarantees, "any default can have serious budgetary consequences."

More significantly, the programs raise questions about why certain borrowers should be given preference in the credit markets over others.

"The Chrysler loan is the second made to shore up a specific private corporation, and the first with no military justification," said Mr. Greenspan. "There's no limit to the possibilities that opens up."●

HIRE THE OLDER WORKER WEEK

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. APPLEGATE. Mr. Speaker, the week of March 9 through March 15, 1980, has been designated in the State of Ohio as "Hire the Older Worker Week." I would like to take this opportunity to congratulate the State on this proclamation as clearly one of the finest resources available to us today are our senior citizens. It is they who have experienced both good and bad and have had to solve problem after problem. It is they who have brought this country along to the point it is today.

While I wanted to bring this designated week to the attention of my colleagues, it is not my main purpose in speaking today. I speak primarily to bring to the attention of the U.S. House of Representatives the achievements, contributions, and outstanding work of a constitutent of mine, Mrs. Mary Livingston, projects director for the Jefferson County senior citizens community service employment program, who has held that position since August 15, 1977.

This outstanding program services Jefferson County residents 55 years of age and over and is sponsored by the National Retired Teacher's Assocation and the American Association of Retired Persons and is funded by the Department of Labor. There are currently 86 people involved with the program. But, a program or organization can only be as successful and effective as its manager, and clearly, Mary Livingston is the main reason for this program's success over the years.

Mary formerly worked as secretary to the executive director of the Jefferson County Community Action Council. She also was a senior companion program coordinator and attributes her understanding of senior citizen's programs and concerns to being associated with the companion program.

Since the inception of the senior community service employment program, 81 people have been placed in private industry or profitmaking organizations. As director, Mary arranges enrollee meetings, where she keeps the enrollees informed of beneficial programs, legal assistance, health programs, and energy crisis assistance. Moreover, various workshops on résumé writing, reentering job market skills, and confidence building for first entrants in the job market are provided.

The senior enrollees have expressed that the senior community service employment program—SCSEP—has given them self-confidence, self-esteem, and provided them with a feeling that their expertise is needed, and age is not a factor.

Mr. Speaker, Mary Livingston is truly an individual who is concerned about those around her and who has demonstrated her willingness to help on countless occasions. Therefore, on behalf of those who have been helped by her, we say thank you and best of luck in the future.●

ECONOMIC STUDY OF PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. CORRADA. Mr. Speaker, I would like to call the attention of my colleagues in the House of Representatives to the fact that the U.S. Department of Commerce will be sending to all Members this week a study which is of inestimable benefit to your fellow U.S. citizens living in Puerto Rico.

The study is the culmination of 3 years of intensive analysis, research, and documented policy options, initiated at the request of the Governor of Puerto Rico, the Honorable Carlos Romero-Barceló, and ordered by President Carter following that request in 1977.

Mr. Speaker, all of us are aware of the importance of such detailed analysis to any of our States or congressional districts, for only by such research can we anticipate future courses of action.

In a White House ceremony last month, the President, on February 5, announced the release of this 2-year Federal study of the Puerto Rican economy, a study which covers the overall economy of Puerto Rico and includes in-depth reports of nine major economic sectors.

The study, I would like to point out, received the full-time attention of the Federal Government, and the involvement of some of the highest-placed talent in our own Puerto Rican government.

As a cooperative effort, it is probably the most extensive study of the Puerto Rican economy undertaken in recent years, and should provide, as the Carter administration's fact sheet notes, a "broad analytical framework for consideration by Puerto Rico's officials."

Because President Carter and his White House staff, as well as staff members from many Federal agencies, coordinated by the Department of Commerce, were involved in this study, I believe it fair to say this effort will be an invaluable beginning point for many future researchers, policy analysts, and historians wishing to know more about the Puerto Rican economy, and our socioeconomic problems.

At this point, Mr. Speaker, I insert the transmittal letter from President Jimmy Carter to Governor Romero, and some supplementary material related to the "Economic Study of Puerto Rico" because of the expected release of the two-volume study this week to Member's offices.

The White House,
Washington, February 5, 1980.

Hon. Carlos Romero-Barcelo,
Governor of the Commonwealth of Puerto Rico, San Juan, Puerto Rico

To Gov. Carlos Romero:

It is a pleasure for me to present to you the "Economic Study of Puerto Rico" prepared by a federal interagency task force coordinated by the Department of Commerce.

The Report represents an extensive and conscientious effort to compile pertinent historic data and should serve as a reference for future studies both in Puerto Rico and nationally.

Significant changes and improvements have occurred in Puerto Rico since the beginning of 1977. Therefore, the Report should be supplemented with data for the period of 1977–1979 reflecting increases in various forms of federal financial participation in Puerto Rico, as well as the benefits associated with changes in the application of federal minimum wage laws to Puerto Rico and changes in interstate trade, capital flows, and industrial development that have improved the economy of Puerto Rico.

I have asked the Secretary of Commerce, Philip Klutznick, to work with your office in updating this study to ensure its maximum use by the people of Puerto Rico. Secretary Klutznick will work with you as you develop specific recommendations to make to the Congress or to me.

Sincerely,

Jimmy Carter.

The White House Fact Sheet

REPORT ON THE ECONOMY OF PUERTO RICO

The President, in a White House ceremony today, announced the release of a two-year federal study of the Puerto Rican economy. Governor Romero-Barcelo of the Commonwealth of Puerto Rico received the study on behalf of the Puerto Rican government and people. The study was ordered by President Carter in March 1977 at the request of Governor Romero-Barcelo. The report covers the overall economy, nine major economic sectors, and all major federal programs affecting the island.

The study is intended to serve as a basic source of information and data about the Puerto Rican economy. It will also aid Puerto Rican officials in planning for the future development of the island's economy. By identifying the island's economic challenges and opportunities, the study will assist Puerto Rican policy-makers in establishing priorities for the island's economic progress. Although the study does not make specific recommendations, it does provide a broad, analytical framework for consideration by Puerto Rico's officials.

The study examines four major economic issues of concern to Puerto Rico: the potential for viable and sustained economic growth, the magnitude and significance of unemployment, external finance and trade, and income distribution.

The study shows that within the past three decades the Puerto Rican economy has changed from an essentially monocrop agricultural economy to an economy with substantial industrial and service sectors. The resulting export-led growth has closely linked the island's economy to the mainland and, increasingly, to world markets. The study examines in depth the structure of industrial change in Puerto Rico and the influence of productivity, wage rates, employment, and material and transport costs on that structure.

The interrelationship of Puerto Rico and the United States has produced significant flows of trade, private finance, people, and federal transfer payments to and from the island's economy. In recent years federal transfer payments have increased rapidly, primarily due to food stamp disbursements, which were made applicable to the island in 1974. A high proportion of private investment on the island comes from mainland companies which perceive the island's relatively low labor costs, its favorable climate, and its substantial tax benefits as conducive to investment. The study discusses means to maintain or stimulate further investment while meeting public policy objectives of the island's government. Overall, the openness of the economy and its location and historical connection with the United States lead to the conclusion that the pattern of external economic relationships probably will not shift sharply in the future.

Various options for public policy are introduced throughout the study, including ways of increasing the efficiency of the Industrial Incentives Act of Puerto Rico. Some modifications have already been introduced by the present Government of Puerto Rico with the objective of expanding the tax base. This step combined with the already-high tax rates on the island should lead to the expansion of public sector revenues. These revenues will help the island's government to maintain and expand its services.

In addition to analyzing and assessing major economic developments and trends, the study provides numerous details on the various individual functional and economic sectors of the island and their particular problems. Energy, agriculture, social programs, and transport are among the areas covered by the study. Federal programs affecting the island receive extensive review.●

ROY J. BULLOCK

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. BEREUTER. Mr. Speaker, I would like to take the opportunity today to pay tribute to the late Roy J. Bullock, former staff administrator of the House Committee on Foreign Affairs and a native of Crete, Nebr.

Dr. Bullock's accomplishments were recently highlighted in the Crete News. He came to Washington in 1942 to join the Office of Price Administration. He then worked for the Board of Economic Warfare and the Foreign Economic Administration before serving between 1945 and 1948 with the U.S. military government in Germany.

He began his congressional career in 1948 as a member of the staff of the Joint Committee on Foreign Economic Cooperation. He later joined the Foreign Affairs Committee as an economic expert, eventually becoming staff administrator. In the meantime, he served on the staff of the congressional delegation to the United Nations in 1957.

Dr. Bullock earned a master's degree in business administration at Harvard University in 1927 and a doctoral degree in economics at Johns Hopkins University in 1933. He was a faculty member at Johns Hopkins and the University of Oregon before becoming director of Johns Hopkins School of Business in 1941.

His service was outstanding and will surely be missed.●

INFLATION PROBLEMS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. HILLIS. Mr. Speaker, in the 10 years I have spent in the House of Representatives, I have never seen the economy in such a state of disarray as it is today. We are experiencing an inflation rate of 18 percent annually with mortgage rates equally as high. If this trend continues, the consequences will be severe. If we do not gain control over the economy in the near future, there could be a collapse of the housing industry, forcing the country into a major recession by the end of this year.

As mortgage rates continue to increase due to increases in the prime lending rate, the American people simply will be unable to purchase homes. We must develop a program designed to promote savings and reduce mortgage rates and bring inflation under control.

In order to promote savings, the Congress must pass legislation to provide tax incentives for savers and lenders. The current system of Federal taxation on interest income has severely restricted savings and capital formation in this country. A tax incentive for savings would encourage taxpayers to save for housing, retirement, family health care, and other worthwhile objectives, while increasing the flow of badly needed capital to lending institutions.

The United States is the only industrialized country that does not encourage its citizens to save. The American rate of savings as a percentage of disposable income is only 4 percent. This is extremely low compared to other industrial nations. The effect of a low savings rate has been that of draining lending institutions of lendable capital. The combination of high-interests rates as set by the Federal Reserve and low capital supplies have pushed mortgage rates to 15 percent or higher. As savings increase, lending institutions will realize an increase in the availability of mortgage funds, thus reducing the pressure for higher interest rates in order to slow borrowing.

In the long run, however, the only way to improve the housing market is to control inflation. To combat inflation, we must immediately reduce Federal spending. If we cannot control the Federal budget, we certainly cannot control inflation.

Two months ago President Carter submitted his fiscal year 1981 budget. That budget had a deficit of $15.8 billion. However, the Congressional Budget Office now estimates that his budget proposals will produce a deficit of $24 billion or higher. Last year we passed a fiscal year 1980 budget with a deficit of $29.8 billion. Now it appears that the fiscal year 1980 deficit will actually be $47 billion. It seems the only thing increasing faster than inflation is the Federal deficit.

It is obvious that the administration has completely lost control of not only the economy but the Federal budget. It is little wonder that the American people are unable to purchase new homes in an economy which has raging inflation and mortgage rates and a seemingly unbridled Federal budget driving both ever higher.

If the Congress does not act to bring the economy under control the entire housing industry will begin to collapse bringing the Nation into a major recession. The situation mandates our immediate attention.●

H.R. 6291

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. HYDE. Mr. Speaker, I would like to take this opportunity to draw your attention and that of my colleagues to the vital contribution of an unusual effort by the gentlelady from Nebraska, VIRGINIA SMITH, to persuade city-based Members of Congress, such as myself, of the urgent need of the American farmer and to vote overwhelmingly for H.R. 6291. This bill extends and increases the Emergency Agricultural Credit Adjustment Act of 1978.

Congresswoman SMITH's unique effort was the gift of a delicious coffee cake to each Member of the House of Representatives at her personal expense on Valentine's Day. Her purpose was to dramatize the fact that such a cake, retailing for $1.10 each, returns to the farmer only a little more than 2 cents—even though wheat flour makes up about 36 percent of its bulk.

Mr. Speaker, the House should know that this effort by the gentlelady from Nebraska contributed greatly to the overwhelming vote by city-based Members of Congress for the passage of H.R. 6291.

As a Member of Congress representing a district in suburban Chicago, I wish to state for the record that without Mrs. SMITH's thoughtful gift, I would not have been as willing to vote to support the agricultural sector. I fear that I, as well as many of my constituents, are not as keenly aware as we should be of what is happening to our vital food producing capacity.

Congresswoman SMITH's cake has helped make me sharply aware that farmers have shouldered by far the heaviest burden of the administration's foreign policy initiative aimed at punishing the Russians for invading Afghanistan. While I support using all prudent and peaceful means to halt Soviet aggression, I, as an urban based Member of Congress, believe that farmers should not alone carry the burden.

What my good friend, the gentlelady, has taught us is that even under normal conditions the agricultural sector finds it almost impossible to realize the cost of production, much less make a profit to cover their investment and long hours of work.

The producer's part of a coffeecake is mighty thin and getting thinner. He cannot hope to enlarge his share until Congress and the administration take every step they can to lift the burden of the embargo from the shoulders of those least able to take the full brunt of an unexpected move like this.

Mr. Speaker, I submit that this gesture by the Congresswoman had a far greater effect than anyone might have expected a simple coffeecake could have. Some of us shout and twist arms to get attention for those causes that are peculiar to our districts. But in her quiet and effective way Congresswoman SMITH has made us aware that the farmer's well-being has a direct impact on every one of us. Thank you, VIRGINIA.●

"MR. BILL" KOIKOS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. SHELBY. Mr. Speaker, since not many of you here today will have the good fortune to visit the Bright Star restaurant in Bessemer, Ala., I want to tell you what you are missing. And, especially, I want to tell you about the wonderful man—Mr. Bill Koikos—who runs this wonderful spot.

The food at the Bright Star is out of this world: The seafood chowder cannot be matched by the fanciest of Washington's K Street restaurants. But it is the atmosphere—highlighted by the presence of Mr. Bill—that makes this restaurant live up to its name: This truly is the "bright star" of Bessemer—and perhaps the entire State of Alabama.

Bill Koikos arrived in Bessemer on May 20, 1920, from a little farm town in northern Greece thanks to his brother, Pete, who saw better prospects in the United States for 25-year-old Bill. So young Mr. Bill left his mother, six brothers, and four sisters and, with very limited English skills, went to work at the Bright Star as a busboy the day after he arrived in America.

Within 5 years, Mr. Bill was able to buy a share of the Bright Star from his cousin Tom Bonduris who opened the restaurant's doors for the first time in 1907. Do not forget that Bill was also sending support money back to his family in Greece while he lived on tips and saved any leftover funds.

Now, 60 years later, the Bright Star restaurant is the true "Mr. Bill Show." Manning the cash register as he has done for nearly all of these 60 years, Mr. Bill meets and greets all his customers—celebrities and regular folk alike—with a special style that makes you glad to be there, even before you taste the food. You can see a gleam in Mr. Bill's eye as he ticks off the famous names who are regulars at his counter.

Mr. Bill remembers the Depression of the 1930's as well as the boom times for Bessemer when the mining, iron, and steel industries were at their peak. He also recalls making $40 a week and charging 35 cents for fresh shrimp cocktail. Those times may be gone but Mr. Bill Koikos—at age 85—is still very much with us. Except for occasional vacation trips to his favorite place in Florida, Mr. Bill oversees the show on a daily basis to insure that his two sons are learning to follow in their father's footsteps.

Mr. Bill's will be big shoes to fill. He has made the Main Street of Bessemer, Ala., a landmark for those who enjoy good food and good company. Mr. Bill offers the best of each—and we all love him for it.●

HARRIS BACKS UPGRADED PAY AND BENEFITS FOR MILITARY PERSONNEL

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. HARRIS. Mr. Speaker, American military preparedness has been the subject of a great deal of debate in recent weeks. Hopefully the close attention this important topic is receiving will bring to light the problems faced by our Armed Forces today.

The House may soon consider an amendment to H.R. 5168, the Grade Extension Act, authored by my distinguished fellow Virginian in the other body, Senator WARNER, and by Senator NUNN of Georgia, which would upgrade certain benefits, allowances, and special pay rates for military personnel.

This amendment addresses the most serious problem in the military today: the declining rate of reenlistment among trained, experienced personnel, particularly noncommissioned officers, petty officers, pilots, engineers, and mechanics. These highly trained individuals are leaving the services for higher pay and better benefits in the private sector. And their skills are virtually irreplaceable. I fully support the Nunn-Warner amendment to H.R. 5168 as an important first step in improving the compensation system for our men and women in arms.

I insert into the CONGRESSIONAL RECORD at this point my letter to Hon. WILLIAM NICHOLS, chairman of the Armed Services Subcommittee on Military Compensation, in support of the Nunn-Warner amendment:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
February 22, 1980.

Hon. BILL NICHOLS,
Chairman, Subcommittee on Military Compensation, Committee on Armed Services, Washington, D.C.

DEAR CHAIRMAN NICHOLS: I support the Nunn-Warner amendment to H.R. 5168, the Grade Extension Act. This amendment addresses directly declining reenlistment rates among highly trained, experienced military personnel, without disrupting the important principle of pay comparability between military and civilian employees.

Recent international events have created awareness of the needs of our armed forces. Most critical is the question of military preparedness, which has been seriously undermined by the inability of the armed services to recruit and retain qualified individuals willing to commit their careers to our national defense.

I believe firmly that the most effective method of improving military preparedness is to upgrade the incentives, pay, and benefits of service personnel. The Nunn-Warner amendment, combined with other important measures such as additional special pay for military health professionals, is a significant step forward in efforts to retain military personnel in the service.

Last Sunday, the Washington Post carried a lengthy article detailing the problems faced by highly trained Air Force pilots, particularly those with young families. These pilots are sorely tempted to leave the service because successive pay caps have made it virtually impossible for them to provide for their families. The Nunn-Warner amendment, by increasing flight pay 25 percent, will help these pilots make ends meet, and reduce the pay differential between military and private employment.

In addition, the Nunn-Warner amendment addresses deficiencies in the retention of petty officers by increasing rates of sea pay. With the Navy already short as many as 20,000 experienced petty officers, measures to improve compensation for these individuals are essential. The President's proposed five year defense plan calls for a greatly expanded shipbuilding and modernization program. We've simply got to give the same priority to personnel that we give to hardware and technology.

Nunn-Warner also increases travel reimbursement and mileage allowances. Compensation for travel and transfer costs has slipped seriously behind similar compensation for civilian government employees, and must be upgraded.

Personnel problems in our armed forces are at a critical stage. This Congress must begin to address directly the real reasons for a lack of military preparedness among our military: declining pay and deteriorating benefits which force experienced personnel to seek employment in the private sector.

I believe that the Nunn-Warner amendment, along with other important measures such as H.R. 5235, special pay for military health professionals, will substantively improve the ability of the services to recruit and retain competent, dedicated military personnel, and thereby improve the capability of our armed forces.

I urge the Subcommittee to endorse the Nunn-Warner amendment, and I ask that this letter be included in the official record.

Sincerely,

HERBERT E. HARRIS II,
Member of Congress.●

LAWS AGAINST ADVERTISING LOTTERIES

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. DONNELLY. Mr. Speaker, today I have introduced legislation which would amend a needless and outdated regulation included in the Criminal Code. As you know, chapter 18, section 1302 of the United States Code stipulates that newspapers, circulars, or publications, delivered through the mail, may not contain any advertisement for a lottery, not held by the State. Placed in its simplest terms, this regulation disallows the advertisement of bingo and other such games.

This obsolete law has had an adverse effect upon newspapers, radio stations, nonprofit organizations, and even churches. As a matter of fact, section 1302 seems to penalize those it was meant to protect.

This legislation will allow for newspapers and radio stations to advertise any games which are legal in that particular State. This bill will bear no cost to any individuals. It will generate additional profits for the stations and papers, greater accessibility to bingo games which are enjoyed generally by the elderly and individuals who lack means of transportation, greater assets for nonprofit organizations and church groups and would even lead to greater profits for the Postal Service.

Although I feel that the intentions of the drafters of this law were sincere, I find it ludicrous that the same newspapers which advertise State lottery games, horse and dog track results and jai alai cannot advertise bingo and similar games. I feel that this is a prime example of the Federal bureaucracy interfering into the lives of private citizens and the private sector of the economy.●

MORE ON THE DRAFT REGISTRATION DEBATE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mrs. SCHROEDER. Mr. Speaker, the Christian Science Monitor recently printed two particularly thoughtful letters to the editor about draft registration that I would like to share with my colleagues.

The letters follow:

[From the Christian Science Monitor, March 1980]

ON THE DRAFT DEBATE

I was distressed to read in your editorial "Debating the draft" that you "see great value in a military system which requires young people—and, yes, women as well as men—to give a period of service to their country."

I agree that if we reinstitute slavery we should enslave women as well as men—but that is rather missing the point. The draft is predicated on the principle that the individual is the property of the state and that his life can be disposed of as the state wishes.

I particularly object to your juxtaposition of the words "requires" and "give." "Requires to give" is euphemism for "take." You cannot advocate something to an individual as a moral choice which you are forcing him to do by law. No draftee ever *gave* his life for his country but had it taken by his country. In a society based upon *inalienable* rights the government cannot take a citizen's life in order to defend his rights. If the society *is* free and in danger its citizens will defend it.

It is true that in another major war we would not have two years to mobilize. Unfortunately we would not have 6-8 months either. What we really need to do is get our reserves into a readiness condition that allows them to be mobilized quickly. That and the following steps would increase our manpower position far more than a draft:

Reduce the number of flag rank officers by at least half. President Carter promised to remove the bloat at the top of the Pentagon in 1976 and has done little or nothing. Eliminating 500 (150 in the Army) of these positions and the huge headquarters staffs involved would free up the resources for a divison.

Remove the quarter of a million plus dependents from Europe and convert it to a short-tour area (13 month assignment). It would save hundreds of millions in logistical support and enhance the defense posture of our troops who in an attack would now have to fall back 50 kilometers and lob in some nukes on the Russians and their own dependents.

Further consolidate installations in the United States.

As an Army Personnel NCO on active duty from 1968-1975 during both the draft and the volunteer army, I am convinced that the quality of men and women coming into the Army is adequate and can improve with a modest increase in compensation. President Carter's call for draft registration was an empty and clumsy political gesture which will divide public opinion instead of unite it in a time of crisis.

Your editorial call for careful deliberation on this issue is certainly welcome. We need to settle the question so we can get on to the substantial issues of building an adequate defense.

RICHARD E. RALSTON,
Boston, Mass.

I was very pleased to read your editorial "Debating the draft" because you asked a seldom-raised question about registration: "Is it * * * needed?" However, I must disagree with the statement, "Certainly a peacetime draft would demonstrate not only to the Russians but to everyone that America is determined to defend its vital interests." If the draft would neither train nor retain the kind of specialized personnel which the armed forces need so desperately, how can registration for such an unproductive draft show the world America's determination?

Surely the world would see behind this weak facade.

A substantial decrease in America's oil imports would be much more effective than a draft or registration in showing the world that America is serious about the current situation. After all, the real problem is energy, not Afghanistan.

JASON MCDONALD,
Tulsa, Okla.●

UNEMPLOYMENT OF OUR NATION'S YOUTH

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. WEISS. Mr. Speaker, unemployment of our Nation's youth is perhaps the most serious problem this Nation faces. As a recent preliminary study by the Center for Human Research at Ohio State University pointed out, current determinations of unemployment levels may far underestimate the actual scope of the problem. According to this study, the number of unemployed 16- to 17-year-olds is over 50 percent, and the number of 18- to 19-year-olds is over 30 percent. And interrelated with these statistics, are the number of students who have dropped out, or been pushed out of schools. In New York City alone, between the years 1974 and 1978, almost one out of every two students left the school system. At a time when only a handful of jobs do not require a high school diploma, the linkage between an effective education program, and movement into a successful work experience is even more evident.

I am introducing today, as an amendment to the Comprehensive Employment and Training Act, CETA, the Youth Career Intern Program Act. This legislation builds upon the experience of the career intern program (CIP) which began in Philadelphia under the direction of the Opportunities Industrialization Centers (OIC). The program proved to be so successful that it was expanded to four other cities through a grant by the Labor Department. This legislation would enable these programs to be implemented on a nationwide basis.

The bill builds upon the efforts of community-based organizations, CBO's, local education agencies, and prime sponsors to improve both the education and employment opportunities for the Nation's young people. Close coordination and cooperation between these three groups would provide initially for identification of potential and actual dropouts. Thereupon, a youngster would enter an alternative high school which had been established by OIC, or any proven effective CBO. In the schools, counselors would work with the youngster to tailor an effective education program particularly suited to his or her needs. This program may include training in basic skills, and job training for job placement after graduation.

The career intern program, which has the support of Dr. Michael Timpane, acting director of the National Institute of Education, has enjoyed great success in Philadelphia and four other cities. The statistics bear this out. After 3 years, when compared with a control group, 67 percent of the CIP students, as opposed to 13 percent of the control group were in school or had graduated. One year later, 71 percent of the CIP students were employed and in a college or technical school, as opposed to 39 percent of the control group. And the average cost for these programs is $2,300 per student, as compared with a cost of $2,700 per student in a public school.

The problem of youth unemployment has been discussed and debated for many years. I welcome this discussion and hope that it will continue. But we now have an opportunity to support a program of proven effectiveness and low cost. The CIP can help to break the cycle of no skills, no diploma, no job, and no future for countless young people. I urge my colleagues to join me in support of the Youth Career Intern Act.

A copy of the bill follows:

H.R. 6743

A bill to amend the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and Opportunities Industrialization Centers, and other community-based organizations of demonstrated effectiveness, to carry out programs to improve the educational employment opportunity for youths

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Career Intern Program Act".

SEC. 2. (a) Title IV of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following new part:

"PART D—YOUTH CAREER INTERN PROGRAM

"STATEMENT OF PURPOSE

"SEC. 491. It is the purpose of this part to provide financial assistance to prime sponsors to establish and operate programs conducted by local educational agencies and Opportunities Industrialization Centers, and other community-based organizations of proven effectiveness, designed to improve educational and employment opportunities for youths in areas of high unemployment.

"DEFINITION OF ELIGIBLE YOUTHS

"SEC. 492. For the purpose of this part, the term 'eligible youth' means a youth between the ages of 16 to 21, inclusive, or if authorized under regulations of the Secretary, age 14 to 15 inclusive, who is (1) either unemployed, under-employed, or in school, and (2) the income of his family is at or below the lower living standard income level.

"DEFINITION OF COMMUNITY-BASED ORGANIZATIONS

"SEC. 493. The term 'community-based organizations' means private nonprofit organizations which are representative of communities or significant segments of communities and which provide employment and training services (for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, Mainstream, the National Puerto Rican Forum, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973), agencies serving youth, union-related organizations, and employer-related nonprofit organizations).

"FINANCIAL ASSISTANCE AUTHORIZED

"Sec. 494. The Secretary shall provide financial assistance to prime sponsors for programs to be conducted jointly by local educational agencies and community-based organizations to improve educational and employment opportunities for youths in areas of high unemployment and served by the prime sponsor.

"APPLICATION

"Sec. 495. Each prime sponsor desiring to participate in the program authorized by this part shall submit an application to the Secretary on behalf of local educational agencies and community-based organizations within the area served by the prime sponsor at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(1) describe the program to be conducted jointly by the local educational agency and the community-based organization for the improvement of educational and employment opportunities for youths in areas served by the prime sponsor;

"(2) contain assurances that the unemployment rate for youth in the area served by the prime sponsor was equal to or in excess of 2 times the level of adult unemployment; and

"(3) describe the manner in which eligible youth will be selected to participate in the program, the number of youth to be so served, the educational services and other training to be provided under the program, and the placement goals of the program.".

(b) The table of contents of the Comprehensive Employment and Training Act is amended by adding after item "Sec. 484." the following:

"PART D—YOUTH CAREER INTERN PROGRAM

"Sec. 491. Statement of purpose.
"Sec. 492. Definition of eligible youths.
"Sec. 493. Definition of community-based organizations.
"Sec. 494. Financial assistance authorized.
"Sec. 495. Application.".

SEC. 3. Section 112(a)(4) of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following:

"(D) There are authorized to be appropriated for fiscal year 1982 $100,000,000; for fiscal year 1983 $150,000,000; for fiscal year 1984 $200,000,000, to carry out part D of title IV.●

COSPONSORS OF H.R. 6380

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. BOLLING. Mr. Speaker, 1 month ago I sent a letter to each of my colleagues asking support for my bill H.R. 6380, to establish a Commission on More Effective Government. In my letter I pointed out that citizens of our country are becoming increasingly disenchanted with government at all levels. It has been 30 years since a comprehensive review of our governmental structure has been undertaken. It is time that we take another look at organization, institutions, and responsibilities, and I have introduced legislation modeled after the first Hoover Commission to look at the infinite confusion which exists within the Federal Government and between the Federal Government and all other levels of government.

Within the past month 101 Members have responded to my letter. I am taking this opportunity to share with my colleagues an entire listing of the cosponsors of H.R. 6380:

COSPONSORS

John B. Anderson, Thomas L. Ashley, Anthony C. Beilenson, Adam Benjamin, Jr., James J. Blanchard, David E. Bonior, Clarence J. Brown, Bill D. Burlison, Tim Lee Carter, Shirley Chisholm, James C. Cleveland, Tony Coelho, Silvio O. Conte, Tom Corcoran, Baltasar Corrada, William R. Cotter, Dan Daniel, George E. Danielson, E. de la Garza, Ronald V. Dellums.

Butler Derrick, Christopher J. Dodd, Thomas J. Downey, Robert F. Drinan, Robert W. Edgar, Don Edwards, Billy Lee Evans, Vic Fazio, Paul Findley, James J. Florio, Martin Frost, Richard A. Gephardt, Robert N. Giaimo, Willis D. Gradison, Jr., William H. Gray III.

Frank J. Guarini, Sam B. Hall, Jr., James M. Hanley, William H. Harsha, Frank Horton, William J. Hughes, Richard H. Ichord, Andrew Jacobs, Jr., James M. Jeffords, Harold T. Johnson (CA), James P. Johnson (CO), Claude (Buddy) Leach (LA), William Lehman, Gillis W. Long, Trent Lott.

Manuel Lujan, Jr., Edward R. Madigan, Gunn McKay, Stewart B. McKinney, Robert H. Michel, Norman Y. Mineta, Donald J. Mitchell (NY), Parren J. Mitchell (MD), John Joseph Moakley, Robert H. Mollohan, William S. Moorhead (PA), Austin Murphy (PA), Morgan F. Murphy (IL), Lucien Nedzi, James L. Oberstar.

Richard Ottinger, Edward J. Patten, Jerry M. Patterson, Carl D. Perkins, Thomas Petri, Richardson Preyer, James H. Quillen, Henry S. Reuss, John J. Rhodes, Frederick W. Richmond, Matthew J. Rinaldo, Robert A. Roe, Martin Olav Sabo, Norman D. Shumway, Paul Simon.

Ike Skelton, Neal Smith (Iowa), Edward Stack, Arlan Stangeland, J. William Stanton, Tom Steed, Michael Lynn Synar, Bruce F. Vento, Harold L. Volkmer, Jamie Whitten, Charles Wilson (TX), Charles H. Wilson (CA), G. William Whitehurst, Robert Whittaker, Antonio B. Won Pat, Jim Wright, John W. Wydler, Sidney R. Yates, Robert A. Young (MO), Clement J. Zablocki, Leo C. Zeferetti.●

TELECOMMUNICATIONS REFORM

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. VAN DEERLIN. Mr. Speaker, I would like to take this opportunity to clarify some minor ambiguities and refute some outright falsehoods regarding the Telecommunications Act of 1980, a bill recently approved 13 to 1 by members of the Communications Subcommittee.

I urge my colleagues to read the following remarks of Congressman JAMES BROYHILL, one of the bill's principal architects and most articulate supporters.

As many of my colleagues know, the Telecommunications Act of 1980 is intended to promote full, fair competition in the rapidly changing $300 billion a year telecommunications and information industry. For that reason alone, it is major legislation—legislation opposed by those who fear competition and innovation; by those who hope to preserve the status quo of regulatory protectionism.

As an author of the bill, Mr. BROYHILL is eminently qualified to discuss its broad intentions and specific provision. More important, perhaps, his remarks address the fundamental question facing Members of this body: Why new legislation is needed.

KEYNOTE ADDRESS BY HON. JAMES T. BROYHILL

I appreciate having this opportunity to speak before such a distinguished group of officials from the Armed Forces Communications and Electronics Industries. I have been asked by your President, Dr. Alvin Nashman, to specifically address a rather straight-forward, innocuous, and non-controversial piece of legislation—The Telecommunications Act of 1980. I understand that some of you in the audience might just have an interest in the legislation.

At the outset, I strongly believe that congressional reform of our Nation's telecommunications law is of the utmost importance and urgency. It may not be as clearly evident that telecommunications law reform is needed when compared to the severity of a number of other problems facing the country such as sky-rocketing inflation, the energy crunch, America's defense readiness, as well as our problems overseas—the most infuriating of which is that 50 Americans, at this moment, are still being held against their will and in contravention of international law!

Rewriting the communications law will have substantial impact on all your business activities. Millions of Americans depend on the communications industry. The marketing decisions you make are dependent on the laws written by Congress and the regulations promulgated by the Federal Communications Commission. Accordingly, you look to Congress to make wise and prudent policy decisions which directly impact on your business operations.

My address to you today is particularly timely because those very decisions are currently being made in Congress by Members of the House Commerce Committee on which I serve as the ranking Minority member. And, as you probably know, the legislative process to reform the telecommunications law has been slow. I had originally thought that we could have finished the bill last year. But, the legislative pace has been far slower than anticipated as we have "bent over backwards" to make sure divergent views were listened to and every attempt was made to accommodate those views.

Let me specifically address, then, the status of H.R. 6121, its significant provisions, as well as the controversies involved.

With any explanation of this issue, one must first address the question—Why is the legislaton needed? I would give you the full explanation if not for the desire of the hotel management to have this room available by breakfast tomorrow morning. A brief explanation, though, is warranted.

There are numerous complex reasons why telecommunications law reform is needed. The fundamental need for reform is that the existing law—The Communications Act of 1934—is obsolete. The 1934 Communications Act was drafted when ordinary voice telephone and telegraph were virtually the total communications market. Terminal devices then were the basic telephone handset and teletypewriter. The transmission medium was ordinary copper wires, and telephone call switching was done either manually or with electromechanical devices.

However, the technology involved in communications has changed considerably since 1934. The communications industry has grown in its capabilities to the point where there is now a convergence of the communications and computer industries. By the way, it is no news to you that this "Telecommunications Information Industry" is a huge one, with current worldwide revenues of $250 billion within the next decade.

Reform is needed because of the tremendous growth and advancement in technology has, in effect, resulted in significant and growing competition from outside the traditional telephone industry.

Such a trend toward competition is in my judgment, in the best interest of the public. However, the antiquated provisions of the 1934 Act stand as an impediment to the rapid delivery of low-cost telecommunications goods and services to the American people. The Federal Communicatons Commission has not been able to adapt its regulations and policies, based on the 1934 Act, in order to meet today's and tomorrow's realities. Advances in technology have been beneficial for the public, but the F.C.C. is not always sure or consistent in deciding what is or is not to be regulated. As a result, competition could very well be stymied with over-regulation, inconsistent regulatory policy and increased litigation over these policies.

Under the mandate of the 1934 Act, Congress, in effect, granted a monopoly to the existing telephone companies to operate in partnership under strict regulation by the Federal Communications Commission and various state commissions. Since then, AT&T and the 1600 independent telephone companies have met the "universal" affordable telephone service goals of the 1934 Act by providing 97.1 percent of the U.S. households with basic telephone service. When the 1934 Act was passed, only 31.4 percent of the households had phone service. There is no question that, as of today, Americans enjoy the most efficient, reliable and advanced telecommunications system in the world. I emphasize "as of today" because if congressional guidance is not given to the industry within the near future, the American people stand to lose much of the future benefits of innovative, low-cost telecommunications goods and services.

Creeping regulation by the FCC into the computer/data processing industry is a threat to the goal of providing these future benefits. As I said earlier, the traditional distinctions between purely communications services, on the one hand, and purely data processing, on the other, are no longer apparent.

As a result, the FCC has spent nearly 15 years attempting to classify certain activities as communications, when they could justifiably be called data processing. Consequently, the data processing industry is now faced with the threat of "creeping regulation" by the FCC. Unless Congress acts to specify certain policy guidelines, the Commission will continue to expand its scope of regulation into this industry.

In addition, cumbersome and lengthy regulatory proceedings and court challenges have deprived consumers of new goods and services and the advantages of new technology. The delays have been due to the ambiguous standards of the 1934 Act and the years of litigation that resulted.

There are those who are demanding that the legislation H.R. 6121, be considered at a slower pace and are requesting additional hearings on the measure. I should point out that the Communications Subcommittee has spent more than four years addresssing the issue of reforming the 1934 Communications Act. At one time, broadcasting issues were contained in the legislation, but were later removed. The earlier version of the bill was the subject of 95 days of hearings around the country with 1,200 witnesses testifying on the proposal. Although the bill has a new number, H.R. 6121, it essentially contains those elements which were subject to extensive public review during the hearing process.

How, then, does H.R. 6121 propose to remedy the complex problems facing the industry?

First, and most importantly, H.R. 6121 reaffirms the existing policy goals of the 1934 Act that all Americans have available at reasonable and affordable rates, domestic telecommunications services and products which are reliable, efficient and diverse, and which promote the national defense and security of this Nation.

In achieving this goal the legislation specifies that "competition and the private sector shall be relied upon to the maximum extent possible to determine the availability, variety, quality and cost of domestic telecommunications services and products." With the exception of basic telephone service, the FCC would have to forbear from regulation unless the marketplace forces failed to achieve the policy objectives mandated in the bill.

Competition in the marketing of terminal equipment and certain services is already an accepted fact of life in the industry. Technology is the driving force behind competition. Competition has proved to be very much in the public interest. Innovative new services and products have resulted. H.R. 6121 recognizes this situation and would allow the industry to flourish without the unnecessary delays created by having to seek FCC approval of marketing decisions and then appealing these decisions to the courts.

Such an affirmation of competition will further several desirable goals. It will enable the FCC to introduce competition into the remaining interexchange telecommunications markets in an expeditious manner. It will create an environment which assures that the competition that exists today will continue in the future. And, it will require the FCC to consider the effects of competition on its decisions in ancillary areas such as spectrum allocation policy.

It is important to note that some regulation will remain necessary. For example, concerns from the defense community have been expressed about the impact of deregulation on national defense, security and emergency preparedness. Indeed, a major consequence of deregulation would place greater burdens on the national security agencies to ensure the integrity of communications in times of public peril. It was feared that without necessary safeguards in a competitive environment, telecommunications services would not give adequate consideration to national defense and security interests. In response to those concerns, the Subcommittee has incorporated certain safeguards in the legislation.

For example, section 280 of H.R. 6121 authorizes the President to require any carrier to furnish telecommunications services or facilities if the President determines that it is necessary for the national defense or security of this Nation. Specifically, the President could impose such a requirement if the Nation were at war, or there existed a threat of war, with a foreign country. Further, the President could act in times of a state of public peril, disaster or other national emergency. This section is designed to guard against any significant adverse impact upon the telecommunications network's capacity to respond to a national emergency or natural disaster.

Section 255 of the bill permits carriers to meet for the purpose of designing, planning, constructing or maintaining any network of telecommunications services or facility. Not only is such activity essential to national security but is necessary in order to maintain a nationwide, compatible telecommunications system.

Currently, since all carriers are fully regulated, the potential anti-trust problems raised by such meetings are minimized. I can understand and appreciate the concerns of those about such activities taking place in a new, unregulated environment. But I believe that section 255 does contain important safeguards to prevent such activity. For example, if a meeting is conducted between carriers which are in competition for a given service, then notice of that meeting must be given to the FCC, and the FCC must be afforded an opportunity to attend. In addition, a transcript of the meeting must be kept and filed with the FCC immediately and be made available for public inspection not later than 30 days after the meeting is conducted.

By far the most significant and keenly debated aspect of H.R. 6121 is its treatment of the largest player in the industry—AT&T. Specifically, the controversy centers on what services, products, or facilities should Bell be permitted to offer in a new competitive environment, and how can those activities be offered? The complex nature of the technology involved and the complicated business relationships of Bell and the Independents have made the task of drafting legislation which is acceptable to all parties exceedingly difficult and frustrating.

On the one hand, if we are going to provide for an unregulated, competitive environment, then all carriers should be afforded full and fair competition. I believe it would not be in the public interest to unnecessarily restrict AT&T from developing, producing, or manufacturing telecommunications services or products. Congress must avoid harsh statutory restrictions or limitations on any carrier. Otherwise, our nation may very well forfeit its dominance in the field of telecommunications to other less restricted, foreign competitors.

I might add, that our nation can no longer afford to lose its competitive position at home and in the world market. A case in point involves the trade of high technology telecommunications equipment between the United States and Japan. During the four-year period between 1976 and 1979, Japan exported to the United States more than $16 billion in high technology equipment. During the same period, exports of such equipment from the United States to Japan amounted to $2.5 billion dollars. Over 17 Japanese companies are presently registered with the FCC to supply telecommunications equipment in the U.S. Congress must insure that it not enact legislation which limits domestic telecommunications carriers from effectively competing with foreign entities.

With respect to AT&T, the Consent Decree would be modified allowing the company to enter data processing and other computer markets that have been closed to it since 1956.

However, to allow AT&T to compete fully and fairly raises serious concerns among its competitors. The specialized common carriers, small computer electronics firms and other companies are worried about any effort to "unshackle" the Bell System from regulation.

In order to assure Bell's competitors against anti-competitive activity in the provision of unregulated services and products, the legislation contains several provisions to guard against such actions.

First, the bill authorizes AT&T to enter markets, on an unregulated, competitive basis, only through the establishment of a fully separate subsidiary. Only unregulated services or products could be offered through the separate subsidiary. All other regulated activities would have to remain within the parent Bell company and its 23 operating companies.

Secondly, Bell would be required to have an accounting system in place which insures that costs of unregulated, competitive services or products offered by the separate subsidiary are not cross-subsidized by its regulated, monopoly services.

Third, the bill prohibits AT&T from directly or indirectly assigning costs, including research and development costs, to regulated activities if such costs should be properly assigned to the unregulated subsidiary.

Fourth, the separate subsidiary would have to maintain separate books, accounts, and financial structure and would have to deal with AT&T at arms length with respect to the sale or securing of regulated telecommunications services or products.

Fifth, the bill authorizes the FCC to re-regulate activities which had been deregulated under the bill. Such re-regulation would occur if the FCC found that effective competition ceased to exist or if the public convenience and necessity so required.

I am sure you can appreciate and recognize the difficulty of drafting legislation which, on the one hand, promotes full and fair competition by all carriers, and, on the other, provides safeguards to ensure smaller competitors will be protected from any anticompetitive activity of a dominant carrier.

The stakes are enormous. The legislation that finally becomes law will determine the course of the telecommunications/information industry for generations to come.

It is crucial that government policy keep pace with technological changes so that the public can reap the full benefits of permitting U.S. industry to advance and innovate in this dynamic market.

If Congress fails to make these changes, the inevitable consequences will be a continuation of a long series of disrupting regulatory and court challenges which will find telecommunications policy being established by the Judicial system under the inadequate guidance of the outdated 1934 statute. This is simply not an acceptable way to move the telecommunications/information industry into the next century. With your help, I believe we can permit the industry to truly flourish thereby insuring that the United States maintains its competitive lead in the essential and dynamic industry.

Thank you.●

THIEM INDUSTRIES, INC.—25TH ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. ANDERSON of California. Mr. Speaker, later this month, Thiem Industries, Inc., of California will be celebrating their 25th anniversary. The firm has had a long history of proven success as an individual business concern and as a high performance subcontractor in the manufacture of precision metal assemblies. This promises to be an exceptional occasion for celebration. In recognition of the accomplishments made by this firm over the past 25 years, I would like to share with my colleagues today some thoughts about Thiem Industries, Inc.

The early times were modest for Thiem Industries. When it was founded by Henry J. Thiem in March 1955 it was initially organized in a small leased building on 139th Street in Gardena, Calif., with only five employees. The first 12 months produced sales of less than $75,000. Since that time, great growth has occurred. In 1959, the firm outgrew its facilities in Gardena and a new plantsite was purchased and developed in Torrance, Calif. Expansion continued and now Thiem Industries boasts employment of 215 and annual sales exceeding $10,000,000.

The Thiem team of talented and dedicated employees has received formal recognition over the years for their quality work and outstanding performance. In 1967 and 1968 the business was nominated for the Small Business Subcontractor of the Year Award. Its high point in recognition came the following year when it was again nominated for this award and was selected from entries submitted from across the Nation to be the National Small Business Subcontractor of the Year 1969. This is indeed a remarkable accomplishment. Thiem scored high in a number of performance standards such as consistency in completing contract work on time or ahead of time; exceeding quality control requirements; having the capability to be innovative and adjustable to specification changes; and, most important when performing Government contract work, completing contract jobs without cost overruns.

Mr. Speaker, a firm foundation for success was established for Thiem Industries by its founder. With a strong backup support from its talented employees, its management has led the company on a steady course of prosperity for 25 years, I congratulate its current president, Albert Zukas, and the entire Thiem team for their achievements. As a company they are proud of what they stand for; and we in the south bay are proud of having them as part of our community.●

THE ROAD TO PRODUCTIVITY AND ECONOMIC GROWTH, PART III—PRESS COMMENTS ON H.R. 6300

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. SCHULZE. Mr. Speaker, today, I insert in the CONGRESSIONAL RECORD commentaries by various newspapers on H.R. 6300. Additionally, I include a copy of the national Associated Press wire story of February 15, 1980. These articles are indicative of the growing constituency of support for the Individual Investors Incentive Act of 1980 which I have introduced.

The articles follow:

[From the Evening Phoenix, Jan. 30, 1980]

BILL WOULD ENCOURAGE INVESTING

U.S. Congressman Dick Schulze announced that he has introduced legislation to boost our nation's declining productivity growth significantly by encouraging individuals to invest their savings in the future of America's business.

Specifically, the Schulze proposal, known as the Individual Investors Incentive Act of 1980, would provide a 10 percent tax credit of up to $1,000 for individuals or $2,000 for married couples filing a joint tax return for new or additional investments in stocks, bonds and mutual funds investing in domestic corporations.

Schulze pointed out that the urgent need for this legislation can be traced to our country's past misguided economic policies which have "resulted in our government taxing profits and dividends, savings and capital, sales and income and all of the other rewards of risk-taking so heavily that the risks are no longer worth taking."

"The United States is at a dangerously low level of capital investment with the lowest savings rate of all major industrialized nations," Schulze said. "In the last 10 years, at least 6 million investors have left the stock market and every group of individuals except those 65 or older, have opted not to invest their savings in American industry. This mass defection of individual shareholders has had an extremely detrimental impact on capital formation and has virtually eliminated the equity capital market for small and newer enterprises."

The Individual Investors Incentive Act of 1980 encourages investment in all types of businesses by placing no limit on the size of a company whose stock would be a permissible investment. The bill also provides for a minimum 12-month holding period to qualify for the tax credit in order to encourage investment rather than speculative trading.

The Schulze legislation has the strong support of the Committee on Publicly Owned Companies and its 700 chief executives, as well as the National Association of Investment Clubs, which is comprised of over 4,000 clubs and more than 51,000 small investors throughout the United States.

[From the Pottstown Mercury, Feb. 16, 1980]

HOUSE COMMITTEE STUDIES TAX CREDIT BILL BY REPRESENTATIVE SCHULZE

WASHINGTON.—The House Ways and Means Committee is studying a Pennsylvania congressman's proposal to allow income tax credits for stock market investments.

The bill, introduced by Rep. Richard Schulze, R-Paoli would provide a 10-percent tax break to individuals who buy the stocks and bonds of domestic corporations.

The measure limits the annual amount of credit to $1,000 for an individual and $2,000 for married couples.

A handful of national business groups already have endorsed Schulze's effort since the bill was introduced late in January. Corporate backers of the bill say they hope to rebuild dwindling capital formation by attracting new investors.

"American companies, particularly the small and medium-sized companies . . . are substantially deprived of access to capital funds," said Ira Corn Jr., a director of the Committee of Publicly Owned Companies, one of the organizations supporting the bill.

"While American companies were able to raise 20 percent of their long-term financing needs in 1971 by issuing new stock, only 4 percent was raised by equity offerings in 1978," Corn said.

Schulze, the ninth-ranking Republican on the Ways and Means panel, said the committee has heard much favorable testimony for his bill. But the lawmaker's measure is only one of dozens of capital formation bills sponsored by Democrats and senior committee members.

"I'm not discouraged. As soon as we have another tax measure to vote on, I'm going to put (committee members') feet to the fire and try to get them to vote to include my amendment to the tax code," said Schulze, who is also sponsoring a bill to provide new tax deductions for small businessmen.

Under the Schulze bill, an investor would have to hold securities for at least 12 months to qualify for the tax credit.

Congressional staffers say the Ways and Means Committee will be grappling with capital formation bills throughout the year. A major tax bill including breaks for stock purchases is an outside possibility, the staffers said.

If enacted as written, the Schulze bill would take effect December 31. In addition to the Committee of Publicly Owned Companies, the National Association of Investment Clubs and Stockholders of America have also endorsed the legislation.

[From the Chicago Tribune, Feb. 18, 1980]

Stock Tax Credit

The House Ways and Means Committee is studying a Pennsylvania congressman's proposal to allow income tax credits for stock market investments.

The bill, introduced by Rep. Richard Schulze, a Republican, would provide a 10 percent tax break to individuals who buy the stocks and bonds of U.S. corporations. Based on a 1978 French law, the measure limits the annual amount of credit to $1,000 for an individual and $2,000 for married couples.

A handful of national business groups have endorsed Schulze's effort since the bill was introduced in late January. Corporate backers of the bill say they hope to rebuild dwindling capital formation by attracting new investors.

[From the Evening Phoenix, Feb. 18, 1980]

Schulze Backs Tax Credits for Investors

Washington.—A bill to provide a 10 percent tax credit to people who invest in the stock market is under consideration by the House Ways and Means Committee.

Based on a 1978 French law, the measure would limit the annual amount of credit to $1,000 for an individual and $2,000 for married couples.

A handful of business groups have already endorsed the bill since it was introduced in late January by Rep. Richard Schulze, R-Pa. Corporate backers say they hope the bill would help them rebuild dwindling money supplies by attracting new investors.

"American companies, particularly the small and medium-sized companies . . . are substantially deprived of access to capital funds," said Ira Corn Jr., a director of the Committee of Publicly Owned Companies, one of the organizations supporting the bill.

Many economists believe increasing capital would improve business productivity. A higher productivity rate, in turn, could help reduce inflation by reducing the unit cost of consumer items.

Schulze said the Ways and Means Committee has heard much favorable testimony for his bill. Economists say a similar measure in France has bolstered that country's economy.

Under the Schulze bill, an investor would have to hold securities for at least 12 months to qualify for the tax credit.

H.R. 6300 Release on National AP Wire

Washington.—A bill that would provide a direct tax break to stock market investors is under consideration in the House Ways and Means Committee.

Under the measure, introduced by Rep. Richard Schulze, R-Paoli, individuals who buy the stocks and bonds of U.S. corporations are eligible for a 10 percent direct tax credit.

Based on a 1978 French law, the measure limits the annual amount of credit to $1,000 for an individual and $2,000 for married couples.

A handful of national business groups have already endorsed Schulze's effort since the bill was introduced late in January. Corporate backers of the bill say, they hope to rebuild dwindling capital formation by attracting new investors.

"American companies, particularly the small and medium-sized companies, are substantially deprived of access to capital funds," said Ira Corn, Jr., a director of the Committee of Publicly Owned Companies, one of the organizations supporting the bill.

"While American companies were able to raise 20 percent of their long-term financing needs in 1971 by issuing new stock, only four percent was raised by equity offerings in 1978," Corn said.

Many economists believe that increasing capital will improve business productivity. A higher productivity rate, in turn, could help reduce inflation by increasing the supply of goods that consumers desire.

Schulze, ninth ranking Republican on the Ways and Means panel, said the committee has heard much favorable testimony for his bill, which economists say has solidly bolstered the French economy.

But the lawmaker's measure is only one of dozens of capital formation bills sponsored by Democrats and senior committee members.

"I'm not discouraged. As soon as we have another tax measure to vote on, I'm going to put (committee members') feet to the fire and try to get them to vote to include my amendment to the tax code," said Schulze, who is also sponsoring a bill to provide new tax deductions for small businessmen.

Under the Schulze bill, an investor would have to hold securities for at least 12 months to qualify for the tax credit.

Congressional staffers say the Ways and Means Committee will be grappling with capital formation bills throughout the year. A major tax bill including breaks for stock purchasers is an outside possibility, the staffers said.

If enacted as written, the Schulze bill would take effect Dec. 31. In addition to the Committee of Publicly Owned Companies, the National Association of Investment Clubs and Stockholders of America have also endorsed the legislation.●

HANDGUN CONTROL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. ROSENTHAL. Mr. Speaker, for a long time I have been a strong advocate of handgun control, and I am, in fact, a sponsor of several bills now pending before the Subcommittee on Crime in the House Judiciary Committee. This legislation would prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns and their parts. In addition it establishes a victim compensation program to aid those injured, or the families of those killed by handguns.

I am appalled at the constantly increasing number of violent crimes committed with the use of handguns, and am shocked at the ease with which such firearms can be obtained.

Statistics on the use of illegal handguns in New York City are mindboggling, and we must take some concrete action to control the situation. Statistics in other areas of the country are just as horrifying. The New York Times of March 5 contained an article by the New York City police commissioner, Robert J. McGuire, dealing with the problem, I am taking this opportunity to insert it in the Congressional Record, and would urge that all the Members take a few minutes to read it.

It is written by one who sees the situation first hand and lives with it day by day.

The article follows:

[From the New York Times, Mar. 5, 1980]

Meet Any New Yorker

(By Robert J. McGuire)

During the little more than two years that I have served in office, 14 police officers have been killed and 53 wounded by gunfire. There have been more than 150 further incidents in which police officers were fired upon but not hit. This appalling rate of assault by gun upon the police of our city translates into a stunning incidence of one such shooting every four days.

But the mayhem of the gun strikes not only police officers and their families: During 1979, our department received 33,519 official complaints from citizens in New York City involving the commission of felony crime through use of a gun. Last year, 932 homicides committed by firearms were recorded in the city, a rise of more than 100 percent during the last decade—up from 445 in 1970. Members of our department routinely find 14- and 15-year-old youths in possession of handguns. Our estimates and those of other law-enforcement agencies conservatively put the number of illegal handguns in the city at between one million and two million.

The gun traffic is not structured, discrete and differentiated, and therefore is not vulnerable to systematic attack on its sources, lines of supply or market. We are, to put the matter plainly, immersed in a flood of handguns. They are available for purchase in thousands of nonfixed, fluid locations, and change hands in the most casual of transactions. They are so cheap and plentiful that no entrepreneurial incentive exists for underworld opportunists to seek control of the market or the profit.

Those who suffer most greviously from the violence of the gun are those citizens of our city trapped in the ghettos and marginal neighborhoods of the poor and disadvantaged.

What then is to be done? Some, despairing of law entirely, endorse the principle of unrestricted arming of the citizenry—an official public policy of more, not fewer, guns for our city.

Unfortunately, the tragic consequences of such civilian self-help are only too evident in the records of our department. During 1979, for example, there were 25 fatalities in gunfire confrontations between armed holdup men and legitimate pistol licensees. Thirteen of the 25 persons killed in these incidents were the innocent licensees. Incidents in which innocent bystanders are injured or killed by gun-carrying citizens are also alarmingly frequent.

The rate at which guns are lost by or stolen from licensees is also a problem of considerable dimension for our department. During 1979, authorized guns were lost or stolen at the rate of more than one per day.

Opponents of strong gun-control laws assert that New York's gun statutes are among the toughest in the country and are therefore a manifest failure. Such arguments are superficial, deceptive and false: The problem is not with the law but with the discretionary sentences that are routinely imposed for convictions secured under the law.

During the first nine months of 1979, 3,968 persons were charged throughout the city with unlawful possession of a handgun unrelated to the commission of any more serious crime. Incomplete records provided by the courts indicate that only 375 persons received any kind of jail sentence in such cases.

Accordingly, it is essential that the Legislature impose mandatory minimum-sentencing obligation in cases where convictions are secured for mere possession of illegal weapons. Possession of such weapon, loaded or unloaded, should constitute a felony with a mandatory minimum sentence of at least one year in duration.

Conviction of use of a weapon in certain violent felonies, such as robbery or rape, or conviction of an individual with a prior record, would result in higher mandatory levels of incarceration. The use of one-year mandatory minimum-sentence requirements in more possession of weapons cases has been a feature of Massachusetts law since 1975. While the evidence on the effectiveness of this law is not conclusive, its results are encouraging. The incidence of gun-related felonies has markedly declined.

The pervasive influence of the illegal gun in our city bears a direct relationship to the cheapness of life so sadly evident in our daily affairs. One can only speculate upon its pernicious impact on the psyche and conscience of those who carry such weapons. The painful logic is irrefutable: one carries a gun to use it.

Gun control now is the overriding public imperative of this hour.●

TRIBUTE TO TOM STEED

HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1980

● Mr. WHITTEN. Mr. Speaker, I have been a close friend and neighbor of Tom Steed, the gentleman from Oklahoma, during his entire 32 years of unselfish and devoted service in the House of Representatives, including his service on the Committee on Appropriations. He and his lovely wife Hazel are the finest of the fine and we will all miss them so much when they retire at the end of this term.

Philosopher, adviser, and confidant, no one will or could fill Tom's place. Always ready to carry his share of the load here, his people at home will miss his service because what Tom has wanted he has been able to obtain.

Tom has served well as chairman of the legislative Subcommittee on Appropriations from 1961 to 1964 and as chairman of the Treasury, Postal Service and General Government Subcommittee on Appropriations since 1965. Serving as chairman of these subcommittees, Tom has always exercised fairness toward all Members no matter what party affiliation or seniority ranking in the Congress. Tom has always worked hard for what he believed in and handled all matters in a professional and efficient manner.

It has been a real privilege to serve with Tom during his many years of outstanding performance. The people of the Fourth Congressional District of Oklahoma and the people of the United States will miss him for he has served with dedication and honor and has displayed a tireless effort in working for the betterment of the Nation. Truly, he has brought credit to himself and his family and certainly leaves a high mark for those who follow him in the Congress.

It is with a deep sense of loss, I view Tom's departure from the House of Representatives and the House of Representatives will be deprived of one of its most effective Members. I know I join with all Members in wishing Tom and his devoted and lovely wife Hazel all the best for their return to Oklahoma and I trust that we will see them both back here from time to time.●

BON SECOUR NATIONAL WILDLIFE REFUGE

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. EDWARDS of Alabama. Mr. Speaker, I am introducing legislation today to establish the Bon Secour National Wildlife Refuge along the Alabama gulf coast.

For years, I have been in the forefront in developing our southwest Alabama waterways leading into the Port of Mobile. Those waterways, and the industries which depend on them for transportation, are vital to the economic well-being of the Mobile area. But with the tremendous business and industrial growth we have seen throughout the South in recent years, we must at the same time set aside some of our most valuable natural resources to protect them from development for the future. That is why I am working to get the Escatawpa River included in the National Wild and Scenic Rivers System, and that is why I am introducing this measure today—to insure that Alabama's more unique wildlife ecosystems will be protected, and to insure that recreational and environmental education opportunities will continue to be available.

My bill includes several tracts of land on the Fort Morgan Peninsula, which juts into the Gulf of Mexico near the mouth of Mobile Bay, some acreage of marginal timber north of Fort Morgan Peninsula along the Baldwin County side of Mobile Bay, and Little Dauphin Island on the west side of Mobile Bay. The coastal area encompassed in this bill is considered by the U.S. Fish and Wildlife Service to be the best remaining undisturbed gulf coast beach ecosystem between Pensacola, Fla., and New Orleans, La. It is important to note that the property would be acquired by donation, purpose with donated or appropriated funds or exchange. There will be no taking of land where the owner does not desire the land to be taken.

This Bon Secour National Wildlife Refuge area protects a number endangered or threatened species, including the bald eagle, the brown pelican, the peregrine falcon, the American alligator, the Atlantic loggerhead turtle, and other species of sea turtles. It is a critical resting and feeding site for birds migrating between here and Central and South America. The shoreline along the Mobile Bay supports the estuaries so important to our many different aquatic species for sports fishing and seafood harvesting in the Alabama gulf area. The land areas indicated in my bill are rich in diversity, including spectacular dunes with sea oats and morning glory, a freshwater lake, scattered marsh and swamp wetlands, sandy pine and oak woodlands spotted with occasional red cedar, and a variety of shrubs. Anyone who has ever seen the broad expanse of white sand and the clean blue-green water of the Alabama gulf coast can testify to its pristine beauty.

I have been working for a long time with the environmental groups in my congressional district on this proposed wildlife refuge, and thanks to the continuing efforts of the Nature Conservancy, a nonprofit conservation organization, one tract of the land included in my bill has already been set aside until such time as the U.S. Fish and Wildlife Service can acquire it. My bill would allow the Fish and Wildlife Service some flexibility to choose appropriate land from within a general selection area, up to a maximum of 10,000 acres. It would require that they be managed, when sufficient area has been acquired, in accordance with the National Wildlife Refuge System Administration Act. Much of the land recommended for the Bon Secour National Wildlife Refuge is on a barrier spit, and the Little Dauphin Island is a barrier island. As many of you know, the Interior Department has been studying these barrier islands and barrier spits for a good while, with an eye to encouraging Federal acquisition of areas which have not been developed. This study has been the subject of great controversy in my congressional district, and while I have some very strong concerns about the outcome of it myself, I can frankly say that I haven't seen a project in years which has met with more enthusiasm in my district than this wildlife refuge proposal.

Mr. Speaker, I am hopeful that you and our colleagues in the House will join with me in support of this effort to protect a most valuable part of our national natural heritage in establishing the Bon Secour National Wildlife Refuge.●

THOMAS GARRIGUE MASARYK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. DERWINSKI. Mr. Speaker, I would like to direct the attention of the Members of the 130th anniversary of the birth of Thomas Garrigue Masaryk, founder and first President of Czechoslovakia.

Thomas Masaryk was born on March 7, 1850, in a small town in Moravia. Although his parents were of humble station, they were able to provide Masaryk with an excellent education which enabled him to earn a doctorate of philosophy in 1876. Upon achieving this distinction, Masaryk began a long and distinguished career as a statesman, a scholar, and a moralist. He became politically active and participated in the Austrian Parliament where he espoused the cause of Czech nationalism.

The outbreak of World War I stimulated the outlook for Czechoslovakian independence. Professor Masaryk devoted himself to the purpose of liberating his country, and became the spiritual head of the struggle for independence.

In May 1918, Thomas Masaryk went to the United States where he secured official support for his cause which resulted in its later adoption by the allied powers.

His work found its culmination in November 1918, when he was elected the first President of the Czechoslovakian Republic. He served in this capacity for 17 years in accordance with democratic principles which he has explored in his study of various philosophies. Ill health forced his resignation in December 1935, and he died on September 14, 1937, thus being spared the agony of seeing his homeland under the control of Nazi and Communist oppressors.

His memory lives on in the minds and hearts of his countrymen to whom he dedicated his life, and remains a symbol of inspiration to all who value freedom and true national independence.●

LET US INDEX FEDERAL TAXES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. MILLER of California. Mr. Speaker, inflation and taxes are uppermost on people's minds these days. Prices are too high, taxes are too high, and the Congress has a responsibility to try and solve these complicated and difficult problems.

Our problem is that as inflation increases, many people get raises to help them keep pace with inflation, without a real pay increase. They are then pushed into a higher tax bracket, and pay additional taxes, without ever receiving a real increase in their income.

This hidden tax increase also collects enough money for the Congress to declare, usually around election time, that they are enacting a large tax cut to help the people of this Nation. As past studies have shown, even these tax cuts have not eliminated the inflation tax.

If we are to raise taxes for new programs, and increases in existing programs, then we should do it in the open. We should ask the people of this country whether they are willing to pay increased taxes for these programs. We should not let a high-inflation rate do the revenue raising for us.

For this reason, I am a strong supporter of indexing Federal personal income taxes to the rate of inflation, and am a consponsor of H.R. 365. There are now 136 cosponsors of this legislation, which indicates the national support this program enjoys.

When any new ideas such as indexing are brought before the Congress, we often ask if there is any previous experience with this idea in any States or foreign countries. There is State experience with indexing taxes, and I am placing in the RECORD an article from yesterday's Wall Street Journal about their experiences. The article points out that five States currently have some form of indexation, and their taxpayers are being hurt a little less by our high rate of inflation. The article also predicts that indexing may turn out to be one of the most solid achievements of the taxpayer revolt that was signaled by the 1978 passage of proposition 13 in California. I am proud that my State has led the way in indexing taxes, and am hopeful that its experience will be mirrored on the Federal level.

There is one last point in the article which I believe should be highlighted. A tax expert has estimated that indexing would cut 1980 Federal tax bills by $11 billion to $13 billion. If Congress is going to truly balance the budget, and cut spending by at least the amount that would be cut by indexing taxes, it may be the ideal time to institute an indexing program. I hope that this will be seriously considered by the tax committees of the Congress, and commend this article to the attention of my colleagues.

The article follows:

SEVERAL STATES ADJUST INCOME TAX BRACKETS TO DISCOUNT INFLATION

(By Lawrence Ingrassia and Laurel Leff, staff reporters)

In this world, nothing is certain but death and taxes—and, it could be added lately, higher tax brackets.

"Every time I get an increase in wages, I go into a higher tax bracket," says Jerry McDonough, a Shoreview, Minn., electrician who voices the common complaint—that pay increases before taxes don't even make up for the inroads of inflation. To then be taxed at a higher rate strikes him as unfair.

This year Mr. McDonough is getting some relief, at least on his state income taxes. Thanks to Minnesota's new income-tax indexing law, which raises tax brackets in tandem with inflation, he stays in the same bracket for his 1979 earnings, although he made more than in 1978. Mr. McDonough knows chiefly that he is filing for a $505 refund this year; last time he got back only $386.

Taxpayers in five states—Minnesota, California, Colorado, Arizona and Iowa—now are sending smaller checks to their state tax collectors or pocketing bigger refunds (with their total savings this year estimated at more than $500 million), and Wisconsin residents will share the joy of indexing starting with their returns for 1980 incomes.

THE REVENUE PROBLEM

A far bigger taxpayer boon, of course, would be indexation at the federal level. Rudolph Penner, director of tax policy at the American Enterprise Institute for Public Policy Research, estimates that indexation would slice 1980 federal tax bills by $11 billion to $13 billion. At least two indexing bills have been introduced in Congress. But relief at the federal level soon is considered unlikely. Many in Washington oppose indexation—not least because of the prospective loss of revenue.

State governments are conscious of that problem too—and worried about it. Bureaucrats warn that the loss of revenues could force cutbacks in services or tax increases in other areas. "So far, we've only seen the good side of indexing, and people haven't wakened up to the bad one," says Wisconsin State Sen. Paul Offner, a Democrat.

But indexing has gained momentum since passage of the first state law two years ago, and it may turn out to be one of the most solid achievements of the taxpayer revolt that was signaled by the 1978 passage of Proposition 13 in California.

BEST AVAILABLE

Supporters of indexing say it is the best relief available for the taxpayer in an inflationary economy. If it is built into the tax system more or less permanently, they say, then future tax cuts making up for inflation won't depend on the largess of lawmakers.

"Speaking for taxpayers, we don't like one-shot rebates; indexing will continue for years," notes Donald Paterick, executive director of the Minnesota Taxpayers Association. So it will, in Minnesota; but other states, reflecting bureaucratic concern about losing revenue, have passed laws for limited periods; legislative renewal will be needed.

In Colorado, site of the first indexing law, the change hasn't been controversial. Robert Kirscht, a Democratic leader who voted against indexing, now says, "I can't complain. There's absolutely nothing negative about it."

The taxpayers certainly like it. In Minnesota, 6 percent more returns were mailed in this January than in the previous January, and for good reason—30 percent more of the early filers have refunds coming back. Kathleen Wiese, a St. Paul insurance underwriter, is getting her first refund ever from the state, to her surprise and pleasure.

"I LIKE IT"

"I figured I had done something wrong because it showed me getting back $150," she says. "Last year I owed the state $50. I'm not real sure what indexing is, but I like it. That's because the bottom line is money in my pocket."

Robert Buck, a St. Paul bank controller, figures the new indexing law (and other tax changes) saved him 9 percent on his 1979 state taxes (he would have paid $1,808, but wound up paying $1,648), but he says the saving is less important than getting rid of the "hidden" tax levied as inflation moves taxpayers into higher brackets.

"This way, if legislators want to increase the share of income they take out of your paycheck, they'll have to come and tell you," he asserts.

Most of the state indexing laws don't completely offset the effect of inflation. In Colorado, tax brackets were raised 7 percent in 1979, just a little more than half the 13.3 percent rise in the consumer price index. Minnesota's law increases tax brackets by 85 percent of the annual rate of inflation. Arizona indexes deductions and exemptions, but not brackets.

However, indexing—paying the same percentage of taxes on higher income rather than paying a higher percentage of taxes on higher income—has a built-in escalation factor. The savings to taxpayers grow each year. Indexing will reduce 1979 Minnesota income taxes by $60 million, officials estimate; but the estimate for 1983 is more than

$300 million (helped a bit by indexing of credits and exemptions starting in 1981).

The escalation factor is one of the things that have bureaucrats and politicians biting their fingernails. In California, indexation saved taxpayers $270 million in 1978, is saving $395 million in 1979 and will cut 1980 tax bills by a huge $775 million or so. (The state raised brackets by 5.2 percent on 1978 returns and 6.9 percent on 1979 returns and will index at the full rate of inflation in 1980 and 1981, the last years of the current law.)

Considering indexation, the effect of Proposition 13 on property taxes and the prospective effect of Proposition 9 (a proposal to halve state income-tax rates and require full inflation indexing), California officials are wondering where their next dollar is going to come from.

In June 1978, the state surplus was $3.7 billion. Even without Proposition 9 (which is coming to a vote this June), the surplus will have dwindled to $500 million by mid-1981. The combination of tax cuts is "digging a deeper hole for the governor and future governors," warns Martin Huff, president of the California Tax Reform Association.

Iowa has taken a go-slow approach to indexation, reflecting official concern about long-term effects. Its law covers only 1979 and 1980; new legislation will be needed to extend the program. The Iowa law also has a safety-valve feature requiring a $60 million cushion in the state treasury each year before indexation comes into play.

MAKING SURE

"The concept (of indexing) is good, but we want to make sure we know what indexing does and that we can meet our other commitments," says Dennis Nagle, an aide to Gov. Robert Ray.

Even with limited indexing—it is saving Iowa taxpayers $6 million on their 1979 returns—the state doesn't have enough money for everything it would like to do, Mr. Nagle contends. "The department of transportation wanted $10 million to upgrade railroad mainlines," he says. "We don't have the money to do that, and we might have had it without indexing."

The Montana legislature passed a bill to start indexing brackets in 1981, but Gov. Thomas L. Judge vetoed it. "Nobody could make an accurate determination of the effect of the bill," says an aide. Taxpayers there settled instead for an increase in the personal exemption, which lowered taxes, but officials say indexing isn't dead.

Government managers fret that indexing may force them to raise other taxes or fees. Surplus income-tax money long has been used to lower property taxes in Wisconsin. The state's new indexing law, which will raise brackets at the rate of inflation up to a maximum of 10 percent a year, won't leave much surplus to draw upon.

PROPERTY LEVIES UP?

"Down the road, the impact is going to be substantially higher property taxes," says State Sen. Offner.

Officials point out that fast-growing Western economies like those of Arizona and Colorado generate increased tax revenues without an assist from inflation. (Both also have laws limiting the annual growth in state spending.) They question whether Eastern states—or the federal government—can deal as well with a loss of revenue from indexing.

"For New York State and other states in the industrial Northeast, economic growth has been minimal," points out an aide in the New York State Senate. "If you put a cap on revenue without a cap on expenditures, you very quickly get to the point where it's difficult to meet normal expenditures." A New York State indexing bill introduced last year still is languishing in the state assembly.

Supporters of indexing scoff at these complaints. "It's the typical knee-jerk reaction when somebody talks about cutting back spending," says David Brenzel of the Public Expenditure Survey of Wisconsin.●

IRENE SLATER: THIRTY YEARS OF SERVICE IN THE PUBLIC SPIRIT

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. CORMAN. Mr. Speaker, I rise today to recognize Ms. Irene Slater of the San Fernando Valley for her service to the Greater Los Angeles community and, in particular, for her dedicated work in the Valley Free Clinic. This clinic is a professional clinic which provides needed medical services to indigents and young people unable or unwilling to receive medical attention through more conventional channels. Irene works on the advisory board of directors for the clinic with wide-ranging responsibilities. In recognition of the contribution she has made to this organization, she will soon be awarded the 1980 Sam and Helen Greenberg Award for Community Service.

Irene Slater has brought a unique understanding of the daily affairs, relationships, and problems of the San Fernando Valley community to her position in the Valley Free Clinic. This understanding has been gleaned from her involvement with a large number of other civic organizations in Los Angeles. Her volunteered industry includes membership on the advisory board of the Children's Bureau of the San Fernando Valley, the advisory council for the Salvation Army, the board of directors for the Child Care Resource Center and the Child Guidance Clinic of the San Fernando Valley, the advisory board of the Valley Community College, the San Fernando Chamber of Commerce, the Cystic Fibrosis Foundation Board of Directors, and the Industrial Association of the San Fernando Valley. She is also presently vice chairman of the Legal Center for Public Representation, Inc., an alcoholics rehabilitation program.

In the past Irene has served on the board of directors for the Red Cross, the Northeast Valley Health Corp. and the Van Nuys Adult School Board. She has also devoted time to such community organizations as the Van Nuys Youth Center, the Soroptomist International of the San Fernando Valley, local and national chapters of the Parent-Teachers' Association, the YMCA, and the Girl Scouts, the National Council on Crime and Delinquency and the California Commission on Crime and Delinquency. Often she has served in an executive capacity on these and other boards and commissions, including the chairmanship of the Board of Directors of Panorama City Memorial Hospital and the presidency of Les Gardiennes, an affiliate of the San Fernando Valley Youth Foundation. She has been awarded the Phi Delta Kappa Award for contributions to public education and, in 1979, she was named Outstanding Woman Volunteer of the United Way.

Irene Slater's record of volunteer work is 30 years long, and one must wonder when she had time to be a wife and mother to two fine daughters.

The value of Irene Slater's work for the residents of the San Fernando Valley is inestimable. She is to be commended for her dedication to the needs and problems of our community and, on behalf of the people for whom she has worked so tirelessly, I thank her.●

ENERGY ALTERNATIVE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mrs. SNOWE. Mr. Speaker, with the rising costs of petroleum it has become crucial that American industry look for other alternatives to meet their energy needs.

I am pleased to note that in my district the Great Northern Paper Co. of Millinocket, Maine, is investing in just such an alternative. This system, which will utilize bark waste wood as fuel, will provide the company with approximately 60 percent of its energy needs at their mills in the Millinocket area. The company estimates it will be able to reduce by 413,000 barrels the amount of oil annually needed to operate its mills. This savings, along with taking care of the waste problem usually associated with bark, makes this energy alternative a very interesting story.

That story is more completely told in a fine fact sheet provided by the Great Northern Paper Co. I submit this fact sheet for the information of my colleagues.

I wish to commend the Great Northern Paper Co. for its efforts in finding viable energy alternatives. I hope their accomplishment will provide other industries with an example of the type of measures that can be adopted to address our energy problems.

The information follows:

GREAT NORTHERN FACT SHEET

Great Northern Paper Company is spending $34 million for a bark burning boiler at its East Millinocket newsprint mill.

Bark isn't used in the conversion of spruce and fir into pulp and paper by Great Northern. The Company, like other manufacturers, has literally hundreds of thousands of tons of the stuff. There's no market for it and bark has become a part of society's waste problem.

The boiler which Greater Northern expects to have running by late 1980 will have the capacity to eat up 1,400 tons of bark a day, or over 460,000 tons a year.

With this bark the boiler can produce 300,000 pounds of high pressure steam every hour. A special steam turbine then converts the steam to low pressure for use in the paper mill, enough for roughly 60 percent of its needs. The turbine also drives an electric generator—"co-generation at its best," says Paul I. Firlotte, power systems manager.

When the new boiler is in operation, the Company will be able to reduce by 413,000 barrels the amount of oil needed annually to operate the East Millinocket and Millinocket mills.

The boiler will be housed in a new building (100 feet in height, 10,000 square feet in area) adjacent to the existing East Millinocket mill steam plant. A bark receiving, processing and storage system will also be installed. A $2.4 million dust collection system is planned.

Burning bark is nothing new—Great Northern burns some at its Millinocket mill and other paper and lumber mills in Maine have burners of one type or another. But the East Millinocket boiler will be the biggest in Maine specifically designed for bark burning.

Bark, of course, has a high water content. The boiler is designed to handle bark with up to 60 percent water. Anything over that—and bark stored outdoors in piles for a long time contains about 65 to 70 percent water—must be pressed. Otherwise, it would be like trying to burn wet leaves, project engineers say. To dry the bark even more, the boiler will contain a reflecting arch sending heat back to the fuel bed.

East Millinocket's operations will provide about 20 percent of the bark needed to keep the boiler going. The rest will come from storage piles, the company's wood chip plant at Portage, the Great Northern-owned Pinkham lumber mill near Ashland and if more can be used, from independent sawmills in Aroostook, Piscataquis and Penobscot counties.

The Pinkham mill has a boiler of its own in which bark is burned. The wood chip plant at Portage, with some 52,000 tons of waste a year, uses a "teepee" or cone burner which soon will have to shut down because of environmental regulations.

Why, aside from a desire to reduce oil consumption and reduce possible solid waste problems, spend so much on this project which will add no papermaking capacity?

President Peter F. Yacavone puts it this way:

"While this will not result in expansion of the company's papermaking capacity, it will cut by approximately 20 percent Great Northern's dependency on imported oil and also will solve a solid waste problem. . . . The substitution of bark for oil protects the company's investment in the Maine mills and the jobs of over 4,000 men and women."

Great Northern now is buying 2¼ million barrels of oil a year, all of it imported for use in the power system serving the two mills. In addition to bark, sulfite liquor is also a fuel. Seven boilers, in all, furnish the steam for making pulp, drying paper, and generating electricity. Half of the requirement for electricity under average conditions, comes from hydroelectric facilities. Engineers estimate the Great Northern system could supply the needs of a city the size of Nashville. The home of the Grand Ole Opry has a population of about 450,000.

Stone & Webster Engineering Corporation of Boston is the engineering firm for the project. The boiler is being manufactured by Foster Wheeler Corporation. Maurice C. McLean is the project manager for Great Northern Paper Company.●

CASH FOR THE IDAHO SCHOOL LUNCH PROGRAM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. SYMMS. Mr. Speaker, the Boise School District was one of eight school districts, of varying size and locale, that was selected by the Department of Agriculture to implement the provisions of Public Law 95-166. That law authorized the Secretary of Agriculture to conduct up to 10 pilot projects to determine whether or not cash received to conduct the national school lunch program would work better than the current commodity system, which incorporates a massive distribution system for foods acquired by the Federal Government.

The results were startling. In the Boise School District alone, over $87,000 was saved in a single year, and similar results were seen in each of the other pilot school districts, especially when those costs were indexed for inflation. Indeed, a study by Kansas State University independently evaluated the project and found that $162 million could be saved annually if school districts across the country used cash instead of Government-purchased commodities. The direct purchase by the Government in the storage and transportation of school lunch foods is not only inefficient and expensive, it is also disruptive to private channels of trade.

It is time for the American free enterprise system to handle the transportation, storage, and distribution of food. We all know it could be done more efficiently and at a lower cost than the duplicative, topheavy system that is present under the Department of Agriculture.

The State of Kansas was able, a few years ago, to skirt the commodity program because, after Congress had dismantled the program legislatively, Kansas did so literally, and was the only State to have done so at the time Congress again authorized the program.

The legislation I am introducing today will exempt the State of Idaho from the commodity program in much the same way as the State of Kansas was exempted. I intend concurrently to cosponsor legislation which will probably be introduced next week to improve Federal food procurement and distribution systems of the USDA by using a commodity letter of credit, which would be issued by USDA to each of the States in the amount of their fiscal year entitlements under section 32, section 416, and section 6 programs. While I prefer exemption of the State to the letter of credit, I will work for both, as they both address the problem of the existing program.

It is time to take positive action to provide a better quality school lunch at a lower cost to the American taxpayer. The free enterprise system can handle this program much better than USDA. I hope this Congress will enact this legislation to place viable checks on a very inefficient Federal Government program.●

INTERNATIONAL YEAR OF THE CHILD CONTEST WINNERS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. OTTINGER. Mr. Speaker, last fall, I was privileged to participate in activities sponsored by Westchester County's Committee for the International Year of the Child. During the daylong celebration at the State University of New York at Purchase, photographic, writing and drawing contests were held. I am pleased to share with my colleagues the names of the winners:

CONTESTS WINNERS

PHOTOGRAPHY CONTEST—UNDER 18

Debbie Terry, Hastings-on-Hudson; Lisa Lloyd Jones, Dobbs Ferry; Julie Pettibone, Bronxville; Evan Celwyn, Larchmont; Carla Savino, Hawthorne; Leigh Ann Winick, Hastings-on-Hudson; Todd Tietjen, Rye; Farrell Kramer, Bronxville; Richard Tirendi, North White Plains; Adam Savitch, Mt. Kisco; Bruce Hecker, Mamaroneck; Oluwole Fayemi, White Plains.

DRAWING CONTEST

J. J. Klein, Rye; Pearl Hu, Tarrytown; Stacy Oratz, Irvington; Paul Gheduzzi, Hastings-on-Hudson; Nicole Porricelli, Yonkers; Christine Dolan, Yonkers; Karen Roth, Scarsdale; Richard Hendey, White Plains; Nick DePeyster, Hastings-on-Hudson; Peter Petas, Hastings-on-Hudson; Silvia Prieto, Mamaroneck; Louis Terilli, Jr., Pelham; Mark Mitchell, Scarsdale; Amy Siegel, Tarrytown.

WRITING CONTEST

Peter Schlactus, Scarsdale; Madoka Yamaki, Ardsley; Danny O'Keefe, Chappaqua; Julie Flannery, White Plains; Sorraya Sampson, White Plains; Anne O'Connor, Eastchester; Joey Wilensky, Eastchester; Aaron Sherber, New Rochelle; Dick Heim, Pleasantville; Debra Gasthalter, Katonah; Troy Marchese, White Plains.

PHOTOGRAPHY CONTEST—OVER 18

Dondi Partlow, White Plains; Sharon Fox, College of New Rochelle; J. P. Simmons, SUNY Purchase; Simone Peeles, Mt. Vernon; Margaret Hull, South Salem; Kathleen Lee, Yonkers; Carol Beck, Mt. Vernon; Lisa Leavitt, Irvington; Jonathan Cervill, Armonk; Andrea Gio, Yonkers.●

THEODORE HINDERAKER

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. LEWIS. Mr. Speaker, I would like to take this opportunity to commend to the House of Representatives Theodore Hinderaker, who has served in the Federal Bureau of Investigation for the past 28 years. His contributions are not only admirable but far reaching and deserving of our recognition.

Mr. Hinderaker has served the Bureau since September 10, 1951, after serving for 2 years in the U.S. Navy. He received his bachelor's degree from Saint Olaf's College in Northfield, Minnesota, and a master's degree at the University of Minnesota.

Hinderaker moved to Palm Springs in August 1958 and became senior resident agent of the Palm Springs FBI on September 22, 1978. During his career, Hinderaker has been a well-respected member of the law enforcement community in San Bernardino and Riverside Counties. He, through intensive investigation, recovered a rare collection of paintings stolen from the Cowboy Hall of Fame in Oklahoma City, Okla., and numerous Picaso etchings stolen at the same time. He was also instrumental in solving two major kidnaping cases in the Coachella Valley.

Along with his wife, Laura, and children, T. H., Dixon, Sue, Kari, and John, Theodore Hinderaker has been actively involved with the community of Palm Springs outside of his work. He is an AAU swimming official and participates in many community service projects.

Mr. Speaker, Theodore Hinderaker's contributions to our country and his community are truly outstanding and I am proud to recognize him today.●

SPECIAL AREAS SOIL CONSERVATION ACT OF 1980

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. JONES of Tennessee. Mr. Speaker, I am introducing the Special Areas Soil Conservation Act of 1980. This bill will focus the soil conservation efforts of the Federal Government on areas of the Nation which suffer from especially chronic soil erosion problems.

Soil erosion has been a problem since man began altering the environment to meet his needs. Cropping, livestock grazing, logging, mining, and other activities accelerate erosion, destroy the soil surface, and remove protective vegetation. The problem is growing worse year after year in this Nation and worldwide as well.

Erosion reduces the productive capacity of our soil resources, increases production costs to offset the loss of fertility, and leads to use of more energy for tillage and the production of commercial fertilizer. The removed soil is deposited in terrace channels, waterways, depressions, and at field edges, the toe of slopes, and along the path traveled by water running off the land. Much of the eroded soil completely leaves the field as sediment. About one-fourth of the sediment is carried all the way to the ocean. A serious pollution problem is created where the sediment particles also transport nitrogen, phosphorus, and other plant food chemicals into lakes and streams upsetting the natural balance of aquatic vegetation growth.

According to studies made by the Soil Conservation Service, about 4 billion tons of soil is lost annually from the non-Federal lands in the United States with one-half of it coming from cropland. Forty-four percent of the 413 million acres used for cropland in 1977 are on soils with a moderate to very high risk of damage by sheet and rill erosion. Some soils lose as much as 100 tons or more per acre per year. Erosion is especially serious on sloping unprotected cropland. In some areas, a combination of conditions result in deep cavernous gullies that void the land for any productive use.

The Soil Conservation Service studies show an alarming national average of 4.8 tons of soil eroded from each acre of cropland each year. However, even this figure does not portray the seriousness of the problem because it is merely a national average. In many parts of the country the erosion is much higher.

This country has, and needs to maintain, an underlying base program of conservation assistance available in every country to every farmer. But in addition, for those critically eroding areas of the country, there needs to be a special emphasis program to solve those really tough problems. The Special Areas Soil Conservation Act of 1980 will provide that program.

This bill was drafted with the principles of good government and fiscal responsibility in mind. We all recognize that Federal spending must be controlled and that, as important and basic to our national health as the soil resource is, soil conservation programs will only receive a small part of the budget. It allows us to target a portion of the Federal effort to the most serious problem areas.

As many of you know, I have a personal commitment to soil conservation and am willing to fight for new and better programs in the Halls of Congress.

The stakes are high and the pressure to cut the Federal budget is tremendous. But USDA estimates that we lost 4 billion tons of soil per year off of non-Federal lands. In west Tennessee, we lost 40 tons per acre per year with some acres losing 100 tons per year.

Some people are saying we are losing 2 bushels of soil for every bushel of corn produced and that erosion today is 25 percent worse than it was during the Dust Bowl period.

Late last year, I asked the Secretary of Agriculture to identify the most seriously eroding areas in the country. I have received his report which identified these areas: First, Aroostook County, Maine; second, east bank of the mid-Mississippi River which includes counties in western Kentucky, Tennessee, and Mississippi; third, east central Georgia; fourth, Green Hills area of Missouri; fifth, Loess Hills of southwestern Iowa; sixth, Washington-Idaho Palouse area; and seventh, Wiregrass area of southeastern Alabama.

The Special Areas Soil Conservation Act specifies these areas for treatment but other areas could be brought in as they are identified.

The bill includes implementation of a program patterned after the Great Plains conservation program which has been in operation since 1956. Basically, the program would involve these elements:

First, cost-sharing and technical assistance to landowners and operators in a designated area.

Second, long-term contracts between USDA and owner/operators based on conservation plans for the farm.

Third, owners and operators would agree to implement their plans in accordance with a firm implementation schedule and forfeit further rights if they violate the contract.

Fourth, the Secretary of Agriculture would determine the percent of allowable cost-sharing necessary to carry out the program.

Fifth, one controversial provision may be the authority to compensate farmers for income lost as a result of crop adjustments from new crops to permanent vegetative cover. I included the provision as one way to approach the problem and will be interested to hear the debate.

Sixth, all projects would require approval of the House and Senate Agriculture Committees.

This bill is simple, the opening gun for a race on a fast track in 1980. We are also working with Senator HERMAN TALMADGE, chairman of the Senate Agriculture, Nutrition, and Forestry Committee, in drafting more comprehensive national soil conservation legislation. In any case, I ask each of you to review and analyze this bill. Let me know your views on how to combat this very serious problem.●

OUTSTANDING WORK BY THE WARC

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. OTTINGER. Mr. Speaker, I am pleased to have in my congressional district one of the most active organizations serving the developmentally disabled—the Westchester Association for Retarded Citizens. It is the largest agency in Westchester County which provides day training programs for the mentally retarded. WARC operates facilities in White Plains, Yonkers, and Mount Kisco; more than 600 persons benefit daily from the sheltered workshop programs run by WARC.

Once a client has developed the necessary skills, a great deal of time is devoted by WARC to the process of placing a client in the proper job setting.

The rehabilitation counselors and other support staff do a fantastic job of finding places for clients with local employers.

I am pleased to share with my colleagues at this time a Gannett Westchester newspaper article which profiles the WARC training and placement programs.

The article follows:

FINDING JOBS FOR RETARDED CITIZENS

(By Phyllis Riffel)

An employer wants the best person for the job. The applicant wants a position geared to his ability which holds a promise of success. Sometimes an employment agency has to be the link to bring the two parties together. And still, a match is not always made.

For clients of the Westchester Association for Retarded Citizens (WARC) seeking competitive employment for the first time, matching prospective employers and employees takes on a whole new dimension.

It is the sensitivity, concern and perseverance of Holly Wolf, placement director for WARC in White Plains, and Bill Porcaro rehabilitation-placement counselor located in Yonkers, which make successful placement at all possible. Coupled with the receptiveness of a number of companies and institutions, a climate has been developed to enable retarded citizens to leave sheltered workshops and work side by side with people whose entrance into competitive employment was most likely along a path with fewer obstacles.

"It has to be a very selective process," said Ms. Wolf, who has been in her placement position with the agency for two years. She previously had a career in merchandising and selling, became a volunteer at WARC seven years ago and joined the staff in 1973. "I'm still in selling. It's a case of 'selling' when I approach a new corporation about considering the hiring of one or more of our clients." And part of her role is to teach clients how to sell themselves and land a job.

When a trainee is identified as having the potential for working in competitive employment—by social workers and rehabilitation counselors—Ms. Wolf begins the placement process. She has instituted an eight-week program of preparation which includes sessions on how to handle an interview, use the telephone properly and fill out application forms. The prospective employees are encouraged to define their expectations. They are exposed to the requirements of jobs they might be offered. Guest speakers—clients who have been successfully or perhaps unsuccessfully placed—share their experiences with the group.

Risks are discussed: those of the employer as well as the client. The fact that both parties must be willing to take a chance is discussed openly.

"We sometimes use a mirror technique. I ask a client 'how do you like yourself?' as he or she looks into a hand mirror," she said, explaining the way she works with the clients as they strive toward more independent lives.

"I take a fresh look at each person in order to determine whether they are ready for only a part-time job, one several days a week or full-time and what kind of employment they would be most comfortable with," she said.

Since each placement is tailor-made, Ms. Wolf has to carefully consider where a client best belongs in the job world. Having placed some 80 trainees annually, she has established good rapport with a variety of employers—in fields ranging from food preparation to retailing to manufacturing.

Some of her best contacts have come by word-of-mouth and satisfied employers usually let her know when new openings occur. She will accompany the client for an interview if necessary and conduct follow-up, lending support through each phase of placement.

Sometimes a trainee must be shifted from one job to another a number of times before employer and employee are compatible and all other conditions are favorable. Transportation to and from a job, attitudes of colleagues and conforming to a new daily routine are all factors to be considered. In some cases, co-workers may be aware that a new fellow worker has been placed by WARC, but more often there is no need and the process of mainstreaming takes place without notice.

Porcaro follows the same steps as Ms. Wolf. Since clients at the Yonkers facility are apt to live in the southern part of the county as well, his placements are primarily in the New Rochelle, Mount Vernon and Yonkers vicinity. "We want our people to be as independent as possible," he said.

Because the population at Yonkers is smaller and the functional level of clients somewhat lower, he is involved in placement on a half-time basis and uses his talents as a rehabilitation counselor with a case load of 80 persons the rest of the time. "A favorable placement is like a Christmas gift and my own particular reward," he said. "Those are the VIPs—the success people—the ones who make it and they serve as an inspiration to the clients and to me," he said.

Tom Talty, plant manager for Union Pen and Pencil in Port Chester, and his production manager, Myroslaw Futala, are two of the many employers who have found that hiring retarded citizens has been beneficial to their operation and "a learning process for us too."

Several clients are employed at the direct mail marketing and advertising plant and Talty said, "Yes, we're happy to give someone a chance and it may take a little more instruction in the beginning—we want to make sure the employee understands where he fits in and that he is a part of the action. But, this works both ways. We need people and lots of workers would be bored with the repetitious kind of tasks that must be done here."

Futala echoed his boss' sentiments. "Handling people is part of my job and this is just another aspect of that responsibility. If they are happy with themselves and what they are doing, it's a positive situation all the way around," he said.

Some of the other employers who are insuring the fact that the developmentally disabled do not have to remain on the sidelines of life are Nathan's Famous of Yonkers, Alexander's in White Plains and Yonkers, Farrand Industries in Valhalla, Sal Grinding in New Rochelle, The Westchester County Parks, Recreation and Conservation Department, Stouffer's Inn of Westchester, Texaco, the Bank of New York and Manhattan College, to name a few.●

INTERNATIONAL BANKING

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. GREEN. Mr. Speaker, the rapidly changing domestic and international financial environment has created a need for reevaluation of laws regulating banks and financial institutions. Our diligent work on changes in domestic banking legislation, a large part of which has just been finished in conference, is evidence that we are responding to this challenge, at least on the domestic front. In competing with international banks, however, American banks are encountering inequities that put them at a significant disadvantage. David Rockefeller, chairman of Chase Manhattan Bank, has outlined these problems in a recent speech before the American Bar Association National Institute on Legal Aspects of International Banking. I call the major portions of this speech to my colleagues' attention:

INTERNATIONAL BANKING AND AMERICAN REGULATIONS: "TILTING" AWAY FROM OUR GOALS

* * * In my judgment, the major challenge facing the banking industry in the years and decades ahead is to continue to adapt to a rapidly changing world. Our capacity for meeting the challenges and opportunities ahead will depend in large measure on the ability of the banking industry to adapt to changing conditions. That adaptation is the task you will face in your careers, whether as legal advisors to banks or as formulators of government policy.

As an American banker, I'm pleased to tell you that banking has been a growth industry. The assets of the nation's three largest banks rose from $70 billion to nearly $300 billion over the decade of the 1970s. . . . Moreover, I am convinced that there is great potential ahead for American banks to compete more effectively in the global marketplace, to offer more services to their clients, and at the same time to further our country's national goals. That's the good news.

On the other hand I'm not so pleased to tell you that, relatively speaking, American banking is a declining industry. Banks of other nations are taking an increasing share of the banking pie, not only abroad, but in the United States as well. And American banks find themselves fettered in meeting this growing competition, and in helping contribute to the achievement of national economic goals.

In 1970, 7 of the 10 largest international commercial banks, ranked by assets, were U.S. banks. The top three were American banks. At the end of 1979, only three U.S. banks were in that number, and they no longer occupy the top three positions.

U.S. banks have long been predominant in the list of the "Top 300" banks. In 1979, for the first time, U.S. banks were outnumbered by Japanese banks.

Over a dozen U.S. banks that were in the "Top 300" listing in 1978 are no longer on that list.

To an extent, this change in relative position is associated with currency realignments. But in a larger sense, it reflects declining competitiveness stemming in part from excessive and inequitable regulation.

In meeting the challenges ahead, however, U.S. banks are facing rather severe problems. Regulation has stifled fair banking competition both domestically and on a global scale. At home, restrictive regulations have made it difficult for banks to compete effectively with other financial institutions. In addition, freedom from banking regulation has provided non-financial institutions with competitive advantages over banks in business activities that strongly resemble banking. Internationally, U.S. laws and regulations hamper American banks from competing on an equal basis with foreign banks.

Competitive inequities, both domestically and internationally, are areas of increasing concern. My purpose today, however, is to focus on the inequities under which major U.S. banks compete with foreign banks in the global marketplace.

In no way should this analysis be taken as a criticism of foreign banks in the United States. Far from it. We American bankers welcomed foreign banks when they first began to arrive in numbers, and we continue to appreciate the value of their presence today. Their presence in the United States smoothes the conduct of international business and stimulates competition. I venture to say that virtually no other nation offers the level of freedom to foreign banks that the United States does. Foreign competition is not the problem. The problem lies, rather, with inequitable rules which obstruct fair competition.

These inequities find American banks hampered in their efforts to compete effectively in a highly demanding competitive environment. And the growth of foreign competition is accelerating, not declining.

Foreign banks in the U.S. now have branches and agencies with over $130 billion in assets. They also control other banks having about $25 billion more in assets. In total, foreign banks represent control of over 10% of all bank assets in the United States.

Currently, over a third of the commerical loans booked in New York City, Los Angeles and San Francisco is booked by foreign owned institutions.

And the trend continues.

These circumstances were not arrived at as the result of deliberate policy. Unfortunately, we as a nation have allowed a national banking policy to evolve which discriminates against U.S. banks in the United States and overseas. Moreover, we have allowed a banking environment to develop which prevents American banks from achieving their full potential for supporting U.S. economic policy.

The current policy and environment stem from the residual effects of much older domestic banking regulation. The world has changed. Our requirements for domestic financial institutions and for international trade and global financial transactions have changed—and will continue to change in the future. The regulatory environment has not kept pace with these changes in the world. Our legislators and regulators have been slow to recognize the very real need to adapt banking practice—now severely constrained by inequitable regulation—to a changing world and a more challenging operating environment.

For example, Federal regulators have authorized a foreign bank, the Hong Kong and Shanghai Bank, to acquire control of the Marine Midland Bank. While the Marine Midland might be a very good acquisition for some large New York bank seeking to complement its capabilities, no such acquisition would conceivably be approved by the Fed. Moreover, statutes prohibit an out-of-state bank from acquiring Marine Midland. Result: another competitive edge for foreign banks and further competitive inequity for American banks in their own country.

Yet another illustration is the case of Wachovia Bank, a major regional bank, which was required to divest itself of the American Credit Corporation on the grounds that ownership of American Credit resulted in unfair competition. Yet, Barclays Bank, A British firm with about ten times the assets of Wachovia, with branches and agencies in six states—and U.S. subsidiaries with assets about equivalent to Wachovia's—was permitted to purchase American Credit. Result: inequity.

In another area, U.S. banking regulation has long insisted on maintaining a separation between banking and commerce. This 19th century policy has properly kept U.S. banks out of the clearly commercial areas of selling goods and merchandise. But it has also kept U.S. banks from providing a full range of trade intermediary services which foreign banks are permitted to provide. Result: again, competitive inequity in our immediate marketplace.

I might also point out that the policy basis of this last constraint—the sharp separation between banking and commerce—has in another context been stood on its head. The rules separating banking and commerce were written at a time when it was felt that merchants needed protection against competition from banks. Today, however, the results of this regulation cut the other way. Now it is the banks who are finding vigorous competition in consumer and commercial financing from such ostensibly non-finance sources as General Motors and Sears Roebuck, each of whom does more lending—nationwide—than many fairly large commercial banks.

I think it is very important to make clear that the resolution of these inequities does not lie in more restriction on others; it lies in uniform treatment of domestic and foreign banks and bank-like institutions. American banks are not looking for protectionism. They are looking for an equitable competitive opportunity. Fair is fair.

Efforts to redress these inequities have dealt with only part of the problem and have not been very effective to date. For example, the International Banking Act of 1978 resulted in "grandfathering" a substantial number of foreign bank operations which would not now be permitted as new business. In fact, during the extended debate over IBA, literally scores of interstate branches and agencies of foreign banks were established in the United States.

The cause of this continuing pattern of inequities is not malice, but misunderstanding stemming from an old attitude that is out of step with the times. The current regulatory environment suggests that American banks, even the large money center banks, are treated by U.S. regulators as if they were principally domestic banks competing in a domestic market. The market being regulated is viewed as a principally domestic market; the regulatory interest is seen primarily as a domestic interest; the relevant competition is seen as domestic bank competition. Competition from foreign banks, and from non-bank American institutions which take deposits or make loans, is viewed as somehow different from domestic bank competition. This parochial attitude, and the perceptions which support it, are completely out of touch with reality.

The reality is that commercial banking is now a global enterprise. Many of Chase's customers are multinational corporations which need and expect worldwide service. Some are American firms headquartered here. Many others are not headquartered in the United States, yet they do substantial business here and seek financing here. In this kind of environment, Chase—and the other major commercial banks—are not simply domestic banks with foreign interests. They are global banks with global markets—and global competition.

In addition, much of our funding is obtained through international markets, and our trading operations are global in scope. * * * Banking in London, Bahrain, Singapore, Hong Kong and Tokyo is as important as banking in New York.

In my opinion, regulators have not yet come to appreciate what these changes mean.

* * * What does this global context mean in practical terms?

Permitting competitive advantages to foreign banks in the U.S. is neither fair to U.S. banks nor helpful to competition in any respect. Rather, it helps insure that the U.S. banking industry does less and less of the world's commercial banking business.

It means that the penetration of U.S. markets by foreign banks is not somehow "external" competition—which should be viewed as qualitatively different from competition by other domestic banks. This penetration is part of global competition in but one key market area—the United States.

And the new global context for commercial banking means that continued unwise or unnecessary domestic banking legislation and regulation can adversely impact American banks as a group. This is particularly the case with inequitable restrictions on interstate banking activities, and with unfair legislation and regulations which preclude U.S. banks from offering services permitted to foreign competitors.

The real tragedy of these consequences is not simply that American banks are hampered in their ability to compete. The greater tragedy, rather, is that U.S. banking regulation and policy run counter to other basic national policies and goals, such as increasing national exports, and limit the ability of U.S. banks and other business to help us meet those goals.

What must we do to reverse this counterproductive effort?

Let's put aside from the outset the great, hollow straw-man that is sometimes offered in the debate about U.S. banking. No responsible banker I know is prepared to throw away all the statutory and regulatory keystones of U.S. banking policy. Yet, it is time to reassess banking legislation and regulation in light of our national interests at home and abroad and the question of competitive equity on a global basis.

Our goal, as a minimum, should be to restore competitive equity wherever it is lacking. Domestically, that equity should obtain among U.S. financial institutions and between American financial and non-financial institutions which engage in financing and other banking activities.

On the international front, inequities in reserve requirements between U.S. and foreign banks—and for that matter between U.S. banks and other U.S. non-bank depository institutions—should be corrected.

Discriminatory statutes and policies which make it unnecessarily difficult for U.S. banks to compete with foreign banks outside their home state should be looked at afresh—not to undo the benefits of national banking laws, but to correct the competitive inequities which have resulted from them.

Antitrust statutes should also be reviewed to redress competitive inequities.

And a new look is required in the area of legal constraints on American banks operating abroad.

Such a comprehensive review of banking statutes and regulations means a major reassessment of laws which go back to the National Banking Act of 1863. No short-term, quick-fix revision can permit the fundamental changes required if the American banking system is to continue to adapt to its changing environment. The McFadden Act, the Glass-Steagall Act, the Federal Reserve Act, and the Bank Holding Company Act should all be reassessed in light of the rapidly changing domestic and international banking environment. Each of these statutes has served the American banking system well in the past, and in my judgment, is still largely relevant for the future. But each has as well some features and requirements which impose unfair competitive burden on American commercial banks. Our legislators must become more fully aware of the effects of these inequities.

And finally, the overall attitude of the regulatory process, which has not kept pace with the development of domestic and foreign competition, needs a hard, fresh look. Our competition is global; our laws and regulators must have a global outlook.

If we undertake a serious and honest review of these statutes and regulations I believe we can find room for considerable improvement not only in reestablishing competitive equity—a fair marketplace—at home and abroad, but also making international finance a more effective component of national economic policy.●

OMNIBUS SMALL BUSINESS BILL

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. McDADE. Mr. Speaker, I am introducing today an omnibus small business bill aimed at addressing a number of legislative priorities expressed by the delegates to the White House Conference on Small Business held earlier this year. The Small Business Development Act is designed to provide the more than 13 million small business establishments throughout the country needed assistance to reverse years of Government indifference and interference. The economic scope of this bill is not limited to the small business community, it is directed toward creating jobs, increasing productivity, improving the balance of payments and fostering competition that will reduce inflation.

The cumulative contribution of small business to our economy is much more important than most people recognize. They employ more than 58 percent of all American workers, and produce 43 percent of the gross national product. It has been estimated that small business contributed more than $23 billion in tax revenues for 1979 and they provide the foundation for local economic stability.

In the area of job creation—small business is the clear leader. A recent MIT study found that four-fifths of all new jobs between 1969 and 1976 were generated by firms with 100 employees or less. The same study, indicated that innovative, risk-taking firms are the most active job creators. Building on this concept, the Small Business Development Act insures small business an increased role in innovation and it encourages new investment through the stimulation of equity capital and capital retention. In addition, it focuses on the very important question of Government policies, which directly affect the small business climate.

The provisions of this bill incorporate the majority of the priorities voiced by the delegates during the White House Conference on Small Business. It responds in a concrete and positive way to the recommendations of the small business community. It includes those proposals that have been the subject of prior congressional discussion and hearings. I believe that each part of this bill stands a good chance for approval. Unfortunately, all of the recommendations of the conference cannot reasonably be considered in one bill. However, all their ideas are being considered and should be the subject of further congressional examination.

This legislation is not expected to solve all small business problems. But it is a clear mandate for increased congressional examination of and sensitivity to legislative changes needed to preserve and strengthen our small business community. The diversity of small businesses throughout this country makes it difficult to offer a simple and single solution to their problems. However, the Small Business Development Act is intended to be a framework to begin serious congressional deliberation of ways to improve the climate for small business and consequently the national economy. I am hopeful that the various committees who have jurisdiction over these proposals will begin hearings to evaluate and refine this legislation. The seriousness of the problem and the complexity of the solution most assuredly deserves a more in-depth focus by the Congress.

I am pleased that key Republican leaders and all the minority members of the Small Business Committee have joined in cosponsoring this bill. The current cosponsors are: Bob Michel, Sam Devine, Jack Edwards, Clair Burgener, Bud Shuster, Trent Lott, Guy Vander Jagt, Richard Schulze, Silvio Conte, Bill Stanton, Bill Broomfield, Tim Lee Carter, Dan Quayle, Dan Marriott, Toby Roth, Lyle Williams, Olympia Snowe, Doug Bereuter, Ed Bethune, Arlen Erdahl, Thomas Tauke, and John Porter.

The areas addressed by the bill are outlined below.

Title I of this bill, provides additional research and development opportunities to small businesses. Although small business entrepreneurs have historically been the major developer of new products and the initiator of creative ideas, existing patent policy tends to thwart these efforts. In addition, the complexity of obtaining Government contracts in the area of research and development has discouraged small business from fully utilizing these important sources of research funds. Title I attempts to break down these barriers to insure that small businesses can compete for their fair share of research dollars and to spur innovative development.

Titles II and III of this bill, make changes in tax policy to respond to the critical capital shortage small business owners are facing in the current economic climate. The bill provides for a more rapid recovery of capital investment in productive assets. It will also streamline this process by abolishing the cumbersome asset depreciation range method that small business owners have not been able to use. Three classes of eligible property are established as follows—10 years for structures, 5 years for equipment, and 3 years for vehicles. This new method will have the dual benefit of simplifying the tax treatment of business assets and providing greater equity to the business during this inflationary period.

This measure will help to modernize our Nation's aging production equipment by removing the cap on the investment tax credit for used equipment; which is the only kind of equipment that most small businesses can afford. It also provides for a rollover of capital gains when reinvested in a small business, which will help to bring venture capital to the equity-starved small business community. The ceilings on the graduated corporate tax schedule are altered to take into account the increased cost of running a business, and the carryover basis used for computing estate taxes reverts to that used prior to 1978. These changes are intended to stimulate investment and expansion in the business community. This additional capital is needed to stimulate growth in business and is critical to increase productivity and create new jobs.

Titles IV, V, and VI address the relationship between the small business owner and the Federal Government. Provisions in the bill, allow a small business to recoup costs and attorneys' fees when successful in proving that a Federal Government administrative or civil action against him was unjustified. No longer will the business man or woman be forced to succumb to Government charges, merely because it is too time consuming and costly to try to fight it.

The bill also mandates the Federal agencies to reexamine their propensity for regulation generation and regulatory insensitivity. Greater regulatory flexibility will be required to address the differing needs of businesses of different sizes. Last, agencies will be asked to justify their programs and Congress is charged with greater oversight responsibility for the various Government programs. Cost effectiveness and fulfillment of legislative goals are to be used as the evaluation criterion in determining the continued operation of each program.●

ANOTHER STRONG INDICATION FOR SEPARATING SCIENTIFIC FACTFINDING FROM REGULATORY DECISIONMAKING

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. WAMPLER. Mr. Speaker, on February 13, I introduced H.R. 6521, a bill to establish the National Science Council to decide questions of scientific fact which arise in agency adjudications involving restricting the use of certain substances, such as—but not confined to—saccharin, nitrites, or specific pesticides.

For the last several years, Congress has been on the frontline of the battle, so to speak, over whether or not FDA would be permitted to ban saccharin from human use because tests using rather enormous doses of saccharin caused bladder cancer in test animals. Congress has also become deeply involved in proposals by several regulatory agencies to ban nitrites. Many other substances have also stirred up vigorous debate in the Congress, among prominent scientists in and out of government, industrial and agricultural groups, consumers and environmental groups, all concerned about the question: Is this or that substance a hazard to human health and to what degree is it a hazard?

Our regulatory agencies' procedures for evaluating risks are in shambles. I make this statement because it is rather obvious that more and more of these decisions are being dumped on Congress doorstep—because too many American citizens are questioning the recent decisions of our regulators. The laws enacted by Congress to determine if a substance is a risk pretty well leave these determinations up to the regulators. Unfortunately, we are finding more and more cases where the regulatory agencies' protocols for testing materials and their methodologies for relating these test of animals, cellular tissues, and other test mediums to humans or even animals, other than those tested, are just not holding up scientifically. Today's story in the Washington Post by Victor Cohn entitled "Saccharin Scare Debunked," is a case in point.

It is my view, and I believe the evidence is getting stronger and stronger every day, that our current crop of regulators are just not using good science to determine the hazards of substances in the market and/or workplace, and may be even bending science to fit regulatory actions as charged by the National Academy of Science in a series of analytical studies for the U.S. Environmental Protection Agency in 1977.

My bill would separate scientific fact determination—that is, does a specific substance present a hazard to man—from the political, social, and economic determinations as to what to do with a substance once we have determined it is in fact a hazard.

For this reason, I call to your attention the Washington Post article of Thursday, March 6, 1980, which is reprinted as follows:

SACCHARIN SCARE DEBUNKED

(By Victor Cohn)

A series of new medical reports concludes that the saccharin-cancer scare of the 1970s was overstated and that, except for certain special groups, such as children, people who use modest amounts of the artificial sweetener have "little cause for concern" about cancer.

The studies' major finding is that "there is no saccharin-induced epidemic of bladder cancer in this country," Dr. Robert Hoover, environmental studies chief of the National Cancer Institute, says in today's New England Journal of Medicine.

The dieter who uses a packet or two of saccharin a day in coffee, or the diabetic who drinks a diet drink, he adds, "can be assured" that the excess risk of cancer, "if present at all, is quite small and little cause for concern."

The main risk, it appears, is among children and youths, heavy saccharin users or diet-drinkers, users who smoke and women who are pregnant.

The New England journal summarizes a new Harvard School of Public Health study that failed to find any general pattern of artificial sweetener use in 592 Bostonians with bladder cancer.

Science magazine Friday is to report similar results among 367 patients in six cities who were studied by Dr. Ernst Wynder and Steven Stellman of the American Health Foundation.

A Food and Drug Administration official yesterday said FDA is doing nothing to prepare any new anti-saccharin rules. A congressional moratorium on any FDA saccharin ban expired last May. Last year FDA officials were still speaking of possible new actions against the sweetener.

The latest studies confirm a largely similar result in a December National Cancer Institute report on more than 3,000 cancer patients.

None of these studies proves saccharin to be completely safe. Either the Harvard or NCI study or both found some excess risk among smokers, and among users of more than two diet drinks or their equivalent daily. A packet of saccharin contains about 30 milligrams; a diet drink about 80.

Almost all authorities continue to be alarmed by the heavy consumption of diet drinks by many youngsters and women who may become pregnant, and the heavy advertising of these drinks.

Taken together, however, the recent studies could take even more of the sting out the once-fervent federal anti-saccharin drive.

The House voted last year to extend the moratorium on new FDA action. "We fully expect" the Senate to concur, said Wayne Pines, FDA associate commissioner for public affairs. "Therefore, we are not going to expend further resources in developing regulations on saccharin."

Pines said the FDA still feels that saccharin is "a weak carcinogen," but a carcinogen nonetheless, and, "We are still concerned with its consumption by so many people."

The most damning evidence against saccharin has come from studies showing that it causes or helps cause bladder cancers in animals. And one Canadian study indicated a 60 percent increased risk of bladder cancer among saccharin-using men.

The situation today is that further human studies have failed to confirm any such link in the population as a whole.

The NCI did find a 60 percent increased risk among "heavy" saccharin users, two or more eight-ounce diet drinks or six or more servings a day of a sugar substitute. Women, for example, who ordinarily have a yearly rate of five cases of bladder cancer per 100,000, may have eight cases with heavy saccharin use.

The same study found an unmeasurable degree of increased risk among saccharin-using men, who smoked two or more cigarette packs daily, or women who smoked one or more.

Harvard's Dr. Alan Morrison and Julie Buring said today that they found no excess bladder cancer risk in either men or women saccharin users in general. But they too found extra risk among women who use diet beverages in quantity.

Where NCI found some extra risk among heavy smokers, Harvard doctors observed no such effect.

This does not exonerate smoking. What it does show, Hoover writes, is that whatever risk is associated with saccharin is a weak one, which doesn't produce enough cases for accurate measurement in a sample of hundreds of persons.

Just the same, he adds, when all the evidence, human and animal, is weighed against the lack of evidence of saccharin benefits, any use at all by non-diabetic children or pregnant women is ill-advised. So, he says, is heavy use by women of childbearing age, and excessive use by anyone.

Then-FDA commissioner Donald Kennedy and four members of a National Academy of Sciences food safety panel told a congressional subcommittee last year that saccharin "probably" causes some bladder cancers. They said it should at least be denied to the millions of children who are drinking it.●

HUMAN RIGHTS AND THE FUTURE OF U.S./U.S.S.R. SCIENTIFIC COOPERATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. OTTINGER. Mr. Speaker, I would like to take this opportunity to commend the National Academy of Sciences for its unprecedented decision to cancel workings, seminars, and symposiums with the Soviet Union for at least 6 months in protest of the banishment of Nobel laureate Andrei Sakharov. Under the leadership of President Philip Handler, the NAS has been a consistent and effective critic of the Soviets human rights policies.

It is also worth noting on this occasion that Dr. Handler has further distinguished himself as a leading human rights advocate in his opening statement at the Helsinki Scientific Forum, a meeting of the leading scientists from the nations which signed the Helsinki accords including the Soviet Union. I had written, along with 33 of my colleagues, to Dr. Handler, who headed the U.S. delegation, to assure him of our full support for his endeavors to raise the human rights issue at the forum. I was extremely pleased by his response to our letter and his opening statement. I would like to call the attention of my colleagues to excerpts from this letter.

The text follows:

NATIONAL ACADEMY OF SCIENCES,
Washington, D.C., February 15, 1980.

Hon. RICHARD L. OTTINGER,
House of Representatives,
Washington, D.C.

DEAR MR. OTTINGER: This will acknowledge receipt of the letter, dated February 13, signed by you and 33 other Congressmen, concerning the conduct of the American delegation to the CSCE-sponsored Scientific Forum in Hamburg. Our delegation will surely be deeply impressed and grateful for the fact that so many of you feel strongly concerning issues of human rights.

As the simplest indicator of our intentions concerning the Hamburg meeting, I have attached a copy of the penultimate draft of my talk at the opening plenary sessions of the Forum. (Each of 35 nations is entitled to 15 minutes.) Of necessity, it treats in some degree of the purported scientific substance of the Forum agenda, but I hope that you will agree that its principal message is the profundity of American concern for human rights.

On behalf of my colleagues, please accept our thanks for your powerful message of support for the very effort which is the reason that most of us are going to Hamburg.

Sincerely yours,

PHILIP HANDLER,
President.●

ANTHONY "TONY" PISANO, 1919-80

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. ANDERSON of California. Mr. Speaker, on February 20, one of my constituents, Tony Pisano, a leader in the South Bay fishing industry, passed away. Tony's death is a tragic loss to both his family and the entire community, as Tony played a central role in everything he became involved with.

Tony's life revolved around the harbors of San Pedro Bay, where he spent his early years as a boatowner and captain. He joined the Fisherman's Cooperative of San Pedro in 1955, and served on its board of directors. Following this, Tony was the association's president for 4 years. With such participation, Tony eventually became general manager of the cooperative, where he served with great distinction for the last 13 years. Other involvements included membership in Mayor Tom Bradley's Citizen's Planning Advisory Committee for the Los Angeles Harbor Area, as well as the Department of Commerce Ad Hoc Committee on Commercial Fishing Vessel Insurance.

Tony's reputation for honesty, devotion to people, and long, hard hours of work over the years only served to increase the respect men and women of the industry had for him. It is said that "the sea can be fickle, calm one day and stormy the next"—yet Anthony Pisano was the antithesis of that phrase to the fishermen of the South Bay area. Rather, he was a strong and stable figure with whom they could work in harmony, as he was one of their own.

Mr. Speaker, my wife, Lee, and I, have known the Pisano family for many years. Our deepest sympathies are extended to Tony's wife Eva, his six sons and daughters, and the entire Pisano family. Tony's achievements, and devotion to his community serves as a beacon to us all; our fond memories of him will not be forgotten.●

TAX PROBLEMS OF AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. ALEXANDER. Mr. Speaker, I insert another issue on the problems of Americans living abroad. This issue deals with the tax problems of American citizens abroad. Tax treatment is one of the major areas these citizens are concerned about and I hope my colleagues will pay close attention to this data.

The material follows:

ISSUE NO. 27

Short title: U.S. Taxation of Overseas Americans Creates Competitive Problems.

Summary of the problem: The United States tax policy is that all American citizens, no matter where they may live, have the same obligation to pay U.S. taxes on their earned and unearned income.

No other major country of the Free World has this tax approach. All of the rivals to the United States tax their citizens on the basis of their residence. This applies to taxation of earned income and foreign unearned income as well.

Obviously, therefore, whenever an American confronts a non-American abroad, the American will be competing with an extra-burden: his tax liability to the United States.

A number of observations can be made about this U.S. policy. First, as a basic principle it is a paradigm example of a situation where equity with Americans at home conflicts with equity in competition against individuals of other nationalists abroad.

Second, it is most curious that the stoutly maintained necessity for Americans to carry their obligations on the basis of citizenship no matter where they reside is so obviously at variance with the U.S. practice of not giving rights or benefits on the basis of citizenship but rather defining many of these on the basis of residency.

Third, the United States has just expended a considerable amount of time and labor to negotiate a new multilateral trade agreement to insure a freer movement of U.S. goods and services into the major markets of the world. Yet, in parallel with this negotiating effort, the United States has twice expended considerable effort elaborating new tax practices that impede the ability of its citizens to compete in these same markets!

Fourth, the United States maintains that it wants to promote fair competition around the world. One of the basic principles of economics is that factor inputs to a production process are used in proportion to their relative costs. We have chosen to make the input costs of using American labor abroad more costly than the use of labor of any other nationality. In other words, we have unilaterally distorted the world labor market by imposing a unique burden on workers of one nationality, our own.

Fifth, our tax policy hurts the ability of Americans to compete in markets abroad to the extent that these overseas markets do not have a local income tax that is similar to our own. Paradoxically, the overseas markets where we have the most vital interest in strengthening our presence, i.e. those of OPEC countries, are the very markets where our unilateral economic disarmament tactics hurt the most.

Sixth, the cost burden imposed upon Americans abroad not only causes direct competitive disadvantage to individual Americans abroad, it also creates direct and indirect problems for employers abroad, for the U.S. Government abroad, and for all American citizens at home.

ACA was recently told by a senior officer of a large international executive recruitment company that a number of important Middle Eastern, and other developing countries, clients have expressed a preference for hiring an American citizen for sensitive jobs that involve large scale corporate and national planning. Many of these clients, however, have reluctantly been forced to hire individuals of other nationalities because the American, who insists on being protected from the IRS, is just too much more expensive than everyone else. These jobs often lead to the specification of goods and services for large-scale projects overseas. Not having an American in these jobs means that there is much less likelihood that American inputs will be given any priority consideration for these projects.

Embarrassment for large American companies abroad occurs as the practice grows of major foreign governments objecting to fees in contracts that cover the costs American companies incur to tax protect their employees abroad. One senior corporate executive told ACA that a major developing country government instructed them to delete such fees from their bids. The government objected to making transfer payments to the U.S. Treasury for work performed in their own countries abroad. This conflict of sovereignty is most unfortunate and can lead to further difficulties on a diplomatic level, and it also can be used to inflame local populations abroad. The extra cost burden assumed by the American company employer in such cases also implies that they must live with lower profit margins in these markets than companies with fewer American employees, or else they must cover these lost revenues with profit from other parts of the world.

It has been estimated that every additional billion dollars of exports of manufactured products provides at least 40,000 new jobs in the United States. Each time our taxation of overseas Americans leads directly, or indirectly, to a loss of exports abroad this means that the U.S. economy suffers. And, of course, this means not only fewer jobs but also lost revenues for the Federal and State Governments from fewer tax generators, and also higher budget deficits for the Federal and State Governments through the need to provide additional unemployment benefits at home. Lest it be thought that this is not a real problem, reputable American industrial sources confirm that the United States has lost billions of dollars in projects in the Middle East alone in the last three years due in large part to the unfortunate tax practices of the United States.

Seventh, a different form of disadvantage can occur to the United States from its policies on taxation. It has often been maintained that since taxes abroad in many cases equal or exceed the amoumt of tax that is due to the United States, there is really no problem for Americans in many countries abroad. This is incorrect. Large American companies, because they need to have personnel policies that appear to be equitable to all of their employees abroad, and because they alone have to worry about sheltering their employees from double tax burdens wherever they might be assigned abroad, have alone among all of the major corporations of the world been forced to adopt a tax-equalization practice. This functions basically as follows: the employee is assigned a base reference salary for work abroad that is comparable to what would be earned in the United States for a similar job. The employer then withholds from this salary the amount of U.S. tax that would normally be paid in the United States. All of the other incentives needed to induce the American abroad are then added to this base (after-tax) salary as well as the cost-of-living allowances, housing, travel, home-leave, R&R and schooling allowances.●

HEALTH INSURANCE

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● **Mr. DODD.** Mr. Speaker, on February 21, I testified before the House Ways and Means Subcommittee on Health, regarding the need for this Congress to approve a health insurance proposal that will address the most serious problems facing Americans in the area of health care and health care costs, and the need for doing so with limited expenditures of Federal dollars. The following is the text of my remarks before the subcommittee:

STATEMENT OF HON. CHRISTOPHER J. DODD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Mr. DODD. Thank you. I appreciate the opportunity to testify before you. I apologize for being a little late. I have a prepared statement here. I may deviate from it a little bit. I want to thank you and the committee for providing me an opportunity to appear before you to express my strong interest in seeing this Congress, the 96th Congress, adopt an affordable but what I hope will be a responsible health insurance proposal.

It has now been over 30 years, as I am sure you and the committee well know, since President Truman first proposed a national health plan. He told Congress then that "the welfare and security of our nation demand that the opportunity for good health be made available to all regardless of residence, race or economic status."

Today the figures indicate that there are between 11 million and 18 million Americans under the age of 65 who have no health insurance at all, that there are more than 19 million Americans who have inadequate coverage and that there is a total of 83 million Americans, or 40 percent of the population, who have no catastrophic coverage whatsoever.

Equally distressing are the facts that 51 million Americans live in medically underserved areas that lack access to services and that in 1978 the consumer paid approximately $50 billion in out-of-pocket expenses for health care over and above the amounts paid out by Federal, State and local governments and private insurance.

I believe that the Congress and the American people are now united in their desire to provide health insurance protection from the impact of ever-increasing health care costs.

I would like to put forth to you today my basic feelings on what I believe should be incorporated and be essential to any health insurance proposal: Every American citizen should have available to him or her (1) a health care plan to provide for basic medical needs and (2) a catastrophic coverage plan to safeguard against the debilitating costs of some illnesses. No American should have to go without minimum health services nor should he or she have to face bankruptcy or loss of a home or business to provide needed care.

You know, Mr. Chairman, we can all tell stories about constituents, I suppose, who have been confronted by this situation, but one that comes right to home is that the daughter of my administrative assistant in my district office gave birth to a premature child. In fact, it was just over six months. And that child spent 4½ months in a very fine facility in Hartford, Connecticut, that takes care of infant illnesses in particular.

His daughter and son-in-law had no insurance coverage. And the bill for 4½ months for them was in the neighborhood of $35,000. They will never get out from underneath it. He doesn't have the kind of job opportunity that is going to put him in an income bracket that would even approach the kind of income needed to offset the costs of that health care.

I certainly don't think of Stan Israelite in my office as being destitute. I don't think of his daughter or son-in-law as being destitute. Yet they have run into the stark reality of a catastrophic illness that they were not prepared for. They have no insurance, nothing to cover it. And unless they go into bankruptcy or do something else, they are going to have that bill facing them for the rest of their lives and probably that child's life as well.

And you can, I am sure, go on with me and cite case after case that we have been confronted with where this has occurred.

The various proposals that you will be considering, I am sure, don't differ in principle. And I am sure you have heard the rhetoric of everyone, expressing their concern with the general problem. The question is: What sort of proposals are we going to come forward with to cope with it?

If it were feasible, I would be willing to support a comprehensive bill that would cover the gamut of health care services, but I am a realist and I can appreciate that the present economics dictate against such an approach at this time.

In addition, I think it is fair to say that, in view of the present world situation, there are going to be ever-increasing pressures in the coming months and years to allocate a larger proportion of the Federal budget to defense and energy programs. Whether or not you or I or anybody else would necessarily agree that every proposal that comes along is important, the fact of the matter is that we are faced with a situation where the competition for dollars is going to be stronger.

In the coming years we are going to find, as I mentioned, that a larger proportion of the Federal budget will go to energy and defense, and other programs are going to face stiff competition. At any rate, as a result, we can expect that resources for other domestic programs are going to be restricted.

In evaluating any proposal for health care coverage, we have to accept these realities and try to work within their constraints. And I have concluded that, faced with the unavoidable budgetary limitations, we cannot enact a major comprehensive health insurance plan. but, I am convinced that our colleagues can and will enact a program to respond to the most serious and basic needs for adequate health insurance coverage.

The realization has finally come home to Congress that we have done nothing for too long in the name of wanting to do everything. I would ask that this subcommittee and the full committee and the whole Congress focus its efforts on approving a program that incorporates the tenet of health protection for every citizen. While reserving judgment on individual proposals, I believe that there are several that have the potential to provide a viable alternative to the very narrow catastrophic plans as well as to the broad, comprehensive ones.

Without making specific comments on the particulars of the kind of program you might develop or recommend, I would like to generally address myself to some of the critical issues you will be considering, such as: What services should be covered in a catastrophic insurance program? Who will be provided coverage? And what we can afford to provide?

Despite the alarming numbers of Americans with no insurance or inadequate coverage, both the public and private sectors have made progress in the recent past in providing more and better coverage to larger numbers of people. According to 1979 Congressional Budget Office estimates, those with no insurance represent between 5 and 8 percent of the population under 65. Over 90 percent of the population, then, has some form of coverage through either private or public programs.

I am confident that these existing systems for financing health care can, with little difficulty, provide catastrophic coverage to those many Americans presently covered.

My primary concern and reason for being here today is to point out the need for assurances that basic, minimum health care benefits be incorporated in whatever program you might evolve for the segment of the population presently having no access to health care.

This population is largely comprised of the unemployed, the self-employed, the employed without an employer-offered plan, the elderly and the near-poor who do not qualify for medicare or medicaid, the young and those who cannot afford or secure private insurance because they are high risks.

I believe an employment-based catastrophic plan with strong tax incentives for employers and reasonable deductibles for individuals and families can be established through the private insurance mechanism for the majority of Americans without the large expenditures of tax dollars called for by other plans.

I share the confidence the insurance industry has in itself with regard to its ability to provide coverage for all Americans at reasonable costs for the employed and for others who can afford to pay.

I would suggest, however, that for any catastrophic plan, the subcommittee consider the merits of some form of extended coverage for terminated employees as well as of extending the definition of "dependent" to that used by the IRS. Such options would bring into the system the temporarily unemployed and the 21- to 26-year-olds who are still in school or otherwise dependent.

In addition, I am sure that Mr. Gary Burton, who appeared before the subcommittee earlier today in behalf of the Life Insurance Association of America outlined the industry's interest in establishing residual market mechanisms—State pools, similar to the existing pool in my own State of Connecticut. These pools would guarantee the availability of coverage, regardless of an individual's health, at a reasonable cost—no more than 150 percent of the average premiums charged to small employer groups.

However, it is not enough for us to be satisfied with what can be accomplished through the private insurance system alone; I would find such a proposal unacceptable. It is incumbent upon the Federal Government to assume its share of the responsibility for providing more and better coverage.

Granted we cannot afford a $60 billion or a $30 billion Federal insurance program, but we can afford—we must afford—a roughly estimated $5 to $7 billion to provide for the unmet basic health care and castastrophic coverage needs of our poor, nearpoor and the elderly. I think those figures, Mr. Chairman, are the ones that have been mentioned by the Senate Finance Committee as levels that they are looking at.

Whether these changes be brought about through altering existing public programs or through providing Federal subsidies of insurance premiums or through some other means, I leave open to your consideration.

Further, I believe that including provisions for such services as mental health care and preventive health care is essential for any catastrophic plan. You may recall that a few years ago, when Senator Kennedy was first advocating his initial proposal and there was an effort to streamline that health care program, two of the areas that were cut in the first instance had to do with mental health care and preventive care.

It seems to me that, while you can make a good case and argument for a variety of different services, living in the times we do, we need to pay far more attention to mental health care. I would hope that in your consideration of proposals, you will take that into consideration and see that it is not avoided or swept under the carpet, as it has been from time to time.

For years we have given lipservice to mental health care programs and have ignored the importance and cost-effectiveness of preventive care.

In addition to my very strong interest in seeing the subcommittee address these two particular issues, I am looking forward to seeing what your recommendations will be in the area of cost containment, a serious and growing problem.

I know that your work is just beginning, but I would ask that throughout your deliberations you give special consideration to the unique circumstances of those millions of Americans without health care coverage. If we fail to make adequate provisions for one of them, we have failed in the whole. I believe that we can arrive at legislation that, at least initially, will respond to these most serious and pressing needs, and keeping Federal spending to a minimum is obviously a point that has to be kept in mind.

I would conclude, Mr. Chairman, by just mentioning to you that, coming from Connecticut, we obviously have a strong interest in the issue of national health insurance. We are the insurance capital of the country. There have been any number of proposals that have come out of the insurance industry.

I don't think all of them are necessarily good, but it seems to me we are caught in this debate between those who would like to see us do nothing and those who would want us to do what may be almost impossible to do.

My fear is that this debate will go on indefinitely, and we will do nothing. My hope is that this subcommittee and the full committee and the Congress before we adjourn this year will be able to come forward with a health insurance program that will begin to meet our more serious health problems. It may not be satisfactory to everybody; there may be problems with certain aspects of it that only time will help us resolve; but to allow this debate to go on in perpetuity is to me a greater travesty than the mistakes we might make in starting something new.

I am encouraged by the fact that you are holding this series of hearings. And, I am confident that the make-up of this subcommittee is such that you will come forward with a viable program, and do your very best to see that this Congress has an opportunity to finally live up to the commitment that every one of us has made for far too long in campaign speeches. Thank you.●

GREEN INTRODUCES HOME HEATING SECURITY ACT

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. GREEN. Mr. Speaker, for the last 4 years the Congress has provided some type of home heating assistance for the Nation's poor. This was done in reaction to unusually severe winter conditions and rising energy costs. However, Congress has always acted out of an emergency and has provided too little money too late in the winter season to be used with maximum effectiveness and efficiency.

On January 10 of this year, the Select Committee on Aging responded to my request and conducted a hearing in New York to examine questions of inflation and its impact on the elderly. I charged at that hearing that it no longer makes sense to view home heating assistance as a one-shot, emergency program. Energy costs have risen so dramatically over the last few years that it is now necessary to enact a substantial, permanent, ongoing program of assistance which local governments can count on and for which they can plan in advance. During the Aging Committee hearing, I pledged to introduce legislation to provide such a program and I am pleased today to announce the introduction of the Home Heating Security Act.

Since my hearing in New York we have learned that the general inflation rate has risen to an incredible 18 percent in the Northeast. This places an excruciating burden upon all citizens and is intolerable for low-income households and the elderly. Through October 1979, fuel oil prices rose by over 60 percent in the preceding 12 months, natural gas in excess of 30 percent, and electricity by close to 10 percent. By comparison, 1977-78 price increases were only one-fifth to one-half as great, in the majority of cases. According to most estimates, these increases will push home energy costs to over 20 percent of household income for low-income individuals and families, compared with less than 10 percent for households with average incomes.

It is clear that action must be taken now so that we can have in place a home heating assistance program for the coming winter seasons. The bill I have introduced today establishes such a program for the next 3 years and would allow $3.25 billion to be spent in fiscal year 1981—compared with $1.6 billion in the 1979-80 winter season—and $6.5 billion in each of the next 2 years.

During consideration of this year's assistance package, I was successful on the floor of the House in gaining adoption of my amendment to require equitable treatment of renters in the program. My legislation for the coming 3 years is carefully written to make explicit that renters must be treated on an equal basis with owners.

The Home Heating Security Act would distribute 90 percent of its appropriated funds to State block grants and the remaining 10 percent to the crisis intervention program which is administered by the Community Services Administration and matching incentive grants to States for State initiatives under this program. The distribution formula for the State block grant program is computed by the number of heating days squared, weighted by the number of households below 150 percent of the poverty level.

To receive funds each State would be required to develop a home heating assistance plan which would spell out the mechanism for distribution of the aid; would require equitable treatment for renters; would give priority to the lowest income households, the aged and disabled; would require provisions for referral, coordination, outreach, monitoring, and auditing; would prohibit the counting of cars, personal belongings and primary residences in any State assets tests; would require certain notices and delays before the termination of any energy service to eligible households; and would require States to maintain existing levels of public assistance benefits—so that aid under this act could not simply be substituted for assistance now being provided by States. In addition, no assistance provided by the Home Heating Security Act could be counted as income or resources under any Federal, State, or local program of assistance or taxation.

In summary, I would like to stress the need to have such an assistance program in place well in advance of the heating season. I have consulted with many State and local administrators who have dealt with such assistance in the past, and a universal comment has been that greater efficiency can be achieved and more people can be helped if administrators can plan in advance on such a program and if there is relative consistency in the program from year to year. My legislation meets these requirements and also increases the amount of aid and I urge my colleagues to give it their most serious consideration. I will be working for its early adoption.●

MARYKNOLL SISTERS RECALL WORLD WAR II ORDEAL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. OTTINGER. Mr. Speaker, in these times of international unrest, talk of war is not uncommon. An article which recently appeared in the Gannett Westchester newspapers describes the horrifying ordeal suffered by 47 Maryknoll sisters during World War II. As military solutions are ban-

tered about as answers to our current international problems, let us recognize the inevitable human torture and sacrifice this solution will lead to. I commend the article to my colleagues' attention:

NUNS FREED 16 YEARS AGO TODAY

(By Suzanne Bilello, staff writer)

On Feb. 23, 1945, three years after 47 Maryknoll Sisters working in the Philippine Islands were taken captive by the Japanese, a U.S. military unit threw open the gates of their prison. Earlier this month, 16 of those nuns quietly celebrated their rescue by attending mass at the Maryknoll World Headquarters in Ossining.

The war had come suddenly for the missionaries in the Philippines. The Maryknoll Sisters has been teaching and running hospitals there since 1923. But on Dec. 9, 1941—two days after the Japanese bombed Pearl Harbor—the schools closed and the hospital was transformed into an Army hospital.

"We were kind of naive," said Sister Mary Coleman, one of the nuns imprisoned by the Japanese during the war. "We didn't think the Philippines would be involved in any war. We thought life would just go on as it was."

By Jan. 8, 1942, the Japanese had rounded up the 47 sisters and held them prisoner in a French convent school. They remained there until 1944 when they were transferred to the Los Banos prison camp where other missionaries and civilians were incarcerated.

The Japanese told the nuns they could take two bags into the camp, Sister Mary said. The nuns chose to fill those bags with books.

"We brought Shakespeare and the Bible," she said.

But one Maryknoll sister was separated from the group shortly after they entered the camp.

Sister Trinita Logue spent her prison days in a dungeon, according to Sister Mary, because she was suspected of having helped the Filipino guerrilla movement.

"She was tortured and beaten," Sister Mary said, "They gave her the water treatment and stuck a hose in her mouth. We weren't allowed to even bring her a change of clothes."

Sister Trinita remained in the dungeon for nine months, and according to Sister Mary, was unable to walk when she was released because of the confines of the cell.

Sister Mary was 38 years old when she became a prisoner. At 77, the small, slender woman seems to have forgotten little of those years. And some things, she said, stick out in her mind more than others.

"One month before we were rescued our guards had apparently heard there was going to be an invasion and they all fled," she said. "We didn't know what was beyond the camp and if it would be safe to leave, so, we waited. Someone had kept an old American flag hidden and brought it out. We all gathered in the middle of the camp and stared at the flag. It was the first time I had seen it in three years and we sang the Star Spangled Banner. I think of that moment whenever I hear it and cry," Sister Mary said.

The prison itself was a makeshift facility the Japanese had thrown together. The barracks were made of wood with bamboo slats for floors and woven palm for walls. There were 96 persons in each barracks, and the biggest problem, Sister Mary said, was starvation.

"In the beginning we were fed a little meat from time to time. But afterward we were given rice," she said.

The prisoners all did two hours of camp work daily, she said. One of those chores was building coffins.

But one day the routine was broken.

"The morning gong had sounded and we were going to line up when we heard planes. Then someone said, 'they're dropping out of the planes!' "

Some 150 paratroopers and Filipino guerrillas had taken the guards by surprise and invaded the camp, Sister Mary said.

"We must have been a real motley crew. Some of the soldiers gave us their food and cried when they saw us," she said.

Six weeks later they were shipped back to the U.S. Sister Mary returned to Maryknoll Headquarters in Ossining.

"This year seemed to be a landmark," Sister Mary said. "It was felt more deeply because of this talk of war and registration for the draft. We remember the horror of the days of the war when we saw the mangled bodies of boys. "War is a terrible thing," she said. "And what does it accomplish?"●

HONORING SGT. MAJ. HAROLD BLOOM

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. BARNES. Mr. Speaker, on April 30, 1980, one of my constituents, Harold Bloom of Silver Spring, Md., will be retiring from the Army Reserve after more than 30 years of service in the Active and Reserve Army system. Mr. Bloom will be retiring with the rank of sergeant major, the highest rank for a noncommissioned officer in the Army Reserve. He served on active duty during World War II and in the Reserves during the Korean and Vietnam wars.

Sergeant Major Bloom has served since November 15, 1975, as logistics readiness sergeant and noncommissioned officer in charge (NCOIC) of the logistics readiness office in the 310th Theater Army Area Command, Fort Belvoir, Va. He has held the rank of sergeant major since March 15, 1969.

It is a privilege to bring to the attention of my colleagues in the House the distinguished record of service to our Nation achieved by Harold Bloom. He has devoted many years in the Reserves assisting in their key role protecting our national security. He exemplifies the contribution a citizen soldier can make to the United States of America.

On March 15, Sergeant Major Bloom will be honored for his years of dedicated service by National, State, and local officials. Mr. William D. Clark, Deputy Assistant Secretary of the Army, will represent Secretary Alexander and make a presentation of a medal. Delegate Lucille Maurer of Silver Spring, a member of the Maryland House of Delegates, will be present representing the State legislature, and Councilman Michael Gudis will represent the County Council of Montgomery County.●

AMENDING FEDERAL URBAN HOMESTEADING PROGRAM

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. GARCIA. Mr. Speaker, the purpose of the Federal urban homesteading program, administered by the Department of Housing and Urban Development, is to utilize existing housing stock to provide homeownership. In doing so, it encourages public and private investment in selected neighborhoods and assists in their preservation and revitalization. In fact, since its inception in 1974, the program has encouraged local governments in 84 cities to preserve their urban neighborhoods through the dedication and work of those who wish to live in those neighborhoods.

Although the program is now approaching its sixth year, it does not seem to have found wide acceptance in many of this Nation's financially hard pressed communities. I found it surprising when I first heard this fact, because the program is designed to counter the blight found in many of those communities. Among the reasons these local governments offer for their inability to use the program are: First, that it requires local government to pay the various administrative costs associated with the program, such as participant screening and counseling; second, that the Federal Government stops paying the real estate taxes on the property after it has been transferred to a local government; and third that the property is off the tax rolls during the 3-year rehabilitation period during which the homesteaders are required by Federal law to live in the property they one day hope to own. The financially burdened cities of this Nation, where much of our urban blight is found, find these Federal requirements difficult to pay for. As a result, they do not use the program.

What I am describing to you is a very, very serious problem affecting the use of the Federal urban homesteading program in the very communities which could most benefit from, but cannot now afford the costs associated with, what is essentially a self-help program. In order to rectify this problem, I am today introducing a bill to permit these communities across the country to take part in the program. Under my bill, HUD would be allowed—but not required—to pay any real estate tax or other expenses it feels may be necessary or desirable to encourage greater use by local governments of this innovative and attractive program. It would be up to the Secretary of HUD to determine when payment of these costs by the Department would serve better the objectives of urban homesteading. In effect, my bill would repeal a current HUD regulation prohibiting Federal payment of these costs under any circumstance.

Note that the approach favored by this bill does not require Federal payment of these costs. Such a rigid Washington-mandated approach to local development, I think most of us would agree, could only be counterproductive in a program in which administrative flexibility brings the best results.

The Federal urban homesteading program is a good one. I hope my colleagues in the House will support this effort to make it more accessible to the people it is supposed to serve.●

DEWEY SHORT

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. STEED. Mr. Speaker, the passing of a great American, Hon. Dewey Short of Missouri, is a loss to his Nation and his generation. It is especially sad for family, and for friends who were privileged to know him.

I first met Dewey Short in early 1935 when I came to Capitol Hill in the role of congressional secretary. As a freshman Missouri Congressman he was then making the first steps toward what was to become a long and illustrious career. The passage of time reveals the great role he was to play in service to our country, especially in the field of national security.

In performing his work, he quickly established himself as a master of words, and as a true professional in the delivery of his thoughts. Few men have ever served in the Congress who were his peers in oratory.

My long friendship with Mr. Short enriched itself as the years went by. Nothing came to be more meaningful to me than the friendship and courtesy he always extended to me. This reached its most warming peak on the first day I served on the Hill as a Member of Congress. The first, and for that day, the only Member of the House who called at my office, was Dewey Short. He came to greet me as a fellow Member and to offer his good offices in helping me get started in my new career. Later, when I made my first speech on the floor of Congress, which incidentally had energy as its subject, Dewey Short remained on the floor, asked me to yield and praised my speech. For a freshman, these encouraging words from such a distinguished Member, made a mark I have always, and will always, cherish.

I cite these personal experiences because I think they tell best the kind, considerate, and friendly man he was. Knowing and working with him enriched my life, and I mourn his passing. My wife joins me in extending our prayers and sympathy to his wonderful wife and his family.●

MARK GREEN, OF CONGRESS WATCH, AN EFFECTIVE CONSUMER ADVOCATE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. OTTINGER. Mr. Speaker, I wish to call my colleagues, attention to the article in the Sunday, March 2, issue of the New York Times entitled, "Mark Green of Congress Watch." The article accurately portrays Mark as a vigorous, thoughtful, and effective consumer advocate.

Mark Green is an extraordinary individual. As director of Congress Watch, he has made a significant contribution in the continuing battle to enact meaningful consumer protection legislation.

The text of the article follows:

MARK GREEN OF CONGRESS WATCH

(By Judith Miller)

WASHINGTON.—His goal was modest: to end the war in Vietnam. Thirteen years ago, in his first Washington job, Mark Green thought he would take a small step in that direction. A summer intern for New York Republican Senator Jacob K. Javits, he drafted and circulated among his fellow interns a letter to President Johnson, urging him to withdraw American troops from Southeast Asia.

The results surpassed his wildest expectations. An enraged L.B.J. canceled his traditional meeting with summer interns; the House of Representatives suspended the intern program for several years and Mr. Green was almost dismissed by Senator Javits, who thought interns should not be drafting his foreign policy positions.

Mark Green, now 34 years old, is still making waves. His setting is unprepossessing—a rundown office on Capitol Hill. And the budget is a modest $200,000 a year, which supports seven lawyers, as well as Mr. Green. But as director of Congress Watch, the lobbying group founded and funded by Ralph Nader, he is widely regarded as among the most articulate and dynamic advocates for liberal causes and legislation.

Mr. Green's career was grounded in becoming known as Mr. Nader's "right-hand man." The two have worked together since 1969, except for two years in which Mr. Green worked on Ramsey Clark's campaigns for a Senate seat. But over the years, Mr. Green has developed an independent reputation.

Mr. Green, whose affable personality contrasts with Mr. Nader's often-austere manner, is besieged by invitations from business groups to discuss his positions, and he speaks about 80 times a year, often without fee, for consumer and student groups.

He obviously revels in his public voice. The quietly influential role of the private lawyer, played by so many of his Harvard Law School colleagues, does not intrigue him. But, when the White House sounded him out last summer as a replacement for Esther Peterson as the top White House consumer affairs aide, he refused.

"The President deserves more loyalty to his overall programs than I could have offered," Mr. Green said.

He does serve as an informal adviser to senior officials in the Carter Administration. And friends say that he is contemplating challenging Representative Bill Green (no relation), Republican of New York, for his city-based Congressional seat. Mr. Green says no decision has been made.

Mr. Green has his share of critics, frequently members or defenders of the business community.

"Mark sometimes doesn't play fair," said Howard Vine, staff director of corporate governance for the National Association of Manufacturers. "He manipulates facts and takes them out of context when making his arguments and lobbying for legislation."

"He lives in a world in which everyone is a devil or an angel," concludes economist Murray Weidenbaum, whose critiques of government regulation have been frequent targets of Mr. Green's ire.

Even critics, however, concede that he is an effective opponent, a diligent and thoughtful advocate for his philosophy.

"We're almost always on opposite sides," said Mr. Vine. "But I respect him as an effective professional."

Productivity is a Green hallmark. He is currently finishing his ninth book and has written or co-authored, usually with Mr. Nader, more than 100 articles in major newspapers, magazines and professional journals. He has testified more than 50 times on Capitol Hill.

He asserts that since his marriage two years ago to Deni Frand, one of the founders of Washington's Cambodian Crisis Center, and the birth of their daughter, Jenya, his pace has slowed somewhat. "Now I only accept calls before 12 midnight. Before, it was 2 A.M."

The deceleration is not, however, easily discernible. Last October, he released a 200-page study on the benefits of frequently criticized government regulations. In November, the third edition of "Who Runs Congress?" the largest-selling book on Congress ever published, was released. In December, he announced plans for "Big Business Day," April 17, when an activist coalition will launch an attack on what it regards as flagrant abuses of corporate power. In January, Mr. Green released Congress Watch's legislative voting index.

This month, he came out with studies of the Chamber of Commerce and Business Roundtable, two of the private sector's most powerful lobbying groups. In March, he will issue the Big Business Reader, a series of articles he has edited on corporate governance.

"What gives Mark an edge is his tremendous discipline," said Peter Gold, a friend since high school and legislative director for Senator Gary Hart, Democrat of Colorado. "After two hours of tennis—he was a ranked player in college—we would go to the library. I'd nap and take breaks; he'd work straight through until 11 P.M."

"The difference is preparation," said David Shoenfeld, consumer advocate for the J. C. Penney Company. The company invited Mr. Green and Irving Kristol, conservative author and editor, to debate their views last summer before an audience of business executives, government officials and academics. "Mark came with a stack of documents under his arm and numbers in his head. Kristol came with his cigarette. The consensus of the group was that Green was the clear winner."

Mr. Green concedes that he has been more successful of late in debate than on Capitol Hill, where the consumer movement and liberal causes in general have suffered a string of significant defeats.

"There is no doubt these are difficult times," he said of the antiregulation fever in the country. "But so many in Washington see people and movements as either all-powerful or powerless, when, in fact, the process is evolutionary."

One immediate goal is to halt moves toward what he calls "lemon socialism," business efforts, including the Chrysler loan guarantees, to spin off unsuccessful ventures onto Government payrolls. Another is to promote the introduction of legislation giving shareholders a larger role in management decision-making. Congressional analysts give it practically no chance this year, but Mr. Green is not rattled.

"Sure, we've had a string of losses unparalleled since the Tampa Bay Buccaneers first hit the football scene. But they won their division this year and who knows, they may eventually wind up at the Super Bowl."●

SHABA II REVISITED—LESSONS STILL UNLEARNED: COBALT VITAL TO U.S. SURVIVAL

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● **Mr. SANTINI.** Mr. Speaker, it has been nearly 2 years, since the invasion of Shaba Province, Zaire by Soviet trained rebels caused a massive disruption in the source of 65 percent of the world's cobalt resulting in a dramatic 600 percent increase in the price of cobalt.

Many of us have forgotten that invasion, its impact upon an unstable central African nation, its impact upon cobalt prices if revelation of Soviet involvement in preinvasion purchases of cobalt and its destruction of a popular U.S. myth that dependence upon foreign sources for our strategic and critical minerals presented no major cause for concern. It is time now, as America seeks to rearm itself, to revisit the time following that invasion.

It is imperative that America relieve to whatever extent possible our 100-percent dependence on foreign sources for cobalt, 55 percent of which comes from Zaire. One way to relieve that dependence is by developing domestic sources. The only potential U.S. source for cobalt is the cobalt trend in Idaho, an area that, under a bill recently passed by the Interior Committee, is excluded from wilderness. It is vital that that area remain so.

Mr. Speaker, I am inserting an article from the Wall Street Journal dated May 18, 1978, and an article from the Washington Post dated May 24, 1978, in the RECORD:

[From the Wall Street Journal, May 18, 1978]

FREE-MARKET COBALT PRICES RISE SHARPLY DUE TO REBEL INVASION OF SOUTHERN ZAIRE

(By Alan Spence)

LONDON.—The rebel invasion of southern Zaire has sharply boosted the free-market price of cobalt, a metal regarded as indispensable to the aircraft industry for hardening jet engine blades.

Zaire currently accounts for about half the world's production of cobalt, which is mined along with copper in southern Shaba province. The military situation in Shaba remains unclear, with fighting continuing in the key mining center of Kolwezi.

The conflict in Shaba hasn't affected copper prices greatly because Zaire is one of several producers of copper in a glutted world market. But Zaire dominates the cobalt market, which has been tight lately because of a strike at Societe Generale des Minerais, the Belgian concern that refines all of Zaire's output.

U.S. industry uses about 13,000 tons of cobalt a year, or more than half a normal year's world production. It generally obtains supplies under contracts with producers at stipulated prices. At normal times, these producer prices are about the same as free-market prices. U.S. buyers have been paying $6.90 a pound lately.

Now, however, "it looks as though the U.S. is going to have to buy in the free market at three times the (producer) price—that's while supplies last," a London trader comments. London dealers estimate there are only a few hundred tons of the metal available here.

PRICES DOUBLED

Prices in the free market had doubled to about $13 a pound in the weeks before the invasion of Shaba province, largely due to the Belgian refinery strike, analysts say. This week, the price has climbed as high as $19 a pound, about three times its month-earlier level, they add.

With the pace of U.S. aircraft production quickening, demand for cobalt is expected to grow, analysts say. Each jet engine requires about 50 pounds of the metal to harden the steel of the engine's blades. Another important use is in the production of permanent magnets.

Washington's General Services Administration has a stockpile of 18,000 tons of cobalt, about a year and a half's supply for the U.S. Until 1976, it was reducing its stocks, but lately there has been talk of increasing this stockpile to 38,000 tons for strategic purposes. There isn't any cobalt mined in the U.S.

Besides Zaire, cobalt is mined in neighboring Zambia. But Zambian output could drop because, as in Zaire, cobalt is produced along with copper. Zaire, Zambia and Peru all have vowed to cut their copper output 15 percent this year to boost sagging copper prices. Says Peter Robbins of Wogen Resources, a London dealer in minor metals. "To produce cobalt you have to produce copper and who wants copper at the moment?" Inco Ltd. mines cobalt in Canada along with nickel and the company had had to curb its nickel production, analysts note.

INCREASE ISN'T EXPECTED

Producer sources in Belgium say there aren't any plans to boost the producer price of cobalt even though it is much lower than the free-market level. "The Zairois didn't increase the price because of the last round of fighting a year ago, why should they now," comments a cobalt-market source in Brussels.

London dealers assert, however, that the fighting appears more serious this time and Zaire might decide to make the most of the supplies it has in stock or in transit to Europe, especially if the mines fall firmly into rebel hands. The cobalt market has tightened over the last year, providing a better opportunity to increase prices, dealers here add.

Zaire's cobalt production has dwindled to about 10,000 tons a year from more than 17,000 tons in 1975. Some analysts blame inefficient mining operations for the fall, while others suggest the nation was holding back while Washington's GSA sold off some of its hoard. These sales ceased over 18 months ago, but "production just can't be turned on and off like a tap," one analyst commented.

One buyer seems to have picked up substantial supplies before the latest price runup, however. London traders report that in the weeks immediately before the attack on Shaba province, the Soviet Union was a heavy buyer of cobalt in Europe.

"She bought around 300 tons ahead of the invasion," says one and muses: "It's dangerous to draw inferences, but one just quietly wonders."

[From the Washington Post, May 24, 1978]

SOVIETS REPORTEDLY BOUGHT UP COBALT BEFORE ZAIRE INVASION

(By Bernard D. Nossiter)

LONDON.—The Soviet Union has bought up a major share of the available world supply of cobalt in recent months in apparent anticipation of a global shortage, dealers in the strategic metal said here yesterday.

The shortage is now an accomplished fact. The abortive invasion of Shaba Province in Zaire has shut off 65 percent of the world's cobalt supply for up to nine months. Cobalt is used in so-called super alloys required for jet engines, missiles and submarines.

All this year, dealers reported, the Soviets, Poles and East Germans have been "steady and substantial" buyers on London's free market. They got in well before the price rises of the past two months that have carried cobalt from $7 to $20 a pound, with more increases to come.

"They had a shrewd inkling of what was going to blow," said Luf Lubett, director of Ayrton and Partners and chairman of the Minor Metals Traders Association. "I was pre-emptive buying in expectations of a shortage."

French and U.S. officials have charged that the guerilla force that invaded Shaba Province had been trained in neighboring Angola by Cuban military advisers with Soviet support.

The United States has about 41 million pounds of cobalt stockpiled, a little more than four years supply based on current consumption rates, according to the U.S. Geological Survey, with 71 per cent of it imported from Zaire.

The rest comes from Finland, Norway, Morocco and a variety of other countries. The United States stopped producing cobalt, which is almost always a by-product of copper mining, in 1971.

The free market in cobalt and other metals is small, with perhaps 20 dealers taking part. So information spreads rapidly.

Lubett's conclusion, however, is necessarily an opinion. Neither he nor the one or two dealers through whom the Soviets habitually buy know precisely how much Moscow has purchased and, of equal importance, how this year's buying compares with last.

The Soviets have been building up their stocks of cobalt since late in 1976. At best, the dealers can only guess that the 1978 purchases were abnormal.

The dealers say the Soviets have been exceedingly canny buyers, placing orders of only 30 to 50 tons at a time. Deals in the free market cover perhaps 10 percent of the world's output—about 25,000 tons—so orders of this size would be noticed but not disruptive.

The Soviets, moreover, bargained strenuously over every purchase. "I offered them some cobalt at $8 a pound but they held out for $7.60," one dealer recalled. If Moscow knew that the world's supply was going to be interrupted, it did not give the game away.

Until the invasion, most dealers here attributed the free market rise of nearly 200 percent to conventional economic forces—a month-long strike at the Belgian plant treating Zaire's concentrates and production problems in Zambia, the distant second producer.

Most of the metal is sold through the bulk market, directly from big producer to big customer. The price on that market has risen far less. On Monday, Zambia announced that it would raise its bulk price by about 30 percent, to $8.50 a pound. Further increases are expected, but nothing like those on the free-wheeling free market.

Lubett, a mining engineer, thinks Zairian mines will be down at least six and possibly nine months. He predicts free market increases of several hundred percent during this stretch. Tuesday, buyers seeking cobalt at $30 a pound, another 50 percent rise, found all the sellers refusing to deal.

Rough estimates of the Soviet purchases this year range from 500 to 2,000 tons. Assuming they bought in near $8 a pound and picked up 2,000 tons, they have made a $35 million investment in a stockpile now worth $13 billion and heading higher.

The Soviet Union, however, is far less interested in speculative paper profits than in an assured supply of a vital metal.

If Lubett's most pessimistic forecast is correct, the world will lose almost half a year's cobalt output. Other metals can be substituted in alloys for cobalt but the changeover is expensive and time-consuming.●

THE FUTURE OF U.S.-U.S.S.R. SCIENTIFIC COOPERATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. OTTINGER. Mr. Speaker, as we consider the future of our relations with the Soviet Union in light of their invasion of Afghanistan, we should also keep in mind their continuing and escalating repression of leading dissidents, intellectuals, and Soviet Jews. The arrest and exile of Andrei Sakharov is only the most recent example of their total disregard for the principles of the Helsinki accords.

The testimony submitted by Burton Levinson, chairman of the National Conference on Soviet Jewry before the joint hearing on the future of U.S.-U.S.S.R. scientific cooperation and the Helsinki Scientific Forum highlights many of the Soviets actions directed against members of the scientific community including the infringement of intellectual and religious freedom. The future of our scientific relations with the Soviet Union must be considered in context of their actions abroad and against Soviet dissidents. I would therefore like to call to the attention of my colleagues the following summary of Mr. Levinson's testimony:

NCSJ TESTIFIES AT SCIENCE HEARINGS

NEW YORK, January 31.—Deeply concerned about the fate of Jewish scientists in the Soviet Union, Burton S. Levinson, chairman of the National Conference on Soviet Jewry (NCSJ), today submitted written testimony to a special Congressional hearing on international scientific cooperation. The multilateral hearing in the House of Representatives was convened by the Committee on Science and Technology, Subcommittee on Science, Research and Technology, Committee on Foreign Affairs, Subcommittee on International Security and Scientific Affairs and the Commission on Security and Cooperation in Europe.

During the hearing, which was held in advance of a forthcoming Scientific Forum in Hamburg, Germany, a follow-up to the implementation of Basket II of the Helsinki Final Act, which deals with scientific and technological cooperation, the NCSJ expressed its concern for Soviet Jewish refusenik scientists. Many of them have repeatedly "been denied their rights to pursue their careers and to mix freely with the international science community," according to Mr. Levinson.

In addition, the organization voiced displeasure about arbitrary quota systems which have been used against young Soviet Jewish scholars, preventing them from entering graduate institutes and acquiring advanced degrees. Emphasizing issues which it believes are in the interest of "all scientists, all people, in every nation," the NCSJ noted that it is not only troubled by the repressive tactics of the Soviet authorities but also by:

Denial of access by the Soviet science establishment to visiting American and other Western scientists seeking entry into certain areas of Soviet society and research institutes;

The use of visits to the U.S. and other Western countries by the Soviets as a reward for orthodoxy amid their intellectual circles;

Censorship by Soviet officials of American and Western science journals with deliberate removal of articles touching upon human rights questions;

Manipulation by Soviet authorities of the list of invited Soviet scholars and scientists to international meetings to serve political needs, along with the flagrant abuse of accepted standards of reciprocity both with regard to science disciplines and the stature of scientists; and

Refusal by the Soviet authorities not only to permit those Soviet scientists wishing to emigrate to exercise their legitimate emigration rights but also to pursue their scientific careers at any level.

In a statement appended to the testimony, and submitted on behalf of Andrei Sakharov, the noted scientist, dissident and human rights advocate, arrested and banished to exile last week, the NCSJ denounced the actions taken by the Soviet Union. It praised the 58-year-old winner of the 1975 Nobel Peace Prize for his unrelenting struggle "for justice in the trial of Soviet dissidents, equal rights for all Soviet minorities and long-standing support on behalf of the Soviet Jewish emigration movement."●

A NEW DAY FOR RADIO

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. VAN DEERLIN. Mr. Speaker, next week the International Telecommunications Union (ITU) Region 2 Conference on MF Broadcasting gets underway in Buenos Aires, Argentina. This is an extremely important conference and one which will have a real impact on the future of communications in this country. Among the issues being discussed will be the U.S. proposal to modify the channel spacing for AM radio stations.

While the rest of the world has adopted a standard which provides for 9 kilohertz separation between AM radio channels, region 2, which consists of North and South America, has retained 10 kilohertz spacing. The United States supports adoption of the 9 kilohertz standard for region 2, which could mean the addition of hundreds of new AM radio stations. It would mean the opportunity for new AM outlets in every community in the country and it would open the door for new ownership, particularly on the part of blacks, Hispanics, and other minorities who have been denied a chance to participate in the mainstream of American broadcasting.

The U.S. position is a sound one, developed after months of study on the part of the Federal Communications Commission and the Department of Commerce. These agencies have determined that the benefits of the proposed change far outweigh any technical problems associated with the transition for existing broadcasters. As chairman of the House Communications Subcommittee, I, along with other Members of the Congress who have been following this issue, strongly support the U.S. position. As a result of my interest, I have asked that the Congress be represented on the U.S. delegation.

The U.S. position is not without its opponents and critics. In the past, I am aware that Canada has resisted any reduction in channel spacing. It is my sincere hope that our neighbors to the north will understand the importance that Congress attaches to the resolution of these differences. Certainly, our view on Canadian interests with regard to other aspects of broadcasting and cable policy will be influenced by the outcome of the region 2 conference.

I am embarrassed to say that there are opponents within our own ranks. Elements of the U.S. broadcasting industry, fearing expanded competition and increased diversity, are resisting the change. They urge further study—a sure way to see that this important issue is never resolved. They cite unfounded and undocumented fears about the costs of the transition. And, incredibly, they have even sought to contact directly delegates to the Conference from other countries to urge a position which is contrary to that being sought by the official U.S. delegation. I am an advocate of free speech, but this activity strains the limits of propriety. I am confident that the delegates will be able to recognize narrow self-interest when they see it.

I am also confident that the U.S. position is in the best hands possible with Commissioner Bob Lee heading our delegation. Commissioner Lee is the dean of all regulatory commissioners, a communications expert, and a skilled international negotiator. He will be an able and articulate advocate. We send Commissioner Lee and the rest of the U.S. delegation on their way with the expectation that they will return with a new policy for this region which can truly be a new beginning for radio broadcasting.●

CAYUGA INDIAN RESERVATION IN NEW YORK

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. LEE. Mr. Speaker, I anticipate that within a matter of days, H.R. 6631, a bill dealing with the establishment of a Cayuga Indian Reservation in my congressional district of New York, will be brought to this Chamber with very little opportunity for discussion or enlightenment of a highly complex issue.

I testified earlier this week before the House Interior Committee in hearings for this legislation. In order to help prepare you to vote with a foundation of facts, I insert my testimony into the daily RECORD where it may be reviewed at your leisure. Thank you for providing me with this opportunity. I urge that you review the following historical and specific material:

STATEMENT OF CONGRESSMAN GARY A. LEE

Mr. Chairman, we should not be here today. Circumstances in generations past, either by oversight or by intention, are responsible for the dispute which this Committee today seeks to remedy through enactment of H.R. 6631. While we can place the blame for original problems with ancestors of 200 years ago, we can equally blame the first 95 American Congresses for failing to meet their responsibilities in establishing a national policy to deal with the rights and claims of America's aboriginal tribes.

Almost since the American justice system came into being, American Indian tribes have had claim to lands taken during the continual westward settlement of the nation. It is extremely hard for me to believe, Mr. Chairman, that we have needed 200-plus years to begin applying the conditions of law to these claims. It becomes more of a travesty of past Congresses and Administrations when viewed in the light of the very Constitutional premise that the Government of the United States of America is the only level of responsibility which can make agreements with Indian tribes. Congress, however, has seen fit not to address these matters with a broad, national policy. It moved, in 1966, to establish a deadline for such land claims, yet extended that in 1972 and again in 1977, and even today considers another extension.

As long as Congress refuses to face the question of Indian claims as a national one—and that could be until a majority of the members of this House and Senate are forced to experience the human pain and fear of their constituents by a claim—each case will be dealt with individually. Every piecemeal solution to claims such as this one makes every succeeding case that much more difficult to solve. I deeply regret that we are without guidelines developed through the well-deliberated investigation and action of past Congresses, but that indeed is the case.

Therefore, the Cayuga Nation's claim to some 64,000 acres of Central New York land within my 33rd Congressional District must be taken—from its very start just a handful of years after the formation of the Union itself to today's hearing and proposed legislation—on the individual merit and circumstances of each step. In my opinion, Congress' inaction over the past two centuries has given us the freedom to act in solving this problem with the greatest of common sense, and in the best interests of the specific parties involved: the Cayuga Nation, the State and people of New York, the Government of the United States. Any legislation coming from this committee and this Congress must reflect those interests as well as the equitable application of law.

In the search for that answer, I feel it incumbent upon me to point out that we are not today acting in response to the legal findings of a court. We are acting specifically to divert the human hardships which a prolonged, expensive and unpredictable court battle would undoubtedly bring upon a significant sector of Americans in the two counties concerned. I am also quick to point out that there is not universal agreement that the case which could be brought by the Cayuga Nation in this matter is airtight. The only assurance we have is that any legal battle—regardless of who wins or loses—would be a deeply divisive, expensive and potentially volatile community disruption.

Because the Cayuga Indians' claim has not been litigated, the legal merits and factual issues surrounding the claim have never been judicially determined. It therefore is incumbent upon the Congress to provide a full review and complete scrutiny of the issue before us.

The treaties entered into between the Cayuga Indians and the State of New York must be viewed in the historical context in which they arose. The right of acquisition of this land now in question was first established during the Revolutionary War by the conquest of General Sullivan under the direction of General George Washington. It should not be forgotten that within the territory of the original thirteen colonies, after the adoption of our constitution in 1789 the ultimate fee interest in lands occupied by Indian tribes continued to reside with the states wherein the lands were located, rather than with the federal government. The original states, before and after the adoption of the federal constitution, maintained the right of entering into treaties with the Indian tribes for the extinguishment and acquisition of their title to lands within their respective jurisdictions.

Along with the general question of the states' rights and responsibilities regarding Indians during our Nation's early history, the merits of the Cayuga claim that we discuss today is somewhat clouded by the facts that New York State and the Federal government entered into this agreement with the Cayuga tribe in the utmost amount of good faith. Questions remain whether in fact a bona fide breach of the Non-Intercourse Act does exist in this case. The Intentions of New York State vis a vis their duty to notify the Federal Governent of dealings with Indians must be examined in its historical setting. Two centuries ago Upstate New York was still the wild, unchartered frontier. Transportation was limited to stagecoach and horseback, and communication was difficult at best. Whether the Treaty was witnessed by Israel Chapin Jr., whose father was the United States' Agent to the Iroquois Confederacy who died en route to the Treaty signing, is a factual determination that could very well validate the good faith intentions of the parties to the agreement.

Most certainly, the acquisition of this territory was not surreptitious. For example, the agreement with the Cayuga tribe was acknowledged about one hundred years after the event in the 1888 Report of the "Special Committee to Investigate the Indian Problem of the State of New York" which documented:

"* * * The Cayugas, by treaty, sold to the State February 27, 1789, the principal part of their lands, only reserving 100 square miles around Cayuga Lake, a small tract on the Seneca River and a square mile at Cayuga ferry. These reservations were also sold to the State July 27, 1795, and the Cayugas have now no lands. They received from these sales $3,925 in cash, and an annuity of $2,300. Much of the larger portion of this tribe has removed to the Indian Territory, but 160 of them reside with the Senecas, and a few with the Tonawandas * * *."

Further acknowledgement of the agreement was manifested in 1931 by pronouncement of then New York State Governor Franklin D. Roosevelt when additional monies were authorized for the Cayugas. Roosevelt proclaimed the arrangement a "milestone in Indian relations in the State".

To summarize this point, Mr. Chairman, many feel the credibility of the Cayuga Claim is questionable because the tribe fully assented to their agreement, and were duly compensated. Without a factual review, the good faith intentions of New York State can never fully be determined, and the case will rest, not on whether the Cayuga Indians entered into an honest agreement, but rather, contested by the tribe on technical legal maladies that could result in an unjust enrichment to those now claiming land.

In any case, the party who should face the burden of any historical debt should one exist, must be the State of New York, and not those innocent people who have purchased and now hold formerly secure title to the land in question.

Mr. Chairman, as an elected representative from the claim area, I have been involved in this issue since it surfaced in 1977.

My responsibility began as a member of the New York State Assembly and continued through my entire first year in Congress. Throughout this time I have attempted to maintain an informational tie between the residents of the claim area and the officials charged with reaching a solution.

In a speech before the Seneca Falls Rotary Club on September 6. 1977, I urged President Carter and the Congress to develop an overall policy to resolve the Indian land claim issue.

To ease the adverse impact of the claim on innocent property owners, in 1977 I introduced legislation in the New York State Legislature that would require the State to guarantee title to individual property owners and provide revenues for the legal defense of their land. These measures were enacted by the New York State Senate, but Governor Carey refused to allow them to pass the Assembly. I am today assured that the State Legislature is considering a reappraisal of this legislation at this time.

Also in 1977, I devoted an Assembly District mailing to inform residents of Seneca County about the potential impacts of the land claim. Entailed in that mailing was a letter from then New York State Attorney General Louis J. Lefkowitz, that stated in part—

"We have been advised that it is the intent of the United States to bring an action against the State of New York and all persons owning land in the contested area."

The New York State Attorney General's perception of the United States Justice Department's position in this case is important because it indicates the prevailing atmosphere at the time—that the Cayuga Indian Claim had the full force, effect, endorsement and support of the United States Government.

It has always been my feeling that Congressional ratification of the current Indian Treaties in question was the proper least-harmful resolution to this claim. In 1977 my predecessor, Congressman William Walsh, introduced a measure to ratify the Cayuga claim and I endorsed this response. However, Mr. Chairman the threat of legal suit by the Federal Government on behalf of the Indians hung over the heads of thousands of innocent property owners during 1977 and 1978, and a negotiated settlement was by far the next most plausible alternative to outright Congressional ratification.

Unfortunately, the credibility of the negotiated settlement process came in serious doubt when I discovered, in September 1979, that the policies and attitudes of the Department of Justice had been completely reversed in 1978 and kept a virtual secret from all parties at the settlement table. In his letter of June 30, 1978 to Secretary of Interior Cecil Andrus, then Attorney General Griffin Bell stated—

"After careful thought, I have decided that I will not bring suit against the landowners in the New York, South Carolina, or Louisiana claim areas."

Responding to the treaty ratification policy, Bell stated—

"It is completely within the power of Congress to remedy the tribal claims by the process of ratifying the ancient tribal agreements with the states. Such ratification could be accompanied by payments to the tribes in appropriate amounts. In the alternative, the tribes could be given a cause of action against the United States in the Court of Claims."

Lastly, but most importantly, Bell concluded that—

"As a matter of principle, I believe the landowners should know of my decision not to sue them as soon as possible."

The U.S. Attorney General's reluctance to bring "completely innocent landowners" under the dark clouds of lawsuit has been my position from the very start. I have personally seen and experienced the hardships of these people whose properties stand to be jeopardized. The impact of the discovery of the Bell letter was significant. Walter Foulke, Chairman of the Cayuga-Seneca property owners group who was in favor of a negotiated settlement stated—

"It is an entire new ball game . . . My feeling against the Interior Department at this moment is intense . . . I think many of the feelings we had in the past would not have been, if we had known we were not going to be sued by our own government."

I find it hard to believe that negotiations would have continued as they did in light of the withholding of the Bell letter, particularly in view of New York Attorney General Lefkowitz' reliance on the intended intervention of the federal government on behalf of the Cayuga tribe. On discovery of the letter, I asked Interior Solicitor Leo Krulitz in my office to explain why the Bell letter was not brought to the attention of the entire work study group. Mr. Krulitz said he felt that the letter was "insignificant." I felt that his explanation was incredulous!

Because I have not, either as a State or Congressional elected official been allowed to participate as a voting member of the negotiated settlement process, I could not have insisted on bringing the parties back to the table in light of the discoveries contained in the Bell letter. However, Mr. Chairman, I must tell you that I have lost a great deal of faith in the integrity of our government as a result of withholding this information from innocent property owners.

This committee has before it today a document which translates a negotiated settlement of Cayuga Nation Claims into legislation. It should be placed in perspective before it be given more, or less, credence than it deserves.

Based on the successful claims of other American Indian Tribes, the Cayuga Nation in 1977 announced it would bring suit, if necessary, to recover 64,015 acres of land in Cayuga and Seneca Counties, New York, the site of its original reservation. The claim followed closely on the heels of a decision by U.S. Federal District Court Judge Edmund Port of Auburn, N.Y., in which he invalidated a treaty between the State of New York and the Oneida Indian Nation because of the failure to ratify that document in 1795. The United States Department of Interior immediately announced that the Cayuga claim would be a valid one, and that the power of the United States government would be placed behind the Cayuga claim, that the federal government would help seek "ejectment and damages" against New York State and against those private individuals who currently hold disputed land.

Facing a claim which, on face value at that point looked to be a certain loss for property owners should they allow the matter to reach the courts, negotiations began which might allow a settlement out of court. I have already outlined for you the later developments, specifically, the position taken by the U.S. Attorney General which remains the policy of his Department and which substantially undercuts the strength of the proposed case. Yet I would like briefly to give you an idea of the alternatives anticipated without such a negotiated settlement.

If allowed to go to court, New York State and the individual property owners would bear the costs of the defense of their titles. The proposition of spending hundreds of thousands of dollars is not unimaginable. Few property owners could afford that, and maintain their livelihood at the same time. I asked Assistant U.S. Attorney General James W. Moorman as recently as last fall if the federal government could participate in the costs of these landowners' defense. In his response of October 22, 1979, Mr. Moorman said:

"The answer is clearly no. This department has no authority either to provide legal advice or court representation for private persons."

In light of that position, I have co-sponsored H.R. 3929 which would require federal participation in these defense costs. Without such a bill it is clear to see that many would be forced to sell their properties to help pay the court costs, even if they were to eventually win the case. If they, by some chance, lost the case, virtually thousands of property owners would be forced out of their homes with no assurance whatsoever of repayment for their losses.

An estimated 10-12,000 homes, therefore, would be very realistically dependent upon a courtroom performance. One suit has already been filed in State Supreme Court in this matter, so such a test may be unavoidable in any circumstance.

In the eventuality of a victory by propertyowners and the State of New York, I have already discussed the expenses of the legal battle. But also taken into consideration is the equally—real prospect of severe personal and community disruption during the case. Tax income could be placed in trust and out of use by municipalities; and because property titles would be under challenge, there is no doubt that land transactions would be suspended indefinitely. Homes, farms and businesses could not be bought or sold, and land values would plummet for the entire duration of a complex case that could quite possibly be in litigation for years. The human hardships would be immense, win or lose. At all costs, a court trial of this case was seen as the worst possible remedy.

After many months of negotiations between the Departments of Interior and Agriculture, the State of New York and attorneys for the Cayuga Nation, agreement was reached on the points contained in this legislation. It mandates that public lands will be given over to the Cayuga Nation, and a trust fund to be administered by the Secretary of the Interior, some of which will be available to purchase additional lands. A Cayuga reservation is to be established at that site.

Again I must say I seriously question the integrity of these negotiations, although I do not question the need for this "plea-bargaining" approach to avoid a court battle. Particularly in light of the fact that Attorney General Bell's June 30, 1978 letter was kept from most, but not all, members of that negotiating body, I question both sides' ability to negotiate effectively and equally. While it may be common practice to keep an "ace in the hole" during full adversarial, bi-partisan negotiations between opposing sides, the intent of these talks was to have been all parties working toward a common goal: resolution of the dispute without a court battle. The agreement, as well, will have an impact on that region of the State and Nation, specifically the people who live there, for generations to come.

It was, apparently, with some chicanery that the terms of this agreement were reached. Nonetheless, we reluctantly must continue to opt for this path rather than a court case.

Mr. Chairman, yet another point disturbs me greatly when we discuss the Administration's bill, H.R. 6631, the object of our testimony today. Throughout the processes which I have outline for you thus far, there has been virtually no opportunity for input from those citizens living under the dark cloud of the claim area, for their local elected officials, or even for direct influence of their elected national representatives until this very day. Meetings of the negotiating group which ultimately decided the merit of the Cayuga claim, the terms of a negotiated settlement, and the form of this legislation took place in Washington, Buffalo, Syracuse and Albany, but never within the actual claim area. Signers of the Memorandum of Understanding and drafters of this bill came from the Departments of Interior and Agriculture, the State of New York offices in Albany, and the Cayuga Nation spread throughout Western New York and Canada, but not from the actual claim area. Those people whose land is in jeopardy, both public and private, were never consulted. This kind of sterile process involving bureaucrats who have no stake in its outcome and need not answer to any constitutency is a disgrace to the American representative form of government.

For its part, the State of New York bartered away land which is theirs only on a conditional deed from the Federal Government. Sampson State Park, the former site of a United States military training facility, which would be liable for repossession by the federal government if its use were to be changed now, was the State's only contribution to this settlement when the State itself appears to be most liable for the conditions of this claim, and would be the defendant in a court case. Because the settlement has been kept away from any elected official, either state or national, the State has not had to meet the scrutiny of those answerable to the people of Central New York.

At the time of the settlement, the state indicated it would be willing to discuss the use of some of that land nearby which is clearly in its possession as repayment to the Department of Agriculture for lost land in the Hector Land Use Area, maintaining the Forestry Service as a viable land manager in that section of the State. Now, the State is unwilling to even talk about that former promise, leaving the Forestry Service with very little land to manage and no real reason to stay in the Hector area. Without the Service there—as one of the very few contributing federal agencies to be found in Central New York—the economic viability of a third county is in jeopardy.

The simple fact is that to this point, those people who live and work in the affected area have had no say in determining their own destiny. The signers of the memorandum delayed introduction of a bill so long that this Committee does not have time, or simply has refused, using shortness of time as the reason, for holding a field hearing in the affected areas.

It is only reasonable, then, that these people should be provided with one—this—opportunity to have some slight input on the very important agreement which will rule them. Their requests are neither capricious nor difficult, as our esteemed Senators from New York agreed last week in a meeting here. I urge you to hear, and seriously consider, the proposed amendments to this bill. Senators Javits and Moynihan during our meeting agreed to take their lead from the form and acceptance of the House bill, while emphasizing that they are "sympathetic" to the need for amendments.

I am greatly disappointed by the present bill's complete disregard of the important fact the property in Seneca County is already over 40 percent tax exempt. In spite of repeated requests from me and the citizens of Seneca County, the Interior Department bill drafters ignored our protests, and provided that all lands transferred to, or later acquired by the Indians will be off the tax rolls.

I fully recognize the hardships this policy will pose, and I intend to fight for amendments to fully counteract any adverse tax impact. It should be noted here, that today it is clearly a legislative rather than a constitutional question whether immunity from state and local taxes is to be extended to Indian lands.

I am also concerned that the bill discussed here today fails to provide an adequate assessment of the environmental impact such a land transfer will have. I feel an evaluation is fundamental before final judgment can be reached. The land deeded to the Indians cannot be an island unto itself, and I firmly believe that before any final agreement can be reached the legislation must, in complete detail, specify the rights and responsibilities of all parties involved, particularly in the following areas:

1. Hunting and fishing rights;

2. Law enforcement responsibilities;

3. Applicability of health and environmental laws;

4. Indians use of Seneca Lake;

5. Full and complete assurance of all phone line, electric lines, natural gas pipelines, railroad, highway and other easements are guaranteed without charge, and air rights over the property ascertained.

6. The amount of Federal aid reimbursement to the citizens of Seneca County for any costs involved by the reservation must be specified in detail.

7. The rights of both the adjoining towns and the Seneca County Planning Board in reviewing any planned development on the reservation. The people of Seneca County should have direct impact on any significant development programs.

8. The Interior Department should adequately assess the economic impact of this land transfer to Seneca County, including but not limited to, the effects on tourism and employment in the area; the impact on the Seneca Army Depot; the impact on sanitation, water, and refuse disposal systems; and any impact on local school districts.

9. The cost of public services provided to the Indians should be detailed, and under no circumstances should the Indians be allowed State or local welfare benefits unless they agree to abide by other existing state and local laws.

10. That the surrounding town and county boards have the power to approve or disapprove of any events on the reservation that would result in significant population increases like conventions or rock concerts.

The impact of this legislation will be great, for the people who live in these counties of New York State, for the Cayuga Nation, for everyone concerned for many years to come. Once enacted, this legislation will mean changes in lifestyles, taxation, business and social habits for persons who live in this area of New York. We are asking them to make the changes to accomodate the many wishes of others, whether the mandate comes from Congress or the courts. Surely, approval of these few amendments at this stage can help to make these changes more acceptable.

Until now, the residents of Cayuga and Seneca Counties have felt that there is a gun to their temples, that they have no options other than total acquiescence in this matter. It is not unusual to find, under those conditions, that many are resistive of such an important mandate from without. Any otherwise stable community could be expected to encounter adaptation difficulties in such circumstances. By the same token, the Cayuga Nation must anticipate that their own assimilation into the community will take time, and above all, cooperation.

Cooperation so far in this process, however, seems to have become the scarcest of commodities to the citizens of Central New York. This committee can set the tone of community acceptance for this settlement now with its promise to seriously consider and adopt the few requests placed in amendment form from these counties.

Mr. Chairman, members of the Committee, the question of adaptation is not limited to Cayuga and Seneca counties in New York. I perceive an inherent difficulty which we are encountering today that gnaws at the deepest roots of America. Certainly, it contributes to the problems we are having with this claim.

Throughout American history—since the words were included in our Declaration of Independence that "all men are created equal"—this government has stood for the universal application of law and opportunity for all persons, regardless of ethnic origin, religious beliefs or personal affiliations. Congress, Administrations and the courts have had but one goal over the past 200 years: to assure the equality of all men; to break the barriers which separate one from another. The ultimate goal of the American way is simple: to create a single community of Americans.

Yet, parallel with the development of all laws and policies of our government has been another policy, seemingly exclusive of the first: that the American Indian, the only true American, must not be brought into the community of others which was formed by the "melting pot" concept. All tribes, bands or small groups of aboriginal Indians are considered to be sovereign powers. They are then provided by a paternalistic government with their own governments, their own courts and their own plots of land spread across the nation where they may concentrate, split away from others with special privileges, outside the laws of the community which any other new neighbor is asked to observe.

Atop the seeming paradox of this system in operation in America, is the zealous support of the United States government itself which pushes all others from its path to accomplish what must be accomplished to meet the Indian demands.

Mr. Chairman, I submit that this government's policy of re-establishing reservations is archaic and counter-productive to the very ideal which Americans hold most dear, that of equal opportunity. It is no wonder, in light of this gross disparity in treatment that non-Indians cannot understand how, in these United States of America, they stand to lose their property and livelihood in the face of what are supposed to be protective laws. It is not a condition they would encounter in any other circumstances than those they face right now, in dealing with the American Indian. Therefore, what appears to be anti-Indian sentiment is more appropriately a reaction to forces that exhibit very un-American goals. More contradictory, those goals are being avidly pursued by the government of the United States.

This committee can go a long way toward demonstrating that it understands the fears being displayed by answering some of the points established by the communities. By making very small provisions in this bill, you can begin to set the precedent that the American Indian is first an American and second, an ethnic group. With that recognition comes the responsibility of every American. I am confident that the problems of this transition from parkland to reservation in my district will significantly diminish with that cooperative step.

Gentlemen of the Committee, I conclude my testimony here today by restating my original premise: the ratification today of that ancient Indian treaty has always been my, and my constituents', first preference for settlement of this claim. I do not wish to deny any Indian tribe or for that matter any segment of the American population, anything due to it through the equal application of American law. But I am joined in my feelings about the ratification by no less than America's lawyer, the U.S. Justice Department, when I say that monetary damages alone rather than land exchanges is the proper answer to this case. On December 19, 1979, I introduced H.R. 6188 which sought to accomplish that end. Mr. Udall has finally and clearly stopped this bill from proceeding in this Committee.

Pragmatically and politically, that option has been closed by the Chairman of this Committee, President Carter and his Administration. With that realism in full, vivid view, I feel we must proceed with amendment and passage of H.R. 6631. Only one alternative to passage of this bill remains at this point, to go to court. That remains a totally unacceptable alternative under any circumstances. We cannot allow that to happen. H.R. 6631 must be passed with amendments.

Thank you for this opportunity.●

TAX EQUITY FOR SMALL SAVERS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. OTTINGER. Mr. Speaker, the conferees on H.R. 3919, the crude oil windfall profit tax, have included a small savers' and investors' provision in their conference report. While I have problems with other aspects of this report, I do wish to commend the conferees and express my strong support for this provision which exempts from Federal income tax $201 in combined interest and dividend income annually for individuals and $400 for those who file joint returns.

This tax-relief measure is long overdue, for it will finally begin to extend help to those most deserving of a tax break, lower and moderate income earners. It will also benefit those living on fixed incomes, especially senior citizens. For those 65 or older, interest income represents 25 percent of total income. These are the people hardest hit by double-digit inflation and inequitable tax policies. Savings accounts moreover generally represent their only investment option. Even the highest interest paid on passbook savings accounts—7 percent—is no match for our soaring inflation rate now approaching 20 percent. Small savers are thus losing money on their savings accounts.

Beyond this inequity, after the small savers' investment has been eroded by inflation it is currently subjected to full taxation. We must provide some relief for the small saver to correct this injustice.

This measure is further needed to begin to combat the lack of sufficient incentives for Americans to save. Not only is this directly inflationary, but as savings dwindle, so do funds available for housing investments. We must begin to address the problems besieging this vital sector of our economy. The small savers provision is an important first step.

While the tax exemption for small savers offered in the conference report is a modest one, it moves us in the right direction. In the interest of maintaining the stability of our economy and contributing to its future productivity I support this provision. On behalf of the senior citizen, the working person, and all small savers, I applaud the conferees for this initial step toward tax equity.

I am, however, convinced that we must go much further in providing meaningful tax equity. I will therefore shortly introduce legislation to increase the savings interest tax exemption, give taxpayers the option of choosing either a tax exemption or a tax credit, and furthermore, declare tax exempt all interest income earned by seniors with income below $15,000. Lifting this burden for seniors who rely so heavily on savings interest as their main source of income is long overdue. Moreover, the option of choosing a tax credit would offer a more meaningful break to lower and moderate income earners. Exemptions are of greater benefit to those in higher income brackets. A tax credit not tied to one's tax bracket, is essential if we are to equalize the benefits received by lower income taxpayers.

The small savers provision in the windfall profits tax conference report is a beginning, but it is only a beginning. The task of making our tax structure more equitable and effective remains ahead.●

AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1980

● Mr. ANDERSON of California. Mr. Speaker, today I am introducing the Airport and Airway Improvement Act of 1980, a bill to renew the airport and airway assistance programs. The bill is cosponsored by Mr. JOHNSON, chairman of the Public Works and Transportation Committee, and Mr. HARSHA and Mr. SNYDER, the ranking minority members of the full committee and the Subcommittee on Aviation.

The airport development program—ADAP—has been in effect since 1970. During these 10 years, we have financed more than $7 billion in airport development, safety and navigation aids, and related research and development. The expenditures have been financed from a trust fund which receives its revenues from taxes on airline passengers and other users of the system. In fact, the users have contributed enough so that there is now a surplus in the trust fund of more than $3 billion.

The present program authorizations end in fiscal 1980. During the next 5 years, substantial development will be required to insure that our airport system is safe and able to accommodate the increased traffic which is expected. FAA forecasts that between fiscal years 1978 and 1990 there will be a 73-percent increase in certificated carrier enplanements and an 89-percent increase in commuter airline enplanements. During the same period, hours flown by general aviation are expected to increase by more than 65 percent. Substantial airport development will be required to accommodate these increased levels of traffic.

To meet the needs of the system, it will be necessary to fund the airport and airway programs at higher levels. Inflation has been a serious problem in airport development and over the past 5 years inflation has outrun the rate of growth in the program. For example, it is estimated that airport construction costs increased more than 60 percent during the 4 years between 1976 and 1979 while during the 5 years between 1976 and 1980 ADAP funding levels increased only 33 percent. It is clear that the 1980 authorization levels are purchasing much less airport development than was contemplated in 1976.

FAA's most recent estimate is that airport development needs will total $8.7 billion during fiscal years 1981 through 1985. These estimates are based on 1979 dollars and make no allowance for inflation.

The safety needs of the system will also be great. During the next 5 years FAA expects to undertake substantial replacement of tube-type radar and other equipment which has been in place for the last 20 years. The replacement equipment will be solid state and more efficient in terms of manpower and energy. During this same period, FAA plans an expensive modernization of its flight service stations including automation of flight plan filing and the processing of weather information used by general aviation. Further FAA plans include the development and installation of the direct access beacon system—DABS—which will be the backbone of a collision avoidance system.

The airport system also requires substantial development of landing aids. A significant number of scheduled carrier accidents occur on final approach. Yet a recent study by the National Transportation Safety Board of 706 airports receiving scheduled passenger service from commuter or certificated airlines showed that almost 300 of these airports do not have precision landing systems; 188 of the airports do not have even visual approach slope indicators—VASI's—which provide visual descent guidance information to a pilot during the critical period of his approach to a runway.

Other substantial needs are in the area of aircraft noise. We recently enacted the Aviation Safety and Noise Abatement Act, the first comprehensive Federal legislation for aviation noise abatement planning and programs. These programs must be funded to help alleviate the discomfort and financial injury suffered by the 6 million persons who are now subject to aircraft noise levels which have been judged unacceptable for residential construction by the Department of Housing and Urban Development.

The introduced bill establishes funding levels commensurate with these needs. The bill establishes 1981 funding levels of $875 million for airport development, $525 million for facilities and equipment, $150 million for noise abatement planning and programs, $85 million for research and development, and $400 million for operations and maintenance. The programs are authorized through 1985—with 7 percent annual increases in funding levels—with the exception of the R. & D. program, which is authorized for 1 year, to insure an early review of the program.

The total funding for fiscal 1981 is $2.035 billion, compared to the $1.3 billion authorized for these programs for fiscal 1980 under existing law. The recommended 1981 funding levels are within the means of the system and can be funded from the existing levels of user charges. It would also be possible to carry out the recommended program by reducing user taxes and by reducing the $3.5 billion surplus which will be in the trust fund at the start of fiscal 1981.

The introduced bill makes several innovations in the airport development program. Airports receiving scheduled service are treated the same for funding purposes—based on size—regardless of whether the airports are served by certificated airlines or commuters.

The enplanement formula for primary airports is adjusted for inflation. The bill also makes privately owned reliever airports eligible for assistance if these airports are open to the public and if the airport receiving funding promises to continue to function as a public-use reliever airport during the economic life of any facility developed with Federal financial assistance. The bill also establishes a single discretionary fund for all airports rather than separate discretionary funds for air carrier and general aviation airports. This will insure that funds can go where the needs are greatest.

The ADAP fund in each year will be subject to three apportionments, with the remainder going to a discretionary fund.

The first apportionment is for entitlements for commercial service airports which receive scheduled service. Under the introduced bill, airports enplaning more than 0.01 percent of total enplanements—about 315 airports—are entitled to a funding level determined by a per passenger formula, with a $200,000 minimum—raised from $150,000 in existing law—and a $12.5 million maximum—raised from $10 million in existing law.

A second apportionment, to primary hubs, represents a new concept. Metropolitan areas with more than 0.5 percent of total enplanements—about 42 hubs—are eligible for these funds. In order to qualify, all commercial service and reliever airports in a hub must agree to a plan for airport development. An eligible hub will receive 50 cents per passenger for airports in the hub, with a minimum of about $700,000 and a maximum of $5 million.

A third apportionment is set aside for States and territories for grants to general aviation airports and commercial service airports with less than 0.01 percent of total enplanements—other than some airports which, as I will discuss, are guaranteed discretionary funds. The 1981 apportionment is $85 million which is apportioned to each State by area and population, plus an additional $200,000 and for every commercial service airport in the State which is eligible for funding under this apportionment. The latter addition may be used at any eligible airport in the State.

It is estimated that these three apportionments will require approximately $595 million in fiscal 1981 leaving $280 million for the discretionary fund.

The $280 million can be used for projects at airports of all sizes. However, several conditions are established for the discretionary fund to insure that there will be needed funding in important areas which sometimes have been neglected under the existing law.

First, air carrier airports with fewer than 0.01 percent of total enplanements which were eligible for entitlement funding in 1980 are assured at least $1 million in discretionary funds between 1981 and 1985 if they are served with large aircraft, and $325,000 and during this period if they are served with small aircraft. The Secretary is given discretion as to the timing of these grants. These amounts are somewhat greater than the entitlement funding these airports received under existing law and authorization of a total amount for a 5-year period will help relieve the problem under existing law that annual entitlements have been too small to finance development.

The bill also provides that between 1981 and 1985 reliever airports must be awarded at least $225 million in discretionary and other funds and at least $45 million in discretionary and other funds must be awarded for system planning grants. These requirements will insure funding of important programs which have not always been given adequate attention under existing law.

The bill continues the existing program for funding terminal development, under which there can be financing for public use areas in terminals with a Federal share of up to 50 percent and grants of up to $200,000 or 60 percent of entitlement funds, whichever is greater. The bill continues the eligibility of certificated carrier airports for terminal development and makes commuter airports eligible for the first time.

I would also like to call attention to several important features of the facilities and equipment program. The policy statement of the bill requires FAA to give priority to the installation of landing aids at all commercial-services airports. To help insure that FAA gives priority to the F. & E. program, the bill further provides that if FAA fails to obligate the amounts authorized for F. & E., the authorization for operations and maintenance program will be reduced by $2 for every dollar which FAA has failed to obligate for F. & E.

Mr. Speaker, the Aviation Subcommittee of the Public Works and Transportation Committee plans to begin hearings on the bill in the next few weeks. Similar legislation is going forward in the Senate, and I look forward to early passage of this important legislation.●

SENATE—*Friday, March 7, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12:00:33 o'clock meridian, on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. BAUCUS).

RECESS TO TUESDAY, MARCH 11, 1980 AT 11 A.M.

The ACTING PRESIDENT pro tempore. The Senate will stand in recess.

Thereupon, at 12:00:35 p.m., the Senate recessed, under the order of Thursday, March 6, 1980, until Tuesday, March 11, 1980, at 11 a.m.

● **This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.**

HOUSE OF REPRESENTATIVES—*Monday, March 10, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, our help in ages past, our hope for years to come, bless us this day and the work that we do. Take away from us the blinders of self seeking that narrow our vision and limits our usefulness. May we see the fullness of Your kingdom and the rich opportunities for service to those who stand in great need.

May Your comforting spirit be with those who are anxious or fearful about their lives, or do not know freedoms they deserve. Sustain them always with Your promises of strength and of power and peace. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 5, 1980:

H.R. 3757. An act to establish the Channel Islands National Park, and for other purposes; and

H.J. Res. 267. Joint resolution to provide for designation of Friday, March 7, 1980, as "Teacher Day, United States of America."

On March 6, 1980:

H.R. 948. An act for the relief of Maria Corazon Samtoy;

H.R. 3139. An act for the relief of Pedro Gauyan Nelson; and

H.R. 3873. An act for the relief of Jan Kutina.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2253. An act to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees.

The message also announced that the Vice President, pursuant to section 9355(a) of title 10, United States Code, appointed Mr. HOLLINGS, Mr. HART, Mr. STEVENS, and Mr. GOLDWATER to the Board of Visitors to the U.S. Air Force Academy.

The message also announced that the Vice President, pursuant to section 6968(a) of title 10, United States Code, appointed Mr. SARBANES, Mr. SASSER, Mr. MATHIAS, and Mr. COHEN to the Board of Visitors to the U.S. Naval Academy.

The message also announced that the Vice President, pursuant to section 4355(a) of title 10, United States Code, appointed Mr. JOHNSTON, Mr. EXON, Mr. JAVITS, and Mr. LAXALT to the Board of Visitors to the U.S. Military Academy.

The message also announced that the Vice President, upon the recommendation of the majority and minority leaders, pursuant to Public Law 95–45, appointed Mr. CANNON (chairman) and Mr. STAFFORD (vice chairman) to attend the Interparliamentary Union Conference, to be held in Oslo, Norway, April 7–12, 1980.

RESIGNATION FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication, which was read:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 10, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: At 12:00 o'clock noon, Central Standard Time (1:00 o'clock P.M. Eastern Standard Time), Monday, March 10, 1980, I will be inaugurated Governor of the State of Louisiana. Accordingly, I hereby submit my resignation as United States Representative for the Third Congressional District of Louisiana, effective upon my taking office as Governor.

Service in this House has been a privilege of the highest order, for which I shall be forever grateful.

Respectfully,

DAVID C. TREEN,
Member of Congress,
Third District of Louisiana.

BANKRUPTCY OF DEMOCRATS' ECONOMIC POLICIES

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SOLOMON. Mr. Speaker, Friday we received news that our Nation's second largest bank raised its prime interest rate to 17¾ percent, and the wholesale price index is now rising at an annual rate of 19 percent.

These announcements expose the bankruptcy of the Democrats' economic policies—policies initiated, endorsed, and continued by the majority party in Congress and by the present administration.

For 25 years, this House, under Democrat control, has refused to make the hard decisions that must be made to restore order to our troubled financial affairs.

They continue to spend more than we have—to the tune of a million dollars a minute. They increased taxes 700 percent in 25 years to pay for this spending spree, and here is the result: a dollar that looks like this.

Democrats have shown conclusively that they cannot manage our economy, they cannot manage our budget, they cannot manage our Government—in short, they cannot manage our country. But, Mr. Speaker, I am confident that, in November, the American people will decide that our country can, and will, manage without their control.

PRESENT GOVERNMENT POLICIES REGARDING INFLATION ARE NOT WORKING

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, the story is told of an Emperor in a distant land that desired to have the most unique and extravagant wearing apparel possible and assigned his tailor the responsibility of providing him with ever new and different clothes. The tailor decided to design a unique garment which the Emperor would never forget. The Emperor was wild with excitement and delight over his new clothes and proudly strutted with excitement over his new clothes through the streets of his city to show them off. Everyone looked on admiringly and in silence until the Emperor passed a small boy. Then, in the innocence and freshness of youth the young boy exclaimed, "But he doesn't have any clothes on."

This simple fairy tale illustrates a very serious problem facing the American people that is not a fairy tale but a stark reality to our countrymen. Over the last 25 years since the Democratic Party took control of this Congress, they have put on many different and extravagant outfits of Federal bureaucracy at the expense of the helpless onlookers, the American people. However, we are rapidly reaching the point when the Emperor is not the only one that is parading around in his "birthday suit."

Present Government policies regarding inflation are not working. Recent movements in wholesale prices indicate that the cancer of inflation is still picking up momentum, which will only serve to further erode the buying power of consumers. Excessive high taxes are stripping the American people of basic necessities of life. The voters are going to tell the Democratic Congress this November the naked truth. "Throw the rascals out," is the voters' battle cry.

NEED TO CUT COMMITTEES

(Mr. COLLINS of Texas asked and was given permission to address the House

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, with everyone in our country talking about inflation, the big question is what is Congress doing about it. So far Congress has done nothing to solve inflation. Congress created inflation through its excessive Government spending. The President talks, the Cabinet talks, everyone talks, but no one does anything.

This week Congress can take a constructive step forward. We can cut our own spending. Six committee funds are up for our House disapproval this week. We need to provide the example of tightening the belt and fighting inflation.

Review these six and you will see they should all be cut back.

First. House computer system: Asks for $9.881.000. Compare this duplicative House system with comparable information you can get from the Congressional Library. Compare and let us cut.

Second, Drugs: This could be handled by its full committee. Started July 29, 1976, and supposed to be for 1 term only.

Third. Judiciary: Check its increase over the past five terms.

Fourth. Outer Continental Shelf: This could be handled by existing Merchant Marine Committee.

Fifth. Committee on Committees: This has shown little constructive progress. Refer to present committee.

Sixth. Commerce: This could be reduced by one-third.

Stop inflation. Set an example, Congress. Vote to cut committee budget.

VOTE BUYING IN LOUISIANA

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, obviously it is business as usual here in the Congress and over at the White House and with the Cabinet. I would like to point out, as a result of actions last week that this House faced, that it is business as usual again in Louisiana.

This article appeared late last week in the Washington Post, with a dateline of Shreveport, La.:

> VOTE BUYING IN LOUISIANA
>
> SHREVEPORT, LA.—Three more people pleaded guilty to buying votes in Louisiana's 1978 fall elections, bringing to 9 the total convicted in the federal investigation.
>
> The pleas came the day after Congress voted along party lines to scuttle further investigation into the election that sent Democrat Claude Leach to Congress.

It is business as usual in Louisiana.

AMERICA'S SECURITY IS BEING THREATENED

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. CONTE. Mr. Speaker, today, even as I stand in this well, America's security is being threatened. I am not talking about the dangers of attack by a foreign power, the possibility of being sucked into a third party conflict, or even the impending dangers of a population bomb which continues to tick away. What I am referring to is a foe as formidable as these external threats, a foe which has been slowly eroding American strength—eating away at our economy like a cancerous growth. That foe is inflation.

Mr. Speaker, today the effects of this enemy are felt in every aspect of our daily lives. We feel the pinch of higher food prices, the bite of energy costs which have risen beyond the scope of even our wildest imagination, and the squeeze of credit which precludes home purchases. And the situation is not improving. Already inflation indicators are forecasting a 20-percent increase rather than the mere 13-percent rise in prices registered last year. The consequences for American economic and the associated political and strategic strength will be even more far reaching and debilitating. Action must be taken now. We must tighten our belt, trimming the fat from every budget which passes through this House. We must revamp the system which fosters conspicuous consumption to increase instead our savings and investment. We must take effective measures now and arm ourselves against this most deadly of foes.●

WELCOMING GARDEN STATE CATV TO SUSSEX COUNTY

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, many of the people in the district will never have the opportunity to visit Washington, the Nation's Capital, or see Congress in action.

Today, I would like to welcome Garden State CATV to Sussex County. This cable television network is hooked to the satellite that will bring the floor of Congress right into your homes and schools.

For 2 hours, every day, Garden State CATV will follow the daily action on the House floor. See the votes on important issues, key speeches, et cetera.

I hope you all take advantage of this wonderful educational opportunity in your homes, and in your schools as well.

I look forward to your impressions and reactions to this new system, and I want to thank Garden State CATV in Sparta for the occasion to speak with my constituents in Sussex County.

REPUBLICANS WANT TO SHOW AMERICANS THEY CARE

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, when you go to the grocery store, do you nearly "drop your false teeth" over the outrageous prices you must pay? Perhaps you drop your teeth because you cannot afford the denture adhesive to hold them in anymore. At $2.89 a tube, denture adhesive is beginning to look like a luxury.

What is most disheartening is remembering 25 years ago when prices were about a third what they are now. That same tube of denture adhesive sold for 98 cents then, and a person could afford to keep his choppers in his mouth.

What happened to send prices soaring, you ask? Well, in 1954 the Democrats got control of the Congress and the country and have not let go yet. The result has been rampant inflation, eating away at the buying power of the dollar.

Republicans want to get a hold on inflation and restore the integrity of the dollar. We have not been waiting all these 25 years to do it either. We have been working at it all the time, and a Republican majority in Congress can make it happen.

Furthermore, Republicans want to show Americans we care. We will be holding a national food store workday on March 15 to get a firsthand look at prices and what they are doing to Americans. We will be checking you out and bagging your groceries. We are concerned. We are Republicans.

20/20 MAY BE NOVEMBER BATTLE SLOGAN

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, during the past 4 days, I met with well over 2,000 Ohioans, some in meetings as small as 20, and several in meetings of several hundred and up.

They are mad about inflation. I do not care what the Washington smart set says or how sure they are that they can ride this one out and then go back to business as usual. I do not care how unresponsive the majority in this House is to the question of inflation or whether they subscribe to our Speaker's belief that liberal programs should not be touched. People are mad and they are in a fighting mood.

They know numbers. Historically, Americans have responded to "Fifty-four forty or fight."

I remember Mr. Truman used the "Do-nothing 80th Congress."

We have heard about the 38th parallel in Korean war. They know numbers and there is an emerging number that I will suggest is going to be the death knell of the majority party. That is 20/20.

The American people are starting to think about 20/20, 20 percent inflation, and 20 percent interest. These numbers are destroying the middle class. Now the Democrat Members may have a month or two to prevent us from getting to that 20, but we are headed there through the policies on the other side of the aisle. I would suggest along about November the American people are going to have 20/20 vision in looking at the people who have caused 20/20 inflation and interest rates.

PRESIDENT CARTER'S PORK BARREL POLITICS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the newspapers have been full of stories about the tens of millions of Federal-aid dollars that are being carefully dispensed by the President around the country, in order to help his primary election campaign.

Funds for new Federal buildings and development projects, and possible aid for coal degasification and gasohol production facilities, are being dangled before voters as a less than subtle reminder of lavish rewards for political support of the President.

However, Federal housing funds expected in one Illinois community were quickly denied when a local politician announced his support for one of the President's Democratic opponents.

As a Presidential candidate 4 years ago, Jimmy Carter denounced pork barrel politics.

Now that he controls the barrel and can dispense the pork, President Carter has apparently changed his mind about using taxpayer-funded Federal programs to line up votes for his own reelection campaign.

WHIPS' TEAMS WHIPPED

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, in recent weeks the Members of the House have been treated to some friendly intraparty jibes between the majority whip and his chief deputy over national collegiate basketball superiority.

The gentleman from Illinois (Mr. ROSTENKOWSKI) was riding high during the latter part of the season while his DePaul team was ranked No. 1 in the Nation. His confidence was shaken, however, when a Notre Dame team defeated the top ranked Demons just before the regular season ended. The distinguished majority whip (Mr. BRADEMAS) could not resist the temptation to bring this to the attention of his deputy.

It should be noted that the minority side is also well represented in the NCAA tournament. As you may know, Bradley University, located in the home of our distinguished minority whip (Mr. MICHEL), won the Missouri Valley championship and earned a berth in the national tournament.

But my reason for rising today is to report that each of these three teams, DePaul, Notre Dame, and Bradley, were eliminated from tournament play over the weekend. I am proud to point out, on the other hand, that a school which rests in the district of another gentleman from Indiana, the deputy minority whip, has survived the first round and I am confident that Coach Bobby Knight and his Indiana Hoosiers will go on to win the national championship, as they did in 1976.

I am somewhat disappointed that the schools represented by the majority whip, and his deputy, as well as the minority whip, were defeated. I was hoping Indiana University would have the opportunity to whip each of these teams themselves.

PRACTICE IMPROVES ORATORY TALENT OF REPUBLICANS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I enjoy this 1-minute period more than anything else in the Congress. One of the things that it demonstrates is the difference between Republicans and Democrats.

Now, the old definition was that the main difference between Republicans and Democrats was that Republicans hired exterminators, whereas Democrats stepped on bugs. But clearly there are some other differences. I have noticed that Republicans come to the well and read speeches that are written for them by somebody else, while Democrats speak from the heart.

I also notice that when Republicans give their speech, they say, "Now, the trouble with the American people is that 'they' are going to do this, and 'they' will have 20/20 vision and 'they' remember 'Fifty-four forty or fight.' "

When Democrats make such speeches, they say, "We." We identify ourselves with the American people, whereas, the Republicans, who have never quite been assimilated into the American society, refer to Americans as being "they."

But anyway, they are practicing a lot lately, these Republicans, and by golly, some of these speeches are good, particularly the one about basketball.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague and I welcome him to the 1-minute happy hour.

Mr. DANIELSON. Thank you very much. We are all "Minute Men." Bless you all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MURTHA) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 7, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Office of the Clerk at 2:42 p.m. on Friday March 7, 1980, and said to contain a message from the President whereby he transmits the annual report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year ended September 30, 1978.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNUAL REPORT OF NATIONAL ENDOWMENT FOR THE ARTS AND NATIONAL COUNCIL ON THE ARTS, FY 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor.

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the annual report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year ended September 30, 1978.

JIMMY CARTER.
THE WHITE HOUSE, *March 7, 1980.*

□ 1220

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 7, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Office of the Clerk at 2:43 p.m. on Friday, March 7, 1980, and said to contain a message from the President whereby he transmits the 19th annual report of the United States Arms Control and Disarmament Agency.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNUAL REPORT FOR 1979 OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I am pleased to transmit to you the annual report for 1979 of the United States Arms Control and Disarmament Agency. Over the past few years SALT has tended to dominate our thinking about the arms control activities of the United States. It is one of many arms control endeavors which this report will describe.

Last June in Vienna, I signed the SALT II Treaty with Soviet President Brezhnev and submitted it for the Senate's advice and consent to ratification.

Since that time, SALT has been the subject of an intense national debate and of hearings by three committees of the Senate. In November, the Committee on Foreign Relations reported the Treaty favorably to the Senate.

After the Soviet invasion of Afghanistan, however, I asked that the Senate delay consideration of the SALT II Treaty on the floor so that the Congress and the executive branch can devote our primary attention to the legislative and other matters required to respond to this crisis. But I intend to ask the Senate to take up this treaty after these more urgent matters have been dealt with. As I said to you in my State of the Union address, "especially now in a time of great tension, observing the mutual constraints imposed by the terms of (such) treaties will be in the best interests of both countries and will help to preserve world peace." When the full Senate begins its debate on SALT II, I am convinced that those who are concerned about our national security will support the Treaty as a wise and prudent step.

This Administration continues to believe that arms control can make genuine contributions to our national security. We remain deeply committed to the process of mutual and verifiable arms control, particularly to the effort to prevent the spread and further development of nuclear weapons.

Those of you who have an opportunity to read and reflect upon the attached report will find a compelling case for the importance of the work described—to us, our allies, and those who look to us for leadership in the world. We must diligently pursue negotiated, verifiable solutions to the many arms races upon which nations are now embarked. We must be prepared to work with others to bring peace and stability to the world.

While we depend upon the Arms Control and Disarmament Agency, the Department of Defense and other agencies to be vigilant in their duties, none of us should forget the danger that confronts us all individually and collectively, and that threatens us as a sovereign nation and as a part of the world of nations.

JIMMY CARTER.

THE WHITE HOUSE, *March 7, 1980*.

ANNUAL REPORT OF THE COMMUNITY SERVICES ADMINISTRATION, FISCAL YEAR 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

Pursuant to the provisions of Section 608 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2948), I transmit herewith the Annual Report of the Community Services Administration for fiscal year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *March 10, 1980*.

AUTHORIZING PRINTING OF REVISED EDITION OF "HANDBOOK FOR SMALL BUSINESS" AS A SENATE DOCUMENT

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged Senate concurrent resolution (S. Con. Res. 45) authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document, and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 45

Resolved by the Senate (the House of Representatives concurring), That a revised edition of Senate Document Numbered 91–45, entitled "Handbook for Small Business," explaining programs of Federal departments, agencies, offices, and commissions of benefit to small business and operating pursuant to various statutes enacted by the Congress, shall be printed with illustrations as a Senate document; and that there shall be printed six thousand additional copies of such document, which shall be for the use of the Senate Select Committee on Small Business.

The **SPEAKER** pro tempore. The Chair recognizes the gentleman from California.

Mr. HAWKINS. Mr. Speaker, Senate Concurrent Resolution 45 provides for the printing of a revised edition of the "Handbook for Small Business."

Purpose: The publication provides updated information on the programs of Federal departments, agencies, offices and commissions which are of interest to small business. A smilar publication was produced during the 91st Congress, but it is both out-of-date and out-of-print. The resolution would provide 6,000 copies for the use of the Senate Select Committee on Small Business, as well as providing for depository library distribution.

The resolution is supported by both the chairman of the select committee, Senator NELSON, and the ranking minority member, Senator WEICKER.

Cost:

1,500 copies (usual number)	$8,960.61
6,000 additional copies	10,869.72
Total	$19,830.33

Mr. Speaker, I move the previous question on the Senate concurrent resolution.

The previous question was ordered.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING REPRINTING OF COMMITTEE PRINT ENTITLED "SYNTHETIC FUELS"

Mr. HAWKINS. Mr. Speaker, by direction of the House Administration, I call up a privileged Senate concurrent resolution (S. Con. Res. 56) authorizing the reprinting of the committee print entitled "Synthetic Fuels", and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 56

Resolved by the Senate (the House of Representatives concurring), That there shall be reprinted for the use of the Senate Committee on the Budget three thousand five hundred copies of its committee print of the Ninety-sixth Congress, first session, entitled "Synthetic Fuels", a report to the full committee by the Subcommittee on Synthetic Fuels.

The **SPEAKER** pro tempore. The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, Senate Concurrent Resolution 56 provides for reprinting of the committee print entitled "Synthetic Fuels."

Purpose: The publication deals comprehensively with the subject of synthetic fuels and was produced as a committee print by the Senate Committee on the Budget during the first session of this Congress. The supply was quickly exhausted, however, and demand remains high. The resolution would provide 3,500 copies of the publication for the use of the Senate Budget Committee.

The resolution is supported by both the chairman of the committee, Senator MUSKIE, and the ranking minority member, Senator BELLMON.

Cost:

1,000 copies (back to press cost)	$8,063.84
2,500 additional copies	5,720.77
Total	$13,784.61

The **SPEAKER** pro tempore. Without objection, the previous question is ordered on the Senate concurrent resolution.

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR PRINTING OF BROCHURE ENTITLED "HOW OUR LAWS ARE MADE"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged concurrent resolution (H. Con. Res. 95) to provide for the printing of the brochure entitled "How Our Laws Are Made," and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 95

Resolved by the House of Representatives (the Senate concurring), That the brochure entitled "How Our Laws Are Made," as set out in House Document Numbered 95–259 of the Ninety-fifth Congress, be printed as a House document, with a suitable paperback cover of a style, design, and color, to be selected by the chairman of the Committee on the Judiciary of the House of Representatives, with emendations, and with a foreword by the Honorable PETER W. RODINO, JUNIOR; and that there be printed two hundred and forty-six thousand additional copies, of which twenty-five thousand shall be for the use of the Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

The **SPEAKER** pro tempore. The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, House Concurrent Resolution 95 provides for printing of the brochure entitled "How Our Laws Are Made."

Purpose: The publication is one of those traditionally made available to Members for distribution to various school and community groups. The supply printed during the last Congress has been exhausted but the demand remains high. Under the terms of the resolution, each Member would be allotted 500 copies.

Cost:

1,500 copies (usual number)	$1,570.48
246,000 additional copies	80,771.64
Total	$82,342.12

The SPEAKER pro tempore. Without objection, the previous question is ordered on the concurrent resolution.

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR PRINTING OF FINAL REPORT OF THE INDIAN CLAIMS COMMISSION AS A HOUSE DOCUMENT

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged concurrent resolution (H. Con. Res. 162) providing for the printing of the final report of the Indian Claims Commission as a House document, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 162

Resolved by the House of Representatives (the Senate concurring), That the final report of the Indian Claims Commission be printed as a House document with suitable binding.

Sec. 2. In addition to the usual number, there shall be printed one thousand five hundred copies of such document for the use of the Committee on Interior and Insular Affairs.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

H. Con. Res. 162

Resolved by the House of Representatives (the Senate concurring), That the final report of the Indian Claims Commission be printed as a House document with suitable binding.

Sec. 2. In addition to the usual number, there shall be printed five hundred copies of such document for the use of the Committee on Interior and Insular Affairs.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. Hawkins).

Mr. HAWKINS. Mr. Speaker, House Concurrent Resolution 162 provides for the printing of "the Final Report of the Indian Claims Commission" as a House Document.

Purpose: The publication is an historical document describing the various claims made by American Indian tribes against the U.S. Government. The reprinting will allow for depository library distribution, as well as for a mailing of a copy of the report to approximately 300 Indian tribes. A further small supply (approximately 200 copies) will be maintained by the Committee on Interior and Insular Affairs.

A letter was received from Mr. Clausen of California, the ranking minority member of the committee in which he strongly supports the resolution.

Cost:

1,500 copies (usual number)	$4,880.34
Additional 500 copies	590.24
Total	5,670.58

The SPEAKER pro tempore. Without objection, the previous question is ordered on the committee amendment and the concurrent resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR PRINTING AS A HOUSE DOCUMENT AN ANTHOLOGY OF CAPTIVE NATIONS WEEK PROCLAMATIONS, ADDRESSES, AND OTHER RELEVANT MATERIAL

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged concurrent resolution (H. Con. Res. 233) to authorize the printing as a House document an anthology of Captive Nations Week proclamations, addresses, and other relevant material, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 233

Resolved by the House of Representatives (the Senate concurring), That in commemoration of the twentieth observance and anniversary of the congressional Captive Nations Week resolution, which in July 1959 was signed by President Dwight D. Eisenhower into Public Law 86–90, there be printed as a House document an anthology of Captive Nations Week proclamations, addresses, and other relevant material published during the two commemorative events; and that nine thousand nine hundred and ninety-nine additional copies shall be printed, of which seven thousand five hundred shall be for the use of the House of Representatives, and two thousand four hundred and ninety-nine shall be for the use of the Senate.

Sec. 2. Copies of such document shall be prorated to Members of the House of Representatives and Senate for a period of sixty days, after which the unused balance shall revert to the respective House and Senate document rooms.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. Hawkins).

Mr. HAWKINS. Mr. Speaker, House Concurrent Resolution 233 provides for the printing as a house document an "Anthology of Captive Nations Week Proclamations," addresses and other relevant material.

Purpose: The publication is a collection of materials which appeared in the Congressional Record during the observance of Captive Nations Week. Similar publications have been made in the past, following the observance of the first Captive Nations Week under President Eisenhower. The most recent publication was during the Bicentenial Year of 1976. The resolution will provide each Member of the House with 16 copies and each Member of the Senate with 24 copies, as well as providing for depository library distribution.

Cost:

1,500 copies (usual number)	$4,938.66
9,999 additional copies	8,471.24
Total	13,409.25

The SPEAKER pro tempore. Without objection, the previous question is ordered on the concurrent resolution.

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1230

AUTHORIZING PRINTING OF REVISED EDITION OF "OUR AMERICAN GOVERNMENT" AS HOUSE DOCUMENT

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged concurrent resolution (H. Con. Res. 279) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 279

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document a revised edition of "Our American Government," revised under the direction of the Committee on House Administration.

Sec. 2. In addition to the usual number of copies, there shall be printed five hundred and fifty-six thousand additional copies, of which four hundred and fifty-three thousand copies shall be for the use of the House of Representatives, and one hundred and three thousand copies shall be for the use of the Senate.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. Hawkins).

Mr. HAWKINS. Mr. Speaker, House Concurrent Resolution 279 provides for the printing of a revised edition of "Our American Government" as a House document.

The publication is one of those traditionally made available to Members. The supply has been exhausted. None of the new Members have had an opportunity to have distribution made to them of this rather routine document.

The resolution calls for the printing of 556,000 additional copies and the total cost is $135,864.19.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the concurrent resolution.

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF "FEDERAL ELECTION CAMPAIGN LAWS RELATING TO THE UNITED STATES HOUSE OF REPRESENTATIVES"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged concurrent resolution (H. Con. Res. 283) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 283

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document, "Federal Election Campaign Laws Relating to the United States House of Representatives", revised under the direction of the Committee on House Administration.

SEC. 2. In addition to the usual number of copies, there shall be printed twenty thousand copies, of which five thousand shall be for the use of the Committee on House Administration and the remaining fifteen thousand for distribution to candidates for the House of Representatives and for political committees supporting them.

The **SPEAKER** pro tempore. The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, House Concurrent Resolution 283 provides for the printing of the publication "Federal Election Campaign Laws Relating to the United States House of Representatives." This is a revised edition of that document and the total cost of the 20,000 additional copies, in addition to the usual number, is $30,977.57.

The publication presents in a single pamphlet all of the Federal election campaign laws of importance to Members of the House of Representatives. It is a revised edition, necessitated by the recent passage of the Federal Election Campaign Act Amendments of 1979 (Public Law 96-187). The resolution provides for the printing of 5,000 copies for the use of the Committee on House Administration and 15,000 copies for distribution to candidates for the House of Representatives as well as for depository library distribution.

The **SPEAKER** pro tempore. Without objection, the previous question is ordered on the concurrent resolution.

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

DISAPPEARING PERSONS

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 285) expressing the sense of the Congress with respect to the disappearance of persons which is caused by the abduction and clandestine detention of those persons by the governments of foreign countries or by international or transnational terrorist organizations.

The Clerk read as follows:

H. CON. RES. 285

Whereas under international law and the Charter of the United Nations the governments of countries are obligated to promote and defend human rights;

Whereas the domestic law of most countries, as well as international law, prohibits the governments of the respective countries from suspending certain human rights under any circumstances, particularly those rights which guarantee freedom from arbitrary execution and freedom from torture;

Whereas the commitment to human rights is a central bond shared by the United States and other nations committed to the rule of law;

Whereas in an attempt to suppress dissent and to conceal gross violations of human rights, certain foreign governments in different parts of the world, particularly those governments monopolized by a single person, party, or group such as the armed forces, or by extremist religious groups, separatist movements, or political parties supported by foreign entities, have increasingly engaged in the abduction and clandestine detention of persons suspected of opposing those governments and of members of groups out of favor with governmental authorities, such as intellectuals or members of certain social classes, political organizations, or ethnic or religious groups;

Whereas testimony before the Congress has established that such governments often torture and murder the persons they cause to "disappear" while denying knowledge of the whereabouts of those persons;

Whereas these governments and quasi-governmental entities causing these disappearances often engage in acts of international or transnational terrorism;

Whereas the Congress is deeply moved by the anguish and sorrow suffered by the relatives of the persons who have so disappeared, particularly the spouses, children, and parents of those persons;

Whereas the imposition of restrictions by the United States on economic and other forms of assistance to, and on access to financial and other United States resources by, countries the governments of which violate internationally recognized human rights referred to in sections 116 and 502B of the Foreign Assistance Act of 1961, is not discretionary but is required by Federal law; and

Whereas this practice by foreign governments of causing the disappearance of persons threatens the foundations of civilized societies, which are based on due process of law: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) any government which causes the disappearance of any person by the abduction and clandestine detention of that person is committing an act of terrorism which cannot be justified under any circumstances;

(2) the President should encourage the leaders of other countries to join him in calling upon the United Nations—

(A) to condemn such abduction and detention as an act of terrorism,

(B) to establish effective procedures for dealing with cases of disappeared persons, and

(C) to demand that all governments thoroughly investigate all reports of such disappearances in their respective countries, prosecute those persons responsible for any such disappearance, and account for any person who has so disappeared, either by releasing such person if alive or by explaining the circumstances of such person's death and disclosing the location of such person's remains; and

(3) the President should attempt to organize and implement a program of national and international action to be taken with respect to governments practicing this act of terrorism.

The **SPEAKER** pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 285, expressing the sense of the Congress with respect to the disappearance of persons which is caused by the abduction and clandestine detention of those persons by the governments of foreign countries or by international or transnational terrorist organizations.

House Concurrent Resolution 285 was ordered favorably reported from the Committee on Foreign Affairs on February 28, by a voice vote. The resolution addresses an issue of increasing concern regarding human rights violations—that of the mysterious disappearances of individuals. House Concurrent Resolution 285 recognizes such political disappearances, in which persons are often tortured and murdered, as acts of terrorism. Such gross violations of individual rights must not be ignored. The resolution urges governments to thoroughly investigate incidents of disappearances, and also urges governments and the United Nations to develop a means of dealing with such terrorist activities.

I would like to commend our colleague, the Honorable DON BONKER for his leadership and extensive efforts on this issue. Congressman BONKER chairs the Subcommittee on International Organizations, which has conducted hearings on the subject of human rights violations and the phenomenon of disappearances.

I now yield such time as he may consume to the distinguished Chairman of the International Organizations Subcommittee, the Honorable DON BONKER, who will present a more detailed account of House Concurrent Resolution 285, and also manage the time on the resolution.

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have just returned from Geneva where I had the privilege of representing the House last week at the 36th session of the United Nations Commission on Human Rights. I am pleased to report that the Commission adopted by consensus a resolution on disappearances, which establishes a working group of five members to examine the questions relevant to enforced or involuntary disappearances of persons.

This was a very notable achievement and a large share of the credit for success must go to the U.S. delegation led by Jerry J. Shestack. For in the last few years the Commission had tried time and time again to pass such a resolution but did not succeed.

Mr. Speaker, the question of missing and disappeared persons has grown to constitute one of the most widespread and serious human rights violations in the modern world. This violation of human rights takes many forms. Governments may direct their security forces, military, or police to detain persons suspected of subversion in order to remove them from circulation, obtain information by torture and demoralize the opposition. Security or police forces may operate unofficially, generally in civilian clothes, with the state's tacit approval and protection. Groups of civilians may operate their own progovernment terrorist forces. Two governments may even cooperate with each other by shifting the disappeared across national borders. In all cases, people are abducted from homes, offices, or public places. The victims are taken, usually blindfolded, to some location where, in virtually all cases they are seriously mistreated—beaten, tortured, and humiliated.

Families have no recourse. The government denies all knowledge and responsibility—severely undermining the rule of law. It is government complicity in the disappearances which makes this act one of the most abhorrent human rights violations today.

Mr. Speaker, the International Organizations Subcommittee of the House Foreign Affairs Committee which I chair, recently held several hearings on the phenomenon of disappearances, as a violation of human rights. We received excellent and detailed testimony from nongovernmental organizations concerning the scope and history of the "disappeared." We also heard dramatic and tragic testimony from individuals with firsthand knowledge of the disappearance phenomenon.

What emerges from the reports presented to us, is a shocking picture of the violation of human rights on an unprecedented scale. Though most of the documented cases of the disappeared person have come from Latin America, witnesses have testified that this phenomenon is occurring around the world with numerous cases reported in Asia, Africa, and behind the Iron Curtain.

There is no doubt that numerous regimes in our contemporary world must rely on repression to continue their existence. In testifying before our Committee William Wipfler, of the National Council of Churches said—

> World indignation denies these regimes the use of torture, or arbitrary and prolonged detention or horrendous inhuman prison conditions as a means of intimidation and control; then some other instrument—disappearances—will be developed.

It does not matter in what part of the world these violations occur. The phenomena of disappearances has victimized many thousands of persons and thousands more of their families. It is widespread and occurring in all too many countries. And as it continues to go on whether in Soviet-dominated areas or Argentina, the result is always the same—people disappear.

For example, a Swedish diplomat, went to Budapest in 1944 after the Nazis began deporting Hungary's 700,000 Jews to extermination camps. He printed thousands of Swedish passports and distributed them to Jews as a prelude to emigration to Sweden, while at the same time building a system of safe houses, that is, hospitals and shelters over which the Swedish flag flew. He continuously went to the railroad yards, pulling Jews off the death trains; he went to the SS, threatening them and forcing them to release their captives. When the Russians captured Budapest in January 1945, he disappeared. The Soviets insist that he died in 1947, but over the ensuing three decades there have been eyewitness reports that Wallenberg is alive in a Soviet prison. Where is Raoul Wallenberg? What has happened to him? Why is it a crime to have saved tens of thousands of lives?

As another example, one does not need to be a terrorist to be arrested, tortured, or murdered. It is enough to have belonged to a trade union or a student organization or to have helped persons classified by the military as subversive. People are simply picked up, some to return as corpses, minus their heads and hands to prevent identification. A few are released and warned not to speak, but most are subject to brutal conditions in secret camps.

Mr. Speaker, there are other noxious factors associated with the reprehensible practice of disappearance—factors which I feel compelled to call to the attention of my colleagues. They are: First, eyewitnesses have told us, the usual fate of those abducted is torture and death in flagrant violation of their country's laws and international standards of human rights; second, the abductors direct their terror not only against the perceived enemies, but the families of their enemies as well. In many cases, husband and wife are abducted together.

In other cases children are also taken; third, the victim is deprived of life and liberty without trial. There is no possibility for the disappeared to defend himself, no possibility to employ counsel and no possibility to appeal; and fourth, governments that practice disappearances make victims of the disappeared's family. They are kept in a state of agony and uncertainty which itself is a means of torturing those left behind.

When terrorists kidnap and kill defenseless victims, governments must seek to bring them to justice. But not by using the same methods of the terrorists. Governments are the custodians of law. When a government engages in a campaign of terror, such as is the case of the disappeared, they undermine the rules of law as well as their own rights to govern.

The problem of disappearances demands action by the United States and all members of the international community. We must act because of the needs of the victims. We must act because of our feelings of compassion. And we must act because it is our duty to send an unmistakable signal to the principal offenders that they will be checked and stopped. Now that the international community is beginning to act—witness the actions of the Human Rights Commission—I urge all my colleagues to support House Concurrent Resolution 285.

Mr. Speaker, the resolution expresses the sense of the Congress with respect to the disappearances of persons which is caused by the abduction and clandestine detention of those persons by the governments of foreign countries or by international or transnational terrorist organizations. It calls upon the President to encourage the leaders of other countries to join with him in calling upon the United Nations to: condemn such abduction and detention as an act of terrorism; establish effective procedures for dealing with cases of disappeared persons, and to demand that governments investigate all reports of disappearances, prosecute those responsible, and account for any person who has so disappeared. The resolution states that the President should attempt to organize and implement a program of national and international action to be taken with respect to governments practicing this act of terrorism.

□ 1240

Mr. LAGOMARSINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in support of this resolution.

A number of Members have expressed their concern that this measure might be construed as anti-Argentine. Others have questioned the wisdom of such a resolution at a time when the United States is engaged in negotiations with Argentina to secure its support for the U.S. grain embargo of the Soviet Union.

I do not believe that House Concurrent Resolution 285 should be construed as anti-Argentine or that it interferes with U.S. foreign policy objectives. The situation in Argentina has improved considerably with respect to "disappearances." The State Department "Country Reports on Human Rights Practices for 1979" has this to say:

> Since late 1978, the incidence of disappearances has declined significantly. These are indications that the Government has committed itself to end this practice.

The near civil war in which the Argentine found itself in the mid-1970's produced the excesses typical of such domestic conflicts. Trained and equipped from abroad, leftist terrorists committed murders, bombings, and kidnappings to the point that Argentina was on the brink of anarchy and collapse. Financed by astronomical ransoms from their brutal kidnappings, terrorists took the nation to the point of disaster. I do not condone excesses on the part of the authorities, such as contrived disappearance, although in civil wars as in international wars, desperate means are often used for survival and innocent people always suffer.

This resolution is a balanced document. A careful reading will show that the words, "extremist religious groups, separatist movements or political parties supported by foreign entities," bring within the preview of the resolution entities throughout the world, entities which are sometimes not condemned as assiduously as are our friends and allies. A careful reading of this resolution will show that it seeks the protection of persons on the other side of the Iron Curtain as well as on this side—Africa and Asia as well as Latin America.

During the hearings conducted by the Subcommittee on International Organizations which led to this resolution, many of the witnesses concentrated on disappearances in Latin America. There were other witnesses, however, providing balance and scope. As their testimony made clear, although a bit more difficult to examine, perhaps, the facts of disappearances, as in most other human rights problems, in their enormity point to Asia, Africa, and the Soviet bloc. It is no accident that where the Soviets reach beyond their own frontiers the abysmal rights record that results is a carbon copy of the Soviet original. Since the Soviet invasion of Afghanistan, for example, which occurred after our subcommittee hearings, there has been further ample evidence of the disappearance of thousands of Afghans at the hands of the Soviet occupation forces.

Closer to home in the U.S.S.R., documents circulating in the "Samvydav" in the Ukraine, attest to the disappearances of Ukrainian intellectuals. The great Russian administrators for the Ukraine, it would seem, are using the weapon of contrived disappearance against Ukrainian cultural figures—a composer and a philosopher, for example, have disappeared. The spirit, physical health and even the lives of the disappeared minority peoples are stifled and smothered in the psychiatric hospitals of Russia and the Siberian forced labor camps.

Nevertheless, the really immense disappearances in the world today are taking place in Southeast Asia. Vietnam's policy of consigning hundreds of thousands of its people to "reeducation camps" and "new economic zones," where many of them starved to death, in fact a huge program of contrived disappearances. Vietnam has forced many more hundreds of thousands to flee in dangerously inadequate boats, knowing that perhaps half or more would die. According to our colleagues, Congressmen ROSENTHAL and WOLFF, the number of persons lost at sea may be a quarter of a million. Many people suspect even more of these "boat people" have perished.

For its part, the population of Cambodia (Kampuchea) 5 years ago was an estimated 7 to 8 million persons. Today, according to the State Department, 4.7 million remain, 2 to 3 million people have thus simply disappeared in that tragic land.

Part of the reason, I believe, that the witnesses at our hearings concentrated on Argentina is that most of the human rights groups reporting about disappearances were, and are, allowed relatively free access to that country. Because access is limited or denied by those nations with the worst human rights records, such as Red China, Vietnam, the Soviet Union, Ethiopia, Afghanistan, Cuba, North Yemen, Cambodia (Kampuchea), Uganda before the fall of Amin, the Central African Republic before the fall of Bokassa, and Equatorial Guinea before the fall of Macias, the reporting agencies are inclined, normally enough, to report on what they are allowed to see.

It is interesting to note, parenthetically, that the Argentine press reported widely on the latest State Department human rights report. I have not heard that the press in the countries I mentioned above have taken the same liberties. It is also noteworthy that Argentina has admitted foreign including American, human rights monitoring groups.

There have been numerous disappearances to examine even if we confine ourselves to Latin America. The recent leftist kidnaping disappearances in El Salvador quickly come to mind. Extensive disappearances have taken place in Cuba over the last two decades, of particular interest are the disappearances to Cuba of thousands of young people from Angola and Mozambique. Many of these youths, as it turns out, have been shipped there as slave laborers. In the words of Dr. Herminio Portell-Vilá, a Cuban exile scholar who has studied this problem, after almost a hundred years African slavery has been reintroduced into the New World. This phenomenon, it might be added, has been largely unheralded in our press. In any case, were we to concentrate on Latin America to the exclusion of human rights considerations elsewhere, no study would be complete without a glance at Cuba, the hemisphere's worst and longest human rights offender.

In sum, I believe that this resolution, as it now stands, is evenhanded. It concentrates on no particular country. If the rhetoric today names as culprits mostly America's friends and allies, a misconception is being fostered. But the really big promoters of "contrived disappearances" and "human hijacking" today are, I submit, the countries I have noted here. This resolution includes, among other things, "Governments and quasi-governmental entities" causing disappearances and engaging in "acts of international or transnational terrorism." Once again it is clear which countries are the greatest offenders in this area.

Thus, I support the resolution as it now stands in the confidence that it condemns the great as well as the small offenders and I reject the concept that it is aimed particularly at one of the latter.

Mr. BONKER. Mr. Speaker, I would like to commend the ranking member of the Subcommittee on International Organizations, the gentleman from Illinois (Mr. DERWINSKI), for his leadership and support of this resolution. He has been involved in the drafting of the resolution and I think has contributed to the resolution and to its timeliness as it has been presented to the floor today.

Mr. Speaker, I would like now to yield 4 minutes to the gentleman from Iowa (Mr. HARKIN), who also has been prominent in our concern on this issue.

Mr. HARKIN. Mr. Speaker, I thank the distinguished gentleman from Washington (Mr. BONKER) for yielding me this time.

Mr. Speaker, I rise in support of this resolution to express congressional concern about the phenomenon of disappearance around the world.

In the past human rights advocates have concentrated their efforts on eradicating torture, arbitrary imprisonment, and other human rights violations. In recent years a new form of human rights violations has replaced some of the standard abuses of the past. Today many governments, aware of the political liabilities of public recognition of tortured or imprisoned persons, have removed the problem from the public view by implementing a policy of "salvaging" or causing opponents to "disappear."

This phenomenon whereby thousands of human beings around the world simply vanish from sight is a form of torture which must be eradicated with the abolition of the rack and the thumbscrew. Its victims are not just those who have disappeared, but their anxious family members, who wait in vain for word of their loved ones. This form of torture lives on long past the death of the disappeared. It nourishes fear and pain in the living as well. In fact, the main reason for a government implementing this policy of disappearance is more to terrorize the people of that country than it is to just silence one person.

Amnesty International has documented figures on this form of torture in countries around the world. Some of the documented figures are astounding on the number of people who have disappeared: Argentina, 6,000 documented cases of disappearance; Chile, 2,500 documented cases; El Salvador, 108 documented cases; Guatemala, an estimated 20,000, but not documented; Mexico, 300; Paraguay, 20; Uruguay, 100. Afghanistan, again no documentation, but thousands of people have disappeared in Afghanistan; Uganda, again not any firm figure, but tens of thousands of people have disappeared under the rule of Idi Amin. The list continues and incidents of disappearance are increasing in many other countries, so political activists and human rights advocates around the world are becoming the target of this kind of policy.

I want to compliment the gentleman from Washington (Mr. BONKER) and the chairman of the full Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), for bringing forth this resolution. It is a good resolution, and I believe that this sense-of-Congress resolution is a first step in the direction of eradicating this practice around the world. I commend the other Members and am proud to be able to support it.

Mr. Speaker, I yield back the remainder of my time.

□ 1250

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the resolution.

I commend the effort to call attention to the callous disregard for human rights in condoning or bearing responsibility for disappeared persons.

I also believe it is imperative to take an even-handed approach in citing violations in all countries responsible. It does little good to make charges against one or two regimes and not against all those who are guilty of such activities. To do otherwise merely leaves the United States open to criticism as being biased and applying a double standard. The result is that any effort on our part to preserve, protect, and promote human rights is looked upon with skepticism and cynicism.

Deploring human rights violations in South America is valid only if similar violations are condemned in other parts of the world, just because disappearances in the Soviet Union, Cuba, and mainland China have been a way of life for decades does not mean they are acceptable practices.

Other countries like Cambodia, Vietnam, Ethiopia, Equatorial Guinea, the Central African Republic, and Uganda have experienced periods in which the brutal disregard of human rights was unmatched by the traditional kicking-boys in South America, the offenses in Rhodesia, Angola, Mozambique, and the Sandinista regime in Nicaragua should not be overlooked in the haste to point fingers at more popular targets. Hundreds, probably thousands, of Afghans are disappearing—permanently—at the hands of the Soviet invaders.

If the United States is truly to be the guardian and judge for the standard of conduct in human rights, then we must do so objectively and dispassionately. I applaud the efforts to condemn and eradicate the practice of disappearances. I trust we will do so in response to disappearances resulting from actions of governments on the left as well as on the right.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to my friend from Illinois.

Mr. HYDE. I thank my friend for yielding.

Of course, Mr. Speaker, everyone supports the substance of this resolution. However, are we not deceiving ourselves? The greatest abusers of human rights are the Communist countries. People are being slaughtered by the hundreds of thousands in Cambodia and we kid ourselves that we are striking a blow for human rights by getting a U.N. Commission to look into Argentina and Chile, where they are amateurs compared to what is going on in the Soviet Union or in China.

Here once more, Mr. Speaker, here once more we have created the form of really doing something about human rights but the substance will be myopic and selective and the real offenders, most of whom are members in good standing of the U.N. by supporting the creation of this Commission, will give the appearance of supporting human rights.

Mr. Speaker, human rights are on the run all over the globe and the greatest offenders will be the ones least touched by what this well-intentioned resolution purports to do.

Mr. Speaker, I thank the gentleman for yielding.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman. I want to add that hundreds, perhaps hundreds of thousands of Vietnamese and ethnic Chinese have disappeared forever beneath the surface of the South China Sea as a result of Vietnamese activity.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding.

Mr. Speaker, the concept, of course, is something everyone supports in fact but we must remember that international communism and its inroads on mankind around the world does so with the purist concept of government, only, and no respect for the individual at all.

However, Mr. Speaker, our allies in the Western Hemisphere especially, who do respect the rights for the individual, even though they have the right to choose and select their own government, those are the people we should really be supporting.

Mr. Speaker, I was in South America about 3 months ago and the movement by our Government against so-called human rights violations in Paraguay, Chile, and in Argentina was something that was deplored by the people in those areas who are trying to conform to what they think our standards might be.

Mr. Speaker, I cite one example: In Paraguay, which has been condemned for it human rights violations, had two political prisoners—so-called political prisoners—and I do not know how we justify that compared to the millions that have been murdered, slaughtered, and enslaved in the Soviet Union, Red China, and Southeast Asia. Also, with regard to the at least 7,500 political that are detained now in Nicaragua and the uncountable number of political prisoners and political murders that have taken place in Cuba.

Mr. Speaker, I think this bill before us voted on in suspensions should certainly be up for debate on the floor.

I thank the gentleman for yielding.

● Mr. HALL of Ohio. Mr. Speaker, I rise in support of House Concurrent Resolution 285. As a member of the Subcommittee on International Organizations, I was pleased to participate in the hearings that provided the basis for this resolution and to join with Chairman Bonker as a cosponsor of House Concurrent Resolution 285.

The increasing "disappearances" of real or imagined opponents of repressive regimes is a new and alarming trend in human rights violations. This resolution brands the phenomenon of disappearances for what it is—an act of terrorism. The illegal abduction, detention, and murder of persons by governments or by individuals acting on behalf of such governments cannot be justified under any circumstances.

Disappearances should be considered a violation of internationally recognized human rights. The resolution before us would call upon the President to encourage the leaders of other countries to join with him in calling upon the United Nations to condemn such abductions and detentions as acts of terrorism. It also demands all governments to investigate reports of disappearances, prosecute those responsible, and account for those who have so disappeared.

This resolution is an important contribution to rallying world outrage against the increasing number of disappearances around the globe. Hopefully, it will lead to international action against those governments which practice this type of terrorism.

I commend Chairman Bonker for his leadership on this resolution and on the recommendation of the Subcommittee on International Organizations that disappearances be specifically mentioned in our laws concerning international human rights policies.

I urge my colleagues to vote in favor of this resolution.●

● Mr. GILMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 285, condemning those nations, groups, and individuals who are responsible for acts of terror by the abduction and clandestine detention of their fellow citizens.

With increasing frequency, repressive governments and radical terrorists around the globe have adopted policies that permit or endorse the elimination of their enemies by making them disappear. By way of abduction and political assassinations, literally millions of people have been abducted, held in secret detention or simply disappeared as the result of terrorism. Whether in Afghanistan or Vietnam, Angola or Zimbabwe, Argentina or Uruguay, the pattern is the same.

In some nations like Argentina, Chile, and Uruguay, where thousands of persons have disappeared, the governments have admitted committing excesses in what is considered a life and death struggle against terrorism. In other countries like Uganda, Central African Empire, and Equatorial Guinea, human barbarism was the simple motive when the rulers of these nations sought information, suspected subversion, or simply acted to demoralize all opposition. In still other nations such as Vietnam and Cambodia, millions have disappeared in the pursuit of ideological domination and imperialism. The sad fact remains that no matter what the reason, the results are the same and make little difference to their victims.

Unfortunately, the deadly game is not limited just to the acts of governments. Terrorists groups including the PLO, the Red Brigades, the Baader-Meinhof Gang, and scores of others on both political extremes have increasingly used abduction and assassination as a tool in their efforts to terrorize the world. The acts of these radicals when combined with the counter actions of their target governments has led to a tragic bidding war in games of political murder and repression.

Even the United States has not been spared the agony of this "disappeared" phenomenon. To this day, 2,500 American servicemen remain unaccounted for in Vietnam despite our knowledge of that government's coverup. These missing-in-action servicemen are Americans who disappeared and cannot be ignored and must not be forgotten.

This resolution, House Concurrent Resolution 285, recognizes that any government that participates in actions that cause any person to disappear are in fact committing acts of terrorism. In addition, it calls upon the President to lead an effort through the U.N. to condemn such abductions and detentions as terrorism and to help establish effective procedures for dealing with cases of disappeared persons. Furthermore, we should demand that all governments thoroughly investigate all disappearances, prosecute those responsible, and account for everyone who has disappeared. Finally, the President should attempt to organize and implement a program of action to be taken at home and with the world community with respect to nations committing acts of terrorism.

As we have experienced in Vietnam, the suffering is not limited to the victims of disappearances, but also touches the lives of their families, relatives, and friends who may never know the fate of their loved ones. As a civilized people we must respond to these acts of barbarism and demonstrate our concern and commitment to stopping the phenomenon of the "disappeared" wherever and whenever they occur.

As a cosponsor of this resolution, I am pleased that so many of may colleagues joined in support of House Concurrent Resolution 285, expressing the sense of Congress for the rule of law, for justice, and and in respect for human rights in our fight against terrorism from all sources.●

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

Mr. BONKER. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 285.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this House Concurrent Resolution 285.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXTENSION OF REORGANIZATION AUTHORITY

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6585) to extend the reorganization authority of the President under chapter 9 of title 5.

The Clerk read as follows:

H.R. 6585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 905(b) of title 5, United States Code, is amended by striking out "three years" and inserting in lieu thereof "four years".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas (Mr. BROOKS) will be recognized for 20 minutes, and the gentleman from New York (Mr. HORTON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill has been reported unanimously by the Committee on Government Operations and will extend for a period of 1 year the authority granted by Congress to the President to submit reorganization plans for the executive branch to the Congress for approval or disapproval. The present authority, enacted in 1977 for a period of 3 years, will expire on April 6, 1980, leaving the President without authority to submit such reorganization plans. H.R. 6585 provides an extension until April 6, 1981.

The President has made reorganizations to provide economies and efficiencies in the executive branch. Nine such plans have been submitted and approved by the Congress during his first 3 years. He has advised that other plans are under contemplation and may be forwarded before the end of this session.

The executive branch of our Government has reached mammoth proportions. It is necessary that its structure be examined from time to time and changes made to help maintain control and produce management improvements wherever possible. This legislation provides a tool whereby the President, with the approval of the Congress, can make reductions in costs and expenditures.

Authority similar to that in this bill has been given to Presidents under various forms since 1932. Under it, the President may submit plans which meet the criteria set forth in the Reorganization Act and such plans will become law unless either the House or the Senate passes a resolution of disapproval within 60 days.

This legislation is needed and will prove beneficial to our Government and to the taxpayers, which look to us for any relief from their burdens which we can provide.

Mr. HORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation.

The executive branch of Government has grown over many years and has now reached mammoth proportions. A look at the organization of the executive branch shows that we have an Executive Office of the President plus 13 departments—each containing many different offices and bureaus—and 56 independent agencies. If we look further we see that in addition to this, there are 81 national commissions, committees and boards established by congressional or Presidential action and having functions independent of any other department or agency. A further look shows us that there are also 1,240 advisory committees serving almost every part of Government. The current Government Manual, in which all of these departments and agencies (except advisory committees) are listed, runs over 900 pages in length.

With a government this large, it is necessary that its structure be examined continuously and that changes be made to help control the size of Government. and produce management improvements.

This legislation before us would extend the authority whereby the President, with the approval of Congress, can modify this large bureaucratic structure to improve its performance and reduce its cost.

This reorganization authority has been in place for the last 3 years. During that time it has proved a valuable tool in improving Government organization. This administration has submitted nine reorganization plans, each of which has been approved after careful study by the Committee on Government Operations.

A quick look at these plans indicates how this reorganization authority has been used:

SUMMARY OF REORGANIZATION PLANS, 1977–80

REORGANIZATION PLAN NO. 1 OF 1977, EXECUTIVE OFFICE OF THE PRESIDENT

This plan streamlined the Executive Office of the President, reducing both the number of units in the Executive Office, and the size of the White House staff. The plan also established an improved decision process for domestic policy and Presidential agenda setting.

REORGANIZATION PLAN NO. 2 OF 1977, INTERNATIONAL PUBLIC DIPLOMACY

Plan No. 2 of 1977 merged the U.S. Information Agency and the State Department's Bureau of Educational and Cultural Affairs into a new United States International Communication Agency. This reorganization provided a more efficient and objective setting for the conduct of U.S. public diplomacy by unifying in Washington the management of activities which were already administered together in the field. Creation of the International Communication Agency also provided a new framework to foster and encourage the interchange of information and experiences between the U.S. and other nations.

REORGANIZATION PLAN NO. 1 OF 1978, EQUAL EMPLOYMENT OPPORTUNITY TRANSFERS

This plan began movement toward a consolidation of the Government's equal employment opportunity enforcement activities. This reorganization was designed to strengthen civil rights enforcement and reduce jurisdictional overlap and duplication. A civil rights unit has been established recently in the Office of Management and Budget to strengthen monitoring of the Government's civil rights enforcement effort.

REORGANIZATION PLAN NO. 2 OF 1978, CIVIL SERVICE COMMISSION TRANSFERS

Reorganization authority was used in 1978 to divide the Civil Service System into the Office of Personnel Management and the independent Merit Systems Protection Board. This reorganization clearly established responsibility for personnel performance in OPM, and protection of employee merit system rights in the MSPB. The reorganization plan also created a Federal Labor Relations Authority to improve labor/mangement relations within the Federal work force. Reform of civil service procedures, also proposed by the Administration and approved by Congress, is discussed in section III.

REORGANIZATION PLAN NO. 3 OF 1978, FEDERAL EMERGENCY MANAGEMENT AGENCY

Reorganization Plan No. 3 of 1978, consolidated Federal programs concerned with civil, natural and man-made disasters. This reorganization makes a single agency responsible for organizing all Federal disaster preparedness, mitigation, and response activities. The success of this initiative was demonstrated in the Federal Government's swift response to communities damaged by Hurricane Frederick last year.

REORGANIZATION PLAN NO. 4 OF 1978, EMPLOYEE RETIREMENT INCOME SECURITY ACT TRANSFERS

Plan No. 4 clarified the responsibilities of the Labor and Treasury Departments for implementing the Employee Retirement Income Security Act (ERISA) and reduced the paperwork burden involved in the administration of this program. The plan also facilitated more timely responses to applications—70 percent of the backlog of requests for exemptions had been closely by November 1, 1979.

REORGANIZATION PLAN NO. 1 OF 1979, FEDERAL INSPECTOR FOR ALASKA NATURAL GAS PIPELINE

This plan consolidated enforcement functions related to the proposed Alaska Natural Gas Transportation System (NAGTS) under a single Federal Inspector. This plan creates a unique institution to manage the Federal role in a critical energy project, ensuring timely competition of the natural gas pipeline at the lowest possible cost consistent with Federal regulatory policies.

REORGANIZATION PLAN NO. 2 OF 1979, INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Plan No. 2 of 1979 combined U.S. international development assistant programs into a new International Development Cooperation Agency. This reorganization will strengthen coordination of U.S. economic policies affecting the developing countries, providing a more coherent development strategy and ensuring that U.S. bilateral programs and the multilateral programs to which we contribute better complement each other. This plan carries out reforms in the organization of foreign aid first proposed by the late Senator Hubert Humphrey.

REORGANIZATION PLAN NO. 3 OF 1979, INTERNATIONAL TRADE FUNCTIONS

Congress recently approved a major reorganization to strengthen the Federal Government's international trade functions. By centralizing authority and improving coordination in trade policy, Reorganization Plan No. 3 of 1979 will help the Federal Government ensure that trade opportunities for American business under the Multilateral Trade Negotiations (MTN) Agreements are fully realized. In conjunction with MTN, the trade reorganization is a major step in increasing the government's capacity to strengthen the export performance and import competitiveness of U.S. industry.

In summary, Mr. Speaker, I believe that this authority has worked reasonably well and urge the adoption of this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. BROOKS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. Brooks) that the House suspend the rules and pass the bill, H.R. 6585.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1300

AMENDING SECTION 603 OF TITLE 18, UNITED STATES CODE, WITH RESPECT TO CERTAIN POLITICAL CONTRIBUTIONS

Mr. THOMPSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6702) to amend section 603 of title 18, United States Code, with respect to certain political contributions.

The Clerk read as follows:

H.R. 6702

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 603 of title 18, United States Code, is amended to read as follows:

"§ 603. Making political contributions

"(a) It shall be unlawful for any officer, clerk, or other person in the employ of the United States or any department or agency thereof to make a contribution within the meaning of section 301(8) to any other such officer, clerk, or person or to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, unless such contribution is voluntary: *Provided, however,* That no contribution, voluntary or otherwise, may be made by any such officer, clerk, or person to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, or their authorized committee within the meaning of section 302(e)(1) of the Federal Election Campaign Act of 1971, if that person authorizing such committee is the employer or employing authority of the person making such contribution. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New Jersey (Mr. Thompson) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. Frenzel) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. Thompson).

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6702 is a bipartisan bill introduced by Mr. Frenzel and myself to refine some language used in H.R. 5010, the Federal Election Campaign Act Amendments of 1979. When the House passed H.R. 5010, one of the provisions contained in the bill generally allowed Government employees to make voluntary contributions, but prohibited contributions to a Member of Congress from persons in his or her employ.

When the Senate amended the original House-passed version, the amended language unintentionally cast doubt on the ability of executive branch employees to make campaign contributions to other persons in the executive branch, including the President. Mr. Frenzel and I, and the chairman and ranking minority member of the Senate Rules Committee, agreed with the President that we would seek clarifying language at the earliest possible date. H.R. 6702 eliminates the ambiguity in the current law, and allows voluntary contribution except for certain congressional employees.

Because the language of section 603 of title 188, United States Code, is somewhat ambiguous and because the Congress clearly did not intend to prohibit Federal employees from participating in the political process, Mr. Frenzel and I introduced H.R. 6702 to allow Federal employees to make voluntary contributions. The bill does continue the prohibition on contributions by a congressional employee to the Member of Congress who serves as his or her employer or employing authority.

For example, all committee staff would be prohibited from contributing to the reelection campaign of the chairman of the committee, and the minority staff would, in addition, be prohibited from contributing to the ranking minority member of the committee. With respect to staff appointed by each Representative and Senator, no contributions could be made to the employing Member's reelection campaign.

This bill, which allows voluntary contributions by Federal employees, except to Members of Congress by their immediate staffs, eliminates the ambiguity in the present law, and requires, as a standard for political contributions, that the contribution be voluntary.

This bill is the identical language passed by the House under suspension on September 10, 1979. It is in the nature of a clarifying amendment to the Federal Election Campaign Act of 1979, and was reported by the Committee on House Administration unanimously. It has bipartisan support, and is noncontroversial. The bill has no cost associated with it because it simply enunciates a standard.

Mr. Speaker, I believe this bill will clarify the ambiguity in the language of the present law. I reserve the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur in both the description of the bill and of the situation just given by the distinguished chairman of the House Administration Committee, the gentleman from New Jersey (Mr. THOMPSON).

It is true that what we are amending was a Senate amendment. The language which is before us today is exactly the language which the House passed when we passed the bill in the first instance.

The distinguished chairman and I, and Members of the other body, did confer with the President and his staff, and did agree that we would try to make the change which he suggested. It seemed to us to be wholly consistent with the intent of this body.

The bill before us is what we agreed with the administration. We believe that it leaves the law about the way the law has always been in the past, and certainly as it was when the House passed the bill. The reason that we did not bring this back to the House in the first instance when the Senate bill returned to us was that we were very anxious to pass the bill and make the new amendments effective just as soon as possible, particularly those which reduced the paperwork and reporting requirements.

Mr. Speaker, I think that the passage of this bill is warranted, and that it should occur immediately.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I rise today to call attention to the continuing problem of a glaring omission of the first session of the 96th Congress when it enacted H.R. 5010.

As my colleagues are no doubt aware, enactment of H.R. 5010 has resulted in a situation where 434 incumbent Members of the House of Representatives may convert stockpiled campaign funds to their own use upon retirement. We made such practice illegal to make such a conversion on the part of all future Members of the House of Representatives.

In this day where public attention is focused more and more upon our activities—as well it should be—this financial privilege of incumbency cannot be tolerated. Why should the rules be different for incumbent Members of the House of Representatives?

More importantly, why should we continue to tolerate what the public simply will not tolerate; nor should they tolerate this practice and a recent change which they will no doubt view as only a partial step. The more we persist in carving out privileges for ourselves, the more attention is focused upon our activities, and the more suspicion is raised in the mind of the public. In order to focus our attention on the issues facing this country, we must regain the respect and confidence of the public.

One of the most important things this Congress could do this session by its actions in an attempt to reverse the trend of suspicion, distrust, and cynicism the public has for us would be to eliminate the privilege we voted for ourselves in H.R. 5010.

The bill I have introduced (H.R. 6473) currently has 24 cosponsors. There are two other bills also introduced on this subject: H.R. 6345 by Congressmen JACOBS and ROYER, and H.R. 6530 by Congressman HARRIS. I believe there to be substantial support for these measures in this body. For that reason, I am greatly concerned that there be some commitment that hearings will be held on these bills and that they will be considered by the House of Representatives. I am concerned that this body and especially the public, might misinterpret our action today on H.R. 6702 as being the only effort that will be made this year to amend the Federal Election Campaign Act.

I invite the gentleman from New Jersey, Representative FRANK THOMPSON, chairman of the House Administration Committee, to give us the assurance that these bills will be heard and considered, and that the vote today on H.R. 6702 will not be interpreted as foreclosing any further action on bills pertaining to the Federal Election Campaign Act.

Mr. Speaker, I would like to briefly engage in a colloquy with the distinguished gentleman from New Jersey, the chairman of the House Administration Committee (Mr. THOMPSON).

Mr. Speaker, really what I am seeking is an indication from the gentleman that these three bills, which also relate to the Federal Campaign Act, will be heard by the gentleman's committee or his subcommittees, and be given consideration during this calendar year. I am wondering if the gentleman would be willing to comment upon those questions.

Mr. THOMPSON. Mr. Speaker, if the gentleman will yield, certainly I am very pleased to reiterate an earlier announcement that the Committee on House Administration has established five ad hoc task forces to review the entire Federal elections law. I might point out to my distinguished friend that there were extensive deliberations and oversight hearings, and indeed legislation, relating to the Federal election law during the first session.

☐ 1310

The hearings, or the investigations of the respective ad hoc election law task forces, are in progress. They will continue to hold hearings on behalf of the committee during the remainder of this calendar year.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for that explanation, and the fact that this is a continuing process is, I think, to be commended. I appreciate the gentleman's comments.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman.

Mr. BEREUTER. Mr. Speaker, certainly upon that reassurance, which I had fully expected, I do support H.R. 6702 as a necessary clarification in the existing law. I want to commend the chairman of the committee, the ranking minority Member, the gentleman from Minnesota (Mr. FRENZEL) and others on the committee for bringing this to us at this time.

Mr. ROYER. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from California.

Mr. ROYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I just wish to associate myself with the gentleman's remarks, and I also indicate to the committee chairman my sincere concern that we actually expand the good work done under H.R. 5910 so that we do not exclude those Members here in Congress today. I think that is extremely important.

I want to thank the gentleman for the part he has played in this, and I thank the committee chairman for indicating at this point that these bills will be heard. I have the gentleman's assurance that that will take place.

Mr. FRENZEL. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. THOMPSON. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I think the colloquy that went on a moment ago is sufficient so far as the scheduling of hearings for the bill that was just discussed is concerned.

I would just like to say for the record that I really do not think the legislation that the gentleman from California (Mr. ROYER) and others have proposed need be any reflection on the Committee on House Administration or the Committee on Government Operations. It is quite typical in drafting legislation, I would point out, to have so-called grandfather clauses. Since the advent of ERA, we now call them "grandparent clauses."

But I would indulge the presumption that draftsmanship is a matter of normal pattern, but this is not a normal situation. This is a privilege, not a recognition of detrimental reliance by private citizens but a privilege for people in politics, and, therefore, I not only urge the committee to allow hearings on the legislation but I urge every member of the committee enthusiastically, and with dispatch, to report the vehicle to the floor so that the oversight which I really think can be characterized now as a loophole will not endure.

Mr. THOMPSON. Mr. Speaker, I have no further requests for time.

Mr. FRENZEL. Mr. Speaker, I yield back the balance of my time.

Mr. THOMPSON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON) that the House suspend the rules and pass the bill, H.R. 6702.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 or rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H. Cong. Res. 285, by the yeas and nays; and

H.R. 6702, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

DISAPPEARING PERSONS RESOLUTION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution (H. Con. Res. 285).

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 285) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 343, nays 3, not voting 86, as follows:

[Roll No. 125]

YEAS—343

Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bingham
Blanchard
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cheney
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
de la Garza
Deckard
Derrick
Derwinski
Devine
Dingell
Dixon
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Pease
Perkins
Petri
Pickle
Porter
Preyer
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Royer
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Mo.
Zablocki

NAYS—3

McDonald
Paul
Rudd

NOT VOTING—86

Abdnor
Addabbo
Alexander
Ambro
Anderson, Ill.
Applegate
AuCoin
Bevill
Biaggi
Boggs
Boland
Brademas
Breaux
Burton, John
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Collins, Ill.
Crane, Philip
Davis, Mich.
Davis, S.C.
Dellums
Dickinson
Dicks
Diggs
Dodd
Donnelly
Dougherty
Duncan, Oreg.
Edwards, Ala.
Fazio
Findley
Flippo
Fowler
Frost
Garcia
Giaimo
Goldwater
Guarini
Hammerschmidt
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kemp
Leach, La.
Lederer
Lehman
Livingston
Lundine
McCloskey
McKay
Mathis
Mikulski
Miller, Calif.
Moore
Murphy, Ill.
Myers, Pa.
Nolan
O'Brien
Patten
Pepper
Peyser
Pritchard
Pursell
Ratchford
Rodino
Rousselot
Roybal
Santini
Shumway
Simon
Solarz
Stewart
Stokes
Tauke
Thomas
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Yates
Young, Fla.
Zeferetti

☐ 1330

The Clerk announced the following pairs:

Mr. Addabbo with Mr. O'Brien.
Mr. Brademas with Mr. Pritchard.
Mr. Rodino with Mr. Goldwater.
Mr. Lederer with Mr. Hammerschmidt.
Mr. Dodd with Mr. Cavanaugh.
Mr. Chappell with Mr. Abdnor.
Mrs. Boggs with Mr. Anderson of Illinois.
Mr. Biaggi with Mr. Clausen.
Mr. Flippo with Mr. Livingston.
Mr. Pepper with Mr. Bob Wilson.
Mr. Myers of Pennsylvania with Mr. Thomas.
Mr. Stokes with Mr. Kemp.
Mr. Zeferetti with Mr. Philip M. Crane.
Mr. Boland with Mr. Davis of Michigan.
Mr. Breaux with Mr. Dickinson.
Mr. Giaimo with Mr. Donnelly.
Mr. Santini with Mr. Dougherty.
Mr. Solarz with Mr. Edwards of Alabama.
Mr. Whitten with Mr. Pursell.
Mr. Diggs with Mr. Rousselot.
Mr. Dellums with Mr. Findley.
Mr. Clay with Mr. Shumway.
Mrs. Chisholm with Mr. Tauke.
Mr. John L. Burton with Mr. Williams of Ohio.
Mr. Guarini with Mr. Leach of Louisiana.
Mr. Fazio with Mr. McCloskey.
Mr. Jones of Tennessee with Mr. Young of Florida.
Ms. Mikulski with Mr. Moore.
Mr. Davis of South Carolina with Mr. Frost.
Mr. Bevill with Mr. Lehman.
Mr. AuCoin with Mr. Mathis.
Mr. Ambro with Mr. Lundine.
Mr. Alexander with Mr. McKay.
Mr. Garcia with Mr. Charles Wilson of Texas.
Mr. Huckaby with Mr. Yates.
Mr. Applegate with Mr. Miller of California.
Mrs. Collins of Illinois with Mr. Murphy of Illinois.
Mr. Duncan of Oregon with Mr. Nolan.
Mr. Patten with Mr. Fowler.
Mr. Peyser with Ms. Holtzman.
Mr. Ratchford with Mr. Roybal.
Mr. Simon with Mr. Stewart.

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by a electronic device may be taken on the educational motion to suspend the rules on which the Chair has postponed further proceedings.

AMENDING SECTION 603 OF TITLE 18, UNITED STATES CODE, WITH RESPECT TO CERTAIN POLITICAL CONTRIBUTIONS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 6702.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON) that the House suspend the rules and pass the bill, H.R. 6702, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 338, nays 5, answered "present" 1, not voting 88, as follows:

[Roll No. 126]

YEAS—338

Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell

Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bingham
Blanchard
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cheney
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
de la Garza
Deckard
Derrick
Derwinski
Devine
Dicks
Dingell
Dixon
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger

Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey

Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Perkins
Petri
Pickle
Porter
Preyer
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Swift
Symms
Synar
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Mo.
Zablocki

NAYS—5

Heftel
Ichord
McDonald
Neal
Stump

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—88

Abdnor
Addabbo
Alexander
Ambro
Anderson, Ill.
Applegate
AuCoin
Bevill
Biaggi
Boggs
Boland
Brademas
Breaux
Burton, John
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Collins, Ill.
Crane, Philip
Davis, Mich.
Davis, S.C.
Dellums
Dickinson
Diggs
Dodd
Donnelly
Dougherty
Duncan, Oreg.

Edwards, Ala.
Fazio
Findley
Flippo
Fowler
Frost
Garcia
Giaimo
Goldwater
Goodling
Guarini
Hammerschmidt
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kemp
Leach, La.
Lederer
Lehman
Leland
Livingston
Lundine
McCloskey
McKay
Mathis
Mikulski
Miller, Calif.
Moore

Murphy, Ill.
Myers, Pa.
Nolan
O'Brien
Patten
Pepper
Peyser
Pritchard
Pursell
Ratchford
Roberts
Rodino
Rousselot
Roybal
Santini
Shumway
Simon
Solarz
Stewart
Stokes
Tauke
Thomas
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Yates
Young, Fla.
Zeferetti

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Abdnor.

Mr. Roberts with Mr. Edwards of Alabama.

Mr. Brademas with Mr. O'Brien.

Mrs. Boggs with Mr. Young of Florida.

Mr. Addabbo with Mr. Moore.

Mr. Biaggi with Mr. Dougherty.

Mrs. Chisholm with Mr. Philip M. Crane.

Mr. John L. Burton with Mr. Livingston.

Mr. Clay with Mr. Tauke.

Mr. Duncan of Oregon with Mr. Rousselot.

Mr. Dellums with Mr. Goodling.

Mr. Lederer with Mr. Cavanaugh.

Mr. Diggs with Mr. Davis of Michigan.

Mr. Jones of Tennessee with Mr. Donnelly.

Mr. Garcia with Mr. Hammerschmidt.

Mr. Myers of Pennsylvania with Mr. Kemp.

Mr. Fazio with Mr. Findley.

Mr. AuCoin with Mr. Anderson of Illinois.

Mr. Ambro with Mr. McCloskey.

Mr. Guarini with Mr. Leach of Louisiana.

Mr. Breaux with Mr. Goldwater.

Mr. Chappell with Mr. Pritchard.

Mr. Alexander with Mr. Shumway.

Mr. Davis of South Carolina with Mr. Pursell.

Mr. Dodd with Mr. Thomas.

Mr. Flippo with Mr. Williams of Ohio.

Mr. Pepper with Mr. McKay.

Mr. Solarz with Mr. Yates.

Mr. Santini with Mr. Bob Wilson.

Mr. Stokes with Mr. Frost.

Mr. Whitten with Mr. Fowler.

Mr. Miller of California with Mr. Nolan.

Mr. Huckaby with Mr. Simon.

Ms. Holtzman with Mr. Stewart.

Mr. Giaimo with Charles Wilson of Texas.

Mr. Boland with Mr. Leland.

Mr. Applegate with Mr. Johnson of Colorado.

Mr. Bevill with Mrs. Collins of Illinois.

Mr. Lehman with Mr. Dickinson.

Mr. Lundine with Mr. Murphy of Illinois.

Mr. Mathis with Mr. Roybal.

Mr. Rodino with Mr. Ratchford.

Mr. Peyser with Ms. Mikulski.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1340

ELECTION AS MEMBER OF COMMITTEE ON ARMED SERVICES

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 601) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 601

Resolved, That Larry J. Hopkins, of Kentucky, be and he is hereby elected a member of the Committee on Armed Services.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION AS MEMBER OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 600) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 600

Resolved, That Bob Livingston, of Louisiana, be and he is hereby elected a member of the Committee on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1156, SOLID WASTE DISPOSAL ACT AUTHORIZATION

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1156) to amend and reauthorize the Solid Waste Disposal Act, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia? The Chair hears none and, without objection, appoints the following conferees: Messrs. STAGGERS, FLORIO, SANTINI, Ms. MIKULSKI, Messrs. MURPHY of New York, MATSUI, BROYHILL, MADIGAN, and LEE.

There was no objection.

PRODUCT LIABILITY RISK RETENTION ACT OF 1980

Mr. PREYER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6152) to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Commitee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6152, with Mr. RAHALL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from North Carolina (Mr. PREYER) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. RINALDO) will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Chairman, I yield myself such time as I may consume.

The Product Liability Risk Retention Act, H.R. 6152, was unanimously reported by the Subcommittee on Consumer Protection and Finance. In the full Commerce Committee, the legislation passed on a voice vote. The act has been endorsed by manufacturers, wholesalers-distributors, the trial bar, and consumer groups, as well as the administration.

The purpose of the Risk Retention Act is to reduce insurance costs for businesses, particularly small firms, which have had good claims experience, but have not benefited from that experience because of the insurance ratemaking system. The act is also designed to insure the prompt payment of valid claims made by persons injured by products. For example, it will enable companies which cannot afford commercial insurance to join a risk retention group. As a result, these companies will be in a much better position to compensate persons injured by their defective products. In addition, the legislation will promote competition among product liability insurers which should encourage commercial insurers to set rates to reflect exposure as accurately as possible. The final purpose of the act is to reduce the outflow of capital and premiums to offshore jurisdictions which have been attracting a large number of captive insurance companies.

The act is necessary because of the product liability problem many U.S. companies, large and small, face today. Begining in the early 1970's, many businesses found that their premiums for product liability insurance were increasing substantially. By 1976, some companies were reporting premium increases of several hundred percent, while others were unable to obtain coverage at any cost. The subcommittee examined this product liability problem in 9 days of hearings. The overwhelming majority of the witnesses testified that the rising cost of product liability insurance, in the form of higher premiums and larger deductibles, continues to place a severe economic burden upon business, particularly small companies. Furthermore, insurance industry groups predicted a downswing in underwriting profits this year that could aggravate the current availability and affordability problems of product liability insurance.

Three general causes of this problem were identified by the Federal Interagency Task Force On Product Liability: Questionable insurer ratemaking and reserving practices, unsafe products; and uncertainties in the tort litigation system. The Risk Retention Act was drafted by the Department of Commerce to address the insurance aspect of the problem by providing the alternatives of self-insurance and group purchase of insurance where commercial coverage is unavailable, unaffordable or inadequate.

Before adopting the Product Liability Risk Retention Act, the committee carefully considered the existing State and voluntary efforts to address the problem. The committee concluded that these attempts were inadequate. For example some States formed market assistance programs called MAPS to help manufacturers get product liability coverage. However, most manufacturers appearing before our committee testified that the voluntary MAP program was ineffective because it could not provide insurance at affordable rates.

An example of an attempt to deal with the problem on the State level is Colorado's effort to permit the formation of insurance captives in that State. Unfortunately, the Colorado law has high minimum capital requirements in addition to those requirements which other States impose upon Colorado captives. While the law may help some companies based in Colorado, it does not effectively address the problem because of the interstate nature of product manufacturing and sales. The best evidence of the ineffectiveness of this type of solution is the marketplace response. In Colorado, there are 25 captives and none have been formed since mid-1978. This in contrast to Bermuda, in which 150 captives were formed last year alone, for a total of over 1,000.

Having concluded that these State and voluntary efforts were inadequate because of the interstate nature of the problem, the committee proposes Federal legislation to overcome the numerous State barriers to an effective solution. The Risk Retention Act attempts to alleviate the problem in two ways. Title I of the act would enable product manufacturers and sellers to form selfinsurance cooperatives, called "risk retention groups." Members of these cooperatives would be able to pool all or a portion of their product liability and completed operations risk exposure. Title II of the bill would permit the purchase of product liability insurance on a group basis. Currenly, the group purchase of insurance is prohibited in a majority of States.

Before I conclude, let me briefly describe what the Risk Retention Act is not. The act is not another massive Government regulatory program. Although risk retention groups will be supervised by the Secretary of Commerce, H.R. 6152 relies heavily upon marketplace forces and the self-interest of risk retention members to regulate the group. In fact, H.R. 6152 is a deregulatory measure in many respects because it eliminates the State barriers which prevent businessmen from forming self-insurance groups or purchasing product liability insurance on a group basis. There are retained, however, provisions to protect against consumer abuses, undercapitalization and other necessary requirements to protect the general public.

H.R. 6152 is also not a Federal spending program. Although the Department of Commerce will administer this act, the risk retention program will be self-supporting through fees paid by the applicants. In other words, no Federal tax dollars will be used to support the administration of this program.

Mr. Chairman, the need for this legislation has been thoroughly demonstrated by the committee. The bill has been carefully crafted and enjoys widespread support. I urge my colleagues to adopt the Product Liability Risk Retention Act.

Thank you.

□ 1350

Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. SCHEUER), chairman of the subcommittee.

Mr. SCHEUER. Mr. Chairman, as chairman of the Subcommittee on Consumer Protection and Finance, I want to express my gratitude, appreciation, and admiration to my colleague from North Carolina for the brilliant way he has handled this legislation from beginning to end and taken total responsibility for it. In the very initial weeks of this Congress I urgently requested the gentleman from North Carolina to take some very major responsibility for our legislative obligations, and he graciously consented to do it. I want to make it very clear to the House this product is entirely his work. He worked on the investigation of the need for this legislation; he wrote the original report; he conducted the subcommittee hearings out of which the legislation was referred to the full committee unanimously. He also handled the matter with the full committee, which reported H.R. 6152 out by voice vote. In general, he has done a truly superb job of working with the total array of manufacturing groups, wholesaler groups, retailer groups, and consumer groups to create a virtual consensus among this entire array of manufacturing and distributive networks in this country and consumers. This is a sound piece of legislation. That was a remarkable achievement that took 9 days of hearings with 40 witnesses, countless meetings with all of these groups, and a very high quality of leadership and thoughtfulness to produce this remarkable consensus.

I want to emphasize the point the gentleman mentioned, that this, in effect, is a move toward deregulation. We are, in effect, encouraging the industry to take some responsibility for their own destinies and the ground rules under which they operate. We are doing it without a nickel's investment by the Government, because the fee structure will cover the very minimal cost to the Federal Government of supervising what is, in effect, a deregulatory process.

I think this is a major achievement. It is totally in sync with the mood of the times and the mood of this Congress.

Lastly, I want to congratulate and thank the gentleman from New Jersey (Mr. RINALDO) and his colleague (Mr. BROYHILL) for the total cooperation, thoughtfulness, resourcefulness, and inventiveness which they have invested in this measure and for helping to create a thoughtful record and assisting my colleague from North Carolina (Mr. PREYER) in putting together this remarkable consensus. I just want to thank them one and all and express to them my admiration and gratitude for a superb job.

Mr. PREYER. I want to thank the

chairman and join him in expressing our appreciation to Mr. RINALDO and Mr. BROYHILL on the minority side for the cooperation and excellent work they have done on this bill also.

Mr. RINALDO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the chairman of the subcommittee and the gentleman from North Carolina for their kind remarks, and also congratulate the gentleman from North Carolina for the hard work, the dedication, and diligence he exercised in putting together a piece of legislation that is badly needed.

Mr. Chairman, I rise to speak on behalf of H.R. 6152, the Product Liability Risk Retention Act.

The need for this legislation is clear. Nine days of hearings have been held by the Consumer Protection and Finance Subcommittee, during which we heard from 40 witnesses, including businesses, insurers, consumer organizations, and the administration. Extensive hearings were also held by the Subcommittee on Capital, Investment, and Business Opportunities of the Small Business Committee during the 95th Congress.

Both subcommittees found that the product liability problem is serious. As a matter of fact, it is a problem which many businesses began experiencing in the early 1970's. This problem has manifested itself in several ways.

First, a significant number of businesses have experienced increases in their product liability insurance premiums of several hundred percent. Often these increases have little or no correlation to an individual company's claims experience, no matter how good.

Second, the deductibles on many product liability insurance policies have dramatically risen as well, making the real increase in the cost of this insurance even higher.

Third, some firms have been unable to obtain product liability insurance at any price, thus risking all their assets to the ravages of one or two judgments.

Fourth, this problem has impacted most severely on small businesses. This is readily apparent when one considers the cost of product liability insurance as a percentage of sales.

As the National Association of Wholesaler—Distributors pointed out in their testimony before the subcommittee, net profits before taxes in their industry range from a low of one-half of 1 percent of sales to a high of 4 percent, with an average of about 1.7 percent. While the cost of product liability insurance is generally represented as less than 1 percent of sales, the impact on the profits and the financial stability of small businesses is tremendous.

The National Federation of Independent Business testified that there has been "a decline in both the ability of small firms to provide new technology and products, and a decline in American productivity." They went on to cite the uncertainty and costs surrounding product liability as one of the causes of this trend.

While H.R. 6152 is not a panacea or cure-all, it will provide these businesses with some alternatives. Title I of the act will enable product manufacturers and sellers to form "risk retention groups" for the purpose of pooling all or a portion of their product liability and completed operations liability exposure. Title II will enable businesses to purchase product liability and completed operations insurance on a group basis.

These alternatives will mean that businesses will be better able to compensate any consumers who are injured by their products. For example, the firms who are presently going without product liability insurance altogether are risking all of their assets to one or two large judgments, thereafter providing no compensation to future plaintiffs with valid claims. This bill clearly serves the best interests of both business and consumers.

Furthermore, the need for such alternatives may become increasingly critical if, as some insurance experts predict, there is another downswing in underwriting profits within the next year or so, and product liability insurance premiums spiral again.

While I believe a strong need exists for businesses to be able to form risk retention groups, the subcommittee did hear some testimony that such a provision would not be utilized. Should this be the case, and I do not feel that it will be, this bill provides for the automatic termination of the risk retention program established by title I within 4 years, if at that time no risk retention groups are in existence. Thus, if businesses do not use this provision of the bill, we would not continue to use Federal resources to administer the program.

It is worth noting that the act will not require the expenditure of any Federal tax dollars. The administrative costs incurred by the Department of Commerce will be paid by the risk retention groups themselves who are operating under the act.

Finally, I would like to point out, to date, this bill has had substantial minority support. It was unanimously reported out by the Subcommittee on Consumer Protection and Finance on January 31 at which time Congressmen JIM BROYHILL, SAM DEVINE, and I voted for it. And it was reported out of the Commerce Committee on February 26 by voice vote.

□ 1400

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Utah.

Mr. MARRIOTT. I thank the gentleman for yielding. I have just a couple of questions. Who will be policing the self-insured trust funds now? Will it be the State or the Federal Government?

Mr. RINALDO. It will be the Department of Commerce, the Federal Government.

Mr. MARRIOTT. They will police in each State; is that correct?

Mr. RINALDO. They will police from the Federal level.

Mr. MARRIOTT. Are these trust funds required to be actuarially sound? I am not sure I understand what the provisions are in terms of what you can and cannot do with these self-insured funds now.

Mr. RINALDO. They will be actuarially sound. I can give the gentleman an analogy. It will in effect work at the Federal level in a manner similar to that now in effect very successfully in my State, for example, with workmen's compensation self-insurance groups. They have proved themselves to be extremely beneficial to business, to people who are injured on the job, and we are going to have the same situation here. The groups that will be formed under title II will still purchase the policy from an insurance company, so all the regulations that are currently in effect will continue in effect.

Mr. MARRIOTT. Would they only buy an insurance policy above a large deductible? I am trying to equate this to, say, a self-insuring group plan. Does it work about the same way?

Mr. RINALDO. Yes.

Mr. MARRIOTT. I have one other question. Many of the people in the insurance business are somewhat concerned about the repeal of McCarran-Ferguson and that this may set some future precedent in that regard. Does the gentleman in any way feel that this would be a precedent for getting the Federal Government involved in all of the insurance regulations?

Mr. RINALDO. Absolutely not. This bill does not amend McCarran-Ferguson in any way whatsoever nor does it change the immunity of commercial insurers from the Federal antitrust laws under the McCarran-Ferguson Act. It does not preempt any State regulations of commercial insurers, so if any insurance companies or insurance executives have that fear, the gentleman can assure them that it is an unfounded one.

Mr. MARRIOTT. I thank the gentleman. I congratulate him on his bill, and I support it wholeheartedly.

Mr. RINALDO. Mr. Chairman, at this time I would like to yield 5 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. I thank the gentleman from New Jersey.

Mr. Chairman, I rise in opposition to this bill. This product liability bill does not solve the major problem that we have in this country. The major problem is product liability payments. What we are doing here is we are taking and creating a system where we are going to put the Federal Government in the casualty insurance business. These liability claims today are being paid in excessive amounts. There are just tremendous claims that are being paid. They are being determined by juries in amounts beyond any reasonable level of responsibility, and product liability is going into legalities of holding manufacturers responsible far beyond the limits of reason. This places a tremendous cost burden on our manufacturing industry in America.

What this country needs is a solution for product liability excessive claims. We need reasonable established guidelines of when a company is liable for its products. Besides a reasonable standard, we also need some type of reasonable maximum dollar limit. We need some responsible established guidelines as to when and where a company is liable for its products.

What we need to do is to remember that these juries are not spending their own moneys when they make these awards. Congress confuses the problem, and what they have done here is they have come up with a product liability system. The purpose of this bill is to provide lower costs to insurers through the federal system. The reason product liability insurance is high is because the claims have been high.

Let me give the Members an example. They took 6 years here and compared them. They found that product liability claims are very excessive. Out of $100 of premiums collected for product liability, the insurers are paying out $135 for incurred losses and expenses. From 1969 to 1973 when they checked the situation, they found premiums went up 154 percent, but the losses were up 279 percent. Small business has a problem, we all understand that, about trying to cover these claims. But the thing we need to do is reevaluate public liability and establish some realistic guidelines. What this bill proposes to do is to have companies, these manufacturers, these different businesses, insure themselves through a syndicate arrangement so they can have a very low initial premium until the day when they get one of these stupendous jury claim awards. The concept of the Federal Government's administering any insurance authority has a precedent of complete failure. Any time the Federal Government has gone into running any business, it has been a complete failure. When Washington enters into the insurance business, and when they have in the past, they never provide enough in the way of reserves for losses. Let us point out where they have been before. Let us take the Federal Government's record.

They have gone into the field of retirement. The Federal Government provides for defense retirement for all of our military, but yet they have zero reserves.

The Federal Government provides railroad retirement. Four years ago that retirement plan was completely in disaster. We are now pouring billions into saving it.

The Federal Government provides social security. Last year the deficiency outgo was approximately $5 billion more than the income.

The Federal Government provides civil service retirement, and we all know how many billions of dollars are deficient in that. Every time the Federal Government goes in for insurance it is a complete financial failure.

The reason people have asked the Federal Government to take this product liability over is because they can get a free ride with lower rates. The problem is excessive jury awards in payment of product liability, and we need lower judgments.

The bill before us is another spending bill. They say there is not any finance involved in it. There will not be any finance until the day the deficiencies come up and these so-called syndicates cannot pay these claims.

Remember ERISA. I want to remind the Members of this plan where we guaranteed everybody's pension plan. Only two Members of Congress voted against that plan to guarantee everybody's private pension. Yet this year when Chrysler got into a strained financial condition, it was said on the floor of Congress that unless we save Chrysler, we would bankrupt ERISA and every plan concerned with it.

This Government cannot guarantee everything in the private sector. In other words, we have got to go to the cause of the trouble and correct it.

I would now like to tell the Members about some of the liability awards to give the Members an idea of just what is involved.

Here is one involving a 21-year-old student who injured himself while skiing. He got a $1.5 million award from the ski resort.

Here is one involving a fellow who was injured playing football, who had on a football helmet.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RINALDO. I yield 2 additional minutes to the gentleman.

Mr. COLLINS of Texas. This fellow had an injury. He injured his neck. The jury gave him $5.3 million for the helmet not being adequate.

A woman was in a department store in St. Louis, and she stepped on a clear plastic hanger which was lying out there in the aisle. She fell, and she hurt her back and had spinal discs removed. They gave her $100,000. Although they said she should have seen the hanger, they said it was unsafe to have a plastic hanger drop on the floor.

Here is one for $1.7 million. A fellow was paralyzed in a motorcycle accident, and he said the problem was a defect in design in the motorcycle. The motorcycle company said he was going at an excessive rate of speed. He was on a two-wheel motorcycle, which is the most unsafe vehicle you could ever be on. If you go over 10 mph you are in danger. They held the motorcycle company responsible for $1.76 million.

A 67-year-old man, making $2.65 an hour, lost his arm in the machinery. The machinery was part of his job. They gave him $1.2 million. They gave his wife $500,000. The hearing judge cut it down, but the court of appeals reinstated the full amount again. That is a total of $1.7 million for a man 67 years old, because somehow or another the jury said the machine should have provided safety where he could not hurt himself.

□ 1410

We cannot provide safety for all of the products in this country. We have to set up some realistic guidelines.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I will be glad to yield.

Mr. LUKEN. I take it from the gentleman's remarks that the gentleman is advocating a Federal Tort Reform Act.

Mr. COLLINS of Texas. Mr. Chairman, I am not a lawyer.

Mr. LUKEN. The gentleman speaks of Federal legislation to cure the ills he has just described where the small manufacturers are being socked with large claims and judgments, is that not right?

The CHAIRMAN. The time of the gentleman has expired.

Mr. PREYER. Mr. Chairman, I yield to the gentleman from Texas 2 additional minutes.

Mr. COLLINS of Texas. I yield to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. The various States are engaged in the process, and some States have passed Tort Reform Act statutes of repose, statutes of limitation, limitation on the amount of certain judgments through various devices. This is the kind of legislation which I think the gentleman is suggesting should be passed by this Congress. Is that correct?

Mr. COLLINS of Texas. We should study the matter. I do not understand tort law but I do want reasonable limits.

Mr. LUKEN. Mr. Chairman, I tend to like it too. My only problem is, I have the same problem as the gentleman in objecting philosophically and in practice to the Federal Government getting into it. If we pass a Federal law on tort reform, we are overlapping, we are stepping on each other's toes with the State legislatures.

In the same way the gentleman objects to the Secretary of Commerce getting into the business of insurance regulation, which is now, by the McCarran-Ferguson Act relegated to the States, I think we would have the similar problem which the gentleman suggests on tort reform, and therefore I just make that point, that the subcommittee, I think, is going to have that problem when we get to the Tort Reform Act. However, in this case the regulation by the Secretary of Commerce, in my opinion and in the opinion of the subcommittee and in the opinion of the full committee, does not get into the Federal Government running the business, but simply licensing it and permitting the syndicates to operate.

I thank the gentleman.

Mr. COLLINS of Texas. Mr. Chairman, I would just like to add one thing. I am interested in what the gentleman says but this bill takes the Federal Government for the first time into the insurance business with the casualty field. It would be better to keep the Federal Government out of the casualty field and leave it with the States.

Mr. LUKEN. I believe the gentleman has made his point, Mr. Chairman.

Mr. PREYER. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, I rise in support of the Product Liability Risk Retention Act.

I first became aware of the problems of product liability insurance during the fall of 1976 when I started receiving complaints concerning the unbelievably high premium increases from small businessmen within my congressional district in upstate New York. In February of 1977, I was elected chairman of a Small Business Subcommittee, and in that capacity, started receiving complaints from across the country. I felt that I would embark on a series of hearings regarding the impact that product liability insurance was having generally, and especially on the small businessman. I did so, and to make a long story short, we wound up having 16 days of hearings with six volumes of testimony.

Our subcommittee's report to Congress found two principal causes of the product liability "crisis"—deficiencies in the product liability ratemaking mechanisms and uncertainty in the tort-litigation system. While I have introduced in Congress a variety of measures addressed to these primary causes, even if these were adopted today, product liability rates will not be impacted until many years hence.

Thus, it was felt that there was the need to impact the problem of excessively high rates in the short term—an objective the Risk Retention Act is designed to accomplish. It must be emphasized, however, that the Risk Retention Act, does not strike at the root causes: Remedies addressed to the two aforestated principal causes must be adopted if we are to truly solve the product liability problem.

The stated purposes of the Risk Retention Act, which was drafted by the Department of Commerce, are to reduce product liability insurance costs, to insure the prompt payment of legally valid claims, to promote competition among providers of product liability coverage, and to reduce the outflow of capital to offshore captive insurance companies. One additional feature of the act is that it has the effect of preempting State laws which prohibit selling product liability insurance to "fictitious groups;" this would thus facilitate the ability of groups of manufacturers in the commercial marketplace.

This proposal would permit the Department of Commerce to license "risk retention groups." These groups would be organized by businesses for the purpose of insuring themselves against product liability claims. The amount of premiums charged would ultimately reflect the experience of a particular group. Thus, there is a direct incentive for all participants in a group to adopt appropriate loss prevention techniques. Moreover, it is contemplated that premiums paid to the groups will be taxed in a manner similar to insurance companies.

The proposal has the support of virtually all business groups who have considered it, including the National Association of Manufacturers, the National Machine Tool Builders Association, the National Federation of Independent Businesses, the Sporting Goods Manufacturers Association, the Scientific Apparatus Makers Association, and the National Association of Wholesaler Distributors. It also has the support of the Consumer's Union, the National Consumers League, and Congress Watch. In fact, the only interest group which I am aware of which opposes this measure is the property casualty insurance industry.

Considering one of the purposes of the bill—the promotion of competition among providers of product liability coverage—this opposition is not surprising. Presumably, as a result of this measure, many manufacturers will be able to obtain product liability coverage at a cost substantially less than is presently available to them.

While I am extremely pleased that the Carter administration has seen fit to endorse the Risk Retention Act, and that the House Commerce Committee has taken expeditious action, I would note that it was neither the first choice of my small business subcommittee, nor of the Department of Commerce's Task Force on Product Liability, in our respective quests for a remedy which would ease the product liability affordability/availability problems in the short term.

Initially, both my subcommittee and the task force recommended permitting businesses to obtain tax deductions of amounts set aside in trust, the purpose of which was to pay product liability claims and expenses. The effect of such trusts would enable businesses to provide "self-insurance" for their potential product liability exposure with pretax dollars.

During the 95th Congress, the so-called product liability trust concept had considerable support of the House membership. Over 120 different Members were sponsors of one or more of the several trust proposals introduced. In fact, former Representative Joe Waggonner, then chairman of the Miscellaneous Revenues Subcommittee of the Ways and Means Committee convened 2 days of hearing on the approach.

Unfortunately, the Department of Treasury was vigorous in its opposition—an opposition which I believe was unwarranted. Treasury was of the opinion that the trust concept embodies an unacceptable form of subsidy, and as a result, the administration rejected it as an inappropriate remedy.

Thus, while it was not my first choice, I am pleased that we are today considering the Risk Retention Act. The gentleman from North Carolina is to be applauded for his efforts in shepherding this important measure through the House.

Mr. Chairman, I also think it appropriate to give a bit of historical perspective to the product liability problem. Federal consideration of the problem of product liability began in the year 1976 under the Ford administration. At that time, President Ford created an interagency task force, led by the Department of Commerce and whose membership included virtually every department of the Federal administration.

In 1977, Mr. Chairman, when I assumed the chairmanship of a subcommittee of the Committee on Small Business, I began working very closely with the interagency task force, whose working chairman was Prof. Victor Schwartz, and conducted 16 days of hearings on the totality of the product liability problem.

At the conclusion of my hearings, Mr. Chairman, my subcommittee recommended, No. 1, that there should be improvements in the insurance ratemaking mechanism; No. 2, that there should also be uniformity in product liability tort law in order to resolve the ambiguities and differences that exist amongst the many States. These were the primary areas for reform.

Mr. Chairman, we also said, though, that a temporary, a stopgap measure would be needed, pending the more remedial long-term measures.

We recommended the creation of a product liability self-insurance trust fund to enable the independent businessman to insure himself, and to deduct that premium which he would set aside in a product liability self-insurance trust in the same way he is presently able to deduct those premiums he pays to an insurance company.

Although the Department of Commerce was greatly in favor of this proposal, regrettably we were not able to get the Department of Treasury to go along. They argued this would be an improper subsidy to the small businessman.

I thought, Mr. Chairman, in order to harmonize the law, we certainly should permit it.

A lot has evolved since then, Mr. Chairman. Since then, the Carter administration has come in and looked at the recommendations of the interagency task force and they have adopted certain positions as administration positions.

One, they have adopted as an administration position, a uniform product liability law. However, they have only held it out as a model code to be adopted by the individual States.

Mr. Chairman, I have introduced that bill in Congress, not as a model code but as a code to be adopted by the Federal legislative body. It is my judgment—and I say this with absolute moral certitude—that the various States are simply not going to adopt a uniform body of law in the area of product liability as they did in the area of the uniform commercial code. It is beyond the realm of possibility and we ought to understand that. Each State is going its own separate way.

As for the insurance ratemaking mechanisms—and anybody who has followed my hearings and the various discussions in which I have engaged over the past few years realizes—here is where I believe we must give major emphasis.

As for the insurance ratemaking mechanisms, Mr. Chairman, the Department of Commerce is presently studying a recommendation, again to be made to the States, to the State insurance commissioners, and to the National Association of Insurance Commissioners. I am hopeful that the report from the Department of Commerce will be forthcoming within the next few months.

Mr. Chairman, it is with pride but also with deep regret that I say that as of last Friday the Commerce Department hired the Chief Counsel of the Small Business Subcommittee which I chair for the explicit purpose of writing that report.

Mr. Chairman, we must pursue that remedial approach if we are going to do something meaningful about the product liability problem.

In the meantime, Mr. Chairman, as an expedient, as a short-term interim response, this law must be passed. It has the approval of every single person and every single organization concerned about the product liability problem, with one exception, and that, of course, is the insurance industry.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PREYER. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. LaFALCE. Mr. Chairman, we can understand that the insurance industry would not want it for many reasons, some real, some imagined. I will not go into them.

Mr. Chairman, let me now, however, make a few comments about some of the arguments that have been raised in opposition to the proposal by the distinguished gentleman from Texas (Mr. COLLINS).

First of all, Mr. Chairman, the gentleman from Texas has said that the number of product liability claims has been increasing unbelievably in number and, second, that the cost of the product liability awards is unconscionably high.

Well, Mr. Chairman, I think the facts will refute that. First of all, that certainly has been the perception of the problem, and people make judgments, not on the basis of reality, but instead on the perception of reality; and so, it becomes imperative for us to distinguish between true reality and the perception of reality. This is especially true because in 1977, for example, over 90 percent of the total product liability premium dollar was based primarily on the subjective judgment of the individual insurance writer, as opposed to the manual of suggested rates which is based on actuarial data and assumptions.

□ 1420

The perception was that there were a million claims per year that were being brought. This figure was used in national advertisements by the insurance industry, by Aetna, by Crum & Foster, by the Insurance Information Institute. In fact, that figure was blatantly in error. The number is more in the vicinity, according to the Insurance Services Office, of approximately 60,000 to 140,000 per year—not 1 million—and yet the insurance underwriter was making his pricing judgments on the basis of that 1 million figure. The perception of reality differed markedly from reality itself.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. PREYER. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. LaFALCE. The gentleman from Texas also made reference to some case where over a million dollars was awarded. Of course, the fact that the individuals became paraplegic is minor. Of course, the fact that there were terrible defects of which the manufacturer was aware is somewhat irrelevant; but let us not look just at the individual case, the specific instance, because we can be so misled by arguing only by specific instance. Let us look at the overall situation, and let us look at the information provided to us by the insurance industry themselves.

ISO, the Insurance Services Office, did a study in the year 1977. They took 70 percent of all the product liability claims that were closed during an 8½-month period, which totaled approximately 24,000 in number, and the statistic for the average actual payment for bodily injury claims was not a million dollars; it was not a half million dollars; it was not $100,000; it was not $50,000. The average actual payment for all bodily injury claims was $3,592. Again, the perception of reality differs markedly from reality itself. Those are the facts, and that is the reason why we need, at the very minimum, the overwhelming passage of the Product Liability Risk Retention Act. We also need, at the earliest possible moment, consideration of the Uniform Product Liability Tort Reform Act, and, most importantly, improvements in the insurance ratemaking mechanisms.

Mr. COLLINS of Texas. Mr. Chairman, will the gentleman yield?

Mr. LaFALCE. I will yield if I have any time.

Mr. COLLINS of Texas. The gentleman went into some facts on how many cases there are. Of course, when insurance companies settle, they do not base it on how many cases. They base it on dollar amount of the settlements versus premium income. The only figures I have showed that claims were up 270 percent.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. PREYER. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. COLLINS of Texas. The figures I had showed that the claims were up 270 percent, but the premium income was only up 150 percent. This is a losing situation.

Mr. LaFALCE. I beg to differ with the gentleman, but when he was making his introductory remarks in the well, he used the term, "incurred losses" being up 279 percent.

Mr. COLLINS of Texas. That is right.

Mr. LaFALCE. Let us take incurred loss. Incurred loss is not something that is actually paid out. When the insurance companies call something a loss, they include what they pay out, yes, but they also include as a loss that which they set aside in reserve for a claim that has been reported to them but has never been settled. But, more than that, when they talk about incurred losses they include not only that which they have set aside in reserves for claims that have been reported, but they also include that which they have set aside in reserves for claims that they imagine must have occurred but which have never even been reported. It is simply a figment of their imagination. The figures attributed to what is known as IBNR—incurred but not reported—vary with insurance companies, but one insurance company, for example, if you look at the loss on that line, you would find that approximately 70 percent of the losses that they reported were for claims that had not even been reported to them, and about which they knew nothing, but had already established reserves for. I think that totally destroys the myth of the percentage increase to which the gentleman from Texas refers.

Mr. PREYER. Mr. Chairman, will the gentleman yield?

Mr. LaFALCE. I yield to the gentleman from North Carolina.

Mr. PREYER. Mr. Chairman, I want to thank the gentleman for what he has contributed to this legislation. The testimony before his Small Business Committee has been a tremendous help to us. The gentleman from Texas pointed out that this bill does not solve the basic problem of product liability insurance. I certainly agree with him.

We do not pretend that this bill does that. One of the basic causes—maybe the basic cause—is problems in the tort liability law. We will be addressing those problems, and the gentleman's work with his subcommittee and the bills he has introduced will be of great help to us in addressing that problem. We are getting to that next. This is a very modest bill. It addresses a part of the problem, and we will be proceeding to address the other parts of the problem in the future.

I thank the gentleman in the well.

Mr. RINALDO. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Chairman, it was only after much thought and investigation that I became an original cosponsor of H.R. 6152, the Product Liability Risk Retention Act of 1979. Long a proponent of States rights, I was extremely hesitant to impinge on the territory of the States and consequently run the risk of increasing Federal regulation in the private sector. However, after examining the many problems associated with the current handling of product liability insurance and the remedies proposed by this bill, I realized the immediate need for such legislation capable of crossing State boundaries to protect business and consumer alike.

Under current law, many businesses are unable to afford the exorbitant rates for product liability insurance, thus not only are they severely hurt by valid liability cases, the consumer is, too. This bill would allow for the formation of interstate risk retention groups, previously denied by many States. These groups could then either bargain collectively for lower product liability insurance rates or create a self-insurance fund. In either case, the incentive for self-regulation would be great.

Contrary to the fears of those opposing this act, the result will not be a furtherance of the already burgeoning Federal bureaucracy. The Secretary of Commerce will be responsible for the initial authorization of such groups as to total assets, reserves, management, loss prevention programs, amount of insurance, and disclosure of all relative information. Once authorized, however, the groups will be subject to the same laws and taxes governing any insurance company in that particular State. Furthermore, H.R. 6152 will not require any Federal tax dollars. All costs will be absorbed through fees paid by the applicants.

With these facts in mind, I wholeheartedly urge my colleagues to join me in supporting the Product Liability Risk Retention Act of 1979.

Mr. RINALDO. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Chairman, as the House considers H.R. 6152, the Risk Retention Act, I would like to take this opportunity to discuss a complementary approach to help resolve the product liability problem.

On February 12, Messrs. GEPHARDT, DUNCAN, HEFTEL, JACOBS, SCHULZE, SHANNON, VANDER JAGT, and I introduced H.R. 6489, which permits companies having severe product liability problems to create product liability self-insurance reserve trusts and to deduct as a business expense limited contributions to those trusts.

The unavailability or unaffordability of product liability insurance is a particularly acute problem for small and medium-sized companies. One association reports that, although the geometric annual increases in product liability insurance premiums, prevalent in the mid-1970's have abated somewhat, one out of every eight of their members is still without affordable product liability insurance and another 40 percent have deductibles or self-retentions averaging $95,000.

The Commerce Department concluded following an extensive year long study that the product liability problem is caused by: First, uncertainties—and in some cases, unfairness—in the tort system; and second, insurance underwriting practices.

H.R. 6489 addresses this second cause of the product liability problem. While H.R. 6152 permits companies to pool all or part of their product liability risks in risk retention groups under the aegis of the Department of Commerce, it may or may not be possible for companies to use this vehicle to relieve their product liability insurance problems. Our proposal, while entirely consistent with H.R. 6152, offers a different option to severely affected businesses. H.R. 6489 permits companies on their own to establish tax free fund reserves against future product liability losses including defense costs.

The two bills, taken together, will go a long way toward resolving the product liability problem for American companies and their employees. H.R. 6489 establishes a "needs test" to determine which companies are eligible to deduct contributions to product liability self-insurance reserve trusts, and it places a limitation of $100,000 on the amount of annual contribution to such trusts which can be deducted for tax purposes. It also places a limitation on the amount of tax-free reserves which can be accumulated in these reserve trusts. Only those corporations who cannot obtain first-dollar product liability coverage for less than 2 percent of sales or those which have seen their premiums doubled without appreciable losses would be eligible for this special tax treatment.

Passage of H.R. 6152 is a much needed first step in the solution of the product liability insurance problem. Speedy consideration of our bill, H.R. 6489, would supplement the remedy for small businesses offered by H.R. 6152.

Mr. RINALDO. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. BEREUTER).

□ 1430

Mr. BEREUTER. Mr. Chairman, in the best interests of the thousands of small businessowners across the Nation, I strongly urge my colleagues to support H.R. 6152, the Product Liability Risk Retention Act of 1979. Passage of this bill would complete one step toward the resolution of the product liability insurance problems confronting many businessmen and consumers in this country.

A response born of an 18-month Federal study of the product liability insurance problem, this measure has undergone months of study, review and refinement. It carries bipartisan support; in addition, the Department of Commerce and the administration also endorse this bill.

The problems regarding the product liability risk exposure of manufacturers and sellers have been brewing for many years. In 1975, they culminated in an apparent product liability insurance "crisis," a time when insurance either became unavailable or unaffordable to many businesses.

As a State legislator, I learned firsthand about this frightening development. Being the first Nebraska State legislator to introduce product liability reform legislation, I was deluged by legitimate "horror stories" describing the product liability insurance market. One Nebraska firm reported a 500-percent premium cost increase in 1976, followed by a 300-percent jump in its premiums the next year. These increases forced them to impose a 3-percent per unit price increase in their products.

Another company reported that the cost of its umbrella coverage skyrocketed from $1,100 for $2,000,000 of coverage to $59,000 for $1,000,000—although no claim had been filed against the company during that period. Obviously, rate increases did not reflect loss experience, a tremendous injustice to many businesses. A more severe injustice was suffered by those companies which simply could not pass on these increased costs. Small businesses producing high-risk products suffered most under these distressing developments.

In response to these calamitous conditions, the Federal Government formulated a study group, chaired by the U.S. Department of Commerce, to probe this situation.

The final report of the Federal Interagency Task Force on Product Liability, issued in late 1977, provided invaluable insight into the problem. The task force found that some product liability insurers had engaged in "panic pricing." Moreover, in an overwhelming majority of cases, the insurance companies did not rely on adequate data, in terms of the number or the size of claims, to justify the exorbitant price increases they imposed. Although a lack of data prohibited the task force from reaching definite conclusions regarding the existence or degree of overpricing, the conclusions which many others draw from these findings are obvious.

The task force did, however, identify three causes of the chaos in the product liability insurance market:

First. Insurance ratemaking practices;

Second. Uncertainties in the tort-litigation system; and

Third. The manufacture of unsafe products.

Although current increases in product liability insurance premiums do not equal the outrageous spurts exhibited just a few years ago, I do not believe that the problem has disappeared; nor has it been solved. The underlying causes which allowed such a price distortion to occur still remain; moreover, the excessive premium burdens endured by many have not been lessened. Experts predict significant increases in the near future; thus, action must be taken now to halt this outrage.

The Product Liability Risk Retention Act of 1979 is a long overdue step in providing relief to a beleaguered segment of American commerce. This measure:

Allows manufacturers and product sellers to form risk retention groups—subject to the approval of the Secretary of Commerce—to assume and to spread all or a portion of their product liability and "completed operations" risk exposure; and

Permits persons engaged in business to purchase product liability insurance on a group basis, by exempting them from laws which prohibit insurers from giving preferential rates, premiums and coverage to groups.

House Resolution 6152 would accomplish its objectives through the utilization of specific exemptions to State insurance laws. The exemptions are narrowly drawn, however, in order to protect State regulatory authority while allowing the implementation of a Federal solution to this essentially multi-State insurance problem.

In addition, I believe the bill contains carefully drawn procedures to insure the financial viability and the management capability of the newly formed groups—an initial, legitimate concern of many unfamiliar with this measure.

The risk retention groups formed under the authority of this measure will promote more equitable product liability insurance pricing by allowing experience rating on a group (not nationwide) basis. Moreover, this system will encourage loss prevention initiatives of group members, thereby further promoting cost control. In addition, companies now operating without adequate coverage can perhaps be drawn back into the protective fold, thereby removing an unreasonable and unnecessary financial risk to themselves and to any consumer injured by a product.

This measure accomplishes these objectives, yet it avoids the harsh anticonsumer aspects of tort-law reforms advanced by others as a solution to the problem.

Without an effective, economical product liability insurance system, this country may suffer several adverse long-term developments. Some businesses have simply terminated their operations rather than endure the constant threat of product liability lawsuits which they can not insure themselves against; injured persons may go uncompensated by uninsured or underinsured businesses; and manufacturers may fail to produce useful products because of an inability to economically spread the risks of their innovation and initiative.

Under the authority of this act, the formation of risk retention groups will offer some short-term relief to the business community, while long-term solutions to the underlying causes of the product liability insurance problem are pursued.

This bill offers an effective, yet reasonable, program for partially addressing the product liability insurance problem.

Mr. Chairman, I commend the gentleman from North Carolina (Mr. PREYER) and the Members on the minority side for bringing this measure to us, and I urge my colleagues to support this vital piece of legislation.

Mr. RINALDO. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Chairman, I rise in support of H.R. 6152, the Product Liability Risk Retention Act.

The problems that this legislation seeks to address developed to alarming dimensions over the course of the past decade. Primary product liability coverage costs soared from an average annual cost of $10,000 in the early seventies to the 1979 average of $143,000.

While the geometric increases of the midseventies have leveled off, the plateau reached during that time has left many small businesses strapped with high premium costs and sizable deductibles. In fact, since 1975, I am told that the number of companies asked to take deductibles has quadrupled, while the actual level of these deductibles has tripled.

Mr. Chairman, my able predecessor, the late William Steiger, worked hard to find some way to alleviate the problems faced by small businessmen in regard to product liability insurance coverage. In continuing his work, I see this legislation as a necessary first step toward providing some relief from these problems.

The need for this legislation is clear and well documented, and I urge its adoption.

Finally, there are a few points relating to the substance of this bill that are worth noting.

First, the amount that any member of a risk-sharing pool pays into this account would be deductible as a business expense. At present, if an entrepreneur decides to guard against the possibility of future product liability claims, the funds set aside to cover these risks are, in business terminology, "100-cent dollars."

Second, it was pointed out during the course of consideration of the bill in subcommittee that the net effect of H.R. 6152 will be to reduce regulation of these particular insurance concerns. Risk retention groups, as described in the bill, would not be in the general insurance business, and so would not be subject to the myriad of complex regulations imposed on full-line commercial insurers. While the regulatory authority over risk retention groups would be vested in the Department of Commerce, it is important to note that this is a simplified, direct-line authority.

And third, the Congressional Budget Office asserts that H.R. 6152 could be implemented at no extra cost to the Federal Government, and that the only conceivable impact of the bill on the horrifying rate of inflation that has recently been logged would be to decrease this rate.

Mr. Chairman, my colleagues on both sides of the aisle, I urge you all to vote for this important innovation that will benefit small and large businesses, and ultimately the average American consumer.

Mr. RINALDO. Mr. Chairman, I yield 1 minute to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in support of H.R. 6215, the Risk Retention Act.

Mr. Chairman, New England business is primarily composed of small enterprises which have had very great difficulty in obtaining product liability coverage, at reasonable cost to them and providing adequate protection to the consumer.

This legislation succeeds in accommodating the diverse needs of consumers, to be able to reclaim their costs and damages in product liability cases and the needs of small businesses to meet what are in some cases inestimable costs.

In recent years, we have witnessed a dramatic increase in the capacity of consumers to recover damages, particularly with the application of strict tort liability. The legislation before us is an important means of ensuring that consumers will continue to be able to recover for damages.

A study by the National Federation of Independent Businesses in 1976, found that two out of five small manufacturers did not carry product liability insurance. That means that 40 percent of them had no such insurance; 9 percent simply could not afford any insurance coverage, and 17 percent could not afford the insurance coverage which they considered adequate.

The import of these uninsured manufacturers becomes particularly significant in view of the increase in liability claims filed. Between 1971 and the first half of 1976, there was a 250-percent increase in new claims filed against companies with less than 2.5 million in sales; there was a 44-percent increase in new claims against companies with $2.5 to $100 million in sales. And there was a 46-percent increase in claims against companies with sales over $100 million.

If the trend of rising premiums and increasing claims continues as it has in the past, the burden will fall on consumers and smaller businesses. For smaller businesses, which saw the greatest percentage increase in the number of claims filed, and who are often least able to afford insurance, will become increasingly unable to pay the rightful claims of consumers.

The mechanism set up by the bill allows companies to purchase insurance on a group basis, which lowers the cost of coverage for the companies, in addition to allowing the creation of insurance cooperatives. This lowered cost is essential to the continued ability of smaller businesses to maintain adequate product liability insurance.

I urge the passage of this legislation in order to lessen the disproportionate burden of products liability on smaller businesses, and to insure that consumers will continue to be able to recover their claims.

I would like to offer my congratulations to the distinguished chairman of the Interstate and Foreign Commerce Committee, Mr. STAGGERS, and to Mr. SCHEUER, chairman of the Consumer Protection and Finance Subcommittee, as well as those Members who were involved in drafting this legislation, especially the gentleman from North Carolina (Mr. PREYER), and my good friend, the gentleman from New Jersey (Mr. RINALDO), who has been so instrumental in the development of this legislation.

Mr. RINALDO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to point out some of the highlights that emphasize the need for this legislation.

The product liability problem has placed severe economic burdens on business, particularly small business, and regardless of what was stated here, it is my sincere belief, after many discussions with experts in the insurance field, that this legislation will create no real problems for the insurance industry.

Some businesses are presently operating with no product liability insurance, at great risk to themselves and their customers. This bill will particularly help these small businesses by providing alternatives which will enable them to obtain protection against their product liability risks. The bill will also help consumers by providing for the compensation of their product liability claims. Finally, and most importantly, no Federal tax dollars will be used to support this program because it is self-supporting, with fees paid by participants.

Mr. Chairman, I urge the Members to vote for what is a desperately needed piece of legislation, and I yield back the balance of my time.

Mr. PREYER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I come from Cincinnati, the machine-tool capital of the world. There are many small machine-tool businesses in Cincinnati which have suffered the pangs as described by the gentleman from New York (Mr. LA FALCE).

I also serve on the subcommittee. I have served on the gentleman's subcommittee which made the extensive investigation, and I point out that this is a balanced bill.

The gentleman from New Jersey (Mr. RINALDO), among others, brought in the inference that it is the cooperation of the insurance companies which helped to balance this bill out so that it does not represent a Federal instrusion into the field of insurance.

I think that we should recognize the gentleman from New York (Mr. LA FALCE) and his subcommittee, and I believe their work has been recognized because we are witnessing a correction in the writing of the excessive insurance premiums to some extent. That testimony did come out.

Finally, Mr. Chairman, this is a balanced bill. There are questions as to whether this bill will be implemented, but it deserves a fair trial. It provides an opportunity for the small companies, and there is a 4-year sunset provision in the bill in the event the bill is not implemented and goes off the books.

Mr. Chairman, I rise in support of H.R. 6152, the Product Liability Risk Retention Act of 1979. This is a temporary, short-term program that will allow a number of companies to acquire product liability insurance.

Under rules and regulations established by the Secretary of Commerce, manufacturers and sellers will be allowed to form self-insurance cooperatives or groups. These groups will spread and assume all or part of the product liability and completed operations risk exposure. There is also a provision that will allow these groups to buy additional insurance.

We have witnessed in the recent past an increase in the costs of product liability insurance. These increases have forced a number of companies to continue operation with no insurance at all. The National Machine Tool Builders Association has pointed out that about half of its members have no insurance or have substantial deductibles under their 1979 policies. About 40 percent of these companies were faced with similar problems in 1978. In 1976 the average premium for machine-tool companies was $71,000. In the earlier seventies's the average was $10,000. This the average premium is $143,900. These trends are particularly disturbing when we consider that the smaller the company, the more devastating these increases are. Furthermore, the smaller the operation the greater likelihood that there will be no coverage. This lack of coverage is as harmful to the consumer as it is to company involved.

This bill does nothing to relieve the problems in product liability that only a comprehensive tort reform bill will accomplish. This bill does provide to all sellers and manufacturers the opportunity to afford coverage. The Congress cannot stop working on this problem with passage of this bill. We must continue to work on legislation that will eliminate the unnecessary and expensive court actions that have forced premiums to increase substantially.

Furthermore, there is some concern about the effects of this Federal program on the insurance industry. This a problem that requires a special program. It is clear from the evidence taken by the subcommittee that only a limited, specific, Federal program will solve the problems that confronts many of the industries in the United States. In no way should anyone consider this a change in the McCarran-Ferguson Act. State regulation of the business of insurance is a policy that I firmly support. I am sure that the Congress will not support any expansion by the Commerce Department beyond the specific limits fixed within H.R. 6152. Proof of this is the "sunset provision" that was added by the subcommittee. If no risk retention group is in existence at 4 years after enactment, the program will cease to exist. We do not want to see a self-perpetuating Federal program that will flood over its boundaries into areas where Congress never intended for it to go.

Passage of this bill is important for American industry, relief from the problems of product liability insurance will enable us to go back to a more efficient operation of our economy. I call upon all of my colleagues to support this bill.

● Mr. OTTINGER. Mr. Chairman, I rise in support of H.R. 6152, the Risk Retention Act. This legislation would finally help businesses deal with the availability and affordability problems of product liability insurance.

The Risk Retention Act addresses one of the main causes of the product liability problem—current insurer ratemaking and reserving practices. H.R. 6152 offers a solution by providing an alternative of self-insurance where commercial coverage is unavailable, unaffordable, or inadequate.

This bill would permit product sellers and manufacturers to form self-insurance cooperatives, called "risk retention groups," allowing members to share all, or a portion of their product liability exposure. Furthermore, members would be permitted to negotiate with commercial insurers as a group for premium discounts, coverage plans, and other benefits not available to firms individually. Currently, group purchase of insurance is prohibited in most States.

This act depends mainly on marketplace forces, and the self-interest of the insurance group members to regulate its own activities. While the Commerce Department will administer certain aspects of this program, the total cost in administering the act will be recovered through annual fees paid by risk retention groups. Furthermore, this legislation should promote competition amongst product liability insurance providers.

The Subcommittee on Consumer Protection and Finance, of which I am a member, has heard extensive testimony in support of this legislation. It has widespread support from the business community, particularly smaller firms many of which have gone without product liability insurance and coverage for compensating injured consumers. This legislation which has been endorsed by manufacturers, wholesaler-distributors, consumer groups, the trial bar as well as the administration, deserves our support. I strongly urge my colleagues to support this important piece of legislation.●

● Mr. GRASSLEY. Mr. Chairman, in considering H.R. 6152, we are addressing the problem faced by every small business in obtaining product liability risk insurance. Let us not minimize this difficulty.

As my colleagues are undoubtedly aware, the Interagency Task Force on Product Liability, established in the Department of Commerce, found three principle causes of the product liability problem. In no particular order, these problems are: Unsafe products, uncertainties in the tort litigation system due to inconsistencies in liability laws between the States, and questionable insurer ratemaking and reserving practices. It is this last issue, questionable ratemaking and reserving practices, that the Product Liability Risk Retention Act of 1980 attempts to resolve.

The single largest problem faced by the purchaser of liability insurance is rising costs in the form of higher premiums. Yet, the market assistance programs (MAPS) set up by the insurance industry to make liability insurance more easily obtainable, do not even address the problem of cost. Instead, they are targeted to companies who cannot receive estimates at any cost. Even at that, businesses do not regard them as a realistic alternative.

Efforts on the part of the States to alleviate the problem have proven ineffective. Only two States, for example, have even attempted to encourage the formation and operation of captive insurance companies and in one of those, Colorado, State law contains regulatory standards which make it difficult for trade associations or small business groups to utilize them. In addition, the States can only enact laws regarding their own insurance regulations, whereas many coinsurance groups consist of members from a number of different States.

I believe that the issue of product liability is of sufficient scope and gravity to call for Federal action on behalf of the beleaguered small businessman. H.R. 6152, I believe, strikes a happy medium by addressing a significant part of the problem of product liability on a nationwide basis, yet retains a sense of perspective by preempting State laws only to the extent necessary to carry out the purpose of the act.●

● Mr. SENSENBRENNER. Mr. Chairman, I rise in support of this bill.

In recent years, many businessmen have found that product liability insurance has become unavailable or prohibitively expensive. The burden has fallen most critically upon small businessmen, as the cost of their products have become noncompetitive as insurance costs have skyrocketed.

This bill is designed to make insurance available in cases where it is presently not, so that some protection can be afforded to businessmen against bankruptacy should a major product liability suit against them be successful.

However, this bill only addresses the question of insurance availability. It does not address the question of increased insurance costs.

Therefore, it is important that everybody know that today, only the first step towards the solution of the product liability insurance problem is being taken. The next step must include a major examination of the tort system in order to provide fairness to both manufacturers of products sold in the marketplace and also to people who are injured as a result of a defective product.

This examination must include a study of the effect of statutes of limitations on the difficulty of accurately predicting future losses, problems caused by the alteration of products not defective when manufactured and also whether the tort system requires that the party truly responsible for causing the defect assumes the ultimate liability in case of injury of a user.

Meanwhile, commendation is in order to the gentlemen from North Carolina (Messrs. PREYER and BROYHILL) and the gentleman from New Jersey (Mr. RIN-

ALDO) for a job well done in taking this first step.●

● Mr. BROYHILL. Mr. Chairman, I would like to express my strong support for H.R. 6152, the Product Liability Risk Retention Act.

For several years now, I have been aware of the problem that many American businesses have had trying to obtain product liability insurance at reasonable rates. During this time letters have poured into my office from manufacturers who are experiencing this problem. Some firms have indicated that they are going without product liability insurance altogether because they either cannot find it or cannot afford it.

During this Congress, the Subcommittee on Consumer Protection and Finance held several days of hearings on this subject, one of which was held in Greensboro, N.C. We received extensive testimony from manufacturers, insurers, professors of law, and the trial bar. The testimony generally confirmed the existence of a serious problem which has begun to impact negatively on our economy in several ways. Specifically, it is inhibiting the development of innovative products and technology. It is also curtailing employment in those product lines affected. At the same time it is creating a climate which is more favorable to foreign products in this country. This is a most unfortunate trend, caused in part by the product liability problem.

H.R. 6152 will be a first step in addressing the problem. It is a very important step because it will enable businesses to obtain product liability coverage at more reasonable rates. At the same time it will assure that there are funds available to compensate claimants who have been injured by a product. We will continue to consider other proposed solutions as well.

This legislation is particularly needed by smaller businesses. I urge you to support it.●

Mr. PREYER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read by titles the committee amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 6152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Product Liability Risk Retention Act of 1980".

PURPOSES

SEC. 2. The purposes of this Act are to—

(1) facilitate the formation and sound operation of risk retention groups organized for the primary purpose of assuming and spreading the product liability or completed operations liability risk exposure of product sellers;

(2) facilitate the purchase of product liability and completed operations liability insurance on a group basis;

(3) reduce insurance costs for product sellers;

(4) ensure the prompt payment of valid claims made by persons injured by products;

(5) promote competition among providers of product liability and completed operations liability coverage; and

(6) reduce the outflow of capital and premiums to offshore jurisdictions which have been attracting captive insurance companies of United States parent corporations.

DEFINITIONS

SEC. 3. As used in this Act:

(1) The term "affiliate" means—

(A) any person who, directly or indirectly, controls or is controlled by another person; or

(B) any person under direct or indirect common control with such other person.

For purposes of this paragraph, the term "control" means ownership or control, directly or indirectly, of more than 50 percent of the total combined voting power of all classes of stock entitled to vote in a corporation or other entity, or actual control where exercised other than through ownership of stock.

(2) The term "approved risk retention group" means a risk retention group which, pursuant to this Act, has been issued a certificate of approval by the Secretary.

(3) The term "completed operations liability" means liability arising out of the installation, maintenance, or repair of any product at a site which is not owned or controlled by—

(A) any person who performs such work; or

(B) any person who hires an independent contractor to perform such work.

Such term shall include liability only for activities which are completed or abandoned before the date of the occurrence giving rise to the liability.

(4) The term "Federal antitrust laws" means—

(A) the laws included within the definition of the term "antitrust laws" under section 1 of the Clayton Act (15 U.S.C. 12); and

(B) the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(5) The term "group participant" means—

(A) a member of a risk retention group; or

(B) any affiliate of a member whose product liability or completed operations liability risk exposure has been assumed by a risk retention group.

(6) The term "insurance" means primary insurance, excess insurance, reinsurance, surplus lines insurance, and any other arrangement for shifting and distributing risk which is determined to be insurance by the Secretary under applicable State or Federal law.

(7) The term "member" means, only for purposes of title I of this Act, a person who, directly or indirectly, has an interest in a risk retention group as the result of having made a contribution to the capital of such group.

(8) The term "product liability" means liability for damages because of any personal injury, death, emotional harm, consequential economic damage, or property damage (including damages resulting from the loss of use of property) arising out of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product. Such term does not include the liability of any person for such damages if the product involved was in the possession of such person when the incident giving rise to the claim occurred.

(9) The term "risk agreement" means the contract between a risk retention group and one or more group participants thereof, under which the risk retention group agrees to assume a specified portion, or all, of the product liability or completed operations liability risk exposure of any such person.

(10) The term "risk retention group" means any corporation, or other limited liability association taxable as a corporation—

(A) whose principal activity consists of assuming and spreading all, or any portion, of the product liability or completed operations liability risk exposure of its group participants;

(B) which is organized for the primary purpose of conducting the activity described under subparagraph (A); and

(C) which is organized under the laws of a State.

(11) The term "Secretary" means the Secretary of Commerce.

(12) The term "State" means any State of the United States or the District of Columbia.

(13) The term "title II group" means any group which has as one of its purposes the purchase of product liability or completed operations liability insurance on a group basis.

TITLE I—RISK RETENTION GROUPS

REQUIREMENTS FOR APPROVAL

SEC. 101. (a) Any risk retention group may submit to the Secretary an application seeking a certificate of approval under this Act. Each application shall be in such form and contain such information as the Secretary, by regulation, may prescribe. Each application shall include—

(1) such information as the Secretary may require to permit the Secretary to evaluate the factors specified in subsection (b); and

(2) a detailed description of the plan of operation of the applicant.

(b) The Secretary shall consider the following factors for purposes of determining the overall soundness of the plan of operation of the applicant:

(1) The amount and liquidity of the assets of the applicant relative to the risks to be retained by the applicant. The assets of the applicant may include irrevocable letters of credit on behalf of the applicant in the form prescribed by the Secretary by regulation and issued by a national bank or a State bank approved for that purpose by the Secretary.

(2) Whether the reserves established, or to be established, by the applicant comply with the requirements of section 104.

(3) The adequacy of the expertise and experience of any person who shall be responsible for the management of the applicant.

(4) The adequacy of the loss prevention programs of the applicant and the group participants of the applicant.

(5) Whether the insurance coverage obtained by the applicant is adequate to satisfy the requirements of section 102.

(6) Whether the applicant has failed to disclose in its application material facts or circumstances bearing upon its qualifications for approval by the Secretary.

(c) (1) Subject to subsection (d), the Secretary shall issue a certificate of approval to any risk retention group which—

(A) has submitted an application under this section; and

(B) is determined by the Secretary, in accordance with standards promulgated by regulation by the Secretary for the purpose of evaluating information contained in such applications, to have a sound plan of operation.

(2) Any refusal by the Secretary to issue a certificate of approval under paragraph (1) shall be made by a written order issued by the Secretary, which order shall specify the reasons for the refusal.

(3) The Secretary shall issue a certificate of approval or issue a written order refusing to issue such a certificate within 90 days after the date of the receipt of the application submitted under this section.

(d) (1) The Secretary shall not issue a certificate of approval to any of the following risk retention groups:

(A) Any risk retention group in which the risk coverage afforded to any one person exceeds 5 percent of the total risks assumed by the risk retention group. For the purpose of determining the risk coverage afforded to any one person, the risk exposure of persons who are affiliates shall be aggregated and considered attributable to only one affiliate.

(B) Any risk retention group which fails to permit, and pay the reasonable cost of, any audits and examinations requested or conducted under subsection (e).

(C) Any risk retention group which, as determined by the Secretary, would exclude any person from membership therein solely to provide for members of such group a competitive advantage over the person excluded from membership.

(2) The Secretary may waive the provisions of paragraph (1)(A) if the Secretary determines that, notwithstanding the failure of the risk retention group to comply with such paragraph, the group is likely to be financially sound and capable of functioning to shift and distribute the risks of its group participants.

(e) In conducting reviews of applications submitted under this section, the Secretary may make such audits or examinations of an applicant and its group participants as may be necessary to determine whether to approve an application submitted under this section. The cost of such audits or examinations shall be paid for by the applicant.

REINSURANCE

Sec. 102. (a) The Secretary may require, as a condition for the approval of a risk retention group, that a risk retention group agree to—

(1) limit the maximum amount of risk it retains (A) in the aggregate, (B) with respect to any one incident, or (C) with respect to one or more of its group participants; and

(2) acquire and maintain insurance coverage for losses in excess of any limitation required under paragraph (1) by procuring reinsurance which satisfies the requirements of this section.

(b) Any reinsurance policy obtained by an approved risk retention group shall explicitly provide that—

(1) proceeds of the reinsurance policy shall be payable to a receiver or other officer of a court if the risk retention group is determined by a court of competent jurisdiction to be insolvent because it is unable to pay its debts when due; and

(2) the person providing reinsurance to the risk retention group shall give written notice to the risk retention group and to the Secretary of any cancellation or substantial modification of the reinsurance policy not less than 45 days before any such cancellation or substantial modification takes effect.

(c) Any approved risk retention group which has obtained a reinsurance policy shall provide the Secretary with a copy of the policy, the applicable certification of the insurer with respect to the policy, and any documents which substantially modify the coverage afforded under the policy.

(d) No approved risk retention group shall, directly or indirectly, acquire reinsurance from any of its members or from any affiliate of its members.

REQUIREMENTS OF MEMBERSHIP; FEES

Sec. 103. (a)(1) No person shall become a member of an approved risk retention group unless all or a portion of its product liability or completed operations liability risk exposure, or that of one or more of its affiliates, is to be assumed by that group pursuant to a risk agreement.

(2 No person shall continue to be a member of an approved risk retention group for more than 60 days after such group has ceased to assume all or a portion of its product liability or completed operations liability risk exposure, or that of one of its affiliates, pursuant to a risk agreement.

(b)(1) Except as provided in paragraph (2), an approved risk retention group shall not assume, directly or indirectly, the product liability or completed operations liability risk exposure of persons other than its members and affiliates of its members.

(2) An approved risk retention group may assume any product liability or completed operations liability risk exposure of group participants arising from the operation of a hold harmless agreement, an indemnity agreement, or any other similar agreement executed by a group participant and any of the following:

(A) A supplier of products or services to the group participant.

(B) A purchaser of products or services from the group participant.

(C) A person who holds the products of the group participant on consignment for sale.

(c) An approved risk retention group may not make non-pro-rata assessments or retroactive adjustments, based on an individual group participant's loss experience, to the fees paid by such group participant for coverage.

(d) The Secretary shall prescribe regulations which provide for the return of the capital contribution of any person who withdraws from an approved risk retention group. These regulations shall provide that—

(1) the withdrawing member's capital contribution shall be increased or decreased, as appropriate, to reflect the claims experience (including incurred but not reported losses), earnings, losses, and distributions of the group, all determined through the application of generally accepted accounting principles, during the period the withdrawing person was a group member; and

(2) the member's adjusted capital contribution shall be returned, together with interest at the rate provided for in the risk agreement, or if no rate was provided for, at the prevailing prime rate in the United States, accruing from the date of withdrawal, in installments over such a period of time as is necessary (but not longer than the 5-year period beginning on the date of withdrawal) in order to determine the appropriate adjustments under paragraph (1), without jeopardizing the financial condition of the group.

(e) No approved risk retention group shall, directly or indirectly, acquire any securities of, make or guarantee any loans to, receive loans from, or otherwise acquire any interest in, any of its members or affiliates of its members.

RESERVES

Sec. 104. (a) The Secretary shall require an approved risk retention group to establish and maintain reasonable and adequate reserves to meet incurred losses (including losses which have not been reported) and loss adjustment expenses. The Secretary shall not permit such reserves to exceed levels determined through computations using accepted actuarial methods and based on reasonable actuarial assumptions.

(b)(1) In addition to the reserves required under subsection (a), the Secretary shall require an approved risk retention group to establish and maintain a reasonable and adequate reserve for unearned premiums paid or to be paid to the group by its group participants. Such reserve shall not be less than 50 percent of the annual net premiums paid or to be paid to the group by its group participants. Each approved risk retention group shall include this reserve and the reserves required under subsection (a) as a liability in all its financial statements.

(2) As used in paragraph (1), the term "net premiums" means the difference between—

(A) the aggregate amount of premiums received by an approved risk retention group as consideration for assuming and retaining the risks of its group participants (exclusive of nonrecruiting items, such as contributions to capital); and

(B) the sum of—

(i) amounts returned to group participants of such risk retention group (other than in payment for covered losses) such as risk-agreement dividends, refunds, and returns for risk-agreement cancellations; and

(ii) the portion of the gross compensation of the group which is allocable to risks ceded to excess insurers or reinsurers.

(c) The reserves of an approved risk retention group shall be invested in the same manner and with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

ANNUAL AND OTHER REPORTS

Sec. 105. (a) Each approved risk retention group shall submit to the Secretary an annual report and such other reports as the Secretary considers appropriate in order to carry out the purposes of this Act, except that the Secretary shall insure that the number of reports required by the Secretary under this subsection does not constitute an undue burden upon approved risk retention groups. An approved risk retention group may be required to provide in such reports any information relevant to the administration of this Act which is in the possession, or subject to the control, of the risk retention group or its group participants.

(b) The reports required to be submitted pursuant to this section shall be in such form and contain such information and certifications as the Secretary, by regulation, may prescribe. The annual report shall include a statement of financial condition and operations substantially similar to the annual statement approved by the National Association of Insurance Commissioners.

(c) Each approved risk retention group shall submit to the Secretary information regarding any change in the plan of operation of such group from the plan described in the application submitted under section 101.

APPLICABILITY OF STATE LAW

Sec. 106. (a) This Act shall preempt any State law to the extent that such law would—

(1) make unlawful the formation or operation of approved risk retention groups;

(2) regulate, directly or indirectly, the formation or operation of approved risk retention groups with respect to—

(A) the assumption, spreading, or ceding of all, or any portion, of the product liability or completed operations liability risk exposure of their group participants;

(B) any functions related to the activities described under subparagraph (A); or

(C) such other functions conducted by an approved risk retention group as are permitted by the Secretary;

(3) make it unlawful for any person to provide or sell product liability or completed operations liability insurance, insurance-related services, or management services to an approved risk retention group; or

(4) regulate, directly or indirectly, the provision or sale of product liability or completed operations liability insurance, insurance-related services, or management services by any person to an approved risk retention group.

(b) Nothing contained in this Act shall be deemed to bar a State from collecting, on a nondiscriminatory basis, from an approved risk retention group applicable premium and other taxes which are levied on admitted insurers and surplus lines insurers under State law.

(c) Not later than the date this Act takes effect, the Secretary shall promulgate regulations containing requirements with respect to claims settlement practices of approved risk retention groups. In formulating such regulations, the Secretary shall take into consideration the provisions of State laws respecting claims settlement practices.

APPLICATION OF ANTITRUST LAWS

SEC. 107. (a) Notwithstanding any other law, the Federal antitrust laws shall be applicable to approved risk retention groups, their group participants, activities of risk retention groups and their group participants, and to any person engaged in such activities (including persons providing management services to such groups).

(b) Nothing contained in this Act shall be deemed to create any immunity or defense to any civil or criminal action under any Federal antitrust law.

APPLICATION OF SECURITIES LAWS

SEC. 108. (a) The ownership interests of members in approved risk retention groups shall not be considered securities for purposes of the Securities Act of 1933 (15 U.S.C. 77a et seq.) or for purposes of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

(b) Approved risk retention groups shall not be considered to be investment companies for purposes of the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.).

DISCLOSURE OF INFORMATION

SEC. 109. (a)(1) The Secretary, any other officer or employee of the Department of Commerce, and any person referred to in section 110(c), shall not—

(A) use the information furnished under this Act for any purpose other than the administrative or statistical purposes for which it is supplied;

(B) disclose any data obtained pursuant to this Act that is exempt from disclosure under section 552(b)(4) of title 5, United States Code; or

(C) permit any person, other than officers or employees of the Department of Commerce or any person referred to in section 110(c), to examine any application or report submitted under this Act.

(2) Nothing contained in paragraph (1) of this subsection shall limit the access of the Congress to any information referred to in such paragraph if such information could be obtained by the Congress under any law or other authority.

(b) Copies of applications or reports which have been submitted under this Act, and copies of applications submitted by any person seeking membership or participation in an approved risk retention group, may not be compelled to be disclosed, and cannot be admitted in evidence, in any administrative or judicial proceeding related to the adjudication of a product liability or completed operations liability claim brought against any risk retention group which has submitted an application under section 101 of this Act or its group participants. Notwithstanding the preceding sentence, such applications or reports may be disclosed or admitted in evidence in such proceedings with the consent of the person or persons whom such applications or reports concern.

(c) The Secretary may require each approved risk retention group to collect and provide to the Secretary such data regarding its product liability and completed operations liability claims experience as the Secretary may consider appropriate. Notwithstanding subsection (a), the Secretary may disclose the data collected pursuant to this section in a format which does not directly or indirectly identify the individual product liability claims experience of any group participant of an approved risk retention group.

AUDIT AND MANAGEMENT

SEC. 110. (a) The financial records of each approved risk retention group, its members, and the affiliates of its members may be audited or examined by the Secretary in order to gather information relevant to the administration of this Act. The Secretary, or any duly authorized representative of the Secretary, shall have access for the purpose of the audit or examination to any books, documents, papers, and records of such groups, members, or affiliates (or any agent thereof) which the Secretary considers relevant to the formation or operation of the approved risk retention group. Such audits and examinations may be conducted without advance notice at such times as the Secretary may determine to be appropriate.

(b)(1) The Secretary may require that each approved risk retention group engage an independent certified public accountant to conduct such examination of financial statements of the group (and of other relevant books, documents, papers, and records of the group) as the accountant may consider necessary to enable the accountant to determine whether the financial statement and schedules of the group are presented in conformity with generally accepted accounting principles applied on a basis consistent with the accounting method employed by the group during the preceding year. Such examinations shall be conducted in accordance with generally accepted auditing standards and shall involve such tests of the books and records of the group as are considered necessary by the accountant.

(2) In administering this Act, the Secretary may rely upon financial statements prepared by independent certified public accountants for approved risk retention groups in lieu of conducting audits or examinations under subsection (a), but only if such statements—

(A) are prepared in the manner described in paragraph (1); and

(B) were prepared in response to a request therefor made by the Secretary or were prepared within a reasonable time before such request.

(c) In administering this Act, the Secretary may utilize personnel of other agencies of the Federal Government, or personnel of State or local governments, subject to the consent of the heads of the entities involved. The Secretary also may utilize employees of private organizations to perform ministerial functions under this Act, such as conducting audits and examinations.

ADMINISTRATIVE FEES

SEC. 111. (a) Each applicant for approval under section 101 shall pay to the Secretary a nonrefundable application fee to cover the cost of processing an application for a certificate of approval. This fee shall be in addition to any amount required under section 101(e).

(b) The Secretary shall establish and collect from each approved risk retention group a nonrefundable annual fee in an amount sufficient to reimburse the Secretary for the direct costs of supervising the approved risk retention group.

(c) There is established in the Treasury a revolving fund which shall be available to the Secretary, without fiscal year limitation, to carry out this Act. There shall be deposited in the fund amounts received by the Secretary under this section and under section 101(e).

REVOCATION OF APPROVAL

SEC. 112. (a) The Secretary may revoke the certificate of approval of an approved risk retention group—

(1) upon the request of the group;

(2) upon the refusal of the group to permit an audit or examination of its books and records pursuant to section 110;

(3)(A) upon the violation by the approved risk retention group of any provision of this Act, or any regulation promulgated under this Act; or

(B) upon a determination by the Secretary that the risk retention group has altered its plan of operation in such a manner that the Secretary would not have approved the application of the risk retention group if the plan of operation had been submitted in the application in such altered form;

(4) upon the Secretary's determination that the group is primarily engaged in the business of investing, reinvesting, or trading in securities; or

(5) upon the Secretary's determination that the primary purpose or principal activity of the group has ceased to consist of assuming and spreading all, or any portion, of the product liability and completed operations liability risk exposure of its group participants.

(b) The Secretary may not revoke the certificate of approval of a risk retention group unless the Secretary provides—

(1) to the risk retention group not less than 30 days' written notice of the intention of the Secretary to revoke such certification, including a statement of the reasons for the proposed revocation;

(2) an opportunity, during such period, for the risk retention group to correct any alleged deficiencies in its operation identified in the written notice as grounds for revocation; and

(3) upon the written request of such group or any group participant thereof, an opportunity for an informal hearing, to be held before the revocation of the certification, to appeal such proposed revocation.

(c) The Secretary may revoke a certificate of approval only by written order. Any such order shall be served upon the risk retention group and shall set forth the reasons for the revocation.

(d)(1) Any risk retention group whose certificate of approval is revoked under this section shall commence dissolution proceedings under the applicable laws of the State in which the group is incorporated within 30 days after such revocation. The Secretary shall take such action as may be necessary to ensure compliance with this paragraph. Under the State dissolution proceedings, the return of the capital contributions of members of the group shall be done in a manner consistent with paragraph (2) of this subsection.

(2) Any risk retention group whose certificate of approval is revoked under this section shall provide for the return of capital contributions to its members in installments, payment of which shall be completed not later than the date 3 years after the date of revocation of the certificate. The Secretary shall determine the amount of the members' capital contributions which are to be returned, which amount shall be increased or decreased, as appropriate, to reflect the claims experience (including incurred but not reported losses), earnings, losses, and distributions of the risk retention group, as determined by the Secretary through the application of generally accepted accounting principles.

HEARINGS AND JUDICIAL REVIEW

SEC. 113. (a) Any revocation hearing provided for under section 112(b)(3) shall be informal and shall be held in the District of Columbia. The Secretary shall promulgate regulations which specify the persons who may participate in such hearings.

(b) Any order issued by the Secretary pursuant to this Act shall be final except that an approved risk retention group, an applicant for a certificate of approval, or a group participant of such group or applicant, may appeal any order by filing in the United States District Court for the District of Columbia, within 60 days after the date of service of such order, a written petition requesting that the order of the Secretary be modified, terminated, or set aside. Such order shall be reviewed in accordance with the provisions of section 706 of title 5, United States Code.

TITLE II—GROUP PURCHASE OF PRODUCT LIABILITY INSURANCE AND COMPLETED OPERATIONS LIABILITY INSURANCE

EXEMPTION FROM STATE LAW

SEC. 201. The persons specified in section 202 shall be exempt from any State law to the extent that such law would—

(1) make it unlawful—

(A) for insurers to provide or offer to provide product liability or completed operations liability insurance on a basis which provides, to title II groups or members thereof, advantages not afforded to other persons with respect to rates, coverage, or other matters; or

(B) to act, or offer to act, as an agent or broker with respect to the provision of such insurance on such basis to title II groups or members thereof;

(2) prohibit the establishment of any title II group;

(3) prohibit any title II group or member thereof from purchasing product liability or completed operations liability insurance on the basis described in paragraph (1)(A), provide that such group may not purchase such insurance on such basis unless the group has been in existence for a minimum period of time, or provide that a member of such group may not purchase such insurance on such basis unless the member has belonged to the group for a minimum period of time;

(4) require that any policy of product liability or completed operations liability insurance provided to any title II group or member thereof be countersigned by an insurance agent or broker residing in that State; or

(5) otherwise discriminate against title II groups or members thereof.

APPLICATION OF EXEMPTIONS

SEC. 202. The exemptions specified under section 201 shall be applicable with respect to—

(1) any title II group;

(2) any person who is a member of a title II group; and

(3) any person who provides product liability or completed operations liability insurance, insurance-related services, or management services to any group or person described in paragraph (1) or (2).

TITLE III—MISCELLANEOUS PROVISIONS

STATE TORT LAW

SEC. 301. Nothing in this Act shall affect the tort law of any State. The provisions of this Act shall not be construed to express the sense of the Congress regarding the desirability of modifying the provisions of the tort law of any State.

REGULATIONS

SEC. 302. The Secretary shall prescribe such rules and regulations as may be necessary or appropriate to implement this Act.

REPORT TO THE CONGRESS

SEC. 303. The Secretary, not later than 150 days after the date of the enactment of this Act, shall submit a report to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate which shall contain a detailed statement of the Secretary's preparations and other activities to implement this Act.

EFFECTIVE DATE

SEC. 304. (a) This Act shall take effect on the date 180 days after the date of its enactment.

(b) Title I of this Act shall cease to be in effect on the date 4 years after the effective date of this Act, but only if, on such date, there exists no approved risk retention group.

Mr. PREYER (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

☐ 1440

The CHAIRMAN. Are there any amendments? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAHALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6152) to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes, pursuant to House Resolution 596, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. RINALDO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 332, nays 17, answered "present" 1, not voting 82, as follows:

[Roll No. 127]

YEAS—332

Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Pease
Perkins
Petri
Pickle
Porter
Preyer
Price
Quayle
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Synar
Taylor
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki

NAYS—17

Archer
Ashbrook
Bauman
Collins, Tex.
Crane, Daniel
Dannemeyer
Hansen
Holt
Kelly
Lujan
McDonald
Miller, Ohio
Montgomery
Paul
Runnels
Symms
Young, Alaska

ANSWERED "PRESENT"—1

Quillen

NOT VOTING—82

Abdnor
Addabbo
Alexander
Anderson, Ill.
Applegate
AuCoin
Bevill
Boggs
Boland
Brademas
Breaux
Burton, John
Cavanaugh
Chappell
Chisholm
Clay
Collins, Ill.
Crane, Philip
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Diggs
Dodd
Donnelly
Dougherty
Duncan, Oreg.
Edwards, Ala.
Fazio
Findley
Fish
Flippo
Fowler
Frost
Garcia
Hammerschmidt
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kemp
Leach, La.
Lederer
Lehman
Livingston
Lundine
McCloskey
McKay
Mathis
Mikulski

Miller, Calif.
Moore
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nolan
O'Brien
Patten
Pepper
Peyser
Pritchard
Pursell
Ratchford
Rodino
Rosenthal
Rousselot
Roybal
Santini
Shumway
Simon
Solarz
Staggers
Stewart
Stokes
Tauke
Thomas
Udall
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Zeferetti

□ 1450

The Clerk announced the following pairs:

Mr. Staggers with Mr. Abdnor.

Mr. Addabbo with Mr. Pritchard.

Mr. Zeferetti with Mr. Bob Wilson.

Mr. Stokes with Mr. Livingston.

Mr. Santini with Mr. Findley.

Mr. Rodino with Mr. Edwards of Alabama.

Mr. Chappell with Mr. Davis of Michigan.

Mr. Brademas with Mr. Rousselot.

Mr. Boland with Mr. Pursell.

Mr. Breaux with Mr. Fish.

Mr. Pepper with Mr. Hammerschmidt.

Mr. Patten with Mr. Kemp.

Mr. Jones of Tennessee with Mr. McCloskey.

Mr. Flippo with Mr. O'Brien.

Mr. Dodd with Mr. Moore.

Mrs. Boggs with Mr. Williams of Ohio.

Mr. Bevill with Mr. Philip M. Crane.

Mr. AuCoin with Mr. Anderson of Illinois.

Mrs. Chisholm with Mr. Shumway.

Mr. Peyser with Mr. Tauke.

Mr. Ratchford with Mr. Thomas.

Mr. Whitten with Mr. Dougherty.

Mr. Udall with Mr. Simon.

Mr. Nolan with Mr. Solarz.

Mr. Myers of Pennsylvania with Mr. Charles Wilson of Texas.

Mr. Murphy of New York with Mr. Murphy of Illinois.

Mr. Lederer with Mr. McKay.

Ms. Mikulski with Mr. Mathis.

Mr. Miller of California with Mr. Lundine.

Mr. Duncan of Oregon with Mr. Lehman.

Mr. Fazio with Mr. Diggs.

Mr. John L. Burton with Mr. Derrick.

Mr. Alexander with Mr. Dellums.

Mr. Clay with Mr. Frost.

Mrs. Collins of Illinois with Mr. Fowler.

Mr. Garcia with Mr. Leach of Louisiana.

Mr. Huckaby with Mr. Donnelly.

Ms. Holtzman with Mr. Davis of South Carolina.

Mr. Cavanaugh with Mr. Stewart.

Mr. Applegate with Mr. Rosenthal.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PREYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE ALL-VOLUNTEER FORCE

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RHODES. Mr. Speaker, since 1974, we have had a voluntary Armed Forces program. In a very perceptive, and constructive, article in the Washington Post of March 10, Melvin Laird, who was Secretary of Defense when the draft ended, explains why the concept of volunteerism is in danger, and makes several recommendations to remedy the problem.

Mr. Laird suggests that pay scales be made more realistic in line with today's economy. I think it is obvious that if we are to depend on voluntary enlistments, we must make them attractive. The cost of upgrading our voluntary forces would, in the long run, be far less than the massive expenditure needed to gear up to the kind of war-time force we will need if we are not strong enough to deter aggression.

To get qualified enlistees, and to keep those who have been trained, we must look realistically at what we offer and make it applicable to our economic times.

I urge my colleagues to read carefully Mr. Laird's analysis of our military manpower dilemma. Text of the article is as follows:

THE ALL-VOLUNTEER FORCE

(By Melvin R. Laird)

Congress and the Carter administration should act now to drastically increase the pay and benefits of U.S. military personnel.

This action—more than any being proposed by the president to upgrade our defense posture—is necessary to restore the services to the effective forces that this nation demands and deserves. The All-Volunteer Force is beset with severe and growing problems of both quality and quantity. And these problems are directly attributable to our failure to keep military compensation comparable with the civilian sector.

In January 1973, one of my last acts as secretary of defense was to end draft calls. With that step, the United States embarked on one of the more important ventures in its recent history: we would endeavor to become the first nation in modern times to maintain a large standing military on an all-volunteer basis. It would make up about 2.5 percent of the labor force and rely completely on the equitable considerations of the competitive marketplace.

My confidence that this would succeed was based on the expectation that the president, Congress and the American people would honor a commitment to provide a meaningful standard of living and quality of life for men and women who volunteered, and for their families. We have reneged on this commitment.

Since 1972, the Consumer Price Index has risen 75 percent, while military compensation has risen only 51 percent. This means a decline of over 14 percent in purchasing power for all military personnel, and a decline approaching 25 percent for some enlistees in the lower grades. The average compensation for an enlisted person, including pay and benefits, currently is $9,900. That is 17 percent below the "lower" standard of living for a family of four as calculated by the Bureau of Labor Statistics. At least 100,000 and possibly 275,000 military families qualify for welfare payments. (Many who qualify are too proud to apply; they leave the service instead.) Military commissaries take in over $10 million a year in food stamps.

A few concrete examples are even more shocking. An E4 plane handler on the nuclear carrier Nimitz, deployed to the Indian Ocean during the Iranian crisis, normally works 16 hours a day, or about 100 hours per week. He handles the F14 aircraft, which costs $25 million, and helps operate a $2 billion ship. Yet he makes less per hour than a cashier at McDonalds, lives below the poverty level, is eligible for food stamps and probably has not seen his wife and child for six months. A chief petty officer on that same ship with 17 years' service makes the same salary as a janitor on union scale and puts in twice as many hours.

It is little wonder, then, that the services last year fell short of their recruiting goals by 25,000 people. They have experienced qualitative as well as quantitative shortfalls. Nearly 50 precent of all male volunteers tested mentally in the lower half of the U.S. population. Five years ago that figure was 32 percent.

Yet recruiting is only half of the military personnel dilemma. Retaining qualified people after their first, second and third enlistments is an acute problem and will get worse unless remedial action is taken. The services have been losing over 75 percent of those completing their first enlistment since 1976. About 30 percent of males enlisting do not even complete the first term.

To restore our defense readiness and meet our commitment to the All-Volunteer Force concept, I propose the following specific actions:

An across-the-board 17 percent pay increase for all military grades to make up for the loss in purchasing power since 1972.

Legislation indexing increases in military pay to increases in the Consumer Price Index.

A mandate that pay levels be applied to all forms of compensation—basic pay, housing allowance and subsistence (food). Presently, a portion of an increase may be applied to housing or subsistence, and basic pay does not increase by the full amount.

Separation, or decoupling, of the computation of military pay from that of federal civil service workers. The demand for jobs in the federal civil service far outweighs the supply, and civil service workers generally are not subject to long hours of unpaid overtime, frequent moves and family separation.

A variable housing allowance keyed to actual housing costs in the local area, and a crash program to build more military housing. Government housing is available to only 20 percent of the enlisted force; it should be available to 50 percent.

Reimbursement to military families for the full cost of their moves. The present entitlement is 10 cents per mile; the actual cost is about 21 cents per mile.

Special skill pay to enlisted and officer ratings where shortfalls are expected—narrowing the gap, for example, between what an enlistee receives and what he or she could earn on the outside in areas such as computer programming.

Improved medical benefits and coverage, which have been reduced for dependents.

An increased bonus to $5,000 (now $2,500) for joining the combat arms, and indexing future increases to the CPI.

A cost-of-living allowance for all personnel stationed overseas, even if they live in military barracks.

These initiatives will be expensive—several billion dollars per year. But the amount will be offset to some degree through decreased costs of recruiting and training. More important, we will have taken some necessary steps toward restoring and maintaining our required military capability.

The United States must provide these individuals and their families with a quality of life commensurate with the sacrifices we demand from them. The primary ingredient in providing that quality is competitive pay and benefits.

□ 2210

SOVIET CHEMICAL WARFARE

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEACH of Iowa. Mr. Speaker, in

the past month there has been a growing number of reports that nerve gas and other lethal chemical agents have been used by Soviet forces against Afghans resisting the invasion of their country. Moscow has predictably denied these charges, and it is most unlikely that any outside investigation will be permitted. But Afghan refugees arriving in Pakistan are bringing lurid accounts of the effects of these terrifying weapons. I have personally reviewed the information available to our Government and am convinced that the Soviets are using poison gas in Afghanistan.

Last December 20 the House passed a resolution I authored which which condemned lethal chemical warfare by Soviet-assisted forces in Indochina. Unfortunately, even with the international attention which has been drawn to poison gas attacks in Laos and Cambodia, there is reliable evidence that chemical warfare is continuing in these countries despite Communist assertions to the contrary.

Since its widespread use in WWI, lethal chemical warfare has been condemned by the international community. The fact that its use since then has been extremely infrequent makes the reports from Indochina and Afghanistan all the more worrisome, for in many ways chemical weapons present as great a threat to our country and our NATO allies as do nuclear weapons.

The Soviet Union has massive chemical stockpiles and Soviet forces are well-prepared to use chemical weapons in combat. Our chemical capabilities, and those of our allies, are very modest by comparison. In the absence of international agreement to dismantle existing chemical warfare arsenals, we could well see the increasing use of such weapons in remote Third World battlefields with grave implications for their potential use against our forces in combat.

The administration should urgently take steps to correct this situation, including:

Major improvements in the ability of our forces to defend against chemical attacks;

Renewed efforts to negotiate a verifiable ban on the development, production, stockpiling, and transfer of these weapons and the means for their production. These negotiations should proceed even without the Soviet Union if Moscow continues its present unwillingness to allow the current negotiations with the United States in Geneva to reach fruition, and

Finally, the Soviet Government should be firmly warned that unless a chemical weapons convention is promptly concluded, the United States will have little choice but to upgrade significantly our chemical weapons capabilities.

Unfortunately, a new round in the arms race between the United States, its NATO allies and the Warsaw Pact countries appears in the making, with the risk that both sides will give increased emphasis to chemical warfare. Such a development, in combination with the continued usage of lethal chemicals in Indochina and Afghanistan, will almost certainly spur lesser developed countries to develop these relatively cheap but highly lethal weapons as well. Chemical weapons, in fact, could become the poor country's weapons of mass destruction. A verifiable treaty prohibiting the development, production, and stockpiling of these weapons is therefore in the enlightened self-interest of the entire international community. Negotiation of such a treaty should be given the highest emphasis by our Government in the coming months.

□ 1500

PASSING OF FORMER CONGRESSMAN J. IRVING WHALLEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MURTHA) is recognized for 10 minutes.

● Mr. MURTHA. Mr. Speaker, it is my sad duty to report to the Members the death over the weekend of former Congressman J. Irving Whalley who represented Pennsylvania's 12th Congressional District from 1960 to 1972.

Congressman Whalley had a long and distinguished career of public service starting on the Windber School Board and stretching over 35 years. Mr. Whalley also served in the Pennsylvania State House and State Senate.

Legislatively, he was a leader in the establishment of Pennsylvania's tough strip mining law, introducing the first complete backfill legislation in the United States in 1951. He was a member of the Foreign Affairs Committee in the House and represented the United States throughout the world, meeting with the era's world leaders including the Soviet Union's Nikita Khrushchev, Israel's David Ben-Gurion, and all the leaders of Europe.

He constantly worked to represent his district, including work on the Raystown Flood Control Dam, the Windber Community Building, and the Hiram G. Andrews Center. The Windber Borough Counsel named a downtown section as "Whalley Plaza."

I had regular communication with Congressman Whalley over strip mining rules and regulations as he was very active in business. He died Saturday at age 77 while vacationing in Florida. I know the Members who served with him and remember him join with me in expressing our sadness at his death.●

HOUSING INDUSTRY THREATENED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, we are presently confronted with what might be considered one of the most serious economic crises of our time, and the housing industry will suffer greatly if Congress does not take immediate action.

We all know that if we allow the bottom to fall out of the housing market we will end up with widespread unemployment not only in the construction trades, but the ripple effect will spread across the Nation into many other industries both directly and indirectly related to housing. Thus, Mr. Speaker, I am offering a bill today that calls for the reactivation of the emergency mortgage purchase assistance program which worked so well in 1974 and 1975 when our country suffered from a similar, but not quite as serious, increase in mortgage interest rates as we are experiencing today.

As my colleagues know, this allows the purchase of mortgages at up to a 7½ percent interest ceiling, when the Secretary finds that inflationary conditions and related governmental actions or other economic conditions are having a severely disproportionate effect on the housing industry and that a resulting reduction in the volume of home construction and acquisition threatens to seriously affect the economy and to delay the achievement of national goals.

I am sure that all of my colleagues saw the article on the front page of the Washington Post this morning announcing that several savings and loan institutions in Washington have raised their mortgage interest rates to 17 percent, a sure sign to everyone that our housing market is going to suffer and with it those people who are dependent on this industry for their livelihood.

The bill I am proposing, calls for several things and the first is to extend the borrowing authority presently on the books to allow the Government National Mortgage Association access to $10,000,–000,000 for purchases and commitments under section 313 of the National Housing Act. My bill also calls for extending the program authority from October 1, 1980, to October 1, 1982. As far as mortgage limits are concerned, they would be raised to the applicable FHA ceiling, with an add-on of 10 percent for high cost areas. And, finally, the bill makes the construction of multifamily rental housing a primary objective under this act.

Mr. Speaker, I am strongly convinced that the reactivation of this emergency program is absolutely necessary and we must act quickly to prevent a collapse of the housing market. The gloomy assessment for 1980, and I believe this was predicted when mortgage rates were a mere 13 percent, was that housing starts would be off around 900,000 units which would bring starts down to 1.1 million from the 2 million new homes built in 1977 and 1978. I do not know what the prediction is today, but it certainly cannot be any better. And with this downturn the predictions are that we can count on losing more than 1.4 million jobs, $25 billion in wages, and $6.7 billion in tax revenue. Congress cannot sit idly by and let this catastrophe occur, especially when we already have the mechanism in place to turn this situation around.

I want to bring to the attention of the Members that when Chairman Volcker of the Federal Reserve appeared before the Senate Banking Committee, and gave his tacit support to reactivating this emergency program. He said, "if housing starts fall sharply, maintaining a certain level of activity in the industry is not at all inconsistent with an attack on inflation over time. You do not want to close down the whole industry and then have to build it up again as soon as money becomes more fully available.

Mr. Speaker, I believe that Chairman Volcker's comments place this whole situation in perspective. It is not in anyone's best interest to allow the housing industry to collapse and since we have the tools in place to keep this from happening we should utilize them. By enacting my bill, we would not only stabilize the economy, but continue to provide the jobs needed by those in the construction industry as well as provide homes for those families who have been priced out of the housing market.

We need to act quickly, and I hope I can have my colleagues support on this issue.●

NO INCENTIVE FOR THE SMALL SAVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, with the big push on to help the small saver by giving him a break on high interest rates, I find we are really overlooking the "small saver."

Financial institutions are setting very poor examples for the "younger generation"—the kids who put their allowance in the bank to save for that new 10-speed bike, skateboard, clothes or whatever, only to find several months later that while they thought they were earning interest, the bank was busily penalizing them with service charges because their accounts did not meet the minimum balance requirement or because of the inactivity of their account.

In one such case, a 12-year-old girl had a balance in her savings account of $46.70 in August 1977. In July 1979 when she decided to close out her account and spend her money, she found that the bank had deducted $30 from her account as a service charge for an inactive account. This bank's policy was to charge a $30 service charge on all savings accounts that did not have at least one transaction a year. To me, this figure seemed extremely high, and also to the poor little girl, who now had only $16.70 to spend instead of $46.70. She now wishes she had left the money in her piggybank.

In another instance, an 11-year-old girl saved her $2-a-week allowance until she had saved $20. With the $20 she went to the bank and opened a savings account. Two months later when she went to the bank to deposit more money, she found a balance of $19.69—31 cents less than she had started with. This particular bank's policy was to collect a 50-cent service charge per month on all accounts with balances below $50. Thus, deducting $1 in service charges for 2 months and paying interest of 69 cents over the same period.

With this bank's service charge policy, at the end of 6 months with faithful deposits of $2 a week you would have deposited $48. But, because of the monthly 50 cents service charge, your balance would only amount to $45—a $3 service charge over a 6-month period—because the balance was below $50.

This seems like an extremely high price to pay because a person does not have the "big bucks" to deposit into an account on a weekly or monthly basis.

Now, in this time of spiraling inflation is when the financial institutions of this country should speak out and say that they are supporting the small saver and they welcome their accounts instead of charging for the use of their money.

Give the young child who is just beginning to learn the value of money an opportunity and incentive to experience the benefits of having a little "nest egg" in the bank for that rainy day.●

SUBCOMMITTEE ON CRIME TO HOLD HEARINGS ON THE OPERATIONS OF THE PRETRIAL SERVICES AGENCIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, on Tuesday, March 11, 1980, at 9:30 a.m., in room 2237, Rayburn House Office Building, the Subcommittee on Crime of the House Committee on the Judiciary will hold its second oversight hearing on the operations of the pretrial services agency program and on recommendations for the expansion of the program to all districts. The program, which is a demonstration program operating in 10 U.S. district courts was established by title II of the Speedy Trial Act of 1974 to provide better information to the courts concerning accused persons at the bail hearing.

Witnesses scheduled to testify are Honorable Thomas C. Platt, U.S. district court judge for the eastern district of New York; Magistrate Olga Jurco of the northern district of Illinois; Magistrate William F. Hall, Jr., of the eastern district of Pennsylvania; Magistrate Aran Simon Chrein of the eastern district of New York; Probation Officer Thomas W. Jones of the middle district of North Carolina at Greensboro; Madeleine Crohn, director of the Pretrial Services Resource Center; Bruce Beaudin, director of the D.C. Pretrial Services Agency; John A. Carver, III, on behalf of the National Association of Pretrial Services Agencies; and Mr. Herbert S. Miller on behalf of the American Bar Association.

All interested persons wishing to submit testimony for the record or desiring further information should address their inquiries to the Subcommittee on Crime, House Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515. Telephone: (202) 225-1695.●

GASOHOLICS ANONYMOUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 5 minutes.

● Mr. DOWNEY. Mr. Speaker, I wanted to have us take specific note of a letter from the Secretary of Transportation to Senator BIRCH BAYH in which Secretary Goldschmidt details the effects on the highway trust fund of the exemption for gasohol from the normal Federal taxation on gasoline. The letter is dated January 20, 1980.

Over the next 10 years, the net revenues expected to be raised from taxes on gasoline are approximately $83.5 billion. Secretary Goldschmidt expects the revenue loss from the gasohol exemptions to be between $2.7 and $4 billion over that same period. Most of the shortfall will occur in the later part of the decade. In percentage terms, this is a revenue loss of only 3 to 5 percent.

Mr. Speaker, if we are to meet our national goals of conservation and production of substitute fuel, this revenue loss is relatively small and efficient. We have found time and time again this year that the small tax incentives we included in the National Energy Act can encourage homeowners to spend millions on conservation equipment.

Speaking as a member of the Ways and Means Committee for a moment, I would just like to say that the compromise in the present agreement does represent some giving on both sides. Also, language will be included in the report which will stress the need for a reasonable reauthorization in 1984 which not only makes up for the loss, but will encourage ways to shore up the trust fund further.

Gasohol represents one significant way we can help beat our addiction to imported OPEC oil. By going full-fledged into programs which will make this alternative fuel available, we will be moving closer to the day when our balance of payments deficit stops growing and begins to level off.

This past weekend, like many other Members, I held an energy forum in my district to discuss conservation, and alternatives to gasoline. One thing was clear. The people want gasohol incentives. They were literally demanding them. Given what I saw in my district last Saturday as overwhelming support for all alternative energy research programs and specifically gasohol, in my opinion, any Member who would vote for this motion is out of touch. The name of the game here is to provide an incentive that gives certainty to investors.

Our sacred highway trust fund is not worth saving if it means sacrificing a meaningful part of the most promising alternative fuels program anyone has been able to come up with to replace Arab oil.

Inflation is running about 18 percent now. There is a very good reason that it is so high; we import $80 billion worth of imported crude oil.

Making a dent of 3 percent in an aging program is not going to solve this problem, but it will help. Gasohol sales in my district were very high last summer when it became available. I have seen evidence of significant private commitment to this effort. It is time for the Federal Government to move solidly toward gasohol. The 4-cent tax exemption included now in the windfall profit tax conference agreement is one clear way to do this. There are many others, of course, but this tax credit is important.

We in the "frostbelt" welcome the contribution of the "cornbelt" in helping us see some hope in what appears to be a national emergency situation. For all of us who are earnestly trying to find ways for the Federal Government to relieve the pressure on our economy of imported oil, we should oppose this motion to instruct. Let us be gasoholics unanimous in this effort.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., January 30, 1980.
Hon. BIRCH BAYH,
Chairman, Subcommittee on Transportation, Senate Appropriations Committee, Washington, D.C.

DEAR BIRCH: On several occasions, we have discussed the growing use of gasohol and its importance as a substitute fuel to help meet supply shortages over the coming decade. I am aware of your concern for gasohol in your capacity as Chairman of the National Alcohol Fuels Commission as well as your continuing support for the highway program, and I am pleased to respond to your request for information on the relationship between gasohol and highway financing.

As you know, there are various measures of Federal assistance being made available to encourage the greater use of gasohol. Among them is the exemption of this fuel from the normal Federal taxation on gasoline, which is one of the key revenue sources for the Highway Trust Fund. Extension of this exemption is part of the current conference discussions over the energy tax bill.

Concerns have been raised over the impact the gasohol exemption may have on the Highway Trust Fund and its ability to sustain needed programs in the construction and rehabilitation of the Nation's highway network. Present estimates place the total tax revenues into the Highway Trust Fund from all sources (excluding interest on the fund balances), at $83.5 billion over the decade 1981–1990, before allowing for revenue loss due to gasohol. While precise data is not yet available, the revenue loss is now expected to fall between $2.7 and $4.0 billion, with most of the shortfall occurring in the latter years of the decade. In percentage terms, the gasohol exemption represents a revenue loss of between 3 and 5 percent.

While this is a matter of concern, it is only one of several trends affecting the future of the highway program revenue stream. A lessened rate of travel growth, more fuel efficient auto and truck fleets, potential reliance on electric vehicles, and many other factors are combining to depress trust fund revenues growth well below the levels experienced in earlier time periods.

As part of the 1978 Surface Transportation Assistance Act, the Department of Transportation was directed to undertake a number of revenue related studies, including specific review of the proper allocation of highway expenses among classes of users and the most efficient and effective ways of raising revenue. We have these studies well underway and look forward to reporting their results to the next Congress. At that time, it will be important to assess the future highway programs and the ways in which revenue can be produced for those programs, balancing transportation objectives and other national goals such as the production and use of domestic substitute fuel supplies.

I know you have been a strong supporter of progress in the highway program during your tenure as Chairman of the Senate Transportation Appropriations Subcommittee, and I am sure that you will lend support to the measures necessary to assure that such progress continues in the future. I look forward to working with you on these concerns.

Sincerely,
NEIL GOLDSCHMIDT.

TABLE 1.—ESTIMATED EFFECT OF THE GASOHOL EXEMPTION ON THE HIGHWAY TRUST FUND AT A NOMINAL CONVERSION RATE

[In millions of dollars]

	Net estimated revenue without gasohol exemption	Estimated decrease due to gasohol exemption	Net revenue after gasohol exemption
1980	6,974	40	6,934
1981	7,158	76	7,082
1982	7,527	98	7,429
1983	7,851	140	7,711
1984	7,919	191	7,728
1985	7,888	243	7,645
1986	8,264	284	7,980
1987	8,751	341	8,410
1988	9,069	376	8,693
1989	9,396	436	8,960
1990	9,753	497	9,256
Total	90,500	2,722	87,828

●

ARTHUR SCHOENHAUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 10 minutes.

● Mr. BROOKS. Mr. Speaker, I would like to bring to the Members' attention the retirement of one of the most dedicated public servants I have met. Mr. Arthur Schoenhaut, executive secretary of the Cost Accounting Standards Board, has retired from the Federal service as of February 29, 1980.

Mr. Schoenhaut has had a long and varied career in Government service. When I first became acquainted with him, he headed the General Accounting Office's audit effort at the Bureau of Public Roads. He and his team were responsible for numerous management reviews of the Bureau in general and the interstate highway program, in particular. There is no doubt in my mind that the efforts of Mr. Schoenhaut and his staff saved the taxpayers millions of dollars in the construction of the interstate highway program and resulted in a safer and more effective system of highways.

Mr. Schoenhaut left his audit effort to become Deputy Director of the GAO's Civil Division. There he had the technical responsibility for all of GAO's audits, investigations, and reviews of accounting systems in all of the civil agencies of the Government.

Mr. Schoenhaut left GAO to become Deputy Controller of the Atomic Energy Commission, now part of the Department of Energy. In no small part due to his efforts, the Atomic Energy Commission became widely known throughout the Government, financial management and procurement communities as one of the most efficient and effective agencies in the Government.

In 1970, Mr. Schoenhaut was offered a new and challenging position: Executive Secretary of the Cost Accounting Standards Board. This newly created Board was charged with developing a body of cost accounting standards that would bring a degree of uniformity and consistency to Government procurement. During his tenure, the Board essentially developed the body of standards envisioned by the Congress. It was a notable achievement in the history of accounting thought.

In addition to his outstanding work within the Government, Mr. Schoenhaut has participated in other professional activities devoted to improving the accounting profession. Most notably, Mr. Schoenhaut served as national president of the Association of Government Accountants during the 1978–79 fiscal year.

It is an unhappy day for the Government when a public servant as skilled and dedicated as Mr. Schoenhaut leaves it. I wish him well in his retirement and take this opportunity to thank him, on behalf of the American people, for a job well done.●

A DEPARTMENT OF INDUSTRY AND TRADE TO IMPROVE OUR ECONOMIC STRUCTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, we ought to upgrade and give a real mission to the present Department of Commerce by creating in its place a new Department of Industry and Trade (DIT). Such a Department to revitalize the American economy could be achieved under the President's reorganization power. Although that power expires next month, Congress is now wisely moving to renew it.

For years the Department of Commerce has been a weak, ineffectual organ of the executive branch. As long as our economy was stable and prosperous, this vacuum was not too serious. Indeed, several attempts to do in the Department of Commerce have come close to succeeding.

But inflation, unemployment, stagnant productivity, a steadily more obsolete industrial structure, a progressive worsening of our international terms of trade, have now produced something approaching a crisis.

We will not begin to get a handle on inflation until we reform our ramshackle economic structure.

That structural reform must be our main economic fortress. It needs to be surrounded by at least five auxiliary outworks:

First. A fiscal policy that aims at a balanced budget now, as much for its symbolic as its substantive effect.

Second. A monetary policy that continues firm control over the monetary aggregates, though with the lower interest rates that will come from not concentrating the whole burden of fighting inflation on monetary policy, and from bringing inflation down generally.

Third. An employment policy that focuses on the structure of the labor market in our central cities and in our pockets of rural poverty.

Fourth. Gasoline rationing, to cut down on our debilitating oil-induced foreign trade deficits.

Fifth. A temporary wage-price freeze, to exercise inflationary psychology while structural reform is being put in place.

I have been making the point for a long time that what is needed is an across-the-board anti-inflation policy. For some recent examples, see my remarks to the Women's Economic Round Table, CONGRESSIONAL RECORD, December 10, 1979, p. 35209; mv supplementary Joint Economic Committee views, CONGRESSIONAL RECORD, February 28, 1980, p. 4357; and my Los Angeles Times article, CONGRESSIONAL RECORD, March 4, 1980, p. 4525.

Such a comprehensive anti-inflation program needs leadership at the highest level—the White House. And right below the President, it needs a Cabinet-level location. The Department of Industry and Trade I propose is designed to provide that highly visible location.

The central mission of the Department of Industry and Trade would be the reform and revival of the American economic structure. Its technique would frequently involve the use of government-business-labor teams to make indicative plans and to propose solutions for those sectors of our economy that are lagging in productivity.

This takes a leaf from the successful experience in Germany and Japan, whose economic miracles of the last 20 years are in no small part due to this team approach.

Here in America, the current rebuilding of the downtowns of a dozen leading cities also shows what can be done when government-business-labor cooperate, rather than confront each other.

Here are some of the things a Department of Industry and Trade, frequently in conjunction with other departments, would be doing:

In automobiles, working toward the recapture by American plants of our compact car industry.

In steel, finding the capital needed to convert to the vastly more efficient continuous casting process of steelmaking.

In mass transit, evolving an effective bus, light rail vehicle, and commuter self-propelled vehicle.

In railroads, proceeding with the electrification of high traffic rail routes, using coal-generated electricity and thus saving imported oil; and rationalizing rail systems generally.

In food distribution, discerning new efficiencies that can bring about lower prices.

In housing, attempting to lower the excessive cost of land, and to insure an appropriate share of the Nation's capital for housing uses.

In a whole range of industries, consumer electronics, conductors, textiles among them, determining why we are losing competitiveness, and what can be done.

In health care, working for more rational delivery systems.

A high-level team approach, under the overall guidance of the Department of Industry and Trade, could give us a sense of purpose now lacking.

Bringing into the new Department the Small Business Administration, in coordination with the economic development, regional commissions, science and technology, minority business development, and trade adjustment activities now in the Department of Commerce, would provide a more unified approach. Operating economies can be obtained for the new Department of Industry and Trade by utilizing the personnel of the Federal Reserve System. Without in any way compromising the independence of the Federal Reserve System, the new productivity-increasing, structure-reforming, reindustrializing activities of the Department of Industry and Trade could be enhanced by drawing on the expertness and prestige of the 40,000 Federal Reserve employees now at work in Washington, in the 12 cities that house the Federal Reserve district banks, and in their 26 branches and 40 centers.

The Department of Industry and Trade would do two main things—first, bring under one tent all of our export-aiding activities; and second, put into place an entirely new concept of structural reform. The first activity is now headed by the Under Secretary of Commerce for International Trade. The new Department should contain a second Under Secretary for Domestic Industry and Trade.

As to the first, or export-enhancing function, all the export functions need to be concentrated in the new Department of Industry and Trade. The President has already moved last November to consolidate many of the Government's export-promotion functions in the existing Department of Commerce. There needs to be added, as the Department of Commerce becomes the Department of Industry and Trade, the Office of the U.S. Trade Representative, now in the Executive Office of the President. Other trade-oriented entities now outside the Department of Commerce need to be brought into the new Department of Industry and Trade, including the Export-Import Bank and the Overseas Private Investment Corporation.

The second major function of the Department of Industry and Trade, structural reform, is a task that no one is now attending to. Our ramshackle economy shows this lack of attention. By asserting overall a new team effort at sectoral planning and structural problem-solving, the Department of Industry and Trade can be an important part of a new economic policy. The country needs such a policy if we are to master the economic challenges of the 1980's.●

TRIBUTE TO THE LATE ROBERT L. RIGGS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, I take this occasion to record the passing on February 19 of Robert L. Riggs who was for a quarter century one of the best known and most distinguished newspaper correspondents in Washington.

Mr. Riggs represented the Courier-Journal of Louisville, Ky., in Washington from 1942 until his retirement in 1967. He was widely known among the top newspapermen in this city, and was a frequent interrogator on NBC's "Meet the Press."

He had known and covered every President of the United States from Franklin Roosevelt to Richard Nixon.

During the first 2 years after his retirement from newspapering, Bob Riggs was my administrative assistant. And for 5 years he held a similar position with Senator John Sherman Cooper of Kentucky.

He brought to his second career on Capitol Hill the same fairness and integrity that had characterized his long career as a newspaperman.

Mr. Speaker, I insert in the RECORD the following obituary notice that appeared on February 20 in the Courier-Journal, the columns of which he graced by his writing and editing for nearly four decades.

Mr. Riggs had manv friends in Congress and in the country. And they are all saddened by his death at age 78. I extend my sympathy to his gracious wife, the former Dorothy Harrison, and to his son, attorney Russell H. Riggs, both of Louisville.

EX-NEWSMAN ROBERT RIGGS DIES AT 78 IN LOUISVILLE

Robert L. Riggs, who was chief of The Courier-Journal's Washington Bureau for 24 years, died Tuesday at Highlands Baptist Hospital in Louisville. He was 78 and lived at 2500 Glenmary Ave., Louisville.

Riggs, a native of Joplin, Mo., worked for The Courier-Journal 37 years before retiring in 1967. He started as assistant state editor and eventually handled each editor's job in the newsroom before going to Washington in 1942.

His tenure in Washington spanned much of World War II and continued through the McCarthy era, the Korean War and much of the Vietnam War.

Riggs, who sometimes lamented his unruly shock of hair, prided himself on his frankness. He was known as a tough questioner and one of Washington's top analytical writers.

Riggs reported on issues affecting Kentucky and also followed and interpreted national politics with a tenacity that brought him stature among the Washington press corps. He appeared as a panelist on many NBC "Meet the Press" programs.

Between 1944 and 1964, he covered every national convention of the two major political parties. He also made recordings of interviews with President Harry Truman, with whom he was especially close, for the Truman Library.

Riggs' colleagues nicknamed him "The Asp" because of his caustic wit. And his devotion to the same lunch each day for more than 20 years produced "the Riggs Special"—a thick well-done hamburger, a dish of cottage cheese, a square of Liederkranz cheese and black coffee.

He was elected president of the Gridiron Club in 1961. The club, a society for newspaper correspondents, produces a satirical musical review annually for the president and other Washington officials.

When Riggs, as toastmaster, rose to introduce President John F. Kennedy that year, he brought laughter by taking his notes out of a paper sack.

He was a frequent public speaker on journalism and on The Battle of Gettysburg.

"There was a time when it was considered outrageous for a reporter to have strong personal views about political questions," Riggs said in a speech about four years before his retirement.

"If a man were known to be a Democrat, he was considered to be disqualified from covering Republicans, and vice versa. Personally, I've never thought there was any merit in a reporter pretending he had no opinion."

Riggs continued. "The proudest badge that I wear is the remark the late (Sen.) Robert A. Taft made to me: 'I know you are a New Dealer, and I'm not going to try to convert you. But you've always been fair to me.'"

Riggs' love affair with Gettysburg began when a friend gave a temporarily bedridden Riggs a book about the battle. Riggs would recount—to nearly anyone who would listen—what really happened during the Battle of Gettysburg.

After he retired from The Courier-Journal, he became an administrative assistant to U.S. Rep. Carl D. Perkins, D–7th District, and later held a similar post with Kentucky Republican Sen. John Sherman Cooper.

Riggs graduated from the University of Missouri in 1927. He came to The Courier-Journal about two years later, after working in Wisconsin with The Associated Press and The Milwaukee Journal.

Survivors include his wife, the former Dorothy Harrison; a son, Russell H. Riggs; a brother, Mr. Dudley Riggs of Missouri; and two grandchildren.

The funeral will be at 11 a.m. Friday at Highland Presbyterian Church, with private burial in Cave Hill Cemetery.

The family will be at the residence from 5 to 8 p.m. tomorrow.

The family requests that expressions of sympathy take the form of contributions to the memorial fund at Highland Presbyterian Church.

Pearson's, 149 Breckenridge Lane, is in charge of arrangements.●

WE CANNOT LICK INFLATION WITHOUT CONTROLS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, until late last year, most Americans, most economists, and most Members of Congress appeared to share the President's hope that a combination of voluntary wage and price guidelines, continuing reductions in Federal budget deficits, and increased conservation of energy would lower the inflationary spiral. Unfortunately, these expectations have not been fulfilled, and, as we all know, inflation is soaring upward at an accelerated pace.

It should not surprise anyone, therefore, that the last couple of months have seen a massive shift in public opinion, as well as the opinion of many economic experts. The public now overwhelmingly supports the imposition of economic controls over prices and wages.

There are sound reasons for the shift First and foremost is the rapid rise in the Cost of Living Index, which for the past 2 months has been running at almost 20 percent, if projected for the full 12 months. Second, the continued escalation of interest rates, in response to actions of the Federal Reserve Board, have brought them to an alltime high, with disastrous effects on the housing, automobile, savings and loan, and other industries that depend on the availability of credit at interest rates that most people can afford. A third factor has been the likelihood of a new spurt in defense spending, precipitated by the Russian invasion of Afghanistan and the threat it poses to the world's major sourec of oil.

In the past, confronted with similar combinations of circumstances, Democratic Congresses and Democratic administrations have faced up to the necessity of imposing controls on prices, wages and credit, not because they had any illusion that such controls would solve the underlying causes of inflation but because, without such action, prices would run wild until they finally brought on an economic collapse. Even conservative economists are now recognizing that we have reached the point where only wage and price controls can break the inflationary momentum and buy us time to make the necessary structural changes to reduce the inflationary pressures to manageable proportions.

In these circumstances, it is nothing short of tragic that the sounds coming from the White House suggest that the President and his advisers are way behind both the economists and the people in the measures that they are recommending to deal with the economy in its present state. Clearly, the 1981 budget must be brought into balance, as Congress itself promised to do. But balancing the budget will have almost no immediate affect on inflation. Without controls, interest rates will continue to soar and actually make inflation worse, since the cost of money underlies the cost of almost everything else. The White House approach is altogether too reminiscent of that taken in the days of Herbert Hoover. Surely we must have learned by now that we do not need to destroy our economy in order to save it.

Mr. Speaker, an article by Clayton Fritchey in the Washington Post for Friday, March 7, contains an excellent summary of the situation and of the inadequacy of the methods apparently being considered. The full text of Mr. Fritchey's article follows these remarks:

Deflating the Dream

(By Clayton Fritchey)

Gunter Schmolders, the West German economist who made an unusual economic study of the decade between 1963 and 1973, discovered that of 40 countries whose inflation reached 15 percent in that period, 38 "abolished their democratic institutions in one way or another."

Today, in the United States, the inflation rate is already over 18 percent, and still climbing. Nevertheless, the Carter administration continues to dwell in a dream world when it comes to inflation and how to cope with it.

Listening to Jimmy Carter on this subject is like hearing a replay of Herbert Hoover's reassurances during the Great Depression that "prosperity is just around the corner." This time a year ago, Carter told America that his anti-inflation program was "beginning to take hold." Last October, calling for "a little patience," he predicted that both interest and inflation rates would go down before the end of 1979.

Although both rates have since shot up to record highs, the administration keeps making soothing statements. Only a few days ago, the secretary of the Treasury, William Miller, sent a telegram to the top executives of the nation's 500 largest corporations. It said that the Council on Wage and Price Stability "will intensify its monitoring activities to make certain that both the price and wage standards continue to be effective."

The operative word is "continue," which must have convulsed the executives in view of the latest inflation headlines, such as: "Major Banks Raise Price Rates to 17.25 Percent." "Administration Seeks $58 Billion Boost in Debt Ceiling." "Dollar Plunges Against Japanese Yen."

The White House talks about cutting expenditures by $15 billion and aiming at balancing the budget, not this year, of course, but in 1981. At most, that would reduce inflation by two-tenths of 1 percent. It's like combating a raging four-alarm blaze with proposals for long-range, minor improvements in the fire department.

Both Carter and Congress seem susceptible to panaceas that are more likely to inflame inflation than douse it. The president puts nearly all of the blame for inflation on the increase of oil prices, yet his decision to decontrol domestic oil is responsible for much of the recent runaway cost of gasoline. In fact, the price of decontrolled oil has been rising even faster than the price of imported oil.

Congress, like Carter, preaches but does not practice a balanced federal budget, one reason being that it knows the total government budget (federal, state, municipal) is already in balance. The federal budget appears to be in deficit not because of federal spending; but because Washington gives the states and cities over $80 billion a year in handouts of one kind or another, some of it called "revenue sharing." If it weren't for that, the federal budget would already be in surplus.

Despite this, the president and Congress condemn deficit financing as if it were the principal source of inflation. There is little recent evidence, however, to support this notion.

In Gerald Ford's last two years in the White House, the federal deficit was $45.2 billion in 1975 and $66.4 billion (the all-time record) in 1976, for a total of $111.6 billion. Yet when Ford left office, the inflation rate had dropped to around 4.8 percent. Under the Carter administration, the deficit was $30.3 billion in 1979 and is projected at $33.2 billion for 1980, for a total of $63.5 billion, or $48.1 billion less than under Ford. Nonetheless, the inflation rate under Carter has more than tripled.

Another way of assessing deficits, and their whimsical effect on inflation, is to compare them with the gross national product—output of goods and services. On this basis, Carter's four-year deficit total is equal to 1.8 percent of the GNP, just half of Ford's 3.6 percent, but look at the respective inflation rates.

More and more conservative economists are coming to believe that, at this advanced stage of inflation, only wage and price controls will enable the government to zero in on the worst price offenders—energy, food, housing and medical care. Higher inflation in the basic necessities is what cries for relief.

Not long ago, President Carter said, "Whatever it takes to control inflation, that's what

I will do." Whatever it takes, that is, except embracing the kind of controls Ted Kennedy is now campaigning for.●

CONFERENCE REPORT ON H.R. 3919

Mr. ULLMAN submitted the following conference report and statement on the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

Conference Report (H. Rept. No. 96-817)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

Section 1. Short Title; Amendment of 1954 Code; Table of Contents.

(a) Short Title.—This Act may be cited as the "Crude Oil Windfall Profit Tax Act of 1980".

(b) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(c) Table of Contents.—

Sec. 1. Short title; amendment of 1954 Code; table of contents.

TITLE I—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

Sec. 101. Windfall profit tax.
Sec. 102. Allocation of net revenues from windfall profit tax on certain uses.
Sec. 103. Study of effects of decontrol of oil prices and of windfall profit tax.

TITLE II—ENERGY CONSERVATION AND PRODUCTION INCENTIVES

Part I—Residential Energy Credit

Sec. 201. General provisions relating to credit.
Sec. 202. Renewable energy source expenditures.
Sec. 203. Provisions to prevent double benefits.

Part II—Business Energy Investment Credits

Sec. 221. Changes in amount and period of application of energy percentage.
Sec. 222. Changes in energy property item descriptions.
Sec. 223. Other changes with respect to the investment credit for investment in energy property.

Part III—Production of Fuel From Nonconventional Sources; Alcohol Fuels

Sec. 231. Production tax credit.
Sec. 232. Alcohol fuels.

Part IV—Energy-Related Uses of Tax Exempt Bonds

Sec. 241. Solid waste disposal facilities.
Sec. 242. Qualified hydroelectric generating facilities.
Sec. 243. Renewable energy property.
Sec. 244. Certain obligations must be in registered form and not guaranteed or subsidized under an energy program.

Part V—Tertiary Injectants

Sec. 251. Tertiary injectants.

TITLE III—LOW-INCOME ENERGY ASSISTANCE

Sec. 301. Short title.
Sec. 302. Statement of findings and purpose.
Sec. 303. Definitions.
Sec. 304. Home energy grants authorized.
Sec. 305. Eligible households.
Sec. 306. Allotments.
Sec. 307. Uses of home energy grants.
Sec. 308. State plans.
Sec. 309. Uniform data collection.
Sec. 310. Payments.
Sec. 311. Withholding.
Sec. 312. Criminal penalties.
Sec. 313. Administration.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Repeal of carryover basis.
Sec. 402. Disapproval of Presidential actions adjusting oil imports.
Sec. 403. Qualified liquidations of LIFO inventories.
Sec. 404. Exemption of certain interest income from tax.

TITLE I—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

Sec. 101. Windfall Profit Tax.

(a) In General.—

(1) Amendment of subtitle d.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter.

"CHAPTER 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Subchapter A—Imposition and Amount of Tax
"Subchapter B. Categories of oil.
"Subchapter C. Miscellaneous provisions.

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Windfall profit; removal price.
"Sec. 4989. Adjusted base price.
"Sec. 4990. Phaseout of tax.

"(a) Imposition of Tax.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) Tax Paid by Producer.—The tax imposed by this section shall be paid by the producer of the crude oil.

"Sec. 4987. Amount of Tax.

"(a) In General.—The amount of tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be the applicable percentage of the windfall profit on such barrel.

"(b) Applicable Percentage.—For purposes of subsection (a)—

"(1) General rule for tiers 1 and 2.—The applicable percentage for tier 1 oil and tier 2 oil which is not independent producer oil is—

"Tier 1	70
"Tier 2	60

"(2) Independent producer oil.—The applicable percentage for independent producer oil which is tier 1 oil or tier 2 oil is—

"Tier 1	50
"Tier 2	30

"(3) Tier 3 oil.—The applicable percentage for tier 3 oil is 30 percent.

"(c) Fractional Part of Barrel.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on the whole barrel.

"Sec. 4988. Windfall Profit; Removal Price.

"(a) General Rule.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(1) the adjusted base price of such barrel, and

"(2) the amount of the severance tax adjustment with respect to such barrel provided by section 4996(c).

"(b) Net Income Limitation on Windfall Profit.—

"(1) In general.—The windfall profit on any barrel of crude oil shall not exceed 90 percent of the net income attributable to such barrel.

"(2) Determination of net income.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil from such property taken into account for such taxable year.

"(3) Taxable income from the property.—For purposes of paragraph (2)—

"(A) In general.—Except as otherwise provided in this paragraph, the taxable income from the property shall be determined under section 613(a).

"(B) Certain deductions not allowed.—No deduction shall be allowed for—

"(i) depletion,

"(ii) the tax imposed by section 4986,

"(iii) section 263(c) costs, or

"(iv) qualified tertiary injectant expenses to which an election under subparagraph (E) applies.

"(C) Taxable income reduced by cost depletion.—Taxable income shall be reduced by the cost depletion which would have been allowable for the taxable year with respect to the property if—

"(i) all—

"(I) section 263(c) costs, and

"(II) qualified tertiary injectant expenses to which an election under subparagraph (E) applies, incurred by the taxpayer had been capitalized and taken into acocunt in computing cost depletion, and

"(ii) cost depletion had been used by the taxpayer with respect to such property for all taxable periods.

"(D) Section 263(c) costs.—For purposes of this paragraph, the term 'section 263(c) costs' means intangible drilling and development costs incurred by the taxpayer which (by reason of an election under section 263 (c)) may be deducted as expenses for purposes of this title (other than this paragraph). Such term shall not include costs incurred in drilling a nonproductive well.

"(E) Election to capitalize qualified tertiary injectant expenses.—

"(i) In general.—Any taxpayer may elect, with respect to any property, to capitalize qualified tertiary injectant expenses for purposes of this paragraph. Any such election shall apply to all qualified tertiary injectant expenses allocable to the property for which the election is made, and may be revoked only with the consent of the Secretary. Any such election shall be made at such time and in such manner as the Secretary shall by regulations prescribe.

"(ii) Qualified tertiary injectant expenses.—The term 'qualified tertiary injectant expenses' means any expenses allowable as a deduction under section 193.

"(4) Special rule for applying paragraph (3) (c) to certain transfers of proven oil or gas properties.—

"(A) In general.—In the case of any proven oil or gas property transfer which (but for this subparagraph), would result in an increase in the amount determined under paragraph (3) (C) with respect to the transferee, paragraph (3) (C) shall be applied with respect to the transferee by taking into account only those amounts which would have been allowable with respect to the transferor under paragraph (3)(C) and those costs incurred during periods after such transfer.

"(B) PROVEN OIL OR GAS PROPERTY TRANSFER.—For Purposes of subparagraph (A), the term 'proven oil or gas property transfer' means any transfer (including the subleasing of a lease or the creation of a production payment which gives the transferee an economic interest in the property) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property (within the meaning of section 613A(c)(9)(A)).

"(5) SPECIAL RULE WHERE THERE IS PRODUCTION PAYMENT.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property of both the person holding such production payment and the person holding the interest from which such production payment was created.

"(c) REMOVAL PRICE.—For purposes of this chapter—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'removal price' means the amount for which the barrel is sold.

"(2) SALES BETWEEN RELATED PERSONS.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) OIL REMOVED FROM PREMISES BEFORE SALE.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) REFINING BEGUN ON PREMISES.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) MEANING OF TERMS.—The terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"SEC. 4989. ADJUSTED BASE PRICE.

"(a) ADJUSTED BASE PRICE DEFINED.—For purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—For purposes of subsection (a), the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter exceeds

"(B) such deflator for the calendar quarter ending June 30, 1979.

"(2) ADDITIONAL ADJUSTMENT FOR TIER 3 OIL.—The adjusted base price for tier 3 oil shall be determined by substituting for the implicit price deflator referred to in paragraph (1)(A) an amount equal to such deflator multiplied by 1.005 to the nth power where 'n' equals the number of calendar quarters beginning after September 1979 and before the calendar quarter in which the oil is removed from the premises.

"(3) FIRST REVISION OF PRICE DEFLATOR USED.—For purposes of paragraphs (1) and (2), the first revision of the price deflator shall be used.

"(c) BASE PRICE FOR TIER 1 OIL.—For purposes of this chapter, the base price for tier 1 oil is—

"(1) the ceiling price which would have applied to such oil under the March 1979 energy regulations if it had been produced and sold in May 1979 as upper tier oil, reduced by

"(2) 21 cents.

"(d) BASE PRICES FOR TIER 2 OIL AND TIER 3 OIL.—For purposes of this chapter—

"(1) GENERAL RULE.—Except as provided in paragraph (2), the base prices for tier 2 oil and tier 3 oil shall be prices determined pursuant to the method prescribed by the Secretary by regulations. Any method so prescribed shall be designed so as to yield, with respect to oil of any grade, quality, and field, a base price which approximates the price at which such oil would have sold in December 1979 if—

"(A) all domestic crude oil were uncontrolled, and

"(B) the average removal price for all domestic crude oil (other than Sadlerochit oil) were—

"(i) $15.20 a barrel for purposes of determining base prices for tier 2 oil, and

"(ii) $16.55 a barrel for purposes of determining base prices for tier 3 oil.

"(2) INTERIM RULE.—For months beginning before October 1980 (or such earlier date as may be provided in regulations taking effect before such earlier date), the base prices for tier 2 oil and tier 3 oil, respectively, shall be the product of—

"(A)(i) the highest posted price for December 31, 1979, for uncontrolled crude oil of the same grade, quality, and field, or

"(ii) if there is no posted price described in clause (i), the highest posted price for such date for uncontrolled crude oil at the nearest domestic field for which prices for oil of the same grade and quality were posted for such date, multiplied by

"(B) a fraction the denominator of which is $35, and the numerator of which is—

"(i) $15.20 for purposes of determining base prices for tier 2 oil, and

"(ii) $16.55 for purposes of determining base prices for tier 3 oil.

For purposes of the preceding sentence, no price which was posted after January 14, 1980, shall be taken into account.

"(3) MINIMUM INTERIM BASE PRICE.—The base price determined under paragraph (2) for tier 2 oil or tier 3 oil shall not be less than the sum of—

"(A) the ceiling price which would have applied to such oil under the March 1979 energy regulations if it had been produced and sold in May 1979 as upper tier oil, plus

"(B)(i) $1 in the case of tier 2 oil, or

"(ii) $2 in the case of tier 3 oil.

"SEC. 4990. PHASEOUT OF TAX

"(a) PHASEOUT.—Notwithstanding any other provision of this chapter, the tax imposed by this chapter with respect to any crude oil removed from the premises during any month during the phaseout period shall not exceed—

"(1) the amount of tax which would have been imposed by this chapter with respect to such crude oil but for this subsection, multiplied by

"(2) the phaseout percentage for such month.

"(b) TERMINATION OF TAX.—Notwithstanding any other provision of this chapter, no tax shall be imposed by this chapter with respect to any crude oil removed from the premises after the phaseout period.

"(c) DEFINITIONS.—For purposes of this section—

"(1) PHASEOUT PERIOD.—The term 'phaseout period' means the 33-month period beginning with the month following the target month.

"(2) PHASEOUT PERCENTAGE.—The phaseout percentage for any month is 100 percent reduced by 3 percentage points for each month after the target month and before the month following the month for which the phaseout percentage is being determined.

"(3) TARGET MONTH.—The term 'target month' means the later of—

"(A) December 1987, or

"(B) the first month for which the Secretary publishes an estimate under subsection (d)(2).

In no event shall the target month be later than December 1990.

"(d) DETERMINATION OF AGGREGATE NET WINDFALL REVENUE.—

"(1) ESTIMATE BY THE SECRETARY.—For each month after 1986, the Secretary shall make an estimate of the aggregate net windfall revenue as of the close of such month. Any such estimate shall be made during the preceding month and shall be made on the basis of the best available data as of the date of making such estimate.

"(2) PUBLICATION.—If the Secretary estimates under paragraph (1) that the aggregate net windfall revenue as of the close of any month will exceed, $227,300,000,000, the Secretary shall (not later than the last day of the preceding month) publish notice in the Federal Register that he has made such an estimate for such month.

"(3) AGGREGATE NET WINDFALL REVENUE DEFINED.—For purposes of this subsection, the term 'aggregate net windfall revenue' means the amount which the Secretary estimates to be the excess of—

"(A) the gross revenues from the tax imposed by section 4986 during the period beginning on March 1, 1980, and ending on the last day of the month for which the estimate is being made, over

"(B) the sum of—

"(i) the refunds of and other adjustments to such tax for such period, plus

"(ii) the decrease in the income taxes imposed by chapter 1 resulting from the tax imposed by section 4986.

For purposes of subparagraph (A), there shall not be taken into account any revenue attributable to an economic interest in crude oil held by the United States.

"SUBCHAPTER B—CATEGORIES OF OIL

"Sec. 4991. Taxable crude oil; categories of oil.
"Sec. 4992. Independent producer oil.
"Sec. 4993. Incremental tertiary oil.
"Sec. 4994. Definitions and special rules relating to exemptions.

"SEC. 4991. TAXABLE CRUDE OIL; CATEGORIES OF OIL

"(a) TAXABLE CRUDE OIL.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than exempt oil.

"(b) EXEMPT OIL.—For purposes of this chapter, the term 'exempt oil' means—

"(1) any crude oil from a qualified governmental interest or a qualified charitable interest, "(2) any exempt Indian oil,

"(3) any exempt Alaskan oil, and

"(4) any exempt front-end oil.

"(c) Tier 1 Oil.—For purposes of this chapter, the term 'tier 1 oil' means any taxable crude oil other than—

"(1) tier 2 oil, and

"(2) tier 3 oil.

"(d) Tier 2 Oil.—For purposes of this chapter—

"(1) In General.—Except as provided in paragraph (2), the term 'tier 2 oil' means—

"(A) any oil which is from a stripper well property within the meaning of the June 1979 energy regulations, and

"(B) any oil from an economic interest in a National Petroleum Reserve held by the United States.

"(2) Exclusion of Certain Oil.—The term 'tier 2 oil' does not include tier 3 oil.

"(e) Tier 3 Oil.—For purposes of this chapter—

"(1) In General.—The term 'tier 3 oil' means—

"(A) newly discovered oil,

"(B) heavy oil, and

"(C) incremental tertiary oil.

"(2) Newly Discovered Oil.—The term 'newly discovered oil' has the meaning given to such term by the June 1979 energy regulations.

"(3) Heavy Oil.—The term 'heavy oil' means all crude oil which is produced from a property if crude oil produced and sold from such property during—

"(A) the last month before July 1979 in which crude oil was produced and sold from such property, or

"(B) the taxable period,

had a weighted average gravity of 16 degrees API or less (corrected to 60 degrees Fahrenheit).

"(4) Incremental tertiary oil.—

"For definition of incremental tertiary oil, see section 4993.

"Sec. 4992. Independent Producer Oil.

"(a) General Rule.—For purposes of this chapter, the term 'independent producer oil' means that portion of an independent producer's qualified production for the quarter which does not exceed such person's independent producer amount for such quarter.

"(b) Independent Producer Defined.—For purposes of this section—

"(1) In general.—The term 'independent producer' means, with respect to any quarter, any person other than a person to whom subsection (c) of section 613A does not apply by reason of paragraph (2) (relating to certain retailers) or paragraph (4) (relating to certain refiners) of section 613A(d).

"(2) Rules for applying paragraphs (2) and (4) of section 631A(d).—For purposes of paragraph (1), paragraphs (2) and (4) of section 613A(d) shall be applied—

"(A) by substituting 'quarter' for 'taxable year' each place it appears in such paragraphs, and

"(B) by substituting '$1,250,000' for '$5,000,000' in paragraph (2) of section 613A(d).

"(c) Independent Producer Amount.—For purposes of this section—

"(1) In general.—A person's independent producer amount for any quarter is the product of—

"(A) 1,000 barrels, multiplied by

"(B) the number of days in such quarter (31 in the case of the first quarter of 1980).

"(2) Production exceeds amount.—If a person's qualified production for any quarter exceeds such person's independent producer amount for such quarter, the independent producer amount shall be allocated—

"(A) between tiers 1 and 2 in proportion to such person's production for such quarter of domestic crude oil in each such tier, and

"(B) within any tier, on the basis of the removal prices for such person's domestic crude oil in such tier removed during such quarter, beginning with the highest of such prices.

"(d) Qualified Production of Oil Defined.—For purposes of this section—

"(1) In general.—An independent producer's qualified production of oil for any quarter is the number of barrels of taxable crude oil—

"(A) of which such person is the producer,

"(B) which is removed during such quarter,

"(C) which is tier 1 oil or tier 2 oil, and

"(D) which is attributable to the independent producer's working interest in a property.

"(2) Working interest defined.—

"(A) In general.—The term 'working interest' means an operating mineral interest (within the meaning of section 614(d))—

"(i) which was in existence as such an interest on January 1, 1980, or

"(ii) which is attributable to a qualified overriding royalty interest.

"(B) Qualified overriding royalty interest.—For purposes of subparagraph (A) (ii), the term 'qualified overriding royalty interest' means an overriding royalty interest in existence as such an interest on January 1, 1980, but only if on February 20, 1980, there was in existence a binding contract under which such interest was to be converted into an operating mineral interest (within the meaning of section 614(d)).

"(3) Production from transferred property.—

"(A) In general.—Except as otherwise provided in this paragraph, in the case of a transfer on or after January 1, 1980, of an interest in any property, the qualified production of the transferee shall not include any production attributable to such interest.

"(B) Small producer transfer exemption.—

"(i) In general.—Subparagraph (A) shall not apply to any transfer of an interest in property if the transferee establishes (in such manner as may be prescribed by the Secretary by regulations) that at no time after December 31, 1979, has the property been held by a person who was a disqualified transferor for any quarter ending after September 30, 1979, and ending before the date such person transferred the interest.

"(ii) Disqualified transferor.—The term 'disqualified transferor' means, with respect to any quarter, any person who—

"(I) had qualified production for such quarter which exceeded such person's independent producer amount for such quarter, or

"(II) was not an independent producer for such quarter.

"(iii) Special rules.—For purposes of this paragraph—

"(I) Property held by partnerships.—Property held by a partnership at any time shall be treated as owned proportionately by the partners of such partnership at such time.

"(II) Property held by trust or estate.—Property held by any trust or estate shall be treated as owned both by such trust or estate and proportionately by its beneficiaries.

"(III) Constructive application.—This chapter shall be treated as having been in effect for periods after September 30, 1979, for purposes of making any determination under subclause (I) or (II) of clause (ii).

"(C) Other exceptions.—Subparagraph (A) shall not apply in the case of—

"(i) a transfer of property at death,

"(ii) a change of beneficiaries of a trust which qualifies under clause (iii) of section 613A(c)(9)(B) (determined without regard to the exception at the end of such clause), and

"(iii) any transfer so long as the transferor and transferee are required by subsection (e) to share the 1,000 barrel amount contained in subsection (c)(1)(A).

The preceding sentence shall apply in the case of any property only if the production from the property was qualified production for the transferor.

"(D) Transfers include subleases, etc.—For purposes of this paragraph—

"(i) a sublease shall be treated as a transfer, and

"(ii) an interest in a partnership or trust shall be treated as an interest in property held by the partnership or trust.

"(e) Allocation Within Related Group—

(1) In general.—In the case of persons who are members of the same related group at any time during any quarter, the 1,000 barrel amount contained in subsection (c)(1)(A) for days during such quarter shall be reduced for each such person by allocating such amount among all such persons in proportion to their respective qualified production for such quarter.

"(2) Related group.—For purposes of this subsection, persons shall be treated as members of a related group if they are described in any of the following clauses:

"(A) a family,

"(B) a controlled group of corporations,

"(C) a group of entities under common control; or

"(D) if 50 percent or more of the beneficial interest in 1 or more corporations, trusts, or estates is owned by the same family, all such entities and such family.

"(3) Definitions and special rules.—For purposes of this subsection—

"(A) Controlled group of corporations.—The term 'controlled group of corporations' has the meaning given such term by section 613A(c)(8)(D)(i).

"(B) Group of entities under common control.—The term 'group of entities under common control' means any group of corporations, trusts, or estates which (as determined under regulations prescribed by the Secretary) are under common control. Such regulations shall be based on principles similar to the principles which apply under subparagraph (A).

"(C) Family.—The term 'family' means an individual and the spouse and minor children of such individual.

"(D) Constructive ownership.—For purposes of paragraph (2)(D), an interest owned by or for a corporation, partnership, trust, or estate shall be considered as owned directly by the entity and proportionately by its shareholders, partners, or beneficiaries, as the case may be.

"(E) Members of more than 1 related group.—If a person is a member of more than 1 related group during any quarter, the determination of such person's allocation under paragraph (1) shall be made by reference to the related group which results in the smallest allocation for such person.

"Sec. 4993. Incremental Tertiary Oil.

"(a) In General.—For purposes of this chapter, the term 'incremental tertiary oil' means the excess of—

"(1) the amount of crude oil which is removed from a property during any month and which is produced on or after the project beginning date and during the period for which a qualified tertiary recovery project is in effect on the property, over

"(2) the base level for such property for such month.

"(b) Determination of Amount.—For purposes of this section—

"(1) Base level.—The base level for any property for any month is the average monthly amount (determined under rules similar to rules used in determining the base production control level under the June 1979 energy regulations) of crude oil removed from such property during the 6-month period ending March 31, 1979, reduced (but not below zero) by the sum of—

"(A) 1 percent of such amount for each month which begins after 1978 and before the first month beginning after the project beginning date, and

"(B) 2½ percent of such amount for each month which begins after the project beginning date (or after 1978 if the project beginning date is before 1979) and before the month for which the base level is being determined.

"(2) MINIMUM AMOUNT IN CASE OF PROJECTS CERTIFIED BY DOE.—In the case of a project described in subsection (c) (1) (A), for the period during which the project is in effect, the amount of the incremental tertiary oil shall not be less than the incremental production determined under the June 1979 energy regulations.

"(3) ALLOCATION RULES.—The determination of which barrels of crude oil removed during any month are incremental tertiary oil shall be made—

"(A) first by allocating the amount of incremental tertiary oil between—

"(i) oil which (but for this subsection) would be tier 1 oil, and

"(ii) oil which (but for this subsection) would be tier 2 oil,

in proportion to the respective amounts of each such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices, beginning with the highest of such prices.

"(c) QUALIFIED TERTIARY RECOVERY PROJECT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified tertiary recovery project' means—

"(A) a qualified tertiary enhanced recovery project with respect to which a certification as such has been approved and is in effect under the June 1979 energy regulations, or

"(B) any project for enhancing recovery of crude oil which meets the requirements of paragraph (2).

"(2) REQUIREMENTS.—A project meets the requirements of this paragraph if—

"(A) the project involves the application (in accordance with sound engineering principles) of 1 or more tertiary recovery methods which can reasonably be expected to result in more than an insignificant increase in the amount of crude oil which will ultimately be recovered.

"(B) the project beginning date is after May 1979,

"(C) the portion of the property to be affected by the project is adequately delineated,

"(D) the operator submits (at such time and in such manner as the Secretary may by regulations prescribe) to the Secretary—

"(i) a certification from a petroleum engineer that the project meets the requirements of subparagraphs (A), (B), and (C), or

"(ii) a certification that a jurisdictional agency (within the meaning of subsection (d) (5) has approved the project as meeting the requirements of subparagraphs (A), (B), and (C), and that such approval is still in effect, and

"(E) the operator submits (at such time and such manner as the Secretary may by regulations prescribe) to the Secretary a certification from a petroleum engineer that the project continues to meet the requirements of subparagraphs (A), (B), and (C).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) TERTIARY RECOVERY METHOD.—The term 'tertiary recovery method' means—

"(A) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations, or

"(B) any other method to provide tertiary enhanced recovery which is approved by the Secretary for purposes of this chapter.

"(2) PROJECT BEGINNING DATE.—The term 'project beginning date' means the later of—

"(A) the date on which the injection of liquids, gases, or other matter begins, or

"(B) the date on which—

"(i) in the case of a project described in subsection (c) (1) (A), the project is certified as a qualified tertiary enhanced recovery project under the June 1979 energy regulations, or

"(ii) in the case of a project described in subsection (c) (1) (B), a petroleum engineer certifies, or a jurisdictional agency approves, the project as meeting the requirements of subparagraphs (A), (B), and (C) of subsection (c) (2).

"(3) PROJECT ONLY AFFECTS PORTION OF PROPERTY.—If a qualified tertiary recovery project can reasonably be expected to increase the ultimate recovery of crude oil from only a portion of a property, such portion shall be treated as a separate property.

"(4) SIGNIFICANT EXPANSION TREATED AS SEPARATE PROJECT.—A significant expansion of any project shall be treated as a separate project.

"(5) JURISDICTIONAL AGENCY.—The term 'jurisdictional agency' means—

"(A) in the case of an application involving a tertiary recovery project on lands not under Federal jurisdiction—

"(i) the appropriate State agency in the State in which such lands are located which is designated by the Governor of such State in a written notification submitted to the Secretary as the agency which will approve projects under this subsection, or

"(ii) if the Governor of such State does not submit such written notification within 180 days after the date of the enactment of the Crude Oil Windfall Profit Tax Act of 1980, the United States Geological Survey (until such time as the Governor submits such notification), or

"(B) in the case of an application involving a tertiary recovery project on lands under Federal jurisdiction, the United States Geological Survey.

"(6) BASIS OF REVIEW OF CERTAIN QUALIFIED TERTIARY RECOVERY PROJECTS.—In the case of any project which is approved under subsection (c) (2) (D) (ii) and for which a certification is submitted to the Secretary, the project shall be considered as meeting the requirements of subparagraphs (A), (B), and (C) of subsection (c) (2) unless the Secretary determines that—

"(A) the approval of the jurisdictional agency was not supported by substantial evidence on the record upon which such approval was based, or

"(B) additional evidence not contained in the record upon which such approval was based demonstrates that such project does not meet the requirements of subparagraph (A), (B), or (C) of subsection (c) (2).

If the Secretary makes a determination described in subparagraph (A) or (B) of the preceding sentence, the determination of whether the project meets the requirements of subparagraphs (A), (B), and (C) of subsection (c) (2) shall be made without regard to the preceding sentence.

"(7) RULING RELATING TO CERTAIN QUALIFIED TERTIARY RECOVERY PROJECTS.—In the case of any tertiary recovery project for which a certification is submitted to the Secretary under subsection (c) (2) (D) (ii), a taxpayer may request a ruling from the Secretary with respect to whether such project is a qualified tertiary recovery project. The Secretary shall issue such ruling within 180 days of the date after he receives the request and such information as may be necessary to make a determination.

"SEC. 4994. DEFINITIONS AND SPECIAL RULES RELATING TO EXEMPTIONS.

"(a) QUALIFIED GOVERNMENTAL INTEREST.—For purposes of section 4991(b)—

"(1) IN GENERAL.—The term 'qualified governmental interest' means an economic interest in crude oil if—

"(A) such interest is held by a State or political subdivision thereof or by an agency or instrumentality of a State or political subdivision thereof, and

"(B) under the applicable State or local law, all of the net income received pursuant to such interest is dedicated to a public purpose.

"(2) NET INCOME.—For purposes of this paragraph, the term 'net income' means gross income reduced by production costs, and severance taxes of general application, allocable to the interest.

"(3) AMOUNTS PLACED IN CERTAIN PERMANENT FUNDS TREATED AS DEDICATED TO PUBLIC PURPOSE.—The requirements of paragraph (1) (B) shall be treated as met with respect to any net income which, under the applicable State or local law, is placed in a permanent fund the earnings on which are dedicated to a public purpose.

"(b) QUALIFIED CHARITABLE INTEREST.—For purposes of section 4991(b)—

"(1) IN GENERAL.—The term 'qualified charitable interest' means an economic interest in crude oil if—

"(A) such interest is—

"(i) held by an organization described in clause (ii), (iii), or (iv) of section 170(b) (1) (A) which is also described in section 170 (c) (2), or

"(ii) held—

"(I) by an organization described in clause (i) of section 170(b) (1) (A) which is also described in section 170(c) (2), and

"(II) for the benefit of an organization described in clause (i) of this subparagraph, and

"(B) such interest was held by the organization described in clause (i) or subclause (I) of clause (ii) of subparagraph (A) on January 21, 1980, and at all times thereafter before the last day of the taxable period.

"(2) SPECIAL RULE.—For purposes of paragraph (1) (A) (ii), an interest shall be treated as held for the benefit of an organization described in paragraph (1) (A) (i) only if all the proceeds from such interest were dedicated on January 21, 1980, and at all times thereafter before the last day of the taxable period, to the organization described in paragraph (1) (A) (i).

"(c) FRONT-END TERTIARY OIL—

"(1) EXEMPTION FOR TERTIARY PROJECTS OF INDEPENDENTS.—For purposes of this chapter, the term 'exempt front-end oil' means any domestic crude oil—

"(A) which is removed from the premises before October 1, 1981, and

"(B) which is treated as front-end oil by reason of a front-end tertiary project on one or more properties each of which is a qualified property.

"(2) REFUNDS FOR TERTIARY PROJECTS OF INTEGRATED PRODUCERS.—

"(A) IN GENERAL.—In the case of any front-end tertiary project which does not meet the requirements of paragraph (1) (B), the excess of—

"(i) the allowed expenses of the taxpayer with respect to such project, over

"(ii) the tertiary incentive revenue,

shall be treated as a payment by the taxpayer with respect to the tax imposed by this chapter made on September 30, 1981.

"(B) LIMITATION BASED ON AMOUNT OF TAX.—The amount of the payment determined under subparagraph (A) with respect to any producer shall not exceed the aggregate tax imposed by section 4986 with respect to front-end oil of that producer removed after February 1980 and before October 1981.

"(C) Tertiary incentive revenue.—For purposes of this paragraph, the term 'tertiary incentive revenue' has the meaning given such term by the front-end tertiary provisions of the energy regulations.

"(3) Definition of allowed expenses; prepaid expenses not taken into account.—For purposes of this subsection (including the application of the front-end tertiary provisions for purposes of this subsection)—

"(A) Allowed expenses.—Except as provided in subparagraph (B), allowed expenses shall be determined under the front-end tertiary provisions of the energy regulations.

"(B) Prepaid expenses not taken into account.—The term 'allowed expenses' shall not include any amount attributable to periods after September 30, 1981.

"(C) Period to which item is attributable.—For purposes of subparagraph (B)—

"(i) any injectant and any fuel shall be treated as attributable to periods before October 1, 1981, if the injectant is injected, or the fuel is used, before October 1, 1981, and

"(ii) any other item shall be treated as attributable to periods before October 1, 1981, only to the extent that under chapter 1 deductions for such item (including depreciation in respect of such item) are properly allocable to periods before October 1, 1981.

For purposes of the preceding sentence, an act shall be treated as taken before a date if it would have been taken before such date but for an act of God, a severe mechanical breakdown, or an injunction.

"(4) Definitions and special rules.—For purposes of this subsection—

"(A) Front-end tertiary provisions.—The term 'front-end tertiary provisions' means—

"(i) the provisions of section 212.78 of the energy regulations which exempt crude oil from ceiling price limitations to provide financing for tertiary projects (as such provisions took effect on October 1, 1979), and

"(ii) any modification of such provisions, but only to the extent that such modification is for purposes of coordinating such provisions with the tax imposed by this chapter.

"(B) Front-end oil.—The term 'front-end oil' means any domestic crude oil which is not subject to a first sale ceiling price under the energy regulations solely by reason of the front-end tertiary provisions of such regulations.

"(C) Qualified property.—The term 'qualified property' means any property if, on January 1, 1980, 50 percent or more of the operating mineral interest in such property is held by persons who were independent producers (within the meaning of section 4992(b)) for the last quarter of 1979.

"(D) Front-end tertiary project.—The term 'front-end tertiary project' means any project which qualifies under the front-end tertiary provisions of the energy regulations.

"(E) Ordering rule.—Front-end oil of any taxpayer shall be treated as attributable first to projects which meet the requirements of paragraph (1)(B).

"(d) Exempt Indian Oil.—For purposes of this chapter, the term 'exempt Indian oil' means any domestic crude oil—

"(1) the producer of which is an Indian tribe, an individual member of an Indian tribe, or an Indian tribal organization under an economic interest held by such a tribe, member, or organization on January 21, 1980, and which is produced from mineral interests which are—

"(A) held in trust by the United States for the tribe, member, or organization, or

"(B) held by the tribe, member, or organization subject to a restriction on alienation imposed by the United States because it is held by an Indian tribe, an individual member of an Indian tribe, or an Indian tribal organization,

"(2) the producer of which is a native corporation organized under the Alaska Native Claims Settlement Act (as in effect on January 21, 1980), and which—

"(A) is produced from mineral interests held by the corporation which were received under that Act, and

"(B) is removed from the premises before 1992, or

"(3) the proceeds from the sale of which are deposited in the Treasury of the United States to the credit of tribal or native trust funds pursuant to a provision of law in effect on January 21, 1980.

"(e) Exempt Alaskan Oil.—For purposes of this chapter, the term 'exempt Alaskan oil' means any crude oil (other than Sadlerochit oil) which is produced—

"(1) from a reservoir from which oil has been produced in commercial quantities through a well located north of the Arctic Circle, or

"(2) from a well located on the northerly side of the divide of the Alaska-Aleutian Range and at least 75 miles from the nearest point on the Trans-Alaska Pipeline System.

"Subchapter C—Miscellaneous Provisions.

"Sec. 4995. Withholding; depositary requirements.

"Sec. 4996. Other definitions and special rules.

"Sec. 4997. Records and information; regulations.

"Sec. 4998. Cross references.

"(a) Withholding by Purchaser.—

"(1) Withholding required.—Except to the extent provided in regulations prescribed by the Secretary—

"(A) the first purchaser of any domestic crude oil shall withhold a tax equal to the amount of the tax imposed by section 4986 with respect to such oil from amounts payable by such purchaser to the producer of such oil, and

"(B) the first purchaser of such oil shall be liable for the payment of the tax required to be withheld under subparagraph (A) and shall not be liable to any person for the amount of any such payment.

"(2) Determination of amount to be withheld.—

"(A) In general.—The purchaser shall determine the amount to be withheld under paragraph (1)—

"(i) on the basis of the certification furnished to the purchaser under section 6050C, unless the purchaser has reason to believe that any information contained in such certification is not correct, or

"(ii) if clause (i) does not apply, under regulations prescribed by the Secretary.

"(B) Net income limitation not to be applied.—For purposes of determining the amount to be withheld under paragraph (1), subsection (b) of section 4988 shall not apply.

"(3) Adjustments for withholding errors.—

"(A) In General.—To the extent provided in regulations prescribed by the Secretary, withholding errors made by a purchaser with respect to the crude oil of a producer removed during any calendar year shall be corrected by that purchaser by making proper adjustments in the amounts withheld from subsequent payments to such producer for crude oil removed during the same calendar year.

"(B) Withholding error.—For purposes of subparagraph (A), there is a withholding error if the amount withheld by the purchaser under paragraph (1) with respect to any payment of any crude oil exceeds (or is less than) the tax imposed by section 4986 with respect to such oil (determined without regard to section 4988(b)).

"(C) Limitation on amount of adjustments.—No adjustment shall be required under subparagraph (A) with respect to any payment for any crude oil to the extent that such adjustment would result in amounts withheld from such payment in excess of the windfall profit from such crude oil.

"(D) Voluntary withholding.—The Secretary may by regulations provide for withholding under this subsection of additional amounts from payments by any purchaser to any producer if the purchaser and producer agree to such withholding. For purposes of this title, any amount withheld pursuant to such an agreement shall be treated as an amount required to be withheld under paragraph (1).

"(4) Producer treated as having paid withheld amount.—

"(A) In general.—The producer of any domestic crude oil shall be treated as having paid any amount withheld with respect to such oil under this subsection.

"(B) Time payment deemed made.—The producer shall be treated as having made any payment described in subparagraph (A) on the last day of the first February after the calendar year in which the oil is removed from the premises.

"(5) Producer required to file return only to extent provided in regulations.—Except to the extent provided in regulations, the producer of crude oil with respect to which withholding is required under paragraph (1) shall not be required to file a return of the tax imposed by section 4986 with respect to such oil.

"(6) Purchaser's quarterly returns to contain summary.—The purchaser's return of tax under this chapter for any calendar quarter of any calendar year shall contain such information (with respect to such quarter and the prior quarters of such calendar year) as may be necessary to facilitate the coordination of the withholding of tax by such purchaser with respect to each producer with the determination of the tax imposed by section 4986 with respect to such producer.

"(7) Election for purchaser and operator to have operator take place of purchaser.—

"(A) In general.—If the purchaser of domestic crude oil and the operator of the property from which the crude oil was produced make a joint election under this paragraph with respect to such property (or portion thereof)—

"(i) the operator shall be substituted for the purchaser for purposes of applying this subsection and subsection (b) (and so much of subtitle F as relates to such subsections), and

"(ii) if the operator is not an integrated oil company, the operator shall be treated as having the same status as the purchaser for purposes of applying subsection (b) with respect to amounts withheld by the operator by reason of such election.

"(B) Regulations may limit election.—The Secretary may by regulations limit the circumstances under which an election under this paragraph may be made to situations where substituting the operator for the purchaser is administratively more practicable.

"(8) No assessments or refunds before close of the year.—Except to the extent provided in regulations prescribed by the Secretary, in the case of any oil subject to withholding under this subsection—

"(A) no notice of any deficiency with respect to the tax imposed by section 4986 may be mailed under section 6212, and

"(B) no proceeding in any court for the refund of the tax imposed by section 4986 may be begun, before the last day of the first February after the calendar year in which such oil was removed from the premises.

"(b) Depositary Requirements.—

"(1) Integrated oil companies.—In the case of an integrated oil company, deposit of the estimated amount of—

"(A) withholding under subsection (a) by such company, and

"(B) such company's liability for the tax imposed by section 4986 with respect to oil for which withholding is not required,

shall be made twice a month.

"(2) Persons who are not integrated oil companies.—In the case of a person, other than an integrated oil company—

"(A) Deposits of withheld amounts.—Deposit of the amounts required to be withheld under subsection (a) shall be made not later than—

"(i) except as provided in clause (ii), 45 days after the close of the month in which the oil was removed, or

"(ii) in the case of oil purchased under a contract therefor by an independent refiner under which no payment is required to be made before the 46th day after the close of the month in which the oil is purchased, before the first day of the 3rd month which begins after the close of the month in which such oil was removed.

"(B) Estimated section 4986 tax.—Deposits of the estimated amount of such person's liability for the tax imposed by section 4986 with respect to oil for which withholding is not required shall be made not later than 45 days after the close of the month in which the oil was removed from the premises.

"(3) Integrated oil company defined.—For purposes of this subsection, the term 'integrated oil company' means a taxpayer described in paragraph (2) or (4) of section 613A(d) who is not an independent refiner.

"(4) Independent refiner.—For purposes of this subsection, the term 'independent refiner' has the same meaning as in paragraph (3) of section 3 of the Emergency Petroleum Allocation Act of 1973 (as in effect on January 1, 1980), except that 'the preceding calendar quarter' shall be substituted for 'November 27, 1973' in applying such paragraph for purposes of this paragraph.

"(c) Cross Reference.—

"For provision authorizing the Secretary to establish by regulations the mode and time for collecting the tax imposed by section 4986 (to the extent not otherwise provided in this chapter), see section 6302(a).

"Sec. 4996. Other Definitions and Special Rules.

"(a) Producer and Operator.—For purposes of this chapter—

"(1) Producer.—

"(A) In general.—Except as provided in subparagraph (B), the term 'producer' means the holder of the economic interest with respect to the crude oil.

"(B) Partnerships.—

"(i) In general.—If (but for this subparagraph) a partnership would be treated as the producer of any crude oil—

"(I) such crude oil shall be allocated among the partners of such partnership, and

"(II) any partner to whom such crude oil is allocated (and not the partnership) shall be treated as the producer of such crude oil.

"(ii) Allocation.—Except to the extent otherwise provided in regulations, any allocation under clause (i)(I) shall be determined on the basis of a person's proportionate share of the income of the partnership.

"(2) Operator.—

"(A) In general.—Except as provided in subparagraph (B), the term 'operator' means the person primarily responsible for the management and operation of crude oil production on a property.

"(B) Designation of other person.—Under regulations prescribed by the Secretary, the term 'operator' means the person (or persons) designated with respect to a property (or portion thereof) as the operator for purposes of this chapter by persons holding operating mineral interests in the property.

"(b) Other Definitions.—For purposes of this chapter—

"(1) Crude oil.—The term 'crude oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) Barrel.—The term 'barrel' means 42 United States gallons.

"(3) Domestic.—The term 'domestic', when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) United states.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) Possession of the united states.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) Indian tribe.—The term 'Indian tribe' has the meaning given to such term by section 106(b)(2)(C)(ii) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3316(b)(2)(C)(ii)).

"(7) Taxable period.—The term 'taxable period' means—

"(A) March 1980, and

"(B) each calendar quarter beginning after March 1980.

"(8) Energy regulations.—

"(A) In general.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 753(a)).

"(B) March 1979 energy regulations.—The March 1979 energy regulations shall be the terms of the energy regulations as such terms existed on March 1, 1979.

"(C) June 1979 energy regulations.—The June 1979 energy regulations—

"(i) shall be the terms of the energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before, on, or after such date with respect to incremental production from qualified tertiary enhanced recovery projects.

"(D) Continued application of regulations after decontrol.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) Severance Tax Adjustment.—For purposes of this chapter—

"(1) In general.—The severance tax adjustment with respecet to any barrel of crude oil shall be the amount by which—

"(A) any severance tax imposed with respect to such barrel, exceeds

"(B) the severance tax which would have been imposed if the barrel had been valued at its adjusted base price.

"(2) Severance tax defined.—For purposes of this subsection, the term 'severance tax' means a tax—

"(A) imposed by a State with respect to the extraction of oil, and

"(B) determined on the basis of the gross value of the extracted oil.

"(3) Limitations.—

"(A) 15 percent limitation.—A severance tax shall not be taken into account to the extent that the rate thereof exceeds 15 percent.

"(B) Increases after march 31, 1979, must apply equally.—The amount of the severance tax taken into account under paragraph (1) shall not exceed the amount which would have been imposed under a State severance tax in effect on March 31, 1979, unless such excess is attributable to an increase in the rate of the severance tax (or to the imposition of a severance tax) which applies equally to all portions of the gross value of each barrel of oil subject to such tax.

"(d) Alaskan Oil From Sadlerochit Reservoir.—For purposes of this chapter—

"(1) In general.—In the case of Sadlerochit oil—

"(A) Adjusted base price increased by taps adjustment.—The adjusted base price for any calendar quarter (determined without regard to this subsection) shall be increased by the TAPS adjustment (if any) for such quarter provided by paragraph (2).

"(B) Removal price determined on monthly basis.—The removal price of such oil removed during any calendar month shall be the average of the producer's removal prices for such month.

"(2) TAPS adjustment.—

"(A) In general.—The TAPS adjustment for any calendar quarter is the excess (if any) of—

"(i) $6.26, over

"(ii) the TAPS tariff for the preceding calendar quarter.

"(B) TAPS tariff.—For purposes of subparagraph (A), the TAPS tariff for the preceding calendar quarter is the average per barrel amount paid for all transportation (ending in such quarter) of crude oil through the TAPS.

"(C) TAPS defined.—For purposes of this paragraph, the term 'TAPS' means the Trans-Alaska Pipeline System.

"(3) Sadlerochit oil defined.—The term 'Sadlerochit oil' means crude oil produced from the Sadlerochit reservoir in the Prudhoe Bay oilfield.

"(e) Special Rules for Post-1978 Transfers of Property.—In the case of a transfer after 1978 of any portion of a property, for purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), after such transfer crude oil produced from any portion of such property shall not constitute oil from a stripper well property, newly discovered oil, or heavy oil, if such oil would not be so classified if the property had not been transferred.

"(f) Adjustment of Removal Price.—In determining the removal price of oil from a property in the case of any transaction, the Secretary may adjust the removal price to reflect clearly the fair market value of oil removed.

"(g) No Exemptions From Tax.—No taxable crude oil, and no producer of such crude oil, shall be exempt from the tax imposed by this chapter except to the extent provided in this chapter or in any provision of law enacted after the date of the enactment of this chapter which grants a specific exemption, by reference to this chapter, from the tax imposed by this chapter.

"(h) Cross Reference.—

"For the holder of the economic interest in the case of a production payment, see section 636.

"Sec. 4997. Records and Information; Regulations.

"(a) Records and Information.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information (to the Secretary and to other persons having an interest in the oil) with respect to such oil as the Secretary may by regulations prescribe.

"(b) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter, including such changes in the application of the energy regulations for purposes of this chapter as may be necessary or appropriate to carry out such purposes.

"Sec. 4998. Cross References.

"(1) For additions to the tax and additional amount for failure to file tax return or to pay tax, see section 6651.

"(2) For additions to the tax and additional amounts for failure to file certain information returns, registration statements, etc., see section 6652.

"(3) For additions to the tax and additional amounts for negligence and fraud, see section 6653.

"(4) For additions to the tax and additional amounts for failure to make deposit of taxes, see section 6656.

"(5) For additions to the tax and additional amounts for failure to collect and pay over tax, or attempt to evade or defeat tax, see section 6672.

"(6) For criminal penalties for attempt to evade or defeat tax, willful failure to collect or pay over tax, willful failure to file return, supply information, or pay tax, and for fraud and false statements, see sections 7201, 7202, 7203, and 7206.

"(7) For criminal penalties for failure to furnish certain information regarding windfall profit tax on domestic crude oil, see section 7241."

(2) Clerical amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 45. Windfall profit tax on domestic crude oil."

(b) Deductibility of Windfall Profit Tax.—The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986."

(c) Time for Filing Return of Windfall Profit Tax; Depositary Requirements.—

(1) Time for filing return of windfall profit tax.—

(A) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"Sec. 6076. Time for Filing Return of Windfall Profit Tax.

"(a) General Rule.—Except in the case of a return required by regulations prescribed under section 4995(a)(5), each return—

"(1) of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4996(b)(7)), or

"(2) by a person required under section 4995(a) to withhold the windfall profit tax for any taxable period,

shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) Cross Reference.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 4995(b)."

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall profit tax."

(2) Cross reference.—Subsection (d) of section 6302 is amended to read as follows:

"(d) Cross References.—

"(1) For treatment of earned income advance amounts as payment of withholding and FICA taxes, see section 3507(d).

"(2) For depositary requirements applicable to the windfall profit tax imposed by section 4986, see section 4995(b)."

(3) Technical amendment.—Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(A) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(B) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu thereof ", chapter 33, or section 4986".

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050C. Information Regarding Windfall Profit Tax on Domestic Crude Oil.

"(a) Certification Furnished by Operator.—Under regulations prescribed by the Secretary, the operator of a property from which domestic crude oil was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser—

"(1) the adjusted base price (within the meaning of section 4989) with respect to such crude oil,

"(2) the tier and category of such crude oil for purposes of the tax imposed by section 4986,

"(3) if any certification is furnished to the operator by the producer with respect to whether such oil is exempt oil or independent producer oil, a copy of such certification,

"(4) the amount of such crude oil, and

"(5) such other information as the Secretary by regulations may require.

"(b) Agreement Between Operator and Purchaser.—The Secretary may by regulations provide that, if the operator and purchaser agree thereto, the operator shall be relieved of the duty of furnishing some or all of the information required under subsection (a).

"(c) Special Rule for Oil Not Subject to Withholding.—If the tax imposed by section 4986 with respect to any oil for which withholding is not required under section 4995(a)—

"(1) subsections (a) and (b) shall be applied by substituting 'producer' for 'purchaser', and

"(2) paragraph (3) of subsection (a) shall not apply.

"(d) Cross References.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) Technical and conforming amendments.—

(A) Section 6652(b) is amended—

(i) by striking out "or section 6050A" and inserting in lieu thereof the following: ", section 6050A", and

(ii) by inserting ", or section 6050C (relating to information regarding windfall profit tax on crude oil)" after "fishing boat operators)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information regarding windfall profit tax on domestic crude oil."

(e) Criminal Penalty for Failure To Furnish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7241. Willful Failure To Furnish Certain Information Regarding Windfall Profit Tax on Domestic Crude Oil.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any information or certification to any other person and who willfully fails to furnish such information or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) Clerical amendment.—The table of section for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil.

(f) Deficiency Procedures.—

(1) The following provisions are each amended by striking out "or 44" each place it appears and inserting in lieu thereof "44, or 45":

(A) section 6211(a),
(B) section 6211(b)(2),
(C) section 6212(a),
(D) section 6213(a),
(E) section 6213(f),
(F) section 6214(c),
(G) section 6214(d),
(H) section 6161(b)(1),
(I) section 6344(a)(1), and
(J) section 7422(e).

(2) Subsection (a) of section 6211 is amended by striking out "and 44" and inserting in lieu thereof "44, and 45".

(3) Subsection (b) of section 6211 is amended by adding at the end thereof the following new paragraphs:

"(5) The amount withheld under section 4995(a) from amounts payable to any producer for crude oil removed during any taxable period (as defined in section 4996(b)(7)) which is not otherwise shown on a return by such producer shall be treated as tax shown by the producer on a return for the taxable period.

"(6) Any liability to pay amounts required to be withheld under section 4995(a) shall not be treated as a tax imposed by chapter 45."

(4) Paragraph (1) of section 6212(b) is amended—

(A) by striking out "or chapter 44" and inserting in lieu thereof "chapter 44, or chapter 45",

(B) by striking out "chapter 44, and this chapter" and inserting in lieu thereof "chapter 44, chapter 45, and this chapter", and

(C) by striking out "TAXES IMPOSED BY CHAPTER 42" in the paragraph heading and inserting in lieu thereof "CERTAIN EXCISE TAXES".

(5) Paragraph (1) of section 6212(c) is amended—

(A) by striking out "or of chapter 42 tax" and inserting in lieu thereof "of chapter 42 tax", and

(B) by inserting ", or of chapter 45 tax" for the same taxable period" after "to which such petition relates".

(6)(A) Subsection (a) of section 6512 is amended—

(i) by striking out "chapter 41, 42, 43, or 44 taxes" and inserting in lieu thereof "certain excise taxes",

(ii) by striking out "or of tax imposed by chapter 41" and inserting in lieu thereof "of tax imposed by chapter 41", and

(iii) by inserting ", or of tax imposed by chapter 45 for the same taxable period" after "to which such petition relates".

(B) Paragraph (1) of section 6512(b) is amended—

(i) by striking out "or of tax imposed by chapter 41" and inserting in lieu thereof "of tax imposed by chapter 41", and

(ii) by inserting ", or of tax imposed by chapter 45 for the same taxable period" after "to which such petition relates".

(7) The subsection heading for subsection (c) of section 6601 is amended by striking out "Chapter 41, 42, 43, or 44 Tax" and inserting in lieu thereof "Certain Excise Tax".

(8) Subsection (a) of section 6653 is amended—

(A) by striking out "or by chapter 12" and inserting in lieu thereof ", by chapter 12",

(B) by striking out "is due" and inserting in lieu thereof ", or by chapter 45 (relating to windfall profit tax) is due", and

(C) by striking out "or Gift" in the subsection heading and inserting in lieu thereof ", Gift, or Windfall Profit".

(9) Subsection (a) of section 6862 is amended by striking out "certain excise taxes" and inserting in lieu thereof "the excise taxes imposed by chapters 41, 42, 43, 44, and 45".

(g) Special Rules for Statute of Limitations.—

(1) Assessment.—Section 6501 (relating to limitations on assessment and collection) is amended by adding at the end thereof the following new subsection:

"(q) Special Rules for Windfall Profit Tax.—

"(1) Oil subject to withholding.—

"(A) In general.—In the case of any oil to which section 4995(a) applies and with respect to which no return is required, the return referred to in this section shall be the return (of the person liable for the tax imposed by section 4986) of the taxes imposed by subtitle A for the taxable year in which the removal year ends.

"(B) Removal year.—For purposes of subparagraph (A), the term 'removal year' means the calendar year in which the oil is removed from the premises.

"(2) Extension of liability attributable to DOE reclassification.—

"(A) In general.—In the case of the tax imposed by chapter 45, if a Department of Energy change becomes final, the period for assessing any deficiency attributable to such change shall not expire before the date which is 1 year after the date on which such change becomes final.

"(B) Department of energy change.—For purposes of subparagraph (A) and section 6511(h)(2), the term 'Department of Energy change' means any change by the Department of Energy in the classification under the June 1979 energy regulations (as defined in section 4996(b)(8)(C) of a property or of domestic crude oil from a property.

"(3) Partnership items of federally registered partnerships.—Under regulations prescribed by the Secretary, rules similar to the rules subsection (o) shall apply to the tax imposed bv section 4986."

(2) Refund.—Section 6511 (relating to limitations on credit or refund) is amended by redesignating subsection (h) as (i) and by inserting after subsection (g) the following new subsection:

"(h) Special Rules for Windfall Profit Taxes.—

"(1) Oil subject to withholding.—In the case of any oil to which section 4995(a) applies and with respect to which no return is required, the return referred to in subsection (a) shall be the return (of the person liable for the tax imposed bv section 4986) of the taxes imposed by subtitle A for the taxable year in which the removal year (as defined in section 6501(q)(1)(B)) ends.

"(2) Special rule for DOE reclassification.—In the case of any tax imposed by chapter 45, if a Department of Energy change (as defined in section 6501(q)(2)(B)) becomes final, the period for filing a claim for credit or refund for any overpayment attributable to such change shall not expire before the date which is 1 year after the date on which such change becomes final.

"(3) Partnership items of federally registered partnerships.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (g) shall apply to the tax imposed by section 4986."

(h) Interest on Overpayments.—Section 6611 (relating to interest on overpayment) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Special Rule for Windfall Profit Tax.—

"(1) In general.—If any overpayment of tax imposed by section 4986 is refunded within 45 days after—

"(A) the last date (determined without regard to any extension of time for filing the return) prescribed for filing the return of the tax imposed by section 4986 for the taxable period with respect to which the overpayment was made, or

"(B) if such return is filed after such last date, the date on which the return is filed,

no interest shall be allowed under subsection (a) on such overpayment.

"(2) Special rule where no return is required.—In the case of any oil for which no return of the tax imposed by section 4986 is required, the return referred to in paragraph (1) shall be the return of the tax imposed by subtitle A for the taxable year of the producer in which the removal year (with respect to which the overpayment was made) ends. For purposes of the preceding sentence, the term 'removal year' means the calendar year in which the oil is removed from the premises."

(i) Effective Date.—

(1) In general.—The amendments made by this section shall apply to periods after February 29, 1980.

(2) Transitional rules.—For the period ending June 30, 1980, the Secretary of the Treasury or his delegate shall prescribe rules relating to the administration of chapter 45 of the Internal Revenue Code of 1954. To the extent provided in such rules, such rules shall supplement or supplant for such period the administrative provisions contained in chapter 45 of such Code (or in so much of subtitle F of such Code as relates to such chapter 45).

Sec. 102. Allocation of Net Revenues From Windfall Profit Tax to Certain Uses

(a) Separate Account in Treasury Established.—The net revenues from the windfall profit tax for each fiscal year beginning after September 30, 1980, and before October 1, 1990, are hereby allocated for accounting purposes to a separate account in the Treasury to be known as the Windfall Profit Tax Account (hereinafter in this section referred to as the "Account").

(b) Specified Uses for Amounts in the Account.—

(1) Basic net revenues.—In the case of the amount of basic net revenues allocated to the Account for any fiscal year, there shall be a further allocation to subaccounts for the following uses:

Use for	*Percent*
Income tax reductions	60
Low-income assistance	25
Energy and transportation programs	15

(2) Additional net revenues.—In the case of the amount of additional net revenues allocated to the Account for any fiscal year, there shall be a further allocation to subaccounts for the following uses:

Use for	*Percent*
Income tax reductions	66⅔
Low-income assistance	33⅓

(3) Special rule for low-income assistance for 1982 and subsequent years.—In the case of any amount allocated under paragraph (1) to the subaccount for low-income assistance for the fiscal year beginning October 1, 1981, or any subsequent fiscal year—

(A) 50 percent shall be allocated to a program to assist AFDC and SSI recipients under the Social Security Act, and

(B) 50 percent shall be allocated to a program of emergency energy assistance.

(c) Net Revenues Defined.—For purposes of this section—

(1) In general.—The term "net revenues of the windfall profit tax" means, for any fiscal year, the amount which the Secretary estimates to be the excess of—

(A) the gross revenues from the tax imposed by section 4986 for the fiscal year, over

(B) the sum of—

(i) the refunds of and other adjustments to such tax for such fiscal year, plus

(ii) the decrease in the income taxes imposed by chapter 1 resulting from the tax imposed by section 4986.

For purposes of subparagraph (A), there shall not be taken into account any revenue attributable to an economic interest in crude oil held by the United States.

(2) Basic net revenues.—The term "basic net revenues" means the estimated net revenues which would result for any period under the assumptions for such period which were made in enacting the Crude Oil Windfall Profit Tax Act of 1980.

(3) Additional net revenues.—The term "additional net revenues" means for any period the net revenues in excess of the basic net revenues for such period.

(d) President To Propose Allocation of Net Revenues.—

(1) In general.—The President shall propose for each fiscal year to which this section applies an allocation of the net revenues among the uses set forth in subsection (b).

(2) Time and manner for proposing.—Except for the fiscal year beginning October 1, 1980, the proposal for each fiscal year shall be contained in the annual budget for such fiscal year. The proposal for the fiscal year beginning October 1, 1980, shall be submitted by the President within 90 days after the date of the enactment of this Act.

(e) Reports.—The Secretary of the Treasury shall report to the Congress not later than January 1 of 1982 and of each calendar year thereafter before 1992—

(1) the net revenues derived from the windfall profit tax for the fiscal year ending on September 30 of the preceding year, and

(2) the actual disposition for such fiscal year of such revenues among the uses specified in subsection (b).

Sec. 103. Study of Effects of Decontrol of Oil Prices and of Windfall Profit Tax.

(a) General Rule.—The President shall, not later than January 1, 1983, submit to the Congress a report on the effect of decontrol of oil prices and the windfall profit tax on—

(1) domestic oil production,
(2) foreign oil imports,
(3) profits of the oil industry,
(4) inflation,
(5) employment,
(6) economic growth,
(7) Federal revenues, and
(8) national security.

(b) Report To Include Recommendations.—The report required under subsection (a) shall include such legislative recommendations as the President determines to be advisable.

TITLE II—ENERGY CONSERVATION AND PRODUCTION INCENTIVES

PART I—RESIDENTIAL ENERGY CREDIT

Sec. 201. General Provisions Relating to Credit.

(a) Joint Ownership of Energy Items.—Section 44C(d) (relating to special rules) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) JOINT OWNERSHIP OF ENERGY ITEMS.—

"(A) IN GENERAL.—Any expenditure otherwise qualifying as an energy conservation expenditure or a renewable energy source expenditure shall not be treated as failing to so qualify merely because such expenditure was made with respect to 2 or more dwelling units.

"(B) LIMITS APPLIED SEPARATELY.—In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made by each individual."

(b) SECRETARIAL AUTHORITY.—

(1) IN GENERAL.—Section 44C(c) (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(9) LIMITATIONS ON SECRETARIAL AUTHORITY.—

"(A) IN GENERAL.—The Secretary shall not specify any item under paragraph (4)(A)(viii) or any form of renewable energy under paragraph (5)(A)(i) unless the Secretary determines that—

"(i) there will be a reduction in oil or natural gas consumption as a result of such specification, and such reduction is sufficient to justify any resulting decrease in Federal revenues,

"(ii) such specification will not result in an increased use of any item which is known to be, or reasonably suspected to be, environmentally hazardous or a threat to public health or safety, and

"(iii) available Federal subsidies do not make such specification unnecessary or inappropriate (in the light of the most advantageous allocation of economic resources).

"(B) FACTORS TAKEN INTO ACCOUNT.—In making any determination under subparagraph (A)(i), the Secretary (after consultation with the Secretary of Energy)—

"(i) shall make an estimate of the amount by which the specification will reduce oil and natural gas consumption, and

"(ii) shall determine whether such specification compares favorably, on the basis of the reduction in oil and natural gas consumption per dollar of cost to the Federal Government (including revenue loss), with other Federal programs in existence or being proposed.

"(C) FACTORS TAKEN INTO ACCOUNT IN MAKING ESTIMATES.—In making any estimate under subparagraph (B)(i), the Secretary shall take into account (among other factors)—

"(i) the extent to which the use of any item will be increased as a result of the specification,

"(ii) whether sufficient capacity is available to increase production to meet any increase in demand caused by such specification,

"(iii) the amount of oil and natural gas used directly or indirectly in the manufacture of such item and other items necessary for its use, and

"(iv) the estimated useful life of such item."

(2) PERIOD FOR SPECIFYING ITEMS.—Paragraph (6) of section 44C(c) (relating to definitions and special rules) is amended by adding at the end thereof the following new subparagraphs:

"(C) ACTION ON REQUESTS.—

"(i) IN GENERAL.—The Secretary shall make a final determination with respect to any request filed under subparagraph (A)(ii) for specifying an item under paragraph (4)(A)(viii) or for specifying a form of renewable energy under paragraph (5)(A)(i) within 1 year after the filing of the request, together with any information required to be filed with such request under subparagraph (A)(ii).

"(ii) REPORTS.—Each month the Secretary shall publish a report of any request which has been denied during the preceding month and the reasons for the denial.

"(D) EFFECTIVE DATE.—

"(i) IN GENERAL.—In the case of any item or energy source specified under paragraph (4)(A)(viii) or (5)(A)(i), the credit allowed by subsection (a) shall apply with respect to expenditures which are made on or after the date on which final notice of such specification is published in the Federal Register.

"(ii) EXPENDITURES TAKEN INTO ACCOUNT IN FOLLOWING TAXABLE YEARS.—The Secretary may prescribe by regulations that expenditures made on or after the date referred to in clause (i) and before the close of the taxable year in which such date occurs shall be taken into account in the following taxable year."

SEC. 202. RENEWABLE ENERGY SOURCE EXPENDITURES.

(a) AMOUNT OF CREDIT.—Paragraph (2) of section 44C(b) (relating to qualified renewable energy source expenditures) is amended to read as follows:

"(2) RENEWABLE ENERGY SOURCE.—In the case of any dwelling unit, the qualified renewable energy source expenditures are 40 percent of so much of the renewable energy source expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $10,000."

(b) SOLAR ELECTRIC ENERGY.—Clause (i) of section 44C(c)(5)(A) (defining renewable energy source property) is amended by striking out "providing hot water" and inserting in lieu thereof "providing hot water or electricity".

(c) COSTS OF DRILLING GEOTHERMAL WELL.—Subgaraph (B) of section 44C(c)(2) (relating to renewable energy source expenditure) is amended to read as follows:

"(B) CERTAIN LABOR AND OTHER COSTS INCLUDED.—The term 'renewable energy source expenditure' includes—

"(i) expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of renewable energy source property, and

"(ii) expenditures for an onsite well drilled for any geothermal deposit (as defined in section 613(e)(3)), but only if the taxpayer has not elected under section 263(c) to deduct any portion of such expenditures."

(d) SOLAR PANELS INSTALLED ON ROOFS.—Paragraph (2) of section 44C(c) (relating to renewable energy source expenditure) is amended by adding at the end thereof the following new subparagraph:

"(D) CERTAIN SOLAR PANELS.—No solar panel installed as a roof (or portion thereof) shall fail to be treated as renewable energy source property solely because it constitutes a structural component of the dwelling on which it is installed."

(e) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1979.

(2) SUBSECTIONS (b), (c), AND (d).—The amendments made by subsections (b), (c), and (d) shall apply to expenditures made after December 31, 1979, in taxable years ending after such date.

SEC. 203. PROVISIONS TO PREVENT DOUBLE BENEFITS.

(a) CREDIT TO BE REDUCED WHERE CERTAIN FINANCING IS USED.—

(1) IN GENERAL.—Section 44C(c) (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(10) PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING.—

"(A) REDUCTION OF QUALIFIED EXPENDITURES.—For purposes of determining the amount of energy conservation or renewable energy source expenditures made by any individual with respect to any dwelling unit, there shall not be taken into account expenditures which are made from subsidized energy financing.

"(B) DOLLAR LIMITS REDUCED.—Paragraph (1) or (2) of subsection (b) (whichever is appropriate) shall be applied with respect to such dwelling unit for any taxable year of such taxpayer by reducing each dollar amount contained in such paragraph (reduced as provided in subsection (b)(3)) by an amount equal to the sum of—

"(i) the amount of the expenditures which were made by the taxpayer during such taxable year or any prior taxable year with respect to such dwelling unit and which were not taken into account by reason of subparagraph (A), and

"(ii) the amount of any Federal, State, or local grant received by the taxpayer during such taxable year or any prior taxable year which was used to make energy conservation or renewable energy source expenditures with respect to the dwelling unit and which was not included in the gross income of such taxpayer.

"(C) SUBSIDIZED ENERGY FINANCING.—For purposes of subparagraph (A), the term 'subsidized energy financing' means financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy."

(b) RETURN REQUIREMENT.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 (relating to information returns) is amended by adding at the end thereof the following new section:

"SEC. 6050D. RETURNS RELATING TO ENERGY GRANTS AND FINANCING.

"(a) IN GENERAL.—Every person who administers a Federal, State, or local program a principal purpose of which is to provide subsidized financing or grants for projects to conserve or produce energy shall, to the extent required under regulations prescribed by the Secretary, make a return setting forth the name and address of each taxpayer receiving financing or a grant under such program and the aggregate amount so received by such individual.

"(b) DEFINITION OF PERSON.—For purposes of this section, the term 'person' means the officer or employee having control of the program, or the person appropriately designated for purposes of this section."

(2) CONFORMING AMENDMENT.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050D. Returns relating to energy grants and financing."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980, but only with respect to financing or grants made after such date.

PART II—BUSINESS ENERGY INVESTMENT CREDITS

SEC. 221. CHANGES IN AMOUNT AND PERIOD OF APPLICATION OF ENERGY PERCENTAGE.

(a) IN GENERAL.—Subparagraph (C) of section 46(a)(2) (relating to energy percentage) is amended to read as follows:

"(C) ENERGY PERCENTAGE.—For purposes of this paragraph—

"(i) IN GENERAL.—The energy percentage shall be determined in accordance with the following table:

"Column A—Description	Column B—Percentage	Column C—Period	
		For the period	
In the case of:	The energy percentage is:	Beginning on:	And ending on:
I. General rule.—Property not described in any of the following provisions of this column	10 percent	Oct. 1, 1978	Dec. 31, 1982.
II. Solar, wind, or geothermal property.—Property described in section 48(l)(2)(A)(ii) or 48(l)(3)(A)(viii).	A. 10 percent	Oct. 1, 1978	Dec. 31, 1979.
	B. 15 percent	Jan. 1, 1980	Dec. 31, 1985.
III. Ocean thermal property.—Property described in section 48(l)(3)(A)(ix)	15 percent	Jan. 1, 1980	Dec. 31, 1985.
IV. Qualified hydroelectric generating property.—Property described in section 48(l)(2)(A)(vii)	11 percent	Jan. 1, 1980	Dec. 31, 1985.
V. Qualified intercity buses.—Property described in section 48(l)(2)(A)(ix)	10 percent	Jan. 1, 1980	Dec. 31, 1985.
VI. Biomass property.—Property described in section 48(l)(15)	10 percent	Oct. 1, 1978	Dec. 31, 1985.

"(ii) PERIODS FOR WHICH PERCENTAGE NOT SPECIFIED.—In the case of any energy property, the energy percentage shall be zero for any period for which an energy percentage is not specified for such property under clause (i) (as modified by clauses (iii) and (iv)).

"(iii) LONGER PERIOD FOR CERTAIN LONG-TERM PROJECTS.—For the purpose of applying the energy percentage contained in subclause (I) of clause (i) with respect to property which is a part of a project with a normal construction period of 2 years or more (within the meaning of section 46(d)(2)(A)(i)), 'December 31, 1990' shall be substituted for 'December 31, 1982' if—

"(I) before January 1, 1983, the taxpayer has completed all engineering studies in connection with the commencement of the construction of the project, and has applied for all environmental and construction permits required under Federal, State, or local law in connection with the commencement of the construction of the project, and

"(II) before January 1, 1986, the taxpayer has entered into binding contracts for the acquisition, construction, reconstruction, or erection of equipment specially designed for the project and the aggregate cost to the taxpayer of that equipment is at least 50 percent of the reasonably estimated cost for all such equipment which is to be placed in service as part of the project upon its completion.

"(iv) LONGER PERIOD FOR CERTAIN HYDROELECTRIC GENERATING PROPERTY.—If an application has been docketed by the Federal Energy Regulatory Commission before January 1, 1986, with respect to the installation of any qualified hydroelectric generating property, for purposes of applying the energy percentage contained in subclause (IV) of clause (i) with respect to such property, 'December 31, 1988' shall be substituted for 'December 31, 1985'."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 48(l) (relating to treatment as section 38 property) is amended to read as follows:

"(1) TREATMENT AS SECTION 38 PROPERTY.—For any period for which the energy percentage determined under section 46(a)(2)(C) for any energy property is greater than zero—

"(A) such energy property shall be treated as meeting the requirements of paragraph (1) of subsection (a), and

"(B) paragraph (3) of subsection (a) shall not apply to such property."

(2) Paragraph (11) of section 48(l) (relating to special rule for property financed by industrial development bonds) is amended by striking out "5 percent" and inserting in lieu thereof "one-half of the energy percentage determined under section 46(a)(2)(C)".

SEC. 222. CHANGES IN ENERGY PROPERTY ITEM DESCRIPTIONS.

(a) IN GENERAL.—Subparagraph (A) of section 48(l)(2) (defining energy property) is amended—

(1) by striking out "or" at the end of clause (v), and

(2) by adding at the end thereof the following new clauses:

"(vii) qualified hydroelectric generating property,

"(viii) cogeneration equipment, or

"(ix) qualified intercity buses,".

(b) ALTERNATIVE ENERGY PROPERTY.—Subparagraph (A) of section 48(l)(3) (defining alternative energy property) is amended—

(1) by striking out "(other than coke or coke gas)" in clause (iii),

(2) by striking out clause (v) and inserting in lieu thereof the following:

"(v) equipment to convert—

"(I) coal (including lignite), or any nonmarketable substance derived therefrom, into a substitute for a petroleum or natural gas derived feedstock for the manufacture of chemicals or other products, or

"(II) coal (including lignite), or any substance derived therefrom, into methanol, ammonia, or a hydroprocessed coal liquid or solid,",

(3) by striking out "and" at the end of clause (vii),

(4) by striking out the period at the end of clause (viii) and inserting in lieu thereof ", and", and

(5) by adding at the end thereof the following new clause:

"(ix) equipment, placed in service at either of 2 locations designed by the Secretary after consultation with the Secretary of Energy, which converts ocean thermal energy to usable energy."

(c) SOLAR OR WIND ENERGY PROPERTY.—Paragraph (4) of section 48(l) (defining solar or wind energy property) is amended—

(1) by striking out "or" at the end of subparagraph (A),

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new subparagraph:

"(C) to provide solar process heat."

(d) SPECIALLY DEFINED ENERGY PROPERTY.—

(1) ALUMINA ELECTROLYTIC CELLS.—Paragraph (5) of section 48(l) (defining specially defined energy property) is amended—

(A) by striking out "or" at the end of subparagraph (K), and

(B) by redesignating subparagraph (L) as subparagraph (M) and by inserting after subparagraph (K) the following new subparagraph:

"(L) modifications to alumina electrolytic cells, or".

(2) STANDARDS FOR SECRETARIAL DISCRETION.—Paragraph (5) of section 48(l) is amended by adding at the end thereof the following new sentence: "The Secretary shall not specify any property under subparagraph (M) unless he determines that such specification meets the requirements of paragraph (9) of section 44C(c) for specification of items under section 44C(c)(4)(A)(viii)."

(e) QUALIFIED HYDROELECTRIC GENERATING PROPERTY.—

(1) IN GENERAL.—Subsection (l) of section 48 (relating to energy property) is amended by adding at the end thereof the following new paragraph:

"(13) QUALIFIED HYDROELECTRIC GENERATING PROPERTY.—

"(A) IN GENERAL.—The term 'qualified hydroelectric generating property' means property installed at a qualified hydroelectric site which is—

"(i) equipment for increased capacity to generate electricity by water (up to, but not including, the electrical transmission stage), and

"(ii) structures for housing such generating equipment, fish passageways, and dam rehabilitation property, required by reason of the installation of equipment described in clause (i).

"(B) QUALIFIED HYDROELECTRIC SITE.—The term 'qualified hydroelectric site' means any site—

"(i) at which—

"(I) there is a dam the construction of which was completed before October 18, 1979, and which was not significantly enlarged after such date, or

"(II) electricity is to be generated without any dam or other impoundment of water, and

"(ii) the installed capacity of which is less than 125 megawatts.

"(C) LIMITATION ON CREDIT WHEN INSTALLED CAPACITY EXCEEDS 25 MEGAWATTS.—For purposes of applying the energy percentage to any qualified hydroelectric generating property placed in service in connection with a site the installed capacity of which exceeds 25 megawatts, the amount taken into account as qualified investment shall not exceed the amount which (but for this subparagraph) would be the qualified investment multiplied by a fraction—

"(i) the numerator of which is 25 reduced by 1 for each whole megawatt by which such installed capacity exceeds 100 megawatts, and

"(ii) the denominator of which is the number of megawatts of such installed capacity but not in excess of 100.

"(D) DAM REHABILITATION PROPERTY.—For purposes of this paragraph, the term 'dam rehabilitation property' means any amount properly chargeable to capital account for property (or additions or improvements to property) in connection with the rehabilitation of a dam.

"(E) INSTALLED CAPACITY.—The term 'installed capacity' means, with respect to any site, the installed capacity of all electrical generating equipment placed in service at such site. Such term includes the capacity of equipment installed during the 3 taxable years following the taxable year in which the equipment is placed in service."

(2) REGULAR INVESTMENT CREDIT TO APPLY TO FISH PASSAGEWAYS.—Subparagraph (D) of section 46(a)(2) (relating to special rule for certain energy property) is amended by adding at the end thereof the following new sentence: "In the case of any qualified hydroelectric generating property which is a fish passageway, the preceding sentence shall not apply to any period after 1979 for which the energy percentage for such property is greater than zero."

(f) COGENERATION PROPERTY.—Subsection (l) of section 48 (relating to energy property) is amended by adding at the end thereof the following new paragraph:

"(14) COGENERATION EQUIPMENT.—

"(A) IN GENERAL.—The term 'cogeneration equipment' means property which is an integral part of a system for using the same fuel to produce both qualified energy and electricity at an industrial or commercial facility at which, as of January 1, 1980, electricity or qualified energy was produced.

"(B) Only cogeneration increases taken into account.—The term 'cogeneration equipment' includes property only to the extent that such property increases the capacity of the system to produce qualified energy or electricity, whichever is the secondary energy product of the system.

"(C) Limitation on use of oil or gas.—The term 'cogeneration equipment' does not include any property which is part of a system if—

"(i) such system uses oil or natural gas (or a product of oil or natural gas) as a fuel for any purpose other than—

"(I) start-up,

"(II) flame control, or

"(III) back-up, or

"(ii) more than 20 percent (determined on a Btu basis) of the fuel for such system for any taxable year consists of oil or natural gas (or a product of oil or natural gas).

"(D) Qualified energy.—The term 'qualified energy' means steam, heat, or other forms of useful energy (other than electric energy) to be used for industrial, commercial, or space-heating purposes (other than in the production of electricity).

"(E) Industrial, includes purification and desalinization of water.—The term 'industrial' includes the purification of water and the desalinization of water."

(g) Biomass Property.—

(1) In general.—Subsection (l) of section 48 (relating to energy property) is amended by adding at the end thereof the following new paragraph:

"(15) Biomass property.—

"(A) In general.—The term 'biomass property' means—

"(i) any property described in clause (i), (ii), or (iii) of paragraph (3) (A), as modified by the last sentence of paragraph (3) (A) and by subparagraph (B) of this paragraph, and

"(ii) any equipment described in so much of clause (vi) or (vii) of paragraph (3) (A) as relates to property described in clause (i) of this subparagraph.

"(B) Modifications.—For purposes of subparagraph (A)—

"(i) the term 'alternate substance' has the meaning given to such term by paragraph (3) (B), except that such term does not include any inorganic substance and does not include coal (including lignite) or any product of such coal, and

"(ii) clause (iii) of paragraph (3) (A) shall be applied by substituting 'a qualified fuel' for 'a synthetic liquid, gaseous, or solid fuel'.

"(C) Qualified fuel.—For purposes of subparagraph (B), the term 'qualified fuel' means—

"(i) any synthetic solid fuel, and

"(ii) alcohol for fuel purposes if the primary source of energy for the facility producing the alcohol is not oil or natural gas or a product of oil or natural gas."

(2) Storage of fuel derived from garbage.—Subparagraph (A) of section 48(l) (3) (defining alternative energy property) is amended by adding at the end thereof the following new sentence:

"The equipment described in clause (vii) includes equipment used for the storage of fuel derived from garbage at the site at which such fuel was produced from garbage."

(h) Qualified Intercity Buses.—Subsection (l) of section 48 (relating to energy property) is amended by adding at the end thereof the following new paragraph:

"(16) Qualified intercity buses.—

"(A) In general.—Paragraph (2) (A) (ix) shall apply only with respect to the qualified investment in qualified intercity buses of a taxpayer—

"(i) which is a common carrier regulated by the Interstate Commerce Commission or an appropriate State agency (as determined by the Secretary), and

"(ii) which is engaged in the trade or business of furnishing intercity passenger transportation or intercity charter service by bus.

"(B) Qualified intercity bus.—The term 'qualified intercity bus' means an automobile bus—

"(i) the chassis and body of which is exempt under section 4063 (a) (6) from the tax imposed by section 4061 (a),

"(ii) which has—

"(I) a seating capacity of more than 35 passengers (in addition to the driver), and

"(II) 1 or more baggage compartments, separated from the passenger area, with a capacity of at least 200 cubic feet, and

"(iii) which is used predominantly by the taxpayer in the trade or business of furnishing intercity passenger transportation or intercity charter service.

"(C) Operating capacity must increase.—Under regulations prescribed by the Secretary—

"(i) In general.—The amount of qualified investment taken into account under paragraph (2) (A) (ix) for any taxable year shall not exceed the amount of the qualified investment which is attributable to an increase in the taxpayer's total operating seating capacity for the taxable year over such capacity as of the close of the preceding taxable year.

"(ii) Special rules.—The regulations prescribed under this subparagraph—

"(I) shall provide that only buses used predominantly on a full-time basis in the trade or business of furnishing intercity passenger or intercity charter service shall b taken into account in determining the taxpayer's total operating seating capacity, and

"(II) shall provide rules treating related taxpayers as 1 person."

(i) Technical Amendments.—

(1) Public utility property.—

(A) Paragraph (3) of section 48(l) is amended by striking out subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(B) Subsection (l) of section 48 is amended by adding at the end thereof the following new paragraph:

"(17) Exclusion for public utility property.—The terms 'alternative energy property', 'biomass property', 'solar or wind energy property', 'recycling equipment', and 'cogeneration property' do not include property which is public utility property (within the meaning of section 46(f) (5))."

(2) Ocean thermal property.—Section 48(a) (2) (B) (relating to property used outside the United States) is amended—

(A) by striking out "and" at the end of clause (ix),

(B) by striking out the period at the end of clause (x) and inserting in lieu thereof ", and", and

(C) by inserting immediately after clause (x) the following new clause:

"(xi) any property described in subsection (l) (3) (A) (ix) which is owned by a United States person and which is used in international or territorial waters to generate energy for use in the United States.".

(3) Pollution control equipment.—Subparagraph (C) of section 48(l) (3) (as redesignated by paragraph (1)) is amended by adding at the end thereof the following new sentence:

"For purposes of the preceding sentence, in the case of property which is alternative energy property solely by reason of the amendments made by section 222(b) of the Crude Oil Windfall Profit Tax Act of 1980, 'January 1, 1980' shall be substituted for 'October 1, 1978'."

(j) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to periods after December 31, 1979, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.

(2) Alumina electrolytic cells.—The amendments made by subsection (d) (1) shall apply to periods after September 30, 1978, under rules similar to the rules of section 48(m) of such Code.

Sec. 223. Other Changes With Respect to the Investment Credit for Investment in Energy Property.

(a) Boilers Fueled by Petroleum Coke or Petroleum Pitch.—

(1) In general.—Paragraph (10) of section 48(a) (relating to boilers fueled by oil or gas) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, the term 'petroleum or petroleum products' does not include petroleum coke or petroleum pitch."

(2) Effective date.—The amendment made by paragraph (1) shall apply to periods after December 31, 1979, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.

(b) Repeal of Refundable Credit for Solar or Wind Property.—

(1) In general.—Paragraph (10) of section 46(a) (relating to special rules in case of energy property) is amended—

(A) in subparagraph (A)—

(i) by inserting "and" at the end of clause (i),

(ii) by striking out "(other than solar or wind energy property), and" and inserting in lieu thereof a period in clause (ii), and

(iii) by striking out clause (iii);

(B) by striking out "other than solar or wind energy property" in the heading of subparagraph (B); and

(C) by striking out subparagraph (C).

(2) Conforming amendment.—Section 6401 (relating to amounts treated as overpayments) is amended by striking out subsection (d).

(3) Effective date.—The amendments made by this subsection shall apply to qualified investment for taxable years beginning after December 31, 1979.

(c) Credit To Be Reduced Where Certain Financing Is Used.—

(1) In general.—Paragraph (11) of section 48(l) (relating to special rule for property financed by industrial development bonds), as amended by section 221 (b) (2), is amended to read as follows:

"(11) Special rule for property financed by subsidized energy financing or industrail development bonds.—

"(A) Reduction of qualified investment.—For purposes of applying the energy percentage to any property, if such property is financed in whole or in part by—

"(i) subsidized energy financing, or

"(ii) the proceeds of an industrial development bond (within the meaning of section 103(b) (2)) the interest on which is exempt from tax under section 103,

the amount taken into account as qualified investment shall not exceed the amount which (but for this subparagraph) would be the qualified investment multiplied by the fraction determined under subparagraph (B).

"(B) Determination of fraction.—For purposes of subparagraph (A), the fraction determined under this subparagraph is 1 reduced by a fraction—

"(i) the numerator of which is that portion of the qualified investment in the property which is allocable to such financing or proceeds, and

"(ii) the denominator of which is the qualified investment in the property.

"(C) Subsidized energy financing.—For purposes of subparagraph (A), the term 'subsidized energy financing' means financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy."

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendment made by paragraph (1) shall apply to periods after December 31, 1982, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.

(B) EARLIER APPLICATION FOR CERTAIN PROPERTY.—In the case of property which is—

(i) qualified hydroelectric generating property (described in section 48(l)(2)(A)(vii) of such Code),

(ii) cogeneration equipment (described in section 48(l)(2)(A)(viii) of such Code),

(iii) qualified intercity buses (described in section 48(l)(2)(A)(ix) of such Code),

(iv) ocean thermal property (described in section 48(l)(3)(A)(ix) of such Code), or

(v) expanded energy credit property,

the amendment made by paragraph (1) shall apply to periods after December 31, 1979, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.

(C) EXPANDED ENERGY CREDIT PROPERTY.—For purposes of subparagraph (B), the term "expanded energy credit property" means—

(i) property to which section 48(l)(3)(A) of such Code applies because of the amendments made by paragraphs (1) and (2) of section 222(b),

(ii) property described in section 48(l)(4)(C) of such Code (relating to solar process heat),

(iii) property described in section 48(l)(5)(L) of such Code (relating to alumina electrolytic cells), and

(iv) property described in the last sentence of section 48(l)(3)(A) of such Code (relating to storage equipment for refuse-derived fuel).

(D) FINANCING TAKEN INTO ACCOUNT.—For the purpose of applying the provisions of section 48(l)(11) of such Code in the case of property financed in whole or in part by subsidized energy financing (within the meaning of section 48(l)(11)(C) of such Code), no financing made before January 1, 1980, shall be taken into account. The preceding sentence shall not apply to financing provided from the proceeds of any tax-exempt industrial development bond (within the meaning of section 103(b)(2) of such Code).

PART III—PRODUCTION OF FUEL FROM NONCONVENTIONAL SOURCES; ALCOHOL FUELS

SEC. 231. PRODUCTION TAX CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by inserting after section 44C the following new section:

"SEC. 44D. CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to—

"(1) $3, multiplied by

"(2) the barrel-of-oil equivalent of qualified fuels—

"(A) sold by the taxpayer to an unrelated person during the taxable year, and

"(B) the production of which is attributable to the taxpayer.

"(b) LIMITATIONS AND ADJUSTMENTS.—

"(1) PHASEOUT OF CREDIT.—The amount of the credit allowable under subsection (a) shall be reduced by an amount which bears the same ratio to the amount of the credit (determined without regard to this paragraph) as—

"(A) the amount by which the reference price for the calendar year in which the taxable year begins exceeds $23.50, bears to

"(B) $6.

"(2) CREDIT AND PHASEOUT ADJUSTMENT BASED ON INFLATION.—The $3 amount in subsection (a) and the $23.50 and $6 amounts in paragraph (1) shall each be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which a taxable year begins. In the case of gas from a tight formation, the $3 amount in subsection (a) shall not be adjusted.

"(3) CREDIT REDUCED FOR GRANTS, TAX-EXEMPT BONDS, AND SUBSIDIZED ENERGY FINANCING.—

"(A) IN GENERAL.—The amount of the credit allowable under subsection (a) with respect to any project for any taxable year (determined after the application of paragraphs (1) and (2)) shall be reduced by the amount which is the product of the amount so determined for such year and a fraction—

"(i) the numerator of which is the sum, for the taxable year and all prior taxable years, of—

"(I) grants provided by the United States, a State, or a political subdivision of a State for use in connection with the project,

"(II) proceeds of any issue of State or local government obligations used to provide financing for the project the interest on which is exempt from tax under section 103, and

"(III) the aggregate amount of subsidized energy financing (within the meaning of section 48(l)(11)(C)) provided in connection with the project, and

"(ii) the denominator of which is the aggregate amount of additions to the capital account for the project for the taxable year and all prior taxable years.

"(B) AMOUNTS DETERMINED AT CLOSE OF YEAR.—The amounts under subparagraph (A) for any taxable year shall be determined as of the close of the taxable year.

"(4) CREDIT REDUCED FOR ENERGY CREDIT.—The amount allowable as a credit under subsection (a) with respect to any project for any taxable year (determined after the application of paragraphs (1), (2), and (3)) shall be reduced by the excess of—

"(A) the aggregate amount allowed under section 38 for the taxable year or any prior taxable year by reason of the energy percentage with respect to property used in the project, over

"(B) the aggregate amount recaptured with respect to the amount described in subparagraph (A)—

"(i) under section 47 for the taxable year or any prior taxable year, or

"(ii) under this paragraph for any prior taxable year.

The amount recaptured under section 47 with respect to any property shall be appropriately reduced to take into account any reduction in the credit allowed by this section by reason of the preceding sentence.

"(5) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(c) DEFINITION OF QUALIFIED FUELS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified fuels' means—

"(A) oil produced from shale and tar sands,

"(B) gas produced from—

"(i) geopressured brine, Devonian shale, coal seams, or a tight formation, or

"(ii) biomass,

"(C) liquid, gaseous, or solid synthetic fuels produced from coal (including lignite), including such fuels when used as feedstocks,

"(D) qualifying processed wood fuels, and

"(E) steam produced from solid agricultural byproducts (not including timber byproducts).

"(2) GAS FROM GEOPRESSURED BRINE, ETC.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the determination of whether any gas is produced from geopressured brine, Devonian shale, coal seams, or a tight formation shall be made in accordance with section 503 of the Natural Gas Policy Act of 1978.

"(B) SPECIAL RULES FOR GAS FROM TIGHT FORMATIONS.—The term 'gas produced from a tight formation' shall only include—

"(i) gas the price of which is regulated by the United States, and

"(ii) gas for which the maximum lawful price applicable under the Natural Gas Policy Act of 1978 is at least 150 percent of the then applicable price under section 103 of such Act.

"(3) BIOMASS.—The term 'biomass' means any organic material which is an alternate substance (as defined in section 48(l)(3)(B)) other than coal (including lignite) or any product of such coal.

"(4) QUALIFYING PROCESSED WOOD FUEL.—

"(A) IN GENERAL.—The term 'qualifying processed wood fuel' means any processed solid wood fuel (other than charcoal, fireplace products, or a product used for ornamental or recreational purposes) which has a Btu content per unit of volume or weight, determined without regard to any nonwood elements, which is at least 40 percent greater per unit of volume or weight than the Btu-content of the wood from which it is produced (determined immediately before the processing).

"(B) ELECTION.—A taxpayer shall elect, at such time and in such manner as the Secretary by regulations may prescribe, as to whether Btu content per unit shall be determined for purposes of this paragraph on a volume or weight basis. Any such election—

"(i) shall apply to all production from a facility, and

"(ii) shall be effective for the taxable year with respect to which it is made and for all subsequent taxable years and, once made, may be revoked only with the consent of the Secretary.

"(5) AGRICULTURAL BYPRODUCT STEAM.—Steam produced from solid agricultural byproducts which is used by the taxpayer in his trade or business shall be treated as having been sold by the taxpayer to an unrelated person on the date on which it is used.

"(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) ONLY PRODUCTION WITHIN THE UNITED STATES TAKEN INTO ACCOUNT.—Sales shall be taken into account under this section only with respect to qualified fuels the production of which is within—

"(A) the United States (within the meaning of section 638(1)), or

"(B) a possession of the United States (within the meaning of section 638(2)).

"(2) COMPUTATION OF INFLATION ADJUSTMENT FACTOR AND REFERENCE PRICE.—

"(A) IN GENERAL.—The Secretary shall, not later than April 1 of each calendar year, determine and publish in the Federal Register the inflation adjustment factor and the reference price for the preceding calendar year in accordance with this paragraph.

"(B) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GNP implicit price deflator for the calendar year and the denominator of which is the GNP implicit price deflator for calendar year 1979. The term 'GNP implicit deflator' means the first revision of the implicit price deflator for the gross national product as computed and published by the Department of Commerce.

"(C) Reference price.—The term 'reference price' means with respect to a calendar year the Secretary's estimate of the annual average wellhead price per barrel for all domestic crude oil the price of which is not subject to regulation by the United States.

"(3) Production attributable to the taxpayer.—In the case of a property or facility in which more than 1 person has an interest, except to the extent provided in regulations prescribed by the Secretary, production from the property or facility (as the case may be) shall be allocated among such persons in proportion to their respective interests in the gross sales from such property or facility.

"(4) Special rules applicable to gas from geopressured brine, Devonian shale, coal seams, or a tight formation.—

"(A) Credit allowed only for new production.—The amount of the credit allowable under subsection (a) shall be determined without regard to any production attributable to a property from which gas from Devonian shale, coal seams, geopressured brine, or a tight formation was produced in marketable quantities before January 1, 1980.

"(B) Reference price and application of phaseout for Devonian shale.—

"(i) Reference price for Devonian shale.—For purposes of this section, the term 'reference price' for gas from Devonian shale sold during calendar years 1980, 1981, and 1982 shall be the average wellhead price per thousand cubic feet for such year of high cost natural gas (as defined in section 107(c) (2), (3), and (4) of the Natural Gas Policy Act of 1978 and determined under section 503 of that Act) as estimated by the Secretary after consultation with the Federal Energy Regulatory Commission.

"(ii) Different phaseout to apply for 1980, 1981, and 1982.—For purposes of applying paragraphs (1) and (2) of subsection (b) with respect to sales during calendar years 1980, 1981, and 1982 of gas from Devonian shale, '$4.05' shall be substituted for '$23.50' and '$1.03' shall be substituted for '$6.00'.

"(5) Phaseout does not apply for first 3 years of production from facility producing qualifying processed wood or steam from solid agricultural byproducts.—In the case of a facility for the production of—

"(A) qualifying processed wood fuel, or

"(B) steam from solid agricultural byproducts,

paragraph (1) of subsection (b) shall not apply with respect to the amount of the credit allowable under subsection (a) for fuels sold during the 3-year period beginning on the date the facility is placed in service.

"(6) Barrel-of-oil equivalent.—The term 'barrel-of-oil equivalent' with respect to any fuel means that amount of such fuel which has a Btu content of 5.8 million; except that in the case of qualified fuels described in subparagraph (C), (D), or (E) of subsection (c)(1), the Btu content shall be determined without regard to any material from a source not described in such subparagraph.

"(7) Barrel defined.—The term 'barrel' means 42 United States gallons.

"(8) Related persons.—Persons shall be treated as related to each other if such persons would be treated as a single employer under the regulations prescribed under section 52(b).

"(9) Pass-through in the case of subchapter S corporations, etc.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(e) Credit Not Allowable If Taxpayer Makes Election Under Natural Gas Policy Act of 1978.—If the taxpayer makes an election under section 107(d) of the Natural Gas Policy Act of 1978 to have subsections (a) and (b) of section 107 of that Act, and subtitle B of title I of that Act, apply with respect to gas described in subsection (c)(1) (B)(i) produced from any well on a property, then the credit allowable by subsection (a) shall not be allowed with respect to any gas produced on that property.

"(f) Application of Section.—

"(1) In general.—Except as provided in paragraph (2), this section shall apply with respect to qualified fuels—

"(A) which are—

"(i) produced from a well drilled after December 31, 1979, and before January 1, 1990, or

"(ii) produced in a facility placed in service after December 31, 1979, and before January 1, 1990, and

"(B) which are sold after December 3, 1979, and before January 1, 2001.

"(2) Special rules applicable to qualified processed wood and solid agricultural byproduct steam.—

"(A) Credit allowed only for certain production.—In the case of qualifying processed wood fuel and steam from solid agricultural byproducts, this section shall apply only with respect to—

"(i) qualifying processed wood fuel produced in facilities placed in service after December 3, 1979, and before January 1, 1982, which is sold before the later of—

"(I) October 1, 1983, or

"(II) the date which is 3 years after the date on which the facility is placed in service; and

"(ii) steam produced in facilities placed in service after December 31, 1979, from solid agricultural byproducts which is sold before January 1, 1985.

"(B) Expanded production of steam treated as new facility production.—For purposes of this subsection and subsection (d)(5), in the case of a facility for the production of steam from solid agricultural byproducts which was placed in service before January 1, 1980, any production of steam attributable to an expansion of the capacity of the facility to produce such steam through placing additional or replacement equipment in service after December 31, 1979, shall be treated as if it were produced by a facility placed in service on the date on which such equipment is placed in service."

(b) Technical and Conforming Amendments.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Credit for producing fuel from a nonconventional source."

(2) Subsection (b) of section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C and 44D".

(c) Effective Dates.—The amendments made by this section shall apply to taxable years ending after December 31, 1979.

Sec. 232. Alcohol Fuels.

(a) Extension of Exemption Through 1992.—

(1) Gasoline.—Subsection (c) of section 4081 (relating to gasoline mixed with alcohol) is amended by adding at the end thereof the following new paragraph:

"(4) Termination.—Paragraph (1) shall not apply to any sale after December 31, 1992."

(2) Special fuels.—Subsection (k) of section 4041 (relating to fuels containing alcohol) is amended by adding at the end thereof the following new paragraph:

"(3) Termination.—Paragraph (1) shall not apply to any sale or use after December 31, 1992."

(3) Technical amendment.—Subsections (a)(2) and (b)(2) of the Energy Tax Act of 1978 are each amended by striking out ", and before October 1, 1984".

(b) Credit Against Income Tax.—

(1) In general.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowed) is amended by inserting before section 45 the following new section:

"Sec. 44E. Alcohol Used as Fuel.

"(a) General Rule.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the alcohol mixture credit, plus

"(2) the alcohol credit.

"(b) Definition of Alcohol Mixture Credit and Alcohol Credit.—For purposes of this section—

"(1) Alcohol mixture credit.—

"(A) In general.—The alcohol mixture credit of any taxpayer for any taxable year is 40 cents for each gallon of alcohol used by the taxpayer in the production of a qualified mixture.

"(B) Qualified mixture.—The term 'qualified mixture' means a mixture of alcohol and gasoline or of alcohol and a special fuel which—

"(i) is sold by the taxpayer producing such mixture to any person for use as a fuel, or

"(ii) is used as a fuel by the taxpayer producing such mixture.

"(C) Sale or use must be in trade or business, etc.—Alcohol used in the production of a qualified mixture shall be taken into account—

"(i) only if the sale or use described in subparagraph (B) is in a trade or business of the taxpayer, and

"(ii) for the taxable year in which such sale or use occurs.

"(D) Casual off-farm production not eligible.—No credit shall be allowed under this section with respect to any casual off-farm production of a qualified mixture.

"(2) Alcohol credit.—

"(A) In general.—The alcohol credit of any taxpayer for any taxable year is 40 cents for each gallon of alcohol which is not in a mixture with gasoline or a special fuel (other than any denaturant) and which during the taxable year—

"(i) is used by the taxpayer as a fuel in a trade or business, or

"(ii) is sold by the taxpayer at retail to a person and placed in the fuel tank of such person's vehicle.

"(B) User credit not to apply to alcohol sold at retail.—No credit shall be allowed under subparagraph (A)(i) with respect to any alcohol which was sold in a retail sale described in subparagraph (A)(ii).

"(3) Smaller credit for lower proof alcohol.—In the case of any alcohol with a proof which is at least 150 but less than 190 paragraphs (1)(A) and (2)(A) shall be applied by substituting "30 cents" for "40 cents".

"(4) Adding of denaturants not treated as mixture.—The adding of any denaturant to alcohol shall not be treated as the production of a mixture.

"(c) Coordination With Exemption From Excise Tax.—The amount of the credit allowable under this section with respect to any alcohol shall, under regulations prescribed by the Secretary, be properly reduced to take into account any benefit provided with respect to such alcohol solely by reason of the application of section 4041(k) or 4081(c).

"(d) Definitions and Special Rules.—For purposes of this section—

"(1) Alcohol defined.—

"(A) In general.—The term 'alcohol' includes methanol and ethanol but does not include—

"(i) alcohol produced from petroleum, natural gas, or coal, or

"(ii) alcohol with a proof of less than 150.

"(B) Determination of proof.—The determination of the proof of any alcohol shall be made without regard to any added denaturants.

"(2) Special fuel defined.—The term 'special fuel' includes any liquid fuel (other than gasoline) which is suitable for use in an internal combustion engine.

"(3) Mixture or alcohol not used as a fuel, etc.

"(A) Mixtures.—If—

"(i) any credit was allowable under this section with respect to alcohol used in the production of any qualified mixture, and

"(ii) any person—

"(I) separates the alcohol from the mixture, or

"(II) without separation, uses the mixture other than as a fuel,

then there is hereby imposed on such person a tax equal to 40 cents a gallon (30 cents in the case of alcohol with a proof less than 190) for each gallon of alcohol in such mixture.

"(B) Alcohol.—If—

"(i) any credit was allowable under this section with respect to the retail sale of any alcohol, and

"(ii) any person mixes such alcohol or uses such alcohol other than as a fuel,

then there is hereby imposed on such person a tax equal to 40 cents a gallon (30 cents in the case of alcohol with a proof less than 190) for each gallon of such alcohol.

"(C) Applicable laws.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under subparagraph (A) or (B) as if such tax were imposed by section 4081 and not by this chapter.

"(4) Volume of alcohol.—For purposes of determining—

"(A) under subsection (a) the number of gallons of alcohol with respect to which a credit is allowable under subsection (a), or

"(B) under section 4041(k) or 4081(c) the percentage of any mixture which consists of alcohol,

the volume of alcohol shall include the volume of any denaturant (including gasoline) which is added under any formulas approved by the Secretary to the extent that such denaturants do not exceed 5 percent of the volume of such alcohol (including denaturants).

"(5) Pass-through in the case of subchapter S corporations, etc.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(e) Limitation Based on Amount of Tax.—

"(1) In general.—The amount of the credit allowed by this section for the taxable year shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowed under a section of this subpart having a lower number designation than this section, other than credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(2) Carryover of unused credit.—

"(A) In general.—If the amount of the credit determined under subsection (a) for any taxable year exceeds the limitation provided by paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be an alcohol fuel credit carryover to each of the 7 taxable years following the unused credit year, and shall be added to the amount allowable as credit under subsection (a) for such years. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 7 taxable years to which (by reason of the preceding sentence) such credit may be carried, and then to each of the other 6 taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) Limitation.—The amount of the unused credit which may be added under subparagraph (a) for any succeeding taxable year shall not exceed the amount by which the limitation provided by paragraph (1) for such succeeding taxable year exceeds the sum of—

"(i) the credit allowable under subsection (a) for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.

"(f) Termination.—

"(1) In general.—This section shall not apply to any sale or use after December 31, 1992.

"(2) No carryovers to years after 1994.—No amount may be carried under subsection (e)(2) to any taxable year beginning after December 31, 1994."

(2) Technical amendments related to carryover of credit.—

(A) Paragraph (3) of section 55(c) is amended by adding at the end thereof the following new sentence:

"In determining any carryover under section 44E(e)(2), a rule similar to the rule set forth in subparagraph (A) shall be treated as inserted in this paragraph before subparagraph (A), and the applications of subparagraphs (A), (B), and (C) shall be adjusted, accordingly."

(B) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(27) Credit under section 44E for alcohol used as fuel.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44E, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44E in respect of the distributor or transferor corporation."

(C) Section 383 (relating to special limitations on unused investment credits, work incentive credits, new employee credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1982, is amended—

(i) by inserting "to any unused credit of the corporation under section 44E(e)(2)," after "section 53(c),", and

(ii) by striking out "NEW EMPLOYEE CREDITS" in the section heading and inserting in lieu thereof "NEW EMPLOYEE CREDITS, ALCOHOL FUEL CREDITS".

(D) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44E(e)(2)," after "section 53(c),", and

(ii) by striking out "NEW EMPLOYEE CREDITS" in the section heading and inserting in lieu thereof "NEW EMPLOYEE CREDITS, ALCOHOL FUEL CREDITS".

(3) Other technical and conforming amendments.—

(A) Paragraph (3) of section 4081(c) (defining alcohol) is amended by adding at the end thereof the following new sentence: "Such term does not include alcohol with a proof of less than 190 (determined without regard to any added denaturants)."

(B) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting immediately after the item relating to section 44D the following new item:

"Sec. 44E. Alcohol used as fuel."

(C) Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund), as amended by section 231, is amended by striking out "and 44D" and inserting "44D, and 44E".

(c) Credit To Be Included in Income.—

(1) In general.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"Sec. 86. Alcohol Fuel Credit.

"Gross income includes an amount equal to the amount of the credit allowable to the taxpayer under section 44E for the taxable year (determined without regard to subsection (e) thereof)."

(2) Technical amendment.—Subparagraph (B) of section 55(b)(1) (defining alternative minimum taxable income) is amended by striking out "section 667" and inserting in lieu thereof "section 86 or 667".

(3) Conforming amendment.—The table of sections for such part II is amended by inserting at the end thereof the following new item:

"Sec. 86. Alcohol fuel credit."

(d) Refund of Tax on Gasoline Used To Produce Certain Alcohol Fuels.—

(1) General rule.—Section 6427 (relating to fuels not used for taxable purposes) is amended—

(A) by redesignating subsections (f), (g), (h), (i), and (j) as subsections (g), (h), (i), (j), and (k), respectively; and

(B) by inserting after subsection (e) the following new subsection:

"(f) Gasoline Used to Produce Certain Alcohol Fuels.—

"(1) In general.—Except as provided in subsection (i), if any gasoline on which tax is imposed by section 4081 is used by any person in producing a mixture described in section 4081(c) which is sold or used in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the aggregate amount of the tax imposed on such gasoline. The preceding sentence shall not apply with respect to any mixture sold or used after December 31, 1992.

"(2) Coordination with other repayment provisions.—No amount shall be payable under subsection (d) or (e) of this section or under section 6420 or 6421 with respect to any gasoline with respect to which an amount is payable under paragraph (1)"

(2) Quarterly refund allowed where $200 or more is payable.—

(A) Subparagraph (A) of section 6427 (g)(2) (as redesignated by paragraph (1)) is amended by striking out "or" at the end of clause (i), by inserting "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) $200 or more is payable under subsection (f),".

(B) Subparagraph (B) of section 6427 (g)(2) (as redesignated by paragraph (1)) is amended to read as follows:

"(B) Special rule.—If the requirements of clause (ii) or clause (iii) of subparagraph (A) are met by any person for any quarter but the requirements of subparagraph (A) (i) are not met by such person for such quarter, such person may file a claim under subparagraph (A) for such quarter only with respect to amounts referred to in the clause (or clauses) of subparagraph (A) the requirements of which are met by such person for such quarter."

(3) Treatment of subsequent separation.—Paragraph (2) of section 4081(c)

(relating to later separation of gasoline) is amended by inserting "(or with respect to which a credit or payment was allowed or made by reason of section 6427(f)(1))" after "this subsection".

(4) Technical amendments.—

(A) Subsections (a)(4) and (b) of section 39 are each amended by striking out "6427(h)" and inserting in lieu thereof "6427(i)".

(B) Subsections (a), (b)(1), (c), (d), and (e)(1) of section 6427 are each amended by striking out "(h)" and inserting in lieu thereof "(i)".

(C) Subsection (g)(1) of such section 6427 (as redesignated by paragraph (1)(A)) is amended by striking out "(a), (b), (c), (d), or (e)" and inserting in lieu thereof "(a), (b), (c), (d), (e), or (f)".

(D) Subsection (i)(2) of such section 6427 (as redesignated by paragraph (1)(A)) is amended by striking out "(f)(2)" and inserting in lieu thereof "(g)(2)".

(E) Sections 7210, 7603, 7604(b), 7604(c)(2), 7605(a), 7609(c)(1), and 7610(c) are each amended by striking out "6427(g)(2)" each place it appears and inserting in lieu thereof "6427(h)(2)".

(e) Exemption From Distilled Spirits Rules.—

(1) In general.—Subchapter B of chapter 51 (relating to distilled spirits, wines, and beers) is amended by redesignating section 5181 as section 5182 and by inserting after section 5180 the following new section:

"Sec. 5181. Distilled Spirits for Fuel Use.

"(a) In General.—

"(1) Purposes for which plant may be established.—On such application and bond and in such manner as the Secretary may prescribe by regulation, a person may establish a distilled spirits plant solely for the purpose of—

"(A) producing, processing, and storing, and

"(B) using or distributing,

distilled spirits to be used exclusively for fuel use.

"(2) Regulations.—In prescribing regulations under paragraph (1) and in carrying out the provisions of this section, the Secretary shall, to the greatest extent possible, take steps to—

"(A) expedite all applications;

"(B) establish a minimum bond; and

"(C) generally encourage and promote (through regulation or otherwise) the production of alcohol for fuel purposes.

"(b) Authority To Exempt.—The Secretary may by regulation provide for the waiver of any provision of this chapter (other than this section or any provision requiring the payment of tax) for any distilled spirits plant described in subsection (a) if the Secretary finds it necessary to carry out the provisions of this section.

"(c) Special Rules for Small Plant Production.—

"(1) Applications.—

"(A) In general.—An application for an operating permit for an eligible distilled spirits plant shall be in such a form and manner, and contain such information, as the Secretary may by regulations prescribe; except that the Secretary shall, to the greatest extent possible, take steps to simplify the application so as to expedite the issuance of such permits.

"(B) Receipt of application.—Within 15 days of receipt of an application under subparagraph (A), the Secretary shall send a written notice of receipt to the applicant, together with a statement as to whether the application meets the requirements of subparagraph (A). If such a notice is not sent and the applicant has a receipt indicating that the Secretary has received an application, paragraph (2) shall apply as if a written notice required by the preceding sentence, together with a statement that the application meets the requirements of subparagraph (A), had been sent on the 15th day after the date the Secretary received the application.

"(C) Multiple applications.—If more than one application is submitted with respect to any eligible distilled spirits plant in any calendar quarter, the provisions of this section shall apply only to the first application submitted with respect to such plant during such quarter. For purposes of the preceding sentence: if a corrected or amended first application is filed, such application shall not be considered as a separate application, and the 15-day period referred to in subparagraph (A) shall commence with receipt of the corrected or amended application.

"(2) Determination.—

"(A) In general.—In any case in which the Secretary under paragraph (1)(B) has notified an applicant of receipt of an application which meets the requirements of paragraph (1)(A), the Secretary shall make a determination as to whether such operating permit is to be issued, and shall notify the applicant of such determination, within 45 days of the date on which notice was sent under paragraph (1)(B).

"(B) Failure to make determination.—If the Secretary has not notified an applicant within the time prescribed under subparagraph (A), the application shall be treated as approved.

"(C) Rejection of application.—If the Secretary determines under subparagraph (A) that a permit should not be issued—

"(i) the Secretary shall include in the notice to the applicant of such determination under subparagraph (A) detailed reasons for such determination, and

"(ii) such determination shall not prejudice any further application for such operating permit.

"(3) Bond.—No bond shall be required for an eligible distilled spirit plant. For purposes of section 5212 and subsection (e)(2) of this section, the premises of an eligible distilled spirits plant shall be treated as bonded premises.

"(4) Eligible distilled spirits plant.—The term 'eligible distilled spirits plant' means a plant which is used to produce distilled spirits exclusively for fuel use and the production from which does not exceed 10,000 proof gallons per year.

"(d) Withdrawal Free of Tax.—Distilled spirits produced under this section may be withdrawn free of tax from the bonded premises (and any premises which are not bonded by reason of subsection (c)(3)) of a distilled spirits plant exclusively for fuel use as provided in section 5214(a)(12).

"(e) Prohibited Withdrawal, Use, Sale, or Disposition.—

"(1) In general.—Distilled spirits produced under this section shall not be withdrawn, used, sold, or disposed of for other than fuel use.

"(2) Rendering unfit for use.—For protection of the revenue and under such regulations as the Secretary may prescribe, distilled spirits produced under this section shall, before withdrawal from the bonded premises of a distilled spirits plant, be rendered unfit for beverage use by the addition of substances which will not impair the quality of the spirits for fuel use.

"(f) Definition of Distilled Spirits.—For purposes of this section, the term 'distilled spirits' does not include distilled spirits produced from petroleum, natural gas, or coal".

(2) Technical and conforming amendments.—

(A) Section 5601(a) (relating to criminal penalties) is amended by adding the word "or" at the end of paragraph (14) and by inserting immediately after paragraph (14) the following new paragraph:

"(15) Unauthorized withdrawal, use, sale, or distribution of distilled spirits for fuel use.—Withdraws, uses, sells, or otherwise disposes of distilled spirit produced under section 5181 for other than fuel use;".

(B) Section 5214(a) (relating to withdrawal of distilled spirits from bonded premises free of tax) is amended by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon and the word "or" and by adding at the end thereof the following new paragraph:

"(12) free of tax in the case of distilled spirits produced under section 5181."

(C) Section 5004(a)(2)(B) (relating to lien for tax) is amended by striking out "or (11)," and inserting "(11), or (12),".

(D) Section 5005(d) (relating to person liable for tax) is amended, by striking out "or (11)," and inserting "(11), or (12),".

(E) Section 221(d) of the Energy Tax Act of 1978 is repealed.

(F) The table of sections for subchapter B of chapter 51 is amended by striking out the item relating to section 5181 and by inserting after section 5180 the following new items:

"Sec. 5181. Distilled spirits for fuel use.

"Sec. 5182. Cross references."

(f) Study of Imported Alcohol.—Within 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall furnish to the Committee on Finance of the United States Senate and to the Committee on Ways and Means of the United States House of Representatives recommendations as to what methods, if any, may be used to limit the importing of alcohol into the United States for fuel purposes, including, but not limited to—

(1) denial of the exemption under sections 4081(c) and 4041(k) of the Internal Revenue Code of 1954 or of the credit under section 44E of such Code to fuels produced from imported alcohol,

(2) import quotas and duties on such alcohol, and

(3) strict surveillance of such imports to monitor their effect on the domestic fuel alcohol industry.

(g) Reports.—Subsection (c) of section 221 of the Energy Tax Act of 1978 is amended to read as follows:

"(c) Reports.—On April 1 of each year, beginning with April 1, 1981, and ending with April 1, 1992, the Secretary of Energy, in consultation with the Secretary of the Treasury and the Secretary of Transportation, shall submit to the Congress a report on the use of alcohol in fuel. The report shall include—

"(1) a description of the firms engaged in the alcohol fuel industry,

"(2) the amount of alcohol fuel sold in each State, and the amount of gasoline saved in each State by reason of the use of alcohol fuels.

"(3) the revenue loss resulting from the exemptions from tax for alcohol fuels under sections 4041(k) and 4081(c) of the Internal Revenue Code of 1954 and the credit allowable under section 44E of such Code and the impact of such revenue loss on the Highway Trust Fund, and

"(4) the cost of production and the retail cost of alcohol fuels as compared to gasoline and special fuels not mixed with alcohol."

(h) Effective Dates.—

(1) Subsections (b) and (c).—The amendments made by subsections (b) and (c) shall apply to sales or uses after September 30, 1980, in taxable years ending after such date.

(2) Subsection (d).—

(A) In general.—The amendments made by subsection (d) shall take effect on January 1, 1979.

(B) Transitional rule.—Any mixture sold or used on or after January 1, 1979, and before the date of the enactment of this Act which is described in section 6427(f)(1) of the Internal Revenue Code of 1954 (as amended by subsection (d)) shall, for purposes of section 6427 of such Code, be treated as sold or used on the date of the enactment of this Act.

(3) Distilled spirits plants.—The amendments made by subsection (e) shall take effect on the first day of the first calendar month beginning more than 60 days after the date of the enactment of this Act.

Part IV—Energy-Related Uses of Tax Exempt Bonds

Sec. 241. Solid Waste Disposal Facilities.

(a) In General.—Section 103 (relating to interest on governmental obligations) is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) Qualified Steam-Generating or Alcohol-Producing Facilities.—

"(1) In general.—For purposes of subsection (b)(4)(E), the term 'solid waste disposal facility' includes—

"(A) a qualified steam-generating facility, and

"(B) a qualified alcohol-producing facility.

"(2) Qualified steam-generating facility defined.—For purposes of paragraph (1), the term 'qualified steam-generating facility' means a steam-generating facility for which—

"(A) more than half of the fuel (determined on a Btu basis) is solid waste or fuel derived from solid waste, and

"(B) substantially all of the solid waste derived fuel is produced at a facility which is—

"(i) located at or adjacent to the site for such steam-generating facility; and

"(ii) owned and operated by the person who owns and operates the steam-generating facility.

"(3) Qualified alcohol-producing facility.—For purposes of paragraph (1), the term 'qualified alcohol-producing facility' means a facility—

"(A) the primary product of which is alcohol,

"(B) more than half of the feedstock for which is solid waste or a feedstock derived from solid waste, and

"(C) substantially all of the solid waste derived feedstock for which is produced at a facility which is—

"(i) located at or adjacent to the site for such alcohol-producing facility, and

"(ii) owned and operated by the person who owns and operates the alcohol-producing facility.

"(4) Special rule in case of steam-generating facility.—A facility for producing solid waste derived fuel shall be treated as a facility which meets the requirements of clauses (i) and (ii) of paragraph (2)(B) if—

"(A) such facility and the steam-generating facility are owned and operated by or for a State or the same political subdivision or subdivision of a State, and

"(B) substantially all of the solid waste used in producing the solid waste derived fuel at the facility producing such fuel is collected from the area in which the steam-generating facility is located."

(b) Certain Solid Waste and Energy-Producing Facilities.—

(1) General rule.—For purposes of section 103 of the Internal Revenue Code of 1954, any obligation issued by an authority for 2 or more political subdivisions of a State which is part of an issue substantially all of the proceeds of which are to be used to provide solid waste-energy producing facilities shall be treated as an obligation of a political subdivision of a State which meets the requirements of section 103(b)(4)(E) of such Code (relating to solid waste disposal, etc., facilities). Nothing in the preceding sentence shall be construed to override the limitations of section 103(c) of such Code (relating to arbitrage bonds).

(2) Solid waste-energy producing facilities.—For purposes of paragraph (1), the term "solid waste-energy producing facilities" means any solid waste disposal facility and any facility for the production of steam and electrical energy if—

(A) substantially all of the fuel for the facility producing steam and electrical energy is derived from solid waste from such solid waste disposal facility,

(B) both such solid waste disposal facility and the facility producing steam and electrical energy are owned and operated by the authority referred to in paragraph (1), and

(C) all of the electrical energy and steam produced by the facility for producing steam and electricity which is not used by such facility is sold, for purposes other than resale, to an agency or instrumentality of the United States.

(3) Solid waste disposal facility.—For purposes of paragraph (2), the term "solid waste disposal facility" means any solid waste disposal facility within the meaning of section 103(b)(4)(E) of the Internal Revenue Code of 1954 (determined without regard to section 103(g) of such Code.)

(4) Obligations must be in registered form.—This subsection shall not apply to any obligation which is not issued in registered form.

(c) Special Rule for Certain Alcohol-Producing Facilities.—

(1) In general.—Subparagraph (C) of section 103(g)(3) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall not apply to any facility for the production of alcohol from solid waste if—

(A) substantially all of the solid waste derived feedstock for such facility is produced at a facility which—

(i) went into full production in 1977,

(ii) is located within the limits of a city, and

(iii) is located in the same metropolitan area as the alcohol-producing facility, and

(B) before March 1, 1980, there were negotiations between a governmental body and an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 with respect to the utilization of a special process for the production of alcohol at such alcohol-producing facility.

(2) Limitation.—The aggregate amount of obligations which may be issued by reason of paragraph (1) with respect to any project shall not exceed $30,000,000.

(3) Termination.—This subsection shall not apply to obligations issued after December 31, 1985.

(d) Effective Date.—The amendments made by subsection (a) and the provisions of subsections (b) and (c) shall apply with respect to obligations issued after October 18, 1979.

Sec. 242. Qualified Hydroelectric Generating Facilities.

(a) Qualified Hydroelectric Generating Facilities.—

(1) In general.—Paragraph (4) of section 103(b) (relating to certain exempt activities) is amended—

(A) by striking out "or" at the end of subparagraph (F),

(B) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof ", or", and

(C) by inserting after subparagraph (G) the following new subparagraph:

"(H) qualified hydroelectric generating facilities."

(2) Definitions.—Subsection (b) of section 103 is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

"(8) Qualified hydroelectric generating facilities.—For purposes of this section—

"(A) Qualified hydroelectric generating facility.—The term 'qualified hydroelectric generating facility' means any qualified hydroelectric generating property which is owned by a State, political subdivision thereof, or agency or instrumentality of any of the foregoing.

"(B) Qualified hydroelectric generating property.—

"(i) In general.—Except as provided in clause (ii), the term 'qualified hydroelectric generating property' has the meaning given to such term by section 48(l)(13).

"(ii) Dam must be owned by governmental body.—The term 'qualified hydroelectric generating property' does not include any property installed at the site of any dam described in section 48(l)(13)(B)(i)(I) unless such dam was owned by one or more governmental bodies described in subparagraph (A) on October 18, 1979, and at all times thereafter until the obligations are no longer outstanding.

"(C) Limitation.—Paragraph (4)(H) of this subsection shall not apply to any issue of obligations (otherwise qualifying under paragraph (4)(H) if the portion of the proceeds of such issue which is used to provide qualified hydroelectric generating facilities exceeds (by more than an insubstantial amount) the product of—

"(i) the eligible cost of the facilities being provided in whole or in part from the proceeds of the issue, and

"(ii) the installed capacity fraction.

"(D) Installed capacity fraction.—The term 'installed capacity fraction' means the fraction—

"(i) the numerator of which is 25, reduced by 1 for each megawatt by which the installed capacity exceeds 100 megawatts, and

"(ii) the denominator of which is the number of megawatts of the installed capacity (but not in excess of 100).

For purposes of the preceding sentence, the term 'installed capacity' has the meaning given to such term by section 48(l)(13)(E).

"(E) Eligible cost.—

"(i) In general.—The eligible cost of any facilities is that portion of the total cost of such facilities which is reasonably expected—

"(I) to be the cost to the governmental body described in subparagraph (A), and

"(II) to be attributable to periods after October 18, 1979, and before 1986 (determined under rules similar to the rules of section 48(m)).

"(ii) Longer period for certain hydroelectric generating property.—If an application has been docketed by the Federal Energy Regulatory Commission before January 1, 1986, with respect to the installation of any qualified hydroelectric generating property, clause (i)(II) shall be applied with respect to such property by substituting '1989' for '1986'.

"(F) Certain prior issues taken into account.—If the proceeds of 2 or more issues (whether or not the issuer of each issue is the same) are or will be used to finance the same facilities, then, for purposes of subparagraph (C), in determining the amount of the proceeds of any later issue used to finance such facilities, there shall be taken into account the proceeds used to finance such facilities of all prior such issues which are outstanding at the time of such later issue (not including as outstanding any obligation which is to be redeemed from the proceeds of the later issue)."

(b) Application of Section 103(b)(4)(H) to Certain Facilities.—

(1) In general.—For purposes of section 103(b)(4)(H) of the Internal Revenue Code of 1954 (relating to qualified hydroelectric generating facilities), in the case of a hydroelectric generating facility described in paragraph (2)—

(A) the facility shall be treated as a qualified hydroelectric generating facility (as defined in section 103(b)(8)(A) of such Code) without regard to clause (ii) of section 48(l)(13)(B) of such Code (relating to maximum generating capacity), and

(B) the fraction referred to in subparagraph (C) of section 103(b)(8) of such Code shall be deemed to be 1.

(2) Facilities to which paragraph (1) applies.—A facility is described in this paragraph if—

(A) it would be a qualified hydroelectric generating facility (as defined in section 103(b)(8)(A) of such Code) if clause (ii) of section 48(l)(13)(B) did not apply,

(B) it constitutes an expansion of generating capacity at an existing hydroelectric generating facility,

(C) such facility is located at 1 of 2 dams located in the same county where—

(i) the rated capacity of the hydroelectric generating facilities at each such dam on October 18, 1979, was more than 750 megawatts,

(ii) the construction of the first such dam began in 1956, power at such first dam was first generated in 1959, and full power production at such first dam began in 1961, and

(iii) the construction of the second such dam began in 1959, power at such second dam was first generated in 1963, and full power production at such second dam began in 1964,

(D) acquisition or construction of the existing facility referred to in subparagraph (B) was financed with the proceeds of an obligation described in section 103(a)(1) of such Code,

(E) the existing facility is owned and operated by a State, political subdivision of a State, or agency or instrumentality of any of the foregoing,

(F) no more than 60 percent of the electric power and energy produced by such existing facility and of the qualified hydroelectric generating facility is to be sold to anyone other than an exempt person (within the meaning of section 103(b)(3) of such Code), and

(G) the agency of the State in which the facility is located which has jurisdiction over water rights had granted, before October 18, 1979, a water right under which expanded power and energy generating capacity for the facility was contemplated.

(c) Effective Date.—The amendments made by subsection (a) and the provisions of subsection (b) shall apply with respect to obligations issued after October 18, 1979.

Sec. 243. Renewable Energy Property.

(a) Certain State Obligations for Renewable Energy Property.—

(1) In general.—Paragraph (1) of subsection (b) of section 103 of the Internal Revenue Code of 1954 shall not apply to any obligation issued as part of an issue substantially all of the proceeds of which are to be used to provide renewable energy property, if—

(A) the obligations are general obligations of a State,

(B) the authority for the issuance of the obligations requires that taxes be levied in sufficient amount to provide for the payment of principal and interest on such obligations,

(C) the amount of such obligations, when added to the sum of the amounts of all such obligations previously issued by the State which are outstanding, does not exceed the smaller of—

(i) $500,000,000 or

(ii) one-half of 1 percent of the value of all property in the State,

(D) such obligations are issued pursuant to a program to provide financing for small scale energy projects which was established by a State the legislature of which, before October 18, 1979, approved a constitutional amendment to provide for such a program, and

(E) such obligations meet the requirements of paragraph (1) of section 103(h) of the Internal Revenue Code of 1954.

(2) Renewable energy property.—For purposes of this subsection, the term "renewable energy property" means property used to produce energy (including heat, electricity, and substitute fuels) from renewable energy sources (including wind, solar, and geothermal energy, waste heat, biomass, and water).

(b) Effective Date.—Subsection (a) shall apply with respect to obligations issued after the date of enactment of this Act.

Sec. 244. Certain Obligations Must Be in Registered Form And Not Guaranteed or Subsidized Under An Energy Program.

(a) General Rule.—Section 103 (relating to interest on governmental obligations), as amended by section 241, is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Certain Obligations Must Be in Registered Form and Not Guaranteed or Subsidized Under an Energy Program.—

"(1) In general.—An obligation to which this subsection applies shall be treated as an obligation not described in subsection (a) if—

"(A) such obligation is not issued in registered form,

"(B) the payment of principal or interest with respect to such obligation is guaranteed (in whole or in part) by the United States under a program a principal purpose of which is to encourage the production or conservation of energy, or

"(C) the payment of the principal or interest with respect to such obligation is to be made (in whole or in part) with funds provided under such a program of the United States, a State, or a political subdivision of a State.

"(2) Obligations to which this subsection applies.—This subsection shall apply to any obligations to which paragraph (1) of subsection (b) does not apply by reason of—

"(A) subsection (b)(4)(H) (relating to qualified hydroelectric generating facilities), or

"(B) subsection (g) (relating to qualified steam-generating or alcohol-producing facilities)."

(b) Effective Date.—The amendments made by subsection (a) shall apply to obligations issued on or after October 18, 1979.

Part V—Tertiary Injectants

Sec. 251. Tertiary Injectants.

(a) Deduction for Tertiary Injectants.—

(1) In general.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"Sec 193. Tertiary Injectants.

"(a) Allowance of Deduction.—There shall be allowed as a deduction for the taxable year an amount equal to the qualified tertiary injectant expenses of the taxpayer for tertiary injectants injected during such taxable year.

"(b) Qualified Tertiary Injectant Expenses.—For purposes of this section—

"(1) In general.—The term 'qualified tertiary injectant expenses' means any cost paid or incurred during the taxable year (whether or not chargeable to capital account) for any tertiary injectant (other than a hydrocarbon injectant which is recoverable) which is used as a part of a tertiary recovery method.

"(2) Hydrocarbon injectant.—The term 'hydrocarbon injectant' includes natural gas, crude oil, and any other injectant which is comprised of more than an insignificant amount of natural gas or crude oil. The term does not include any tertiary injectant which is hydrocarbon-based, or a hydrocarbon-derivative, and which is comprised of no more than an insignificant amount of natural gas or crude oil. For purposes of this paragraph, that portion of a hydrocarbon injectant which is not a hydrocarbon shall not be treated as a hydrocarbon injectant.

"(3) Tertiary recovery method.—The term 'tertiary recovery method' means—

"(A) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations (as defined by section 4996(b)(8)(C)), or

"(B) any other method to provide tertiary enhanced recovery which is approved by the Secretary for purposes of this section.

"(c) Application With Other Deductions.—No deduction shall be allowed under subsection (a) with respect to any expenditure—

"(1) with respect to which the taxpayer has made an election under section 263(c), or

"(2) with respect to which a deduction is allowed or allowable to the taxpayer under any other provision of this chapter."

(2) Technical and conforming amendments.—

(A) The table of sections for such part VI is amended by adding at the end thereof the following new item:

"Sec. 193. Tertiary injectants."

(B) Section 263(a)(1) (relating to capital expenditures) is amended—

(i) by striking out "or" at the end of subparagraph (E),

(ii) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", or", and

(iii) by adding at the end thereof the following new subparagraph:

"(G) expenditures for tertiary injectants with respect to which a deduction is allowed under section 193."

(C) Section 1245(a) (relating to gain from dispositions of certain depreciable property) is amended—

(i) by striking out "or 190" each place it appears in paragraphs (2)(D) and (3)(D) and inserting in lieu thereof "190, or 193",

(ii) by inserting "193," after "190," each place it apepars in paragraph (2), and

(iii) by inserting "or 193" after "190" in the last sentence of paragraph (2).

(D) Section 1250(b)(3) (relating to depreciation adjustments) is amended by striking out "or 190" and inserting in lieu thereof "190, or 193"

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

TITLE III—LOW-INCOME ENERGY ASSISTANCE

SHORT TITLE

Sec. 301. This title may be cited as the "Home Energy Assistance Act of 1980".

STATEMENT OF FINDINGS AND PURPOSE

Sec. 302. (a) The Congress finds that—

(1) recent dramatic increases in the cost of primary energy sources have caused corresponding sharp increases in the cost of home energy;

(2) reliable data projections show that the cost of home energy will continue to climb at excessive rates;

(3) the cost of essential home energy imposes a disproportionately larger burden on fixed-income, lower income, and lower middle income households and the rising cost of such energy is beyond the control of such households;

(4) fixed-income, lower-income, and lower-middle-income households should be protected from disproportionately adverse effects on their incomes resulting from national energy policy;

(5) adequate home heating is a necessary aspect of shelter and the lack of home heating poses a threat to life, health, or safety;

(6) adequate home cooling is necessary for certain individuals to avoid a threat to life, health, or safety;

(7) low-income households often lack access to energy supplies because of the structure of home energy distribution systems and prevailing credit practices; and

(8) assistance to households in meeting the burden of rising energy costs is insufficient from existing State and Federal sources.

(b) It is the purpose of this title to make grants to States to provide assistance to eligible households to offset the rising costs of home energy that are excessive in relation to household income.

DEFINITIONS

SEC. 303. As used in this title—

(1) "household" means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent;

(2) "home energy" means a source of heating or cooling in residential dwellings:

(3) "lower living standard income level" means the income level (adjusted for regional, metropolitan, and nonmetropolitan differences and family size) determined annually by the Secretary of Labor based upon the most recent "lower living standard family budget" issued by the Secretary of Labor,

(4) "Secretary" means the Secretary of Health, Education, and Welfare; and

(5) "State" means each of the several States and the District of Columbia.

HOME ENERGY GRANTS AUTHORIZED

SEC. 304. (a) The Secretary is authorized to make grants, in accordance with the provisions of this title, to States on behalf of eligible households to assist such households to meet the rising costs of home energy.

(b) There are authorized to be appropriated $3,000,000,000 for the fiscal year 1981 to carry out the provisions of this title.

(c) For the purpose of affording adequate notice of assistance available under this title, appropriations under this title are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation. Funds appropriated under subsection (b) of this section shall remain available until expended.

ELIGIBLE HOUSEHOLDS

SEC. 305. (a) Eligible household means any household which the State determines is—

(1) a household in which one or more individuals are eligible for (A) aid to families with dependent children under the State's plan approved under part A of title IV of the Social Security Act (other than such aid in the form of foster care in accordance with section 408 of such Act). (B) supplemental security income payments under title XVI of the Social Security Act, (C) food stamps under the Food Stamp Act of 1977, or (D) payments under section 415, 521, 541, or 542 of title 38, United States Code (relating to certain veterans' benefits); and

(2) any other household with an income equal to or less than the lower living standard income level as determined pursuant to subsection (c) of this section.

(b) Notwithstanding clause (1) of subsection (a), a household which is eligible for supplemental security income payments under title XVI of the Social Security Act, but not eligible under subsection (a)(1)(A), (C), or (D) of this section, shall not be considered eligible for home energy assistance under this title if the eligibility of a household is dependent upon—

(1) an individual whose annual supplemental security income benefit rate is reduced pursuant to section 1611(e)(1) of the Social Security Act by reason of being in an institution receiving payments (under title XIX of that Act) with respect to that individual,

(2) an individual to whom the reduction specified in section 1612(a)(2)(A)(i) of that Act applies, or

(3) a child described in section 1614(f)(2) of that Act (who is living together with a parent or the spouse of a parent).

(c) In verifying income eligibility for the purpose of clause (2) of subsection (a), the State shall apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act.

ALLOTMENTS

SEC. 306. (a)(1) From 95 per centum of the sums appropriated pursuant to section 304(b) for the fiscal year 1981, the Secretary shall allot to each State an amount which bears the same ratio to one-half of such 95 per centum as the aggregate residential energy expenditure in such State bears to the aggregate residential energy expenditure for all States.

(2) From 95 per centum of such sums, the Secretary shall allot to each State an amount which bears the same ratio to one-half of such 95 per centum as the total number of heating degree days in such State squared, multiplied by the number of households in such State having incomes equal to or less than the lower living standard income level, bears to the sum of such products for all States.

(3)(A) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $100,000,000, the allotment of such State shall, subject to paragraphs (6) and (8) of this subsection, be the greater of its allotment as so determined under paragraphs (1) and (2) or the product of the total amount available for allotment under paragraphs (1) and (2) of this subsection and such State's alternative allotment percentage.

(B) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is equal to or more than $100,000,000, the allotment of such State shall, subject to paragraphs (6) and (8) of this subsection and subparagraph (C) of this paragraph, be the greater of its allotment as so determined under such paragraphs (6) and (8) or the product of the total amount available for allotment under paragraphs (1) and (2) of this subsection and such State's alternative allotment percentage.

(C) There is authorized to be appropriated amounts not in excess of $90,000,000 for the fiscal year 1981 for the additional amounts to be allocated pursuant to subparagraph (B) of this paragraph.

(4) The alternative allotment percentage for any State shall be equal to (A) the percentage of 95 per centum of the total amount appropriated for the fiscal year pursuant to section 304(b) which the State would receive if its allotment were increased from the $25,000,000 authorized under this subsection to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of only one individual were equal, and the amount for other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120, or, unless the percentage determined under subparagraph (A) would be higher, (B) the percentage of 90 per centum of the total amount authorized to be appropriated for fiscal year 1981 under section 304(b) which would be allotted to such State if—

(i) of such 90 per centum (I) one-half was allotted to each State according to the ratios determined under paragraph (1) of subsection (a) of this section and (II) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (a) if, for purposes of such paragraph, the word "squared" were deleted and the term "lower living standard" were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

(ii) the allotment of each State as determined under subdivision (i) were increased to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of only one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120.

There are authorized to be appropriated $25,000,000 for the fiscal year 1981 for the additional amounts to be allocated to States pursuant to the application of subparagraph (A) of this paragraph. In the event that the aggregate of such additional amounts would exceed the amount appropriated under the preceding sentence, the additional amount applicable to each State shall be reduced on a pro rata basis.

(5) For purposes of this subsection, the term "recipient household" means—

(A) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

(B) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93–66.

For purposes of subparagraphs (B) and (C) the term "household" shall be defined by the Secretary, and shall not include an institution.

(6) The allotment of any State shall be increased under paragraph (3) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraph (A) or (B)(ii) of paragraph (4).

(7) If the allotment for any State determined under paragraphs (1) and (2) of this subsection (without the application of paragraph (8)), is less than the lower of—

(A) the amount which would be allotted to such State if "one-half" in paragraph (1) of this subsection were replaced by "one-quarter" and "one-half" in paragraph (2) of this subsection were replaced by "three-quarters"; or

(B) the amount which would be allotted to such State if the word "squared" in paragraph (2) of this subsection were deleted,

then the allotment of such State shall, subject to paragraph (8) of this subsection, be increased to the lower of the allotment it would receive under subparagraph (A) or (B).

(8) The allotments for any fiscal year determined under paragraphs (1) and (2) of this subsection which are not increased pursuant to paragraphs (3)(A) and (7) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (3)(A) and (7) of this subsection do not exceed the sum of (A) 95 per centum of the sums appropriated for such fiscal year pursuant to section 304(b) plus (B) the amount appropriated pursuant to the authorization in paragraph (4).

(9) If the amount appropriated for fiscal year 1981 is less than the sum of $3,000,000,000 plus such additional amounts as are necessary to carry out paragraphs (3) and (4), then each State's allotment shall be determined on the basis of an appropriation of such sum and shall be reduced on a pro rata basis as necessary.

(b)(1) From the remainder of the sums appropriated pursuant to section 304(b) for each fiscal year, the Secretary shall—

(A) first reserve $2,500,000 to be apportioned on the basis of need between the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and

(B) then transfer to the Director of the Community Services Administration $100,000,000, subject to the provisions of the second sentence of this paragraph for carrying out energy crisis related activities under section 222(a)(5) of the Economic Opportunity Act of 1964.

The percentage of the amount transferred under subparagraph (B) of this paragraph and available for use in each State shall be the same percentage as the percentage alloted to such State under this section for the total amounts available for allotment to States under subsection (a) of this section. Twenty per centum of the total amount transferred under subparagraph (B) may be utilized without regard to the requirements of the preceding sentence.

(2) Each jurisdiction to which paragraph (1)(A) applies may receive grants under this title upon an application submitted to the Secretary containing provisions which describe the programs for which assistance is sought under this title, and which are consistent with the requirements of section 308(b) of this title.

(3)(A)(i) The remainder of the sums appropriated pursuant to section 304(b) shall be distributed for home energy assistance programs in accordance with the provisions of this subparagraph. The Secretary shall make incentive grants to States to pay a Federal share of incentive fuel assistance programs for residential energy costs established by any State to serve the same population as the population eligible under this title.

(ii) No grant may be made under this subparagraph unless the State makes an application to the Secretary containing such provisions which the Secretary deems necessary and which describes the State program for which assistance is sought under this subparagraph.

(iii) The Federal share for any fiscal year for Federal assistance under this subparagraph shall not exceed 25 per centum.

(B) That part of the remainder of the sums appropriated pursuant to section 304(b) which is not required to carry out the provisions of subparagraph (A) of this paragraph shall be distributed by the Secretary in accordance with the allocation formula contained in subsection (a) of this section.

(4)(A) From the sums appropriated pursuant to section 304(b) and made available under paragraph (1)(B) of this subsection, the Director shall reserve a sum not to exceed $3,000,000 in each fiscal year for outreach activities designed to assure that eligible households with elderly members are made aware of the assistance available under this title. The Director shall enter into agreements with national aging organizations to carry out the provisions of this subparagraph.

(B) No payment may be made by the Director under this paragraph to any national aging organization unless the Director determines that such outreach activities will be coordinated with State outreach activities under section 308(b)(16).

(c) The portion of any State's allotment under subsection (a) for a fiscal year, which the Secretary determines will not be required for the period such allotment is available for carrying out the purposes of this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary may fix, to other States based on need and ability to expend the funds consistent with the provisions of this title and taking into account the proportion of the original allotments made available to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Secretary estimates such State needs and will be able to use for such period for carrying out such portion of its State application approved under this title, and the total reduction shall be similarly reallotted among the States whose proportionate amounts are not so reduced. In carrying out the requirements of this subsection the Secretary shall take into account the climatic conditions and such other relevant factors as may be necessary to assure that no State loses funds necessary to carry out the purposes of this title. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d)(1) Any allocations to a State may be reallocated only if the Secretary has provided thirty days advance notice to the chief executive and to the general public. During such period comments may be submitted to the Secretary.

(2) After considering any comments submitted during such period, the Secretary shall notify the chief executive of any decision to reallocate funds, and shall publish such decision in the Federal Register.

(e) The aggregate residential energy expenditure for each State and for all States shall be determined by the Secretary after consulting with the Secretary of Energy.

(f) The allotments made under this section shall be made on the basis of the latest reliable data available to the Secretary.

(g)(1) In any State in which the Secretary determines (after having taken into account the amount of funds available to the State) that the members of an Indian tribe are not receiving benefits under this title that are equivalent to benefits provided to other households in the State, and if the Secretary further determines that the members of such tribe would be better served by means of grants made directly to provide such benefits, the Secretary shall reserve from sums that would otherwise be allotted to such State not less than 100 per centum of an amount which bears the same ratio to the State's allotment for the fiscal year involved as the population of all eligible Indians for whom a determination under this paragraph has been made bears to the population of all eligible households in such State.

(2) The sums reserved by the Secretary on the basis of a determination under this subsection shall be granted to the tribal organization serving the individuals for whom such a determination has been made, or where there is no tribal organization, to such other entity as the Secretary determines has the capacity to provide assistance pursuant to this title.

(3) In order for a tribal organization or other entity to be eligible for an award for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe by regulation.

USES OF HOME ENERGY GRANTS

SEC. 307. Grants for fiscal year 1981 under this title may be used for home energy assistance in accordance with plans approved under section 308.

STATE PLANS

SEC. 308. (a) Each State desiring to receive a home energy grant under this title shall submit a State plan to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

(b) Each such State plan shall—

(1) be submitted in accordance with the procedures, timetables, and standards established by the Secretary pursuant to subsection (d)(4) of this section;

(2) designate an agency of the State to be determined by the chief executive to administer the program authorized by this title and describe local administrative arrangements;

(3) provide for a State program for furnishing home energy assistance to eligible households through payments made in accordance with the provisions of the plan, to—

(A)(i) home energy suppliers,

(ii) eligible households whenever the chief executive determines such payments to be feasible, or when the eligible household is making undesignated payments for rising energy costs in the form of rent increases, or

(iii) any combination of home energy supplier and eligible household whenever the chief executive determines such payments to be feasible, and

(B) building operators, in housing projects established under sections 221(d)(3) and 236 of the National Housing Act of 1968, section 202 of the Housing Act of 1959, section 515 of the Housing Act of 1949, low rent housing established by the United States Housing Act of 1937, and section 8 of the Housing Act of 1974, and State and local government-operated projects in an aggregate monthly amount computed on the basis of the number of eligible tenants making undesignated energy payments in the form of rent times of quotient of the exact costs of residential fuel costs paid as an undesignated part of rent divided by the number of tenants, the amount of such monthly quotient not to exceed a ceiling amount per eligible tenant as determined under regulations by the Secretary annually to be comparable to the amount estabilshed for other eligible households, if such operators give assurances to the State that tenants eligible for assistance under this title are not discriminated against with respect to rent;

(4) describe with particularity the procedures by which eligible households in the State are identified and certified as participants;

(5) describe energy usage and the average cost of home energy in the State identified by the type of fuel and by region of the State;

(6) describe the amount of assistance to be provided to or on behalf of participating households assuring (A) that priority is given to households with lowest incomes and to eligible households having at least one elderly or handicapped individual, and (B) that the highest level of assistance is provided to households with lowest incomes and the highest energy costs in relation to income, taking into account—

(i) the average home energy expenditure,

(ii) the proportional burden of energy costs in relation to ranges of income,

(iii) the variation in degree days in regions of the State in any State where appropriate, and

(iv) any other relevant consideration selected by the chief executive including provisions for payment levels for households making undesignated payments in the form of rent;

(7) provide, in accordance with clause (3) (A), for agreements with home energy suppliers under which—

(A) the State will pay on a timely basis by way of regular installments, as reimbursements or a line of credit, to the supplier designated by each participating household the amount of assistance determined in accordance with clause (6) and shall notify each participating household of the amount of assistance paid on its behalf;

(B) the home energy supplier will charge the household specified in subclause (A), in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) the home energy supplier will provide assurances that the home energy supplier will not discriminate against any eligible household in regard to terms and conditions of sale, credit, delivery and price; and

(D) subject to such subsection (f) of this section the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this clause will contain provisions to assure that no household receiving assistance under this title will have home energy terminated unless—

(i) the household has failed to pay the amount charged to such household in accordance with subclause (B) for at least two months,

(ii) the household receives a written termination notice not less than thirty days prior to the termination, and

(iii) the household is afforded, in a timely fashion before termination, an opportunity for a hearing by an agency designated by the State;

unless the supplier is located in a State in which the termination policy contains provisions for a longer grace period, or notification period, than that described in this clause;

(8) provide for the direct payment to households to which subclauses (A)(ii) and (iii) of clause (3) applies;

(9) provide for public participation in the development of the plan;

(10) provide assurances that the State will treat owners and renters equitably under the program assisted under this title;

(11) provide that—

(A) the State may use for planning and administering the plan an amount of the funds received by such State under this title not to exceed 5 per centum of the cost of carrying out the plan except that—

(i) upon proof of unusual circumstances and upon application to the Secretary, the State may use an additional amount for planning and administering the plan not to exceed 2½ per centum of the cost of carrying out the plan, and

(ii) in no case may the Federal share of the cost of planning and administering the plan exceed 50 per centum of such cost, and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the plan and will not use Federal funds for such remaining costs;

(12) describe the administrative procedures to be used in carrying out the plan;

(13) provide an opportunity for a fair hearing before the State agency designated under clause (2) to any individual whose claim for assistance under the plan is denied or is not acted upon with reasonable promptness;

(14) provide that, of the funds the State receives for each fiscal year, the State may reserve 3 per centum of the funds to be available for weather related and supply shortage emergencies, and if the State reserves such funds, the plan shall identify—

(A) the procedures for planning for such emergencies,

(B) the administrative procedures designating the emergency and implementing an emergency plan,

(C) the procedures for determining the assistance to be provided in such emergencies, and

(D) the procedures for the use of the funds under this clause for the purposes of this title in the event that there are no emergencies;

(15) provide assurance that there will be, to the maximum extent possible, referral of individuals to, and coordination with, existing Federal, State, and local weatherization and energy conservation efforts;

(16) provide for outreach activities designed to assure that all eligible households, particularly households with elderly or handicapped individuals, households with individuals who are unable to leave their residences, households with migrants, households with individuals with limited English proficiency, households with working poor individuals, households with children, and households in remote areas, are aware of the assistance available under this title by using community action agencies, area agencies on aging, State and local welfare agencies, volunteer programs carried out under the Domestic Volunteer Service Act of 1973, and other appropriate agencies and organizations within the State including home energy suppliers together with provisions for the reimbursement of such agencies, from administrative funds, for outreach and certification activities;

(17) establish procedures for monitoring the assistance provided under the plan including monitoring and auditing any agreements entered into under clause (7) of this subsection and describe the documentation to be required of energy suppliers concerning energy supplied to eligible households;

(18) provide assurances that the State will not reduce regular benefit levels, from the levels of such benefits as of February 26, 1980, in existing federally assisted cash assistance programs, except that in a State which increases such programs solely for the purpose of energy assistance, such increase shall not be considered a part of the regular program for the purposes of this paragraph;

(19) provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper dispersal of and accounting for Federal funds paid to the State under this title;

(20) provide that reports will be furnished in such form and contain such information as the Secretary may reasonably require, particularly for the carrying out of provisions of section 309; and

(21) provide assurances in the case described in section 305(a)(2) that the State will not establish any standards of eligibility under this title based on an assets test which counts cars, household and personnel belongings, or primary residences and in the case of a household which the State determines to be eligible under section 305(a)(1), no such test will be established under this title.

(c) The State is authorized to make grants to eligible households to meet the rising costs of cooling whenever the household establishes that such cooling is the result of medical need pursuant to standards established by the Secretary.

(d)(1) The Secretary shall approve any State plan, or modification thereof, that meets the requirements of subsections (b) and (c) and shall not finally disapprove, in whole or in part, any plan, or any notification thereof, for assistance under this title without first affording the State reasonable notice and opportunity for a hearing within the State. Whenever the Secretary disapproves a plan the Secretary shall, on a timely basis, assist the State to overcome the deficiencies in the plan.

(2) Where the Secretary determines that a waiver is likely to assist in promoting the objectives of this title, the Secretary may waive compliance with any of the requirements of subsection (b) to the extent and for the period the Secretary finds necessary to enable any such State to carry out the program assisted under this title.

(3) The Secretary shall carry out the functions of the Secretary under this section promptly.

(4) The Secretary, as soon as possible after the date of enactment of this title, shall establish criteria and standards for the State plan requirements under subsections (b) and (c) of this section, together with timetables for carrying out the plan.

(e) Any State which makes advances available for activities relating to the development of a State plan and for other activities under this title in substantial compliance with an approved State plan may be reimbursed for such advances from the allocation made to that State under section 306(a) when funds are appropriated to carry out the provisions of this title.

(f) A state agency may exempt small home energy suppliers from the requirements of subsection (b)(7)(D), of this section if the State agency determines that compliance with such subsection, will seriously jeopardize the ability of the small home energy supplier to conduct such business.

(g) A State may use funds available under this title for the purpose of providing credits against State tax to energy suppliers who supply such energy at reduced rates to lower income households, but such credit may not exceed the amount of the loss of revenue to such supplier on account of such reduced rate. Any certifications for such tax credits shall be made by the State, but such State may utilize Federal data available to such State with respect to recipients of supplemental security income benefits if timely delivery of benefits to eligible households and suppliers will not be impeded by the implementation of such plan.

(h) At the option of the State, any portion of such State's allotment may be reserved by the Secretary for the purpose of making direct payments to eligible households (except for individuals described in section 305(b)(1), (2), and (3)) containing a recipient of supplemental security income benefits under title XVI of the Social Security Act for home energy assistance in accordance with guidelines issued by the Secretary.

(i) At the option of the State, payments described in subsection (b) of this section may be made, without limitation, in the form of a duly issued coupon, stamp, or certificate.

UNIFORM DATA COLLECTION

SEC. 309. (a) The Secretary, after consultation with the Secretary of Energy, shall establish uniform standards for data collection which shall be used by States in all reports required under this title.

(b)(1) The standards established by the Secretary under this section shall apply to (A) information concerning home energy consumption, (B) the cost and type of fuels used, (C) the type of fuel used by various income groups, (D) the number and income levels of households assisted by this title, and (E) any other information which the Secretary determines to be reasonably necessary to carry out the provisions of this title.

(2) In carrying out this section, the Secretary shall analyze information supplied by the Secretary of Energy on the price structure of various types of fuel, particularly the increases in such price structure as it relates to the financial assistance provided under this title.

(c) The Secretary shall report annually to Congress concerning data collected under subsection (b).

PAYMENTS

SEC. 310. (a) From the amount allotted to each State pursuant to section 306, the Secretary shall pay to the State which has an application approved under section 308 an amount equal to the amount needed for the purposes set forth in the State plan.

(b) Payments under this title may be made in installments in advance or by way of reimbursement, with necessary adjustments on account of overpayments and underpayments.

WITHHOLDING

SEC. 311. Whenever the Secretary, after reasonable notice and opportunity for hearing within the State to any State, finds that there has been a substantial failure to comply with any provision set forth in the State plan of that State approved under section 308, the Secretary shall notify the State that further payments will not be made under this title until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made under this title.

CRIMINAL PENALTIES

SEC. 312. Whoever violates provisions of this title or who knowingly provides false information in any report required under this title shall be fined not more than $10,000 or imprisoned not more than five years or both.

ADMINISTRATION

SEC. 313. (a)(1) The Secretary may delegate any functions under this title, except the making of regulations, to any officer or employee of the Department of Health, Education, and Welfare.

(2) The Secretary shall issue regulations under this title, within sixty days after the date of enactment of this title.

(b) In administering the provisions of this title, the Secretary is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution, to the extent such services and facilities are otherwise authorized to be made available for such purpose, in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

(c)(1) Notwithstanding any other provision of law, the amount of any fuel assistance payments or allowances provided to an eligible household under this title shall not be considered income or resources of such household (of any member thereof) for any purpose under any Federal or State law, including any law relating to taxation, public assistance or welfare program.

(2) Section 5(d) of the Food Stamp Act of 1977 is amended by striking out "and (10)" and inserting in lieu thereof the following: "(10) during fiscal year 1981, any income attributable to an increase in State public assistance grants which is intended primarily to meet the increased cost of home energy, and (11)".

(d) The Secretary shall establish procedures for Federal monitoring of State administration of programs assisted under this title.

(e) The Secretary shall coordinate the administration of the program established under this title with appropriate programs authorized by the Economic Opportunity Act of 1964 and any other existing Federal energy programs which provide related assistance programs.

(f) The Secretary, after consultation with the Secretary of the Department of Energy, the Director of the Community Services Administration, the Secretary of Housing and Urban Development and the Secretary of Agriculture, shall establish procedures for referrals for participation in Federal weatherization programs under section 308(b)(15).

(g) The Secretary, in cooperation with such other agencies as may be appropriate, shall develop and implement the capacity for estimating total annual energy expenditures of low-income households in each State. The Secretary shall submit to the Congress his estimates pursuant to this subsection together with a description of the manner in which they were determined prior to the beginning of each calendar year starting with 1981.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. REPEAL OF CARRYOVER BASIS.

(a) IN GENERAL.—Subsections (a), (d), and (e) of section 2005 of the Tax Reform Act of 1976 (relating to carryover basis), and subsection (a), paragraphs (2) through (9) of subsection (c), and paragraphs (1) and (3) of subsection (r) of section 702 of the Revenue Act of 1978, and the amendments made by those subsections or paragraphs are hereby repealed.

(b) REVIVAL OF PRIOR LAW.—Except to the extent necessary to carry out subsection (d), the Internal Revenue Code of 1954 shall be applied and administered as if the provisions repealed by subsection (a), and the amendments made by those provisions, had not been enacted.

(c) CONFORMING CHANGES.—

(1) Subsection (c) of section 1016 (relating to increase in basis in case of certain involuntary conversions) is amended to read as follows:

"(c) INCREASE IN BASIS IN THE CASE OF CERTAIN INVOLUNTARY CONVERSIONS.—

"(1) IN GENERAL.—If—

"(A) there is a compulsory or involuntary conversion (within the meaning of section 1033) of any property, and

"(B) an additional estate tax is imposed on such conversion under section 2032A(c), then the adjusted basis of such property shall be increased by the amount of such tax.

"(2) TIME ADJUSTMENT MADE.—Any adjustment under paragraph (1) shall be deemed to have occurred immediately before the compulsory or involuntary conversion.".

(2)(A) Section 1040 (relating to satisfaction of a pecuniary bequest) is amended to read as follows:

"SEC. 1040. USE OF FARM, ETC., REAL PROPERTY TO SATISFY PECUNIARY BEQUEST.

"(a) GENERAL RULE.—If the executor of the estate of any decedent satisfies the right of a qualified heir (within the meaning of section 2032A(e)(1)) to receive a pecuniary bequest with property with respect to which an election was made under section 2032A, then gain on such exchange shall be recognized to the estate only to the extent that, on the date of such exchange, the fair market value of such property exceeds the value of such property for purposes of chapter 11 (determined without regard to section 2032A).

"(b) SIMILAR RULE FOR CERTAIN TRUSTS.—To the extent provided in regulations prescribed by the Secretary, a rule similar to the rule provided in subsection (a) shall apply where—

"(1) by reason of the death of the decedent, a qualified heir has a right to receive from a trust a specific dollar amount which is the equivalent of a pecuniary bequest, and

"(2) the trustee of the trust satisfies such right with property with respect to which an election was made under section 2032A.

"(c) BASIS OF PROPERTY ACQUIRED IN EXCHANGE DESCRIBED IN SUBSECTION (a) OR (b).—The basis of property acquired in an exchange with respect to which gain realized is not recognized by reason of subsection (a) or (b) shall be the basis of such property immediately before the exchange increased by the amount of the gain recognized to the estate or trust on the exchange."

(B) The item relating to section 1040 in the table of sections for part III of subchapter O of chapter 1 is amended to read as follows:

"Sec. 1040. Use of farm, etc., real property to satisfy pecuniary bequest."

(3) The second sentence of section 2614(a) (relating to special rules for generation-skipping transfers) is amended to read as follows: "If property is transferred in a generation-skipping transfer subject to tax under this chapter which occurs at the same time as, or after, the death of the deemed transferor, the basis of such property shall be adjusted in a manner similar to the manner provided under section 1014(a).".

(d) ELECTION OF CARRYOVER BASIS RULES BY CERTAIN ESTATES.—Notwithstanding any other provision of law, in the case of a decedent dying after December 31, 1976, and before November 7, 1978, the executor (within the meaning of section 2203 of the Internal Revenue Code of 1954) of such decedent's estate may irrevocably elect, within 120 days following the date of enactment of this Act and in such manner as the Secretary of the Treasury or his delegate shall prescribe, to have the basis of all property acquired from or passing from the decedent (within the meaning of section 1014(b) of the Internal Revenue Code of 1954) determined for all purposes under such Code as though the provisions of section 2005 of the Tax Reform Act of 1976 (as amended by the provisions of section 702(c) of the Revenue Act of 1978) applied to such property acquired or passing from such decedent.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply in respect of decedents dying after December 31, 1976.

SEC. 402. DISAPPROVAL OF PRESIDENTIAL ACTIONS ADJUSTING OIL IMPORTS.

Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) is amended by adding at the end thereof the following new subsection:

"(e)(1) An action taken by the President under subsection (b) to adjust imports of petroleum or petroleum products shall cease to have force and effect upon the enactment of a disapproval resolution, provided for in paragraph (2), relating to that action.

"(2)(A) This paragraph is enacted by the Congress—

"(i) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedures to be followed in that House in the case of disapproval resolutions and such procedures supersede other rules only to the extent that they are inconsistent therewith; and

"(ii) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

"(B) For purposes of this subsection, the term 'disapproval resolution' means only a joint resolution of either House of Congress the matter after the resolving clause of which is as follows: 'That the Congress disapproves the action taken under section 232 of the Trade Expansion Act of 1962 with respect to petroleum imports under ———— dated ————.', the first blank space being filled with the number of the proclamation, Executive order, or other Executive act issued under the authority of subsection (b) of such section 232 for purposes of adjusting imports of petroleum or petroleum products and the second blank being filled with the appropriate date.

"(C) (i) All disapproval resolutions introduced in the House of Representatives shall be referred to the Committee on Ways and Means and all disapproval resolutions introduced in the Senate shall be referred to the Committee on Finance

"(ii) No amendment to a disapproval resolution shall be in order in either the House of Representatives or the Senate. and no motion to suspend the application of this clause shall be in order in either House nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this clause by unanimous consent"

Sec. 403. Qualified Liquidations of LIFO Inventories.

(a) Treatment of Qualified Liquidations.—

(1) In general.—Subpart D of part II of subchapter E of chapter 1 (relating to inventories) is amended by adding at the end thereof the following new section:

"Sec. 473. Qualified Liquidations of LIFO Inventories.

"(a) General Rule.—If for any liquidation year—

"(1) there is a qualified liquidation of goods which the taxpayer inventories under the LIFO method, and

"(2) the taxpayer elects to have the provisions of this section apply with respect to such liquidation,

then the gross income of the taxpayer for such taxable year shall be adjusted as provided in subsection (b).

"(b) Adjustment for Replacements.—If the liquidated goods are replaced (in whole or in part) during any replacement year and such replacement is reflected in the closing inventory for such year, then the gross income for the liquidation year shall be—

"(1) decreased by an amount equal to the excess of—

"(A) the aggregate replacement cost of the liquidated goods so replaced during such year, over

"(B) the aggregate cost of such goods reflected in the opening inventory of the liquidation year, or

"(2) increased by an amount equal to the excess of—

"(A) the aggregate cost reflected in such opening inventory of the liquidated goods so replaced during such year, over

"(B) such aggregate replacement cost.

"(c) Qualified Liquidation Defined.—For purposes of this section—

"(1) In general.—The term 'qualified liquidation' means—

"(A) a decrease in the closing inventory of the liquidation year from the opening inventory of such year, but only if

"(B) the taxpayer establishes to the satisfaction of the Secretary that such decrease is directly and primarilv attributable to a qualified inventory interruption.

"(2) Qualified inventory interruption defined.—

"(A) In general.—The term 'qualified inventory interruption' means a regulation, request, or interruption described in subparagraph (B) but only to the extent provided in the notice published pursuant to subparagraph (B).

"(B) Determination by Secretary.—Whenever the Secretary, after consultation with the appropriate Federal officers, determines—

"(i) that—

"(I) any Department of Energy regulation or request with respect to energy supplies, or

"(II) any embargo, international boycott, or other major foreign trade interruption,

has made difficult or impossible the replacement during the liquidation year of any class of goods for any class of taxpayers, and

"(ii) that the application of this section to that class of goods and taxpayers is necessary to carry out the purposes of this section,

he shall publish a notice of such determinations in the Federal Register, together with the period to be affected by such notice.

"(d) Other Definitions and Special Rules.—For purposes of this section—

"(1) Liquidation year.—The term 'liquidation year' means the taxable year in which occurs the qualified liquidation to which this section applies.

"(2) Replacement year.—The term 'replacement year' means any taxable year in the replacement period; except that such term shall not include any taxable year after the taxable year in which replacement of the liquidated goods is completed.

"(3) Replacement period.—The term 'replacement period' means the shorter of—

"(A) the period of the 3 taxable years following the liquidation year, or

"(B) the period specified by the Secretary in a notice published in the Federal Register with respect to that qualified inventory interruption.

Any period specified by the Secretary under subparagraph (B) may be modified by the Secretary in a subsequent notice published in the Federal Register.

"(4) LIFO method.—The term 'LIFO method' means the method of inventorying goods described in section 472.

"(5) Election.—

"(A) In general.—An election under subsection (a) shall be made subject to such conditions, and in such manner and form and at such time, as the Secretary may prescribe by regulation.

"(B) Irrevocable election.—An election under this section shall be irrevocable and shall be binding for the liquidation year and for all determinations for prior and subsequent taxable years insofar as such determinations are affected by the adjustments under this section.

"(e) Replacement; Inventory Basis.—For purposes of this chapter—

"(1) Replacements.—If the closing inventory of the taxpayer for any replacement year reflects an increase over the opening inventory of such goods for such year, the goods reflecting such increase shall be considered, in the order of their acquisition, as having been acquired in replacement of the goods most recently liquidated (whether or not in a qualified liquidation) and not previously replaced.

"(2) Amount at which replacement goods are taken into account.—In the case of any qualified liquidation, any goods considered under paragraph (1) as having been acquired in replacement of the goods liquidated in such liquidation shall be taken into purchases and included in the closing inventory of the taxpayer for the replacement year at the inventory cost basis of the goods replaced.

"(f) Special Rules for Application of Adjustments.—

"(1) Period of limitations.—If—

"(A) an adjustment is required under this section for any taxable year by reason of the replacement of liquidated goods during any replacement year, and

"(B) the assessment of a deficiency, or the allowance of a credit or refund of an overpayment of tax attributable to such adjustment, for any taxable year, is otherwise prevented by the operation of any law or rule of law (other than section 7122, relating to compromises),

then such deficiency may be assessed, or credit or refund allowed, within the period prescribed for assessing a deficiency or allowing a credit or refund for the replacement year if a notice for deficiency is mailed, or claim for refund is filed, within such period.

"(2) Interest.—Solely for purposes of determining interest on any overpayment or underpayment attributable to an adjustment made under this section, such overpayment or underpayment shall be treated as an overpayment or underpayment (as the case may be) for the replacement year.

"(g) Coordination With Section 472.—The Secretary shall prescribe such regulations as may be necessary to coordinate the provisions of this section with the provisions of section 472."

(2) Clerical amendment.—The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 473. Qualified liquidations of LIFO inventories."

(3) Effective date.—The amendments made by paragraphs (1) and (2) shall apply to qualified liquidations (within the meaning of section 473(c) of the Internal Revenue Code of 1954) in taxable years ending after October 31, 1979.

(b) Recognition of Gain on Certain Dispositions of LIFO Inventories.—

(1) Amendment of section 336.—Section 336 (relating to general rule for liquidations) is amended to read as follows:

"Sec. 336. Distributions of Property in Liquidation.

"(a) General Rule.—Except as provided in subsection (b) of this section and in section 453(d) (relating to disposition of installment obligations), no gain or loss shall be recognized to a corporation on the distribution of property in partial or complete liquidation.

"(b) LIFO Inventory.—

"(1) In general.—If a corporation inventorying goods under the LIFO method distributes inventory assets in partial or complete liquidation, then the LIFO recapture amount with respect to such assets shall be treated as gain to the corporation recognized from the sale of such inventory assets.

"(2) Exception where basis determined under section 334(b)(1).—Paragraph (1) shall not apply to any liquidation under section 332 for which the basis of property received is determined under section 334(b)(1).

"(3) LIFO recapture amount.—For purposes of this subsection, the term 'LIFO recapture amount' means the amount (if any) by which—

"(A) the inventory amount of the inventory assets under the first-in, first-out method authorized by section 471, exceeds

"(B) the inventory amount of such assets under the LIFO method.

"(4) Definitions.—For purposes of this subsection—

"(A) LIFO method.—The term 'LIFO method' means the method authorized by section 472 (relating to last-in, first-out inventories).

"(B) Other definitions.—The term 'inventory assets' has the meaning given to such term by subparagraph (A) of section 311(b)(2), and the term 'inventory amount' has the meaning given to such term by subparagraph (B) of section 311(b)(2) (as modified by paragraph (3) of section 311 (b))."

(2) SECTION 337 LIQUIDATIONS.—

(A) Section 337 (relating to gain or loss on sales or exchanges in connection with certain liquidations) is amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULE FOR LIFO INVENTORIES.—

"(1) IN GENERAL.—In the case of a corporation inventorying goods under the LIFO method, this section shall apply to gain from the sale or exchange of inventory assets (which under subsection (b)(2) constitute property) only to the extent that such gain exceeds the LIFO recapture amount with respect to such assets.

"(2) DEFINITIONS.—The terms used in this subsection shall have the same meaning as when used in section 336(b).

"(3) CROSS REFERENCE.—

"For treatment of gain from the sale or exchange of an installment obligation as gain resulting from the sale or exchange of the property in respect of which the obligation was received, see the last sentence of section 453(d)(1)."

(B) Subparagraph (B) of section 453(d)(4) (relating to liquidations to which section 337 applies) is amended by adding at the end thereof the following new sentence: "In the case of any installment obligation which would have met the requirements of clauses (i) and (ii) of the first sentence of this subparagraph but for section 337(f), gain shall be recognized to such corporation by reason of such distribution only to the extent gain would have been recognized under section 337(f) if such corporation had sold or exchanged such installment obligation on the day of such distribution."

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to distributions and dispositions pursuant to plans of liquidation adopted after December 31, 1981.

SEC. 404. EXEMPTION OF CERTAIN INTEREST INCOME FROM TAX.

(a) IN GENERAL.—Section 116 (relating to partial exclusion of dividends received by individuals) is amended to read as follows:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include the sum of the amounts received during the taxable year by an individual as—

"(1) a dividend from a domestic corporation, or

"(2) interest.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return under section 6013).

"(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a)(1) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organizations) or section 521 (relating to farmers' cooperative associations).

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

(1) INTEREST DEFINED.—The term 'interest' means—

(A) interest on deposits with a bank (as defined in section 581),

"(B) amounts (whether or not designated as interest) paid, in respect of deposits, investment certificates, or withdrawable or repurchasable shares, by—

"(i) a mutual savings bank, cooperative bank, domestic building and loan association, industrial loan association or bank, or credit union, or

"(ii) any other savings or thrift institution which is chartered and supervised under Federal or State law,

the deposits or accounts in which are insured under Federal or State law or which are protected and guaranteed under State law,

"(C) interest on—

"(i) evidences of indebtedness (including bonds, debentures, notes, and certificates) issued by a domestic corporation in registered form, and

"(ii) to the extent provided in regulations prescribed by the Secretary, other evidences of indebtedness issued by a domestic corporation of a type offered by corporations to the public,

"(D) interest on obligations of the United States, a State, or a political subdivision of a State (not excluded from gross income of the taxpayer under any other provision of law), and

"(E) interest attributable to participation shares in a trust established and maintained by a corporation established pursuant to Federal law.

"(2) DISTRIBUTIONS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—Subsection (a) shall apply with respect to any dividend from—

"(A) a regulated investment company, subject to the limitations provided in section 854(b)(2), or

"(B) real estate investment trust, subject to the limitations provided in section 857(c).

"(3) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b)."

(b) CLERICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for part III of subchapter B of chapter 1 is amended by inserting "and interest" after "dividends" in the item relating to section 116.

(2) The first sentence of paragraph (2) of section 265 (relating to interest) is amended by inserting after "subtitle" the following: ", or to purchase or carry obligations or shares, or to make deposits or other investments, the interest on which is described in section 116(c) to the extent such interest is excludable from gross income under section 116".

(3) Paragraph (2) of section 584(c) (relating to income of participants in fund) is amended by inserting "or interest" after "dividends" each place it appears in the caption and text thereof.

(4) Paragraph (7) of section 643(a) (relating to definition of distributable net income) is amended by inserting "or interest" after "dividends" each place it appears in the caption or text thereof.

(5) Paragraph (5) of section 702(a) (relating to income and credits of partners) is amended by inserting "or interest" after "dividends".

(6) Subsection (b) of section 854 (relating to other dividends) is amended—

(A) by inserting "AND TAXABLE INTEREST" in the caption after "DIVIDENDS",

(B) by striking out the caption of paragraph (1) and inserting in lieu thereof "DEDUCTION UNDER SECTION 243.—",

(C) by striking out "the exclusion under section 116 and" in paragraph (1),

(D) by redesignating paragraphs (2) and (3) as (3) and (4),

(E) by inserting after paragraph (1) the following new paragraph:

"(2) EXCLUSION UNDER SECTION 116.—In the case of a dividend (other than a dividend described in subsection (a)) received from a regulated investment company—

"(A) which meets the requirements of section 852(a) for the taxable year in which it paid the dividend,

"(B) the aggregate interest received by which during the taxable year is less than 75 percent of its gross income, and

"(C) the aggregate dividends received by which during the taxable year is less than 75 percent of its gross income,

then, in computing the exclusion under section 116, there shall be taken into account only that portion of the dividend which bears the same ratio to the amount of such dividend as the sum of the aggregate dividends received and aggregate interest received bears to gross income. For purposes of the preceding sentence, gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year as does not exceed aggregate interest received for the taxable year."

(F) by striking out "section 116(b)" in subparagraph (B) of paragraph (4) (as redesignated by subparagraph (D) of this paragraph) and inserting in lieu thereof "section 116(b)(2)",

(G) by striking out "section 116(c)" in subparagraph (B) of paragraph (4) (as so redesignated) and inserting in lieu thereof "section 116(c)(2)".

(H) by adding at the end of paragraph (4) (as redesignated) the following new subparagraph:

"(C) The term 'aggregate interest received' includes only interest described in section 116(c)(1)."

(7) The table of sections for part I of subchapter M of chapter 1 is amended by inserting "and taxable interest" after "dividends" in the item relating to section 854.

(8) Subsection (c) of section 857 (relating to restrictions applicable to dividends received from real estate investment trusts) is amended to read as follows:

"(c) LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

"(1) CAPITAL GAIN DIVIDEND.—For purposes of section 116 (relating to exclusion for dividends and interest received by individuals), a capital gain dividend (as defined as subsection (b)(3)(C)) received from a real estate investment trust shall not be considered a dividend.

"(2) OTHER DIVIDENDS.—In the case of a dividend received from a real estate investment trust (other than a dividend described in paragraph (1)), if—

"(A) the real estate investment trust meets the requirements of this part for the taxable year during which it paid the dividend, and

"(B) the aggregate interest received by the real estate investment trust for the taxable year is less than 75 percent of its gross income,

then, in computing the exclusion under section 116, there shall be taken into account only that portion of the dividend which bears the same ratio to the amount of such dividend as aggregate interest received bears to gross income.

"(3) ADJUSTMENTS TO GROSS INCOME AND AGGREGATE INTEREST RECEIVED.—For purposes of paragraph (2)—

"(A) gross income does not include the net capital gain, "(B) gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed aggregate interest received for the taxable year, and

"(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4), (5), and (6) of section 857(b).

"(4) AGGREGATE INTEREST RECEIVED.—For purposes of this subsection, the term 'aggregate interest received' means only interest described in section 116(c)(1).

"(5) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a real estate investment trust which may be taken into account as a dividend for purposes of the exclusion under section 116 shall not exceed the amount so designated by the trust in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.

"(6) CROSS REFERENCE.—

"For restriction on dividends received by a corporation, see section 243(c)(2)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980 and before January 1, 1983.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

AL ULLMAN,
DAN ROSTENKOWSKI,
CHARLES VANIK,
JAMES C. CORMAN,
SAM GIBBONS,
J. J. PICKLE,
C. B. RANGEL,
WILLIAM R. COTTER,
PETE STARK,
BARBER B. CONABLE, Jr.,
Managers on the Part of the House.

RUSSELL B. LONG,
H. E. TALMADGE,
HARRY F. BYRD, Jr.,
GAYLORD NELSON,
MIKE GRAVEL,
LLOYD BENTSEN,
DAN MOYNIHAN,
BOB DOLE,
BOB PACKWOOD,
BILL ROTH,
JOHN C. DANFORTH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The Managers on the part of the House and Senate at the conference on the disagreeing votes of the two-Houses on the amendment of the Senate to the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil submit the following joint statement to the House and the Senate as an explanation of the effect of the action agreed upon by the Managers and recommended in the accompanying conference report:

I. WINDFALL PROFIT TAX

The windfall profit tax is a temporary excise, or severance, tax applying to domestically produced crude oil. All taxable oil is classified into one of several tiers. The structure of the tax is essentially the same for all tiers: the tax equals the tax rate times the taxable windfall profit, which equals the selling price of the oil minus an adjusted base price and minus a deduction for State severance taxes on the windfall profit. The tiers differ in the tax rate which is applied, in the adjusted base price which is used, and in some other respects. Certain kinds of producers are either entirely exempt from the tax, or eligible for reduced tax rates, on part or all of their production.

1. Tier One Oil

House bill.—Under the House bill, oil which would have been controlled as lower or upper tier oil under pre-June 1979 Department of Energy (DOE) price control regulations (i.e., the regulations in effect prior to the Administration's phased decontrol program) is taxed in one of two tiers. Tier one includes oil produced on a property which would have been lower tier oil under the old regulations and which is below the amount represented by a 1.5-percent decline curve. Tier two includes oil which would have been upper tier oil under the old regulations, oil in excess of the decline curve, marginal oil, and front-end tertiary oil. Alaskan oil, stripper oil, newly discovered oil and incremental tertiary oil are included in tier three. Tier two merges into tier three between 1986 and 1990.

The tax rate is 60 percent for both tier one and tier two. The tier one base price is the May 1979 lower tier ceiling price (which averaged $5.91 per barrel), and the tier two base price is the May 1979 upper tier ceiling price (which averaged $13.02).

Senate amendment.—The Senate amendment adds several new categories of oil to tier two: high water-cut oil. Cook Inlet oil, oil from the Sadlerochit Reservoir on Alaska's North Slope, and deep marginal oil. It makes some technical changes to the 1.5-percent decline curve. It also raises the tax rate on tier one and tier two to 75 percent, eliminates the merger of tier two into three between 1986 and 1990, and reduces the tier two base price to the May 1979 upper tier ceiling minus 25 cents.

Conference agreement.—The conference agreement combines tiers one and two into a new, expanded tier one of the tax. The merged tier one includes essentially all of the oil taxed in either tier one or tier two of the Senate amendment. More precisely, tier one includes all taxable oil except oil specifically included in a higher tier; i.e., stripper oil, oil from a National Petroleum Reserve, newly discovered oil, heavy oil and incremental tertiary oil. The merger of tiers one and two in the conference agreement eliminates about one-half the complexity of the House and Senate versions of the tax.

The tax rate on the new tier one in the conference agreement is 70 percent. (However, independent producers are given a special 50-percent rate, described in item 25 below, on up to 1,000 barrels a day.) The tier one base price on a property is the May 1979 upper tier ceiling price for the property reduced by 21 cents. The conference agreement follows the Senate amendment in not phasing out this tier between 1986 and 1990.

Although the conferees have eliminated special tax treatment for high water-cut crude oil through the merger of tier one and tier two, the conferees reemphasize the important contribution of high water-cut crude oil to our domestic supplies.

The conferees want to make clear that consideration by the Department of Energy, through rule-making or otherwise, of special price treatment for this important category of oil is deemed appropriate. The conferees were satisfied that the mechanism in the Senate bill requiring the taxpayer's affirmative qualification is administratively workable and could, therefore, be utilized by the Department of Energy.

2. Front-End Tertiary Oil

House bill.—Under a DOE rule adopted in August 1979, producers who invest in enhanced oil recovery projects before October 1981 are allowed to deregulate the price of specified volumes of price-controlled oil (called front-end tertiary oil) to finance that investment. The additional revenue received by the producer for the deregulated front-end tertiary oil is limited to the lesser of 75 percent of specified tertiary expenses actually incurred or $20 million per project or property. Under this DOE rule, producers may deregulate oil produced from properties other than the one on which the project is located.

Under the House bill, front-end tertiary oil is taxed in tier two.

Senate amendment.—The Senate amendment generally is the same as the House bill. However, front-end tertiary oil sold after September 30, 1980, to finance projects using carbon dioxide or chemical surfactant processes is exempt from tax.

Conference agreement.—Oil that DOE deregulates as front-end tertiary oil is generally exempt from the windfall profit tax if the project is controlled by producers who were independent producers (as defined for purposes of reduced windfall profit tax rates) for the fourth quarter of 1979. For these projects, all of the front-end tertiary oil deregulated in connection with the project (including any produced by a major company) is exempt with two exceptions. First, oil which could have been released from crude oil price controls under any other part of the DOE pricing regulations cannot qualify for this exemption. Second, oil deregulated to finance prepaid expenses cannot qualify.

If the tertiary project for which front-end oil is being deregulated is controlled by major oil companies, all front-end tertiary oil related to that project is subject to tax (including any produced by an independent producer). However, a tax refund is available for windfall profit taxes paid on the front-end tertiary oil to the extent that qualifying recoupable tertiary recovery expenditures for the project under the DOE regulations exceed the amount actually recouped under the front-end financing program. As with projects controlled by independent producers, prepaid expenses cannot qualify for the refund, nor can oil which could have been deregulated under any other price control provision.

This provision applies only to front-end tertiary oil deregulated under the August 1979 energy pricing regulations as those regulations took effect on October 1, 1979, except for changes in those regulations designed specifically to take into account the windfall profit tax itself.

A tertiary project is considered controlled by a major oil company if more than 50 percent of the operating mineral interest in the property (or portion thereof) on which the project is being undertaken was owned, directly or indirectly, by or for major oil companies on January 1, 1980. Ownership of the front-end tertiary oil itself is irrelevant for this purpose. A major oil company is any producer who is defined as being ineligible for percentage depletion on oil and gas income because it is a retailer or refiner of oil or gas.

The conference agreement does not allow the front-end tertiary exemption or refund for front-end tertiary oil deregulated by DOE to finance tertiary expenditures attributable to periods after September 30, 1981 (prepaid expenses). For this purpose, fuel or tertiary injectants are attributable to periods prior to October 1, 1981, if used or injected before that date. Other items are treated as attributable to periods before October 1, 1981, to the extent that income tax deductions for the item (including depreciation in respect of the item) are properly allocable to periods before October 1, 1981. Therefore, expenses paid outside the normal course of business for items which ordinarily would not be taken into account prior to October 1, 1981, are not allowed expenses for purposes of the windfall profit tax; that is, front-end tertiary oil deregulated to finance those expenses is not exempt or eligible for the refund.

However, some pre-October 1, 1981, expenditures may constitute "allowed expenses," even though they represent items completed, placed in service, or used after that date, to the extent that income tax deductions (including depreciation) are properly allocable to the item for periods before October 1, 1981. Such a determination depends upon the circumstances involved, and must be made on a case-by-case basis. For example, an expenditure could be treated as an "allowed expense" if its disbursement is in the ordinary course of business and is for a service which reasonably could be expected to be performed prior to October 1, 1981. This reasonable expectation requirement could be satisfied if such a service would have been completed prior to October 1, 1981, but for the occurrence of an event beyond the producer's control, e.g., an act of God, a severe mechanical breakdown, or an injunction. An act of God could include a strike, and injunctions could include restraining orders.

In the case of producers of front-end tertiary oil deregulated for projects controlled by major oil companies, producers are entitled to a refund of windfall profit tax previously paid on the front-end tertiary oil equal to the difference between the amount of qualifying expenses actually incurred and the amount of those expenses recouped by the release of controlled oil to the market price. Refunds would be available after September 30, 1981, for the entire period March 1, 1980, to September 30, 1981. As an alternative to obtaining a tax refund, these producers may adjust their tax withholding for taxable periods after September 30, 1981, in a manner prescribed by regulations.

3. Oil Taxed in Tier Two

House bill.—Tier three of the House bill, which is renumbered as tier two under the conference agreement because of the merger of tiers one and two into a new, expanded tier one, consists of all oil not taxed in tiers one and two. This includes (1) stripper oil, (2) oil produced on a National Petroleum Reserve, (3) oil released to tier three after 1990 by virtue of the phaseout of tiers one and two, (4) newly discovered oil, (5) oil from the Sadlerochit Reservoir in Alaska, and (6) incremental tertiary oil. However, the basic tier three rules apply only to the first three of these six categories; various special rules apply to the others.

Senate amendment.—Tier three includes stripper oil, newly discovered oil, incremental tertiary oil and heavy oil, but the basic tier three rules apply only to stripper oil.

Conference agreement.—Tier three is renumbered as tier two because of the merger of tiers one and two. Tier two includes stripper oil and oil produced on a National Petroleum Reserve in which the United States has an economic interest.

4. Computation of Tier Two Tax

House bill.—The House bill generally taxes oil in this tier at the rate of 60 percent. The base price is $16 adjusted for grade, quality, and location. The precise base price for a particular property is to be determined under regulations issued by the Treasury. The base price is adjusted for inflation occurring after June 30, 1979.

Senate amendment.—The Senate amendment follows the House bill except that the base price is $15.30, adjusted for grade, quality and location, and is adjusted for inflation after December 31, 1978.

Conference agreement.—The conference agreement has a 60-percent rate for tier two oil and a base price of $15.20, adjusted for grade, quality and location. (However independent producers are given a special 30-percent rate, as described in item 25 below, on up to 1,000 barrels a day.) The base price is adjusted for inflation after June 30, 1979.

The conference agreement uses a somewhat different formula for determining the specific tier two base price for a particular property than does either the House or Senate bill. The principal change is to provide a precise formula which producers will use to determine their base prices for specific properties until a permanent base price formula is published in Treasury regulations. Also, the standards to be used by the Treasury in these regulations are clarified.

Under the interim rule, the tier two base price on any property is the highest posted price for December 31, 1979, for uncontrolled oil of the same grade, quality and field multiplied by the fraction 15.20/35.00. If there was no December posting for such oil, the producer is to use the December 1979 posting for oil of the same grade and quality in the nearest domestic oil field for which prices for oil of that grade and quality were posted for December 1979. No postings made after January 14, 1980, are to be taken into account. This cut-off prevents purchasers from raising base prices artificially by increasing posted prices retroactively for December. This formula is intended to achieve an array of base prices such that oil of national average grade, quality and location (excluding North Slope Alaskan oil, whose wellhead price is affected by the extraordinary transportation costs) would have a base price of $15.20 and oil of above- or below-average grade, quality and location will have a proportionately higher or lower base price. The data on December 1979 prices for uncontrolled oil posted as of January 14, 1980, suggest that 35 is the proper denominator in the fraction to achieve this result.

To ensure that this formula does not unduly penalize producers in fields where December 1979 posted prices are unusually low, there is a minimum tier two base price equal to the property's May 1979 upper tier ceiling price plus $1.00. Without this minimum base price, some properties would have had a tier 2 base price less than their May 1979 upper tier ceiling price.

For a posted price to qualify for use in determining a producer's base price, the price has to be published in writing by a purchaser of a substantial volume of crude oil in the field. A posted price does not, for example, include a price offered by a purchaser who simply offers to buy oil at a figure (say) $1 higher than whatever prices are posted by the purchasers who are purchasing most of the oil in a particular oil field.

The Treasury regulations prescribing the permanent method of determining tier two base prices must estimate the price at which oil from a particular property would have sold in December 1979 if all domestic oil had been uncontrolled and the average price for domestic crude oil, other than North Slope Alaskan oil, had been $15.20. Thus, if oil from a particular property typically sells for 80 percent of the price of oil of national average grade, quality and location, based on market price differentials prevailing in December 1979, its tier two base price should generally be 80 percent of $15.20, or $12.16.

The conferees did not simply adopt the interim rule as the permanent rule because the interim rule may not lead to a situation in which the tier two base price for oil of national average grade, quality and location equals $15.20 and because the interim rule may not be equitable for all categories of oil. The $35 price used in the denominator is based on preliminary data for prices for December 1979 posted as of January 15, 1980, and better data available later in 1980 will permit the Secretary to make a better estimate. The Secretary may want to take into account the increase in December postings which occurred in late January and February, although this may require raising the denominator above $35. Also, the Secretary may determine, after analyzing the data, that a formula based on actual selling prices, not posted prices, would be more accurate.

The conferees are aware that the interim rule may lead to inequities in the case of oil produced in California and certain other areas because its December 1979 price was much lower, relative to the national average, than it had been in prior years and is likely to be in the future. That is why the conferees included the minimum interim base price. The guidelines in the conference agreement give the Secretary enough flexibility to devise a permanent solution to this problem.

The interim rule applies until October 1980 or whatever earlier date is provided by Treasury regulations effective before that earlier date. It is intended that the Secretary publish the permanent rule and make it effective as quickly as possible.

5. Computation of Tier Three Tax

House bill.—Special rules apply to newly discovered oil and incremental tertiary oil. The tax rate is 50 percent on the first $9 of windfall profit (with no severance tax deduction on that amount) and 60 percent of any additional windfall profit (with a severance tax deduction). The base price is $17, adjusted for grade, quality and location. The inflation adjustment to the base price is for inflation after June 1979 plus a "kicker" of 2 percent per year.

Senate amendment.—Incremental tertiary oil and heavy oil are taxed at a 20-percent rate with a severance tax deduction. The base price is $16.30, adjusted for grade, quality and location. The inflation adjustment is for inflation after December 1978 plus a 2-percent "kicker." The rules for newly discovered oil are the same, except that the tax rate is 10 percent and the base price is $19.30, adjusted for grade, quality and location.

Conference agreement.—Newly discovered oil, incremental tertiary oil, and heavy oil comprise tier three. The tax rate is 30 percent with a severance tax deduction. The base price is $16.55, adjusted for grade, quality and location. Specifically, the tier three base price on a particular property is to be determined exactly like the tier two base price, as described above in item 4, except that "$16.55" is to be substituted for "$15.20" in the formulas. Also, the minimum tier three base price under the interim rule is to be the May 1979 upper tier ceiling price plus $2. The inflation adjustment is for inflation after June 1979 plus the 2-percent "kicker."

6. Definition of Newly Discovered Oil

House bill.—Newly discovered oil generally has the same definition as under price controls. However, oil produced from a property which produced any oil in commercial quantities after 1969, and prior to 1979, does not qualify as newly discovered oil. In addition, newly discovered oil does not include oil produced from a reservoir on any tract or parcel of land if the reservoir was penetrated after 1969, and prior to 1979, by a well on that tract or parcel from which oil was produced in commercial quantities if oil could have been produced from the penetrated reservoir through that well prior to 1979.

Senate amendment.—Newly discovered oil is defined as it is under price controls. The Secretary's general authority to adopt price control regulations for use in the windfall profit tax includes the authority to make technical amendments to the pricing definition (see item 28 below).

Conference agreement.—The conference agreement follows the Senate amendment. For windfall profit tax purposes, therefore, newly discovered oil includes production from a property which did not produce oil in commercial quantities during calendar year 1978. Thus, it includes production from a property on which oil was produced in 1978 if that production was incident to the drilling of exploratory or test wells and was not part of continuous or commercial production from the property during 1978.

7. Definition of Incremental Tertiary Oil—Overview

House bill.—Incremental tertiary oil is production in excess of a decline curve on a property (or portion thereof) on which a qualified tertiary project is undertaken. Remaining production is taxed proportionately in other tiers.

Senate amendment.—The definition of incremental tertiary oil is essentially the same as the House bill, except that there are changes to the definition of what is a qualifying project, how qualification of projects is to be established, and the decline curve.

Conference agreement.—The conference agreement includes provisions from both the House bill and the Senate amendment, described in items 8–11 below.

8. Qualified Tertiary Methods

House bill.—Under the House bill, a tertiary recovery method is any of the following: (1) miscible fluid displacement, (2) steam water injection, (3) microemulsion, (4) in situ combustion, (5) polymer augmented water flooding, (6) cyclic steam injection, (7) alkaline flooding, (8) carbonated water flooding, and (9) immiscible carbon dioxide displacement. In addition, the Secretary may approve other tertiary enhanced recovery methods.

Senate amendment.—The Senate amendment is the same as the House bill except that the Senate amendment clarifies that tertiary processes do not include water flooding or immiscible natural gas injection.

Conference agreement.—The conference agreement is the same as the Senate amendment.

9. Qualified Tertiary Recovery Projects

House bill.—A qualified tertiary recovery project is either (1) a project with respect to which a DOE-reviewed certification is in effect for pricing purposes, or (2) a self-certified project for the tertiary recovery of oil which meets the following requirements of the tax: (1) it involves the application of tertiary recovery methods; (2) the methods are applied in accordance with sound engineering principles; (3) the application of the tertiary recovery methods reasonably can be expected to result in a significant increase in the amount of oil which ultimately will be recovered from the property, or the project area, above the amount which reasonably could be expected to be recovered in the absence of the project; (4) the project could not be expected to be economic without the preferential tax treatment; (5) the project's beginning date is after May 1979; and (6) the operator submits to the Secretary such information, forms, and certifications as may be required (including any certifications that the project continues to meet the tax's specifications). A significant expansion of a project after May 1979 is considered to be a new project.

Under the House bill, self-certified projects are subject to the generally applicable rules pertaining to IRS reviews upon audit examination.

Senate amendment.—The Senate amendment deletes the requirements that the projects be certified as being uneconomic without preferential tax treatment and that the expected increase in production be significant.

The Senate amendment allows projects to be certified as qualifying for tax purposes by nontax regulatory agencies and subjects these projects to somewhat different rules than self-certified projects. Regulatory certification may be issued by a competent government regulatory body, such as the U.S. Geological Survey (in the case of lands managed by any Federal agency or the Outer Continental Shelf) or the appropriate State agency designated by the Governor of the State in which the project is located.

A regulatory certification remains effective for tax purposes, even if subsequently revoked by the regulatory body, unless (1) a material fact was misrepresented by the producer or its agent in obtaining the certification or (2) the project was not implemented and operated in a manner reasonably consistent with the plan upon which the certification was based.

Under the Senate amendment, a "substantial evidence" rule applies for audit examination reviews of projects certified by a regulatory body. Under this rule, a project's qualification would stand unless the IRS established that the certification was not supported by substantial evidence or presented substantial evidence that the project did not qualify for certification. In making such a determination, the IRS could "go behind" the certification issued by the regulatory body. If the IRS met the substantial evidence rule, the producer then could introduce additional evidence to sustain the qualification of the project. At that point, the usual rules pertaining to audit examination reviews which apply to self-certified projects would apply.

In the case of a tertiary project certified by a regulatory body, producers could apply for an advance IRS determination on the windfall profit tax status of the project.

Conference agreement.—The conference agreement follows the Senate amendment with some modifications.

First, the requirement that a project reasonably be expected to result in an increase in production is changed to an expectation that there be more than an insignificant increase in production. The determination of whether an expected increase is more than insignificant depends upon the facts and circumstances of each case. When a tertiary project is expected to affect a portion of a property, that portion is treated as a separate property; therefore, significance is measured in relation to total production only on the portion of the property treated as a separate property.

Second, the conference agreement provides that, except in the case of DOE certified projects and significant expansions of pre-June 1979 projects, qualifying projects must begin after May 1979.

Third, the conference agreement deletes the provision of the Senate amendment relating to circumstances in which the tax law would continue to recognize regulatory certifications which have been revoked. If a regulatory body revokes its certification of a project, the project is treated as having been self-certified. To qualify for preferential tax treatment, therefore, such a project would have to meet the tax requirements pertaining to self-certified projects.

Fourth, the conference agreement retains the Senate amendment's advance ruling procedure for regulatory certified projects, but clarifies that such a ruling must be issued within 180 days of the time that the request, together with the information necessary to make a determination, is submitted to the Secretary. Whether information adequate to make such a ruling has been submitted to the Secretary is to be an objective determination.

The conference agreement retains the provisions of the House bill that significant expansions of tertiary projects are treated as new projects. Generally, such expansions would include any which could qualify as expansions under the June energy regulations. Pre-June 1979 projects which were curtailed significantly before 1980, and which were expanded to the average pre-curtailment level after that date, would qualify under this provision. A project would be considered to have been curtailed significantly, for example, if the average post-curtailment concentration of injected gases was reduced by 35 percent or more from the average pre-curtailment concentration of injected gases. For purposes of making this determination, the entire pre-curtailment project area would be compared with the same area after the curtailment. The conferees also clarified that expansions of otherwise qualifying projects could include a significantly more intensive use of a tertiary recovery method, or a significant expansion of tertiary activities, within a project area.

10. Continuing Tertiary Qualification

House bill.—A project generally is qualified only so long as the tertiary method continues to affect the reservior. Thus, oil produced after the discontinuation of a tertiary project no longer is considered to be eligible for classification as incremental tertiary oil if the process' effect on the reservoir has terminated.

Senate amendment.—A project generally is qualified only so long as the tertiary method continues to be used in, or affects, the reservoir in accordance with the plan. There is however, a special rule, applicable only to regulatory certified projects, which applies after the termination of tertiary injections. A regulatory certified project may retain its qualification after the discontinuation of the tertiary process if (1) the project was implemented and operated in accordance with sound engineering principles and with the regulatory approved plan (or an approved modification of such a plan), (2) the regulatory approval has not been revoked, (3) a continuation of the discontinued process is certified by a petroleum engineer as being ineffective or counterproductive, and (4) the certifying agency certifies that a continuation of the discontinued process would be ineffective or counterproductive.

Conference agreement.—The conference agreement generally follows the House bill in allowing production from a project to qualify only so long as the tertiary process affects that production and the project is in effect. Generally, qualification would be retained for the period which is specified, in accordance with sound engineering principles, in the project's certified plans. This period normally would be determined on a case-by-case basis, depending upon such factors as the size of the project, the characteristics of the reservoir, and the particular process involved. For instance, some steam injection processes, *e.g.*, cyclic steam injection, are interrupted periodically to produce oil (together with condensed steam) from the same well or wells which are used for the injections. Under the conference agreement, each oil producing interval of such a process would have to be scheduled in light of sound engineering principles and of the transitory effect of the injections. Therefore, if the injections were terminated, production no longer would qualify as incremental tertiary oil after the last injection could no longer reasonably be expected to affect the reservoir. Similarly, some recovery processes, *e.g.*, miscible (carbon dioxide) fluid-displacement, microemulsion flooding, or polymer augmented flooding, may not require continuous or sustained injections of tertiary gases or liquids to have the process affect production from the reservoir. For example, some carbon dioxide injection processes may result in the creation of artificial pressure in a reservoir. Such artificial pressure may allow oil displacement for a period beyond the time during which there are injections. Assuming that an adequate amount of carbon dioxide, as determined in accordance with the plan and sound engineering principles, was pumped into the reservoir, the production could qualify as incremental tertiary oil in the absence of contemporaneous injections.

11. Tertiary Decline Curve

House bill.—Incremental tertiary oil is the amount of production from a property, on which a producer uses a qualified tertiary recovery method, in excess of a statutory base level amount for that property. The base level is the average daily amount of oil removed from the property during the 6-month period ending March 31, 1979, reduced by the sum of (1) 1 percent of that average for each month beginning after 1978, and before the beginning date of the project, and (2) 2½ percent for each month thereafter. However, special rules apply in connection with DOE-certified projects which have an incremental production level for price controls in excess of the statutory decline curve in the House bill, and also for project certifications obtained from DOE prior to 1979.

A project's beginning date, after which the 2½-percent decline rate commences, is that point at which the tertiary method significantly affects the reservoir. Incremental tertiary oil comes pro rata from oil which would have been in either tier one or tier two but for the implementation of the project.

Senate amendment.—Incremental tertiary is defined in a manner similar to that in the House bill. However, the base level is reduced by the sum of: (1) the greater of (i) 1 percent of the average amount for each month beginning after 1978, and for the month of the beginning date of the project, or (ii) the actual average monthly decline rate for the project area for each month specified in (i), multiplied by the number of months after 1978, including the month of the project's beginning date, and (2) 2½ percent for each month thereafter.

The project's beginning date, *i.e.*, the time after which production may qualify as incremental tertiary oil, is the later of (1) the date of submission to the Secretary of the producer's regulatory certification or self-certification, or (2) the date on which the tertiary injectant initially is introduced into the reservoir. Incremental tertiary oil comes pro rata from oil which would have been in tiers one, two, or three but for the implementation of the project.

Conference agreement.—The conference agreement follows the House bill in using a 1-percent decline rate before the project beginning date, and it follows the Senate amendment in defining the project beginning date and providing a 1-percent decline for the month of the project beginning date.

In the case of a pilot project, tertiary injections in the area of the pilot project would determine the beginning date of the pilot project but not the beginning date of any subsequent full scale project affecting a larger area.

12. Definition of Heavy Oil

House bill.—No provision.

Senate amendment.—The Senate amendment defines heavy oil as (1) oil from a property which had a weighted average gravity of 16.0 degrees API or less for the last month of production prior to July 1979 or (2) oil from a property with a weighted average gravity of 16 degrees API or less for the taxable period. Because the weighted average gravity of the oil is determined for particular taxable periods, production from a property may qualify as heavy oil for one taxable period but not for another taxable period. Similarly, if production can satisfy the requirements of the energy regulations pertaining to production from a single well with multiple completions which constitute separate properties (FEA Ruls. 75–42, 77–2), oil from one of the completion locations which satisfies the gravity requirements could be treated as heavy oil for any relevant taxable period.

Conference agreement.—The conference agreement follows the Senate amendment.

13. Exempt Alaskan Oil

House bill.—The House bill exempts from tax all oil produced from wells north of the Arctic Circle other than oil from the Sadlerochit reservoir at Prudhoe Bay (Sadlerochit oil).

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment by exempting from tax oil produced from wells located north of the Arctic Circle (including production from the Lisburne and Kuparuk formations in the Prudhoe Bay oil field) other than Sadlerochit oil; however, it expands this exemption to include additional oil, Alaskan oil, other than Sadlerochit oil, is exempt if it is from a well that produces oil from a reservoir that has been commercially exploited by a well located north of the Arctic Circle. Also, Alaskan oil south of the Arctic Circle, but north of the divide of the Alaska-Aleutian mountain range, is exempt from the windfall profit tax if it is produced from a well at least 75 miles from the nearest point on the Trans-Alaska Pipeline System.

The exemption of Alaskan oil production for the designated locations reflects the concern of the conferees that taxation of this production would discourage exploration and development of reservoirs in areas of extreme climatic conditions.

14. Computation of Tax on Sadlerochit Oil

House bill.—The House bill taxes Sadlerochit oil at the rate of 50 percent on the difference between the average monthly wellhead selling price of the oil and $7.50 a barrel, adjusted for inflation and for declines in the real value of the Trans-Alaska Pipeline System (TAPS) tariff. The inflation adjustment is made for inflation after June 30, 1979. The TAPS adjustment is the excess, if any, of $6.26, adjusted for inflation after June 30, 1978, over the actual TAPS tariff. The House bill does not permit a deduction for State severance taxes imposed on Sadlerochit oil.

Senate amendment.—Sadlerochit oil is taxed in tier two like other upper tier oil with two variations on the general rules for upper tier oil. First, the adjusted base price for Sadlerochit oil may be increased to reflect any decrease in the TAPS tariff below $6.26 a barrel. The $6.26 is not adjusted for inflation as it is under the House bill. Second, the tax on Sadlerochit oil is calculated on the basis of monthly average removal prices for each producer, as in the House bill.

Conference agreement.—The conference agreement follows the Senate amendment and includes Sadlerochit oil in the merged tier one.

15. Property Transfers

House bill.—Oil produced from a portion of a property transferred after 1978 is not to constitute stripper or newly discovered oil if the oil would not have qualified as stripper or newly discovered oil had the property not been transferred. In addition, in the case of post-1978 transfers of any portion of a property, the bill requires allocation of the base production control level among the portions of the divided property.

Senate amendment.—The property transfer rule in the House bill is extended to marginal, heavy and high water-cut oil, in addition to stripper and newly discovered oil.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment with respect to property transfers in defining stripper, newly discovered and heavy oil.

16. Inflation Adjustment

House bill.—The inflation adjustments required by the bill are to be computed quarterly by using the first revision of the GNP deflator. The inflation adjustment for lower tier and upper tier oil adjusts for inflation after December 31, 1978. The adjustment for other oil is for inflation after June 30, 1979. However, in each case the adjustments are lagged by two quarters; i.e., the inflation adjustment for lower and upper tier oil for the first quarter of 1980 equals the inflation between the fourth quarter of 1978 and the third quarter of 1979.

Senate amendment.—All inflation adjustments are calculated quarterly on the basis of inflation after December 31, 1978, using the GNP deflator, with the same two-quarter lag that is in the House bill.

The Senate amendment also provides that the Secretary may make appropriate modifications to the inflation adjustment to reconcile it to that used for pricing purposes.

Conference agreement.—The conference agreement provides that all base prices are adjusted for inflation after June 30, 1979, with the two-quarter lag. Therefore, the inflation adjustment for the first quarter of 1980 equals the inflation between the second and third quarters of 1979, and the adjustment for the second quarter of 1980 equals the inflation between the second and fourth quarters of 1979. The Secretary may not make modifications to the inflation adjustment to conform it to DOE adjustments.

17. Treatment of State Severance Taxes

House bill.—There is a deduction in computing the taxable windfall profit for the State severance tax imposed on the windfall profit element of the price of a barrel of oil. The deduction equals the difference between the actual severance tax and the tax which would have been imposed had the oil been sold at its adjusted base price. This deduction is limited to the amount of severance tax that would have been imposed on the windfall profit at the rate of tax in effect on March 31, 1979. Also, the deduction is not available for the first $9 of windfall profit on newly discovered or incremental tertiary oil, nor for any windfall profit on Sadlerochit oil.

Senate amendment.—The severance tax deduction applies to all taxable oil. Post-March 31, 1979, increases in the rate of severance tax are taken into account if the increase applies to the entire removal price of the barrel. The fact that a State severance tax does not apply to a particular type of oil, such as royalty oil paid to the Federal or, State Government or newly discovered oil, does not affect the availability of severance tax adjustment, as long as the severance tax applies to the entire price of those barrels which are subject to tax.

The Senate amendment also provides that severance taxes properly imposed by Federally recognized Indian tribes are treated in the same manner as State severance taxes.

Conference agreement.—The conference agreement follows the Senate amendment except that a severance tax may not be taken into account to the extent that total rate of severance tax imposed by a State exceeds 15 percent, and no deduction is allowed for Indian severance taxes. The conversion of a severance tax levied as a fixed fee paid per barrel into a tax levied as a percentage of the gross value of oil removed constitutes an increase in the severance tax on the windfall profit element of the selling price. Thus, such a conversion would have to satisfy the limits on post-March 1979 increases in State severance taxes before a severance tax adjustment would be available with respect to such a converted tax.

For purposes of the windfall profit tax, a State severance tax is a tax on the removal of crude oil from the ground, levied by a State, but not by a political subdivision of a State, as a percentage of the gross value of the crude oil removed. Any State tax that meets this definition, regardless of its official name or title, is treated as a severance tax. A tax levied on the value of reserves or on the basis of net proceeds from production is not a severance tax. Although a tax on the removal of crude oil from the ground levied as a fixed fee per barrel generally is considered a severance tax, the formula for calculating the severance tax adjustment in the House bill, the Senate amendment and the conference agreement would not allow an adjustment for such a tax because the amount of that tax would be the same whether levied on the adjusted base price or on the removal price of a barrel of oil. Thus, a tax levied as a fixer fee per barrel is not considered a severance tax for purposes of the windfall profit tax.

18. Removal of Oil

House bill.—Generally, the tax is imposed when the oil is removed from the premises. If the manufacture or conversion of crude oil into refined products begins before actual removal, the oil is treated as removed on the day the manufacture or conversion begins.

Oil returned to the property from which it was produced, either by reinjection or through the powering of production processes or equipment, is not considered sold or removed from the premises for windfall profit tax purposes. Therefore, no tax is imposed on the on-site use of oil to generate power for an artificial lift device, or a water flood project, or a tertiary injection process. However, powerhouse oil removed from the property prior to its use or oil used to power refining or manufacturing process on the property is subject to tax.

For purposes of computing the tax, the removal price means the amount for which the barrel is sold. In the case of related parties (as defined in section 103(b)(6)(C)), the removal price is not less than the constructive sales price for purposes of determining gross income from the property under section 613. This constructive sales price also applies where removal occurs before sale, including where refining is begun on the premises.

Senate amendment.—The Senate amendment follows the House bill. In addition, under the Senate amendment, the Secretary may make appropriate adjustments in transactions between unrelated parties so that the removal price properly reflects the fair market value of the oil.

Conference agreement.—The conference agreement is the same as the Senate amendment. However, the conferees recognize that due to differences in the definition of the word "property," a producer could have a single, undivided piece of land which constitutes many DOE "properties," even though they are contiguous and not even divided by a public road. The conferees wish to clarify that, in such a case, "powerhouse" fuel produced on one section of a single undivided piece of land is not taxable if it is used on another section of the same piece of land as powerhouse fuel and never leaves the piece of land on which it is produced. The windfall profit tax treatment of such oil is to have no implication for its treatment for various income tax purposes.

19. Taxable Income Limitation

House bill.—The taxable windfall profit on a barrel of oil may not exceed the net income attributable to the barrel. In applying this limitation, net income attributable to a barrel generally is determined on the basis of taxable income; however, special rules are provided for the treatment of depletion and of intangible drilling and development costs to recompute these items on the basis of cost depletion for all periods. The bill provides a special rule for determining the taxable income limit in the case of certain transfers of proven oil or gas properties after 1978.

Senate amendment.—The Senate amendment basically is the same as the House bill except that the taxable windfall profit is limited to 90 percent of net income. In addition, the amendment provides that a transferee of a proven property may take into account amounts which the transferor could have taken into account for purposes of determining the imputed cost depletion deduction.

Conference agreement.—The conference agreement follows the Senate amendment and, in addition, provides that for purposes of the 90-percent net income limitation, the producer may elect to treat qualified tertiary injectant costs as if they had been capitalized and recovered through cost depletion. This election would be made in the year injections are first made on a property.

20. Taxable Person—General Rule

House bill.—The windfall profit tax is imposed upon the removal of taxable crude oil on the producer of the oil, defined as the person who owns the economic interest in the oil.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment with two changes.

First, it provides specifically that no persons are exempt from the windfall profit tax (or treated specially) unless an exemption for them is provided explicitly in the Crude Oil Windfall Profit Tax Act of 1980 or future legislation. The conferees are unaware of any treaties which would provide an exemption from this tax in the absence of this provision. However, in the event that the legislation does conflict with any treaty obligations of the United States, the conferees intend that the legislation prevail.

Second, in the case of oil owned by partnerships, the tax is imposed directly on the partners on their proportionate share of the partnership's production. For purposes of applying Subchapter K, the windfall profit tax is not to be treated as a partnership deduction, but any amount withheld from the partnership by a purchaser shall be treated as a distribution of money by the partnership to the partner.

21. Federal, State and Local Governments

House bill.—The House bill provides that if an economic interest in crude oil is held by a State or political subdivision thereof, or by an educational institution which is an agency or instrumentality of any of the foregoing, and under the applicable State or local law all of the net income received pursuant to such interest is dedicated to public education or to a permanent fund the income from which is dedicated to public education, then the windfall profit tax would not be imposed with respect to crude oil properly allocable to such interest. The exemption would not apply to the extent another party had an economic interest in the production.

Federal royalty oil, including oil production from a National Petroleum Reserve and royalties from Federal leases, is subject to tax under the House bill.

Senate amendment.—The senate amendment extends the House bill's exemption to oil used for any public purpose.

The Senate amendment also exempts from tax oil production owned by the Federal government.

Conference agreement.—The conference agreement follows the Senate amendment with respect to oil owned by State and local governments, and the House bill with respect to oil owned by the Federal government.

22. Medical and Educational Charities

House bill.—No provision.

Senate amendment.—The Senate amendment provides that oil produced from properties owned by medical facilities and educational institutions is exempt from the windfall profit tax if the properties were owned by the medical facility or educational institution on October 24, 1979, or if the medical facility or educational institution receives the property as a bequest after October 24, 1979.

The exemption also applies to oil produced from interests held by a church on October 24, 1979, if the net proceeds from production of such oil were dedicated, by appropriate official action of the church prior to October 25, 1979, to the support of a medical facility or educational institution. Other organizations which are not educational institutions or medical facilities are not entitled to the exemption even though the proceeds from oil produced by them may be used entirely to support a medical facility or educational institution.

A technical error in the Senate amendment limits the exemption to educational institutions and medical facilities that are neither publicly supported organizations within the meaning of section 509(a)(2) nor organizations operated exclusively for the benefit of, or controlled by, a publicly supported organization. By reason of the same technical error, the amendment is not limited to charitable organizations.

Conference agreement.—The conference agreement follows the intent of the Senate amendment and exempts oil production by a charitable educational institution or a charitable medical facility from interests held by the qualified charities on January 21, 1980. In addition, oil produced from interests held by the qualified charities on January 21, empt from the tax only if prior to January 22, 1980, the net proceeds from production of such oil were dedicated to the support of a medical facility or educational institution. Production from an interest in oil received, as a bequest or otherwise, after January 21, 1980, is not eligible for the exemption.

23. Indian Oil Production

House bill.—No provision.

Senate amendment.—The Senate amendment exempts from tax oil production owned or received by Indian tribes, tribal organizations, and individual Indians over whom the United States exercises trust responsibilities. It also exempts from tax oil production owned by Alaska Native Corporations.

Conference agreement.—The conference agreement generally follows the Senate amendment except that the exemption is available only with respect to production from mineral interests held by, or on behalf of, Indian tribes or individual Indians on Januray 21, 1980. The exemption also applies to the oil production of any Alaska Native Corporation organized under the Alaska Native Claims Settlement Act from interests received pursuant to that Act if the oil is produced prior to 1992, when the stock of such corporations may be traded. The exemption applies when the proceeds from the sale of oil are paid into the U.S. Treasury to the credit of tribal or native trust funds pursuant to provisions of law in effect before January 22, 1980.

24. Production Payments

House bill.—The only case in which the House bill imposes the tax on a person other than the holder of the economic interest in the oil is that of a production payment which involves payment of oil to someone until such time as the total cumulative payment has added up to a fixed number of dollars (as opposed to a fixed number of barrels). In these cases, the bill shifts the tax burden to the holder of the residual interest.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the Senate amendment.

25. Independent Producers

House bill.—No provision.

Senate amendment.—The Senate amendment provides an exemption from the tax for the first 1,000 barrels a day of otherwise taxable oil produced by independent producers and certain royalty owners after

September 30, 1980. Independent producers are working interest owners eligible for percentage depletion under section 613A(c). Royalty owners also are eligible for the exemption, but only to the extent the working interest in their properties is owned by independent producers.

The Senate amendment also provides that Members of the Ninety-sixth Congress and their families are not eligible for the exemption.

In the case of a partnership, the qualified production of the partnership is reduced to reflect the proportion of non-eligible partners' (*i.e.*, integrated companies') interest in the production. The reduced amount is then allocated proportionately to the eligible partners. Each partner's exemption then is limited to 1,000 barrels a day from all sources.

Oil is not eligible for the exemption if the taxpayer's interest in the oil was held by an integrated oil company on October 24, 1979.

Conference agreement.—Independent producers are allowed a reduced rate on up to 1,000 barrels per day of qualifying tier one and tier two oil. The rate is 50 percent (instead of 70 percent) for tier one and 30 percent (instead of 60 percent) for tier two. To be eligible, a producer must not be an oil or gas retailer or an oil refiner in the taxable period. Also, royalty and similar interests (whether payable in kind or otherwise) and certain transferred properties are ineligible for the reduced rates. Related parties must allocate one 1,000-barrel amount. If an independent producers' daily production of qualifying tier one and tier two oil exceeds 1,000 barrels, the 1,000 barrels eligible for the reduced rates come ratably from the producer's tier one and tier two oil.

Transferred properties.—As a general rule, properties transferred from one person to another will not qualify for the reduced rates if the transfer would disqualify the transferee from claiming percentage depletion on the property. However, there are some major differences between the transfer rule under the windfall profit tax and the rule used for depletion. First, transfers between an individual and a controlled corporation do not disqualify a property for the reduced rates because under the windfall profit tax, these persons must share one 1,000-barrel amount. Second, a more flexible rule applies to transfers between small independent producers.

Under the conference agreement, the general transfer rule does not apply if a producer establishes that at no time after 1979, and before that producer acquired his interest in the property, was the interest held by a person who, for any quarter after the third quarter of 1979 and before the quarter in which that person transferred the interest to another, was a major oil company or an independent producer with more than 1,000 barrels per day of production (with the 1,000-barrel figure reduced by application of the related party rule, described below). In the case of transfers from a trust or a partnership, the oil transferred is deemed to be owned proportionately by the beneficiaries or partners for purposes of determining whether the transferor is a person whose ownership would make the property ineligible for the reduced rates.

The Secretary is to set up a mechanism by which producers would be able to demonstrate that their transferred properties are eligible for the reduced rates.

Also, transfers between related parties who have to allocate one 1,000-barrel amount are exempt from the general transfer rule so long as the parties continue to be released

Royalties. To be eligible for the reduced rates, an interest in oil must not be a royalty or similar interest and must not have been one on January 1, 1980 (i.e., royalty interests cannot be converted into working interests). An exception to this rule allows reduced rates for a qualifying overriding royalty interest which converts into an operating mineral interest pursuant to a binding contract or agreement which was in effect on February 20, 1980. This exception would include an interest which was an overriding royalty interest on January 1, 1980, and converted to a working interest between January 1, 1980, and February 20, 1980. After the qualifying overriding royalty interest converts to an operating mineral interest, production attributable to the converted interest qualifies for reduced rates.

Related parties.—All related parties must share one 1,000-barrel amount. Generally the persons who must be aggregated for purposes of this allocation are the same parties who must share one depletable quantity for percentage depletion purposes. However, a producer and a controlled corporation must share one 1,000-barrel amount. When related parties must allocate one 1,000-barrel amount, the number of barrels of production eligible for reduced rates as to any member of the related parties is reduced for each member by allocating the one 1,000-barrel amount among them in proportion to their respective production of tier one and tier two oil for the quarter.

If a person is a member of more than one related group required to share an allocation during a quarter, that person's allocation must be made by reference to the related group which results in the smallest daily barrel allocation to that person.

26. Percentage Depletion

House bill.—In determining the percentage depletion allowance, gross income is reduced by the difference between the selling price and the adjusted base price of taxable oil (*i.e.*, the windfall profit without regard to the severance tax adjustment). Also, for purposes of determining the 50-percent and 65-percent of-taxable-income limitations on percentage depletion, taxable income is increased by the windfall profit tax.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the Senate amendment.

27. Administrative Provisions

House bill.—The tax generally imposed on each party with an economic interest in taxable production. First purchasers generally are required to deposit the tax, after withholding it from the purchase price, and to file quarterly tax returns. Under existing Treasury regulations, tax deposits generally would be made on a semi-monthly basis. The operator of a property must certify to the purchaser all of the information necessary for the purchaser to file the applicable returns and make the tax deposits.

Generally, the House bill requires the first purchaser to provide producers with monthly information statements, due by the beginning of the second month after the end of the month for which the information is being furnished, with respect to their oil production. Estates, trusts, and partnerships which produce crude oil are required to provide quarterly information statements to each beneficiary or partner by the beginning of the third month after the end of the quarter for which the information is being furnished.

The Secretary is granted the authority to require additional information returns.

Senate amendment.—The Senate amendment eliminates many of the required information exchanges and returns necessitated under the House bill In lieu of such mandatory returns and exchanges, the Senate amendment grants the Secretary authority to require any appropriate returns or exchanges.

The Senate amendment also provides that no tax withholding is necessary if the operator certifies to the first purchaser that the production is exempt from tax. It also allows the operator and the first purchaser to elect to have the operator make the tax deposits and file the quarterly returns.

Under the Senate amendment, integrated oil companies who are not independent refiners must make estimated semi-monthly tax deposits. Independent refiners who purchase oil under delayed payment contracts must make tax deposits within 60 days after the end of the month of purchase. Other taxpayers must make tax deposits within 45 days after the end of the month of purchase.

The Senate amendment provides that tax overpayments in excess of $1,000 that are attributable to the net income limitation or to a tax exemption are refundable annually on an expedited basis. In addition, the Senate amendment provides that no interest is due on a tax refund which is made within 45 days of the date for filing the income tax return.

Conference agreement.—For administrative purposes, there are two general categories into which crude oil falls; oil subject to withholding and oil not subject to withholding. Except as otherwise provided in Treasury regulations, the first purchaser of domestic crude is required to withhold the windfall profit tax from amounts payable to the producer of the oil and deposit those amounts with the Treasury. Where withholding is not required, the producer is required to pay the tax with respect to its own production.

Responsibilities of operator.—In the case of oil subject to withholding, the operator normally must certify to the first purchaser the information which the purchaser needs to compute the tax. This includes the tier in which the oil is taxed, the adjusted base price of the oil, the amount of oil, any certification furnished to the operator by the producer with respect to whether such oil is exempt oil or oil subject to reduced rates for independent producers, and any other information required by regulations.

For windfall profit tax purposes, the operator is the person primarily responsible for the management and operation of the crude oil production. However, persons holding the operating mineral interests in the property can designate another person (or persons) as the operator.

Except as otherwise provided in regulations limiting the election, the operator and the first purchaser may elect to have the operator assume the purchaser's responsibilities under the tax. If such an election is made, unless the operator is a major oil company, the operator would have to deposit the withheld tax (or estimated tax) at the same time the purchaser would have had to make deposits or estimated tax payments. Thus, if the purchaser is an integrated oil company, the deposit and estimated tax rules for integrated companies will apply to the operator.

In the case of oil not subject to withholding, the operator is required to certify to the producer the tier in which the oil is taxed, the adjusted base price for the oil, the amount of oil, and any other information required under regulations. The operator and producer may elect, in accordance with regulations, to relieve the operator of this obligation.

Responsibilities of purchaser.—In the case of oil subject to withholding, the first purchaser must withhold the windfall profit tax from the amount payable by such purchaser to the producer of the oil. The purchaser is liable to the IRS for the payment of the amount required to be withheld and is not liable to the producer for that amount. The amount withheld is to be determined on the basis of the certification provided by the operator (including any certification that part or all of the production is eligible for the reduced rates for oil produced by independent producers), and the purchaser is not responsible for errors in withholding resulting from improper certification unless it has reason to believe the certification is improper. If no certification is provided or if the first purchaser has reason to believe that the information contained in the certification is incorrect, then the amount withheld must be determined under regulations prescribed by the Secretary. To encourage the furnishing of information, these regulations may require withholding or the maximum possible tax on any particular oil even though such tax exceeds the amount that would have been due if a proper certification had been made.

The first purchaser is required to file quarterly returns showing the amount of tax withheld, together with any other information required under regulations. It is anticipated that the first purchaser's quarterly return for the fourth calendar quarter will provide a producer-by-producer summary of the amount of oil purchased for the year, the windfall profit tax withheld thereon, and the amounts of tax deposited. The first purchaser's quarterly return for the fourth quarter is to be filed before March 1 of the following year. The first purchaser's information statement will provide each producer with information indicating the amounts of oil purchased and the tax withheld thereon. In the case of oil purchased from a partnership, the purchaser will provide information with respect to the partnership's production. The partnership's return will provide information with respect to each partner's share of the production.

As in the Senate amendment, the timing of the obligation of any first purchaser to deposit amounts withheld depends upon the identity of the first purchaser. Integrated oil companies other than independent refiners are required to make semimonthly estimated deposits of the withholding tax. All other first purchasers are required to make withholding deposits not later than 45 days after the close of the month in which the oil is removed from the premises, except that independent refiners who purchase oil under delayed payment contracts are required to make deposits by the first day of the third month beginning after the month of the removal. Failure to make timely deposits will result in the generally applicable penalties. However, estimated tax deposits which meet "safe harbor" levels, similar to those contained in Treasury regulation § 48.6302(c)-1 (relating to deposits of excise taxes generally), would prevent the imposition of penalties.

If the first purchaser withholds an incorrect amount of tax on any oil, adjustments in withholding are required to correct the aggregate amount withheld on all oil purchased by that purchaser from the producer on oil removed during that calendar year. The amount of any mandatory withholding adjustment may not exceed the amount of the windfall profit on any barrel of oil removed.

Required withholding adjustments apply only with respect to transactions between the same purchaser and producer. However, a producer may voluntarily authorize any purchaser to withhold with respect to removal later in the calendar year to correct earlier withholding errors. Such an amount is to be treated as an amount required to be withheld such that the deposit and return filing rules will apply. In addition, the Secretary may allow, under regulations, withholding adjustments after the close of the calendar year.

Increases in posted prices after the determination of the removal price also increase the windfall profit, and hence the tax. In such a case, the tax attributable to the price increase must be withheld.

Responsibilities of producer.—Generally, there is no requirement that producers of oil that is subject to withholding file a windfall profit tax return if the correct amount of tax is withheld for the year.

In the case of withheld oil, the producer is deemed to have paid, on the last day of February of the year following that in which the oil was removed, the amount of tax withheld by the purchaser.

Producers are required to deposit the tax due on their own production not subject to withholding in the same manner they would deposit tax withheld by them if they were first purchasers. In other words, integrated oil companies make deposits of their estimated tax liability twice a month and all other producers deposit the tax within 45 days after the month of removal.

Oil produced by producers who are entirely exempt from the windfall profit tax by virtue of the provisions exempting certain State, Indian, or charity's oil is not subject to withholding if an appropriate certification is given to the first purchaser.

Producers exempt from all or a portion of the tax by virtue of the net income limitation may file for a refund after the close of the year. They are not entitled to file a withholding tax exemption certificate, or use the withholding adjustments to take the 90-percent limit into account.

Statute of limitations.—In the case of oil subject to withholding for which no windfall profit tax return is required from the producer, the statute of limitations for purposes of claiming a refund or assessing a deficiency runs with respect to the producer's annual income tax return for the taxable year in which calendar year of the oil's removal ends. In the case of a Federally registered partnership, the Secretary may prescribe limitation rules similar to the rules applicable to income tax returns.

If the Department of Energy makes a final determination reclassifying oil for pricing purposes under the June 1979 Energy regulations, then the statute of limitations for assessing any deficiency or for filing a claim for a windfall profit tax refund attributable to such DOE reclassification will not expire before one year after the redetermination becomes final.

The conference agreement further provides the Secretary with authority to prescribe administrative regulations consistent with the specific provisions of the tax, including any pertaining to information exchanges and returns (e.g., reporting windfall profit tax items on existing excise tax, income tax, and information returns).

Interest.—Interest on the overpayment of tax by a producer with respect to withheld oil will run from the last day of February of the year following the removal year. However, if the IRS refunds the windfall profit tax overpayment within 45 days after the later of (1) the unextended due date of the windfall profit tax (or if no return is required, the income tax return for the taxable year in which the removal year ends) or (2) the date the return is filed, then no interest shall be allowed.

28. Incorporation of Energy Regulations

House bill.—Various definitions and categories of crude oil are fixed by reference to regulations prescribed under the Emergency Petroleum Allocation Act of 1973, as amended. For this purpose, the regulations are treated as continuing in their March 31, 1979, and June 1, 1979, form without regard to subsequent amendment or modification.

Senate amendment.—The Senate amendment generally follows the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment. Thus, the definition of crude oil for windfall profit tax purposes is fixed by the June 1979 energy regulations. Therefore, the term "crude oil" means a mixture of hydrocarbons which exists as liquids in underground reservoirs and which remain liquid at atmospheric pressure after passing through surface separating facilities. The term also includes condensate recovered in associated or nonassociated production by mechanical separators located at any point at or before the inlet side of a gas processing plant, and natural gas liquid treated as crude oil under the June 1979 energy regulations. The term "crude oil," however, does not apply to synthetic petroleum such as oil production from shale or tar sands.

The conference agreement also provides that the Secretary of the Treasury may make, for windfall profit tax purposes, appropriate modifications to the energy regulations to carry out the purposes of the tax and to facilitate administration of the tax. Such action may include, for example, a correlation of tax and price control terms. For instance, price control base prices generally are determined with regard to the price for which the oil is "produced and sold," while the tax is imposed on the difference between the "removal price" and the adjusted base price. Essentially, the terms "produced and sold" and "removal price" refer to the same transaction, and the Secretary may want to clarify this in regulations.

29. Deductibility Under Income Tax

House bill.—A deduction from Federal income taxes for windfall profit tax is allowable for the taxable year with respect to which the tax is paid or accrued.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment.

30. Court Jurisdiction

House bill.—The House bill contains no provision relating to jurisdiction over controversies involving the windfall profit tax. Thus, such controversies come within the jurisdiction of the District Courts of the United States and of the Court of Claims. The United States Tax Court has no jurisdiction to hear these cases.

Senate amendment.—Under the Senate amendment, the U.S. Tax Court is granted exclusive trial court jurisdiction over all civil controversies relating to the windfall profit tax, including suits for tax refunds.

The Senate amendment also increases the number of judges on the Tax Court by three.

Conference agreement.—Under the conference agreement, the respective courts will exercise jurisdiction over cases involving the windfall profit tax in the same manner that jurisdiction is exercised with respect to the income, estate and gift taxes. Thus, the Tax Court will have prepayment jurisdiction over deficiencies asserted by the IRS and the U.S. District Courts, and the Court of Claims will have jurisdiction over refund suits.

Because the tax is imposed with respect to a producer's crude oil removed during a calendar quarter, the scope of a deficiency suit or refund suit will be with respect to the tax for the entire quarter. Thus, a second suit may not be brought with respect to the same quarter, and in the case of a refund suit, the entire tax assessed with respect to that quarter must be paid.

Jurisdiction with respect to liability under the withholding provisions will be in the U.S. District Courts and Court of Claims.

The conference agreement deletes the Senate amendment adding three Tax Court judges.

31. Effective Date

House bill.—The windfall profit tax applies to oil removed on or after January 1, 1980.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—Under the conference agreement, the windfall profit tax applies to oil removed after February 29, 1980. For the period ending June 30, 1980, the Secretary may prescribe rules relating to the administration of the tax which may supplement or supplant the rules in the bill.

32. Termination of Tax

House bill.—The House bill terminates the tax on newly discovered oil and incremental tertiary oil after 1990. All other taxable oil is subject to a permanent tax in tier three after 1990.

Senate amendment.—The tax imposed by the Senate amendment would phase out after the net revenue received by the Treasury, or for which taxpayers are liable totals $189 billion. The net revenue is the gross amount of windfall profit tax reduced by the reduction in individual and corporate income tax receipts caused by the imposition of the windfall profit tax. The phase out would be accomplished by exempting 3 percent of production in each succeeding month starting with the month after the $189 billion figure is reached.

The Senate amendment also provides that the President must notify Congress 30 days in advance of any decision to slow down the rate at which price controls are scheduled to phase out.

Conference agreement.—Under the conference agreement, the tax phases out during a 33-month period by reducing each producer's tax by 3 percent for each month starting with the later of January 1988 or the first month (but not later than January 1991) after that for which the Secretary estimates that the aggregate net windfall profit tax revenue will permanently exceed $227.3 billion (excluding tax on oil owned by the United States).

For purposes of estimating the amount of tax received by the Treasury, the Secretary first must estimate the gross windfall profit tax receipts, minus any revenue attributable to economic interests in crude oil held by the United States. This figure then is reduced by windfall profit tax refunds, but not by administrative costs or deficiencies attributable to the windfall profit tax. It is reduced further by estimated Federal income tax reductions for producers that result from deductibility of the windfall profit tax and any other change in income taxes arising from the windfall profit tax. In estimating the reduction for windfall profit tax refunds and income tax deductions, the Secretary is to take into account those items which properly are attributable to preceding taxable periods even though they actually have not been refunded, or used to reduce income taxes, at the time of the estimate.

Starting with January 1987, the Secretary must make monthly estimates of the aggregate net windfall profit tax revenue raised.

The conference agreement deletes the provision of the Senate amendment which requires the President to notify Congress 30 days in advance of any decision to slow down the rate at which price controls are scheduled to phase out.

33. Study of Decontrol and Tax

House bill.—The President is required to submit a report to the Congress no later than January 1, 1983, on the effect of decontrol and the windfall profit tax on (1) domestic oil production; (2) oil imports; (3) oil company profits; (4) inflation; (5) employment; (6) economic growth; (7) Federal revenues; and (8) national security. This report is to be accomplished by such further energy related legislative recommendations as the President may care to make.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment.

34. Trust Funds and Disposition of Windfall Profit Tax Revenues

House bill.—All gross revenues from the windfall profit tax are deposited in an Energy Trust Fund created by the bill and structured in a manner similar to existing trust funds administered by the Secretary of the Treasury. The purposes for which money may be spent from the trust fund would be specified in future legislation.

Senate amendment.—The Senate amendment establishes a Taxpayer Trust Fund to receive deposits from general revenues equal to the increase in income tax receipts which results from the decontrol of oil prices. The deposits are limited to the amount of the increase in social security taxes presently scheduled for 1981.

The Senate amendment also provides that $1 billion of the receipts from the windfall profit tax through September 30, 1980 be reserved for railroad improvement and assistance programs until Congress authorizes or appropriates funds for that purpose.

Conference agreement.—In place of the trust funds and reservation in the House bill and Senate amendment, the conference agreement provides that the net revenues from the windfall profit tax are allocated only for the specific purposes described below to a separate account at the Treasury (for accounting purposes only). They shall not be earmarked or invested separately from general revenues, however. Net revenues from the windfall profit tax are equal to the gross amount of windfall profit tax collected (other than from oil owned by the United States) minus the reduction in income tax receipts resulting from the imposition of the windfall tax.

The net revenues projected under current assumptions from 1981 through 1990, as shown in table 4 in the appendix, are allocated for the following specific purposes—

(a) *Aid to lower income households.*—25 percent of net revenues. For fiscal year 1982 and subsequent years, these funds would be divided equally between a program to assist AFDC and SSI recipients under the Social Security Act and a program of emergency energy assistance.

(b) *Individual and corporate income tax reductions.*—60 percent of net revenues. This would include tax cuts to help taxpayers cope with higher energy prices.

(c) *Energy and transportation spending programs.*—15 percent of net revenues.

Of the net revenues in excess of what is projected under current price assumptions (and shown in table 4), one-third is allocated for aid to lower income households, without specification of type of program, and two-thirds is allocated for income tax reductions. Any outlays by the proposed Synthetic Fuels Corporation would be financed from increases in general revenues resulting from decontrol. There is no specific allocation for the Corporation because its outlays will be very uncertain in timing and amount.

The President is required to propose, for each fiscal year after fiscal year 1980, allocation of net revenues from the windfall profit tax among the purposes specified above. For fiscal year 1981, the proposal must be submitted within 90 days after enactment; for succeeding fiscal years, the proposal must be contained in the annual budget. The Secretary of the Treasury will report annually to Congress, beginning in fiscal year 1982, on the net revenue derived from the windfall profit tax for the preceding fiscal year and the actual disposition of these revenues among the purposes specified above.

Further legislation is needed to use the money raised by the tax for any of the purposes specified above. Failure to enact legislation, of course, would mean that the revenue from the tax would have the effect of reducing the Federal deficit.

II. RESIDENTIAL ENERGY TAX CREDITS

35. General Provisions Relating to Residential Energy Credits

House bill.—No provision.

Senate amendment.—Under present law, the residential energy credits are available to a taxpayer for qualified installations only with respect to a principal residence. In addition, the Secretary has the authority to add qualifying items to the lists of equipment eligible for the residential energy credits.

The Senate amendment deletes the principal residence requirement, and makes the credits available for expenditures on vacation and second homes and to landlords.

The energy conservation credit for landlords is 10 percent, instead of 15 percent, and the renewable energy source credit is 40 percent, instead of 50 percent.

The amendment also clarifies that joint owners of qualified property are eligible to take the maximum credit for the expenditure made by each one for their own dwelling.

The Senate amendment also contains two provisions relating to the Secretary's discretionary authority to add items to the lists of equipment qualified to receive the energy conservation and renewable energy source tax credits. The first provision, which was in the bill reported by the Committee on Finance, deletes the discretionary authority from present law. The second provision, a Senate floor amendment, retains the discretionary authority.

Conference agreement.—The conference agreement retains the principal residence requirement. The credits will not be made available to vacation and second homes, and landlords will not be eligible for the residential credits, although they will continue to be eligible for the available business energy credits.

Joint ownership.—The conference agreement includes the Senate amendment with respect to joint ownership of qualified property by 2 or more individuals with respect to 2 or more dwelling units used as a principal residence by such individuals. Each owner is entitled to a separate limit on the expenditures for energy conservation or renewable energy source property.

Standards for Secretarial determination.—The conference agreement retains the Secretary's discretionary authority but establishes standards to limit the exercise of the authority in evaluating whether items should be added to the list of qualified equipment. The Secretary must use the following criteria in making a determination on the specification of an item as eligible for the energy conservation credit or the renewable energy source credit. First, the Secretary cannot make such a specification unless he determines that it would result in a reduction in total national consumption of oil and natural gas and that this reduction would be sufficient to justify the resulting decrease in Federal revenues. Second, a conservation component or renewable energy source cannot be specified unless the Secretary finds that such a specification would not result in an increased use of any item when this item, or its increased use, is known to be, or reasonably suspected to be, environmentally hazardous or a threat to public health or safety. Third, such a specification cannot be made unless the Secretary finds that available Federal subsidies do not make such specification unnecesary or inappropriate (in the light of the most advantageous allocation of economic resources).

In making a determination under the first criterion, the Secretary, after consultation with the Secretary of Energy, is required to make an estimate of the amount by which the specification of the energy conservation or renewable energy source property would cause a reduction in national oil and natural gas consumption. In making this estimate, the Secretary is required to take into account at least the following factors: (a) the extent to which the use of the property to be specified would be increased as a result of the specification, (b) whether sufficient capacity is available to increase production to meet increases in any demand for the property or associated fuels and materials which might be caused by such specification, (c) the amount of oil or natural gas used directly or indirectly in the manufacture of the property and items necessary for its use, and (d) the estimated useful life of the associated equipment necessary for its use. The Secretary would also take into account the extent additional use of the property leads, directly or indirectly, to the reduced use of oil or natural gas. Indirect use of oil or natural gas includes use of electricity derived from oil or natural gas.

In making a determination under the first criterion above, which involves the comparison of the reduction of oil and natural gas consumption and the revenue loss, the Secretary must also determine, after consultation with the Secretary of Energy, whether the specification of the property compares favorably, on the basis of the reduction in oil and natural gas consumption per dollar of cost (including revenue loss) to the Federal Government, with other Federal programs in existence or being proposed.

The Secretary is required to make a final determination with respect to any request by an applicant for specifying a conservation item or renewable energy source within one year after the filing of the request, together with any information required to be filed with the request. Each month the Secretary is required to publish a report of any request denied during the preceding month and the reasons for the denial.

In the case of any property which the Secretary specifies as eligible for the credit, the credits are allowed for expenditures made on or after the date on which final notice of the specification is published in the Federal Register. The Secretary may prescribe by regulations that such expenditures made before the close of the taxable year in which the date occurs all be taken into account in the following taxable year.

Rules to prevent double benefits.—The conference agreement also provides rules to coordinate the residential energy credits with other government subsidies for energy-related expenditures. The conferees are concerned that if no such rules were adopted, the compound effect of various subsidized loan and grant programs could lead to a situation in which the taxpayer could purchase this property with very little expenditure of his own funds. A potential result could be the encouragement of efficiency through expenditures for equipment the production of which would require diverting substantial resources from more effective uses. The effect of the rule provided in the conference agreement, in conjunction with the present treatment of nontaxable grants, is that the purchaser of the eligible equipment must choose between the tax credit, on the one hand, and subsidized energy loans and nontaxable grants, on the other hand. Grants which are taxable are not taken into account under these rules because their taxation serves as a partial offset; similarly, credits against State and local income taxes are not taken into account because the deductibility of these taxes under the Federal income tax implies that the effect of these credits is equivalent to the effect of a taxable grant.

Under current law, expenditures financed by Federal, State, or local grants which are exempt from Federal income tax are not eligible for a residential tax credit. In addition, under the conference agreement, the portion of the expenditures which is provided by subsidized energy financing is not to be eligible for a tax credit. Further, the expenditure limits on energy conservation and renewable energy source property for a particular dwelling are reduced by the portion of expenditures financed by subsidized energy financing, as well as by the amount of nontaxable Federal, State or local government grants used to purchase the energy conservation or renewable energy source property.

Subsidized energy financing means financing provided under a Federal, State or local government program, a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy. The term includes, but is not limited to, the direct or indirect use of tax-exempt bonds for providing funds under such a program. Subsidized energy financing, however, does not include loan guarantees.

The reductions in the amount of qualified expenditures and in the expenditure limits will apply to taxable years which begin after December 31, 1980, with respect to financing or grants made after that date.

In addition, the Secretary is given the authority to require persons having control of a program which provides subsidized energy financing or an energy grant program to make a return containing the name and address of each individual receiving the financing or grant and the amount of financing or grant received under the program.

36. Insulation and Other Energy-Conserving Items

House bill.—No provision.

Senate amendment.—Under present law, a 15-percent credit is available on the first $2,000 of qualifying expenditures, for a maximum credit of $300. It is available for installation of specifically enumerated property after April 19, 1977, and before January 1, 1986, with respect to a taxpayer's principal residence (whether a homeowner or a renter), if the residence was substantially completed before April 20, 1977. The credit is allowed for expenditures to install (1) insulation, (2) a replacement burner for oil and gas-fired furnaces, (3) a device to modify flue openings, (4) an electrical or mechanical furnace ignition system, (5) an exterior storm or thermal door or window, (6) an automatic energy-saving thermostat, (7) caulking or weatherstripping for an exterior door or window, and (8) an energy usage display meter.

The Senate amendment makes the following items eligible for the current energy conservation credits, as of October 1, 1979: (1) heat pumps; (2) airtight woodburning stoves; (3) replacement oil or gas furnaces; (4) replacement coal furnaces and boilers; (5) replacement woodburning furnaces or boilers; and (6) infrared radiant heating panels.

Conference agreement.—The conference agreement does not add any new items to the list of qualified energy conservation property. The six items that would have been added to the list in the Senate amendment are to be evaluated by the Secretary using the standards, specified in item 35 above, when the information required for the evaluation has been filed.

37. Renewable Energy Source Equipment

House bill.—No provision.

Senate amendment.—Under present law, a credit is allowed on 30 percent on the first $2,000 and 20 percent on the next $8,000 of expenditures, for a maximum credit of $2,200, for installations of solar, wind, or geothermal energy equipment in connection with a principal residence. The credits apply to expenditures made after April 19, 1977, and before January 1, 1986, for both existing and new residences. The credit is available to homeowners and renters. Eligible equipment includes solar and geothermal property to heat, cool or provide hot water to a dwelling or to use wind energy for residential purposes.

The Senate amendment increases the credit for renewable source energy expenditures from the present two-step structure to 50 percent on the first $10,000 of qualified expenditures, and the credit is extended through 1999. In addition, the following additions are made to the equipment eligible for this credit:

(1) Equipment to produce electrical energy from renewable energy source property installed with respect to a residence;

(2) Expenditures for on-site drilling costs and expenditures for labor costs properly allocable to the onsite preparation, assembly or original installation of renewable energy source property eligible for the credit, unless the deduction for intangible drilling costs has been claimed for any portion of these expenditures; and

(3) The cost of a solar roof panel installed as a roof (or a portion of a roof) qualifies for the credit although it is a structural component.

Conference agreement.—The conference agreement generally follows the Senate amendment with modifications.

The credit rate for renewable energy source property is increased to 40 percent of the first $10,000 of expenditures, and the conference agreement retains the present 1985 termination date for the credit.

The conference agreement includes the Senate provision that renewable energy source property includes the costs incurred to install solar panels as a roof or as part of a roof.

As under current law, renewable energy source property shall not include other structural components of a residence even though they also may play an ancillary role related to renewable energy source property.

The increased tax credit for renewable energy source property shall apply to expenditures made in taxable years that begin after December 31, 1979. The amendments made with respect to electrical energy from renewable energy sources, the credit for geothermal intangible drilling costs and solar roof panels shall apply to expenditures made after December 31, 1979, in taxable years ending after such date.

III. BUSINESS TAX INCENTIVES

A. Business energy investment tax credits

38. Solar and Wind Energy Property

House bill.—No provision.

Senate amendment.—Under present law, equipment which uses solar or wind energy property to generate electricity or to heat, cool or provide hot water for a structure qualifies for a 10-percent refundable business energy credit through December 31, 1982.

The Senate amendment increases the rate of this energy credit to 20 percent and extends the effective period for the credit through December 31, 1990. In addition, the Senate amendment allows the energy credit for equipment which utilizes solar energy to provide process heat for industrial, agricultural or commercial purposes. These provisions are effective for qualifying investments after December 31, 1979.

The Senate amendment also repeals the refundable feature of the solar and wind energy credits, effective for taxable years which begin after December 31, 1979.

Conference agreement.—The conference agreement follows the Senate amendment except that the rate of the energy credit is increased to 15 percent instead of 20 percent and the effective period for this credit is extended only through December 31, 1985. Also, the effective date for repeal of the refundability feature for the energy credit on solar or wind energy property is clarified so that energy credits attributable to qualified investment on or after the January 1, 1980, effective date for this provision will not be refundable where they are carried back to taxable years which begin before January 1, 1980. In addition, the conference agreement adopts the Senate provision which allows the energy credit for equipment which utilizes solar energy to provide process heat for industrial, agricultural, or commercial applications.

39. Geothermal Equipment

House bill.—No provision.

Senate amendment.—Under present law, equipment used to produce, distribute, or use geothermal energy generally qualifies for a 10-percent nonrefundable energy credit through December 31, 1982. The Senate amendment increases the rate of this credit to 20 percent and extends the effective period for this credit through December 31, 1990. These provisions are effective for qualifying investments made after December 31, 1979.

Conference agreement.—The conference agreement modifies the Senate amendment by increasing the rate of the energy credit for geothermal equipment to 15 percent and by extending the credit only through December 31, 1985.

40. Ocean Thermal Equipment

House bill.—No provision.

Senate amendment.—Under present law, no energy credit is allowed for equipment which utilizes the thermal differences in ocean water for the production of usable energy. The Senate amendment provides a 20-percent nonrefundable energy credit for equipment used to convert ocean thermal energy into electrical energy or another form of usable energy. Qualifying ocean thermal equipment includes turbines, generators and related equipment (such as pumps, piping and heat exchangers) up to, but not including, the transmission stage (i.e., transformers and transmission lines, etc., are excluded) and also specially designed vessels and structures used to support, house and service this equipment. These provisions are effective for qualifying investments after December 31. 1979, and before January 1, 1991.

Conference agreement.—The conference agreement modifies the Senate amendment by reducing the rate of the credit to 15 percent and by allowing the credit through December 31, 1985, only for qualifying equipment at two locations designated by the Secretary of the Treasury after consultation with the Secretary of Energy.

A technical amendment is made under the conference agreement to provide an exception from the investment credit rule of general application which requires that qualifying property be used predominantly within the United States. This technical amendment provides that the generally applicable United States use limitation will not apply to qualifying ocean thermal equipment which is owned by a United States person (as defined in Code sec. 7701(a)(30)) and which is used in international or territorial waters to generate energy for use in the United States. (The term United States is defined in Code section 7701(a)(9) to include only the 50 States and the District of Columbia.)

41. Qualifying Hydroelectric Generating Property

House bill.—No. provision.

Senate amendment.—Under present law, the regular investment credit and accelerated methods of depreciation are generally available for hydroelectric generating facilities, including those classified as public utility property, if these tax incentives are reflected for ratemaking purposes under a normalization method of accounting. No energy credits or other energy related tax incentives are provided for hydroelectric generating facilities. Also, the asset depreciation range (ADR) system in effect under present law provides that hydroelectric facilities generally qualify for a 50-year guideline life and a 1.5 percent annual repair allowance for purposes of tax depreciation.

The Senate amendment provides a 10-percent nonrefundable energy credit for property used in the generation of electricity by hydroelectric power, if the generating equipment has an installed capacity of 25 megawatts or less. This credit is available for qualifying property at dams in existence on October 18, 1979, and also for qualifying property at sites of water flows, such as irrigation ditches and rivers, where there is no dam to create a water impoundment. Qualifying property for purposes of this energy credit includes generating equipment (up to, but not including, the electrical transmission stage), powerhouses, penstocks, and fish passageways and related equipment (such as fish counters) to facilitate the movement of fish above and below the generating site. In addition, capital costs for rehabilitating (through repairs or reconstruction, but not enlargement or new construction) an existing dam in connection with the installation of qualifying generating equipment are also qualifying property for purposes of this credit.

The Senate amendment also liberalizes depreciation allowances for this small scale hydroelectric generating property by providing a 20-year guideline life (with a lower limit of 16 years and an upper limit of 24 years) and a 4-percent annual repair allowance under the ADR system for qualifying small scale hydroelectric generating property. In addition, these facilities will qualify for accelerated methods of depreciation regardless of whether the small scale hydroelectric facilities are treated as public utility property.

These provisions are effective for qualifying investments after December 31, 1979.

Conference agreement.—The conference agreement provides an 11-percent business energy credit for investments in qualifying hydroelectric property. This credit is generally available for the period from January 1, 1980, through December 31, 1985. In addition, the effective period is extended for three additional years, through December 31, 1988, for qualifying investments which arise from a hydroelectric project for which an application was docketed by the Federal Energy Regulatory Commission before January 1, 1986. This 11-percent energy credit is available both at sites where there is no existing generating capacity and at sites where there is existing capacity. Public utility property is also eligible for this credit if the normalization requirements concerning investment credits for public utility property (under Code section 46(f)) are satisfied. The conference agreement also makes public utility property which is qualifying hydroelectric energy property eligible for the energy credit and allows the regular investment credit for fish passageways which qualify as hydroelectric energy property, effective for qualifying investments after December 31, 1979.

Under the conference agreement, qualifying hydroelectric generating property includes hydroelectric generating equipment (such as turbines and generators), powerhouses and similar structures to house the generating equipment, penstocks to carry water from the impoundment to the turbine, and fish passageways (and related equipment, such as fish counters). Capital costs for repairing or restoring existing nonfunctional generating equipment are also covered. Generating equipment is covered up to, but not including, the electrical transmission stage. Qualifying property also includes capital costs of reconstruction or rehabilitation (but not enlargement) of a dam which impounds water for use by the generating equipment. As a result, qualifying costs exclude those for extending or increasing the height of the dam for purposes of increasing the water level or impoundment; however, they include costs for increasing the existing water level or impoundment by strengthening the dam and eliminating leakage. Hydroelectric generating property other than generating equipment will qualify only if it is required by reason of the installation of qualifying generating equipment.

Qualifying hydroelectric property is eligible for this energy credit only where it is installed either at an existing dam which was completed before October 18, 1979 (and which was not significantly enlarged after that date) or at a new or existing, natural or manmade water flow (such as a river, a water conduit or an irrigation ditch) which is not at the site of a dam. Water flows from pumped storage facilities tidal action are not intended to be covered by this provision. In addition, the installed capacity of all hydroelectric generating equipment at the site must be less than 125 megawatts in order for qualifying property to be eligible for this credit. The total capacity of generating equipment at the site includes all functional generating equipment at the site as well as new equipment installed during the current taxable year and the three following taxable years.

For purposes of this section, the construction of penstocks, powerhouses, fish passageways and similar structures does not constitute construction or enlargement of the impoundment structure. The term "existing dam" includes dams which are currently being used in connection with the generation of electricity in the past, and dams which have never been used in connection with the generation of electricity. The term "dam rehabilitation property" includes property for the reconstruction of breached structures and renovation of machinery and structural elements which have been left in place. Furthermore, in the case of an impoundment which does not meet state or federal spillway capacity or other requirements, the term "dam rehabilitation property" includes the replacement of the entire impoundment structure. A dam site or other impoundment site includes any water passage ways that are from the water behind the dam or other impoundment, if the primary purpose of the water passageways is for the generation of electricity.

The energy credit is phased out as the total capacity of electric generating equipment installed at the site increases from 25 to 125 megawatts. Increases in generating capacity attributable to qualifying costs for restoring existing nonfunctional equipment, and increases which occur during the three following years, are also taken into consideration for purposes of this phase-out. Between 25 to 100 megawatts, qualified investment is reduced by a fraction equal to 25 divided by the total installed capacity. As total capacity rises from 100 to 125 megawatts, the energy credit is phased out entirely. For example, assume that in each of the years 1975, 1980 and 1983, the taxpayer installs, at an existing dam, electric generating equipment with an installed capacity of 25 megawatts. Thus, at the end of 1983, the total installed capacity is 75 megawatts. For each of the years 1980 and 1983, the 11-percent credit will be computed on the basis of 25/75ths of qualified investment.

The conference agreement deletes the Senate provisions concerning depreciation treatment of small scale hydroelectric generating property. The conferees understand that the rates for the sale of electricity produced by hydroelectric facilities owned by taxpayers other than electric utilities are generally not regulated on a rate of return basis, and it is intended that this qualifying hydroelectric generating property will consequently not generally be classified as public utility property which is subject to the Code section 167(l) limitations on the use of accelerated methods of depreciation.

42. Cogeneration Equipment

House bill.—No provision.

Senate amendment.—Under present law, no energy credits are provided for cogeneration equipment.

The Senate amendment provides a 10-percent nonrefundable energy credit from January 1, 1980, through December 31, 1982, for equipment which enables a boiler or burner at an existing facility to both produce steam, heat or other useful energy and also produce electricity. To qualify, the equipment must result in an increase in the facility's cogenerating capacity, including the start of cogenerating activity. In general, this credit would be allowed only for installations of cogeneration equipment at facilities which do not use oil as a fuel. If the facility uses natural gas as a fuel, it generally must have been using natural gas on January 1, 1980, in order for the cogeneration equipment to qualify. However, use of up to 25 percent oil or natural gas (for example, as a flame stabilization, backup, or startup fuel) would be allowed.

In addition, the credit is allowed for cogeneration equipment installed at existing major fuel burning installations which use oil as a fuel, where the net savings in the use of oil by installing cogeneration equipment is at least 30 percent.

These amendments are generally effective for qualifying investments after December 31, 1979. The amendment which allows the use of oil at major fuel burning installations is effective after September 30, 1980.

Conference agreement.—The conference agreement generally follows the provisions of the Senate amendment which allow a 10-percent energy credit from January 1, 1980, through December 31, 1982, for qualifying investments in cogenerating equipment where a limited amount of oil or natural gas is used as a fuel. The conference agreement does not include the provisions of the Senate amendment which would have included cogeneration equipment used in a facility which burned natural gas as a primary fuel on January 1, 1980, where installed in major fuel-burning installations with oil as a primary fuel.

The credit is allowed under the conference agreement where qualifying equipment is installed in an existing (as of January 1, 1980) industrial or commercial facility as part of an energy-using system which does not use oil, natural gas, or a product of oil or natural gas, as a fuel or where these fuels are used only for startup, backup or flame stabilization purposes and comprise not more than 20 percent of the fuel consumed by the system, determined on the basis of Btu's consumed each year. For this purpose, agricultural and water purification and desalinization facilities are considered to be industrial facilities. Cogeneration equipment includes qualifying equipment added to an energy using system to either begin cogenerating activity or expand existing cogenerating capacity. Where existing cogenerating equipment is replaced, the credit under this provision is available for the replacement cogeneration equipment to the extent attributable to incremental cogenerating capacity. As under existing law, if the property ceases to be qualifying energy property, recapture of the energy credit may occur.

The conference agreement also clarifies the Senate amendment regarding increases in the capacity to cogenerate. Under the conference agreement, equipment would not be eligible if it merely increases the capacity of the system to produce the primary energy product of the system. For example, if a facility is presently producing steam for process use as its primary energy product and electricity as its secondary energy product, a boiler that merely increases the facility's steam capacity would not qualify. (However, the boiler may otherwise be eligible for an energy credit as alternative energy property if it primarily uses an alternate fuel, including fuel derived from biomass.)

It is expected that the determination of primary and secondary energy product within an energy using system will be made on the basis of the relative amounts of energy used by these two functions. In the case of an energy using system where the primary energy product is steam, heat or other useful energy (such as shaft power) for process or space heating purposes, qualifying cogeneration equipment includes a turbine and generator to produce electricity, and also any other equipment up to the electrical transmission stage. Where electricity is the primary product, qualifying equipment includes that necessary to recover and distribute, but not to use, excess energy after the electrical generation function.

43. Specially Defined Energy Property

House bill.—No provision.

Senate amendment.—Present law provides a 10-percent nonrefundable energy credit through December 31, 1982, for specified items of property (such as recuperators, heat wheels, heat exchangers and automatic energy control systems) used to increase energy efficiency or to reduce the amount of energy consumed in existing processes at existing facilities. In addition, the Secretary is authorized (but has not yet exercised this authority) to specify additional items of qualifying property.

The Senate amendment adds, as additional specified items of qualifying specially energy property, industrial heat pumps, energy saving modifications to alumina electrolytic cells, and certain low density infrared heating panels. In addition, the Senate bill repeals the Secretarial authority to specify additional items of qualifying property is reinstated.

The Senate amendments are generally effective for qualifying investments after December 31, 1979. The provision concerning modifications to alumina electrolytic cells is effective for qualifying investments after September 30, 1978.

Conference agreement.—The conference agreement contains the provision of the Senate amendment which adds modifications to alumina electrolytic cells as a specified item of specially defined energy property, but it does not include the provisions of the Senate amendment relating to industrial heat pumps and certain low-density infrared heating panels.

Qualifying modifications to alumina cells are intended to mean either a substitution or a substantial change in technology and not periodic cleaning, repairs, or replacement of these cells or their components. For example, qualifying modifications include energy saving additions to, or substitutions of, components of the electrolytic reduction cell or "pot," such as changes to anode or cathode configurations and the addition of thermal insulation.

The conference agreement also continues the present law provisions which authorize the Secretary of the Treasury to specify additional items of qualifying property. In addition, standards are provided for the exercise of this authority. The standards provided by the conference agreement for purposes of the business energy credit are the same standards set forth for purposes of identifying additional items of energy conservation property or renewable energy source property eligible for a residential energy credit under Code section 44C (see item 35 above).

44. Petroleum Coke and Petroleum Pitch

House bill.—No provision.

Senate amendment.—Under present law, facilities which use oil or natural gas for their products, as a primary fuel or to produce a feedstock are generally not eligible for the 10-percent energy investment credit. In addition, the 10-percent regular investment credit and accelerated methods of depreciation are denied for certain boilers which use oil or natural gas or their products as a fuel. As a result, the energy investment credit as well as the regular investment credit and accelerated methods of depreciation are not available for these facilities and certain boilers where petroleum coke or petroleum pitch (bottom of the barrel by-products of petroleum refining) is used as a fuel or used to produce a feedstock for the manufacture of chemicals or other products.

The Senate amendments allows a 10-percent energy investment credit for equipment which uses petroleum coke or petroleum pitch as a fuel or uses these substances to produce a feedstock. The Senate amendment also allows the regular investment credit (if the equipment otherwise qualifies for this credit under section 48(a)) and accelerated methods of depreciation for boilers which use these petroleum by-products as a fuel.

In addition, the Senate amendment specifies that the energy credit extends to equipment which uses coal (including lignite) as a feedstock for the manufacture of chemicals or other products which are the same as, or essentially the same in nature and function as, chemicals or other products derived from petroleum or natural gas.

These provisions would be effective for qualifying investments after December 31, 1979.

Conference agreement.—The conference agreement follows the Senate amendment with respect to the provisions which allow the regular credit and accelerated methods of depreciation for certain boilers which use petroleum coke or pitch as a fuel, but deletes the provisions which allow an energy credit for equipment which uses petroleum coke or petroleum pitch as a fuel or to produce a feedstock. In addition, the conference agreement follows the Senate provisions concerning the business energy credit for equipment to produce feedstocks from coal.

The conference agreement clarifies the Senate amendment to provide that where coal (including lignite) is used to produce a feedstock for the manufacture of chemicals and other products, qualifying equipment would generally qualify only to the point where either a marketable substance or a substitute for a petroleum or natural gas derived feedstock is produced. A marketable substance is one that is regularly offered for commercial sale. However, the production of small (either in quantity or value) amounts of marketable byproducts incident to the manufacture of the primary product shall not render the equipment ineligible. The conference agreement also provides that qualifying equipment to produce a feedstock from coal (including lignite) includes equipment to treat intermediate products derived from this coal, for example, equipment to upgrade a coal-derived low-Btu gas to a medium or high Btu gas, to produce methanol or ammonia for use as a feedstock from coal-derived gases or liquids, and to produce hydroprocessed liquids or solids from coal for use as feedstocks in the production of chemicals and other products. Equipment to convert coal into feedstocks for the manufacture of chemicals or other products does not include equipment, such as an oxygen plant, which is not directly involved in the treatment of coal or a coal product, but produces a substance which is, like coal, a basic feedstock or catalyst used in a coal conversion process. Also, qualifying equipment in an integrated process shall not become ineligible merely because parts of the process are owned by different taxpayers.

45. Coke and Coke Gas Equipment

House bill.—No provision.

Senate amendment.—Under present law, equipment used to produce coke or coke gas is not eligible for an energy credit. Under the Senate amendment, the 10-percent energy credit would be provided through December 31, 1982, under the category of alternative energy property, for new coke ovens and for costs incurred in the reconstruction or rehabilitation of existing coke ovens to produce coke and coke gas for use as a fuel or feedstock. Qualifying equipment under the Senate amendment also includes required pollution control equipment and related onsite equipment to handle, store and prepare coal for use in coke ovens. This provision is effective after the date of enactment.

Conference agreement.—The conference agreement follows the Senate amendment, but is effective for qualifying investment after December 31, 1979.

46. Biomass Property

House bill.—No provision.

Senate amendment.—Under present law, boilers, burners and related pollution control and fuel handling equipment which primarily use fuels (such as biomass) other than oil or natural gas are provided the 10-percent nonrefundable energy credit through December 31, 1982. Equipment which converts these alternate substances into a synthetic solid, liquid, or gaseous fuel is also eligible for this credit.

The Senate bill increases the energy investment credit to 20-percent and extends the effective period through December 31, 1990, for qualifying alternative energy property use to convert nonwood biomass into a synthetic solid fuel or to burn this fuel or nonwood biomass. In addition, the Senate bill extends the present 10-percent energy investment credit through 1990 for equipment use to produce a synthetic solid fuel from wood biomass, or to burn wood biomass or a synthetic solid fuel derived from wood biomass. These expanded and extended credits would cover alternative energy property, as defined under present law, used in connection with the categories of biomass consumption which are set forth above. These amendments would be effective for qualifying investments after December 31, 1979.

Under the Senate amendments, the energy credit is also increased to a 20-percent rate from October 1, 1980, through September 30, 1984, for equipment used to convert biomass into an alcohol fuel.

Conference agreement.—The conference agreement replaces the Senate amendment with a provision that extends, from January 1, 1983, through December 31, 1985, the 10-percent energy investment credit for biomass property; that is, property to convert biomass into a synthetic solid fuel, or to burn this fuel or biomass. Qualified investment for equipment that converts biomass to alcohol for fuel purposes is also eligible for the 10-percent energy investment credit from 1983 through 1985, but only if the equipment producing the alcohol uses a primary energy source (i.e., more than 50-percent of the full energy requirement) other than oil, natural gas, or a product of oil or natural gas.

Under these provisions, biomass is generally any organic substance other than oil, natural gas, or coal, or a product of oil or natural gas or coal. For this purpose biomass includes waste, sewage, sludge, grain, wood, oceanic and terrestrial crops and crop residues and includes waste products which have a market value. The conferees also intend that the definition of biomass does not exclude waste materials, such as municipal and industrial waste, which include such processed products of oil, natural gas or coal such as used plastic containers and asphalt shingles.

Biomass fuel or feedstock handling, storage, and preparation equipment and pollution control equipment as defined under Code secs. 48(l)(3)(A) (vi) and (vii) are also eligible for the extended 10-percent energy credit under the conference agreement.

The extended credit period for alcohol fuel equipment applies where the primary source of energy is an energy resource (such as coal or geothermal or solar energy) other than oil or natural gas substances. In addition, property that uses oil or natural gas substances as its primary energy source and that is constructed by the taxpayer and placed in service after 1982 is allowed the energy credit under the rules of Code secs. 48(a)(1)(i)(I) and 48(m) only to the extent of costs attributable to construction before 1983. Such property acquired by the taxpayer and placed in service after 1982 is not allowed an energy credit under Code secs. 48(a)(1)(i)(I) or 48(a)(1)(i)(VI). As under existing law, if the property ceases to be qualifying energy property, recapture of the energy credit may occur.

The conference agreement also adds a 10-percent energy credit for equipment that stores fuel derived from garbage (i.e., refuse derived fuel) at the site where the fuel is produced. This equipment, which is not eligible for the energy credit under present law, is eligible for the 10-percent energy credit from January 1, 1980, through December 31, 1985.

47. Regular Investment Credit for Energy Property

House bill.—No provision.

Senate amendment.—Under present law, not all property which qualifies for the energy investment credit is eligible for the 10-percent regular investment credit. The Senate amendment specifically makes property which is eligible for an energy credit also eligible for the regular credit, effective for qualifying investments after December 31, 1979, and during the period such property qualifies for an energy credit.

Conference agreement.—The conference agreement does not include the Senate provision.

48. Public Utility Property

House bill.—No provision.

Senate amendment.—Under present law public utility property is not eligible for the 10-percent energy investment credit for alternative energy property, specially defined energy property, solar or wind energy property and recycling equipment. The Senate amendment allows the energy credit for public utility property which is solar, wind, geothermal, ocean thermal, small scale hydroelectric, biomass, or cogeneration property. These provisions are effective for qualifying investments after December 31, 1979.

Conference agreement.—The conference agreement retains the present law exclusions and makes public utility property ineligible for the energy credit on new types of property added in the bill except qualifying hydroelectric energy property. This provision is effective for qualifying investments after December 31, 1979.

49. Vanpooling

House bill.—No provision.

Senate amendment.—Under present law, a full investment credit is generally not available unless the estimated useful life of qualified property is seven years or more. However, employer-owned vans which are used for vanpooling purposes are eligible for a full 10-percent regular investment credit if these vans have estimated useful lives of three years or more. The Senate amendment extends the full regular credit to vans used for vanpooling purposes and owned by employees or third parties, as well as employers, where the van has an estimated useful life of three years or more. These amendments are effective after December 31, 1979.

Conference agreement.—The conference agreement does not include the Senate provision.

50. Intercity Buses

House bill.—No provision.

Senate amendment.—Under present law, buses do not qualify for an energy investment credit. The Senate amendment treats, as energy property eligible for a 10-percent energy investment credit, certain intercity buses used by a common carrier which is engaged in providing passenger or charter intercity bus transportation and is regulated by the Interstate Commerce Commission or a similar State regulatory authority. The credit applies to qualifying intercity buses to the extent an operator's fleet seating capacity is increased over that for the preceding year taking into account those buses which travel at least 10,000 miles each year. In the case of a new operator, the prior year's seating capacity is zero and all acquisitions in the first year of operation are considered as increased capacity. The determination of incremental fleet size is made by comparing the operator's fleet size at the end of the taxable year during which qualifying buses were placed in service with the operator's fleet size at the end of the immediately preceding taxable year, taking into consideration the total operating seating capacity (including qualifying buses either owned by or leased to the taxpayer-operator) of the taxpayer's intercity bus fleet.

Qualifying intercity buses are defined as automobile buses owned and operated by the taxpayer, the chassis and body of which are exempt (under Code sec. 4063(a)(6)) from a 10-percent excise tax generally imposed under Code section 4061(a) on trucks and buses. In order to distinguish intercity buses from local transit buses for purposes of this provision, qualified buses must also have seating capacity for at least 36 passengers (in addition to the driver) and one or more baggage compartments, separate from the passenger area, with a capacity of at least 200 cubic feet.

The energy credit for intercity buses applies to qualifying buses acquired and placed in service by the operator after December 31, 1979, and before January 1, 1986.

Conference agreement.—The conference agreement follows the Senate amendment. However, several modifications are made to the Senate provision relating to total operating seating capacity. In addition the conference agreement adds a related taxpayer rule under which buses owned by a person related to the taxpayer will be considered in determining the taxpayers total operating seating capacity. It is expected that rules similar to those contained in Code section 52(a) and (b) will apply.

The conference agreement clarifies the Senate amendment to indicate that the credit applies only to qualified investment attributable to an increase in operating seating capacity. For example, a bus that increases the taxpayer's total operating seating capacity by one seat is eligible only to the extent of the cost attributable to the addition of that one seat.

The conference agreement substitutes for the 10,000 mile rule in the Senate amendment a provision giving the Secretary authority to determine the circumstances under which a bus will be considered to be used on a full-time basis for purposes of total operating seating capacity. It is expected that the Secretary will include buses acquired at the end of the taxable year and used on a full-time basis for the remainder of the year (or, if acquired on the last day of the year, will be used on a full-time basis), even if the buses are not used for any specified number of miles.

51. Affirmative Commitments

House bill.—No provision.

Senate amendment.—Under present law, the 10-percent business energy credits generally expire for property placed in service and for expenditures incurred after December 31, 1982. The Senate amendment extends the expiration date through December 31, 1990, for energy credits which otherwise expire at the end of 1982, if certain conditions are satisfied. Under the Senate amendment, the effective date for energy credits on energy property constructed or installed in connection with long-term projects with a normal construction period of two years or more (as this term is defined under Code section 46(d)(2), relating to qualified progress expenditures) is extended through 1990, if (1) before January 1, 1983, all engineering studies necessary for commencement of construction of the project have been completed by or for the taxpayer and the taxpayer has also, by January 1, 1983, applied for all environmental and construction permits required under Federal, State or local law in connection with commencement of construction of the project; and (2) the taxpayer has before January 1, 1986, entered into binding contracts to acquire or construct at least 50 percent of the total estimated value of all equipment which is specially designed to become part of this project. It is expected that this provision will cover such energy property as large boiler systems, coal gasification and liquefaction projects and coke ovens, where the normal construction period for this property is two years or more.

Conference agreement.—The conference agreement follows the Senate amendment.

52. Tax Credit for Purchase of Electric Motor Vehicles

House bill.—No provision.

Senate amendment.—Under present law, no energy credits are provided for electric motor vehicles. However, electric motor vehicles which are depreciable with useful lives of three years or more qualify for the 10-percent regular investment credit. The Senate amendment provides a nonrefundable energy-related income tax credit for 10-percent of the cost of acquiring a qualified electric motor vehicle or for converting a vehicle powered by an internal combustion engine to the use of electrical power. The credit is available for costs of acquiring or converting a qualified motor vehicle regardless of whether the motor vehicle is used for personal purposes or is depreciable property used in a trade or business. The credit is limited to a maximum of $1,000 per qualified motor vehicle.

Qualifying motor vehicles are defined as any new vehicles (including automobiles, buses and trucks) manufactured primarily for use on public streets or highways and powered primarily by an electric motor which use rechargeable storage batteries or other portable sources of electricity as a power source. In addition, the motor vehicle must be acquired (or converted) after December 31, 1979, and before January 1, 1987.

Conference agreement.—The conference agreement does not include the Senate provision.

53. Fuel Efficient Aerodynamic Equipment for Trucks

House bill.—No provision.

Senate amendment.—Present law does not allow an energy investment credit for energy-efficient transportation equipment. The Senate amendment provides a 10-percent nonrefundable energy investment credit for certain new fuel-efficient aerodynamic equipment, with a useful life of three years or more, acquired and placed in service by a taxpayer after December 31, 1979, and before January 1, 1983. Qualifying fuel-efficient aerodynamic equipment for purposes of this credit is defined as equipment, such as wind deflectors and other items specifically designed to reduce energy consumption, which are added to the top of the cab or the side of the cargo compartment of an existing truck primarily used in the commercial transportation of property. An existing truck is one which was placed in service before January 1, 1980. The Director of the Joint Government-Industry Voluntary Truck and Bus Fuel Economy Improvement Program must be consulted to set standards of fuel efficiency for qualifying equipment.

Conference agreement.—The conference agreement does not include the Senate provision.

54. Double-Dipping Provisions

House bill.—No provision.

Senate amendment.—The Senate amendment broadens the applicability of the business energy credit and generally extends the credit beyond the present law termination date of December 31, 1982.

Conference agreement.—The conference agreement provides rules to coordinate the business energy credits with other government subsidies for energy-related expenditures. The conferees are concerned that if no such rules were adopted, the compound effect of various subsidized loan and grant programs could lead to a situation in which the taxpayer could purchase this property with very little expenditure of his own funds. A potential result could be the encouragement of inefficiency through expenditures for equipment the production of which would require diverting substantial resources from more effective uses. The effect of the rule provided in the conference agreement, in conjunction with the present treatment of nontaxable grants, is that the purchaser of the eligible equipment must choose between the tax credit, on the one hand, and subsidized energy loans and nontaxable grants, on the other hand. Grants which are taxable are not taken into account under these rules because their taxation serves as a partial offset; similarly, credits against State and local income taxes are not taken into account because the deductibility of these taxes under the Federal income tax implies that the effect of these credits is equivalent to the effect of a taxable grant.

Under present law, in general, if property is financed with nontaxable government grants, the tax basis in the property, for such purposes as depreciation and investment credits (including energy investment credits), is reduced to the extent that the property is financed with such grants; these rules, which partially offset the benefit of these grants, are not changed under the conference agreement. The conference agreement provides a similar rule, but only for purposes of the energy credit, to the extent that property is financed with tax-exempt industrial development bonds or certain other government subsidized financing.

Under the conference agreement, in the case in which qualified investment is financed in whole or in part by the proceeds of tax-exempt industrial development bonds or by subsidized energy financing, the amount taken into account for purposes of applying the energy percentage would be qualified investment multiplied by a fraction. The fraction is determined by dividing that portion of qualified investment in the property which is allocable to this financing or proceeds by qualified investment in the property and subtracting this quotient from one.

Subsidized energy financing means financing provided under a Federal, State, or local program, a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy. Subsidized financing includes, but is not limited to, the direct or indirect use of tax-exempt bonds for providing funds under such a program. Subsidized financing does not include, however, loan guarantees.

Under current law, one-half of the energy percentage is allowed for property financed in whole or in part by industrial development bonds. Under this rule, when energy property is installed in conjunction with other property that is allowed to be financed by industrial development bonds because such other property is described in section 103(b)(4), the energy property is not considered to be financed in whole or in part by industrial development bonds. The rule provided in this bill replaces the current law rule and will generally be effective for periods after December 31, 1982. However, in the case of property which is allowed the energy percentage for the first time under this bill, this rule would apply to periods after December 31, 1979. This additional property includes qualified hydroelectric generating property, cogeneration equipment, certain intercity buses, ocean thermal property, certain property which produces coke or coke gas or uses coal to produce certain chemicals, property which generates process heat from solar energy, alumina electrolytic cells, and storage equipment for fuel derived from garbage. In the case of property financed by subsidized energy financing other than financing provided from the proceeds of any tax-exempt industrial development bond, no financing made before January 1, 1980, will be taken into account.

B. Alternative fuel production credit

55. Alternative Fuel Production Credit

House bill.—No provision.

Senate amendment.—The Senate amendment provides a tax credit for the domestic production of energy from certain alternative sources. The credit is nontaxable and nonrefundable. It is equal to $3 for the production of an amount of energy equivalent to that contained in a barrel of oil, and all energy equivalent measurements would be made on the basis of Btu content. Therefore, a $3 credit would be allowed for the production of 5.8 million Btus.

Eligible sources.—The credit is available for the following forms of energy production:

(1) oil from shale;

(2) oil from tar sands;

(3) natural gas from geopressured brine, coal seams, Devonian shale, or tight sands;

(4) liquid, gaseous, or solid synthetic fuel, including petrochemical feedstocks, (other than alcohol) from coal liquefaction or gasification facilities;

(5) gas from biomass (including wood);

(6) steam from solid agricultural byproducts; and

(7) qualifying processed solid wood fuels.

For purposes of the credit, the definition of natural gas from geopressured brine, coal seams, and Devonian shale is the same as that determined by the Federal Energy Regulatory Commission (FERC) under the Natural Gas Policy Act of 1978 (NGPA). Until FERC defines the term "tight formation" under section 107(c)(5) of the NGPA, tight sands gas is defined in terms of average matrix permeability to gas.

Solid synthetic fuel, including feedstocks, produced from coal liquefaction or gasification includes solvent refined coal.

Qualifying processed solid wood includes raw wood products derived from timber and trees, including timber waste and woodbased industrial waste. However, it does not include woodbased products contained in municipal and other waste (such as paper). Biomass includes organic waste, municipal and industrial waste, sewage, sludge, and oceanic and terrestrial crops (including byproducts and residues).

Solid fuels produced by wood would qualify for the credit only if the energy content, per unit of volume or weight, of the processed wood exceeded that of the unprocessed wood by at least 40 percent.

Eligible uses.—Generally, the credit is available only for energy produced for sale to other persons. However, in the case of steam produced from solid agricultural by-products, the credit is allowed for energy production used in the taxpayer's trade or business.

Amount of credit.—Except for tight sands gas, the credit is $3 for the production of 5.8 million Btu's and is adjusted for post-1979 inflation, as measured by changes in the GNP deflator for nonresidential structures from its average level in 1979.

The amount of the credit available for production is reduced in proportion to tax-exempt financing and Federal grants used to construct or acquire the facility or its equipment.

Generally, the credit would phase out as the average price of oil rises from $23.50 to $29.50, adjusted for inflation. However, the phaseout of the credit for gas from tight sands, geopressured brine, Devonian shale and coal seams is based on the price of gas.

Taxpayers would be entitled to the credit in proportion to their ownership interest in the facility or the production.

Effective date.—Generally, the credit would be available for fuels produced after December 31, 1979, from facilities placed in service after September 30, 1979, and before January 1, 1990.

Qualifying processed wood.—In the case of qualifying processed wood fuels, the credit would be available for three years of production without regard to the phaseout. It would be available for facilities placed in service after April 20, 1977, and before January 1, 1982, and for production from those facilities sold after September 30, 1980, and before the later of October 1, 1983, or three years following the date on which the facility was placed in service.

Biomass steam.—The credit would be available for steam from solid agricultural byproducts sold after December 31, 1979, and before January 1, 1985, from facilities placed in service after September 30, 1978. The phaseout would not apply for the first three years of production for each facility (or, if later, for the three years after September 30, 1980). The credit also would be available for steam sold after September 30, 1980, which is attributable to increases in a facility's production capacity, or replacement of equipment, after September 30, 1980.

Natural gas.—The credit for the production of natural gas would be available for production after September 30, 1980, from a property (as defined in the NGPA) from which gas was not produced prior to the date of enactment of the Crude Oil Windfall Profit Tax Act of 1980.

Termination.—The credit would terminate at the end of the year 2000. In the case of gas produced from tight sands, the credit would terminate if its price is deregulated.

Conference agreement.—The conference agreement adopts a modified version of the Senate amendment. This provision is intended to provide producers of alternative fuels with protection against significant decreases in the average wellhead price for the uncontrolled domestic oil, with which alternative fuels frequently compete. The credit generally is to act only as a guaranteed price floor when the price of oil is in excess of $29.50, but the credit would become available if, at any time prior to its expiration, the price of oil falls to below $29.50, adjusted for inflation. Special rules are provided, however, for production of gas from Devonian shale, qualifying processed wood, and steam from solid agricultural byproducts to allow a credit when the price of oil is above $29.50.

Generally, under the conference agreement, a $3 credit is available for the production and sale of alternative fuels to unrelated persons after December 31, 1979, and before January 1, 2001, from facilities placed in service after December 31, 1979, and before January 1, 1990, or from wells drilled after December 31, 1979, and before January 1, 1990, on properties which first began production after January 1, 1980. The credit is based on an eligible fuel's barrel-of-oil equivalence, and phases out as the average wellhead price of uncontrolled domestic oil rises from $23.50 to $29.50. The credit for tight sands gas terminates if that gas is deregulated. Both the credit (except in the case of tight sands gas production) and the phase out range are adjusted for post-1979 changes in the GNP deflator.

The credit does not apply to gas production from any property on which a well is located which is subject to an election under section 107(d) of the NPGA. Therefore, an election to receive an incentive price for gas from any well precludes the application of the credit as to all production from the property on which the well is located.

The credit is $3 for the production of each unit of 5.8 million Btus of energy, the equivalent of one barrel of oil. All Btu measurements are made without taking into account any Btus attributable to material other than the eligible source.

Sources eligible for the credit, and the definitions of those sources, generally are the same as those in the Senate amendment. Natural gas produced from a tight formation, however, has the same definition as that determined by FERC under the NGPA except that the credit is allowed only with respect to gas entitled to at least 150 percent of the gas ceiling price set under section 103 of the NGPA. The conference agreement also adds alcohol produced from coal as an eligible fuel.

Under the conference agreement the price to which the phase out is linked is the annual average price of uncontrolled domestic oil (except in the case of gas produced and sold from Devonian shale during 1980, 1981, or 1982). This price is to be estimated by the Secretary and published, together with the inflation adjustment factor, by April of the year following that for which the credit is being computed.

Credit offsets.—To the extent that the credit is available for the production and sale of any of the eligible sources, it is reduced in proportion to Federal, State, and local grants, subsidized energy loans, and tax-exempt financing provided in connection with the construction or acquisition of the facility or its equipment. For this purpose, all tax-exempt financing, and all Federal, State, and local grants (whether or not taxable or energy related), but only subsidized loans which are energy related, are taken into account. Loan guarantees are not taken into account. The proportion of a facility deemed to be financed by subsidized financing equals the sum of the grants, subsidized energy loans and tax-exempt financing divided by the sum of the gross additions to capital account attributable to the project.

The production credit also is reduced, dollar-for-dollar, in proportion to energy investment credits allowed in respect of the property used to produce the alternative fuels eligible for the credit. All energy investment credits allowed to any party (including parties to a lease of the property and to predecessors) with respect to the fuel production property are taken into account.

Generally, the credit offset computation is made on an annual basis. The energy investment credit offset applies only up to the point at which the full energy investment credit has been recaptured.

Devonian shale gas.—For production and sales in calendar years 1980, 1981, and 1982, the phase out of the credit for gas produced from Devonian shale is based on the price of deregulated natural gas, not deregulated oil. For sales during these years, the credit phases out as the average price of high cost natural gas (as determined under section 107(c)(2), (c)(3), and (c)(4) of the NGPA) rises from $4.05 to $5.08 per thousand cubic feet (mcf). For sales after 1982, the generally applicable credit phaseout based on the price of oil applies.

Qualifying processed wood fuel.—The definition of qualifying processed wood fuel under the conference agreement generally is the same as that contained in the Senate amendment. The conference agreement clarifies, however, that qualifying processed wood fuel does not include charcoal, fireplace products, or wood products used for ornamental or recreational purposes. This exclusion encompasses fireplace products marketed in the form of "convenience logs," and similar residential compressed products which are wood based. In addition, the conference agreement clarifies that any Btu content of the processed wood that is attributable to nonwood additives, e.g., oil, gas, wax, plastic, glue, etc., is not taken into account in determining whether the Btu content of the processed wood has been increased by at least 40 percent over the Btu content of the wood immediately prior to the processing. (Under the general rule, Btus attributable to such additives are not taken into account in determining the amount of the credit for the year.)

The credit for qualifying processed wood is available only as to production and sales from facilities first placed in service in calendar years 1980 and 1981. As to production from those facilities, it is available for production and sales before either October 1, 1983, or three years from the date that the facility first is placed in service, whichever comes later. In addition, the phaseout based on the price of oil does not apply to production and sales during the first three years from the date the facility first was placed in service.

Steam from solid agricultural byproducts.—The definition of solid agricultural byproducts under the conference agreement generally is the same as that contained in the Senate amendment. As such, the term includes only solid byproducts of farming or agriculture, and does not include timber byproducts or other forms of biomass generally.

The credit for steam from solid agricultural byproducts is available only for production and use before January 1, 1985, in facilities placed in service after December 31, 1979. However, the phaseout based on the price of oil does not apply to production and use of such steam during the first three years from the date that the facility first is placed in service. In addition, a special rule applies to post-1979 increases in the production capacity or replacement of facilities first placed in service before 1980. Such production capacity increases or replacements basically are treated as facilities first placed in service after 1979. Therefore, production of steam attributable to these increases is eligible for the credit.

C. Alcohol fuels provisions

56. Excise Tax Exemption for Gasohol and Other Alcohol Fuels

House bill.—No provision.

Senate amendment.—Under present law, if motor fuel is a blend of gasoline, or other motor fuel, and alcohol and the fuel is at least 10 percent alcohol (other than alcohol derived from petroleum, natural gas, or coal), it is exempted from the 4-cent-per-gallon Federal excise taxes on motor fuels on or after January 1, 1979, and before October 1, 1984.

The Senate amendment would extend the current excise tax exemption for fuels which are at least 10 percent alcohol until January 1, 2000 (and make certain technical amendments).

Conference agreement.—The conference agreement extends this excise tax exemption through December 31, 1992 (and makes essentially the same technical amendments as in the Senate bill).

One of the major underlying issues pervading the entire conference was the question of the Highway Trust Fund. All conferees are aware of projections indicating that in the near future there will be a sizable reduction in the estimated tax receipts dedicated to the Highway Trust Fund. This includes the reduction due to the gasohol exemption contained in this conference report. The conferees are convinced that it is essential that hearings being as rapidly as possible in the remainder of this session to consider the question of finding ways and means to restore the Highway Trust Fund to the level required to carry out its future purposes. For this reason the conferees would propose that not only should hearings be scheduled as soon as possible after the passage of the windfall profit tax legislation but also that all agencies concerned with the future of the Highway Trust Fund be allowed to provide whatever information is needed by Congress to give proper consideration to proposals for a restoration of the Highway Trust Fund to its full capabilities. The conferees are aware that there is a definite need to continue and extend the life of the Highway Trust Fund not only because proper funding is needed for the repair, rehabilitation and reconstruction of our major federal arteries but also because there is need to keep our systems in proper order so that the mass transportation system of the future, which is largely dependent on the Federal Aid system, will continue in full force.

The conferees also intend that the exemption for alcohol fuels should not apply to any future increases in the taxes on gasoline or other motor fuels to the extent that such increases result in the taxes being imposed at a rate in excess of 4 cents per gallon.

57. Credit for Certain Alcohol Fuels

House bill.—No provision.

Senate amendment.—Where alcohol (other than alcohol produced from petroleum or natural gas) is used as a fuel (either blended or straight) of a type suitable for use in an internal combustion engine and the excise tax exemption for alcohol fuels does not apply, a credit would be provided. In general, the credit is available to the blender in the case of blended fuels and the user in the case of straight fuels, and the amount is 40 cents per gallon for most alcohol of at least 190 proof and 30 cents per gallon for alcohol between 150 and 190 proof. For alcohol made from coal, a credit of 20 cents per gallon is available to the producer. The credits (which apply to taxable years beginning after September 30, 1980) are nonrefundable, and no advance payment is provided. The credits allowed for the prior taxable year would be includible in income.

Conference agreement.—The conference agreement generally follows the Senate amendment except that (1) no credit is provided for alcohol produced from coal; (2) several amendments are made to integrate the credit and the execise tax exemption so that an incentive is provided to encourage the use of fuels containing more than 10 percent alcohol; (3) the credit generally is available only to a person who blends or uses alcohol in a trade or business and must be included in income in the taxable year it is earned (rather than in the taxable year following the year for which it is allowed); (4) a seven-year carry-forward of any unused credit is provided; and (5) the credit applies only to sales or uses after September 30, 1980, and on or before December 31, 1992. Although no credit may be claimed for any sale or use of alcohol which occurs after December 31, 1992, credits unused as of such date may be carried forward to taxable years beginning in 1993 and 1994.

Under the Senate amendment, if a fuel is at least 10 percent alcohol and it would have been subject to the Federal excise taxes on motor fuels but for the gasohol exemption, the exemption would apply, but no additional benefit would be allowable if more than 10 percent alcohol were used. Thus, the tax benefit on a per-gallon-of-alcohol basis would be less for a fuel which is 20 percent alcohol than for a fuel which is 10 percent alcohol. Under the conference agreement, a fuel which is more than 10 percent alcohol[1] is not only eligible for the excise tax exemption (assuming the excise taxes would otherwise be applicable) but also qualifies for a credit based on the volume and proof of alcohol in the fuel. The credit would be reduced by the amount of excise tax exemption applicable to the fuel.[2]

For example, if a taxpayer blends 7,000 gallons of gasoline and 3,000 gallons of 190 proof alcohol and sells the mixture to a service station, the amount of credit allowable would be $800, computed as follows: 3,000 gallons × $0.40 = $1,200, reduced by $400 (10,000 gallons × $0.04).

The conference agreement also modifies the rules relating to the credit for alcohol which is used as a fuel without being blended or mixed with another liquid. Under the conference agreement the credit would generally be available to the user of such fuel. However, if such fuel is sold at retail and placed in the fuel tank of a vehicle, the credit (with appropriate reduction for the amount of excise tax exemption applicable to the fuel) is to be claimed by the retail seller, rather than by the user.

58. Tax-Paid Gasoline

House bill.—No provision.

Senate amendment.—Under present law, gasoline may be sold free of tax (under certain circumstances) if it is to be used in the production of tax-exempt alcohol fuels, but no provision is made for a credit or refund of the tax on gasoline if tax-paid gasoline is mixed with alcohol to produce tax-exempt alcohol fuels.

The Senate amendment provides that if a person purchases tax-paid gasoline which is used in the production of tax-exempt alcohol fuels (including gasohol), the person may obtain a refundable income tax credit (or a payment if the amount is $200 or more during any of the first 3 quarters of the taxable year) in an amount equal to the taxes paid on such gasoline.

Conference agreement.—The conference agreement generally follows the Senate amendment with minor technical modifications and a change in the expiration date to reflect the revision in the expiration date of the excise tax exemption for alcohol fuels.

59. Regulation of Alcohol Production

House bill.—No provision.

Senate amendment.—The Senate amendment provides special rules for distilled spirits plants used to produce alcohol for fuel. The Secretary of the Treasury is provided with broad authority to waive or reduce existing regulatory requirements for these new types of plants, such as by allowing simplified application and recordkeeping procedures and providing reduced control and bonding requirements.

The Senate amendment provides an expedited permit application procedure (and no bond) for small producers of alcohol for fuel use. This procedure requires Treasury action within 60 days of the submission of a completed application and provides for automatic approval of applications if Treasury action is delayed. A small producer means a plant that produces no more than 10,000 proof gallons of alcohol per year.

Conference agreement.—The conference agreement follows the Senate amendment except for minor language changes.

The conferees intend that these provisions of the conference report not be interpreted as affecting the Treasury Department's authority, under present law, to revoke or suspend permits for distilled spirits plants.[1]

60. Study of Imported Alcohol

House bill.—No provision.

Senate amendment.—The Senate amendment directs the Secretary of the Treasury to recommended to Congress, within 180 days after the date of enactment, ways in which the excise tax exemption and the credit can be denied to fuels containing imported alcohol.

Conference agreement.—The conference agreement follows the Senate amendment.

61. Reports

House bill.—No provision.

Senate amendment.—Under the Senate amendment, the annual reports currently required to be made by the Secretary of Energy through 1984 on the use of alcohol in fuels are to be made from 1981 through 2000 and are to contain information on the effect of the reduction in excise tax receipts due to the excise tax exemption for alcohol fuels on the Highway Trust Fund (as well as the information currently required).

Conference agreement.—The conference agreement follows the Senate amendment except that the reports are to be made only through 1992.

D. Industrial development bond provisions

62. Income Tax Exemption for Bonds for Solid Waste Disposal Facilities

House bill.—No provision.

Senate amendment.—Under present law, tax exempt industrial development bonds (IDBs) may be used to provide solid waste disposal facilities. The Senate amendment

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[1] As under the excise tax exemption in present law, the term "alcohol" does not include alcohol produced from petroleum, natural gas, or coal. This means that alcohol produced from such substances, or from any derivative or product of such substances, may not be treated as alcohol which is eligible for the credit (or as alcohol for purposes of the "at least 10 percent alcohol" requirement in the excise tax exemption).

[2] If no excise tax would apply to the fuel because of an exemption (or credit or refund) provision other than the exemption for alcohol fuels, the credit would not be reduced. Thus, if a taxpayer blends 90 gallons of gasoline and 10 gallons of 190 proof alcohol and sells the mixture to a unit of local government, the sale of the fuel would be tax-free by reason of sec. 4221 (a)(4) and the taxpayer could claim the credit on the 10 gallons of alcohol without any reduction. Similarly, if the taxpayer were to sell the alcohol fuel to a farmer for on-farm use, the taxpayer may claim the credit without reduction even though the alcohol fuel was sold free of tax to the farmer. (The basis for the result in the preceding sentence is that if a tax had been imposed on the fuel sold to the farmer, the farmer could have claimed a credit or refund of such tax (see secs. 39 and 6420).)

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[1] See Code secs. 5171 and 5271.

contains three provisions which expand the definition of solid-waste disposal facilities. The first provision provides that solid waste disposal facilities would include property which is used primarily to convert solid waste or fuel derived from solid waste into steam or into alcohol. The second provision provides that facilities which produce electric energy from solid waste and which are owned and operated by or on behalf of a State or local government would be treated as solid waste disposal facilities where all the electric energy and steam produced by the facility is sold to a governmental unit and is not resold. Under this provision, an obligation used to provide such a facility will be treated as a tax-exempt State or local government obligation notwithstanding the fact that the Federal Government purchases all or a portion of the electric energy or steam. Both the first and second provision of the Senate amendment apply with respect to obligations issued after October 18, 1979.

The third provision of the Senate amendment deletes the requirement of the second provision (i.e., the provision relating to facilities that produce electric energy from solid waste) that all the electric energy produced from a qualified facility be sold to a governmental unit. Under the third provision, the electric energy could be sold to any person. In addition, the third provision provides that a facility would be a qualified facility only if it was owned by, and operated by or for a State or a political subdivision of a State. The third provision would apply with respect to obligations issued after September 30, 1980.

Conference agreement.—The conference agreement, in general, follows the first and second provision of the Senate amendment (with certain modifications) and deletes the third provision of the Senate amendment.

Under the conference agreement, the term "solid waste disposal facility" is defined to include a "qualified steam-generating facility" and a "qualified alcohol producing facility." As a consequence, tax exempt IDBs may be used to finance such facilities. In addition, the conference agreement allows tax-exempt bonds to be issued for certain solid waste-energy producing facilities. The conferees intend that, wherever there is a requirement that a particular person own facilities for purposes of the IDB provisions of this section of the bill, the requirement means the facilities are owned for tax purposes by that person. The conferees also want to make it clear that the amount of solid waste disposal facilities that can be financed by tax-exempt IDBs under the provisions of this bill or under present law is not to be reduced by the value of any product created by the solid waste disposal facilities.

(a) *Qualified steam-generating facilities.*—The term "qualified steam-generating facility", in general, is defined to mean a steam-generating facility which meets two requirements. A steam generating facility includes incinerators, boilers, smokestacks, and precipitators and other property used in the generation of steam. However, a steam-generating facility would not include property used in the transmission of steam. The first requirement provides that more than half of the fuel (determined on a Btu basis) used in the generation of steam must be solid waste or solid waste derived fuel. The second requirement provides that substantially all of the solid waste derived fuel which is used at the steam-generating facility must be produced at a facility which is located at or adjacent to the site of the steam-generating facility. The facility for producing solid waste derived fuel also must be owned and operated by the same person who owns and operates the steam-generating facility.

The conference agreement also provides a special rule for steam generating facilities owned by a State or political subdivision of a State. Under the special rule, the second requirement will be treated as being satisfied if substantially all the solid waste derived fuel used at the steam generating facility is produced at a facility which is owned and operated by or for the same State or same political subdivision or subdivisions of a State which owns the steam generating facility, and if substantially all the solid waste processed in the facility for producing solid waste derived fuel is collected from the area in which the steam generating facility is located. For example, in the case of a county solid waste authority which owns and operates a steam generating facility, substantially all the solid waste processed at the facility for producing solid waste derived fuel must be collected from within the county in which the steam generating facility is located. Further in the case of a solid waste authority having jurisdiction with respect to a metropolitan area lying in two contiguous States which owns a steam generating facility located in that metropolitan area substantially all the solid waste processed in the facility for producing solid waste derived fuel must be collected from within that metropolitan area.

(b) *Qualified alcohol producing facility.*—The term "qualified alcohol producing facility," in general, means a facility for the production of alcohol which meets certain requirements. Such a facility will include property required to convert cellulose fiber into sugar and property required in the fermentation of the sugar whether those processes occur in one or more steps. It will also include property used in the distillation of the fermented solution.

In order for a facility for the production of alcohol to be a qualified facility, three requirements must be satisfied. The first requirement provides that the primary product obtained from the facility must be alcohol. The second requirement provides that more than half the feedstock (determined on a reasonable basis, e.g. sugar content) used in the production of alcohol must be solid waste or a feedstock derived from solid waste. The third requirement provides that substantially all the solid waste derived feedstock used at the alcohol producing facility must be produced at a facility located at or adjacent to the site of the alcohol producing facility and the solid waste derived feedstock production facility must be owned and operated by the same person who owns and operates the alcohol producing facility.

The conference agreement also provides a special rule for certain alcohol facilities. A facility for the production of alcohol from solid waste which satisfies this special rule will not be required to meet the third requirement for a "qualified alcohol producing facility". A facility will satisfy the special rule where two conditions are satisfied. First, substantially all the solid waste derived feedstock for the facility must be produced at a facility which (i) went into full production during 1977, (ii) is located within the limits of a city, and (iii) is located in the same metropolitan area as the alcohol-producing facility. The second condition provides that prior to March 1, 1980 there have been negotiations between a governmental body (e.g., a governmental authority) and an organization described in section 501(c)(3) of the Code with respect to the utilization of a special process for the production of alcohol at the facility.

The special rule applies only in the case where the aggregate amount of obligations issued (by reason of this special rule) with respect to a project do not exceed $30 million, and such obligations are issued prior to January 1, 1986.

(c) *Solid waste-energy producing facility.*—The conference agreement also provides that an obligation issued by an authority for two or more political subdivisions of a State which is part of an issue substantially all the proceeds of which are to be used to provide solid waste-energy producing facilities shall be treated as a tax-exempt obligation of a political subdivision of a State which meets the requirements of an exempt activity of section 103(b)(4)(E) of the Code. For purposes of this provision the phrase "substantially all the proceeds of which are to be used to provide" is intended to have the same meaning as that phrase has under section 103(b)(4) of the Code.

A solid waste-energy producing facility means a solid waste disposal facility and a facility for the production of steam and electric energy where three requirements are met. First, substantially all the fuel for the steam and electric energy facility must be derived from solid waste processed in the solid waste disposal facility. Second, both the solid waste disposal facility and the steam and electric energy facility must be owned and operated by the authority which issues the obligations. For this purpose, a facility will be considered operated by the authority where the authority enters into a management agreement with a private concern under which the private concern will operate the facility so long as the duration of the management contract (including any options) does not exceed one year. Third, all the steam and electric energy produced at the facility (and not used by the facility) must be sold for purposes other than for resale to an agency or instrumentality of the U.S. Government.

For purposes of this provision, a steam and electric energy facility includes incinerators, boilers, precipitators, smokestacks, internal steam distribution lines, turbines, generators and other equipment for generating steam and electric energy, and structures for housing such equipment. However, a steam and electric energy facility would only include equipment up to the transmission stage.

The conferees also want to make clear that nothing in this provision or in the additional rules relating to Federal guarantees and federally subsidized loans is intended to affect the question under present law as to whether interest on an obligation issued by a State or local government is tax-exempt where repayment of the principal and interest on such obligation is secured or guaranteed by the Federal Government or where the Federal Government use part or all of the financed facility. Furthermore, under the conference agreement nothing in this provision is to be construed to override the arbitrage limitations of section 103(c) of the Code.

(d) *Additional rules.*—The conference agreement provides that all IDBs issued pursuant to the provisions of this bill are required to be issued in registered form as to principal and interest for the entire life of the obligation. Any such obligation which is not issued in registered form will not be tax-exempt.

In addition, the conference agreement provides an additional rule in the case of IDBs used to provide qualified steam generating facilities and qualified alcohol producing facilities. Under this rule, any such obligation will not be tax-exempt where (1) the payment of principal or interest is guaranteed (in whole or part) directly or indirectly by the United States government or any agency or instrumentality thereof under a program, a principal purpose of which is to encourage the conservation or production of energy, or (2) any part of the payment of principal or interest is to be made (in whole or part) directly or indirectly with funds provided under a Federal, State or local program, a principal purpose of which is to encourage the conservation or production of energy.

63. Income Tax Exemption for Bonds for Hydroelectric Generating Facilities

House bill.—No provision.

Senate amendment.—Under present law, industrial development bonds (IDBs) used to finance hydroelectric facilities are not, in general, tax exempt. The Senate amendment provides that interest on IDBs used to provide hydroelectric facilities at existing or new dam sites will be exempt from Federal income tax. Hydroelectric facilities qualifying under the amendment are facilities for which the installed generating capacity will be 25 megawatts or less. In addition, tax-exempt IDBs may be used to provide hydroelectric facilities (including pumped storage facilities owned and operated by a public power authority or public utility district) which will have an installed generating capacity of more than 25 megawatts, but only in the case of facilities which are installed in conjunction with the construction of a new dam. Also, in the case of a new dam construction of the hydroelectric facility must have commenced after October 24, 1979. These provisions apply to obligations issued after October 24, 1979.

The Senate amendment also provides that certain existing dams in Grant County, Washington, shall be treated as new dams. This provision applies to obligations issued after September 30, 1980.

Property qualifying for tax-exempt financing under the amendment includes electrical generation equipment, powerhouses, electrical transmission lines, and fish passageways. New dam structures also qualify, if the primary function of the dam is for the generation of hydroelectric power. However, the portions of a hydroelectric dam which are used for the collection, treatment, or distribution of water are eligible for tax-exempt financing only if they qualify as facilities for the furnishing of water. (Code section 103 (b)(4)(G)).

Conference agreement.—The conference agreement does not include the Senate amendments relating to pumped storage projects, dams under construction and new dams. Subject to the following modifications, the conference agreement follows the Senate amendment with respect to existing dams and sites which do not involve the impoundment of water.

The conference agreement provides that interest on an IDB, substantially all the proceeds of which are to be used to provide qualified hydroelectric facilities is exempt from Federal income taxation provided that the "public use" test of present law is satisfied. The provision only applies to such facilities which are located on a natural water course or constructed water flow and which generate electric energy from the flow or fall of water. The term "existing dam" means any dam or barrier built across a watercourse or other manmade structure for the impoundment of water, which was completed on or before October 18, 1979, and which does not require any construction or enlargement of the impoundment structure (other than repairs or reconstruction) in connection with the installation of the hydroelectric power project. For purposes of this section, the construction of penstocks, powerhouses, fish passageways and similar structures does not constitute construction or enlargement of the impoundment structure. The term "existing dam" includes dams which are currently being used in connection with the generation of electricity, dams which have been used in connection with the generation of electricity of the past, and dams which have never been used in connection with the generation of electricity. The provision does not apply to pumped storage facilities, ocean thermal facilities or ocean tidal facilities.

A qualified hydroelectric facility is defined as qualified hydroelectric generating property which is owned for tax purposes by a State, a political subdivision of a State, or an agency or instrumentality of a State or political subdivision of a State ("a governmental body") and is installed at a qualified hydroelectric site.

Under the conference agreement, qualified hydroelectric generating property means equipment for generating electric energy from water, and structures for housing such equipment, fish passageways, and dam rehabilitation property, required by reason of the installation of electrical generation equipment at the qualified hydroelectric site. Equipment for generating electricity by water includes turbines and generators. Such equipment only includes equipment up to the transmission stage. The term "dam rehabilitation property" includes property for the reconstruction of breached structures and renovation of machinery and structural elements which have been left in place. Furthermore, in the case of an impoundment which does not meet state or federal spillway capacity or other requirements, the term "dam rehabilitation property" includes the replacement of the entire impoundment structure.

A qualified hydroelectric site, in general, means any site which has an installed capacity of less than 125 megawatts (1) at which there is a dam the construction of which was completed prior to October 18, 1979, and which is not significantly enlarged after such date or (2) at which electricity is to be generated without any dam or other impoundment of water. Any site at which there is a dam will not, however, be a qualified hydroelectric site unless the dam is owned for tax purposes by a governmental body on October 18, 1979, and during the period the obligations are outstanding. A dam site or other impoundment site includes any water passageways that are fed from the water behind the dam or other impoundment, if the primary purpose of the water passageways is for the generation of electricity.

Under the conference agreement, the entire qualified hydroelectric generating facility may be provided with tax-exempt IDBs where the total installed capacity of the site does not exceed 25 megawatts. However, only a portion of a qualified hydroelectric generating facility with an installed capacity in excess of 25 megawatts, but less than 125 megawatts, may be provided with tax-exempt IDBs. The portion may not exceed the eligible cost of the facilities being provided (in whole or in part) from the proceeds of the bond issue (i.e., the qualified hydroelectric generating property, and the functionally related and subordinate property to be installed) multiplied by a fraction the numerator of which is 25 reduced by 1 for each whole megawatt by which the installed capacity exceeds 100 megawatts, and the denominator of which is the number of megawatts of installed capacity (but not in excess of 100). The eligible cost of the facilities being provided is the portion of the total cost of the facilities which may be reasonably expected to be the cost to the governmental body and is, in general, attributable to periods after October 18, 1979, and before January 1, 1986. However, in the case of an application which has been docketed by the Federal Energy Regulatory Commission before January 1, 1986, eligible costs include the portion attributable to periods after October 18, 1979, and before January 1, 1989.

The limitation may be illustrated by the following example. Assume that a municipality enters into a joint venture with a private concern to install 40 additional megawatts of generating capacity at an existing dam owned by the municipality, at which 10 megawatts of generating capacity now exist. The cost of the entire project is $30 million of which $20 million is qualified hydroelectric generating property and functionally related and subordinate equipment. The municipality and the private concern are equal joint venturors, and the municipality's share of the cost of the qualified hydroelectric generating facilities is $10 million. Under the limitation provided in the conference agreement, the maximum amount of bond proceeds that can be used for qualified hydroelectric generating property is $5 million (i.e., 25 divided by 50 multiplied by $10 million) plus an insubstantial amount.

The conference agreement also follows the Senate amendment in providing that tax exempt IDBs may be used to provide qualified hydroelectric generating facilities at two existing dams in Grant County, Washington, the installed capacity of which is more than 125 megawatts. Under this provision, the entire qualified hydroelectric generating facility may be provided with tax exempt IDBs.

Finally, the conference agreement provides two additional rules (relating to registration, and guaranteed or subsidized loans) with respect to IDB's used to provide qualified hydroelectric generating facilities. (See Item 62(d).)

64. Income Tax Exemption for Bonds for Renewable Energy Property

House bill.—No provision.

Senate amendment.—The Senate amendment provides that interest on industrial development bonds (IDBs) which are part of an issue substantially all the proceeds of which are used to provide renewable energy property will be exempt from Federal income taxation where two conditions are satisfied. First, the obligations must be general obligations of a State. Second, the State constitutional or legislative authority granting a State the power to issue such obligations must require that taxes be levied in sufficient amount to provide for payment of principal and interest on such obligations. In order to satisfy this requirement, such taxes must be the type of tax for which a deduction would be allowed under section 164 of the Code. The amendment also provides that renewable energy property means any property used to produce energy (including heat, electricity, and substitute fuels) from renewable energy resources (such as wind, solar, geothermal, biomass, waste heat, or water). The Senate amendment is effective for bonds issued after the date of enactment of the bill.

Conference agreement.—The conference agreement generally follows the Senate amendment, but imposes two additional limitations with respect to State obligations for renewable energy property. The first limitation provides that the amount of all obligations (whether or not IDBs) under the program for renewable energy property issued by a State which are outstanding at any time may not exceed the smaller of $500 million or one-half of one percent of the value of all property within the State. The second limitation provides that the exemption for interest on State obligations for renewable energy property shall only apply to obligations issued pursuant to a State program to provide financing for renewable energy property in a State whose legislature approved before October 18, 1979, a constitutional amendment which specifically allowed general obligation bonds of the State to be used to finance renewable energy property. The requirements of the second limitation will be satisfied even if a State program to provide financing for renewable energy property is in fact established pursuant to a constitutional amendment approved subsequent to October 18, 1979, so long as the legislature in the State authorizing such program had approved before October 18, 1979, a constitutional amendment which specifically allowed general obligation bonds of the State to be used to finance renewable energy property.

The conferees also intend that for purposes of this provision, the phrase "substantially are the proceeds of which are to be used to provide" is to have the same meaning as this phrase has under sec. 103 (b)(4) of the Code. Finally, the conference agreement provides two additional rules (relating to registration, and guaranteed or subsidized loans) with respect to obligations used to provide renewable energy property. (See Item 62(d).)

65. Income Tax Exemption for Bonds for Cogeneration Property

House bill. No provisions.

Senate amendment.—The Senate amendment provides that interest on industrial development bonds (IDBs) issued as part of an issue from which substantially all the proceeds are to provide equipment and facilities of which the primary function is the cogeneration of electric energy and steam, heat or other form of energy (other than electric energy) is tax-exempt. This provision only applies where the electric energy and steam or heat is to be used for industrial, agricultural, commercial, or space heating purposes. Further, this provision applies to property installed at new and existing locations.

This provision applies to obligations and existing locations.

This provision applies to obligations issued after October 24, 1979.

Conference agreement.—The conference agreement omits the Senate amendment.

E. Other business tax incentives

66. Deduction for Tertiary Injectants

House bill.—No provision.

Senate amendment.—The Senate amendment provides that expenditures for certain tertiary injectants generally are deductible in the taxable year in which the tertiary substance is injected into the reservoir.

The clarification of the income tax treatment of the cost of tertiary injectants is not intended to create an inference as to the proper categorization of those expenditures prior to the effective date of the provision. Also, qualification of a project as a qualified tertiary recovery project under the windfall profit tax creates no inference about whether the costs involved may be expensed under this provision.

The provisions of the amendment would be effective for expenditures deducted for injectants injected after December 31, 1979.

Conference agreement.—The conference agreement generally follows the Senate amendment.

Under the conference agreement, the income tax treatment of qualifying tertiary injectants is not elective. However, for purposes of the windfall profit tax's 90 percent net income limitation, tertiary injectant expenses may be treated as having been capitalized.

67. Residential Energy Efficiency Program

House bill.—No provision.

Senate amendment.—A public utility would be allowed an income tax credit equal to the net revenue loss for the taxable year which is attributable to a qualified residential energy efficiency program.

Conference agreement.—The conference agreement does not include the Senate provision.

IV. LOWER INCOME ENERGY ASSISTANCE

68. Low Income Energy Assistance

House bill.—No provision.

Senate amendment.—The Senate amendment authorizes for fiscal years 1981, 1982 (and 1983, unless rescinded by a vote of either House), a program of block grants to the States to provide assistance to low-income families for heating and cooling costs. The total amount of appropriations authorized is $3.025 billion for fiscal year 1981 and $4.025 billion for fiscal years 1982 and 1983.

Eligibility is limited to households with income less than the Bureau of Labor Statistics lower living standard, and to households who receive food stamps. AFDC, income-tested Veterans' pensions, and with certain exceptions, SSI.

Funds are allotted by formula to the States and territories. The basic formula includes a State's residential energy expenditures and the square of its heating degree days. However, the allotment of any State otherwise entitled to less than $100 million would be increased under an alternative allotment percentage by an amount necessary to provide at least $120 per year to each AFDC, SSI, and food stamp household in the State. Further, no State would receive less than the lower of the amounts it would have received under either of two alternative formulas. Increases in allotments which result from either the minimum or from the alternative formulas would result in pro rata reductions in the allotments of other States, except that up to $25 million is authorized to meet the additional costs resulting from the application of the minimum benefit provision to certain States.

Each State receiving funds is required to submit an energy assistance plan which meets certain conditions and which is subject to approval by the Secretary of Health, Education, and Welfare. Assistance could be given directly to eligible households; to suppliers of energy to these households, in the form of either cash or tax credits; and to operators of subsidized housing projects.

Conference agreement.—The conference agreement generally follows the Senate amendment, with the following modifications:

69. Tax Credit for Users of Residential Energy

House bill.—No provision.

1. The conference agreement provides an authorization effective only for fiscal year 1981;

2. An additional authorization of $90 million is provided for any States, the allotment of which would otherwise be equal to or greater than $100 million, for increases in such States allotments through the use of the alternative allotment percentage.

3. If the amount appropriated for fiscal year 1981 is less than the $3 billion primary authorization and the amounts necessary under the separate $25 million and $90 million authorizations, then each State's allotment shall be determined as if this sum had been appropriated and shall be reduced on a pro rata basis as necessary.

4. Where the Secretary determines that a waiver is likely to assist in promoting the objectives of this program, the Secretary may waive compliance with any of the State plan requirements. The conferees also wish to make clear that a State is not required, under its plan, to provide a benefit to every household defined as an eligible household under this title. The funds authorized in this part may not be used to provide benefits, however, to households not included in this definition.

5. The conferees wish to make clear that the regulations which are required to be issued within sixty days after enactment may be interim regulations.

6. The conference agreement requires that fuel assistance payments or allowances provided under this title will not be considered income or resources of an eligible household for any purpose under a Federal or State law. The conferees wish to emphasize that this provision applies regardless of whether the fuel assistance is paid directly to the household or to the supplier of energy to the household. Thus, under any law, such as the Food Stamp Act of 1977, which provides that benefits may depend on the expenditures of the household for fuel, any portion of these expenditures which may be paid by the fuel assistance program authorized in this conference agreement will not be considered a resource available to this household, even if the payment is made directly to the energy supplier. Thus, under such a law, benefits will be computed as if the total cost of the fuel, including the amount of assistance provided, had been paid by the household.

7. The amendment in the Senate provision to the Food Stamp Act is effective only for fiscal year 1981.

8. With regard to SSI recipients, the conference agreement provides the States with an option whereby they may have the Secretary retain any portion of their energy allotment for the purpose of making direct Federal payments to SSI recipients. The conferees recognize that time requirements to design and test the computerized programs needed to administer the direct Federal payments will require the Secretary to establish an early date for States to indicate interest in Federal issuance of energy payments to SSI recipients. The conferees are also aware that constraints in computer process capacity will require the Secretary to establish, in cooperation with the States, nationwide criteria and standards to which the States must adhere when submitting specifications for such direct Federal payments.

9. Various technical amendments are made in the Senate amendment to clarify the language.

Senate amendment.—The Senate amendment provides a nonrefundable tax credit equal to a percentage of the amount spent during the year for heating a principal residence. The percentage is different for each heating source and is determined by the Secretary of the Treasury according to a formula which reflects the extent by which the increase in the price of the heating source since 1978 exceeds the overall rate of inflation. The credit is subject to a minimum of $30 per household ($20 in 1979).

Special allocation rules are provided for renters and for those who also use a heating source for purposes other than heating.

The maximum amount of the credit is $200 per household. The maximum is reduced by 10 cents for each dollar by which adjusted gross income exceeds $20,000 ($18,000 for 1979), so that no credit is allowed for taxpayers with income of $22,000 or more $20,000 or more in 1979).

The credit is available for 1979, 1980 and 1981.

Conference agreement.—The conference agreement omits the Senate provision.

V. OTHER INCOME TAX PROVISIONS

70. Repeal of Carryover Basis

House bill.—No provision.

Senate amendment.—Under the Tax Reform Act of 1976 the basis of property passing or acquired from a decedent dying after December 31, 1976, was to be "carried over" from the decedent, with certain adjustments, to the estate or beneficiaries for purposes of determining gain or loss on sales and exchanges by the estate or beneficiaries. Under prior law, the basis of inherited property was generally stepped up or down to its value on the date of the decedent's death. The Revenue Act of 1978 postponed the effective date of the carryover basis provisions for 3 years. As postponed, the provisions were to apply to property passing or acquired from decedents dying after December 31, 1979.

The Senate amendment repeals the carryover basis provisions. For property passing or acquired from a decedent (within the meaning of Code sec. 1014(b)), the basis of property generally will be its fair market value at the date of the decedent's death or at the applicable valuation date if the alternate valuation provision is elected for estate tax purposes.

With respect to property passing or acquired from decedents dying after 1976 and before November 7, 1978 (the date after the date of enactment of the Revenue Act of 1978), the carryover basis provisions may be elected by the executor of an estate. If elected, the basis of all carryover basis property considered to pass from the decedent, including jointly owned property passing by survivorship, is to be determined under these provisions. The election is to be irrevocably made no later than 120 days after the date of enactment of the bill and in such manner as prescribed by the Secretary of the Treasury.

The amendments are to take effect as if included in the Tax Reform Act of 1976. Thus, the repeal applies to property passing or acquired from a decedent dying after December 31, 1976.

Conference agreement.—The conference agreement follows the Senate amendment.

71. Partial Exclusion of Dividends and Interest Received by Individuals

House bill.—No provision.

Senate amendment.—Under present law, there is an exclusion for $100 of dividends received by an individual. A married couple filing a joint return may exclude $200, if each spouse has at least $100 of dividends.

The Senate amendment, in general, increases the amount of the present exclusion for dividends to $201 in the case of an individual. The amendment also provides a $400 exclusion in the case of a joint return, regardless of whether the dividend is received by one or both spouses.

In addition, the Senate amendment broadens the exclusion to apply to certain types of interest received by individuals from domestic sources. Interest eligible for the exclusion includes: (1) interest on deposits received from a bank; (2) interest (whether or not designated as interest) paid in respect of deposits, investment certificates, or withdrawable or repurchasable share by a mutual savings bank, cooperative bank, domestic building and loan association, industrial loan association or bank, credit union, or other savings or thrift institution chartered and supervised under Federal or State law if the deposits or accounts of the institution are insured under Federal or State law, or protected and guaranteed under State law; (3) interest on bonds, debentures, notes, certificates or other evidences of indebtedness of a domestic corporation which are in registered form; (4) interest on other evidences of indebtedness issued by a domestic corporation of a type offered by corporations to the public to the extent provided in regulations issued by the Secretary of the Treasury; (5) interest on obligations of the United States, a State or local government which is not already excluded from gross income; and (6) interest attributable to a participation share in a trust established and maintained by a corporation established pursuant to Federal law (for example, interest attributable to a participation share in a trust established and maintained by the Government National Mortgage Association).

In the case of distributions received by individuals from conduit type entities (such as trusts, regulated investment companies, and real estate investment trusts), the distributions generally qualify for the exclusion to the same extent that the gross income of the entity consists of eligible dividends or eligible interest.

In addition, special rules are provided in regard to interest expenses incurred in order to purchase or to carry obligations or shares or to make deposits or other investments with respect to which the interest would be excludable from gross income under this provision.

Conference agreement.—The conference agreement adopts the Senate amendment with several modifications. First, the conference agreement restricts the exclusion to taxable years beginning after December 31, 1980, and before January 1, 1983. Second, the conference agreement reduces the exclusion in the case of taxpayers not filing a joint return from $201 to $200.

Third, the conference agreement makes several technical amendments to the treatment of distributions from regulated investment companies (mutual funds) and real estate investment trusts. Under the conference agreement, qualified interest of a regulated investment company that is distributed to its shareholders is eligible for the exclusion in the hands of its individual shareholders. However, the conference agreement clarifies that the amount of interest received by a regulated investment company that will be eligible for the exclusion when it is distributed to shareholders is the net amount of qualifying interest (i.e., qualifying interest less interest expenses). Under the conference agreement, if a regulated investment company has at least 75 percent of its gross income from either qualified dividends or from qualified interest, then the entire amount of the dividend (other than capital gain dividend) that it pays will be a qualified dividend in the hands of an individual shareholder. If neither qualifying dividends nor qualifying interest equals or exceeds 75 percent of the gross income, then the percentage of each dividend it pays that qualifies for the exclusion is the proportion of that dividend that the sum of the qualifying dividends and qualifying interest of the regulated investment company for the taxable year bears to the gross income of the regulated investment company for the taxable year. For this purpose, gross income and aggregate interest are to be reduced by any interest expense to the extent of any qualified interest. For example, if a regulated investment company has 40 percent of its gross income from qualified dividends and 40 percent of its gross income from qualified interest, then 80 percent of its dividend (other than its capital gain dividend) will be a qualified dividend in the hands of an individual shareholder.

In the case of a real estate investment trust, conduit treatment is extended to qualifying interest but not to dividends. Under the conference agreement, if a real estate investment trust has at least 75 percent of its gross income from qualifying interest, then the entire amount of a noncapital gain dividend from the real estate investment trust will be a qualified dividend in the hand of an individual shareholder. If qualifying interest does not equal or exceed 75 percent of the gross income, then the percentage of its noncapital gain dividend that qualifies for the exclusion is the proportion of that dividend that the qualifying interest of the real estate investment trust for the taxable years bears to the gross income of the real estate investment trust for the taxable year. As in the case of regulated investment companies, only the net amount of the qualifying interest (i.e., qualifying interest less interest expense) is eligible for the exclusion. However, in the case of a real estate investment trust, the amount of qualified interest is not reduced by any interest paid by the real estate investment trust on mortgages on real property that is owned by the real estate investment trust. In addition, gross income is to be reduced by any taxes imposed on income from foreclosure property (section 857(b)(4)), on the failure to meet certain requirements (section 857(b)(5)), or on income from prohibited transactions (section 857(b)(6)). The amount that qualifies for the exclusion shall not exceed the amount designated by the real estate investment trust in a notice to its shareholders sent within 45 days after the close of its taxable year.

72. Qualified Liquidations of LIFO Inventories

House bill.—No provision.

Senate amendment.—Under present law, a taxpayer who liquidates part or all of his inventory (i.e., his beginning inventory is greater than his ending inventory) in the ordinary course of his trade or business will recognize the gain or loss realized as a result of the liquidation. The taxpayer will recognize this gain or loss even if the liquidation of the inventory is due to circumstances beyond his control, e.g., reduced supply due to government regulation or the interruption of foreign trade. In the case of inventories accounted for on the last-in, first-out ("LIFO") basis, a significant portion of the gain on such liquidation will be attributable to the excess of the replacement cost of such inventory over its LIFO basis (referred to as "LIFO inventory profit").

In certain narrowly defined circumstances, the Senate amendment allows a taxpayer to claim a refund for taxes paid on LIFO inventory profits resulting from the liquidation of LIFO inventories, if the taxpayer purchases replacement inventory within a defined replacement period. A taxpayer can elect to have the provisions of this section apply if there is a liquidation of his LIFO inventory for a taxable year (referred to as the "liquidation year") and he established to the satisfaction of the Secretary that the liquidation is a qualifying involuntary liquidation. For this purpose, a qualifying involuntary liquidation is defined as a taxpayer's failure to replace his LIFO inventory in the liquidation year due, directly and exclusively, to any Department of Energy regulation or request with respect to energy supplies, or to any foreign trade interruption, but only if the Secretary, after consultation with the appropriate Federal officer, publishes a notice in the Federal Register that this section would apply in the case of such regulation, request or interruption.

If a qualifying taxpayer acquires a replacement for part or all of the liquidated LIFO inventory in a replacement year, then the taxpayer's taxable income for the liquidation year is (i) decreased by the excess of the cost of the replacement inventory over the LIFO basis of the liquidated inventory which it replaced, or (ii) increased by the excess of the LIFO basis of the liquidated inventory which is replaced over the cost of the replacement inventory. A replacement year is defined as any of the three taxable years following the liquidation year or any taxable year ending within such earlier period as the Secretary may prescribe. A taxpayer is considered to have acquired a replacement for the liquidated LIFO inventory if the taxpayer's closing LIFO inventory with respect to the liquidated goods for any replacement year reflects an increase over the opening inventory for such year and the liquidated LIFO inventory has not been completely replaced before such replacement year. The replacement inventory is considered, in the order of its acquisition, as replacing the most recently liquidated inventory (whether or not the liquidation is an involuntary liquidation subject to the provisions of this section) not previously replaced. If the replacement inventory replaces LIFO inventory which was subject to a qualifying involuntary liquidation, it is to be taken into purchases and included in the closing inventory for the replacement year at the LIFO basis of the inventory which it replaced.

If an adjustment in a taxpayer's taxable income is made for any liquidation year as a result of the replacement of LIFO inventories under this section, the tax imposed for the liquidation year and any other taxable year would be redetermined to take into account that adjustment. Any increase or decrease in the amount of the tax resulting from the redetermination would be assessed as a deficiency or allowed as a credit or refund (as the case may be) without interest. The assessment of a deficiency or the allowance of a credit or refund attributable to the adjustment may, if otherwise prevented by the operation of any law or rule of law (other than section 7122), be made within the time allowed for the assessment of a deficiency or the allowance of a credit or refund (as the case may be) with respect to the replacement year in which the adjustment arose.

An election to have the provisions of this section apply would be made in the manner and form, and at the time, prescribed by the Secretary in regulations. The election is irrevocable and binding for the liquidation year and for all determinations made for taxable years prior and subsequent to the liquidation year insofar as such determinations are affected by the adjustments made under this section.

Conference agreement.—The conference agreement follows the Senate amendment but makes certain technical and clarifying amendments.

The conference agreement clarifies the concept of an involuntary liquidation of LIFO inventories and in so doing substitutes the terms "qualified liquidation" and "qualified inventory interruption" for the term "involuntary liquidation" as used in the Senate amendment. A qualified liquidation is defined as a decrease in a taxpayer's closing LIFO inventory for a liquidation year over his opening inventory for that year, but only if the taxpayer establishes to the satisfaction of the Secretary that the decrease is directly and primarily attributable to a qualified inventory interruption. A qualified inventory interruption is defined as any Department of Energy regulation or request made with respect to energy supplies or any embargo, international boycott, or other major foreign trade interruption, with respect to either of which the Secretary publishes a notice in the Federal Register designating those situations to which the provisions of this section will be available. The notice will be published in the Federal Register if the Secretary determines, after consultation with the appropriate Federal officers, that such regulation, request or interruption has made the replacement of any class of goods for any class of taxpayers difficult or impossible in the liquidation year, and the application of this provision to that class of goods and taxpayers is necessary to carry out the purposes of this section.

The conference agreement revises the Senate amendment with respect to the "replacement period." The replacement period encompasses the same replacement years designated in the Senate amendment except that the replacement period may be shortened by the Secretary in a subsequent notice published in the Federal Register. A replacement year is defined in terms of any taxable year in the replacement period. This will involve a change in the definition of a replacement year from the Senate amendment only when the Secretary subsequently shortens the replacement period. Additionally, the conference agreement definition of replacement year does not include a taxable year after the taxable year in which replacement of the liquidated inventory is completed.

The conference agreement changes the Senate amendment by allowing interest on deficiencies or refunds. Solely for purposes of determining interest on overpayments or underpayments of tax attributable to adjustments made under this provision, the overpayment or underpayments shall be treated as arising in the replacement year.

Where there is more than one reduction in a taxpayer's LIFO inventory and these reductions are due to different causes, the reduction in the closing inventory will be presumed to occur first as a result of qualified liquidations, if any, under this provision. For example, if a taxpayer's closing inventory has been reduced by a total of 300 units and the taxpayer had a fire during the year which destroyed 275 units and a qualified liquidation which accounted for 225 units and a qualified liquidation which accounted for 225 units, the reduction in the closing inventory will be attributable to the 225 units from the qualified liquidation and the 75 units from the fire.

It is expected that the Secretary will issue regulations regarding how this section is to be applied in the case of a taxpayer using the "dollar-value" method of LIFO inventory, consistent with the "dollar-value" regulations under section 472.

This provision is effective for taxable years ending after October 31, 1979.

73. Recognization of Gain on Certain Disposition of LIFO Inventories

House bill.—No provision.

Senate amendment.—Under present law, a liquidating corporation will not recognize any gain or loss on the transfer of its inventory to its shareholders as part of the liquidation. Similarly, a corporation which sells its assets during a 12-month liquidation (section 337) will not recognize any gain or loss on the bulk sale of its inventory. In either situation, if the liquidating corporation accounts for its inventory on the last-in, first-out ("LIFO") method of accounting for inventories, any gain attributable to the excess (referred to as the "LIFO recapture amount") of the adjusted basis of the inventory under the last-in, first-out ("LIFO") method of accounting for inventories over its LIFO adjusted basis will not be subject to corporate tax. (This amount is presently taxed at the corporate level on a nonliquidating distribution (sec. 311(b)). However, if a subsidiary corporation liquidates into a parent corporation and the adjusted basis or the subsidiary's assets carry over to the parent corporation, the LIFO recapture amount will be subject to corporate taxation when the inventory is disposed of in a taxable sale or exchange.

Under the Senate amendment, a corporation which distributes its LIFO inventory in a partial or complete liquidation of the corporation must recognize the inventory's LIFO recapture amount as ordinary income. Also, a corporation that sells its LIFO inventory in the course of a 12-month liquidation (section 337) must recognize the inventory's LIFO recapture amount as ordinary income. The Senate amendment does not require the recognition of the LIFO recapture amount on corporate liquidations where the adjusted basis of the LIFO inventory in the hands of the acquiring corporation is carried over from the liquidating corporation.

Conference agreement.—The conference agreement follows the Senate amendment but makes certain technical and clarifying amendments.

The conference agreement postpones the effective date of this provision to distributions and dispositions which are made pursuant to plans of liquidation adopted after December 31, 1981. The effective date was postponed to allow time for Congressional hearings on this provision. Also, the delayed effective date will permit transactions in the planning stage to be completed. During this time period it was intended that there would be no change in the present law treatment of the LIFO recapture amount with respect to corporate liquidations and sales pursuant to 12-month corporate liquidations.

V. MISCELLANEOUS PROVISIONS

74. Oil Import Restrictions

House bill.—No provision.

Senate amendment.—Under section 232 (b) of the Trade Expansion Act of 1962, the President may restrict oil imports.

The Senate amendment amends the Energy Policy and Conservation Act (P.L. 94-163) to grant Congress the power to disapprove, by joint resolution, any presidential rule or regulation establishing oil import fees, duties or tariffs, or setting import quotas on crude oil, residual fuel oil or refined petroleum products. Congress would have 30 days after the submission of any such rule to disapprove it by a joint resolution, which could be vetoed (subject to a Congressional override).

No such presidential action would be effective prior to the end of this 30-day period. This is the same procedure which was adopted in the Emergency Energy Conservation Act of 1979 (P.L. 96-102).

Conference agreement.—The conference agreement amends the Trade Expansion Act of 1962 to eliminate the President's authority under that Act to impose oil import quotas whenever a Joint Resolution is enacted which disapproves such executive action. Such a Joint Resolution is to be considered under normal legislative procedures, rather than under those applicable to Trade Act matters, and is not to be amendable. A presidential veto of such a resolution could be overridden by a ⅔ vote of each House.

Under the conference agreement, presidential action with respect to oil imports would not have to be preceded by Congressional review prior to becoming effective.

75. Oil Import Information Reports

House bill.—No provision.

Senate amendment.—Monthly reports are required to be filed with the Energy Information Administration of DOE by any person who imported 200,000 barrels of oil in the corresponding quarter of the prior year. These reports must contain specific information relating to the person's worldwide sales and imports.

Conference agreement.—The conference agreement does not contain this provision.

76. National Academy of Sciences Report

House bill.—No provision.

Senate amendment.—The Secretary of Energy is directed to enter into an agreement with the National Academy of Sciences for annual reviews of DOE's research and development programs for fiscal years 1980-1989. Review areas are to be selected for relevance to alternative energy systems and to research and development opportunities under DOE programs. The first report is to be completed by the end of fiscal year 1980.

Conference agreement.—The conference agreement does not contain this provision.

APPENDIX: BUDGET EFFECTS

Table 1 summarizes the revenue effect of the conference agreement for calendar years 1979 to 1990. In 1980, the windfall profit tax will raise $6.3 billion, and the various tax reductions in the bill will reduce revenues by $0.2 billion. The overall revenue gain, then, will be $6.1 billion. Over the entire 12-year period 1979 to 1990, the tax will raise $227.7 billion, and the tax reductions will be $15.5 billion, for a net revenue gain of $212.2 billion.

Table 2 summarizes the revenue effects of the conference agreement for fiscal years 1980 to 1990. In fiscal year 1980, the windfall profit tax raises $3.2 billion, and the tax reductions will be $0.1 billion. Thus, the net tax increase in fiscal year 1980 will be $3.1 billion.

Tables 3 and 4 present the gross and net revenues raised by the windfall profit tax for calendar years 1980–90 and fiscal years 1980–90, respectively. The gross revenue is the actual receipts from the tax. However, the imposition of the tax affects corporate and individual income tax receipts because it is deductible, because it reduces deductible State income taxes, and because it affects oil drilling. The net revenue is the gross revenue minus the reduction in corporate and individual income taxes expected to result from imposition of the windfall profit tax. Revenue from oil owned by the U.S. Government is not included in these estimates.

These revenue estimates assume that the price of uncontrolled oil equals $30 per barrel in the fourth quarter of 1979 and grows at the rate of inflation plus two percent per year.

Tables 5 and 6 show the revenue effects of the residential energy tax credits for calendar and fiscal years 1980–90, respectively.

Tables 7 and 8 show the revenue effects of the various business tax incentives for calendar and fiscal years 1980–90, respectively.

Up to $3.115 billion is authorized to be appropriated in fiscal year 1981 for the low-income energy assistance program contained in this bill.

TABLE 1.—SUMMARY OF ESTIMATED REVENUE EFFECTS OF THE CRUDE OIL WINDFALL PROFIT TAX ACT OF 1980 AS AGREED TO BY THE CONFERENCE COMMITTEE, CALENDAR YEARS 1979–90

[In millions of dollars]

Item	Calendar year liabilities												
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Total 1979–90
Net gain from windfall profit tax	[1] 36	6,306	14,719	18,875	20,147	21,312	22,267	22,907	23,788	25,588	25,771	27,017	227,723
Residential energy tax credits		−41	−53	−69	−97	−138	−201						−600
Business energy tax incentives	−3	−146	−232	−329	−864	−1,182	−1,541	−824	−887	−1,044	−626	−616	[3] −8,297
Repeal carryover basis		(2)	−36	−95	−163	−238	−330	−440	−560	−680	−810	−950	−4,302
Interest and dividend exclusion			−2,095	−2,210									−4,305
Involuntary liquidation of LIFO inventories [4]			−85	−85	−80								−250
Taxing inventory profits at corporate liquidations [5]				250	250	250	250	250	250	250	250	250	2,250
Total	33	6,118	12,218	16,337	19,193	20,004	20,445	21,893	22,581	23,114	24,585	25,701	[3] 212,219

[1] The conference agreement would raise a small amount of income tax revenue in 1979 because the estimates assume that the tax on newly discovered oil reduces intangible drilling deductions in that year.

[2] Less than $1 million.

[3] This total includes $3 million in calendar year 1978 reductions.

[4] These estimates are based on the assumption that the Secretary will invoke this provision for disruptions of oil shipments during 1980.

[5] These estimates are based on information obtained from a selected number of cases known to the Treasury and the figures are intended to provide representative averages during the forecast period.

TABLE 2.—SUMMARY OF ESTIMATED REVENUE EFFECTS OF THE CRUDE OIL WINDFALL PROFIT TAX ACT OF 1980 AS AGREED TO BY THE CONFERENCE COMMITTEE, FISCAL YEARS 1980–90

[In millions of dollars]

Item	Fiscal year receipts											
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Total 1980–90
Net gain from windfall profit tax	3,172	13,436	19,543	19,958	21,144	22,227	22,776	23,601	24,423	25,593	26,772	222,646
Residential energy tax credits	−7	−44	−55	−74	−105	−148	−167					−600
Business energy tax incentives	−50	−206	−274	−567	−985	−1,426	−1,233	−866	−972	−870	−637	−8,086
Repeal carryover basis		(1)	−36	−95	−163	−238	−330	−440	−560	−680	−810	−3,352
Interest and dividend exclusion		−314	−2,278	−1,713								−4,305
Involuntary liquidation of LIFO inventories [2]			−85	−85	−80							−250
Taxing inventory profits at corporate liquidations [3]			112	250	250	250	250	250	250	250	250	2,112
Total	3,115	12,872	16,927	17,674	20,061	20,665	21,296	22,545	23,141	24,293	25,575	208,165

[1] Less than $1 million.

[2] These estimates are based on the assumption that the Secretary will invoke this provision for disruptions of oil shipments during 1980.

[3] These estimates are based on information obtained from a selected number of cases known to the Treasury and the figures are intended to provide representative averages during the forecast period.

Note: Details may not add to totals because of rounding.

TABLE 3.—ESTIMATED REVENUE EFFECT OF THE CRUDE OIL WINDFALL PROFIT TAX AS AGREED BY THE CONFERENCE COMMITTEE, CALENDAR YEARS 1980–90

[In millions of dollars]

Item	Calendar year liabilities											
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Total 1979–90 [1]
Gross windfall profit tax	10,876	25,952	33,534	35,952	38,202	40,104	41,445	43,185	44,789	47,049	49,399	410,486
Change in income taxes	−4,570	−11,234	−14,659	−15,805	−16,890	−17,837	−18,538	−19,407	−20,200	−21,278	−22,382	−182,763
Net windfall profit tax	6,306	14,719	18,875	20,147	21,312	22,267	22,907	23,778	24,588	25,771	27,017	227,723

[1] The conference agreement would raise a small amount of income tax revenue in 1979 because the estimates assume that the tax on newly discovered oil reduces intangible drilling deductions in that year.

Note: Details may not add to totals because of rounding.

Gross windfall profit tax	5,159	20,955	32,293	35,124	37,429	39,535	40,923	42,524	44,181	46,270	48,538	392,931
Change in income taxes	−1,987	−7,518	−12,749	−15,166	−16,285	−17,309	−18,147	−18,923	−19,758	−20,677	−21,766	−170,285
Net windfall profit tax	3,172	13,436	19,543	19,958	21,144	22,227	22,776	23,601	24,423	25,593	26,772	222,646

Note: Details may not add to totals because of rounding.

TABLE 5.—ESTIMATED BUDGET EFFECT OF RESIDENTIAL ENERGY TAX CREDITS AS AGREED TO BY THE CONFERENCE COMMITTEE, CALENDAR YEARS 1980-90

Provision	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1980-90
Solar, wind and geothermal credit, 40 percent	−40	−50	−65	−82	−119	−177						−533
Business energy tax credit to landlords, 15 percent	−2	−3	−4	−15	−19	−24						−67
Total	−42	−53	−69	−97	−138	−201						−600

TABLE 6.—ESTIMATED BUDGET EFFECT OF RESIDENTIAL ENERGY TAX CREDITS AS AGREED TO BY THE CONFERENCE COMMITTEE, FISCAL YEARS 1980-90

Provision	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1980-90
Solar, wind, and geothermal credit, 40 percent	−6	−42	−52	−67	−88	−128	−150					−533
Business energy tax credit to landlords, 15 percent	−1	−2	−3	−7	−17	−20	−17					−67
Total	−7	−44	−55	−74	−105	−148	−167					−600

TABLE 7.—ESTIMATED BUDGET EFFECT OF BUSINESS ENERGY TAX INCENTIVES AS AGREED TO BY THE CONFERENCE COMMITTEE, CALENDAR YEARS 1980-90

Provision	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1980-90
Business energy investment credits:												
Solar and wind property, including solar process heat equipment, 15 percent energy credit	−10	−19	−34	−108	−282	−497	−78	−30	(1)			−1,058
Geothermal equipment, 15 percent energy credit	−1	−2	−2	−5	−8	−11	(1)					−29
Ocean thermal energy conversion equipment, 15 percent energy credit	(2)	(2)	(2)	(2)	−2	−2	−1					−5
Small-scale hydroelectric facilities, 11 percent energy credit	−7	−13	−17	−21	−81	−144	−284	−427	−582	−137	−84	−1,797
Cogeneration equipment, 10 percent energy credit	−31	−53	−78	−82	−65	−36	−11	(1)				−356
Petroleum coke and pitch, regular investment credit and accelerated depreciation	−25	−30	−34	−38	−43	−47	−52	−58	−63	−68	−74	−532
Certain equipment for producing feedstocks			(1)	−22	−29	−28	−22	−9	(2)			−110
Alumina electrolytic cells, 10 percent energy credit	−1	−1	−1	−1	−1	−1						[3] −12
Coke ovens, 10 percent energy credit	−37	−46	−56	−59	−45	−23	−7	−3	−1			−277
Biomass equipment, 10 percent energy credit	(2)	−4	−4	−18	−160	−352	−55	−32	−23	(1)		−648
Intercity buses, 10 percent energy credit	−5	−5	−6	−6	−7	−7						−36
Affirmative commitments, special transition rule			(1)	−448	−358	−202	−90	−42	−12	(1)	(2)	−1,152
Total, energy investment credits	−117	−173	−232	−808	−1,081	−1,350	−600	−601	−681	−205	−158	[3] −6,012
Alternative fuel production credit: [4]												
Devonian shale gas, special rule	−9	−26	−45	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	−80
Qualifying processed wood, phaseout suspension	−2	−13	−25	−21	−8							−69
Steam from agricultural byproducts, phase-out suspension	−1	−2	−2	−3	−3							−11
Total, production credits	−12	−41	−72	−24	−11	(4)	(4)	(4)	(4)	(4)	(4)	−160
Alcohol fuels provisions [5]	−3	−4	−5	−7	−59	−158	−188	−228	−268	−307	−347	−1,574
Industrial development bonds:												
Sold waste disposal facilities	(2)	−3	−5	−5	−5	−5	−5	−5	−5	−5	−5	−48
Alcohol from solid waste facilities			(2)	(2)	−1	−1	−1	−1	−1	−1	−1	−7
Small-scale hydroelectric facilities	(2)	(2)	−2	−2	−4	−6	−8	−29	−66	−85	−81	−283
Additions to certain existing hydroelectric facilities			−3	−7	−8	−8	−8	−8	−8	−8	−8	−66
State renewable resource programs	−1	−1	−2	−4	−7	−8	−9	−9	−9	−9	−9	−68
Total, bonds	−1	−4	−12	−18	−25	−28	−31	−52	−89	−108	−104	−472
Tertiary injectants	−13	−10	−8	−7	−6	−5	−5	−6	−6	−6	−7	−79
Total, Business Tax Incentives	−146	−232	−329	−864	−1,182	−1,541	−824	−887	−1,044	−626	−616	[3] −8,297

[1] Less than $5 million.

[2] Less than $1 million.

[3] This total includes $6 million in calendar year liability reductions from 1978 and 1979.

[4] It is assumed that the applicable reference price will be in excess of the credit phase-out range for oil from shale or tar sands, liquid, gaseous or synthetic solid fuel from coal, geopressured brine gas, coal seam methane gas, tight formation gas, biomass gas, steam from agricultural by-products and processed wood.

[5] The estimates for calendar years 1984-90 assume that the Federal excise taxes on gasoline diesel fuel, and other motor fuels will continue at the present rate of 4 cents per gallon. Under present law, these taxes are scheduled to be reduced to 1½ cents per gallon on Oct. 1, 1984, when the Highway Trust Fund is scheduled to expire.

TABLE 8.—ESTIMATED BUDGET EFFECT OF BUSINESS ENERGY TAX INCENTIVES AS AGREED TO BY THE CONFERENCE COMMITTEE, FISCAL YEARS 1980-90

Provision	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1980-90
Business energy investment credits:												
Solar and wind property, including solar process heat equipment, 15 percent energy credit	−3	−15	−26	−67	−185	−377	−311	−57	−17	(1)		−1,058
Geothermal equipment, 15 percent energy credit	(2)	−2	−2	−3	−7	−9	−6	(2)				−29
Ocean thermal energy conversion equipment 15 percent energy credit	(2)	(2)	(2)	(2)	−1	−2	−2	(2)	(2)			−5
Small-scale hydroelectric facilities, 11 percent energy credit	−2	−11	−15	−19	−48	−109	−207	−348	−497	−382	−113	−1,751
Congeneration equipment, 10 percent energy credit	−9	−46	−64	−80	−74	−52	−25	−6	(2)			−356
Petroleum coke and pitch, regular investment credit and accelerated depreciation	−8	−31	−32	−36	−40	−44	−49	−55	−60	−65	−71	−491
Certain equipment for producing feed stocks			(1)	−7	−28	−29	−25	−16	−5	(2)		−110
Alumina electrolytic cells, 10 percent energy credit	−6	−1	−1	−1	−1	−1	−1					−12
Coke ovens, 10 percent energy credit	−11	−47	−51	−57	−53	−35	−16	−5	−2	(2)	(1)	−277
Biomass equipment, 10 percent energy credit	(2)	−2	−4	−10	−82	−246	−218	−45	−28	−13	(1)	−648
Intercity buses, 10 percent energy credit	−2	−5	−6	−6	−6	−7	−4					−36
Affirmative commitments, special transition rule			(1)	−202	−407	−288	−152	−68	−28	−7	(1)	−1,152
Total, energy investment credits	−41	−160	−201	−488	−932	−1,199	−1,016	−600	−637	−467	−184	−5,925

Item	Fiscal year receipts											
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Total 1980-90
Alternative fuel production credit:[3]												
Devonian shale gas, special rule	−3	−18	−34	−25	(3)	(3)	(3)	(3)	(3)	(3)	(3)	−80
Qualifying processed wood, phaseout suspension	−1	−7	−18	−23	−15	−5						−69
Steam from agricultural by-products, phase-out suspension	(2)	−1	−2	−2	−3	−3						−11
Total, production credits	−4	−26	−54	−50	−18	−8	(3)	(3)	(3)	(3)	(3)	−160
Alcohol fuels provisions	−1	−4	−4	−6	−8	−187	−183	−221	−261	−300	−340	−1,515
Industrial development bonds:												
Solid waste disposal facilities	(2)	−1	−4	−5	−5	−5	−5	−5	−5	−5	−5	−45
Alcohol from solid waste facilities			(2)	(2)	(2)	−1	−1	−1	−1	−1	−1	−6
Small-scale hydroelectric facilities	(2)	(2)	(2)	−2	−3	−5	−7	−17	−45	−74	−84	−237
Additions to certain existing hydroelectric facilities			−1	−5	−7	−8	−8	−8	−8	−8	−8	−61
State renewable resource programs	(2)	−1	−1	−3	−5	−7	−8	−9	−9	−9	−9	−91
Total, bonds	(2)	−2	−6	−15	−20	−26	−29	−40	−68	−97	−107	−410
Tertiary injectants	−4	−14	−9	−8	−7	−6	−5	−5	−6	−6	−6	−76
Total, Business Tax Incentives	−50	−206	−274	−567	−985	−1,426	−1,233	−866	−972	−870	−637	−8,086

[1] Less than $5,000,000.

[2] Less than $1,000,000.

[3] It is assumed that the applicable reference price will be in excess of the credit phase-out range for oil from shale or tar sands, liquid, gaseous or synthetic solid fuel from coal, geopressured brine gas, coal seam methane gas, tight formation gas, biomass gas, steam from agricultural by-products and processed wood.

[4] The estimates for calendar years 1984-90 assume that the Federal excise taxes on gasoline, diesel fuel, and other motor fuels will continue at the present rate of 4 cents per gallon. Under present law, these taxes are scheduled to be reduced to 1½ cents per gallon on Oct. 1, 1984, when the Highway Trust Fund is scheduled to expire.

Al Ullman,
Dan Rostenkowski,
Charles Vanik,
James C. Corman,
Sam Gibbons,
J. J. Pickle,
C. B. Rangel,
William R. Cotter,
Pete Stark,
Barber B. Conable, Jr.,
Managers on the Part of the House.
Russell B. Long,
H. E. Talmadge,
Harry F. Byrd, Jr.,
Gaylord Nelson,
Mike Gravel,
Lloyd Bentsen,
Dan Moynihan,
Bob Dole,
Bob Packwood,
Bill Roth,
John C. Danforth,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous censent, leave of absence was granted to:

Mr. Boland (at the request of Mr. Wright), for today, on account of attending a funeral.

Mr. Ratchford (at the request of Mr. Wright), for today, on account of illness.

Mr. Rodino (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Chappell (at the request of Mr. Bennett), on account of official business in his district.

Mr. Thompson, for March 11, 1980, on account of official business.

Mr. Davis of Michigan (at the request of Mr. Rhodes), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Marks) to revise and extend their remarks and include extraneous material:)

Mr. Dannemeyer, for 60 minutes, on March 11, 1980.

(The following Members (at the request of Mr. Stenholm) to revise and extend their remarks and include extraneous material:)

Mr. Murtha, for 10 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

Mr. Wolff, for 10 minutes, today.

Mr. Downey, for 5 minutes, today.

Mr. Brooks, for 10 minutes, today.

Mr. Fithian, for 5 minutes, today.

Mr. Reuss, for 20 minutes, today.

Mr. Weiss, for 5 minutes, today.

Mr. Harkin, for 60 minutes, on March 17.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Marks) and to include extraneous material:)

Mr. Michel in three instances.

Mr. Bob Wilson.

Mr. Kemp.

Mr. Schulze.

Mr. Ashbrook in three instances.

Mr. Carter.

Mr. Emery.

Mr. Derwinski in two instances.

Mr. Gilman.

Mr. Fish.

Mr. Duncan of Tennessee.

Mr. Lee.

Mr. Symms.

Mr. Sawyer.

Mr. Conte.

Mr. Grassley.

(The following Members (at the request of Mr. Stenholm) and to include extraneous matter:)

Mr. Conyers.

Mr. Wolff in two instances.

Mr. Anderson of California in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Stokes.

Mr. Gaydos.

Mr. Thompson.

Mr. Bonker in two instances.

Mr. Charles H. Wilson of California.

Mr. Natcher.

Mr. Gore.

Mr. Harris.

Mr. Maguire.

Mr. Hawkins.

Mr. Miller of California.

Mr. Ertel.

Mr. McDonald in 10 instances.

Mr. Markey in six instances.

Mr. Edgar.

Mrs. Collins of Illinois.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2253. An act to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchases of portions of such railroad, and to provide arrangements for protection of the employees; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled Joint Resolution of the Senate of the following title:

S.J. Res. 149. Joint resolution to recognize the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson*, March 15, 1980.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 7, 1980, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 1829. An act for the relief of Loraine Smart and Robert Clarke;

H.R. 3398. An act to adjust target prices for the 1980 and 1981 crops of wheat and feed grains; to extend the disaster payment programs for the 1980 crops of wheat, feed grains, upland cotton, and rice; and to authorize the Secretary of Agriculture to require that producers of wheat, feed grains, upland cotton, and rice not exceed the normal crop acreage for the 1980 and 1981 crops;

H.R. 5913. An act to amend section 502(a) of the Merchant Marine Act, 1936;

H.J. Res. 493. Joint resolution providing for the appointment of William G. Bowen as a citizen regent of the Board of Regents of the Smithsonian Institution; and

H.J. Res. 494. Joint resolution providing for the appointment of Carlisle H. Humelsine as a citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. STENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 11, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3717. A letter from the General Counsel, Department of Energy, transmitting a draft of proposed legislation to amend Public Law 96–164 to increase the authorization for appropriations for the Department of Energy for national security programs in accordance with section 660 of the Department of Energy Organization Act, and for other purposes; to the Committee on Armed Services.

3718. A letter from the Chairman, Council of the District of Columbia transmitting a copy of District of Columbia Act 3–160, "To order the closing of a public alley in Square 2154, at Wisconsin Avenue and S Street, NW. (S.O. 78–174) (ward 3)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3719. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–161, "To order the closing of Harvin Road, NW., and a 9 foot north-south public alley abutting on lot 853 in square 1356, bounded by Lingan Road, MacArthur Boulevard, NW., and U.S. park land (S.O. 78–363, revised (ward 3)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3720. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–162, "To order the closing of a portion of a public alley abutting on lots 75, 76, 869, 816 and 850 in square 73, bounded by 21st, 22d, K and L Streets, NW. (S.O. 77–309) (ward 2)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3721. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–163, "To require certain screening tests to be administered to all infants born in hospitals in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3722. A letter from the Freedom of Information Act Officer, Office of the U.S. Trade Representative, Executive Office of the President, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3723. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on the Bank's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3724. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3725. A letter from the Commissioner/Acting Chairman, Federal Mine Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3726. A letter from the Administrator, General Services Administration, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3727. A letter from the Executive Director, Pension Benefit Guaranty Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3728. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3729. A letter from the Chairman, Federal Election Commission, transmitting proposed forms to implement the 1979 amendments to the Federal Election Campaign Act, pursuant to section 311(d) of the act; to the Committee on House Administration.

3730. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend provisions of law concerned with health professions education; to the Committee on Interstate and Foreign Commerce.

3731. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to implement the "Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and Their Destruction" by prohibiting the development, production, stockpiling, transferring, acquisition, retention, and possession of biological weapons, and for other purposes; to the Committee on the Judiciary.

3732. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

3733. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

3734. A letter from the Secretary of Transportation, transmitting a report covering calendar year 1979 on the use of authority to designate and rent adequate quarters, lease family housing and hire quarters at or near Coast Guard installations, pursuant to 14 U.S.C. 475(f); to the Committee on Merchant Marine and Fisheries.

3735. A letter from the Comptroller General of the United States, transmitting a report on his review of the Defense Department's fiscal year 1981 estimates of revenue to be deposited in the Panama Canal Commission Fund, pursuant to section 1302(c)(2) of Public Law 96–70; to the Committee on Merchant Marine and Fisheries.

3736. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide for authorizations and for other purposes; to the Committee on Public Works and Transportation.

3737. A letter from the Administrator of General Services, transmitting a prospectus proposing the construction of a border inspection facility at the United States-Canadian border on Interstate Highway 95 near Houlton, Maine, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3738. A letter from the Administrator of General Services, transmitting an amendment to a previously approved prospectus proposing the acquisition and repair and alteration of a truck/terminal warehouse facility for use as a Border Station and Secondary Truck Inspection Facility in Detroit, Mich., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3739. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Internal Revenue Service Center, Ogden, Utah, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3740. A letter from the Administrator of General Services, transmitting a prospectus proposing the acquisition of space by lease in Seattle, Wash., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3741. A letter from the President. National Academy of Sciences, transmitting a report on the study of methods for increasing safety belt use, pursuant to section 214 of Public Law 95–599; to the Committee on Public Works and Transportation.

3742. A letter from the Comptroller General of the United States. transmitting a report on the ability of the Government of the Northern Mariana Islands to absorb and manage Federal funds (ID–80–20, March 7, 1980); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

3743. A letter from the Comptroller General of the United States, transmitting a report on alternatives to Puerto Rico's political relationship with the United States (GGD–80–26, March 7, 1980); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

3744. A letter from the Comptroller General of the United States, transmitting a report on what factors affect how extensively expanded function dental auxiliaries are used and whether increasing their use in the private and public sectors would achieve productivity increases and cost savings (HRD–80–51, March 7, 1980); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Mar. 6, 1980, the following report was filed on Mar. 7, 1980*]

Mr. ULLMAN: Committee of Conference. Conference report on H.R. 3919 (Rept. No. 96-817). And ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN of Tennessee:

H.R. 6748. A bill to amend the Railroad Retirement Act of 1974 to provide an increased benefit for certain persons by changing the requirement that such persons have been fully insured under the Social Security Act as of December 31 of the calendar year in which they last rendered railroad related service; to the Committee on Interstate and Foreign Commerce.

H.R. 6749. A bill to amend the Internal Revenue Code of 1954 to provide that an unmarried individual who maintains a household shall be considered a head of household, without regard to whether the individual has a dependent who is a member of the household; to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 6750. A bill entitled: "the Hovercraft Skirt Tariff Act"; to the Committee on Ways and Means.

By Mr. HORTON:

H.R. 6751. A bill to create a National Commission on Compulsive Gambling; to the Committee on Interstate and Foreign Commerce.

By Mr. LEACH of Iowa:

H.R. 6752. A bill to amend title 28 of the United States Code to prohibit any person from raising as a defense in a proceeding brought for an alleged violation of an antitrust law or the Civil Rights Act of 1964 that such person was compelled by the law of a foreign state to take the action constituting the alleged violation; to the Committee on the Judiciary.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 6753. A bill to authorize appropriations for fiscal year 1981 for conservation, exploration, development and use of the naval petroleum reserves and naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

By Mr. ROSE (for himself, Mr. Davis of South Carolina, Mr. Andrews of North Carolina, Mr. Broyhill, Mr. Campbell, Mr. Derrick, Mr. Fountain, Mr. Gudger, Mr. Hefner, Mr. Holland, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Neal, Mr. Preyer, Mr. Spence, and Mr. Whitley):

H.R. 6754. A bill granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 6755. A bill to authorize a pilot program to encourage the efficient utilization of wood and wood residues, and for other purposes; to the Committee on Agriculture.

By Mr. WOLFF:

H.R. 6756. A bill to amend the Uniform Relocation Assistance and Property Acquisition Policies Act of 1970; to the Committee on Public Works and Transportation.

By Mr. BENNETT:

H.R. 6757. A bill to amend the Internal Revenue Code of 1954 to provide that the unified credit against the estate tax shall not be reduced by certain gifts made during 1976 which are includible in the gross estate of the decedent; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 6758. A bill to amend section 313 of the National Housing Act and the Emergency Home Purchase Assistance Act of 1974 to the Committee on Banking, Finance and Urban Affairs.

By Mr. HANCE (for himself, Mr. Bedell, Mr. Coelho, Mr. Collins of Texas, Mr. Gray, Mr. Hightower, Mr. Ireland, Mr. Kogovsek, Mr. Leath of Texas, Mr. Ottinger, Mr. White, Mr. Wyatt, and Mr. Stenholm):

H.R. 6759. A bill to amend the Federal Food, Drug, and Cosmetic Act to strengthen the authority to ban the importation of agricultural commodities bearing or containing unsafe pesticide chemicals and the importation of foods derived from such commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Maryland:

H.R. 6760. A bill to provide homeownership assistance for lower income families; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FISHER (for himself and Mr. Gephardt):

H. Res. 602. Resolution expressing the sense of the House of Representatives that the net revenues from the Windfall Profit Tax should be primarily directed toward solving our Nation's energy problem; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

367. By the SPEAKER: Memorial of the Senate of the State of Washington, relative to relocating the XXII Summer Olympiad; to the Committee on Foreign Affairs.

368. Also, memorial of the Legislature of the State of Wisconsin, relative to proposing the establishment of the space shuttle control and satellite surveillance center in Duluth, Minn.; to the Committee on Science and Technology.

369. Also, memorial of the Senate of the State of Washington, relative to designating the Fort George Wright Military Cemetery, Washington as a National Cemetery; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SYMMS:

H.R. 6761. A bill for the relief of Mary Ellen Noble; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1576: Mr. Dougherty.

H.R. 1577: Mr. Dougherty.

H.R. 1578: Mr. Dougherty and Mr. Hubbard.

H.R. 2333: Mr. Fauntroy.

H.R. 4646: Mr. Fary, Mr. Kazen, Mr. McHugh, and Mr. Stack.

H.R. 5449: Mrs. Boggs, Mr. Richmond, Mr. Addabbo, Mr. Bingham, Mr. Peyser, Mr. Wolff, and Mr. John L. Burton.

H.R. 5476: Mr. Lowry.

H.R. 5712: Mr. Coelho.

H.R. 5764: Mr. Frenzel, Mr. Hagedorn, and Mr. Stangeland.

H.R. 5876: Mr. Beard of Rhode Island.

H.R. 6065: Mr. Skelton.

H.R. 6094: Mr. Gingrich, Mr. Rahall, Mr. Natcher, Mr. Shelby, Mr. Perkins, Mr. Mattox, Mr. Collins of Texas, Mrs. Holt, Mr. Jones of Tennessee, Mr. Hubbard, Mr. Hopkins, Mr. Bowen, and Mr. Long of Louisiana.

H.R. 6220: Mr. Fish, Mr. Heftel, Mr. Patten, Mr. Marriott, Mr. de la Garza, Mr. Howard, Mr. Roe, Mr. Clinger, Mr. Addabbo, Mr. Frost, Mr. Minish, Mr. Satterfield, and Mr. Moakley.

H.R. 6287: Mr. AuCoin and Mr. Schulze.

H.R. 6494: Mr. Panetta, Mr. LaFalce, and Mr. Weaver.

H.R. 6503: Mr. Montgomery and Mr. Stenholm.

H.R. 6683: Mr. Fisher, Mr. Gray, Mr. Lott, Mr. McCormack, and Mr. Patten.

H.R. 6744: Mr. Lagomarsino, Mr. Whitehurst, Mr. Forsythe, Mr. Garcia, Mr. Davis of Michigan, Mrs. Holt, and Mr. Sebelius.

H.J. Res. 505: Mr. Duncan of Tennessee, Mr. Lagomarsino, Mr. Steed, Mr. Derwinski, and Mr. Whitehurst.

H. Res. 48: Mrs. Byron, Mr. Cleveland, Mr. Gaydos, Mr. Hubbard, Mr. Mollohan, Mr. Shelby, Mr. Whittaker, and Mr. Stenholm.

EXTENSIONS OF REMARKS

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The November 1979 list includes:

NATIONAL DEFENSE

Modernizing the Air Reserve Forces—More Emphasis on Logistics Support Needed. Acc. No. 110793, LCD-80-11, November 6.

Impediments to Reducing the Costs of Weapon Systems. Acc. No. 110824, PSAD-80-6, November 8.

Lack of Control and Feedback Hinders Army Manpower Management Improvements. Acc. No. 110743, FPCD-80-9, October 31.

The Navy does not know if it has too much Electronic/Electrical Depot Maintenance Capability, too little, or the right kind. Acc. No. 110769, LCD-80-3, November 2.

Tactical Operations System Development Program Should Not Continue as Planned. Acc. No. 110894, LCD-80-17, November 20.

Centralized Ammunition Management—A Goal Not Yet Achieved. LCD-80-1, November 26.

The Air Force Should Cancel Plans to Acquire Two Computer Systems at most Bases. Acc. No. 110774, FGMSD-80-15, October 26.

Increased Oversight and Interservice use of Military Aviation Training Ranges Can Reduce Costs. Acc. No. 110929, LCD-80-14, November 26.

Letter Reports

Review of Management of military reserve forces facilities. Acc. No. 110770, LCD-80-19, November 1.

GENERAL SCIENCE, SPACE AND TECHNOLOGY

Federal Weather Modification Efforts Need Congressional Attention. Acc. No. 110752, CED-80-5, November 1.

ENERGY

Prospects for Cooperation and Trade of Energy Resources between the United States and Canada. Acc. No. 110805, ID-80-2, November 8.

Coal Creek: A Power Project with Continuing Controversies over Costs, Siting, and Potential Health Hazards. EMD-80-16, November 26.

Montana's Libby Dam Project: More Study Needed Before Adding Generators and a Reregulating Dam. EMD-80-25, November 20.

Placing Resident Inspectors at Nuclear Powerplant Sites: Is it Working? Acc. No. 110926, EMD-80-28, November 20.

How to Speed Development of Geothermal Energy on Federal Lands. Acc. No. 110773, EMD-80-13, October 26.

The Department of Energy's Practices for Awarding and Administering Contracts Need to be Improved. Acc. No. 110856, EMD-80-2, November 2.

Federal Efforts to Ensure Effectiveness and Safety of Thermal Insulation can be Improved. Acc. No. 110927, EMD-80-4, November 26.

Letter Reports

The Nation should develop energy alternatives. Acc. No. 110746, EMD-80-18, October 26.

The Federal Energy Regulatory Commission should ensure Compliance with its Regulations and Legislative Responsibilities over Interstate Gas Supplies. Acc. No. 110794, EMD-80-5, November 6.

NATURAL RESOURCES AND ENVIRONMENT

U.S. Mining and Mineral-Processing Industry: An Analysis of Trends and Implications. Acc. No. 110742, ID-80-04, October 31.

How to Burn Coal Efficiently and Economically, and Meet Air Pollution Requirements—The Fluidized-Bed Combustion Process. Acc. No. 110821, EMD-80-12, November 8.

Interior Lacks Adequate Oversight of Shut-in or Flaring Natural Gas Wells on the Outer Continental Shelf. EMD-80-3, November 21.

Letter Reports

The Farmers Home Administration, the Small Business Administration, and the Federal Emergency Management Agency are inconsistent in their national policy on disaster loans to individuals affected by repeat floods. Acc. No. 110755, CED-80-10, October 26.

Appropriate congressional committees should review the Land and Water Conservation Fund Act to evaluate local matching share requirements. Acc. No. 110750, CED-80-23, November 1.

EPA should help grantees realize the full benefits of warranty coverages in contracts for construction of treatment facilities. Acc. No. 110874, PSAD-80-11, November 16.

AGRICULTURE

A Mission Budget Structure for the Agriculture Department—A Feasibility Study. Acc. No. 110895, PAD-80-08, November 16.

Estimated Personnel Needs of the Agricultural Stabilization and Conservation Service—Are they reliable? FPCD-80-5, November 26.

COMMERCE AND HOUSING

Economic and Operational Benefits in Local Telephone Services can be Achieved Through Government-Wide Coordination. Acc. No. 110861, LCD-80-9, November 14.

Outlook Dim for Revised Accounting System Needed for Changing Telephone Industry. Acc. No. 110841, FGMSD-80-9, November 13.

Improved Grievance-Arbitration System: A Key to Better Labor Relations in the Postal Service. GGD-80-12, November 28.

U.S. Customs Service Misclassifies Tobacco Imports. Acc. No. 110803, GGD-80-19, November 6.

COMMUNITY DEVELOPMENT

American Seaports—Changes Affecting Operations and Development. Acc. No. 110876, CED-80-8, November 16.

Rental Housing: A National Problem that Needs Immediate Attention. Acc. No. 110825, CED-80-11, November 8.

Urban Homesteading: A Good Program Needing Improvement. Acc. No. 110839, CED-80-3, November 13.

Letter Reports

Review of Federal disaster assistance to two libraries in Pennsylvania. Acc. No. 110796, CED-80-22, October 31.

SOCIAL SERVICES

Serving a Broader Economic Range of Families in Public Housing Could Reduce Operating Subsidies. Acc. No. 110795, CED-80-2, November 7.

Identifying Boarding Homes Housing the Needy Aged, Blind, and Disabled: A Major Step Toward Resolving a National Problem. Acc. No. 110884, HRD-80-17, November 19.

Prison Mental Health Care can be Improved by Better Management and More Effective Federal Aid. GGD-80-11, November 23.

Quality Civil Legal Services for the Poor and Near Poor are Possible through Improved Productivity. Acc. No. 110862, FGMSD-79-46, October 19.

Better Cash Management can Reduce the Cost of the National Direct Student Loan Program. Acc. No. 110945, FGMSD-80-5, November 27.

Letter Reports

How project sites in Iowa for the Senior Community Employment Program were selected. Acc. No. 110826, HRD-80-13, November 8.

HEALTH

U.S. Ground Troops in South Vietnam were in areas Sprayed with Herbicide Orange. FPCD-80-23, November 16.

Entering a Nursing Home—Costly Implications for Medicaid and the Elderly. PAD-80-12, November 26.

Health Costs Can Be Reduced by Millions of Dollars if Federal Agencies Fully Carry Out GAO Recommendations. Acc. No. 110840, HRD-80-6, November 13.

INCOME SECURITY

Indirect Costs of Social Security's Disability Programs are Excessive and Should Be Reduced. Acc. No. 110885, HRD-80-23, November 19.

ADMINISTRATION OF JUSTICE

Justice Department Should Coordinate Criminal and Civil Remedies to Effectively Pursue Fraud in Federal Programs. Acc. No. 110754, GGD-80-7, October 25.

Improved Planning for Developing and Selecting IRS Criminal Tax Cases Can Strengthen Enforcement of Federal Tax Laws. GGD-80-9, November 6.

An Informed Public Assures that Federal Agencies will Better Comply with Freedom of Information/Privacy Laws. Acc. No. 110753, LCD-80-8, October 24.

GENERAL GOVERNMENT

Determining Federal Compensation: Changes Needed to Make the Processes More Equitable and Credible. Acc. No. 507844, FPCD-80-17, November 13.

Wages for Federal Blue-Collar Employees are being Determined According to the Law, but Improvements are needed. Acc. No. 110771, FPCD-80-12, October 29.

Managing the Federal Work Force: Major Issues. Acc. No. 110822, FPCD-80-22, October.

Issues and Needed Improvements in State Regulation of the Insurance Business (Executive Summary). Acc. No. 110538, PAD-79-72, October 9, Acc. No. 110540, PAD-79-72A, October 9.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Federal R&D Laboratories—Directors' Perspectives on Management. PSAD-80-8, November 28.

AMTRAK's Inventory and Property Controls Need Strengthening. CED-80-13, November 29.

Stronger Procurement Controls in the Far East Would Minimize Fraud and Abuse. Acc. No. 110800, PSAD-80-2, November 7.

GSA's Personal Property Repair and Rehabilitation Program: A Potential for Fraud? Acc. No. 110854, PSAD-80-5, November 14.

FAA's Program to Automate Flight Service Stations: Status and Needs. Acc. No. 110744, PSAD-80-1, October 31.

Contracting for Computer Software Development—Serious Problems Require Management Attention to Avoid Wasting Additional Millions. Acc. No. 110804, FGMSD-80-4, November 9.

The Office of the Comptroller of the Currency's Internal Auditing Needs Strengthening. Acc. No. 110823, GGD-80-8, November 8.

Audit of Financial Transactions of the Sergeant at Arms for the 12 Months ended June 30, 1979 House of Representatives. Acc. No. 110767, GGD-80-1, November 2.

Examination of Financial Statements of GPO for FY 1978. Acc. No. 110768, LCD-80-4, November 2.

Activities of the House Office Equipment Service June 30, 1979. Acc. No. 110915, GGD-80-17, November 21.

Letter Reports

Impoundment of funds for the Department of Agriculture, the Department of Commerce, and the Railroad Retirement Board. Acc. No. 110801, OGC-80-3, November 6.

The Administrator, GSA, should discontinue assessing higher rental rates on building improvements unless they are justified by increased commercial values. Acc. No. 110864, LCD-80-18, November 7.

GAO should not have resolution over the roles and responsibilities of the congressional offices under Title I of the Ethics in Government Act of 1978. Acc. No. 110838, FPCD-80-27, November 13.

Delays in definitizing letter contracts can be costly to to the Government. Acc. No. 110873, PSAD-80-10, November 16.

GENERAL PURPOSE FISCAL ASSISTANCE

New York City's Fiscal Problems: A Long Road Still Lies Ahead. Acc. No. 110741, GGD-80-5, October 31.

The monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street NW., Washington, D.C. 20548. Phone (202) 275-6241.●

WILLIAM D. McFARLANE

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. STENHOLM. Mr. Speaker, I was deeply saddened by the recent passing of former U.S. Representative William D. McFarlane, Representative of the 13th District of Texas from 1933 to 1939. He was truly a remarkable man, having spent 44 years in politics, from his election to the Texas House of Representatives in 1922 until his retirement in 1966. While in the House of Representatives, he served on the Appropriations and Naval Affairs Committees. He also served as a trial attorney in the Land Division of the Justice Department.

Congressman McFarlane was born in Greenwood, Ark., and graduated from Chicago's Kent College in 1921. He then joined his father's law firm in Graham, Tex. He was a veteran of World War I and a member of the First United Methodist Church of Graham. He was listed in "Who's Who in American Politics" and the "National Register of Prominent Americans." A charter member of the American Legion, he was a past post commander of the American Legion and a 32d degree Mason. The Congressman is survived by his wife, Debbie, 3 daughters, 2 sons, 13 grandchildren, and 6 great-grandchildren.

While campaigning in Graham during the summer of 1978, I had the privilege of meeting Mr. McFarlane for the first time. I was amazed at his interest and grasp of the current events of the day. He was very articulate in expressing his views about them and about the major events during his years as Representative of the 13th District. I particularly appreciated his sharing some good solid political advice with me, a young aspirant for political office. He had great interest in our Nation's future. Representative McFarlane was a gentleman in every sense of the word and our Nation has lost one of its outstanding citizens.●

THE SOVIET THREAT IN OUR OWN BACKYARD

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. BAUMAN. Mr. Speaker, if there were an Office of Optometrist to the President, I am sure that the officeholder would have diagnosed a peculiarly selective problem with the President's vision: a blurred view of Soviet activities right on our doorstep.

While his attention has been focused on Soviet military adventurism half a world away, and while he has tried to rally the United States and its allies to condemn the invasion of Afghanistan, the President has curiously ignored the bloody terrorism and revolution fomented by the Soviets agent in the Caribbean, Fidel Castro. This selective astigmatism has allowed the Soviets, and their surrogate Castro, virtually a free hand in the shaping of events in Latin America. Some countries have fallen to Marxist dictatorships by guile, others by force. Nicaragua has just emerged from a bloody war which set up a government that is basically nothing more than a clone of Cuba's. Now as innocents in El Salvador, Guatemala, and Honduras die at the hands of terrorists trained in Cuba, and as anarchy spreads throughout the region, we must immediately counteract the source of the problem, Castro, and let the tentacles he has spread wither from lack of support.

I would commend to my colleagues' attention the following article by Allan H. Ryskind, the distinguished editor of Human Events, in this month's American Legion magazine about the menace from Cuba. It is timely, thorough, and frightening, and I urge that we take heed of what is says before it is too late.

The article follows:

CUBA CASTS A LONG SHADOW

The mid-August 1979 discovery of a Soviet combat brigade in Cuba may have helped alert the American people to what Washington has only begun to perceive: the successful Soviet-Cuban penetration of the Western Hemisphere. After Cuba's Ernesto "Che" Guevara and his band of guerrillas were wiped out by the Bolivian government in 1967 and with the overthrow of Marxist-Leninist Salvador Allende in Chile in 1973, the notion took hold in sophisticated quarters that the domino theory was dead, that Castroism had breathed its last south of the U.S. border. But such euphoria no longer exists, for Soviet imperialism, with Fidel Castro acting as point man for Moscow, is making a major comeback in Latin America.

Of particular concern to many pro-Western Latin American experts is the rising Soviet-Cuban threat to both Central America and the Caribbean. The loss of this region to Communist influence would be a staggering economic, military and psychological blow to the United States. No fewer than 13 major trade routes pour through the Caribbean Sea-Gulf of Mexico-Panama Canal area. Venezuelan oil, Jamaican bauxite and Brazilian manganese—the latter used in the manufacture of our strategic missiles—move through its waters to the United States. Beneath the Gulf, huge deposits of oil and natural gas are believed just waiting to be tapped.

The Panama Canal is no less a strategic waterway simply because we have relinquished our sovereignty. This vital commercial artery, where 60 percent of the traffic in recent years has been bound to or from U.S. ports, takes precious Alaskan oil and routes it to refineries on the East and Gulf Coasts and carries in its locks 20 percent of all U.S. farm exports. Stressing its military importance, Adm. James Holloway, chief of naval operations when the U.S. Senate was debating the Panama Canal treaty, testified that the canal was "absolutely essential" to America's defenses.

Yet this entire area is now endangered by a new Soviet-Cuban thrust. Increasingly, Cuba resembles a Soviet military base though the Administration refuses to attach that provocative label. "The brigade is only one part of a general increase of forces," noted one U.S. analyst. "Everything they have done is small in itself, but they are building a 'Fortress Cuba' that down the road has strategic significance for us."

Since 1976, the Soviets have rearmed Cuban military units, given them defense missiles, installed electronic antennae capable of picking up U.S. satellite transmissions into Cuba and sneaked onto the island a dozen or so Mig-23 aircraft, each capable of carrying nuclear bombs and covering the southeastern U.S.

Indeed, the Cubans are fairly bristling with Soviet weaponry. The Cubans have Russian amphibious armored infantry combat vehicles, Russian tanks and tank-recovery equipment, Russian medium helicopter gunships, Russian attack submarines and at least one Russian squadron of AN-26 Curl medium transport aircraft. This plane, officially described as an assault aircraft, was identified flying military cargo to Costa Rica for delivery to pro-Communist Sandinista guerrillas who successfully overthrew anti-Communist Somoza forces in Nicaragua.

This Sovietized fortress is not only menacing the United States and its Latin neighbors militarily, but it serves as a shielded haven from which Castro, now Moscow's hired gun, can help spread Red revolution around the globe. When this reporter visited Havana in 1978, Cuban officials boasted of their revolutionary activities, emphasizing that, as one Communist party functionary told me, "We will help revolutionary groups everywhere in the world."

True to their word, Moscow's Cuban "hit men" have dispatched mercenaries to the Third World—including Latin America—indoctrinated foreign students in Marxism-Leninism, trained would-be guerrillas in the arts of subversion and terrorism and provided sanctuary and weaponry to revolutionary brothers.

It was precisely this kind of activity that enabled Castro to score his first major coup on Central America in mid-July 1979, when President Anastasio Somoza Debayle of Nicaragua flew into exile in Miami.

A number of non-Communist Latin nations, including Costa Rica, Venezuela, Panama and Mexico aided the Sandinista National Liberation Front (FSLN) in its battle against Somoza—who was disliked by many Latin leaders for a variety of reasons—but Cuba proved the key to victory. For while it was not widely reported in the press, the Sandinistas sprang to life in Havana, were nurtured by Fidel for 17 long—and sometimes desperate—years and were given the wherewithal by Castro to finish the Somoza regime off when the conflict came to a head in 1979.

The State Department's Michele M. Bova, then director of the Office of Central American Affairs, wrote a letter on April 19, 1977, to then Rep. Ed Koch (D-NY), now New York City's mayor, describing Cuba's help to the Sandinista movement. Among other things, she mentioned that the FSLN "was founded in Havana in September 1962 by a group of leftist extremists who had been active for some years in revolutionary causes in Nicaragua. Carlos Fonseca Amador, perhaps their most significant leader, was a proponent of Marxist-Leninist theory who had closely followed the Castro revolution in Cuba and whose attachment to the revolutionary model strongly influenced the FSLN's early tactics and strategy."

The Bova memo also stated Cuba aided the FSLN with arms, ammunition and guerrilla warfare training. "External support," the memo added, "has also come from Nicaraguans living abroad, but probably the most important source of external support has been Cuba. . . ."

A copy of a Central Intelligence Agency memorandum viewed by this reporter disclosed Cuba's key role in aiding the Sandinistas during the last days of the Somoza government. In early March 1979, the leaders of the three major FSLN factions traveled to Cuba to meet with Fidel. Noted the memo: "The Cuban leader is said to have spent nearly 48 hours over a four-day period helping to hammer out a basis for cooperation. As a result of the meeting, a unified FSLN directorate was established containing three members from each faction." Castro, in turn, pledged a renewed supply of arms, ammunition and money.

Equally indicative of the Cuban connection is that the current Nicaraguan Minister of Interior—whose department controls the police and internal security functions of the country—is the Cuban-trained Tomas Borge Martinez, who has emerged as the most prominent Sandinista spokesman. Referred to sometimes as the Nicaraguan Castro, the fiftyish Borge is probably the uncrowned ruler of his nation today. He is not only in charge of the police force, but also serves as one of three men who rule the new army as well. In addition, he is on the nine-member directorate that controls the Sandinista movement.

An admitted Marxist and revolutionary who personally engaged in subversion and terror, Borge was captured by the Nicaraguans during the Somoza years and sentenced to a 30-year term in 1977.

During his trial, Borge admitted he had spent several months in Cuba in 1960 receiving military training at the hands of the Cuban army. In 1967 he returned to Cuba with more than 15 terrorists for additional training.

Along with some 60 other revolutionaries, Borge was released from prison on August 24, 1978, as a result of a deal Somoza struck with the Sandinistas after some of their members had held the national legislature hostage. One month, later, Borge was back in Havana discussing anti-Somoza strategy with Castro and being hailed on the front page of the official Cuban Communist Party publication, *Granma*.

Since assuming power, the Sandinista leadership—including Borge—has repeatedly gone to Cuba for instruction, and the Sandinistas are sending their future leaders to Havana for advanced education. Cubans in great numbers are also moving into Managua as well, ostensibly to get the revolution on its feet. At least 1,000 Cubans are being dispatched to Nicaragua to help staff the schools and "educate" the nation's young men and women.

The Sandinistas have already given Nicaragua more than the faint trappings of a Marxist-style government. Aside from nationalizing various business enterprises, including all private banks, seizing about 50 percent of the agricultural land, repudiating huge chunks of foreign debt and putting off national elections indefinitely, the Sandinistas control the major media, with the official Sandinista paper, *Barricada*, still extensively using the Cuban news service, *Prensa Latina*. Bayardo Arce, a former journalism professor and member of the Sandinista directorate, gave the world a glimpse of how the media were to be treated when he was quoted as saying, "We support freedom of the press. But, of course, the freedom of the press we support will be a freedom of the press that supports the revolution."

Some key government officials, furthermore, aren't adverse to honoring the Bolshevik revolution of 1917. Dr. Alvaro Ramirez Gonzalez, president of the Socialist party of Nicaragua and vice minister of foreign affairs, addressed a major gathering on November 12 in Managua celebrating the 62d anniversary of the Russian revolution. The major participants at the rally included representatives of the Sandinista Workers Central (CST) and Socialist and Communist parties.

Nicaragua's Sandinista Army has also developed an ominous instrument that could compel the entire country to conform to the whims of the new government: a Cuban-style network of block associations. Each CDS—The Spanish initials for Sandinista Defense Committee—is built around the residents of a single block or street. Ostensibly set up to distribute emergency aid, the associations also indoctrinate Nicaraguan citizens, provide them with rudimentary military training and spy on neighbors. *The Washington Post's* Charles Krause has quoted one man involved with these CDS associations as saying the goal is to prevent a "counterrevolution" along the lines of a "Swedish-style social democracy." What Nicaragua is really aiming for, he told Krause, is "true socialism," along the lines laid out by Cuba and the Soviet Union.

The Cubans and their revolutionary allies have been massively buoyed by the Marxist triumph in Nicaragua. In a state of near euphoria, Ramon Sanchez-Parodi, the top Communist diplomat in the United States who heads up the Cuban interest section, held forth last July for journalists attending a breakfast meeting sponsored by Foreign Policy magazine.

Sanchez was blunt. Acknowledging that the Cubans delivered arms and advice to the Sandinistas, Sanchez also said the fall of Somoza in Nicaragua was a "signal" to other Latin American dictatorships that they, too, might fall. He said Cuba intended to support guerrilla insurgencies in these countries and named Guatemala, El Salvador and Honduras as Central American nations where Cuba was providing assistance "of all sorts" to revolutionary forces.

The Cuban-trained Borge has been more circumspect, but he was quoted as saying last July that in both El Salvador and Guatemala, as well as in other Latin nations, the Nicaraguan revolution would trigger a "recrudescence of violence, a rebirth of popular struggle in these countries. . . ." The Sandinista triumph, he contended, "will give rise to a new revolutionary wave which will sweep through Latin America."

Even before the eventual Sandinista victory, Castro had begun to expand his insurgency activities.

The major thrust of Castro's policy toward Guatemala has been to encourage the various Marxist rebel groups to join together to undermine the elected government.

Havana's closest links have been to the Guerrilla Army of the Poor (EGP), which began to emerge as a serious threat in 1975. During 1978, according to a first-rate study on Latin American terrorism produced by Samuel Francis of the Heritage Foundation, close to 40 percent of Guatemalan terrorist incidents could be traced to the EGP. On January 1, 1978, the EGP kidnapped the Guatemalan Foreign Minister, and a little over a year later, this Castroite organization murdered the Nicaraguan ambassador. Guatemala's previous president, Kjell Laugerud Garcia, charged in early 1978 that the EGP had obtained all its support—and some of its instructors—from Cuba.

The revolutionary wave that hit Nicaragua has already toppled the rightist government of Gen. Carlos Humberto Romero in El Salvador, who was replaced by a five-member military-civilian junta on October 15. The new junta, considered liberal in its orientation, has embraced a program of reform in its effort to defuse leftist revolutionary sentiment.

But some observers believe it has gone overboard to appease the Castroites within the country, having quickly established diplomatic relations with Cuba and pledged to release even militant leftist "political" prisoners, many of whom have a past history of violent revolutionary activity. And there is growing concern—judging from the unrest that still stirs the nation—that the new government will not be able to stanch a radical left-wing takeover in the long run.

Of all the left-wing terrorist groups, the most active—and the one with the closest Cuban ties—has been the Fuerzas Populares de Liberacion (FPL). American intelligence sources indicate that 50 members of the FPL's army were in Cuba in late 1978 and early 1979 receiving military and ideological training, with many having been returned to El Salvador to serve as leaders in a force of 2,000 newly trained Salvadorans representing the "Popular Militia" of the FPL-dominated Popular Revolutionary Bloc, one of the nation's most powerful left-wing political organizations.

Castro's influence in Jamaica, a small island country to the south of Cuba, has also increased to alarming proportions. Shortly after charges were made by Manley's opposition that 5,000 Cubans freely roamed the island, a new Cuban ambassador arrived in Jamaica. He was bluntly identified by the official Kingston, Jamaica, radio on July 25, 1979, as Ulises Estrada, "the former Deputy Chief of the Department of the Americas of the Central Committee of the Communist Party of Cuba. The Department of the Americas has responsibility for political relations between the Communist Party of Cuba and the political parties and National Liberation Movements in Latin America and the Carribbean."

Manley's closeness to Castro and Communism is hardly in doubt, and the Jamaican Prime Minister once told this reporter that he was sorry he did not have the military personnel available to aid Castro in his efforts to "liberate" Africa. In a remarkable oration at the nonaligned conference in Havana this past September, Manley fawned over Castro and his alleged accomplishments, gushed over the Bolshevik revolution and savagely condemned U.S. "imperialism." Many observers were also somewhat stunned at Manley's slavish echoing of even the most insignificant Cuban demands in the field of foreign policy. Whether it involved the seating of the Cambodian delegation or support for the Puerto Rican "independence" movement, Manley was in virtual lockstep with Fidel.

In Panama, perhaps the most strategically placed nation in Central America, Castro has secured a solid friend in Gen. Omar Torrijos, who, while he has resigned the presidency, is still considered the strong man of the country.

Torrijos has hailed Castro as "an example and a light" to be followed elsewhere. Before the Panama Canal subcommittee in the House in 1979, Lt. Gen. Gordon Sumner, former chairman of the Inter-American Defense Board, testified that General Torrijos personally told him in November 1977 "of his intention to support rebellion and insurrection in his neighbor republics." Torrijos bragged about his support of the Sandinistas and suggested he had an eye on toppling El Salvador as well.

Back in 1976, the Senate Internal Security Subcommittee issued a report on the Cuban influence on Panama, authored by Harold Hughes, the liberal former senator from Iowa. While Hughes said Torrijos was not a Communist, he said his government was riddled with those of the far left. "The subcommittee has evidence," Hughes went on, "that a significant number of men holding important positions in the government have, over the years, either been involved with the political left in Panama or have been involved in the disturbances of 1959, 1964 and 1965, or have openly professed their sympathies for Cuba.

"This subcommittee has evidence that at least three officers of the Cuban General Directorate of Intelligence were invited by Col. Manuel Noriega Moreno, assistant chief of staff for intelligence, to act as advisers to the Panamanian National Guard for a period of two months in 1973 . . ."

When Rep. Robert Bauman (R-MD), the ranking Republican on the Panama Canal subcommittee, went down to Panama in 1979, he returned stating, "It has long been recognized that there is considerable Communist influence within Panama. Only recently Panama permitted arms shipments to the Sandinista guerrillas in Nicaragua to travel through Panama. The Cuban embassy in Panama City has more than a hundred staff members, far in excess of any other nation's embassy, and their influence on Panama's government is well known."

At the eastern and southern end of the Caribbean Sea, Fidel Castro is also making headway. In March of last year, Maurice Bishop and his New Jewel Movement seized the tiny nation of Grenada through a revolutionary coup. Bishop moved fast in recognizing Cuba and joining the non-aligned movement. His finance minister, Bernard Coard, spouts Marxist economics.

Bishop said in 1977 that his movement was sympathetic to socialism and there are grounds for believing that his group may have been aided by Castro before the coup. U.S. intelligence officials now claim that as many as 50 members of the Cuban military are now in Grenada advising Bishop's own defense forces. An indication of the friendly attitude of the new government toward Castro surfaced in an interview given by the country's Minister of Education, Youth and Social Services, George Louison, last year. Quoted in the Bridgetown Barbados *Advocate News* on July 25, Louison said, "to those who say we cannot establish close political and economic relations with Cuba, we say that this is not only an insult to our people, but an insult to the entire Caribbean because we see the Grenadian and Cuban people as one people."

Cuba and Castroism, as the above suggests, are clearly on the march again in Latin America. And the only question that seems to remain is, "How many more dominoes will Fidel collect in the coming year?"●

PERSONAL EXPLANATION

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mrs. COLLINS of Illinois. Mr. Speaker, due to commitments in my congressional district, I was unable to be present today. Had I been present I would have voted "aye" on passage of the three bills on which recorded votes occurred:

House Concurrent Resolution 285—Disappearance of certain persons.

H.R. 6702—Federal election campaign contributions.

H.R. 6152—Product Liability Risk Retention Act.●

GOVERNORS COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED ESSAY CONTEST

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. EMERY. Mr. Speaker, every year the Governors Committee on Employment of the Handicapped sponsors the "Ability Counts" essay contest. This contest is part of a national competition sponsored by the President's Committee on Employment of the Handicapped.

This contest is designed to remind the people of our State of the obstacles and needs that handicapped persons face as a fact of life.

The 1980 State of Maine winner is Theresa Aceto, a junior at Deering High School in Portland. Theresa's essay is a meaningful composition of the plight of handicapped persons. At this time I would like to bring this fine essay to the attention of my colleagues in the House.

The essay reads:

SPEAKING OUT—VOICES OF THE DISABLED PEOPLE

(By Theresa Aceto)

There are over 2,000 handicapped people in Maine. Many of these people are ambitious. They share the interests, ideas and opinions of a non-handicapped person; they feel anger, hurt, and love just as we do. Sometimes, though, we tend to segregate the handicapped; the attitudes of society seclude them in such things as school, employment, and transportation. We should not rob them of their abilities that can increase their usefulness, but instead we should consider the alternatives. We could listen to the needs and concerns of the disabled and try to improve their lives by helping to solve several major problems.

One problem that the disabled encounter is the attitudes of classmates and teachers. While the disabled struggle to get an education, society worries that we may have to "put out" somewhat by helping them. Schooling to a handicapped person is equally important to them as it is to us. We tend to forget this when we run up a flight of stairs, skipping two, and almost knock over a person struggling on crutches. Instead we could hold the door open for the boy on crutches or the girl with only one leg. Teachers also have not always been trained to understand. For example, Helen Siedel of Goodwill,[1] who has hydrocephalus, described an occasion that occurred in her grammar school years at Lyseth School. The teachers wanted Helen to switch schools. Helen told us, "They thought that I was too much of a nuisance, I was on a chair with wheels and they couldn't be bothered to push me to the bathroom or any place else". In addition, most of our schools in Maine are not equipped for the handicapped. Any person in a wheel chair attending a public school would find it almost impossible to adapt to. We have very few ramps, handrails, or elevators. We could help solve this problem by making it a point of one of the school clubs to raise funds for such purposes as these. Why not give in a little?

Another issue of concern is the employment of the handicapped. In most cases, whatever the handicap of a person, there is most always something useful that he can still do. He would like to earn money and be self supporting too. Why then are there not more jobs available to him? True, a lot of companies, even large ones such as Canal Bank [2], and the Portland Telephone Company [3], hire the handicapped. But why don't all large companies? Most companies tend to discourage a handicapped person in a discreet manner. They tell him not to give up and keep looking; they will take his name and number so that if anything does come up they will be sure to contact him. Our society should make an extra effort to hire more disabled people, if they are qualified; we should also make more companies and plants accessible for the handicapped.

Another issue which needs more support is transportation. Any person in a wheel-chair has limited transportation. A cab is about the only means. Ann Cray deeply feels a threat of losing her job and her home in Maine. She has spastic cerebral palsy which she, unfortunately, feels may be increasing into arthritis in her hips. She is presently on crutches but states, "If I have to resort into a wheel chair then I will leave Maine. The transportation for handicapped persons is so bad that it would practically be impossible to be transported even by cab."[4] Why not create special buses for the handicapped only? It would be more convenient and an improvement to everyone.

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[1] Personal interview with Helen Siedel, Goodwill Industries—Nov. 28, 1979.

[2] Personal interview with Ann Cray, employee at Canal Bank—Dec. 7, 1979.

[3] Personal interview with Personnel Manager, Telephone Company—Dec. 14, 1979.

Still another problem the disabled person encounters is the lack of rehabilitation centers. We do see YMCA's, dance halls, and craft centers for the non-handicapped, but there are not nearly enough centers for the handicapped person.[5] Norbert Tondreau agrees with this problem. "There used to be a single's club here in Maine, but they closed it down. That was the only enjoyment I received". Ann Cray agrees, "Maine is ten years behind the times, we need some enjoyment as well as peer counseling". Why can't our society construct some programs such as "Outward Bound?"[6] We could also spend a little less money on the triple decker malls, and furnish some kind of programs or buildings of enjoyment for the disabled. One center per county would seem to be a responsible task to achieve.

In conclusion I feel that the attitudes of our society toward the disabled should be improved. We must be very selfish or unaware to overlook all their problems. When Norbert Tondreau told me that he sometimes waits one half hour shouting, "Will someone please help me across the street", and still no one replies, I realized that there is need for improvement. The disabled person wants to be independent, but he needs our help. We should make our plants accessible, or help a blind man across the street, or open the hall door for a girl on crutches; we should create a system of transportation, or supply rehabilitation centers, or understand the needs of a disabled person. With a little cooperation, we can achieve these necessities for the handicapped person. Their needs, interests, and ideas are equal to ours. So why not give them some opportunities? Why not give in a little!●

DR. THOMAS KILGORE, JR.

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. DIXON. Mr. Speaker, many people have characterized the past 10 years as the "me" decade, a period when individual priorities have focused on self rather than helping others. It is, therefore, very gratifying and reassuring to know that there is an individual among us who continues to persevere in his commitment to enriching the lives of all mankind. I have the pleasure of knowing such a person and on March 19, 1980, members and representatives of Los Angeles civic and community organizations will gather to pay tribute to him for his 50 years of service in the area of religious leadership; community development, civil rights activists, and educational programs. That person is Dr. Thomas Kilgore, Jr., and I would like to take this opportunity to share with my colleagues just a few of Dr. Kilgore's remarkable contributions.

The sixth of 12 children, Thomas Kilgore, Jr., was born on a cotton farm in South Carolina on February 20, 1913, to Thomas and Eugenia Kilgore. He received his primary and secondary education in the schools of Woodruff, Brevard, and Asheville, N.C. In 1935, Dr. Kilgore graduated from Morehouse College and in 1944 began graduate work at the Howard University School of Religion. He received a masters of divinity from Union Theological Seminary in New York in 1957. He is the recipient of several honorary degrees.

Dr. Kilgore's philosophy of life expressed during his 50 years of ministry and service to the community has reflected a strong commitment to the poor and underprivileged instilled during his formative years. Believing in the intrinsic worth of each human being, Dr. Kilgore has spent half a century working to improve the human condition, regardless of color. His inspiration and insight as a religious leader, his educational and community involvement, have served as a model that young and old can emulate. Dr. Kilgore, currently the senior pastor of the Second Baptist Church, a 95-year-old religious institution in Los Angeles, was the first black president of the American Baptist Convention and is past president of the Progressive National Baptist Convention. He has served as a major religious force in the black community of Los Angeles and has exhibited great political leadership in the community.

During his pastorate at the Second Baptist Church, Dr. Kilgore has pioneered in the formation, organization, and operation of the Child Development Center at Second Baptist Church, Griffith Gardens, a senior citizens apartment community; Pueblo Christian Action Center, a street ministry for youth development; the Second Baptist Free Clinic; the Ebonic Support Group, a scholarship fund at the University of Southern California, where he serves as an adviser to the president in the area of special community affairs, and last but not least, the Gathering, an organization of clergy dedicated to community development. Dr. Kilgore's achievements in the area of civil rights is, perhaps, best realized by the citizens of Los Angeles. As a close friend and associate of the late Dr. Martin Luther King, it was Dr. Kilgore who formed a citywide meeting immediately following Dr. King's assassination to stem violence in the black community. It was primarily through his efforts that Los Angeles was spared the trauma and tragedy of violence which plagued numerous other urban cities throughout the Nation.

Dr. Kilgore's contributions to mankind have touched the lives of many. When Californians gather to pay tribute to him at the Beverly Hilton Hotel, proceeds from the dinner will help support community ministries and a minority scholarship fund at the University of Southern California. It is a fitting tribute for a man who has spent over half of his life dedicated to the principle of helping others. It is an honor for me to be associated with him and I welcome this opportunity to add my praise.●

PERSONAL EXPLANATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. McDONALD. Mr. Speaker, on March 3-6, 1980, I was unvoidably absent from the Capitol and missed a series of votes. If I had been present I would have voted as follows:

Yes to House Joint Resolution 414—National Bicycling Day (rollcall No. 108).

No to House Joint Resolution 445—National Cystic Fibrosis Week (rollcall No. 109).

No to House Joint Resolution 463—National Diabetes Week (rollcall No. 110).

No to H.R. 4960—Gold Medal for Gerald F. Spiess (rollcall No. 111).

No to H.R. 5548—Gold Medal for Simon Wiesenthal (rollcall No. 112).

*No to House Concurrent Resolution 282—Expressing the sense of the Congress with respect to the recent foreign inspired attempts to undermine the stability of Tunisia (rollcall No. 113).

No to House Resolution 575—Dismissing the election contest against Anthony Leach (rollcall No. 114).

*No to the conference report to S. 643, the Refugee Act of 1980 (rollcall No. 115).

Yes on the rule, House Resolution 589, to H.R. 6291, to extend and increase certain agricultural loan programs (rollcall No. 116).

No on final passage of H.R. 6291, to extend and increase certain agricultural loan programs (rollcall No. 117).

*No to the amendment, as amended, to H.R. 3829, international financial institutions, that prohibits use of funds authorized for the Inter-American Bank for any form of assistance to any nonmember nation (rollcall No. 119).

*Yes to the amendment to H.R. 3829 that reduces the authorization for the U.S. subscription and contribution to the Inter-American Bank from $2.749 billion to $1.650 billion, and reduces the authorization for the U.S. contribution to the Fund for Special Operations from $700 million to $600 million (rollcall No. 121).

*Yes to the amendment to H.R. 3829 that reduces the authorization for the

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[4] Personal interview with Ann Cray, employee, Canal Bank—Dec. 7, 1979.

[5] Personal interview with Norbert Tondreau, Me. Institution for the Blind—Dec. 10, 1979.

[6] Personal interview with Mike Knight, teacher, Woodfords School.

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* Received live pair.

U.S. contribution to the Asian Development Fund from $445 million to $180 million (rollcall No. 122).

•Yes to the amendment to H.R. 3829 that sought to prohibit payments to the Inter-American Development Bank, the Asian Development Bank, or the African Development Fund which exceed 90 percent of the authorization level so long as the average salary levels of the personnel of that institution exceed by 10 percent or more the average salary levels of personnel in comparable U.S. Government positions (rollcall No. 123).

•No on final passage of H.R. 3829, the international financial institutions (rollcall No. 124).●

EX-COMMISSIONERS OF INSURANCE AT WORK IN INDUSTRY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Ms. HOLTZMAN. Mr. Speaker, insurance is a business which affects almost every American.

In recent weeks we have seen press reports on a wide range of questionable insurance practices such as overcharging, redlining, and unnecessary cancer insurance. Consumers have a right to be assured that those who regulate this industry are independent minded men and women. Unfortunately the ties between regulators and those regulated are often closer than they should be. In this regard I recommend to my colleagues the Washington Post article of March 3, "Ex-Commissioners of Insurance at Work in Industry."

The text follows:

SURVEY OF FORMER REGULATORS BY CONSUMERS UNION—EX-COMMISSIONERS OF INSURANCE AT WORK IN INDUSTRY

(By Morton Mintz)

More than a third of the immediate past state insurance commissioners now work in the industry they once regulated, according to a survey in the March Consumer Reports.

The survey, done late last year by Consumers Union, the magazine's nonprofit publisher, established the whereabouts of the 50 state insurance commissioners who preceded the current incumbents.

"We found that the former New York commissioner is working for Travelers (Insurance)," Consumer Reports said in the second article in a two-part series on life insurance.

"The former Pennsylvania commissioner is working for Allianz, a European insurance group that has been acquiring U.S. insurance companies," the article continued.

"The former Illinois commissioner is working for Ryan Insurance Group. The former Missouri commissioner is working for Kemper, and the former Ohio commissioner is working for Nationwide.

"In all, CU learned that 19 previous state commissioners found employment in the insurance industry after leaving office. One can hardly be surprised if present state commissioners want to be appreciated by VIPs in the industry they are regulating."

The states won the right to regulate the industry under a federal law, the McCarran-Ferguson Act, passed in 1944. Consumer Reports said that an insurance executive, asked if he would prefer state or federal regulation, replied, "Would you rather be regulated by 50 monkeys or by King Kong?"

The performance of state regulators was faulted in a 1979 report by the General Accounting Office, which is the investigative arm of Congress.

The GAO said that state insurance departments were underfunded, understaffed and they had failed to maintain "an arms-length relationship between the regulators and the regulated."

Six years earlier, the Wall Street Journal reported that the staffs of state insurance departments had doubled between 1945 and 1973, but during the same period, the number of insurance companies had increased four-fold and the amount of insurance ten-fold.

The 1979 GAO report, indicating things hadn't changed much, said: "In general, the number of individuals on insurance department staffs with relevant professional training is small, departments spend little to upgrade staff skills, and salary levels are low in relation to the salaries of similar professionals elsewhere." In addition, many regulatory officials, including commissioners, not only exit to the industry, but enter the "revolving door" from it.

President Carter, in a mid-January letter to all of the governors, urged them to give "most careful consideration" to model state regulation proposals by the Federal Trade Commission.

"Americans spend over $30 billion a year on life-insurance premium payments," Carter wrote. "Yet too often, consumers lack the basic cost information they need to find the best policy at the lowest price."

Consumer Reports' computations showed that for a 45-year-old man buying $100,000 of participating cash-value life insurance, the projected difference over 20 years between the lowest-priced and highest-priced policies would exceed $34,000.●

HOW USICA HANDLED THE AFGHANISTAN-IRAN CRISES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. MICHEL. Mr. Speaker, the U.S. International Communication Agency (USICA), formerly known as the U.S. Information Agency (USIA), is forbidden to distribute its products within the United States. By and large this is a useful restriction. There is always the danger of abuse of tax dollars to propagandize the American people for partisan purposes. My own feeling is that much more should be known by the taxpayers of what USICA says and does on their behalf overseas. I would hope that some accommodation can be reached so that Americans can have more USICA material to examine within the guidelines laid down by Congress so stop partisan use of such material.

Be that as it may, the case remains that USICA—which includes the Voice of America (VOA), our official international broadcasting station—has been doing quite a bit during the Iranian-Afghan crises.

Recently USICA World, the in-house publication of that agency, published a story about the activities of USICA during the crises. I thought our colleagues would like to see how USICA views its own handling of the crises.

At this point I wish to include in the RECORD, "How USICA Responded to the Iranian and Afghan Crises," USICA World, February-March, 1980.

HOW USICA RESPONDED TO THE IRANIAN AND AFGHAN CRISES

VOICE OF AMERICA

The Iranian and Afghan crises dominate VOA's 275 newscasts made daily in 38 languages. These programs highlight U.S. Government statements as well as intenational reaction to events in Tehran and Kabul. Regarding Iran, broadcasts stress (1) that the hostages are the real issue and must be released, (2) that the United States is pursuing all peaceful and legal means to resolve the crisis, (3) that the international community supports the United States, and (4) that American society stands united in its support of the President's handling of the crisis.

VOA also emphasizes (1) that once the hostages are released the U.S. will listen to Iran's grievances and (2) that prolonging the crisis is counter to Iran's own interests, especially its revolutionary goals. At the same time, VOA tries to "humanize" the image of the hostages to evoke a sympathetic response to them as human beings rather than mere cogs in an impersonal diplomatic machine.

Regarding Afghanistan, VOA has stressed the violation of international rules of behavior and of Afghanistan's right to self-determination.

In terms of specific programming, VOA has done news analyses of both crises since they began and also has summarized American and foreign press comment about them. Recent programming highlights have included Joseph Sisco on "Press Conference U.S.A." answering questions on Iran, and Undersecretary of State David Newsom on "Dateline" discussing Iran and Afghanistan. VOA carried the U.N. Security Council debate on Iran live in both English and Russian and presented extensive summaries of the debate in other languages. U.N. Secretary General Waldheim's mission, President Carter's address to the American people on January 4, and developments in both the Security Council and the General Assembly in regard to the invasion of Afghanistan have been thoroughly reported and analysed.

The Voice also aired a seven-program series on Islam. Among the participants were specialists Dr. John Reudy of Georgetown University, Charles Adams of McGill University, Fazlur Rahman of University of Chicago, Shabbir Khan of Alighar Moslem University of India, and Salim Azam, secretary general of the Islamic Council of Europe in London.

The Wireless File produced a flow of items every day to USICA staffs all over the world for media placement and for background use overseas by journalists and other national leaders and opinion-makers. Regarding Iran, the focus has been on the hostages and on efforts to free them. Wireless items also have stressed the legal and humanitarian aspects of the crisis.

The File provided a compendium of world media opinion about the terrorism in Iran and the Soviet invasion of Afghanistan, showing enormous international disapproval of both actions.

Comment by U.S. Congressmen and foreign leaders demonstrating the widespread support for the U.S. position in Iran and disapproval of the Soviet move on Afghanistan have been carried constantly.

The File carried texts of all major declarations, e.g., President Carter's press conference and later his address to the American people, Ambassador McHenry's remarks at the United Nations Security Council, and the text of the International Court of Justice's opinion in the case of the hostages.

U.S. background to the Iranian crisis was presented by such items as that on the President's meeting with the hostages' families, a transcription of Zbigniew Brzezinski's appearance on "Face the Nation," Secretary Vance's meeting with European leaders about the crisis, a report of the U.N. vote regarding hostage-taking, an article by an academic expert on the legal issues involved, and an article about the International Court of Justice, describing its history, emphasizing its authority and pointing out the respect it has gained among nations.

Excerpts of the United Nations debate and vote on economic sanctions against Iran, as well as coverage of the Waldheim visit to Iran and his subsequent meeting with President Carter have been featured.

The File carried a full range of material on developments surrounding the Soviet invasion of Afghanistan, including the Soviet veto in the U.N. Security Council, the transcript of Deputy Secretary Christopher's appearance on "Face the Nation," and John Chancellor's interview with President Carter.

The Wireless File ran excerpts of the Republican Presidential candidates' debate in Des Moines, including their comments on Iran and Afghanistan.

The Film and Television Service produced a half-hour videotape available to USICA posts around the world. It concentrates on the violation by Iran of international law and points out that this violation is more sinister for small nations than for more powerful ones because the former are much more dependent on international law for their security. This point was made particularly forcefully by U.N. ambassadors from Liberia and Singapore, who are featured in the tape. Louis G. Fields, Jr. of State Department's legal office stressed the significance of the Iranian breach of the Vienna conventions for diplomatic relations and Professor Majid Khadduri, Johns Hopkins School of Advanced International Studies, discussed the events both in terms of international and Moslem law. The tape includes excerpts from Carter's press conference and from Ambassador McHenry's statements in the U.N. Security Council as well as the opinion of a number of Third World leaders who have found the Iranian action insupportable.

The tape has been ordered by 99 USICA posts around the world and its text was provided to VOA for broadcast.

Educational and Cultural Affairs: Alert to potential problems in Iran, ECA moved all of the eight American Fulbright scholars out of the country in fiscal year 1979 and sent none in FY 1980. A Fulbright foundation, however, continues at least nominally in Iran, and ECA hopes it may someday be useful in re-establishing cordial relations between two countries. That commission sent three Iranian students and ten scholars to the United States in the last fiscal year, one of whom has completed his work and returned. Those who remain are the only Iranian students or scholars here with the aid of federal funds.

ECA Director Alice Ilchman, with the Chairman of the U.S. Advisory Commission on Public Diplomacy, Dr. Olin C. Robison, and the President of the American Council on Education, met with 80 college and university presidents to counsel them on problems that both the institutions and their Iranian students were facing and to advise them on how to avoid either harassment of the students or actions vis-a-vis the local communities that might exacerbate the international situation.

ECA has been in continual contact with the Treasury Department concerning financial problems faced by Iranian students in the United States. It also has maintained close contact with the U.S. Immigration Service and the National Association of Foreign Student Affairs with advice on how to minimize problems with Iranian students in the U.S.

The Office of Near Eastern Affairs has provided policy direction for USICA and for other foreign affairs agencies in regard to public affairs aspects of the crises. Background and policy papers for State Department and USICA have analyzed public affairs problems faced not only in Iran and Afghanistan but throughout the Middle East. The policy guidance mechanism, already in place and working since the start of the Iranian crisis, was readily expanded to deal with the breaking Afghan situation.

All U.S. Public Affairs Officers in the Middle East have been asked to assess and analyze reaction in their countries to both the Iranian crisis and the U.S. response.

The area office has assigned a policy officer to consult on VOA broadcasts concerning the crisis.

Since the beginning of the Iranian crisis, three USICA officers have been a part of the Iran Working Group at the Department of State. With their specific training and experience in media relations, these officers have made a valuable contribution to handling the many hundreds of press and television inquiries.

Foreign Press Center: Assistant Secretary of State for Near East and South Asian Affairs Harold H. Saunders spoke to a number of foreign journalists at USICA's Foreign Press Center on the continuing crisis in Iran.

Interest by the foreign press in the State Department's noon press briefing, piped daily into the Press Center, remained high throughout the holidays. The number of correspondents usually diminishes at year's end as the journalists return to their home countries for vacation. This holiday season, however, the Center was filled every day as journalists remained in Washington to cover the unfolding Iranian and Afghan stories.●

A RARE ACCOLADE DUE CBS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. ASHBROOK. Mr. Speaker, it is not often that I take time to praise one of the major television networks but this morning I would like to pay a rare compliment to correspondent Harry Reasoner and the weekly television show, "60 Minutes" for their professional handling last night of an interview with an American patriot, Senator BARRY M. GOLDWATER.

TV interviews with conservatives are not always as well done as was Mr. Reasoner's last night. Even though we make up the vast majority within our own party, some commentators like to portray us as an extremist element within the American political system, pure fraud, of course, but nevertheless a part of life for us. That is why I think it is important to give credit where credit is due.

Seeing and hearing Senator GOLDWATER last night made me wonder what would have happened had he been given such a fair and impartial opportunity in 1964 when he was seeking the Presidency. Back in those days, if my colleagues remember, the news media behaved a little differently, portraying the Senator as a radical who would undoubtedly preside over Armageddon if he were elected. How soon we forget. Today, some 16 years later, I have a hunch that most Americans agree with his every word.

Perhaps if BARRY GOLDWATER had moved into the White House in 1965, Lyndon Johnson would still be enjoying retirement on the LBJ Ranch. Richard Nixon might still be in New York practicing law with John Mitchell, and Jimmy Carter would probably be just another former Georgia Governor, tending to the family peanut business. How different it might have been.●

HOW NOT TO FIGHT INFLATION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. BONKER. Mr. Speaker, unquestionably, inflation is the country's No. 1 problem which, if not abated soon, threatens to erode all of the economic gains made since World War II.

But if we are going to solve this national affliction, we need to do so honestly and realistically. Too many in and out of Government are making inflation the scapegoat for other economic and political ills. One example is the current rush to balance the budget as a means of halting inflation, but as the Congressional Budget Office indicated 1½ years ago, $25 billion in budget cuts would shave only one-tenth of 1 percent off the inflation rate over 1 year.

As noted by Gar Alperovitz and Jeff Faux, codirectors of the National Center for Economic Alternatives in the Washington Post on March 9:

> Whatever the short-term political value of a budget-cutting binge, it clearly has little to do with our real and urgent inflation problems.

If we are to seriously confront inflation, we must get to the root causes of the problem. According to the Consumer Price Index, inflation rose 13.7 percent in 1979, of which energy 37 percent, housing 15.2 percent, and food and medical costs about 10 percent apiece were the major contributors. They are the so-called basic necessities, which accounted for 17.6 percent of the overall increase. The inflation rate for consumer items other than necessities increased by less than 1 percent.

In their article, "How Not To Fight Inflation," Alperovitz and Faux offer a prescription to be applied where inflation is hurting us the most—energy, housing, food, and health care. It will not be painless, nor will it bring healing overnight. But at least we would be applying the medication in the proper places.

Mr. Speaker, since the article referred to above so closely parallels my own thinking on the subject, I am placing the article in the Congressional Record at this time.

How Not To Fight Inflation

We are about to go through another round in the symbolic waltz that passes for a strategy to control inflation. Frightened by January's 18.2 percent annual-rate rise in consumer prices and by widespread calls for wage and price controls, the Carter administration plans to hand us about $20 billion in budget cuts—$4 billion this year, the rest in fiscal 1981.

In a $2 trillion economy the effect will be roughly similar to using a 22-caliber rifle to deflect a charging elephant. The Congressional Budget Office calculated a year and a half ago that $25 billion in budget cuts would shave a mere one-tenth of 1 percent off the inflation rate over a year. The optimists think we might get two-tenths to three-tenths of a point less inflation. Whatever the short-term political value of a budget-cutting binge, it clearly has little to do with our real and urgent inflation problems.

Budget-cutting is merely a continuation of what Arthur Okun has called "muddle-through economics," a strategy based on the assumption that government should not directly deal with the larger forces battering the economy, or at least not on purpose. In other words, the strategy simply means trying to stave off disaster in the hope that your luck will turn.

This crossed-fingers school is not without its virtues. When times are good and economic forces stable, a case of sorts can be made for leaving things pretty much as they are and merely tinkering at the margin. But we are in the midst of massive changes in our economic relationships against which muddle-through is of little help.

The administration's inability to go beyond wishful thinking was reflected early on when the president refused to ask Congress to reauthorize his power to impose standby wage and price controls. For the president to throw away his most important weapon (a weapon even when it is not used) was a remarkable act that he surely will regret. With inflation unlikely to ease much, let alone go away, he probably will be forced to ask for the popularly supported controls at some point. While we wait we can expect a round of price increases by businessmen who want to get in their boosts before the price gates slam down.

But the issues facing us go beyond controls and even beyond the appalling fact that the budget ax is likely to fall most heavily on the weakest members of society. They go to the larger question of whether we will simply continue to hope that "something will turn up"—or whether we will, on purpose, attack the central causes of inflation. Critics are correct in stating that if controls are clamped on, there would merely be another explosion of prices and wages once they are removed—unless we simultaneously root out the causes.

Our new inflation, it must be understood, does not stem primarily from generalized pressures. It has been concentrated in a few key sectors for most of the '70s. Virtually all the increase in the inflation rate between 1978 and 1979 was caused by special and by now familiar factors that increased prices of the "basic necessities"—energy, food, housing and medical costs. The combined rate for these items was 10.8 percent in 1978; last year it skyrocketed to 17.6 percent. By contrast, the inflation rate for consumer items other than these necessities changed only from 6.5 percent to 6.8 percent.

Conventional wisdom has viewed inflation in these key sectors as "temporary aberrations." The prescription is for wage earners to absorb the "shocks" and then the economy will resume its normal path. This is the meaning of Alfred Kahn's repeated argument that although "the desire to keep pace by catch-up increases is certainly understandable . . . unfortunately it is not possible . . ." Federal Reserve Board Chairman Paul Volcker has put the case more bluntly: "The standard of living of the average American has to decline."

Yet the necessities account for 60 to 70 percent of the spending of four out of five families; they take up 90 percent of spending for the lower 20 percent of society and even more for the poor among them (who must go constantly in debt—or steal—to pay for groceries and rent). Real spendable earnings of the average worker declined more than 5 percent last year. There may be some modest fat in family budgets, but it is both economically and politically absurd, as well as morally unconscionable, to expect family budgets to absorb all of the 17.6 percent inflation rate increase in basic necessities—a rate which in 1979 was virtually double the average 8 to 9 percent wage settlements. This, however, has been precisely the premise of most of the administration's strategy.

Specifically, what Kahn and Volcker have in mind is a deflationary policy to force down general demand for goods and services. Here is where their economics become more muddled: The past failures in the "necessities" sectors are now "spilling over" into wage demands, as they inevitably had to. But symbolic budget cuts will not significantly affect demand, nor will they do much about food and fuel prices.

Indeed, the administration hasn't done much generally to ease inflation in the key sectors. Tightening the money supply obviously increases both business costs—particularly threatening the survival of small businesses—and monthly home mortgage payments. It also increases long-term inflationary problems in housing by reducing investment. When he presided over the Federal Reserve Board, William Miller had the honesty at one point to acknowledge the substantial irrelevancy of monetary policy to the biggest sectoral problems. Moreover, in energy, as is well known, the administration has deliberately stimulated inflation with its price-decontrol policy.

Only in connection with its weak hospital cost-containment proposals and support for a slight expansion of assistance to health maintenance organizations did it seriously attempt to target a basic-necessity sector. But the approach here has been half-hearted, and, more importantly, the anti-inflation benefits would be counteracted if the administration's plan for catastrophic-only health insurance were implemented.

Unless we focus on the necessities while wage-price controls are in effect, we will squeeze family income even further. This has happened already under the voluntary wage-price program, and it will worsen if key items in the family budget—fuel oil and food, for example—are allowed to skyrocket (as has happened in the past during periods of controls) while wages are held down with the force of law. We could see a replay of the Nixon program, properly described by one of the top men in then charge, Arnold Weber, as a mechanism to "zap labor." Wage-price controls by themselves would actually do more than that today: They would crush the average household budget. Unless, that is, we go beyond posturing.

Barry Bosworth, to his credit, has acknowledged that much of the anti-inflation strategy he helped design as director of the Council on Wage and Price Stability was based on the false assumption that we can treat inflation in the necessities as aberrations.

Can anyone believe energy prices will go anywhere but up during the 1980s, especially with the president letting domestic energy prices rise to OPEC-determined levels? The same holds for food: As food analyst Lester Brown notes, the growing gap between world food demand and supply "takes us to the bottom line," promising future price rises "that may dwarf those of the recent past." To what but spiralling health care costs can we look forward as the population ages and as medical science develops new technologies that are not subjected to hard cost-benefit analyses? Similarly, by driving interest rates high enough, we may succeed in making it impossible for young couples to own a home, but how will we prevent the rent increases that will result (people have to live somewhere) from forcing poor people out of theirs?

Controls alone self-evidently do not deal with the fundamentals of health care inflation. We need instead a steady expansion of prepaid health care and health maintenance organizations employing salaried professionals. We also need to devote far more of our national health resources to health education and other public and occupational health measures.

The longer-term inflation in housing requires us to expand the supply to bring it into line with growing demand. Current tight-money strategies aim only at dampening short-term speculation and run contrary to the fundamental problem: We are in the midst of a surge in household formations as the postwar baby boom has become a family boom and as more people (divorcees, the young and the elderly) are living alone. In the 1980s we will need a phased program which steadily allocates more credit and investment to the housing sector.

Recontrol of energy prices (at least in necessities areas) is essential if the energy part of inflation is ever to be controlled. But recontrol makes sense only if coupled with direct measures to achieve energy conservation. These include gasoline rationing, tough auto mileage standards and more meaningful solar, gasohol and insulation and weatherization programs, to say nothing of expanded systems of mass transit and passenger railroads. Direct government-to-government efforts to diversify our oil supply with more non-OPEC countries are also essential.

The obstacles to solving our underlying food inflation problems are more political than economic. We are not in a shortage situation here as in energy. Relative to domestic needs, the United States is the richest agricultural nation in the history of the world; we export half of our grain.

But the United States (unlike virtually every other major industrialized country) does not yet have a serious policy of insulating our domestic food economy from the effects of short-term world shortages. A system of export management, coupled with expanded deficiency payments to farmers, could stabilize domestic grain prices and thereby also reduce fluctuations in meat supplies. International agreements on grain reserves must also be pursued.

In short, for our anti-inflation strategy to be something other than wishful thinking or a repeat of Richard Nixon's election-year controls program, this administration or the next must have a clear plan for how it wants to reshape the key markets generating the bulk of the inflation. This requires more than a simple-minded notion of government intervention; it requires a willingness to plan.

Planning is a dirty word in American politics. Instead we prefer muddling towards a crisis solution like unplanned wage-price controls. It is an all too familiar pattern. Both the massive government interventions to bail out Chrysler and to build an $88 billion synfuels industry were preceded by the muddle-through, symbolic posture of looking the other way and hoping something would turn up.

We may have to go through an economic bloodbath before the lesson is learned: Government intervention is the likely result of the process in any event. The question is whether it is based on serious confrontation with the new problems we actually face.

Once all of this is recognized, we may have a chance of dealing with the central issue facing the economy in the coming decade: the sharp lag in U.S. productivity. From 1967 to 1978, for example, output per manhour in U.S. manufacturing rose only 28 percent, while it climbed 75 percent in West Germany and 113 percent in Japan. Our manufacturing growth was the lowest of 11 industrial nations—trailing even Great Britain. And last year we suffered an actual decline in productivity.

If we repeat this performance this decade, the effects of compounding guarantee that the very heart of our industrial economy will be threatened while our major competitors race forward.

But no intelligent executive can plan for long-term investment in high-productivity equipment unless there is confidence of a growing market. So the uncertainties of our stop/start economy caused by the government's policy responses—or non-responses—lead business to shift away from long-term, productivity-improving investments toward short-term speculation.

To some, the answer is always "supply-side economics," especially more tax breaks for business to help increase productivity. But most executives make large investment decisions because of confidence in a future market, not because of tax breaks. Congress' General Accounting Office, assessing the effect of investment tax credits in 1978, found they prompted little change in actual investment decisions—at a cost to the federal budget of $19 billion.

While a "supply-side economics" is necessary, it must be carefully targeted to the problem sectors—and integrated, on purpose, into an overall plan that can offer confidence in resumed growth. We can no longer just cross our fingers that we will avert a major crisis.●

GIRL SCOUTS—1980

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. NATCHER. Mr. Speaker, during the week of March 9-16, the more than 2,000 Girl Scout troops throughout the United States will celebrate the 68th anniversary of the founding of Girl Scouts of America, an organization brought over from England by Juliette Low in 1912. I would like to take this opportunity to praise this fine group for their many contributions to world friendship everywhere.

All through the years we have witnessed energetic participation by more than 38,000 girls, aged 7 through 17, in activities which benefit people of all backgrounds. It is with a sense of pride that I salute these young women dedicated to peace, and moved by a sense of service to all.

Girl Scouting is a movement with multipurpose. Girl Scouts include all people in their worldwide family by regularly visiting the elderly in homes and providing them with companionship. They have the ability to generate laughter in the eyes of children and older Scouts tutor inner-city children in reading and other skills. There are camps for learning—from the camaraderie of a fire and a song, to the recognition of our natural resources and the importance of a clean and healthy environment.

Girl Scouting instills a sense of responsibility in all its members. Scouting encourages individual and group involvement that is necessary for people to truly enjoy a community spirit. Civic programs, educational programs for the retarded and handicapped, hikes in the forest, craft bazaars, international exchange programs, recycling projects, and grandparent "adoption" programs are just a few of the many service activities involving the Girl Scouts. A sense of service is not the only benefit of scouting, however. The mutual trust and friendship formed between girls of all ages is a reward to cherish forever.

Mr. Speaker, it is for us to honor this wonderful organization that has done so much for world unity and peace in the past 68 years. May they continue to uphold the values of our forefathers, and the goodness of today. Scouting shall continue to spread its high ideals to everyone, everywhere.●

LEFT-WINGERS GRUDGINGLY RECOGNIZE CHILE'S ECONOMIC SUCCESS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. McDONALD. Mr. Speaker, the left throughout the world remains adamant that Chile and its leader Pinochet will never be forgiven for thwarting their plans to take over Chile. However, in this hatred the left has been confounded by how well Chile has succeeded by turning to capitalism without any real help from the United States. Her economy is booming. Concurrently with this economic prosperity has been a lessening of government controls and it was also recently announced that collective bargaining and the right to strike for periods of up to 60 days have been restored in Chile. Critics may say that this is not enough, but what rights do Cuban workers have to strike? Two columns from the Daily Telegraph of London for February 25, 1980 follow:

[From the Daily Telegraph, Feb. 25, 1980]

LEFT-WINGERS GRUDGINGLY RECOGNISE CHILE'S ECONOMIC SUCCESS

(By Michael Field)

Chile's economic recovery under the stern hand of Gen. Pinochet, is now acknowledged by the International Monetary Fund, the World Bank and inter-American economic policy circles.

More significantly, it is even finding grudging recognition from some Left-wing opponents in Chile itself.

They see today's slight "liberalisation" of the regime as a direct result of growing national prosperity.

The fact that things are generally better, despite the persistent social flaws which Chile's succession of "progressive" regimes failed ever to remedy, is showing up the threadbare nature of the "developmental" theories popular in the 1960s and which actually set back economic and social growth in many Latin American and other Third World countries.

SUSTAINED GROWTH

With a growth-rate of 8.6 per cent last year—likely to be about eight per cent again this year—and inflation again cut from the exceptional 40 per cent of 1979 and forecast at about 20 per cent in 1980, the Chilean economy is doing well by any standards today.

From an almost breakdown in 1973, under the Leftist coalition, with inflation at about 1,000 per cent, the Treasury empty and production almost at a standstill, Chile has now experienced three-and-a-half years of sustained GNP growth at double its historial rate.

Recovery has been during the worst world recession since 1929 and is a tribute to the planners' aim to make Chile less vulnerable than before to world economic shifts.

The most common reproach nowadays made to the economic team, led by Sr Sergio De Castro, Minister of Finance, concerns their "narrow monetarism."

It is said that by seeking financial equilibrium, rejection of import substitution, drastic reduction of the state's involvement in trade and industry, they have produced a sheaf of impressive figures and a middle-class bonanza. But at the expense of the poorer classes.

Income is being concentrated, not distributed. Unemployment is increasing. There is, in fact, no real proof of this new "concentration."

No thorough study of poverty in Chile has been made for several years. Many assumptions are based on an out-of-date Church study of "extreme poverty" made before the illusory experiments of Allende's "Popular Unity."

A recent University of Chile study of unemployment in the Greater Santiago area seemed to establish that this has neither deteriorated nor improved since 1970—a somewhat negative tribute to the government's reversal of the artificial employment methods of both the Christian Democrat and Socialist-Communist regimes.

Santiago today is a cheerful bustling city, its shops bursting at the seams with imported goods at reasonable prices, packed with shoppers at all hours.

The awful slums, the "Poblaciones," still exist, their inhabitants eking out an existence based nowadays on Roman Catholic aid, government social assistance and "minimum employment" provisions.

Improvement there is slow to come. But under Christian Democrats, Socialists and Communists these slums existed without the cheerful and expanding atmosphere of the growing middle class.

NEW ATTITUDES

For years Santiago was a Latin replica of East Berlin in its worst days, thanks to import substitution which denied the public access to world produce and offered mostly shoddy, high-priced local imitations.

Criticisms of the "social market economy" on Friedmanite principles, is essentially political.

Meanwhile new standards and attitudes to life are being generated throughout Chilean society which are likely to make a return to earlier irresponsible demagogy unlikely when, one day, the political boom is lifted.

CHILE ALLOWS STRIKES BUT LIMITS THEM

New labour laws introduced in Chile last year by President Pinochet have restored collective bargaining and permit strikes lasting up to 60 days.

There have been about 20 strikes, including one at El Teniente copper mine. There has been no violence, no military interference.

The "labour plan," introduced by Señor Jose Pinera, Labour Minister, has had a mixed reception since it subjects union leaders to more control by grass-roots membership and rules out the union politics of previous regimes.

CHECK TO INFLATION

The plan complements the Government's free-enterprise economic policy. It prevents unions from imposing inflationary wage settlements. Productivity is the ruling factor in negotiation.

Sceptical workers so far see the new freedom as "better than nothing" but as weighted in employers' favour.

The idea is to preclude vast trade union groupings with political ambitions and also, by limiting wage negotiations to individual establishments, to prevent nationwide "solidarity" strikes.

Unions may be freely formed according to the number of a firm's employees, but closed shops are forbidden.

"We believe this system will produce very just results, meaning that each worker shall earn the value of his productivity," says Señor Pinera.●

PHOENIXVILLE HIGH SCHOOL PHANTOMS WRESTLING TEAM

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. SCHULZE. Mr. Speaker, I am pleased to share with my colleagues today the achievements of a group of young men from my congressional district. For the fifth straight year, the Phoenixville High School Phantoms wrestling team has won the Ches-Mont championship.

This impressive record might lead to the assumption that their victories have become predictable. In contrast, this year the odds and preseason expectations were against the team, a fact which has earned it especial pride from the community.

The perseverance and determination which resulted in a championship team was nurtured by Coach Lonny Moore, Assistant Coach Matt Gordon, and Athletic Director Edward Aurand. Principal Richard Newton and Vice Principal Vincent Daher led the enthusiastic supporters from Phoenixville High School.

These young men epitomize the dedication and purpose to which we all aspire. Their tremendous effort brings honor not only to themselves, but also to their school and the community as a whole, and the Nation will receive the benefits of this commitment in the future.

The members of the championship team are Nick Vodantis, Dean Trevelino, Steve Vodantis, Tim DeBolt, Ted Harrop, John Tornetta, Vince Heck, Tom Bearden, Ted Krancz, Dan Hoffman, Bernie Brewer, Brett Lehman, Byron Brant, Gerald Taney, and Alan Raichle.

I congratulate the members of the Phoenixville High School Phantoms wrestling team and their coaches, and wish them the best in all future endeavors.●

IT'S TIME FOR A BIG PAY RAISE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. CARTER. Mr. Speaker, it was my pleasure and honor to have served with the Honorable Melvin R. Laird, a distinguished Member from Wisconsin who later served as Secretary of Defense. Mel was known for his incisive thinking and his brilliant mind.

In the Washington Post of March 10, 1980, he has an article concerning pay raises for the military. I must say that I agree that the members of the military are underpaid, that a pay raise no doubt would increase the number of volunteers and improve the esprit de corps. We do not need the largest army in the world, but we need the best trained, best equipped, and most determined.

I enclose for the perusal of the Members the article by the former Secretary of Defense, Melvin R. Laird.

IT'S TIME FOR A BIG PAY RAISE

Congress and the Carter administration should act now to drastically increase the pay and benefits of U.S. military personnel.

This action—more than any being proposed by the president to upgrade our defense posture—is necessary to restore the services to the effective forces that this nation demands and deserves. The All-Volunteer Force is beset with severe and growing problems of both quality and quantity. And these problems are directly attributable to our failure to keep military compensation comparable with the civilian sector.

In January 1973, one of my last acts as secretary of defense was to end draft calls. With that step, the United States embarked on one of the more important ventures in its recent history: we would endeavor to become the first nation in modern times to maintain a large standing military on an all-volunteer basis. It would make up about 2.5 percent of the labor force and rely completely on the equitable considerations of the competitive marketplace.

My confidence that this would succeed was based on the expectation that the president, Congress and the American people would honor a commitment to provide a meaningful standard of living and quality of life for men and women who volunteered, and for their families. We have reneged on this commitment.

Since 1972, the Consumer Price Index has risen 75 percent, while military compensation has risen only 51 percent. This means a decline of over 14 percent in purchasing power for all military personnel, and a decline approaching 25 percent for some enlistees in the lower grades. The average compensation for an enlisted person, including pay and benefits, currently is $9,900. That is 17 percent below the "lower" standard of living for a family of four as calculated by the Bureau of Labor Statistics. At least 100,000 and possibly 275,000 military families qualify for welfare payments. (Many who qualify are too proud to apply; they leave the service instead.) Military commissaries take in over $10 million a year in food stamps.

A few concrete examples are even more shocking. An E4 plane handler on the nuclear carrier Nimitz, deployed to the Indian Ocean during the Iranian crisis, normally works 16 hours a day, or about 100 hours per week. He handles the F14 aircraft, which costs $25 million, and helps operate a $2 billion ship. Yet he makes less per hour than a cashier at McDonalds, lives below the poverty level, is eligible for food stamps and probably has not seen his wife and child for six months. A chief petty officer on that same ship with 17 years' service makes the same salary as a janitor on union scale and puts in twice as many hours.

It is little wonder, then, that the services last year fell short of their recruiting goals by 25,000 people. They have experienced qualitative as well as quantitative shortfalls. Nearly 50 percent of all male volunteers tested mentally in the lower half of the U.S. population. Five years ago that figure was 32 percent.

Yet recruiting is only half of the military's personnel dilemma. Retaining qualified people after their first, second and third enlistments is an acute problem and will get worse unless remedial action is taken. The services have been losing over 75 percent of those completing their first enlistment since 1976. About 30 percent of males enlisting do not even complete the first term.

To restore our defense readiness and meet our commitment to the All-Volunteer Force concept, I propose the following specific actions:

An across-the-board 17 percent pay increase for all military grades to make up for the loss in purchasing power since 1972.

Legislation indexing increases in military pay to increases in the Consumer Price Index.

A mandate that pay levels be applied to all forms of compensation—basic pay, housing allowance and subsistence (food). Presently, a portion of an increase may be applied to housing or subsistence, and basic pay does not increase by the full amount.

Separation, or decoupling, or the computation of military pay from that of federal civil service workers. The demand for jobs in the federal civil service far outweighs the supply, and civil service workers generally are not subject to long hours of unpaid overtime, frequent moves and family separation.

A variable housing allowance keyed to actual housing costs in the local area, and a crash program to build more military housing. Government housing is available to only 20 percent of the enlisted force; it should be available to 50 percent.

Reimbursement to military families for the full cost of their moves. The present entitlement is 10 cents per mile; the actual cost is about 21 cents per mile.

Special skill pay to enlisted and officer ratings where shortfalls are expected—narrowing the gap, for example, between what an enlistee receives and what he or she could earn on the outside in areas such as computer programming.

Improved medical benefits and coverage, which have been reduced for dependents.

An increased bonus to $5,000 (now $2,500) for joining the combat arms, and indexing future increases to the CPI.

A cost-of-living allowance for all personnel stationed overseas, even if they live in military barracks.

These initiatives will be expensive—several billion dollars per year. But the amount will be offset to some degree through decreased costs of recruiting and training. More important‸ we will have taken some necessary steps toward restoring and maintaining our required military capability.

The United States must provide these individuals and their families with a quality of life commensurate with the sacrifices we demand from them. The primary ingredient in providing that quality is competitive pay and benefits.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present on Friday, February 22, 1980. If I had been present, I would have voted as follows:

Roll No. 65—yes.
Roll No. 67—yes.
Roll No. 68—yes.●

AUTOMOBILE TRADE ONE-WAY STREET

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. GAYDOS. Mr. Speaker, Japanese model automobiles have become common sights on the streets and highways of every city and town in America. In fact, Toyotas, Datsuns, Subarus, and so forth, are so numerous they make up something like 25 percent of the domestic automobile market.

But, would you see Fords, Chevys, and Chryslers cruising the streets of Japan in such numbers? No! The Japanese go to great lengths to keep American cars off their streets through a maze of custom and regulations. The results is a $6,000 American car could cost the Japanese buyer a cool $20,000.

I am inserting into the RECORD a newspaper article which describes these barriers to free trade and graphically demonstrates why our Nation's automobile traffic with Japan is strictly a one-way street.

The article follows:

AMERICAN CARS DON'T SELL IN JAPAN? $6,000 MODEL GOES FOR $20,000

(By Jean Heller)

DETROIT.—The automobile bridge across the Pacific is a one-way street.

Foreign cars, particularly Japanese models, are capturing an ever-increasing share of sale in the United States, and American cars simply don't sell in Japan.

The situation exacerbates an already critical balance-of-trade problem for this country and is starting to breed a growing sense of international economic ill will.

United Auto Workers President Douglas Fraser, irate that import sales are flourishing while slumping sales of U.S. cars are putting thousands of his members out of work, has returned from a trip to Japan where he sought some relief. He would like to see Japanese auto exports to the United States cut back and would like to have the Japanese automakers start manufacturing some of their cars in this country.

Whether Fraser's mission has any impact remains to be seen. But it is unlikely that any of the trade problems between the United States and Japan will be solved in the foreseeable future by a growing Japanese market for American-made cars.

The problem can be traced directly to Japanese customs and regulations that add up to trade barriers. Taken all together, they can turn a car which would sell for $6,000 in this country into one that would cost a Japanese customer more than $20,000.

According to a State Department study done by the American consulate in Osaka, Japan, these are some of the factors that jack up the price of American cars in Japan to a point where only the wealthy can afford tnem:

The Japanese levy a commodity tax of 20 percent on the landed cost of every American car. The tax is figured on the car's wholesale value, plus entry fees and transportation costs. The commodity tax on Japanese cars, on the other hand, is only 15 percent and is assessed at the factory so shipping costs are not included.

Japanese standards for new cars are not the same as U.S. standards. They are not necessarily tougher, just different. Modifications which dealers must make to meet those standards can add more than $1,000 to the price of each car.

Dealer markups on American cars can run up to nearly 37 percent. The markups are justified by the Japanese as necessary because American car sales volume is too low to afford a profit without the markups, and because Japanese automakers generally will not allow a dealer who sells foreign cars to sell Japanese cars, too.

Moreover, Japanese cars are sold door-to-door, much as vacuum cleaners and encyclopedias are sold here. Dealers in Japanese models don't have showrooms and don't maintain inventories, so overhead is virtually non-existent. American cars in Japan are sold out of showrooms and from in-stock inventories, creating high overhead which is passed through to customers.

The Osaka study traces three American models—a luxury car, an intermediate and a subcompact—through the marketing steps in Japan, and produces a clear picture of the problem.

The intermediate carries a factory price in this country of $6,350. The landed price in Japan is $6,960, an increase due largely to shipping costs and entry fees.

The 20 percent commodity tax then adds $1,392 to the price, bringing it to $8,352. Landing fees, unloading costs, options packages on which dealers insist because customers demand them, modifications to meet Japanese regulations and pre-delivery service add another $5,089. The car now costs $13,441, wholesale.

Internal freight costs are about $44, dealer prep charges are $478, warranty charges are another $478 and advertising costs per car average about $350.

The final cost to the dealer therefore is $14,791. To this, he adds his markup of 36.4 percent, and the price of the car to the Japanese buying public is $20,175.

A luxury car running through the same system will run over $30,000. A subcompact would be close to $14,000, while a Japanese buyer could get a similar car built in his country for about $3,500.●

A NEW TAX ON YOU

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. McDONALD. Mr. Speaker, the tax gouging theft of legitimate private enterprise profits in the energy industry is making its way to completion. Having violated some of the most basic concepts of free enterprise economics, the Government has made the moral equivalent to a declaration of war against production. Taking away the very moneys the industry needs to increase exploration and production, we have guaranteed scarcity and high prices. Regulation of the industry has produced our shortages and regulations will perpetuate it, all to the detriment of the consumer.

The following is an article from the Chattanooga News Free Press, January 3, 1980. It very appropriately demonstrates who is to receive the greatest injury in this very confused action by our Government.

The article follows:

A NEW TAX ON YOU

Many have chortled that "the big oil companies" were really getting their comeuppance as moves have been made to impose upon them a "windfall profits tax."

But it you take a closer look, you will find the oil companies are not going to pay the tax.

You will.

Besides that, you will be paying higher prices.

Here's the situation:

For political reasons, government price controls were put on domestic oil. The politicians told the people they were saving them money. What really happened was that domestic production was discouraged and did not keep up with increasing demand.

With shortage occurring, the foreign oil producers found it easy to jack up their prices. So U.S. domestic price controls and limiting regulations made it possible for OPEC to sock it to us!

Now we have to remove some of the price controls and regulations to try to get out of the mess we have gotten into. Since prices have gone up, the government now wants to keep the millions of Americans who own oil company stock from getting profits that they have previously been denied. Thus a heavy tax on "windfall profits."

But the oil companies won't pay the tax. It will become a part of the prices of all oil products, just as the cost of drilling, cost of labor, cost of equipment, cost of everything else is included in the price.

Since the money that goes for tax winds up in the hands of government, that amount will be denied for potential investment in producing more oil. So shortage will not be alleviated to the degree it should be, thus keeping prices high.

The only windfall profits are going to OPEC and Washington politicians. And they won't even thank you for paying them.●

IS "FAMILY" IN THE EYE OF THE BEHOLDER?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. ASHBROOK. Mr. Speaker, a recent report in the Chicago Tribune, January 20, 1980, challenges the fallacious claim by radical feminists that "traditional" families make up only 7 percent of all American families.

Actually, that percentage would vary considerably according to what or who the observer is and according to what he or she chooses to understand by the terms "traditional" and "family." Here, in this Tribune article, "When a 'Family' Is Not a Family to U.S.", we have yet another view of family. The article cites U.S. Census Bureau figures showing that more than 57 million out of some 76 million households meet the criteria of "two or more persons, related by blood, adoption, or marriage, living under one roof." That's approximately 75 percent, a long way from the 7-percent refrain so often sung by the chorus of feminists and their fellow travelers in an effort to support their claim that the traditional family is a thing of the past and needs to be replaced by some new kind of family. The idea is to plant the impression that those who support the concept of a traditional family are representative of a minority view.

One category mentioned in the report is the single, which comprises about one in five U.S. households. Of course, there are households occupied by single individuals, but in many cases the single may be a widow or a widower or an adult son or daughter who, because of his or her work, may be living away from home. Perhaps, even in some cases it may be a wife or a husband who part of the time during the workweek maintains a separate abode.

Certainly those of us in Congress who have families residing beyond the immediate vicinity of Washington, D.C., and who, because of demands on our time, cannot be home every night in the week, do not consider our own families any less traditional and any less ideal simply on the basis of that criterion. To imply that all these individuals are no longer part of a traditional family, that somehow their family membership is obliterated by the fact that they are not at home every day in the week on a regular basis or that somehow they now constitute a new and different kind of family is surely a radical and sweeping overstatement and quite inconsistent with reality.

Another category in the report, called childless couples, may include newlyweds and older couples whose children are grown and married. To look upon individuals who might fall into this category as somehow being members of different kinds of family entities is again a distortion of reality. But the real question is not one of statistics. It is not a matter of whether the wife or mother works part time or full time, of whether the married couple have one or two or no children under a certain age, of whether the father lives away from home part of the time because of his work, of whether any or all of the children are adopted, or of whether an adult son or daughter may be living in a separate, single household. The real question concerns the traditional values of the American people as opposed to those values, or better lack of values, that agents of change would force upon them by parrying with words and statistics in an effort to make what actually is into something they want it to be. Liberal activists would like to change the family to something like beauty which is in the eye of the beholder. Most Americans will not compromise their moral values. We know what a family is and it is not of the Manson or Jones type nor is it of the homosexual or convenience trend either.

WHEN A "FAMILY" IS NOT A FAMILY TO U.S.

The figures and percentages in "Family of Choice" were derived from the Household and Family Characteristics section of the Statistical Abstract, March 1978, published by the U.S. Census Bureau. Some of the percentages were derived from the abstract by sociologists and statisticians at the Urban Institute in Washington, D.C.

According to the U.S. Census Bureau, there were 76,030,000 American households in 1978. A subgroup of that figure is families, defined by the bureau as two or more persons, related by blood, adoption, or marriage, living under one roof. Some 57,215,000 households held families that met those criteria.

Clearly, many contemporary American families don't fit into those traditional molds, so the percentages listed here are of households. In the case of couples living together unmarried, who are counted as households but not families, the 1.1 million couples, also a U.S. Census Bureau figure, was divided by the number of households. The result was 1.5 percent.

The households counted by the U.S. Census Bureau include all Americans, but there's a 20 million difference between the number of households and the number of "families." And some families, as defined in "Families of Choice," are counted by the government as part of a larger group: Foster families such as the Schleifers, or adoptive families such as the Days, would come under the same umbrella as the Kurkowskis, the traditional nuclear family. The Riottos, however, an extended family, would be counted as two households. And the large Kinnerk family could also be counted as part of the 21 percent of American households in which both parents work, such as the Platas. Yet an observer sees vast differences among them.

The Census Bureau definition of family comes from a time when people lived differently. While everyone is counted in households, many real families are not counted by the bureau as families. "Family of Choice" includes everyone. During interviews conducted for this project, everyone—whether unclear, single parent, brother and sister, or homosexual couple—said the same thing: "We are family."●

ED PATTEN TO RETIRE

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. THOMPSON. Mr. Speaker, our colleague, Congressman Ed Patten, has announced that he will not seek reelection to the House and, therefore, will reenter private life at the end of the present Congress. We in New Jersey will miss Ed and the enormous help he has given to New Jersey and his constituency over the years through his untiring work on the Appropriations Committee. We who serve with him will miss his unfailing good humor and blithe spirit.

I had the privilege of coming to know Ed and his lovely wife, Ann, early in the 1950's when he was serving as Middlesex County clerk. Ed subsequently ran the successful candidacy of former Governor Robert Meyner and was appointed Secretary of State where he served with distinction prior to his election to the House 18 years ago.

I have seldom known a political figure who cares more for the people he represents. He has a truly phenomenal knowledge of the lives of thousands of his constituents, their cares, their problems, and their hopes. I know you will join with me in commending to the House an editorial that recently appeared in the New Brunswick Home News that comments on our colleague, Ed Patten.

The editorial follows:

PATTEN IS AN INSTITUTION

Frank Skeffington, the political character in Edwin O'Connor's "The Last Hurrah," may have been modeled after Boston's famous Mayor James Michael Curley. But anyone who lives west of the Arthur Kill can tell you that the greatest living embodiment of the old-time, ward-heeling politician who knew how to "take care" of his people was Edward J. Patten.

In his 17 years as a congressman, hardly a weekend has passed that the 74-year-old Patten has not come home to Perth Amboy to hear constituents ask favors.

Whether it was for help in finding a job, or obtaining long-overdue Social Security payments or getting federal funds for a municipal project, Patten always took pains to help his constituents.

Others who served in Congress as long as he may have championed major legislation or attained positions of leadership.

But Patten's self-defined role was to "help the average person cope with government in any variety of problems." It was his greatest virtue and his greatest achievement.

Patten has decided to call it quits to that career, announcing Thursday that he will retire in December rather than seek a 10th term.

Uncharacteristically, the normally garrulous Patten had no long and emotional speech this time, just a prepared statement that he had decided to "see what it is like to lead a private life and still maintain a lively interest in public affairs."

Patten said nothing in his statement about the pressure that has been built up against him by members of his own Middlesex County Democratic Organization. Nor did he mention the narrow brush with defeat he had in his last election over a Republican unknown, or the unhappy "Koreagate" episode that ended with influence peddling charges.

Those factors undoubtedly influenced his decision, but it is more likely that age and the changing political complexion of Middlesex County were the deciding factors.

When he steps down at the end of this year, Patten will be quitting more than a career. He will be ending a tradition that includes top hats and top coats with silk sashes worn at Veterans Day parades and a political legacy that was formed during the Depression and ranged through a succession of offices from mayor of Perth Amboy to New Jersey secretary of state.

It is a legacy that will be remembered with great affection by many who loved him. And it certainly will be remembered by all who knew him.

Institutions that have been part of the political scene as long as Edward J. Patten has are hard to forget.●

TRIBUTE TO MR. WILLIAM DANIELS

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I am very pleased to bring to the attention of my colleagues here in the Congress a hospital administrator who has demonstrated what quality health care should be. His name is Mr. William Daniels, who is currently serving his 25th year as chief executive of the Hawthorne Community Hospital in Hawthorne, Calif.

In today's society with skyrocketing health care costs it is reassuring to witness community health services practiced in its highest form. The quality of care given to patients at Hawthorne Community Hospital is largely attributable to the man who has stood at its helm.

Mr. Daniels is not an administrator who is satisfied with the status quo. He has always been searching for new and better ways to serve patients. During his tenure alone, the hospital has grown from a small local hospital to a 282-bed hospital and one of the leading medical centers in the Los Angeles area. This, in my opinion, is in and of itself a tribute to Mr. Daniels' administrative abilities.

In addition to hospital growth, Mr. Daniels has instituted some new programs which have made the hospital a leader in health care. Under his direction, the serious problem of alcohol abuse has received notice and now many people who may not have had help are able to use the hospital's alcoholism recovery program. I think Mr. Daniels should be highly congratulated for providing this essential service to the community.

Psychiatric facilities are also one of his major accomplishments in addition to instituting a wide range of specialized services. These services represent significant technological advancements and include a 24-hour emergency center, an intensive care unit, coronary unit, orthopedic unit, nuclear medicine, ultra sound, cardiac rehabilitation center, eye surgery suite, physical and occupational therapy departments, out-patient surgery, specialty labs, oncology unit, progressive care unit, and noninvasive cardiac laboratory. It is an impressive list that represents a great deal of time and effort on the part of William Daniels and his staff.

The Hawthorne Community Hospital is not the only beneficiary of Mr. Daniels' talents. The entire city of Hawthorne and the surrounding area has benefited greatly. The availability and quality of services has improved dramatically and we all owe a special thanks to the gentleman who had the foresight and dedication to see that goal become a reality.

I again would like to salute Mr. Daniels for his fine efforts. He has many outstanding accomplishments that are more than worthy of recognition and praise.●

LOONEY LADIES OF THE LEFT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. McDONALD. Mr. Speaker, Mr. Colin Welch wrote a column that appeared in the Daily Telegraph of London on February 11, 1980, discussing the roles of Jane Fonda and Vanessa Redgrave in various international issues and causes prominent in world affairs in recent years. Mr. Welch wrote a rather biting commentary on the ruin these ladies leave in their wake, while rushing off to embrace the latest cause of the left.

The column follows:

LOONEY LADIES OF THE LEFT

(By Colin Welch)

What is it about rich Marxist maniac show-biz women, like Jane Fonda and Vanessa Redgrave, that not only repels but subtly and powerfully attracts—and I am talking of something other than their obviously pleasing appearances? Is it perhaps that they are so conspicuously lacking in balance and sound judgment, in a sense of humour and of proportion—estimable qualities all these, yet somehow inimical to passion?

Not for nothing is love called a madness. "In revolutions," wrote De Tocqueville, "madmen—not those so-called by courtesy but genuine madmen—have played a considerable political part. One thing at least is certain: a condition of semi-madness is not unbecoming at such times and often leads to success." As in revolution, so too in passion? We dream perhaps of becoming ourselves the object of these monstrous, distorted, obsessional, monomanic emotions now lavished on some daft or wicked cause or other, and of being swept right away for a time from our all-too-normal world of easy affection, of ever-intrusive laughter, of up-to-a-point and on-the-one-hand-or-the-other.

To return to Ms. Fonda—she apparently charges 2,500 for a lecture—yes, a lecture: rather beyond my means. She gets, according to Ms. McCooey, more than half a million dollars for a film. (She has actually denounced her fellow actors for being "outrageously overpaid.") Yet, rich as she is and presumably ashamed of it, this greedy girl still needs more, in particular to finance her husband, Tom Hayden, described by Ms. McCooey as "brilliant" (i.e. barmy) and "adviser on nuclear energy" (I am not joking) to Governor Jerry Brown (also barmy), in his campaign for some sort of public office.

So Ms. Fonda, this "dedicated supporter of oppressed minorities" (the Sunday Time's phrase: the boat people might put it differently), has invested in a Beverley Hills gymnasium called "Jane Fonda's Workout."

She has hitherto, it seems, rejected "the cushy Beverley Hills scene, with its . . . shallow show-business gossips with their tinsel-type values." Her own conversation is presumably on a loftier level of insanity.

"For many years Ms. Fonda vigorously (though presumably unsuccessfully) rejected personal publicity, concentrating instead on the political issues of the day." She is "a tireless champion of unpopular causes," most notoriously for her traitorous campaign to get America defeated in Vietnam, for which she was hung in effigy, nicknamed Hanoi Hannah (she broadcast from there) and widely ostracised.

Today, according to Ms. McCooey, her views are "vindicated by all but a few fanatical hawks."

Vindicated? My hat! Have these asinine women noticed nothing that has gone wrong in Indo-China since the Americans left? Have they not heard of the famines and misery, the overflowing jails, the families sundered, of the piteous refugees in their hundreds of thousands, of the fearful tortures and massacres, of the Cambodian peasants, for instance, buried alive up to their necks and then *ploughed in,* of the grim "re-education" camps in Vietnam itself, in which some of the inmates eat a starvation diet and are forced to squat, bound wrist and ankle, suffocating in boxes, while others are driven through minefields as human mine-detectors?

Are these fitness fanatics—*mens insana in corpore sano*—in fact blind and deaf? Or do they modishly ("tinsel-type values") put blame for all these horrors on Nixon and Kissinger? Why not on the Emperor Franz Josef or, much more appropriately, at least in part, on their own silly little selves? And do they think that the dreadful damage done in Indo-China will stop there? Does it not even now spread far and wide, a mounting floodtide of chaos, just as the wise predicted? Or do they welcome this too—the whole world a vast Cambodia?

Ms. Fonda "believes in diet . . . sometimes diets for days . . . sticks to health foods . . . steering clear of sugar." There is at her gym "a resident dietitian to advise women what they should eat." Perhaps this dietitian should advise her spoiled, pampered clients to pack themselves off to Ms. Fonda's Vietnamese paradise, preferably to a "re-education" camp, where they can diet forever, where steering clear of sugar (and everything else) presents no problems, where stones are lost quickly never to return, where death itself comes soon to end all worries about spare tyres and sagging buttocks.

"I like to feel close to the bone," drools Ms. Fonda. I wonder how Vietnam's concentration camp victims like it?

I have suggested that Ms. Fonda lacks humour. Perhaps I was unjust. Rex Reed, "the columnist," once wrote that "while he was interviewing Fonda she was smoking a joint. 'What he didn't say was that he was smoking one too,' was her tart and ready reply." On second thoughts perhaps I wasn't unjust. New scriptwriter needed?●

TRIBUTE TO MR. TARAS SHEVCHENKO

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. DERWINSKI. Mr. Speaker, today marks the 166th anniversary of the birth of Taras Shevchenko, the Ukrainian poet laureate, who inspired a national spirit of independence in the Ukraine and other lands under Russian rule.

Shevchenko's fame began with the publication in 1840 of "Kobzar," a collection of poems extolling freedom for the Ukrainian people. It was his poetry that inspired the Ukrainian movement for independence.

Unfortunately, this period of independence after World War I was brief, and since that time, there has been no letup in the campaign of forced Russification in the Ukraine, a policy inaugurated by the Czars and expanded under the Communist regime.

However, Shevchenko's inspiring messages in defense of Ukrainian independence will remain forever a source of inspiration and strength for new generations of Ukrainians and all freedom-loving peoples in their struggle to free their native lands from oppressive rule. Taras Schevchenko has become an international prophet, a symbol of the dreams and aspirations for the ideals and hopes of the Ukrainian people.●

REMARKS OF CONGRESSMAN ALLEN E. ERTEL ON INFLATION

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. ERTEL. Mr. Speaker, last week the Nation's major banks increased their prime interest rates to 17¾ percent. The prime now can be expected to exceed 18 percent in the not too distant future.

Also last week, several of the Nation's leading savings and loan institutions raised home mortgage interest rates to 15 percent. And, right here in Washington, the area's largest mortgagor has raised its mortgage interest rates to an incredible 17 percent.

Prime and mortgage interest rates at these historically high levels ought to be as unacceptable as the double-digit inflation they are intended to cool. These high prime and mortgage interest rates, which stem from the Federal Reserve's ever tighter monetary policy, should bring us to the conclusion that the Fed alone is not going to stop inflation, at least not before the cure becomes worse than the disease. In less than 3 months, high mortgage rates have reduced the workingman's ability to buy a home by 40 percent. I think it is time we permit the Fed to resume a reasonable monetary policy and begin to attack inflation where it counts.

I am heartened by the President's decision to initiate a review of his fiscal year 1981 budget submittal for additional spending cuts. As recently as February 25, the President was quoted as saying that his economic policy suited him fine. By implementing this budget review, the President shows that he at long last recognizes something besides raising interest rates must be done.

I want to outline now those actions I believe should be taken to reduce inflationary pressure.

First, reduce Federal expenditures and balance the Federal budget. Federal deficit spending is not necessarily an indicator of unsound fiscal policy. In those years when the economy is in a slump and unemployment extremely high, the added stimulation of deficit spending may be desirable. But, the large Federal deficits of recent years have occurred in the context of an expanding economy and this added stimulation certainly has contributed to inflationary pressure. Consequently, I personally am supporting legislation to limit Federal expenditures as a percentage of the gross national product.

At this point, I want to add a cautionary note. While recent Federal deficit spending certainly has contributed to some of the economy's inflationary pressure, balancing the budget will not be the panacea some undoubtedly are expecting. Estimates are that balancing the Federal budget in fiscal year 1981 will only reduce the annual inflation rate by 1 or 2 percentage points at most. Brookings Institution economist Arthur Okun predicts flatly that balancing the fiscal year 1981 budget will only knock three-tenths of 1 percent off the annual inflation rate. Still this step to reduce Federal spending ought to be taken: Any contributing factor to inflation should be addressed and mitigated. But, we must not ignore the larger contributing factors either.

2. Reduce the Federal regulatory burden on the private sector of the economy. Estimates are that Federal rules and regulations cost the private sector of the economy between $36 billion and $100 billion annually. Regardless of where the actual figure lies, the burden is substantial.

I think less Federal regulation of the trucking industry should be the No. 1 priority in this area. We already have deregulated, for all practical purposes, the airline industry. While airline ticket prices have risen, prices are far below what they would have been without deregulation despite increased airline fuel prices and the economy's overall high rate of inflation. Increased competition in the trucking industry certainly will have a similarly beneficial impact on the overhead costs of all those products transported by truck.

I think, too, the Federal regulatory agencies should be required to weigh the cost of a proposed rule against the expected benefits—before implementation. Many of us have cosponsored legislation to mandate this procedure and the President has begun to initiate this requirement administratively. We should continue along this course.

3. Reduce U.S. dependence on OPEC. Energy costs are a major contributing factor to inflation. The President estimated that increased energy costs resulting from OPEC oil price hikes made up 3 percentage points of 1979's 13.3 percent inflation rate. Oil is used for everything in our economy from fertilizers to synthetic cloth and January's 18-percent inflation rate certainly is an indication that energy costs now are contributing more than 3 percentage points to inflation.

I believe the most important step we can take to demonstrate U.S. resolve to break our dependence on OPEC is to commit as a minimum 50 percent of the oil windfall profit tax revenues to energy research, development, production and conservation. Ending our dependence on foreign suppliers of oil will take time; we should begin now, however, to show that the United States has started down the road. And we should follow this signal with action: We should begin reducing our oil imports each year as we conserve energy and develop our domestic alternatives. America used less gasoline in 1979 than in 1978 and our import policy should reflect this conservation effort.

4. Increase labor and industry productivity. Now we come to the root of our inflation problem: Declining productivity. Simply put, declining productivity means excessive demand for too few goods. Between 1950 and 1967, U.S. productivity grew at an annual rate of 2.4 percent. From 1967 to 1972, productivity grew at an annual rate of 1.1 percent. And, from 1972 to 1977 productivity growth slowed to an annual rate of only 0.6 percent. Still, there was growth. But from the fourth quarter of 1978 to the fourth quarter of 1979, U.S. productivity for all private business actually dropped by 1.8 percent.

To resolve this basic problem, we should be moving along several lines. Congress should move to enact legislation permitting business and industry to take faster depreciation writeoffs for investment in new plant and equipment. Estimates are that the Capital Cost Recovery Act, which a good number of us have joined in co-spon-

soring, would increase annual growth in productivity by as much as 0.7 percent.

Congress also should move to overhaul the Nation's patent laws. I have introduced legislation to do just this and while the President also has proposed patent policy reform, his legislative proposal falls short of recognizing the full commercialization potential of Federal patent policy reform.

Productivity reform also should include efforts by the Federal Government to clear institutional barriers to change and innovation in the private sector of the economy. Along this line, I am pleased to say that the Science, Research and Technology Subcommittee has included as part of the National Science Foundation's fiscal year 1981 authorization a pilot field program for a Center of Innovation Development. Center activities will include direct equity funding for the startup of firms wishing to develop and bring to market a promising innovation. I think this type of program has great potential and I certainly will be fighting for its adoption here in the House in the not too distant future.

5. Rollback social security payroll tax. Finally, Mr. Speaker, I think Congress should rollback the social security payroll tax. The Congressional Budget Office concedes that this may be the only type of tax cut which will bring about downward pressure on prices. Not only is this a desirable goal, but I think we also have an obligation to the American taxpayer who is being hit hard by the so-called inflation tax. Inflation means that taxpayers can expect to pay the Federal Government an extra $13 billion this year, a figure which wipes out completely the 7.2-percent tax cut we voted last Congress.

To conclude, Mr. Speaker, the suggestions I have noted here certainly are not exhaustive of the actions this House can take. For example, small business impact statements ought to be included with any regulatory reform effort, and savings and investment incentives, which I strongly support, should be mentioned as other possibilities for stimulating productivity. But, the alternatives I have mentioned would go to the heart of inflation when considered as a package and frankly, to be successful we should be looking at an inflation-fighting package, and not just one or two policy changes. My package is a good place to begin immediate action.●

EMPLOY THE OLDER WORKER WEEK

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. LEE. Mr. Speaker, I am informed that the U.S. Department of Labor has designated this week, March 9-15, as "Employ the Older Worker Week" in America. My congratulations go to the Department for their recognition of a vital force in American employment, the aging worker.

Too many times in our fast-paced society have we shunned those who have accumulated years while gathering the wisdom of their professions. In recent decades particularly American industry and business has moved toward young, enthusiastic employees simply to follow the trend, often to the detriment of the business itself. Mr. Chairman, those corporations which have actively endorsed mandatory retirement programs find that they lose more in experienced professional expertise than they gain, often, in the vigor of youth. I have been extremely pleased with the initiatives taken by Congress and the administration toward breaking down those mandatory retirement barriers.

My heartiest congratulations are extended during this week to America's older work force. They are the Americans who created the advantages which our and later generations enjoy in this Nation, and they continue to contribute to the best interests of the Nation with their enthusiasm.●

HAS THE CARTER ADMINISTRATION CORNERED THE MARKET ON INCOMPETENCE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. MICHEL. Mr. Speaker, there are some who say the Antitrust Division of the Justice Department should investigate the Carter administration which seems to have cornered the market in incompetence.

The latest manifestation of this incompetence is the by now infamous "yes and no" vote on a U.N. resolution condemning Israel.

The administration claims that the original vote supporting the resolution came about because of a foulup. Cyrus Vance has been chosen as the scapegoat in this little scenario and he is playing his part well.

There are those who suggest that far from being a mistake, the original vote was deliberate. They say that the uproar that ensued caused the administration to seek some way of escaping from its own error.

So, anyway you look at it, the administration has fouled up once again. Either the original vote was intentional—in which case monumental stupidity was shown. Or the original vote was a mistake—in which case monumental stupidity was shown.

I would like to see a show of hands as to how many are proud of the administration's latest diplomatical triumph. In any event, the extent of the administration's inepitude has been captured in two articles in the New York Times. At this point I insert in the RECORD, "And Now, the Communications Gap," and "The Issue of U.S. Credibility," the New York Times, March 5, 1980:

AND NOW, THE COMMUNICATION GAP

Somewhere, maybe, there is someone who believes that the United States Government would cast a precedent-shattering vote against Israel at the United Nations, in an election year, without having read and re-read and re-read the language of the resolution. If that actually happened, as the White House contends, you would have thought that everyone entrusted with the nation's security affairs would have moved mountains to cover it up. For now it has become a case not only of betraying Israelis and then Arabs, but also of dismaying all who depend on the competence and constancy of American leaders. Not even crass political calculation can explain this kind of whirligig diplomacy. How does it help a President to demonstrate that, on an issue of domestic as well as foreign significance, his political calculus cannot hold from Saturday to Monday?

For the moment, we can only guess at the circumstances that produced President Carter's pathetic confession of a "failure to communicate." Perhaps he approved the vote in anger at the Israelis' newest venture in West Bank settlement, only to be frightened off on reflection, or by the reaction in Israel—and Massachusetts. Perhaps the State Department, thirsting to side with the Arabs, misread a White House signal of consent and rushed over a rhetorical cliff.

It doesn't much matter. Far more worrisome than even this escapade is the fact that the people who caused an ethnic war by somehow losing touch with Andy Young have made clumsy reversal on major issues a trademark of their regime.

There was the case of the Soviet "brigade" in Cuba, probably set off by an intelligence failure. It was compounded by political panic—the fear that Senate opponents of the SALT treaty would capitalize on the "discovery" unless the President became the first to demand withdrawal of the troops. When the Russians proved that they had nothing special to withdraw, Mr. Carter could only retreat, dragging the treaty toward oblivion.

There was the case of the military budget. For months, Mr. Carter had insisted that he could not profitably spend more than a 3 percent increase in Pentagon funds. But to buy SALT votes in the Senate, essential new projects were miraculously found requiring an additional 2 percent increase.

Then came the budget as a whole. After promising for three years to balance it for fiscal 1981, and despite the need to cool inflation, Mr. Carter last month proposed a deficit of at least $16 billion. That permitted him to satisfy Pentagon clients on the right and Kennedy liberals on the left. But it soon became obvious that inflation had created an even greater political menace in the middle—and the White House discovered that it could rewrite the budget in just a few days after all.

And then there was the summons to register draft-age youth. Mr. Carter called it necessary for national defense—until the Pentagon and Selective Service indicated that it would reduce the time needed for mobilization by only a few days. The White House then said registration was needed to demonstrate a new public tolerance for military preparedness. With great fanfare, and an eye on the women's lobby, Mr. Carter said women, too, had to register. But within days, the great public referendum was allowed to fizzle. Registration was proposed for only 19- and 20-year-olds, and Congress was quietly told it didn't really have to include women.

After all that, what's another fumble in the United Nations? More than a failure to communicate.

THE ISSUE OF U.S. CREDIBILITY

(By Bernard Gwertzman)

WASHINGTON, March 4.—One day after being praised for political courage by Western leaders, Arab diplomats and State Department officials for having voted in the United Nations Security Council against Israeli settlements on the West Bank, the Carter Administration is being accused of political cowardice by many of the same people for its abrupt reversal.

The general tone of diplomatic cablegrams reaching the State Department and of conversations throughout the capital was one of disbelief in the official explanation that the anti-Israeli vote had resulted from Secretary of State Cyrus R. Vance's misunderstanding of President Carter's instructions.

According to the White House, Mr. Carter had told Mr. Vance by telephone that he would approve a vote against the settlements only if all references to Jerusalem, a sensitive subject for Israel, were dropped from the resolution.

Donald F. McHenry, the United Nations delegate, said he had been told by Mr. Vance over the phone to vote for the resolution if one particularly troublesome paragraph was altered. It was.

The White House said Mr. Carter would have ordered an abstention if he had known that other, seemingly inconsequential references to Jerusalem were still in the text.

The explanation was greeted with skepticism by State Department officials, who felt it made no sense for the United States to be seen in such disarray. Instead, the officials and foreign governments believe that the White House backtracked to avoid a rift with Israel that would have alienated influential Jewish backers in Mr. Carter's campaign for re-election.

For example, Ambassador Kingman Brewster Jr. is reported to have sent a message from London that Britain had reacted with "horror" to the apparent switch by the White House. Prime Minister Margaret Thatcher has been an important backer of President Carter and her support is needed to insure Western unity in the Afghanistan crisis.

State Department officials reacted with a mixture of embarrassment and anger. Some expressed unhappiness with what one called "Vance's taking the dive for Carter." Others shared the assessment of Mr. McHenry, the United Nations delegate, that the United States, by its reversal, had gained "the worst of all possible worlds"—skepticism in Israel and distrust among Arabs.

The controversy comes at a time when United States policies on Iran and Afghanistan, which have preoccupied the President for several months, also seem inconsistent.

On Iran, the United States has vacillated between carrot and stick in trying to bring about the release of the American hostages. After having threatened punishment, including military force, the United States began treating Iran as a potential ally when Soviet forces entered Afghanistan to prop up the Government there against an insurgency.

SHIFT ON U.N. PANEL IS SEEN

Washington also agreed to a United Nations commission to hear Iran's grievances after having ruled out such an inquiry before the hostages were freed.

On Afghanistan, the sharp response to the Soviet intervention has become dulled, in part because of a lack of enthusiasm among the European allies over making it a major East-West issue.

President Carter had asserted that the Soviet Union would have to pay a lasting price for its actions in Afghanistan, but Secretary of State Vance said yesterday that sanctions would be lifted as soon as Soviet troops were withdrawn.

Mr. Carter had also called the Soviet move the "gravest threat to world peace since World War II," but for the moment the threat appears to be hypothetical. American intelligence finds that the Soviet forces are bogged down against the Afghan insurgents and hardly a threat to anyone. As a result, the Administration's efforts to gain support on Capitol Hill for stepped-up aid to Pakistan and other countries have run into skepticism.

The dispute over the vote in the United Nations recalls other cases where the United States took a firm position against Israel and then retreated.

In March 1977, President Carter, after having endorsed the idea of a Palestinian "homeland," modified his position and ruled out a Palestinian state. In October 1977, after having joined with the Soviet Union in a statement of principles to guide a conference on the Middle East, the United States dropped the idea when President Anwar el-Sadat of Egypt made his own overture to Israel, in effect ending prospects for a conference.

Last August, the United States made an effort to support a Security Council resolution on Palestinian rights, but backed off when both Israel and Egypt objected.

There have also been diplomatic accomplishments, largely as a result of the perseverance of President Carter and of Secretary of State Vance in bringing about an Egyptian-Israeli peace treaty and a framework accord for Palestinian self-rule that is now under negotiation.

ISRAELI OUTBURST WAS FEARED

Israeli officials said today that the President, by dissociating himself from the vote in the United Nations, might have prevented an Israeli outburst endangering the Palestine negotiations.

But the President's action puts additional pressure on Egypt, and makes it even more difficult for the United States to gain support in Arab capitals.

Since the onset of the Iran and Afghanistan crises, the United States has been particularly eager to seek the friendship of Moslem countries. State Department officials assumed in part that the President had approved the anti-Israeli vote in the United Nations to demonstrate to the Arabs that the United States was willing to vote for a resolution that incorporated American policy statements against Israeli settlements in occupied territory, including East Jerusalem.

When reporters inquired yesterday about the vote, the officials said President Carter has shown courage in defying expected criticism from Israel by supporting the Security Council action. Today, many of the same officials were plainly unhappy over the reversal.

Since the White House statement itself asserted that the vote represented no change in United States policy, skeptics saw the official explanation as further evidence that the disavowal had been motivated by political considerations.●

DISTRIBUTIVE EDUCATION AT MOUNT VERNON HIGH: TEACHING ENERGY CONSERVATION

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. HARRIS. Mr. Speaker, as America struggles for energy independence, every segment of our society will be called upon to do its part. The Distributive Education Clubs of America have already begun their efforts to teach energy-conservation techniques, and to educate the general public on how important—and how simple—it is to save energy.

At Mount Vernon High School in Alexandria, Va., which I represent, the Distributive Education Club recently coordinated an extremely successful energy fair that included a conservation poster contest for schoolchildren, a demonstration by local merchants of energy-saving products, and tips for homeowners on how to cut down on energy use.

A key part of the project was a local market survey conducted by distributive education students. These surveys help merchants identify the products a community is interested in, and in turn, increases the availability of those products desired by consumers.

I am proud of the efforts by the Distributive Education Club at Mount Vernon High School. Last year they were the Virginia champions in a statewide creative marketing project. I am sure that they will enjoy a similar success this year.

Energy conservation is everybody's business. The work of distributive education clubs in bringing merchants and consumers together is a very important part of our national drive for energy independence. I congratulate the Mount Vernon High School Distributive Education Club, and look forward to watching their continued success.●

MANDATORY WAGE-PRICE CONTROLS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. MITCHELL of Maryland. Mr. Speaker, within 1 week after the President signed the Humphrey-Hawkins Full Employment and Balanced Growth Act, many of us were deeply disconcerted to hear then-Director of the Council on Wage and Price Stability Barry Bosworth say, "We're not going to be able to get unemployment down significantly from where it is now for several years to come," in order to focus on inflation.

Now, Mr. Bosworth, as a private economist, is one of a growing number of economists who are calling for a fundamental shift in the administration's economic policy in order to limit inflation and unemployment. Mr. Bosworth has called for mandatory wage-price controls, saying that "nothing but a major recession or mandatory controls can break it."

The Consumer Price Index increased by 1.4 percent in January, a 15.6 percent annual inflation rate. Black unemployment rose from 11.4 percent in November to 12.0 percent in December to 12.6 percent in January. When are we going to stop the ineffective and harmful policy of squeezing the economy in a vain effort to reduce inflation? When are we going to recognize that the Humphrey-Hawkins Act precisely predicted the ineffectiveness of employing the tradeoff theory of attempting to fight inflation by increasing unemployment?

The following articles from October 31, 1978, and from February 7, 1980, show how the former Director of the President's Council on Wage and Price Stability has changed his view of the economic policy necessary to combat the stagflation which continues to plague the Nation. I have endorsed a temporary mandatory policy of price, profit, rent, and wage controls. I believe many other economists and political leaders will come to recognize the need for a fundamental change in policy.

The two articles follow:

[From the Los Angeles Times, Oct. 31, 1978]

DELAY JOBS EFFORT TO FIGHT INFLATION, BOSWORTH URGES

NEW YORK.—Presidential adviser Barry Bosworth Monday cast doubt on the Carter Administration's ability to fight inflation and unemployment simultaneously.

He suggested the Government must call off its fight against unemployment and focus on inflation to avert a serious recession in the next year.

"Unless within the next 6 months to 1 year we can move to get the inflation rate back under control, I think most people would agree that it's absolutely inevitable that the country will go back into another recession," said Bosworth, Director of the Council on Wage and Price Stability.

"If it is to be a recession . . . it will be a recession far more severe than that of 1975. And that, in turn, was the worst recession of the postwar period," he said.

To curb inflation, Bosworth suggested that the Federal Government cut programs, reduce spending and virtually call off its effort to reduce unemployment.

"We're going to have a pause in the economy," the presidential adviser said in a speech to the American Truckers Assn., his first since President Carter laid out anti-inflation guidelines last week.

Carter also signed the Humphrey-Hawkins bill last week, an act committing the Government to pursue a goal of full adult employment in a context of trying to curb inflation.

But Bosworth said: "We're not going to be able to get unemployment down significantly from where it is now for several years to come."

He continued: "We will, in other words, have to have almost no new programs whatsoever, and a lot of the existing programs will have to be significantly reduced."

But Government action alone won't be enough, he said. "Real sacrifices" in the private sector also will be needed.

Settlement of new, non-inflationary contracts with major unions—including the Teamsters and auto, steel, electrical and railroad workers—is key to the anti-inflation drive's success.

"We cannot," he said, "afford to continue to have one group of American workers, year in year out, get wage increases in excess of the rest of the economy."

[From the Washington Post, Feb. 7, 1980]

BOSWORTH URGES MANDATORY CONTROLS

(By Art Pine)

The man who ran President Carter's anti-inflation program from 1977 to 1979 said yesterday that it isn't working and the administration should turn instead to mandatory wage-price controls.

Barry P. Bosworth, now a Brookings Institution economist, said the change is needed because inflation has built up such momentum "that nothing but a major recession or mandatory controls can break it."

The call for controls, in an interview yesterday, marked a departure for Bosworth, who consistently had opposed them during his two-year tenure as director of Carter's Council on Wage and Price Stability.

Separately, Otto E. Eckstein, former Johnson administration economic adivser, told the House Budget Committee the controls idea "deserves a serious look." However, he said mandatory restraints had not worked before.

The combination of statements constituted the first serious suggestion for a controls program by established economists in recent years. Most middle-of-the-road economists have opposed controls as unworkable.

Bosworth also advocated an array of other stiff measures, including gasoline rationing or a gasoline excise tax, a prompt return to a balanced budget, tax cuts to spur productivity and incentives for capital formation.

He said the only alternative to such a package would be for the government to engineer a major recession under which the jobless rate would rise to double-digit levels of 10 percent or higher.

Bosworth's suggestions, similar to those proposed last week by Sen. Edward M. Kennedy (D-Mass.), weren't likely to be embraced by the Carter administration, Carter already has rejected Kennedy's plan. The Brookings Institution economist said he isn't working as a Kennedy adviser nor did he have any part in drafting the Senator's economic proposals last week. Kennedy supported a gasoline rationing plan, but opposed a gasoline excise tax.

Bosworth's proposal would impose mandatory controls across every sector of the American economy—including wages, prices, profits and rent—with limits of 5 percent on pay raises and 6 percent on price increases.

The former anti-inflation official said the controllers should be empowered to break existing contracts if needed to force companies and unions to comply with the wage-prime limits. He said the program should last two to three years.

He also proposed that the government in effect ration available mortgage money by requiring extremely high down payments for home mortgage loans as a way to dampen demand for housing.

And he suggested that if food prices begin to soar again as they did last year, the government eliminate all restrictions on crop production. He urged keeping government grain reserves high to help stabilize future price surges.

Bosworth said the strong action is necessary because the "gradualism" advocated by Carter isn't working and traditional government policies to dampen inflation by reducing overall demand no longer are effective.

Bosworth also rejected the now standard contentions that the Nixon administration's much-criticized experiment with wage-price controls in 1971-73 proved that such a program can't work.

"There were a lot of outside factors then that blew the controls out of the water," Bosworth said in the interview. "If they happen again, we'll be blown out of the water again—with or without controls."

The factors Bosworth was referring to included a simultaneous economic boom in all the major industrial countries, overstimulation of the U.S. economy, grain sales to the Soviet Union and devaluation of the dollar.

Bosworth argued that sweeping, across-the-board action is needed because key elements of the nation's economic structure won't accept voluntary restraint programs that involved only their sector.

"Only if you say, 'Here's a whole program' will they accept the parts," he said. "The difference between a voluntary program and a mandatory one is only a matter of degree. But it's an important one."

Eckstein's remarks, delivered in testimony before the House Budget Committee, were based on similar reasoning to those offered by Bosworth, but didn't go nearly as far.

The former Johnson economic adviser, now president of Data Resources Inc., said "we're betting on recession" now to dampen inflation, and the prospects are it won't work. He said the controls idea "deserves a serious look." ●

THE CUMBERLAND COLLEGE SINGERS

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. GORE. Mr. Speaker, the Cumberland College Singers from Lebanon, Tenn., and my Fourth Congressional District will perform on Capitol Hill today. The Cumberland College Singers have toured 20 States, Washington, D.C., Mexico, and Canada. They are touring throughout the Washington-Virginia area from March 7 through March 15. On March 7, they performed at Central Presbyterian Church, Bristol, Va. On March 9, they sang at the morning service at the First Baptist Church, Washington D.C. and in the evening at the Guildford Baptist Church, Fredericksburg Baptist Church, Fredericksburg, Va., and they will complete their tour on March 12, at the Hatcher Memorial Baptist Church, Glen Allen, Va.

The Cumberland College Handbell Choir was founded in 1976 by Dr. H. Bert Coble, director of music at the college. The bells were later memorialized with a gift from Mrs. Virginia G. Lawlor in memory of her husband, Richard Lawlor.

Cumberland College in Lebanon, Tenn., has roots back to 1785 when the Nashville Academy was founded in Nashville. About 15 years later the name was changed to Cumberland College and was later founded on the Lebanon campus in 1842 as a university.

Today, Cumberland is the only private, independent junior college in Tennessee and the only 2-year school of any kind to offer an associate of music degree.

The music department has grown to more than 40 music majors with a faculty of 8. The areas of emphasis are keyboard, voice, and choral. In addition to the Handbell Choir, other ensembles include the Oratorio Chorus, College Singers, and the Show Choir. Students study organ on a 25 rank Schantz Pipe organ. Several senior colleges offer standing scholarships to the Cumberland graduates. Cumberland itself offers scholarships in voice, piano, organ, and church music.

The Handbell Choir uses a four-octave set of Melmark bells on five tables with two-inch foam pads and waleless corduroy covers. The 13 ringers are composed of 7 women and 6 men, 10 of whom are music majors.

The choir participates regularly in the Tennessee Baptist Handbell Festivals and has presented numerous television programs.

The college singers are under the leadership of Dr. Bert Coble, who holds a B.R.E. and a B.C.M.E. from Southwestern Baptist Seminary, a B.A. from Belmont College, and a M.M. from the University of Colorado, a Ed.D. from Clayton University. Dr. Coble has served as a music director at Cumberland College for the last 8 years. I hope my colleagues and their staff who are able to attend today's performance will enjoy it.●

CARTER ADMINISTRATION VENDETTA AGAINST GUATEMALA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. McDONALD. Mr. Speaker, the administration has raised to a fine art the practice of alienating and weakening our diminished number of friends in this world, and we see just one more example in the case of Guatemala. This small but proud country, which has made truly great strides economically and politically in recent decades, has a long tradition of friendly relations with the United States. Guatemala is the largest and most important country in Central America. Its exports, worth over a billion dollars annually, come largely to the United States. Guatemala is next door to El Salvador, a small nation now under heavy pressure indeed from Havana-directed Communist subversive forces, and Guatemalans are well aware of the Communist plan to take El Salvador in 1980 and then concentrate on the larger prize, Guatemala.

As in the case of Nicaragua, and as now in the case of El Salvador, White House and State Department policy toward threatened Central American nations has been to penalize them heavily for any act which offends the delicate feelings of the professional anti-anti-Communists. It is standard, for instance, to complain of retaliation carried out against leftists for their outrages, but the "Human Rights" concern does not extend to kidnaped children, to hostages burned alive, and to other victims of similar Communist atrocities.

Columnist Charles Bartlett, writing in the Richmond Times-Dispatch dated February 28, 1980, rightly calls Guatemala "a staunch little nation" which should not be lost because of "Washington's posturing." If the Reds take control, they will have Washington to thank for it, because we have done all we can to weaken that country, denying it access even to purchases of defense materials, for cash, from foreign countries. This is incredible bullying, of benefit only to our enemies.

The column follows:

WASHINGTON COMPOUNDS GUATEMALA'S PROBLEMS

(By Charles Bartlett)

GUATEMALA CITY.—Guatemala is a lively country with a rich future, and the Carter administration should not allow it to lay uncertainly between the spite of liberals and the anxiety of those who perceive the gathering force of the Marxist push in Central America.

The virtues of Guatemala, more democratic by some yardsticks than Mexico, are obscured by the fascination of the American press with its recurring episodes of violence. Recognition of the unique character of Guatemalans, now emerging from centuries of poverty and travails, is distorted by the brutal antics of small extremist factions of the left and right.

The confusion is fanned by Carter policy makers who fluctuate between liberal disdian of Guatemala's lapse into brutality and awareness of the little country's need for firm ties with the United States. So far, Guatemalans feel they have been damaged more by Washington's negative assessments of their situation than they have been helped by positive policies.

They need, for example, American support in putting down the guerrillas whose resort to urban bombings, rural terror and high-ransom kidnappings provokes eye-for-an-eye redneck retaliations from the extreme right. President Lucas is committed to facing subversion forcefully so Guatemala's horrors will not cease until the guerrillas are stopped.

It is ironic, therefore, that the Carter administration, in one of its characteristic convolutions, is denying the Guatemalan government the access it has always enjoyed to police training by U.S. specialists, to spare parts for helicopters and to other anti-guerrilla weapons. Often barred from dealing even with alternate suppliers like Israel, Guatemalans tend to feel that Washington is throwing its weight on the side of the guerrillas.

So the situation is becoming an acid test of the human rights policy, a weighing of priorities in which moral wrong choices by the Carter administration and Congress will facilitate the communists' liberation tactics, plainly aimed at toppling the Central American dominoes.

Guatemalan politics has indeed been polarized, as State Department officials have noted in their gloomy assessments, but there are influential moderates pressing for evolutionary policies that will limit the appeal of an armed struggle for social change.

Opinions differ on whether an eruption is imminent, because popular sentiment is like the brooding presence of Guatemala's volcanos, whose placid slopes conceal the turbulence which may boil within. Pessimists point to the rising costs of tortillas, corn and beans, to the repressions of the government and the selfishness of the rich and to the pressures which make it no longer safe to count on the stability of the large Indian population.

But the long-suffering Indians have more faith in God than revolution. A government, headed since 1968 by elected generals, is not popular, but its revealed corruptions have not generated emotions comparable to those that brought down Nicaragua's Somoza. Eight opposition parties are now tolerated and in two elections in the past decade the voters have brought opposition parties into power. The Lucas government is trying to dramatize its compassion with some high-profile projects.

Moreover, Guatemalans have tasted life under the communists, and although memories have faded of Jacob Arbenz's misrule in the early 1950s, the Army of the Poor and the Marxist students are challenging an economy much stronger and a society much freer than Cuba's.

The risks of instability lie in the swollen populations of cities which attracted workers they no longer need in their struggle to recover from the 1977 earthquake. The government has not turned its back on these people, and the U.S. government ought to be doing what it can to help the Guatemalans to repel the guerrillas and build an economy that will bring better times for all.

This is a staunch little nation, and it should not be lost because of Washington's posturing and waffling.●

IDAHO AND THIS COUNTRY'S MINERAL OVERDEPENDENCE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. SYMMS. Mr. Speaker, in deliberations of this Congress over the withdrawal of public lands to mineral exploration and entry, I have repeatedly warned the Members of the need for a viable domestic mineral industry that can supply our needs in the event of a national emergency. The Idaho cobalt vein, second largest in the world, is an excellent example to emphasize that point. This country is dependent upon the import of 97 percent of its cobalt needs, which are vital in the production of jet aircraft engines, gas turbines, high speed tool steels, cemented carbides, and magnets. Our defense stockpiles of cobalt are critically low—less than 50 percent of stockpile goals. The Members of this body will have the opportunity in the near future to enact the SYMMS substitute to S. 2009, which will enact the largest contiguous wilderness area but will concurrently protect local economies and mineral and timber access.

The people of this great Nation are sharing this concern over America's inability to find and develop its own resources for production and energy independence. I enclose for the Members' benefit just such a concern from Mr. David Williams of Spokane, Wash. The letter very cogently addresses these issues and the current mood of Congress toward them.

The letter reads as follows:

SPOKANE, WASH.,
February 23, 1980.

Representative STEVEN D. SYMMS,
Longworth House Office Bldg.,
Washington, D.C.

DEAR MR. SYMMS: During the past decade the United States has witnessed a growing dependence on foreign sources for the energy and minerals requirements of the nation. As periodic crises unfolded the government called on the collective national will to cope with problems rising ultimately from the absence of any coherent long range planning mechanism. Certainly it cannot be argued that these scenarios were not forecast well in advance of the actual events. In June, 1979 the French Foreign Minister Jean Francois-Poncet, speaking to an OCED meeting, stated that "politics starts by a refusal to leave things to chance". Perhaps we all would do well to reflect on that thought, particularly in regard to our future minerals and energy programs. If effective resource evaluation and strategy is not forthcoming the economic fabric of the country will be sorely tried.

Since its inception America has relied on a strong and innovative minerals industry as a cornerstone of economic independence. Today that industry is threatened by overregulation and restrictive land use classification. Areas open to exploration and mineral entry are being systematically withdrawn by existing and proposed wilderness and RARE II legislation. While few question the necessity for primitive areas the actual decision-making process is highly arbitrary and quite damaging in terms of a comprehensive minerals policy. Indeed much of the legislation appears designed to ensure continued dependence on foreign resources with the accompanying economic consequences.

While the lands controversy has been felt in nearly every Western state perhaps the present situation in Idaho and Alaska are exemplary. The 2.3 million acre Central Idaho Wilderness Act (S-2009) is now pending action in the House. This area includes the most promising cobalt prospect in the United States. Should the bill pass, our continued reliance on unstable countries like Zaire, which now provides 42 percent of our cobalt, is almost a foregone conclusion. As it presently exists the legislation also encompasses RARE II lands recommended by the administration for non-wilderness as well as national forest lands not included in the RARE II inventory. Certainly this does not represent a prudent long range decision in the best interest of the nation. I strongly urge that the areas mentioned above be excluded from the Central Idaho Wilderness Act.

Alaska provides another illustration of excessive withdrawals. Most recently Secretary of the Interior Andrus unilaterally designated 40 million acres of Alaskan lands as wildlife refuges, while these areas were already "protected" until 1981 awaiting consideration in the Congress. This is in addition to the already extensive federal holdings placed in wilderness classification. Can such actions by a nonelected official be considered representative government? On the contrary, such decisions can only be viewed as an expanding non-resource utilization policy which severely impairs the United States' ability to attain any minerals independence. The current Alaskan Lands Bill (S-9) also remains ineffective in answering the most basic problems concerning minerals production in Alaska. In my opinion, no legislation regarding Alaska should be passed unless it safeguards access to potentially important economic discoveries (e.g. Quartz Hill and Green's Creek).

As an individual employed by the minerals industry, my career, as well as many others, is dependent on responsible and informed legislation. Your decisions are of vital importance to insuring a viable minerals development program. I urge you to closely examine the long term consequences of continued massive lands withdrawals and the economic impacts which necessarily follow.

Sincerely yours,

DAVID S. WILLIAMS.●

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The December 1979 list includes:

SUMMARIES OF GAO REPORTS

NATIONAL DEFENSE

The World Wide Military Command and Control System—Major Changes Needed in its ADP Management and Direction. Acc. No. 111112, LCD-80-22, December 14.

Improving the Effectiveness of Joint Military Exercises—An Important Tool for Military Readiness. Acc. No. 111076, LCD-80-2, December 11.

The Army Inspector General's Inspections—Changing from a Compliance to a Systems Emphasis. Acc. No. 110983, FGMSD-80-1, October 30.

Letter reports

Defense has not recovered quality assurance costs after requiring this reimbursement for 10 years. Acc. No. 110987, FGMSD-80-2, December 3.

The basic allowance payment for subsistence to all enlisted members at three military installations should be discontinued. Acc. No. 111011, FPCD-80-18, December 5.

Defense should consolidate, eliminate, or place in reserve excess depot capacity that cannot be economically justified to satisfy peacetime and mobilization needs. Acc. No. 110998, LCD-80-23, December 5.

GAO found no basis for changing its prior conclusions concerning service policies for estimating the availability of wartime military personnel. Acc. No. 111074, FPCD-80-6, December 11.

Review of contracts for base operating support functions at Pacific Missile Test Center, Point Muger, Calif. Acc. No. 111098, PSAD-80-19, December 11.

Defense should improve its efforts to correct identified hazards and advise Congress annually of the costs in its budget justification. Acc. No. 111099, HRD-80-20, December 12.

The Army should determine whether two construction projects at Fort Pickett, Va. should be included under the Military Construction, Army Reserve or the Military Construction, Army. Acc. No. 111090, LCD-80-28, December 14.

INTERNATIONAL AFFAIRS

Flexibility—Key to Administering Fulbright-Hays Exchange Program. Acc. No. 111059, ID-80-3 December 10.

ENERGY

The Federal Government Needs a Comprehensive Program to Curb its Energy Use. Acc. No. 111079, EMD-80-11, December 12.

Letter reports

GAO agrees that State and local involvement in promoting national energy objectives should be continued. Acc. No. 110985, EMD-80-15, November 27.

Current plans to award the American Technological University a contract to manage the Fort Hood solar project should be reconsidered. Acc. No. 111058, EMD-80-37, December 7.

National Energy Planning II. EMD-80-43, December 28.

NATURAL RESOURCES AND ENVIRONMENT

Analysis of Current Trends in U.S. Petroleum and Natural Gas Production. Acc. No. 11042, EMD-80-24, December 7.

Uncertainties over Federal Requirements for Archeological Preservation at New Melones Dam in California. CED-80-29, December 21.

Phosphates: A Case Study of a Valuable, Depleting Mineral in America. Acc. No. 110982, EMD-80-21, November 30.

Letter reports

The Fish and Wildlife Service is implementing a management and development plan at the Sachuest Point refuge. Acc. No. 111061, CED-80-26, November 23.

AGRICULTURE

Food Price Inflation in the United States and Other Countries. CED-80-24, December 18.

Federal Export Grain Inspection and Weighing Problems: Improvements Can Make them More Effective and Less Costly. Acc. No. 110981, CED-80-15, November 30.

Letter reports

Problems with implementing the Agricultural Foreign Investment Disclosure Act of 1978. Acc. No. 111135, CED-80-37, December 18.

Improvements needed in Department of Agriculture's certification that export shipments of grain conform with phytosanitary regulations of foreign countries. CED-80-42, December 28.

COMMERCE AND HOUSING

FCC's Decision to Consolidate Licensing Division in Gettysburg, Pa. Was Made Without Adequate Analysis. Acc. No. 111056, CED-80-27, December 3.

COMMUNITY DEVELOPMENT

GSA is Overly Restrictive in its Implementation of the National Urban Policy in Fort Smith, Arkansas. Acc. No. 111039, LCD-80-26, December 6.

Letter reports

The Veterans' Administration decision to close its Sacramento loan guaranty office is reasonable. Acc. No. 110984, HRD-80-16, November 1.

The Defense Contract Administration Service's Cleveland regional office and its Chicago regional office will be consolidated in Cleveland. Acc. No. 110978, LCD-80-24, November 29.

Federal policy on relocating Government activities to economically depressed, labor surplus communities. LCD-80-29, December 21.

SOCIAL SERVICES

Millions of Dollars of Rehabilitating Housing can be used more effectively. Acc. No. 111038, CED-80-19, December 7.

HEALTH

HEW Must Improve Control over Billions in Cash Advance. FGMSD-80-6, December 28.

Need to Better use the Professional Standards Review Organization Post-Payment Monitoring Program. Acc. No. 111033, HRD-80-27, December 6.

Radiation Control Programs Provide Limited Protection. Acc. No. 111041, HRD-80-25, December 4.

Errors in Health Benefits Enrollment Data Push Up Health Insurance Costs. Acc. No. 111032, FGMSD-80-8, December 6.

Letter reports

Inpatient care at Quantico Naval Hospital should not be resumed. Acc. No. 110971, HRD-80-26, November 29.

The Army cannot certify that the Fort Greely Gerstle River Test Center is free from chemical and biological contamination. Acc. No. 110972, LCD-80-25, November 30.

INCOME SECURITY

Minimum Benefit Provision of the Civil Service Disability Retirement Program Should Be Changed. Acc. No. 110980, FPCD-80-26, November 30.

Minimum Social Security Benefit: A Windfall that Should Be Eliminated. Acc. No. 111057, HRD-80-29, December 10.

Employee Protection Provisions of the Rail Act Need Change. Acc. No. 111100, CED-80-16, December 5.

GENERAL GOVERNMENT

An Evaluation of the Intergovernmental Personnel Act of 1970. Acc. No. 111124, FPCD-80-11, December 19.

Transit Equipment Warranties Should be Enforced. Acct. No. 111040, PSAD-80-12, December 7.

Letter reports

The costs of replacing fire hydrants and lighting fixtures at the National Mall in Washington following the American Farmers' Demonstration has exceeded the original estimate. Acc. No. 110863. CED-80-21, November 5.

No evidence of specific improprieties on the part of the Chairman, Federal Maritime Commission, has been found but he should make sure his actions do not give the appearance of impropriety. Acc. No. 111060, CED-80-25, November 9.

The Antitrust Division deems it unwise to grant any U.S. attorney general authority without interference to investigate and prosecute antitrust violations involving the motion picture industry. Acc. No. 111093, GGD-80-24, November 13.

Survey of the effectiveness of the Federal apportionment process and implications for budget execution. Acc. No. 111134, PAD-80-5, November 21.

The Department of Energy's Office of Inspector General needs to develop a comprehensive plan for auditing its programs and operations. EMD-80-29, November 28.

The Air Force's Civil Engineer Cost Accounting System at Travis Air Force Base is conforming to GAO's approved system design. Acc. No. 110979, FGMSD-80-18, November 30.

Contracting out of laundry services at Wright-Patterson Air Force Base, Ohio, is cost effective. Acc. No. 111094, PSAD-80-17, December 7.

Proposed impoundment of funds for the International Communication Agency was rescinded and alloted to the program. Acc. No. 111072, OGC-80-4, December 7.

The Environmental Protection Agency is not getting adequate information on its financing reports produced by its three automated systems. Acc. No. 111073, FGMSD-80-11, December 11.

The Congress should consider eliminating the extra pay for time off holidays that Federal employees on a compressed work schedule will receive. Acc. No. 111062, FPCD-80-21, December 4.

The costs of most presidential libraries has far exceeded the estimation when the Presidential Libraries Act was being considered. Acc. No. 111010, LCD-80-27, December 5.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street NW., Washington, D.C. 20548. Phone (202) 275-6241.●

PETITION ON H.R. 6070

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. DUNCAN of Tennessee. Mr. Speaker, I have received a petition from a number of my constituents opposed to H.R. 6070. In order that the views of these citizens might be known by my colleagues, I am presenting herewith the entire petition:

A PETITION TO REPRESENTATIVE JOHN J. DUNCAN

Please help save our forest wilderness. People throughout the country are working to preserve irreplaceable areas of our national forest lands under the orderly process established by Congress in the Wilderness Act. The timber industry is now attempting an end-run around this orderly process by pushing legislation (H.R. 6070) that would:

Instantly write off 36 million acres of federal wildlands—the last potential forest wilderness—by ratifying the results of a hastily prepared Forest Service study;

Give the timber industry access to vast stretches of forest lands;

Force Congress to make unnecessarily hurried decisions about the roadless lands recommended by the Forest Service for congressional consideration; and

Make a sham of future planning of our national forests; and dictate a single national scheme for our forests without the participation of local citizens and members of Congress.

Please help make sure that this anti-wilderness legislation is sidetracked. Instead, we must continue the time-tested congressional wilderness designation process—area by area, with local citizen participation. Wilderness lands are an important part of our heritage. They are an inheritance we want to leave for our children.

Signed,

H. R. Payne, Knoxville, Tenn.; Jane Orleans, Knoxville, Tenn.; Doris Gove, Knoxville, Tenn.; Tom Johnson, Louisville, Tenn.; Bob Allen, Knoxville, Tenn.; Alan Solomon, Knoxville, Tenn.; S. Russell Manning, Knoxville, Tenn.; J. R. Humble, Knoxville, Tenn.; John Z. C. Thomas, Knoxville, Tenn.; George E. Oswald, Lenoir City, Tenn.; M. Cooperman, Lenoir City, Tenn.; John Vavruska, Knoxville, Tenn.; Ruth K. Young, Oak Ridge, Tenn.; Charlotte Williams, Knoxville, Tenn.; Hal W. Jernigan, Knoxville, Tenn.; Phyllis E. Holt, Knoxville, Tenn.; Forrest F. Evans, Knoxville, Tenn.; Larry W. Holt, Knoxville, Tenn.; Roger A. Jenkins, Knoxville, Tenn.; Richard E. Nygren, Knoxville, Tenn.; Lance McCold, Knoxville, Tenn.; Teresa Zogby, Knoxville, Tenn.; Carol Acker, Knoxville, Tenn.; Gary H. Irwin, Knoxville, Tenn.; Mary Lynn Dobson, Knoxville, Tenn.; and E. Kenneth McDonald, Knoxville, Tenn.●

REPRESENTATIVE WOLFF INTRODUCES LEGISLATION TO AMEND THE UNIFORM RELOCATION ACT

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. WOLFF. Mr. Speaker, today I am introducing legislation to amend the "Uniform Relocation Assistance and Real Property Acquisition Act of 1970." Public Law 91-946 provides for the uniform and equitable treatment of persons displaced from their homes, businesses, and farms as a result of Federal or federally assisted programs or projects.

Congress has learned of a number of problems associated with the program, most of which involve the differing regulatory policies for administering the program. The General Accounting Office recently published a report outlining a number of problems. The GAO report revealed that the problems in the program derive from a number of sources and that basic legislative amendments are needed to effectively manage the requirements of the relocation act.

My legislation would correct many of the inequities in the current law. My amendment would: First, provide for greater clarification to the definition of those eligible for assistance; second, require the President to designate one Federal agency to develop a single set of regulations and procedures for the program; third, increase the benefits provided under the act to take into consideration today's higher costs for housing and related expenses and; fourth, require the preparation and submission of an annual report about relocation activities within the Government.

I hope you will join me in correcting this devastating problem. The full text of the bill follows:

H.R. 6756

A bill to amend the Uniform Relocation Assistance and Property Acquisition Policies Act of 1970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniform Relocation Assistance Act Amendments of 1979".

DEFINITIONS

SEC. 2. (a) Section 101(2) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended to read as follows:

"(2) The term 'State' means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, the Trust Territory of the Pacific Islands, any Indian tribe or reservation, and any political subdivision thereof.".

(b) Section 101(3) of such Act is amended by adding at the end thereof the following: "Such term also includes any entity which has eminent domain authority under State law.".

(c) Section 101(4) of such Act is amended by inserting "to any Sate agency, State, or person" after "United States".

(d) Section 101(6) of such Act is amended to read as follows:

"(6) The term 'displaced person' means any person who moves from real property or moves personal property from real property, or who moves a business or farm operation, directly or indirectly as a result of—

"(A) a program or project undertaken by a Federal agency; or

"(B) a program or project undertaken with Federal financial assistance by a person with a legal ownership interest in the property, a State, or State agency.".

POLICY

SEC. 3. Section 201 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended by adding at the end thereof the following: "It is the intent of Congress that no Federal or federally assisted program or project should be undertaken which requires the displacement of persons from their dwellings, business operations, or farm operations unless the program or project includes all possible measures to minimize such displacement. However, if, nevertheless, a person should be displaced from his dwelling, business operation, or farm operation, it is the intent of Congress that such person should receive fair compensation and should, to the maximum extent possible, be relocated in the area where such dwelling, business operation, or farm operation is located."

MOVING AND RELATED EXPENSES

SEC. 4. (a) Section 202(a) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended—

(1) by striking out the matter preceding clause (1) and inserting in lieu thereof the following:

"SEC. 202. (a) Notwithstanding any other provision of law, whenever a program or project undertaken in any State by a Federal agency, such State, a State agency of such State, or any person furnished Federal financial assistance pursuant to a grant, contract, or agreement will result in the displacement of any person, the head of the Federal agency administering or providing such financial assistance shall provide for the payment to the displaced person of—"; and

(2) by adding at the end thereof the following: "Expenses paid for relocation of a business or farm operation under this subsection shall include, but not be limited to, actual reasonable expenses, not in excess of $5,000, incurred by a person for architectural, legal, engineering, appraisal, or other professional services in preparation for moving such operation.".

(b) Section 202(b) of such Act is amended by striking out "$300" and "$200" and inserting in lieu thereof "$600" and "$400", respectively.

(c) Section 202(c) of such Act is amended—

(1) in the first sentence by striking out "$2,500" and "$10,000" and inserting in lieu thereof "$5,000" and "$20,000", respectively; and

(2) in the last sentence by inserting "of the displaced person's choosing out of the five taxable years" after "during the two taxable years".

REPLACEMENT HOUSING

SEC. 5. Section 203(a)(1) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended—

(1) by striking out the matter preceding subparagraph (A) and inserting in lieu thereof the following:

"SEC. 203. (a)(1) In addition to payments otherwise authorized by this title, the head of the Federal agency shall make an additional payment not in excess of $25,000 to any displaced person who is displaced from a dwelling actually owned and occupied by such displaced person for not less than 90 days prior to the initiation of negotiations for the acquisition of the property, unless ownership or occupancy was not in good faith or was solely for the purpose of obtaining the benefits of this Act. Such additional payment shall include the following elements:";

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following:

"(C) The amount, if any, by which the annual real property taxes on the replacement dwelling at the time of displacement exceed the annual real property taxes on the dwelling from which such person is displaced multiplied by the number of years in the term of the mortgage on the replacement dwelling.".

REPLACEMENT HOUSING FOR TENANTS AND CERTAIN OTHERS

SEC. 6. Section 204 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended—

(1) in paragraph (1) by striking out "$4,000" and inserting in lieu thereof "$8,000";

(2) in paragraph (1) by striking out "four years" and inserting in lieu thereof "six years";

(3) in paragraph (2) by striking out "$4,000," and all that follows through the period at the end of such paragraph and inserting in lieu "$8,000."; and

(4) by adding at the end of such section the following: "The additional payment to any displaced person under this section shall be made unless occupancy was not in good faith or was solely for the purpose of obtaining the benefits of this title. No displaced person shall be denied benefits under this section due to the condition of the dwelling unit to which such person is relocated, but nothing in this sentence relieves any agency or person from its obligation under this title to relocate all displaced persons to decent, safe, and sanitary housing.".

RELOCATION ASSISTANCE ADVISORY SERVICES

SEC. 7. (a) Section 205(a) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended to read as follows:

"SEC. 205. (a) Whenever a program or project results in the displacement of any person, the head of the Federal agency administering or providing assistance with respect to such program or project shall establish and maintain a relocation assistance advisory program which shall comply with subsection (c) of this section. If such agency head determines that any person occupying property immediately adjacent to the real property acquired is caused substantial economic injury because of the program or project, such person shall be treated as a displaced person for the purposes of this Act.".

(b) Section 205(b) of such Act is amended by inserting ", State, or person" after "State agency".

(c) Section 205(c)(2) of such Act is amended by inserting "and farm operations" after "displaced businesses".

(d) Section 205(c) of such Act is amended by striking out "and" at the end of paragraph (5), redesignating paragraph (6) (and any references thereto) as paragraph (7), and inserting after paragraph (5) the following new paragraphs:

"(6) make available to displaced persons information concerning Federal or State programs which may be of assistance to displaced persons;

"(7) make available to displaced persons information concerning buying, selling, and mortgaging real property; and".

(e) Section 205(d) of such Act is amended to read as follows:

"(d) The assurances required by subsection (c) that housing will be available shall—

"(1) be made prior to Federal approval of the program and project and be updated at reasonable times thereafter;

"(2) be based upon a careful, detailed written analysis of the potential displacees housing needs and the availability of housing which complies with subsection (c)(3) of this section; and

"(3) include plans for complying with section 206, unless it is determined that comparable replacement housing as required by subsection (c)(3) of this section will be available.".

HOUSING REPLACEMENT

SEC. 8. Section 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended to read as follows:

"HOUSING REPLACEMENT BY FEDERAL AGENCY AS LAST RESORT

"SEC. 206. (a) If a Federal or federally assisted program or project cannot proceed to actual construction because comparable replacement sale or rental housing complying with the requirements of section 205(c)(3) is not available and the head of the Federal agency determines that such housing cannot otherwise be made available, the agency head may take such action as is necessary or appropriate to provide such housing by use of funds authorized for such project.

"(b) No person shall be required to move from his dwelling on account of any Federal or federally assisted program or project unless the Federal agency is satisfied that replacement housing, in accordance with section 205(c)(3), is available to such person.".

LOCAL COOPERATION

SEC. 9. Section 207 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended to read as follows:

"REQUIREMENT OF FURNISHING REAL PROPERTY INCIDENT TO FEDERAL ASSISTANCE (LOCAL COOPERATION)

"SEC. 207. Whenever real property is owned or acquired by a State agency, State, or person and furnished as a required contribution incident to a Federal or federally assisted program or project, the Federal agency having authority over the program or project may not accept such property unless the State agency, State, or person has made all payments and provided all assistance and assurances as are required by sections 210 and 305 of this Act. Such State agency, State, or person shall pay the cost of meeting such requirements in the same manner and to the same extent as the real property acquired for such project.".

AGENT FOR FEDERAL PROGRAM

SEC. 10. Section 208 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended to read as follows:

"STATE, STATE AGENCY, OR PERSON ACTING AS AGENT FOR FEDERAL PROGRAM

"Sec. 208. Whenever displacement is effected by a State, State agency, or person at the request of a Federal agency for a Federal or federally assisted program or project, such displacement shall for the purposes of this chapter be deemed displacement by the Federal agency having authority over such program or project.".

REQUIREMENT FOR RELOCATION ASSISTANCE

SEC. 11. Section 210 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended—

(1) by striking out "State agency" each place it appears and inserting in lieu thereof "State, State agency, or person"; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following new paragraphs:

"(3) within a reasonable period of time, but in no event less than six months, prior to displacement, comparable decent, safe, and sanitary replacement dwellings will be available to displaced persons in accordance with section 205(c)(3); and

"(4) at least 90 days before the initiation of negotiations for acquisition of any dwelling, public notice of such negotiations shall be provided.".

FEDERAL SHARE OF COSTS

SEC. 12. (a) Section 211(a) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended—

(1) by inserting ", State, or person" after "State agency" each place it appears; and

(2) by striking out ", except that," and all that follows through the period at the end thereof and inserting in lieu thereof a period.

(b) Section 211(b) of such Act is amended by inserting "or receives a payment from a legal owner" after "eminent domain".

(c) Section 211(c) of such Act is amended by inserting ", State, or person" after "State agency" each place it appears.

ADMINISTRATION

SEC. 13. Section 212 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended by inserting ", State, or person" after "State agency" each place it appears.

REGULATIONS

SEC. 14. Section 213 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended to read as follows:

"REGULATIONS AND PROCEDURES

"SEC. 213. (a) In order to promote uniform and effective administration of this Act, the President shall designate a Federal agency to establish a single uniform set of regulations and procedures for use by Federal agencies and by States, State and local agencies, and other recipients of Federal financial assistance.

"(b) Such Federal agency shall take appropriate action to assure the uniform application and interpretation of the regulations and procedures established pursuant to subsection (a).

"(c) Any person aggrieved by any action of a Federal agency, other than the Federal agency designated under subsection (a), under this title may petition the head of the Federal agency designated under subsection (a) for a hearing on the record in any case where the application or interpretation by such other agency of the regulations and procedures prescribed under this section are at variance with an application or interpretation thereof by any other agency. In any such proceeding, the designated Federal agency may by order direct such other agency to take such action as may be appropriate to achieve the purpose of this section.

"(d) The Federal agency designated by the President pursuant to subsection (a) shall adjust each dollar figure contained in the provisions of this title effective October 1 of each fiscal year beginning after September 30, 1981, by increasing each such amount by a percentage equal to the percent increase, if any, in the price index published for December of the preceding year over the price index published for December of the year before the preceding year. As used in this section, the term 'price index' means the Consumer Price Index for all Urban Consumers (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

ANNUAL REPORT

SEC. 15. Section 214 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended to read as follows:

"ANNUAL REPORT

"SEC. 214. The head of each Federal agency shall prepare and submit an annual report to the Federal agency designated by the President under section 213 of this Act on the activities of such agency with respect to the programs and policies established or authorized by this Act, and the head of the Federal agency so designated shall submit such reports to the President and the Congress not later than January 15 of each year, beginning January 15, 1981, together with his comments or recommendations. Such reports shall give special attention to: (1) the effectiveness of the provisions of this Act assuring the availability of comparable replacement housing, which is decent, safe, and sanitary, for displaced homeowners and tenants; (2) actions taken by the agency to achieve the objectives of the policies of Congress, declared in this Act, to provide uniform and equal treatment, to the greatest extent practicable, for all persons displaced by, or having real property taken for, Federal or federally assisted programs; (3) the views of the Federal agency head on the progress made to achieve such objectives in the various programs conducted or administered by such agency, and among the Federal agencies; (4) any indicated effects of such programs and policies on the public; and (5) any recommendations he may have for further improvements in relocation assistance and land acquisition programs, policies, and implementing laws and regulations.".

DISPLACEMENT

SEC. 16. Section 217 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended to read as follows:

"DISPLACEMENT BY PROGRAMS RECEIVING FEDERAL ASSISTANCE

"SEC. 217. A person who moves or discontinues his business, or moves other personal property, or moves from his dwelling as a result of any program or project undertaken by a Federal agency or any federally financed activity undertaken by a State, State agency, or person shall, for the purposes of this title, be deemed displaced as the result of the acquisition of real property.".

REAL PROPERTY ACQUISITION

SEC. 17. Section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended—

(1) by adding at the end of paragraph (2) the following new sentences: "Upon request of the owner or his representative, there shall be provided, a second appraisal by a different appraiser. The second appraisal shall be conducted under the same assumptions, information, and procedures as the first appraisal."; and

(2) by adding at the end thereof the following:

"(10) If the acquisition of property for the site of a program or project would leave any person owning property affected by such program or project with an uneconomic remnant, the head of the Federal agency administering or financing the program or project shall offer to acquire that property which would be adversely affected so that the owner and occupant would be entitled to full benefits under this Act.

"(11) At least 90 days before the initiation of negotiations for acquisition of any dwelling, the head of the Federal agency concerned shall provide public notice of such negotiations.".

GIFTS

SEC. 18. Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is amended by adding at the end thereof the following new section:

"GIFTS

"SEC. 307. Notwithstanding any other provision of this Act, the owner of real property; may give or donate all or part of such property to the Federal or State agency undertaking its acquisition, without prior determination of the just compensation therefor. Any such gift or donation shall be voluntary and may only be made in writing after the owner has been fully informed of his right to receive just compensation for the acquisition of such property as provided for in this Act.".

EFFECTIVE DATE

SEC. 19. The amendments made by this Act shall take effect October 1, 1980, and apply with respect to any claim proceeding, or action under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 which is pending on such date or which arises on or after such date.●

AND NOW RHODESIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. ASHBROOK. Mr. Speaker, Mr. Carter and the boys at Foggy Bottom should really be proud of themselves for the elections that took place last week in Zimbabwe-Rhodesia. Once again the forces of terrorism and intimidation have succeeded in thwarting moderate democratic elements in a society. Once again the U.S. efforts to weaken pro-American forces within the country have paid off in bringing a Marxist regime to power. Where will it all end? Already the analysts are eyeing Namibia and South Africa as the next fronts where the United States can sell out. After they are gone, all of Africa is gone. Then what?

I know many of my colleagues and the news media are still celebrating Robert Mugabe's victory of last week. To them the results of the parliamentary elections are a vindication of the years they opposed white rule in Salisbury and cheered on Nkomo's and Mugabe's violence. Their snubbing of Bishop Muzorewa's government is also supposedly all right now since he only received three seats in the new parliament. When will we ever learn? The weakened condition of Rhodesia after years of diplomatic and economic isolation was no match for the heavily armed forces of the terrorists who used Chinese, Soviet, and Cuban advisers and arms to bring the country to its knees. With an adverse international climate and a mounting terrorist war within its borders Rhodesia was trapped by events beyond its control. To the credit of Margaret Thatcher, there was a valiant attempt to salvage democracy through negotiations. Unfortunately, the neglect shown Rhodesia by the United States and by previous British Governments had already done enough damage.

What happened in Rhodesia during the elections is an outrage to every concept of fairness. Reports coming from a number of observers show widespread intimidation of the electorate by Mr. Mugabe's guerrillas. One on-the-scene observer, Martin Meredith, reported on February 24, one typical method of insuring support for Mugabe's ZANU party:

> Earlier this month, to take one of the less blood-curdling examples, three Nkomo activists—a candidate and two party workers—were putting up posters in Chibi tribal trust land in south-central Rhodesia. They were seized by two gunmen, who identified themselves as Zania men, adding that they had instructions from Mugabe to kill anyone who defiled their ban on other parties in the area.
>
> The three were then marched to two nearby villages where the population, clearly frightened, was assembled. The villages were told to ignore Nkomo's party, informed that ZANU (PF) had equipment to detect how they voted, and warned that anyone who voted for other than Mugabe would have their heads cut off.
>
> The two Nkomo party officials were then beaten up but managed to escape. The luckless candidate was last seen having red-hot coals stuffed down his throat.
>
> The overall effect of such tactics has been dramatic. The conclusion of Soames' election supervisors is that in five of Rhodesia's eight electoral provinces, conditions for a free election no longer exist. Mass intimidation is recorded in Manicaland, Victoria, Mashonaland East and Central, with political thuggery in parts of Matabeleland South. Only Mashonaland West, Matebeleland North and Midlands are free of fear, according to the supervisors. In Victoria Province, the worst affected area, both Muzorewa and Nkomo have abandoned attempts to hold rallies. At a recent meeting in Salisbury, Nkomo said: "The word intimidation is mild. People are being terrorized. It is terror."

Mr. Speaker, another observer, Richard McCormack, reported that the consitutency of Fort Victoria had only Mugabe candidates were campaigning there because Nkomo and Muzorewa workers had met with violent deaths. This is not democracy, it is a seizure of power.

The offical reports from Zimbabwe-Rhodesia talk about efficient election management and high voter turnouts. The Britsh did provide effective electoral control, however, this does not translate into fairness. In an environment of fear, that even the official observers made note of, only the forces of fear prevail. Murders, threats, and shows of force carried the day in the elections, not policy and popular will. As for Mr. Mugabe himself, he is now wearing suits and sports conservative glasses and a proper British accent. Gone are the military fatigues and the African dialect. How long will this packaging survive once power is consolidated?

What is next for Africa? After a few months of peace the guerrillas and their Cuban and Soviet advisers will move further southward to force their solutions on Nambia. After the SWAPO Marxists triumph there, it will move on to the major prize of the continent—South Africa.

This march of Communist control could have been avoided. The United States could have shown some leadership years ago in bolstering moderate forces in Rhodesia. It could have given aid to Muzorewa. It could have provided moral guidance to the British. Instead Mr. Carter stood aside, and watched things happen. He let Andrew Young cheer on the terrorists and let Mugabe and Nkomo come to the United States to rally support. At the same time he frustrated attempts made by the government in Salisbury to establish dialogs with the United States. Just like Nicaragua, Taiwan, and Iran, the White House decided to watch a friend fall.

Time is running out for America. Every nation that falls to communism strengthens the Kremlin's grip on our lifelines to the rest of the world. Every nation we abandon weakens our ability to keep the friendship of what few allies we have left. There may come a day when America's word will not be worth the paper it is printed on. At that point where will we turn if the Soviets make their move? Rhodesia did not have to succumb to Robert Mugabe. His election was not inevitable. It was only when we allowed violence to rule events and refused to aid a friend that things came apart. Not too long ago America was known for its courage in standing beside our friends. We are now getting known for weakness. Thank you, Mr. Vance. Thank you, Mr. Carter. Your efforts have done in 3 short years what the leaders of the Kremlin have tried to do in 20 on the continent of Africa. I hope you are proud of yourselves, because America and the remnants of the free world are appalled.●

STUDENTS BOOST ALCOHOL FUELS RESEARCH

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. SAWYER. Mr. Speaker, as international tensions continue to grow, alcohol fuel is fast becoming one of the most important answers to America's energy future.

I want to call to the attention of my colleagues the impressive effort being undertaken by students at Cedar Springs High School, Cedar Springs, Mich., to study the alcohol conversion process and to produce a usable energy product.

I applaud the interest and enthusiasm of these students and commend their pioneer educational experiment which will contribute toward solving one of the most critical problems facing our Nation.

On February 29, the Grand Rapids Press ran a story about this remarkable project, which I include in the RECORD:

IN CEDAR SPRINGS, ALCOHOL FUELS HOPES FOR FUTURE ON FARM

(By Bill Dalton)

CEDAR SPRINGS.—In many of the Nation's schools, alcohol is a problem.

At Cedar Springs High School, where the latest educational equipment is a "still," alcohol may be a solution.

Moonshine could be the farmer's fuel of the future, according to a group of Cedar Springs agricultural students, who aim to make alcoholics of gasoline engines.

"It's almost perfect because many farmers already have the materials, such as corn, to make all the alcohol they want cheaply," explains junior Dave Patin, 16, 12901 Ritchie Ave., who also runs his own farm.

Since December, Patin and other students' studies have included shelling and grinding corn, cooking the "mash" and distilling the precious liquid they hope will be at least 160 proof grain alcohol.

But about all that will get gassed up on the booze is a lawn mower, not the students, who plan to make only a half-gallon.

The school is one of few in the country making alcohol without a permit under a waiver from the U.S. Treasury Department's Bureau of Alcohol, Tobacco and Firearms.

Regional bureau officials in Cincinnati say they've been swamped recently by requests from farmers for permits to produce up to 2,500 gallons of alcohol annually for use in agricultural equipment.

At least 95 such permits were issued in Michigan in the past year, and another 284 have gone to farmers in Ohio, Indiana, Kentucky, and West Virginia, bureau officials report.

Under orders from Congress to expedite such requests, the bureau usually sends out permits the day application is made. Permits are accompanied by a slick Government information package instructing farmers on how to make the home brew.

However, unlike their mountain ancestors who were efficient in their production of "cornlikker," many farmers don't know how to get the most alcohol yield for the least amount of investment, according to agriculture teacher Larry Reyburn.

Reyburn and instructor Ted Sabinas are helping the students in their attempt to cut farmers' alcohol production costs.

The students' experiment will compare alcohol yields from the use of expensive commercial enzymes to those of "natural" enzymes produced by sprouted grains. Enzymes break down starch to sugar, necessary in the fermentation process of making alcohol.

"We want to discover which is more economical for the farmer," Reyburn explains. "The commercial enzymes go for $9 a quart. In large-scale production, that becomes costly."

He notes that it takes a bushel of corn to get two to three gallons of alcohol. But using natural enzymes could sharply reduce costs, the students believe.

Additional experiments will determine what proof alcohol delivers the best horsepower.

A useful byproduct from the still is the leftover corn mash. It's 28 to 30 percent protein and can be used as livestock feed for cattle whose sobriety is not critical. Regular corn is 10 to 14 percent protein.

Eventually, farmers may be able to use garbage and wood byproducts as a grain substitute in making alcohol, the students note.

"In some states, fuel now is hard to get during harvest and planting seasons and during critical times, alcohol could be counted on," Patin remarks.

Patin hopes their experiments will result in alcohol becoming more competitive with gasoline. Depending on the efficiency of a still, alcohol can be produced for 80 cents to $1.50 a gallon, he estimates.

As gasoline creeps toward the $1.50 a gallon mark—and perhaps $2 by next year—farm costs also will rise.

Patin, who took over the family's 375-acre cash crop farm when his father died of leukemia last summer, understands fuel's importance to farmers. He has six tractors, three trucks and two gasoline engine combines.

Some of the farm implements are diesel-powered, but diesel fuel no longer is much of a savings because its price is almost comparable to gasoline.

Using alcohol as a fuel has some drawbacks, however, such as difficult cold-weather starting. Modifications sometimes must be made in carburetors.

Although school officials have ribbed the still project, they've been receptive to alcohol in the classroom. As a deterrent, however, the alcohol will be denatured, meaning that if anyone tried to drink it, they'd certainly retch and might die.

Patin and another student, Brian Heminger, 16, admit they've become quite popular in school.

"A lot of kids want the plans for making the still," Patin says.

For demonstration purposes, the students also built a half-scale mockup of backwoods stills that used to incur the wrath of government "revenooers."

The still-makers relied on Mother Earth News and the Foxfire books (reference manuals for self-sufficiency) in constructing mash pots, the firebox, steam pipes and condensers.

The still and an "Alcohol as a Fuel" demonstration recently won the district and regional Future Farmers of America leadership competitions. The students are preparing for state competition at Michigan State University during Farmer's Week, March 19-21.

"Eventually farmers should be able to totally convert from gasoline to alcohol," predicts Heminger, of 7125 Seventeen Mile Road. "World energy started on the farm, and we think it'll end on the farm."●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, Monday 10, 1980

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present on Thursday, February 28. Had I been present, I would have voted as follows:

Roll No. 106—yes.

Roll No. 107—no.●

A WAR MYSTERY: RETURN OF RELUCTANT PRISONERS TO SOVIET

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. McDONALD. Mr. Speaker, one of the relatively unknown atrocities of World War II and its aftermath was the forcible return to the U.S.S.R. of some 5 million people by the Allies, principally the United States, Great Britain, and France. Most of these people were prisoners of war of the Germans and the remainder were those who had been sent from the U.S.S.R. to labor in German factories or others who had retreated with the German forces from the U.S.S.R. Very few of them wanted to return to the U.S.S.R. Some 800,000 to 1,000,000 of the men had donned German uniforms at one time or another and some had even fought against Red army units, while others fought the Allies at the West Wall in Europe when the Allies landed. They comprised nearly all the nationalities that make up the U.S.S.R. and had only one thing in common—their hatred of Stalin and communism. They could have been a great asset to the West in the postwar world, but they were shipped back and in the case of the ex-prisoners many were sent back at bayonet point. This foolish policy adopted by the Allies caused many deaths as these people committed suicide. Once back in the U.S.S.R. many were shot outright, particularly ex-officers. Nearly all the enlisted men and civilians were sentenced to forced labor camps, where some survived to live to the post Stalin amnesty and be released back into Soviet society where Solzhenitsyn has written of their plight. The New York Times on Sunday, February 24, 1980, detailed one of the notable instances that took place on our own shores at Fort Dix, N.J., in June of 1945. And if anyone thinks this is just old history, recall that just recently we turned the whole nation of Nicaragua over to the Communists. The column follows:

[From the New York Times, Feb. 24, 1980]

A WAR MYSTERY: RETURN OF RELUCTANT PRISONERS TO SOVIET

WASHINGTON, February 22.—In June 1945, 153 frightened Soviet prisoners of war, who had been captured in German uniforms and feared they would be shot upon their return to Russia, begged President Harry S. Truman to allow them to stay in this country. The prisoners, who attempted to commit mass suicide by provoking their guards at Fort Dix to shoot them, received a Presidential reprieve the next day.

But classified Government documents disclose that all but seven of the soldiers were handed over to the Russians after the public furor had died down. The ultimate fate of the soldiers is not known.

The United States, the documents show, never swayed from its original intention to return the soldiers to the Soviet Union. Classified "secret" at the time, the repatriation of the Russians has been referred to since only in academic publications.

According to files gathered from the Department of War, the State Department and the Army, Federal officials were aware that the men would likely face death penalties. But they believed that the Soviet Government would hinder the return of American prisoners of war in the Far East if the Russians were not repatriated.

PREPARED FOR LARGER EFFORTS

Although it involved a small number of people, the Fort Dix case was of critical importance to United States policy on this subject and it set the stage for American participation in larger repatriation efforts in Europe.

From internal Government memorandums and telegrams, it is clear that the Russians' plight provoked intense debate within the Truman Administration, with some diplomats, including W. Averell Harriman, then the Ambassador to the Soviet Union, urging that the United States allow the soldiers to stay.

Public attention was first focused on the ragtag group on June 29, 1945, when the soldiers attacked the military police at Fort Dix with pieces of metal. "They just didn't appear to care for their lives at all," Capt. Richard Riewarts told Army investigators. "They pointed to their hearts and said shoot at it."

The next day, with the riot widely publicized, President Truman stayed the repatriation, but despite pleas from within the State Department, the Russians were quietly loaded onto a ship on Sept. 6, 1945. They were sent to Hof, Germany, where they were handed over to Soviet authorities.

BRITISH REPATRIATION POLICY

The war had jumbled national borders in Europe, and repatriation had been a major issue among the Allies for several years. The British policy, which was essentially adopted by the American Joint Chiefs of Staff in 1944, demanded that prisoners be returned "irrespective of the question of whether or not they want to be repatriated."

American officials were not happy with this. One telegram from officers in Europe predicted "a wave of unfavorable public opinion" if United States troops carried out the orders. Henry L. Stimson, Secretary of War, scrawled in a handwritten, undated memo that he objected.

"First thing you know," he said, "we will be responsible for a big killing by the Russians."

Under the terms of the Feb. 11, 1945, Yalta agreement, negotiated by the Allied powers, nationals held by one nation were to be returned to their country of origin. Throughout the early months of 1945, though, the declassified documents show that the United States spurned repeated Soviet requests to repatriate the prisoners who claimed German citizenship because it feared that the Nazis would harm American prisoners of war.

By May 1945, the Nazis were out of the war, and a major policy-making body, the State-War-Navy coordinating committee, ruled that any Russians captured in German uniforms should be immediately turned over to Soviet Authorities. The order included several thousand prisoners of war held by the Allies in Europe as well as the 153 Russian prisoners incarcerated in the United States.

153 ASSEMBLED AT FORT DIX

By June 28, the entire group had been assembled at Fort Dix and the Soviet Ambassador was notified that their departure would take place the next day.

They were a mixed lot. Some had joined the Germans out of hatred for the Soviets. Others had been captured by the Nazis and pressed into the German army with threats of death. But all believed that a return to the Soviet Union would mean disaster for them and what remained of their families.

In 1942, the Red Army had declared that anyone captured by the enemy was a traitor. Although Soviet officials later rescinded this directive, the prisoners in Fort Dix remained unconvinced. One 40-year-old officer, whose name was obscured on the documents, said: "I knew I was a traitor because when I was a commander in the Red Army, I myself read those orders to my troops."

Overnight, they fashioned a plan to provoke their own deaths. The metal beds in the Fort Dix barracks were easily dismantled, and the parts served as weapons for the Russians. At 9 the next morning, the Fort Dix executive officer, Captain Riewarts, ordered the men to fall out. He spoke in German, and he later told Army interrogators, "All I heard was a bunch of 'no's' or 'nein's.' "

Tear gas was thrown into the barracks through a window to dislodge the recalcitrant prisoners. Moments later, the Russians charged out of the building toward the armed guards, shouting while swinging their makeshift weapons. Shots were fired, and nine Russians suffered wounds, none of them fatal.

After the guards quelled the uprising, Fort Dix officers found that three of the Russians had hanged themselves. Fifteen more nooses hung from the ceiling unused, the officers said.

According to the Army Inspector General's report, the prisoners were then loaded into buses and shipped to Camp Shanks, N.Y., to await their June 30 departure. The trip passed in relative calm, although one Russian had to be hospitalized after swallowing a razor blade.

The next day, the prisoners were granted their Presidential reprieve, pending completion of an investigation of the Fort Dix riot and the nationality of each prisoner.

SEVEN ALLOWED TO STAY

Further interrogation during July disclosed that seven prisoners were not Soviet citizens. Russian officials agreed to let them stay in this country, but demanded the immediate return of the remaining 146.

Within the State Department, the Department of Legal Affairs contended that sending the prisoners to the Soviet Union would result in their execution and thus violate the prisoners' rights under the Geneva Convention. Ambassador Harriman reported from Moscow that trainloads of repatriates from all over Europe passed through the city, and he said those judged guilty of desertion were probably being shot.

The winding down of the war in the Far East ultimately led to a decision by the United States. On Aug. 20, 1945, Elbridge Durbrow, chief of the State Department's Division of European Affairs, said in a memo that the repatriation should take place without delay, "since there are a large number of American prisoners held by the Japanese in Manchuria who will shortly be liberated by the Soviet forces."

The last reference to the deported soldiers is an official Army shipping order that states that two Soviet majors, Valenian Sharapov and Pyotr Grechishkin, "will accompany shipment 000 to B516 and thence to final destination."

From other documents, it can be inferred that the transfer was handled by an Army officer named Major Suffield and that B516 was Hof, a town on the autobahn between Nuremberg and Leipzig. The prisoners' "final destination," however, remains a mystery.●

HOW NOT TO FIGHT INFLATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. HAWKINS. Mr. Speaker, in the next week to 10 days, this body will receive some proposals from the President which will be billed as the answer to our inflation problems. I wish to point out right here and now that if current reports are accurate, and the President bases his so-called new anti-inflationary measures on drastic budget cuts, and possibly credit controls, that I will oppose such misguided, symbolic gestures because they are mere expedients and will do absolutely nothing to bring down inflation. In fact, such a program may well result in a further deterioration of the already shredding economic fabric of our Nation.

How many times must we point out that economically speaking, draconian budget cuts, especially in the anti-inflationary, domestic side of the Federal budget, will not affect the rate of inflation?

How many times must we point out that economically speaking, inflation is out of control and we must undertake bold and effective initiatives which will strike at the true causes of the price spirals in the inflationary sectors in the economy?

How many times must we point out that economically speaking, the only answer to our current inflationary explosion is immediate imposition of across-the-board controls, that will effectively stop a further surge of inflation, accompanied with a focused attack on the basic causes of the inflation; which are the price increases and shortages in the basic necessities of energy, housing, medical care, and food. Only through such a planned, coordinated effort will we really be able to bring the economy back to full use of its human and material resources and to an economic environment characterized by full employment, price stability, and increased productivity.

It is quite evident to me that our constituents are very much aware of how their household budgets have been pinched by skyrocketing costs in the basic necessities. Their message is loud and clear. We must now repeat their message over and over again, until we, as policymakers and partners in economic decisionmaking, take heed and act accordingly. Therefore, I encourage my colleagues to read the following thoughtful explanation of "How Not To Fight Inflation," which appeared in the March 9, 1980, Washington Post Op-Ed page.

The article follows:

[From the Washington Post, Mar. 9, 1980]

How Not To Fight Inflation

(By Gar Alperovitz and Jeff Faux)

We are about to go through another round in the symbolic waltz that passes for a strategy to control inflation. Frightened by January's 18.2 percent annual-rate rise in consumer prices and by widespread calls for wage and price controls, the Carter administration plans to hand us about $20 billion in budget cuts—$4 billion this year, the rest in fiscal 1981.

In a $2 trillion economy the effect will be roughly similar to using a 22-caliber rifle to deflect a charging elephant. The Congressional Budget Office calculated a year and a half ago that $25 billion in budget cuts would shave a mere one-tenth of 1 percent off the inflation rate over a year. The optimists think we might get two-tenths to three-tenths of a point less inflation. Whatever the short-term political value of a budget-cutting binge, it clearly has little to do with our real and urgent inflation problems.

Budget-cutting is merely a continuation of what Arthur Okun has called "muddle-through economics," a strategy based on the assumption that government should not directly deal with the larger forces battering the economy, or at least not on purpose. In other words, the strategy simply means trying to stave off disaster in the hope that your luck will turn.

This crossed-fingers school is not without its virtues. When times are good and economic forces stable, a case of sorts can be made for leaving things pretty much as they are and merely tinkering at the margin. But we are in the midst of massive changes in our economic relationships against which muddle-through is of little help.

The administration's inability to go beyond wishful thinking was reflected early on when the president refused to ask Congress to reauthorize his power to impose standby wage and price controls. For the president to throw away his most important weapon (a weapon even when it is not used) was a remarkable act that he surely will regret. With inflation unlikely to ease much, let alone go away, he probably will be forced to ask for the popularly supported controls at some point. While we wait we can expect a round of price increases by businessmen who want to get in their boosts before the price gates slam down.

But the issues facing us go beyond controls and even beyond the appalling fact that the budget ax is likely to fall most heavily on the weakest members of society. They go to the larger question of whether we will simply continue to hope that "something will turn up"—or whether we will, on purpose, attack the central causes of inflation. Critics are correct in stating that if controls are clamped on, there would merely be another explosion of prices and wages once they are removed—unless we simultaneously root out the causes.

Our new inflation, it must be understood, does not stem primarily from generalized pressures. It has been concentrated in a few key sectors for most of the '70s. Virtually all the increase in the inflation rate between 1978 and 1979 was caused by special and by now familiar factors that increased prices of the "basic necessities"—energy, food, housing and medical costs. The combined rate for these items was 10.8 percent in 1978; last year it skyrocketed to 17.6 percent. By contrast, the inflation rate for consumer items other than these necessities changed only from 6.5 percent to 6.8 percent.

Conventional wisdom has viewed inflation in these key sectors as "temporary aberrations." The prescription is for wage earners to absorb the "shocks" and then the economy will resume its normal path. This is the meaning of Alfred Kahn's repeated argument that although "the desire to keep pace by catch-up increases is certainly understandable . . . unfortunately it is not possible . . ." Federal Reserve Board Chairman Paul Volcker has put the case more bluntly: "The standard of living of the average American has to decline."

Yet the necessities account for 60 to 70 percent of the spending of four out of five families; they take up 90 percent of spending for the lower 20 percent of society and even more for the poor among them (who must go constantly in debt—or steal—to pay for groceries and rent). Real spendable earnings of the average worker declined more than 5 percent last year. There may be some modest fat in family budgets, but it is both economically and politically absurd, as well as morally unconscionable, to expect family budgets to absorb all of the 17.6 percent inflation rate increase in basic necessities—a rate which in 1979 was virtually double the average 8 to 9 percent wage settlement. This, however, has been precisely the premise of most of the administration's strategy.

Specifically, what Kahn and Volcker have in mind is a deflationary policy to force down general demand for goods and services. Here is where their economics become more muddled: The past failures in the "necessities" sectors are now "spilling over" into wage demands, as they inevitably had to. But symbolic budget cuts will not significantly affect demend, nor will they do much about food and fuel prices.

Indeed, the administration hasn't done much generally to ease inflation in the key sectors. Tightening the money supply obviously increases both business costs—particularly threatening the survival of small businesses—and monthly home mortgage payments. It also increases long-term inflationary problems in housing by reducing investment. When he presided over the Federal Reserve Board, William Miller had the honesty at one point to acknowledge the substantial irrelevancy of monetary policy to the biggest sectoral problems. Moreover, in energy, as is well known, the administration has deliberately stimulated inflation with its price-decontrol policy.

Only in connection with its weak hospital cost-containment proposals and support for a slight expansion of assistance to health maintenance organizations did it seriously attempt to target a basic-necessity sector. But the approach here has been half-hearted, and, more importantly, the anti-inflation benefits would be counteracted if the administration's plan for catastrophic-only health insurance were implemented.

Unless we focus on the necessities while wage-price controls are in effect, we will squeeze family income even further. This has happened already under the voluntary wage-price program, and it will worsen if key items in the family budget—fuel oil and food, for example—are allowed to skyrocket (as has happened in the past during periods of controls) while wages are held down with the force of law. We could see a replay of the Nixon program, properly described by one of the top men in then charge, Arnold Weber, as a mechanism to "zap labor." Wage-price controls by themselves would actually do more than that today: They would crush the average household budget. Unless, that is, we go beyond posturing.

Barry Bosworth, to his credit, has acknowledged that much of the anti-inflation strategy he helped design as director of the Council on Wage and Price Stability was based on the false assumption that we can treat inflation in the necessities as aberrations.

Can anyone believe energy prices will go anywhere but up during the 1980s, especially with the president letting domestic energy prices rise to OPEC-determined levels? The same holds for food: As food analyst Lester Brown notes, the growing gap between world food demand and supply "takes us to the bottom line," promising future price rises "that may dwarf those of the recent past." To what but spiralling health care costs can we look forward as the population ages and as medical science develops new technologies that are not subjected to hard cost-benefit analyses? Similarly, by driving interest rates high enough, we may succeed in making it impossible for young couples to own a home, but how will we prevent the rent increases that will result (people have to live somewhere) from forcing poor people out of theirs?

Controls alone self-evidently do not deal with the fundamentals of health care inflation. We need instead a steady expansion of prepaid health care and health maintenance organizations employing salaried professionals. We also need to devote far more of our national health resources to health education and other public and occupational health measures.

The longer-term inflation in housing requires us to expand the supply to bring it into line with growing demand. Current tight-money strategies aim only at dampening short-term speculation and run contrary to the fundamental problem: We are in the midst of a surge in household formations as the postwar baby boom has become a family boom and as more people (divorcees, the young and the elderly) are living alone. In the 1980s we will need a phased program which steadily allocates more credit and investment to the housing sector.

Recontrol of energy prices (at least in necessities areas) is essential if the energy part of inflation is ever to be controlled. But recontrol makes sense only if coupled with direct measures to achieve energy conservation. These include gasoline rationing, tough auto mileage standards and more meaningful solar, gasohol and insulation and weatherization programs, to say nothing of expanded systems of mass transit and passenger railroads. Direct government-to-government efforts to diversify our oil supply with more non-OPEC countries are also essential.

The obstacles to solving our underlying food inflation problems are more political than economic. We are not in a shortage situation here as in energy. Relative to domestic needs, the United States is the richest agricultural nation in the history of the world; we export half of our grain.

But the United States (unlike virtually every other major industrialized country) does not yet have a serious policy of insulating our domestic food economy from the effects of short-term world shortages. A system of export management, coupled with expanded deficiency payments to farmers, could stabilize domestic grain prices and thereby also reduce fluctuations in meat supplies. International agreements on grain reserves must also be pursued.

In short, for our anti-inflation strategy to be something other than wishful thinking or a repeat of Richard Nixon's election-year controls program, this administration or the next must have a clear plan for how it wants to reshape the key markets generating the bulk of the inflation. This requires more than a simple-minded notion of government intervention; it requires a willingness to plan.

Planning is a dirty word in American politics. Instead we prefer muddling towards a crisis solution like unplanned wage-price controls. It is an all too familiar pattern. Both the massive government interventions to bail out Chrysler and to build an $88 billion synfuels industry were preceded by the muddle-through, symbolic posture of looking the other way and hoping something would turn up.

We may have to go through an economic bloodbath before the lesson is learned: Government intervention is the likely result of the process in any event. The question is whether it is based on serious confrontation with the new problems we actually face.

Once all of this is recognized, we may have a chance of dealing with the central issue facing the economy in the coming decade: the sharp lag in U.S. productivity. From 1967 to 1978, for example, output per manhour in U.S. manufacturing rose only 28 percent, while it climbed 75 percent in West Germany and 113 percent in Japan. Our manufacturing growth was the lowest of 11 industrial nations—trailing even Great Britain. And last year we suffered an actual decline in productivity.

If we repeat this performance this decade, the effects of compounding guarantee that the very heart of our industrial economy will be threatened while our major competitors race forward.

But no intelligent executive can plan for long-term investment in high-productivity equipment unless there is confidence of a growing market. So the uncertainties of our stop/start economy caused by the government's policy responses—or non-responses—lead business to shift away from long-term, productivity-improving investments toward short-term speculation.

To some, the answer is always "supply-side economics," especially more tax breaks for business to help increase productivity. But most executives make large investment decisions because of confidence in a future market, not because of tax breaks. Congress' General Accounting Office, assessing the effect of investment tax credits in 1978, found they prompted little change in actual investment decisions—at a cost to the federal budget of $19 billion.

While a "supply-side economics" is necessary, it must be carefully targeted to the problem sectors—and integrated, on purpose, into an overall plan that can offer confidence in resumed growth. We can no longer just cross our fingers that we will avert a major crisis.●

U.S. ADMISSION OF ERROR IN U.N. ISRAEL VOTE IS NOT ENOUGH

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. OTTINGER. Mr. Speaker, the administration's confession of error in casting a vote against Israel in the U.N. Security Council last week cannot undo the damage that vote has done to our national credibility. Let the administration be assured that Congress will never tolerate the abandoning of principles or jeopardizing the security of our true friend and ally, Israel. Ivan Novick, president of the Zionist Organization of America, eloquently addresses this issue in his letter to the editor that recently appeared in the New York Times. I commend the letter to my colleagues attention:

CARTER'S DECISION AGAINST THE JEWS

To the EDITOR:

On the day of the Jewish Sabbath, the United States delegate to the United Nations, Donald F. McHenry, joined with antidemocratic forces in the Security Council in support of a resolution intended to negate the right of the Jewish people to the land of Israel.

President Carter's decision to support this infamous U.N. action ignored the historic, religious, legal and moral rights of the Jewish people. It brings us tragic memories of the consequences of appeasement at a time when a strong America must show its resolve as a free nation challenged by a hostile world.

The President's action was counter-productive to the decisions made in good faith at Camp David. By capitulating to the Rejectionist Front we have catered to the worst elements opposing the peace process between Egypt and Israel. The satisfied reaction of the P.L.O. spokesman at the U.N. expressing gratification for the vote was a clear indictment of the decision that was taken.

In spite of long-established views held by Mr. Carter's predecessors as well as most members of Congress, the President, unwisely, has shifted American policy. Should Israel, the one country that is most vulnerable to terrorism, be condemned by the United States, whose citizens are at this very moment being held hostage by P.L.O.-supported fanatics in Iran?

President Carter's extraordinary statement that a failure in communication caused the U.S. representative to vote in error is distressing. Yet we note with regret that Mr. Carter has not changed his basic views. Even a vote to abstain was not the answer. Instead, a resounding "No!" would have been of great credit to our nation. This would have met with the approval of the American people, who will not tolerate the forsaking of principles or jeopardizing the security of proven friends.

IVAN J. NOVICK,
President,
Zionist Organization of America.●

REFORM OF ONSHORE OIL AND GAS LEASING

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. MILLER of California. Mr. Speaker, Secretary of the Interior Andrus has wisely suspended the lottery leasing of onshore oil and gas lands because of reported widespread abuses.

Several critiques of the "simultaneous leasing system" have documented that taxpayers are not receiving a fair market return from the lottery, and that domestic reserves are not being expeditiously developed.

Following my own investigation last year, I introduced H.R. 4373, "The Public Oil and Gas Lands Leasing Act." The Senate has conducted hearings on this issue, and has several bills under consideration, including one offered by the administration.

I would like to share with my colleagues the testimony on H.R. 4373 which I delivered to the Senate Subcommittee on Energy Resources and Materials Production last July. I also invite my colleagues to join me in cosponsoring H.R. 4373.

The statement follows:

TESTIMONY OF HON. GEORGE MILLER OF CALIFORNIA, BEFORE THE SUBCOMMITTEE ON ENERGY AND MATERIALS PRODUCTION, U.S. SENATE, JULY 11, 1979, ON TITLE VII OF S. 1308

Senator Ford and members of the subcommittee, I appreciate having the opportunity to testify this morning before this subcommittee on the need to enact legislative changes in the system by which onshore oil and gas resources on public lands are leased.

For the past several months, I have conducted an investigation of the onshore leasing system. As part of this study, I have reviewed numerous reports and critiques of the so-called "simultaneous leasing program". Virtually all of these studies, by the General Accounting Office and the Department of the Interior concluded that the current system cheats the taxpayers of this country and that it results in unnecessary delays in the development of oil and gas resources which we desperately need.

The Mineral Lands Leasing Act, under which the leasing of public oil and gas is conducted, must be changed to expedite the safe production of oil and gas, and to assure that the public receives a fair return from the development of its resources.

Title VII of S. 1308 addresses some of the problems in the noncompetitive leasing program. I would like to commend the chairman of your committee, Senator Jackson, for having taken the initiative in introducing this legislation.

I believe that the revision of the program should go further than has been proposed in S. 1308. The numerous and longstanding flaws in the current system have been the subject of GAO studies in 1955, 1961, 1970, and 1979. The Bureau of Land Management (which runs the program) issued a critical report in 1978, as did the Department of the Interior some ten years earlier.

In 1966, 1968, and most recently a few weeks ago, the Department of the Interior recognized the need to reform this system. While Secretary Andrus' administrative proposal would address some of the problems, comprehensive legislative changes are certainly required.

I have attempted to develop such a legislative package in H.R. 4373, "The Public Oil and Gas Lands Leasing Act", which I would like to submit today as a part of the Record. This comprehensive legislation is designed to remedy the most severe shortcomings of the current system, as revealed in the various studies to which I have referred. I would like to take a few minutes to describe these problems, and the solutions which H.R. 4373 offers to them.

LOTTERY PROGRAM

Under the current law, competitive bidding may be used only on public lands where there is a "known geologic structure" (KGS). On all other lands, a noncompetitive system must be used.

To eliminate the disorganization and confusion associated with these noncompetitive drawings, the "simultaneous filing system" was created in 1960 under which an unlimited number of potential lessees may submit their names for a lottery on parcels of land.

As early as 1968, the U.S. Department of the Interior noted the serious objections to this program which had been raised by the Department of Interior and the Independent Petroleum Producers Association, and questioned whether the noncompetitive system "is sufficiently in tune with the 'real world' ".[1]

PUBLIC DENIED FAIR RETURN

The public does not receive the fair market value for the publicly owned gas and oil leased under the noncompetitive system. Under that system, participants in the lottery pay a $10 filing fee, an amount established "without the benefit of a cost study" in 1950, and never updated.[2]

In its 1970 study, GAO definitively concluded: Under the present leasing system, the rights to federally owned oil and gas are being disposed of at less than their fair market value. GAO concluded that competitive leasing would ensure that lands are leased at prices that more nearly approximate their fair market value.[3]

The public receives a royalty of only 12½ percent on its oil and gas leased through the noncompetitive system. By contrast, the offshore leasing program was severely criticized in recent years because it's allowed a royalty of 16⅔ percent. Under the new O.C.S. law, the Department of Interior has been selling offshore tracts for royalties in excess of 30 percent.

The General Accounting Office has repeatedly warned that the public is not receiving a fair return for its oil and gas. In one case, GAO concluded that the public was receiving only 5 percent of the fair market value!

In our rush to energy independence, we ought not give away to private interests billions of dollars of oil and gas which belong to the people of the United States.

The legislation which I have introduced converts the entire onshore program to a competitive bid program, and authorizes the use of a variety of bidding systems in order to give the Secretary of Interior the maximum flexibility in leasing these lands.

Competitive bidding was endorsed as long ago as 1961 by the Assistant Secretary of Interior, John M. Kelly, who said that his studies indicated that such a reform would curb speculation without restricting prospecting.

Nine years later, GAO concluded: The use of a competitive bidding system would eliminate the undesirable aspects of awarding leases of Federal lands on the basis of a drawing.

GAO continued: The disposal of the Nation's oil and gas resources under full and free competition would be more consistent with our free enterprise economy.[4]

COMPETITION

My legislation addresses the major concern which has been raised about an all-competitive system: that it would exclude smaller companies from acquiring leases.

This is obviously not the design of the legislation. We should be encouraging more companies to participate in exploring for, and developing our Nation's energy resources.

My bill, H.R. 4373, includes restrictions on joint bidding among major companies. The bill continues the current restriction on total acreage permitted any lessee and creates a further limit of 10 percent of the acreage offered for lease in any year.

LEASE ASSIGNMENTS

The conversion to a competitive leasing system would also reduce the high degree of speculation which exists in the non-competitive leasing program. The most serious of these abuses is the practice of "assigning" leases almost as soon as someone has won one. My research indicates that leases are frequently sold for far more money than the taxpayers sold it for.

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[1] Department of the Interior, "Public Land Management, Identification of problems—Analysis of Causes; A Report to the Public Land Law Review Commission" (Washington, D.C., March 29, 1968) 51.

[2] General Accounting Office, "Review of Selected Activities Relating to Lease and Disposal of Lands and Mineral Resources," BLM/DOI) (Washington, D.C., 1961) 12.

[3] ———, "Opportunity for Benefits Through Increased Use of Competitive Bidding To Award Oil and Gas Leases on Federal Lands" (Washington, D.C.) 12.

[4] GAO, "Opportunities for Benefits," 38.

This practice makes a mockery of the intent of the simultaneous leasing program. Few individuals really acquire and develop oil and gas leases. Both GAO, in 1970, and the Bureau of Land Management, in 1978, agreed that many participants in lotteries never intended to explore for or develop oil and gas reserves.

Indeed, less than 5 percent of all non-competitively awarded leases are under development.

As Interior noted in 1968, a sizable group of those awarded leases through the lottery "have immediately assigned their rights to others for high values which some contend ought to be collected through bonus bidding and retained on behalf of the Treasury."

There is no rational public policy benefit to this high stakes buying and selling of valuable public resources.

But some do benefit. The lottery program has given birth to many leasing companies which scout out, and bid on tracts for hundreds of applicants, collecting millions of dollars in fees for merchandising the resources of the people of the United States.

If you read the literature circulated by these companies, you will be reminded of carnival barkers:

"Yours for a richer summer."

"Yours for r-i-c-h-e-s in 1979."

"You can bring a gusher of money into your life."

These companies serve as agents for applicants, both in the original filing, and in negotiating the turn-around assignment sales, in many cases.

Some of these companies advertise having sold a $10 lease for as much as $200,000; other resales of $10 leases for $40,000 and $50,000 are not uncommon.

If these leases are worth tens of thousands of dollars, why shouldn't the public, which owns the resources, benefit from their sale instead of an individual who has done nothing at all but have his name pulled out of a hat?

Unrestricted lease assignment may also cause delays in developing leases, because the parcels are carved up into inefficient units. Moreover, the highly speculative nature of the system encourages people to delay exploration for years.

Lastly, the system is inconsistent with the need to expedite development of domestic energy resources, because applicants need not demonstrate that they possess the technical or financial abilities to develop oil and gas resources. Successful applicants either sit on their winnings, possibly shutting in valuable resources, or sell them at great personal profit, to the financial detriment of the interests of the people of the United States.

Many original lessees, and the leasing companies, are therefore little more than middlemen through which major oil companies secure valuable public resources for a song. The Department of Interior tells me that, while major companies win about 6 percent of all noncompetitive leases in the lotteries, they secure an additional 18 percent through reassignments, which are arranged without any public scrutiny or open bidding.

Thus, major oil companies have secured nearly 25 percent of all leases in a program designed to benefit the "little guy".

If there is a more idiotic way to dispense public resources in flagrant disregard of the public interest it has not come to my attention in the five years I have served in Congress.

EXPEDITE DEVELOPMENT

The legislation I have introduced would eliminate the current barriers to expeditious development.

Prospective lessees would have to demonstrate their financial and technical ability to develop oil and gas in order to be awarded a lease. Low rents (as little as $1 an acre annually, as compared to $11 or more for state lands) would be increased to encourage development. The duration of a lease would be reduced to five years, and could not be renewed unless diligent exploration and development were occurring.

In addition, no one could secure a lease who was not already performing diligently on all other public leases for oil and gas which he held.

Lastly, the Secretary would be given the authority to approve or order modifications in assignments of leases to assure that the broad public interest was being served.

Mr. Chairman, these policy reforms are the result of many investigations over the years, but they address very contemporary issues.

We need to develop our oil and gas reserves safely and quickly. The current simultaneous filing system for non-competitive leases is antiquated. It encourages speculation rather than production; it fosters delay instead of development; it provides riches for a few and denies the public the profits which we all deserve from the leasing of lands we all own.

It is time to bring our leasing program for these lands into conformity with the program for other public resources, as well as into conformity with the fundamental proposition that the public should benefit most from the development of public resources.

H.R. 4373 provides the framework for that reform. It assures rapid leasing, expeditious development, full competition and a fair return to the public. I am hopeful that House and Senate Members will work cooperatively together to assure that these policies are included in legislation to be enacted in this Congress.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present on Tuesday, February 26. Had I been present, I would have voted as follows:

Rollcall No. 82—no.●

REMARKS OF ALAN HENRY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. YOUNG of Florida. Mr. Speaker, for some time I have been calling for an all-out national program to encourage the production of more energy. Conservation is a commendable goal, but conservation alone is not enough.

Unfortunately, the Carter administration and the Department of Energy seem committed to programs which will merely allocate scarcity. One example of that effort was a hearing held in Atlanta March 3 to hear comments on a proposed standby Federal emergency energy conservation plan.

Mr. Alan Henry, president of the Gulf Broadcast Group—Rahall Division, of St. Petersburg, Fla., appeared at that hearing and took exception to the premise of the plan and to its impact on boating. His remarks are a thoughtful presentation of one aspect of our national energy problem, and I take pleasure in sharing them with Members of this House.

Mr. Henry's remarks follow:

TEXT OF COMMENTS BY ALAN HENRY

Good evening, Ladies and Gentlemen. My name is Alan Henry, I am President of a group of Television and Radio stations in the United States, headquartered in Tampa/St. Petersburg.

I'm representing myself—as a boater, and indirectly representing the thousands of boaters in the viewing area of our television station WTSP-TV.

As I understand it, this hearing is only one of a series of nationwide meetings undertaken as an outcrop of a mandate by Congress to DOE, to develop an alternate fuel conservation plan, short of rationing.

Subsequently, the DOE issued a contract to MIT for an Economic Regulatory Impact Analysis, which includes an examination of possible energy restrictions for aircraft, watercraft and off-road vehicles. From this report, these hearings have evolved into a fact finding effort to determine the general public attitude to certain findings contained in the report.

Frankly the objective for these hearings in-light of the report are curious.

The major MIT analysis revolved around the (negative) hypothetical economic impact of lines (queus) at the gas pump in the event of a fuel shortfall. In order to make its case the DOE (apparently) supplied a fantasized formula—one in which was woven this hypothetical economic impact, against our GNP ("deadweight burden"). For all the good this hazy, mystical, disengenous hypothesis was intended to accomplish, the findings of the MIT report are overwhelmingly weighted against this instant rulemaking.

For that reason, among others, one feels there is a sinister, but yet comedic, overtone to these hearings.

Sinister, because we certainly have a government attempt to fabricate a hypothesis, the value in queuing—which is unsurportable.

The MIT report states it clearly . . . "most of the conclusions of the present study require a fairly elaborate scaffolding of assumption."

Comedic because this very report, upon which the foundation of these hearings have (apparently) been based, are devastating in its conclusion as to the practicality, viability and benefits of this plan to the general public as well as to the nation as a whole.

Yet in the face of such overwhelming negative findings, we are gathered here to discuss a plan whose only real objective (a questionable one at that) is to reduce the lines at the gas pump in the event of an energy shortfall. To quote MIT:

. . . "the benefits for the country as a whole from this plan, and compared with conditions during a shortfall with no plan, consists almost entirely of the reduction of queuing cost".

In contrast to the attempt to quantify this fantasized benefit, we have a real event; havoc will be wrecked on an industry, and a recreational past time destroyed.

On that, MIT is explicit: * * * "90 percent of all fuel transfer will result from a reduction in boating" * * *.

On page 17 of the report, the conclusion is mind-shattering: * * * "the burden of the cost (of the plan) will be unequal * * *, the plan achieves a reduction in queuing costs at the expense of an increase in the inequity of its distribution."

Albeit, I am lead to believe these hearings from beginning to end are a charade. How else can anyone believe otherwise, when you digest the conclusions in the report, the conclusions are contrary to the very reason these hearings are being held (staged).

A charade becomes even more believable when you read the Energy Conservation Act of 1979:

* * * "Taken as a whole this plan has been designed not to impose an unreasonable disproportionate share of the burden of restriction on energy use on any specific class" * * *.

The objective is clear. Equality, under the law!

In contrast, the DOE sponsored MIT report says: * * * "the boating industry would absorb the major brunt of the plan."

Without a doubt, under the instant proposal, not only would a ban on weekend motorboating be highly discriminatory, but in all probability, illegal. Should you have any doubt about the strength of character in that statement, again I quote the MIT Report: * * * "this plan is inequitable unless tied to a complimentary plan involving automobiles and other off-road vehicles."

Clearly, this plan is unworkable; it will accomplish little and abuse many; the MIT report offers this:

The plan * * * "cannot be viewed as an alternative to rationing since it would not begin to reduce demands sufficiently to clear the market in a shortage of any magnitude:

Mr. Chairman, indeed there is an energy crisis, but to deal with it effectively, in an emergency, we can only deal with it thru consumption, not thru penalties. Rationing is the only viable alternative in a shortfall. It puts everyone on equal footing—use less, but use it as you see fit.

Ladies and gentlemen, this is my first participation in a regulatory proceeding. I have only exercised my conscience at the ballot box. No longer! This hearing represents (to me) everything that is wrong (today) in America. Just think of it, a rulemaking is being considered which is discriminatory, unequal in its implementation and punitive in its execution.

When I was growing up that was not one of the fundamentals of our American way.

And, when growing up, believing in America was critical because I grew up in reasonable poverty, not knowing my mother nor my father. Between then and today as I prospered, I have always believed that our government would protect our sacred rights.

Yet we are here today to consider a rulemaking which on its face, would disassemble one of our inherent rights, equality under the law.

There is a discernible pattern here; it's the pattern generated by a vacuum in constructive thought. A pattern which is becoming repetitive because our country's leadership is searching for the easier way out. This pattern, and this proposal is interwoven simplistically towards the objective of a retreat.

Make no mistake, we are here today to consider orchestrating a retreat. Our government can't face the issue of sharing the burden equally among all Americans in an energy shortfall. The justification for this is an obfuscated thought process which says that if we put this plan into being, we as a nation can win, by losing. To be sacrificed in this noble retreat is an 8 billion dollar industry as an integral part of 8 million American lives. Yet the plan intended for this retreat is ill-conceived, unprovable, unworkable, unenforceable, and more importantly, indefenseable under the law. The end product of this plan is however, predictable. The benefits, if any, are not. That's a lousy trade-off.

What we are really doing here today is representative of a sympton in our nation's malaise. We are grasping for a conscience, a direction. We need a hero(s).

If we are to have a national conscience, we need leaders to lead. If this nation needs a hero, I've got one—what better a candidate than our President. What better deed, in tune with these meetings, than suspending (for five years) the Clean Air Act. From this heroic stance 220 million Americans will equally share in major benefits, and, minor liabilities.

This simple act of courage would all but eliminate any potential energy shortfall. Given this period of time we can then proceed with calm to develop alternate fuel sources, like oil shale, synthetics and solar power. With 40% of the world's coal resources, we have an obligation to develop effective use for this abundant energy source. We must accelerate the development of nuclar power—not withstanding the risks. (Jane Fonda, Ralph Nader and Ted Kennedy notwithstanding).

The future is out there, we must learn to harness it and manage it aggressively. That's what we should be meeting about.

Members of the panel, in conclusion, permit me to remind you that I used the words "sinister", "comedic" and "a charade" in describing the overtones, conduct and fabric of these meetings. I will close by highlighting that stance:

From the very first page of the MIT report, I quote: * * * "the working assumption used to define this plan and used in its analysis have been established by the Department of Energy. . . ." One has to be suspect that the DOE attempted to foster a predetermined conclusion when they issued the contract for this report. That's sinister.

Comedic, because the report is conclusive in its findings that the proposed plan has little meritorious substance.

A charade, because the Emergency Conservation Act (of 1979) has as its basic directive—equality, while the DOE conducts hearings of dubious legal standing leading to a possible rule making which is based on inequality.

Maybe somewhere along this trail a conclusion was reached that the American people lacked perception and are gullible?

How else could anyone produce a premise as synthetic as placing an illusionary value on a queu, at a gas pump—with the end result being the laying of the seeds of destruction for a fundamental American right—equality, under the law.

Parenthetically, I wish to inform you Mr. Chairman and Ladies and gentlemen of the panel. . . . that on Friday, February 29th, I talked to Mr. Tom Humphrey, Project manager of the MIT report. He informed that this report is in the process of being reevaluated in the light of recent developments in the price of fuel and the apparent conservation being achieved.

Mr. Humphrey stated that much of the conservation hoped for from the initial analytical report has already begun to be achieved (14 times what this proposal is intended to do) and that a 1981 fuel shortfall may be unlikely, if the current trend continues.

It appears that, the market place is already achieving what this proposal would never—the reduction of consumption, equal to all.●

MORE POWER, MORE RESPONSIBILITY TO LOCAL GOVERNMENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. MICHEL. Mr. Speaker, there is a very important but almost totally unreported struggle going on all over the United States every day. It is the struggle between the forces of an ever-growing centralized government and those of us who believe that government works best when it is closest to the people. On the one hand there is a cry for more and more money and direction from Washington; on the other hand there is a demand that more and more power and responsibility be turned over to the people of the communities and the States.

A recent editorial on station WRAU-TV in Creve Coeur, Ill., addressed this problem and demonstrated the commonsense and sense of local responsibility that is so evident in Illinois.

At this point I insert in the RECORD, "Let's Do It for Ourselves," an editorial of television station WRAU-TV:

LET'S DO IT FOR OURSELVES

Yesterday we suggested that citizens hold the answer to ever rising taxes and inflation. The idea is to start doing for ourselves what it costs government a fortune in tax dollars to do for us.

The Community Action Agency has applied for a federal grant of over 630-thousand dollars for a youth advocacy program. The C.A.A. feels a need to evaluate the educational and disciplinary policies of Peoria School District 150 as they related to minority students.

District officials have opposed the plan fearing it might infringe upon their responsibilities. Now if there are concerns regarding local educational policies, why couldn't a special blue ribbon citizen committee be named to address the issue?

It would certainly be cheaper than spending over half a million tax dollars to accomplish the same goal. It's this kind of approach to local problems that can reduce the cost of government, and curb inflation while still providing the services we want.●

END SECRECY ON PLANT CLOSINGS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. EDGAR. Mr. Speaker, I would like to submit for the RECORD an article which appeared in the Philadelphia Inquirer this week. The article gives the views of Joseph Ferrara, area director of United Auto Workers District 9, on legislation in Congress which would deal with plant closings. As chairman of the Northeast-Midwest Congressional Coalition, I have been very concerned about a continuing erosion of the industrial base in the region and this legislation would attempt to deal with that problem.

The article follows:

He Would End the Secrecy on Plant Closings

A leaflet announcing a meeting Saturday in City Council chambers beckoned to Philadelphians to "save our jobs and our neighborhoods."

The assembly was intended to focus attention on the area's loss of manufacturing jobs, and the leaflet warned that the flight of factories meant rundown neighborhoods, high crime rates, high disease rates, broken families and higher taxes.

A force behind the meeting was Joseph Ferrara, area director of United Auto Workers District 9, who had been holed up Friday at the City Line Marriott in negotiations with Gould Inc., which is closing one of its factories in the city. He took time out from those negotiations to discuss with Douglas A. Campbell of The Inquirer staff a bill that, according to the leaflet, "can help protect our jobs." The bill is now in Congress.

Question. What will this federal legislation do?

Answer. It will give notice (of factory closings), it will set up training, it will set up additional unemployment compensation. The secretary of labor will come in and review plant closings, (ask) why, attempt to do what they can to keep the industry where it is.

These are things that currrently are not done. All you do is get situations such as the Cross Bros. meat plant, where they notified (the workers) a couple of hours before the plant closed on a Friday that the plant won't open any more.

Question. Let's take these ideas one by one. How could a company that's trying to survive know until the last minute that it's not going to survive?

A. Companies know well in advance of closing out when they are going to close out. Any corporation that's worth its salt knows well in advance what the conditions are, and the fact that they are going to close is not just something that comes about a day or a week or a month before they close.

Q. Well, take a company like Bond Baking Co., where 800 workers lost their jobs. It could have been predicted that they would eventually go under, but they tried and tried and it was only a matter of days that they had before they knew they would finally fold.

A. Look at the situation I'm in here with Gould Inc., where Gould came in and bought up an old, reliable Philadelphia-based firm, ITE Imperial, and without even telling us. We had to find it out ourselves. If it wasn't for the fact that we heard the rumors and the president of the local union and myself went down to Wilmington, N.C., and what we found out—and the company kept denying it—was the fact that people we represent were processing expenses every week for two people in Wilmington, N.C. in a motel. We went down and checked it out.

We located the plant and located the foreman. And that's the only way we found out about it. They weren't about to tell us. Here they were moving jobs of a concern that had been here since the turn of the century.

Look at the Strick plant up in Fairless Hills, Pa. There were as many as 1,800 used to work up there. They just up and closed down, and this was it. Notify you a couple of weeks before time. They know in advance. It isn't like to go out of the business. They're still producing trailers in this country. They're the exception, the ones that don't know.

Q. How soon in advance would a company have to give notice of a move under the legislation you are supporting?

A. I think the bill calls for at least a year.

Q. A year's notice that they are considering closing or that they have decided?

A. Considering.

Q. What does that do to a company's options, its competitive position with other companies in the same industry?

A. We should have a right to that (information.) You're concerned with the company's options. We're basically concerned with the people working for that company.

I was at Autocar the other day. We're talking about people who've got 40 years of seniority. The company comes in and notifies you three weeks ahead of time (that) as of the 14th of March that plant's going down, not to open up any more.

Everybody there's got at least 10 years of seniority. They've got retirees that's got long-term interests there, that no longer will have health-care benefits and things of that nature. These are things that we're concerned about. They take preference over their little problems the (companies) may have with their competitors.

Q. Would you agree that having to notify the public about its weaknesses would place a company at a competitive disadvantage in its industry?

A. Not necessarily. With the area I'm concerned with, I've never seen that. We just recently concluded negotiations with the Budd Co. And across the bargaining table, they informed us that they're going to sell their Gary (Ind.) plant. We've worked out certain pre-arrangements with things that would happen if they did sell that facility.

If they could work this out, I don't see where anybody else would have that kind of a problem.

Q. How would training programs work under the legislation you propose?

A. Well, through federal funds, the money by the law would provide for training programs. People would be retrained in occupations that are necessary. You know, I myself don't see that as any great thing right now. Unless we can prevent companies from just picking up and moving out, I don't really think that's the greatest thing.

Q. Then that's the bottom line? You don't want companies moving in the first place?

A. That's right.

Q. And how do you stop them from moving?

A. I don't know. I don't have the answers. I wish I had the answers to this. I really don't. You know, my philosophy is if we don't do something in these northeastern industrial states of this country . . . we're faced with some problems.

On average, the state of Pennsylvania for every dollar we pay in federal taxes, we get back a little over 60 cents from the federal government. You take the southern states, for every dollar they put in taxes, they get $1.30.

Q. Those figures are a little deceptive . . .

A. No, they're not.

Q. . . . because the tax figures reflect all of the taxes paid by corporations that are headquartered in the Northeast but may have a lot of operations in other parts of the country.

A. I've got documentation on that. It's pretty much factual that the average runs about . . .

Q. All right, it's factual, but it misstates the situation to some extent because there are more corporate headquarters in the Northeast than elsewhere.

A. I'm talking about the state governments get back from the federal government $1.30 on average for every dollar they put in federal taxes while we get back about 60 to 70 cents in the northern states. Forget the companies. I'm talking about all tax dollars in its entireties.

These companies in the North should be getting additional benefits. The people in the North should be getting additional benefits. These companies don't hesitate to tell you. I heard a statement today: "We're opening a plant in Texas." The Texas government's giving them all kinds of tax breaks. Up here we just can't afford to. And they complain about the tax structure up here. It's just too expensive to operate in the northern states.

Q. Taxes are not usually a top complaint when businessmen are surveyed about the disadvantages of the area's economy. There are a lot of other things that come first such as proximity to markets, energy supplies, population growth.

A. Well, what's your solution to the problem? Everyone should go on welfare?

Q. Tell us.

A. Well, I don't know. I don't know the solution, but I think it's about time to try to get the representatives who represent the northern states not only to get in there and vote right but they've got to start voting as a bloc to find ways and means. I think it's about time they've got to be concerned about this portion of the country. This was the industrial backbone of the country that made this country as great as it is. My feelings are if we don't start doing something about it, in another 15 or 20 years the only people you're going to have up in this northern part of the country are those on retirement and those on welfare.

Q. There is some proposed legislation in Pennsylvania that sounds similar to this federal proposal, except that the Pennsylvania bill would more directly penalize companies that want to move out. It would seem that that might discourage other companies from ever starting up in Pennsylvania.

A. Well, my philosophy on this subject—and I may differ from some other labor leaders—(is) I support that state legislation only on the basis that maybe it will generate enough heat on business and community groups and commerce groups and manufacturing groups to put the heat on the federal representatives to get a federal bill passed. The only way you're going to cope with this thing is in federal legislation. I think it's got to affect the country as a whole.

I don't really believe that you can solve this problem state by state.

I think it's same as the problem with unemployment compensation and workman's compensation. We in Pennsylvania get penalized because we have a decent unemployment compensation bill and workman's compensation bill. That's something that's got to be federally passed, the uniformity of unemployment compensation.

Q. How do we get penalized?

A. Because corporations aren't going to come into states where they pay a higher (tax) and have a more liberal application of the workman's compensation laws.

Q. Do you see any kind of willingness on the federal level to go along with these nationalized programs?

A. It will be very difficult. I've talked with congressmen who say this kind of legislation will take 15 years to get through. But I think you've got to begin somewhere.●

SMALL BUSINESS NEEDS LIABILITY INSURANCE RELIEF

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. MARKEY. Mr. Speaker, in my Seventh Congressional District in Massachusetts, there are over 7,000 small businesses. We have a combination of high-technology firms on Route 128 and a large number of small manufacturing firms located throughout my district. Over the past 5 years, Mr. Speaker, these firms have experienced a very slight increase in the actual legal actions taken against them due to product liability. There has been virtually no increase in the actual claims that have been settled by the courts for damage caused by these firms' products. In spite of this, the cost of premiums for liability insurance has increased on the average of 200 percent with deductible levels substantially increasing over the past 5 years. Those that can afford the expense continue to pay these exorbitant liability insurance costs while continuing to suffer severe financial strain. This high price, however, has put needed liability insurance out of reach and has jeopardized many of the small businesses struggling to stay afloat during tough economic times. Now, since there is no alternative to obtaining liability coverage, it appears, Mr. Speaker, that the forces of competition have been suspended. I find this unacceptable.

The small businesses in my district need and deserve relief from these excessive premium costs and availability problems. By allowing product sellers engaged in the same or similar business to form product liability risk-retention groups, protection for small business can be much more reasonably achieved. This will increase competition in the insurance industry and encourage rates to be based on actual risks and loss experience rather than anticipated losses. With this legislation, I firmly believe, Mr. Speaker, that the quality control now exercised by product manufacturers would increase. Surely, it would be in the best interests of the risk-retention-group members to manufacture products that would not produce a large number of claims. I believe that the Product Liability Risk Retention Act represents a significant step forward in making this essential coverage available to small businesses at prices they can afford to pay. Mr. Speaker, I urge your strong support for this legislation.●

DANGER—NUCLEAR WAR

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. FISH. Mr. Speaker, today I would like to share with my colleagues an advertisement which appeared in the Sunday, March 2, 1980, edition of the New York Times. This message was sponsored by concerned physicians, scientists, and citizens in association with Physicians for Social Responsibility, Inc. It is an appeal to President Carter and Chairman Brezhnev to totally ban the use of all nuclear weapons and to defuse current international tensions which could lead to a nuclear holocaust. The advertisement follows:

DANGER—NUCLEAR WAR

To President Carter and Chairman Brezhnev:

As physicians, scientists, and concerned citizens, alarmed by an international political climate that increasingly presents nuclear war as a "rational" possibility, we are impelled to renew a warning, based on medical and scientific analyses, that:

1. Nuclear war, even a "limited" one, would result in death, injury and disease on a scale that has no precedent in the history of human existence;

2. Medical "disaster planning" for a nuclear war is meaningless. There is no possible effective medical response. Most hospitals would be destroyed, most medical personnel dead or injured, most supplies unavailable. Most "survivors" would die;

3. There is no effective civil defense. The blast, thermal and radiation effects would kill even those in shelters, and the fallout would reach those who had been evacuated;

4. Recovery from nuclear war would be impossible. The economic, ecologic and social fabric on which human life depends would be destroyed in the U.S., the U.S.S.R., and much of the rest of the world;

5. In sum, there can be no winners in a nuclear war. Worldwide fallout would contaminate much of the globe for generations and atmospheric effects would severely damage all living things.

Therefore, in the interests of protecting human life, we appeal to you to:

1. Defuse the current tensions between our countries.
2. Ban the use of all nuclear weapons.
3. Recognize the threat posed by the very existence of our enormous nuclear arsenals, and begin dismantling them.

We urge you to meet with us to discuss the medical consequences of nuclear war. We urge all physicians in the U.S. and the U.S.S.R. to join us in this appeal.

This statement was released at the conclusion of a two-day symposium on the medical consequences of thermonuclear war held in Cambridge, Massachusetts on February 9 and 10. It derives from our understanding of the destructive potential of the nuclear explosions that would result should nuclear war occur. To share with you our perspective on this possibility we ask you to consider the following:

The single bomb dropped on Hiroshima had the explosive force of approximately 15,000 tons (15 kilotons) of TNT. Today the U.S. has over 30,000 nuclear bombs and Russia has 20,000. Nuclear weapons in present day arsenals range in size from one kiloton to 20 megatons (20 million tons of TNT). All the bombs dropped during the eight and a half years the U.S. fought in Vietnam were equivalent to four million tons of TNT (4 megatons).

A 20 megaton thermonuclear bomb exploded on a clear day at ground level on a large East-Coast city would create a fireball one and a half miles in diameter, with temperatures of twenty to thirty million degrees Fahrenheit. Everything in the downtown area, the streets and the earth below, and all living things, would be vaporized, leaving a crater several hundred feet deep.

At six miles from the epicenter, all people would be instantly killed by a huge silent heat flash traveling at the speed of light. Glass would melt, and buildings would collapse when hit by a supersonic shock wave and winds of 300 miles per hour.

Within a ten mile radius, or roughly the distance to Route 128 from Boston, to Newark from New York City, or to the Maryland Beltway from Washington, D.C., the blast wave, 180 mile per hour winds, and fires would inflict almost total casualties with at least 50% dead and 40% injured. Even at 20 miles from the epicenter, 50% of the people would be killed or injured by the direct thermal radiation and blast pressures. A single nuclear device would result in tens of thousands of severe burn injuries. The entire U.S. has intensive care facilities for fewer than 2,000 such cases.

Many would be killed by random spontaneous fires fueled by oil storage tanks, natural gas lines, gasoline and LNG tanks. These fires might coalesce into an enormous firestorm 1200 square miles in area, fanned by 100–200 mile per hour winds, creating temperatures capable of cooking and asphyxiating those in shelters.

Survivors of the fires would be exposed to lethal or sublethal doses of radiation from short-term fallout. Even mild winds of 20 miles per hour would carry fallout as far as 150 miles where everyone exposed could receive a lethal dose within 24 hours. This would cause acute radiation sickness, with decreased resistance to infection, and death within one to two weeks. Sublethal doses would produce an increased incidence of still births, fetal malformations, leukemia, and cancer. In subsequent generations genetic damage would probably appear.

Hospitals would be destroyed and most medical personnel would be among the dead and injured. There would be millions of corpses. Food, air, and water would be contaminated. Survivors would die from starvation, dehydration, radiation sickness and infections.

In an all-out nuclear exchange, all major population and industrial centers would be hit, both in the U.S. and U.S.S.R. Such an exchange could be complete in one hour, and could destroy most life in the northern hemisphere. Worldwide fallout would result, with possible destruction of the ozone layer, changes in the earth's temperature and mutation of crops. It would be a different world afterwards, colder, harsher, and contaminated by radiation for thousands of years. The number of deaths would break scales of comparison.

SIGNATORIES

Herbert L. Abrams, M.D., Philip H. Cook, Professor and Chairman, Department of Radiology, Harvard Medical School, Radiologist-in-Chief, Peter Bent Brigham Hospital and the Stanley Farber Cancer Institute

Mary Ellen Avery, M.D., Physician-in-Chief, Children's Hospital Medical Center Thomas Morgan Rotch Professor of Pediatrics, Harvard Medical School

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Norm Geschwind, M.D., Director, Neurological Unit, Beth Israel Hospital, James Jackson Putnam Professor of Neurology, Harvard Medical School

Walter Guralnick, D.M.D., Professor of Oral and Maxillofacial Surgery, Harvard School of Dental Medicine

Howard H. Hiatt, M.D., Dean, Harvard School of Public Health, Professor of Medicine, Harvard Medical School

Franz J. Ingelfinger, M.D., Editor Emeritus, New England Journal of Medicine

Kurt J. Isselbacher, M.D., Mallinckrodt Professor of Medicine, Harvard Medical School

Carl J. Johnson, M.D., M.P.H., Associate Clinical Professor of Social and Environmental Medicine, University of Colorado Medical School

Merton Kahne, M.D., Psychiatrist-in-Chief and Professor of Social Psychiatry, Massachusetts Institute of Technology

R. W. Lamont-Havers, M.D.

Alexander Leaf, M.D., Jackson Professor of Clinical Medicine, Harvard Medical School

Robert J. Lifton, M.D., Foundations Fund Research Professor of Psychiatry, Yale University Medical School

Bernard Lown, M.D., Professor of Cardiology, Harvard School of Public Health, Coordinator, U.S.-U.S.S.R. Cooperative Study on Sudden Death

Salvador Luria, M.D., Ph.D., Institute Professor Emeritus and Director, Center for Cancer Research, Massachusetts Institute of Technology, Nobel Prize in Medicine and Physiology, 1969

Henry J. Mankin, M.D., Edith M. Ashley Professor of Orthopaedic Surgery, Harvard Medical School

James Mann, M.D.

Donald M. Medearis, M.D., Charles R. Wilder Professor of Pediatrics, Harvard Medical School

Daniel Nathans, M.D., Professor of Microbiology, Johns Hopkins University School of Medicine, Nobel Prize in Medicine and Physiology, 1978

Sven Paulin, M.D., Radiologist-in-Chief, Beth Israel Hospital, Professor of Radiology, Harvard Medical School

George R. Prout, Jr., M.D., Professor of Surgery, Harvard Medical School

Frederick C. Robbins, M.D., Nobel Prize in Medicine and Physiology, 1954

Edwan W. Salzman, M.D., Associate Surgeon-in-Chief, Beth Israel Hospital Professor of Surgery, Harvard Medical School

Victor Sidel, M.D., Professor of Community Medicine, Albert Einstein College of Medicine

William Silen, M.D., Surgeon-in-Chief, Beth Israel Hospital, Johnson and Johnson Professor of Surgery, Harvard Medical School

Benjamin Spock, M.D.

Edwin O. Wheeler, M.D.

Augustus A. White III, M.D., Orthopaedic Surgeon-in-Chief, Beth Israel Hospital, Professor of Orthopaedic Surgery, Harvard Medical School—(Affiliation for identification purposes only).●

MEDICAID PAYMENT FOR PHYSICIAN SERVICES

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. MAGUIRE. Mr. Speaker, the Congress enacted titles XVIII and XIX of the social security legislation in 1965 to provide financial access to health care for the elderly and the poor respectively. Title XVIII, medicare, pays for physician services on the basis of the usual and customary charge and is a national program. Title XIX, medicaid, gives the States broad discretion in determining physician reimbursement. In fact, the most recent statistics indicate that 13 States use the medicare system of reasonable and customary charges, 11 States use a variation of this system, and 26 States use a fee schedule. Physicians treating medicaid patients must accept the direct program reimbursement as payment in full for their services.

Nationally, medicaid physician fees average 77 percent of medicare fees for the same service. This amounts to approximately 60 percent of the physicians' usual and customary fee for his services. However, 14 States reimburse physicians at a rate which is less than the national average and in one case the reimbursement is less than 40 percent of the medicare reimbursement for the same service. When physician payment is set at a level less than 50 percent of his usual fee, the intent of Congress to use the medicaid system to provide financial access to the medical care system for the poor is subverted. If patients are denied access to private physicians because of inadequate reimbursement, they are forced to seek their care in hospital emergency rooms and clinics where the cost per visit is much greater, increasing the Nation's total health care bill unnecessarily.

Recently I introduced legislation intended to prevent this unfortunate occurrence by setting a minimum level of reimbursement for physician services under the medicaid program. If passed, this bill will reaffirm the intent of the original medicaid legislation to provide financial access to medical care for the disadvantaged persons of this country. The text of the bill follows:

H.R. —

A bill to amend title XIX of the Social Security Act to provide for minimum reimbursement levels for physicians' services under the medicaid program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1902(a)(13) of the Social Security Act (42 U.S.C. 1396(a)(13) is amended—

(1) by inserting "and" at the end of subparagraph (F), and

(2) by adding after subparagraph (F) the following new subparagraph:

"(G) for payment for physicians' services at a rate of not less than the greater of—

"(i) 60 percent of the reasonable charges for such services, as determined for purposes of part B of title XVIII, or

"(ii) the rate of payment for such services under the State plan as in effect during the calendar quarter ending December 31, 1979;".

(b)(1) The amendments made by subsection (a) shall (except as otherwise provided in paragraph (2)) apply to medical assistance provided, under a State plan approved under title XIX of the Social Security Act, on and after the first day of the first calendar quarter that begins more than 12 months after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirement imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.●

INDIANA DUNES

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. FITHIAN. Mr. Speaker, I would like to share with my colleagues the following editorial from the Everett (Wash.) Herald relating to the Indiana Dunes:

Indiana's Dunes Need Jackson

It's understandable that Sen. Henry Jackson's legislative interests have been focused on the pressing issues of energy and national defense. But it might do him some good—as a tonic perhaps—to take a brief vacation from those weighty matters and turn his attention to a less commanding though important little bill about the Indiana Dunes National Lakeshore Park.

We're afraid that the dunes bill, S599, has been expertly "bumpered" to a low priority in the parks subcommittee of Jackson's Committee on Energy and Natural Resources. The subcommittee, chaired by Sen. Dale Bumpers of Arkansas, held hearings on the bill in September. Bumpers apparently has no intention of moving ahead with the measure.

Meanwhile, thanks to Rep. Philip Burton of California, the House passed an excellent bill that would complete the visionary work of the late Sen. Paul Douglas, who led the effort to preserve the dunes as the nation's first urban national park in 1966.

Visiting the Indiana dunes, it's easy to see why Douglas loved it so much and why more than 1.5 million people visited them this year.

Dune country stretches 14 miles along Lake Michigan, an oasis of natural beauty in the heavily industrialized corridor between Chicago and Michigan City, Ind. More than 10 million people live within 100 miles of the dunes.

There are the magnificent high dunes and the wind-carved blowouts, which poet Carl Sandburg called "a signature of time and eternity." Dune country is embellished by ponds, woodlands, marshes and two scientifically priceless bogs. Cowles and Pinhook bogs are nature's "time machine." The bogs shelter the unique plant communities that are a living genetic record of the geologic changes that occurred 12,000 years ago, when the ice age ended and the Wisconsin glacier that scooped out Lake Michigan retreated northward.

That's the natural history of the dunes. Their legislative history is not so enchanting, as Jackson should recall. Instead of doing the job right the first time, Congress has created the park piece by piece, crisis by crisis, compromise by compromise.

The 1966 dunes bill created a 5,800-acre national park—a compromised response to the grim prospect of avoidable pollution and unnecessary development ruining dune country. Ten years later, Congress again compromised the environmental integrity of the dunes by refusing to add the 4,400 acres needed to protect the park. Congress settled for 3,100 acres.

The recently passed House bill fully compensates for the problems of past compromises. The measure adds the 652-acre remnant of the Beverly Shores community, which is surrounded by the park. This so-called "island," incidentally, was the odd creature of compromise when Congress included two-thirds of Beverly Shores in the original park. Adding the island to the park will prevent a development boom that would generate an estimated eight-fold jump in population and a nightmare of administrative and environmental trouble right in the middle of the dunes.

The House bill also provides for several smaller but essential additions to the park. Added frontage on both sides of the park's principal access road will make it prettier. A 90-acre strip will buffer the park from an adjacent power plant complex and will help control the utility's alkaline drainage, which threatens to destroy Cowles Bog. Then there are two tracts totaling 245 acres that could support potentially harmful development if not included in the park.

The Senate bill, sponsored by Sen. Birch Bayh of Indiana, is a little less ambitious than the House-passed measure in terms of property acquisition. But for the most part the Senate legislation parallels the major items in the House version. The Bayh legislation also resembles the bill passed by the Senate in the last Congress.

That leads us to wonder why Bumpers finds it difficult to take favorable action on the bill.

Jackson ought to wonder about the holdup and the hangups on the dunes bill, too. He supported it in the last Congress. As chairman of the Energy and Natural Resources Committee, his support in this Congress could be the key to achieving what Sen. Douglas intended—"simply to save the dunes."●

GOV. DAVE TREEN

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. BOB WILSON. Mr. Speaker, today our colleague, Dave Treen, is being sworn in as the new Governor of Louisiana, and we in the House are losing a clear and consistent voice for a strong national defense.

Dave was first elected to Congress in 1972. Our involvement in Indochina was winding down and the antidefense forces in the country and in the Congress were reaching their zenith. In this atmosphere, he sought and won a seat on the Armed Services Committee, and immediately set himself to the task of helping rebuild America's defenses.

Dave served with me on the Armed Services Committee for over 7 years and has been absolutely unwavering in his support for a strong national defense. For 4 years, he was the ranking minority member on the Military Personnel Subcommittee, and worked tirelessly to promote the welfare, training, and quality of our men and women in uniform.

His interest in national defense led him to seek and gain a position on the Select Committee on Intelligence in 1975. There, he fought to protect and improve this country's intelligence-gathering capabilities.

Dave was a close friend and a Louisiana colleague of our late esteemed friend, Eddie Hébert, the former chairman of the Armed Services Committee, and there was a great respect for each other's abilities. Eddie's last public appearance was on Dave's behalf. Eddie broke his 40-year tradition of not making endorsements of candidates in local races by publicly endorsing Dave for Governor.

I know everyone here joins me in wishing Dave well as he ends one outstanding career and begins another.

Mr. Speaker, the Armed Services Committee had occasion to pay tribute to Dave at the last meeting of his tenure on March 6, 1980, and I want to share with my colleagues, the resolution adopted by the members at that time:

RESOLUTION OF COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES

Whereas the Honorable David C. Treen served for seven years as a member of the Committee on Armed Services with integrity, honor, and distinction;

Whereas as a member of the Committee on Armed Services, through his ability, experience, and determination, he contributed to the solution of many difficult and complex problems relating to our national defense posture; and

Whereas because of his fairness, sincerity, and good fellowship, he earned the trust, respect, and affection of his colleagues in the U.S. House of Representatives, and particularly the members of this committee and the committee staff: Now, thereby, be it

Resolved, That in recognition of his outstanding public service to his country and to his constituents in the Third District of the State of Louisiana, we, the members of the Committee on Armed Services, offer our commendation and appreciation for a task well-done and successfully completed, and wish him and his family well as he embarks on new challenges and responsibilities as Governor of the State of Louisiana: and Now, thereby, be it further

Resolved, That he be hereby informed that we will miss him personally and miss his presence on the Committee on Armed Services.●

BENJAMIN BANNEKER COMMEMORATIVE STAMP ISSUED AT ANNAPOLIS, MD.

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. MITCHELL of Maryland. Mr. Speaker, I am very pleased to share the enclosed notice from the Maryland Commission on Afro-American History and Culture, concerning the U.S. Postal Service's issuance of the Benjamin Banneker Commemorative Stamp at Annapolis, Md. This tribute was issued on February 15, 1980, and is certainly a deserving tribute to Banneker, a great black American, who was a surveyor, scientist, and astronomer.

Mr. Banneker is noted as having been a member of the surveyor team which laid out the Federal territory of the District of Columbia. The month of February, which continues to be observed as Black History Month, was a most appropriate time for the U.S. Postal Service's commemoration of this outstanding man, and I commend the participants in this effort. The announcement follows:

On February 15, 1980, the U.S. Postal Service issued the Benjamin Banneker Commemorative Stamp at Annapolis, Maryland. The First Day Stamp Ceremony, cosponsored by the Postal Service and the Maryland Commission on Afro-American History and Culture, was held in the Asbury United Methodist Church, 87 West Street.

Benjamin Banneker, pioneer scientist, surveyor, naturalist and humanitarian was born in Baltimore County near the present day village of Oella in 1731. At age 22, he made a wooden striking clock which worked until it was destroyed by fire in 1806. He was a close observer of nature, having recorded the habits of bees and the seventeen-year locusts.

Banneker is best known for his mathematical ability which led him into the field of astronomy. He was initially encouraged and tutored by George Ellicott, his Quaker friend.

Later, Banneker on his own computed the ephermides (part of his almanac) for Maryland, Virginia, Pennsylvania and Delaware for the years 1792 to 1802. His almanacs carried not only seasonal news of the weather but other news and anecdotes of the day. Next to the Bible, the Almanac in 18th century America, was the second most widely read publication.

Banneker was chosen as scientific assistant to Major Andrew Ellicott as a member of the team of surveyors to lay out the Federal territory of the District of Columbia.

Banneker's correspondence with Thomas Jefferson, then Secretary of State, protesting the continuation of slavery is unique in the annals of American History. Banneker died on October 19, 1806. the Federal Gazette and the Baltimore Daily Advertiser carried notice of his death.

The Maryland Commission on Afro-American History and Culture (MCAAHC), 20 Dean Street, Annapolis, Maryland has issued a Banneker First Cover with art work by Lawrence E. Hurst. The handsome precancelled cover dated February 15, 1980, Annapolis, Maryland sells for $1.00. All proceeds will go towards the establishment of the Banneker-Douglass Museum of Afro-American Life and History at the 106 year old former Mount Moriah African Methodist Episcopal Church, Annapolis.●

FOREIGN SERVICE OFFICERS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. BONKER. Mr. Speaker, Foreign Service officers and their families are a unique group. You can find them serving our country unselfishly in posts all over the world.

Recently John W. MacDonald, Jr., our political counselor in Geneva, gave me a very touching and sensitive tribute written by him about his son. A young man who would have been 25 years old this year, had he not met an untimely death.

The essay which follows recounts Jackie MacDonald's death and his full and promising life and I would like to share it with my colleagues.

JOHN WINCHESTER MACDONALD III, 1955-79

Jackie MacDonald knew the wonders of God and man. He hiked in the Alps of the Principality of Liechtenstein, ventured to the forbidden city of Harar, and explored the coral reef of the Indian Ocean. He prayed in Notre Dame de Paris and in Father Felix's chapel in the sahel of Northern Somalia. He had lunch in Andorra. He sailed the Atlantic on the SS United States, and walked the gangplanks of a Persian Dhow in the Gulf of Aden. He saw Robert Louis Stevenson's "Treasure Island" off the Guinean coast. He drove his prized Yamaha 500 from Florida to Maine and back. He knew the beaches of the northern and southern Mediterranean coasts, both sides of the Atlantic, the Gulf of Mexico, and the Indian Ocean. He climbed to the Acropolis and explored the Caves of Hercules. He knew the sunset of the Sahara and from Cayuga Heights, far above Cayuga's waters. He experienced the passion and anguish of love.

Jackie, 24-year-old son of FSO John W. MacDonald, Jr., died in Tangier on December 10, 1979, asphyxiated, along with his dog Gaston, by a faulty Butagaz water heater; an accident all Foreign Service families dread. He had planned a Christmas vacation in Geneva with Noelle and his brothers Ted and Tim, where his father is Political Counselor.

Born on March 22, 1955, in Ithaca, New York, Jackie wandered the earth like a former King of Ithaca and led the restless life that, today, only Foreign Service children know. He grew up in Ithaca, Zurich, Nice, Paris, Washington, Tangier, Tripoli, Hargeisa, Nairobi, Mogadiscio, Tunis, Tangier again, Conakry, Sarasota and finally, for the third time, Tangier—where he left for another world.

Jackie studied at American Overseas Schools in Tripoli, Mogadiscio and Tangier. He was caned by British school masters, and rapped on the knuckles by French nuns. He has gone through the loneliness and self-discipline of Calvert correspondence courses when no schools were available. He learned to read and count in French before he knew English. He learned the Arabic of the Tangier Medina, the French of the Sorbonne, and was studying Spanish in Tangier when he died.

During his uncompleted university career, he studied Medieval Literature at the State University of New York, the Institut Catholique of Paris, the Sorbonne, and New College in Sarasota. He was putting the final touches to a dissertation on Flaubert's Madame Bovary. He was accepted for further study at the Universities of Pau and Perpignan, but had not decided where he would go. He knew only that he was headed toward a teaching career.

A classicist and a medievalist, inspired by two truly great teachers—Headmaster Joseph McPhillips and English Professor George Staples of the American School of Tangier—Jackie loved equally the language of Chaucer and W. S. Gilbert and the language of Moliere and Beckett. He loved music too—from Bach to Led Zeppelin. He was an accomplished, if self-taught, guitarist and harmonica player.

Jackie loved the theater and the theatrical. Tangerines remember him for his 1973 performance in Samuel Beckett's Waiting for Godot. In that year too—his greatest—he won the Headmaster's Prize as a senior in Tangier. Sarasotans will remember him for his spectacular Medieval Pagent in 1977 while a student at New College.

Jackie was a dedicated teacher. He started his first full-time job in September 1979, a French teacher and a member of the distinguished faculty of the American School of Tangier—the most unique and the greatest of American Overseas Schools. He had always yearned for respectability, and he died a respectable man.

Baptized by the Reverend John S. Maloney at the Church of the Immaculate Conception in Ithaca on April 10, 1955, he was buried on December 16, 1979, by Père Jean-Bernard Hébert, Curé of the Church of Notre Dame of the Assumption in Tangier. He rests in a grave overlooking the hills of Tangier, which he had called—in a letter to a girl named "Flo" he wrote a few days before his death but never mailed—"the closest to a home-town I have ever known." He will be at peace there.

Like all of us, Jackie has long been "Waiting for Godot." Before many of us, he has found Him. In the 1960's, he always signed his letters: Peace, Jackie. Thus peace, Jackie, and à Dieu.●

STUDENT'S RIGHT TO WORK

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1980

● Mr. GRASSLEY. Mr. Speaker, today I am cosponsoring H.R. 4657, commonly referred to as a student right-to-work bill. H.R. 4657, would amend section 8(a)(3) of the National Labor Relations Act and the Railway Labor Act to exempt anyone employed on a part-time or temporary basis who is a student enrolled in a full-time educational program in a high school, college, university, business, or trade school.

The purpose of this bill is to insure our Nation's youth have the freedom of choice to join or not to join a union by prohibiting employers and union officials from discriminating against student employees on the basis of union affiliation.

Because of their short term of employment, students are particularly hard hit, as they are seldom eligible to receive union benefits, which take 6 months, sometimes even 10 years, to accrue.

Mr. Speaker, I would like to point out some examples of how union membership works to the financial disadvantage of students.

In my neighboring State of Missouri, student Brady Rapp worked Sundays at a supermarket to help pay his school expenses. His union monthly minor dues were $6, later raised to $7. He was assessed a $1 fine when he paid his dues 2 days late. He was then told that in order to keep his 1-day-a-week job, he'd also have to attend union meetings or pay a $5 fine.

In Yuma, Ariz., teenager Robert Chambers sought temporary agricultural work with Freshpict Foods, which had entered a contract with the United Farm Workers. The union told Chambers that he must go through the union's hiring hall to have his job and pay $3.50 a month in dues. When he refused, they dropped his name from the list of those who were referred to work.

In Las Vegas, Nev., hundreds of students working as waitresses, waiters, busboys, and short order cooks were forced to go through the Culinary Union's hiring hall for jobs. Those who refused to join the union were screened out. Those who did were forced to pay union dues of $30 and initiation fees of $24. Due to the short term of employment, the students never benefited from the union's health and pension plans which they were forced to pay for.

Support for this legislation, Mr. Speaker, is without parallel. Surveys of public opinion by Roper, Gallup, and Opinion Research Corp. have consistently shown that 70 percent of the American public, including a majority of union members themselves, support the right-to-work concept. Among young citizens between the ages of 18 and 29 that figure is 79 percent.

Twenty States have availed themselves of the Taft-Hartley Act of 1947, including my home State of Iowa, to pass right-to-work laws. Many more States are considering legislation and two States, Wisconsin and Connecticut, have had student right-to-work bills before them.

For years, student newspapers across the Nation have editorialized against compulsory unionism, campus right-to-work organizations have been formed, and youth government programs have overwhelmingly passed right-to-work bills, copies of which have been sent to Congress.

Mr. Speaker, with the high cost of an education today, we should not force students to divert their education dollars into union fees. I urge that we put political considerations aside and exempt students from the National Labor Relations Act.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 11, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 12

8:00 a.m.

Armed Services

Research and Development Subcommittee

To hold closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony on the M-X program and ballistic missile defense.

224 Russell Building

8:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on S. 2249, to increase the minimum level of price support on quota peanuts for the 1980 and 1981 crops.

324 Russell Building

9:00 a.m.

Armed Services

General Procurement Subcommittee

To resume hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement of the DOD, focusing on Navy and Marine Corps procurement programs with the exception of the subjects of tactical air and air defense.

212 Russell Building

9:30 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

Budget

To hold joint hearings with the Governmental Affairs' Subcommittee on Intergovernmental Relations to examine the impact of tax and expenditure limitations on State and local governments.

6202 Dirksen Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 2320, authorizing funds for fiscal years 1981 and 1982 for the National Bureau of Standards.

235 Russell Building

Governmental Affairs

To hold joint hearings with Judiciary's Subcommittee on the Constitution on S. 2079, to remove the Patent and Trademark Office from within the Department of Commerce and establish it as an independent agency.

6226 Dirksen Building

Governmental Affairs

Intergovernmental Relations Subcommittee

To hold joint hearings with the Budget Committee to examine the impact of tax and expenditure limitations on State and local governments.

6202 Dirksen Building

Judiciary

To continue hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

Judiciary

Constitution Subcommittee

To hold joint hearings with the Committee on Governmental Affairs on the substance of S. 2079, to remove the Patent and Trademark Office from within the Department of Commerce and establish it as an independent agency.

6226 Dirksen Building

Labor and Human Resources

*Employment, Poverty, and Migratory Labor Subcommittee

To resume hearings on S. 1312, proposed Work and Training Opportunities Act.

5110 Dirksen Building

Select on Small Business

To hold hearings on S. 2040 and 2104, bills to promote export opportunities for small businesses.

424 Russell Building

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the defense establishment, focusing on military posture.

S-126, Capitol

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Indian Education, and the Institute of Museum Services.

1223 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Departments of Labor, and Health, Education, and Welfare.

S-128, Capitol

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Drug Enforcement Administration, U.S. marshals, and bankruptcy trustees, Department of Justice.

S-146, Capitol

Banking, Housing, and Urban Affairs

Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

5302 Dirksen Building

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 2025 and H.R. 5926, bills to establish the Biscayne National Park in Florida; S. 2299, to add lands to Valley Forge National Historical Park in Pennsylvania; S. 1431 and S.J. Res. 119, measures to establish a Vietnam Veterans' Memorial in New Mexico and the District of Columbia, respectively; and S. 1924, to designate the Salinas National Monument in New Mexico.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution and Resource Protection Subcommittees

To resume joint markup of S. 1480, to provide for the adequate and safe treatment of hazardous substances released into the environment.

457 Russell Building

Foreign Relations

To hold hearings to review the foreign aid program.

4221 Dirksen Building

Governmental Affairs

*Energy, Nuclear Proliferation, and Federal Service Subcommittee

To continue hearings on S. 1699, proposed Energy Impact Assistance Act.

1202 Dirksen Building

Labor and Human Resources

*Health and Scientific Research Subcommittee

To resume hearings on S. 2144, proposed Health Professions Educational Assistance and Nurse Training Act, S. 2375, proposed Health Professions Training and Distribution Act, and S. 2378, proposed Health Care Management and Health Care Personnel Distribution Improvement Act.

4232 Dirksen Building

Rules and Administration

Business meeting, to consider S. 1786, authorizing funds through fiscal year 1983 for the National Museum of the Smithsonian Institution, and other legislative and administrative business.

301 Russell Building

Joint Economic

To hold hearings on the crisis in the public and private bond market.

2247 Rayburn Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Departments of Labor, and Health, Education, and Welfare.

S-128, Capitol

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Prison System, and Office of

Justice Assistance, Research and Statistics, Department of Justice.

S-146, Capitol

Foreign Relations

East Asian and Pacific Affairs Subcommittee

To hold closed hearings on the People's Republic of China threat to Taiwan, and on the proposed arms sales to Taiwan.

S-116, Capitol

Select on Intelligence

Budget Authorizations Subcommittee

To continue closed hearings on proposed budget estimates for intelligence activities of the U.S.

S-407, Capitol

MARCH 13

8:00 a.m.

Armed Services

Research and Development Subcommittee

To continue closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony Theater Nuclear Forces.

224 Russell Building

8:30 a.m.

Judiciary

To continue hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

9:00 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold hearings on proposed legislation to establish Commissions on National Youth Service and Volunteerism.

457 Russell Building

9:30 a.m.

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To hold oversight hearings on the impact of payroll taxes on inflation.

5302 Dirksen Building

*Labor and Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To resume hearings on S. 1129, 2021, 2218, and 2286, bills to provide career employment opportunities for disadvantaged youth.

6226 Dirksen Building

Select on Small Business

To continue hearings on S. 2040 and 2104, bills to promote export opportunities for small businesses.

424 Russell Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the International Development Cooperation Agency, and certain programs of the Agency for International Development.

1114 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary, and the Office of the Solicitor, both of the Department of the Interior.

1223 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Departments of Labor, and Health, Education, and Welfare.

S-126, Capitol

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Immigration and Naturalization Service, Department of Justice.

S-146, Capitol

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Energy and Natural Resources

To hold hearings on national security implications of recent developments in the Middle East.

3110 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committees.

318 Russell Building

Environment and Public Works

Water Resources Subcommittee

Business meeting, to continue markup on S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.

4200 Dirksen Building

Finance

International Trade Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the U.S. Customs Service, U.S. International Trade Commission, and the Office of U.S. Trade Representative.

2221 Dirksen Building

Judiciary

Antitrust, Monopoly and Business Rights Subcommittee

To hold oversight hearings to examine the amount of books published in relation to book sales.

5110 Dirksen Building

10:30 a.m.

Appropriations

Closed business meeting, to consider those items and programs in the President's budget for fiscal year 1981 which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

S-128, Capitol

11:00 a.m.

Labor and Human Resources

Business meeting, to mark up S. 1076, to improve the regulation of multiemployer pension insurance plans, and to provide sufficient funds to pay benefits.

4232 Dirksen Building

2:00 p.m.

Conferees

On H.R. 2313, authorizing funds for fiscal years 1980 and 1981 for the Federal Trade Commission.

235 Russell Building

*Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To hold hearings on S. 2123, proposed Colorado National Forest Wilderness Act.

3110 Dirksen Building

Foreign Relations

To hold hearings on proposed authorizations for fiscal year 1981 for foreign assistance programs.

4221 Dirksen Building

Select on Intelligence

To resume hearings on S. 2284, proposed legislative charter governing the intelligence activities of the United States.

1202 Dirksen Building

MARCH 14

8:00 a.m.

Armed Services

Research and Development Subcommittee

To continue closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony on the Army antitank weapon, electronic warfare, and battlefield integration.

224 Russell Building

9:15 a.m.

Veterans' Affairs

Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

412 Russell Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agriculture Credit and Rural Electrification Subcommittee

To resume hearings on S. 1465, proposed Farm Credit Act Amendments of 1979.

324 Russell Building

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

Labor and Human Resources

To hold hearings on the nomination of Betsy Levin, of North Carolina, to be General Counsel, Department of Education.

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume hearings on S. 2352, extending the authority of the Council on Wage and Price Stability through fiscal year 1981, and authorizing funds for fiscal years 1980 and 1981, for activities thereof; to be followed by oversight hearings, in conjunction with the aforementioned bill, on the administration's anti-inflation programs, and on recent proposals for mandatory wage and price controls.

5302 Dirksen Building

Environment and Public Works

Environmental Pollution and Resource Protection Subcommittees

To resume joint markup of S. 1480, to provide for the adequate and safe treatment of hazardous substances released into the environment.

4200 Dirksen Building

Foreign Relations

To continue hearings on proposed authorizations for fiscal year 1981 for foreign assistance programs.

4221 Dirksen Building

Select on Intelligence

Budget Authorizations Subcommittee

To resume closed hearings on proposed budget estimates for intelligence activities of the U.S.

S-407, Capitol

MARCH 17

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

9:30 a.m.

Joint Economic

Energy Subcommittee

To hold hearings to examine the Administration's efforts to promote alcohol fuel production in rural America.

5110 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on S. 864, 1499, 1663, 1744, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 2322, authorizing funds for fiscal year 1981 for certain maritime programs of the Department of Commerce.

235 Dirksen Building

Foreign Relations

To continue hearings on S. 2271, authorizing an increase in the U.S. quota in the International Monetary Fund.

4221 Dirksen Building

Select on Indian Affairs

To hold hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C. Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

457 Russell Building

1:00 p.m.

Judiciary

To resume hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

MARCH 18

9:30 a.m.

Select on Small Business

To hold hearings on S. 1860, proposed Small Business Innovation Act.

424 Russell Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development.

1114 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for alternative fuels program of the Department of Energy.

1223 Dirksen Building

*Banking, Housing, and Urban Affairs

International Finance Subcommittee

To continue hearings on S. 864, 1499, 1663, 1744, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.

5302 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

Room to be announced

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold oversight hearings on the implementation of the Outer Continental Shelf leasing program.

3110 Dirksen Building

*Select on Indian Affairs

To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

1224 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

2:30 p.m.

Finance

Health Subcommittee

To hold hearings on S. 1968, proposed Health Incentives Reform Act.

2221 Dirksen Building

3:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction programs for the DOD, focusing on family housing programs.

1224 Dirksen Building

MARCH 19

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To resume hearings on S. 2004, 2015, and 2296, bills authorizing funds for urban mass transportation programs.

5302 Dirksen Building

Judiciary

To resume hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.

1224 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Select on Indian Affairs

To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

457 Russell Building

10:15 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on S. 1652, to provide consumers with nutrition and ingredient information on food labels, and to remove the burdens on the food industry in providing such information.

4232 Dirksen Building

2:30 p.m.

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To continue hearings on S. 2004, 2015, and 2296, bills authorizing funds for urban mass transportation programs.

5302 Dirksen Building

Finance

Health Subcommittee

To continue hearings on S. 1968, proposed Health Incentives Reform Act.

2221 Dirksen Building

MARCH 20

8:30 a.m.

Energy and Natural Resources

To resume closed hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

S-407, Capitol

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To hold oversight hearings on the scope of the general revenue sharing program.

3302 Dirksen Building

Judiciary

To continue hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development, and for the Peace Corps.

1114 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold oversight hearings on the scope of rental, multifamily, and public housing.
5302 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume oversight hearings on the implementation of the Outer Continental Shelf leasing program.
3110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1318 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

MARCH 21

9:00 a.m.
Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

9:30 a.m.
Judiciary
To continue hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency, and for the Council on Environmental Quality.
1318 Dirksen Building

MARCH 24

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the U.S. embargo of grain and technology exports to the Soviet Union.
5302 Dirksen Building

Energy and Natural Resources
To hold oversight hearings on the activities of the Department of Energy.
3110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Census, general administration, and economic and statistical analysis, Department of Commerce.
S-146, Capitol

MARCH 25

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.
4200 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the scope of the general revenue sharing program.
3302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed authorizations for the National Science Foundation.
4232 Dirksen Building

*Veterans' Affairs
Business meeting, to consider S. 1188, to revise the vocational rehabilitation program administered by the Veterans' Administration.
412 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development; the international narcotics control program of the Department of State; and for the Inter-American Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Development Administration, and Regional Planning Commission, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold joint hearings with the Energy and National Resources' Subcommittee on Energy Resources and Materials Production on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer Continental Shelf) from environmental degradation due to oil and gas well drilling activities.
235 Russell Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer Continental Shelf) from environmental degradation due to oil and gas well drilling activities.
235 Russell Building

Energy and Natural Resources
*Parks, Recreation, and Renewable Resources Subcommittee
To receive testimony from Administration officials on the following land conveyance and other measures affecting the Forest Service and the Bureau of Land Management: S. 1506, 2261, 1923, 1972, 1985, 1997, 2209, 1910, 1715, 2307, H.R. 1762, 3928, 1967, and 920.
3110 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to resume consideration of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.
357 Russell Building

2:00 p.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Cost Accounting Standards Board, and the General Accounting Office.
S-128, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 26

9:00 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
Business meeting, to mark up S. 1843 and H.R. 2977, proposed Domestic Violence Prevention and Services Act; and proposed legislation to establish Commissions on National Youth Service and Volunteerism.
4232 Dirksen Building

9.30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Industry and Trade Administration, Minority Business Development Agency, and the U.S. Travel Service, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the Federal Election Commission.
301 Russell Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Oceanic and Atmospheric Administration, Department of Commerce.
S-146, Capitol

MARCH 27

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Judiciary
To resume hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from AMVETS, Paralyzed Veterans, Blinded Veterans, WWI Veterans, and Military Orders of the Purple Heart.
1202 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Smithsonian Institution.
1223 Dirksen Building

*Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Patent and Trademark Office, and science and technical research, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 1784, to improve the electric generating efficiency of joint Federal-civilian pooling practices in Alaska.
3110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Telecommunications and Information Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 28

9:00 a.m.
Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation, and for the Office of Science and Technology Policy.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

MARCH 31

9:00 a.m.
Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

10:00 a.m.
*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.
5302 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Chrysler loan guarantee program.
S-146, Capitol

APRIL 1

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

APRIL 2

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold hearings on S. 1393, authorizing funds for fiscal years 1981 and 1982 for programs under the National Earthquake Hazard Reduction Act.
235 Russell Building

Judiciary
To resume hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

*Veterans' Affairs
To hold hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration's health-care facilities.
412 Russell Building

10:00 a.m.

*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Commission on Air Quality, the American Battle Monuments Commission, and U.S. Army cemeterial expenses.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs, and the urban development action grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

2:00 p.m.

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1318 Dirksen Building

APRIL 3

9:30 a.m.

Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Judiciary
To continue hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.
1224 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for ocean pollution research and monitoring programs.
235 Russell Building

Energy and Natural Resources
To hold hearings on the environmental effects of carbon dioxide present in the atmosphere.
3110 Dirksen Building

APRIL 15

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal inspector for Alaska pipeline, and the Energy Information Administration, of the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
*International Finance Subcommittee
To hold hearings on S. 2097, propose Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.
5302 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Energy Regulatory Commission and for the Office of Hearings and Appeals.
6226 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

APRIL 16

9:00 a.m.

*Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.
412 Russell Building

9:30 a.m.

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 1424, proposed International Health Act.
6226 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Gallery of Art, and the Commission of Fine Arts.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
To resume hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.
357 Russell Building

2:00 p.m.

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 17

9:30 a.m.

*Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the development of children who benefit from adoption by facilitating their placement in adoptive homes.
457 Russell Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Forest Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates or fiscal year 1981 for the Department of the Treasury.
1114 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Com-

mittee, receiving testimony from officials of the Economic Regulatory Administration, and the Energy Information Administration.
5110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Emergency Management Agency.
1318 Dirksen Building

Energy and Natural Resources
To hold hearings on a report entitled "Energy in Transition: 1985-2010" of the Committee on Nuclear and Alternative Energy Systems (CONAES) of the National Academy of Sciences.
3110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

APRIL 21

10:00 a.m.
Judiciary
To resume hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

APRIL 22

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1931 for the Economic Regulatory Administration, Department of Energy.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury, and on the U.S. Postal Service.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
S-146, Capitol

APRIL 23

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.
1318 Dirksen Building

Judiciary
To resume hearings on proposed authorizations for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.
1114 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

APRIL 29

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, U.S. Tax Court, and President's Commission on Pension Policy.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

APRIL 30

9:30 a.m.
*Veterans' Affairs
Business meeting, to consider proposed legislation on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.
412 Russell Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Elections Commission, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped, and the Administrative Conference of the U.S.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 1

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Land

and Water Conservation Fund of the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.

1114 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold hearings on issues Congress might consider which would affect youth in the coming decade.

6226 Dirksen Building

MAY 2

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

MAY 6

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 7

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.

1224 Dirksen Building

MAY 13

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.

1224 Dirksen Building

MAY 14

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 15

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 16

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

MAY 22

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.

4232 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

JUNE 11

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.

412 Russell Building

CANCELLATIONS

MARCH 12

10:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

318 Russell Building

Environment and Public Works

Water Resources Subcommittee

Business meeting, to continue markup on S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the United States and trust territories.

4200 Dirksen Building

MARCH 13

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MARCH 14

10:00 a.m.

*Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

Business meeting, to resume markup of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.

1052 Dirksen Building

MARCH 18

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To continue hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.

5302 Dirksen Building

MARCH 19

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.

235 Russell Building

MARCH 21

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.

235 Russell Building

MARCH 25

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 26

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

MARCH 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for the Department of Transportation.
1224 Dirksen Building

11:30 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

SENATE—*Tuesday, March 11, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. CARL LEVIN, a Senator from the State of Michigan.

PRAYER

His Beatitude, Metropolitan Theodosius, primate of the Orthodox Church in America, offered the following prayer:

Today has been designated by Congress as a National Day of Prayer for the Hostages.

Let us pray in silence.

[Silent prayer.]

Let us pray:

O Master, Lord our God, the source of life and immortality, who has established power and authority among the peoples of the world, that it might be used to Thy glory and the well-being of our Nation. We thank Thee for the great benefits, mercy, and compassion Thou hast poured forth upon this Nation. We pray that Thou wilt continue to show mercy upon us, this land, and its people.

Grant to the leaders of this Nation, its President, Congress, and judges, all wisdom, reason, and understanding that they may act rightly, preserving the commonwealth in peace and harmony.

O, most merciful Lord, God of all bounties and Father of all compassion, turn not Thy face from Thy people and put us not to shame in our hope, for Thou knowest our needs even before we ask.

Rekindle in us a spirit of sacrifice and steadfastness of purpose so that we may be people of devotion and dedication to Thy precepts and Commandments. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 11, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

UTILITY OIL BACKOUT LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, on Thursday, March 6, the President transmitted to the Congress specifications for legislation to reduce the use of oil and natural gas by utilities. This proposal outlines a two-phase program, with emphasis on the mandatory conversion of a number of oil-burning powerplants to coal. The intent of the administration's initiative is to displace 1 million barrels of oil per day by 1990 through the provision of Federal grants to assist in financing the costs of such conversion.

In his message, the President emphasizes the significant oil savings which can be achieved by the utility sector in the near term. Phase I of the administration plan is designed to save as much as 400,000 barrels of oil per day by 1985. Attainment of this goal would result in important savings to energy consumers, enhance our national security, and aid in the battle against inflation.

The proposal also demonstrates that the direct use of coal can be increased in a manner which is environmentally sound and consistent with current air quality standards.

Legislation reflecting these recommendations will be introduced shortly. In order that all Senators may be better informed as to the details of this proposal, I ask unanimous consent that the specifications for the legislation and the Presidential letter of transmittal, dated March 6, 1980, which accompanies the proposal, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 6, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith proposed specifications for legislation to reduce the use of oil and gas in the electric utility sector by one million barrels per day by 1990. This proposal would meet that target by establishing a two-phase program designed to displace 750,000 barrels of oil per day and the natural gas equivalent of 250,000 barrels of oil per day by 1990, through provision of federal financial assistance and streamlining certain regulatory requirements. Funding for this program will come from revenues raised by the Windfall Profits Tax.

The electric utility industry, which now consumes about three million barrels per day of oil and natural gas equivalent, is a prime target for an accelerated national effort at reducing our dependence on imported fuel. No other sector of the economy can achieve as great a near-term savings of oil and gas, particularly through conversion of existing facilities to coal, and expanded energy conservation measures.

Congress has recognized the desirability of efforts to shift oil and gas-fired utilities to coal and other alternate fuels. Beginning in 1974 and most recently in 1978, Congress enacted regulatory programs designed to facilitate this shift; however, the results have not been satisfactory. Regulatory and financial impediments prevented achievement of the necessary acceleration of oil and gas replacement—action which would otherwise be justified to reduce cost to utilities and ratepayers. Unless a Federal program is developed to overcome these financial and institutional barriers, oil and gas consumption will not be substantially reduced and could actually increase in the near-term in the electric utility sector.

The program I am proposing today consists of two parts. Phase I is designed to accomplish a greater number of powerplant conversions in an earlier time frame than could be accomplished under current law. Conversions of powerplants covered by Phase I of this proposal would save as much as 400,000 barrels of oil per day by 1985.

Specifically, a number of powerplants currently using oil that are capable of converting to coal or other alternate fuels would be prohibited by statute from continued use of oil. $3.6 billion would be available for grants to be awarded by the Secretary of Energy to pay for a portion of the capital costs associated with converting designated facilities to coal or an alternate fuel. Consumers would benefit both from lower capital requirements for utilities and from reduced fuel costs after conversions.

While exemptions from conversions would be available as they are under the current law, the process for their consideration would be substantially accelerated. The bulk of the powerplants affected by Phase I are located in New England and the Middle Atlantic States.

One major issue has not been resolved—the problem of increased air pollution loadings and increases in acid rain that will result from these coal conversions. We have recently come to understand that sulfur dioxide and nitrogen dioxide emissions from powerplants travel great distances and are a principal cause of acid rain. Since environmental damage caused by acid rain is already serious, I am becoming increasingly concerned with the problem, particularly since many of the powerplants covered by Phase I are located in areas affected by acid rain.

In my Message to Congress on the Environment in August 1979, I cited acid rain as one of the emerging environmental issues requiring national attention. The conversions covered by my proposal can be made consistent with Federal ambient air standards and all existing State Implementation Plans under the Clean Air Act. However, we cannot ignore the problems of acid rain.

I call upon the Congress to address with me in this session this important new concern and hope the appropriate committees in Congress will commence hearings on this as soon as possible.

In order to help offset emission increases from conversions and to increase the availability of coal resources, up to $400 million in Phase I grant funds would be reserved for use in programs to reduce emissions from existing powerplants where appropriate. This program would include loan guarantees for coal cleaning and preparation facilities and grants for advanced sulfur dioxide removal systems such as scrubbers and chemical cleaning of coal.

Phase II is designed to achieve oil and gas displacement of approximately 600,000 barrels per day by 1990. Six billion dollars in grant funds would be available to assist utilities in identifying and implementing projects designed to reduce consumption of oil and gas. A principal purpose of Phase II is to encourage reliance on energy conservation as a means to reduce oil and gas usage. Utilities would submit fuel displacement plans, including displacement targets (based on a specified base period usage). Plans would include assessments of: (1) financial feasibility; (2) environmental impacts; and (3) cost effectiveness of practicable alternatives to oil and gas use.

Oil and gas displacement could be achieved through a strategy which emphasizes a program of energy conservation, conversion to alternate fuels (including coal, nuclear, synthetic fuels), and renewable resources. Each utility would have access to a portion of the Federal grant funds.

Funds would be awarded if the plans are determined to be cost-effective by state authorities, following public hearings, and the Secretary of Energy determines that the plan is likely to achieve the displacement target established by the utility. Funds under this phase are expected to be used primarily by utilities in the Southeast, Southwest, and California.

This program will provide significant economic and national security benefits through accelerated oil and gas displacement effort. The Federal assistance I am proposing is a sound investment in the Nation's energy future. The earlier action is taken, the sooner the benefits to the Nation as a whole, and to consumers can be realized. For these reasons, I urge Congress to give prompt consideration to this legislative proposal.

Sincerely,

JIMMY CARTER.

SPECIFICATIONS FOR LEGISLATION TO REDUCE USE OF OIL AND GAS IN THE ELECTRIC UTILITY SECTOR

OBJECTIVE

The Administration has established an objective of displacing by 1990, 1 million barrels per day equivalent of oil and natural gas in the electric utility sector. This proposed legislation would meet this target by establishing a two-phase program designed to achieve the displacement of 750,000 barrels of oil per day and the natural gas equivalent of 250,000 barrels of oil per day by 1990 through provision of Federal financial assistance and streamlining of certain regulatory requirements.

PHASE I

Phase I would be adopted as an amendment to the Powerplant and Industrial Fuel Use Act of 1978 (FUA).

PURPOSES

(1) Accomplish a greater number of powerplant conversions, and an earlier timeframe than achievable under current law.

(2) Achieve displacement of an estimated 400,000 barrels of oil per day in 1985, through mandated prohibition of oil burning by existing powerplants initially listed in the legislation (approximately 21,000 megawatts of generation), coupled with substantial Federal financial assistance.

(3) Achieve significant economic savings for utility ratepayers by 1985 for every barrel of oil displaced.

(4) Achieve long-term savings for the Nation by reducing oil imports, resulting in reductions in the Nation's balance of payments deficit and domestic inflation rate, and substantial national security benefits.

1. Statutory prohibition of use of oil by electric powerplants.

(a) Statutory List:

FUA would be amended to include a prohibition against the use of oil in electric powerplants listed in the statute. Prohibitions would be effective 90 days after enactment, unless an exemption request is filed within that time.

Affected powerplants are set forth on the attached list, which includes 107 powerplants at 50 generating stations, representing a total of about 21,000 megawatts. These plants were selected on the basis of size, remaining useful life, and feasibility of conversion to coal and other alternate fuels.

Designated powerplants include facilities which have received prohibition orders under the Energy Supply and Environmental Coordination Act (ESECA), proposed prohibition orders under FUA; as well as other coal or other alternate fuel capable powerplants.

(b) Exemptions:

Utilities which require time to achieve compliance with statutory prohibitions could petition the Secretary of Energy for any of the temporary exemptions already contained in Title III of FUA. Utilities who believe they will be unable to comply with the statutory prohibitions may seek any of the permanent exemptions now contained in Title III of FUA.

Utilities would be required to file any exemption petitions within 90 days of enactment. The Secretary of Energy would be required to grant or deny such petitions within 180 days of filing (with provision for extension by the Secretary).

The statutory prohibitions would be stayed, pending the Secretary's decision on any exemption petition.

2. Grants to assist eligible utilities in converting to coal or other alternate fuels.

(a) Appropriations.—Congress would authorize an appropriation of $3.6 billion (of which $10 million would be for program administration) for grants to be made by the Department of Energy (DOE) to cover eligible capital costs associated with converting a powerplant subject to a statutory prohibition to coal or other alternate fuel. Any Phase I funds that are not granted to converting utilities, within the time frame of grant awards established by rule would revert to the Phase II.

(b) Authority to Award Grants.—DOE would be authorized to disburse funds in the form of grants to any eligible utility for the purpose of assisting such utility in meeting qualifying capital costs of conversions undertaken to comply with statutory prohibitions.

(c) Eligibility.—Electric utilities that own or operate powerplants subject to statutory prohibitions and seek to comply with those prohibitions by converting such powerplants to coal or other alternate fuels would be eligible for grants. Utilities which seek to comply by retiring a powerplant could not obtain grants under Phase I but could use the resultant reduction of oil or gas as part of a qualifying reduction eligible for Phase II grant assistance through an approved fuel displacement plan.

(d) Qualifying Costs.—Costs qualifying for Phase I grants would be limited to capital costs that are incurred by eligible utilities after November 9. 1978 (date of FUA enactment) for the purpose of converting powerplants subject to statutory prohibitions to coal or other alternate fuels. These costs would include such items as boiler modifications, on-site fuel transportation facilities, storage and handling equipment, and capital costs required to comply with air pollution control and other applicable environmental requirements. Operating, maintenance and fuel costs would not be eligible for grants under Phase I.

(e) Grant Application.—

Submission and Content. Any eligible utility seeking Phase I grants would be required to submit to the Secretary, and transmit to the Governor of the State in which the affected powerplant is located, a grant application in a form satisfactory to and at a time specified by rule by the Secretary. Each application would include (i) detailed engineering design and cost estimates for each conversion; (ii) an evaluation of environmental impacts of converting and operating the plant; available options for minimizing such impacts; and measures proposed for this purpose; and (iii) a demonstration that the proposed conversion plan is the most economic method for achieving the conversion.

Verification. DOE would be obliged to evaluate and to the greatest extent practicable verify cost estimates and other information submitted in grant applications.

Comments and Consultation:

DOE would be required to consider any comments by the Governor or his designee with respect to each grant application involving a powerplant located in his state.

DOE would be obliged to consult with the Administration of the Environmental Protection Agency and other interested Federal agencies prior to approving any grant application.

Approval.—DOE would be required to approve or disapprove any grant application within 6 months of its submission. This mandatory time period would promote the purposes of Phase I by assuring an expeditious process for granting needed funds to eligible facilities.

Funds would be awarded on such terms and conditions as the Secretary deems appropriate to effectuate the purposes of Phase I.

Treatment of Funds.—Funds under Phase I would be required to be accounted for by the recipient utility as reductions to the utility's ratebase associated with capital costs related to the conversion undertaken to comply with a statutory prohibition.

Grants awarded to utilities under Phase I would not be considered as income for the purposes of Federal income taxes.

Grant Award and Disbursement.—Grants would be awarded by the Secretary in the order in which grant applications are approved. The total of qualifying capital costs for all eligible utilities would not exceed available appropriations. Grant awards for conversion of any facility shall not exceed the lesser of 50 percent of qualifying capital costs or $4 per barrel of oil displaced by the converting facility, computed on the basis of the remaining useful life of each converting plant, and the discounted time-value of associated savings. Funds would be disbursed in three equal annual installments.

3. Enforcement of statutory prohibitions.

(a) Automatic Fuel Adjustment Clause.—Any utility owning or operating a powerplant subject to a statutory prohibition that is not in compliance with such prohibitions on December 31, 1985, would thereafter not be permitted to automatically recover fuel costs of oil for such powerplant through an automatic adjustment clause (or defined in Section 115(e)(3) of the Public Utility Regulatory Policies Act of 1978). A utility precluded from utilizing an automatic adjustment clause would be able to seek recovery of fuel costs through a regular rate filing.

The Secretary would be authorized to waive this restriction, in whole or in part, whenever he determines that a utility's failure to comply with a statutory prohibition results from factors beyond its control.

4. Coordination with existing authorities.

To clarify the status of facilities already subject to full or partial oil prohibitions under existing authorities, powerplants identified as prohibited in the statute would be deemed to be in compliance with the prohibitions of Title III of FUA. In addition, it would be unnecessary to continue the time consuming process of making effective prohibition orders under ESECA and proposed prohibition orders FUA, insofar as they pertained to facilities covered under Phase I, and these orders would be rescinded by administrative action.

5. Advanced sulphur dioxide removal systems to increase coal utilitization and offset sulphur emissions associated with phase I conversions.

(a) Congress would authorize an appropiration of $300,000,000 for use by DOE in providing grants to assist utilities in the design and installation of advanced sulphur dioxide removal systems at existing coal-burning powerplants.

(b) Only facilities in compliance with applicable air pollution control requirements on the date of enactment would be eligible for funds.

(c) The Secretary would be authorized to make grant awards through a competitive selection process based on a consideration of:

(1) The extent to which the proposed system would significantly reduce sulphur dioxide emissions below existing levels by 31 December 1985.

(2) The location of the facility relative to plants converting to coal under Phase I of this program so as to assist in offseting any increased emissions which might result from such conversions.

(3) The contributions of the system to advancing the state-of-the-art of desulphurization technology applicable to existing sources.

(4) The contribution of the system towards increasing the marketability of underutilized local and regional coal resources.

(5) The recommendations of the Administration of the Environmental Protection Agency.

Advanced systems eligible for grant assistance under this program would include technologies capable of reducing the sulphur dioxide emissions of existing coal-fired powerplants through such techniques as wet and dry scrubbing of flue gases (i.e. scrubbers) and chemical cleaning and refining of coal. Advanced combustion techniques which could result in reduced emissions from existing coal-fired powerplants would also be eligible.

The Secretary would be authorized to enter into cost-sharing arrangements with utilities submitting acceptable proposals through a competitive solicitation. The Secretary would be required to establish appropriate testing and evaluation programs to monitor system effectiveness in achieving emission reductions and transferring the results of these demonstrations to commercial applications.

6. Financial assistant program for coal preparation plants to increase coal use and offset sulphur emissions from phase I conversions.

To accelerate the construction and operation of demonstration and commercial-scale facilities capable of reducing the sulphur content of raw coal, Title VI of FUA would be amended by adding a new section to provide as follows:

(a) Congress would authorize the appropriation of $100 million for grant awards to assist in the construction and operation of coal cleaning and preparation facilities.

(b) The cumulative amount of all grant awards to facilities within a single State may not exceed 20 percent of appropriated funds.

(c) In awarding grants under this program the Secretary will assign priority to those projects which:

(1) Are likely to result in a reduction of emissions from coal combustion as determined by the Administrator of the Environmental Protection Agency.

(2) Demonstrate advanced or more efficient coal cleaning and preparation technologies.

(3) Increase utilization of local and regional coal resources while also contributing to a reduction in emissions.

(d) The Secretary shall consider the financial viability of the overall project prior to making any grant awards for coal cleaning and preparation facilities under this program.

LIST FOR GENERAL PROHIBITION

State: Company: Station	Units	Nameplate capacity (megawatts)	Inservice (year)
DOE REGION I			
Connecticut:			
Connecticut Light & Power (Northeast Utilities):			
Devon	7	104	1956
	8	104	1958
Montville	5	75	1954
Norwalk Harbor	1	163	1960
	2	163	1963
Hartford Electric (Northeast Utilities): Middletown	1	69	1954
	2	114	1958
	3	239	1964
United Illuminating: Bridgeport Harbor	3	400	1968
Maine: Central Maine Power: Mason	3	33	1952
	4	33	1952
	5	33	1955
Massachusetts:			
Boston Edison: Mystic	4	125	1957
	5	156	1959
	6	156	1961
Canal Electric (New England Gas & Electric): Canal	1	543	1968
Holyoke Water Power (Northeast Utilities): Mount Tom	1	136	1960
Montaup Electric (Eastern Utilities): Somerset	6	125	1959
New England Power (New England Electric):			
Brayton Point	1	241	1963
	2	241	1964
	3	643	1969
Salem Harbor	1	82	1952
	2	82	1952
	3	170	1958
Western Massachusetts Electric (Northeast Utilities): West Springfield	3	114	1957
New Hampshire: Public Service of New Hampshire: Schiller	4	50	1952
	5	50	1955
	6	50	1957
Rhode Island: Narragansett Electric (New England Electric): South Street	12	62	1955
DOE REGION II			
New Jersey:			
Atlantic City Electric: Deepwater	5	23	1942
	6	75	1954
	7	23	1957
Jersey Central Power (General Public Utilities): Sayreville	5	125	1958
Public Service Electric & Gas:			
Bergen	1	325	1959
	2	325	1960
Burlington	7	195	1955
Hudson	1	455	1964
Kearney	7	142	1953
	8	146	1953
New York:			
Central Hudson Gas & Electric: Danskammer	1	72	1951
	2	73	1954
	3	147	1959
	4	239	1967
Consolidated Edison:			
Arthur Kill	2	376	1959
	3	535	1969
Ravenswood	3	1,028	1965
Long Island Lighting Co.:			
E. F. Barrett	1	188	1956
	2	188	1963
Northport	1	387	1967
	2	387	1968
	3	387	1972
	4	387	1977
Port Jefferson	1	45	1948
	2	46	1950
	3	188	1958
	4	188	1960
Niagara Mohawk Power:			
Albany	1	100	1952
	2	100	1952
	3	100	1952
	4	100	1954
Oswego	3	92	1948
	4	100	1951
Orange & Rockland: Lovett	3	69	1955
	4	197	1966
	5	202	1969
DOE REGION III			
Delaware: Delmarva Power & Light: Edge Moor	1	70	1951
	2	70	1951
	3	75	1954
	4	177	1956
Maryland: Baltimore Gas & Electric:			
Brandon Shores	1	610	1982
	2	610	1984

LIST FOR GENERAL PROHIBITION—Continued

State: Company: Station	Units	Nameplate capacity (megawatts)	Inservice (year)
Maryland: Baltimore Gas & Electric—Continued			
C. P. Crane	1	190	1961
	2	209	1963
Riverside	4	72	1951
	5	81	1953
H. A. Wagner	1	132	1956
	2	136	1959
Pennsylvania:			
Philadelphia Electric:			
Cromby	2	230	1955
Schuykill	1	190	1958
West Pennsylvania Power (A'legheny Power):			
Springdale	8	141	1954
Virginia: Virginia Electric & Power:			
Chesterfield	3	113	1952
	4	188	1960
	5	359	1964
	6	694	1969
Portsmouth	1	113	1953
	2	113	1954
	3	185	1959
	4	239	1962
Possom Point	3	114	1955
	4	239	1962
Yorktown	1	188	1957
	2	188	1959
DOE REGION IV			
Florida: Tampa Electric: F. J. Gannon	1	125	1957
	2	125	1958
	3	179	1960
	4	187	1963
Georgia:			
Georgia Power Co. (Southern Co.): McManus	1	40	1952
	2	75	1959
Sevannah Electric: Effingham	1	163	1979
DOE REGION V			
Illinois: Commonwealth Edison: Collins	4	520	1978
	5	520	1979
Michigan: Detroit Edison:			
River Rouge	1	283	1956
St. Clair	5	358	1959
DOE REGION VI			
Arkansas: Arkansas Power & Light (Mid South Utilities):			
Ham Moses	1	69	1951
	2	69	1951
Ritchie	1	359	1961
	2	545	1968
Total		21,654	

Estimated oil displacement equals 400,000 bbl/d.

PHASE II

Purpose

The purpose of Phase II is to promote the timely and cost-effective displacement of oil and natural gas in steam electric powerplants not capable of conversion to coal or alternative fuels. A principal objective of Phase II is to encourage conservation for reducing oil and gas use, and to encourage utilities to choose the most cost-effective means available for reducing their consumption of oil and gas. Phase II would be an amendment to Title VI of FUA and would contain the following provisions:

A. Authority to Provide Financial Assistance.

The Secretary would be authorized to provide grants to any qualifying electric utility to achieve reductions in the utility's use of petroleum or natural gas as fuels for the generation of electricity. These grants would be used by the utility in a comprehensive program of oil and gas replacement including construction or acquisition of electric power generation or transmission facilities or implementation of energy conservation and renewable resource programs. In addition, assistance could be provided to third-party cogenerators and other nonutility entities that are elements of an approved electric utility fuel displacement plan.

B. Requirements for Utilities to Submit Fuel Displacement Plans.

1. Within 180 days after enactment, the Secretary would be required to promulgate rules governing the content and submission of fuel displacement plans. These rules would include a determination of base period usage for each utility which would provide the basis for formulation of utility targets. These usage levels would be based on 1974–78 average usage, unless adjusted by the Secretary to effectuate the displacement objectives of the program.

The Secretary could only provide grants to electric utilities having a fuel displacement plan approved in accordance with this section. Utilities would be required to submit plans to the Secretary no later than December 31, 1981.

2. The utility would be required to include in its fuel displacement plan a petroleum and natural gas consumption target that is below the utility's base period usage. In its Fuel Displacement Plan the utility must demonstrate how this target would be achieved by the end of the calendar year 1990. In addition, the plan would be required to contain the following information:

(1) Identification of all powerplants owned or operated by the utility, and the type and quantity of fuel used by each powerplant identified;

(2) A 15-year forecast of demand for electricity which includes

(i) estimates of anticipated energy savings through energy conservation programs, and

(ii) identification of the principal economic, demographic and technological assumptions upon which the forecast was made;

3. A 15-year forecast of system expansion made to meet established fuel displacement targets, including—

(A) fuel use by major fuel type; and

(B) planned capital investments to meet forecast demand with respect to

(i) modification to existing facilities,

(ii) new facilities, and

(iii) energy conservation;

4. A 15-year financial plan that contains a description of the financial mechanisms proposed to secure the investments identified in subparagraph (2);

5. A commitment by the utility to achieve a net reduction in consumption of petroleum and natural gas to some level below the base period (1974–78) average. Such commitment would establish a voluntary oil and gas displacement target that the utility would be required to meet by 1980 and maintain thereafter, as a condition of Phase II grant assistance;

6. A description of the investment program that will enable the utility to meet the displacement target at the lowest practicable cost consistent with assuring safe and reliable power supply and meeting all applicable environmental regulations;

7. Annual milestones that provide a means to determine independently whether commitments contained in the plan are being met on an annual basis;

8. Assessments of—

(i) the financial feasibility;

(ii) environmental impacts; and

(iii) cost-effectiveness of reasonable alternatives to the use of petroleum and natural gas, including renewable energy resources and energy conservation programs;

9. Demonstration that a selected alternate is the most cost-effective means to displace petroleum and natural gas, or if a less cost-effective alternative is selected, a statement describing the reasons for such selection;

10. Identification of and estimated schedule of actions by all relevant government regulatory agencies needed to permit the utility to implement the fuel displacement plan;

11. Identification of any changes in Federal, State or local laws or regulations that may be needed to permit the utility to implement the fuel displacement plan.

C. Review of Fuel Displacement Plan.

Each fuel displacement plan would be submitted by the utility to the Secretary and Governor of each state in which it operates;

State Action:

1. The Governor of any State agency or agencies designated by the Governor would be required to approve or disapprove a fuel displacement plan within one year of its submission;

2. Prior to any final State action, the State would be required to afford an opportunity for public hearing regarding the merits of the fuel displacement plan. Public hearings must include at least the following elements. Public notice of proposed certification of the plan must be given in advance of the hearing. Once the notice is issued, the complete plan and supporting documentation must be made available for public inspection. The reviewing agency must provide for reasonable access to all data and information used to develop and support the plan. The hearing on the merits of the plan must be open to the public and include opportunities to submit written questions, written statements and relevant data concerning the plan and alternatives. The hearing must also afford concerned parties with an opportunity to make oral presentations. A transcript shall be kept and become part of the hearing record. The agency's decision shall take into consideration the complete record.

3. The Governor or designated agency must provide a written statement of the reasons for any decision to approve or disapprove a proposed plan. No proposed fuel displacement plan could be approved unless the State authorities—

(a) determine the plan includes all the elements identified in the statute and applicable rules and regulations;

(b) determine the plan is likely upon completion to result in the utility meeting the fuel displacement targets established in the plan;

(c) determine the plan constitutes a cost-effective and practicable approach to meeting the fuel displacement target and, if the utility did not choose the most cost-effective fuel displacement alternative, that the alternative chosen is based on valid consideraions; and

(d) consider and make a determination with respect to the plan's financial feasibility as set forth in subparagraph 4 below.

4. With respect to each utility submitting a fuel displacement plan and for which it has ratemaking authority, each State regulatory authority would be required to make a written determination with respect to the financial feasibility of each plan and the need for any regulatory or legislative action to relieve financial difficulties that the authority determines may constrain implementation of the plan. In making this determination, the regulatory authority would be required at a minimum to consider—

(1) the adequacy of the utility's cash earnings over the duration of the fuel displacement plan to allow timely issuance of new debt needed to finance the investments contemplated in the plan. Adequacy of cash earnings must be addressed realtive to indenture requirements for interest coverage and any other factors deemed appropriate by the regulatory authority; and

(2) the need, if any, for regulatory or legislative action to ensure the adequacy of the utility's cash earnings as determined under subparagraph (1) of this subsection including adoption of—

(i) accelerated depreciation of oil and gas-fired generating facilities that cannot be converted economically to use alternate fuels;

(ii) construction work in progress (CWIP) in the utility's rate base; and

(iii) any other measures that may provide the utility cash earnings needed to achieve the fuel displacement targets set forth in the plan; and

(3) the costs and benefits to current and future rate-payers of any supplemental regulatory or legislative action determined by the regulatory authority to be needed pursuant to this program.

Review by Secretary of Energy:

The Secretary would be authorized to approve any fuel displacement plan that is approved by the Governor or designated State agency if the Secretary determines that—

(1) the plan is prepared and submitted in accordance with applicable requirements;

(2) the plan has been approved by the Governor or the Governor's designee in accordance with applicable requirements; and,

(3) the plan, as approved by State authorities, is likely upon implementation to achieve the fuel displacement targets established by the plan. Any approval of a fuel displacement plan by the Secretary would be on such terms and conditions as the Secretary determines appropriate for successful implementation of the plan.

Subsequent revisions of previously approved plans likely to affect timely achievement of the annual milestones established in the plan would require approval by the Secretary.

In submitting plans for review by the Secretary, the State shall furnish the entire record upon which its approval is based.

D. Need-for-Power Determination.

Only to the extent necessary to satisfy the requirements of the displacement plan, the inclusion of all or part of a new facility in a fuel displacement plan that is approved in accordance with the procedures specified shall be deemed to constitute a determination of need-for-power for the purposes of any State or local law.

E. Refund For Failure to Achieve Displacement Target.

In the event the Secretary determines, after reasonable notice and opportunity for comment, that an electric utility has failed to achieve or maintain the fuel displacement target established in its fuel displacement plan, the Secretary would be authorized to require the utility to refund to the Treasury all or part of the Federal financial assistance provided under the program with interest. Any refund would be required upon such terms as specified by the Secretary.

F. Treatment of Grant Funds.

1. Any funds provided under the program would be required to be accounted for by the recipient utility as reductions to the utility's rate base associated with capital costs required to achieve its fuel displacement target, except where the funds are used by a third party cogenerator or other third party.

2. Grants awarded to utilities under this program would not be considered as income for the purposes of Federal income taxes.

G. Allocation and Priorities.

Within 180 days of enactment, the Secretary would be required to promulgate rules governing the allocation of funds provided under this program. The allocation of funds would be based on the percentage of each electric utility's consumption of petroleum and natural gas in its adjusted baseline as compared to the consumption of these fuels by all utilities during the base period (as adjusted), discounted by any estimated fuel savings that are achieved under Phase I of this program as a result of conversion to coal or other alternate fuel. The Secretary would provide assistance to qualifying electric utilities in five annual installments of with the first installment would be disbursed within 90 days after approval by the Secretary of the fuel displacement plan.

The Secretary must reallocate any funds authorized under Phase II that are not committed to an electric utility before December 1, 1982, as well as any non-expended funds under Phase I which are transferred to Phase II of the program. Such uncommitted funds would be distributed to all electric utilities with approved fuel displacement plans that establish displacement targets greater than their percentage share of the total displacement target of 600,000 barrels/day for Phase II of this program. This sets a limit of $10,000 per barrel per day displaced in 1990. The Secretary must reallocate such funds on the basis of the total amount of displacement of petroleum and natural gas to be achieved above the utility's percentage share of displacement as determined under the previous paragraph.

H. Annual Reports to the Secretary.

Any electric utility receiving assistance under this program would upon each anniversary of approval of the fuel displacement plan report to the Secretary on the utility's progress toward achieving the fuel displacement target established in the plan. Annual reports must include a description of any changes in the underlying assumptions and forecasts upon which the plan submitted was based and any necessary modifications to the plan made in response to such changes. Annual reports would not be required after the utility has achieved its fuel displacement target.

The Secretary would be authorized, after affording reasonable notice and opportunity to comment, to suspend payment of funds, in whole or in part, to any utility that fails to make satisfactory progress toward achievement of the fuel displacement target. The Secretary could resume payments under this section only upon a satisfactory demonstration that the utility's fuel displacement target will be achieved in a timely manner.

I. Grants for Offices of Consumer Services.

1. The Secretary would be authorized to provide $10 million of funds for the establishment and operating of State Offices of Consumer Services to assist consumers in their presentations in matters directly related to the development and review of fuel displacement plans. The assistance provided shall be provided only to an agency or State government designated by the Governor to represent consumer interests, which is operated independently of any State agency with authority over utility rates and which is empowered to—

(1) make general factual assessments of the impact of proposed utility expenditures, rate structures, tariff provisions and other proposed regulatory actions upon all affected consumers;

(2) assist consumers in the presentation of their views before utility regulatory commissions; and

(3) advocate, on its own behalf, a position which determines represents the position most advantageous to consumers.

2. The grants provided shall be made only to agencies of State government which furnish such assurances as the Secretary may require that funds made available will be in addition to, and not in substitution for, funds made available to offices of consumer services from other sources.

J. Report to Congress.

The Secretary must annually report to Congress with respect to progress toward reducing consumption of petroleum and natural gas by electric utilities and make such recommendations regarding any further action that the Secretary determines to be needed.

K. Authorization of Appropriations.

Congress would authorize an appropriation of $6,000,000,000 which shall remain available until expended, of which $20,000,000 would be made available to the Secretary for purposes of administration of the program. The Secretary would be required to provide $40,000,000 in financial assistance to agencies of State government designated by the Governor with responsibility for review and approval of fuel displacement plans. In addition, $10,000,000 would be authorized for grants to State consumer offices.

Funds authorized for appropriation, less the sums set aside for Federal administration and grants to State agencies shall be made available for financial assistance to eligible electric utilities under the program.

J. Definitions.

As used in these specifications—

1. The term "base period usage" means the annual average use of petroleum and natural gas equivalent electric utility during the calendar years 1974 through 1978 for steam based and non-steam based power generation, as determined by rule by the Secretary, including adjustments for any powerplant that came into service after January 1, 1974, or for which construction or acquisition began before November 9, 1978, and such other adjustments as the Secretary deems appropriate to effectuate the purposes of the Phase II program. These adjustments would reflect an assessment of future consumption of oil

and natural gas consistent with projected electricity demand.

2. The term "energy conservation program" means any program which will

(1) reduce overall demand for electricity,

(ii) contribute to more efficient use of electricity, or

(iii) shift demand for electricity in a manner that contributes to more efficient production of electricity, including reduced use of petroleum and natural gas.

3. The term "facility" means any equipment used for the purpose of generating, transmitting or storing electricity.

MANDATORY FUEL DISPLACEMENT STUDY

Title VII of the "Powerplant and Industrial Fuel Use Act of 1978" would be amended by adding the following new provision:

Mandatory Fuel Displacement Study.

(1) Within one year after enactment of the program, any electric utility that consumed 250,000 barrels or more of petroleum of natural gas equivalent on annual average during calendar years 1974 through 1978 would be required to submit to the Secretary and appropriate State regulatory authorities a fuel displacement study. Each study would contain

(i) a 15-year forecast of the estimated cost of continued use of petroleum and natural gas by the utility;

(ii) a 15-year forecast of the total estimated cost of system-wide conversion of existing facilities to coal or other alternative fuels, construction of new facilities that consume alternate fuels, or implementation of energy conservation programs, and an identification of the most cost effective combination of available alternatives; and

(iii) a comparison of the relative costs to ratepayers of each alternative.

(2) The Secretary would invite comments with respect to each fuel displacement study from appropriate State regulatory authorities.

(3) Before December 1, 1981, the Secretary would submit a comprehensive report to Congress with respect to the results of the fuel displacement studies submitted. The report would include any information and recommendations that the Secretary determines to be appropriate to encourage reduction of petroleum and natural gas consumption by electric utilities.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 529, 530, and 632.

Mr. BAKER. Mr. President, reserving the right to object and I shall not object, the purpose of the reservation is to announce that these items are cleared on our calendar, and we have no objection to proceeding with their consideration and their adoption.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSFER OF UNEXPENDED FUNDS

The Senate proceeded to consider the bill (S. 2018) to transfer unexpended balances of funds appropriated for salaries of Senate committee employees, and for other purposes, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 1, line 3, strike "March 1, 1980" and insert "February 28, 1981";

On page 2, line 4, strike "March 1, 1980" and insert "February 28, 1981";

On page 2, line 7, after "repealed" insert a comma and the following: and paragraph (2) of section 105(d) of such Act is amended by striking out "subsection (e)(1)" in the second sentence and inserting in lieu thereof "that portion of subsection (e)(3) preceding subparagraph (A)";

On page 2, line 21, after "and" insert the following: officers of the Senate" and inserting in lieu thereof "officers of the Senate and the Conference of the Majority and the Conference of the Minority of the Senate"

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the unexpended balance on February 28, 1981, of the funds appropriated under the heading "COMMITTEE EMPLOYEES" in the appropriations for the Senate in any appropriation Act for any fiscal year shall be transferred to and merged with the funds appropriated under the heading "INQUIRIES AND INVESTIGATIONS" in the contingent fund of the Senate.

Sec. 2. Effective February 28, 1981—

(1) paragraphs (1) and (2) of section 105(e) of the Legislative Branch Appropriation Act, 1968 (2 U.S.C. 61–1(e)), are repealed, and paragraph (2) of section 105(d) of such Act is amended by striking out "subsection (e)(1)" in the second sentence and inserting in lieu thereof "that portion of subsection (e)(3) preceding subparagraph (A)";

(2) the first proviso under the heading "COMMITTEE EMPLOYEES" in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1974 (87 Stat. 529), is repealed; and

(3) clause (2) of the last paragraph under the heading "CONTINGENT EXPENSES OF THE SENATE" appearing under the heading "SENATE" in chapter XI of the Third Supplemental Appropriation Act, 1957 (2 U.S.C. 46a–1), is amended by striking out "committees and officers of the Senate" and inserting in lieu thereof "officers of the Senate and the Conference of the Majority and the Conference of the Minority of the Senate".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REVISION OF SENATE COMMITTEE FUNDING PROCEDURE

The Senate proceeded to consider the resolution (S. Res. 281) relating to expenditures and staffs of committees of the Senate, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 1, line 1, strike "March 1, 1980" and insert "February 28, 1981";

On page 2, line 3, strike "March 1, 1980" and insert "February 28, 1981";

On page 2, line 4, strike "Ninety-sixth" and insert "Ninety-seventh";

On page 3, line 2, strike "March 1, 1980" and insert "February 28, 1981";

On page 3, beginning with line 4, insert the following:

(d) Effective on February 28, 1981, the additional clerical staff positions established by section 202(g) of the Legislative Reorganization Act of 1946 (as in effect for committees of the Senate prior to November 14, 1979) are abolished.

On page 4, line 10, strike "1980" and insert "1981";

On page 5, line 2, strike "March 1, 1980" and insert "February 28, 1981";

On page 5, line 8, strike "February 29, 1980" and insert "February 28, 1981";

On page 6, line 14, strike "1980" and insert "1981";

On page 6, line 16, strike "1979" and insert "1980";

On page 6, line 17, strike "February 29, 1980" and insert "February 28, 1981";

On page 6, line 19, strike "February 29, 1980" and insert "February 28, 1981";

So as to make the resolution read:

Resolved, That (a) effective February 28, 1981, paragraph 1 of rule XXVI of the Standing Rules of the Senate is amended by striking out "to make such expenditures (not in excess of $10,000 for each committee during any Congress) as it deems advisable and inserting in lieu thereof "to make such expenditures out of the contingent fund of the Senate as may be authorized by resolutions of the Senate".

(b) Unexpended balances on February 28, 1981, of funds made available during the Ninety-seventh Congress to standing committees of the Senate for expenditure under paragraph 1 of rule XXVI of the Standing Rules of the Senate, as in effect prior to the amendment made by subsection (a), may be expended on and after such date only in accordance with the provisions of such paragraph as amended by subsection (a).

Sec. 2. (a) Paragraph 1 of rule XXXI of the Standing Rules of the Senate is repealed.

(b)(1) Paragraph 2(a) of such rule is amended to read as follows:

"(a) Staff members appointed to assist minority members of committees pursuant to authority of a resolution described in paragraph 9 of rule XXVI or other Senate resolution shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.".

(2) Paragraph 2(c) of such rule is amended by striking out "personnel appointed pursuant to authority of paragraph 1 and".

(c) The repeal and amendments made by subsections (a) and (b) shall take effect on February 28, 1981.

(d) Effective on February 28, 1981, the additional clerical staff positions established by section 202(g) of the Legislative Reorganization Act of 1946 (as in effect for committees of the Senate prior to November 14, 1979) are abolished.

Sec. 3. (a) The following resolutions are repealed:

(1) Senate Resolution 66, Eighty-first Congress.

(2) Senate Resolution 342, Eighty-fifth Congress

(3) Senate Resolution 355, Eighty-fifth Congress.

(4) Senate Resolution 30, Eighty-sixth Congress.

(5) Senate Resolution 253, Eighty-eighth Congress.

(6) Senate Resolution 224, Eighty-ninth Congress.

(7) Senate Resolution 74, Ninetieth Congress.

(8) Senate Resolution 66, Ninety-first Congress.

(9) Senate Resolution 91, Ninety-fourth Congress.

(b) Senate Resolution 193, Seventy-eighth Congress, is amended—

(1) by inserting after "authorized and directed" in the first paragraph ", within the limit of funds made available by resolutions of the Senate,";

(2) by inserting after "authorized" in the second paragraph ", within the limit of funds made available by resolutions of the Senate,"; and

(3) by striking out all after "assistants" in the second paragraph through "$30,000" in the third paragraph.

(c) Senate Resolution 247, Eighty-seventh Congress, is amended by striking out all after "*Resolved*," and inserting in lieu thereof the following: "That the Committee on Foreign Relations is authorized from March 1, 1981, until otherwise provided by law, to expend not to exceed $25,000 each fiscal year to assist the Senate properly to discharge and coordinate its activities and responsibilities in connection with participation in various interparliamentary institutions and to facilitate the interchange and reception in the United States of members of foreign legislative bodies and prominent officials of foreign governments and intergovernmental organizations.

"SEC. 2. The Secretary of the Senate is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred in connection with activities authorized by this resolution and approved in advance by the chairman of the Committee on Foreign Relations upon vouchers certified by the Senate incurring such expenses and approved by the chairman.".

(d) The repeals and amendments made by subsections (a), (b), and (c) shall take effect on February 28, 1981.

(e) Until otherwise provided by law or resolution of the Senate, the provisions of the first proviso under the heading "COMMITTEE EMPLOYEES" in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1974 (87 Stat. 529), shall not apply after February 28, 1981.

SEC. 4. (a) Paragraph 9 of rule XXVI of the Standing Rules of the Senate is amended to read as follows:

"9. Each committee shall report one authorization resolution each year authorizing the committee to make expenditures out of the contingent fund of the Senate to defray its expenses, including the compensation of members of its staff and agency contributions related to such compensation, during the period beginning on March 1 of such year and ending on the last day of February of the following year. Such annual authorization resolution shall be reported not later than January 31 of each year, except that, whenever the designation of members of standing committees of the Senate occurs during the first session of a Congress at a date later than January 20, such resolution may be reported at any time within thirty days after the date on which the designation of such members is completed. After the annual authorization resolution of a committee for a year has been agreed to, such committee may procure authorization to make additional expenditures out of the contingent fund of the Senate during that year only by reporting a supplemental authorization resolution. Each supplemental authorization resolution reported by a committee shall amend the annual authorization resolution of such committee for that year and shall be accompanied by a report specifying with particularity the purpose for which such authorization is sought and the reason why such authorization could not have been sought at the time of the submission by such committee of its annual authorization resolution for that year.".

(b) The amendment made by subsection (a) shall take effect on January 1, 1981, except that the provisions of paragraph 9 of rule XXVI of the Standing Rules of the Senate, as in effect on December 31, 1980, shall remain in effect through February 28, 1981, for the purpose of supplemental authorization resolutions for the period ending on February 28, 1981.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. PELL. Mr. President, I am delighted with the passage of S. 2018 and Senate Resolution 281. I consider the adoption of these measures as a major step in the substantial improvement in the Senate's internal procedures for funding our committees. This improvement can lead to significant savings in Senate expenditures.

Not only have we eliminated great confusion concerning the sources of committee expenditure funds, by consolidation of the annual process of authorizing committee expenditures we will increase our ability to determine proper spending levels for each committee. Better comprehension will prevail both here on the Senate floor, and in the Rules Committee, where we have the initial responsibility of reviewing committee spending.

In my opinion the benefits of these reform measures will be felt most directly and perhaps most constructively in each of the Senate's committees. Simplification of the committee funding authorization process will enable each committee to better plan its own annual budget requirements. I look forward to early passage of S. 2018 in the House so that we can have plenty of time to plan for implementation of these reforms in next year's committee authorizations.●

PAIUTE INDIAN TRIBES OF UTAH RESTORATION ACT

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4996) to restore to the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah, and with respect to the Cedar City Band of Paiute Indians of Utah to restore or confirm, the Federal trust relationship and to restore to members of such bands those Federal services and benefits furnished to American Indian tribes by reason of such trust relationship, and for other purposes.

UP AMENDMENT NO. 1013

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MELCHER, I send a substitute amendment to the desk and ask that it be stated by the clerk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for Mr. MELCHER, proposes an unprinted amendment numbered 1013.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause of H.R. 4996 and insert in lieu thereof the following:

That this Act may be cited as the "Paiute Indian Tribe of Utah Restoration Act".

SEC. 2. For the purposes of this Act—

(1) the term "tribe" means the Cedar City, Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah;

(2) the term "Secretary" means the Secretary of the Interior or his authorized representative;

(3) the term "Interim Council" means the council elected pursuant to section 5;

(4) the term "member", when used with respect to the tribe, means a person enrolled on the membership roll of the tribe, as provided in section 4 of this Act; and

(5) the term "final membership roll" means the final membership roll of the tribe published on April 15, 1955, on pages 2499 through 2503 of volume 20 of the Federal Register and on April 14, 1956, on pages 2499 through 2503 of volume 20 of the Federal Register and on April 14, 1956, on pages 2453 through 2456 of volume 21 of the Federal Register.

SEC. 3. (a) The Federal trust relationship is restored to the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah and restored or confirmed with respect to the Cedar City Band of Paiute Indians of Utah. The provisions of the Act of June 18, 1934 (48 Stat. 984) as amended, except as inconsistent with specific provisions of this Act, are made applicable to the tribe and the members of the tribe. The tribe and the members of the tribe shall be eligible for all Federal services and benefits furnished to federally recognized Indian tribes. Notwithstanding any provision to the contrary in any law establishing such services or benefits, eligibility of the tribe and its members for such Federal services and benefits shall become effective upon enactment of this Act without regard to the existence of a reservation for the tribe or the residence of members of the tribe on a reservation. For the purpose of providing for Federal services and benefits, the service area shall be Iron, Millard, Sevier, and Washington Counties, Utah, except that should lands in any other county be added to the reservation pursuant to section 7(c), the service area shall also include the area on or near the additions to the reservation.

(b) Except as provided in subsection (c), all rights and privileges of the tribe and of members of the tribe under any Federal treaty, Executive order, agreement, or statute, or under any other authority, which were diminished or lost under the Act of September 1, 1954 (68 Stat. 1099), are hereby restored, and such Act shall be inapplicable to the tribe and to members of the tribe after the date of enactment of this Act.

(c) This Act shall not grant or restore any hunting, fishing, or trapping right of any nature, including any indirect or procedural right or advantage, to the tribe or any member of the tribe.

(d) Except as specifically provided in this Act, nothing in this Act shall alter any property right or obligation, any contractual right or obligations, or any obligation for taxes already levied.

SEC. 4. (a) The final membership roll is declared open. The Secretary, the Interim Council, and tribal officials under the tribal constitution and bylaws shall take such measures as will insure the continuing accuracy of the membership roll.

(b)(1) Until after the initial election of tribal officers under the tribal constitution and bylaws, a person shall be a member of the tribe and his name shall be placed on the membership roll if he is living and if—

(A) his name is listed on the final membership roll;

(B) he was entitled on September 1, 1954, to be on the final membership roll but his name was not listed on that roll;

(C) he is a descendant of a person specified in subparagraph (A) or (B) and possesses at least one-fourth degree of blood of members of the tribe or their Paiute Indian ancestors;

(D) his name is listed on the roll established pursuant to the Act of October 17, 1968 (82 Stat. 1147), for the disposition of judgment funds, as a member of the Cedar City Band of Paiute Indians;

(E) he was entitled on October 17, 1968, to be on the judgment distribution roll as a member of the Cedar City Band as specified in subparagraph (D) but his name was not listed on that roll; or

(F) he is a descendant of a person specified in subparagraph (D) or (E) and possesses at least one-fourth degree of blood of members of the tribe or their Paiute Indian ancestors.

(2) After the initial election of tribal officials under the tribal constitution and bylaws, the provisions of the tribal constitution and bylaws shall govern membership in the tribe.

(c)(1) Before election of the Interim Council, verification of descendancy, age, and blood shall be made upon oath before the Secretary and his determination thereon shall be final.

(2) After election of the Interim Council and before the initial election of the tribal officials, verification of descendancy, age, and blood shall be made upon oath before the Interim Council, or its authorized representative. A member of the tribe, with respect to the inclusion of any name, and any person, with respect to the exclusion of his name, may appeal to the Secretary, who shall make a final determination of each such appeal within ninety days after an appeal has been filed with him. The determination of the Secretary with respect to an appeal under this paragraph shall be final.

(3) After the initial election of tribal officials, the provisions of the tribal constitution and bylaws shall govern the verification of any requirements for membership in the tribe, and the Secretary and the Interim Council shall deliver their records and files, and other material relating to enrollment matters, to the tribal governing body.

(d) For purposes of sections 5 and 6, a member who is eighteen years of age or older is entitled and eligible to be given notice of, attend, participate in, and vote at, general council meetings and to nominate candidates for, to run for any office in, and to vote in, elections of members to the Interim Council and to other tribal councils.

SEC. 5. (a) Within forty-five days after the date of the enactment of this Act, the Secretary shall announce the date of a general council meeting of the tribe to nominate candidates for election to the Interim Council. Such general council meeting shall be held within sixty days after the date of the enactment of this Act. Within forty-five days after such general council meeting the Secretary shall hold an election by secret ballot, absentee balloting to be permitted, to elect six members of the tribe to the Interim Council from among the nominees submitted to him from such general council meeting. The Secretary shall assure that notice of the time, place, and purpose of such meeting and election shall be provided to members described in section 4(d) at least fifteen days before such general meeting and election. The ballot shall provide for write-in votes. The Secretary shall approve the Interim Council elected pursuant to this section if he is satisfied that the requirements of this section relating to the nominating and election process have been met. If he is not so satisfied, he shall hold another election under this section, with the general council meeting to nominate candidates for election to the Interim Council to be held within sixty days after such election.

(b) The Interim Council shall represent the tribe and its members in the implementation of this Act and shall be the acting tribal governing body until tribal officials are elected pursuant to section 6(c) and shall have no powers other than those given to it in accordance with this Act. The Interim Council shall have full authority and capacity to receive grants from and to make contracts with the Secretary and the Secretary of Health, Education, and Welfare with respect to Federal services and benefits for the tribe and its members: *Provided*, That no authority to enter into contracts or to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts. The Interim Council shall have the authority to bind the tribal governing body as the successor in interest to the Interim Council for a period extending not more than six months after the date on which the tribal governing body takes office. Except as provided in the preceding sentence, the Interim Council shall have no power or authority after the time when the duly-elected tribal governing body takes office.

(c) Within thirty days after receiving notice of a vacancy on the Interim Council, the Interim Council shall hold a general council meeting for the purpose of electing a person to fill such vacancy. The Interim Council shall provide notice of the time, place, and purpose of such meeting and election to members described in section 4(d) at least ten days before such general meeting and election. The person nominated to fill such vacancy at the general council meeting who received the highest number of votes in the election shall fill such vacancy.

SEC. 6. (a) Upon the written request of the Interim Council, the Secretary shall conduct an election by secret ballot, pursuant to the provisions of section 16 of the Act of June 18, 1934 (48 Stat. 987), for the purpose of adopting a constitution and bylaws for the tribe. The election shall be held within sixty days after the Secretary has—

(1) reviewed and updated the final membership roll for accuracy, in accordance with sections 4(a), 4(b)(1), and 4(c)(1),

(2) made a final determination of all appeals filed under section 4(c)(2), and

(3) published in the Federal Register a certified copy of the membership roll of the tribe.

(b) The Interim Council shall draft and distribute to each member described in section 4(d), no later than thirty days before the election under subsection (a), a copy of the proposed constitution and bylaws of the tribe, as drafted by the Interim Council, along with a brief and impartial description of the proposed constitution and bylaws. The members of the Interim Council may freely consult with members of the tribe concerning the text and description of the constitution and bylaws, except that such consultation may not be carried on within fifty feet of the polling places on the date of the election.

(c) In any election held pursuant to subsection (a), a vote of a majority of those actually voting shall be necessary and sufficient for the adoption of a tribal constitution and bylaws.

(d) Not later than one hundred and twenty days after the tribe adopts a constitution and bylaws, the Interim Council shall conduct an election by secret ballot for the purpose of electing the individuals who will serve as tribal officials as provided in the tribal constitution and bylaws. For the purpose of this election and notwithstanding any provision in the tribal constitution and bylaws to the contrary, absentee balloting shall be permitted.

SEC. 7. (a) The Secretary, within one year following the date of the enactment of this Act, shall accept the real property of members of the tribe or bands if conveyed or otherwise transferred to him, and real property held for the benefit of members of the tribe or bands if conveyed or otherwise transferred to him by the owner or owners of such land held for the benefit of the bands. Such property shall be subject to all valid existing rights including, but not limited to, liens, outstanding taxes (local and State), and mortgages. The land transferred to the Secretary pursuant to this subsection shall be subject to foreclosure or sale pursuant to the terms of any valid existing obligation in accordance with the laws of the State of Utah. Subject to the conditions imposed by this subsection, the land transferred shall be taken in the name of the United States in trust for the tribe or bands to be held as Indian lands are held, and shall be part of their reservation. The transfer of real property authorized by this section shall be exempt from all local, State, and Federal taxation. All real property transferred under this section shall, as of the date of transfer, be exempt from all local, State, and Federal taxation.

(b) The State of Utah shall exercise civil and criminal jurisdiction with respect to the reservation and persons on the reservation as if it had assumed jurisdiction pursuant to the Act of August 15, 1953 (67 Stat. 588), as amended by the Act of April 11, 1968 (82 Stat. 79), and pursuant to sections 63-36-9 through 63-36-21 of the Utah State Code.

(c) Inasmuch as the Kanosh, Koosharem and Indian Peaks Bands of Paiute Indians lost land which had been their former reservations and the Cedar City Band of Paiute Indians had never had a reservation, the Secretary shall negotiate with the tribe or bands, or with representatives of the tribe chosen by the tribe or bands, concerning the enlargement of the reservation for the tribe established pursuant to subsection (a) and shall within two years after the date of enactment of this Act, develop a plan for the enlargement of the reservation for the tribe. The plan shall include acquisition of not to exceed a total of 15,000 acres of land to be selected from available public, State, or private lands within Beaver, Iron, Millard, Sevier, or Washington Counties, Utah. Upon approval of such plan by the tribal officials elected under the tribal constitution and bylaws adopted pursuant to section 6, the Secretary shall submit such plan, in the form of proposed legislation, to the Congress.

(d) To assure that legitimate State and local interests are not prejudiced by the enlargement of the reservation for the tribe, the Secretary, in developing the plan under subsection (c) for the enlargement of the reservation for the tribe, shall notify and consult with all appropriate officials of the State of Utah, all appropriate local government officials in the affected five county area in the State of Utah and any other interested parties. Such consultation shall include the following subjects:

(1) the size and location of the additions to the reservation;

(2) the effect the enlargement of the reservation would have on State and local tax revenues;

(3) the criminal and civil jurisdiction of the State of Utah with respect to the reservation and persons on the reservation;

(4) hunting, fishing, and trapping rights of the tribe, and members of the tribe, on the reservation;

(5) the provision of State and local services to the reservation and to the tribe and members of the tribe on the reservation; and

(6) the provision of Federal services to the reservation and to the tribe and members of the tribe and the provision of services by the tribe to members of the tribe.

(e) Any plan developed under this section for the enlargement of the reservation for the tribe shall provide that—

(1) the enlargement of the reservation will not grant or restore to the tribe or any member of the tribe any hunting, fishing, or trapping right of any nature, including any indirect or procedural right or advantage, on such addition to the reservation:

(2) the Secretary shall not accept any real property in trust for the benefit of the tribe or bands unless such real property is located either within Beaver, Iron, Millard, Sevier, or Washington Counties, State of Utah;

(3) the transfer of any real property to the Secretary in trust for the benefit of the tribe or bands as an addition to the reservation shall be exempt from all Federal, State, and local taxation, and all such real property shall, as of the date of such transfer, be exempt from Federal, State, and local taxation; and

(4) the State of Utah shall exercise civil and criminal jurisdiction with respect to the addition to the reservation and persons on such lands as if it had assumed jurisdiction pursuant to the Act of August 15, 1953 (67 Stat. 588), as amended by the Act of April 11, 1968 (82 Stat. 79), and pursuant to sections 63-36-9 through 63-36-21 of the Utah State Code.

(f) The Secretary shall append to the plan a detailed statement describing the manner in which the notification and consultation prescribed by subsection (d) was carried out and shall include any written comments with respect to the enlargement of the reservation for the tribe submitted to the Secretary by State and local officials and other interested parties in the course of such consultation.

SEC. 8. Any legal claims for lands owned by the Shivwits, Kanosh, Koosharem, or Indian Peaks Bands of Paiute Indians of Utah and lost through tax sales or any other sales to individuals, corporations, or the State of Utah since September 1, 1954, are hereby barred.

SEC. 9. The Secretary may make such rules and regulations as are necessary to carry out the purposes of the Act.

● Mr. MELCHER. Mr. President, the Senate passed a companion bill to H.R. 4996 on December 19, 1979. That bill, S. 1273, contained a number of provisions which are not contained in the House version of the legislation. The House Committee on Interior and Insular Affairs and my committee, the Select Committee on Indian Affairs, worked closely together to develop this piece of legislation. However, although the two committees were in agreement in concept, the language had not been refined at the time of the markup of the legislation in the House committee. It was further agreed that in the subsequent markup by the Select Committee on Indian Affairs all of the necessary amendments would be made and that the House would accept the Senate version of the legislation.

The Senate passed S. 1273 with an amendment in the nature of a substitute containing all of the proposed amendments, but prior to consideration of the measure on the floor of the House, it was discovered that the administration had serious concern with a provision of the Senate-passed bill. That objectionable provision, known as a one-House veto provision, is contained in section 7(c) of S. 1273, as passed by the Senate. The House version of the legislation does not contain this provision, but it also does not contain other desirable provisions. I have an amendment to H.R. 4996 which will insert the language of the Senate-passed bill as amended to eliminate the provision which concerns the administration.●

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read a third time, the question is, Shall it pass?

So the bill (H.R. 4996), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the title to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

Amend the title so as to read "A bill to restore to the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah, and with respect to the Cedar City Band of Paiute Indians of Utah, to restore or confirm, the Federal trust relationship, to restore to members of such Bands those Federal services and benefits furnished to American Indian tribes by reason of such trust relationship, and for other purposes."

The amendment was agreed to.

TRANSFER OF COMMISSIONED OFFICERS

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CANNON, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1454.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1454) entitled "An Act to amend the Act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code", do pass with the following amendments:

Strike out all after the enacting clause, and insert: That section 3(a) of the Act of August 10, 1956 (70A Stat. 619; 33 U.S.C. 857a(a)), is amended by adding at the end thereof the following new clause:

"(13) Section 716, Commissioned officers: transfers between armed forces and to and from National Oceanic and Atmospheric Administration.".

SEC. 2. (a) Section 716 of title 10, United States Code, is amended to read as follows:

"§ 716. Commissioned officers: transfers between armed forces and to and from National Oceanic and Atmospheric Administration

"(a) Notwithstanding any other provision of law, the President may, within authorized strengths, transfer any commissioned officer with his consent from his armed force or from the National Oceanic and Atmospheric Administration to, and appoint him in, another armed force or the National Oceanic and Atmospheric Administration. The Secretary of Defense, the Secretary of the department in which the Coast Guard is operating, and the Secretary of Commerce shall jointly establish, by regulations approved by the President, policies, and procedures for such transfers and appointments.

"(b) An officer transferred under this section—

"(1) may not be assigned precedence or relative rank higher than that which he held on the day before his transfer and;

"(2) shall be credited for retirement and pay purposes with the same years of service with which he has been credited on the day before his transfer.".

(b) The item relating to such section in the table of sections at the beginning of chapter 41 of such title is amended to read as follows:

"716. Commissioned officers: transfers between armed forces and to and from National Oceanic and Atmospheric Administration.".

SEC. 3. Section 1006 of title 37, United States Code, is amended—

(1) by striking out "an armed force or of the Public Health Service" in subsection (a), (b), and (c) and inserting in lieu thereof "a uniformed service";

(2) by striking out "members of the armed forces or of the Public Health Service" in subsection (c) and inserting in lieu thereof "members of the uniformed services";

(3) by striking out "from his armed force or from the Public Health Service" in subsection (d) and inserting in lieu thereof "from his uniformed service";

(4) by striking out "armed forces and the Public Health Service" in subsection (e) and inserting in lieu thereof "uniformed services"; and

(5) by striking out "an armed force or of the Public Health Service" in subsection (h) and inserting in lieu thereof "a uniformed service".

SEC. 4. (a) Subparagraph (B) of section 8501(1) of title 5, United States Code, is amended to read as follows:

"(B) as a member of the armed forces or the Commissioned Corps of the National Oceanic and Atmospheric Administration;".

(b) Paragraph (1) of section 8521(a) of title 5, United States Code, is amended by inserting "or the Commissioned Corps of the National Oceanic and Atmospheric Administration" after "armed forces".

(c) The amendments made by this section shall apply with respect to assignments of services and wages pursuant to any first claim (for a benefit year) which is filed after the date of the enactment of this Act.

Amend the title so as to read: "An Act to authorize the voluntary interservice transfer of officers between the commissioned corps of the National Oceanic and Atmospheric Administration and the Armed Forces, to authorize advance payments of pay and allowances to officers of such corps under the same conditions that apply to advance payments to members of the Armed Forces, and to provide officers of such corps the same unemployment compensation benefits that apply to members of the Armed Forces.".

Mr. ROBERT C. BYRD. Mr. President,

on behalf of Mr. CANNON I move that the Senate concur in the House amendments en bloc.

The motion was agreed to.

DISTRICT OF COLUMBIA REVENUE BONDS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CANNON, I submit a report of the committee of conference on H.R. 3824 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3824) to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

● Mr. EAGLETON. Mr. President, we have before us the conference report on H.R. 3824, a bill that amends the District's Home Rule Act to allow the District of Columbia Council to delegate to its newly created housing finance agency the authority to issue revenue bonds for undertakings in the area of housing. It also provides that the expenditure of funds derived from the sale of such bonds, the payment of principle and interest on such bonds, and the pledging of certain related security interests may be made without the approval of Congress.

In conference, the House receded to one Senate amendment, and the conferees accepted compromise language proposed by the District government on a second area of House-Senate disagreement. I now urge my colleagues to approve this most necessary piece of legislation.

The District housing finance agency will act as a quasi-independent entity with an appointed board but will be accountable to elected officials. Through the issuance of tax-exempt bonds, it will be able to attract private capital to stimulate the construction of needed housing.

The lack of housing in the District has been well documented and well publicized over the past decade. Housing prices in the District have skyrocketed, and the incomes of D.C. residents have not kept pace with the rise. In addition, the available stock of rental housing has shrunk, affecting the elderly and low- and moderate-income families to a disproportionate extent.

The creation of a city housing finance agency will also enable the District to qualify for special HUD section 8 set-aside funds.

Neither the full faith and credit of the District nor that of the Federal Government will be committed by the issuance of bonds by the agency.

H.R. 3824 is needed primarily for technical purposes. While the District Council currently has the authority to issue housing revenue bonds by act, it does not have explicit power to delegate that authority. This bill amends the Home Rule Act to grant that power to the council.

In addition, H.R. 3824 exempts from the congressional appropriations process, the expenditure of revenues from the sale of bonds and the repayment, as to principle and interest, of the bonds. This is a standard procedure in the setting up of almost all housing finance agencies. If the revenues or repayment funds were subject to a legislative appropriations process, the housing bonds would simply be unmarketable.

The Senate amendment, which the conferees accepted, adds another small class of revenues to those exempt from the appropriations process. It is really rather technical in nature. It concerns certain revenues and assets that an agency must pledge as additional security for a bond issue, some of which may not be derived from bond proceeds.

This category of items can include a mortgage on a building, a development cost escrow, and insurance proceeds if, for example, a housing project were to be destroyed by fire. While the exemption of such revenues and assets might fairly be inferred from the language of the bill as reported, the conferees agreed that adding an explicit provision is prudent to remove any possible cloud on the marketability of the bonds.

I would also like to describe briefly the compromise language adopted by the conferees in the second area of House-Senate disagreement.

As introduced, H.R. 3824 provided that the council could delegate to any housing finance agency the authority to finance or assist in the financing of "undertakings in the area of housing." While passing H.R. 3824, the House added an amendment limiting the authority which could be granted to the HFA to "undertakings in the area of low- and moderate-income housing."

The Senate deleted this language, since the committee felt that the House language could make it impossible to undertake any kind of project including any units for middle-income people, even if such a project would disproportionately benefit low- and moderate-income people and would represent the most feasible way to do so.

In addition, the House bill did not define "now- and moderate-income," an ambiguity which the Senate and the District felt could create uncertainty among investors and expose the HFA to the possibility of court challenge.

The House, aware of the possible problems with the language but convinced of the merit of the House amendment, agreed in conference to a proposal by the District to add the word "primarily" to the phrase "low- and moderate-income housing" and to require that the meaning of those words be defined by the District City Council.

The Senate conferees agreed to these modifications upon oral assurance by bond counsel that bonds issued pursuant to such language should be marketable.

By accepting the compromise language, the Senate conferees recognized that some Members of Congress question whether a legitimate public purpose is served by letting housing financing agencies issue revenue bonds which have a tax-free status, if the benefits which ultimately result from this tax status go to middle or higher income people, rather than those with low- and moderate-incomes. Legislation introduced by Chairman ULLMAN is presently being considered in the House Ways and Means Committee and may impose standards for, and restrictions on, future issuance of revenue bonds by HFA's or adopt some alternative approach to stimulate financing of low- and moderate-income housing by the private sector. A bill which speaks to the same subject as the Ullman legislation has been introduced in this body by Senator WILLIAMS.

In reporting H.R. 3824, the conferees take no position on the advisability of the Ullman/Williams bills or any alternative approach. It understood that, if legislation affecting all HFA's is enacted by Congress, the District's HFA would be covered by it.

Mr. President, I hope the Senate will accept the conference report and pass H.R. 3824 without delay.●

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Does the minority leader waive his time?

Mr. BAKER. Mr. President, I yield back my time under the standing order.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 20 minutes for the purpose of the introduction of bills, resolutions, statements, and memorials for referral only and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INFLATION AND FEDERAL SPENDING

Mr. MORGAN. Mr. President, I have just returned to Washington from a visit in North Carolina as well as spending part of last week in a number of areas in California. The one thing that I found during this tour around the country is a real concern, as I know everyone is concerned, with inflation.

One of the things that is perceived to be an answer or a partial answer to the inflationary problems of this country by almost everyone is a cut in Federal spending, especially wasteful spending, and an effort to balance the budget.

Many of those with whom I met this weekend are not misled into thinking that merely balancing the budget will resolve the problems of inflation, but most of those seem to believe that by cutting Federal spending at least down to the point where the budget would be balanced would be perceived by the people of this country as an effort or as a movement toward bringing deficit spending and Federal spending into line, and thus would have a very good psychological effect on the inflationary spiral in this country.

Many people feel that the interest rate is of no real concern, that they can borrow money at 17 percent so long as the inflationary rate is 18, 20, or above, and, therefore, that business is still going on as usual.

One of the finest analyses that I have read in a long time was published Sunday, March 2, 1980, in the Charlotte Observer by the publisher of that paper, Rolfe Neill. Mr. Neill does not establish the editorial policy of the paper, and I suspect the editorial policy is much more liberal than the policies of Mr. Neill himself and they would be for greater deficit spending, but he does list 10 very, very important points and, for the record and for my colleagues, I ask unanimous consent that the article entitled "A Sunday Sampler" dated March 2, 1980, published in the Charlotte Observer be inserted in the Record at this time.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Sunday Sampler: Arming With Factual Bullets

Facts are the ultimate weapon. You can run from them but you cannot hide. So when people want to fool you they distort the facts.

America is in the most serious financial trouble since the Great Depression. We're on the inflation bobsled and the brakes appear to be burned out. It's an emergency. Inflation will conquer a nation as surely as a foreign army, just more quietly.

Most of the money decisions affecting your life this year won't be made by you. Washington politicians will make them. These leaders' policies are primarily responsible for our crisis. Their self-interest tells them to deny it. That same self-interest urges them to continue their perversion of certain economic indisputables.

A HANDY GUIDE

Herewith a Sunday Sampler of facts by which to judge all Washington actions:

1. Something for nothing. Still can't be done. For a dollar to be given away by Uncle Sam, some taxpayer must earn it. It is impossible for government to create wealth. It can only confiscate and redistribute.

2. OPEC didn't cause our 13.3 percent inflation last year. Yes, the oil sheiks' big price hikes contributed to inflation, but the principal firebug was our own government. Japan imports 99 percent of its oil. The inflation rate there is 6.9 percent. West Germany imports about 97 percent of its oil, yet has an inflation rate of 6.6 percent. The chief difference between them and us: financial discipline.

3. Uncle Sam's borrowing crowds you out at the loan window. If our government would live within its income it wouldn't need to issue so many IOUs. Interest rates would be much lower. You would have more of your paycheck to spend as you choose rather than the government take it from you. Last week, Uncle Sam paid better than 14 percent interest to finance the deficit voted year after year by our politicians.

4. Social Security is nearly bankrupt. Biggest trouble here is that Congress voted eternal automatic Social Security raises to match inflation. That means a 23 percent benefits increase in the last two years. Did your wages go up that much?

CAN'T BE DONE

There is no pool of Social Security funds. Today's wage-earners are paying yesterday's retirees. We are rapidly increasing the ratio of retirees to workers, so Social Security financing will skid even faster.

5. Borrow from other funds to shore up Social Security. This is more hocus pocus. When you're already in ruinous hock, what sane person would propose further borrowing?

6. We need to reduce taxes to stimulate the economy. Not right now. We need to reduce government spending and apply the excess to balancing the budget.

7. You can't take back something you've given a veteran, minority person, business, etc. The heck you can't. How can you pay out what you don't have? We must limit many programs. "Entitlement" is one of the new nonsense words in government. When times get hard, then the feed in the trough is leaned out. If you don't like short rations, just leave them for the next person.

8. Big oil is raping the American public. Not true. Our government's policies have discouraged domestic exploration for oil, forcing the oil companies to buy crude from the OPEC price fixers.

ENERGY WAS CHEAP

When Big Oil controlled those countries' crude supplies we had the world's cheapest energy. We now import nearly half of our oil, causing us to ship dollars abroad that are needed at home. Increased domestic supplies would compete with OPEC, bringing down its price.

9. Washington knows best. This is a political arrogance without party, found about equally today among Democrats and Republicans. More common sense is in view in the Carolinas than our nation's capital. Neither state nor any of their cities follows the financial follies to be found on the Potomac.

10. This won't hurt much. Yes, it will. Nobody has changed water into wine since Jesus. The willpower and self-denial required to extricate ourselves is not being articulated by politicians. They still are peddling quick fixes.

SEND A MESSAGE

Send 'em a message. Tell them what William Lloyd Garrison said in his first issue of The Liberator:

"I am in earnest—I will not equivocate—I will not excuse—I will not retreat a single inch; and I will be heard!"

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of March 6, 1980, the Secretary of the Senate, on March 7, 1980, received messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received on March 7, 1980, are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND THE NATIONAL COUNCIL ON THE ARTS—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 178

Under authority of the order of March 6, 1980, the Secretary of the Senate, on March 10, 1980, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the annual report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year ended September 30, 1978.

Jimmy Carter.

The White House, *March 7, 1980.*

REPORT OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 179

Under authority of the order of March 6, 1980, the Secretary of the Senate, on March 10, 1980, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to you the annual report for 1979 of the United States Arms Control and Disarmament Agency. Over the past few years SALT has tended to dominate our thinking about the arms control activities of the United States. It is one of many arms control endeavors which this report will describe.

Last June in Vienna, I signed the SALT II Treaty with Soviet President Brezhnev and submitted it for the Senate's advice and consent to ratification. Since that time, SALT has been the subject of an intense national debate and of hearings by three committees of the Senate. In November, the Committee on Foreign Relations reported the Treaty favorably to the Senate.

After the Soviet invasion of Afghanistan, however, I asked that the Senate delay consideration of the SALT II Treaty on the floor so that the Congress and the executive branch can devote our primary attention to the legislative and other matters required to respond to this crisis. But I intend to ask the Senate to take up this treaty after these more urgent matters have been dealt with. As I said to you in my State of the Union address, "especially now in a time of great tension, observing the mutual constraints imposed by the terms of (such) treaties will be in the best interests of both countries and will help to preserve world peace." When the full Senate begins its debate on SALT II, I am convinced that those who are concerned about our national security will support the Treaty as a wise and prudent step.

This Administration continues to believe that arms control can make genuine contributions to our national security. We remain deeply committed to the process of mutual and verifiable arms control, particularly to the effort to prevent the spread and further development of nuclear weapons.

Those of you who have an opportunity to read and reflect upon the attached report will find a compelling case for the importance of the work described—to us, our allies, and those who look to us for leadership in the world. We must diligently pursue negotiated, verifiable solutions to the many arms races upon which nations are now embarked. We must be prepared to work with others to bring peace and stability to the world.

While we depend upon the Arms Control and Disarmament Agency, the Department of Defense and other agencies to be vigilant in their duties, none of us should forget the danger that confronts us all individually and collectively, and that threatens us as a sovereign nation and as a part of the world of nations.

JIMMY CARTER.

THE WHITE HOUSE, *March 7, 1980.*

REPORT OF THE COMMUNITY SERVICES ADMINISTRATION—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 180

Under authority of the order of March 6, 1980, the Secretary of the Senate, on March 10, 1980, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

Pursuant to the provisions of Section 608 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2948), I transmit herewith the Annual Report of the Community Services Administration for fiscal year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *March 10, 1980.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT ON THE WEATHERIZATION ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT—PM 181

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am pleased to send to the Congress the first annual report on the Status of the Weatherization Assistance Program, as required by Section 254 of the National Energy Conservation Policy Act (P.L. 95-619; 42 U.S.C. 8233).

JIMMY CARTER.

THE WHITE HOUSE, *March 11, 1980.*

MESSAGES FROM THE HOUSE RECEIVED DURING THE RECESS

Under authority of the order of the Senate of March 6, 1980, the Secretary of the Senate, on March 7, 1980, received a message from the House of Representatives which reported that the House has passed the following joint resolution, without amendment:

S.J. Res. 149. Joint resolution to recognize the Honorable Carl Vinson on the occasion of the christening of the United States Ship *Carl Vinson*, March 15, 1980.

The message also reported that the House has passed the following concurrent resolution, with an amendment in which it requests the concurrence of the Senate:

S. Con. Res. 79. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe February 26, 1980, as a national day of prayer and meditation for the hostages in Iran.

The message further reported that, pursuant to the provision of 22 U.S.C. 276a-1, as amended by Public Law 95-45, the Speaker has appointed Mr. PREYER, Chairman, Mr. DERWINSKI, vice chairman, Mr. FOUNTAIN, Mr. PEPPER, Mr. DANIELSON, Mr. LONG of Louisiana, Mr. BOWEN, Mr. LEVITAS, Mr. FITHIAN, Mr. MCCLORY, Mr. BUTLER, and Mr. ERDAHL, on the part of the House as members of the Interparliamentary Union.

The message also reported that, pursuant to the provisions of section 18, Public Law 96-180, the Speaker has appointed Mr. SEIBERLING, Mr. STACK, Mr. CARTER, and Mr. MARTIN on the part of the House as members of the National Commission on Alcoholism and Other Alcohol-Related Problems.

Under authority of the order of the Senate of March 6, 1980, the Secretary of the Senate, on March 10, 1980, received a message from the House of Representatives which reported that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 662. An act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

ENROLLED JOINT RESOLUTION SIGNED

The message also reported that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 149. Joint resolution to recognize the Honorable Carl Vinson on the occasion of the christening of the United States Ship *Carl Vinson*, March 15, 1980.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3205. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide for authorizations, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-3206. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1981 and 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3207. A communication from the President of the United States, transmitting proposed specifications for legislation to reduce the use of oil and gas in the electric utility sector by one million barrels per day by 1990; to the Committee on Energy and Natural Resources.

EC-3208. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in 873 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-3209. A communication from the Solicitor, United States Commission on Civil Rights, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3210. A communication from the Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the corporation's report covering activities during calendar year 1979; to the Committee on the Judiciary.

EC-3211. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC-3212. A communication from the Information Unit Supervisor, United States Copyright Office, Library of Congress, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3213. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, an order in the case of an alien who has been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3214. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3215. A communication from the National Commander, Civil Air Patrol, transmitting, pursuant to law, the 1980 Civil Air Patrol Report; to the Committee on the Judiciary.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 11, 1980, he presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 149 Joint resolution to recognize the Honorable Carl Vinson on the occasion of the christening of the United States Ship *Carl Vinson*, March 15, 1980.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of the Senate of March 6, 1980, the following report of a committee was submitted on March 7, 1980:

By Mr. MUSKIE, from the Committee on the Budget, without amendment, unfavorably:

S. Res. 371. Resolution waiving section 402(a) of the Congressional Budget Act with respect to the consideration of S. 446.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

Special Report entitled "Allocation of Budget Totals for Fiscal Year 1980" (Rept. No. 96-620).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NUNN (for himself, Mr. PERCY, Mr. CHILES, Mr. COHEN, Mr. DECONCINI, Mr. LONG, Mr. TALMADGE, and Mr. RIBICOFF):

S. 2402. A bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice; to the Committee on Finance.

S. 2403. A bill to protect taxpayer's privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons; to the Committee on Finance.

S. 2404. A bill to provide penalties for unauthorized disclosure of tax information; to the Committee on Finance.

S. 2405. A bill to provide for civil damages for unauthorized disclosures of tax information; to the Committee on Finance.

By Mr. PELL (for himself and Mr. CHAFEE):

S. 2406. A bill to authorize additional funds for housing subsidies for the elderly and handicapped under the United States Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BELLMON:

S. 2407. A bill to authorize the Secretary of the Army to acquire, by condemnation proceedings or otherwise, such interests in the oil, gas, coal, or other minerals owned by the Osage Tribe of Indians needed for the Verdigris River and tributaries project, Oklahoma and Kansas, and the project for the Shidler Reservoir, Salt Creek, Oklahoma; to the Committee on Environment and Public Works.

By Mr. CHILES (for himself, Mr. PRYOR, Mr. RIBICOFF, and Mr. PERCY):

S. 2408. A bill to reform the laws relating to former Presidents, to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN (for himself, Mr. PERCY, Mr. CHILES, Mr. COHEN, Mr. DECONCINI, Mr. LONG, Mr. TALMADGE, and Mr. RIBICOFF):

S. 2402. A bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice; to the Committee on Finance.

S. 2403. A bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons; to the Committee on Finance.

S. 2404. A bill to provide penalties for unauthorized disclosure of tax information; to the Committee on Finance.

S. 2405. A bill to provide for civil damages for unauthorized disclosures of tax information; to the Committee on Finance.

LEGISLATION TO STRENGTHEN FIGHT AGAINST NARCOTICS, ORGANIZED CRIME

Mr. NUNN. Mr. President, on behalf of myself and Senators PERCY, CHILES, COHEN, DECONCINI, LONG, TALMADGE, and RIBICOFF, I am today introducing four bills which are designed to put the Internal Revenue Service back into the fight against organized crime and illegal narcotics trafficking.

This package of bills is the outgrowth of extensive work done by the Permanent Subcommittee on Investigations, of which I am chairman, into impediments faced by law enforcement agencies in their efforts to combat organized crime, particularly organized narcotics trafficking.

Our preliminary inquiries have revealed that organized crime no longer is limited to any one ethnic group. Today, it is a well-orchestrated, highly sophisticated, businesslike design by many individuals, groups, and associations whose purpose it is to enrich themselves by criminal means.

Organized crime no longer is confined to the streets, waterfronts, and back alleys. It has followed a devious and serpentine path into many fields of criminal endeavor and the infiltration of legitimate businesses. As a result, it is tearing at the fabric of American society. The cost to our people is dear, and that cost is growing every year.

It has long been recognized that financial investigations, relying on financial and tax records, are one of the most effective tools in piercing the veil of secrecy that protects those at the top of any organized crime ring—be it a drug smuggling operation or a traditional organized crime family.

Indeed, it was the ability of the Internal Revenue Service to conduct sophisticated financial investigations that sent such notorious mobsters as Al Capone and Frank Costello to jail on income tax evasion charges when other agencies were unable to gather enough evidence of nontax crimes to have them indicted, much less convicted.

Today, when organized crime and narcotics trafficking are becoming bigger and more sophisticated than ever before, the one law enforcement agency that the kingpin criminals fear most—the IRS—has withdrawn from the fray.

Prosecutors and others involved in Federal law enforcement have complained that they are hindered in doing financial investigations by the reluctance of IRS to lend them a hand in attacking those who call the shots in organized crime.

Accordingly, the Permanent Subcommittee on Investigations set out last year to examine law enforcement impediments with respect to illegal narcotics profits. Our investigation culminated in 5 days of hearings in December, at which we heard testimony from 34 witnesses, resulting in 829 pages of stenographic transcript and the introduction of 35 exhibits.

A report on that investigation has been drafted and soon will be circulated to members of the subcommittee for their comment and approval.

Among the findings, conclusions, and recommendations to be submitted to the subcommittee are proposals that Congress consider a number of bills to strengthen the ability of Federal law enforcement agencies in several areas. We are today introducing four of those bills, and the others are being prepared for introduction in the near future.

Mr. President, I have a long and detailed explanation of these measures, the primary thrust of which is to enable the Internal Revenue Service and, in fact, assure that the Internal Revenue Service will again become part of the effective law enforcement in this country.

And to do so in a way that does not jeopardize the legitimate, private, and privacy rights of the taxpayers of this country but serves notice on the people who are profiting from organized crime that they are no longer going to be immune to accomplish this purpose, we are going to have to have substantial revision of the Tax Reform Act. We are also going to have to have a change of attitude by the Internal Revenue Service.

THE TAX REFORM ACT OF 1976

The most significant of our bills will amend the Tax Reform Act of 1976—a comprehensive law that, among other things, placed stringent restrictions on the disclosure of tax data and other information by the Internal Revenue Service.

These disclosure provisions, which are found in 26 U.S.C. 6103, were passed in the wake of certain abuses that came to light during the various Watergate-related investigations.

Until the act became effective, tax returns were considered to be public records, and access to them was governed by Presidential Executive order. Many Federal agencies, including the White House, had easy access to tax returns for a wide variety of uses.

During the Watergate investigations, it was revealed that the Nixon White House had used tax returns to pressure potential campaign contributors and certain other individuals who were on a White House "enemies list," and that the administration had ordered IRS to conduct audits of its "enemies."

To cure these abuses, the Tax Reform Act made tax returns and most other information gathered by the IRS confidential and subject to disclosure by IRS only in accordance with strict procedures.

IRS agents are forbidden to disclose, on their own initiative, any tax return or "tax return information," which is any information they gather in connection with a tax return, or "taxpayer return information," which is any information they obtain from a taxpayer or his representative, such as his attorney or accountant.

For example, let us say that IRS agents conduct an audit of a taxpayer, and they discover in his checking account statements that he has made a series of unexplained cash deposits. This may very well lead them to suspect that he has been dealing in narcotics. If they tell the Drug Enforcement Administration about this evidence, however, they would be guilty of a felony under the Tax Reform Act.

As a result of this and the difficulty in interpreting the three vague categories of information protected, there is very little criminal information exchanged today between IRS and the other Federal law enforcement agencies.

The Tax Reform Act does allow the other agencies to obtain tax returns and other IRS-gathered information, but they must apply for a court order to obtain tax returns and tax return information. They also must make written requests to obtain IRS information about nontax crimes—such as forgery, bribery or narcotics violations—that is gathered from some source other than a taxpayer, his returns or his representative. In either case, the agency must describe the information.

This leads to a "Catch-22" situation. Since IRS agents are forbidden to tell the other agencies of the criminal evidence they gather, it is virtually impossible for these other agencies to even know about the information that they could request under the act, much less describe the information in written request to IRS or in an application for a court order.

In other words, the Tax Reform Act requires Federal investigative agencies to go through elaborate request procedures to obtain IRS information they do not even know exists.

This "Catch-22" situation has made it all but impossible for the FBI, DEA, and other agencies to receive cooperation or information from the IRS.

IRS ATTITUDE

The disclosure provisions of the Tax Reform Act are only part of the problem. The rest of it lies with the attitude of the top officials of the IRS and the policies and procedures they have adopted.

As our distinguished colleague from Connecticut (Mr. WEICKER) argued in a statement to our subcommittee, IRS administrators have deliberately seized on the disclosure provisions as an excuse to get out of the fight against organized crime and narcotics traffickers.

Considerable testimony received at our hearings showed our colleague to be correct in his assessment.

For the past 6 years, a series of IRS Commissioners and their top aides have taken the view that IRS should stick to "tax administration"—by which they mean tax collection and only tax collection—and out of the general law enforcement arena.

They prefer to zero in on waitresses, babysitters, and beauticians rather than on loan sharks, dope dealers, and smut peddlers.

They say that paying attention to ordinary taxpayers is a better way of keeping the voluntary tax collection system working than is cracking down on organized criminals who pay no taxes on their tremendous ill-gotten gains.

I beg to differ with that view of tax administration.

Obviously, IRS must be aggressive in collecting the Nation's taxes, but I can understand the skepticism of a small town waitress who is caught for underreporting her tips when organized crime millionaires escape without reporting a cent of their illegal income.

I believe that if the average taxpayer knows that IRS can successfully collect taxes from the mob, he is a lot more likely to ante up his fair share—if for no other reason than the fear of being caught.

If he knows that an Al Capone or a Frank Costello is being nailed for tax evasion, he is a lot more likely to accurately report his income and taxes.

When he sees a drug pusher prosecuted for tax evasion, he is likely to have confidence in our voluntary tax collection system and feel that his taxes are being well spent, especially on law enforcement. On the other hand, if he sees criminals getting away with tax evasion on top of murder and extortion, his natural skepticism toward our tax policy will increase.

Despite IRS' recent emphasis on ordinary taxpayers, statistics compiled by both the IRS and the General Accounting Office indicate that voluntary compliance with the tax laws actually has decreased since passage of the Tax Reform Act of 1976 and the subsequent withdrawal of IRS from cooperative law enforcement efforts aimed at big-time criminals.

Other statistics indicate the extent of IRS' withdrawal: Between 1974 and the first 9 months of 1978, the number of organized crime cases which originated from IRS developed tax information dropped from 620 to just 221.

Al Capone would laugh in his grave and wish he were back in business today rather than the 1930's if he knew about the legal restrictions and the present policies and procedures of the IRS.

THE CASE OF THE TRASH CAN

During our December hearings we heard about the "Case of the Trash Can," an example of what has happened to good law enforcement since IRS hid behind the disclosure provisions of the Tax Reform Act of 1976.

According to one of our witnesses, DEA was investigating a chemist suspected of concocting illicit drugs and discovered that IRS had also investigated the chemist. It also learned that an IRS special agent has searched the chemist's trash can and had found documents suggesting that he was involved in the illegal manufacture of drugs.

IRS would not volunteer any information it had about the chemist. The prosecutor, who wanted to have the trash can documents for the trial of the chemist, subpenaed the IRS agent and the documents. IRS refused to let the investigator answer the subpena, citing the Tax Reform Act. IRS said that the only way the prosecutor could get the trash can contents was to obtain a court order. The trash, IRS said, was gathered in connection with the chemist's tax return; therefore, only a judge could free them under the Tax Reform Act.

Irvan B. Nathan, Deputy Assistant Attorney General in the Criminal Division of the Justice Department, explained the dilemma the Department faced. He said:

> The application for the (court) order has to show reasonable cause to believe that a specific crime has been committed, reasonable cause to believe that the information . . . constitutes probative evidence of the crime and that the information which we haven't seen cannot be obtained from any other source . . . and that statute defines taxpayer return information not simply as the tax return, or even the required filings by the taxpayer, but any information which comes from the taxpayer, from his books, from his records, from corporate records that he is required to keep, even from his representative or attorney, whatever they would tell the Service. That has the mask of confidentiality and cannot be provided to any other investigative agency.

To secure a court order for the trash can contents would have taken 40 days. The trial had already begun. The prosecutor went ahead without the trash. The chemist was convicted anyway. But, Nathan said, the trash can episode emphasized the problems with the Tax Reform Act and the reluctance of IRS to help DEA in the war on drugs.

The stories we heard were not limited to the DEA.

One witness, an IRS official in a field investigation, told us that he came upon evidence indicating that a local policeman had accepted a bribe. The IRS official was prohibited from telling local authorities by the act and IRS interpretations of the act.

His only recourse, if he was to stay within the law, was to notify his superiors in Washington. After reviewing the information, the national office reported back to the IRS official with its decision: He was to tell no one about the bribe.

The witness said the policeman is still on the local force, and the evidence indicating that he had taken a bribe is being ignored.

Another witness, also an IRS official from a field installation, said that the Tax Reform Act is so strict on disclosure that if he learned about a planned attempt to assassinate the President, he would be required to send the information through bureaucratic channels. By the time it got to national headquarters, the President could well be dead.

The witness said that if the assassination attempt appeared to be imminent, he would circumvent channels and notify the appropriate authorities responsible for protecting the President. But in doing so, he would violate the Tax Reform Act and technically would be guilty of a felony and liable for severe civil penalties.

Every one of us is obligated to notify the police if we discover evidence of a crime. Yet the Tax Reform Act makes criminals out of IRS agents who carry out this basic civic duty.

DISCLOSURE AMENDMENTS

My colleagues and I do not advocate scrapping the privacy safeguards which were written into the Tax Reform Act. However, 3 years' experience under the act have convinced us that a balance needs to be struck between the privacy of tax returns and the legitimate needs of law enforcement agencies.

We think that our amendments to the disclosure provisions (26 U.S.C. 6103) strike that balance.

Under our bill, ordinary taxpayers may rest assured that a Federal judge will have to approve any disclosure of their tax returns and all other information they are required by law to provide the IRS.

In order for a law enforcement agency to see this information, it still will have to get an ex parte order from a U.S. district court. It will have to convince the court that there is reasonable cause to believe that the information in the return is material and relevant to a lawful criminal investigation or proceeding.

On the other hand, drug traffickers and organized criminals may rest assured that nonreturn records which show unusual cash deposits and transfers into and out of their bank accounts will be called to the attention of the appropriate law enforcement agency.

Under our proposal, the DEA could get this type of nonreturn information from IRS by making a written request rather than being required to obtain a court order.

Under this proposal we would separate IRS information into two simple and distinct categories. The first category of "Returns" would cover tax returns and all other information a taxpayer is required to give IRS. This category of privileged information would require a court order. The second category called "Nonreturn" information would cover all other information IRS obtains in the normal course of its business. This category would require a specific written request procedure which would be monitored by the Justice Department and IRS.

To eliminate the "Catch-22" snag, our proposal puts an affirmative burden on IRS to notify the Justice Department whenever it uncovers evidence, other than from a tax return, of crimes such as narcotics trafficking, bribery and extortion. IRS will be required to reveal enough about that evidence so that the prosecutor can make a written request to IRS for it.

Admittedly, it will be easier for prosecutors to get information that IRS obtains from sources other than tax returns—sources such as banks and business records, accountants and other taxpayer representatives.

But it will not be easy for prosecutors to see a person's tax returns.

Nor would any agency other than the Justice Department be able to request access to tax returns. Every such request will have to be made by a Justice Department lawyer, who would exercise his own legal judgment that the return is material and relevant to a lawful investigation or proceeding.

And a U.S. district court will be the final arbiter of whether a tax return and its supporting information—such as a list of contributions to Good Will—will be disclosed outside the IRS.

Even when tax returns and other information are disclosed, they can be used only in connection with lawful criminal proceedings and investigations, certain types of civil litigation involving Federal claims, and situations involving certified State felony violations.

The proposal also contains a provision that allows IRS to immediately release information in emergencies such as threats to life, property, and national security. This change would cure the situation that now exists which requires IRS to pursue elaborate and time-consuming disclosure procedures even in such emergencies as assassination attempts.

In summary, as it amends the disclosure provisions of the Tax Reform Act, our proposal would—

First, require IRS to notify the appropriate law enforcement agency whenever it uncovers evidence, other than from a tax return, of a nontax crime.

Second, once certain requirements are met and a written request made, IRS can release nonreturn criminal information directly to the Justice Department.

And third, Government attorneys can obtain tax returns and supporting documentation only by showing a Federal district judge that there is reasonable cause to believe that the returns are material and relevant to a lawful criminal investigation.

SUMMONS PROVISIONS

While the disclosure provisions of the Tax Reform Act have caused problems, even the IRS admits that the administrative summons section of that act is an impediment to effective law enforcement.

Under that section, 26 U.S.C. 7609, IRS is required to notify a taxpayer whenever it issues a summons to a third party—such as a bank—to get access to the taxpayer's records. The taxpayer then has a right to automatically stay the performance of that summons until IRS can take the issue to court. To obtain this stay, the taxpayer does not have to establish any legal reason why IRS should not see his records. It is all automatic.

Let us say a person reports a modest income on his tax return for 1979, but it comes to the attention of IRS that he lives a very extravagant life style. Maybe he has reported an income of $23,000—but during the year he bought a house costing $230,000 and two cars costing $19,000 apiece.

Suspecting that he is not reporting all of his income, IRS issues a summons to his bank to have a look at his account records, which may very well show that he has made a number of large cash deposits—a telltale sign of drug pushing.

Under the existing summons provision, the suspected narcotics dealer can automatically stay the enforcement of that summons, and the IRS is stymied until it can go to court and establish why it needs to see those records. In the meantime, the pusher keeps on dealing drugs.

This automatic stay provision has resulted in delays of more than a year. One automatic stay lasted 33 months. The average length of such stays has been 9 months.

In addition, there is no limit to the number of automatic stays a tax evader can initiate. All investigators know that one set of records often creates the need for a second set. Consequently, after a year's delay, IRS may find from the originally-summoned records that additional documents must be obtained. IRS then issues another summons, the tax evader invokes another automatic stay, and another year goes by.

In the meantime, witnesses may die, evidence becomes stale, and the Government's case is weakened.

An IRS study of this problem revealed that in more than 200 automatic stays, over 80 percent of the time the protesting taxpayers failed to show up in court. It is fair to conclude from this statistic that delay—and not a legal issue—was the purpose of most automatic stays.

In another survey, the General Accounting Office found that over 75 percent of all persons who took advantage of the automatic stay were known organized crime members, narcotics dealers, or persons who habitually protest paying their taxes.

We propose to change the automatic stay provision to make the summons procedure similar to the one Congress applied to every Federal investigative agency except the IRS through the Right to Financial Privacy Act of 1978.

Under our proposal, a taxpayer still will be given notice whenever his records have been summoned by the IRS, and he will be able to contest the summons in court before IRS can see his bank or other records held by a third party.

In keeping with the policy of the Right to Financial Privacy Act, however, the taxpayer will have to assert a legal argument and convince the court that IRS has no right to see his records. It will not be an automatic stay.

Ordinary taxpayers with good legal arguments will have no fear of indiscriminate access to their records by the IRS. But criminals and tax evaders will find it much more difficult to delay, interrupt and impede a serious investigation for years on end.

In addition, under our proposal, the Government can present to the court, for in camera inspection, evidence indicating that a notice to the taxpayer could result in the destruction of records, obstruction of justice, threats to witnesses, or other similar acts. If the court agrees, an order can be issued postponing the advance notice requirement.

We believe that by enacting our proposal and applying the same summons procedure to the IRS that is appplied to all other Federal agencies, Congress will be improving law enforcement while continuing to provide adequate privacy safeguards for everyone's records.

CIVIL DAMAGE PROVISIONS

As I pointed out earlier, the Tax Reform Act of 1976 contains severe criminal and civil penalties for persons who disclose tax returns or related information in violation of the act.

The civil damage provision, 26 U.S.C. 7217, makes any person who willfully or negligently discloses a tax return or tax return information in violation of the act personally liable for civil damages in a suit brought against him by the taxpayer.

There is no liability for disclosures which result from good faith, but wrong, interpretations of the act.

Our proposed amendment to section 7217 provides that the Government will be liable for damages awarded against a Federal official or employee so long as the disclosure occurred within the scope of his employment and was not done corruptly, maliciously, in return for anything of value, or willfully in violation of the disclosure provisions of the act.

We do not believe that IRS agents should be personally liable for damages arising out of disclosures which are not done with wrongful intent, and our proposed amendment spells this out.

CRIMINAL PENALTIES

The criminal penalties of the Tax Reform Act, 26 U.S.C. 7213, makes it a felony to willfully disclose tax returns or tax return information in violation of the act. Persons found guilty can be fined up to $5,000 or sentenced to jail for up to 5 years, or both, and assessed the costs of prosecution.

Under existing law, there is no defense available for good faith but wrong interpretations of the disclosure provisions. As a result, IRS agents testified before our subcommittee, they will always stay on the safe side of the law and not disclose any IRS information to other agencies except in the most serious situations.

The provision has added to the reasons that IRS agents are unwilling to cooperate with other law enforcement agencies under any circumstances—mainly for fear of their own freedom. They refuse to take the initiative even to call criminal evidence to the attention of their superiors.

We believe that the criminal penalty section of the Tax Reform Act serves the useful purpose of making IRS agents very cautious about the disclosure of tax returns. When they know that they can be fined or sent to jail for willfully disclosing tax information, they are likely to be very careful before doing so. Accordingly, the privacy of every individual's tax returns is enhanced.

On the other hand, the disclosure provisions are not always easy to interpret in every situation when an IRS agent comes across evidence of a nontax crime. In fact, even though IRS has issued a number of "clarifying" interpretations and instructions, its agents testified that they never could be sure if they were violating the act when they disclosed information. In fact, IRS' own legal counsel had difficulty interpreting the provisions when asked questions at our hearings.

In order to ease the minds of IRS agents and to encourage them to report nonreturn information to possible crimes, we propose that an affirmative defense provision be added to the criminal penalty section to relieve them of criminal liability when they can establish that they made the disclosure based on a good faith, though erroneous, interpretation of the disclosure provisions.

We believe that this provision will remove a major stumbling block to IRS agents' becoming once again a force in law enforcement.

CONCLUSION

Mr. President, for generations the Internal Revenue Service led the way in this Nation's battle against organized crime and narcotics trafficking, but since 1977 it has hidden behind the disclosure provisions of the Tax Reform Act to stay out of the fray.

Only part of this decision can be blamed on Congress. In passing the disclosure provisions, Congress intended to provide greater protection for the privacy of each citizen's tax returns, but we did not intend for IRS to withdraw from this important fight.

It is now time for us to make a policy decision for the top-level administrators of the IRS, rather than having them make it for us. That decision is that the IRS should become once again the effective force for justice that it was in the days of bootleggers and rumrunners.

My colleagues and I believe that our proposals will send IRS a clear and unmistakable signal that it should do just that.

We have spent many long hours in drafting what we feel is very well-reasoned legislation. We will retain very important privacy safeguards that will prevent any repetition of Watergate-type abuses. At the same time, we put a duty on IRS to cooperate once again with the other Federal law enforcement agencies so that we can get on with the fight against the ever increasing organized crime and narcotics problems facing the Nation.

Three years of inactivity by this once effective law enforcement agency is enough. It is time to act.

Mr. President, I ask unanimous consent that the text of the bills, together with various supporting materials be printed in the RECORD.

There being no objection, the bills and material were ordered to be printed in the RECORD, as follows:

S. 2402

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 6103 of title 26, United States Code, is amended to read as follows:

"(a) General Rule.—Returns and non-return information shall be confidential and disclosure of said returns or non-return information shall be prohibited, except as authorized herein."

Sec. 2. Paragraph (1) of subsection (b), section 6103 of title 26, United States Code, is amended to read as follows:

"(1) Return.—The term 'return' means any document the taxpayer is required by law to furnish to the Secretary including any tax or information return, declaration of estimated tax, or claim for refund required by, or provided for or permitted under the provisions of this title which is filed with the Secretary by, on behalf of, or with respect to any person, and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to, or part of, the returns so filed."

Sec. 3. Paragraph (2) of subsection (b), section 6103 of title 26, United States Code, is amended to read as follows:

"(2) Non-return information.—The term 'non-return information' means—

"(A) Any information, other than a return, which the Secretary collects, obtains, or receives with respect to a taxpayer or return or with respect to the determination of the existence, or possible existence of liability (or the amount thereof) of any person under this title for any tax penalty, interest, fine, forfeiture or other imposition or offense, and

"(B) Any part of any written determination of any background file document relating to such written determination (as such terms are defined in section 6110(b)) which is not open to public inspection under section 6110."

Sec. 4. Paragraph (3) of subsection (b), section 6103 of title 26, United States Code, is amended to read as follows:

"(3) Taxpayer identity.—The term 'taxpayer identity' means any information in the possession of the Internal Revenue Service which identifies the name, address, or social security number of any taxpayer or which reveals whether the taxpayer filed a tax return for any given year."

Sec. 5. Paragraph (6) of subsection (6), section 6103 of title 26, United States Code, is hereby repealed, and paragraphs (7), (8), and (9) are renumbered accordingly.

Sec. 6. Subsection (b) of section 6103 of title 26, United States Code, is amended by adding thereto new paragraphs numbered (9), (10), (11), and (12), as follows:

"(9) Attorney for the Government.—The term 'Attorney for the Government' means the Attorney General, any Deputy Attorney General, Assistant Attorney General, Deputy Assistant Attorney General, United States Attorney, Attorney in Charge of a Criminal Division Organized Crime Strike Force, any other head of a regional office of the Department of Justice or a supervisory attorney specifically designated by the Attorney General.

"(10) Secretary or his designee.—The term 'Secretary or his designee' means the Secretary of the Treasury or his designee and may include the Commissioner of the Internal Revenue Service, any Regional Commissioner or Assistant Regional Commissioner in Charge of the Criminal Investigation Division of the Internal Revenue Service, or any District Director or Chief of the Criminal Investigation Division of any local Internal Revenue Service office.

"(11) District court.—The term 'District Court' means a United States district court judge or a United States magistrate so designated by a United States District Court Judge to perform his duties under this section.

"(12) Federal investigative agency.—The term 'Federal investigative agency' means any federal department or agency which has the responsibility or duty to investigate the violation of any federal criminal statute."

Sec. 7. Paragraphs (1), (2), (3), and (4) of subsection (i), section 6103 of title 26, United States Code, are amended to read as follows:

"(i) Disclosure to Federal officers or employees for the administration of Federal laws not relating to tax administration.—

"(1) Tax returns.—Disclosure of tax returns for purposes not related to tax administration shall be permitted only as follows:

"(A) Ex parte order.—Upon application by an attorney for the Government, a United States district court may, by ex parte order, direct that a tax return be disclosed to the attorney for the Government for use during or in preparation for any administrative or judicial, or grand jury proceeding, or in a criminal investigation which may result in such a proceeding. Such ex parte order shall be issued only upon a determination that—

"(i) the application is made in connection with a lawful administrative, judicial, or grand jury proceeding, or an investigation which may result in such a proceeding, pertaining to the enforcement of a specifically designated Federal criminal statute (not involving tax administration) to which the United States or any Federal investigative agency thereof is or may be a party; and

"(ii) there is reasonable cause to believe that the information contained in the return is material and relevant to such proceeding or investigation.

"(B) Application for Order.—The application for an ex parte court order shall set forth the name of the taxpayer whose return is being requested; the time period to which the request relates; the stautory authority under which the investigation is being conducted; the nature and purpose of the proceeding or investigation; and the reasons why, in the opinion of the attorney for the Government, the disclosure of the information on the return is material and relevant to the proceeding or investigation.

"(C) Procedures.—A United States district court shall act upon any application for an ex parte order within five days of the receipt thereof. In the event that the United States district court denies the application—

"(i) a motion for reconsideration shall be acted upon not later than five days after the receipt of such motion; and

"(ii) an appeal shall be disposed of as soon as practicable but not later than 30 days after receipt of appeal.

"(D) Duty of the Secretary.—The Secretary or his designee shall disclose to the attorney for the Government such tax returns ordered disclosed pursuant to paragraph (i) (1) (A) of this subsection within 10 days of receipt of an ex parte court order issued pursuant thereto.

"(E) Further Disclosure.—The attorney for the Government may further disclose any return, which has been disclosed to him pursuant to an ex parte order, to such other Government personnel as he deems necessary to assist him during or in preparation for any administrative, judicial, or grand jury proceeding, or in a criminal investigation which may result in such a proceeding.

"(2) Disclosure of non-return information.—Information in the possession of the Secretary or his designee, other than tax returns, shall be disclosed as follows:

"(A) Within ten days of the receipt of a written request by an attorney for the Government, the Secretary or his designee shall disclose any non-return information in the possession of the Secretary. Such written request shall set forth the name and address of the taxpayer; the taxable periods to which the information relates; that the request is being made in connection with an administrative, judicial, or grand jury proceeding, or an investigation which may result in such a proceeding, pertaining to the enforcement of a specifically designated Federal criminal statute (not involving tax administration) which the United States or any Federal investigative agency thereof is authorized to pursue; and the reasons why, in the opinion of the attorney for the Government, the disclosure is or may be material to such proceeding or investigation.

"(B) The attorney for the Government may further disclose such non-return information to such Government personnel as he deems necessary to assist him during or in preparation for any administrative, judicial, or grand jury proceeding, or in a criminal investigation which may result in such a proceeding.

"(3) Taxpayer identity.—The Secretary or his designee shall make taxpayer identity information available to the attorney for the Government upon written request for such information.

"(4) Secretary's duty to disclose non-tax criminal information.—

"(A) The Secretary shall disclose, as soon as practicable, to an attorney for the Government any information, except returns, which may constitute evidence of a violation of any Federal criminal law or which may be pertinent to any investigation of a violation of Federal statutes, to the degree necessary to permit an attorney for the Government to request non-return information as provided in paragraph (i) (2) (A) of this subsection. In carrying out this duty, the Secretary or his designee shall provide, as soon as practicable, to the attorney for the Government the name and address of the taxpayer; the taxable period to which the information relates; the Federal criminal statute to which the Secretary or his designee has reason to believe the information may be relevant; and such information as deemed necessary by the attorney for the Government to fully comply with the written request requirement with respect to non-return information as provided in paragraph (1) (2) (A) of this section.

"(B) Exigent circumstances.—Under exigent circumstances, including a possible threat to persons, property or national security, the Secretary or his designee shall disclose such information, including returns, to the extent necessary to apprise the appropriate Federal investigative agency charged with the responsibility for enforcing such laws. As soon as practicable thereafter, the Secretary shall notify the attorney for the Government of his actions with respect to this paragraph, and the attorney shall thereupon notify an appropriate United States district court of such disclosure pursuant to exigent circumstances.

"(5) Assistance of IRS in joint tax and non-tax investigations.—No portion of this section shall be interpreted to preclude or prevent the Internal Revenue Service from assisting the Department of Justice or any other Federal investigative agency in joint tax and non-tax investigations, nor shall any portion of this section be interpreted to preclude or prevent the IRS from investigating or gathering relevant information concerning persons involved in criminal activities which may lead to income tax violations.

"(6) REASON FOR NON-DISCLOSURE BY THE SECRETARY OR HIS DESIGNEE.—

"(A) If the Secretary or his designee determines and certifies that the disclosure of tax returns or non-return information would identify a confidential informant or seriously impair a civil or criminal tax investigation, the Secretary or his designee may make application to a Federal district court to prevent disclosure. Such applications shall contain the name and address of the taxpayer whose information is being requested; the taxable period or periods to which the request relates; the details of the request for disclosure; the reason or reasons the Secretary or his designee determines and certifies that such disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation; and a certification that the Secretary or his designee has provided a copy of such application to the attorney for the Government.

"(B) Upon receipt of such application, the attorney for the Government shall have five days to reply to said application for non-disclosure stating his reasons why said disclosure would not identify an informant, including sufficient information to assure the district court that the identity of said informant will not be disclosed; and why said disclosure would not seriously impair a civil or criminal tax investigation, including sufficient information to assure the district court that the disclosure of said information is of such substantial importance to a Federal criminal investigation that said disclosure should take precedence over the considerations for any civil or criminal tax investigation.

"(C) The district court shall enter an order with respect to such application for non-disclosure not less than 5 nor more than 15 days from the receipt thereof.

"(D) In the event that the district court denies the Secretary's application, any motion for reconsideration shall be acted upon within 5 days after the receipt of such motion to reconsider.

"(E) The order entered by the court shall be appealable, and any appeal from such order shall be disposed of as soon as practicable, by not later than 30 days from the filing thereof.

"(7) DISCLOSURE TO STATE AUTHORITY UPON CERTIFICATION OF EVIDENCE OF A STATE FELONY VIOLATION.—

"(A) The attorney for the Government to whom disclosure is made pursuant to this section may make application to a district court for an ex parte order to disclose to an appropriate State official, whose duty it is to investigate or prosecute the crime involved, such information in his possession constituting evidence of or material to the violation of a State felony statute.

"(B) Said application shall set forth the name and address of the taxpayer; the taxable period or periods to which the information is relevant; the exact information sought to be disclosed; the State felony violation to which said information is evidence of or is material to, including the State statute involved; a certification by the attorney for the Government that said disclosure is necessary to enable the State authority to investigate or to prosecute a State felony violation; and the name and official position of the appropriate State official whose duty it is to investigate or prosecute the violation and to whom said disclosure will be made.

"(C) Upon receipt of such application, the district court within ten days shall issue an order concerning such disclosure of information relating to a State felony investigation or prosecution, upon a finding that the application is made in connection with an investigation or proceeding concerning the enforcement of a specifically designated State felony statute; that such disclosure is necessary to enable the State authority to investigate or prosecute a State felony violation; and that the State official named in the application is an appropriate State official to whom disclosure may be made.

"(D) any motion to reconsider, supplemental application, or appeal under this section shall be made pursuant to the procedures set forth in paragraph (i)(1) of this subsection.

"(8) Disclosure by the attorney for the Government concerning federal civil litigation—

"(A) The attorney for the Government to whom information has been disclosed pursuant to this section may make application to a district court for an ex parte order to further disclose such information if, in his opinion, the information is evidence of or material to any Federal civil litigation involving a Federal civil claim.

"(B) Said application shall contain the name and address of the taxpayer; the years to which the information is relevant; the nature of the information sought to be disclosed; the Federal statutory authority under which such civil litigation is authorized; a certification by the attorney for the Government that said disclosure is necessary to enable Federal authorities to initiate, investigate, or litigate any Federal civil claim; and the name and position of the appropriate Federal official whose duty it is to initiate, investigate and litigate such Federal civil claim and to whom said disclosure will be made.

"(C) Upon receipt of such application, the district court shall within 10 days issue an order concerning such disclosure of material relating to Federal civil litigation upon a finding that the application is made in connection with an investigation or proceeding concerning the litigation or potential litigation of a specifically designated Federal statute; that the disclosure is necessary to enable Federal authorities to initiate, investigate or litigate any Federal civil claim; and that the official named in the application is the appropriate Federal official to whom disclosure may be made.

"(D) Any motion to reconsider supplemental application, or appeal under this section shall be made pursuant to the procedures set forth in paragraph (i)(1) of this subsection.

"(9) DISCLOSURE FOR USE IN MUTUAL ASSISTANCE TREATIES.—The Secretary shall disclose tax returns and non-return information consistent with the procedures outlined in this section to the attorney for the Government for his use in the performance of his duties pursuant to any mutual assistance treaty between the United States and a foreign country which provides for an exchange of criminal evidence or information."

SEC. 8. Paragraph (5) of subsection (i), section 6103 of title 26, United States Code, is renumbered as paragraph (10) and is amended to delete the term "return information" wherever it apears in that paragraph and insert in lieu thereof the term "non-return information."

SEC. 9. Paragraph (6) of subsection (i), section 6103 of title 26, United States Code, is renumbered as paragraph (11) and is amended to delete the term "return information" wherever it appears in that paragraph and insert in lieu thereof the term "non-return information."

S. 2403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of subsection (a)(1) of section 7609 of Title 26, United States Code is amended to read as follows:

"Such notice shall be accompanied by a copy of the summons which has been served and shall contain directions for filing a motion to quash the summons under subsection (b)(2).

SEC. 2. Subsection (a)(3) of section 7609 of Title 26, United States Code is amended to read as follows:

(3) Definitions

(A) "THIRD-PARTY RECORDKEEPER" MEANS—

(i) any mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar association under Federal or State law, any bank (as defined in section 581), or any credit union (within the meaning of section 501(c)(14)(A));

(ii) any consumer reporting agency (as defined under section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)));

(iii) any person extending credit through the use of credit cards or similar devices;

(iv) any broker (as defined in section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4));

(v) any attorney; and

(vi) any accountant.

(B) "Persons entitled to notice" means any individual or partnership of not more than five individuals.

SEC. 3. The subtitle of subsection (b) of section 7609 of Title 26, United States Code is amended to read as follows:

(b) Right to intervene; Challenge to summons.

SEC. 4. Subsection (b)(2) of section 7609 of Title 26, United States Code is amended to read as follows:

(2) Challenge to Summons

Within fourteen days after the day notice is given in the manner provided in subsection (a)(2), a person entitled to notice of a summons under subsection (a) may file a motion to quash the summons with copies served upon the person summoned and upon such person and to such office as the Secretary may direct in the notice referred to in subsection (a)(1). Service shall be made under this subsection by delivering or mailing by registered or certified mail. A motion to quash a summons shall be filed in the United States district court in which the person entitled to notice resides. Such motion shall contain an affidavit or sworn statement stating—

(A) that the movant is the person to whom the records sought by the summons relate; and

(b) the reasons that the records sought are not relevant to a legitimate tax inquiry or any other legal basis for quashing the summons.

The United States shall file its response within ten (10) days from receipt of the motion to quash. A district court judge or

United States magistrate shall enter an order on the motion within ten (10) days of the filing of the response of the United States.

A court ruling denying a motion to quash under this section shall not be deemed a final order and no interlocutory appeal may be taken therefrom by the person to whom the records pertain. An appeal of a ruling denying a motion under this section may be taken by said person within such period of time as provided by law as part of any appeal from a final order in any legal proceeding initiated against him arising out of or based upon the records summoned.

The Challenge procedures of this section constitute the sole judicial remedy available to a person entitled to notice under subsection (a) to oppose disclosure of records summoned pursuant to this section.

Nothing in this section shall enlarge or restrict any rights of a third party recordkeeper to challenge a summons for records. Nothing in this title shall entitle a person entitled to notice under subsection (a) to assert the rights of a third party.

Sec. 5. Subsection (d) of section 7609 of Title 26, United States Code is amended to read as follows:

(d) RESTRICTION ON EXAMINATION OF RECORDS.—No examination of any records required to be produced under a summons as to which notice is required under subsection (a) may be made—

(1) before the expiration of the 14-day period allowed for the motion to quash under subsection (b)(2), or

(2) upon the filing of a motion to quash pursuant to subsection (b)(2) except in accordance with an order of the court.

Sec. 6. Subsection (e) of Section 7609 of Title 26, United States Code is amended to read as follows:

(e) SUSPENSION OF STATUTE OF LIMITATIONS.—If any person takes any action as provided in subsection (b) and such person is the person with respect to whose liability the summons is issued (or is the agent, nominee, or other person acting under the direction or control of such person), then the running of any period of limitations under section 6501 (relating to the assessment and collection of tax) or under section 6531 (relating to criminal prosecutions) with respect to such person shall be suspended for the period during which a proceeding, and appeals therein, with respect to any litigation relating to such summons is pending.

Sec. 7. Subsection (h)(2) of section 7609 of Title 26, United States Code is hereby repealed and subsection (h)(1) of said section is renumbered accordingly.

Sec. 8. Section 7609 of Title 26, United States Code shall be amended by adding thereto a new subsection as follows:

(i) Duty of Third Party

Upon receipt of a summons for records under this section, the third party shall, unless otherwise provided by law, proceed to assemble the records requested and must be prepared to deliver the records pursuant to the summons on the day upon which the records are to be examined or, in the event a motion to quash has been filed, within ten (10) days of the entry of the court's order.

S. 2404

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7213 of title 26, United States Code, is amended to strike the term "return information" wherever it appears and insert in lieu thereof the term "non-return information".

Sec. 2. Section 7213 of title 26, United States Code, is amended by adding at the end thereof a new subsection, as follows:

"(e) It shall be an affirmative defense to a prosecution under this section that such disclosure of return or non-return information resulted from a good faith, but erroneous, interpretation of section 6103 while a federal employee was acting within the scope of his employment or duties."

S. 2405

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7217 of title 26, United States Code, is amended to strike the term "return information" wherever it appears, to insert in lieu thereof the term "non-return information," and to add a new section thereto, as follows:

"(e) The United States shall be liable for damages awarded to the plaintiff in any cause of action, authorized by this section, if the disclosure was made within the scope of office or employment of a federal official or employee against whom damages are awarded; provided, that any disclosure made corruptly, maliciously, in return for anything of value, or willfully in violation of section 6103 of this title shall not be considered within the scope of such office or employment."

DISCLOSURE PROVISIONS—COMPARISON OF 26 USC 6103 TO PROPOSAL—Continued

§ 6103 EXISTING LAW	§ 6103 PROPOSAL	COMMENTS
(a) General Rule.—"Returns" and "return information" shall be confidential, and no person who has had access to returns or return information shall disclose the returns or information, except as authorized in § 6103.	(a) General Rule—"Returns" and "non-return information" shall be confidential, and disclosure shall be prohibited, except as authorized in § 6103.	No substantial change; change reflects our change in terminology by reflecting on 2 categories or IRS info: Return information and non-return information.
(b) Definitions	(b) Definitions	
(1) Return—Tax or information return, declaration of estimated tax or claim for refund, or amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to, or part of, the filed return.	(1) Return—Any document the taxpayer is required by law to file, including same items mentioned in existing § 6103.	We have divided IRS material into only 2 categories (1) Return information: all information the taxpayer is required by law to give IRS; and (2) non-return information: all other information IRS discovers.
(2) Return information—A taxpayer's identity; the nature, source or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments; whether the taxpayer's return was, is being, or will be examined or subject to investigation or processing; any other data received, recorded, prepared, or collected by, or furnished to, IRS with respect to a return or to a determination of tax liability; any written determination, or any background file document relating to such determination, which is not open for public inspection.	(2) Non-return information—Any information, other than a return, which IRS collects, receives, or obtains with respect to a taxpayer or return, or with respect to a determination of the existence of tax liability, etc.; any written determination, or any background file document relating to such determination, which is not open to public inspection.	This avoids the interpretations under the present act where corporate records, bank records, agent interviews, FBI information, etc. were considered by IRS to fall in the vague category of "Taxpayer Return Information". This also enables us to separate those items which deserve a higher degree of privacy and hence a court order for disclosure from those items that IRS, like any other investigative agency, uncovers in a typical investigation.
(3) Taxpayer return information—Return information (as in (2)) which is filed with, or furnished to, IRS by or on behalf of the taxpayer or to whom such information relates.		
(6) Taxpayer identity—Name of a person with respect to whom a return is filed, his mailing address, his taxpayer identifying number, or a combination thereof.	(6) Taxpayer identification information—Any information in possession of IRS which identifies the name, address, or social security number of any taxpayer or which reveals whether the taxpayer filed a tax return for any given year.	Substantially similar; adds the fact of whether or not a taxpayer has filed to the definition of taxpayer identity.

DISCLOSURE PROVISIONS—COMPARISON OF 26 USC 6103 TO PROPOSAL—Continued

§ 6103 EXISTING LAW	§ 6103 PROPOSAL	COMMENTS
No (10)	(10) Attorney for the Government—Attorney General, Deputy AG, Assistant AG, Deputy Assistant AG, U.S. Attorney, Attorney in Charge of a Strike Force, any head of a local or regional office of the Justice Department, or anyone else designated by the AG.	Designates who may request and receive IRS material. The designations are worded in such a way that heads of field offices may request and disclose information upon filing the appropriate court and/or IRS requests. This eliminates the untenable bureaucratic time delays encountered under the present act in having the head of the agency approve everything.
No (11)	(11) Secretary or his designee—Secretary of the Treasury or his designee.	
No (12)	(12) District Court—A U.S. district court judge or a U.S. magistrate designated by the judge to carry out his duties under § 6103.	Allows a U.S. District Court Judge or U.S. magistrate to rule on disclosure requests.
No (13)	(13) Federal investigative agency—Any federal department or agency which has responsibility or duty to investigate the violation of any federal criminal statute.	Defines federal investigative agency.
(i) Disclosure for administration of Federal laws not relating to tax administration.	(i) Disclosure for administration of Federal laws not relating to tax administration.	Our revision has two safeguards: (1) Every request must be made by a Justice Department attorney thereby providing a legal check on the appropriateness of the request before it is made. Moreover, all disclosure is made through a Justice Department attorney thereby eliminating indiscriminate disclosure to each agency who could request information from IRS; (2) Our revision also requires an application to a federal court and a court order to release any information a taxpayer is required by law to provide IRS such as his tax return.
(1) Non-tax criminal investigation—	(1) Disclosure of tax returns for non-tax purposes shall be permitted only as follows:	
(A) Information from taxpayer—Upon grant of an ex parte order by a Federal district court judge, a return or taxpayer return information shall be open, but only to the extent necessary as provided in the order, to officers or employees of a Federal agency who are personally and directly engaged in—and solely for their use in—preparation of any administrative or judicial proceeding (or investigation which may result in such a proceeding) pertaining to the enforcement of a specifically designated Federal criminal statute.	(A) Ex parte order—Upon application by an attorney for the Government, a district judge may, by ex parte order, direct that a tax return be disclosed to the attorney for use during or in preparation for any administrative, or judicial, or grand jury proceeding, or in a criminal investigation which may result in such a proceeding.	
(B) Application for order—The head of any Federal agency described in (A) or, if the Justice Department, the AG, Deputy AG, or Assistant AG, may authorize an application for an ex parte order.		The present statute had a provision which included return information which had been loosely interpreted to cover taxpayer books and records, accountants' books and records, corporate records, third-party interviews, tips from other agencies and other material a taxpayer is not required by law to provide IRS. Thus, the present act had the unfortunate result of putting IRS in the position of discovering bribery, embezzlement, union payoffs, etc. in financial records of organizations but not being able to turn it over or tell the Justice Department about it.
The judge may grant the order if he determines on the basis of facts submitted by the applicant that—	Such ex parte order shall be issued only upon a determination that—	
(i) there is reasonable cause to believe, based on information believed to be reliable, that a specific criminal act has been committed;	(i) the application is made in connection with a lawful administrative, judicial, or grand jury proceeding, or an investigation which may result in such a proceeding, pertaining to the enforcement of a specifically designated Federal criminal statute.	Our revision requires the Government to provide information to the court which shows that a legitimate federal criminal investigation is being pursued and that there is reason to believe that the information contained in the tax return is material and relevant to the investigation or proceeding.
(ii) there is reason to believe that such return or return information is probative evidence of a matter in issue related to the commission of such criminal act; and	(ii) there is reasonable cause to believe that the information contained in the return is material and relevant to such a proceeding or investigation.	Our standard is more reasonable with the added safeguard of prosecutorial intervention. The main criticism of the present standard was it was impossible to meet. Therefore, no one used it. Also we've eliminated the third requirement that the Government prove the financial information cannot be obtained from any other source. The fact is that the financial information is "available" elsewhere but that the Government would have to completely reconstruct a taxpayer's bank records to duplicate the information on the return. This unreasonable result should be laid to rest.
(iii) the information sought to be disclosed cannot reasonably be obtained from any other source, unless the information constitutes the most probative evidence of a matter in issue relating to the commission of such criminal act.		
However, IRS shall not disclose any return or return information if it determines and certifies to the court that such disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation.	(See paragraph (i) (6) below.)	

DISCLOSURE PROVISIONS—COMPARISON OF 26 USC 6103 TO PROPOSAL—Continued

§ 6103 EXISTING LAW	§ 6103 PROPOSAL	COMMENTS
	(B) Application for order—Application shall set forth (1) name of taxpayer, (2) time period to which request relates, (3) statutory authority for criminal investigation, (4) nature and purpose of the proceeding or investigation, (5) reasons why, in opinion of attorney for the Government, the disclosure of the information on the return is or may be material to the proceeding or investigation.	This third requirement of the present act also required the Government to prove that the tax return was the most probative evidence of the crime to be proven. Since this section deals only with non-tax crimes, the tax return itself would never be the most probative evidence of the crime. Only the actual financial records would qualify. Thus an impossible standard has been deleted.
No (C)	(C) Procedures—Judge shall act upon the application within 5 days. In the event he denies application— (i) motion to reconsider shall be acted on within 5 days, and (ii) appeal shall be disposed of as soon as practicable but not later than 30 days.	We have placed time limits on the court's action and IRS's response to eliminate the dreadful delays testified to in our hearings. We have also provided a mechanism so that the Government attorney can disclose tax information to those agents and agencies assisting him in the investigation. This has the added safeguard of prosecutorial supervision and yet provides an avenue for other agencies to receive criminal information that didn't exist under the present act.
No (D)	(D) Duty of Secretary—Upon issuance of order, IRS shall disclose returns pursuant thereto within 10 days.	
No (E)	(E) Further disclosure—Attorney for Government may further disclose return to such other Government personnel as he deems necessary to assist him in preparation for any administrative, judicial, or grand jury proceeding, or in a criminal investigation which may result in such a proceeding.	
(2) Return information other than taxpayer return information—Upon written request by agency heads authorized to apply for ex parte order [para. (1) (A)], information supplied by third parties (i.e., return information not supplied by or on behalf of a taxpayer) shall be disclosed to officers and employees of such agency personally and directly engaged in, and solely for their use in, preparation for any administrative or judicial proceeding (or investigation which may result in such a proceeding).	(2) Disclosure of non-return information—Information in the possession of IRS, other than tax returns, shall be disclosed as follows: (A) Within 10 days of receipt of a written request by an attorney for the Government, IRS shall disclose any non-return information in its possession.	With respect to any information IRS discovers that the taxpayer is not required by law to give the IRS, an attorney for the government can request that information by written request to IRS. Again this clears up the grey area of what is protected by court order and what isn't. It also requires IRS to disclose such information within a specific time period to avoid the delays inherent in the present act and IRS procedures.
Such written request shall set forth—	Such written request shall set forth—	Our written request requirements are substantially similar to the present act but more specific in terms of what information must be supplied to IRS.
(A) the name and address of the taxpayer;	The name and address of the taxpayer;	
(B) taxable period(s) to which the return information relates;	The taxable period(s) to which the information relates;	The procedure to be used, however, does not require the approval of the head of the agency. Under our procedure the head of any Justice Department office can make the request so long as he complies with the law and the head of any local IRS office can comply by disclosing the information. This obviates the need for the frustrating and time-consuming review of heads of agencies.
(C) the statutory authority under which the proceeding or investigation is being conducted; and	That the request is being made in connection with an administrative, judicial, or grand jury proceeding, or an investigation which may lead to such a proceeding, pertaining to the enforcement of a specifically designated Federal criminal statute which the agency is authorized to pursue; and	
(D) the specific reason(s) why such disclosure is or may be material to the proceeding or investigation.	The reason(s) why, in the opinion of the attorney, the disclosure is or may be material to such proceeding or investigation. (See paragraph (i) (6) below.)	
However, IRS shall not disclose any return or return information if it determines that such disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation. The name and address of a taxpayer may be disclosed under this paragraph.		
No (B)	(B) The attorney for the Government may further disclose non-return information to such Government personnel as he deems necessary to assist him during or in preparation for any administrative, judicial, or grand jury proceeding, or in a criminal investigation which may result in such a proceeding.	This allows the attorney for the Government to disclose the information given to him to the agents or agencies assisting him in the criminal investigation. This provision is almost identical to the Grand Jury secrecy rules.

DISCLOSURE PROVISIONS—COMPARISON OF 26 USC 6103 TO PROPOSAL—Continued

§6103 EXISTING LAW	§6103 PROPOSAL	COMMENTS
Under paragraph (i)(1), taxpayer identity information is considered to be taxpayer return information and subject to disclosure only by grant of an ex parte order. However, under paragraph (i)(2), taxpayer identity information may be disclosed in connection with the disclosure, pursuant to written request, of return information other than that provided by or on behalf of a taxpayer (i.e., third-party information).	(3) Taxpayer identification information—IRS shall disclose taxpayer identification information to the attorney for the Government upon written request.	Our section makes it clear that taxpayer identification information is available upon written request of the attorney for the government. This avoids problems such as those faced by law enforcement officers when trying to return stolen property according to social security numbers and IRS won't provide the information under the present act.
(3) Disclosure of return information concerning possible criminal activities—IRS may disclose in writing return information (other than that provided by or on behalf of a taxpayer) which may constitute evidence of a violation of Federal criminal laws to the extent necessary to apprise the head of the appropriate Federal agency charged with enforcing such laws. The name and address of a taxpayer may be disclosed, even though supplied by the taxpayer, if there is third-party return information that may constitute evidence of a Federal crime.	(4) Secretary's duty to disclose non-tax criminal information. (A) The Secretary (IRS) shall disclose, as soon as practicable, to an attorney for the Government any information, except returns, which may constitute evidence of a federal crime or which may be pertinent to a federal criminal investigation, to the degree necessary to permit the attorney to request non-return information as provided in paragraph (i)(2)(A) above.	Our section requires the IRS to disclose criminal information it uncovers except anything listed on the tax return itself. Under the present act IRS was not required to disclose the information [+ the evidence at the hearing disclosed that they didn't]. We are still making the tax return inviolate except via court order. This section eliminates the Catch-22 situation of requiring an agency to request information without ever knowing what information exists. This section would require IRS to alert the Justice Department to criminal information.
No (B)	(B) Exigent circumstances—Under exigent circumstances, including a possible threat to persons, property or national security, IRS shall disclose such information (including returns) to the extent necessary to apprise the appropriate federal agency with responsibility to enforce the law. As soon as practicable thereafter, IRS shall notify the attorney for the Government of its actions, and the attorney shall notify an appropriate district court of the disclosure.	We have included a section for emergencies which will allow IRS to disclose any information to the appropriate agency in circumstances where a threat exists to person, property or national security. This obviates problems that exist under the present law where even threats of assassination couldn't be disclosed without elaborate and time-consuming procedures. This section requires that after the emergency disclosure, the Government notify the court of said disclosure.
No similar provision.	(5) Assistance of IRS in joint tax and non-tax investigations.—No portion of § 6103 shall be interpreted to preclude or prevent IRS from assisting any other federal investigative agency in investigations of criminal matters which may lead to income tax violations, or from investigating or gathering relevant information concerning persons involved in such criminal activities.	This section makes it clear on the face of the statute that IRS is free to work jointly with other government agencies in combating crime. This is to obviate the need to process a Title 26 Grand Jury request simply to obtain the assistance of IRS. Hearing testimony revealed that the Grand Jury request process took upwards of one year just to obtain the services of IRS in a criminal case.
Under paragraphs (i)(1) and (i)(2), IRS shall not disclose any return or return information if it determines that such disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation. The determination is not subject to challenge.	(6) Reasons for non-disclosure by IRS— (A) IRS may apply to a district court to prevent disclosure of information if it determines that the information would identify a confidential informant or seriously impair a civil or criminal tax investigation.	This section is similar to the present act. It allows IRS not to disclose information that would identify an informant or endanger a tax case. This section, however, requires IRS to apply to the court in those cases where it would refuse disclosure to support their decision. It also gives the Justice Department a mechanism to contest IRS's decision not to disclose criminal evidence.
No similar provision.	(B) Attorney for the Government shall have 5 days to reply to the application for nondisclosure, stating his reasons why disclosure would not identify a confidential informant or seriously impair a tax investigation, including sufficient information to assure the court that disclosure is of such substantial importance to a criminal investigation as to take precedence over a tax investigation.	
No similar provisions.	(C) The district court shall rule on the application not less than 5 nor more than 15 days from receipt.	
No similar provisions.	(D) Motion for reconsideration of denial shall be acted upon within 5 days.	
No similar provisions.	(E) Appeals shall be disposed of as soon as practicable but not later than 30 days after filing.	
No similar provisions.	(7) Disclosure to State authority upon certification of evidence of a State felony violation.	This section gives the government a mechanism to provide evidence of state crimes to the appropriate authorities. The present act contained no such provision.

DISCLOSURE PROVISIONS—COMPARISON OF 26 USC 6103 TO PROPOSAL—Continued

§ 6103 EXISTING LAW	§ 6103 PROPOSAL	COMMENTS
	(A) Attorney for the Government to whom disclosure has been made may apply to a district court for an ex parte order to further disclose to a State Law enforcement official possessing information that is evidence of or material to a violation of a State felony statute.	This section provides for a court-authorized procedure to give evidence of state crimes to state authorities. Under the present act, for instance, evidence of bribing a policeman in the hands of IRS could not be given to the appropriate state authorities. Our revision provides a mechanism to accomplish this.
	(B) The application shall set forth the name of the taxpayer, the relevant taxable period(s), the State felony violation and statute, a certification that disclosure is necessary to enable the State authorities to investigate or prosecute the violation, and the name and position of the State official.	
No similar provision.	(C) The district court shall, within 10 days, issue an ex parte order upon a finding that (1) the application is made in connection with an investigation or proceeding concerning the enforcement of a specifically designated State felony statute; (2) that disclosure is necessary to enable the State authorities to investigate or prosecute aStat e felony violation; and (3) that the State official named in the application is an appropriate State official to whom disclosure may be made.	
No similar provision.	(D) Supplemental applications or appeals are to be made subject to the procedures set out in paragraph (i)(1).	
No similar provision.	(8) Disclosure concerning federal civil litigation.	This section provides a mechanism to transfer information concerning Federal Civil Litigation to the appropriate Federal authority. Under the present act, no such provision existed. GAO found, for instance, that the Government under the present act lost federal civil cases of substantial size because it could not obtain information from IRS. This section would provide a mechanism to transfer information in serious civil cases such as civil rights, antitrust and fraud cases.
	(A) The attorney for the Government may apply to a district court for an ex parte order to further disclose information which is evidence of or material to any federal civil litigation.	
No similar provision.	(B) The application shall set forth (1) the name and address of the taxpayer; (2) the exact information sought to be disclosed; (3) the federal law under which the civil action is authorized; (4) a certification that disclosure is necessary to enable federal authorities to initiate, investigate, or litigate any federal civil claim; (5) and the name and position of the official charged with initiating, investigating and litigating the claim, and to whom disclosure will be made.	
No similar provision.	(C) The district court shall, within 10 days, issue the order upon a finding that (1) the application is made in connection with an investigation or proceeding concerning the litigation or potential litigation of a specifically designated federal statute; (2) that disclosure is necessary to enable federal authorities to initiate, investigate, or litigate any federal civil claim; and (3) that the official named in the application is the appropriate official to whom disclosure may be made.	
No similar provision.	(D) Any supplemental application or appeal shall be made pursuant to the procedures set out in paragraph (i)(1).	
No similar provision.	(10) Disclosure for use in mutual assistance treaties requires the Secretary to disclose tax returns and non-return information consistent with the procedures in the act to the attorney for the Government for use with respect to mutual assistance treaties with foreign countries which provide for an exchange of criminal evidence or information.	This section creates a mechanism to allow the Government to perform according to mutual assistance treaties it has entered into with foreign countries to exchange criminal evidence. Under the present act IRS refused to give criminal evidence to the Justice Department so that it could comply with this country's mutual assistance treaties.

SUMMONS PROVISIONS—COMPARISON OF 26 USC 7609 TO PROPOSAL

§ 7609 EXISTING LAW	§ 7609 PROPOSAL	COMMENTS
(a) Notice.	(a) Notice	
(1) In General—Requires IRS to serve notice on person whose records have been summoned from third party recordkeeper with copy of summons and directions for staying compliance. Notice to be served within 3 days of service of summons, but not later than 14 days before day fixed in summons for examination of records.	(1) In General—Same notice requirement however, in lieu of directions for staying compliance provides for directions for filing motion to quash the summons under subsection (b)(2); provision for staying compliance covered under subsection (d).	Change necessary to conform with change in subsection (b)(2). [Note: Procedures in the proposal are similar to those in the Right to Financial Privacy Act which applies to all federal agencies except IRS.]

SUMMONS PROVISIONS—COMPARISON OF 26 USC 7609 TO PROPOSAL—Continued

§ 7609 EXISTING LAW	§ 7609 PROPOSAL	COMMENTS
(2) Sufficiency of Notice.	(2) Sufficiency of Notice—No Change	
(3) Third Party Recordkeeper defined.	(3) Definitions (A) Third Party Recordkeeper—No Change (B) "Person Entitled to Notice"— Individual or partnership of not more than 5 individuals.	Definition limits protection of section to individuals and small partnerships.
(4) Exceptions.	(4) Exceptions—No Change	
(5) Nature of Summons (b) Right to intervene; Right to stay compliance (1) Intervention (2) Right to stay compliance—Person entitled to notice of summons under subsection (a) has right to stay compliance if not later than 14 days after notice is given as provided in subsection (a)(2): (A) Notice in writing not to comply with summons is given to person summoned; and (B) Copy of notice not to comply with summons is mailed by registered or certified mail to person and office as Secretary directs in notice referred to in subsection (a)(1).	(5) Nature of Summons—No Change (b) Right to intervene; Challenge to summons (1) Intervention—No Change (2) Challenge to summons—Within 14 days after notice, person entitled to notice under subsection (a) may file motion to quash summons with copies served on person summoned and on person and office Secretary directs in the notice. Service made by delivering or mailing by registered or certified mail. Motion filed in United States district court where person entitled to notice resides. Motion shall contain affidavit or sworn statement (1) that movant is person to whom records sought relate; and (2) legal basis for quashing summons. United States shall respond within 10 days and district court judge or U.S. magistrate will enter order within 10 days of United States' response. Court ruling denying motion to quash is not appealable but may be appealed after a final order in legal proceeding against person entitled to notice arising out of or based upon records summoned. Challenge procedures of the section are the sole judicial remedy to person entitled to notice to oppose disclosure of summoned records.	Under existing law person entitled to notice could stay compliance with summons merely by serving notice not to comply on person summoned with copy to IRS. Experience of IRS has been that tax evaders abused the statute and used it as a means of delaying and obstructing IRS examinations. When IRS sought to enforce the summons, individual would not respond to court pleadings. When IRS finally obtained records, it would determine other records were necessary. Taxpayer would again be notified and would again file notice to stay compliance, etc. Proposed change would require individual to state to U.S. district court reasons for objecting to compliance with the summons. Subsection (d) provides that compliance is stayed pending determination of the motion to quash. To avoid inordinate delays which approached 9 months under existing law, time limitations are provided.
(c) Summons to which section applies	(c) Summons to which section applies—No Change	
(d) Restriction on examination of records No examination of records required to be produced under summons as to which notice is required under subsection (a) may be made:	(d) Restriction on examination of records No examination of records:	Change in language made to conform with change in procedure to challenge summons. No provision for consent of challenging party as consent would be accomplished by withdrawal of motion to quash.
(1) before expiration of 14 day period allowed for notice not to comply under subsection (b)(2), or	(1) before expiration of 14 day period allowed for motion to quash under subsection (a)(2), or	
(2) when requirements of subsection (b)(2) met, except in accordance with court order authorizing examination or with consent of person staying compliance.	(2) upon filing of motion to quash except in accordance with court order.	
(e) Suspension of statute of limitation Provides for the suspension of any period of limitations under section 6501 (relating to assessment and collection of tax) or under section 6531 (relating to criminal prosecutions) during which a proceeding or appeal therein with respect to the enforcement of a summons is pending.	(e) Suspension of staute of limitation Provides for the same suspension as in existing law during pendency of litigation relating to the summons.	Change made to conform language of subsection (e) to change in subsection (b).
(f) Additional requirement in the case of a John Doe summons	(f) Additional requirement in the case of a John Doe summons—No Change	
(g) Special exception for certain summons	(g) Special exception for certain summons—No Change	
(h) Jurisdiction of district court	(h) Jurisdiction of district court	
(1) U.S. district court for district within which person summoned resides or is found shall have jurisdiction to hear and determine proceedings under subsection (f) and (g) which determinations shall be made ex parte and upon petition and affidavits. Order denying petition is final order which may be appealed.	(1) No change except renumbering	Repeal of subsection (h)(2) is to insure expeditious disposition of motions which delay investigations.
(2) Except as to cases court considers of greater importance, proceedings brought to enforce a summons, or proceeding under this section, and appeals, take precedence on docket over all cases and shall be heard and decided at earliest practicable date.	(2) Repealed	Now covered under subsection (b)(2).

[From Newsweek, Feb. 11, 1980]

How the IRS Abets Crime

(Unable to stop a major drug ring from quietly slipping its booty into Mexican banks, a Federal task force in Los Angeles asked the Internal Revenue Service to help investigate the suspects' financial records. It took six months to get the IRS into the case—giving the smugglers time to send another $6 million out of the country.

(In Cleveland, FBI agents needed help deciphering some complex financial documents and gave films of them to the local IRS office. After a decent interval, IRS officials said not only would they not discuss the case, they would not give the films back.

(Prosecutors began asking for the tax returns of Harlem heroin kingpin Nicky Barnes six months before his New York trial began. Not until the case was half over did U.S. Attorney Robert B. Fiske Jr.—and the jury—learn what the IRS knew all along: Barnes had brazenly reported $250,000 in drug profits as miscellaneous income.)

These bits of courthouse slapstick are the unexpected byproduct of the Tax Reform Act of 1976. Congress, swimming with the post-Watergate flood tide, intended the law to stop prosecutors and presidents from using the IRS to abuse taxpayers. Instead, the act, whose principal provisions restrict IRS investigators, quickly became a major asset for sophisticated criminals. "To a substantial extent, the law, coupled with the IRS's own policies, took the most effective agency against white-collar crime out of the game," says Edward R. Korman, U.S. attorney in Brooklyn.

Almost no one disputes that Congress had to do something to curb the unseemly use of tax laws and information. Before the 1976 act, many Federal agencies routinely requested and received copies of tax returns. Some prosecutors even used theoretically private 1040 forms to weed out unfriendly jurors. But Congress didn't insist on change until the chilling disclosures of Richard Nixon's plans to use IRS records and audits to punish his enemies.

Rogue: To halt such practices, the reform package shut off or severely slowed the flow of information from the IRS to other agencies. In response, the IRS had to pull its highly skilled investigators from law-enforcement assaults—against white-collar criminals, dope dealers and politicians. Ironically, what the reforms would not do is tame rogue presidents. While the law forbids a President from secretly obtaining taxpayer returns, it is silent on whether he can order a debilitating audit. "What the hell does he need the return for if he can still tell the IRS to sic 'em?" one Washington lawyer notes sarcastically.

The law effectively muzzles the IRS. Unless ordered by a judge, its agents may not pass on information about crimes—or anything else—included on a taxpayer's return. This means, according to IRS officials, that a mob hit man could list his fees for contract killings and be confident that the IRS would not inform the police. Tips that IRS investigators receive during tax inquiries must also be filed away unless they get written permission from Washington to give the information to other Federal investigators.

Cash: While most prosecutors have learned to live with the restrictions, they find criminal investigations much more difficult without the IRS agents. Loaned to organized-crime strike forces and political-corruption units through the early '70s, these agents meticulously followed "paper trails" of checks, cash and documents. The agents drew on their audit-honed skills to spot buried bribes and kickbacks. Federal prosecutors believe Spiro Agnew might have become President if IRS agents working for the U.S. attorney in Baltimore had not uncovered the chain of illegal payments that led to Agnew's office in the White House. "It's like being a coach of the Houston Oilers and being told you can't use Earl Campbell in the game," says Deputy Assistant Attorney General Irvin Nathan.

To make matters worse, the IRS often insists on interpreting the law as narrowly as possible. "We've been in bed together for years, but now the IRS is wearing a chastity belt," says one Los Angeles prosecutor. For instance, two men who claimed to be IRS agents telephoned the mother of a key witness against a Mafia suspect, seeking to learn where her son was. The nervous son asked his FBI contacts to find out if the callers were bona fide or, perhaps, hit men assigned to silence him. But the IRS refused all help. That episode proved too much even for IRS commissioner Jerome Kurtz. "In that case, I would be willing to run the risk that the Attorney General would indict me or the assassin would sue me," Kurtz says. Irritated by recent criticism, Kurtz has been working with the Justice Department to streamline their procedures for access to field-office tips.

Roles: The controversy over the 1976 act is a part of a larger debate about how many roles the IRS should play. Critics say the agency sees its mission too narrowly: as only a revenue collector. IRS officials respond that their law-enforcement efforts do get top priority; otherwise taxpayers might shirk their obligations. Although it has no control over the IRS, the Justice Department thinks that the IRS spends too much time on cases not worth prosecuting. Justice wants fewer cases, against bigger targets.

Proposals to reform the Tax Reform Act are now being drafted on Capitol Hill. After hearings last December in which he described the law as the "Organized Crime Relief Bill," Sen. Sam Nunn of Georgia promised to introduce legislation to rework a few of its stiffest provisions. Nunn's bill will try to make it easier for Justice Department lawyers to obtain court orders for tax returns.

No legislator has suggested returning to the bad old days of easy trafficking in tax returns. Strict rules governing transfers of properly secret information tend to reduce real abuse. The problem for Congress now is to fine-tune reform so that the innocent can be secure even as law enforcement proceeds with its legitimate work.

[From the Washington Post, Feb. 17, 1980]

Once-Tough "T-Man" Image of IRS Has Been Shattered

(By Art Pine)

Since Prohibition, one of the government's most visible law enforcement arms has been the Internal Revenue Service. Al Capone, too clever to leave a trail for ordinary cops, finally was nabbed on tax-evasion charges. So have been thousands of drug-traffikers—and political figures as well.

Today, however, that once-tough "T-Man" image has been shattered, and the IRS itself is being accused of virtually obstructing the efforts of the FBI and other federal agencies to move against organized crime, narcotics dealers and political corruption cases.

The ex-IRS agent who led the investigations of former vice president Spiro Agnew and former Maryland governor Marvin Mandel told Congress last month those indictments couldn't be secured today because of new IRS restrictions on cooperation with other federal law enforcement agencies.

The deputy chief of the Justice Department's criminal division complains his agency's investigators and prosecutors are running into months-long delays and refusals of cooperation by IRS that are seriously impeding enforcement efforts against organized crime and narcotics figures.

The IRS itself concedes it has cut by two-thirds the number of special agents assigned to cases involving gangland operations, drug traffikers and political corruption. The General Accounting Office asserts that the IRS has no credible strategy for dealing with organized crime.

This greening of the once-tough IRS image stems from two major developments:

First, a 1974 cloak-and-dagger scandal involving IRS actions in an offshore tax-haven scheme created an initial public backlash that sent the agency's hierarchy scurrying—some say excessively—to clean up its act. Strike force operations were dismantled. Nontax cases were cut back.

Second, Watergate disclosures about former President Nixon's misuse of the IRS to harass persons on his "enemies" list led to new congressional action that sharply restricted the IRS' ability to disclose its information to other agencies. Agents who flout these laws can be sent to prison.

The combination of these changes has had a chilling effect on the agency's general law-enforcement operations that has embittered many old-line IRS special agents and frustrated their counterparts at the Justice Department and federal Drug Enforcement Administration.

Some samples from actual—and often ludicrous—case histories:

Item: Federal agents in New York, unable to nail down enough hard evidence on Harlem narcotics trafficker Nicky Barnes, routinely asked for a copy of his tax returns. But the IRS delayed action on the request for months, forcing prosecutors to go to trial without the information.

Finally, after it was almost too late to make much difference, the IRS let prosecutors in on what revenue agents had known for months: that Barnes had reported openly on his Form 1040 some $250,000 in income from narcotics operations. (Barnes ultimately was sent to prison.)

Item: IRS agents, raiding a suspect's trash can as part of an investigation on a tax-evasion case recently, found hard evidence that the man was involved in a major narcotics ring. The lode was a prosecutor's dream-find; itemized records, hotel bills—even the formula for the drugs.

But the agents, following the new nondisclosure rules, kept their find secret from the Drug Enforcement Administration, which was conducting its own investigation. When DEA agents finally got wind of the IRS discovery, they couldn't glean enough details from the IRS to win a court order for the documents.

Item: An alert federal drug-enforcement investigator, spotting some potential tax-evasion cases during a probe of a narcotics gang recently, cooperatively passed the list of suspects on to an IRS agent, thinking he had a carbon back in his files.

When he returned, the investigator realized he had given away his only copy—and called the IRS agent to have him read back the names. The agent refused. The IRS' rationale: The list now was "tax information"—which the agency is not permitted to disclose.

At least some of the IRS' seeming recalcitrance is traceable directly to a series of provisions in the 1976 Tax Reform Act. Designed to protect taxpayers' privacy—and prevent further Nixon style abuses of IRS powers—the law severely restricts the sharing of tax-return information with any government agency.

Under the new code, the IRS no longer simply can pass on information about taxpayers to other federal agencies, or even tell other departments it is investigating a case. An agency that wants access to IRS files must get a court order—and show the judge in advance how the evidence will help its case.

Moreover, for the first time, the law provides stiff criminal penalties for individual IRS agents or officials who even inadvertently overstep these restrictions. Any agent judged to have violated the new law can receive up to $5,000 in fines and five years in prison.

But critics of the IRS say the agency's hierarchy has gone far beyond the bounds of the new statute in interpreting the new restrictions, and consciously has taken the IRS out of the general law-enforcement business.

Over the past 5½ years, for example, the agency has slashed by two-thirds the staff hours its criminal investigators spend on narcotics-related cases. And IRS agents report severe new restrictions from above on the use of surveillance operations, informants—and even automobiles—for non-tax cases.

As in most such disputes, the issues aren't quite as black and white as they might seem. This one, for example, involves more than merely the 1976 statute or the aggressiveness of the IRS hierarchy: There also are fundamental questions involving taxpayer privacy and the agency's basic role.

For one thing, there's fairly solid evidence that the IRS and other key government agencies had abused taxpayer privacy, not only during the Nixon years but in earlier periods as well. Taxpayers' returns were shunted freely between IRS and other federal agencies.

Former IRS commissioner Donald C. Alexander, who took the first steps to tighten up the operations, says restrictions then were so lax that the IRS ran virtually "a lending library" of private tax data. Governors sometimes were shown tax records of their opponents.

For another, a good many tax authorities argue the IRS should be limited to being solely a tax-collection agency, and should not get into general law-enforcement operations except when records are subpoenaed under court order.

The price may be a high one, Alexander says, but "it's definitely worth it" in terms of the broader question of guaranteeing taxpayers privacy against unauthorized prying. Alexander asserts that the IRS should "not be the running dog for some other agency."

Still, other law enforcement officials argue that tax records often are the only way they have to obtain the hard evidence needed to convict mobsters, drug traffickers and corrupt politicians, who frequently are too well insulated to be caught by conventional detective work. The "paper trail" still works best.

Indeed the IRS itself concedes the Al Capone sort of case has substantial value psychologically in maintaining a tough image for the IRS—and thereby encouraging more voluntary compliance with the tax laws. The IRS, which in reality has limited resources, depends heavily on this voluntary compliance.

Meanwhile, IRS commissioner Jerome Kurtz—who declined to discuss the situation in an interview—is sitting quietly on the situation in hopes that the IRS can quiet the storm before Congress takes a hand in changing the current regulations on its own.

The Senate Permanent Investigations Committee, headed by Sen. Sam Nunn (D-Ga.), held a series of hearings on the question last month, and Nunn is preparing legislation that would seek to alter the 1976 law. The two congressional tax-writing committees have not taken up the issue yet.

IRS EXPERTISE AND ASSISTANCE IS NECESSARY IN THE FIGHT AGAINST ORGANIZED CRIME

● Mr. PERCY. Mr. President, I am pleased to join with Senator NUNN and Senators COHEN, CHILES, LONG, RIBICOFF, TALMADGE, and DECONCINI in introducing a package of legislation designed to return the Internal Revenue Service to the forefront in the fight against organized crime and big-time narcotics trafficking.

Last December, the Permanent Subcommittee on Investigations, of which Senator NUNN is the distinguished chairman and I am its ranking minority member, held 5 days of hearings on the huge amounts of illegitimate profits being made by big-time narcotics traffickers, and on the role of IRS in investigating both narcotics trafficking and other aspects of organized crime. What we heard was far from encouraging.

In 1978, the Government estimates that Americans spent $44 to $63 billion on illegal drugs. It is an incredible sum, rivaling in gross income all but the very largest corporations. We heard testimony from both Federal and State prosecutors about the narcotics money flow that annually sends billions of dollars out of the country. Couriers walk into banks or currency exchanges in Florida, California and other States with hundreds of thousands of dollars in cash. The money is often carried brazenly in shopping bags, suitcases or even cardboard boxes. The money then may undergo a series of paper transfers through several fictitious accounts, ultimately destined to be wired to off-shore banks, or converted into cashiers checks to be carried out of the country.

Unless something is done to stop today's sophisticated drug pirates, we can expect serious damage to the economic and political fabric of the Nation. Arresting the street corner pusher, although necessary, will not end the problem. The big money is going to people who never touch the contraband. No matter how effective our drug interdiction program or trafficking laws may be, this upper echelon of crime operates with no fear of arrest. Yet, these people, who are orchestrating these illegal operations and are gleaning enormous profits are the very ones we need to put out of business. The key to investigating, prosecuting and convicting them rests in the profits they make. They are vulnerable only to the most complex and detailed financial investigations.

A case in point is one of the Nation's most notorious gangsters. For years, Al Capone dominated the Chicago crime scene, having a hand in bootlegging, gambling, prostitution, and an estimated 200 gangland killings. Yet he had the unique ability to be miles away from the crimes he masterminded. Every school boy knew his face but no prosecutor could touch him. He was indicted several times, once for over 5,000 prohibition violations, but the charges were always dismissed, or the witnesses disappeared. He only went to jail in 1931 after a conviction of tax evasion, and that was no easy task.

Capone never maintained a bank account, never signed a check or receipt, never brought property in his own name. He paid for everything in cash out of a strongbox he kept under his bed. IRS went after him on the basis of his net worth and net expenditures. After combing sales records throughout Chicago, including the number of towels he took to the laundry, he was brought to trial on 22 counts of tax evasion. Despite his attempts to have the tax agents testifying against him killed, and to bribe and intimidate the prospective jurors, he was convicted and sentenced to 11 years in prison. It is no wonder that organized crime kingpins have always feared the IRS.

Federal, State, and local law enforcement officials believe that the IRS should be one of the most effective agencies in combatting narcotics traffickers and organized crime. Yet, these officials say the IRS has been virtually eliminated from the fight against crime.

The subcommittee hearings revealed two major reasons for this. First, the change in leadership at IRS in the 1970's brought about a very different and negative attitude toward involvement in law enforcement activity. Second, the passage of the Tax Reform Act of 1976 severely limited the disclosure of personal and corporate tax information from the IRS to other law enforcement agencies, and reinforced the change in attitude at the top.

In 1974, the incoming Commissioner of IRS altered the existing policy of selective enforcement which placed a heavier emphasis on investigations of the more severe tax-evasion violating; for example, organized crime and narcotics traffickers. He promoted a policy of impartial enforcement, which meant more investigations of ordinary taxpayers. This change produced a dramatic shift in manpower away from pursuit of organized crime. In 1974, the 800,000-person agency applied 927 total staff years to tax investigations of suspected narcotics traffickers. Five years later, in 1979, the number of staff years was 300. What makes this reduction in resources even more upsetting is the dramatic increase in the flow of drugs into this country during that period.

I am certainly not suggesting that IRS fundamentally change its priorities. IRS is, first and foremost, the world's best and most efficient tax collector. At this time of year, as all of us sit down to work on our taxes, that may not be a totally comforting thought. Nevertheless, we all recognize that this awesome task is the principal function of IRS. I applaud the extraordinary competence they display in monitoring and enforcing the world's largest voluntary compliance system of tax collection. The fact of the matter is, however, that in securing voluntary compliance, the best publicity that IRS could possibly receive is a front page headline announcing that IRS has obtained the conviction of a mobster who failed to pay his taxes.

The expertise that IRS agents possess

in pursuing a complex paper trail of financial transactions is often essential in ferreting out white-collar crime, political corruption, and the upper levels of narcotics trafficking. Traditionally, the IRS has been the last resort in bringing sophisticated criminals to justice. By not being able to resort to the IRS, the Government is giving up the ultimate weapon it has.

The disclosure provisions of the Tax Reform Act of 1976 were well intended to protect the privacy of the individual. Revelations during Watergate of the attempted use of IRS to harass and torment political foes shocked and angered the country. The Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, chaired by Senator FRANK CHURCH—the Church committee—reported on instances of Government agencies abusing their intelligence gathering activities. IRS was, indeed, one of those agencies (see Final Report, Book III, pp. 835–920. Requests by other agencies for the tax returns of anti-war protesters and civil rights activists were granted routinely with no reasons stated for the need of such information, and no questions asked by IRS.

The Congress acted quickly to put an end to such abuses. In 18 U.S.C. 6103(i), the Congress set forth very tight and detailed restrictions on disclosures, including the obtaining of a court order for the transfer of most IRS gathered information.

We must not, and will not, abandon those protections intended to insure the confidentially of the tax return and the constitutional right of privacy. But, we must move vigorously to remove any unnecessary handicaps to effective law enforcement by making refinements in the existing law. In the 3 years during which the act has been in operation, the evidence demonstrates that the law has been too effective in limiting the transfer of information; it has practically put an end to cooperation between IRS and other law enforcement agencies. We must "fine tune" the Tax Reform Act to reach a balance between legitimate privacy interests and the equally legitimate need for effective law enforcement.

In our subcommittee, we heard testimony from representatives of the Department of Justice, the Drug Enforcement Administration, the Federal Bureau of Investigation, past and present employees of the Internal Revenue Service, and the General Accounting Office. All of these witnesses felt strongly that adjustments were needed in the Tax Reform Act to permit IRS to share relevant information with other agencies and join with them in conducting complex criminal financial investigations. We were told of the Catch-22 situation which now exists whereby the person requesting the tax return information must swear that the information held by IRS is the best available evidence on a specific issue before receiving and evaluating that information.

We were told of delays of a year or more as requests for information worked their way up bureaucratic chains-of-command. We were told of instances in which IRS came across information in a taxpayer's records clearly indicating bribery and kickbacks but could not reveal that information to the FBI (and, of course, the FBI could not request that information because it remained unaware of it). We were told by one former IRS agent who resigned in frustration that several of the successful prosecutions for political corruption that he worked on prior to 1976 would have been stopped dead in their tracks by the Tax Reform Act disclosure provisions.

We should not be fighting organized crime with one hand tied behind our back. That is why I am pleased to join with Senator NUNN in cosponsoring these four pieces of legislation.

Three of these measures involve the disclosure provisions of the 1976 Tax Reform Act. The first makes substantial changes in section 6103. We have prepared a detailed comparison chart, comparing present law with our proposed changes, that follows these remarks. However, let me briefly describe what the measure would do.

The crucial element of section 6103 remains under our proposal; that is, before the Justice Department, FBI, DEA, or any agency can obtain a tax return (or any other taxpayer information required to be filed) from IRS, they must first obtain a Federal court order to do so.

The criteria for granting such an order and the persons who may apply for it are somewhat different than under present law. Under the proposal, an attorney for the Government, including the U.S. Attorneys and strike force chiefs, may seek the court order. They must prove to the satisfaction of the Federal district court that their request to see a tax return is first pursuant to a lawful criminal investigation or proceeding, and second that they have reasonable cause to believe that the return is material and relevant to that investigation.

I believe that this standard, if rigorously applied by the court, is sufficient to insure that the tax return information is not being obtained for corrupt political motives. Allowing the request to be made by an attorney for the Government rather than "the head of any Federal agency," as present law reads, removes a considerable amount of bureaucratic delay from present practice. To further insure that seeking a tax return does not become an endurance test of months or even years, the measure sets forth strict time limits for ruling on and complying with the court order.

Under present law, IRS may turn over information it uncovers of a nontax crime, if that information is not "taxpayer return information" (which includes not only the tax return, but virtually all books and records furnished to IRS by or on behalf of the taxpayer). Because of uncertainties about what is included under this definition, and because of severe penalties for unauthorized disclosure, very few IRS agents have been willng to take a chance, and risk running afoul of the new law.

Our proposal would essentially provide that IRS shall turn over to the appropriate agency any evidence of nontax crimes that may be discovered other than information coming from the tax return itself.

Two of our other proposals address this issue as well. In order to enforce the provisions of the Tax Reform Act, Congress provided in 26 U.S.C. 7213 and 7217 very stiff criminal and civil penalties for unauthorized disclosure. There should be severe penalties for a willful violation of the disclosure provisions. But, present law should be modified to the extent that an IRS agent who seeks in good faith to comply with the law need not fear a crippling lawsuit or even criminal prosecution with a maximum sentence of 5 years in jail. Our amendment to section 7213, the criminal violation, adds as an affirmative defense that a disclosure was based on a good faith (albeit mistaken) interpretation of the disclosure provisions. Our amendment to the civil liablity section provides that an individual agent would still remain liable for any willful, or malicious violation of the act. However, if an unauthorized disclosure were made, which was not willful, and which occurred while the agent was acting within the scope of his employment, the Government would be liable for damages.

The final proposal would not affect the disclosure provisions, but would correct an incredible source of delay in the summons provision of the act, 26 U.S.C. 7609.

During the course of a tax-related investigation, IRS agents may issue an administrative summons for a taxpayer's books and records which are in the hands of a third party, for example, a bank, an attorney or an accountant. Under present law, the taxpayer will receive advance notice and has an automatic right to stay performance for the summons until IRS can get a court order to enforce it. Until the summons is enforced in court, the investigation is delayed. Often that takes up to a year. One automatic stay lasted 33 months. The average is 9 months. Of course, when additional records are sought in an ongoing investigation, the same delays can occur. A routine case can be stretched interminably under these conditions. What is most disturbing about this is that an overwhelming majority of those who stay compliance never intend to challenge the summons in court. Indeed, over 80 percent of those who stayed compliance did not even appear in court to argue against enforcement.

The proposed bill still requires advance notice to the taxpayer. It still allows the taxpayer to challenge the summons in court. However, it is the taxpayer who must go to court to seek the stay. This can still be easily done by filing motion papers provided by IRS along with the notice. However, it is no longer an automatic delay. This proposed procedure is similar to what Congress provided for every other Federal investigative agency under the Financial Privacy Act.

Our subcommittee hearings were investigative in nature. As a result of those hearings, I am convinced that we need to make changes in the Tax Reform Act to insure more effective law enforcement in the areas of organized crime and narcotics trafficking. This legislation serves as an excellent starting point for a congressional review of this sensitive and important issue. The subcommittee staff have put in many hours of hard work. I commend them, especially Marty Steinberg, majority chief counsel, Mike Levin, deputy chief counsel, and Bill Goodwin, staff director. I would also like to thank Jerry Block, chief minority counsel, and Tim Jenkins of the minority staff for their efforts.

However, it is extremely important that everyone in the Congress, in the law enforcement community, and especially those individuals and organizations dedicated to protecting individual privacy and civil liberties have an opportunity to fully and completely scrutinize these measures. While I support this legislation, I do have reservations about certain of the specific changes, such as the new definitions of "returns" and "nonreturn information," which determine when a Government attorney must seek a court order to acquire information in the hands of IRS. I look forward to early legislative hearings on these bills that will allow all interested parties to express their respective concerns. This will allow us to make certain that we have correctly balanced our competing values.

I again thank Senator Nunn and his fine staff for the work they have put into this legislation. Senator Nunn, as chairman of our subcommittee, has pledged to undertake a thoughtful and complete review of the activities of organized crime, and the ways we can improve our ability to detect, investigate, and prosecute its members. I support him in this undertaking. The care and time spent on preparing these measures bodes well for the future of this effort. I believe we can accomplish much in this area without jeopardizing our most basic and important individual rights.

Organized crime and big-time narcotics trafficking ought to rank high on this Nation's list of law enforcement priorities. Every legitimate tool at the Government's disposal should be used to end their criminal activities.●

● Mr. CHILES. Mr. President, it is with a considerable sense of urgency and concern that I join with Senator Nunn in sponsoring these several proposals which are aimed at improving our law enforcement response to a problem of overwhelming consequence for this Nation and society. It is a problem of major health, economic, social and cultural impact. It is the problem of illegal narcotics.

Over the last decade we have witnessed such a growth in drug use and drug trafficking that narcotics now seem an integral part of the American scene. There is no segment of society, no income level, no age group that is immune. What has become starkly clear in recent years is that we are losing the battle to stem the flow of illegal drugs. The battle has been joined for some time now and at this juncture the criminals are winning hands down.

I am convinced that the insidious spread of narcotics in this country is a true national emergency. But like anything that persists long enough we learn to live with it. That is what I am afraid is happening to the American public and Government when it comes to the drug trade. The public has been concerned and the Government has offered new strategies and agencies for over a decade. After awhile it simply is no longer front page news. Like death and taxes, we have come to accept the widespread availability of narcotics as an inevitable, if disagreeable, fact of life.

In December the Senate Permanent Subcommittee on Investigations completed an extremely valuable series of hearings examining the drug dilemma. The subcommittee sought not only to secure a full understanding of drug trafficking operations but also to identify what we are doing wrong, what we are not doing at all, and what steps we can take immediately to improve drug law enforcement activities.

The composite picture that derives from these 5 days of hearings is of a multibillion dollar, worldwide business which is so large and so sophisticated in its operations that present law enforcement efforts are simply overwhelmed in trying to combat it. It is an illicit business that generates upwards of $50 billion in revenues a year. The demand for drugs is so pervasive and the potential profits for dealers so great that for every trafficker caught and convicted there is a quick replacement and the flow of drugs continues uninterrupted. Drugs have become perhaps our No. 1 growth industry and entrepreneurs from all walks of life want in on the action.

For the citizens and government of Florida there is no room for resigned complacency about the narcotics invasion. As a Senator representing Florida I am deeply troubled by the incredible scope of drug trafficking and its effects in my State. Florida is on the front line in the drug war. Florida is where the smugglers land and the murders occur and the illicit dollars buy everything in sight. Drugs are the largest retail business in South Florida with an estimated annual gross value of $7 billion. In 1979 there were 60 narcotics related murders in south Florida. Tons of illegal drugs and billions of narco dollars move through the State every year. The drugs have their poisonous effect throughout the country while the money corrupts the State's economy. Florida has been characterized by the Comptroller General as a drug disaster area and in looking at the Florida experience we see not only that we are losing this battle, we see the potential price of defeat.

Florida is an obvious funnel point for the drug trade. With its thousands of miles of shoreline and many rural, sparsely populated areas, it is the prime gateway for illicit drugs entering the United States. As Florida's Attorney General Jim Smith testified before the Subcommittee, "It is a smugglers' paradise." Some of our successful law enforcement efforts illustrate the tremendous magnitude of the drug flow:

The largest single cocaine haul in United States history was made by customs officials in Fort Lauderdale in October of 1979—329 pounds worth $80 million.

That record was broken 48 hours later in Tampa when 384 pounds worth $100 million were found in a couple of suitcases in the back of an airplane.

Seventy percent of the marihuana seized by the Drug Enforcement Administration in the United States in 1978 was impounded in Florida.

Along with the human tragedy for the drug user and the violence and death that accompany narcotics dealings, there is another consequence of drug trafficking that is not so apparent. We are only beginning to have some understanding of the potential impact on the economy of narcotics profits. When concentrated in a particular area, such as is the case in south Florida, invested narcotics wealth can become a dominant factor in a local or regional economy. The infusion of untaxed, narco dollars can eventually drive out the honest businessman from some segments of the economy.

Charles Kimball, a noted real estate economist who has investigated this phenomenon, portrayed for the subcommittee a truly startling situation. Looking at narcotics revenues which are mainly channeled through foreign-based corporations, it was pointed out that the funds involved greatly overshadow traditional organized crime money sources. The growth of foreign real estate investment activity has paralleled the increased criminal activity in the traffic of narcotics. Mr. Kimball indicates this has reached the point that some sectors of the Florida real estate economy are in fact dependent on funds from foreign sources.

In the past several years there has unfolded a concerted program of investments under which many large income producing properties such as apartment buildings, shopping centers, and office complexes have been acquired on behalf of the principal financiers of the narcotics business. Mr. Kimball concluded that in the past year there is sufficient evidence to indicate that the total new investing activity of criminal groups as a whole and especially the narcotics influenced investors will readily exceed $2.5 billion in the State of Florida.

The legislation we are introducing today is only a first step in attempting to turn the tide in the drug war. But it is a very important step.

A persistent theme which emerged from the permanent subcommittee's inquiry is that our drug law enforcement effort is greatly impaired by current statute and policies that have effectively removed the Internal Revenue Service from active participation. The type of information and investigation that IRS alone can develop is essential to piercing the complicated financal dealings of the big time drug operators. Yet we now have the astounding situation that IRS is for all practical purposes not assisting other Federal agencies in combating illegal narcotics operations.

In the Tax Reform Act of 1976, Congress took necessary steps, in light of the Watergate disclosures, to insure the privacy of tax returns. However, the unintended effect of these provisions has been to prevent the sharing of information vital to law enforcement. By placing restrictions on what information federal law enforcement agencies can request and greatly complicating procedures for obtaining such information, the disclosure section of the Tax Reform Act has served to greatly encumber the effective pursuit of organized crime. A number of criticisms have been leveled against the disclosure provisions by law enforcement officials.

They point out that the statute makes it difficult to obtain IRS assistance in investigations that are pursued jointly by IRS and another Federal agency; that it generally prohibits IRS from disclosing what types of investigations it is working on; and that it largely prohibits IRS from disclosing financial information to any other Federal agency.

Additionally, the Act prevents IRS from disclosing evidence it has of nontax crimes to the appropriate Federal agency. The situation for Federal law enforcement agencies is further complicated by the catch-22 aspect of the law which requires agencies that seek information to make a preliminary showing to a court or to the IRS but at the same time prohibits IRS from giving another agency enough information to make such a disclosure request.

The statutory situation is compounded by the quite evident decision by the Internal Revenue Service not to be part of the Federal crime fighting effort. The subcommittee's hearings made amply clear that IRS is not eager to cooperate in non-tax law enforcement efforts. The impediments of the Tax Reform Act have provided a convenient foundation for the IRS on which to base its noncooperation. The IRS apparently has concluded that tracking down the waiter who under reports his tips or the babysitter who fails to declare her earnings is of a higher priority than assisting in the uncovering and prosecution of major illegal narcotics operations.

The legislation we are proposing seeks to remedy the defects in the Tax Reform Act while preserving its important protections against misuse of tax information. It further aims to get IRS back on the Federal team with respect to drug law enforcement. In regard to the disclosure provisions, the measure provides that:

IRS will share with the relevant Federal agencies information it has developed on nontax crime;

IRS will, within statutory limits, make nonreturn criminal information available to the Justice Department in a timely manner;

Justice Department attorneys shall be able to have access to returns upon a showing to the courts that the return information is material to a lawful investigation.

In addition to the disclosure reforms, the legislative package amends the summons provisions in order to end needless delays in criminal tax investigations and clarifies and revises the penalty sections of the Tax Reform Act.

If the growth of drug trafficking operations is such a threat to this Nation, as I am convinced it is, and if we are to reverse our current failure to contain the drug trade, there can be no higher priority than insuring that the full resources of the Federal Government are dedicated to combatting this problem. With its unique capabilities and information, it is vital that the Internal Revenue Service be an integral partner in the drug law enforcement effort. Redirecting the IRS to this task is something we can do right now that will materially improve our ability to fight the big time drug operators. I would hope that the Congress will act quickly on this legislation and that it will have the full backing of the administration.

As I indicated, this package of bills represents the first step in an effort to revitalize our offensive against the drug trade. In the coming days Senator NUNN and I will be proposing additional legislation, based on the permanent subcommittee's hearings, to improve our drug law enforcement capability. I regard this initiative as one of the highest priority and in the weeks and months ahead I shall continue to do all that I can to press not only for expeditious action on the legislation but for a renewed commitment against the drug operators by the Federal law enforcement structure.●

● Mr. COHEN. Mr. President, I have joined my distinguished colleagues on the Senate Permanent Subcommittee on Investigations, Senators NUNN, PERCY, and CHILES, in introducing legislation designed to correct a legitimate problem in our law enforcement system.

As the hearings we held documented, the Internal Revenue Service, once a fruitful source of information in lawful investigations, no longer cooperates to the best of its ability in Government efforts to amass evidence of organized or white-collar criminal activity.

To a degree, the matter is one of attitude within the IRS itself, and there is little Congress can do directly to change that.

At the same time, it is evident that the Tax Reform Act of 1976 and other laws that govern the flow of information between IRS and law enforcement agencies have failed to resolve the tension between appropriate exercise of the Federal police power and protection against illegitimate use of information held by the Government.

Clearly, there should be controls on the flow of information from IRS to other agencies. The 1976 act attempted to provide them, by requiring a court order for the release of any information submitted voluntarily to IRS by or on behalf of a taxpayer. To ease the burden on the courts, however, any tax or other information gained by "independent" IRS investigations may be turned over upon the written request of an Assistant Attorney General.

The framework erected under the 1976 act was a significant effort at reform. But the problem of distinguishing between the two categories of tax information has proved insurmountable in practice, with the result that nearly every law enforcement request must now take the route of the more burdensome ex parte order procedure.

Another disturbing result, though no direct fault of the act itself, has been the marked failure of the IRS to turn over of its own accord clear evidence of nontax criminal activities to agencies with relevant jurisdiction. The power to do so was explicitly granted in the act. But, because of severe penalties for unintentionally improper disclosures, IRS agents have evidently been reluctant to volunteer any information, regardless of its probative weight in future criminal actions.

The Constitution's silence on the issue of interagency disclosure of sensitive information has doubtless complicated the necessary task of achieving a delicate balance of competing interests. Privacy and effective law enforcement are both celebrated in our fundamental law, but, in this case, it is up to us, guided by history, to accommodate these interests through the legislative process. Since the passage of the 1976 Tax Reform Act, experience has shown us that a number of changes in the law are warranted.

The package of amendments we have cosponsored will alleviate the unnecessary difficulty law enforcement officials have experienced in their attempts to secure IRS information for legitimate investigations. The amendments, which restrict court order requirements to disclosures of tax returns and required filings alone, and which broaden the conditions upon which such orders may be issued, respond appropriately to the needs of law enforcement officials. In addition, the amendments would require IRS to disclose to relevant law enforcement officials nonreturn information indicating nontax criminal activity. And, finally, they would restructure penalties for improper disclosure of tax information by allowing a "good faith" defense in criminal actions, and by conforming civil remedies to the structure of the Federal Tort Claims Act.

These are all welcome reforms. And while I have several concerns as to whether the definitions, as now written, could withstand attempts of overzealous law enforcement officials to circumvent the requirement for court review of requests for tax returns, I believe the changes we are proposing reaffirm our commitment to insuring the confidentiality of tax information, and, in turn, the integrity of the tax system.

Any request for IRS information would still have to be in writing, and would still have to fully state the reasons why the information was material to a lawful investigation involving a specific nontax criminal statute. Criminal sanctions against knowingly improper disclosure would be swift and severe, and would place the burden of proof on the employee who had released the information. Civil remedies would remain. With these and other safeguards now in place, the proposals we are introducing will insure not only protection of the public safety, but of legitimate privacy interests as well.●

By Mr. PELL (for himself and Mr. CHAFEE):

S. 2406. A bill to authorize additional funds for housing subsidies for the elderly and handicapped under the U.S. Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. PELL. Mr. President, today I am introducing legislation to correct a serious problem in our national housing program. The bill I am introducing will close a gap which exists in an overlooked housing program—a gap which creates hardship for a relatively small, but economically hard-pressed group of elderly and handicapped citizens.

I am pleased that my distinguished colleague, Senator Chafee, who shares my strong concern about this problem, has agreed to cosponsor this legislation. I also deeply appreciate the interest and concern which my colleague and friend on the House side, Congressman St Germain, has shown in this problem, and I am grateful that he has agreed to support my proposal in the House.

Over the past few years, it has come to my attention that a number of elderly and handicapped residents of federally assisted housing developments in my State are paying an extremely high percentage of their incomes for rent. As one who is familiar with the operation of the section 8 "new construction" program, which subsidizes 100 percent of the low-income tenants living in new developments, I was disturbed to find that many residents of other federally assisted projects were paying as much as 60 percent and sometimes 70 percent of their incomes just for rent.

These hardship cases are residents of federally assisted housing developments built under HUD's section 236 program, a predecessor of the section 8 program. Congress created the 236 program in 1968 to provide housing to persons with a variety of income levels—some of whom received Federal rent supplements and others who were capable of paying fair market rents and received no subsidy. Except for fulfilling existing contracts, the section 236 program has been inactive since the housing subsidy moratorium of January, 1973.

In the 7 years since the 236 program stopped generating new production, many of the unassisted tenants have experienced a sharp change in their financial position, and moved into the category where they have a strong need for housing assistance. Seven years of inflation have left these handicapped and elderly persons with a need for rent supplement assistance equal to that of their neighbors in the 236 projects who do receive rent aid.

In my own State of Rhode Island, for instance, HUD officials estimate that 85 percent of the unassisted elderly and handicapped residents of section 236 projects are currently paying more than 50 percent of their incomes for rent.

The frustration of these tenants is understandably increased not only by the fact that most of their neighbors are receiving Federal rent assistance, but by the fact that 100 percent of the units in newly constructed developments—built under section 8 program—carry rent subsidies.

I have examined existing HUD programs and concluded that, under present law, there is no remedy which can sufficiently assist the people who fall into this gap.

What I am proposing will enable an additional $20 million of section 8 "existing housing subsidies" to be channeled during fiscal year 1981 into developments built under the section 236 program. The money will be carefully targeted so that only elderly and handicapped persons currently paying in excess of 50 percent of their incomes for rent would be able to receive section 8 subsidies.

I would point out at this point that my bill does not create a new national housing program, or even a new category for Federal assistance. All of the people who will be eligible for assistance under my bill are presently eligible for section 8 coverage—the problem is that existing programs are so structured that the people I am seeking to help are not receiving section 8 help in sufficient numbers. This has been a serious problem in my State, and I am sure each of my colleagues has a number of elderly and handicapped constituents who need the relief this bill provides. I view this bill as a "one time only" response to a situation of genuine hardship—and a response which is very much in keeping with the commitment which the Federal Government has already made to provide housing assistance for the elderly and handicapped.

Mr. President, I urge my colleagues to take a close look at the need for providing a remedy for this serious gap in our housing program. My bill is a reasonable and limited response to what I believe has been a seriously overlooked problem, and I hope that the Congress will act swiftly to help this hard-pressed category of elderly and handicapped people living in Federal housing across the Nation.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(c) of the United States Housing Act of 1937 is amended by adding at the end thereof the following: "In addition to any other authority to enter into annual contributions contracts under this subsection, the Secretary may enter into contracts during fiscal year 1981 pursuant to section 8 with respect to units which are in projects assisted pursuant to section 236 of the National Housing Act and which are occupied by elderly or handicapped tenants whose rentals exceed 50 per centum of their incomes, in such amounts as may be approved in appropriation Acts but aggregating not to exceed $20,000,000.".●

By Mr. BELLMON:

S. 2407. A bill to authorize the Secretary of the Army to acquire, by condemnation proceedings or otherwise, such interests in the oil, gas, coal, or other minerals owned by the Osage Tribe of Indians needed for the Verdigris River and tributaries project, Oklahoma and Kansas, and the project for the Shidler Reservoir, Salt Creek, Oklahoma; to the Committee on Environment and Public Works.

● Mr. BELLMON. Mr. President, I am introducing legislation to provide authority for the Secretary of the Army to acquire any interest in the oil, gas, coal or other minerals owned by the Osage Tribe of Indians necessary for the construction, operation, and maintenance of the Verdigris River and Shidler Reservoir projects.

The Verdigris River project, which was authorized by the Flood Control Act of 1962, Public Law 87–874, provides for the construction of five reservoirs for flood control, water supply, water quality control, recreation, and fish and wildlife purposes. The project has been partially constructed but cannot be completed unless and until the mineral rights at certain key project sites are acquired.

Efforts to reach an agreement with the tribe for the sale of needed mineral rights at the Candy Lake project site have proven unsuccessful. Accordingly, the United States filed a "Declaration of Taking" for the subordination of minerals on April 26, 1979. In moving to dismiss the declaration, the Osage Tribe maintained that, in light of the recent case of *United States* v. *Winnebago Tribe* of Nebraska, 542 F 2d, 1002 (8th Cir. 1976) the United States is not authorized to acquire its mineral rights without a clear expression of congressional purpose to permit such acquisition. The Department of Justice declines to contest this position. Accordingly, construction of the Candy Lake project, on which $4,774,773 has been expended to date, cannot proceed without congressional action.

Similarly, acquisition of the tribe's mineral rights is necessary for completion of a second project site, Skiatook Lake, and for Shidler Lake, which was authorized by the Flood Control Act of 1965, Public Law 89–298. The United States has acquired the necessary mineral rights for construction of Skiatook Dam and has expended more than $30,000,000 for it. However, without acquisition of the mineral rights needed for the reservoir, the project cannot be put into operation.

Mr. President, the Congress fully intended to authorize the Secretary of the Army to acquire the land needed to construct and maintain these flood-control structures in the original authorizing legislation. However, because of the decision in the Winnebago case this legislation is necessary to allow the Corps of Engineers to acquire the oil and gas interest from the Osage Tribe to complete construction of these projects. I urge the Senate to take prompt action on these important flood control projects.

I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2407

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is hereby authorized to acquire, by condemnation proceedings or otherwise, such interests in the oil, gas, coal, or other minerals owned by the Osage Tribe of Indians, or held in trust for said Tribe, necessary for the construction, operation, and maintenance of the Verdigris River and tributaries project, Oklahoma and Kansas, authorized by section 203 of the Flood Control Act of 1962 and the project for the Shidler Reservoir, Salt Creek, Oklahoma, authorized by section 204 of the Flood Control Act of 1965.●

By Mr. CHILES (for himself, Mr. PRYOR, Mr. RIBICOFF, and Mr. PERCY):

S. 2408. A bill to reform the laws relating to former Presidents; to the Committee on Governmental Affairs.

FORMER PRESIDENTS FACILITIES AND SERVICES REFORM ACT OF 1980

● Mr. CHILES. Mr. President, Senator PRYOR and I send a bill to the desk and ask for its appropriate referral.

Mr. President, I ask unanimous consent that following my statement a section-by-section analysis of the bill and the text of the bill itself be printed in the RECORD.

Mr. President, the bill I have sent to the desk is one that Senator PRYOR and I submit for joint introduction. It is also being cosponsored by Senator RIBICOFF and Senator PERCY. The purpose of the bill is to place limits and restrictions on services and allowances currently provided to former Presidents, their wives and widows, and minor children in order to bring this area of expenditure back under control.

As chairman of the Appropriations Subcommittee which has jurisdiction for all of the support programs associated with former Presidents, I have been alarmed by the continuing growth of taxpayer expenditures in this area.

This fiscal year, for the first time, the amount the U.S. taxpayer will spend to support former Presidents exceeds the amount that we are spending on the White House operation. These expenses have escalated from approximately $64,000 in 1955 to almost $22,000,000 projected for fiscal year 1981. These costs include pensions and office allowances for former Presidents; Secret Service protection for former Presidents, their wives, widows, and minor children on a lifetime basis; and the rapidly escalating cost of maintaining the Presidential Library System.

Mr. President, I ask unanimous consent that a table detailing the costs of the former Presidents to the U.S. taxpayer be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COST OF FORMER PRESIDENTS TO THE U.S. TAXPAYERS

Fiscal year	Libraries	Office allowances	Secret Service protection	Total
1955	$63, 745			$63, 745
1956	64, 853			64, 853
1957	74, 836			74, 836
1958	142, 536			142, 536
1959	168, 057	$160, 000		328, 057
1960	180, 140	200, 000		380, 140
1961	219, 223	250, 000		469, 223
1962	294, 297	300, 000		594, 297
1963	325, 520	310, 000		635, 520
1964	380, 251	300, 000	$49, 507	729, 758
1965	559, 485	310, 000	100, 790	970, 275
1966	611, 966	235, 000	289, 022	1, 135, 988
1967	613, 745	235, 000	346, 633	1, 195, 378
1968	676, 000	251, 000	390, 298	
Truman Library addition	312, 000			1, 629, 298
1969	1, 406, 808	253, 000	527, 552	
Hoover Library addition	1, 074, 000			3, 261, 360
1970	1, 980, 855	335, 000	727, 617	3, 043, 472
1971	2, 252, 289	343, 000	1, 002, 355	
Eisenhower Library addition	1, 610, 000			5, 207, 644
1972	2, 513, 559	418, 000	1, 275, 120	
Roosevelt Library addition	882, 000			5, 088, 679
1973	2, 722, 116	408, 000	1, 241, 117	4, 371, 233
1974	2, 863, 457	60, 000	979, 789	3, 903, 246
1975	4, 542, 447	160, 000	1, 530, 144	6, 232, 591
1976	6, 409, 380	[1] 364, 168	[1] 2, 924, 887	9, 698, 435
1977	6, 297, 611	390, 000	4, 679, 489	11, 367, 100
1978	7, 230, 486	671, 000	6, 252, 190	14, 153, 676
1979	7, 523, 783	771, 000	7, 187, 582	
Truman Library addition	2, 667, 000			18, 149, 365
1980 (estimated)	9, 545, 000	798, 000	7, 907, 869	18, 250, 869
1981 (projected)	12, 545, 000	853, 860	8, 461, 418	21, 860, 278

[1] Includes $89,168 (for office allowances) and $717,976 (for Secret Service) for the transition quarter.

Mr. CHILES. Mr. President, this legislation is a result of 3 days of hearings that were chaired jointly by Senator PRYOR and myself last November. Since that time we have been considering, with the advice of the administration, the precise form that this legislation should take. Essentially, the legislation would help control the proliferation and escalation in the cost of the Presidential library system; it would limit Secret Service protection to periods of actual threat; and would place a cap on the office allowances for former Presidents. Subsequent to the hearings that Senator PRYOR and I held last November, I received hundreds of letters from taxpayers all around the country expressing the view that some reform in this area is long overdue. Prior to the hearings I also received considerable mail—as did many of the other Members—which raised issue with some of the questionable expenditures made by former Presidents.

This bill is drafted in view of the fact that former Presidents are private citizens with no formal Government duties or responsibilities. It is drafted in view of the fact that while some of our earlier Presidents did leave office and die penniless, this situation no longer occurs and in fact our Presidents leave office and accumulate great wealth. It is also drafted with special consideration of the fact that we do owe our former Presidents security from physical threats; we owe them an adequate pension and some financial assistance to help them respond to the many requests for information and speeches that they receive resulting directly from the fact that they served in the highest office of the land.

We believe that the bill is balanced to meet the actual needs of former Presidents and also to serve the taxpayers' interest in placing controls on an area of runaway Government expenditures.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Former Presidents Facilities and Services Reform Act of 1980".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "former President" means an individual—

(A) who has held the office of President of the United States of America;

(B) whose service in such office has terminated other than by removal pursuant to section 4 of Article II of the Constitution of the United States of America; and

(C) who does not currently hold such office;

(2) the term "Presidential records" has the same meaning as in section 2201(2) of title 44, United States Code; and

(3) the term "personal records" has the same meaning as in section 2201(3) of such title.

TITLE I—PRESIDENTIAL LIBRARIES

PRESIDENTIAL ARCHIVAL DEPOSITORIES

SEC. 101. (a) After January 20, 1983, no Presidential archival depository may be established pursuant to section 2108 of title 44, United States Code.

(b) Section 2107(1) of such title is amended by inserting before the semicolon "and in accordance with title I of the Former Presidents Facilities and Services Reform Act of 1980".

(c)(1) The first sentence of section 2203 (f)(2) of such title is amended by striking out "a Presidential archival depository or another archival facility operated by the United States" and inserting "the central Presidential library established pursuant to section 102 of the Former Presidents Facilities and Services Reform Act of 1980".

(2) The second sentence of section 2203 (f)(2) of such title is repealed.

CENTRAL PRESIDENTIAL LIBRARY

SEC. 102. (a) The Administrator of General Services shall submit to the Congress a prospectus for the establishment of a central Presidential library for the deposit and preservation of the Presidential records of former Presidents, except as provided for in section 104 of this title, and such personal records and other papers and historical materials relating to such former Presidents as the Archivist of the United States may accept for deposit under section 2107 of title 44, United States Code. The prospectus shall—

(1) provide that the library will be established in a phased manner in order to allow for expansion to permit the deposit and preservation of the Presidential records of former Presidents, except as provided for in section 104 of this title, and such personal records and other papers and historical materials

relating to such former Presidents as the Archivist of the United States may accept for deposit under section 2187 of such title.

(2) provide for the establishment of the library in a location which will permit such expansion and which will minimize the costs of provision of space;

(3) provide that the first phase of the library shall be established for the deposit and preservation of the Presidential records of two former Presidents and such personal records and other papers and historical materials with respect to such former Presidents as the Archivist of the United States may accept for deposit under section 2107 of such title;

(4) provide that the number of square feet for archival and research space in the central Presidential library for the Presidential records of each former President and such personal records and other papers and historical materials with respect to such former President as the Archivist of the United States may accept for deposit under section 2107 of such title shall equal the product of the number of years served as President by such former President times the total number of square feet provided for archival and research space in all Presidential archival depositories established under section 2108 of such title on or before January 20, 1983 divided by the total number of years served as President by all former Presidents for which such Presidential archival depositories were established; and

(5) provide that the total number of square feet in the central Presidential library for the Presidential records of each former President and such personal records and other papers and historical materials with respect to such former President as the Archivist of the United States may accept for deposit under section 2107 of such title shall equal the number of square feet provided under clause (4) plus five percent of such number, and limit the total number of square feet to be used for museum displays concerning any particular former President to such five percent.

(b) The Administrator of General Services may provide for the temporary storage of the Presidential records of former Presidents, except as provided for in section 104 of this title, and such personal records and other papers and historical materials relating to such former Presidents as the Archivist of the United States may accept for deposit under section 2107 of such title until the completion of the first phase or subsequent phases of the central Presidential library, as the case may be.

(c) In administering the central Presidential library, the Administrator—

(1) may provide technical assistance to individuals and groups for the establishment of private Presidential museums or libraries and may lend any item deposited or stored in the central Presidential library for use or display in a private Presidential museum or library; and

(2) shall provide that the more historically significant Presidential records are duplicated and are made available on request on a reimbursable basis.

DISPOSAL OF PRESIDENTIAL RECORDS

SEC. 103. Section 2203 (c) of title 44, United States Code, is amended to read as follows:

"(c) During his term of office, the President shall substantially complete the disposal of his Presidential records which no longer have administrative, historical, informational or evidentiary value. Prior to disposing of any such records, the President shall obtain the written views of the Archivist concerning the proposed disposal of such Presidential records and may not dispose of any records with respect to which the Archivist notifies the President that he intends to take action under subsection (e).".

COVERAGE

SEC. 104. The provisions of this title and the amendments made by this title shall apply only to the Presidential records of those individuals whose term of office as President occurred after January 20, 1969, and for whom a Presidential archival depository is not established pursuant to section 2108 of title 44, United States Code, on or before January 20, 1983, but shall apply in any case to all those Presidential records for which the Federal Government has title.

TITLE II—FORMER PRESIDENTS

SPOUSAL PENSIONS

SEC. 201. Subsection (e) of the first section of the Act entitled "An Act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (72 Stat. 838; 3 U.S.C. 102 note) is amended to read as follows:

"(e) The spouse of a deceased former President shall be entitled to receive from the United States a monetary allowance at a rate per annum, payable monthly by the Secretary of the Treasury, which is equal to two thirds of the rate which is payable under subsection (a) to a former President. The monetary allowance of such spouse—

"(1) commences on the day after the former President dies;

"(2) terminates on the last day of the month before such spouse—

"(A) dies; or

"(B) remarries before becoming 60 years of age; and

"(3) is not payable for any period during which such spouse holds an appointive or elective office or position in or under the Federal Government or the government of the District of Columbia to which is attached a rate of pay other than a nominal rate."

OFFICE AND STAFF FOR FORMER PRESIDENTS

SEC. 202. (a) Subsections (b) and (c) of the first section of the Act entitled "An Act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (72 Stat. 838; 3 U.S.C. 102 note) are amended to read as follows:

"(b)(1) The Administrator of General Services (hereinafter referred to as the 'Administrator') is authorized to provide to each former President, upon request, necessary services and facilities, including—

"(A) one suitable office, not to exceed 4,000 square feet in area, appropriately equipped with furniture, furnishings, office machines and equipment, and office supplies, as determined by the Administrator, after consultation with the former President or his designee provided for in subsection (c), at such place within the United States as the former President shall designate;

"(B) payment of the compensation of members of an office staff designated by the former President at rates determined by the former President which are not in excess of the rate provided for level II of the Executive Schedule under section 5313 of title 5, United States Code, except that notwithstanding any other provision of law, persons receiving compensation as members of an office staff of a former President under this subsection shall not be considered to be employees of the Federal Government except for purposes of chapters 81, 83, 87, and 89 of title 5, United States Code;

"(C) payment of travel expenses and subsistence allowances, including rental of Government or hired motor vehicles, found necessary by the former President, as authorized for persons employed intermittently or for persons serving without compensation under section 5703 of such title;

"(D) communications services found necessary by the former President; and

"(E) except as provided in subsection (f) and notwithstanding the provisions of section 501 of title 44, United States Code, payment of expenses for necessary printing and binding.

"(2) Any Federal employee may be detailed to the office staff of a former President on a reimbursement basis with the consent of the head of the agency involved. An employee detailed to the office of a former President shall be responsible only to the former President for the performance of his duties during the period of such detail. An employee detailed under this subsection is deemed, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits, an employee of the agency from which detailed, and he is entitled to pay, allowances, and benefits from funds available to that agency. The authorization and payment of such allowances and other benefits from appropriations available therefor is deemed to comply with section 5536 of title 5, United States Code.

"(c) Each former President may designate to the Administrator an assistant authorized to make on his behalf such designations or findings of necessity as may be required in connection with the services and facilities to be provided under subsection (b).".

(b)(1) Subsection (f) of such section is redesignated as subsection (k).

(2) Such section is amended by inserting immediately before subsection (k) the following new subsections:

"(f) Funds provided for necessary services and facilities for a former President under this Act shall be used for activities which are the direct result of such former President having held the office of President. Such funds may not be used for partisan political activities or income generating activities, except that a former President may use such funds for the preparation of his memoirs if the former President signs an agreement with the Administrator of General Services which provides that such memoirs will only be printed and distributed by the Public Printer in accordance with section 1345 of title 44, United States Code.

"(g)(1) The Administrator is authorized to provide necessary services and facilities to a former Vice President for use in connection with winding up the affairs of his office. Such services and facilities shall be of the same general character as the services and facilities provided to a former President under subsection (b). Each former Vice President shall be entitled to conveyance within the United States and its territories and possessions of all mail matter, including airmail, sent by him under his written autograph signature in connection with his preparations for winding up of his official duties as Vice President.

"(2) No funds for necessary services and facilities provided to a former Vice President under this Act shall be used for partisan political activities or income generating activities.

"(h) The Administrator shall expend no funds for the provision of services and facilities under this Act with respect to a former President at any time beyond 90 days after the date on which such former President dies.

"(i) By March 1 of each year, each former President shall prepare and transmit to the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives a report concerning activities carried out with the assistance of the funds for necessary services and facilities provided under this Act.

"(j)(1) To carry out the provisions of subsections (b) and (g), there are authorized to be appropriated with respect to a former President and former Vice President a total of $750,000 for the fiscal year in which the term of a former President expires, except that no funds appropriated pursuant to this clause shall be available for expenditure until the day on which such term expires.

"(2) Except as provided in paragraphs (3) and (4), to carry out the provisions of subsection (b) with respect to each former President, there are authorized to be appropriated to the Administrator of General Services—

"(A) $300,000 for each of the first four fiscal years beginning after the fiscal year in which the term of a former President expired;

"(B) $250,000 for the fifth and each of the three succeeding fiscal years beginning after the fiscal year in which the term of a former President expired; and

"(C) $200,000 for the ninth and each of the succeeding fiscal years beginning after the fiscal year in which the term of a former President expired.

"(3) Except as provided in paragraph (4), to carry out the provisions of subsection (b) with respect to any individual who is a former President on the date of enactment of this subsection, there are authorized to be appropriated to the Administrator of General Services—

"(A) $300,000 for each of the four fiscal years beginning after the fiscal year in which this subsection is enacted;

"(B) $250,000 for the fifth and each of the three succeeding fiscal years beginning after the fiscal year in which this subsection is enacted; and

"(C) $200,000 for the ninth and each succeeding fiscal year beginning after the fiscal year in which this subsection is enacted.

"(4) To carry out the provisions of subsection (b)(1) for each former President with respect to the payment of charges for furnished services, space, quarters, maintenance, repairs or other facilities made by the Administrator of General Services in accordance with section 210(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(j)), there are authorized to be appropriated to the Administrator of General Services such sums as may be necessary for fiscal year 1981 and each succeeding fiscal year.".

(c) Section 4 of the Presidential Transition Act of 1963 (3 U.S.C. 102 note) is repealed.

(d) Section 5 of such Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 5. There are hereby authorized to be appropriated to the Administrator such funds as may be necessary for carrying out the purposes of this Act, except that with respect to any one Presidential transition not more than $2,000,000 may be appropriated for the purposes of providing services and facilities to the President-elect and Vice President-elect under section 3. The President shall include in the budget transmitted to Congress, for each fiscal year in which his regular term of office will expire, a proposed appropriation for carrying out the purposes of this Act.".

PUBLICATION OF PRESIDENTIAL MEMOIRS

SEC. 203. (a) Chapter 13 of title 44, United States Code, is amended by adding at the end thereof the following new section:

"§ 1345. Presidential memoirs

"The Public Printer shall cause to be printed as many copies of the memoirs of a former President who has entered into an agreement with the Administrator of General Services under subsection (f) of the first section of the Act of August 25, 1958 (72 Stat. 838) as may be necessary for the distribution and sale of such memoirs. Such memoirs shall be distributed and sold by the Superintendent of Documents in accordance with chapter 17 of this title.".

(b) The table of sections for such chapter is amended by adding at the end thereof the following:

"1345. Presidential memoirs.".

TITLE III—PROTECTION OF FORMER PRESIDENTS, FORMER VICE PRESIDENTS, AND THEIR FAMILIES

SECRET SERVICE PROTECTION AUTHORIZED

SEC. 301. Section 3056 of title 18, United States Code, is amended by striking out beginning with "protect the person of a former President" through "declined" and inserting in lieu thereof "protect the person of a former President and the person of the spouse, widow, widower, or minor children of a former President in accordance with sections 302 and 303 of the Former Presidents Facilities and Services Reform Act of 1980; protect the person of a former Vice President in accordance with section 304 of such Act;".

PROTECTION PERIOD

SEC. 302. (a) On or after the effective date of this title, no Secret Service protection shall be provided to a former President or to the spouse, widow, widower, or minor child of any such former President, unless such protection is authorized by subsection (b) or is extended or reinstated by the Secretary of the Treasury in accordance with section 303.

(b) The Secret Service is authorized to protect the person of a former President after the effective date of this title for a period of eight years beginning on the effective date of this title or the date on which such individual becomes a former President, whichever is later, and for such additional periods as the Secretary of the Treasury may authorize under section 303. The Secret Service is authorized to protect the person of the spouse of any former President after the effective date of this title to the extent that such protection is incidental to the protection of such former President or if such protection is authorized by the Secretary of the Treasury under section 303. The Secret Service is authorized to protect the person of the widow, widower, or minor child of any individual who becomes a former President after the effective date of this title if such protection is authorized by the Secretary of the Treasury under such section.

AUTHORIZATION OF ADDITIONAL PROTECTION

SEC. 303. (a)(1) After the expiration or termination of Secret Service protection to a former President or the spouse, widow, widower, or minor children of a former President, and after a period of time has passed since the expiration or termination of such protection, the Secretary of the Treasury may authorize the reinstatement of such protection for one six-month period upon a finding that a serious threat warranting such protection exists to the individual.

(2) The Secretary may extend Secret Service protection reinstated under paragraph (1) or provided under section 3056 of title 18, United States Code, prior to the effective date of this title or under section 302 after the effective date of this title for additional consecutive six month periods upon the written request of the individual desiring such protection and upon the approval of the advisory committee established by the first section of the joint resolution entitled "A joint resolution to authorize the United States Secret Service to furnish protection to major presidential or vice presidential candidates" approved June 6, 1968 (82 Stat. 170; 18 U.S.C. 3056 note).

(b) The Secretary of the Treasury shall submit any request for the extension of Secret Service protection for additional six-month periods to the advisory committee referred to in subsection (a)(2). The advisory committee shall review all such requests with the assistance of the Advisory Panel on Secret Service Protection established under subsection (c) and shall transmit to the Secretary of the Treasury its decisions regarding the extension of Secret Service protection.

(c)(1) There is established the Advisory Panel on Secret Service Protection, which shall consist of nine members, appointed by the Comptroller General of the United States. The Comptroller General shall appoint to the Advisory Panel—

(A) three officers or employees of the Federal Government, except officers or employees of the United States Secret Service;

(B) three individuals who are prominent leaders in State and local law enforcement; and

(C) three prominent citizens.

(2) Each member of the Advisory Panel shall serve for a 6 year term, except that the terms of the members first appointed shall expire, as determined by the Comptroller General at the time of appointment, three at the end of one year, three at the end of two years, and three at the end of three years.

(3) Five members of the Advisory Panel shall constitute a quorum. A vacancy in the Advisory Panel shall not affect its authority.

(4) The Advisory Panel shall review requests for Secret Service protection received under this section and shall make recommendations to the advisory committee referred to in subsection (a) as to whether such requests should be granted.

(5) Each member of the Advisory Panel who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, for each day, including traveltime, such member is engaged in the actual performance of duties as a member of the Advisory Panel. A member of the Advisory Panel who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Advisory Panel shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

PROTECTION FOR FORMER VICE PRESIDENTS

SEC. 304. (a) The Secret Service is authorized to protect the person of a former Vice President if such protection is authorized by the Secretary of the Treasury in accordance with subsection (b).

(b) The Secretary of the Treasury may authorize the provision of Secret Service protection to a former Vice President upon the written request of such former Vice President and upon a finding that a serious threat warranting such protection exists to such former Vice President. The Secretary of the Treasury may authorize the provision of such protection for a period beginning on the date on which the Vice Presidential term of such former Vice President expired and ending on the last day of the fiscal year in which such term expired.

EFFECTIVE DATE

SEC. 305. This title shall take effect on October 1, 1981, except that after the date of enactment the comptroller General of the United States may appoint the Advisory Panel on Secret Service Protection established under section 303 (c).

SECTION-BY-SECTION ANALYSIS

FORMER PRESIDENTS FACILITIES AND SERVICES REFORM ACT OF 1980

Definitions

Section 2 defines "Former President" and adopts the definitions of "Presidential records" and "personal records" found in the Presidential Records Act of 1978 (44 U.S.C. 2201).

TITLE I—PRESIDENTIAL LIBRARIES

Presidential archival depositories

Section 101. Section 101 prohibits the establishment of a Presidential archival depository under the current archival depository provisions after January 20, 1983; requires that acceptance of Presidential archival materials by the Administrator of GSA be in accordance with this legislation; and makes the central Presidential library the place where Presidential records are to be deposited.

Central Presidential library

Section 102. This Section creates a central Presidential library for Presidential records created after January 20, 1981, and for other related papers. The bill would permit the temporary storage of any such materials in a facility other than the central library pending completion of the central library facility.

Section 102 would require the central library to be constructed in a phased manner and designed to permit expansion. The bill would limit the space for archival and research purposes as well as the space available for museum displays.

The bill would authorize the provision of technical assistance to any private Presidential museums or libraries that may be established as well as provide for duplication services and a lending program.

Disposal of Presidential records

Section 103. Section 103 requires each President during his time of office to substantially complete the disposal of his Presidential records which no longer have administrative, historical, informational, or evidentiary value. The disposal of these materials shall be made under the same safeguards that currently exist in the Presidential Records Act of 1978.

Coverage

Section 104. Title I of the bill shall take effect on January 21, 1983, but shall cover Presidential records for which the Federal Government has title.

TITLE II—FORMER PRESIDENTS

Spousal pensions

Section 201. Section 201 establishes the pension of a widow of a former President at a rate which is equal to two-thirds of the rate which a former President would receive. This section effectively increases the widows' pension from the current amount of $20,000 to approximately $46,000.

Office and staff for former Presidents

Section 202. A staff allowance of $300,000 a year is provided to be reduced over time to a ceiling of $200,000. The Section provides that each former President would be entitled to one office not to exceed 4,000 square feet in size with space charges and pensions excluded from the ceiling.

The use of funds for partisan political activities and for income-generating activities are prohibited. The funds could be used for the preparation of memoirs provided that the receipt from the sale of such memoirs are paid into the Treasury.

The Section also requires each former President to submit a report each year by March 1, on his activities in the preceding year and authorizes $750,000 for transition expenses of a former President and former Vice President.

Publication of Presidential memoirs

Section 203. In those cases when a former President chooses to use his office allowance for the preparation of memoirs they will be printed by the Government Printing Office and distributed and sold by the Superintendent of Documents.

TITLE III—PROTECTION OF FORMER PRESIDENTS, FORMER VICE PRESIDENTS, AND THEIR FAMILIES

Secret Service protection authorized

Section 301. Section 301 amends Title 18 U.S.C. 3056 to make the protection provisions conform with this legislation.

Protection

Section 302. The Secret Service will be authorized to protect a former President for 8 years and protect the spouse of a former President for the same period of time to the extent the protection of the spouse is incidental to the protection of such former President.

Authorization of additional protection

Section 303. After the expiration or termination of Secret Service protection to a former President or the spouse, widow, widower, or minor children of a former President such protection may be reinstated for one six-month period upon a finding by the Secretary of the Treasury that a serious threat exists warranting such protection. The Secretary of the Treasury would be authorized to reinstate protection for six-month periods for this category of individuals upon a finding that a serious threat exists. However, in order to make such protection continuous for successive six-month periods a written request from the individual seeking such protection and a finding by the advisory committee that such protection was warranted would be required. The advisory committee will receive recommendations of a nine member advisory panel established in this section.

Protection for a former Vice President

Section 304. Secret Service will be authorized to protect a former Vice President only during the transition period if the former Vice President makes a written request for such protection and the Secretary of the Treasury makes a finding that a serious threat exists that would warrant such protection.

Effective date

Section 305. Section 305 establishes an effective date of October 1, 1981, for Title III.

● Mr. PRYOR. Mr. President, I am pleased to join in the introduction of the Former Presidents Facilities and Services Reform Act of 1980.

This bill is designed to control the more than $18 million being spent this year for Presidential pensions, office staff allowances, Presidential libraries and Secret Service protection for former Presidents and their families.

It would establish a central Presidential library, place ceilings on the funds authorized for the staffs and office expenses of former Presidents, and limit the duration of protection for former Presidents and their families. The bill will also resolve inconsistencies between the Former Presidents Act and the Transition Act by removing former Presidents from coverage of the Transition Act and assure that Federal funds may not be used for partisan political or income-generating activities.

This bill was developed after joint hearings of the Governmental Affairs Subcommittee on Civil Service and General Services, which I chair, and the Appropriations Subcommittee on Treasury, Postal Service and General Government, chaired by the distinguished Senator from Florida (Mr. CHILES).

Mr. President, these services and activities are very expensive and the cost is growing. In fiscal 1980, these statutory programs are expected to cost $18.3 million dollars, an amount which exceeds the appropriation for the entire current White House operation. The libraries are expected to cost over $9 million in fiscal 1980 and the protection will require almost $8 million. A decade ago, in fiscal 1970, library costs were less than $2 million and protection costs were about $730,000. We need to take some action to control these costs.

It has also become apparent over the last several months that the American taxpayers want to see all Federal expenditures reviewed and where appropriate, reduced. They believe, as I believe, that these programs must not be exceptions to that rule.

In addition, the hearings have served to call attention to ambiguities and deficiencies in the current statutes. These weaknesses have been noted in reports of the General Accounting Office and I believe that everyone concerned with the statutes, including former Presidents and their families, will welcome further clarification of the provisions of these statutes.

The review of these statutes has been aimed at developing good public policy. It has been our intention to enhance rather than diminish the Nation's respect and affection for its Presidents and their families.

The legislation should provide for better oversight and control over the rapid growth of Federal expenditures. It maintains and improves the programs, while also responding to the interest of taxpayers.

I urge my colleagues to give this legislation favorable consideration.●

● Mr. PERCY. Mr. President, I am pleased to join with Senators CHILES, PRYOR, and RIBICOFF in introducing this important measure to exert control over the rapidly growing costs of providing for our former Presidents. This year these costs have for the first time exceeded the White House appropriation, and estimates for fiscal year 1981 are that they will rise even higher.

I am not prepared at this time to pledge my support for all of the bill's provisions. I will work closely with my colleagues in the coming months to refine certain aspects of the bill and to carefully study the views of the former Presidents—whose views have been requested but not yet received—the current administration, and eminent experts in this field. We will examine such questions as whether it would be unwise to alter the current policy of regional dispersion of Presidential libraries, whether adequate protection would be provided to our former Presidents under the mechanism set forth in the bill, and whether any of the ceilings on allowances would place undue hardship on the ability of these individuals to meet their public obligations.

In spite of these reservations, however, I do support the thrust of this measure, commend Senator CHILES and PRYOR for their initiative, and feel that it is vital to launch a bipartisan effort to bring this portion—and every portion—of the Federal budget under tighter control, including congressional allowances.●

ADDITIONAL COSPONSORS

S. 378

At the request of Mr. BELLMON, the Senator from South Carolina (Mr. THURMOND) and the Senator from South Dakota (Mr. McGOVERN) were added as cosponsors of S. 378, a bill to authorize funds for the Robert A. Taft Institute of Government.

S. 1867

At the request of Mr. DURENBERGER, the Senator from Florida (Mr. STONE) and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 1867, a bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business.

S. 2270

At the request of Mr. BELLMON, the Senator from Georgia (Mr. NUNN) and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 2270, a bill to reorganize, simplify, deregulate, and consolidate certain elementary and secondary education programs in order to provide improved State and local administration of the programs, and for other purposes.

S. 2292

At the request of Mr. PERCY, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 2292, a bill to amend title 18 of the United States Code with respect to arson-for-profit.

SENATE JOINT RESOLUTION 119

At the request of Mr. MATHIAS, the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CULVER), the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mr. DOLE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Nevada (Mr. LAXALT), the Senator from Louisiana (Mr. LONG), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Idaho (Mr. McCLURE), the Senator from Montana (Mr. MELCHER), the Senator from North Carolina (Mr. MORGAN), the Senator from Wisconsin (Mr. NELSON), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Delaware (Mr. ROTH), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Illinois (Mr. STEVENSON), the Senator from South Carolina (Mr. THURMOND), the Senator from Connecticut (Mr. WEICKER), the Senator from North Dakota (Mr. YOUNG), and the Senator from Nevada (Mr. CANNON) were added as cosponsors of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to erect a memorial.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. JEPSEN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. JEPSEN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

SENATE RESOLUTION 382—SUBMISSION OF A RESOLUTION RELATING TO WAGE AND PRICE CONTROLS

Mr. DOLE submitted the following resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 382

Whereas our high rate of inflation has eaten away the savings and substance of our people;

Whereas some anticipatory wage or price adjustments may be made out of concern for the prospect of mandatory government measures to control inflation;

Whereas mandatory wage and price controls would seriously damage our balance of payments;

Whereas leading members of the Administration have expressed their opposition to wage and price controls; and

Whereas the true problem of inflation lies not in the wage-price spiral but in government fiscal and monetary policy: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Congress does not intend to take any action to authorize wage and price controls.

OPPOSITION TO WAGE-PRICE CONTROLS

● Mr. DOLE. Mr. President, over 2 years ago the President identified inflation as a serious domestic problem. When the current administration took office in January of 1977, the inflation rate was 4.8 percent; today inflation is running at approximately 18 percent per year. Behind this drastic increase in our inflation rate has been the traditional Democrat philosophy of tax-spend. Faced with decisions relating to the economy, the President and the Democrat Congress have not taken steps designed to reduce inflation. Rather than fighting to hold down the growth of the Federal bureaucracy, the administration has created two new Cabinet-level departments, proposed an $88 billion energy security corporation, established an energy mobilization board, signed into law massive increases in the social security taxes, and continued on a course of increased Federal regulation of the private sector.

All of the above only add to the "business as usual" policy of bigger Government spending, and hidden deficits which only add to the ravages of inflation. The $15 billion deficit proposed by President Carter in January of this year may in reality approach the $40 billion mark. At a time of economic crisis such as we are witnessing today, this sort of budgetary sleight-of-hand is unconscionable.

Mr. Carter and his inflation czar Alfred Kahn have both called for private sector restraint and sacrifice in the fight to cut inflation, but have done precious little in 3½ years to hold down Government growth. Only now, in election year panic, do we see the administration attempt to cut the budget. But the administration has not told us how it will cut the budget, at the very time it plans to increase Pentagon spending. Last weekend, we saw bureaucrats scrambling to see where their department or agency could reduce spending. The taxpayer and the fixed income individual, both of whom are hit hardest by inflation, deserve more than the charade they are being given. Even a balanced budget, desirable as it may be, will not and cannot cure the disease of inflation. Federal-deficit spending is only one cause of inflation. The other is the escalating increases in the price of energy. This 60-percent hike in prices of oil has trickled down to affect virtually every sector of the economy. Yet, we have no control over the prices of OPEC oil and no clear-cut plan for how to end the energy crisis, or our dependence on OPEC oil. Although the outrageous OPEC price increases certainly have not helped our economic problems, we cannot continue to blame OPEC for poor budgetary planning, and for bankrupt, ineffective fiscal and monetary policies.,

These real causes of inflation have only been exacerbated by the inflationary psychology of the wage-price spiral that is rampant in our economy today. Our Nation is already seeing the preemptive waves of wage and price increases as all sectors of our economy brace for controls. As businessmen expect their costs to rise, and fear controls are on the way. They plan to meet these "problems" bv raising their prices, which only adds fuel to the flames of inflation.

So too, as prices of consumer goods rise and are expected to rise. labor unions demand higher wages. Who is really to blame for our high rate of inflation? Surelv, Mr. President, not the American taxpayer.

CARTER RESPONSE

The administration's response to this problem has ben impotent, as seen in the Alfred Kahn Council on Economic Stability, which has distinguished itself by such notable acts as running a costly, futile public relations show urging consumers to cut down on red meat because the price is too high or other similar absurd acts. The American people are being asked to accept austerity as a national policy, and apart from the PR show and the high interest rates policy, the administration has in its 3½ years in office done virtually nothing at all to strengthen our economy, or to give business and labor proper incentives for not raising prices and wages. The American people have given President Carter a free ride in the foreign policy arena by rallying behind him and his self-induced international disasters, but I can only hope that we don't give him a free ride while he attempts to be the hero of his own economic catastrophies.

Mr. President, the jawboning of business and labor has resulted in little or no action and it is quite apparent that the inflation rate cannot be talked down. The burden of the fight against inflation has been placed on the backs of the taxpayer and this is unfair. Being pushed into ever higher tax brackets by inflation, the taxpayer alone cannot wage war against inflation. The current policies which allow escalating Federal expenditures and larger percentages of GNP to be eaten up by taxation only fuel the inflationary machinery of Government and illustrate that despite their rhetoric, the Democrats and their philosophy of tax, tax, spend, spend, is alive and well in Washington.

Mr. President, for years this Senator and many of his colleagues on this side of the aisle have been working hard to give that average American a break. We have tried to reduce Federal spending and balance the budget. We have attempted to cut corporate and individual income taxes and we have even tried to index personal income taxes against inflation so people can at least keep up with inflation. We have continually fought to encourage savings and investment and I am pleased to say we finally made some progress on this by way of an amendment to the so-called windfall profit tax bill which exempts the first $200 ($400 joint filing) of dividends on savings accounts from being taxed. We have tried time and time again to reduce the regulatory authority of Government, to eliminate counter-productive Federal controls on energy production and restrain the intrusion by Government in the private sector. But how can we expect people to put their money in savings accounts when they offer only 5½ percent interest, while the inflation rate is 4 times as large, and interest rates over 3 times as large. Is it any wonder why people are failing to save and buying more and more, and borrowing more and more in order to pay it back later in the form of "cheaper dollars."

Mr. President, our Nation today is faced with perhaps its greatest domestic crisis in decades. Our economy is in a shambles and the time has come for those charged with the responsibility of handling our economy to take the bull by the horns and get the economy moving again. Today our Nation is confronted with numerous problems all attributable to high inflation. Fiscal year 1981 will see 21.7 percent of GNP eaten by taxes. This is the highest percentage since 1944 and fiscal year 1982 will result in an even higher figure. Aside from the taxpayer who must foot the bill for all this, the youth, minorities, women, handicapped and older Americans are all hit by the adverse conditions which inflation forces on them.

On June 26, 1979, the Senator from Kansas discussed the problem of inflation, in the context of wage and price controls, and what amounts to a form of mandatory controls, namely, the administration's wage and price guidelines, inforced by the threat of withdrawing Federal contracts from employers who do not comply with the guidelines.

I said, on June 26, that President Carter's threat to withhold Government contracts from firms which do not comply with the guidelines is unthinkable, illegal and unconstitutional, because it constitutes mandatory controls without express Congressional authorization.

The Supreme Court upheld the administration's case in this dispute, thus encouraging the administration to continue to hold the Government contract "Sword of Damocles" over the head of every contractor, subcontractor and union in the country. Policies like these merely hurt the very same people the administration professes to champion.

Because the President lacks express authority to impose controls, we are likely to see increased incidents of confusion, legal haggling, plus a great fear of imminent imposed controls. The fear of impending wage, price and credit controls is already leading business to jack up their prices for as much as they can get before controls hit, and banks to lend more money at higher interest rates. It is also leading workers to demand high wage increases. The doubts concerning wage-price controls only exacerbate the inflationary spiral and psychology. Mr. President, we have had enough of this problem. It is time for us to act responsibly and either "fish or cut bait" on the issue of wage and price controls. It is time to face the issue squarely, and voice the sense of the Senate on this issue. All indications point to the administration requesting authority to impose wage, price and credit controls as a means of "outlawing" inflation or, put another way, of simply treating the symptoms of poor economic policy.

Controls on our economy are ill-advised and the taxpayer deserves more than election year antics when it comes to solving our No. 1 domestic crisis.

DOLE RESOLUTIONS

Accordingly, the Senator from Kansas is offering this sense of the Senate resolution and hopes that his colleagues will give it their full support. I am also submitting today in the Senate an identical concurrent resolution which will be introduced in the House by Congressman Rhodes, the Republican leader. Republicans and Democrats alike share the concern over the preemptive wage and price increases being seen today, and it is my hope that my colleagues will join with me and act decisively to stop these anticipatory wage-price increases. These resolutions would simply state once and for all the sense of the Congress with respect to establishing mandatory wage-price guidelines. These resolutions are desperately needed to stop the inflation psychology which is running rampant throughout economy today.

By adoption of these resolutions we will make clear our feeling that mandatory wage and price guidelines should not be imposed without express congressional authorization. Mr. Carter cannot impose controls. These resolutions will also aid in allaying the fears of business and labor that mandatory controls are imminent.

Mr. President, if the administration refuses to address the real causes of inflation, the least we in the Senate can do is to put a stop to the rumor and speculation surrounding the issue of controls. While these resolutions, if acted favorably upon, cannot cure inflation, they can at least help to mollify the inflationary psychological climate in which we now find ourselves. Let us at least tell the businessman and worker that we will not prevent him from making a fair profit or a fair wage, by arbitrary, unworkable wage and price controls.●

SENATE CONCURRENT RESOLUTION 81—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO WAGE AND PRICE CONTROLS

Mr. DOLE submitted the following concurrent resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. Con. Res. 81

Whereas the high rate of inflation has eaten away the savings and substance of the American people;

Whereas anticipatory wage or price adjustments are being made out of concern for the prospect of mandatory government measures being imposed to control inflation;

Whereas leading members of the Administration and the Congress have expressed their opposition to wage and price controls and their resolve not to impose them;

Whereas mandatory wage and price controls would seriously damage the economy, and would not permanently halt inflation; and

Whereas inflationary expectations need to be reversed, Now, therefore be it resolved by the Senate (the House of Representatives concurring), that

It is the sense of the Congress that it does not intend to take any action to authorize wage and price controls.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, on Thursday, April 3, 1980, the Committee on Energy and Natural Resources will hold a hearing on the climatic effects of carbon dioxide buildup in the atmosphere. Over the past 20 years, measurements of the atmospheric levels of trace gases have detected a pronounced increase in carbon dioxide (CO_2) concentrations. While the increases to date are not viewed by scientists as significant to the climatic balance of the globe, a steady increase in the level of CO_2 concentration for an additional 25 to 50 years under current trends would be a source of serious concern to climatologists.

The increase in CO_2 concentration is thought to be directly tied to the ever increasing burning of fossil fuels such as oil, natural gas, and coal. Since plants extract CO_2 from the atmosphere to promote their growth, increased uses of wood and other biomass without reforestation and replanting could also have some impact on CO_2 concentrations.

Because of the efforts to provide increased production of energy through activities such as the synthetic fuels program, the Committee on Energy and

Natural Resources has scheduled this hearing, to commence at 10 a.m. in room 3110, Dirksen Senate Office Building, to examine the interrelationships of energy production and the buildup of the CO$_2$ concentration in the atmosphere. Inquiries regarding the hearing should be directed to Mr. Russell Brown of the committee staff at 224-2366.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources will hold oversight hearings on the 5-year offshore oil and gas leasing schedule prepared by the Secretary of the Interior pursuant to the Outer Continental Shelf Lands Act Amendments of 1978.

The hearings have been scheduled for March 18 and 20 at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions regarding these hearings should be directed to Thomas L. Laughlin of the subcommittee staff at 224-2564.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce the revised schedule of hearings on the Geopolitics of Oil which will be held by the Senate Committee on Energy and Natural Resources.

On March 11, at 8:30 a.m., the committee will hold a briefing on the Industrialized Consumers. The briefing, which will be closed to the public, will be held in Room S-407 of the Capitol.

On March 13, at 10 a.m., the committee will hold a hearing on the Geopolitics of the Middle East. The Honorable James R. Schlesinger, former Secretary of the U.S. Department of Energy, will be the witness. Dr. Schlesinger will testify on the national security implications of recent developments in the Middle East, particularly the Persian Gulf area. The hearing will be held in room 3110, Dirksen Senate Office Building, and will be open to the public.

On March 20, at 8:30 a.m., the committee will hold a briefing on the Less Developed Countries. The briefing will be in room S-407 and will be closed to the public. Witnesses at the March 11 and March 20 briefings will include representatives of the Central Intelligence Agency, the Department of Energy, and the Department of State.

On March 28, at 9:30 a.m., the committee will conclude the first phase of its briefings on the Geopolitics of Oil with a global assessment by Adm. Stansfield Turner, Director of the Central Intelligence Agency. The hearing will examine the political, economic, and military factors which are likely to affect the global supply, demand, and price of oil for the next 10 to 20 years. The hearing, which will be held in room 3110, Dirksen Senate Office Building, will be open to the public.

For further information on the committee's schedule of hearings on the Geopolitics of Oil, contact James Z. Pugash, staff counsel, at (202) 224-0611.●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY, AND BUSINESS RIGHTS

● Mr. METZENBAUM. Mr. President, the Subcommittee on Antitrust, Monopoly, and Business Rights will hold a hearing on concentration in the book publishing and book selling industries on Thursday, March 13, 1980. The hearing will begin at 10 a.m. in room 5110 of the Dirksen, Senate Office Building.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, on Tuesday, March 18, 1980, the Committee on Energy and Natural Resources will hold a hearing on title III, and amendments thereto, of the bill S. 1388, the "Omnibus Geothermal Energy Commercialization Act," concerning geothermal leasing and development in the proximity of national parks and monuments. The committee will hear from representatives of the administration. The hearing will begin at 1:30 p.m., in room 3110 of the Dirksen Senate Office Building.

Questions about this hearing should be directed to Lee Wallace at 224-4431.●

ADDITIONAL STATEMENTS

THE CONSUMER PRICE INDEX MUST NOT BE USED AS A POLITICAL TOOL

● Mr. GOLDWATER. Mr. President, the national news media has reported over the weekend that the Carter administration is seriously considering a deliberate policy of reducing the pensions of America's older persons, retired people, and disabled citizens. What is worse, President Carter's advisers have suggested that he cut the social security checks and retirement income promised to millions of Americans by Executive fiat, rather than by obtaining a new law.

The Carter people have proposed changing the way the Consumer Price Index is calculated as a quick fix to reduce Federal outlays by an estimated $3 billion annually. Present law provides that payments to social security recipients and Federal retirees will be adjusted upward with each major increase in the cost of living. However, President Carter's advisers would renege on this promise by changing the makeup of the inflation index.

In particular, it is argued by the President's staff that housing and home loans should be eliminated as a factor in determining the Consumer Price Index. They argue that retired persons do not buy many homes and should not be compensated for housing inflation.

Mr. President, I am shocked at these suggestions. I believe it is an outrage for anyone to suggest that the major burden of reducing the Federal budget should be dumped on the very group of Americans who are already suffering the most from rising prices.

I am especially disturbed at the devious way in which the President's advisers would have him cut the future retirement income of older Americans. Do they ask that he go to Congress and seek approval from the representatives of the people?

No. They recommend that the President change the rules by a swipe of his pen.

Mr. President, this is a callous scheme for penalizing the elderly in America. It is unworthy of a constitutional democracy. It smacks of law by decree, not rule of law.

It was not too long ago, in 1976, that Congress decided to remove the sweeping powers which the President had to control the economy under what are known as the national emergency statutes. In this way, the Congress thought it was getting a handle on the Imperial Presidency.

Now, the Carter administration is seeking to grab dictatorial control over the economic livelihood of tens of millions of Americans by making what they call a mere administrative adjustment in the cost-of-living index.

Mr. President, this is not a minor technical change designed to update or improve the accuracy of the indexing system. It is a major policy decision aimed at deliberately cutting Federal payments to older and disabled Americans. It is a national policy that would be set in place without any public debate.

The Carter administration is thinking of cutting the benefits at the very time retired persons need higher incomes the most. Sure it sounds like a lot to give a 13-percent cost-of-living increase to social security beneficiaries. But their actual living expenses have gone up far more than that. The average social security benefit is only $280 a month. Thirteen percent of $280 means very little when you compare it with the massive increases in home heating and electricity costs, food, clothes, and other necessities in life.

If a social security retiree is lucky, he or she will get $30 a month additional benefits under the cost-of-living clause. The actual living costs of that person have gone up $75 or $100 a month, with home electricity and heating bills eating up anywhere from $50 or more each month. In other words, the typical retired person is going to fall behind even with the small cost-of-living increase the law promises him. Yet Mr. Carter's advisers would begrudge retired persons even this small relief.

It is not as if most retired persons were millionaires. There are over 30 million retired workers and dependents, and 3 million disabled persons, who receive social security payments. The average annual benefit of retired persons is under $3,400 and the average annual benefit of disabled recipients is about $3,840. These are poverty-level incomes.

Moreover, these increases have been promised to older persons. Their retirement incomes are not a gift from a generous government.

These citizens have earned their retirement incomes. They have paid for their benefits. The working man and woman has paid social security taxes off the top of their salaries. Their employers have made contributions to the social security system for them and their salaries were adjusted downward to make up for the employer's payments.

The same is true for the 3 million military and civil service retirees. Civil service annuitants have deposited even larger deductions into the retirement fund out of their working salaries than social security beneficiaries have.

In other words, this money is not the Government's to take away. It belongs to the retired person. They have earned it. And for anyone to tamper with the payments that have been promised to millions of elderly persons is, in my opinion, stealing out of their pockets money that belongs to them.

As for the notion that retired people are not affected by housing inflation, this is nonsense. Have any of Mr. Carter's advisers paid a real estate tax recently? Have they paid a repair bill or heating charge? Have they bought a home insurance policy?

Housing inflation directly boosts the amount of property tax paid by almost 7 million retired families every year. The property tax is so vicious that many retired persons can no longer afford to live in their own homes. Housing inflation has caused real estate taxes to go up much more than retired benefits. Many persons are forced to sell their cherished houses. And yet the Carter administration does not think the elderly are affected by housing inflation.

Moreover, Mr. Carter's advisers have failed to recognize that, in many ways, the Consumer Price Index discriminates against retired persons. The index used for cost-of-living increase purposes does not include retirees in its population.

The wage and clerical index, known as CPI–W, is tied to social security benefits. Yet the urban index, called CPI–U, which actually includes retirees, would be more appropriate for this purpose.

In fact, a good argument can be made for a separate index for the elderly. This group spends a larger part of its relative income on food and medical expenses than the public as a whole. Food and medicine are soaring at an even more rapid rate than the Consumer Price Index generally, so there may be justification for a special index to more accurately reflect the situation of older persons.

Mr. President, according to these news reports, the Carter administration has targeted its budget efforts on the weakest part of society. Elderly Americans and disabled citizens are the very ones most in need of help against the cruel pressures of inflation.

True, the economy is in a mess. The failures of the Carter administration have brought us double-digit inflation comparable to the experience of many weaker nations whose economic records we ridiculed in the past.

But retired persons must not become the sacrificial lamb. Social security and Federal retirees must not pay the penalty for the blunders of an incompetent administration.

There are other programs that can be cut and other ways to revive the economy than to abrogate the promises the Government has made to retired people. This proposal is wrong and must not be included in the President's economic plan.

In order to prevent this President, or any other President, from destroying the retirement hopes of social security and Federal retirees in this cheap manner, I am drafting legislation that will prohibit the President from changing the Consumer Price Index without congressional approval if the change would adversely impact on retired or disabled persons. I will introduce the bill in the next day or two.

We have no room for dictators in America, and I hope the overwhelming majority of Congress will join with me in preventing unilateral Presidential action which would be so harmful to the economic welfare of millions of American citizens. We cannot allow the Consumer Price Index to be used as a partisan political tool.●

HIS BEATITUDE, METROPOLITAN THEODOSIUS, PRIMATE OF THE ORTHODOX CHURCH IN AMERICA

● Mr. GRAVEL. Mr. President, I am pleased and honored to have been instrumental in bringing His Beatitude, the Most Blessed Theodosius, to be with us this morning to offer the prayer. I fervently hope his eloquent and inspirational words will instill in all of us the steadfast spirit and sense of purpose so needed in these difficult times, and particularly on this National Day of Prayer for the Hostages. He reminds each of us of our need for spiritual guidance, understanding, and wisdom.

His Beatitude is well known and revered in my State, where he served with great distinction as the archbishop of the Orthodox Church from 1967 to 1972. The archbishop was consecrated in 1967, and after his work in Alaska served for 5 years in Pittsburgh. In 1977 he was elected to the esteemed position of head of the Orthodox Church of all North America, the first American-born bishop to hold that office. Alaskans are thankful for his spiritual leadership in our State and proud of his accomplishments. And I know my fellow Alaskans join me in wishing him well in his important work and look forward to his future visits to our State.●

THE ROCK ISLAND TRANSITION ACT

● Mr. PERCY. Mr. President, I commend the Senate for favorable passage of Senator KASSEBAUM's proposal S. 2253, the Rock Island Transition Act. I especially commend the members on the Senate Commerce Committee for moving swiftly on this emergency legislation. On February 20, I testified before the Senate Commerce's Subcommittee on Surface Transportation in support of providing additional temporary service, which is included in S. 2253, over the lines of the Chicago, Rock Island & Pacific Railroad.

Since last September, service over the 7,000-mile Rock Island system, of which 295 miles of track are located in Illinois, has been provided by the Kansas City Terminal Railroad Co. under an Interstate Commerce Commission-directed service order. This service will continue to March 23, 1980. However, beginning on March 15, the KCT can begin to refuse to accept new freight over the Rock Island system. Without an extension of this service, this system will simply shut down, even though there are a number of companies interested in purchasing parts of the Rock.

The Department of Transportation has received letters of intent from companies interested in purchasing most of the Rock's lines in Illinois. However, as of today, the ICC informs me that the Commission has not yet received one bona fide offer to purchase any of the Rock's Illinois lines from potential acquiring carriers.

While I am informed that there is a great deal of interest in acquiring these lines, all of those involved in the negotiations need some additional time to firm up offers and then time to consummate these transactions.

I cannot see the sense of shutting down service when there is an interest in acquiring most of the Rock's lines in Illinois. It would mean the loss of almost 3,000 Rock Island employee jobs. Over 350 businesses, which receive or ship over 100,000 carloads per year, would be disrupted. Commuter service would be ended for 14,000 daily riders. Whole communities would be disrupted. Numerous Illinois companies served over the lines of the Rock have expressed to me serious concern about the economic consequences of interrupted service which could result in reduced production levels, loss of company jobs and the potential rise in product prices.

S. 2253 provides a transition period during which companies interested in acquiring portions of the Rock will have that opportunity without disruption of the communities involved. I strongly support continuing temporary ICC-directed service over the Rock's lines for 45 days after the enactment of S. 2253. I urge Members of the House of Representatives to move swiftly on this legislation to avoid a shutdown of the system.●

TWENTIETH ANNIVERSARY OF KIDNEY DIALYSIS

● Mr. JACKSON. Mr. President, 20 years ago Sunday, March 9, 1960, at University Hospital in Seattle, Wash., a dramatic event in the history of health care occurred. On that day, Dr. Belding Scribner, head of the Division of Nephrology at the University of Washington, together with surgeon David Dillard and engineer Wayne Quinton, inserted a small length of bent teflon tubing in the forearm of Clyde Shields, who was dying of chronic renal failure. That Teflon device, known as the Scribner shunt, first made possible the long-term treatment of patients with chronic kidney failure by the artificial kidney. Two other patients began treatment within the following 2 months.

Many details and problems of early dialysis techniques and technology were first worked out by Dr. Scribner and his team on these three patients. Three of the original six patients starting treatment in Seattle in the first 2 years of the program are still alive, two having received a transplant after many years on dialysis and the third now in his 18th year on dialysis.

If artificial kidney treatment is taken for granted in 1980, it is due in large part to the vision of Dr. Scribner. In addition to improving the shunt over the next few years, Dr. Scribner and his coworkers have described many of the complications of dialysis treatment, have developed the prototype of the single patient, automated dialysis machines in general use worldwide today, have developed the technique of peritoneal dialysis which is also now widely used, and have made many contributions to both the science and art of dialysis.

In addition, in 1962, at the urging of Dr. Scribner, the King County Medical Society, the Washington State Medical Society, and the Seattle Area Hospital Council cooperated with private individuals to open an out-of-hospital, free-standing community dialysis center in Seattle to provide for the needs of these patients. This center, the Northwest Kidney Center, served as a prototype for the development of dialysis units around the world.

As with many new technological advances, treatment of chronic renal failure raised great controversy in the early 1960's. The new technology was extremely expensive, and many kidney specialists remained unconvinced as to its usefulness. Concerns about the high cost of the initial dialysis techniques led first to the establishment of the out-of-hospital dialysis center, and eventually to the use of home dialysis, a treatment alternative which was found to be beneficial for the majority of patients with kidney failure.

During the 1960's and early 1970's, Senator MAGNUSON and I introduced legislation to assist in the support of patients with end-stage kidney disease. Dr. Scribner, Dr. Christopher Blagg, and Dr. Jim Mongan were key aides in our efforts. This culminated in 1972 when Public Law 92-603 was enacted into law which extended medicare coverage to people under 65 needing dialysis. The Federal Government, through the medicare ESRD program, now pays more than 90 percent of the treatment costs of American citizens with chronic kidney failure.

Public Law 92-603 provided funding for dialysis and transplantation; however, it tended to discriminate against home dialysis. Drs. Scribner, Blagg, and others urged development of legislation to encourage home dialysis. Public Law 95-292, which I cosponsored, was enacted in 1978. It was designed to provide incentives to encourage home dialysis.

While it is commonplace for physicians to save lives and to feel responsible for the health of their patients, there are few physicians who have the privilege of developing a device which has changed the course of medical science, saving lives on such a wide scale. At this time, there are about 50,000 patients in the United States alive because of kidney dialysis and transplantation, and more than 100,000 persons around the world alive today who, 20 years ago, would have died from chronic renal failure.

It seems appropriate today to honor the 20th anniversary of the first dialysis, and the guiding light behind so many of the developments in the field of artificial kidney treatment, Dr. Belding H. Scribner.●

PRESIDENT ROYO OF PANAMA SAYS CANAL LEGISLATION IS "UNACCEPTABLE"

● Mr. HELMS. Mr. President, on January 8, President Royo of Panama sent a letter to President Carter in which he said that the terms of the Panama Canal implementation act were "unacceptable," "illegal," and contrary to the terms of the Carter-Torrijos treaties. Inasmuch as the Panama Canal Commission was supposedly a venture in joint cooperation and friendship, these charges of President Royo are very serious and obviously could jeopardize the harmonious work of the Commission.

Despite the gravity of the situation, President Carter has allowed 2 months to pass without responding to the letter from President Royo. Nevertheless, he has sent the names of the five U.S. Commissioners for the Panama Canal Commission to the Senate for confirmation. Hearings were held before the Armed Services Committee on Friday. I understand that the nominees testified that the President had not yet replied to President Royo.

Mr. President, how can the Panama Canal Commission function if Panama considers it to be illegal? Does not the Panama Canal now operate under the sovereignty of Panama? How can we appoint Commissioners when Panama feels the very Commission on which they serve to be illegal?

Obviously, this matter ought to be reconciled before the Senate confirms the nominees to the Commission. At the very least, the Senate ought to know what President Carter's reply is so that Senators can consider the matter intelligently. I have written today to President Carter asking him to make public his reply to President Royo before the Senate considers the nominations of Messrs. Michael Blumenfeld, John A. Bushnell, John W. Clark, Clifford B. O'Hara, and William Sidell to be Panama Canal Commissioners.

Mr. President, I ask that my letter to President Carter and President Royo's letter to Carter be printed in the Record.

The material follows:

U.S. Senate,
Washington, D.C., March 11, 1980.

The President,
The White House,
Washington, D.C.

Dear Mr. President: As you are aware, the nominations of Messrs. Michael Blumenfeld, John A. Bushnell, John W. Clark, Clifford B. O'Hara and William Sidell to be Panama Canal Commissioners have been sent to the Senate.

On January 8, 1980, President Royo of Panama sent an official letter to you terming "illegal" and "unacceptable" the legislation under which these gentlemen are being appointed. Inasmuch as the Panama Canal Commission is intended to be an instrument of cooperation, it appears to me that such disputes should be resolved before the Commissioners are confirmed. Yet at Senate hearings on March 7, the nominees stated that the United States Government had made no response to President Royo, despite the passage of two months.

It seems to me that before the Senate can act intelligently and with dispatch on this matter Senators ought to know what response the U.S. Government has made to President Royo. I do not seek to delay confirmation of these appointments, but I respectfully request that your reply to President Royo be made available to interested Senators in a timely fashion preceding Senate debate.

Sincerely,

Jesse.

Panama,
January 10, 1980.

Your Excellency Jimmy Carter,
President of the United States of America,
White House.

Dear President: In my letter of 11 July 1979, I presented to you the objections of the Panamanian Government to several articles of the bill HR-111, under discussion at the time by the U.S. Congress, which violated the spirit and letter of the Panama Canal treaty or were not acceptable because they could create difficulties in the implementation of the treaty. Although amendments were made later to the bill which after it was approved was registered as Public Law 96-70 of 27 September 1979, most of the resolutions to which I objected in my letter were not amended, at least not in the sense and way established for the accurate implementation of the obligations contracted by the signees of the treaty.

Three months have gone by since the implementation of the treaty and during this time I have followed the course of the works of the canal operation, mostly aided by information provided by our officials from the Canal Authority. In studying and analyzing this information, I have become aware that facts corroborate my government's presumptions regarding the unfavorable consequences to the rights and just aspirations of my country and of the difficulties in the administration of the canal which inevitably would result from some dispositions of bill HR-111, which now is Law 96-70.

For this reason I am writing you this letter, with the main purpose of submitting to you the viewpoint of my government and the Panamanian people regarding the aforementioned situations. We do this in an effort on our part to see that good relations and mutual understanding prevail between our countries, in everything related to the Panama Canal.

The first and most general observation is that the contents of Law 96-70 are not the legal instruments for the implementation according to the norms and basic objectives of the 1977 treaty. The treaty established that U.S. rights and responsibilities were to be carried out by a specialized government agency, the Panama Canal Commission, and that the Republic of Panama would as a basic principle be granted a growing participation in its structure, functioning, administration, protection and defense of the canal, as established in Article 1, Paragraph 3, of the treaty. Law 96-70 radically differs from the concept of the treaty regarding the Canal Commission by making it into an executive agency ("appropriated-fund agency"), which rigidly binds it and takes away its administrative, economic and financial flexibility.

A series of dispositions which distorted the nature of the Panama Canal Commission have been derived from the interpretation of Law 96-70 which is contrary to the treaty, as was agreed by both parties. This has happened in such a way that my government cannot but consider that the law, in its general content, is illegal, contrary to the legitimate interests of both parties, not acceptable because of the modus operandi it establishes and unacceptable in every way for the Republic of Panama.

It would be inadequate to present in this letter full details of the direct objections which could be made against many articles of Law 96–70. In its full extension, my letter of 11 July 1979 serves the purpose. However, I must refer to some aspects which I cannot overlook.

On creating the Canal Commission, Section 1101 of the law closes with the disposition that "the authority of the president of the commission will be exercised through the Secretary of Defense." This disposition, which apparently is a simple formality, carries with it a special objective, which consists of placing the commission under the total dependency of that department, as a sort of appendix to it.

This double purpose as published can be seen in Section 102(A), which establishes that one of the members of the supervisory board is the Secretary of Defense, and that the U.S. members of the board will vote according to the instructions of the Secretary of Defense, and in Section 1102(C) which determines that "the board will hold meetings according to the bylaws adopted by the commission and approved by the Secretary of Defense." Already in the title corresponding to Section 1102, the law explicitly describes the board as a supervisory board, deviating from the terminology employed in the Spanish text of the treaty, which is also authentic.

This is going to the extreme of converting it into a supervisory board when it should not be less than a board of directors. Thus we see that the secretary of state represents everything: The means for the president to exercise his authority over the commission by being a member of the board: the source of instructions telling the majority of the board how to vote; and being the one that approves the regulations of the commission above the board.

For this reason the law leaves the Canal Commission in a subordinate position as a dependency of the Defense Department, just as the Panama Canal Company was to a certain extent until 1 October 1979 under the control of that same department, according to the law of the Canal Zone.

And if the treaty conceived the commission as a newly created legal agency to exercise the U.S. rights and responsibilities, the open subordination of the commission to the Defense Department effected under this law violates, through an unusual disavowal, the special and independent legal status granted to the commission by the treaty.

It was enough, and not juridically objectionable, for Section 1102(A) to designate the defense secretary as member of the board of directors. However, the turning of the Canal Commission into an appendix of that department is what invalidates in practice the concept in regard to the commission contained in the treaty.

This merits a most categorical opposition on the part of the Republic of Panama because Panama did not agree in the treaty that the agency which will manage the canal operations—in which there are four Panamanian directors and an assistant administrator—would be—through an illegal mandate included in the law—inexplicably subordinated to the U.S. Defense Department, with the aggravating circumstance that—through an exorbitant demand—the law provides that a quorum will be constituted at all board sessions when an internal majority of U.S. members is present (Section 1102, C).

The U.S. Government should be as seriously concerned as is the Panamanian Government over the limitation of funds with which Law 96–70 jeopardizes the efficient handling of canal operations by the commission. Because it was created as an executive agency, its budget appropriations require approval by the U.S. Congress (Section 1302, c, 1). In addition,

Section 1302(C)(2) provides that no funds will be accredited for us by the Canal Commission during any fiscal year exceeding the commission's income during said period plus any available balance of the funds appropriated to it for the preceding fiscal year. Obviously, the objective of this restriction is to keep the U.S. Treasury from contributing to the payment of canal operating expenses.

To further tighten this financial squeeze, the House of Representatives Budget Appropriations Committee rejected the inclusion of two appropriations, of $2 million and of $5.9 million, in the Panama Canal Commission's 1980 budget.

To be charged to the Federal Treasury, these funds were to be used to pay off the debts of the defunct Panama Canal Company that were outstanding at the close of business on 30 September 1979. The committee ignored the fact that the $5.9 million would be recovered by the collection of moneys owed to the Panama Canal Company.

Section 1303 (A) of Law 96–70 provides for the establishment, effective 1 October 1979, of a Panama Canal contingency fund of $40 million to cover unexpected expenses and to back up appropriations to insure the continuous, efficient and secure operation of the canal. The same committee also opposed the approval of an appropriation to finance the fund, maintaining that financing should come from the canal tolls.

The committee also ignored the fact that moneys drawn from the fund would be replaced by the commission from its income.

The decisions mentioned above render the Panama Canal Commission helpless on those fortuitous occasions in which it will require funds to cover unexpected expenses or when the actual expenses exceed budgeted amounts.

A delicate situation might develop since the dredging of the canal and the correction of dangerous curves on the canal route are necessary to keep the canal's passageways permanently efficient for the transit of ships. One cannot diminish the importance of the fact that the interoceanic waterway already has been in continuous use for more than 6 decades and that its installations have deteriorated, requiring constant, intensive and increasing maintenance.

Because of the dispositions of Law 96–70 which negatively affect the possibilities of financing, the commission might find itself in the position of adopting highly inconvenient measures such as decreasing regular maintenance activities, deferring the completion of improvement projects that are being studied or are underway, or by trying to reduce taxpayers by cutting back its labor force.

Contrasting with the limitation of funds described above, the United States has the signed obligation to maintain the waterway in an appropriate condition for its efficient, continuous and secure operation and to transfer the canal to the Republic of Panama the last day of the present century in good working condition.

Noncompliance or negligence in fulfilling these obligations would constitute a clear violation of the treaty. On the subject of payments to the Republic of Panama as stipulated in the treaty, Law 96–70 also does not conform because it specifies that the Canal Commission must pay from its funds the $10 million in public services that the Republic of Panama is going to provide in the townsites where U.S. employees reside.

This disposition is unjust, to say the least, if one considers that this expense is more than covered by the taxes that the U.S. canal workers contribute to the U.S. Treasury.

Among the economic compensations to Panama is also an annual payment of up to $10 million—payable from the surplus income from the canal operation—and the commission's expenses, with the stipulation that the amount not paid in any given year would be paid with the surplus from future years. It cannot be denied that in the treaty this last provision refers only to any payment balance pending in favor of Panama, and that no interpretation of Subparagraph C, Paragraph 4, Article XII could be carried to the extreme [of construing] that it authorizes the accumulation of losses to charge them against the surplus of future years.

Nonetheless, this provision has been transformed by Law 96–70 into something totally contrary for, in accordance with Section 1341 (B), previous losses will be counted against any year's surplus. There can be no more open and flagrant violation of the treaty, since it only mentions "surplus balances," while the legal text mentions "accumulated losses."

Regarding this same economic right by Panama, it turns out that the treaty takes into consideration the commission's "expenses," while in its Sections 1341(B), 1311 (A) and 1341(E), Law 96–70 orders that no less than the "costs" listed in those sections be accounted against the revenues and for the purpose of making the payment to Panama. Expenses are generally expenditures in cash, while costs go beyond that, since they include special amounts, such as depreciation, reserves, and so forth.

This listing of costs, as a function of the commission's expenses, is illegitimate, particularly because its final result might represent an antijuridical dissipation of an economic right that emanates from the treaty. Those costs, of course, do not represent a small amount. According to a report submitted by the administrator to the House of Representatives' Panama Canal Subcommittee, the 1980 budget allocations increase some of those costs to the following figures: (A) $14.8 million in interest for the nonrecovered U.S. investment in the construction of the canal; (B) $16.7 million to amortize the cost of the employees' anticipated optional retirement, in accordance with the special retirement law—a total of $31.5 million.

If the treaty recognized Panama's right to an annual payment chargeable to the surplus or surplus balances between revenues and expenses as part of a "just and equitable retribution for the national resources it has dedicated to the efficient functioning, running, maintenance, protection and defense of the canal" (Article XIII), Panama cannot agree to the solution unilaterally provided by Law 96–70, which visibly violates the treaty.

What this law has done regarding the salary system is worth noting with similar emphasis. It has removed the commission's employees from the "Fair Labor Standard Act," which recognized the salary increases agreed on for 1980 and 1981—these increases were higher than the ones now established—without consulting the workers and without their consent. On the basis of this regulation, the Canal Commission has put into effect the labor remuneration system that the Policies Coordinating Board approved for civilian personnel in September 1979. This system creates two plans and two different pay scales based on the distinction between old and new employees.

Furthermore, Law 96–70 Section 1225 (B) (1)(2), establishes that as of 1 October 1979, the salary for new canal employees must not be lower than $2.90 per hour, with an annual 2-percent increase. This provision does not agree with the treaty's stipulations aimed at preventing the impairment of labor conditions and terms in the canal area. Furthermore, the limitation of increases to 2 percent per year is unjustified.

It is thus necessary to adjust the labor retribution system to the treaty's stipulations. The commitment of maintaining the same conditions and terms of employment that existed in the canal area before the implementation of the treaty must be fulfilled by reestablishing the pay scale in effect before 1980 and 1981 and by implementing a unified and just salary policy, with uniform pay scales.

Since at the end of the present century the canal is to be transferred to the Republic of Panama and the latter must assume the responsibility for running it, Panama's increasing participation in the administration, protection and defense of the canal, which the treaty establishes, is of relevant significance because of its purpose. Its objective is not only the training of Panamanian personnel in all aspects of the administration and functioning of the canal so that this transference is carried out "in an orderly and efficient manner," as the treaty itself expresses.

This participation is also aimed at having Panama play an important role in everything connected with the canal. The joint organizations that the treaty establishes with their special functions materialize Panama's right to participate in the making of decisions connected with the canal.

Thus, the appointment of four Panamanian members to the commission's directive board and of a Panamanian assistant administrator in this commission constitutes Panamanian Representation at the commission's top directive levels, which the treaty specifically terms "the participation of Panamanians at the top levels of the commission's directorate." The Panamanian directors and assistant administrator are proposed by Panama; the latter even has the right to request the removal of any of the Panamanian directors; and this legally confirms their role as representatives of Panamanian interests within the commission.

Since the board of directors and the positions of administrator and deputy administrator are part of the Panama Canal Commission, a U.S. Government agency, it is within U.S. authority to appoint them. But the Panamanian directors and deputy administrator do not lose, by reason of such a technicality, their role as representatives of the interests of the Republic of Panama.

Nevertheless, Law 96–70 treats those officials in a way which is not in keeping with the situation drafted by the treaty. Section 1102(B) indiscriminately states that the board members will maintain their posts at the discretion of the U.S. President. However, this cannot be true of the Panamanian members, because the treaty contains a special procedure for their removal.

Section 1112(B) of the law establishes that the board will approve a "code of conduct" applicable to its members and officials and employees of the commission and that this code will contain provisions substantially the same as certain comparable U.S. laws and Panamanian legal provisions.

The application of the code of conduct to the Panamanian directors and deputy administrator violates their jurisdictional status which the treaty grants them as representatives of the interests of the Republic of Panama.

This violation is not lessened by the fact that the same Section 1112(B) has established that agreement will be reached with the Republic of Panama in which each nation will agree on adopting measures to insure that the board members will comply with the "code of conduct."

This is so, because Section (B) literally insures, independent of such agreements, "the jurisdiction which the United States may have with respect to the board members."

We are pleased that the respective U.S. members of the board of directors have finally been appointed. However, the excessive delay in designating the U.S. members has delayed their action.

And since the Canal Commission was supposed to begin functioning without interruption last 1 October, and in the absence of the board of directors, we have proceeded to make decisions, to define policies, to acquire obligations and to effect transactions which the Republic of Panama should have been advised of and which their representatives on the board of directors should have considered.

To bring things to their proper course, it is necessary that upon integrating this organization, the most important decisions, on those elements adopted as of 1 October be reviewed to agree on what is pertinent.

In addition to this, given that the powers and functions of the board of directors and of the administrator and deputy administrator were not specified in the treaty, the problem arises over what must be accomplished by the two parties, to conform with the method of execution in the joint or bilateral statutes adopted in the treaty. It is inadvisable that the respective functions of the administrator and deputy administrator be regulated by informal understandings that would have a permanent effect, or that they be unilaterally regulated.

It is obvious to me that the administrator and deputy administrator, the two most prominent posts in the canal administration, in addition to the board of directors, function in the Canal Commission as the president and vice president of the defunct Panama Canal Company. This being so, the position and functions of the latter were transferred to the deputy administrator. Furthermore, the deputy administrator is the Republic of Panama's representative in the highest executive branch of the canal administration. It is he who safeguards the interests of the Panamanian Government and peoples, of the United States and canal users, because by working in concert with these three groups he guarantees that the canal will serve its function as an international transit waterway.

Consequently, the deputy administrator must have immediate, expeditious and constant access to all components of the canal administration and participate in all the decisions, both for the exercise of his powers and responsibilities, as well as to keep the Panamanian Government abreast of all that it is entitled to know as a partner in the canal enterprise. Therefore, the deputy administrator must be free of any obstacles or hindrances, particularly regarding documents dealing with the handling, operation and maintenance of the canal.

The most important matter is the adoption of a series of essential regulations to replace provisions of the code of federation regulations which do not conform to the new jurisdictional status of the interoceanic waterway. These regulations deal with virtually all or at least the most important aspects of the canal administration. Such a task must always consider, from drafting initial proposals and their discussion until their final adoption, the Republic of Panama.

The treaty created adequate binational organizations with this aim and allows the creation of others of a special nature if deemed advisable for the purpose set forth here. We must prevent the emergence of differences and controversies once the new regulations are implemented, because it would be more difficult to resolve them then.

The opportunity has arrived for designating the chief engineer, a post created by Law 96–70, alongside that of the deputy administrator of the commission. Since the treaty provides for the increasing participation of the Republic of Panama in all levels of employment of the commission, it would be advisable, by virtue of this principle, to choose a Panamanian citizen for this position, because Law 96–70, after creating the office of ombudsman, has restricted the appointment to that office to a U.S. citizen.

I believe some final considerations are in order and in them I must frankly convey my reflections on this matter. My participation in the decisive phase of the negotiations and, from a different level, in the arduous process of ratifying the canal treaty in the Senate and adopting the implementing legislation by the House of Representatives, leads me to make the clear and precise proposal that follows.

The known objective of opponents to the treaties in the Senate was none other than to undermine the stipulations which recognized the rights of the Panamanian people to the interoceanic waterway and the canal area. The congressmen, in turn, for identical objectives introduced in Law 96-70 articles which seek to hinder the application of the treaty, with the aim of preventing or impeding the Republic of Panama from obtaining its legitimate benefits as sovereign of the canal territory. But their attempt was so unwise that it has created serious obstacles to the Canal Commission's ability to administer efficiently and properly the intermarine waterway. I consider that such an attitude on the part of the U.S. legislators harms the best interests of the United States and the Republic of Panama, and the canal which belongs to it.

In view of the significance of Law 96–70, on which I have had to dwell in the preceding pages, and in the face of the specific issues which this law has created in the execution of the canal treaty, which I have also mentioned, I consider that the Government of the United States must undertake specific efforts to produce a decisive halt to the unwise practices which violate the treaty and which affect their implementation and the friendly relations to which we are bound because of our close connection with the canal. It is not possible that a few months after the implementation of the treaty, forces adverse to the community of interests that we share, are causing disruptions and offensive injustices to prevail—something we believed was a thing of the past.

I call upon your authority as President of the United States and your well-known attitude of understanding toward Panama, so that a halt to this wrongful policy of disregarding Panamanian rights will become the rule of behavior to the execution of the treaty for the purpose of achieving a general reform of Law 96–70 and drafting of new bilateral agreements in those areas warranted.

To be frank, Mr. President, I must state that our nation has not waged from 1904 to 1977 a tenacious struggle, leading to the sacrifice of blood—a date which precisely today we commemorate with devotion—so that the important achievements of the recent treaty will be denied it by Law 96–70; and if such a denial is maintained, the present and future generations, no doubt, will also struggle, as has occurred in the 80 years of this century, to raise the banner of justice to achieve the genuine sovereignty which, notwithstanding the provisions of the Torrijos–Carter treaties, certain U.S. sectors, which have still not understood the significance of respect of the dignity of the Panamanian people, still seek to disregard. With the certainty that you will make the necessary efforts to adequately solve the situations which prompted this note, I cordially greet you, your friend, Aristides Royo, President of the Republic of Panama.●

SENATOR HOWARD BAKER

● Mr. RIBICOFF. Mr. President, Senator HOWARD BAKER has class. The true test of a man is how he conducts himself in the face of adversity. HOWARD

Baker, by his conduct, proves his character, ability and decency.

Two sensitive articles by Haynes Johnson in the Washington Post and Hugh Sidey in the Washington Star on Sunday, March 9, 1980, state with great sensitivity the character of Howard Baker. These articles are worth reading and pondering. I ask that they be printed in the Record.

The articles follow:

[From the Washington Post, March 9, 1980]

THE OUGHT-TO-BE OF EVERYBODY'S FOURTH CANDIDATE

Of many puzzles in this political year, none seems more mystifying than the fate of Howard Baker. To me, Baker was one of the most attractive men running for president. He conducted himself with dignity, intelligence and, at times, with a quality that has almost gone out of public life, eloquence. And, of course, he lost—totally. It's to Baker's great credit that he doesn't seem to feel humiliated or embittered by the experience. His exit could not have been more graceful.

The ready explanation for Baker's failure runs something like this: he started too late, thus losing time to his opponents and the opportunity to fashion the truly top-level staff that could prepare the groundwork for the critical primary tests. With others carving up the territory before him, he was consigned to an also-ran status. Howard Baker became everybody's fourth candidate.

Probably there's merit in that analysis, but it misses some larger points.

At face value, Baker would seem to have been an ideal Republican candidate in 1980. He began with a vital political ingredient—name recognition. The Watergate hearings had made him a national celebrity, and while the American public is demonstrably fickle, nothing had occurred to diminish his reputation.

On the contrary, among Republicans in particular he stood in what ought to have been an enviable position. Among the narrow ideological confines of the GOP, Baker was acceptable to conservatives and moderates alike. (Precious few Republicans are willing publicly to admit being liberals or progressives.) Baker, as a border-state politician and as Everett Dirksen's son-in-law, couldn't be faulted as anything other than a good, loyal—and safe—party stalwart by the small hard-shell corps that still dwells among the Republican fringes.

Baker had two other commendable qualities. He had experience and he was the right age. These are—and should be—major considerations for voters choosing a president, especially today.

As the presidential year approached, citizens in general and politicians of both parties seemed to agree that experience was an indispensable ingredient in presidential success. Certainly the lesson of Jimmy Carter and his outsiders taught so.

The problems of governance were too critical to be left to trial-and-error and the uncertainties of on-the-job training. Running against Washington as Carter had done would always be popular, but along with its political appeal had come a political liability—the person ultimately in charge of the hen house had better know something about tending chickens.

Here, too, Baker was eminently qualified. He was the Republican leader in the Senate, well versed in the intricacies of working in Washington and the relationships with state governments. His record as a legislator was superb, and he had earned justifiable praise for statesmanship.

At 54, Baker stood in the middle range of age among his Republican competitors—younger than Ronald Reagan, George Bush, John Anderson, John Connally and Bob Dole, older only than Philip Crane—and about the age at which presidents historically have performed successfully. Because of Reagan the question of age has received much attention this year. It deserves to.

Reagan would be the oldest person ever elected, and would begin his term as he entered his 70s; the oldest previous occupant, Dwight Eisenhower, completed his eight years in office just as he celebrated his 70th birthday.

Far from being a question of "age-batting" as a recent New Republic article suggested, and therefore a bogus issue, the matter of presidential age surely stands as a legitimate public concern. If the evidence of our eyes in seeing our recent presidents, including Jimmy Carter, age dramatically isn't convincing, the record of their health should be. The strain of the modern presidency grows, and takes its toll: FDR died in office; Ike suffered two serious and incapacitating attacks, ileitis and a heart attack; LBJ quite likely would not have survived a second term (he died of a heart attack almost four years to the day after leaving office); Nixon developed a near-fatal attack of phlebitis.

No one can predict the pressure a president will face, but to argue they don't exist in ways unrelated to any other job is absurd.

And Baker was not a lackluster candidate. At his best, he was capable of delivering a stirring speech; his closing remarks on why he sought the presidency in the South Carolina debate of a week ago were memorable. Yet he lost.

Obviously, he didn't catch on, but why?

Leaving aside the questions of staff or timing, two factors suggest themselves. The first is the desire—the need almost—on the part of both press and public to find a fresh face. This year's beneficiary of that phenomenon is John Anderson. The second involves Washington.

For much of the first half of this century, the statehouses provided the springboard for the presidency—McKinley, Theodore Roosevelt, Wilson, Coolidge, FDR all were governors. Then, with the advent of national TV and its impact on politicians seen regularly from the capital, Congress came back into vogue—and Kennedy, Johnson, Nixon, Ford moved from Capitol Hill to the White House. But the record also shows that congressional leadership doesn't translate as easily into presidential success. LBJ, the most powerful of modern Senate leaders, and Hubert Humphrey, another skillful Washington operator, never made it to the White House on their own. Carter's election last time raised the possibility the pendulum is swinging back to the governors. Baker never came close to Reagan, the former California governor.

It's no secret the Carter people are delighted at Baker's departure. They reckoned him as their toughest opponent, and Reagan as their easiest. The guess here is they're right—and that while the Republicans did not prefer Baker in the winter, they may regret they don't have him in the fall.

[From the Washington Star, Mar. 9, 1980]

SENATOR BAKER FOLDS HIS TENT WITH CHARACTER, COURAGE

(By Hugh Sidey)

Anybody who has sense enough to get out of this crazy presidential primary business now probably is smart enough to be a good president. Which is what Sen. Howard Baker has done, and he just might be that kind of guy. So the good news among the bad news is that he will live to pay off his debts, regain his vitality and try again.

"To exit is devine," is the way Pericles put it, or maybe it was Mr. Dooley thinking ahead to Chicago's Mayor Daley. But a few politicians have heeded that wise advice. They listened instead to characters like Richard Nixon: "When the going gets tough . . . it is tough going." That does not seem quite right, but it is close.

Somewhere, as this is read, Harold Stassen, his hairpiece glued in place and that faraway look fixed on his lined face, is extending his big, warm hand for the 13 millionth time to a startled factory worker, believing dimly that somewhere it is written durability is next to godliness. Those who see Stassen coming get the kids off the streets so they will not throw snowballs. Forty years of running for president produces strange responses.

Alben Barkley had it about right when he said, "A fellow who decides to quit may lose a little dignity but that is better than losing some other parts." Actually that is not recorded anywhere, but the boys in the Senate cloakroom who remember Barkley attest to it.

There is a rumor, too, that in the unpublished works of the late, great Vince Lombardi there is this thought, probably from his early years of coaching: "Show me a man who knows when to quit and I'll show you a man who knows something the others do not." True, that seems a little out of character for Vince, but he had his good moments.

All of this attests to the perspicacity of Howard Baker. He gave it a whirl, and a good one. One of the nice young ladies on his staff figured out that the senator had been through 43 states, 347 countries, 155½ Holiday Inns, three of Arthur Adler's best suits, 197 chicken wings and 1,324 Rolaids. There is a story around this city that after the Massachusetts primary Baker sat down and figured out that he had drunk more cans of Tab while campaigning than he had gotten votes. He got the message—from his alimentary canal if from no other place.

Howard Baker packed it in. Back to the Senate now for him and the job of being a responsible minority leader, of being proud of being a politician, and having a few hours to take photographs, something he dearly loves.

There is, seriously, something tough and true about that little guy. When he decided to support the Panama Canal treaty he supported the Panama Canal Treaty. When he decided to oppose SALT II he opposed SALT II. When he decided to run for president, he ran. When he decided to get out, he got out. No weeks of anguish, up and down, back and forth, statements and counterstatements, leaks, pouts, speculation, anguish and pleas. None of that. Baker quit.

Reading between the lines of the detailed reports on his farewell from Germond, Witcover, Bachrach, McGrory, Broder, Cannon, MacPherson, White, Reeves, Dickenson, Clymer, Smith, Weaver and J. Roland Hedley III, one is struck by the extraordinary eloquence of Baker's epilogue.

"It's clear that my campaign is not going anywhere," he said. Over at the Associated Platform Performers of America there was jubilation. They had all but resigned themselves to the belief that this was to be, rhetorically speaking, the year of Teddy Kennedy. A complete sentence like Baker's is to be cherished.

There were several other remarkable passages in the Baker exit text. After winning third and sometimes four place in a number of runoffs, the senator declared his campaign "is still producing third- and sometimes fourth-place finishes." After a season of being told how 15 per cent is a majority, and how losing 2-to-1 is winning, the logic of Baker's statement is stunning. There was more.

"I haven't the foggiest idea how this election contest will turn out," he insisted. That may have been his guttiest remark. If that idea takes root around the country, Baker could be held responsible for destroying the entire opinion industry, composed of pundits, pollsters and itinerant scribes. They number now in the thousands and may soon unionize.

So as we roll on through this political fantasy we should raise for a moment a can of Tab to the short, sweet memory of candidate Baker.

There must be an old Will Rogers line that we could make up to apply to such courage: "A politician who actually does what he says he is going to do is a rare bird—or maybe a little drunk." As noted, Baker does not use the hard stuff.●

DEPUTY COMPTROLLER GENERAL RETIRES

● Mr. PERCY. Mr. President, on February 29 Bob Keller retired from his position as Deputy Comptroller General of the United States. Except for 3 years in naval service during World War II, his entire career was devoted to the General Accounting Office. I need not remind my colleagues that the country has benefited greatly from Bob Keller's dedication to the task of improving the economy, efficiency, and effectiveness of Federal programs.

Keller began his 45-year career as a GS-3 clerk at GAO, and moved steadily up the ranks as a legislative attorney and as an assistant and later principal assistant to Comptroller General Warren. He served for 11 years as General Counsel of GAO, and for the last 10 years as Deputy Comptroller General under Elmer Staats.

During this brilliant career Keller received many awards, including the prestigious 1976 National Civil Service League Award. In nominating Keller for this award, Comptroller General Staats noted that Keller had assisted him "in changing the emphasis of the Office . . . from one of a primarily financial and compliance approach including the identification of uneconomical practices to an evaluation of program results and increased attention to direct assistance to the Congress."

We will all miss Bob Keller's important contributions to the work of GAO, and I know I speak for all of my colleagues in wishing him all the best in the future.●

ANDREI SAKHAROV AND HUMAN RIGHTS

● Mr. JACKSON. Mr. President, in a recent interview between Nobel Prize winner Andrei Sakharov and Kevin Klose of the Washington Post, Dr. Sakharov, from his place of internal exile, singled out 28 Soviet citizens among the countless who are suffering because of their efforts to win respect for human rights in the Soviet Union.

In calling Western attention to these 28 "prisoners of conscience," Sakharov emphasized:

> I do not recognize as legal any of the restrictions placed on me, particularly on my right to speak out on those questions which I consider to be critically important for our country and the world, or for the fates of individuals whose rights have, in my opinion, been violated. I realize that every such statement may bring upon me and my family illegal repression and Mafia-like reprisals. I rely for the support of my rights on honest people in the Soviet Union and the world over—on statesmen, on my scientist colleagues, on all who value peace and freedom of speech. I am grateful to all those who are speaking out in my defense.

Mr. President, as we speak out in defense of Andrei Sakharov, we also can give special recognition to those on his "honor roll" of human rights activists.

I ask that Sakharov's list, as published in the Washington Post on March 9, 1980, be printed in the RECORD.

The list follows:

SAKHAROV LIST

MOSCOW.—In his interview, Andrei Sakharov called attention to 28 Soviet citizens among the dozens of "prisoners of conscience" jailed or under investigation by the KGB secret police for human rights activities.

"They have been courageous participants in the struggle for human rights for many years," Sakharov declared. "They enjoy everybody's respect and affection. Their imprisonment is particularly important for the authorities because each of them unites in his activity all aspects of the struggle for human rights in the U.S.S.R." This is Sakharov's list of the 28 persons and their activities and dates of jailing or sentencing:

1. Tatyana Velikanova, human rights campaigner, Nov. 11, 1979.
2. Viktor Nekipelov, Helsinki Group member, Dec. 7, 1979.
3. Malva Landa, Helsinki Group member, under investigation for alleged anti-Soviet slander.
4. Sergei Kovalyov, founding member, Moscow branch, Amnesty International, Dec. 27, 1974.
5. Yuri Orlov, Helsinki Group founder, Feb. 10, 1977.
6. Valery Abramkin, contributor to the political journal Searches, Dec. 4, 1979.
7. Yuri Grimm, Searches contributor, Jan. 23, 1980.
8. Viktor Sokirko, Searches contributor, Jan. 28, 1980.
9. Vyacheslav Bakhmin, psychiatric abuses investigator, Feb. 12, 1980.
10. Antanas Terleckas, Lithuanian nationalist, human rights activist, Oct. 30, 1979.
11. Julius Sasnaukas, Lithuanian human rights activist, Dec. 11, 1979.
12. The Rev. Gleb Yakunin, dissident Orthodox priest, Nov. 1, 1979.
13. The Rev. Dmitri Dudko, dissident Orthodox priest, Jan. 15, 1980.
14. Lev Regelson, religious rights campaigner, Dec. 24, 1979.
15. Nikolai Goretoi, Pentecostalist presbyter, Dec. 13, 1979.
16. Mykola Horbal, Ukrainian activist, Oct. 23, 1979.
17. Yuri Litvin, Ukrainian activist, Aug. 6, 1979.
18. Yuri Badzo, Ukrainian activist, April 23, 1979.
19. Oles Berdnyk, Ukrainian activist, March 6, 1979.
20. Reshat Dzhemilev, Crimean Tartar activist, April 4, 1979.
21. Rollan Kadiyev, Crimean Tartar activist, January 1980.
22. Anatoli Shcharansky, Moscow dissident and Jewish rights activist, March 15, 1977.
23. Oleksa Tikhy, Ukrainian activist, Feb. 2, 1977.
24. Levko Lukyanenko, human rights activist, Dec. 12, 1977.
25. Viktor Petkus, Lithuanian nationalist activist, Aug. 21, 1977.
26. Alexander Bolonkin, editor of Chronicle of Human Events, Sept. 21, 1972.
27. Igor Ogurtsov, founder, Russian Social-Christian Alliance, sentenced 1967.

Sakharov also called attention to Vladimir Shelkov, head of the Soviet unofficial Adventist Church, "who was sentenced a year ago for his message to the Belgrade Conference about religious persecutions in the Soviet Union. The very fact of sentencing an 83-year-old man was a scandalous act of inhumanity. Vladimir Shelkov died in a camp in Yakutia at the age of 84." ●

ESTONIAN INDEPENDENCE DAY

● Mr. PERCY. Mr. President, on February 24, the 62d anniversary of the proclamation of Estonian independence, those of Estonian heritage in the United States and in other nations observed that anniversary and renewed their commitment to the independence of Estonia.

Here in Washington, others of us who are not of Estonian heritage also observed the occasion by renewing our own commitment to the people of Estonia. Although the Estonian community in the United States is small in numbers, Americans of Estonian birth and descent have long distinguished themselves by their devotion to this country and by their contributions to American life.

We are deeply moved by the desperation of all who are denied freedom in this turbulent world, and we pray that the blessings of freedom which we enjoy here in this country may one day be restored to all peoples who live under foreign domination.●

EARNINGS IN MAJOR INDUSTRIES

● Mr. BELLMON. Mr. President, much has been said and written in recent weeks about oil company profits. I believe it is time these reports are placed in a proper perspective.

The February 18 issue of U.S. News & World Report contains an interesting analysis of earnings in major U.S. industries. According to a survey of some 1,400 firms by the magazine's economic unit, overall corporate profits were up 14 percent during the last quarter of 1979, compared with the same period a year earlier.

A significant finding of this survey was that oil company profits, as a percentage of sales, showed an increase of 5.8 percent, a much smaller increase than the telephone industry (up 12.3 percent), drugs (up 11.8 percent), and computers and office equipment (up 11.8 percent).

Mr. President, I ask that a table showing these percentages be printed in the RECORD.

The table follows:

EARNINGS IN MAJOR INDUSTRIES

[From earnings reports of representative corporations]

	4th quarter 1979 (millions)	Percentage change from year ago	Profits as a percentage of sales
Aircraft, missiles	$450.7	Up 26.2	4.0
Airlines	36.7	Down 36.2	.8
Banks	2,124.6	Up 14.2	([1])
Building materials	631.1	Down 7.4	5.1
Chemicals	687.7	Up 8.5	5.9
Coal mining	29.1	Down 46	2.4
Computers, office equipment	1,586.6	Up 2.8	11.5
Drugs	401.0	Up 15.2	11.8
Electric utilities	1,325.2	Up 8.6	9.8
Electrical equipment	749.3	Up 13	5.9
Food, beverages	553.7	Up 0.6	3.2
Gas utilities	220.5	Up 9.2	5.9
Motor vehicles, parts	172.8	Down 85.2	.8
Nonelectrical machinery	116.3	Down 54.1	3.0
Nonferrous metals	412.9	Up 102.1	9.7
Paper	262.0	Down 6.2	5.6
Personal care	364.9	Up 8.8	7.3
Petroleum	6,570.0	Up 62.2	5.8
Printing, publishing	256.9	Up 15.1	7.5
Railroads	505.3	Up 41.4	9.0
Restaurants, lodging	62.4	Up 12.0	4.9
Retail food stores	59.2	Up 1	1.7
Rubber	30.2	Down 30.4	3.5
Steel	504.0	Up 15.3	4.8
Telephones	1,459.7	Up 6.1	12.3
TV, radio broadcasting	127.1	Up 2.2	5.4
Textiles, apparel	107.1	Up 13.2	4.1
Tobacco	247.6	Up 29.8	5.6
Trucking	23.2	Down 42	2.3

[1] Does not apply.

Note: Profit figures exclude extraordinary gains and losses.

Source: USN&WR Economic Unit.

Mr. BELLMON. Mr. President, an equally important fact—that the oil industry's return on investment has not been out of line with other industries—is borne out by statistics compiled by Citibank and published in its "Monthly Economic Letter." These figures show that for the period of 1969 through 1978, net income as a percent of stockholders equity averaged 13.9 percent for the petroleum industry and 13.7 percent for all manufacturing industries. Oil companies' return on equity lagged behind manufacturing by 0.2 percent in 1976, 0.9 percent in 1977 and 1.6 percent in 1978.

Mr. President, I ask that a table listing these statistics be printed in the RECORD.

The table follows:

NET INCOME AS A PERCFNT OF STOCKHOLDERS' EQUITY (1969–78)

[In percent]

Year	Petroleum	Total manufacturing
1969	11.9	12.4
1970	10.9	10.1
1971	11.2	10.8
1972	10.8	12.1
1973	15.6	14.9
1974	19.6	15.2
1975	13.9	12.6
1976	14.8	15.0
1977	14.0	14.9
1978	14.3	15.9
10-year average	13.9	13.7

Source: Citibank, "Monthly Economic Letter," April of each year. (Net income as a percent of net worth at the beginning of the year.)

Mr. BELLMON. Mr. President, it is obvious that over an extended period oil company profits are no greater than other industries. It is inconceivable that Congress of the United States would single out this industry to penalize with an unfair and counterproductive tax.●

FEDERAL ELECTION COMMISSION REGULATIONS

● Mr. PELL. Mr. President, on February 28, 1980, the Federal Election Commission transmitted to the Senate its proposed regulations designed to implement the changes made in the Federal Election Campaign Act by the recently enacted amendments of 1979.

Because we are now in an election year and many of the changes made by those amendments affect the operation of campaign committees, the act provides an expedited procedure for promulgation and congressional review of any regulations necessary to implement the changes. Pursuant to the expedited procedure, the FEC was required to submit its proposed revised regulations to Congress before February 29, 1980, and Congress is allowed only 15 legislative days to review and reject any of the regulations it objects to. The Commission is to be congratulated and commended for the expeditious manner in which it has completed its review of the regulations and promulgated the revisions thereof.

Due to the lengthiness of the proposed regulations, it is not feasible to include them in this statement, however, a complete copy of the proposed revisions is available in the office of the elections section of the Committee on Rules and Administration, room 310, Russell Senate Office Building for examination and copying. Any inquiries regarding these proposals may be directed there or to the Federal Election Commission, 1325 K Street, NW., Washington, D.C. 20463 (Telephone: 202–523–4143).

Through March 6, 1980, 4 legislative days have passed (the act defines "legislative day" as a day on which the Senate is in session). Since only 11 legislative days remain for Senate review and action thereon, Members are requested to forward any comments or objections they may have with respect to the regulations as soon as possible so that the Committee may take them into consideration and make an appropriate recommendation within the time allowed. If no action is taken by either the Senate or House of Representatives within the legislative days prescribed, the proposed regulations may be adopted by the Federal Election Commission in the form submitted.●

CONVERSION OF POLARIS SUBMARINES FOR CRUISE MISSILES: A STRATEGIC QUICK FIX

● Mr. HUMPHREY. Mr. President, American national security is in grave jeopardy. We are being forced to consider strategic quick fixes by the unrelenting Soviet strategic buildup. It has been reported in the New York Times and elsewhere that General Ellis, the Commander of the Strategic Air Command, acknowledged recently to the Senate Armed Services Committee that the United States has lost "essential equivalence," as defined in terms of the already unfavorable strategic balance of 1977. Moreover, Ellis reportedly admitted that "essential equivalence" is gone for the duration of the decade of the 1980's. It seems that even by 1989, with full MX deployment, we will still not be back to the 1977 capabilities we had vis-a-vis the Soviets. And in 1977 we were strategically inferior. Last year, General Jones admitted that regardless of U.S. actions and with or without SALT II, Soviet strategic capability would increase relative to the United States through the mid 1980's. He added that the Soviets have already surpassed us in most indicators of strategic capability. This year, General Jones admitted that the shift in the strategic balance to Soviet superiority will persist until the late 1980's. We have had testimony from Dr. Perry that by 1982 our ICBM's will be vulnerable, and by 1985, our bombers will be vulnerable. Our most serious strategic problem is the vulnerability of our ICBM's through the late 1980's. Thus by 1985, two legs of our Triad will be vulnerable to Soviet attack. Aside from the problem of devising an acceptable basing mode for the MX for deployment in 1986, how can the United States survive the "window of our ICBM vulnerability and of Soviet opportunity" until 1986? What short-term, strategic, quick-fix measure for near-term operational capability by 1983 can be devised?

There are many strategic "quick fixes" which are desirable and feasible, but one of the most promising involves our old Polaris submarines. If we are going to be depending heavily upon the submarine leg of our strategic Triad, then it makes sense not to deactivate our Polaris submarines.

Mr. President, I would like to recommend to my Senate colleagues the Navy's proposal that 8 of the 10 Polaris submarines be converted to carry submarine-launched cruise missiles (SLCM's). Such conversion to cruise missiles would designate the boats as SSCIV's (Sub-Surface, Cruise missile, Nuclear submarines.) While 2 of our 10 Polaris submarines are now out of

nuclear fuel, the other 8 still have sufficient fuel and hull life left in them. In what I view as a tragic waste of U.S. defense resources, the 2 oldest Polaris boats now have to be dismantled. Their refueling problem is not the real reason **they are being dismantled. The real** reason is that the 1972 SALT I Interim Agreement has unexpectedly been extended still further due to the unforeseen delay in **SALT II's ratification.** Hence SALT I is taking an unexpected toll on U.S. strategic forces, without the consent of the Congress. But the other 8 Polaris boats would still be available for conversion, however. By 1981, we surely will have ratified or defeated SALT II, thereby resolving our present dilemma with SALT I. I hope we can bring SALT II to a vote soon and defeat it, thereby removing an obstacle to our national security.

The plan to convert the 8 Polaris to SLCM's would have many important advantages. Each of the existing 17 SLBM tubes can carry 7 SLCM's, and 13 more SLCM's can be carried in the torpedo room. Thus, there could be 125 SLCM's per Polaris submarine. In comparison, each Polaris boat now carries only 16 clustered warheads. When multiplied by 8, this would make 1,000 SLCM's in the Polaris force. These 1,000 cruise missiles would provide a significant amount of flexible firepower, in a mobile, highly survivable deployment mode. The Polaris hulls were built and paid for long ago, and could be available almost immediately. Polaris conversion to SLCM could augment our Poseidon-Trident strategic deterrent, or they could augment our tactical deterrent in NATO, the Pacific, and the Indian Ocean areas. Further, retaining the Polaris subs as SSCN's would greatly increase the Soviet antisubmarine warfare problem, while keeping up the Navy's total strategic submarine force level.

Such conversion to the SSCN configuration would be a highly cost effective route to early sea basing of cruise missiles. A minimal modification would be required for each boat. The cruise missiles could be readily placed in the existing missile tubes.

The same modification could be made to the 4 British Revenge class Polaris submarines, and also to our 31 Poseidon submarines as they eventually begin to reach the end of their hull life in the late 1980's. Moreover, some SLCM's could also be usefully deployed aboard all 688-class SSN's in torpedo tubes.

The SLCM's for Polaris could be either long range land attack nuclear missiles, long range antiship conventional missiles, or long range land attack conventional missiles. Optimally, each boat could carry some of each type, thereby giving it a multithreat capability. SLCM's could be launched from 200 feet underwater at a speed of 3.5 knots, making Polaris a highly survivable platform.

Conversion of our Polaris boats to SLCM platforms is a tremendous force multiplier that makes use of hulls already in the fleet and paid for. The cost of conversion would be minimal, only about $15,382,000 per boat, exclusive of some tooling and development costs and of the cost of Tomahawk SLCM's. This conversion cost of $15 million is about the cost of one new fighter or fighter-bomber aircraft, yet it would enable each Polaris submarine to carry 125 highly lethal long-range nuclear warheads. This is far more firepower than a fighter-bomber of comparable cost can carry. SSCN conversion provides more bang for the buck.

If conversion of Polaris to SSCN were put into the fiscal year 1981 defense budget, we could have an initial operational capability in early 1982, an illustration of the speed and ease of this conversion.

There are several other factors illustrating the ease and cost-effectiveness of of SSCN conversion. The conversion could be accomplished with absolute minimum modification to the Polaris boats, minimum cost, and minimum downtime. Tomahawk SLCM's would be produced in canisters, and these canisters could be loaded abroad as a simple "drop-in" unit. In regard to shore and tender facilities, the conversion would require no new maintenance facilities, and most existing Polaris/Poseidon missile, tender, logistic, and maintenance capabilities are directly usable for SSCN's.

In sum, there are many reasons why Polaris conversion to SSCN makes good sense. It deserves wide support in the Senate as a strategic quick-fix option rapidly and cheaply achievable. It is a cost-effective option which we simply must exploit. Not only would it help to arrest our continuing decline to strategic inferiority, but it would convince our NATO allies that we really are serious about deploying cruise missiles. We could even achieve a Polaris SLCM capability sooner than 1981 if we could defeat the SALT II protocol.●

AUSTRALIA'S RESPONSE TO AFGHANISTAN

● Mr. PERCY. Mr. President, Malcolm Fraser, the Prime Minister of Australia, has made a very important statement before the Australian Parliament, that was fully supported by Foreign Minister Andrew Peacock in his recent visit to Washington. On February 19, he provided an analysis of the Sovist invasion of Afghanistan and outlined his government's policies in response. As a nation bordering on the Indian Ocean, Australia plays a significant and especially important role in the Western response to the brutal Soviet action. I, and I know many of my colleagues, welcome this candid and forthright expression of Australia's views. I ask that excerpts from the text of the Prime Minister's statement appear at this point in the RECORD.

The excerpts follow:

AUSTRALIAN PRIME MINISTER, MALCOLM FRASER'S STATEMENT TO THE AUSTRALIAN PARLIAMENT, 19 FEBRUARY ASSESSMENT AND RESPONSE TO THE SOVIET INVASION OF AFGHANISTAN

In the first weeks of 1980 the world is facing probably its most dangerous international crisis since World War II. I expressed that view before leaving for the United States and Europe. What I heard on those visits strongly confirms it. Some members may be interested to know that Willy Brandt. one of the principal architects of the policy of detente speaking on behalf of the Socialist group in the European Parliament, has expressed the same opinion. The situation really is extremely serious and it does no service to this country or to the cause of international peace to try to dismiss or trivialise it in terms of domestic election policies or cold war stereotypes.

The present crisis shares all the ingredients of earlier ones. But it has two additional dimensions. First, it threatens the world's supply of oil, and oil is the lifeblood of modern society. Second, it occurs at a time when the Soviet Union has for the first time achieved nuclear parity, while retaining—indeed increasing—its superiority in conventional arms. In my view it is imperative that countries which value their own independence and world peace should respond to this crisis with firmness and in a sustained way. If they do not, the prospects for the 1980's will be bleak.

The crisis has come about because and only because, in the last week of 1979 the Soviet Union sent thousands of its troops across the border into Afganistan. Since then it has continued to put men and arms into that country until today there are something in the order of 85,000 Russian troops there—over twice as many men as there now are in the disintegrating Afghan army. There is no indication that they will be withdrawn in the foreseeable future. In the English language the accepted and proper words for this kind of action are not "interference" or "intervention" but invasion, occupation and suppression.

The Soviet Union is engaged in propping up an unstable and unpopular Marxist regime, one which is internally divided and is bitterly opposed by the people of Afghanistan. To say that it has acted, and is acting, brutally is not to engage in rhetoric. It is merely to describe the facts. When in the Second World War the Nazis wiped out the whole male population of the Czechoslovakian village of Lidice—some 400–500 men—in reprisal for the assassination of Heydrich, the whole civilised world recoiled in horror. Now it is reported, on evidence provided by the women and children who survived, that well over twice that number were murdered in cold blood, and under Russian supervision, in the Afghan village of Kerela. There are already five hundred thousand refugees in Pakistan, people who have found conditions intolerable in their own country. It is feared that the number could quickly rise to one million.

THE NATURE OF THE CRISIS

This is not the first occasion on which the Soviet Union has used armed force to crush the aspirations of a people. We have the examples of Hungary in 1956 and Czechoslovaka in 1968 before us. Indeed, the Gulag Archipelago, and the recent banishment of Sakharov, are reminders that it is the aspirations not only of other peoples but of Russian people themselves that suffer.

But there are elements in the Afghanistan siutation which make it qualitatively different in terms of its implications for world order.

First, although Afghanistan had had a Marxist government since 1978, it was not a part of the Soviet bloc but a member of the nonaligned movement and of the Islamic conference. Its invasion by the Soviet army marks the first direct and massive use of Russian forces against a non-aligned country. Since the beginning of the cold war nearly thirty-five years ago, the Soviet Union has consistently sought to extend its influence in third world countries—by supporting insurrections and the infiltration of existing governments, as well as by the more legitimate means of exploiting its ideological appeal and the giving of aid. But as long as the United States had decisive nuclear superiority it did not resort to the direct use of force against them. Now, after achieving nuclear parity, it has felt able to do so.

Secondly, what we have seen in the last weeks is the thrust of the most powerful land army in the world into one of the most sensitive strategic areas in the world. Afghanistan is not strategically peripheral or inconsequential. It occupies a pivotal role, historically recognised in the long contest for influence between Britain and Russia. Afghanistan controls the gateways into the Indian subcontinent. In recent years its importance has been increased immeasurably because of its proximity to the world's main supply of oil. Currently, the situation across the border in Iran has made it more sensitive than ever. Given these considerations, the Soviet move into Afghanistan could not but have the most profound implications for the stability of global order.

Thirdly, the Soviet action occurred at a time when the United States and its western allies—and supposedly the Soviet Union itself—were committed to a policy of detente. There was no provocation. On the contrary, it came in a period when the United States was showing great restraint, not only in its general policy but in responding to the holding of American hostages in Iran. It is hard to escape the conclusion that the Soviet Union mistook that restraint for weakness and treated it with contempt.

The crisis needs to be seen not only in a strategic perspective but in an historical one. For twenty years after the second world war the world lived in that acute state of tension known as the cold war. The cold war was neither sought nor desired by the countries of the west. In 1945 their concern was to demobilise and return to normal peacetime life. That concern was frustrated by a series of Soviet actions which demanded a response: Pressure on Greece, Turkey and Iran, the progressive satellisation of Eastern Europe, the Berlin Blockade.

From the beginning of the cold war there was a persistent and deepset longing in the west to escape from its strains and tensions, and from the everpresent threat of nuclear it presented. That longing found expression in a succession of phrases such as "relaxation of tension," "disengagement," "coexistence" and, laterally, "detente". All these terms had two things in common: They were ambiguous, capable of different interpretations, and they represented less a realistic appraisal of what was possible than the wish to be free of the harsh logic of the Cold War and the burden of responsibility which it imposed.

Both these characteristics have been systematically exploited by the Soviet Union. As far as detente is concerned, in 1972 the Soviet Union, signed with the United States, a document of "basic principles" which was supposed to define the ground rules of a new kind of relationship between them. These principles affirmed the importance of avoiding confrontation, the need for mutual restraint, the rejection of attempts to exploit tensions in other areas to gain unilateral advantages, the renunciation of claims to special privileges by either country in any region, and the willingness to strive for a more constructive longterm relationship.

The United States interpreted these principles widely and as having universal application. The Soviet Union on the other hand interpreted them narrowly as applying only to direct super and great power relations. The Soviet Union generally respected the rules of detente only in its direct dealings with the United States and Europe, but not in its dealings in or with the Third World. There it pursued a policy of unbridged competition and opportunism.

As early as 1973 it violated the letter and spirit of detente in the Middle East war by refusing to show any restraint in resupplying the belligerents, and by urging nonbelligerents to join the war. In 1975 it intervened in the Angolan Civil War, both with arms and through its Cuban surrogates. In late 1977, it intervened in the Ethiopian civil war with arms, "instructors" and Cuban troops. Throughout black Africa it changed the character of local conflicts by injecting a massive quantity of sophisticated weapons.

It has exerted a destabilizing influence in the relationship between North and South Yemen. And, of particular concern to Australia, it is currently subsidizing Vietnam to the tune of $3 million a day while that country conducts its aggression against Kampuchea. At the same time as it has been engaging in all these activities—all in countries far outside it traditional sphere of influence and activity—the Soviet Union has felt able to contribute only some 3 percent of the total non-military aid to the third world.

It will be clear from this record that the Soviet invasion of Afghanistan did not mark a sudden departure from its previous record of behavior, a qualitative change, yes, but one within an established pattern of behavior. The truth is that during what was known as "The Period of Detente" in the 1970's, the Soviet Union made use of its groundrules with the United States in order to be extremely active—in military terms more active than it had ever been before—in pursuing its interests in the third world.

As I have said, during the same period the United States was operating in terms of a more restricted concept of its role in the third world than at any time in the previous quarter century.

MOTIVES AND CONSEQUENCES

Why did the Soviet Union invade Afghanistan? The explanation of its own leaders is that it responded to the request of the government of Afghanistan and that there was already interference in the country by other powers. As to the first part of this explanation, in light of the fact that the Soviets went into the country days before they claim to have received the request, and then promptly killed the head of the government which had supposedly invited them in, it is insultingly unconvincing.

Indeed the fate suffered over the years by those leaders who have allegedly invited the intervention of the Soviet Union in their affairs is such that one must conclude that no sane person would extend such an invitation.

As to the second claim, in the face of the almost universal condemnation the Soviet Union has received, we can be sure that if there were any good evidence of prior intervention of any serious kind in Afghanistan's affairs by other countries it would have been produced long ago. No such evidence has been advanced.

Some commentators have placed heavy emphasis on the defensive concerns of the Soviet leadership in relation to Afghanistan, its worry about the possibility of the collapse of the Marxist regime there and the spread of internal fighting or of Islamic revivalism. I do not discount these elements. They are part—perhaps an important part—of the total picture.

But they are certainly not the whole picture. Given its huge sustained military build-up over the recent years—involving about 13 percent of its GNP—at a time when the military expenditure of the United States was declining in real terms, and given its recent record with respect to Angola, Ethiopia, the Yemeni republics and Indo-China, the image of a conservative and defensive Soviet Union acting only from fear and concern rings false. It would certainly have calculated the positive strategic and political advantages of acting as well as the adverse consequences of not acting.

In any case we should not be hypnotized by speculation about possible motives. It is more to the point to consider consequences. Russian military power is now 250 miles closer to the Gulf than it was 2 months ago. It is now within 300 miles of the Straits of Hormuz, the choke-point through which the bulk of the world's oil supply must move. The Soviet Union has acquired a border of over 1,300 miles with Pakistan.

It is a maxim of strategy that a line of advance which offers alternative objectives should always be sought. In invading Afghanistan the Soviet Union has followed that maxim, it is now so placed that if and when it wishes it can exert pressure on the Gulf oil states to the west, on the Indian subcontinent to the east or towards the Indian Ocean to the south. Whatever its original motives, the consequences go far beyond the stabilization of a local situation and have global significance. They can themselves create new motives for further action.

IMMEDIATE POLICY DECISIONS

Immediate short-term policies to meet the crisis have already begun to take shape. They are based largely on the recognition of the fact that while the Soviet Union is a superpower, it is an unbalanced one whose economic and technological development do not match its military strength. It needs access to Western grain, Western technology and Western credits. It was part of the implicit bargain of detente that such access would be available in return for restraint in international affairs, but it was also implicit that, conversely, if restraint was not shown that access would suffer. Significant measures have therefore been taken to limit access while the Soviet Union persists on its present course.

The other immediate means available to impose a cost on the Soviet Union is through the Olympic Games. Thirty-five governments of countries in Europe, Africa, Asia, the Pacific, the Caribbean, Latin America and North America have said that they are in favor of a boycott of the Moscow games if Soviet troops are not withdrawn from Afghanistan. Those 35 countries include, in our own area, Fiji, Papua New Guinea, New Zealand, Malaysia, and Singapore. A number of other countries including most of those attending the Islamic Conference of Foreign Ministers, have indicated that they are considering a boycott.

As you know, the Australian Government is strongly of the view that it would not be in the national interest of Australia, or in the interest of world order, for Australia to participate in games held in Moscow. The government therefore asks that, in the event of the Soviet Union not withdrawing from Afghanistan, no Australian team be sent to Moscow.

This is not a step to be taken lightly or happily, least of all by a country like Australia which has had a distinguished record of participation in the games. I am very well aware of the sacrifice it would entail for the athletes involved. I now pledge that my Government will do all it can to promote and support the organizing of a site for alternative international games at which our athletes can participate. We are already active in this respect.

I want the reasoning behind the Government's position on this matter to be clearly understood.

First, we believe that it is wrong that a country which is engaged in the invasion, occupation and suppression of a people should be regarded as a fit host for the olympic games. Unless the importance of holding the games is regarded as an overriding imperative which takes precedence over all other considerations, this seems indisputable—for one can hardly think of a more serious violation of international friendship. Yet, if it holds as a general principle, why should it not be applied in the case of the Soviet Union? Is it that the invasion of Afghanistan is not a sufficient invasion?

That Afghanistan and its people are too unimportant to apply the principle? That the Soviet Union has not deployed enough troops to give sufficient cause? or does anyone argue that the games are of such importance that they should be held in the allocated country however extreme and outrageous the behaviour of the prospective host?

Secondly, on the question of mixing sport and politics, it is absolutely clear that the Soviet Union is already doing this in the most systematic and blatant way. The Soviet Government would represent the participation of Australian and other athletes as a political triumph for itself. Indeed, in an official party document, it is already claiming the holding of the games in Moscow as "convincing proof of the universal recognition of the historical importance and correctness of the course of our country's foreign policy, the vast contribution of the Soviet Union which is insisting, not just on mixing sport and politics, but that sport—like every other aspect of life—is politics. Whatever the intentions of our athletes, their presence in Moscow would be used politically by the Soviet Union.

In our dealings with South Africa we have recognized that because that country insists on treating sport politically, it is impossible for others to divorce politics from sporting matters, and we have acted accordingly with respect to our sporting contacts with that country. I ask those who accept that argument in the case of South Africa to recognize that it applies equally in the case of the Soviet Union. To do otherwise would be to apply the crudest of double standards.

Thirdly, the crucial consideration in deciding what action to take in response to the Soviet invasion must be the effectiveness of that action in terms of its impact on the Soviet Union. There is no point in incurring costs for Australia by action that would have little or no impact on the Soviet Union. In other circumstances, that is if the Olympic games were not scheduled to be held in Moscow this year, Australian athletes would have remained unaffected by our response to Afghanistan. It is only the fact that all the advice we have received indicates that the moving, cancellation or boycotting of the games would be the most effective way of bringing home to the Soviet Government, and even more to the Russian people, the consequence of the invasion of Afghanistan, that has caused us to take the position we have.

THE LONG-TERM NEEDS

As well as these immediate measures, and of greater importance, long-term policies to match Soviet power and staying power must be formulated.

An indispensable element in that process must be the redressing of the trend in the military balance. Diverting large amounts of money to arms is not something which democratic societies welcome, least of all when doing so is bound to increase already serious inflationary pressures. But as long as the Soviet Union persists in diverting around 13 percent of its gross national product to increasing its already excessive military power there is no real choice.

In this, as in other aspects, the main burden must fall on the United States. President Carter has already announced a series of measures which will strengthen the Armed Forces of the United States and, what is also very important, will increase their flexibility and their capacity to respond quickly to crises. But if the main burden falls on America, it is entitled to look for supporting measures in other countries that value their independence and the maintenance of world order. Other developed countries, including Australia, must respond. In this respect the recent decision to modernize and strengthen NATO's theatre nuclear weapon systems is important. This decision is very unwelcome to the Soviet Union, but it should realize that it is its own uninhibited arms build-up which has brought it about.

A second aspect of long-term policy-making must be the strengthening of the Western Alliance. More than ever, an effective system of continuous and close consultation among the major western powers is indispensible, not only in relation to Europe but to policy towards the third world. I have good grounds for believing that such a system would be welcome to European governments and that they would respond very positively to it. I also believe that the United States, which has had to shoulder immense responsibilities of leadership in recent decades, would be reassured and strengthened by such a move. In dealing with the Soviet Union it would go far towards ensuring that the signals that country received were consistent and unambiguous.

A third aspect which must be kept in mind is that, unless there is a radical change in Soviet behaviour, the main area of danger in the 1980's is likely to be not the European theatre but in the "grey areas" of the Third World. In the past, wars have started in Europe and have subsequently drawn in other countries of the world. But in the last thirty-five years the lines have been firmly drawn in Europe and convincing commitments made. The danger now is that wars may start in the strategically undefined zones of the Third World and draw in the rest of the world.

This danger is most acute in the Middle East because of the crucial dependence of European countries—and of Japan to an even greater extent—on Middle East oil. Given the importance of oil to developed industrial societies, this factor introduces a new element in the strategic picture and its importance can hardly be over-emphasized.

It is therefore essential that western countries formulate coherent policies in relation to the Third World. The Australian government has already laid great stress on this in the last few years and we have put in a great deal of thought and effort into taking Third World interests and concerns into account in formulating our own policies.

In the present circumstances it is essential that western countries should respect genuine commitments to non-alignment and not make the facile assumption that opposition to Soviet expansionism is synonymous with support for the west. We must also recognize that the problem is as much political as it is military. The political infrastructures in many Third World countries, including those of West Asia and the Middle East, are inadequate and this inadequacy is emphasized by the rapid social changes which are taking place in them. They are vulnerable to challenge from within and subversion from without. The internal political problems are, of course, primarily ones for the countries themselves to deal with, though the developed countries should be prepared to explore ways in which they can offer greater cooperation and assistance. We will also have to take account of the divisions which exist within the Third World, and recognize the fact that progress will depend on moderating and removing these.

Again, this is particularly true of the Middle East. It is of great importance that the Arab-Israeli dispute should be resolved. so that it does not continue to distort the pattern of relationships between the west and the Arab world.

IMPLICATIONS FOR AUSTRALIA

I turn now to the particular implications of this crisis for Australia and to the steps the government has taken and purposes to take in relation to it.

Quite simply, what the crisis has done is to change substantially for the worse the strategic order underpinning Australia's security.

What has happened has greatly increased the risk of miscalculation in dealings between the superpowers and makes remote the prospects of restraint in the arms race between them;

As long as West Asia continues to be a crisis point, superpower activity—and hence the level of tension—in the Indian Ocean is bound to be heightened;

As long as the Soviet occupation of Afghanistan continues, tension between India and Pakistan is bound to mount. While both countries share a common interest in wishing to insulate the subcontinent from superpower rivalry, the Soviet presence makes this virtually impossible. India is very concerned at the prospects of arms being provided to Pakistan and about the possibility that the new situation will lead to more activity by China in the region. Pakistan is intensely worried at the removal of the Afghanistan buffer and the fact that it is now placed between two countries which are militarily superior to itself and which have a treaty of friendship with each other. This must worsen the general strategic environment in the Indian Ocean area;

The increased threat posed to the oil supply route from the gulf is of great strategic importance for us. For not only do we ourselves depend to an important extent on Middle East oil but Japan, our major trading partner, imports 80 percent of its oil from there;

The Soviet invasion of Afghanistan, on one flank of southern Asia, has happened at a time when, on the other flank, Vietnam is attempting to consolidate its control over Kampuchea, with the active and massive support of the Soviet Union. Whether both events are related within the structure of some larger strategic purpose or not, each carries implications for the other. Certainly the leaders of the Asian countries perceive linkages and are deeply concerned. And apart from strategic implications, the invasion of Afghanistan, by creating another mass exodus of refugees, is likely to have a direct effect on regional and international efforts to cope with the growing human tragedy on the border of Thailand and Kampuchea. The capacity of Soviet foreign policy to produce huge flows of refugees is indeed a telling indictment;

The Soviet invasion carries the grave risk that it will force a response from China in one form or another. If it does, this will have both global and regional implications. Another aspect is that insofar as Soviet action results in a developing relationship between the United States, China and Japan, the Soviet Union is likely to respond by seeking to enhance its strategic posture in the West Pacific, possibly in areas which directly affect Australia's security;

Lastly, by provoking new and serious tensions throughout southern Asia, as well as by relentlessly pursuing its own "vertical proliferation", the Soviet Union has increased the danger of nuclear proliferation in the region.

These considerations should make it clear that the changes which have taken place have important implications for Australia's strategic environment.

WHAT AUSTRALIA HAS DONE

It is these implications, as well as the extreme gravity of the crisis in global terms, which have determined Australia's response. In that response, the government has been aware of, and I have stressed repeatedly, the limits of Australia's power and influence. That, however, is not a reason for not doing what we can or for talking down what influence we have. It would have been irresponsible for the government not to have acted, not to have cast Australia's influence in the scales, simply because others had not acted before us.

For that reason, in the immediate aftermath of the invasion of Afghanistan I announced a series of decisions made by Australia affecting its relations with the Soviet Union. Some of these were substantive, some symbolic. Their essential purpose was to ensure that Australia's attitude towards the Soviet actions should be registered with absolute clarity.

Those measures included:

Support for United States action in relation to grain sales to the Soviet Union by not replacing the grain embargoed by the United States.

A review of Soviet shipping activities in Australia and the suspension of any commonwealth cooperation on new Soviet maritime initiatives.

As from May 31 Soviet cruise ship operations from Australian ports are suspended; in addition, in the present circumstances, there will be no further approvals for Soviet scientific research vessels to visit Australia.

The indefinite suspension of action on the two fishing feasibility projects involving Soviet participation and the withdrawal of previous approvals given in connecton with these projects;

The indefinite suspension of all visits by ministers and senior officials between Australia and the Soviet Union;

The indefinite suspension of the periodic consultations conducted by senior representatives of the Australian and Soviet Foreign Ministries;

Non-acceptance of Soviet approaches to establish direct air services between Australia and the Soviet Union, and refusal to agree to a recent Soviet request to station aeroflot technical personnel at Sydney;

The indefinite suspension of bilateral science collaboration with the Soviet Union;

A decision not to proceed with earlier proposals by the Soviet Union to conclude separate agreements with Australia covering such matters as agriculture and consular dealings;

The exclusion of any new activities under the current programme of cultural cooperation and the withdrawal of official support from other bilateral cultural activities;

A decision not to support the staging of the Olympics at Moscow this year, unless the Soviet Union withdraws from Afghanistan.

These constituted an immediate response. Before making decisions on longer-term policies, the government decided to consult with the governments of the region and those of the major western nations. We already had the benefit of prime minister Ohira's views during his visit in January. The foreign minister visited seven other countries in the region while I went to the United States, Europe and New Zealand.

These visits were arranged on very short notice, but in the event we were able to meet with the heads of government of each of the countries concerned. The talks have been of the greatest value in extending our appreciation of the perspectives of the countries which are most important to our foreign policy. As there has been some press speculation about differences among these perspectives, let me say that what stands out clearly is the degree of consensus which exists in the basic analysis of the situation.

One direct consequence of my talks is that the ANZUS council meeting, which was to have been held in Wellington in mid year, has been brought forward and will now be held in Washington at the end of the month. Our three governments agree that the nature of the circumstances and their implications for the region warranted an earlier meeting.

DEFENSE

Against this background, and bearing in mind the whole context which I have outlined, the government has decided that the new strategic prospects call for a greater allocation of resources to our defenses. We already have a significant defense force by regional standards, but recent world events and the heightened possibilities of change in our strategic circumstances demand an increase in our defense preparedness. This government has in fact increased defense expenditure in real terms substantially since it has been in office, even in the face of difficult economic circumstances. But as the risk increases, it is prudent to increase insurance.

Immediately, the government has decided to increase operations in the Indian Ocean This will include extra surveillance flights and naval patrolling, visits to littoral states and exercising with friendly forces in the region. We shall support this operation by training more crews for our long-range maritime patrol aircraft, by base porting ships at Cockburn Sound, by upgrading the facilities at this base and by the development of existing and new airfields in western Australia. Over the program period we shall develop the facilities for home porting our ships in the west. Our involvement in Indian Ocean operations will be essentially an independent, national effort. But we will also be supporting the operations of our United States ally by coordinating our operations with theirs.

The Defense Department is discussing with United States authorities ways in which we can assist their forces, which are operating so far from continental U.S.A. Measures could include use of staging facilities, of the new naval base in western Australia, of our exercise area, and support from our repair and maintenance facilities.

The government has instructed the Defense Department to discuss with the United States authorities ways in which we could acquire a fourth FFG Guided Missile Frigate and bring it into service as soon as possible. The government has also decided to extend the life of HMAS Vampire in a training role beyond 1982. This ship could be brought to operational status very quickly if the need arose. At the same time we will increase investment in the modernization of Williamstown Dockyard. This will support later construction in Australia of new destroyers to replace the present destroyer escorts.

In order to support naval operations in both the Indian and Pacific Oceans we shall be acquiring a second underway replenishment ship. An order for the first is now placed with Vickers Cockatoo Dockyard Pty. Ltd.

We will enter into a commitment later this year for 75 new tactical fighter aircraft. We will proceed as quickly as possible with the development and production in Australia of a new basic trainer aircraft. The plant in our aircraft and munition factories will be modernized and there will be greater investment in commercial industries in support of defense needs. This will include defense-related research and development.

We will upgrade the weapons systems and sensors of ships and aircraft which would otherwise have become outdated during the 1980s. This includes the weapons systems of the F111 to carry precision guided munitions, the older P3B Orion Long Range Maritime Patrol Aircraft, and our three DDG guided missile destroyers. The P3B, the Oberon submarines, and the DDGS will be fitted with Harpoon, the long range sea-skimming anti ship missile. These aircraft, ships and submarines will constitute a formidable strike force.

Some fundamental decisions still have to be taken. Projects under consideration include: capabilities we might acquire when our aircraft carrier HMAS Melbourne retires; the type of new destroyers we will build in Australia later in the 1980s and into the 1990s; aerial refueling capacity of our strike and fighter aircraft; systems to strengthen our northern air defenses. The programme now makes adequate financial provision for later decisions on projects such as these. We will bring two battalions at Townsville up to full strength and equip and maintain them as a ready reaction force.

We shall increase the strength of our Reserve Forces and improve their equipment. In particular, the Army Reserve will be increased from its present strength of 22,000 to about 30,000 by the end of the program period. This will give the opportunity for young Australians outside the defense force to play their part in improving our defense preparedness.

There will be increases in the Navy and Air Force service manpower to manage and man new equipments entering service and to undertake the increase in operations now required by the government. There will need to be increased civilian manpower not only in defense but also in our government factories and dockyards.

The government has not been satisfied with the tardy procedures for adjustment of the pay and conditions of our service men and women. It has recently introduced new procedures that will allow much quicker adjustments. We want the pay and conditions to attract and to retain a high calibre of service men and women, and we shall be giving these matters our attention. We have taken steps to ensure that any case for adjustment is considered with the highest priority by the independent tribunal established for this purpose.

As a longer term measure, cooperation with the independent nations in our neighboring regions is of major importance. The government wishes to discuss with our regional friends further development of our defense relations. This could include arrangements for more regular consultations between armed forces, expanded programs for training and other assistance that we might be able to offer. I believe that the abiding security interests that we share with our regional neighbors call for continuing consultation and cooperation in the defense field.

More money will be needed immediately for fuel, spare parts, maintenance and other necessary support for increased operational activity. The government fully recognizes and accepts, however, that the improvement of our defense capabilities, the maintenance of a higher state of preparedness and the expansion of activity in the Indian Ocean and our neighboring regions will require a sustained increase of resources.

Decisions as to actual allocation can only be made in the context of the budget each year. However, the government well understands that the recruitment and training of men, the selection and procurement of equipment and the development of supporting military and civil infrastructure take years to plan and to implement. The government understands the need for a stable planning base. It has therefore authorized the Department of Defense to plan on the basis of an increase in real terms in 1980–81 of some dollars 95 million above its earlier planning guidance, and for spending to be further increased in later years to around 3 percent of the GDP by 1984–85, the end of the five-year program period. The percentage increase in 1980–81 in real terms will be at least 5.5 percent. Over the next five years, the proportion of expenditure on capital investment will increase from the present figure of about 15 percent to over 25 percent.

THE SOUTH PACIFIC

In the South Pacific the Government will continue to consult with island governments on a number of proposals to enhance the development and the security of our common region. We will do so because we attach great importance to their general well-being and because we recognize that some of the other measures we are taking in relation to the Soviet Union will involve some costs on their part.

The measures we propose include: a three-year forward civil aid commitment of dollars 120 million for the island states, representing a significant increase of over 40 percent on the level of our present commitment of dollars 84 million, and the continuation of our development import grants for the islands; sending an Australian team to the island states to help assess the need and technical requirements for maritime surveillance; the early conclusion and implementation of a trade agreement giving the forum island states comprehensive non-reciprocal access to the Australian market; the further strengthening of our diplomatic network in the region, bearing in mind that the number of missions we have in the South Pacific has already almost doubled since this government came to office; continued strong support for the strengthening of effective regional institutions and activities in the region, including the forum fisheries agency, and expanded programs of cultural exchanges between Australia and the islands.

TRADE

As far as trade is concerned, I announced a number of measures on January 9. Principal among these was our decision, to which I have already referred, to cooperate with the United States and other major grain exporting nations in ensuring that the 17 million tons shortfall resulting from President Carter's decision was not prejudiced by increased sales by other exporters. Since then, in consulation with the United States and the United Kingdom, we have kept under review our general trading relationship with the U.S.S.R.

The review specifically covered mineral raw materials, the export of which to the U.S.S.R. was suspended by the Government pending a full review, including the results of my consultations overseas. All this has now been completed, and took into account the attitudies of other countries including the United States. None of these minerals raw materials is, or ever has been, subject to control by the coordinating committee on exports of technology to communist countries (COCOM) whose membership includes the United States, its NATO allies and Japan. A review of the COCOM list of prohibited items is being undertaken by member countries, but it is not contemplated that the raw materials in question will be included in the list. Australia will continue to consult closely with the United States and the United Kingdom, in particular, on this matter.

Again, it must be emphasized that the essential criterion must be the effectiveness of the measures taken in terms of their impact on the Soviet Union. The U.S.S.R. is not dependent on imports of strategic materials, and would have little difficulty in replacing Australia as a supplier of mineral raw materials. The government has therefore decided that exports of these mineral raw materials to the U.S.S.R. should continue normally. This is consistent with the position of the United States, the United Kingdom and other cocom members.

THE ECONOMY

In order to sustain strong, coordinated foreign policies, with increasing resources devoted to defense, it is essential that the major independent countries maintain healthy, expanding economies. Yet the economic circumstances in which we face this new challenge are not easy.

The international economic scene is clouded. Inflation remains high among OECD countries, and prospects for significant economic growth in the OECD area as a whole are dim. There is the continuing threat of growing protectionism.

It is therefore crucial that we all redouble our efforts to fight inflation and establish the conditions for sustained economic growth.

Fortunately, in Australia, as I have said before, our prospects look much better. Inflation in Australia has been pushed down to a level below that of the OECD average and is significantly below the rates in major overseas countries. At this time of increasing world tension, we have the advantages of our renewed international competitiveness; major development projects based on energy and raw materials; new industries, together with the opening up of new export markets in Southeast Asia and Europe. Confidence of local and overseas investors in Australia is high.

We have a deep responsibility to our allies and to our friends to ensure that these confident expectations are fulfilled. That is why the government will continue with its broad economic policies—the policies which have so successfully brought us to our present position of renewed strength and confidence.

CONCLUSION

The scope of the measures, some of which will involve considerable costs to Australia, indicate both the seriousness with which the government views the present state of international relations and its determination to play its part alongside like-minded countries. I say alongside; it is not a matter of being behind anyone or of acting on anyone else's behalf. What we shall do we shall do because we perceive it to be in Austrailia's interest. We shall cooperate with others only because we perceive their interests to be parallel to ours.

Let me also make it clear that the government sees these measures as the beginning of a long, sustained haul, along with not only our allies but all countries who are concerned for their independence and security. There will be no 'quick fix' to the situation we now face.

Before the decade began the prospects for the 1980s were not such as to arouse great optimism. But I do not think that anyone expected such a serious deterioration in so short a time. Tension between the superpowers has increased greatly. Detente has been dealt a terrible blow. The prospects for arms-control have diminished. The viability of the concept of non-alignment has been undermined. The security of the world's oil supplies has been reduced. New apprehensions have been created on the Indian sub-continent. The level of superpower rivalry in the Indian Ocean has increased.

These changes have gone a long way towards changing the contours of international relations in the 1980s. Whatever can be salvaged of the concept itself, the age of detente is now over. But what we are witnessing is not a return to the cold war. The world we live in is now too complex for the simplicities of bi-polarity to return; there are too many centers of power, too many ideological permutations for that to happen. The new era into which we are moving still awaits a name that will crystallize it in people's minds. But one thing stands out: the one essential consideration for a reduction of tension is that the Soviet Union comes to see the wisdom of behaving with the restraint and responsibility commensurate with its great weight and power. As long as one of the world's superpowers pursues a course of expansion and intimidation, the world will go on being a tense and unstable place.

Forty years ago the world was just embarking on the terrible conflict of the Second World War, which Churchill rightly called "the unnecessary war." It was unnecessary because, in the early days of Nazi aggression, comparatively modest steps would have been sufficient to deter it. In the name of peace and business-as-usual those steps were not taken. Those who advocated them—including Churchill himself—were denounced as war-mongers. The sense of reality, the connection between cause and event, were lost in a sequence of compromises, appeasement and the self-deluding hope that unopposed aggression would not feed on itself.

It would be tragic—indeed it would be disastrous for the human race—if that mistake were to be repeated only a few decades later. The case for a firm, measured and sustained response to the present crisis, the case for giving effective support to the United States whose resolve is crucial, is that it is essential in order to avoid another unnecessary war.●

STABILIZE FEDERAL TAX RATES

● Mr. DOLE. Mr. President, the progressive nature of the Federal income tax is in danger of being destroyed by inflation. This is not the least of the problems caused by the shocking acceleration of inflation this year.

An article in Tuesday's Wall Street Journal highlights the fact that a number of the States have dealt with this problem in their own income tax systems. By automatic adjustments in tax brackets, tax rates can be held constant in relation to real income, instead of rising as inflation exaggerates income and pushes people into higher brackets. The authors of the article, Lawrence Ingrassia and Laurel Leff, point out that the five States—Minnesota, California, Colorado, Arizona, and Iowa—have indexing features in their income tax. In addition, Wisconsin will begin indexing this year.

Mr. President, why is tax indexing so important? Because it prevents automatic tax increases from inflation, and because it preserves the operation of the progressive income tax structure as Congress designed it. If rates are never modified to deal with inflation, taxpayers end up paying greatly higher rates than Congress intended, because their nominal income keeps growing in response to inflation.

If the present mood in Congress continues, this may be the year when we learn that we can cut the Federal budget and restrain Federal spending. That is the only way Congress can break its habit of using tax revenues produced by inflation to finance additional spending. This change in habit will facilitate passage of the Tax Equalization Act, S. 12, which this Senator introduced to index the Federal income tax. Then we will be on the road to a stable and responsible tax and fiscal policy.

Mr. President, the Wall Street Journal reporters state that indexing the Federal income tax is unlikely this year. The Senator from Kansas hopes they are wrong, and will try to see to it that they are wrong. The list of cosponsors of the Tax Equalization Act continues to grow. So does the conviction that we must control both the deficit and the level of taxation if we are to lick inflation. In this connection I would note that the Senate Judiciary Committee will soon consider a constitutional amendment, Senate Joint Resolution 126, which would require Congress to adopt a balanced budget and limit the level of taxation. Tax indexing would be an ideal way to implement the second provision of this amendment, which I support.

We will never return to stable economic growth, which produces revenues that can reduce the deficit, unless we control the level of taxation in this country. If we need extra revenues, we should have the courage to vote for tax increases. It is unfair to let inflation do our job for us.

Mr. President, I ask that the article by Lawrence Ingrassia and Laurel Leff on indexing be inserted in the RECORD at this point.

The article follows:

SEVERAL STATES ADJUST INCOME-TAX BRACKETS TO DISCOUNT INFLATION

(By Lawrence Ingrassia and Laurel Leff)

In this world, nothing is certain but death and taxes—and, it could be added lately, higher tax brackets.

"Every time I get an increase in wages, I go into a higher tax bracket," says Jerry McDonough, a Shoreview, Minn., electrician who voices the common complaint—that pay increases before taxes don't even make up for the inroads of inflation. To then be taxed at a higher rate strikes him as unfair.

This year Mr. McDonough is getting some relief, at least on his state income taxes. Thanks to Minnesota's new income-tax indexing law, which raises tax brackets in tandem with inflation, he stays in the same bracket for his 1979 earnings, although he made more than in 1978. Mr. McDonough knows chiefly that he is filing for a $505 refund this year; last time he got back only $386.

Taxpayers in five states—Minnesota, California, Colorado, Arizona and Iowa—now are sending smaller checks to their state tax collectors or pocketing bigger refunds (with their total savings this year estimated at more than $500 million), and Wisconsin residents will share the joy of indexing starting with their returns for 1980 incomes.

THE REVENUE PROBLEM

A far bigger taxpayer boon, of course, would be indexation at the federal level. Rudolph Penner, director of tax policy at the American Enterprise Institute for Public Policy Research, estimates that indexation would slice 1980 federal tax bills by $11 billion to $13 billion. At least two indexing bills have been introduced in Congress. But relief at the federal level soon is considered unlikely. Many in Washington oppose indexation—not least because of the prospective loss of revenue.

State governments are conscious of that problem too—and worried about it. Bureaucrats warn that the loss of revenues could force cutbacks in services or tax increases in other areas. "So far, we've only seen the good side of indexing, and people haven't wakened up to the bad one," says Wisconsin State Sen. Paul Offner, a Democrat.

But indexing has gained momentum since passage of the first state law two years ago, and it may turn out to be one of the most solid achievements of the taxpayer revolt that was signaled by the 1978 passage of Proposition 13 in California.

BEST AVAILABLE

Supporters of indexing say it is the best relief available for the taxpayers in an inflationary economy. If it is built into the tax system more or less permanently, they say, then future tax cuts making up for inflation won't depend on the largess of lawmakers.

"Speaking for taxpayers, we don't like one-shot rebates; indexing will continue for years," notes Donald Paterick, executive director of the Minnesota Taxpayers Association. So it will, in Minnesota; but other states, reflecting bureaucratic concern about losing revenue, have passed laws for limited periods; legislative renewal will be needed.

In Colorado, site of the first indexing law, the change hasn't been controversial. Robert Kirscht, a Democratic leader who voted against indexing, now says, "I can't complain. There's absolutely nothing negative about it."

The taxpayers certainly like it. In Minnesota, 67 percent more returns were mailed in this January than in the previous January, and for good reason—30 percent more of the early filers, have refunds coming back. Kathleen Wiese, a St. Paul insurance underwriter, is getting her first refund ever from the state, to her surprise and pleasure.

"I LIKE IT"

"I figured I had done something wrong because it showed me getting back $150," she says. "Last year I owed the state $50. I'm not real sure what indexing is, but I like it. That's because the bottom line is money by my pocket."

Robert Buck, a St. Paul bank controller, figures the new indexing law (and other tax changes) saved 9 percent on his 1979 state taxes (he would have paid $1,808, but wound up paying $1,648), but he says the saving is less important than getting rid of the "hidden" tax levied as inflation moves taxpayers into higher brackets.

"This way, if legislators want to increase the share of income they take out of your paycheck, they'll have to come and tell you," he asserts.

Most of the state indexing laws don't completely offset the effect of inflation. In Colorado, tax brackets were raised 7 percent in 1979, just a little more than half the 13.3 percent rise in the consumer price index. Minnesota's law increases tax brackets by 85 percent of the annual rate of inflation. Arizona indexes deductions and exemptions, but not brackets.

However, indexing—paying the same percentage of taxes on higher income rather than paying a higher percentage of taxes on higher income—has a built-in escalation factor. The savings to taxpayers grow each year. Indexing will reduce 1979 Minnesota income taxes by $60 million, officials estimate; but the estimate for 1983 is more than $300 million (helped a bit by indexing of credits and exemptions starting in 1981).

The escalation factor is one of the things that have bureaucrats and politicians biting their fingernails. In California, indexation saved taxpayers $270 million in 1978, is saving $395 million in 1979 and will cut 1980 tax bills by a huge $775 million or so. (The state raised brackets by 5.2 percent on 1978 returns and 6.9 percent on 1979 returns and will index at the full rate of inflation in 1980 and 1981, the last years of the current law.)

Considering indexation, the effect of Proposition 13 on property taxes and the prospective effect of Proposition 9 (a proposal to halve state income tax rates and require full inflation indexing), California officials are wondering where their next dollar is going to come from.

In June 1978, the state surplus was $3.7 billion. Even without Proposition 9 (which is coming to a vote this June), the surplus will have dwindled to $500 million by mid-1981. The combination of tax cuts is "digging a deeper hole for the governor and future governors," warns Martin Huff, president of the California Tax Reform Association.

Iowa has taken a go-slow approach to indexation, reflecting official concern about long-term effects. Its law covers only 1979 and 1980; new legislation will be needed to extend the program. The Iowa law also has a safety-valve feature requiring a $60 million cushion in the state treasury each year before indexation comes into play.

MAKING SURE

"The concept (of indexing) is good, but we want to make sure we know what indexing does and that we can meet our other commitments," says Dennis Nagle, an aide to Gov. Robert Ray.

Even with limited indexing—it is saving Iowa taxpayers $6 million on their 1979 returns—the state doesn't have enough money for everything it would like to do, Mr. Nagle contends. "The department of transportation wanted $10 million to upgrade railroad mainlines," he says. "We don't have the money to do that, and we might have had it without indexing."

The Montana legislature passed a bill to start indexing brackets in 1981, but Gov. Thomas L. Judge vetoed it. "Nobody could make an accurate determination of the effect of the bill, says an aide. Taxpayers there settled instead for an increase in the personal exemption, which lowered taxes, but officials say indexing isn't dead.

Government managers fret that indexing may force them to raise other taxes or fees. Surplus income-tax money long has been used to lower property taxes in Wisconsin. The state's new indexing law, which will raise brackets at the rate of inflation up to a maximum of 10 percent a year, won't leave much surplus to draw upon.

PROPERTY LEVIES UP?

"Down the road, the impact is going to be substantially higher property taxes," says State Sen. Offner.

Officials point out that fast-growing Western economies like those of Arizona and Colorado generate increased tax revenues without an assist from inflation. (Both also have laws limiting the annual growth in state spending.) They question whether Eastern states—or the federal government—can deal as well with a loss of revenue from indexing.

"For New York State and other states in the industrial Northeast, economic growth has been minimal," points out an aide in the New York State Senate. "If you put a cap on revenue without a cap on expenditures, you very quickly get to the point where it's difficult to meet normal expenditures." A New York State indexing bill introduced last year still is languishing in the state assembly.

Supporters of indexing scoff at these plaints. "It's the typical knee-jerk reaction when somebody talks about cutting back spending," says David Brenzel of the Public Expenditure Survey or Wisconsin.●

SOVIETS SAY THEY WILL NOT COMPLY WITH SALT II UNLESS U.S. SENATE RATIFIES THE TREATY

● Mr. HUMPHREY. Mr. President, on Saturday the Soviet Union finally issued a clear statement of their intentions about complying with the SALT II treaty. As we all know, President Carter has himself delayed SALT II's ratification. A Soviet news agency TASS international radio broadcast on March 8, 1980, stated authoritatively that:

> Claims are at present being made in Washington saying that, despite anything, the United States intends to "fulfill the terms" of the Treaty, as though it had already been ratified. However, one may ask who needs gestures of this kind and who will believe in the sincerity of Washington, which assumed certain Treaty obligations but declines to put the seal upon them in the

legally established way. And who can rely on Washington's verbal assurances at a time when it is lightly renouncing its signature on dozens of international agreements? *It must be perfectly clear that the SALT II Treaty will not come into force other than after its ratification by the legislative bodies of the sides signing it.* (Emphasis added.)

This is an unambiguous Soviet declaration that they will not comply with or abide by the SALT II treaty until it is ratified by the U.S. Senate. In making such a declaration, the Soviets are also rejecting the U.S. unilateral policy statement that both sides are obliged by international law—article 18 of the Vienna Convention of 1969—to do nothing which would defeat the object or purpose of SALT II pending its ratification. The Soviets are thus denying that they are obliged under international law to comply with SALT II pending U.S. ratification.

We can, therefore, conclude that the Soviets have deliberately placed themselves in a position of being in noncompliance with the SALT II treaty, until the United States ratifies it. If the Soviets are not complying with SALT II, they can violate it. Evidently they will not ratify SALT II until after the United States does, which was the ratification sequence in 1972 with SALT I. But there is nothing to prevent the Soviets from submitting the SALT II treaty to their Supreme Soviet, and ratifying it themselves before the U.S. Senate action. The Soviets surely realize, however, that if they ratified it first, they would then be obliged to comply with SALT II. They do not want to comply.

The Soviets seem to be using their declaration of noncompliance as leverage for applying pressure to force the United States to ratify SALT II. This may be an explanation also for their recent encrypted SLBM test, which can be interpreted as a violation of SALT II. The Soviets seem to be demonstrating with this test that encryption could be total without SALT II, so we better accept the best of a bad deal. The Soviets are behaving in a typically heavyhanded fashion, hoping that they can bully America into ratification. It remains to be seen whether the American people will tolerate the Soviet affrontery, violating SALT II in order to force the United States to ratify it.

Does America really need SALT II so badly that the Soviets can try to force us to ratify it by stating their noncompliance?

The Carter administration, always willing to appease the Soviets, is in fact falling for this Soviet ploy. There are reports that the White House is now planning to bring the SALT II treaty back up to the Senate floor for ratification in about June. There are also reports that the White House SALT coordination group is now meeting regularly again. But nothing has changed in Cuba, Iran, or Afghanistan. The "unacceptable" Soviet combat brigade in Cuba, having been accepted by the White House, is now on "noncombat" military maneuvers. The Soviet clandestine provocations against the United States hostages in Iran continue. And the Soviets are reinforcing their combat forces in Afghanistan, where Soviet troops in their spring offensive are engaged in genocide by firing squad and extermination of the Afghan people using gas, chemicals, and nerve agents.●

AUTHORIZATION FOR THE RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. MORGAN. Mr. President, on behalf of the majority leader, I ask unanimous consent that the RECORD remain open until 5 p.m. today for the insertion of statements and the introduction of bills.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL 5 P.M. TODAY

Mr. MORGAN. Mr. President, I also ask unanimous consent that committees may have until 5 p.m. today to file committee reports.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROGER KENNEDY

Mr. DURENBERGER. Mr. President, Roger Kennedy spent most of the first two-thirds of his life in St. Paul, Minn., cultivating a native talent and ingenuity which will undoubtedly make its mark on the Nation's Capital in the months ahead.

As author, speaker, photographer, historian and stimulator of new ideas, Roger Kennedy has been without parallel. His introduction to Washington, D.C., through his appointment as the new Director of the National Museum of History and Technology, is accurately welcomed and portrayed in Wolf Von Eckardt's article in the Washington Post of March 1, 1980. I recommend it to all who will be meeting Mr. Kennedy for the first time. He is as real as the American history it will be his responsibility to illustrate for all who will be part of making that history in the future.

I ask unanimous consent that the article be included in today's RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGH ON TECH: ROGER KENNEDY'S AIM

(By Wolf Von Eckardt)

All the old engines in the National Museum of History and Technology were running when the Smithsonian board of regents came to visit the other day. The oldest machine is a Baldwin steam engine built in 1829.

Then the regents themselves, led by the chief justice, huffed and puffed to the third-floor "Hall of Musical Instruments" for leg of lamb, rose wine and musical refreshments played on cornets and saxhorns made in New York a century ago. The final offering was Richard Rodgers' "Fools Rush In," sung by baritone Roger G. Kennedy.

Kennedy is the museum's new director.

But he's no fool. In fact, he may be just the right man to turn on the motley machinery of his vast museum and then sing about it.

Kennedy is 54 years old, was graduated from Yale and the University of Minnesota and has worked as NBC Washington correspondent, government official, investment banker, vice president of the Ford Foundation for finance and vice president of the Ford Foundation for art.

"Astonishment turned to admiration," in the words of one Ford Foundation colleague, "as Kennedy moved light-footedly from the stock market to the arts, bringing to the cultural scene in New York and around the land a lively capacity for uncovering talent wherever hidden.

"He could walk down 42nd Street with his mind not on sex but on a daring scheme to build lucrative offices on top of financially needy theaters." The scheme, called "City of 42nd Street," has a 50–50 chance of making it.

An isometric drawing of the 42nd Street project, designed by architect Richard Weinstein, is displayed on the window sill of Kennedy's office in the History and Technology museum. It joins an eclectic collection—an 1860 reed organ; a photograph of Mr. and Mrs. Alexander Graham Bell; a rendering of an unbuilt cathedral by H. H. Richardson; an original Pogo comic-strip drawing dedicated by Walt Kelly; an original Frank Lloyd Wright ornamental design; a book on regional dialects; books on economic history; more books, more drawings, more gadgets.

The morning of our interview, Kennedy burst in with a big 9-foot-by-4-foot Navaho processional rug on his shoulder and called on everyone in sight to help him find a place to hang it.

He does all this—the rug hanging, the oddities collecting, urban renewal, investment banking and art funding, song recitals and museum directing—with laughter, erudition and drama. Best of all, said Charles Blitzer, the Smithsonian's top administrator for history and the arts, "Kennedy comes from a different world and simply does not know yet what can't be done in Washington."

Kennedy, who was appointed last October without much public notice, is the sixth director in the museum's 15 years of existence. This in itself is symptomatic of the museum's foremost challenge. It seems like a rudderless ship, rolling and tossing in the sea, that keeps throwing off its captain. With a cargo as diverse as first ladies' gowns and old locomotives, it needs new balance and direction.

"At the National Gallery of Art or the Museum of Natural History, everybody knows what it is all about. You are dealing with one discipline, and its various sub-disciplines, and the curators are well-trained in them and have other, similar museums as models," said Peter Marcio, who worked at History and Technology for 10 years and now directs the Corcoran Gallery of Art.

The Museum of History and Technology is a unique amalgamation of all sorts of specialties. Few of them are traditional academic disciplines. So you tend to get high-minded collectors and antiquarians to run all these diverse shows—good people but not trained in their field because their special field is not taught. Nor do they have others to talk to or publications to read or get published in. The curators are of a high intellectual level, but hard to pull together," Marcio said.

Kennedy is fully aware of this. His first move was to institute weekly meetings with all his 35 curators, which everyone seems hugely to enjoy. "Yes, he sometimes gets off the springboard," said Margaret Klapthor, curator of history, "but he readily comes down when you have good reasons to bring him down. He listens."

"What boosts morale most," Klapthor said, "is that, rather than summon you upstairs, he walks down from his fifth-floor to our fourth-floor offices and talks to us and learns. And then he goes across the Mall (to the Smithsonian administration) and makes our case in a big tone of voice."

What with a shortage of staff and the high expense of mounting or changing exhibits in History and Technology, the sheer physical energy, flair and new thought Kennedy is bringing to the museum is not yet apparent to the public.

There is now decent food in the staff dining room. You can have wine for lunch. The china was designed by Frank Lloyd Wright for the Imperial Hotel in Tokyo.

The entrance from the Mall, with that tattered Fort McHenry flag and the Foucault Pendulum, looks less like a gloomy Amtrak terminal since Kennedy moved the information desk to the side. He is working on more changes that may seem sacrilege to some but are sure to make the place more inviting to most.

One of the more frustrating problems Kennedy is wrestling with, is that of upper-echelon, curatorial positions for qualified black scholars. "The book says that you must have a curator's experience to get a curator job. But how could a black get museum experience, other than as a guard?" Kennedy said with a trace of anger.

What Kennedy and the Smithsonian hierarchy are primarily engaged in, however, is a thorough review of the museum's exhibition policy, its underlying philosophy, and methods of implementation. New clarity of purpose, greater unity and interrelation between the many isolated displays and collections and, most of all, more dramatic and attractive displays will lure the crowds back again.

History and Technology attendance has declined from 7.1 million a year in 1975 to 4.3 million a year in 1979. Much of this has to do with the greater attraction of the new Air and Space Museum and the sensation of I. M. Pei's East Building of the National Gallery. They exhaust the tourists, no doubt, before they get to Kennedy's marble shoe box.

On the other hand, many visitors now brave the Mall by subway and the History and Technology museum is closest to the Metro station.

Kennedy, at any rate, seems convinced that clearer focus will give his museum a better opportunitiy to offer more enlightenment and enjoyment to a larger audience. His aim is to place technology in the service of history, where it belongs, and make and name the institution a "Museum of American History."

That means that it would no longer try to be a science museum and all things to all people. Obsolete and lackluster exhibits will be closed, pruned or given less emphasis.

The first, full-blown demonstration of this new direction is likely to be a major exhibition on George Washington, to open in 1982 on the occasion of the first president's 250th birthday anniversary.

"We thought of a Washington exhibit for the Bicentennial," said history curator Klapthor. "But 1976 was an antiheroic time. so we did 'Nation of Nations' instead. By 1982 we should be ready for heroes again.

"This is not to say that we want to turn the man into a mounment. We will try to show him as he was—vain, ambitious, no great intellectual, but yet a very strong personality and leader.

Kennedy hopes to create exhibitions in his Museum of American History that become a force in the history of America like important events or books (Henry Ford's invention of the assembly line, Harriet Beecher Stowe's "Uncle Tom's Cabin," Rachel Carson's "Silent Spring" or Jane Jacobs' "Death and Life of Great American Cities").

"We want to show how America's historic development is constantly moved along by technological development," he said.

"The George Washington show, or any other show, will thus draw on all the departments and collections of this museum—musical instruments, fashion, engineering, coins, what have you. We hope to make all of this more relevant to more people."

Its relevance obviously is its hold on the past as a guide to the future.

"The Museum of History and Technology is the most important museum in town," said Peter Marcio. "It has long needed a barker and someone like Kennedy who can give it dramatic interest. It also needs more utility and harmony.

"At the same time, I would hate to have it lose its wonderful, almost chaotic incongruousness."

JENO PAULUCCI

Mr. DURENBERGER. Mr. President, during my years in private business and in public service one of my greatest concerns has been for the owner of the small business.

I am concerned because the flood of Government regulations and policies is stifling small business. And, when we stifle small business, we lose the wealth of innovation that has contributed so much to the achievements of our country.

Jeno Paulucci is well qualified to speak on this subject. He began his career in Duluth, Minn., as a fruit stand peddler. Today, he heads a multimillion-dollar corporation. His success is due to hard work, daring, creativity, and sound business practices.

Mr. President, as a tribute to Mr. Paulucci and as a warning to those of us in government, I ask unanimous consent that the following article from the winter issue of Chief Executive be included in today's RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YES—OUR SOCIETY IS SMOTHERING THE ENTREPRENEURIAL SPIRIT

(By Jeno F. Paulucci)

I have been called an incurable entrepreneur. I wear the label with blushing pride. I have also been called the last of the entrepreneurs. That just scares the hell out of me because I fear there may be a touch of truth in it.

With the formidable challenges confronting small business today, with a plundering horde of conglomerates ravaging the ranks of small business until there is no incentive left to give free enterprise a try, we are kissing off an American asset that has shored up democracy for two centuries—the entrepreneurial spirit. We are not just waving goodbye, we are condoning genocide. I hope it is not too late before we realize that it is small business that makes big business possible. The entrepreneur, the person immersed in making one good idea work, is the father of small business and the grandfather of big business. But small businesses and the entrepreneurs who make them grow are endangered. Why? Because our society is smothering the entrepreneurial spirit.

My advice to today's business community whether it be American, European or those in the emerging nations we are schooling so well, would be this: As an individual, you fail if you fail to take a chance. Enterpreneurship, very simply, is the independence of individualism. It is something we have lost sight of. Don't be afraid to take a chance. Don't be afraid to stub a toe; try again and stub a few more. Don't let the fear of failure—which is worse, by far, than failure itself—or of embarrassment, ridicule, scorn, or of being out-of-step, murder your good idea. Get up the guts to act upon your good idea; figure out how to make it work; perfect it; then give it all you have got to make it successful. There are no half-hearted entrepreneurs; they never win. But win or lose, don't be afraid to try.

The entrepreneurs who made free enterprise work, the man or woman with an idea, with gall enough to make the sacrifices, take the risks, and take the consequences in a world not yet ready to believe without the proper nine yards of computer-proof-positive that the idea can't miss, is vanishing rapidly from the business scene.

How did we get in this pickle?
Community think.
The paper jungle.
Regulation ad nauseum.
The scramble for herd security.
The decline of opportunity.
A shrinking market.
And fear. Mostly fear of making a decision.

An idea is a fluttering butterfly. It comes and goes, and reveals itself just a bit at a time. You must concentrate, remember, and mentally assemble what you have seen to be able to describe it. No two or three wandering minds can visualize the same idea in the same way. Its origin is independent and individual. It can only be embellished by others when displayed by its discoverer. The source is individual imagination. Yet, we rely on think tanks as our fountain of inspiration.

We are strangling the free enterprise system with paper. Seven copies of this; do that in triplicate. Why? So that bureaucracy, including corporate bureaucracy, can cover its fanny with files full of paper to justify its own existence. Is there no one in America today who can respond with a simple "yes" or "no" when provided with simple proof of reasonable answers to reasonable questions? Must we always involve the entire Executive Board and House-cleaning Department to write a car loan?

In my northern state of Minnesota, the wolf is classed as an endangered species. Frankly, it gets more protection and consideration than today's small businessman. All the wolf has to fear is getting snared or shot, and there are laws against that. The dangers facing today's small entrepreneur are a hell of a lot greater with a lot less protection and consideration, and no laws in effect really protect the small entrepreneur. Rather, there are laws upon laws permitting government agencies to damn near regulate one out of business: OSHA, the ICC, FTC, and most of the acronym agencies with separate but equal counterparts at state levels apply rules to Ma and Pa operations that were intended to control large corporations. These practices tax the resources of the small-scale operation beyond its capability.

Without entrepreneurship, without the nut down at the end of the hall who keeps dreaming up schemes for the company to save money, make money, provide a new product or a better product, opportunity is lost. By the time "the committee" has wrangled its way to total assurance of surefire success, the good idea is generally submerged in modifications and so much time has elapsed that the back-burner has burned out whatever opportunity existed in the first place. Research? Yes, but keep it simple and to the point. Test it? Absolutely. But someday, someday soon, get it out from under the microscope and see if it will fly. More opportunity has been lost by procrastination and the smothering search for certainty than by a lack of good ideas or imagination.

Small business is always begun by an entrepreneur of some stripe. We know that a big business begins as a small business. Why, then, must the small businessman always start with one foot nailed to the floor? More business firms go broke because of a lack of working capital than for any reason. It is well known that just 500 giant corporations, the Fortune 500, control about 83 percent of the products and services of America's gross national product, now exceeding one trillion dollars a year. Therefore, they also control 83 percent of the working capital in the U.S. As a result, all the rest of the millions of individuals, partnerships, cooperatives, corporations and peddlers are fighting for the remaining 17 percent of the market and 17 percent of the working capital. The conglomerate appetite is swallowing up the market.

A foods company, for example, was 42nd largest among the Fortune 500 last time I dared to look. They are still producing foods, of course, but they are also into tools, travel-trailers and mobile homes, skis, furniture, textiles, chemicals, brushes, luggage; also, they are into engineering, engraving, insurance, finance and credit. Three hundred ninety-seven different profit centers; one hundred sixty-nine divisions and subsidiaries—once independent entrepreneurs.

There should be legislation to protect small and medium-sized firms from unwarranted takeover. Current antitrust laws do not seem to be working adequately. In the phrase of economist Corwin Edwards, "the big company can outbid, outspend and outlose the small one." Giant corporations have been known to intentionally lose money in a division or subsidiary by pricing a product at or below marginal cost in order to drive small competitors out of business or into a position where they can be taken over more readily. Since these contrived losses are charged against the giant corporation's total profits, the Federal government is subsidizing this activity through the tax structure.

It is time for all of us—individuals, banks, the SBA, EDA and other government agencies—to realize that we are in the last throes of the struggle for the existence of the free enterprise system. That's right, the free enterprise system. In today's business world, there is a very real confrontation between the 500 or so giants capable of monopolistic control of the marketplace and working capital and the small businessman and woman. It is no longer a situation of survival of the fittest; it is a matter of survival of our way of life. It really comes down to that. If allowed to continue, this growing monopoly of the marketplace and capital will surely result in the eventual nationalization of the larger industries; an overreaction to the socialistic state that none of us want. It happened in England. It can happen here.

We have strung a network of obstacles in the path of entrepreneurship in America, a jungle of pitfalls and a tangle of red tape that has endangered the species. It is time we take a look at how we can preserve the spirit that spawned the guts to carve a country out of a wilderness, the imagination to find the means to meet its needs, and the daring to make it work. For not only is the entrepreneur's way of life at stake; the fate of a nation may be hanging in the balance.

THE ST. PAUL ENERGY MOBILIZATION PROJECT

Mr. DURENBERGER. Mr. President, during the week of February 11, I had the chance to take part in an exciting and unique energy mobilization project in St. Paul, Minn. The program was conceived by St. Paul Mayor George Latimer and was designed to survey all city residents on the use of energy in their homes.

I spoke to the thousands of volunteers who enrolled in the project and went door to door to meet the residents, collect the survey sheets that had been sent out in advance, and talk with them about energy consumption. The project attempted to discover St. Paul's energy needs and to provide the information for future programs to encourage energy efficiency.

Mayor Latimer deserves the credit for this unique project. The St. Paul energy mobilization project is a perfect example of how local officials can reach out directly to citizens in a way that is impossible for the Federal Government to do.

Mayor Latimer is a politician who puts his trust in people, not in government or programs.

I ask unanimous consent that an article on Mayor Latimer and the St. Paul energy mobilization project that appeared in the February 18 issue of Business Week be included in today's RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANOTHER MAYOR WITH A FUTURE

President Carter's appointment of Neil E. Goldschmidt of Portland, Ore., and New Orleans' Moon Landrieu to Cabinet jobs last year served notice that being mayor is no longer necessarily a political dead end. "Insolvable economic and political problems used to just eat them up," says a top official of the Housing & Urban Development Dept. "Now things are looking up again. A mayor can serve a couple of terms and wind up looking good."

St. Paul's mayor, George Latimer, a 44-year-old liberal Democrat with a bent for fiscal conservation, is indeed looking good—so much so that his name is being bruited about as the next Minnesota politican likely to make a national mark. Finely honed negotiating skills, natural ebullience, good federal connections and fund-raising skills have helped Latimer become a highly effective perpetual-motion machine dedicated to reinvigorating St. Paul while keeping it on a sound fiscal footing. Says one urban affairs expert: "I would rate [Latimer] very high among the nation's mayors, especially in terms of trying to build local self-reliance rather than hoping the government will bail him out."

What is more, he has earned the support of the heavily Republican St. Paul business community. In a rare show of solidarity, the chamber of commerce last summer joined local labor unions to fete the Democratic mayor.

Since Latimer was first elected in 1976, economic development expenditures in St. Paul (population: 268,000) have averaged $215 million a year, compared with $114 million earlier in the decade. He does not expect to eclipse better-known Minneapolis (370,000) as a regional hub, but he is out to end St. Paul's "poor sister" status. Rather than adding to municipal debt, he seeks private capital and federal grants to finance development. Although still low, Minneapolis' debt continues to rise, while Latimer has reduced St. Paul's heavy debt load by 5 percent.

FOLLOW-THROUGH

Latimer does not talk in terms of grand designs. In fact, he is faulted for a lack of long-range planning. He moves quickly between issues and "gets bored if he isn't working on a problem," says Richard Broeker, his chief-of-staff. But Latimer is strong on follow-through, and he is single-minded in his efforts to create an integrated and energy-efficient downtown area out of the badly deteriorated core of St. Paul.

Energy conservation is at the center of many Latimer programs. In a blatant grandstanding ploy, he is closing St. Paul's City Hall on Feb. 13 for three days and sending employees out to preach the conservation gospel. On a more pragmatic level, he has proposed a $250 million residential and industrial complex for energy-related businesses that would be a showpiece for the most advanced energy-conservation techniques. He says it would bring 5,900 jobs to the city. A $600,000 federal grant is the seed money for a $40 million hotwater system for downtown St. Paul that will reuse utilities' waste heat, and Latimer is pushing hard for a $100 million people-mover that could cut auto use.

Such success is heady for the portly, bearded, opera-loving Latimer. Because of his background as a labor lawyer and liberal University of Minnesota regent, St. Paul businessmen were wary of him when he first ran for mayor. He won by only 2,300 votes, a scant 52% of the total in the heavily Democratic city. Recalls Latimer: "What I did is just about as old as politics. I knew that to make the city work I had to assure the business community I was not going to be a partisan."

GRAND SCHEMES

Business particularly likes Latimer's fiscal stance, and he has won praise for his even-handedness and ability to keep things moving. Says Carl B. Drake Jr., chairman of St. Paul Cos.: "He's got the wheels going all the time." Adds another local executive: "He doesn't get hung up on the political ramifications of his decisions."

Perhaps Latimer's biggest success has been getting Oxford Development Group to develop an abandoned block downtown that stood for 10 years as a glaring symbol of the city's inability to pull together a development plan. Old-line local companies, such as St. Paul Cos. and Minnesota Mutual Life Insurance Co., are expanding downtown as well. And 3M Corp., which moved its head office to the suburbs in the 1950s, is making its first investment in the city in 25 years. Latimer pushes for development with grand schemes, such as the energy park, and with quick reaction to corporate needs. He promised on the spot to find a site for a Control Data Corp. facility when he heard the company planned to build in the suburbs. "We gave him our schedule, and it was impossible," says CDC Senior Vice-President Norbert R. Berg. "But, by God, he did it, and 18 months after our first meeting we occupied that building."

A PERSONAL STYLE

Latimer's rapport with business is also surprising because many of St. Paul's clannish executives deem the mayor an outsider. The son of a Schenectady (N.Y.) grocery store owner, he clerked for a St. Paul labor lawyer one summer while studying law at Columbia University in New York. He returned to St. Paul and set up his own practice, often acting as a troubleshooter in sticky labor negotiations. Observers trace his success to the same ability to hammer out a consensus that has made him so effective at City Hall. Decisionmaking also comes easily to Latimer, but he is a poor administrator. Says Broeker: "When he delegates, it's likely to be a shout down the hall. It's a very personal system, but it seems to work."

Latimer won 71 percent of the vote his second time out and is running for a third term in April. Looking further, he hints he may try for governor or senator, and federal officials, noting there are other smart, Carter-backing mayors around, still point to him as a possible appointee to an Administration post in Washington. Critics question whether Latimer's highly personal style would be as effective at a higher level, but His Honor does not intend to change his ways. Says he: "I am of the definite opinion the people are tired to death of overcautious politicians."

Mr. DURENBERGER. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that suggestion?

Mr. DURENBERGER. I will be glad to.

ORDER FOR THE RECOGNITION OF VARIOUS SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized, Senators BAKER, STEVENS, TOWER, GARN, JEPSEN, and ROBERT C. BYRD be recognized, each for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

ORDER FOR RECESS UNTIL 1 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand recessed until 1 o'clock p.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR VOTE ON CALENDAR ORDERS NOS. 1, 2, 3, AND 4 ON THE EXECUTIVE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, as in executive session, may I state that some time ago we had set a time and date for one rollcall vote on two protocols, convention, and an agreement, Calendar Orders Nos. 1, 2, 3, and 4 on the Executive Calendar. That vote was canceled.

I ask unanimous consent, after having discussed this request with the distinguished Republican leader (Mr. BAKER), that on March 20, at 12 o'clock noon, the Senate go into executive session and there be 10 minutes for debate only, to be equally divided between Mr. CHURCH and Mr. JAVITS, on those four items on the Executive Calendar; that without any further debate, motion, or amendment of any kind, the Senate proceed immediately to vote with one vote on those four calendar items; and that, upon the disposition of that vote and the motion to reconsider and the request that the President be immediately notified, without any further debate, the Senate return to legislative session.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the reservation is for the purpose of advising the majority leader, as I have just now, that we have cleared that procedure on this side and that the date appears to be satisfactory to those who have indicated and expressed an interest in these items. We have no objection to the request.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Republican leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, have the yeas and nays been ordered on those?

The ACTING PRESIDENT pro tempore. Yes, they have.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 1 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, in accordance with the order previously entered, I move the Senate stand recessed until 1 o'clock tomorrow afternoon.

The motion was agreed to; and, at 11:27 a.m., the Senate recessed until Wednesday, March 12, 1980, at 1 p.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate March 7, 1980, under authority of the order of the Senate of March 6, 1980:

FOUR CORNERS REGIONAL COMMISSION

Gary Blakeley, of New Mexico, to be Federal Cochairman of the Four Corners Regional Commission, vice F. Kenneth Baskette, Jr., resigned.

DEPARTMENT OF DEFENSE

Charles William Snodgrass, of the District of Columbia, to be an Assistant Secretary of the Air Force, vice John Arnot Hewitt, Jr., resigned.

HOUSE OF REPRESENTATIVES—*Tuesday, March 11, 1980*

The House met at 12 o'clock noon.

Bishop James K. Mathews, the United Methodist Church, Washington, D.C., offered the following prayer:

This day has been designated by joint resolution of the House of Representatives and the Senate as a Day of Prayer and Meditation for the Hostages in Iran and Colombia and their families. Let all present do so in silence in their own way.

O Eternal One, You are the God of our forebears and our God. You have given to this Nation a goodly heritage; may we preserve for the future a lively hope. Strengthen those who work toward the release of the hostages. To the hostages and their families grant patience and hope. Grant to all who exercise authority over others a solemn awareness that they are indeed servants of God. Give them, therefore, grace to govern well, to legislate wisely, and to administer fairly. Teach them that nothing is firm that is not just, nor just that does not turn people from following after evil to seek good. So may our land be maintained a free and prosperous society, devoted to the welfare of all and to peace on Earth.

In Your blessed name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3824) entitled "An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval."

BISHOP JAMES K. MATHEWS

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDGAR. Mr. Speaker, I take the well to welcome to the House today Bishop James Mathews, bishop of the Washington area for the United Methodist Church. I want to commend him for his national leadership in the United Methodist Church and in other Protestant and interreligious communities.

Bishop Mathews is the head of a large jurisdiction of United Methodism. As a United Methodist pastor and member of the Eastern Pennsylvania Conference of the United Methodist Church, I would like to welcome him here. As we focus on the hostages today, no better person could be here to offer our prayer on this special occasion than Bishop James Mathews.

FEDERAL RESERVE POLICY MUST BE TURNED AROUND ON HIGH INTEREST RATES

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, last October I joined the distinguished majority leader of the House (Mr. WRIGHT) in criticizing the Federal Reserve System policy of pushing up interest rates to dampen the economy and fight inflation.

The prime rate then was 15 percent. Now, it is nearly 18 percent. And the pace or inflation has accelerated.

This destructive interest rate policy is bringing the housing industry and the construction industry to their knees. It is destroying the American dream of homeownership.

The administration cannot fight inflation by passing the buck for doing something about it to the Federal Reserve System.

The Fed's policy must be turned around. If Chairman Volcker will not realize that relying upon high interest rates to curb inflation is not working and is not fair, then he should tender his resignation.

PRESIDENT MUST CONSIDER STRONGER MEASURES TO FREE HOSTAGES

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, like all Americans, I was deeply disappointed at the collapse yesterday of the latest round of negotiations to free the U.S. hostages in Iran.

The Iranian Government's refusal to allow the United Nations Commission even a token visit with the hostages once again demonstrates its utter disregard for the most elementary principles of civilized behavior.

It raises disturbing questions also about the Iranian Government's ability to function as a government and to carry out the promises it makes.

Our Government has exhibited great patience and unusual restraint in an effort to end this crisis without further damage to the hostages or to U.S. foreign policy.

It is now time, Mr. Speaker, for the President to consider what other stronger measures can be taken to tighten the screws and move this tragic situation off dead center.

☐ 1210

A RESOLUTION AGAINST WAGE AND PRICE CONTROLS

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, there is an old saying, "Fool me once, shame on you; fool me twice, shame on me." It comes to mind in the current rash of anticipatory price increases done in fear that wage and price controls are at hand, these increases are pushing inflation into a gallop that threatens to become a runaway. Of course, viewing the past record of the administration, there is perhaps justification for legitimate doubts over whether or not those protestations against wage and price controls will last until tomorrow or the day after or the next year.

I believe it is time for Congress to take concrete action to remove the uncertainty that is causing the pricing surge, so I am today introducing a resolution which quite plainly states that Congress does not intend to legislate wage and price controls.

I have been in hopes that the administration would request such a clarification of congressional intent, but it has not. I have been waiting for the majority to take the initiative, but there seems to be little indication of action, so, as has become almost customary, the minority is moving to meet a national need.

This resolution will remove doubt and will give those who have publicly denounced wage and price controls an opportunity to back their views with their votes. I urge that this resolution be adopted speedily.

LET THE BELT TIGHTENING START WITH US

(Mr. BURGENER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. BURGENER. Mr. Speaker, in a day or two the President will unveil a plan to balance the budget even though 2 months ago he thought it was unnecessary. Welcome aboard, Mr. President—better late than never. However, I feel the plan is too little, too late, and misdirected.

It is too little because it talks of $15 billion when $30 billion is necessary. That is a bandaid where major surgery is needed. It is too late. It took the President 3 years to discover the real Soviet Union. It took him 3 years to discover 18-percent inflation, discover? Indeed, his policies helped bring us the 18-percent ruinous inflation.

Finally, it is misdirected. It hits hardest at the elderly and those on fixed incomes. It misses the Congress, the biggest spender of all. Think of Congress bloated staff, 17,000 to 20,000 people. It misses the White House and deals lightly with revenue sharing, targeted political (listed as fiscal) assistance, CETA, and LEAA. These are but a few examples, there are many, many more. Let the belt tightening start with us—with us here in Congress.

A NEW MENU FOR CABINET SECRETARIES

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, I think it is appropriate to note that soaring inflation which has nearly broken the sound barrier of 20 percent has not jarred the china and crystal in executive dining rooms for Cabinet Secretaries of this administration.

Indeed, a UPI report notes that seven Cabinet Secretaries are provided with chefs, private dining facilities, and subsidized meals, paid by the taxpayer. The price of the meals does not pay for the entire operation. Chefs are paid from $17,000 to $23,000. A $2.50 lunch in one Cabinet dining room consisted of broiled whitefish, vegetables, salad, dessert, and beverage.

Perhaps a change in the items served would remind administrators of the real cost of things. For breakfast for the Secretary of Defense: Cost overrun omelette. For lunch for the Secretary of HEW: Demonstration grant goulash. For breakfast for the Secretary of the Treasury: Deficit doughnuts—only the holes are served.

After all, these are the same dishes served daily to citizens, with the exception that citizens pay the full cost. Maybe this new menu is the best way to reduce the size of Government.

A JOINT RESOLUTION URGING THE FEDERAL RESERVE BOARD TO REVIEW THEIR MONETARY POLICIES

(Mr. STANGELAND asked and was given permission to address the House for 1 minute.)

Mr. STANGELAND. Mr. Speaker, today I am introducing a joint resolution urging the Federal Reserve Board to review their monetary policies. With the policy of allowing interest rates to climb, it was determined that it would best control inflation by reducing the demand for money. Apparently this has not worked and those industries who are capital-intensive—agriculture and small business—are being severely damaged and harmed. There is no way that our Nation's farmers can show a profit in production this year if they are going to have to pay 16- and 18-percent interest. Our small businessmen cannot possibly show a profit if they have to pay this kind of interest on the capital that they require to maintain inventories.

What we are doing is heading for a massive problem of unemployment in the days ahead when we are seeing the impact that this has on the building industry and also on auto manufacturers and other industries similar to that.

I ask my colleagues to join me in cosponsoring this resolution so that the Federal Reserve Board will come back to its senses.

SKYROCKETING INFLATION DEVASTATING FOR AGRICULTURE

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUKE. Mr. Speaker, during the past weekend, I had the opportunity to visit with many farmers and representatives of financial institutions and the agriculture credit system in Iowa. And what I heard about the serious agriculture credit crunch in Iowa and the Midwest is most disconcerting.

I do not believe I am overreacting to the current situation when I suggest that the credit crunch in our State will cause a very substantial number of farmers to go out of business. Some experts indicate that they expect more farm sales in Iowa in 1980 than occurred in all of the last 10 years combined. If that assessment is accurate, the entire economy of our State will face serious problems.

This critical situation is, in part, a consequence of the agriculture and economic policies of the Carter administration. Obviously, the skyrocketing inflation and the excessively high interest rates are devastating for a capital-intensive industry like agriculture.

The root of the problem is this: In the current year, it is anticipated that expenses for the average Iowa farmer will increase between 25 and 40 percent. But income will remain the same or decline.

Under those circumstances, it is most difficult for even well-established farmers to make a profit. For those who are not well established, they do not have the equity to obtain the credit necessary to survive.

Agriculture in the Midwest is threatened by current economic conditions. And while many leaders in Washington are rejoicing over the relatively low cost of food, they will soon discover that the policies which have brought about those low food prices have also sown the seeds of disaster for the agriculture community. If those seeds grow, it is the consumer as well as the farmer who will suffer.

THE CARTER ADMINISTRATION MUST BEAR THE BURDEN FOR THE ECONOMIC MESS WHICH THEY HAVE CREATED

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Last evening several Republican leaders were asked to meet with the administration's leading economic gurus, led by Secretary William Miller. We were pleased to cooperate because we thought the Carter administration was "consulting" with Republicans prior to making its decisions on budget cuts. As Secretary Miller stated:

> We would like to use the Republican Leadership as a "sounding board" for what cuts will be accepted in Congress.

As Republicans left the room last night, after discussing in general terms our overwhelming support for budget cuts, we thought that we may have contributed to the decision process within the administration.

This morning, however, I was astonished to read in the papers that—

> The Administration and the Democratic congressional leaders have already agreed on $11 billion in proposed spending cuts.

Mr. Speaker, if the Carter administration thinks they can stroke the Republicans into helping pull their chestnuts out of the fire, while making their substantive decisions behind closed partisan doors, they are sadly mistaken. The Carter administration must bear the burden for the economic mess which they have created. A sudden rush to become "born again" budget balancers in March of 1980, will not wash away the spending sins of the past 3 years.

TOO LITTLE, TOO LATE

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I hate to be a cliche-crazed "I told you so," but the chickens have come home to roost and it all comes out in the wash.

I am referring to the flurry of feathers lately over where and how we are going to end inflation, balance the budget, and save this country from bankruptcy. Members are falling all over themselves in their attempts to get out in front on the balanced budget issue. Those who fought us the hardest on cost reductions just months ago are now churning out the press releases proposing billions in cuts.

Well, where were the budget cutters when we needed them. I refer specifically to the attempt by my colleague from Michigan (Mr. STOCKMAN) and myself to keep spending in the child health assistance program under the control of Congress. We offered an amendment to require annual review of CHAP spending. We sought to prevent runaway spending. We sought to make this body accountable for the tax dollars it has flittered away. We lost. On December 6, 1979, we lost by a vote of 152 to 226.

This morning I read in the paper that the Congressional Budget Director has called for a freeze on CHAP spending. Good idea, but it is near impossible to do. Last December the amendment that would have made a freeze possible today was defeated. That is when the taxpayers needed you.

Any more too little, too late ideas?

□ 1220

WOOL RECYCLING

Mr. SCHEUER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4197) to amend the Wool Products Labeling Act of 1939 with respect to recycled wool, as amended.

The Clerk read as follows:

H.R. 4197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(c) of the Wool Products Labeling Act of 1939 (54 Stat. 1128) is amended to read as follows:

"(c) The term 'recycled wool' means (1) the resulting fiber when wool has been woven or felted into a wool product which, without ever having been utilized in any way by the ultimate consumer, subsequently has been made into a fibrous state, or (2) the resulting fiber when wool or reprocessed wool has been spun, woven, knitted, or felted into a wool product which, after having been used in any way by the ultimate consumer, subsequently has been made into a fibrous state.".

(b) Subsection (d) of section 2 of the Wool Products Labeling Act of 1939 is repealed.

(c) Subsections (e), (f), (g), (h), and (i) of section 2 of the Wool Products Labeling Act of 1939 and all references thereto are redesignated as subsections (d), (e), (f), (g), and (h), respectively.

(d) Section 2(d) of such Act, as redesignated by subsection (c) of this section, is amended by striking out ", reprocessed wool, or reused wool" and inserting in lieu thereof "or recycled wool".

SEC. 2. Section 4(a)(2)(A) of the Wool Products Labeling Act of 1939 is amended—

(1) by striking out "(2) reprocessed wool; (3) reused wool" and inserting in lieu thereof "(2) recycled wool";

(2) by striking out "(4)" and inserting in lieu thereof "(3)"; and

(3) by striking out "(5)" and by inserting in lieu thereof "(4)".

SEC. 3. The amendments made by this Act shall take effect with respect to wool products manufactured on or after the date sixty days after the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. RINALDO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. SCHEUER) is recognized for 20 minutes, and the gentleman from New Jersey (Mr. RINALDO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, by way of explanation, H.R. 4197 is the bill which would amend the Wool Products Labeling Act of 1939. That act provides a system of labeling wool products sold or manufactured for sale.

The failure to label wool products in accordance with the act is a violation of the Federal Trade Commission Act and it carries substantial penalties for wrongdoers.

At present, Mr. Speaker, the Wool Products Labeling Act currently requires wool to be labeled in 3 categories:

First, new wool is labeled "wool."

Second, fiber which results when wool has been reprocessed from a woven or felted product without in any way having been utilized by the ultimate consumer is labeled "reprocessed wool."

Third, fiber which results when wool or reprocessed wool has been spun into a wool product, has been used by the ultimate consumer, and has subsequently been made or remade into a fiber state again, is labeled "reused wool."

The legislation before us today would amend that act so that the terms "reprocessed wool" and "reused wool" would be eliminated and the term "recycled wool" would be substituted for them.

Mr. Speaker, we had hearings on this act and it was made very clear to us by the witnesses during the hearings that the terms "reused wool" and "reprocessed wool" are unnecesssary and are frequently misleading to consumers. In fact, from a scientific perspective, the two phrases or terms are virtually indistinguishable.

The terms "reprocessed" and "reused" also give a competitive advantage to foreign textile manufacturers who frequently do not comply with the rigid labeling requirements of the Wool Act. It also accelerates the export of jobs and adversely affects our Nation's productivity. The countries which ignore these categories, ignore this attempt to maintain quality and export into our country thousands or hundreds of thousands of garments which are permitted to be sold here without having the requirement on them to meet the standards which our domestic manufacturers meet.

Mr. Speaker, we do not need an export of jobs today, We do not need legislation which encourages the export of jobs and we do not need legislation on our books which has a negative impact on our own productivity.

Furthermore, Mr. Speaker, the Environmental Protection Agency has publicly cited the term "reprocessed wool" as an obstacle to the effective recycling not only of wool but of other retail goods.

In 1939, when the Wool Products Labeling Act was passed by Congress, this Nation was emerging from the worst depression in its history. At that time, it may well have made economic sense to discourage the reclamation and recycling of natural resources; we had an abundance of raw material and an overabundance of energy. Conservation was a low—if not unknown—item on the national agenda.

Today, the situation is exactly the reverse. Our dependence on petroleum imports has brought on shortages and staggering inflation. Every action the United States can take to curtail consumption of energy reduces the stranglehold that the volatile OPEC nations have on our economy. The increased use of reclaimed natural fibers will be a step in that direction.

Wool fibers have historically been a major source of cloth for garments—woolen textiles are warm and durable. Wool has been known not only for its renewability, but also for the reclaimability of its fibers for transformation into new yarn and new products. The reclamation of wool waste has been a practiced art since biblical times, although the technology has advanced significantly in the last 20 years. Reclaimed wool products offer to the consumer an alternative to high-priced garments manufactured exclusively from new wool. In the colder regions of this country, where reclaimed wool is used in such products as heavy clothing, gloves, caps, and blankets, the low-income American will have a rare opportunity to stretch inflation-reduced income to meet necessities of everyday life.

Mr. Speaker, H.R. 4197 is needed legislation which will make the regulation of wool products in this country far more comprehensible for both the consumer and the businessman. It received the unanimous support of the Subcommittee on Consumer Protection and Finance which subcommittee I have the distinction of chairing, and was reported from the full committee, the Committee on Interstate and Foreign Commerce by voice vote.

Mr. Speaker, I want to pay a special tribute at this time to the author of this legislation, our distinguished colleague from Massachusetts (Mr. BOLAND). The gentleman from Massachusetts has worked diligently on this matter for at least 7 or 8 years that I know of personally, to eliminate the unnecessary and misleading labeling of commercial products and to encourage the recycling of scarce natural resources.

Mr. Speaker, at this time I reserve the balance of my time.

Mr. RINALDO. Mr. Speaker, I want to begin by expressing my support for H.R. 4197; I would also like to commend the gentleman from Massachusetts (Mr. BOLAND) for his hard work and perseverance in seeing to it that this bill got to the floor today. As was mentioned earlier the gentleman started 7 or 8 years ago and recognized at that time the need for this legislation.

This bill would amend the Wool Products Labeling Act to allow for the use of the term "recycled" instead of the terms "reprocessed" and "reused" as presently required under the act.

As our hearing record documented, the present requirements serve little purpose. The terms "reprocessed" and "reused" refer only to the history of the fibers;

they do not indicate the quality of the wool used in any given product. Hence, they do not aid consumers in making purchase decisions.

In fact, there was some testimony that the present terms can be misleading to consumers. For example, some consumers believe, as well they might, that a garment labeled as "reused wool" is second hand. This, of course, is not the case. The fiber has been previously used; it is then recycled and used to produce a new garment.

Furthermore, these terms are working to the detriment of our domestic wool textile industry. Foreign wool manufacturers generally do not comply with the present requirements; that is, they rarely use the label "reused wool," despite the fact that they use large quantities of reused wool.

Their noncompliance has put our domestic manufacturers at a competitive disadvantage. It accounts, at least in part, for the increasing penetration of the U.S. market by foreign wool textile products.

To document this problem for our hearing record, the Northern Textile Association submitted a table which shows more than a 50-percent decline in employment by U.S. wool textile mills over the 10-year period between 1968 and 1978. During that time, the ratio of foreign imports to domestic production has risen from 22 to 40 percent.

I believe that the domestic production of recycled wool should be encouraged. It will provide consumers with warm apparel at prices below those charged for apparel made of new wool fibers.

For these reasons, I urge my colleagues to support this bill which is in the best interests of the consumer and manufacturer alike.

Mr. Speaker, I reserve the balance of my time.

Mr. SCHEUER. Mr. Speaker, at this time I yield such time as he may consume to the author of this legislation, the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I rise in strong support of H.R. 4197, a bill to amend the Wool Products Labeling Act of 1939.

I want to first commend the distinguished chairman of the Subcommittee on Consumer Protection and Finance, Mr. SCHEUER, and the ranking minority member, the distinguished gentleman from New Jersey, Mr. RINALDO, for their efforts in bringing this legislation to the floor of the House. The interests of the consumers of this country have been consistently well served by the leadership they display in their work both on the subcommittee and on the full Committee on Interstate and Foreign Commerce. I also want to acknowledge the fine efforts of Mr. R. Reed Grimwade, a director of the Northern Textile Association. and other members of the association on behalf of this legislation.

I have been either a sponsor or a cosponsor of H.R. 4197 since 1973 because I believe that the changes it will make in the Wool Products Labeling Act are practical and sensible. The bill gives us the opportunity to execute a rare legislative "triple play." Passage of the measure will benefit consumers and provide badly needed assistance to a domestic industry all at no cost to the Federal Government.

The situation we now face with regard to the labeling of wool products causes confusion and misunderstanding in the minds of prospective purchasers, and results in an unfair advantage for foreign producers. Currently, a product made from other than virgin wool must be labeled as either "reused," if it was made from fibers originally woven into a garment used by a consumer, or "reprocessed," if it was made from fibers obtained from cuttings or clippings left over in the manufacturing process. Before either of these categories of fibers are woven into new products, they are reduced to their original state and subjected to the complete course of manufacturing operations.

There is no practical method of differentiating between reused or reprocessed wool, and one class of fiber is not of demonstrably higher quality than the other.

H.R. 4197 would replace the terms "reused" and "reprocessed" with the single term, "recycled." Few terms are as readily definable in this age of concern for the environment, as the term "recycled." It clearly and precisely informs a buyer that all or a portion of the material in the product he is purchasing has been, in some fashion, used previously. Employing the term "recycled" will eliminate the confusion which now exists for those consumers who misread "reprocessed" as "repossessed" or who incorrectly assume that a "reused" wool label means that the garment itself is second hand.

In addition, use of the term "recycled" will erase an unnecessary competitive advantage now enjoyed by foreign woolen mills. Because of difficulties associated with U.S. inspection of the records of these mills a substantial number of garments made with reused wool are imported into this country bearing the improper label "wool" or "reprocessed" wool. The effect has been to encourage consumption of these garments at the expense of correctly labeled garments produced in the United States.

It is important to note that agencies and departments of the Federal Government were asked almost a year ago for their comments on the modifications to the Wool Products Labeling Act embodied in H.R. 4197. Not a single negative comment has been received. Similarly, consumer groups throughout the country have had an opportunity to indicate any objections to the measure, and no evidence of opposition has been noted. It seems clear that the negative impacts of the current labeling standards and support for making improvements to them present a forceful case for congressional action. I, therefore, urge that H.R. 4197 be approved so that a more meaningful and accurate label can be attached to recycled wool products.

☐ 1230

Mr. RINALDO. Mr. Speaker, I yield back the balance of my time.

Mr. SCHEUER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HARRIS). The question is on the motion offered by the gentleman from New York (Mr. SCHEUER) that the House suspend the rules and pass the bill, H.R. 4197, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SCHEUER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight, Tuesday, March 11, 1980, to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 6029, INTERNATIONAL SUGAR AGREEMENT, 1977

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 595 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 595

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6029) providing for the implementation of the International Sugar Agreement, 1977, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the gentleman from Mississippi (Mr. LOTT) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 595 provides for the consideration of H.R. 6029, a bill providing authority to implement the International Sugar Agreement of 1977, and for other purposes. The rule is a simple straightforward open rule without any waivers. It provides 1 hour of general debate equally divided between the chairman and the ranking minority members of the Committee on Ways and Means, and it provides one motion to recommit.

The bill was jointly referred both to the Committee on Agriculture and to the Committee on Ways and Means. The bill was reported by Ways and Means on December 20, 1979. In order to expedite consideration, the Committee on Agriculture has deferred jurisdiction and has sought no general debate time.

I would like to submit for the record a letter to the Speaker from the chairman and ranking minority member of the Committee on Agriculture in which they state that they have no objection to consideration without formal action by their committee.

I would point out, however, that a request for delay was presented to the Rules Committee, but that request was rejected on a voice vote. The legislation before us is timely in that the International Sugar Organization is scheduled to meet on March 13. The Senate has already ratified participation in the International Sugar Agreement, and the House should show its support for participation by passing this legislation now.

Mr. Speaker, the usual controversy surrounding sugar legislation is absent from this bill. To the contrary, I am aware of no opposition to the substance of the bill, which contains no provisions for the domestic sugar industry.

H.R. 6029 simply provides authority for implementing the International Sugar Agreement, which is designed to stabilize the highly cyclical world sugar market. The agreement provides for a world price range of 11 to 21 cents per pound to be maintained through a system of export quotas and sugar stockpiles.

The legislation also includes a provision for the protection of the interest of United States consumers, whereby the President may suspend the exercise of his authority for U.S. participation in the International Sugar Agreement when market manipulation gets out of hand.

WASHINGTON, D.C.,
February 8, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: The bill, House Resolution 6029, providing for the implementation of the International Sugar Agreement, 1977, and for other purposes, cosponsored by Mr. Ullman, Mr. Foley, and a number of members of the House, was on introduction jointly referred to the Ways and Means Committee and the Agriculture Committee. The Ways and Means Committee reported the bill on December 20, 1979. In the interest of expeditious consideration of H.R. 6029 by the members of the House, we have no objection if the matter is taken up by the Rules Committee without any prior action by the Agricultural Committee.

As you know, Title I of H.R. 2172, as reported by the House Agricultural Committee contained language which like H.R. 6029 would provide authority for the President to fulfill obligations of the U.S. to the International Sugar Agreement.

This action is being taken without prejudice to the continued jurisdiction of the Committee on Agriculture on matters affecting sugar legislation.

With best wishes,
Sincerely,

THOMAS S. FOLEY,
Chairman.
WILLIAM C. WAMPLER,
Ranking Minority Member.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have a surprise today for my colleagues here in the House. Believe it or not, as explained by the gentleman from Louisiana, this is an open rule providing for 1 hour of general debate. If that is not enough, Mr. Speaker, this open rule was requested by the Committee on Ways and Means and it includes no waivers of either the Congressional Budget Act or the House rules. I would like to congratulate my colleagues on that committee and urge a repeat performance.

H.R. 6029 gives the President the authority to fulfill the U.S. obligations under the International Sugar Agreement ratified by the Senate on November 30. Basically the bill provides the President with this authority through 1982 with respect to imports of sugar from members and nonmembers of the ISA.

In the past 16 months, the committee has twice before reported legislation implementing the ISA and establishing a comprehensive domestic sugar program. These earlier comprehensive bills failed to be enacted. H.R. 6029, however, contains no language affecting or establishing a domestic sugar program. Its sole purpose is to implement the ISA.

The estimated costs are $100,000 in fiscal year 1980, $200,000 in fiscal years 1981 and 1982, and $400,000 in fiscal year 1983.

Mr. Speaker, this bill was reported from committee by a voice vote and I have no objection to the rule making it in order.

□ 1240

Mr. Speaker, I yield 5 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Speaker, I would like to state that I do support the implementation of the International Sugar Agreement. I feel that conceptually it is entirely desirable to have a program which will stabilize the competing interests of the exporting nations with the needs of the consuming nations.

However, I do have serious questions about the timing of the consideration of this implementation, and I personally think it would be the better part of wisdom to briefly delay consideration of this bill.

I am unhappy about the manner in which the agreement has been administered. I am troubled by reports that the reserve sugar stocks under the agreement may not have been released as they should have been and indeed that some of these stocks may not be available at all.

A Reuters news item on Friday, February 29, questioned the availability of much of the 2 million tons of special stocks.

I think it is in the best interest of the American consumer, who is paying excessively high prices for sugar and for other food commodities and who is buffeted by inflation on virtually every front, that before this House considers the question of ratification of the sugar agreement, there should be some clarification of the issue of whether or not sugar stocks that have purportedly been held in reserve do exist and whether or not they will be available to ease the burden on the American consumer.

A second report is also disturbing me, and I think this too deserves clarification. We are approaching a meeting of the International Sugar Organization to be held in London starting on March 14, at which time, according to the rumors in the sugar trade about the trigger price mechanism will be increased. I see no justification in increasing the trigger price of sugar when the domestic and world prices of sugar are so high. Rather, it would be in the interest of the United States to allow the International Sugar Organization to meet and to determine its policy in advance of the decision and the determination by the Congress of the United States the implementation of the sugar agreement. The United States would hold some leverage in the decisionmaking process.

This sugar agreement has been languishing in the Senate Foreign Relations Committee for about 2 years. I do not think the House should be stampeded right now into acceptance of the Agreement. I do not oppose the Agreement itself, but I do feel that the diplomats of the State Department, who are the negotiators for the United States, should get this message from Congress, that their role is not only to create a climate of international cooperation but as well to create a climate in which the protection of the American consumer is advanced by those who speak for and represent the United States.

I know that open rules are almost never defeated, Mr. Speaker, and I do not expect this one to be defeated. However, I warn all of my colleagues of the serious questions raised by the Reuters release from London, questions about the reserve stocks, questions about increasing the trigger price mechanism which will ultimately increase the price for domestic consumers, and the question of the negotiations for the administration of the international sugar program. All of these, in my judgment, argue for a delay of the legislation to implement the International Sugar Agreement.

Mr. Speaker, I support that delay, but I also support an agreement which will fairly protect both the producers and the consumers.

Mr. LOTT. Mr. Speaker, I have no further requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mrs. HECKLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 371, nays 18, not voting 43, as follows:

[Roll No. 128]

YEAS—371

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Quayle
Quillen
Rahall
Rangel
Regula
Reuss
Rhodes
Richmond
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—18

Anderson, Calif.
Broomfield
Cleveland
Conyers
Emery
Fenwick
Gilman
Heckler
Kemp
Lederer
Long, Md.
McDonald
Madigan
Railsback
Rinaldo
Stockman
Wolff
Yates

NOT VOTING—43

Anderson, Ill.
Ashbrook
AuCoin
Bevill
Boner
Cavanaugh
Chappell
Collins, Ill.
Conable
Crane, Philip
Davis, S.C.
Diggs
Dingell
Dougherty
Eckhardt
Edwards, Ala.
Fazio
Flippo
Harsha
Holtzman
Huckaby
Jenrette
Johnson, Colo.
Jones, Tenn.
Kelly
Livingston
Lundine
McCloskey
Mathis
Murphy, Ill.
Myers, Pa.
Pritchard
Pursell
Ratchford
Santini
Simon
Stewart
Thomas
Thompson
Van Deerlin
Wilson, Bob
Wilson, C. H.
Wilson, Tex.

☐ 1250

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Anderson of Illinois.

Mr. Thompson with Mr. Edwards of Alabama.

Mr. Charles H. Wilson of California with Mr. Pritchard.

Mr. AuCoin with Mr. Bob Wilson.

Mr. Bevill with Mr. Harsha.

Mr. Chappell with Mr. Conable.

Mrs. Collins of Illinois with Mr. Philip M. Crane.

Mr. Jenrette with Mr. Livingston.

Mr. Myers of Pennsylvania with Mr. McCloskey.

Mr. Santini with Mr. Thomas.

Mr. Van Deerlin with Mr. Pursell.

Mr. Diggs with Mr. Ashbrook.

Mr. Dingell with Mr. Cavanaugh.

Mr. Fazio with Mr. Dougherty.

Mr. Flippo with Mr. Davis of South Carolina.

Mr. Boner of Tennessee with Mr. Eckhardt.

Ms. Holtzman with Mr. Kelly.

Mr. Huckaby with Mr. Murphy of Illinois.

Mr. Lundine with Mr. Mathis.

Mr. Simon with Mr. Stewart.

Mr. Ratchford with Mr. Charles Wilson of Texas.

Mr. LONG of Maryland changed his vote from "yea" to "nay."

☐ 1300

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. WRIGHT. Mr. Speaker, tomorrow evening, Wednesday, is the date that has been chosen for a very long while by our Republican colleagues as the night on which they would have their annual fund-raising dinner.

Now this is a tradition which has been followed for many years by each of our great political parties.

When we on the Democratic side have an annual fund raising dinner, it has been the practice of the Congress to adjourn on that day in time to accommodate the Members who desire to attend.

I think we owe the same courtesy to our colleagues on the Republican side of the aisle, and in order that we may accommodate our program tomorrow and at the same time show to our Republican colleagues the courtesies, which are their rightful due, by adjourning in sufficient time to permit their attendance at and enjoyment of that great dinner, I ask unanimous consent that when the House adjourn today it adjourn to meet at 12 o'clock noon on tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas (Mr. WRIGHT)?

Mr. MICHEL. Reserving the right to object, Mr. Speaker, and I do so to inquire of the majority leader or at least to make the point that normally we would go in at 3 o'clock tomorrow; and as I understand, it will be the conference report on windfall profits to be considered tomorrow, a very important measure. For those Members who had planned on our originally coming in at 3 and not recognizing that there would be this request to come in earlier they might find themselves in a box commitmentwise. Is it absolutely essential that we come in at 12 rather than say 1 o'clock? Is that possible?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. WRIGHT. Well, I do not know any reason why it would not be possible. The request, as the gentleman from Illinois would fully understand, was made in an effort to accommodate him and his colleagues.

Mr. MICHEL. I understand.

Mr. WRIGHT. If it would be more pleasing, I withdraw my earlier unanimous-consent request, and I ask unanimous consent that when the House adjourn today we adjourn to meet at 1 o'clock p.m. on tomorrow.

Mr. MICHEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the unanimous-consent request of the gentleman from Texas (Mr. WRIGHT)?

There was no objection.

INTERNATIONAL SUGAR AGREEMENT, 1977

Mr. VANIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6029) providing for the implementation of the International Sugar Agreement, 1977, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6029, with Mr. SCHEUER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Ohio (Mr. VANIK) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to urge passage of legislation permitting the United States to participate fully in the International Sugar Agreement.

On November 30, 1979, the Senate, by a vote of 80 to 11, ratified U.S. participation in the 1977 International Sugar Agreement (ISA). The agreement places several obligations upon participating nations. H.R. 6029 provides authority to the President to fulfill the obligations.

Basically, H.R. 6029 authorizes the President through 1982:

To limit the entry of sugar from nonmembers of the ISA to a certain percentage of historic imports from those nonmembers;

To prohibit the entry of sugar from members of the ISA which is not accompanied by documentation required by the agreement (to the effect that a contribution has been made to the sugar stockpile fund); and

To require the keeping of necessary records and statistics concerning trade in sugar.

We believe the agreement is important because it is a forum where we can work with many African, Asian, and South American developing countries to help stabilize their economies. Failure to participate would be seen as an unfriendly response to the terrible problems facing the LDC's.

Last fall, I opposed on the floor the International Sugar Stabilization Act, a 40-page bill which established an intricate domestic sugar program through price supports, direct payments, and specified labor rates.

I support this legislation, however. It is a four-page bill which, in no way established a domestic sugar program. It simply fulfills our treaty obligations—which are minimal—under the International Sugar Agreement.

Full participation in the ISA is important for our relations with many Third World countries.

Further, I believe that the ISA is one of those unique instances where a program is good for both sugar producers and sugar consumers. No one benfits from wild, speculative swings in the sugar cycle.

The ISA has helped moderate changes in world sugar prices. It has been an anti-inflationary tool. It is in no way responsible for the rise in world sugar prices during the past 6 months.

Until recent weeks, sugar prices have been rising because of the enormous amount of speculation caused by the oil crisis, the weakness of the dollar, and nervousness about war in the Persian Gulf. Speculation has hit the sugar market, just like it has hit the gold, silver, and platinum markets. The virus of gold speculation has spread into sugar speculation.

The ISA was designed in 1977, before anyone ever dreamed of gold at $700 an ounce. The ISA's stockpiles were not designed large enough to be able to fully combat today's kind of speculative frenzy.

But there is no question that the ISA has helped prevent prices from going up higher and faster. It has been an important force of stability and rationality in the midst of chaos in world commodity markets. Without the ISA, I would estimate—and this is just a guess—that the price of sugar would be at least 6 to 7 cents higher than it is now—and without the ISA, we would see a prolonged period of higher prices. With the ISA, I think we will see a fairly quick return to normal prices once the situation in Iran and Afghanistan stabilize.

Let me repeat. The ISA has helped consumers.

During the months to come, the United States will be working with others in the ISA to try to further stabilize prices and prevent the type of very high prices which occurred in 1974, when sugar soared to over 60 cents a pound. Our negotiators will be working to make further ISA's more effective so that they can better stabilize prices within a reasonable range.

Obviously, when the time comes for renegotiation of the agreement, we have learned that some changes must be made. We clearly need larger sugar stockpiles to buffer against price runups. Perhaps we need an international corporation to take ownership and management of the stockpiles; perhaps some of the basic export tonnages need to be adjusted; obviously the rules regarding the increase and decrease in quota amounts need to be clarified, and price ranges will have to be adjusted. I hope that we can begin discussing this new, better agreement soon. I am urging the administration to involve the Congress more deeply in the negotiations so that what is achieved can have the quick support of the entire American Government.

But unless we join the ISA as a full partner, we will have no credibility in further meetings and negotiations. The result will be that our ability to protect the consumer will be destroyed. We cannot influence the game unless we join the team.

I believe that we are getting reasonably good cooperation from the producing nations in the ISA. It is a forum in which nations with very different goals are working together for each other's benefit. This agreement will remain in force, and important decisions will be made, whether or not the U.S. participates. Commonsense dictates that as the largest importer of sugar, the United States should make its voice heard. Otherwise, the ISA will continue without the United States and our own economy will feel the effects of decisions made solely by foreign nations—a situation we certainly do not want to arise with yet another commodity.

Two weeks ago, I addressed a meeting of the Sugar Organization in London, and I stressed the importance that the Congress places on the fair administration of the program in order to protect our consumer rights. I believe the ISA members understand that and they are cooperating. Trade Subcommittee staff will be monitoring future meetings to insure that the administration stands up for our rights under the agreement.

Let me repeat: the ISA improves our trade and foreign policy relations with a number of important nations. It does not harm either American consumers or producers—in fact, it is helpful to both by moderating price changes. We have nothing to lose by joining the ISA—and we have a great deal to gain.

I urge adoption of the bill.

• Mr. FOLEY. Mr. Chairman, coming from perhaps a somewhat different perspective and for different reasons, I, too, find myself in support of H.R. 6029, legislation allowing for full U.S. participation in the International Sugar Agreement.

As Members of this body are well aware, on a number of other occasions during the past several years and under different circumstances, I came before you seeking a comprehensive, though modest, sugar policy and program to shore up the incomes of economically distressed sugar producers and prevent the collapse of the U.S. sugar industry as the best and surest means of helping producers and consumers alike. On each occasion, I urged my colleagues to recognize that the interests of producers and consumers are, in fact, one and the same. A fair return to producers translates into abundant, dependable supplies for consumers at reasonable prices. While the House decided otherwise, I am confident that unfolding events will underscore the validity of my position.

My concern then as now is that our sugar producers as well as consumers need more than anything else protection from the erratic and exaggerated swings of the world market—swings that ranged from a peak of about 60 cents a pound in 1974 to a low of 6 cents a pound in 1978. Contrary to their perception, what hurts consumers is not any price above absolute rock-bottom. In fact, prices have only recently reached the minimum level necessary to encourage adequate production for consumers in the coming years. Instead, it is the recurring cycle of peaks and valleys, extreme and unrealistic highs and lows, which, on the low side drive producers out of business making inevitable the excesses which cannot fail to follow.

To prevent our producers and consumers from being repeatedly victimized by these peaks and valleys in world sugar prices, the United States needed and still needs a domestic sugar policy, one designed to assure that our producers could afford to stay in business during periods of low prices so that our consumers wouldn't later be at the mercy of an erratic world market. Additionally, recognizing the inescapability of our dependence on the world market for nearly half of our domestic sugar supplies, we need an international sugar agreement under which exporting and importing countries can work in cooperation to maintain a combination of pricing and stocking arrangements whereby price and supply stability can be achieved.

In order to understand the current situation, it is instructive to examine what has taken place in recent years. As a result of our failure at timely enactment of a comprehensive sugar program, our worst years have been realized. An impressive number of domestic producers have been forced out of business because of low prices and our blindness to their plight. I am particularly sensitive on this point since it has meant the demise of the sugar beet industry in my own State and, with it, the closing of the world's largest beet processing factory which had provided over 1,000 badly needed jobs. Moreover, a number of our colleagues either do or will share an equal loss.

Unfortunately, the same thing that occurred in the United States has been happening around the world. Producers forced to cut back in production because they could no longer afford to produce at prevailing prices, coupled with poor growing conditions in a number of areas, have created a situation in which supply is not expected to match consumption this year. Faced with the prospect that for the first time in several years world sugar stocks will decrease significantly, world prices have once again begun to spiral upwards. And while world prices peaked out during the last cycle at about 60 cents a pound, given the intensity of inflation currently gripping the world, no one knows just how high they will go this time. Because of the fact that the United States is the world's leading importer, this is of much more than academic interest to us. As consumers, we are terribly vulnerable.

Eventually, sugar producers in this country, as well as those around the world, will respond to the signals of rising prices by increasing production. As we should have learned from past experience, however, it will take time—years in fact. Moreover, it has been demonstrated that erratic movement of sugar prices, with their peaks and valleys, cost consumers more than a steady policy in which adequate prices assure reliable production.

While the question of a domestic sugar program is not currently at issue, I would, nevertheless, hope that we can learn something from the recent past; namely, that producers and consumer interests are not diametrically opposed and that protection of these interests requires stability in the market.

Today we have an opportunity to take a small step forward toward fostering this stability in world sugar policy and price by allowing for full U.S. implementation of and participation in the International Sugar Agreement. By this action we would signal other members of the ISA that we are serious in our commitment to work with them toward equitable treatment of importers and exporters, consumers and producers; and I therefore urge you to approve it. Having said this, I would further caution that this is merely a step, a partial solution to a very complex equation, which cannot and will not serve entirely over the long run. Sooner or later we must again address ourselves to the larger question of a comprehensive, all-purpose sugar policy, and I hope that the lessons of the last decade will insure its objective consideration.●

□ 1310

Mr. FRENZEL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I too, support H.R. 6029, the legislation before us that would give the President the authority to implement the International Sugar Agreement (ISA). Approval of such authority, so long delayed because of its previous attachment to domestic sugar price support legislation, will establish the United States as a full participant in the agreement and will strengthen the position of our country within the international sugar organization.

Although the agreement was finalized in 1977, the United States has participated only provisionally since that time. The delay in approving implementing legislation has caused some difficulty for our country in the continuing consultations within the world sugar organization. Our prompt approval of H.R. 6029 is especially important now because signatories to the agreement will be meeting this month to discuss possible changes in the price framework, stocking system, and quota shares. The influence and credibility of the United States at these and future negotiations depends on whether the Congress has provided for our full participation.

I would like to point out that this legislation does not in any way involve a domestic sugar program. It is merely an implementing bill that permits the President to carry out our obligations under the agreement. Through a mechanism of stocking sugar at times of low demand and low prices and releasing sugar stocks when demand and prices are high, the agreement is designed to stabilize the world price of sugar at between 11 and 21 cents. A key element of the agreement is the regulation of exports whereby the supply of sugar is kept on an even keel with demand. In this manner, wild fluctuations in the price of sugar are avoided benefiting both producers and consumers.

An analysis of the agreement in recent weeks shows that it is working as well as can be expected in a period of high demand and speculation in commodities, and it has had an anti-inflationary effect. Prices dropped sharply, for example, when sugar stocks were released in three stages last month. Although prices are rising again because of commodities speculation, the agreement has been effective in dampening the upward spiral in sugar prices. Of course, the agreement cannot, and was not intended, to neutralize all foreseeable market effects.

In addition to economic considerations, U.S. participation in the ISA reaffirms our commitment to the development of Third World countries who have looked to the United States for leadership in this regard. The successful operation of the sugar agreement is very important to the economies of these nations, and U.S. participation and support of the agreement generates the close ties and goodwill that we should continue to encourage.

Mr. Chairman, I refer here particularly to the countries of the Caribbean and South America, who sometimes look upon us as a hemispheric bully. Our unwillingness, so far, to ratify the ISA leads them to believe that we are not as forthcoming and cooperative as we should be. Implementing the ISA is a modest step toward cooperation with less developed countries which provide important markets for our export products, but not implementing it could be interpreted as an insult.

I think the ISA not only will have a good effect on our domestic policies, but also the passage of this agreement will have a good effect on our foreign relationships with these countries, who continue to look to us for cooperation, leadership and guidance.

Mr. Chairman, this implementing bill and the continued U.S. participation in the ISA will not magically solve the complicated economic problems of world trade in sugar. It does, however, provide a forum and a mechanism whereby these problems can be addressed and hopefully resolved by both the consuming and producing nations who have the greatest stake in assuring stable world sugar prices.

Mr. Chairman, I think that it is very important that H.R. 6029 be approved and be approved promptly so that the United States can exert its very important influence in all world sugar decisions.

I urge the approval of H.R. 6029.

Mr. Chairman, I reserve the balance of my time.

Mr. VANIK. Mr. Chairman, I yield such time as he might desire to our distinguished colleague, the gentleman from New York (Mr PEYSER).

Mr. PEYSER. Mr. Chairman, I take the floor at this time to say that I am not going to oppose this International Sugar Agreement today. I have had some questions in the past on this agreement and many of those questions have been answered by the distinguished chairman of the subcommittee, who has spent a great deal of time on this program and also at the recent meetings in London.

I do want to say, though, Mr. Chairman, that I have some reservations on this program. I think the role that the Congress should play at this time and the administration is one that says we have been working with this group—the International Sugar Organization—for a long time, now we must give it a try; but they should understand very plainly that we in the Congress and hopefully in the administration are going to watch very carefully as to what actually happens with sugar prices. One of the real weaknesses that concerns me, Mr. Chairman, is the ability of this organization to check on the accuracy of what the participating countries say. For instance, they say that we have so much surplus sugar, but, in fact, we do not know that. There really is not any way within the present administration to check up on these facts. The countries also will say at a given time when the sugar has been triggered into coming on to the market, in order to bring the prices down, countries can say that we have put the sugar on the market; but there is no accurate way of knowing at this time until at least a 30-day period has expired whether they have done it or not.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to my friend, the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, the gentleman from New York makes a very important point and I share the gentleman's concern. All I can say is that we are going to endeavor to deal with the problem. We are sending a representative of our staff to attend the next ISA meeting and to be on hand, specifically for the purpose of watching and determining whether or not the countries that are involved in the agreement are maintaining their commitment with respect to the sugar reserve.

Mr. PEYSER. Mr. Chairman, I thank the chairman for this assurance. I think it is very important, it is important to the consuming public in the United States, and for that matter throughout the world. I think the prices that we have seen on sugar recently have been due to speculation, the uncertainties in the total world condition, many things that are affecting the market all over.

Also, as was said before by the chairman and by my friend, the gentleman from Minnesota, that this is not related to a domestic sugar program. The domestic sugar program, if that issue comes to the floor again, is going to have to stand on its own merits at that time.

□ 1320

I would also say I am going to support this legislation and I am certainly hopeful that we are going to see an improvement in the pricing of sugar and further protection for the consumers of this country.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Chairman, last October the House defeated H.R. 2172 due to its domestic sugar price support provisions. There was no significant objection to language in that bill to give the President authority to implement the terms of the International Sugar Agreement as ratified by the Senate on November 30, 1979, by a vote of 80 to 11.

The Subcommittee on Trade and the Committee on Ways and Means has honored the instructions of the House given last October and has jettisoned any and all provisions relating to a domestic sugar price support program. H.R. 6029 before my colleagues today pertains only to authority given to the President through 1982 to implement the International Sugar Agreement. Therefore, past controversy has been fully removed from this bill.

In summary, the International Sugar Agreement provides three objectives. First, the sugar-producing nations who are not signatories to the International Sugar Agreement will be subject to import limitations. Second, member nations must observe commitments given to contribute to the sugar stockpile fund and proper documentation must be made to assure compliance. Sugar imports from ISA member nations without such documentation will be prohibited. Finally, the measure provides necessary housekeeping authority to maintain records that will serve as a constant check and balance on the utility and the performance of the International Sugar Agreement.

We already are long overdue in properly honoring our ISA initiative. In 1977 some 80 sugar-producing or importing nations honored the U.S. call for a network of mechanisms to end the boom-to-bust cycles in international sugar prices. A five year agreement was drawn and we already are at mid-term of its duration without having completed the necessary steps to observe the terms we advanced in 1977.

The overwhelming acceptance of the ISA in the other body last November is indicative of the care and balance in the agreement and in H.R. 6029. It is a bill that will benefit consumers and producers alike by providing a price structure window that will encourage predictable and long-term economic stability here and abroad in sugar export and import practices. I urge my colleagues support for H.R. 6029.

Mr. VANIK. Mr. Chairman, I yield 5 minutes to my distinguished colleague, the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Chairman, I commend Chairman VANIK of the Trade Subcommittee, and the ranking minority member (Mr. FRENZEL) for the support of this bill that is so very important to our country.

Mr. Chairman, I rise in strong support of H.R. 6029, the International Sugar Agreement was agreed to by the Senate in late November of 1979, and this bill under consideration today would serve to give the President statutory authority to carry out the U.S. obligations under the treaty.

Since 1974, we have seen remarkable changes in the price of sugar, from a high of nearly 65 cents. It has fallen to 8 cents and recovered to its present level of 19.4 cents. In this period, the U.S. sugar industry has suffered great damage, and many sugar farmers throughout the Nation have been forced out of business. The International Sugar Agreement would set prices in a range of 11 to 21 cents, one which is considered fair to both producers and consumers. In the range of 11 to 14 cents, the participating nations would withhold stocks, thereby forcing up the price of sugar. The range from 15 to 19 cents would be considered the free trading range, and when sugar prices reached the 19 to 21 cents range, stocks would be released to depress the price.

In the past few weeks, the International Sugar Organization has demonstrated its ability to affect the price of sugar by releasing stocks and depressing the price to the present international level of 21 cents. Thus, we have concrete proof that the mechanism provided in the treaty can work in the manner in which it was planned.

This bill, combined with the treaty, would provide the Nation's sugar growers with the protection that they need to continue to produce over one-half of this Nation's sweetener needs. It also assures that consumers will be guaranteed a stable price in the future. Finally, it strengthens our commitment to other nations involved in the treaty. I urge its passage.

Mr. VANIK. I thank the gentleman from Hawaii for those comments.

Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Michigan (Mr. ALBOSTA).

Mr. ALBOSTA. Mr. Chairman, I rise in strong support of the International Sugar Agreement before this body today. This legislation to implement the 1977 International Sugar Agreement is needed if we are to bring stability to the international sugar market of which the United States is an important member.

We have seen the price of sugar rise dramatically during the past few months. The International Sugar Agreement will provide stability and reduce the sharp price rises by accumulating buffer stocks and using export quotas when prices are low.

Ratifying the ISA is one step this Congress urgently needs to take if this country is to have a viable domestic sugar industry. There is no cost to the domestic economy or the U.S. Treasury from this agreement. It will improve our relations with many developing countries and will further boost our foreign trade which is so important because of this country's continuing dependence on foreign oil causing a negative balance of payments.

I urge my colleagues in the House to vote for the International Sugar Agreement implementing legislation before you today so that the President will have the necessary authority to allow the United States to fully participate in this important agreement.

Mr. VANIK. I thank my distinguished colleague from Michigan.

Mr. Chairman, on March 4, I received a letter from the Secretary of State, urging support of this legislation and explaining its importance. I would like to quote from the letter:

> This legislation has major foreign policy implications for the United States as it represents our commitment not only to the Sugar Agreement, but to a continuing dialogue on a wide range of North/South economic issues, particularly those relating to commodities. More than twenty-five developing nations, many in this hemisphere, earn a significant portion of their incomes from the sale of sugar. Bringing stability to the export earnings of these countries is an important objective.
>
> While the legislation contains no domestic sugar provisions it has positive implications for the American consumer. Sugar stockpiles were recently released to the world market as called for in the Agreement. The stock release was followed by an immediate drop in sugar prices which had been rising steadily for several months. The U.S. took the lead role in assuring that these stocks were disposed of in a timely manner. By maintaining our membership, we will continue to exert maximum influence within the Agreement on key issues affecting world sugar prices.
>
> I would urge your continued active support of H.R. 6029 among your colleagues as legislation serving both the foreign relations interests of the United States and the interests of American consumers as well.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in very weak support of the implementation of the International Sugar Agreement. I strongly support the objective of the agreement, which is to provide stability between the producing nations of sugar and the consuming nations.

My questions go to the issue of the performance of the negotiators and the performance and the administration of the agreement itself. I want to say I wish to pay the highest praise to the chairman of the Trade Subcommittee, my colleague from Ohio (Mr. VANIK), who very graciously invited me to attend the last meeting of the International Sugar Organization in London. Regretfully, business at home and in the Congress prevented me from accepting that invitation. But I think it definitely is a sign of his good will.

I want to commend as well my distinguished colleague from Minnesota (Mr. FRENZEL) who has strongly fought for fair trade on the world markets.

□ 1330

My questions in terms of the International Sugar Agreement remain the same as those that I have raised during the consideration of the rule. I would simply like to issue this warning to our negotiators at the Department of State. I intend to support the implementation of the International Sugar Agreement; however, I wish those who will be the American negotiators to be aware of the congressional interest. They must realize that they are not going to be able to operate in an isolation booth but that the American consumer is watching. I hope that they will remember that their role is to represent a consuming nation and to seek and to obtain a fair deal for the American consumer. I do not feel that this has necessarily been their position in the past. It has been mentioned in the debate that the preservation and the development of our international relations is a primary goal of this legislation. I think that is a desirable goal, but I think an equally significant and important goal is the protection of the interests of the American consumer. I think it is in that respect that the International Sugar Organization has not fully lived up to its potential and to, in fact, the letter and the wording of the agreement.

I would ask our negotiating team to be able to respond to the Congress on their return on three specific issues. One is the question of the integrity of the reserve stocks. The reserve stocks are held to protect the American consumer. If the price reaches a point at which the reserve stocks are triggered, then the sugar is made available to the market to lower the price for the consuming nations.

Recently in London the Reuters News Service carried the report that there is a serious question about whether the stocks exist. The question is, then, do the stocks exist and can they be verified?

A second question is on the operation of the trigger mechanism. At certain points the trigger mechanism will allow sugar to be released to the marekt to relieve excessive prices for the consuming countries. And if there is too much sugar on the market and prices are depressed, the sugar will be withhheld to relieve the producer from low prices and to create stocks for future use when prices are high.

The question that I would raise is: Is there a need now to increase the trigger price mechanism and if our negotiators go to London and increase the trigger mechanism, are they aware that at the same time they will also increase the domestic price of sugar as a byproduct of their actions? I ask them to speak of this question and to remember the American consumer.

Third, in terms of our relationship with the free world countries, which my colleague, the gentleman from Minnesota, mentioned, I would like to say that I, too, desire that all international relations provide and promote fair trade relationships, especially among our free market partners. As I have pointed out on earlier occasions, the free market suppliers of sugar have not received a fair share in the International Sugar Agreement. Cuba has received the lion's share of the free market quota. So I would ask our negotiators who are about to embark on their involvement in this round of International Sugar Agreement negotiations that they see to it that the free market partners get what is fair and due them and that Cuba not be rewarded with preferential treatment as has been the case before.

So I say to the Department of State downtown and to the administration, this Member of Congress is watching, and I think many, many others in Washington as well as the American consumers are watching.

Finally, I think the record should show as well that the delay in the implementation of the International Sugar Agreement is in no way attributable to the objections of the consumers; it is attributable to the delay in the Senate Committee on Foreign Relations which has held this bill hostage for 2 years.

Mr. FRENZEL. Mr. Chairman, I have no other requests for time.

Mr. VANIK. Mr. Chairman, I just want to say that I thank the gentlewoman from Massachusetts (Mrs. HECKLER) who has become the "No. 1 Sugar Watcher." I join in her concern for the consumers, and I am grateful for her vigilance. I hope she can continue this effort in the new Congress and in future Congresses. As a consumer, I will have to depend upon her.

Mr. FRENZEL. Mr. Chairman, if there are no further requests for time, I am prepared to yield my time. I yield back the remainder of my time.

Mr. VANIK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on February 13, the price of sugar reached a high of about 27 cents a pound, raw value. At that point, the first of three releases of ISA stocks was triggered, and sugar prices began a sharp and dramatic fall. Prices reached a low of 21 cents on February 25 and stabilized there for several days. The price yesterday was 19.4 cents.

Reports have been received that almost all of the 2 million tons of sugar stocks have been released into the world market. There are still no reports from Mexico, which has moved from being a net sugar exporter to a net importer due to drought and other problems. There are no reports from Mozambique, where the central government is often slow to respond. And there has been no response as to the release of the third or final drawing of stocks from India. All the other nations have responded that they have fulfilled their commitments.

We have no reason to believe that they have not. The market responded as if they have made stocks available. The State Department has data on some specific sales, but has not yet supplied the details of the sales because of the business confidentiality involved.

Those who question whether there were stocks and if so, whether the stocks were released, are basically calling 30 or 40 nations, including a number of very old allies, liars. Until I have proof to the contrary, I choose to accept the word of those nations—just as I would have them accept our word in international agreements.

Mr. Chairman, the agreement works. I hope that the Members of the House will support the bill before us. I urge its adoption, and I yield back the remainder of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.

For purposes of this Act—

(1) The term "Agreement" means the International Sugar Agreement, 1977, signed at New York City on December 9, 1977.

(2) The term "sugar" has the same meaning as is given to such term in paragraph (12) of Article 2 of the Agreement.

(3) The term "entry" means entry, or withdrawn from warehouse, for consumption in the customs territory of the United States.

(4) The term "United States", when used in a geographical context, means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 2. IMPLEMENTATION OF AGREEMENT.

On and after the entering into force of the Agreement with respect to the United States, and for such period before January 1, 1983, as the Agreement remains in force, the President may, in order to carry out and enforce the provisions of the Agreement—

(1) regulate the entry of sugar by appropriate means, including, but not limited to—

(A) the imposition of limitations on the entry of sugar which is the product of foreign countries, territories, or areas not members of the International Sugar Organization, and

(B) the prohibition of the entry of any shipment or quantity of sugar not accompanied by a valid certificate of contribution or such other documentation as may be required under the Agreement;

(2) require of appropriate persons the keeping of such records, statistics, and for other information, and the submission of such reports, relating to the entry, distribution, prices, and consumption of sugar and alternative sweeteners as he may from time to time prescribe; and

(3) take such other action, and issue and enforce such rules or regulations, as he may consider necessary or appropriate in order to implement the rights and obligations of the United States under the Agreement.

SEC. 3. DELEGATION OF POWERS AND DUTIES.

The President may exercise any power or duty conferred on him by this Act through such agencies or offices of the United States as he shall designate. Such agencies or offices shall issue such regulations as they determine are necessary to implement this.

SEC. 4. CRIMINAL OFFENSES.

Any person who—

(1) knowingly fails to keep any information, or to submit any report, required under section 2;

(2) submits any report under section 2 knowing that the report or any part thereof is false; or

(3) knowingly violates any rule or regulation issued to carry out this title;

is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $1,000.

SEC. 5. REPORT TO CONGRESS.

The President shall submit to Congress, on or before April 1 of each year, a report on the operation and effect of the Agreement during the immediately preceding year. Unless otherwise published on a regular basis by an agency of the United States, the report shall contain, but not be limited to—

(1) information with respect to world and domestic sugar demand, supplies, and prices during the year concerned;

(2) projections with respect to world and domestic sugar demand, supplies, and prices; and

(3) a summary of the international and domestic actions taken during the year concerned under the Agreement and under domestic legislation to protect the interests of United States consumers and producers of sugar.

Mr. VANIK (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 7, strike out "withdrawn" and insert "withdrawal".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, strike out lines 10 through 13.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 21, strike out "title" and insert "Act".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 4, strike out "title" and insert "Act".

The committee amendment was agreed to.

Mr. VANIK. Mr. Chairman, the remaining amendments are all technical amendments. I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will report the remaining committee amendments en bloc.

The Clerk read as follows:

Committee amendments: Page 4, line 9, strike out "April 1" and insert "May 1 and November 1".

Page 4, line 11, strike out "year" and insert "six-month period".

Page 4, line 15, strike out "year" and insert "period".

Page 4, line 20, strike out "year" and insert "period".

Page 4, after line 23 insert the following:

SEC. 6. PROTECTION OF INTERESTS OF UNITED STATES CONSUMERS.

The powers and duties conferred by sections 2 and 3 shall be exercised in the manner the President considers appropriate to protect the interest of United States consumers. If the President determines that there has been an unwarranted increase in the price of sugar due in whole or in part to the Agreement, or to market manipulation by two or more members of the International Sugar Organization, the President shall request the International Sugar Council or the Executive Committee to increase supplies of sugar available to world markets by suspending sugar export quotas or to take any other appropriate action, and, at the same time, shall report that determination to the Congress. If the International Sugar Council fails to take corrective action to remedy the situation within a reasonable time after such request, the President shall submit to the Congress such recommendations as he may consider appropriate to correct the situation. In the event that members of the International Sugar Organization involved in market manipulation which has resulted in price increases have failed to remedy the situation within a reasonable time after a request for remedy, the exercise of the authority set forth in section 2 shall be suspended until the President determines that effective market manipulation activities have ceased.

Mr. VANIK (during the reading). Mr. Chairman, the last amendment is a lengthy amendment. It is a section that the committee put in for the protection of the interests of the U.S. consumers. I ask unanimous consent that it be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Reserving the right to object, can the gentleman from Ohio tell us how it protects the consumers?

Mr. VANIK. If the gentleman will yield, at this point it is primarily a statement of policy. I think what it does is point out to those who are dealing with the agreement the vigorous hope that the agreement will bear in mind the position of the American consumer. I think that summarizes it.

Mr. ROUSSELOT. It is a policy statement.

Mr. VANIK. It is a policy statement; that is right.

Mr. ROUSSELOT. To protect the American consumer.

Mr. VANIK. It suggests that we should withdraw from the agreement if consumer interests of the United States are overlooked.

Mr. ROUSSELOT. So it gives our Government the authority to pull out?

Mr. VANIK. No. We have that authority anyway. It suggests to those involved in dealing with the agreement that if the objectives of the American consumers are overlooked, as a policy position it directs our country to withdraw from the agreement.

Mr. ROUSSELOT. Reserving the right to object, can the gentleman tell us who has the authority to pull us out if in fact we find that a finding is made that the consumer is adversely affected?

Mr. VANIK. The President of the United States.

Mr. ROUSSELOT. He is the sole one to do that?

Mr. VANIK. Yes. He has that authority in a great many other agreements.

Mr. ROUSSELOT. Does the gentleman think we can rely on him to do that?

Mr. VANIK. I do not know whether it is the kind of authority we should be dispensing to some of the possibilities that occur, to this person. I, frankly, feel very confident that President Carter will administer this responsibility with full respect and with full consideration for the interests of the American consumer.

□ 1340

I cannot speak for any other person who might have that responsibility, if that should occur.

Mr. ROUSSELOT. I am not sure I can feel reassured.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio (Mr. Vanik) to waive the reading of the amendment?

There was no objection.

The committee amendments were agreed to.

The CHAIRMAN. Are there further amendments?

If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Bennett) having assumed the chair, Mr. Scheuer, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6029) providing for the implementation of the International Sugar Agreement, 1977, and for other purposes, pursuant to House Resolution 595, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced the ayes appeared to have it.

Mr. THOMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 30, not voting 35, as follows:

[Roll No. 129]

YEAS—367

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Conyers
Corcoran
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Ferraro
Findley
Fish
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolpe
Wright
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—30

Bauman
Broomfield
Buchanan
Carney
Collins, Tex.
Conte
Courter
Crane, Daniel
Ertel
Fenwick
Florio
Gilman
Gradison
Green
Harris
Hollenbeck
Holt
Jacobs
Kemp
McDonald
Madigan
Minish
Mottl
Paul
Rinaldo
Rosenthal
Stockman
Wolff
Wydler
Yates

NOT VOTING—35

Anderson, Ill.
Ashbrook
AuCoin
Bevill
Cavanaugh
Collins, Ill.
Conable
Crane, Philip
Davis, S.C.
Derrick
Edwards, Ala.
Fazio
Flippo
Gingrich
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kelly
Livingston
McCloskey
Mathis
Murphy, Ill.
Myers, Pa.
Obey
Pritchard
Pursell
Ratchford
Santini
Simon
Stewart
Thompson
Van Deerlin
Wilson, Bob
Wilson, Tex.

□ 1400

The Clerk announced the following pairs:

Mr. AuCoin with Mr. Livingston.

Mr. Jones of Tennessee with Mr. Gingrich.

Mr. Myers of Pennsylvania with Mr. Ashbrook.

Mr. Obey with Mr. Anderson of Illinois.

Mr. Santini with Mr. Edwards of Alabama.

Mr. Thompson with Mr. Kelly.

Mr. Van Deerlin with Mr. McCloskey.

Mr. Bevill with Mr. Murphy of Illinois.

Mrs. Collins of Illinois with Mr. Pritchard.

Mr. Fazio with Mr. Pursell.

Mr. Flippo with Mr. Bob Wilson.

Mr. Davis of South Carolina with Mr. Conable.

Mr. Derrick with Mr. Cavanaugh.

Ms. Holtzman with Mr. Philip M. Crane.

Mr. Huckaby with Mr. Simon.

Mr. Mathis with Mr. Stewart.

Mr. Ratchford with Mr. Charles Wilson of Texas.

Messrs. MINISH, RINALDO, and COURTER changed their votes from "yea" to "nay."

Mr. STAGGERS and Mr. YOUNG of Alaska changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 6029, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FIRST ANNUAL REPORT ON STATUS OF THE WEATHERIZATION ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce, the Committee on Banking, Finance and Urban Affairs, the Committee on Education and Labor, and the Committee on Agriculture.

(For message, see proceedings of the Senate of today, Tuesday, March 11, 1980.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b) of rule I, the Chair announces that he will postpone further proceedings today on each resolution on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all debate has been concluded on each resolution, and after each question to be determined by a "nonrecord" vote has been disposed of, the Chair will then put the question on each resolution on which further proceedings were postponed.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON THE JUDICIARY

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 548), to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 548

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $1,591,176.71, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and noncclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $90,000 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

Sec. 2. $21,248 of the funds authorized by this resolution are provided for the reimbursement of computer and computer related services requested of the House Information Systems by the Committee on the Judiciary. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the Judiciary shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $1,406,676.71, including expenditures—

(1) for the employment of investigators, attorneys, clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $90,000 of such total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

Sec. 2. $16,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on the Judiciary. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the Judiciary shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

Mr. DANNEMEYER. Mr. Speaker, reserving the right to object, may I inquire, which resolution is being considered? I am sorry, but I had not heard that.

The SPEAKER pro tempore. The Chair will inform the gentleman we are now considering House Resolution 548.

Mr. DANNEMEYER. Mr. Speaker, that is the one for the Committee on the Judiciary?

The SPEAKER pro tempore. The gentleman is correct.

Mr. DANNEMEYER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, the resolutions we are considering today are the final six primary expense resolutions for committees' investigations and studies in 1980.

During our consideration of the first 21 resolutions 2 weeks ago on the floor, I explained the procedure used by the Subcommittee on Accounts and the full Committee on House Administration in their considerations of funding resolutions in 1980. I wish to repeat a part of my statement of 2 weeks ago concerning the procedures we used.

Mr. Speaker, the Subcommittee on Accounts realized that the actual expenses incurred by the committees in 1979 did not realistically reflect the cost which those committees will have in 1980. Therefore, the subcommittee prepared for each committee an estimate of adjusted expenses.

These adjusted expenses took into account the following factors:

First, the late starts of the committees during 1979 because the funding resolutions were not passed until late March or early April.

Second, the inflation rate in 1979 of 13.3 percent.

Third, the House Information Systems computer systems charges to be paid by the committees in 1980 were not required to be paid in 1979.

And finally, the 7 percent pay comparability increases for employees effective October 1, 1979.

Mr. Speaker, I would also like to add that the aggregate of increases for funding for investigations and studies to be conducted by committees of the House in the second session of the 96th Congress, under the resolutions considered by the Accounts Subcommittee, is 5.9 percent over the 1979 authorizations and 6.2 percent over the 1979 adjusted expenses. You will note that both these percentages of increase are considerably below the 13.3-percent inflation rate of 1979, and the even greater predicted rate for 1980.

During the 96th Congress, Mr. Speaker, House committees requested a total of $95,395,460 for investigations and studies. The Subcommittee on Accounts during this Congress has reduced these aggregate requests by over $8.2 million, or almost 9 percent.

Let me here express my appreciation to members of the Subcommittee on Accounts again:

The gentleman from New Jersey (Mr. MINISH), the gentleman from South Carolina (Mr. DAVIS), the gentleman from California (Mr. JOHN L. BURTON), the gentleman from New York (Mr. PEYSER), the gentleman from Connecticut (Mr. RATCHFORD), the gentleman from California (Mr. FAZIO), the gentleman from Michigan (Mr. NEDZI), the gentleman from New Hampshire (Mr. CLEVELAND), the gentleman from California (Mr. BADHAM), the gentleman from California (Mr. LEWIS), the gentleman from South Carolina (Mr. CAMPBELL), and the gentleman from Texas (Mr. LOEFFLER).

I am especially pleased, Mr. Speaker, to say that all but one of the 27 resolutions brought to the House February 28 and today were passed by both the Subcommittee on Accounts and the full Committee on House Administration unanimously. At both the subcommittee and full committee levels we acted in bipartisan fashion.

The ranking minority member of each of the 27 committees, with one exception, also provided testimony supporting the budget of his respective committee.

Mr. Speaker, the first resolution (H. Res. 548) provides $1,406,676.71 for investigations and studies to be conducted by the Committee on the Judiciary.

This amount, Mr. Speaker, which is approved by the Committee on House Administration, represents a 7-percent increase over the committee's 1979 adjusted expenses but also represents an 11.6-percent reduction from the request of the committee.

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Mr. Speaker, I would be glad to yield for purposes of debate only to the gentleman from South Carolina (Mr. CAMPBELL), a very valuable member of the Subcommittee on Accounts.

Mr. CAMPBELL. I thank the gentleman for yielding.

Mr. Speaker, am I correct that this is the Judiciary Committee budget which was cut from an initial request of $1,569,929, plus the HIS, to a resolution which calls for $1,309,767, or 1 percent less than the authorization from last year, when you do not include HIS?

Mr. BRADEMAS. The gentleman is correct.

Mr. CAMPBELL. I thank the gentleman. And I also observe that this is an 8.8-percent increase over the expenditures of last year, not including HIS, but even with HIS included, the actual decrease in money is about 11½ percent, because we also reduced the HIS portion of this particular budget, so therefore we have a net reduction in this budget.

Mr. BRADEMAS. The gentleman is correct.

Mr. CAMPBELL. I thank the gentleman.

Mr. BRADEMAS. Mr. Speaker, I yield for debate only to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. I thank the gentleman for yielding.

Mr. Speaker, the statement has been made that these 27 spending resolutions represent an increase of 6.2 percent over what was expended in 1979. Now, you have to carefully listen to what the gentleman from Indiana said as to what is the spending basis for 1979. And when you find out what that spending basis is, the definition of it, you soon discover that they have included within that spending base for 1979 money that was never spent.

The pay increase of 7 percent went into effect October 1, 1979. They have put into their basis for spending as if it had been spent for 12 months. That is like asking a housewife, "How much did you spend for food in 1978?" and she gives you an answer for what she spends in 1978 and 1979. If you are trying to figure out what is a fair amount to spend in 1980, it is going to throw it all out of proportion to suggest that you should be able to spend in 1980 for food in your budget, in your family budget, what you spent for food in the 2 years 1978 and 1979.

That is the fallacious element in the spending base for 1979.

The second feature of the fallacious element is that there is included a figure for House Information Systems which likewise was not spent. It would appear that the basis for the inclusion of these two items that was not spent was to raise the base of spending for 1979 so that the percentage increase appears to be less than it really is.

Truly, the spending increase that we are considering authorizing as a House for these 27 committees over what was expended in 1979 comes to 17.8 percent.

I do not believe there is any rationale or any rational basis upon which we, as Members of the House, can justify increased spending of that magnitude.

Eighty-five percent of the spending for these spending resolutions is for salaries. The employees that we are hiring to help us do our job here received an increase of 7 percent last October. Therefore, it would appear reasonable to suggest that the spending increase which we as a House should authorize should not be greater than 7 percent over the next year which would end September 30, 1980. And this spending resolution before us for the Judiciary Committee is a 13.4 percent increase, and I suggest on that basis that it should not be tolerated.

Mr. Speaker, we should also remember here that the spending we are talking about is only for the investigatory staff. Separate and apart from this is funding for what is called statutory staff, and in 1979 for the Judiciary Committee there was $1,046,498 expended for statutory staff. That was about one-half of what was expended by this committee in doing its work. In judgment, I think the prudent thing for this House to do with respect to this projected increase of 13.6 percent over what was spent in 1979 is to reject this, send it back to the committee so that they can reduce it down similarly to how the projected spending for the Committee on Interstate and Foreign Commerce was reduced, because I think that was a rational result that the Committee on House Administration achieved.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

Mr. Speaker, in response to my friend and colleague, the gentleman from California, I might say that the Subcommittee on Accounts and later the full committee tried to look at the fact that some committees had actually tried to hold their budgets down and had in fact spent less than they were allocated last year. That put us in a position, if we accepted the argument of the gentleman from California on this particular committee, of penalizing thrift. And if we go about our business of penalizing thrift and rewarding those who spend all that they get and more, than I think we would have defeated the whole process. Therefore, we take the allocation figure and look at the expenditures and make an adjustment. Under that formula, we have on the investigative staff alone, not including HIS, reduced this budget 1 percent under that which was allocated from last year. If we go farther, then we have penalized those who have tried, within their own framework, to save money, and we are encouraging them not to do that in the future.

Mr. BRADEMAS. I thank the gentleman for his contribution.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. Mr. Speaker, as I yield to the gentleman from Texas (Mr. COLLINS), let me here announce that, whenever I yield in respect to any of the resolutions that I shall call up, I shall do so for purposes of debate only.

Mr. Speaker, I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I thank the gentleman for yielding.

Mr. Speaker, in the gentleman's opening remarks he stated that on these financial reports that we have before us, the committees have recommended them unanimously. Congress has a tradition of being very accommodating, and particularly being very accommodating to itself. In this case, we are providing money for our own use. But times have changed. They have changed since the days that these bills came out of committee. The President of the United States has said that he wants to cut the budget by $20 billion and we in Congress need to provide an example for all of the people in the country, because this matter of 18-percent inflation is serious. This funding seems to me a very, very appropriate place to start, with the Committee on the Judiciary.

I notice that in this committee, compared to the days of 1974 when they had the Nixon Watergate trial and they had an extensive staff, that they have increased their permanent staff from 15 to 30 members. In other words, they have doubled the size of their permanent staff in the Committee on the Judiciary. Of course, the permanent staff is not included in this funding, as this is additional staff.

What we talk about in these budgets is what they did last year. What we need to do is to talk about what is the rock-ribbed, basic figure they could shoot for, and that seems to me that we should compare Judiciary to 1975 when they spent $895,000. Now they are asking for $1,406,000. This would be an excellent committee to cut back. If Judiciary ever needed it, if they ever had an emergency situation such as they did with the Watergate hearings, we could always supplement it. But right here and now we should start with the Committee on the Judiciary and have a cutback.

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Mr. BRADEMAS. Mr. Speaker, as has been indicated, and I am grateful to the gentleman from Texas for his inferential commendation of the efforts of our Subcommittee on Accounts, because it is true, to reiterate, that our subcommittee during the 96th Congress has reduced the aggregate requests of the House committees by over $8.2 million or almost 9 percent.

Mr. Speaker, I have no further requests for time.

I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FOR EXPENSES OF STUDIES AND INVESTIGATIONS BY SELECT COMMITTEE ON COMMITTEES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 580) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Committees, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 580

Resolved, That for the further expenses of investigations and studies to be conducted by the Select Committee on Committees, acting as a whole or by subcommittee, not to exceed $287,852, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)) shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $2,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $48,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Select Committee on Committees. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Committees shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire April 30, 1980, or whenever all Select Committee on Committees obligations are paid.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 580 provides $287,852 for investigations and studies to be conducted by the Select Committee on Committees. The amount approved by the House Administration Committee for this committee represents a 40.9 percent decrease from the committee's 1979 adjusted expenses.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I thank the gentleman for yielding.

I think this committee would be an excellent place where we could achieve a 100-percent cut. This committee was formed with worthy intent. This was a select committee that was going to work out reform. So far, the only suggestion I have heard was to rename energy functions, but to keep the committee assignments exactly where they were.

We can work adjustments without any type of a select committee. We can work it out by committees working jointly, and we really have no need for this Committee on Committees.

What a constructive step this would be for America if we gave them a zero budget and ended up doing away with one committee here in Congress.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 572) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 572

Resolved, That for the further expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, acting as a whole or by subcommittee, not to exceed $762,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $5,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Select Committee on Narcotics Abuse and Control. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Narcotics Abuse and Control shall furnish the Committee on House Administration information with respect to any study or investigation intented to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control, acting as a whole or by subcommittee, not to exceed $600,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $5,000 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Select Committee on Narcotics Abuse and Control. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Narcotics Abuse and Control shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 572 provides $600,000 for investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control.

The amount approved, Mr. Speaker, by the House Administration Committee represents an 8.4-percent increase over the select committee's 1979 adjusted expenses.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will yield to the gentleman from Texas (Mr. COLLINS) for purposes of debate only.

Mr. COLLINS of Texas. I thank the gentleman for yielding.

As we look at these different committees, here is one that got started with worthy intentions under a distinguished chairman, distinguished ranking member, and certainly on an important subject that concerns all of us, and that is narcotics. It got started back here in July of 1976, but once it got started, it has just gone along and kept going and kept going, and we ask ourselves today when the funding comes up, do we really need this committee? It is not a legislative committee. It is entirely an oversight committee. I want to point this out, that it has overlapping jurisdiction, overlapping responsibilities with eight other standing committees, and in addition to that, there are over 100 agencies and statutory references that concern it.

In other words, if ever there is a field that is represented, it is the field of narcotics. What we need to do is, instead of having more and more drug agencies, we need to consolidate those agencies so they can keep up with themselves. I would recommend that we do away with this committee.

Mr. BRADEMAS. I thank the gentleman. I might simply say, Mr. Speaker, two things: First of all, I could only hope that my friend from Texas would have carried his plea to the ranking Republican member of this committee, because Mr. RAILSBACK supported the budget and in fact supported more money than the House Administration Committee recommended. I might have also said the same thing with respect to the Committee on the Judiciary, where Mr. McCLORY, the ranking Republican member, supported the budget request and indeed supported more than the Committee on House Administration finally recommended.

I could make the same point to my friend from Texas and my friend from California in respect of the Select Committee on Committees, because there again, the ranking Republican member of the committee, Mr. CLEVELAND, strongly supported the request of the budget. We do find it difficult to resist the blandishments of our Republican colleagues.

The other point I would make in respect of the Select Committee on Narcotics Abuse and Control is that the resolution that the House Administration Committee brings to the House today represents a reduction of 21.2 percent below the request of that committee. I would only say to my friend from Texas that my back is beaten and bruised from the very effective—although not altogether effective—club used by my good friend from New York, the distinguished chairman of that committee (Mr. WOLFF).

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina, a member of the subcommittee.

Mr. CAMPBELL. I thank the gentleman for yielding.

I would like to make the point at this time in the debate that the subcommittee acts in a bipartisan manner, that we have never had partisanship enter into deliberations, that the support or opposition of either minority or majority or various members of the committee are taken into consideration, and that we should recognize that we do bring these budgets before this House in the spirit of bipartisanship, though we may not agree on each and every budget. I have never seen it break down along the partisan lines that have been described earlier.

Mr. BRADEMAS. As usual, my colleague is correct. I appreciate his accurate observation.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

I notice that some of the Republican minority leaders have a tendency to go along with the chairmen of the committees.

I questioned some of them about it, because I felt they should not be voting for these kinds of increases.

Mr. BRADEMAS. Of course, the gentleman can. I would only urge that he turn first his wrath, ire, and indignation loose upon his colleagues on his side of the aisle.

Mr. SOLOMON. If the gentleman would yield further, I have done that, and of course the comeback from some of my colleagues from their side of the aisle was that there was a little bit of intimidation involved and they were a little bit afraid to go against the increases for fear the Democratic majority would unjustly take away some of their minority staff.

Mr. BRADEMAS. I know of no intimidation.

Mr. SOLOMON. I am not trying to cast aspersions at all.

Mr. BRADEMAS. I thank the gentleman.

Mr. SOLOMON. When the budget resolution comes before this House to appropriate the money for these increases, I will be offering an amendment, as I did last year, which will cut back all of these increases back to 7 percent; and I can guarantee it will have almost 100-percent support of the Republicans on this side of the aisle and a lot of the Members from that side of the aisle, because my amendment passed overwhelmingly last year, and I am sure it will this year.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

I would like to make the point I, too, discussed with the Republican Members who have come before our committee the fact that we had heard that they were going along because of fear not to go along. I brought it up in the committee, and our chairman, the gentleman from New Jersey (Mr. THOMPSON), our subcommittee chairman, Mr. BRADEMAS, and the minority discussed this at great length. There would be no punitive action taken against any minority member who did oppose a budget, that there would be no threats given to the minority that they would be cut back on staff, because this committee acting in a bipartisan manner would not stand for that sort of thing, and had encouraged open and free debate before our committee and input. In fact, we will have a budget later on in which the minority did come in in opposition to the budget, and the committee heard the minority and that budget has been cut substantially.

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Mr. BRADEMAS. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, the gentleman from Indiana has made mention of the fact that the ranking minority members on many of these committees were in support.

Mr. BRADEMAS. Of what?

Mr. DANNEMEYER. Of the spending resolutions.

Mr. BRADEMAS. All but one.

Mr. DANNEMEYER. I might point out to the gentleman from Indiana that an analysis of the 16 rollcall votes which this House took a week ago Wednesday on those 16 resolutions that were considered indicates that 70.8 percent of the House Republican Members voted against those spending resolutions.

On the other side of the coin, since the gentleman has brought up the issue of partisanship, is the gentleman from Indiana interested in the number of the Democrat Members of the House who voted for or against those spending resolutions?

Mr. BRADEMAS. This gentleman would advise the gentleman that he will not call him a Publican if the gentleman will not speak of the Democrat Members of the House.

Mr. DANNEMEYER. I can suggest to the gentleman from Indiana that I will be happy to supply the information if the gentleman wants it. It was substantially less than a majority.

Mr. BRADEMAS. Well, I always look forward to the analyses of the gentleman from California.

Mr. DANNEMEYER. Let this gentleman give another analysis, perhaps, as to how some of the ranking minority Members may be inclined to go along, so to speak, to get along. When we analyze the division of the investigative staff in the House, we find that the record discloses that in 1979 we employed 954 total. Of the 954, 807 of those investigative staff were assigned to the Democrats and 145 were assigned to the Republicans. That is 15 percent.

Now, when we are faced with whether to oppose or not, since the Democrats control this House by 63.67 percent of the membership, what you folks on your side of the aisle determine goes for us. Accordingly, we are almost standing here with our hats out asking for any little crumb that may happen to drop from the table at which you serve.

I am suggesting to the gentleman that perhaps if some of the ranking minority Members are inclined to go along, the reason is the fear of retribution, that we would be reduced even lower than the 15 percent of the investigative staff we now have.

The six remaining committee funding resolutions, if adopted, would authorize over $16 million in committee spending distributed as follows:

House resolution: House committee	1979 adjusted spending	1980 recommendation	Percent increase
548: Judiciary	$1,240,087	$1,406,677	13.4
572: Select Committee on Narcotics	536,700	600,000	11.8
573:[1] Select Committee on the OCS	281,548	157,172	−44.2
574: House Information Services	8,502,683	9,881,000	16.2
580:[2] Select Committee on Committees	480,970	287,852	−40.2
583: Interstate and Foreign Commerce	3,542,506	3,750,000	5.9

[1] Committee is constituted only through June 30, 1980.

[2] Committee is constituted only through Apr. 30, 1980.

If history repeats itself, it will be argued that the increase estimates listed above are too high. Some will say that the Judiciary Committee is only getting a 7-percent increase instead of a 13.4-percent increase and that the Commerce Committee is actually being decreased 4.2 percent instead of being on the receiving end of a 5.9-percent boost. It all depends on how you define terms and, since votes may turn on those definitions, I thought some additional perspective might prove helpful.

The definitions problem first surfaced the week before last when the first batch of committee funding resolutions was voted upon. At that time, a sheet entitled "Comparison of 1979 Authorizations, 1979 Adjusted Expenses and 1980 Recommendations for Investigations and Studies to be Conducted by House Committees" was circulated on the floor indicating that 1980 recommendations for the 27 resolutions exceeded 1979 expenditures by a mere 6.2 percent. As you will note from comparing column C with column E on the attached chart, that estimate was considerably at variance with others that had been previously disseminated.

Taking the raw figures as a given analysis of the information available suggests that the difference between a 17.8-percent overall increase figure and a 6.2-percent overall increase figure derives from differences in the way of defining and calculating 1979 spending. My view (which corresponded with that put forth by the Subcommittee on Accounts in its "1980 Budget Comparison Summary") of an appropriate definition is that 1979 spending should reflect actual expenditures plus 1979 House Information Services charges for that particular committee. However, it would appear that the authors of the aforementioned sheet have defined 1979 spending a bit differently. More specifically, it would appear that they have defined it to be the level of spending that would have occurred had the pay increase granted last October been in effect the full year (1979) plus the estimate of House Information Services charges for 1980. If the result, which more closely resembles a current services estimate for 1980 than spending figures for 1979, was intended to make proposed committee funding increases look smaller than they actually are, it succeeds in that objective admirably.

It is entirely possible, of course, that a case can be made for changing the way committee funding estimates are presented. But, the time to do that is not in the midst of final consideration and I would hope that the type of figuring seen on the aforementioned sheet would not reappear during the upcoming debate over the last six funding resolutions. If the House is to properly exercise oversight over its own operations, it must be able to make meaningful comparisons, and redefining upward the "1979 Level of Spending as Adjusted" by $371,488 in the case of the Commerce Committee and by $74,857 in the case of the Judiciary Committee makes that difficult indeed. Therefore, I urge you to study the attached chart carefully and, on Thursday, to vote against any column C spending increase in excess of 7 percent. The least we can do, in view of the current 18.2-percent annualized inflation rate, is to hold the line on our own spending.

COMPARATIVE DATA ON INCREASES IN COMMITTEE FUNDING

Committee	1980 recommended funding (Col. A)	1979 actually expended[1] (Col. B)	Percent increase (A) over (B) (Col. C)	1979 spending level[2] (Col. D)	Percent increase (A) over (D) (Col. E)
Aging	1,233,000	1,002,869	22.9	1,237,948	(0.4)
Agriculture	1,247,200	1,039,014	20.0	1,210,976	3.0
Armed Services	827,000	542,793	52.4	581,436	42.2
Banking	2,560,287	2,232,832	14.7	2,315,332	10.6
Commerce[3]	3,750,000	3,542,506	5.9	3,913,994	(4.2)
Committee on Committees[3][4]	287,852	480,970	(40.2)	487,069	(40.9)
District	289,670	299,935	(3.4)	336,348	(13.9)
Education and Labor	2,522,000	1,992,784	26.6	2,214,692	13.9
Foreign Affairs	1,875,124	1,566,714	19.7	1,607,869	16.7
Government Operations	2,274,900	1,853,019	22.8	2,061,397	10.4
H.I.S.[3]	9,881,000	8,502,683	16.2	9,560,000	3.4
House Administration	1,744,500	926,740	88.3	1,650,112	5.7
Intelligence	972,420	831,002	17.0	836,820	16.2
Interior	1,316,679	1,165,443	13.0	1,271,716	3.5
Judiciary[3]	1,406,677	1,240,087	13.4	1,314,944	7.0
Mercant Marine and Fisheries	1,682,171	1,508,613	11.5	1,596,835	5.3
Narcotics[3]	600,000	536,700	11.8	553,296	8.4
Outer Continental Shelf[3][5]	157,172	281,548	(44.2)	282,876	(44.4)
Pension Task Force	207,200	140,779	47.2	174,732	18.6
Post Office	950,000	784,289	21.1	791,304	20.1
Public Works	1,870,000	1,673,787	11.7	1,779,516	5.1
Rules	615,000	357,551	72.0	502,764	22.3
Science and Technology	1,896,800	1,603,070	18.3	1,705,780	11.2
Small Business	776,000	772,962	.4	777,104	(.1)
Standards of Official Conduct	500,000	295,104	69.4	300,672	66.3
Veterans	352,490	281,701	25.1	284,277	24.0
Ways and Means	2,252,000	1,927,252	16.9	2,125,000	6.0
Total	44,047,142	37,382,747	17.8	41,474,809	6.2

[1] Amount actually expended, including 1979 H.I.S. charges.

[2] House Administration estimate based upon extension of pay comparability increase plus estimated 1980 H.I.S. charges.

[3] Yet to be voted upon.

[4] Constituted only through Apr. 30, 1980.

[5] Constituted only through June 30, 1980.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I would be glad to yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for yielding.

The observation made by the gentleman from California is correct in some committees. We have observed that and that has been a subject of discussion in the committee; however, I would also urge us to take a look at the individual committees, instead of the aggregate due to this factor. We have discussed with the ranking minority Members in some instances why their staff was down. They have informed us that they chose to keep it down; our particular committee being one, the Committee on House Administration is below its own allotment; however, in instances where they are kept down and are not given those positions, you may rest assured that we have done everything in our power on the minority to bring this before the committee. We have questioned it. Our chairman once again has asked us for facts and figures on it, saying that he was pledged to fair play, which was, in effect, to give us an option to go up to one-third of the staff.

We have had his cooperation in trying to correct the inequities that do exist, but we have not been successful in completely correcting them.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman.

I yield to the distinguished chairman of the Select Committee on Narcotics Abuse and Control, the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I thank the gentleman for yielding. I am dreadfully sorry that the question of partisanship has come up during the discussion of the Select Committee on Narcotics Abuse and Control, since we operate on a totally nonpartisan basis and, in fact, the two gentlemen who just raised the question regarding staff and such, I hope that they did not allude to the question of the Select Committee on Narcotics Abuse and Control, because it would then cause me, as chairman of the select committee, to withdraw all the chairmanships of the task forces that we have given over to the Republicans.

This is the only committee in the House that has chairmen of various task forces of the committee which are similar to subcommittees, that have been given over to Republicans.

I am really sorry to see the criticism that has been leveled that partisanship takes place during the discussion of this select committee.

In addition to that, I would say I certainly subscribe to many of the positions that have been taken relative to the idea of trimming back waste and unfortunate expenditures that have been made about staff and about excesses that have occurred during the Congress. That I do not think is the case—I should not say I do not think, I am sure it is not the case with the Select Committee on Narcotics, which is going out of business at the end of this term.

In addition to that, the gentleman made a great case for the committee when the gentleman said that there are 107 agencies of Government which are now concerned with this problem. Unfortunately, some of them do not talk to each other. Unfortunately, some of the committees of the Congress do not coordinate with each other.

The original purpose of this committee was to coordinate the activities of the various agencies of Government, to try to bring them together. We have been very successful in this.

We have the Coast Guard now operating with the DEA. We have the DEA operating with the Customs Service, something that did not occur in the past. We have been eminently successful with this committee in working toward coordinating outside agencies.

In addition to that, the General Accounting Office issued a report recently which said that this is one area in which there is no head, that is many hydra, is the narcotics area. Fifty-six billion dollars of American taxpayer moneys go down the drain in narcotics.

I am sure that the gentlemen who are interested in the idea of cutting back on the expenses of this Nation and saving the taxpayers' money will agree that one aspect of this is the work of this committee, which is attempting to do just that.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from New York.

I yield to the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I wish to join my colleague, the distinguished chairman, the gentleman from New York (Mr. WOLFF) in support of the funding for this Select Committee on Narcotics. While most of us on the select committee were not enthusiastic about cutback in final recommendation by the House Administration Committee, we certainly urge our colleagues no further cuts be endorsed.

I can think of no more critical issue before our Nation today than to try to do something substantive in combating drug abuse and interdicting narcotics trafficking in this Nation. It affects each one of our congressional districts. It has been estimated that there is over $50 billion, not millions, but billions, but $50 billion in narcotics trafficking in this Nation.

Last year it was estimated that there was over $20 billion of drug related crime in our Nation and it is reported that over 3,000 young people succumbed to an overdose of drugs.

And now we hear predictions of a new flood of heroin approaching our shores from the Middle East, from Iran, from Pakistan, from Afghanistan, from countries that no longer can control the illicit production of opium within their boundary. And here we are debating a few hundred thousand dollars for a war against narcotics—a budget for a full year's activity in winding up the select committee's work, a work that has extended over 3 years of bringing together the fragmented activities of the agencies and committees in the Government, over 50 agencies and committees, who have some responsibility in working on the narcotics problems. The Narcotics Select Committee is the only entity in the Federal Government that is mandated to focus on the entire drug problem—to help reduce both the supply and demand for the illicit drugs and to help raise the consciousness of the public regarding the dangers of drug abuse and the insidious operations of the international narcotics syndicates whose multibillion-dollar nefarious business transections in deadly drugs cause so much harm to so many of our citizens.

This concerted effort, this work of trying to raise the national and international consciousness of the narcotic problem is extremely important and vital to all of us, to all of our districts, but most particularly to our young people.

I would urge, rather than any further cutback in select committee's fund, colleagues consider properly funding the Select Committee on Narcotics so that it can properly do the job that it was initially requested to do by this honorable body.

Mr. Speaker, I thank the gentleman for yielding and I urge my colleagues to support this resolution.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yes and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior amendment, further proceedings on this question will be postponed.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 573) to provide for the expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 573

Resolved, That for the further expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, acting as a whole, not to exceed $172,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, pursuant to section 202(j) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (j)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, except in conformance with H. Res. 53; and the chairman of the Select Committee on the Outer Continental Shelf shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on June 30, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law and pursuant to H. Res. 53.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, acting as a whole, not to exceed $157,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, pursuant to section 202 (j) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(j)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, except in conformance with H. Res. 53; and the chairman of the Select Committee on the Outer Continental Shelf shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on June 30, 1980, or whenever all Select Committee on the Outer Continental Shelf's obligations are paid.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law and pursuant to H. Res. 53.

□ 1440

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 573 provides $157,000 for investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf. The amount approved by the House Administration Committee represents a reduction of 44.4 percent from the committee's 1979 adjusted expenses.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman for yielding.

I would like to say this particular committee was founded back in 1978 out of the Merchant Marine and Fisheries Committee to create the OCS Lands Act which they did. They then came back and asked to be reconstituted to do the oversight of the law. They worked to create the act, they have created it. Now the oversight is their function. As I have looked at it, I want to commend them on cutting this budget because they have cut back from 281 to 157. This would be a very appropriate time for us to act and we could cut them completely out and leave their oversight with the Merchant Marine and Fisheries Committee itself.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 583), to provide for the expenses of investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 583

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $3,843,250, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, assigned by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $29,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. $93,250 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Interstate and Foreign Commerce. These funds may not be used for any other purpose.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interstate and Foreign Commerce shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $3,750,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $29,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. $93,250 of the funds authorized by this resolution are provided for the reimbursement of computer and computer-related services requested of the House Information Systems by the Committee on Interstate and Foreign Commerce. These funds may not be used for any other purpose.

Sec. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interstate and Foreign Commerce shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 4. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1981.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 583 provides $3,750,000 for investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce. The amount approved by the House Administration Committee represents a reduction of 4.2 percent from the committee's 1979 adjusted expenses.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for yielding.

I might point out this particular committee was one that received a great deal of scrutiny by the Accounts Subcommittee. As a matter of fact, the budget was submitted to us twice. Originally the committee came in with a budget of $4,442,899. They requested that amount and our committee cut that request by $692,899 to $3,750,000.

This committee, which was, as it happens, the one I referenced earlier where the minority came in and opposed the original budget, and we worked with the committee as well as some members of the majority in trying to work out the budget. We feel that a great deal of scurtiny has been given to this particular request. It has been a reduction and there has been some fighting over it, but it is one in which once again the subcommittee acted in a bipartisan manner, supporting the requests, and listening to the arguments of all that came before us. It is also the one over which we had some discussion as to whether there would be any punitive action against the minority where the gentleman's committee did discuss the fact we would look into it if there happened to be.

Mr. BRADEMAS. I thank the gentleman from South Carolina for his observations. As usual, he has made a most constructive contribution to our understanding of the reasons the House Administration Committee reduced so substantially the original request of this committee.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I appreciate the gentleman from Indiana yielding.

Mr. Speaker, you know, it is always more difficult to speak about your own committee than it is others. We can always show where the other guy should be cut, but this is my own committee and our own committee minority did object at the time the bill came up, because we in the Committee on Interstate and Foreign Commerce are aware of the need to balance the budget. There is a strong need for us to show fiscal restraint right here in Congress. As the gentleman said, they hoped they would not take it out on the minority. I will tell my colleagues it will be mighty difficult to take it out on the Commerce Committee minority because the present ratio in this committee shows the Democrats have 107 members of the subcommittee and the minority has 14. I guess that is a ratio of about 8 to 1. So, if they cut it any more, I do not know what will be left.

My objection, though, is not to that because basically they say they are nonpartisan. But I would like to bring this out. This committee has grown, and grown, and grown. When it really took off was after the 93d Congress. During that particular Congress the total expenditures were $1.638 million. In other words, they spent a little over a million and a half dollars. In the 95th Congress, the last Congress, which was two Congresses later, the budget grew from a million and a half to where it was going over $8 million to $8.099 million.

We do not need to talk in terms of where the committee was last year. What we need to do is talk in terms of where we should be today. We ought to be looking back at the 93d Congress and get rid of all of these surplus people because they are all serving on a temporary basis anyhow. We are not talking about permanent staff. These people we are voting for are temporary people and we could provide a substantial cut. A reasonable cut might be to cut it by a third. But whatever the committee decides to cut, after deliberation, would be excellent.

I would certainly recommend that in our own committee we turn down this request and send it back for review.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, I had a question. We have pending around here, and I understand it will be acted on shortly, a decision as to whether or not to set up a separate energy committee which would affect, if it happens, the work of this committee. I would suspect, not being on the committee, that that subcommittee is probably the most active one of the full committees, and probably constitutes a good deal of the work that it does. I was wondering if the gentleman has considered whether or not, if we set up an energy committee, will that be subtracted from the budget that we are about to approve today?

Mr. BRADEMAS. I may say to the gentleman from Kentucky that there is, of course, no way at all that our Subcommittee on Accounts, nor the full House Administration Committee, can make a judgment on a hypothesis. We have no resolution for another committee before us and, therefore, of course, it is not possible for us to do that.

Mr. SNYDER. If the gentleman will yield further, I understand that. But we are all aware of the fact that we will have that proposal before us rather shortly, as I understand it, and it would seem to me that it would be within the province of the gentleman's committee to say, "Now, look, if we set up another committee and take away a substantial portion of your jurisdiction and your work as a result of that action, we are going to come back and readjust this figure for this committee in some rational way, reflecting the action of the House, if it occurs."

Mr. BRADEMAS. Of course, the gentleman from Indiana would say to the gentleman from Kentucky that if the House of Representatives decides to reshape any committees in respect of any subject matter, and those matters are then brought, and those committees, those new committees or different committees, or committees with different jurisdiction come back to the House Administration Committee and ask for a different form of funding, we, of course, would consider them.

That contingency would apply not only with respect to any proposed new Energy Committee but to any other change made in the jurisdiction of the committees of the House by the House.

□ 1450

Mr. SNYDER. If the gentleman will yield, is the gentleman from Indiana saying to me that if the House sets up a new Energy Committee, and they, of course, would come before the gentleman for funding, that it would be within the province of the committee, notwithstanding the action we take today, to say, OK, we are going to fund you *x* dollars, or recommend that in the funding resolution, but we are also going to call in the Committee on Interstate and Foreign Commerce and talk to them about what kind of reduction they will take by virtue of this act.

Mr. BRADEMAS. The gentleman from Indiana will say that it is his understanding that if a new committee of the House is created again with respect to energy or any other subject matter, it might well be the case that that new committee might not come into existence until the next Congress, so it would really not be proper for this Congress to be passing judgments on funding resolutions for a Congress not yet in existence, for committees not yet in existence. But we will take a look.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

Further responding, this question was raised and some conversation held briefly on it, and I believe I could say that from the minority side the question would be raised immediately upon funding of a new committee as it was being taken out of other committees, with a recommended reduction from those committees being put into place. I would also like to comment, if I might, that this committee was one of the ones where the minority was out of line on staff. As the gentleman from Texas mentioned, it was one of the ones we raised the question on, and it was one of the specifics that needed to be corrected.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

I have those figures to which I alluded earlier, and in which the gentleman may have a casual interest. The figures show that on March 3, for the 16 resolutions on which the House voted, 36.4 percent of the Members of the House voted against them. In the partisan breakdown, Democrats voted against those 16 spending resolutions with 15.5 percent of their membership. Republicans voted against them with 70.8 percent of their membership. I submit these figures as an indication of which of the two parties of this House is attempting to reduce public expenditures to relieve the heavy tax burden and the inflation rate that exists in this country. The table shows the following:

VOTE BREAKDOWN ON COMMITTEE FUNDING RESOLUTIONS

Committee	Yea/nay	Percent nay
Armed Services	68–323	[1] 17.4
Republicans	57– 90	[2] 38.8
Democrats	11–233	[2] 4.5
Agriculture	288–115	28.5
Republicans	54– 98	64.5
Democrats	234– 17	6.8
Small Business	343– 57	14.3
Republicans	101– 51	33.6
Democrats	242– 6	2.4
Science and Technology	257–145	36.1
Republicans	41–110	72.9
Democrats	216– 35	13.9
Merchant Marine and Fisheries	237–166	41.2
Republicans	36–116	76.3
Democrats	199– 50	20.1
Ways and Means	250–151	37.7
Republicans	37–115	75.7
Democrats	213– 36	14.5
Government Operations	241–159	39.8
Republicans	23–129	84.9
Democrats	218– 30	12.1
Banking, Finance and Urban Affairs	231–169	42.3
Republicans	31–121	79.6
Democrats	200– 48	19.4
Interior and Insular Affairs	257–146	36.2
Republicans	38. 115	75.2
Democrats	219– 31	12.4
Foreign Affairs	220–175	44.3
Republicans	32–118	78.7
Democrats	188– 57	23.3
Post Office and Civil Service	206–194	48.5
Republicans	25–127	83.6
Democrats	181– 67	27.0
Public Works and Transportation	307– 92	23.1
Republicans	74– 78	51.3
Democrats	233– 14	5.7
Aging	235–161	40.7
Republicans	46–104	69.3
Democrats	189– 57	23.3
Rules	220–176	44.4
Republicans	13–138	91.4
Democrats	207– 38	15.5
House Administration	232–162	41.1
Republicans	35–115	76.7
Democrats	197– 47	19.3
Education and Labor	210–184	46.7
Republicans	29–120	80.5
Democrats	161– 64	28.4
16 resolutions		36.4
Republicans		70.8
Democrats		15.5
15 resolutions (excluding Armed Services)		[3] 37.7
Republicans		72.9
Democrats		16.3
14 resolutions (excluding Armed Services and Small Business)		[4] 39.3
Republicans		75.8
Democrats		17.3

[1] Yea (this was a motion to recommit).

[2] Yea.

[3] Allowing for increased pro-defense sentiment.

[4] Also allowing for insignificant increase in Small Business funding.

Mr. BRADEMAS. I thank my colleague, the gentleman from California, for his commendation on the work of the Subcommittee of Accounts in having reduced by something on the order of 9 percent and in excess of $8 million the spending for the several committees of the House below their requests.

I am told, indeed, I believe, by the Christian Science Monitor, that this Congress marks the first time in 20 years that reductions have been made by the Subcommittee on Accounts in the committees' requests. I am especially grateful for the words of my friend, the gentleman from California.

Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 574) providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 574

Resolved, That the Committee on House Administration is authorized to incur such further expenses (not in excess of $10,981,000) as the committee considers advisable to enable House Information Systems to provide for the development, operation, maintenance, and improvement of ongoing computer and information services for the House of Representatives, for the investigation of additional computer and information services for the House of Representatives, and to provide computer and information systems support directly to Members, committees, and administrative offices of the House of Representatives, including expenditures—

(1) for the employment of professional, technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise, and

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House, or from reimbursed funds, on vouchers authorized and approved by such committee, and signed by the chairman thereof.

(b) Not to exceed $779,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $96,000 of such total amount may be used to provide for specialized training, pursuant to secton 202(j) of such Act (2 U.S.C. 72a (j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. House Information Systems is hereby authorized to expend such funds as are reimbursed it in accordance with the policies of the Committee on House Administration.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 4. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: strike out all after the resolving clause and insert:

That the Committee on House Administration is authorized to incur such further expenses (not in excess of $9,881,000) as the committee considers advisable to enable House Information Systems to provide for the development, operation, maintenance, and improvement of ongoing computer and information services for the House of Representatives, for the investigation of additional computer and information services for the House of Representatives, and to provide computer and information systems support directly to Members, committees, and administrative offices of the House of Representatives, including expenditures—

(1) for the employment of professional, technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise, and

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House, or from reimbursed funds, on vouchers authorized and approved by such committee, and signed by the chairman thereof.

(b) Not to exceed $779,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $96,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. House Information Systems is hereby authorized to expend such funds as are reimbursed it in accordance with the policies of the Committee on House Administration.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 4. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1981.

SEC. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the committee amendment and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, House Resolution 574 provides $9,881,000 for the House Information Systems. Mr. Speaker, the amount approved by the Committee on House Administration represents a 3.4-percent increase over the 1979 adjusted expenses of the House Information Systems and a reduction in the amount of $1.1 million or 10 percent from the request of HIS.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I appreciate the gentleman's yielding. I do not know whether the gentleman has had the experience in his office of checking what these services provide, but when I looked at this budget, I went back to our computer, and asked them to get a printout of what they have on the House Information Systems and, in turn, what we get from the Congressional Library. As most of the Members know, we have this service provided by House Information Systems, and we have practically—and I do mean practically—the same information by the Congressional Library. The Congressional Library is just a block across the street, but it is even easier than that. All you have to do is punch your computer, and it comes in just like that. You can get just one, or you can punch it and you can get the other.

As close and as comparable as those two systems are, it seems to me it would be a mark of real scholarly wisdom on our part to consolidate these two systems and not to have two separate systems, not to spend $10 million maintaining a separate one. I feel sure if this were our own money out of our own pocket, we would not be maintaining two systems. They are practically complete duplications. If you want to find out what is going on in legislation, you can get it from the Congressional Library today—$10 million we are providing for a duplicating service—and there is just no justification for it.

Mr. BRADEMAS. I thank the gentleman for his observation.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding. I was listening with interest to the comments of the gentleman from Texas (Mr. COLLINS). The Library of Congress system might be duplicative in some part. It does cost a great deal more than ours to operate, about $16 million, I believe. Perhaps that should be explored along the way. That point has not been brought forward in such a manner. I hope that the gentleman would provide our committee, and especially the gentleman from North Carolina (Mr. ROSE), with some recommendations on it because if there is duplication in it, then I am sure our committee would like to look at it and look at it very carefully.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I thank the gentleman for yielding.

I do not care which system they do away with. What I am saying this Congress does not need both of them. All my girl as to do—and she is an expert computer operator—is push a button, and it brings in the Congressional Library, or she can push another button and bring in House Information. If it is better to do away with the Congressional Library, let us do it, but the Congressional Library serves a great many other people than ourselves. I would be inclined that it be the system that remains instead of our own little in-house private system. I do not know why we really need it.

Mr. ROSE. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from North Carolina (Mr. ROSE), who is the most knowledgeable authority in the House of Representatives in this matter.

Mr. ROSE. I thank the gentleman for yielding. I enjoyed listening to the observations of our colleague and our friend, the gentleman from Texas (Mr. COLLINS). I would point out to him that the Library of Congress has a computer system that is under the watchful eye of our colleague, the gentleman from Indiana (Mr. BENJAMIN) and his Subcommittee on Appropriations. This year they will spend about $20 million for the Library of Congress computer system.

The U.S. Senate has a separate computer system that will spend about $16 million this year for a separate entity in the Senate. Our little system in the House is the smallest of all the three. As the chairman of the Subcommittee on Accounts has so aptly put it, his subcommittee saved 10 percent and got that budget down to about $10 million for this year.

The Legislative Information Service that the gentleman from Texas' girl has punched into in his office—and I would hope some day he would personally learn how to run a computer terminal so he could do it himself—is only one infinitesimal part of the services of the House Information Systems. The information that we are providing Members of the House and committees of the House could only be realized on this Hill by the hiring of additional people for whom we have no space to put them, nor place to put their cars.

I would submit to the gentleman that the most efficient way we have got to make the Members of Congress who are here more productive is to encourage them, as the gentleman's staff has obviously learned, to learn how to become involved with computer technology.

☐ 1500

I wish that some of this duplication could be erased. We are working to see that it is erased.

The executive branch of the Government with its $600 billion budget comes in with over $5 billion a year for computer services. One of the only tools we have to help us adequately oversee the burgeoning executive branch of Government is the electronic data processing machine.

I would urge you to work with your friends in the Senate, work with your friends in the Appropriations Committee to help us in finding ways that this duplication can be erased but there is just not much of it, today.

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Would the gentleman agree that the only thing needed in this House, where we vote to spend other people's money, is the judgment and discretion on the part of the men and women who serve here, a determination, if you please—and that is the outgo with the income? When we do that we have laid the foundation for the stopping of deficit spending which is the principal cause of inflation in this country. Would the gentleman agree with that statement?

Mr. ROSE. Certainly I would agree with that, Mr. Speaker. I would say to the gentleman that those kind of simple statements of what is wrong with America are very easy to come by but that the real problem we face are the adequate tools around this place with which we can be surgeons and not butchers.

Mr. Speaker, I would say to the gentleman we have the beginning of a budgetary information system available for the gentleman to use in his office right now that will give him more information than has ever been available in Congress before about that income and outgo.

Mr. Speaker, if the gentleman will match judgment and will with facts and figures that computers can give the gentleman, we will have that balanced budget.

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from California (Mr. LEWIS) a very able member of the Subcommittee on Accounts.

Mr. LEWIS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have been intrigued by the comments of my colleagues on this side of the aisle regarding the use of our computer system. I would like to point out that in this subject area during the time I have served on the subcommittee, our Subcommittee on Accounts has been very careful about what they have done with that budget. Last year we stepped back a long ways in terms of House Information Services proposals. This past year, we actually spent 1 percent less than was actually authorized. The current budget that is proposed is a little more than 3 percent more than we actually spent last year.

Mr. Speaker, I think it is very important for the House to know that computer services provide, perhaps, the most intriguing tools available to us in terms of potential improvement of the work of the Congress. To suggest that the information available from the Library of Congress is the only service available here would be to ignore that phenomenal computer system which allows us to use this idiot card to vote rather than spending several more hours a day running back and forth to vote.

Mr. Speaker, House Information Service potentially can make this House so much more efficient, today, that one day the genius I see reflected in the mind of my colleague the gentleman from California (Mr. DANNEMEYER) will even be freer to apply itself to the economies that we need in running the Government of this country.

Mr. Speaker, I would suggest that this budget is among the more conservative that we have. I would urge its adoption and the support of the membership.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to my friend from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I wanted to add one thing. As I heard the distinguished gentleman from North Carolina, I remember the story they told about the farmer. They asked him to come to town Saturday night. He asked why.

He said, "They're bringing in five experts from the university to teach you how to farm better."

He said, "I already know 10 times as many ways to farm better than I can do. What I need to do is just do the job."

Mr. Speaker, I feel that way about all of these gizmos. I do not know how the desk of the gentleman from Indiana (Mr. BRADEMAS) is every day but when I come in I have a pile of documents a foot high on my desk. There are more reports—we have too many reports around here. We need no more reports. What we need to do is use our brain around here.

Mr. BRADEMAS. Mr. Speaker, I do not know that I really ought to sit still for this savage attack on the great land-grant university system in our country. I have Purdue University in my State which has helped increase the productivity of American agriculture beyond anything that might have been possible before the days of Abraham Lincoln, under whose administration this idea took fruit, along with President Buchanan as I recall, another Republican. Mr. Speaker, I am really shocked and a little saddened.

Mr. Speaker, I yield to my friend from New Jersey (Mr. MINISH), one of the hardest working members of the Subcommittee on Accounts.

Mr. MINISH. Mr. Speaker, I thank the chairman for yielding.

I might just say to my friends from Texas and California I did not see them at any of the subcommittee meetings. Now if you have had the interest that you show on the floor today, why did you not come up to the meetings when your committee funding resolution was before us and give us your position. We would have welcomed your contribution.

Mr. COLLINS of Texas. I might say, if the gentleman will yield.

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. In our particular committee, the Committee on Interstate and Foreign Commerce, we voted unanimously against the committee resolution that came forward.

Mr. Speaker, I was not asked to come.

Mr. MINISH. The gentleman does not have to be asked. He or any other Member may come up to the Accounts Subcommittee meetings. They are open meetings, and I am surprised we did not see him, considering the interest he has shown on the floor today. The next time we meet, please come up to the subcommittee. I look forward to, and welcome the gentleman's help.

Mr. COLLINS of Texas. I will accept that invitation.

Mr. BRADEMAS. I will be glad to yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS. On that point, I am not sure if my colleague on the committee really means what he is asking. Are we sure we need that kind of help?

Mr. BRADEMAS. I appreciate the rhetorical observation.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. Mr. Speaker, I have yielded to the gentleman from California all day. I see no reason, given the nature of his observations and the contribution so far, not to yield to him again.

Mr. DANNEMEYER. If the gentleman will ask the question as to whether this gentleman from California personally spoke to each of the minority members of the House Committee on Administration on these funding resolutions——

Mr. BRADEMAS. I have not put that question.

Mr. DANNEMEYER. The response would be that the gentleman has, and I feel that that effort to influence the judgment of the Committee on House Administration has been modestly successful.

Mr. BRADEMAS. The gentleman from California is the best judge of his own effectiveness.

Mr. MINISH. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. I cannot let that statement go without responding. The gentleman said that some of the ranking minority Members are intimidated. Now the gentleman I believe is a strong individual. I am sure they could not intimidate, or be intimidated by the gentleman. Therefore the gentleman should come up to the Accounts Subcommittee meeting.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina (Mr. CAMPBELL).

Mr. CAMPBELL. The gentleman from California is absolutely correct. The gentleman has talked with the Members of the minority. The gentleman has had a great deal of input and supplied a number of figures. We did not always agree but I think the input of the gentleman was valuable and I hope that next year he will share it with the entire committee.

Mr. BRADEMAS. Mr. Speaker, it is never too late to be saved. I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to clause 5(b), rule I, and the Chair's prior announcement further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

Debate has been concluded on all resolutions.

Pursuant to clause 5(b), rule I, the Chair will now put the question on the adoption of each resolution on which further proceedings were postponed in the order in which that resolution was considered.

Votes will be taken in the following order: House Resolutions 548, 580, 572, 573, 583, and 574.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON THE JUDICIARY

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 548), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 548), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 260, nays 139, not voting 33, as follows:

[Roll No. 130]

YEAS—260

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Broyhill
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conable
Conyers
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hefner
Heftel
Hightower
Holland
Hollenbeck
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Santini
Sawyer
Scheuer
Schulze
Seiberling
Shannon
Sharp
Shelby
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—139

Abdnor
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Brinkley
Broomfield
Brown, Ohio
Buchanan
Burgener
Butler
Carney
Cheney
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Early
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Evans, Ind.
Fenwick
Findley
Giaimo
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hammerschmidt
Hamsen
Heckler
Hinson
Holt
Hopkins
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Loeffler
Lott
Lujan
Lungren
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
Pashayan
Paul
Pease
Petri
Porter
Quayle
Quillen
Regula
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Schroeder
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Weaver
Whitehurst
Whittaker
Williams, Ohio
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—33

Anderson, Ill.
Ashbrook
AuCoin
Bevill
Cavanaugh
Crane, Philip
Davis, S.C.
Edwards, Ala.
Fazio
Flippo
Fountain
Gudger
Harsha
Hawkins
Hillis
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kelly
Livingston
McCloskey
Mathis
Murphy, Ill.
Myers, Pa.
Obey
Pritchard
Pursell
Ratchford
Simon
Stewart
Thompson
Wilson, Tex.

☐ 1520

Messrs. LOEFFLER, FINDLEY, KRAMER, TRIBLE, and LAGOMARSINO changed their votes from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b) of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all of the additional resolutions on which the Chair has postponed further proceedings.

PROVIDING FOR EXPENSES OF INVESTIGATORS AND STUDIES BY SELECT COMMITTEE ON COMMITTEES

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 580).

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 580), on which the yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 199, nays 198, answered "present" 1, not voting 34, as follows:

[Roll No. 131]

YEAS—199

Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carter
Chappell
Cheney
Chisholm
Clay
Cleveland
Coelho
Coleman
Collins, Ill.
Conyers
Corman
Coughlin
D'Amours
Danielson
Dellums
Derrick
Dicks
Diggs
Dixon
Donnelly
Downey
Drinan
Eckhardt
Edgar
Edwards, Calif.
Evans, Ga.
Fary
Fascell
Ferraro
Fisher
Fithian
Foley
Ford, Tenn.

Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Ginn
Gore
Gray
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Holland
Hollenbeck
Horton
Howard
Hughes
Hutto
Ireland
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McClory
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Pa.

Murtha
Neal
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Quillen
Rangel
Reuss
Rhodes
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Synar
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Wampler
Watkins
Waxman
Weiss
Whitley
Williams, Mont.
Wilson, Bob
Wolpe
Wright
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—198

Abdnor
Albosta
Ambro
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Boner
Bouquard
Brinkley

Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carr
Clausen
Clinger
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Courter
Crane, Daniel

Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dingell
Dodd
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Okla.
Emery

English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Florio
Ford, Mich.
Forsythe
Frenzel
Giaimo
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Hightower
Hinson
Holt
Hopkins
Hubbard
Hyde
Ichord
Jacobs
Jeffries
Jenkins
Jones, Okla.
Kazen
Kemp
Kildee
Kindness
Kramer
Lagomarsino

Latta
Leach, Iowa
Leath, Tex.
Lee
Lewis
Loeffler
Lott
Lujan
Luken
Lungren
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Myers, Ind.
Natcher
Nedzi
Nichols
O'Brien
Ottinger
Panetta
Pashayan
Paul
Perkins
Petri
Pickle
Porter
Quayle
Rahall
Railsback
Regula
Rinaldo
Ritter
Roberts
Robinson

Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Swift
Symms
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Walgren
Walker
Weaver
White
Whitehurst
Whittaker
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—34

Anderson, Ill.
Ashbrook
AuCoin
Bevill
Cavanaugh
Crane, Philip
Davis, S.C.
Edwards, Ala.
Fazio
Flippo
Goldwater
Gudger

Harsha
Hawkins
Hillis
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kelly
Livingston
McCloskey
Mathis
Murphy, Ill.

Myers, Pa.
Pritchard
Pursell
Ratchford
Simon
Stewart
Thompson
Whitten
Wilson, Tex.
Wolff

□ 1530

Messrs. WYDLER, WOLPE, EDGAR, RUSSO, and JENRETTE changed their votes from "nay" to "yea."

Messrs. MURPHY of New York, HYDE, TAUKE, and DOUGHERTY changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 572), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 572), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 252, nays 146, not voting 34, as follows:

[Roll No. 132]

YEAS—252

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Archer
Ashley
Aspin
Atkinson
Bailey
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Carney
Carter
Chappell
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conyers
Corman
Coughlin
D'Amours
Daniel, Dan
Danielson
Davis, Mich.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Ferraro
Findley

Fish
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hammerschmidt
Hance
Hanley
Harkin
Harris
Heckler
Hightower
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Hutto
Hyde
Ireland
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Minish
Mitchell, N.Y.

Moakley
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Quillen
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Russo
Sabo
Scheuer
Shelby
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stokes
Stratton
Swift
Traxler
Udall
Ullman
Van Deerlin
Vanik
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitten
Williams, Mont.
Wilson, C. H.
Winn
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NAYS—146

Abdnor
Andrews, N. Dak.
Applegate
Badham
Bafalis
Baldus
Bauman
Benjamin
Bereuter
Bethune

Boner
Brown, Ohio
Broyhill
Byron
Campbell
Carr
Cheney
Chisholm
Clinger
Coleman
Collins, Tex.

Conable
Conte
Corcoran
Cotter
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Daschle
Deckard
Derwinski

Devine
Dickinson
Dodd
Donnelly
Early
Edwards, Okla.
Emery
Erlenborn
Evans, Ind.
Fenwick
Fisher
Fithian
Fowler
Frenzel
Giaimo
Gingrich
Glickman
Goodling
Gradison
Gramm
Grassley
Hall, Tex.
Hamilton
Hansen
Hefner
Hinson
Holt
Hughes
Ichord
Jacobs
Jeffords
Jeffries
Kemp
Kindness
Latta
Leach, Iowa
Leath, Tex.
Lee
Loeffler

Lott
Lujan
Lungren
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Michel
Miller, Calif.
Miller, Ohio
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Nichols
Pashayan
Paul
Quayle
Regula
Ritter
Roth
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shumway

Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Solomon
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Studds
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Vento
Volkmer
Weaver
Whitehurst
Whitley
Whittaker
Williams, Ohio
Wilson, Bob
Wirth
Wydler
Wylie
Yatron
Young, Mo.

NOT VOTING—34

Anderson, Ill.
Ashbrook
AuCoin
Bevill
Cavanaugh
Crane, Philip
Davis, S.C.
Edwards, Ala.
Fazio
Flippo
Goldwater
Gudger

Harsha
Hawkins
Heftel
Hillis
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kelly
Livingston
McCloskey
Mathis

Mitchell, Md.
Murphy, Ill.
Myers, Pa.
Pritchard
Pursell
Ratchford
Simon
Stewart
Thompson
Wilson, Tex.

☐ 1540

Mr. BOLAND and Mr. HAGEDORN changed their votes from "nay" to "yea."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 573), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 573), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 183, nays 218, not voting 31, as follows:

[Roll No. 133]

YEAS—183

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Archer

Ashley
Bailey
Baldus
Barnard
Beilenson
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling

Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Burton, John
Burton, Phillip

Carney
Carter
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
de la Garza
Derrick
Dicks
Diggs
Dingell
Dixon
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Calif.
Evans, Ga.
Fary
Fascell
Fenwick
Ferraro
Fish
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Garcia
Gaydos
Ginn
Gonzalez
Gore
Gramm
Gray
Green

Hammerschmidt
Hance
Hanley
Heckler
Hefner
Hollenbeck
Horton
Howard
Hubbard
Hughes
Hutto
Ireland
Jeffords
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Lederer
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lundine
McDade
McEwen
McHugh
Markey
Marriott
Matsui
Mavroules
Mikulski
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Pa.
Murphy, N.Y.
Murtha
Neal
Nedzi
Nolan

Nowak
Oakar
Oberstar
Patten
Patterson
Pepper
Peyser
Pickle
Preyer
Price
Rangel
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Smith, Iowa
Snyder
Solarz
Spence
Stack
Staggers
Stokes
Stratton
Studds
Swift
Udall
Van Deerlin
Vanik
Wampler
Waxman
Weiss
Whitley
Whitten
Wilson, C. H.
Wolff
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—218

Abdnor
Andrews, N. Dak.
Applegate
Aspin
Atkinson
Badham
Bafalis
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bouquard
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carr
Chappell
Cheney
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Dellums
Derwinski
Devine
Dickinson
Dodd
Dornan
Downey

Duncan, Tenn.
Eckhardt
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Findley
Fisher
Fithian
Fowler
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grassley
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hansen
Harkin
Harris
Heftel
Hightower
Hinson
Holland
Holt
Hopkins
Hyde
Ichord
Jacobs
Jeffries
Jenrette
Kemp
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino

Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Loeffler
Lujan
Luken
Lungren
McClory
McCormack
McDonald
McKay
McKinney
Madigan
Maguire
Marks
Marlenee
Martin
Mattox
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Obey
Ottinger
Panetta
Pashayan
Paul
Pease
Perkins
Petri
Porter
Quayle
Quillen
Rahall
Railsback

Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway

Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Solomon
Spellman
St Germain
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible

Ullman
Vander Jagt
Vento
Volkmer
Walgren
Walker
Watkins
Weaver
White
Whitehurst
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wirth
Wolpe
Wylie
Yatron
Young, Fla.

NOT VOTING—31

Anderson, Ill.
Ashbrook
AuCoin
Bevill
Cavanaugh
Crane, Philip
Davis, S.C.
Edwards, Ala.
Fazio
Flippo
Gudger

Harsha
Hawkins
Hillis
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kelly
Livingston
McCloskey
Mathis

Murphy, Ill.
Myers, Pa.
Pritchard
Pursell
Ratchford
Simon
Stewart
Thompson
Wilson, Tex.

☐ 1550

Mr. DELLUMS and Mr. CAMPBELL changed their votes from "yea" to "nay."

So the resolution, as amended, was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 583), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 583), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 271, nays 132, not voting 29, as follows:

[Roll No. 134]

YEAS—271

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior

Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Burlison
Burton, John
Burton, Phillip
Campbell
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
Coughlin
D'Amours
Danielson

Daschle
de la Garza
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Ertel
Fary
Fascell
Ferraro
Findley
Fish
Fisher
Fithian
Flippo

Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holland
Hollenbeck
Horton
Howard
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCormack
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marriott
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Santini
Satterfield
Scheuer
Sebelius
Seiberling
Shannon
Sharp
Shelby
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Winn
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Fla.
Zablocki
Zeferetti

NAYS—132

Abdnor
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Broomfield
Buchanan
Burgener
Butler
Byron
Carney
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Fowler
Giaimo
Gingrich
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hansen
Heckler
Hinson
Holt
Hopkins
Hubbard
Ichord
Jacobs
Jeffries
Jenkins
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
Marks
Marlenee
Martin
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nelson
O'Brien
Pashayan
Paul
Petri
Quayle
Quillen
Ritter
Roth
Rousselot
Rudd
Runnels
Sawyer
Schroeder
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Solomon
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Vander Jagt
Volkmer
Walker
Weaver
Williams, Ohio
Wirth
Wylie
Yatron
Young, Alaska
Young, Mo.

NOT VOTING—29

Anderson, Ill.
Ashbrook
AuCoin
Cavanaugh
Crane, Philip
Davis, S.C.
Edwards, Ala.
Fazio
Gudger
Harsha
Hillis
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kelly
Livingston
McCloskey
Mathis
Murphy, Ill.
Myers, Pa.
Pritchard
Pursell
Ratchford
Simon
Stewart
Thompson
Wilson, Bob
Wilson, Tex.

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1600

PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 574), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 574), as amended, on which the yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 228, nays 174, not voting 30, as follows:

[Roll No. 135]

YEAS—228

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Aspin
Atkinson
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Burton, John
Burton, Phillip
Campbell
Carr
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conyers
Corman
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fascell
Ferraro
Findley
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gingrich
Ginn
Gonzalez
Gore
Gray
Guyer
Hall, Ohio
Hance
Hanley
Harris
Hawkins
Heckler
Hefner
Heftel
Hinson
Holland
Hollenbeck
Horton
Howard
Hutto
Hyde
Ireland
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Leland
Lewis
Lloyd
Long, Md.
Lowry
Luken
Lundine
McClory
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Railsback
Rangel
Rhodes
Richmond
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Satterfield
Scheuer
Sebelius
Seiberling
Shannon
Skelton
Smith, Iowa
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Stokes
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—174

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashley
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Boner
Bouquard
Brinkley
Broomfield
Buchanan
Burgener
Burlison
Butler
Byron
Carney
Carter
Cheney
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Deckard
Devine
Dickinson
Dornan
Downey
Early
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Fisher
Fithian
Fowler
Frenzel
Giaimo
Gilman
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hansen
Harkin
Hightower
Holt
Hopkins
Hubbard
Hughes
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mavroules
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Nelson
Nichols
O'Brien
Ottinger
Pashayan
Paul
Petri
Porter
Quayle
Quillen
Rahall
Regula
Reuss
Rinaldo
Ritter
Roberts
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Sawyer
Schroeder
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Solomon
Spence
Stangeland
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Weaver
Whitehurst
Whittaker
Williams, Ohio
Winn
Wydler
Wylie
Yatron

NOT VOTING—30

Albosta
Anderson, Ill.
Ashbrook
AuCoin
Cavanaugh
Crane, Philip
Davis, S.C.
Edwards, Ala.
Fazio
Gudger
Harsha
Hillis
Holtzman
Huckaby
Johnson, Colo.
Jones, Tenn.
Kelly
Livingston
Long, La.
McCloskey
Mathis
Murphy, Ill.
Myers, Pa.
Pritchard
Pursell
Ratchford
Simon
Stewart
Thompson
Wilson, Tex.

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolutions just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

SALES OF ITEMS BY SENATE SERGEANT AT ARMS TO SENATORS, COMMITTEES, AND SENATE OFFICES

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from the further consideration of the Senate Bill (S. 2225), to provide that receipts from certain sales of items by the Sergeant at Arms of the Senate to Senators and committees and offices of the Senate shall be credited to the appropriation from which such items were purchased, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. CAMPBELL. Mr. Speaker, reserving the right to object, will the gentleman kindly explain what this legislation is and what he is attempting to do?

Mr. NEDZI. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I am happy to yield to the gentleman.

Mr. NEDZI. Mr. Speaker, this bill would authorize the Secretary of the Senate to accept moneys from the Sergeant at Arms for the sale of certain Senate equipment, particularly FM receiver units for floor proceedings, and voice page devices. The Secretary of the Senate could then deposit these payments in the appropriation account from which that equipment was purchased, in order to allow him to replenish the inventory.

For example, when Senators acquire portable voice pagers and Senate FM receiver units as an official expense paid from the 10-percent discretionary allowance, the payments would be used by the Sergeant at Arms to repurchase, for inventory, the equipment concerned, or other items procured under the designation "Miscellaneous items" in any appropriation act providing funds for the contingent expenses of the Senate.

□ 1610

Mr. CAMPBELL. I thank the gentleman for the explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2225

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That in any case in which appropriated funds are used by a Senator or a committee or office of the Senate to purchase from the Sergeant at Arms and Doorkeeper of the Senate items which were purchased by him for the appropriation for "miscellaneous items" under "Contingent Expenses of the Senate" in any appropriation Act, the amounts received by the Sergeant at Arms and Doorkeeper shall be deposited in the Treasury of the United States for credit to such appropriation. This Act does not apply to amounts received from the sale of used or surplus furniture and equipment.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIFORMED SERVICES HEALTH PROFESSIONALS SPECIAL PAY ACT OF 1980—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-280)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning, without my approval, H.R. 5235, the Uniformed Services Health Professionals Special Pay Act of 1980.

In recent years, the Department of Defense has experienced increasing difficulty in retaining its physicians, particularly those who have achieved board certification in specialty areas. In order to alleviate the military physician shortage, the Administration proposed the Armed Forces Physicians Pay Act in April of 1979. The principal focus of this proposal was to increase selectively the special and bonus pay necessary to attract and retain the required number of military physicians during what is expected to be a temporary period of shortage.

Unfortunately, in considering the issue of special pay for military physicians, the Congress unnecessarily expanded the scope and costs of H.R. 5235 to such an extent that I find it unacceptable. Specifically, the bill contains a number of flaws in comparison to the Administration bill.

—It makes bonus pay permanent, instead of temporary;

—It covers medical doctors in other uniformed services, principally the Public Health Service, instead of *just* those in the Armed Forces;

—It includes dentists, optometrists, and podiatrists, in addition to physicians;

—It provides unduly generous bonuses; and

—It makes permanent the special pay for veterinarians.

Only in the Armed Forces are we experiencing a serious shortage of physicians. The Administration proposal was very carefully tailored to solve that problem while preserving the flexibility to re-examine physician pay in the future as conditions change. There is no justification for making bonus pay permanent and for expanding coverage to physicians outside the military and to other health professionals (dentists, optometrists, podiatrists, and veterinarians).

Moreover, such an expansion, when compared to the Administration proposal, would increase Federal spending by some $170 million for the years through 1985. If we are to check the strong inflationary pressures that now prevail throughout the Nation's economy, we must exercise genuine restraint in Federal spending. H.R. 5235 is a good example, in my judgment, of the type of unjustified Federal largess that we must stop if the Budget is to be balanced and inflation brought under control.

While I am compelled to disapprove H.R. 5235, let me emphasize my commitment to alleviate the shortage of physicians in the Armed Forces. I urge the Congress to reconsider the Administration proposal as soon as possible. That proposal is designed to resolve the problem in a fiscally responsible manner.

JIMMY CARTER.

THE WHITE HOUSE, *March 11, 1980.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal and, without objection, the message and bill will be printed as a House document.

There was no objection.

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that further consideration of the veto message on the bill, H.R. 5235, be postponed until Wednesday, March 12, 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COUNTING ILLEGAL ALIENS IN CENSUS PREJUDICES PROPERLY DOCUMENTED FOREIGN NATIONALS

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, today I have introduced a bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs.

The constitutional purpose of the census is to give fair and equal apportionment for fair and equal representation in Congress. By allowing illegal aliens to be counted along with properly documented citizens and foreign nationals, there would be great inaccuracies and we would lose all hope of an equitable apportionment.

Including illegal aliens in total census figures would greatly change the demography of the country. States such as California, New York, and Texas, which have high populations of illegal aliens, would stand to gain new seats in Congress, at the expense of other States. Reapportionment to counter the artificial population shift could conceivably cause some States to lose a seat in Congress. In other words, the citizens of these States would lose their right to fair congressional representation due to the condoning of illegal aliens in the United States.

Yesterday, a census official told my staff that his guess is that there are between 3½ and 5 million illegal aliens in the United States. This equates to anywhere between four and six congressional seats, just to represent those in the country illegally.

While it might be helpful to know how many illegal aliens there are in the United States, I doubt if we could get an accurate count, even with repeated assurances that the information they give would not be used to deport them, as some have proposed. I see no reason why such a guarantee should be given. The nature of their arrival or undocumented stay in this country precludes equal treatment under the law. They should be treated as anyone else who breaks the law.

The key word here is "illegal." We cannot afford to shelter everyone who wants to immigrate to this country. We already permit resident visas to large numbers of people from other countries. There is no reason for us to offer protection to anyone who is not in the country legally. Permitting illegal aliens to be counted in the census is the first step toward the breakdown of the privileges of citizenship, and is definitely prejudicial toward foreign nationals who are properly documented.

If we are not careful, the administration will be asking that illegal aliens be allowed to vote, receive welfare, and send their children to our schools, all without ever having to pay taxes.

By including the millions of illegal aliens in total census figures, the citizens and legal residents of many States will receive less than their proportionate share of Federal funds. More than 100 Federal assistance programs are distributed completely or partially on population figures. These funds are intended to be given only to those people who are in this country legally. Unless we also plan to begin giving Federal aid to illegal aliens, I see no reason why they should be counted in the census.

The Federal budget is already strapped. We are trying to cut Federal expenditures and at the same time provide as many necessary Government services for the populace as possible. Foreign nationals who reside legally in this country reap the benefit of Government programs. It is grossly inequitable to entertain the thought that illegal aliens could be a big step closer to the same privilege. The American people should not be asked to share privilege with people who have made no offer to shoulder the responsibilities of citizenship.

WHAT KIND OF ENERGY COMMITTEE?

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, there is a lot of talk these days in the media about the need to establish a House of Representatives committee to "handle all energy matters."

The idea sounds good, but as most House Members recognize, it is totally impractical. Such a committee would, in fact, create more problems than it would solve.

Take taxes, for example. As a tool for fighting the energy battle, the tax laws of this country are probably more important than any other type of legislation. If you believe, as I do, that conservation—both individual and industrial—is the largest energy source we have, especially in the short run, then tax deductions and credits to encourage conservation are vital.

Yet clearly it would make no sense to take the jurisdiction over taxes related to energy away from Ways and Means and give it to some other committee. This would produce a lack of coordination in our approach to tax policy far more damaging than the present diversity of jurisdiction in the energy field.

In the field of foreign affairs, the point is even more apparent. The world shortage of energy, the activities of OPEC, and the looming threats to the Persian Gulf area impact upon virtually every aspect of our foreign policy. Yet these energy aspects of our foreign policy obviously cannot be separated out and handled by a committee other than the Committee on Foreign Affairs.

Similarly it would make no sense to transfer out of the Committee on Agriculture responsibility for encouraging the growth of crops suitable for producing alcohol, or to take away from the committees concerned with transportation jurisdiction over modes of transportation which are to be encouraged because they are energy-efficient. And there are many other such examples.

The Select Committee on Committees, chaired by the gentleman from California, (Mr. PATTERSON) recognized these facts of life. Accordingly, it did not recommend setting up a Committee on Energy to handle all energy matters. Instead it recommended setting up a new Committee on Energy which would handle those parts of the energy field which are now handled by the Committee on Interstate and Foreign Commerce, plus one item now handled by Interior; that is, mining of coal on private lands, and one item handled by Public Works, the transmission and marketing of electrical energy, except by or through federally chartered regional or national power authorities. The new committee would also have jurisdiction over "national energy policy generally."

The major problem I have with the select committee proposals is that a new standing committee would be created, which would undoubtedly have its own set of subcommittees. There are several disadvantages to this idea: It would add to the total number of committees and subcommittees handling energy matters and would therefore be likely to complicate the already complicated jurisdictional problems that arise; it would mean substantial additional expense in the legislative budget at a time when economies are being called for across the board, and would pose a new strain on the limited space available for hearing rooms and staff; finally, for many of the members elected to the new committee, the complex and difficult problems involved would be new and would require years of education before there would exist the expertise which the present members of the Energy and Power Subcommittee have painstakingly acquired.

All of these disadvantages can be avoided and 95 percent of what the select committee has recommended can be achieved if a resolution is adopted which: First, changes the name of the Interstate and Foreign Commerce Committee to the Committee on Energy and Commerce, second, spells out in the rule describing the jurisdiction of that committee the matters with which it has in practice been dealing, and third, in addition, provides for a focal point for the consideration of "national energy policy generally" by adding these words to section (1) of rule X.

In consultation with members and staff from the affected committees, I have drafted a substitute for the select committee resolution which accomplishes these objectives, and have requested the Rules Committee to recommend a rule which would make such a substitute in order. I am proud to say that this so-called Bingham substitute has attracted the support of many Members representing a wide spectrum of opinion on energy matters. I hope that, if and when offered it will be made in order and that, when offered, it will attract the support of a bipartisan majority of the House.

The select committee has performed commendable service in giving thoughtful consideration to the jurisdictional problems involved in handling energy matters. Its proposed resolution also spells out, in a useful way, many of the aspects of the energy problem which are not now mentioned in rule X. My proposed substitute draws heavily on this work in defining the jurisdiction which the Committee on Interstate and Foreign Commerce has in fact been exercising.

The select committee is also working on the development of procedures to improve the present system for joint and sequential referral of bills to more than one committee. I look forward to seeing its recommendations in that regard. While I believe there is often great merit in having more than one committee review important legislation, a tightening up of the procedures in that regard would do a lot to streamline House handling of energy-related legislation.

PROTEST AGAINST HUMAN RIGHTS VIOLATIONS IN THE SOVIET UNION

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAGUIRE. Mr. Speaker, beginning today my colleagues and I will engage in a series of protests against human rights violations in the Soviet Union. This first day of congressional vigilance coincides with a very significant date in the life of Refusenik Igor Guberman: Igor Guberman is going to trial today.

Igor Guberman is one of those concerned with the fate of the Jewish community in Russia, with the fate of the Jewish culture and thought. He was active in the unofficial magazine "Jews in the U.S.S.R." Because of this, he has repeatedly been summoned for interrogation by the KGB.

In December 1978, Igor Guberman with his family applied for emigration. They were refused. In April 1979, he was asked to collaborate with the KGB: To keep an eye on emigrating Jews, to denounce and prepare provocations against Jewish activists. Guberman refused. And he refused again when the proposition was repeated later. Finally, on August 13, 1979, Guberman was arrested. According to investigator Nikitina, who is handling the case, Guberman is charged with illegal purchase and sale of icons.

Guberman is an expert in medieval Russian art, Russian church architecture, and icons. He had a collection of icons in his flat in Moscow, by no means forbidden under Soviet law. That, however, seems to have been a pretext for the KGB to bring criminal charges against him. Yet, when KGB agents searched his apartment, they were solely interested in Guberman's notebooks, manuscripts, and letters from Israel. When asked why they were not taking the icons, they replied that the icons were of no value at all and only good for the stove. Despite this, Guberman is threatened with 7 years of imprisonment followed by 5 years of internal exile. He is standing trial today.

Thus, Guberman is not only denied the right of free emigration. But, and this is far more important, he is denied the right of fair trial.

Guberman is not an exceptional case. There are hundreds of people in the Soviet Union who are undergoing the same experience as he does. But his case is particularly discouraging for all those whose only hope it is to emigrate one day and to leave all repression behind.

There is not much we can do about this. But what we can do is strongly and continuously protest the Soviets' noncompliance with international human rights standards.

KENNETH R. HARDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 60 minutes.

Mr. BRADEMAS. Mr. Speaker, I today join the distinguished majority leader, the Honorable JIM WRIGHT, in taking this time to pay tribute to a dedicated officer of the House who has decided to retire after more than 30 years of service to Congress.

Kenneth R. Harding, whose service includes his distinguished tenure as Sergeant at Arms of the House of Representatives since October 1, 1972, surprised many of us in Congress when he made known his decision last month to retire effective February 29 this year.

As Members of Congress have come to realize, Mr. Speaker, Ken Harding is one of many public servants who work for this institution day in and day out, who lend it their talents, their energy, their dedication, who help Congress function despite very trying circumstances in many instances, and who get little or no public recognition.

The job of Sergeant at Arms, Mr. Speaker, carries with it a great many functions and traditions. Ken Harding has performed these tasks with a devotion and professionalism that have earned him the respect and admiration of all Members, Republicans as well as Democrats, from the most junior to the most senior.

Ken Harding's job, Mr. Speaker, is one that covers two of the world's great unavoidables—death and taxes. As Sergeant at Arms, he has administered the House Bank and served as Paymaster, and he has also been the person responsible for funeral services for Members of this body.

Ken's responsibilities also have included keeping order in the House Chamber—on some occasions an unenviable task at best.

Ken has also been responsible for greeting visiting dignitaries—heads of state, queens, religious leaders, and other prominent figures. Among these guests have been Queen Elizabeth, Bob Hope, Menachem Begin and Anwar Sadat, and literally scores of special visitors during the celebration of the Bicentennial Year of the United States.

In addition to being official greeter, Ken has provided security both for guests of the House and for those of us who gather here from throughout the United States to conduct America's business. Ken and his Senate counterpart also have helped administer the Capitol Police Force and preserve the dignity of Congress from the solemnity of Presidential Inaugurations to the often confused atmosphere surrounding public demonstrations.

Following a great tradition that goes back to the First Congress, Ken as Sergeant at Arms has been the keeper of the Mace, that symbol of authority, respect and unity which sits daily next to the chair of the Speaker while the House is in session.

Ken Harding's extended service to Members of Congress includes a long tenure as a staff member of the Democratic National Congressional Committee, including 18 years as its executive director from 1954 until he became Sergeant at Arms in 1972.

In serving as executive director of the congressional committee, Ken Harding assisted literally scores of Democrats. In this position, Ken succeeded his father, the late Victor Hunt "Cap" Harding. May I note here that Ken's mother, Edith Falk Harding, currently resides in Annandale, Va., and that she will be celebrating her 101st birthday in September.

When Ken Harding started serving the Congress shortly after World War II, Harry Truman was President, I was a college student, Sam Rayburn was Speaker, and the board of education ruled. Today, there are only two Members of the House who were here when Ken started his service—JAMIE WHITTEN of Mississippi and MELVIN PRICE of Illinois.

Ken Harding has earned his retirement. In recent years, he has taken up the game of golf and he is finding he would much rather carry a putter than a Mace. Ken and his wife Jane, who is an educator in northern Virginia, are looking forward to their senior years together and more fully to enjoying their family.

Mr. Speaker, I count Ken Harding a valued friend and I join my colleagues in thanking him for his dedication and energy in the performance of his duties. His service has been a credit and an honor to the House of Representatives and to himself.

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I am pleased to yield at this time to my colleague from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I thank very sincerely our distinguished majority whip for yielding. I rise to join the gentleman from Indiana in rendering proper and due treatment to a great American and a great officer of this House, Ken Harding.

Mr. Speaker, Ken Harding has discharged and continues to symbolize the discharge of this constitutional office, Sergeant at Arms. It is one of the few listed constitutional offices associated with working for the House of Representatives. It is a considerably important office. Its importance is lost sight of because it does not make the news. That should signify something in itself.

Ken Harding, as the gentleman said properly a while ago, is unobtrusive and has been, does not make the newspapers.

The American general public at a time of great momentous occasion, the inauguration of a President, does not realize that it is Ken Harding who has led the procession with the symbol of authority of the House. It is he who is the chief conservator of the peace and order of the House. Presenting the Mace upon order of the Speaker to any unruly or disorderly Member is the absolute mandate to stop that disorder. Any willful disregard of the presentation of the Mace subjects a Member to discipline and perhaps ouster from the House.

Mr. Speaker, I recall, upon my coming to the House 18 years ago, the first officer of the House that I met was Ken Harding. He was not then the Sergeant at Arms. There again, he was at that time working for a committee constituted and set up by the members of the majority party. Once he became Sergeant at Arms, at no time has anybody ever even thought that Ken was anything but evenhanded and impartial in the administration of this office as Sergeant at Arms.

Mr. Speaker, our friendship deepened in the intervening years, and my undivided, unrestricted respect for Ken Harding remains intact and it is only with a real sense of regret that I rise to acknowledge the fact that he is leaving us and that he no longer will be the Sergeant at Arms.

I join in wishing him Godspeed in all of his future endeavors, which I know will be for many, many years to come. As the gentleman well pointed out, he comes from sturdy stock and long years of endurance. May God bless both his living parents who now exceed 100 years in age and may we be able to come here and mark the birthday of Ken Harding when he achieves his hundredth birthday.

Mr. BRADEMAS. I thank the gentleman, and I am glad to yield to the gentleman from Florida (Mr. Mica).

Mr. MICA. Mr. Speaker, I would like to take a moment to join my colleagues in saying goodbye to Ken Harding. But more than saying goodbye sadly, say very gladly welcome, Ken Harding, to the 11th Congressional District. As your new Congressman I look for a great deal of work from you in the future, a great deal of support and assistance, with all the wisdom and knowledge of this body at my fingertips. I think together we will be able to fashion a new coalition in the South. I welcome you. The tremendous work you have done in this body and as an underdog in that last election I was involved in, to look out into one of the first fund raiser receptions that I had, and see an officer of the House come forward to say, "Here I am to support you," in my home district and then have the pleasure and the opportunity to work with a real gentleman and to meet Jane and two magnificent people to add to those nearly 1 million people of the 11th Congressional District. We love to have you. We look forward to working with you.

Mr. BRADEMAS. I now yield to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, in the few years I have been in the House, I have come to know Ken Harding personally and to recognize the fulfillment of his responsibility, a fulfillment that was always done with a great deal of dignity, patience and in a manner that made us all proud of an officer of this House. We are going to miss Ken Harding. We wish him well in his new endeavors. May he have good health and success in whatever those endeavors may be.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BRADEMAS. Mr. Speaker, I now yield to the distinguished gentleman from New York (Mr. Biaggi).

Mr. BIAGGI. Mr. Speaker, I thank the gentleman from Indiana for yielding.

Mr. Speaker, I, like all previous speakers, hold Ken Harding and will continue to hold him in high esteem, for a host of reasons, but I think for a very special reason. As, I think, most Members of the House know, I have had several careers before coming to the Congress. One of those was as a New York City police officer where I served 23 years before retirement.

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I had a special kinship with Ken Harding because of his position with the Capitol Police. Whenever we spoke about the Police Department and the standards and the sense of equity aspect about them, with the kind of reverence that is rare, the kind of respect that is sought after and seldom found, the kind of rapport that was more commonplace in yesteryear, I enjoyed that. I enjoyed that because it recalled to mind the younger days—perhaps the sense of camaraderie that I enjoyed while I served with the Police Department. I understood full well how he felt with relationship to his position and that of the Capitol Police.

As the clock ticks and we acknowledge that we will all pass by this great scene, as we witness him go, there is a little bit that goes with Ken Harding. He takes it with him. He leaves a good deal more with us. I think our memories are enriched by the presence of a Ken Harding, whose efficacy, whose courtesy, whose general demeanor and sense of responsibility, and even more important, whose commitment to this great body over the decades has been unflagging, is one that I think we all come to enjoy and participate in, and regard very highly.

He may be leaving and there is no question that departure is an emotional situation after so many years, but he looks forward to all of the tomorrows. The very salient point that was made by the gentleman in the well is acknowledged even further by the gentleman from Texas (Mr. Gonzalez), and would probably be hailed as the most significant factor in the selling of an insurance policy—the age of his mother. That augers well for Kenneth Harding.

As for his new Congressman, the gentleman from Florida (Mr. Mica), I do not know where he thinks he will find him, but if he is ever at a loss as to where Ken might be, I would suggest that he look at the beautiful golf courses in that district, because I am sure that he will find Ken Harding and Mrs. Harding enjoying a somewhat restful and tranquil life, the kind of life that has escaped most of us while we are here; one that we do not seek vigorously, but one that we enjoy thoroughly.

For myself, to Ken Harding and Mrs. Harding, we pass for all of the yesterdays and we wish you well. May all your days be full and rich.

Mr. BRADEMAS. I thank the gentleman from New York.

● Mr. O'NEILL. Mr. Speaker, I commend the House Democratic leadership for reserving this time, and I am honored and proud to join with my colleagues in this special order to pay a personal tribute to one of the finest officers and one of the longest-serving employees of the House of Representatives, Ken Harding.

A few of us still left in this Chamber can recall what the late Sam Rayburn used to say: That the most beautiful word in the English language was "service." Ken Harding has given this Chamber, the Members, the employees and the Nation more than three decades of dedicated and responsible service.

Ken Harding has been an outstanding officer of the House in his most recent position as the Sargeant at Arms, and throughout his long tenure of service in the House, Ken has always exuded the personal qualities which those of us in public life admire and respect so much. He has known when to be kind and compassionate in exercising his various duties; he has demonstrated the ability to be darn tough and decisive when the situation called for firm resolve; and most importantly, Ken Harding has been a hard working conscientious public servant, who really has loved the institution to which he always devoted the full measure of his time, energy and effort.

Ken Harding came to the House of Representatives before I and during the long period in which we have served together, Ken Harding has been a loyal and steadfast ally, a frequent and important adviser, a trusted and true friend. When I first met Ken nearly 30 years ago, I was impressed with his deep concern for the dignity and honor of this institution and with the professionalism by which he discharged each succeeding task.

Ken and I became fast and close friends when we worked together on the Democratic Congressional Campaign Committee. Ken is one of the most sincere and finest Democrats I know, and his devotion to the principles of the Democratic Party and to the success of Democratic candidates is legend across the country.

We will all feel Ken Harding's absence in this House. Ken has been a truly outstanding employee and officer of the House of Representatives, and he has set standards by which future employees and officers of the House will be measured for many years to come. He has served this institution with integrity and absolute fairness, with resourcefulness, and distinction.

I know my colleagues join me in thanking Ken for a job well done, and we want him to know how much we have appreciated his selfless dedication to the House of Representatives.

My wife Millie joins me in wishing Ken and his lovely wife Jane much joy and happiness in the years ahead.•

• Mr. JOHNSON of California. Mr. Speaker, although I welcome this opportunity to say a few words to honor my good friend, Ken Harding, my thoughts are mingled with sadness to learn of his recent resignation.

Ken has been here in the House of Representatives since I first came to Congress in 1959. It seems strange indeed to realize he is no longer in the Sergeant at Arms' office where he has performed so long and so ably, first as Assistant Sergeant at Arms and then as Sergeant at Arms since 1972.

On the other hand, I am glad to know that Ken will now have the luxury of spending more time with his family and will be able to pursue other interests in this new phase of his life.

So, good luck and good health to a good and treasured friend.•

• Mrs. COLLINS of Illinois. Mr. Speaker, it is with great pleasure that I rise to pay tribute to Mr. Kenneth R. Harding, who resigned his position as Sergeant at Arms with the U.S. House of Representatives, effective February 29, 1980.

Some of my colleagues have had the privilege of knowing Ken Harding when he became the Assistant Sergeant at Arms; a position he held from 1954–72. Others of us have come to know, respect and love Ken since he held the position as the Sergeant at Arms; a position he was elected to on October 1, 1972. Ken has done a fine job helping me keep my account straight and I will be forever grateful for his prompt attention.

I am sure that my colleagues join me in saying that Kenneth R. Harding will be sorely missed, and for that I am a bit sad. However; realizing the super job Kenneth has done here in the House of Representatives, I am most confident that he will continue a record of excellence in whatever interests he chooses to undertake.•

• Mr. DRINAN. Mr. Speaker, Ken Harding was quite literally a friend to everyone in the House of Representatives.

He had an outstanding capacity for friendship and a marvelous dedication to service.

Ken Harding has served the House for more than 30 years. I and his countless friends in the House wish Ken every best wish and every continued success as he leaves us to take up new interests. He will be missed personally and his service to everyone in the Congress will endure as a monument and a model of outstanding dedication.•

• Mr. DERWINSKI. Mr. Speaker, it is a special pleasure for me to join in wishing Kenneth Harding well in his retirement and congratulate him on his many years of outstanding service to the Members of the House of Representatives.

I know that his retirement will leave a void that will be hard to fill, but he may certainly be proud of his dedication and effectiveness in his responsibilities as Sergeant at Arms of the House. Ken's many years of diligent service is a most commendable achievement, and his outstanding career represents a high standard of public service.

I wish to add my best wishes to Ken and his wife Jane, for continued good health and happiness in the years ahead.•

• Mr. BOB WILSON. Mr. Speaker, I am pleased that my colleagues have requested this special order and am proud to join them in paying tribute to Ken Harding as he retires from more than 30 years service with the Congress.

I have known Ken ever since I came to Washington some 28 years ago. He was the executive director of the Democratic Committee at the same time that I served as chairman of the Republican Congressional Committee. Although there were a number of contests between us, Ken was always eminently fair, and his word could be trusted implicitly.

We are certainly going to miss Ken. After 30 years with us, he has almost become a part of our lives. We will miss him, but I know that we all wish him well in his well-earned retirement.•

• Mr. CLAUSEN. Mr. Speaker, it is with great pleasure that I join my colleagues in paying tribute to our Sergeant at Arms, Kenneth R. Harding, on his retirement.

Ken is leaving to pursue other interests with 30 years of outstanding service to the House of Representatives. He is held in high esteem by the Members of this body for his dedication and diligence in the performance of his duties as Sergeant at Arms. I am proud to say that Ken hails from my home State of California and he has brought honor and distinction to our State with his fine record of public service.

The Sergeant at Arms plays a crucial role in the everyday workings of the House. Ken can take pride for his part in upholding the traditions and integrity of the House. He will be long remembered for his professionalism and for his energy, devotion and dedication which marked his service. His qualities will be difficult to match and he will be greatly missed by his friends here in the House.

It has been my privilege to work with Ken during my 17 years in the Congress. We are sending him off today with words of praise and recognition. He begins his future with the knowledge he has served his country well and with the satisfaction of a job well done. I hope his future brings him happiness and I wish him the very best.•

• Mr. ICHORD. Mr. Speaker, I rise in recognition of Mr. Kenneth R. Harding, who has given loyal and unstinting service to this Congress and to this Nation as Sergeant at Arms since 1972 and as Assistant Sergeant at Arms from 1954–72.

Mr. Speaker, I have been a Member of this House for nearly 20 of those years and I have been proud and gratified to spend them with a man of the caliber of Kenneth Harding. He has given nearly all his life over to public service and to the furtherance of this Nation's political well-being.

Before coming to the Congress, Mr. Harding attended Washington University Law School. He served as an assistant national bank examiner for 7 years in the Office of the Comptroller of the Currency, Department of the U.S. Treasury. He is a colonel, retired, in the U.S. Air Force Reserve.

Recognizing and appreciating the value of political as well as government life, Kenneth Harding became a member of the National Capital Democratic Club. He served as assistant to the chairman of the Democratic National Congressional Committee from 1946 until 1954 and as its executive director from 1954–72.

Few men have so generously combined political and institutional service to their country and to their fellow citizens.

Men like Kenneth Harding remind us with their example and integrity that political life is a high calling, requiring insight, stamina, tact, and confidence. Throughout his service, he has followed Voltaire's dictum, that "the best politics is to be virtuous."

Kenneth Harding has always shown the deepest respect and reverence for the traditions, history, and dignity of the U.S. Congress. He has consistently displayed a sense of occasion and acted in a manner becoming to this great institution. For this, we and the Nation owe Kenneth Harding much. For this, he will be deeply missed.•

• Mr. RHODES. Mr. Speaker, the beginning of the 1980's seems to be the end of an era as several of our long-time staff members in the House have decided to lay down their oars. After three decades of association with Congress, Ken Harding is leaving our midst, to see the world and catch up on his golf.

I have known Ken for most of the time he has served in the Sergeant at Arms office, harking back to 1954. He has been genial and competent, dedicated and courteous in a demanding job involving odd hours and unexpected challenges.

All of us who have served any length of time in the Congress are aware of how much we depend on a hard-working House staff to keep our sessions running smoothly. I join my colleagues in expressing our appreciation of Ken's 30 years of service to the House and in wishing him a long and happy, well-earned retirement.•

• Mr. STAGGERS. Mr. Speaker, I am pleased to join in this tribute to Kenneth R. Harding for his long and distinguished service to the Congress.

It has been my pleasure to have known Ken since I first came here to the House of Representatives, I am his friend, and he is mine. I know it, and he knows it.

During the 32 years that I have known him, he has always been dedicated to the position he has held with the House of Representatives. I first knew him as a member of the staff of the Democratic

Congressional Committee, later as director of that committee and then as Sergeant at Arms of the House of Representatives.

In all of these positions, I always found him cheerful, friendly, effective, and conscientious.

I believe that all Members of the House will remember the friendship we have all shared with Ken over the years and the many, many kindnesses and the friendships that we have known in our associations with him.

Ken Harding was a splendid example of the public servant. His intelligence, his sense of duty, his uncommon ability were all directed at serving the Members of this House and in turn the people of the United States.

Mrs. Staggers joins with me in extending our best wishes to Ken and his wife, Jane, and their family for a long and enjoyable retirement.

We will all miss the friendship of this outstanding officer of the House of Representatives.●

● Mr. MONTGOMERY. Mr. Speaker, for some 26 years, Ken Harding served in the Sergeant at Arms Office with the last 8 of these years in the capacity as the Sergeant at Arms. If there is one word that sums up Ken's years of service it would be dedication. Because truly Ken was totally dedicated to this institution and its members.

I was always impressed by the fact that Ken took his job very seriously. You would often find him on the floor of the House talking with Members, offering his help when possible and generally always striving to improve the services provided by the Office of the Sergeant at Arms.

It has been my pleasure to know Ken and his lovely wife, Jane, for many years. While we regret losing the services of Ken in the House, I know Jane will welcome the additional time he will have to spend with her and their four children in the pursuit of mutual interests.

Mr. Speaker, I also would like to express my appreciation to Ken for his belief in a strong national defense. He was a member of the U.S. Air Force Reserve and retired with the rank of colonel. His service in this capacity was also outstanding.

I join with my colleagues today in expressing sincere thanks to Ken Harding for a job well done during a lifetime of public service and wishing him the very best in the years to come.●

● Mr. FISHER. Mr. Speaker, I want to add my testimony to that of others in recognition of the important contribution Ken Harding has made to the work of the House of Representatives over the long period of the past 30 or so years. I have known Ken only for the last 5 years, during which I have been in the House. But, I do want to say that he has been a good and helpful personal friend.

Ken lives in northern Virginia, in Falls Church, and is one of my constituents. He has taken special pains to instruct me in some of the more arcane ways of the House and to protect me from stumbling over any rule or custom waiting there to trip me up. For this special treatment I am grateful.

Along with my colleagues I want to pay my tribute to Ken who will be greatly missed around here. I wish him the best for the future and express hope that he will want to be active in community and even in political affairs in northern Virginia.●

● Mr. GIBBONS. Mr. Speaker, I was watching the closing of the session on my television monitor when I was surprised to hear the resignation read of our distinguished former Sergeant at Arms of the House of Representatives.

Ken Harding has served the United States with distinction. He has engaged as a professional in partisan politics and has served in that capacity with integrity and honor. He has served the House of Representatives in a nonpartisan manner and has earned the respect of all those who know him.

He is wise to retire when he has so much ahead of him in the way of health, happiness, and long life.

Ken, you have done your job well. Thanks again for your fine public service.●

● Mrs. HOLT. Mr. Speaker, I wish to express my appreciation to Mr. Kenneth R. Harding who before his retirement last month served as Sergeant at Arms since 1972, the year I was first elected to the House of Representatives. Mr. Harding's duties have been many and varied, from keeping order in the House Chamber to running the House Bank and the Capitol Guide Service. We have all depended upon him on an almost daily basis. Whenever I glance at the mace, the symbol of the Sergeant at Arms Office, I will be reminded of Ken Harding's service and will hope that he is well and pursuing new interests with his usual dedication and energy.●

● Mr. HUGHES. Mr. Speaker, it is an honor and a privilege for me to join with my colleagues today to pay tribute to Ken Harding, whose faithful service as Sergeant at Arms of the U.S. House of Representatives will long be remembered.

Ken has served this body dutifully since 1954. His distinguished career in public service spans more than three decades, culminating in the 92d Congress, when he accepted the position of Sergeant at Arms of the House. Since that time, we have relied on his expertise to coordinate and execute the support services necessary to keep this body functioning smoothly.

I, for one, will be most sorry to see Ken go. I wish both him and Jane the best of luck in all their future endeavors.●

● Mr. RUSSO. Mr. Speaker, for well over a quarter of a century Kenneth R. Harding has served the House with dedication and honesty. It is with great pride that I pay tribute to this distinguished man.

During Ken's more than 30 years of service, he has never neglected the many responsibilities placed upon him. Not only was this admirable trait evident while Ken was Sergeant at Arms but was especially visible when he held two positions at the same time. From 1954 to 1972, Ken masterfully maneuvered himself between the duties of the executive director of the Democratic National Congressional Committee and the Assistant Sergeant at Arms.

Sadly I bid farewell to this hard-working man. I want to join Ken's family and many friends in saying "Thank you" for his contributions and I wish Ken all the best in his new endeavors.●

● Mr. COELHO. Mr. Speaker, I wish to join my colleagues today in honoring our friend and fellow public servant, Ken Harding, on his decision to retire as House Sergeant at Arms. In the 14 years I have worked on Capitol Hill, I have come to know Ken not only as a personal friend but as a dedicated and loyal public servant as well. In the various capacities in which he has served the House over the years, he has done so in distinguished fashion.

Our responsibilities as Members of the House would be virtually impossible to perform, and certainly far less enjoyable, were it not for the countless House employees who, in assisting us, enable us to serve our constituents. Ken Harding exemplifies public service in the finest tradition. I salute him for the contributions he has made to the work of the Congress, and I wish him continued success and happiness as he goes on from here.●

● Mr. CORRADA. Mr. Speaker, it is with a sense of sadness that I rise today to pay tribute to Ken Harding.

I had the privilege of meeting Ken when I first came to the House a little over 3 years ago—very little time when you compare it to the time that Ken has been serving the House. Ken has been in the House since 1946, at first with the Democratic Congressional Committee, then as Assistant Sergeant at Arms and since 1972 as Sergeant at Arms. He has served the House for over 30 years, in itself close to a record, with dedication, love for the institution, and boundless energy, thereby bringing honor and credit to the Congress and to himself.

Now that he has decided to pursue new interests I would like to wish him good luck, Godspeed, and most important, I want him to know that he will be sorely missed.●

● Mr. CARR. Mr. Speaker, I want to add my good wishes and appreciation to Ken Harding for his many years of public service. We are all losing a good friend, and I join my colleagues today to wish him the very best.●

● Mr. CARTER. Mr. Speaker, I am pleased to join in wishing Kenneth R. Harding well now that he has left the service of the U.S. House of Representatives.

During the 8 years since he first was elected Sergeant at Arms, I always found Ken Harding to be most accommodating and helpful.

As he goes on in life, I wish him the best and hope that he takes pleasure in knowing that he has done his job well and that his efforts have been appreciated.●

● Mr. ANNUNZIO. Mr. Speaker, it was with a deep sense of regret that I learned of the recent retirement of Ken Harding, who served as Sergeant at Arms of the House of Representatives since October 1, 1972.

For many years I had the pleasure of working with him, as chairman of the Personnel and Police Subcommittee of the Committee on House Administration, on new and tougher security measures to protect Capitol Hill and the dignitaries who visit our Congress. These accomplishments included professionalizing the police force, taking it out of politics and putting it on a merit system, development of an electronic intrusion detection system with more than 100 hidden television cameras patrolling the miles of corridors and passageways of the Capitol, installation of silent alarms in isolated areas such as the manhole covers on our steam tunnels, weapon detection devices for the galleries, a bomb-disposal squad, an expanded training program for police recruits with 8 weeks at the Federal Law Enforcement Training Center, a special operations unit for use in times of disturbance and disorder, a K-9 patrol, and legislation creating the position of Chief of the U.S. Capitol Police.

During Ken Harding's tenure as Sergeant at Arms, we developed regulations for demonstrations that assure members of the public of their right to demonstrate while, at the same time, providing the order necessary for the conduct of congressional business and the exercise of other rights by members of the public. We developed a competitive promotional examination for members of the Capitol Hill Police Force, and included women in the ranks of the Capitol Police for the first time. We sougnt and obtained authorization for additional plainclothes officers, and we organized sophisticated training programs in such areas as hostage negotiation and the handling of hazardous devices.

Prior to his service as Sergeant at Arms, Ken served as Assistant Sergeant at Arms from 1954 to 1972. Additionally, he was assistant to the chairman of the Democratic National Congressional Committee from 1946 to 1954 and served as executive director of the committee from 1954 to 1972.

Kenneth R. Harding has served Congress and the public with skill and devotion. I am sorry to see him go but in his retirement I want to wish him and Mrs. Harding long life and many more years of happiness together.●

● Mr. FITHIAN. Mr. Speaker, I would like to take this opportunity to add my voice to all the others who have spoken today in praise of Kenneth Harding, who is ending his impressive career as Sergeant at Arms to the House.

I cannot claim the length of service to this body that Mr. Harding has given, nor can I claim the pleasure many more senior Members have had of working with him through his 30 years of service. But I am glad to join in honoring him. In the comparatively short time that I have been here, I have been impressed by his service, by the dedication and energy he has shown, and by his professionalism in executing the tasks of the Sergeant of Arms. I can also say, with gratitude, that his cooperation has repeatedly proved of great assistance to myself and my staff, and that the competence he and his staff have displayed has contributed to the efficient operation of my efforts.

So let me join in thanking Kenneth Harding for his long and dedicated service. It is efforts like this—unrecognized in the Government texts or the media analyses—which are essential to the functioning of this great institution, the House of Representatives. He deserves all our thanks and our best wishes.●

● Mr. REUSS. Mr. Speaker, Kenneth R. Harding has been a prominent figure here on the Hill for more than 30 years. When I arrived to begin my first term in 1955, Ken was the executive director of the Democratic National Congressional Committee. Ken was also serving as Assistant Sergeant at Arms at that time.

In 1972, Ken was appointed Sergeant at Arms and served with distinction in this demanding role. He masterfully orchestrated the planning and coordinating necessary to carry out the many duties of his office, including keeping order in the Chamber, greeting visiting dignitaries, running the House bank, chairing the Capitol Police Board, and running the Capitol Guide Service. Ken's effectiveness and dedication made every Congressman's job considerably easier.

Ken Harding earned the respect and friendship of all Members of this House. With his resignation on February 29, the House lost a friend and an able administrator. His tenure as Sergeant at Arms will remain the standard for those who follow him. I know that I speak for us all in thanking him for a job well done, and in wishing the very best to him and his family.●

● Mr. ASHLEY. Mr. Speaker, I know all of us regard the upcoming retirement of Kenneth Harding, Sergeant at Arms of the House, with mixed emotions. I am pleased to have this chance to add my very best wishes for a healthy and happy retirement to Ken, as well as my congratulations and thanks for a truly remarkable 30-year career in service to the House.

Few if any individuals, including Members, have given more of themselves over a distinguished career to the House than Ken. During more than a quarter of a century of service as Assistant Sergeant of Arms, and then as Sergeant at Arms, Ken has added dignity, warmth, and boundless energy to this Chamber, and he will be sorely missed. Ken has offered literally thousands of Members his counsel, his wisdom, and his time both as Sergeant at Arms and during his equally noted tenure with the Democratic National Congressional Committee.

I sincerely hope that Ken will find frequent occasion during his retirement to return to these Halls and visit with us. I know that Ken and Jane will enjoy their retirement, together with their four fine boys. They will have the very best wishes of all who have served in the House since he arrived here.●

● Mr. DIGGS. Mr. Speaker, I rise today to join with my colleagues in paying tribute to Ken Harding, our esteemed Sergeant at Arms for the past 8 years, and a most valued part of the institution of the House for over 30 years.

Mr. Harding's contributions to the smooth and efficient operations of this body are too numerous to mention. Suffice it to say that without him, the everyday maintenance of decorum and stability which characterize this Chamber would be impossible. He has dedicated himself to a long and fruitful life of public service, not in the public eye, but in the quiet and steady manner of a true patriot and administrative technician.

Mr. Speaker, we will miss Ken Harding as our Sergeant at Arms. I hope he and his family will enjoy the fruits of his labors, and enjoy his retirement half as much as we have enjoyed having him among us.

● Mr. GIAIMO. Mr. Speaker, for 35 years Ken Harding has been a part of this House. And for longer than that, this House has been a part of Ken Harding.

Many of us remember Ken's father, the late Cap Harding, who also was a part of the House of Representatives. Some of us know that Ken's help, when he ran the Democratic Congressional Campaign Committee, assisted us to become Members of this body.

Ken's devotion to the House and our country has ben unflagging. He has carried out his duties, especially those of Sergeant at Arms, with dedication, competence, energy, and good grace. I can hardly remember ever seeing Ken Harding without a smile on his face.

The job of Sergeant at Arms involves more than ceremony. It involves a great deal of hard and careful work and coordination. It includes helping to manage the Capitol Police. Ken has carried out his duties with honor and distinction.

I know that Ken is too active a person to leave the House for a rocking chair. He will remain active, and his knowledge and counsel will be available to the country and to those of us who seek it.

I also know that Ken deserves a respite from the rigors and daily demands of the Capitol and that he and his devoted wife Jane are entitled to a little more peace and quiet than they have enjoyed for a long while.

It is my pleasure to wish Ken a fond farewell and to let him know that my best wishes and those of my wife Marion go with the Hardings. But we sure will miss him around here.●

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject I have just discussed.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Indiana?

There was no objection.

HEAVY OIL DECONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 60 minutes.

Mr. DANNEMEYER. Mr. Speaker, along with inflation, one of the most serious problems facing America today is energy, more specifically our lack of it. Today, nearly 45 percent of our oil comes from abroad and the cost of that oil is averaging almost $30 per-barrel. Not only do those figures constitute a tremendous millstone about America's neck financially but our dependence on foreign oil effects us politically as well. Like it or not, we are vulnerable to energy blackmail and, as the Soviet invasion of Afghanistan reminded us, we may face the prospect, sometime in the not-too-distant future, of having to send military forces in to protect those overseas oil supplies.

The tragic part of all this is that we do not have to be so dependent on foreign crude oil. We have oil here at home, if we would only take the steps necessary to develop it. Take what is known as "heavy oil" for example. This oil comes from fields that have been pumped to the point where it would require special techniques and equipment to extract that which remains. But, it still can be refined and there is a lot of it. Depending on whose estimates you believe, there are 20 to 30 billion barrels of this heavy oil in California alone; similar fields exist in Texas, Kansas, and Oklahoma. If all were developed we could reduce our oil imports by 145,000 barrels per day.

While that figure represents less than 2 percent of our estimated oil imports for this year and next, it also represents nearly $1.5 billion that would otherwise be added to the debit side of our balance-of-payments sheets. That is a lot of money, but even more important is the fact that, taking the steps necessary to keep that money here at home, would help demonstrate our determination to reduce our energy dependence.

To enable us to take the first step, I am introducing, in conjunction with my distinguished colleagues from California, Representatives DORNAN and LUNGREN, a bill designed to remove some of the barriers currently restricting the development of "heavy oil." Specifically, this would redefine heavy oil up to 25.0° API specific gravity and would exempt its production from any windfall profits tax that might be passed. Those steps would give producers the incentive, and hopefully the capital, to develop this difficult-to-obtain oil in a timely fashion.

Mr. Speaker, the seriousness of our energy predicament cannot be over-estimated and steps which would bring relief cannot be overlooked. Deregulating heavy oil and exempting it from a windfall profit tax is one of those steps. Sure, there are costs involved, but the cost of not proceeding with this and other energy alternatives will be far higher. For too long, we have bewailed our fate, tried to maintain the illusion that the days of cheap energy will still be with us, and failed to develop a sensible energy policy. Now, it is time, long since time, we started doing something to produce the energy supplies we have available. The supplies are more than adequate; it is just the willpower that has been lacking.

FEDERAL VENUE STATUTES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 30 minutes.

● Mr. SYMMS. Mr. Speaker, I am today introducing legislation with Mr. RHODES and Mr. HANSEN as cosponsors, which will amend the Federal venue statutes to require that cases with the Federal Government as the defendant be tried in the district court where the impact or injury is most substantial.

I am convinced that this legislation is of importance not only to the Western States, but to the rest of the country as well. Presently, most cases filed against the Federal Government, particularly those involving environmental issues, are tried in Washington, D.C. Often these cases have major impact on one of the States, or a particular region, but are tried in Washington instead of the district court in the area affected.

It would make more sense, in my opinion, to have such cases tried in the district court where the major impact or injury is situated. Too often, cases dealing with a dam in Washington, a water project in Montana, or a Federal wildlife refuge in South Carolina, are tried in the district court of the District of Columbia. If these suits were tried closer to home, so to speak, the judge might have some familiarity with the subject of the case and most certainly be more inclined to closer examine the effects of his decision on the area of impact, before delivering his opinion. Also, the Government lawyer in such a situation would either be the U.S. attorney for the district where the subject matter of the case is located or from the regional office of the agency involved.

A major benefit of this bill, as I see it, is that witnesses and interested parties from the State or area where the suit would have its impact would have a greater opportunity to observe or participate in the case. For example, people from my own State of Idaho are now required to travel a great distance to Washington at considerable expense in order to participate in many cases which affect solely the local area. Citizens from all States would benefit from this bill as they would only have to travel to the Federal courthouse in their district instead of to Washington. Thus, the bill will help restore a degree of confidence and public participation in the Federal court system by the American people.

The bill uses the same standard of appeals from agency proceedings, many of which are now also filed in the District of Columbia. Requiring that such cases be heard in the circuit where the impact is situated should also result in decisions taking into account the public sentiment to some degree, and using the established case of law of the circuit rather than that of Washington, D.C. Usually, the precedent in one of the other circuits will more nearly reflect local customs and local law, whereas, the precedent in the District of Columbia Circuit generally reflects the attitude of the Federal Government. And, as I mentioned earlier, the judge might have more familiarity with the subject of the case and might more fully realize the effect of his decision.

It is my strong feeling that this bill, if passed, would be favorable to the States as well as to the local interests affected by such cases.

It is important to point out that this is not a partisan issue. Congressmen from both parties have sponsored similar legislation in this and in past Congresses, and I trust they will support this bill now.

This is also not a "western" issue, and should receive nationwide support. To bring a controversy dealing with the fishing grounds off Cape Cod, Mass., to suit in a Wyoming Federal District Court is equally as wrong as the incidents described earlier. These cases, that fundamentally affect the livelihoods and environment of the people of this Nation, should be heard where the people have the greatest opportunity of involvement. To remove the crucial decisions governing an area and its people from a place where they can be easily observed is unjust, and contrary to the ideas that direct our judicial system.●

PRESIDENT SHOULD EXERCISE HIS VETO AUTHORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. PETRI) is recognized for 10 minutes.

Mr. PETRI. Mr. Speaker, when the Founding Fathers wrote our Constitution, they wisely set up a system of government checks and balances.

The Founding Fathers realized that the legislative branch would tend to be amendable to various pressures from specific groups of constituents.

They realized there had to be some check on the actions of Congress and thus they gave the President the power to veto actions of Congress.

But if the system is to work it must be used. Despite numerous threats to veto various pieces of legislation, this President seems to be competing with Congress to satisfy one interest group after another.

As a result we have continuing budget deficits. It was only when the administration was facing the greatest pressure from collapsing confidence in world financial markets that the President took his budget back to the drawing boards.

When the President first submitted his budget, it provided for a $15 billion deficit. But the latest figures from the Congressional Budget Office place the deficit at $25 billion with an additional $18 billion deficit in off-budget items.

There has been a lot of talk lately about the need to balance the budget. A number of methods have been suggested to achieve it.

One way is to change the majority in Congress. Regrettably that is something that has not happened in a generation—since 1954.

Another is to pass a constitutional amendment requiring a balanced budget except in special circumstances.

A third way is to simply employ the remedy that was put in our Constitution in the first place: the Presidential veto. All that requires, is a President who is willing to resist pressures—a President who is not afraid to exercise his authority in the interests of the country.

The responsibility to check the free spending ways of the legislative branch has been carried out by numerous U.S. Presidents including President Ford.

Sadly, President Carter fails to meet this responsibility.

In almost 3½ years in office Mr. Carter has vetoed only 20 bills. By contrast Mr. Ford vetoed 66 bills in just over 2 years in the White House.

In 12 years in office Franklin D. Roosevelt vetoed 635 bills. Grover Cleveland vetoed 584 during his two separate 4-year terms.

Although vetoes are sometimes politically unpopular, the people recognize that their Government needs discipline. The Constitution gives the President a means to enforce such discipline.

President Ford knew that. It appears President Carter does not.

To date I am afraid this President has been short on backbone, just as he has been short on jawbone. The state of the American economy reflects a President still unprovoked. The lesson is plain enough:

You can be all-jawbone some of the time,
You can be all-backbone some of the time,
But with no backbone and no jawbone all
of the time,
You may very well have a banana.

□ 1640

MOTION TO RECOMMIT CONFERENCE REPORT ON WINDFALL OIL PROFIT TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. RHODES) is recognized for 5 minutes.

● Mr. RHODES. Mr. Speaker, when the conference report on H.R. 3919, the so-called windfall oil profit tax bill is considered in the House, I intend to offer a motion to recommit it to the committee of conference with instructions to adopt a truly meaningful "plowback provision."

Mr. Speaker, I oppose this conference report because it fails as an energy incentive measure—it will not produce the new output of oil or other energy that is needed to get America moving again.

Only when the enormous sums that this bill generates are earmarked and plowed back by the oil industry into meaningful energy investments will we ever be able to meet our essential energy needs.

I include my motion to recommit for printing in the RECORD at this point:

MOTION TO RECOMMIT

Mr. Rhodes moves to recommit the Conference Report on the bill (H.R. 3919) to the conference on the disagreeing vote of the two Houses with instructions to the Managers on the part of the House to insist on a plowback credit against the windfall profit tax equal to 75 percent of expenditures by taxpayers (in excess of a threshold) for the following energy investments:

(A) drilling, completing, reworking, working over, or equipping productive or nonproductive oil or gas wells, injection wells, or service wells; (B) expenses or capital expenditures incurred for enhanced recovery of crude oil or natural gas; (C) geological or geophysical expenditures; (D) constructing, reconstructing, erecting or acquiring of depreciable property for the exploration, development or production of crude oil or natural gas or any pipeline for gathering crude oil or natural gas and transporting to the point at which the first purchase of such crude oil or natural gas occurs;

with such threshold amount set as the average annual energy investment for the 36-month period preceding the tax year, adjusted for inflation.●

REVIEW OF THE GUARD AND RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, I wish to bring to my colleagues' attention a recently published unclassified document entitled "Review of the Guard and Reserve." This report is a summary of a Defense Department study of the roles, missions, manning, and equipping of our National Guard and Reserve Forces. This document places renewed emphasis on the total force policy of heavy reliance on our Guard and Reserve to meet national security needs.

I especially applaud the programs that have been proposed or initiated to increase the individual Ready Reserve. I recommend the additional step of establishing a limited draft of up to 200,000 men each year for service in the individual Ready Reserve.

The Honorable Robert B. Pirie, Jr., Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, and the Honorable Harold W. Chase, Deputy Assistant Secretary of Defense for Reserve Affairs, have performed a valuable service to the Nation by clearly defining the efforts required to bring the Guard and Reserve to a heightened state of readiness in this time of international crisis.

I urge the American public and its elected and appointed leaders to support our National Guard and Reserve Forces as our dedicated citizen-soldiers strive to achieve the objectives set forth in the "Review of the Guard and Reserve," published in December 1979.●

KING CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise again to remind the House that the callous and infamous murder of Federal District Judge John Wood and attempted murder of Assistant Federal District Attorney James W. Kerr remain as unsolved today as they were on the day the crimes were perpetrated. Amazingly, it will be almost a year since this unprecedented murder of a Federal district judge.

This kind of a crime, this kind of an assassination has not happened before. It is unprecedented. The last murder of a Federal judge was during the last century, but it had none of the major aspects that were involved in the murder of Judge Wood. I call it the unprecedented, unmatched, and the most dastardly crime of the century. And I say that advisedly.

We have had Presidents assassinated, and we have had national leaders assassinated, and so, some of my constituents ask, "How can you make such a charge?" The reason is simple. Even with the assassination of President Kennedy, we can say that the Nation survived—although perhaps it was kind of crippled, as I have maintained—and the Office of the Presidency remained intact and unimpeded in its discharge of its functions. In the case of the murder of Judge Wood, what has resulted is intimidation of the judiciary.

I have done the best I know how to try to make this a national priority matter since the attempted assassination of Assistant District Attorney James Kerr, which occurred some 6 months before the murder of Judge Wood. At that time I was convinced that it was absolutely imperative that the highest level of our Government give that crime priority, because, as I said then, it is obvious that this was a try at intimidation of higher-ups. I said, "Perhaps it may involve the District Attorney himself and even perhaps the Judge," never dreaming that I would be so correct.

But I knew that something might happen. I knew that anybody studying the manifestations of the series of crimes and the pattern of criminality that was reflected first in the attempt on the life of James Kerr would have concluded that if James Kerr had really been intended to have been killed, it would have been done.

In that case an M-1 rifle was stuck out of the rear of a van at about 8 in the morning as Mr. Kerr was leaving the curb in the front of his home in one of the most calm, sedate, law-abiding, peaceful, affluent neighborhoods in the whole country.

Mr. Speaker, I might point out that even though this happened in San Antonio, these crimes did not take place in that part of San Antonio that I have the honor to represent. Rather, they happened in the adjacent northern district, and San Antonio really gets a bad name because actually this happened to be the domicile of both judicial officers.

But the real scene, the real thinking, the real planning, and the real carrying-out of the crime goes over to the west 600 miles to El Paso, then above that to Las Vegas, and then east and south to Florida, to such great powers of crime as Meyer Lansky, because what is involved here is a definite, clear, and present challenge from organized crime to the constituted authorities of this country. This is why I call it "the crime of the century."

It is just simply unthinkable that we have allowed this lapse of time. It will be a year and a half since the attempt on the life of James Kerr and almost a year since the assassination of Judge Wood, and there is not yet even a glimmer or the beginning of a break in the case, much less a solution.

Mr. Speaker, the criminal, as I have said, is roaming the country head high, and engaged in the several billion dollar enterprise of international drug traffic, automobile stealing, et cetera, along with the related acts of criminality that go with it.

This is the most organized, highly sophisticated, corporate type of activity that one can conceive of. And obviously they go with impunity and obviously with our national law enforcement agencies unable to penetrate that cap of criminality which is robbing the American people more than would an invader. I have said, and I repeat today, that the real challenge to our society, our Government, and our freedom is the existence of this highly organized criminal activity that I call "King Crime."

King Crime rules and keeps on ruling and our law enforcement agencies, from the highest to the lowest, reveal a very sad inability to cope it. As I have said before, there are other aspects of criminality here that our law enforcement agencies for years now have been unable to penetrate, much less cope with or control.

Mr. Speaker, I do not know what one man can do, at least as a Member of this body, other than what I have tried to do. I am still asking for support from my colleagues of a resolution which would more or less say that it is the sense of the House that the President would be authorized to instruct the Attorney General to offer up to $3 million for information leading to the arrest and the conviction of those responsible for the attempted murder of James Kerr and the murder of Judge Wood. Thus far the results have been dismal and disappointing—in fact, demoralizing.

I feel that it is this kind of a sense of urgency that we need, particularly from our standpoint, because there is little we can do in this area of law enforcement other than that. But instead of that we have an apparent priority and concentration of our limited resources in other more spectacular law enforcement efforts. Far be it from me to say that that should not be. I say that it should be, but what I also say is that what we have confronting us in the unsolved murder of Judge Wood and in the attempted murder of James Kerr is something that should be given the highest urgency and priority by our National Government.

Mr. Speaker, I yield back the balance of my time.

□ 1650

WOOD RESIDUE UTILIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

● Mr. WEAVER. Mr. Speaker, today I am introducing a revised draft of the Wood Residue Utilization Act of 1980. A hearing on this bill will be held by the Forests Subcommittee. A summary of the bill follows. It is similar to S. 1996 recently reported from the Senate Agriculture Committee and to my own H.R. 5220, the Wood Residue Utilization Act of 1979.

The summary of the bill follows:

SUMMARY

The Wood Residue Utilization Act of 1980 authorizes two new approaches to enhance current National Forest System programs of wood utilization.

They are a pilot wood utilization program, formerly H.R. 5220, and a pilot residue removal credit incentive, S. 1996. Both programs are authorized for five years with a total authorization of $37.5 million for the entire bill. The Act will complement the wood utilization provisions of the National Forest Management Act, the Cooperative Forestry Assistance Act, and the Forest and Rangeland Renewable Resources Research Act.

The Wood Residue Utilization Act has potential for increasing wood supplies, including wood for use in producing energy and for reducing hazards from fire, insects and diseases. It will help regenerate harvested areas to encourage thinning of overcrowded stands, and lessen the need to dispose of wood residues by burning.

The primary objective of the wood utilization program is development and evaluation of new and innovative means of wood residue utilization and will fit closely with Department research in this area. The program would provide the means to implement the technology developed through research and determine the economic efficiency and commercial viability of these new technologies.

This program would operate in timber sale areas, reforestation and timber stand improvement areas, firecontrol clearings, and fire prevention cleanup areas, and other areas where wood residues have accumulated. Within these areas the program could fund National Forest System wood residue utilization demonstration areas, fuel wood concentration and distribution centers, and construction of access roads needed for wood residue removal.

The "residue removal incentive" would pay National Forest timber purchasers for their costs in the processing and removal of wood residues from timber sale areas to a point of use for conversion to a fuel or to other wood products. Wood residues are defined as including logging slash, woody plants, down timber material, and standing live, or dead trees that are presently unmerchantable. Point of use may be wood concentration or distribution centers, either Government or commercially operated, or a wood manufacturing facility.

The incentive would be a part of the contractual agreement governing the timber sale. It would be earned by the purchaser when removing wood residues and delivering them to the specified location. The earned incentive would be applied as a credit to the purchase price of the timber harvested from the sale area. The bill would prohibit requiring residue removal where it would cost more to remove than its value as fuel or wood products, except where removal is necessary for fire prevention, site preparation, or wildlife habitat improvement. The incentive would be considered as "moneys received" by the Government so as not to impact the payments received by State and local governments.●

NOTED DENTIST STATES BETEL NUT NOT DANGEROUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam (Mr. WON PAT) is recognized for 5 minutes.

● Mr. WON PAT. Mr. Speaker, on several occasions I have spoken out against what I view as a direct threat by the U.S. Government against the native traditions of Pacific Americans. Specifically, I refer to a refusal by the U.S. Food and Drug Administration to permit Pacific islanders to bring with them for personal consumption the betel nut when they enter the United States.

Using what I regard as highly suspect evidence, FDA has charged the betel nut with the crime of causing cancer. Yet, never to anyone's memory in the history of Guam has a case of cancer of the nature attributed to the betel nut ever been found in Guam.

Proof of my point was recently published in the Guam Tribune by Dr. Henry Hoffman, a noted dentist on Guam. In his articulate and informative article, Dr. Hoffman states that in recent studies done in Guam not one instance of the oral cancer FDA insists is caused by the betel nut was located.

I know that there are many who would consider the chewing of the betel nut distasteful or perhaps even something to be associated with "strange cultures." Well, until the advent of the white man in the Pacific, islanders thought that the use of tobacco or alcohol was a strange and alien habit. Many of us still think that smoking or alcoholism is something to be avoided at all costs, yet we do not deny others the right to practice their own personal vices on Guam. All we ask is that we are left alone to use the betel nut as we have done for countless hundreds of years.

Mr. Speaker, I insert in the RECORD Dr. Hoffman's article:

[From the Guam Tribune, Feb. 18, 1980]

"NUTS" TO THE FDA

(By J. Henry Hoffman, D.M.D., D.D.P.H.)

Question: Does betel nut chewing cause oral cancer?

Answer: The position of the Federal Drug Administration is that betel nut (pugua) has been identified as a cancer causing agent and hence Guam's ban on exporting the nut. It should be noted, however, that regardless of the FDA's action, it has not stated that betel nut has caused oral cancer in man. Also, it should be realized that the FDA has identified a jillion other substances that can or may be considered carcinogenic.

The fact is that the incidence of oral cancer has not been proven to be greater in betel nut chewing populations than in nonchewing populations. Under these circumstances the FDA's ruling becomes highly suspect of being both arbitrary and culturally discriminatory.

I personally have reserved the medical literature for recognized world wide betel nut studies, that have occurred over the past hundred years. None of these studies have concluded that oral cancer rates are higher in betel nut chewing populations.

As a public health specialist, I developed and conducted, in the summer of 1977, a local oral cancer screening project. Continuing education credit was given in the name of both the American Medical and Dental Association. Approximately 800 elderly betel nut-chewing island residents passed through the laboratory potrion of the course. Subsequently, 44 Guam physicians and dentists were certified in the early detection of oral cancer.

The data obtained from this more than adequate sample size, was carefully examined and subjected to all standard bio-statistical tests. As a result, no correlation between the local chewing of betel nut and oral cancer could be demonstrated, even when used with the papulo leaf.

If it should ever be proven that betel nut chewers are in a higher oral cancer risk category than non-chewers, the difference would be too insignficant to justify cultural legislation. These comments are targeted at the FDA's action against Guam and the presumed life threatening use of the nut. Accordingly, "nuts" to the FDA. Regardless, I trust no reader will conclude that the betel nut chewing habit escapes without penalty to the dental mechanism.

Habitual use of this stimulatory nut does have an astringent action on the oral tissues which chronically contributes to a less than normal existence for those tissues. Further, chewing tends to produce excessive staining of the teeth. Also those people who use their teeth to crack open the abrasive nuts, eventually badly chip and fracture the enamel surfaces. Finally, there is a stronger tendency for chewers to build up calculus deposits. In certain cases the contours of the back sides of the lower front teeth can be completely obliterated by a highly polished black and stone-like mass. This surviving evidence routinely persists in the oldest of the skulls of the island's dead. In this context, the nut has been around a lot longer than the FDA!

In terms of cultural use of the nut, other than on Guam, certain South Pacific islanders use a pinch of lime with some leaf. The habitual use of lime does tend to produce a proven cancerous lesion in the oral cavity and should be avoided.

Since Guam's historic and cultural use of betel nut does not include the addition of lime, the wisdom of the FDA ban, as applied to Guam, remains in doubt. Regardless, for strictly oral health reasons, I suggest that all users would be further ahead if after breaking the husk, they would throw away the nut and use the husks fibers for an extra brushing each day. These husks were, in fact, Guam's ancient toothbrushes.●

STRIKING A BARGAIN WITH OPEC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

● Mr. WOLFF. Mr. Speaker, the Washington Post editorial section recently published an article by Hobart Rowen which I would like to share with my colleagues. Mr. Rowen made references to recent studies suggesting that a global bargaining agreement among the rich industrial nations and the rich oil producing nations be established to not only discuss oil supplies, but also prices. These suggestions were reported to have been included in studies conducted by the Independent Commission headed by former German chancellor Willy Brandt and the International Economy Policy Association headed by Timothy Stanley.

The time has come for the United States to take the lead in establishing an agreement with the OPEC nations. Although there are encouraging signs of the consuming nations actively pursuing efforts through the International Energy Agency to reduce foreign imports, I believe the time has come to seek some sort of dialogue on price. I have introduced H.R. 4574 which would do just that. The bill would provide the framework for effectively negotiating with the OPEC countries by forming an oranization that would be responsible for determining a reasonable base price for oil.

A reprint of the editorial follows:

STRIKING A BARGAIN WITH OPEC

(By Hobart Rowen)

President Carter's incredibly consistent record of ham-handedness in dealing with the economy has for the moment disguised the fact that the inflationary explosion of the past few months is heavily caused by OPEC prices, exacerbated by Carter's own decision to decontrol oil prices.

As a result, a number of intriguing and innovative ideas have recently been put forward to encourage OPEC to abandon future sudden bursts of price hikes that send the world economy into shock.

All of these bright ideas seek to provide the oil cartel with some assurance that the purchasing power of their dollars will stabilize instead of deteriorate.

Before examining these ideas, it should be reiterated that inflation is not due wholly to OPEC, as the Carter administration would like to have us believe. Inflation has multiple roots, including Carter's failure at the very beginning of his administration to perceive its underlying strength.

More recently, he compounded his errors by presenting a gun-and-butter budget that clearly makes the situation worse. On anti-inflation policy, President Carter and his advisers have been a total and calamitous failure.

But energy prices are playing a major role in the sharpness of the consumer inflation rates. And not all of OPEC's last boost has yet worked its way through the economy.

Energy was a big thrust behind January's 18 percent rise in the Consumer Price Index. A 7.4 percent increase in gasoline prices in January translates to a annual increase of 90 percent. Fuel oil prices were up 5.4 percent, or an annual increase of 65 percent.

This sort of staggering trend in the oil-energy sector obviously cannot go on. Equally obviously, the worldwide inflation that OPEC producers are helping to perpetuate causes a drop in the value of the cash that OPEC itself gets for its oil. Truly, it is a classic Catch–22 situation.

One of the most comprehensive suggestions for a way out of this morass comes from the Independent Commission headed by former German chancellor Willy Brandt. It recommended a sort of global bargain among the rich industrial nations and the rich oil-producers that would result in assurances for the West of oil supplies in exchange for regular but gradual real increases in oil prices for OPEC.

Both the Brandt Commission and the International Economic Policy Association headed by Timothy W. Stanley also advocated, as part of the bargain, increased aid to developing countries, which are hard hit by rising oil prices. They suggest a development tax on oil to be paid by both producers and consumers.

But any effective constraint on higher oil prices depends heavily on some kind of guarantee to OPEC that the dollars it accepts for oil will really be worth something in the years ahead.

As Otto Graf Lambsdorff, German economics minister, said in a speech here last month: "The Arab producers are earning revenues whose purchasing power is not stable, and some of them at least do not know how they can best use these revenues."

Walter Levy, internationally known energy expert, has come up with a proposal that in a way supplements the Brandt Commission report and deserves further study. In effect, Levy suggests payment for oil in indexed "energy bonds." That would give the OPEC holders repayment in currencies with the same purchasing power that prevailed at the time of their sales of oil.

Felix Rohatyn, as part of his plan to avert a general financial panic, put forward a similar suggestion for long-term bond payments for oil. He added as a fillip the notion of a gold guarantee as well as U.S. military protection of the Persian Gulf states.

Clearly, any and all of these ideas are meritorious—if they work. The common thread is a recognition that the consuming nations' main energy source in the immediate years ahead will continue to be petroleum. The development of alternative sources, as well as conservation, is essential. But neither will produce the energy needed in the immediate years ahead.

Would OPEC accept a negotiated bargain or a system of more reasonable, regularized price increases, such as is implied in all of these suggestions? A favorable sign, surely, is that the Brandt Commission report was unanimous, and the commission included representatives from three OPEC countries as well as representatives from some of the poor consuming countries.

Lambsdorff strikes a somber note after a visit to the Persian Gulf countries. He says that oil supplies will continue to come from OPEC to the West "but they will not provide us with more than we absolutely need, and they will do this at prices which just about allow us to keep going." Thus it is a long way from the sort of responsible rhetoric of the Brandt Commission and the other tough, competitive, inflation-wracked world collateral ideas to a viable plan in the real, tough, competitive, inflation-wracked world.●

LEGISLATION TO RECHARTER FEDERAL AVIATION ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I have today introduced a bill to recharter the Federal Aviation Administration. This legislation will make aviation safety the FAA's sole mission.

It has been my concern for many years that the Federal Aviation Administration has problems in setting priorities and executing its primary responsibilities of regulating aviation safety. My concerns are based on a number of considerations, such as the time lag between the identification of an aviation hazard and action by the FAA. For example, in 1977, I spoke out on the floor of this House on the large number of recommendations made by the National Transportation Safety Board to the FAA which the FAA had accepted but never acted on in any final fashion. The numbers of open recommendations were in the hundreds. That situation is not much improved.

In addition, when the FAA does regulate, it writes the regulations to fit the present state of the art. There is no challenge to the aerospace manufacturers to design an improved technology. This is not the way we achieved progress in the automobile industry or in the environment. We passed legislation telling them where we expected them to be at a future time. The state of the art was not at those levels, but the manufacturers developed the state of the art to meet the regulations. This is something we need to do in aviation, but the FAA is blind to the example.

Why is it that the FAA rulemaking is a reaction to accidents rather than anticipatory?

In my quest for answers as to why FAA has these problems in identifying safety hazards and taking action on them, I have run into a stone wall. I have never been able to get satisfactory answers from FAA. I have written Administrators of the FAA. I have queried FAA officials in hearing after hearing.

The problem cannot be money. The FAA has an aviation trust fund created by ticket taxes and overseas departure fees which will reach $4 billion this year. What, then is the problem?

Since I could not get an explanation or a solution for these problems from the FAA, I with the full cooperation and support of my colleague from California, chairman of the Public Works and Transportation Committee BIZZ JOHNSON, asked the GAO to investigate and report.

The report, which was released last week after a full year's study of the FAA, substantiated my beliefs that the core of FAA's problem is not knowing what its priorities should be. To quote from the report:

> FAA's missions are defined in various statutes, executive directives, and national transportation policy statements. These missions should be translated into safety goals and objectives and, ultimately, agency safety priorities. However, FAA's attempts to do this have been unsuccessful, leaving the agency with statements of its safety goals, objectives, and priorities which are not current and need to be updated.

The last time the FAA expressed its policy was in April 1965, with updates in 1972 and 1973. These orders are still listed as current FAA directives.

Since these policy statements were issued, FAA has made some attempts to define safety goals, incentives, and priorities. Each effort, however, was short lived and failed.

Almost every year, according to the GAO report, FAA attempts to list its priorities and goals and every year the attempt either fails, or the goals are so broad as to be useless in setting policy.

In thinking over the problems of the FAA, I have concluded that a large part of the problem is the FAA's dual role in being responsible both for aviation safety and also for promoting the civil aviation industry. I believe that the GAO reports bears this out in the examples I have given which demonstrate the lack of priorities and objectives and the inability to reach a consensus even within the FAA itself as to what those priorities should be.

Therefore, it seems to me that Congress' role in all this is to relieve the FAA of a dual responsibility which can cause internal conflicts and which is draining the resources needed to manage the Nation's airspace in the most efficient and safe way humanly possible. In order to be free to devote itself solely to the safety of aviation, FAA needs to be freed from having to promote the industry and to make economic decisions instead of safety decisions.

My bill proposes to put the economic, nonsafety related areas elsewhere in the Department of Transportation, thus allowing the FAA to concentrate its full resources and considerable talent on safety matters.

Section 1 restricts the Federal Aviation Administration to performing only those functions related to aviation safety and transfers the nonsafety functions to the Secretary of Transportation. Within 120 days after the enactment of this bill, the Secretary of Transportation will identify and report to the Congress those aviation functions which are nonsafety and the office within the Department of Transportation to which these functions will be transferred.

Section 2 restricts the Secretary of Transportation from delegating to the Federal Aviation Administration any functions not pertaining to aviation safety.

Section 3 transfers all personnel, contracts, property, records, and other related assets and liabilities related to the nonsafety aviation functions to the Secretary of Transportation.

Section 4 states that all orders, determinations, rules, regulations, permits, contracts, licenses, and privileges shall continue in effect according to their terms until modified, terminated, superseded, set aside or repealed by the Secretary of Transportation by any court of competent jurisdiction or by operation of law. Proceedings pending that relate to the nonsafety functions of the FAA shall be continued before the Department of Transportation.

Section 5 says that references in the Federal law—related to the nonsafety functions being transferred to the Department of Transportation—to the Administrator of the FAA or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation respectively.

Section 6 transfers the non-safety-related functions of the Federal Aviation Administration to the Secretary of Transportation 180 days after the date of enactment of this legislation.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

● Mrs. COLLINS of Illinois. Mr. Speaker, due to my absence yesterday, March 10, 1980, I was not recorded on Monday. If I had been present, I would have voted accordingly:

House Concurrent Resolution 285, disappearance of certain persons, "yes."

H.R. 6585, extend Presidential reorganization authority, "yes."

H.R. 6702, Federal election campaign contributions, "yes."

H.R. 6152, Product Liability Risk Retention Act, "yes."●

THE IMPACT OF THE FREEDOM OF INFORMATION ACT ON VA MEDICAL RESEARCH ACTIVITIES AND MEDICAL QUALITY ASSURANCE PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, today I am introducing a bill to amend title 38 of the United States Code to provide for confidential treatment of medical peer review and quality assurance documents.

The Freedom of Information Act represents the policy of the United States that the public is entitled to the fullest practicable information regarding the decisionmaking processes of the Federal Government.

This policy recognizes, however, that certain Government information should not be disclosed and, through statutory authority exempting certain information from disclosure, preserves the Government's ability to perform its functions which generate or incorporate such information.

In the past 2 years, the VA has received FOIA requests for documents related to both ongoing medical research and medical quality assurance programs including confidential peer review. In both instances, it was apparent that the FOIA mandated the disclosure of many such documents. It is believed that such disclosures threaten the future existence of quality assurance programs, as well as medical research activities. It is believed that specific legislative protection is necessary for documents generated in both of the activities.

THE QUALITY ASSURANCE PROBLEM

In the early 1970's, there was a significant movement for creation of medical quality assurance programs, including peer review. This resulted in the creation of the Professional Standards Review Organization (PSRO) program after passage in 1972 of the PSRO amendments to the Social Security Act. That program applied to federally financed private medical care, particularly medicare and medicaid. In the spirit of this movement for medical quality assurance, the VA developed the Health Services Review Organization (HSRO) program in 1974. There are two principal aspects to the HSRO program; the systematic external review program (SERP) and the systematic internal review program (SIR).

The intent of the SERP program is to perform periodic objective reviews of the overall health care activity in individual VA health care facilities. This is accomplished by periodic surveys of all aspects of a hospital's operations, particularly direct patient care, by teams composed of VA professional persons, allied health and administrative health care personnel from outside the facility. Every medical center department related to patient care is evaluated. Deficiencies are noted and recommendations for corrective action are made in a SERP report. This is followed by a programed process of comment and review which results in decisionmaking on each recommendation.

The SIR program is concentrated in each medical center and is made up of all ongoing quality assurance programs in each center. It involves continuous evaluation programs related to all aspects of patient care. Such programs are designed to identify deficiencies in the quality of care. A typical evaluation program is of a type where objective criteria are set up with regard to a type of health care; that is, procedures for emergency room treatment for suspected heart attack patients. Records of actual treatment rendered are then compared to the objective criteria in an effort to seek out problems both as to the treating physicians and other personnel, as well as with other factors such as physical plant or equipment. Such "audits" are then reviewed by committees that determine appropriate action to correct deficiencies.

In addition to objective medical care quality evaluation programs, the SIR program includes many other activities including, but not limited to, utilization review programs that monitor utilization of resources, physicians privileging and credentialing activities that control a physician's activities, programs reviewing adminstrative activities and programs reviewing patient satisfaction. Many of the documents generated in the SIR programs are sensitive committee reports, as well as minutes of meetings which reflect open and frank discussions of problem areas and criticisms of individuals. Of course, less sensitive documents of a more objective nature are also generated.

In April and May 1979, the VA received Freedom of Information Act requests for a SERP report and for all SIR documents generated in 1978 for a particular VA medical center. The requests were made by an individual representing an organization that represents veterans. This individual explained that he needed the information to evaluate problems in the medical center so that he could better assist those whom he represented. Since those two initial requests, the VA has received a second request for a SERP report, from an employee at the facility which the SERP report dealt with. It has also received other requests for certain specific documents generated in the SIR program.

The Freedom of Information Act requires disclosure of all reasonably identified agency records unless they are exempted from disclosure by one of the nine specific exemptions included in the act. In the case of documents generated in the SERP and SIR programs, the only exemptions which may have extensive application are the fifth, which protects inter-agency and intra-agency memoranda, and the sixth, which protects documents the disclosure of which would result in a "clearly unwarranted invasion" of an individual's privacy.

It is arguable that the sixth exemption allows the deletion from documents of all personal patient identifiers so that there will be no invasion of privacy. However, the exemption offers no protection for the substantive portions of documents. The fifth exemption also only offers limited protection for documents. It clearly protects the deliberative predecisional matter of an advisory or recommendatory nature—and, possibly, the identities of the reviewers—but it is less clear whether it protects the critical factual material which is at the heart of many documents generated by the quality assurance programs. As a consequence of that ambiguity, those factual portions of documents might have to be disclosed if requested under FOIA, unless there is legislative protection.

The principal justification for prohibiting disclosure of documents generated in quality assurance programs is that, without such protection, persons participating in the programs will not speak openly, frankly, and critically about problems. The key to the success of any program that seeks critical review of other persons' work performance is confidentiality. In the early years of mandated professional quality review programs, there was a marked hesitancy on the part of physicians, nurses and others to express frank criticism of their peers. Meaningful peer review throughout the United States has since occurred. Adoption of State laws providing confidentiality has been essential to the success of these programs.

As indicated, in recent years, physicians increasingly have accepted the idea of medical peer review and quality assurance as an essential element in the practice of medicine. That is true for physicians practicing in the private sector and for those working for the Federal Government. It is clear that their continued acceptance and cooperation in quality assurance programs is dependent on the confidentiality accorded to their participation.

As the case of Public Citizen Health Research against HEW, infra, illustrates, this assurance of confidentiality is beginning to break down in situations where the Federal Government is involved in the practice of medicine. That is because the Freedom of Information Act only applies to the Federal Government. This loss of confidentiality could result in a movement by physicians away from the practice of medicine for the Federal Government. This is particularly important to the VA.

If the VA medical peer review and quality assurance programs are opened to wide public scrutiny, the recruitment and retention of physicians will be impaired. When faced with public disclosure of the precise details of their actions in practicing medicine or of their frank and candid criticisms of their professional peers, as a condition of VA employment, many physicians will choose to practice elsewhere. Continued recruitment and retention of competent physicians, in order to maintain the high quality of the VA health care system, requires legislative protection for the confidentiality of medical quality assurance programs.

It has been argued that it is laudatory to expose to public scrutiny the internal problems which exist in the provision of health care in any hospital. Such arguments are premised on the notion that the only method of correcting problems is through exposure and subsequent embarrassment to individuals and institutions. In the case of VA quality assurance programs, methods of correcting problems are built into the programs without the necessity for exposure or embarrassment. These programs provide continuous, long-term evaluation of health care and they are constantly correcting problems.

Moreover, there are already critical mechanisms, such as GAO, IG, and JCAH audits, to ensure that VA does not shirk its responsibilities regarding the provision of quality health care. Although it may be a false assumption that FOIA requesters intend to expose problems to wide public scrutiny, and encourage medical malpractice claims against the Government, that is the perception of those who participate in quality assurance programs and it is the full cooperation of those persons which is essential to the effectiveness of the programs.

If relatively few FOIA requests result in exposure of the internal workings of quality assurance programs, those programs will break down and valuable tools for the upgrading of the quality of medical care in the VA system will be lost. In April 1978, a decision was rendered in the case of *Public Citizen Health Research* v. *HEW*, 449 F. Supp. 937 (D. D.C. 1978). The case dealt with the application of FOIA to PSRO's. The court stated:

> The Court is well aware that the affidavits and attitudes of the medical profession strongly suggest that the peer review mechanism which Congress wisely established in enacting the PSRO program will experience a severe setback, if not fatal blow, should PSRO records become generally available through the FOIA. But the remedy for alleviating these justifiable concerns lies with Congress, not the courts.

Although the PSRO program differs significantly from the VA's HSRO program, the underpinning of both programs is confidentiality so that persons will be candid and offer valid criticism of their peers. That fact was recognized by the court in the above case dealing with PSRO's and it has equal application to the VA programs.

While there is a very strong role for the public to play in making decisions on the provision of health care in VA facilities and in the quality of that care, review of the technical quality of the care being rendered can only be performed by professionals working with some confidentiality. To obtain such confidentiality, legislative protection is needed.

THE MEDICAL RESEARCH PROBLEM

The Veterans' Administration's medical and prosthetic research program serves the Nation and its veterans in three ways. First, the research provides direct benefits to disabled and ill veterans whose medical conditions are treated in new and innovative manners which result from the findings of VA investigators. Second, the VA's research program has been shown to be an important factor in the recruitment and retention of physicians necessary for patient care. Third, the program forms an important part of the affiliation process between VA hospitals and medical schools; this affiliation has been a major contributing factor to the improvement in VA patient care during recent years. Last year, in excess of $120 million was expended to support the Veterans' Administration research program.

Despite the significant impact which the VA's research program has had on patient care, there is a growing and justifiable concern that the most productive and highly motivated investigators employed by the VA to conduct such research may choose to leave the VA and pursue their career in non-Government service. This concern arises from the fact that, as employees of the Federal Government, records generated in the process of their investigations are subject to public disclosure under the Freedom of Information Act at any stage of the research process. Indeed, a weekly national newspaper obtained complete documentary evidence concerning several ongoing clinical research studies in 1978 under the aegis of the act.

It should be noted here that the concern of the Veterans' Administration does not arise from disclosure of the results of research which is complete and accurate. Rather, it arises from the premature disclosure to untrained individuals of research protocols, raw research data, and preliminary or unvalidated research conclusions. We believe that, although the public interest is advanced by knowledge and scrutiny of accurate and complete research findings and conclusions, the disclosure of protocols, raw data and preliminary findings does not serve any legitimate public interest, and that such matter should be exempt from disclosure under the Freedom of Information Act.

In the case of the request by the national weekly newspaper, the VA was very reluctant to disclose the requested documents. Research protocols are original ideas studied and developed by professional scientists or physicians and constitute the intellectual stock-in-trade upon which the investigator's professional reputation and advancement depend. Disclosure under FOIA exposes the investigator to the very real risk that his ideas will be adopted by another investigator. The absence of protection for such ideas will drive away the most productive of the VA's clinical and scientific investigators.

With regard to disclosure of research data and preliminary findings and conclusions, several obvious harms are present. Disclosure can result in unfounded conclusions of the possible benefits or dangers being investigated and unjustifiably alarm or mislead the public. In addition, knowledge of preliminary results can influence the human subjects and the objectivity of the investigator, causing the experiment or trial to break down. Finally, the report itself is analyzed, critiqued and edited to insure the soundness of the research and the accuracy of its expression. Disclosure prior to the completion of this review process could result in unnecessary criticism of the entire VA research program and could also jeopardize Federal patent rights. To obtain the necessary protection against disclosure under FOIA, legislative protection is needed for the factual portions of these reports and documents in the same way that it is needed for medical quality assurance programs.

RECENT DEVELOPMENTS

Representatives PREYER and WAXMAN of the Information Subcommittee of the House Committee on Government Operations have requested the National Academy of Sciences, Institute of Medicine, to study the problem of exempting medical quality assurance program reports from the disclosure requirements of the Freedom of Information Act. The study is to be funded by HEW and is expected to focus on the confidentiality of PSRO reports. A recent court decision found that such reports must be disclosed by HEW under the Freedom of Information Act (FOIA). The Institute of Medicine's report is due in January 1981.

The Surgeon General of the Air Force has contacted the Veterans' Administration informally to express its support for VA efforts to protect quality assurance program documents. The Air Force is equally concerned with protecting such documents which are generated in its own quality assurance program, since the Air Force is also subject to the Freedom of Information Act.●

SUBCOMMITTEE ON CRIMINAL JUSTICE REPORTS CRIMINAL CODE REFORM ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, this afternoon, by a vote of 7 to 1, the House Judiciary Subcommittee on Criminal Justice, which I chair, sent to the House Judiciary Committee, The Criminal Code Reform Act of 1980. Today's action follows approximately 150 meetings of the subcommittee in this undertaking. I doubt that any piece of legislation has been more scrutinized or studied. I cannot adequately express the admiration and appreciation I hold for the members of the subcommittee who worked so long and so hard on this project.

Our work brings to fruition the effort started over a decade ago when the President Lyndon B. Johnson sent a message to the Congress urging action on a comprehensive revision of the federal criminal law. In that message he stated:

> A number of our criminal laws are obsolete. Many are inconsistent in their efforts to make the penalty fit the crime. . . . We are a nation dedicated to the precepts of justice, the rule of law and the dignity of man. Our criminal code should be worthy of those ideals.

In response, Congress established the National Commission on Reform of Federal Criminal Laws, better known as the Brown Commission, "to make recommendations for revision and recodification of the criminal laws of the United States."

The legislation we have reported today brings the essential elements of clarity and conciseness of the Federal criminal code. The benefits of this codification to the entire criminal justice system are significant.

CONSOLIDATION AND CLARIFICATION

The subcommittee bill assembles all felony offenses in one title of the United States Code, making the jobs of prosecutors, defense attorneys and judges easier. More significantly, the bill makes Federal criminal laws more readily understandable by consolidating and updating overlapping and inconsistent provisions. For example, the bill consolidates some 70 theft provisions in existing law, into 1 basic offense. The over 100 forgery and counterfeiting provisions of existing law are consolidated into 2 basic offenses.

STATES OF MIND

Present law uses more than 70 different terms to define the "state of mind" necessary for conduct to be criminal. The same term is often defined differently in different offenses. The subcommittee bill, reflecting the recommendations of both the Brown Commission and the American Law Institute, brings order into this important area of the criminal law by replacing the 70 different "states of mind" with 4 clearly defined standards of culpability: intentionally, knowingly, recklessly, and negligently. This change alone is a major contribution to the criminal justice system both from the point of view of the community and the defendant.

FEDERAL JURISDICTION

In dealing with the matter of Federal jurisdiction, the subcommittee carefully examined the substantiality of the Federal interest involved before recommending any intrusion into the affairs of State and local governments. Thus, under the subcommittee bill, there is no "piggyback" Federal jurisdiction. In earlier recodification attempts, the extensive use of piggyback jurisdiction was a major obstacle to completion of the recodification project. Federal jurisdiction is preserved in the bill in those areas of special Federal concern such as national security matters, smuggling, and counterfeiting.

SUBSTANTIVE OFFENSE PROVISIONS—ORGANIZED CRIME

The subcommittee bill facilitates the prosecution of organized crime activities. The new offense of "operating a racketeering syndicate" will enable prosecutors to obtain convictions of persons who direct large criminal syndicates. The bill also expands coverage of the current loansharking statute by making it a felony to loan funds at exorbitant interest rates under circumstances indicative of illegal activity. The bill also addresses, in a more complete fashion than existing law, the laundering of money from organized crime activities. Finally, the bill contains a new offense to deal with the pervasive and serious problem of counterfeited records, tapes, and films.

OFFICIAL CORRUPTION

The subcommittee bill, in addition to existing penalties for bribery and corruption, adds a new provision for dealing with official corruption. The offense of trading in special influence prohibits the sale of influence over public policy by someone who is not a public official. For example, the spouse of an elected official who with evil motive takes money in exchange for influencing the elected official's vote, would be punishable under this offense.

CONSPIRACY

In accord with the recommendations of the American Bar Association and a number of legal scholars, the subcommittee concluded that persons who are a part of a conspiracy should not be held responsible for the acts of others when they have no knowledge of the plans of the others—and might even have disapproved of such plans if they had known of them.

CONTEMPT OF COURT

The subcommittee bill contains several provisions that prohibit specific contempts of court. For example, failing to testify when called to the witness stand is, under the appropriate standards, a specific contempt offense. Since all serious contempts are thus specified the subcommittee bill limits the application of the general contempt provision to situations where the other provisions cannot meet the necessary purposes of the court's contempt power.

SENTENCING PROVISIONS

The punishment of criminal wrongdoers has frequently been the target of criticism of the criminal process. The practices, procedures, and statutes which govern the sentencing of offenders in Federal courts have been criticized for their inconsistencies and redundancy. Critics correctly point to the existence of unwarranted disparity in sentences imposed upon convicted Federal offenders. Similarly situated offenders who have committed similar crimes often receive widely dissimilar sentences.

The subcommittee resolved the tough issues of sentencing by taking a straightforward and honest approach. Sentencing judges are required to state the reasons for the sentence at the time it is imposed. Sentencing guidelines developed by the Judicial Conference of the United States will assist judges. These guidelines will create categories of offenses and offenders and provide judges with detailed and relevant information about the suggested sentence range for offenders convicted of particular crimes when those offenders have similar criminal histories.

The subcommittee bill permits appeal of allegedly excessive sentences by defendants. This appellate review provision will bring the U.S. criminal justice system into line with the jurisprudence of many other countries.

In addition to these sentencing provisions, the subcommittee bill includes the following features:

First. Offenses are classified into nine grades: five grades of felonies, three grades of misdemeanors, and an infraction. Each grade has a uniform maximum prison term and fine level. This will replace the multiplicity of maximum prison terms and fine levels in present law. The bill also brings fine levels up-to-date.

Second. Additional information, including a statement from the victim of the offense, will be included in the presentence report which the judge uses in sentencing. A sentencing hearing will be required whenever it is necessary to resolve factual disputes concerning a sentence.

Third. Probation is recognized as a possible sentence and its utility is highlighted. Procedures for the imposition of probation, and for the modification or revocation of the terms and conditions of a sentence or probation, are set forth.

Fourth. The availability of restitution to the victims of crime is expanded by providing a separate penalty of restitution which may be imposed in addition to or in lieu of any other penalty.

Fifth. The present parole system which was comprehensively revised by the Congress in 1976 is retained. As already noted, the subcommittee bill contains several innovative sentencing features. The impact of these features upon the criminal justice system cannot be assessed with reasonable certainty. The present parole system provides a stabilizing influence on the new system and will better enable us to assess the success of these new provisions.

This important legislation was possible only because of a strong bipartisan commitment to revision of the Federal criminal laws. Every member of the Subcommittee on Criminal Justice was an active participant in the painstaking drafting of this legislation. They are each to be commended. My esteemed colleague, Tom Kindness, the ranking minority member, deserves special commendation. Without his tireless devotion to this task, his cooperation and good humor, this legislation would not have been possible.●

SOVIET UNION MILITARY STRONGHOLD IN CUBA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Broomfield) is recognized for 10 minutes.

● Mr. BROOMFIELD. Mr. Speaker, at a time when the American people have been vividly reminded of the true nature of the Government of the Soviet Union by its aggression in Afghanistan, there is a real need to focus our attention on their activities in our own backyard. Just 90 miles off our coast, the Soviet Union has established a major military stronghold on the island of Cuba.

Since the very beginning of the establishment of the Castro-led Communist government on that island, the Soviet Union has tried repeatedly to use Cuba as a forward strategic base against this Nation. With the first introduction of Soviet offensive nuclear weapons in 1962 until the discovery of a Soviet combat brigade, the Soviets have sought to threaten the United States and make a mockery of the Monroe Doctrine.

In addition to the long-term threat that the Soviet buildup in Cuba poses for this country, the more immediate threat to our security lies in the activity of the strengthened surrogate forces of Castro. As a reward for action in carrying the Soviet banner in Africa, Asia, the Middle East and Latin America, the Soviets have transformed the rag tag forces of pre-Castro Cuba into a modern fighting force. With modern weapons and extensive training, Castro now has under his control the largest and most powerful standing army in Latin America next to Brazil.

In response to the clear and present danger this presents to this country, Senator Gordon J. Humphrey has introduced legislation, Senate Congressional Resolution 42, to insure that the detailed information on Cuban/Soviet military presence in the area is presented to Congress. The resolution expresses the sense of Congress that the President should report to Congress: First, monthly concerning the military capability of Soviet troops in Cuba, Cuban troops, and Soviet assistance to Cuba, and second, annually concerning Soviet military assistance to Cuba and the military capabilities of Cuban troops.

In the last 2 years alone, we have seen the introduction into Cuba of sophisticated Mig-23 fighter bombers, AN-26 long range transport aircraft, Foxtrot attack submarines, expansion of the Cienfuegos submarine base facilities and airfield, and a five thousand man combat brigade. These actions, when combined with Soviet aggression in Afghanistan and Cuban subversion in Central America and the Caribbean, demand that the American people and the Congress be fully informed of the threats they face from Havana and Moscow.

I fully support Senator Humphrey's proposal and am privileged to introduce a companion resolution in the House of Representatives and act as its principal sponsor.

H. Con. Res. 297

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) for a period of one year after the date of adoption of this resolution the President should prepare and transmit at intervals of thirty days to the Congress a report identifying the military capabilities and deployment of Soviet military personnel in Cuba, together with his appraisal of the mission performed by such personnel; and

(2) at intervals of one year after the date of adoption of this resolution the President should prepare and transmit to the Congress a report setting forth—

(A) the amount and nature of Soviet military assistance to the armed forces of Cuba during the preceding year; and

(B) the military capabilities of such armed forces.

Sec. 2. The Clerk of the House of Representatives shall transmit a copy of this resolution to the President.●

PERSONAL EXPLANATION

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, on Monday, March 10, 1980, I missed three rollcall votes. The votes are as follows:

Rollcall No. 125, a vote on a motion to suspend the rules and pass House Congressional Resolution 285, relating to the disappearance of persons caused by the abduction and clandestine detention of those persons by foreign governments or international terrorist organizations. The motion was agreed to by a vote of 343 to 3. I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 126, a vote on a motion to suspend the rules and pass H.R. 6702, Federal Election Campaign Act amendments. The motion was agreed to by a vote of 338 to 5. I was paired for this motion, and had I been present, would have voted in favor of it.

Rollcall No. 127, a vote on final passage of H.R. 6152, the Product Liability Risk Retention Act. The bill passed by a vote of 332 to 17. I was paired for this bill and had I been present, would have voted in favor of it.●

LEAVE OF ABSENCE

Mr. Cavanaugh (at the request of Mr. Wright), for today, on account of official business.

Mr. Jones of Tennessee (at the request of Mr. Wright), for this week, on account of illness.

Mr. Ratchford (at the request of Mr. Wright), for today, on account of illness.

Mr. Yates (at the request of Mr. Rostenkowski), from noon until 2 p.m., on March 10, 1980.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Jeffries) to revise and extend their remarks and include extraneous material:)

Mr. Symms, for 30 minutes, today.

Mr. Petri, for 10 minutes, today.

Mr. Rhodes, for 5 minutes, today.

Mr. Dannemeyer, for 60 minutes, on March 13.

Mr. Broomfield, for 10 minutes, today.

(The following Members (at the request of Mr. Gray) to revise and extend their remarks and include extraneous material:)

Mr. Montgomery, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Weaver, for 5 minutes, today.

Mr. Coelho, for 10 minutes, today.

Mr. Won Pat, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Levitas, for 5 minutes, today.

Mrs. Collins of Illinois, for 5 minutes, today.

Mr. Roberts, for 5 minutes, today.

Mr. Drinan, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Jeffries) and to include extraneous matter:)

Mr. Broomfield in two instances.

Mr. Young of Alaska.

Mr. Brown of Ohio in two instances.

Mr. Jeffries.

Mr. Symms in two instances.

Mr. Bob Wilson in five instances.

Mr. Michel in two instances.

Mr. Campbell.

Mr. Goodling.

Mr. Rousselot in two instances.

Mr. Lee.

Mr. Stanton in two instances.

Mr. Lujan.

Mr. Findley.

Mr. Frenzel in three instances.

Mr. Royer in two instances.

Mr. Paul.

Mrs. Holt.

Mr. Archer.

Mr. Kemp in three instances.

Mr. Hollenbeck in two instances.

Mr. Abdnor in two instances.

Mr. Gilman.

Mr. Lent.

Mr. Derwinski.

(The following Members (at the request of Mr. Gray of Pennsylvania) and to include extraneous matter:)

Mr. Mineta in two instances.

Mr. Long of Maryland.

Mr. Waxman.

Ms. Ferraro in two instances.

Mr. Coelho.

Mr. Rangel in two instances.

Mr. Stokes.

Mr. Rodino in two instances.

Mr. Roe in two instances.

Mr. Whitten.

Mr. Dixon.

Mr. Hefner.

Mr. Brodhead.

Mr. Bonker.

Mr. Richmond.

Mr. McDonald in two instances.

Mr. Shelby in two instances.

Mr. Mavroules.

Mr. Boland.

Ms. Schroeder.

Mr. Swift.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Wolff in two instances.

Mr. Santini.

Mr. Minish.

Mr. Weaver.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 12, 1980, at 1 p.m.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1979, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the Congressional Record pursuant to section 4(b) of Public Law 85-804:

Department of Energy,
Washington, D.C., March 3, 1980.

Hon. Thomas P. O'Neill,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Speaker: The following information is submitted pursuant to the provisions of Public Law 85-804, and implementing instructions contained in Federal Procurement Regulation Part 1-17.

For the calendar year ending December 31, 1979, the following actions, under the subject Act, are reported for the Department of Energy.

1. ACTIONS APPROVED

a. Contractual fairness—Correction of mistakes

(1) Amount requested: $5,007; Amount approved: $5,007.

(2) Amount requested: No funds involved; Amount approved: No funds involved.[1]

2. ACTIONS DENIED

a. Special management consideration and contractual fairness-No precise basis specified

(1) Amount requested: Undetermined amount; Amount denied: Undetermined amount.[2]

b. Contractual fairness—Formalization of informal commitment

(1) Amount requested: $7,865; Amount denied: $7,865.[3]

Sincerely,

David J. Ball,
Acting Director, Office of Procurement Management, Procurement and Contracts, Management Directorate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3745. A letter from the Secretary of Defense, transmitting notice that the President has exempted various appropriations from the provisions of subsection (c) of section 3679 of the Revised Statutes, pursuant to section 714(d) of Public Law 96-154; to the Committee on Appropriations.

3746. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of March 1, 1980, pursuant to section 1014(e) of Public Law 93-344 (4 Doc. No. 96-279); to the Committee on Appropriations and ordered to be printed.

3747. A letter from the District of Columbia Auditor, transmitting copies of six reports issued by his office, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

3748. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the National School Lunch Act, and the Child Nutrition Act of 1966, to revise Federal payments for paid lunches, income eligibility standards, and eligibility for the special milk program; to reduce fraud and abuse by restricting the eligibility of certain service institutions to operate the summer food service program for children; to extend the authorization for the special supplemental food program, state administrative expense funds, the nutrition education and training program, and the reserve provision of food service equipment assistance; and for other purposes; to the Committee on Education and Labor.

3749. A letter from the Secretary of the Treasury, transmitting the annual report of the Department's Office of Revenue Sharing for fiscal year 1979, pursuant to sections 105 (a)(2) and 121(f) of the State and Local Fiscal Assistance Act of 1972, as amended; to the Committee on Government Operations.

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[1] Involved inclusion of a Progress Payments clause in the contract.

[2] Special management consideration questions denied, but any contractual fairness questions remaining are pending before the Contract Adjustment Board.

[3] Denied on reconsideration from CY 1978.

3750. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide that certain benefits to which employees of the United States stationed in Alaska, Hawaii, Puerto Rico, or a territory or possession of the United States are entitled may be terminated under certain conditions; to the Committee on Government Operations.

3751. A letter from the Acting Director, Office of Procurement Management, Procurement and Contracts Management Directorate, Department of Energy, transmitting a report on extraordinary contractual actions taken by the Department during calendar year 1979, pursuant to section 4(a) of Public Law 85-804; to the Committee on Government Operations.

3752. A letter from the Executive Secretary, Administrative Conference of the United States, transmitting a report on the Conference's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3753. A letter from the Director, International Communication Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3754. A letter from the Secretary of the Interior, transmitting a report on activities carried out by the Geological Survey during calendar year 1979 in areas outside the national domain, pursuant to section 2 of Public Law 87-626, as amended (88 Stat. 1971); to the Committee on Interior and Insular Affairs.

3755. A letter from the Assistant Attorney General for Legislative Affairs, transmitting the annual report on activities and operations of the Public Integrity Section of the Department of Justice covering calendar year 1979, pursuant to section 529 of the Ethics in Government Act of 1978; to the Committee on the Judiciary.

3756. A letter from the Staff Director, Commission on Civil Rights, transmitting a draft of proposed legislation to amend section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) to authorize appropriations for the U.S. Commission on Civil Rights, for fiscal years 1981 and 1982, pursuant to section 607 of the Congressional Budget Act of 1974; to the Committee on the Judiciary.

3757. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal years 1981 and 1982 and for other purposes; to the Committee on Merchant Marine and Fisheries.

3758. A letter from the Secretary of Transportation, transmitting a report on a study of alternative means of distributing, by formula, funds apportioned for bus-related capital purposes under section 5(a)(4) of the Urban Mass Transportation Act of 1964, as amended, pursuant to section 319(a) of Public Law 95-599; to the Committee on Public Works and Transportation.

3759. A letter from the Asssistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the Secretary of the Army to prepare and submit to Congress a feasibility on the Washington, D.C. and Vicinity water resources development project; to the Committee on Public Works and Transportation.

3760. A letter from the Chairman, Joint Commission on Guayule Research and Commercialization, transmitting the first annual report of the Joint Commission, pursuant to section 4(g) of Public Law 95-592; jointly, to the Committees on Agriculture and Science and Technology.

3761. A letter from the Comptroller General of the United States, transmitting a report on problems the Environmental Protection Agency is experiencing in managing and using its information and computer resources (CED-80-18, March 10, 1980); jointly, to the Committees on Government Operations and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on the Fall of NASA's Skylab—the Communications Problem (Rept. No. 96-818). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 604. Resolution providing for the consideration of H. Res. 602. Resolution expressing the sense of the House of Representatives that the net revenues from the windfall profit tax should be primarily directed toward solving our Nation's energy problem. (Rept. No. 96-819). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 605. Resolution waiving certain points of order against the Conference Report on H.R. 3919, to impose a windfall profit tax on domestic crude oil. (Rept. No. 96-820). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GARCIA:

H.R. 6762. A bill to amend the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. DANNEMEYER (for himself, Mr. Dornan, and Mr. Lungren):

H.R. 6763. A bill to amend the Emergency Petroleum Allocation Act of 1973 as amended, to exempt from the regulation under section 4 of that act heavy crude oil which has a weighted average gravity of 25 degrees (API) or less, and to exempt such crude oil from any Federal windfall profit tax; to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Georgia (for himself, Mr. Jenkins, Mr. Fowler, and Mr. Ginn):

H.R. 6764. A bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons; to the Committee on Ways and Means.

H.R. 6765. A bill to provide for civil damage for unauthorized disclosures of tax information; to the Committee on Ways and Means.

H.R. 6766. A bill to provide penalties for unauthorized disclosure of tax information, to the Committee on Ways and Means.

H.R. 6767. A bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice; to the Committee on Ways and Means.

By Mr. HANLEY (by request):

H.R. 6768. A bill to reform the process for the selection and oversight of administrative law judges, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HILLIS:

H.R. 6769. A bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs, jointly, to the Committees on Post Office and Civil Service and the Judiciary.

By Mr. JEFFORDS:

H.R. 6770. A bill to require the Secretary of Agriculture to promulgate regulations for the clean and sanitary movement of animals; to the Committee on Agriculture.

By Mr. LEVITAS:

H.R. 6771. A bill to provide that the Federal Aviation Administration shall only perform functions relating to aviation safety, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LOWRY:

H.R. 6772. A bill to amend the Internal Revenue Code of 1954 to allow each individual to exclude $500 of interest on savings and to deny the deduction for interest paid or incurred with respect to credit extended through the use of any credit card; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 6773. A bill to authorize the establishment of the Georgia O'Keeffe National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCORMACK:

H.R. 6774. A bill to amend the provisions of the Fair Labor Standards Act of 1938 relating to the harvesting of strawberries; to the Committee on Education and Labor.

By Ms. MIKULSKI (for herself and Mr. Florio):

H.R. 6775. A bill to amend title 5, United States Code, to provide for access to a certified nurse-midwife without prior referral in the Federal employee health benefits program; to the Committee on Post Office and Civil Service.

H.R. 6776. A bill to amend titles XVIII and XIX of the Social Security Act to provide for inclusion of services rendered by a certified nurse-midwife under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MOORHEAD of Pennsylvania (for himself and Mr. McKinney) (by request):

H.R. 6777. A bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROBERTS:

H.R. 6778. A bill to amend title 38 of the United States Code to provide for confidential treatment of medical peer review and quality assurance documents; to the Committee on Veterans' Affairs.

By Mr. ROE:

H.R. 6779. A bill to provide for the issuance of a commemorative postage stamp in honor of older Americans in recognition of the 1981 White House Conference on Aging and the World Assembly on Aging to take place in 1982; to the Committee on Post Office and Civil Service.

By Mr. SEBELIUS (for himself, Mr. Abdnor, Mrs. Smith of Nebraska, Mr. Findley, Mr. Bereuter, Mr. Whittaker, Mr. Andrews of North Dakota, Mr. Marlenee, Mr. Jeffries, Mr. Symms, Mr. Wampler, Mr. Stangeland, Mr. Coleman, Mr. Guyer, and Mr. Myers of Indiana):

H.R. 6780. A bill to amend the Agricultural Act of 1949 to establish a land diversion payment program, applicable with respect to the 1980 crop of feed grains; to the Committee on Agriculture.

By Mr. SNYDER (for himself, Mr. Perkins, Mr. Taylor, Mr. Stangeland, Mr. Solomon, Mr. Carter, Mr. Stokes, Mr. Hansen, Mr. Holland, and Mr. Evans of Georgia):

H.R. 6781. A bill to provide that no person may charge interest at a rate which is greater than 10 percent per annum on loans exceeding $300, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SYMMS (for himself, Mr. Hansen and Mr. Rhodes).

H.R. 6782. A bill to amend certain provisions of title 28, United States Code, relating to venue in the district courts and the courts of appeals; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 6783. A bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1981, and for other purposes; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 6784. A bill to direct the Secretary of the Navy to acquire a leasehold interest in certain land in Balboa Park, San Diego, Calif., as site for a new naval medical center in return for the conveyance to the city of San Diego, Calif., of all right, title, and interest of the United States in certain land in such park presently owned by the United States; to the Committee on Armed Services.

By Mr. BRINKLEY (for himself, Mr. Barnard, Mr. Fowler, Mr. Ginn, Mr. Jenkins, Mr. Levitas, and Mr. Mathis):

H.J. Res. 508. Joint resolution designating the week begining July 20, 1980, as "National Environmental Health Week"; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS:

H.J. Res. 509. Joint resolution designating the week beginning June 1, 1980, as "National Garden Week"; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI (for himself, Mr. Pepper, and Mr. John L. Burton):

H. Con. Res. 296. Concurrent resolution expressing the sense of the Congress that the 1980 automatic increase in social security benefits which is provided for under existing law should be allowed to occur as scheduled; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H. Con. Res. 297. Concurrent resolution relating to the presence of Soviet military personnel in Cuba, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RHODES (for himself, Mr. Devine, Mr. Forsythe, Mr. Kemp, Mr. Kramer, Mr. Michel, and Mr. Shuster):

H. Con. Res. 298. Concurrent resolution to express the sense of the Congress in opposition to wage and price controls; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STANGELAND:

H. Con. Res. 299. Concurrent resolution to express the sense of the Congress that the Federal Reserve Board should adopt a monetary policy to reduce interest rates to reasonable levels; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STARK (for himself, Mr. Bonker, Mr. Brodhead, Mr. Conyers, Mr. Dellums, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Gray, Mr. Leland, Mr. Mitchell of Maryland, Mr. Nolan, Mr. Pritchard, and Mr. Vento):

H. Res. 603. Resolution urging closer attention to the human rights situation in Taiwan before further military sales or assistance is provided to the Taiwanese authorities; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

370. By the SPEAKER: Memorial of the Senate of the State of Washington, relative to calling for a public hearing on the issue of the affect of pesticides, herbicides, or fungicide on agricultural workers; to the Committee on Agriculture.

371. Also, memorial of the Legislature of the Territory of Guam, relative to the conveyance of lands bordering Apra Harbor to the Government of Guam; to the Committee on Armed Services.

372. Also, memorial of the House of Representatives of the State of Missouri, relative to supporting a boycott of the 1980 Summer Olympic Games in Moscow and urging the establishment of alternatives to the Summer Games; to the Committee on Foreign Affairs.

373. Also, memorial of the House of Representatives of the State of Hawaii, relative to enacting enabling legislation for the affectuation of the recently negotiated International Sugar Agreement; jointly, to the Committees on Agriculture and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LOWRY:

H.R. 6785. A bill for the relief of Stephen Dyer; to the Committee on the Judiciary.

H.R. 6786. A bill for the relief of Zhang Zongyang, his wife Huang Yugin, and their children Zhang Ying and Zhang Chun; to the Committee on the Judiciary.

H.R. 6787. A bill for the relief of Christopher M. Major; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 809: Mr. Fisher, Mr. Forsythe, Mr. Howard, Mr. Kogovsek, Mr. Long of Maryland, Mr. Murphy of Illinois, Mr. Oberstar, Mr. Scheuer, Mrs. Schroeder, and Mr. Stack.

H.R. 1053: Mr. Wyatt, Mr. Bowen, and Mr. Barnes.

H.R. 1539: Mr. Gramm.

H.R. 1918: Mr. Sebelius and Mr. Bedell.

H.R. 2812: Mr. Anderson of California.

H.R. 4677: Mr. Frenzel, Mr. Hagedorn, Mr. Michel, Mr. Mineta, and Mr. Martin.

H.R. 5499: Mr. Leach of Iowa and Mr. de la Garza.

H.R. 5772: Mr. Conyers.

H.R. 6008: Mr. Ertel.

H.R. 6070: Mr. Nichols.

H.R. 6242: Mr. Snyder, Mr. Livingston, and Mr. AuCoin.

H.R. 6421: Mr. Lagomarsino, Mr. Roe, Mr. Weaver, Mr. Oberstar, Mr. Lederer, Mr. Whitehurst, Mr. Stark, Mr. Hughes, Mr. Ottinger, Mr. Pepper, Mr. Frenzel, Mr. Bedell, Mr. Edwards of Oklahoma, Mr. Hansen, Mr. Bailey, Mr. Fazio, and Mr. Edgar.

H.R. 6429: Mr. Kogovsek, Mr. Whitehurst, Mr. Lederer, Mr. Fish, Mr. McDonald, Mr. Cheney, Mr. Devine, Mr. Oberstar, Mr. Addabbo, Mr. Goldwater, Mr. Hinson, Mr. Lagomarsino, Mr. Markey, Mr. Ginn, Mr. Taylor, Mr. Forsythe, Mr. Collins of Texas, Mr. Hance, Mr. Jeffries, Mr. Atkinson, Mr. Edwards of Oklahoma, Mr. Rhodes, Mr. Whittaker, Mr. Hillis, Mr. Stangeland, Mr. Clinger, Mr. Corrada, Mr. Kramer, Mr. Duncan of Tennessee, Mr. Yatron, Mr. Burgener, Mr. Broyhill, Mr. McClory, Mr. Lee, Mr. Mitchell of Maryland, Mr. Findley, Mr. Jeffords, Mr. Petri, and Mr. Cavanaugh.

H.R. 6587: Mrs. Collins of Illinois, Mr. Edwards of California, Mr. Yates, Mr. Conyers, Mr. Gray, Mr. Mitchell of Maryland, Mr. Blanchard, Mr. Brown of California, Mr. Fascell, Mr. Corrada, Mr. Pepper, and Mr. Jeffords.

H.R. 6725: Mr. Roberts, Mr. Stenholm, and Mr. Leath of Texas.

H.J. Res. 61: Mr. Lewis and Mr. Dannemeyer.

H.J. Res. 139: Mr. Skelton.

H. Con. Res. 248: Mr. White.

H. Con. Res. 275: Mr. Young of Alaska, Mr. Young of Florida, Mrs. Chisholm, Mr. Roth, Mr. Whitten, and Mr. Lungren.

H. Res. 525: Mr. Kemp and Mr. Leath of Texas.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

297. By the SPEAKER: Petition of the Municipal Assembly of Carolina, Puerto Rico, relative to supporting the position of Puerto Rico and the United States of not participating in the 1980 Summer Olympics in Moscow; to the Committee on Foreign Affairs.

298. Also, petition of Dr. P. R. Neuman, Fairlight, Australia, and others, relative to chemical pollution; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

INLAND NAVIGATION RULES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BIAGGI. Mr. Speaker, I have recently introduced H.R. 6671, a bill to unify the rules for preventing collisions on the inland waters of the United States. This is the culmination of years of effort by the administration, maritime interests, those involved with recreational boating, and by the oversight activities of the subcommittee on Coast Guard and Navigation.

This attempt at unifying the various laws, rules, and regulations that affect navigation of vessels on the inland waters, Great Lakes, and western rivers of the United States had its inception during the early 1960's. At that time, the Coast Guard recognized the many problems these different and conflicting requirements imposed on the mariner—most often in derogation of the maritime and environmental safety of our waterways. It was decided, however, that unification of the inland rules into a single system should be deferred until the international maritime community could develop international regulations for worldwide adoption.

International regulations which govern the lighting and movement of vessels operating on the high seas and connecting waters navigable by seagoing vessels have existed for approximately 100 years. They have been revised periodically to reflect changing technology and operational requirements. The international regulations now in effect were the result of work done over a period of 4 years by the Inter-Governmental Maritime Consultative Organization (IMCO).

This work culminated in an international conference of representatives from 46 governments and numerous nongovernmental entities that led to the adoption of the Convention on the International Regulations for Preventing Collisions at Sea, 1972; signed at London, England on October 20, 1972, commonly referred to as Colregs 72.

This Convention entered into force on July 15, 1977, 12 months after it was ratified or acceeded to by 15 nations whose aggregate merchant fleets constituted not less than 65 percent, by numbers or by tonnage, of the total world fleet of vessels of 100 gross tons or over. The international regulations went into effect for the United States in 1977, by virtue of the proclamation provisions of Public Law 95-75 (91 Stat. 308, 33 U.S.C. 1601 et seq.). They supersede the regulations approved in 1960 by the International Conference on Safety of Life at Sea, which went into effect for the United States in 1965 by virtue of the enactment of Public Law 88-131 (77 Stat. 194).

Our early navigational regulations governing the lighting and movement of vessels operating on our inland waterways likewise developed as a result of international efforts during the late 1800's. In 1890, 1895, and again in 1897, various enactments provided for "special rules duly made by local authority, relating to the navigation of any harbors, rivers, or inland water." The need to promulgate such special rules was recognized by the major maritime nations at the International Marine Conference of 1889, held in Washington, D.C., to develop navigational regulations for preventing collisions on the high seas.

In order to prevent collisions, the maritime nations of the world, while continuing over the years to agree on rules to be followed by ships on the high seas, have also agreed on allowing for the application of local or special rules to the internal waters of a nation. The United States is one of the few countries to have taken advantage of this authority and has had an inland navigational statutory and regulatory scheme in place since before the turn of the century.

Under the existing scheme, there are three distinct sets of statutory rules that govern the navigation of vessels on the inland waters, Great Lakes, and western rivers of the United States. In addition to these statutory rules, there are three more sets of regulatory rules called pilot rules. For motorboats—those vessels that are not more than 65 feet in length, special statutory requirements are part of the 1940 Motorboat Act.

While these seven sets of rules are alike in many respects, there are significant differences between them that tend to generate confusion among mariners. Superimposed upon these rules, we also have the international regulations found in Colregs 72. Unification of the rules and regulations into a single system should reduce the potential for confusion and the danger of collision.

H.R. 6671 will establish a unified system of local or special rules applicable to our internal waters, as consistent as possible with the international system of navigational rules. Adoption of these rules will increase the navigational safety and the related environmental safety of the many inland waterway systems of our great Nation. I, therefore, hope this important legislation will receive early consideration by the Congress.●

J. IRVING WHALLEY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BROOMFIELD. Mr. Speaker, it is with great sorrow that I learned of the death, last Saturday, of our friend and former colleague, Hon. J. Irving Whalley.

His former staff member, Mr. Jack DeShay, recently called to inform me of this sad news, and I wish to thank him for his thoughtfulness.

In 1960 when Irv Whalley was elected to the House of Representatives to represent Pennsylvania's old 12th Congressional District, he brought with him a wealth of experience that served the Nation and his constituents well. Already familiar with the legislative process after 10 years with the Pennsylvania Legislature, and knowing the value of a taxpayer's dollar from 35 years as a successful businessman, Irv quickly became a valuable part of this great body.

I was privileged to serve with Irv on the House Foreign Affairs Committee where he was the ranking Republican on the Subcommittee on Africa. His dedication to his work and his skill contributed greatly to a better understanding of the peoples and problems of that continent.

Mr. Speaker, Congressman Whalley was a great public servant in the finest sense of that term. Our Nation was fortunate to have the benefit of his talent and energy during the 12 years he served as a Member of the House.

I wish to extend my heartfelt sympathy to his wife, Ruth, their two children, and the other members of his family in this time of loss.●

PROBLEMS IN THE MILITARY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BOB WILSON. Mr. Speaker, at long last the press, the Congress, and the American people are waking up to the manpower crisis besetting our Nation's military force. As we focus attention in the weeks ahead on registration and the draft, we must not lose sight of an equally important problem of retaining highly qualified personnel who are currently leaving the services in droves.

I recently received a copy of a letter, addressed to the San Diego news media, written by a group of service men and women stationed at Miramar

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Naval Air Station. It succintly presents the case. While there are a few inaccuracies, such as the reference to the maximum severance pay available to officers, the basic message comes through loud and clear and I commend this letter to my colleagues' careful attention and study.

The letter follows:

February 12, 1980.

To: San Diego Union Newspaper, Channel 8 KFMB, Channel 10 KGTV, and Channel 39 KCST.

From: Men and Women in the Military.

Attention: Staff, newsreporters, publishers, editors and members of the news.

Dear Sirs: I am writing this report in response to comments I have heard on your newsprograms and read in the newspaper concerning the draft and the military and to enlighten everyone who has questions concerning our nations military.

This report will not be one military mans opinion, but the opinion of a lot of people based in one of the largest Naval Air stations on the west coast, Miramar.

Enclosed is a copy of an article taken from the San Diego Union dated, Thursday, January 10, 1980, that will help support our views of how bad this country's military is in.

I am very interested in the news and I feel I'm very up on the news. So I have made some very interesting deductions. The recent interviews we have all noticed in relation to the draft have been from "civilians" and college students. Not one opinion has been asked from the military point of view. There are a few items of interest that we would just love to see exploited and aired to the public and to those who feel we in the military have got it so "good" and are so "secure."

First of all, the two main problems in the military are, wages and personnel. That takes care of about 80% of the whole picture, doesn't it?

As far as personnel goes in the military, there is a very shocking story behind that word, and to put it bluntly, we are rapidly running out. Personnel are bailing out of the Navy, Marines, Air Force and Army faster than we can replenish them. To give you an example on a small level, in my squadron alone, we lost 12 experienced men that were E-6 and E-7 supervisors and gained one. We lost 7 each E-5 crew leaders and gained two, we lost 3 E-1 untrained non supervisor crew members and gained 7. That in itself should tell you something. The talent is being lost. The untrained E-1 personnel cannot fix our sophisticated airplanes or maintain the ships we have now if he doesn't have the supervisors to train him.

Basically the level of people who are left in the Navy and armed forces are of two categories: Those who are now joining, which isn't many and those who are committed to retirement benefits which has deteriorated to the point of the latter giving it up and getting out. In other words, the young and the old, if you will. Everything in between is non existent. A man joins the Navy at about 18-19 years old does his 4 year hitch, finds out the reality of the military and finds out there is nothing in it for him and bails out. The 4% that goes on will usually reenlist for 4-6 more years and now have 8-10 years in, get totally fed up with it and realize things and promises that were in the wind never will happen and they too bail out. That will leave about 1 to 1½ percent to go on to stick it out for 20 years. But now even a large majority of these individuals are getting out. That doesn't leave a whole lot of people to man this country. The average individual will retire with an income of about $500 to $600 a month.

A lot of money you say? Try paying for a house in San Diego on that retirement. Its twice as hard to try to find a job at 40 yrs old to make up for the rest of the cost of living. Here are a few of the reasons why the military man is in hurry to get out.

How would you like to pack up and leave your family to sail overseas for 6-8 mo. out of the year? Come back to see your kids almost a year older? That's a long time to ask a man to be away from his family. Its called mental strain. How would you like to "defend" your country on a 5000 man carrier for 7-8 months, and live in a sleeping compartment housing 60-65 men, stuffed in like sardines. Try taking a shower during the cruise when there is fresh water available. Try standing in line to eat for 45 min. to an hour in a cockroach infested galley. Try working for 12-16 hours a day and I'm not talking of getting paid for overtime; the pay stays the same. Try putting in those hours 7 days a week—That's a few of the hardships encountered during a cruise. Still think its a good deal. If you think this is an exaggeration, we "challenge" you to find out for yourself. Ask any of us what we think of the military and why we are bailing out. See if we are trying to sell you "sea stories". Get to the root of the problems.

In the past we have seen and read some of the interviews that have taken place at Miramar. Somehow you reporters always seem to find the sharpest looking officer that works directly for the base Captain, who doesn't have the nerve or doesn't dare tell it like it is. In case you didn't know it, there are two types or categories of military men and women. There are Officers and Enlisted. You always seem to get the Officers side. It is the Enlisted side that never gets aired. That is where the problems lie. Sure the Officer looks at the military from a different point, but even they have their problems such as trying to fill the ever increasing number of pilots leaving the military to fly for civilian airlines. There are many differences between Officers and Enlisted personnel that throw fire into the pit. When an Enlisted man decides after a long career in the Navy to get out he gets one of the most unfair deals this country can offer. If he does not stay for the full 20 yrs, he gets a piece of paper, a pat on the back and a hand shake. "That's it." When an Officer gets out, even if its for only 8 or 10 yrs. he gets his commission of about $30,000 depending on rank at his time of retirement. Such a deal for the Enlisted man. That's the Government's way of saying thanks! for a job well done.

I could go on and on but these problems have been around for a long time. I've heard it so many times about what a good deal we military people have. If its such a good deal, tell me why so many people are getting out and why so many of our brave college students are willing to run to Canada just to stay out? Amazing! isn't it? Here's one for you. In a base newspaper I read the other day, an article on cost of living really grabbed me the wrong way. It read, "San Diego is a nice place to live but unfortunately too expensive for the military men and women, Check with your Career Counselor to see if you qualify for food stamps." Now that just hit me the wrong way. That's down right degrading.

Let's talk wages, that's what the number one problem with our military is.

Let's face it guys, "Money Talks." If a man can get trained in the Navy and do his enlistment for 4 years, why on earth would he want to stay in when he can apply at Lockheed, Ryan, General Dynamics, Lindberg, etc. and make three times the wages he would if he stayed in and not put up with all the hassles. The large companies are not dumb either. Here is how they work. They find out a man or woman is close to getting out of the Navy. They also find out the Navy trained him, made him a supervisor, made him a highly qualified inspector, taught him discipline, gave him experience in their field, taught him to use sophisticated equipment and work on sophisticated aircraft. What more does the company need to do but hire the individual. That's their motto, let the military train him and we hire them and give them a paycheck that they can't refuse. Pretty smart if you ask me. So now tell me why shouldn't the individual get out? What is there left to hang onto by staying in?

In the last 3 years our President or Commander in Chief has been so generous to give us a 5.0 percent, 5.5 percent and 7.5 percent cost of living increase. That's something considering the years we got no cost of living raise. What was overlooked is the cost of living increase was over double that percent each year. I honestly feel it's time somebody did a lot of probing into our military and the issues that are never spoken of and let the public hear it like it is. Money and equal wages is the bottom line. These men and women have got families to support and they sure aren't going to accomplish it by staying in the military.

In closing I have one thing to say along with the hundred other things I've said. 100 plus days ago everyone, especially college students, were quoted as saying, "Hell yes, I'll help go over to Iran and get our hostages back." But now as the reality of the draft and Russia are breathing down our backs, where are all these brave individuals now? Are they that willing to turn there backs on the hostages and their country? Lot of good a college education is going to do when we're staring at a Russian fleet off our coast with no one willing to defend against them.

I have one question for all of our college students: If our military people, who were men and women enough to serve, are now bailing out at an alarming rate and the students feel they shouldn't have to serve their country and be exempt from the draft, and if the remainder of our brave college students are willing to turn and run to Canada, just who in the "hell" is going to defend our country?

Wake up America!!!

Thank you for listening.

The Men and Women of our Armed Forces.

—Name and address withheld by request.●

RETIREMENT OF JIMMY LEA, CHIEF CLERK, OFFICE OF OFFICIAL REPORTERS OF DEBATES, AFTER 25 YEARS OF SERVICE TO HOUSE OF REPRESENTATIVES

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BOLAND. Mr. Speaker, I am pleased to hear that the colleagues of Jimmy Lea are having a retirement reception for him today in the Capitol. I can think of no House staffer who deserves it more.

Jimmy departed more than 1 month ago as Chief Clerk in the Office of the Official Reporters of Debate, but it was nice to see him back visiting with Members this afternoon. I have known him over the 25 years of his service in the House as one of the most conscientious, loyal, understanding, courteous, and hard-working assistants here on the floor. I have enjoyed our friendship immensely.

Mr. Speaker, I join with my colleagues in paying tribute to Jimmy Lea for a quarter of a century of devoted and diligent service to the House of Representatives. And I wish him many enjoyable years of good health in retirement in southern Maryland pursuing his favorite activities of crabbing and fishing in Chesapeake Bay.●

RETURN TO TRADITIONAL MILITARY VALUES, NOT DRAFT REGISTRATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mrs. SCHROEDER. Mr. Speaker, yet another analysis indicating why registration for the draft is the wrong answer.

The article, from the March 7, 1980, New York Times, follows:

To Get Citizen-Soldiers

(By Lowndes F. Stephens)

Columbus, S.C.—Americans may be confused about the quality of our military forces because of front-page reports about recruiting violations, illiterate soldiers and mismanagement in the armed services. Any decision on conscription depends on the success of the all-volunteer force and the readiness of our reserve forces.

The Defense Department says that overall the all-volunteer force is working, but its own statistics clearly show that it is not working for the reserve components. The individual-ready-reserve pool is at an all-time low. Combined National Guard and Reserve enlisted forces are manned at about 80 percent of their peacetime authorizations, but 28 percent of all Army selected reserve companies and equivalent units are manned at less than 70 percent.

If the citizens-soldiers were "ready on call," could they make a difference? Yes, because under its total-force concept the Defense Department is placing emphasis on the mobilization assets of the reserves. For example, Army Reserve components account for 67 percent of the Army's tactical support, 65 percent of the combat-engineer battalions, 58 percent of the artillery battalions, 57 percent of the Special Forces units, 54 percent of the deployable forces, 52 percent of the infantry and armor battalions, and 45 percent of the Army's aviation assets.

So why aren't our reserve forces at full strength?

At least 28 motivational studies on why people avoid or join the Guard or Reserves have been conducted or sponsored by Defense Department agencies in the last three years. They indicate that youth are generally not interested in military service. Supporting evidence comes from independent sources as well. Two University of Michigan researchers recently reported that less than 10 percent of the 17,000 high school seniors in their 1979 survey thought that military service was a desirable form of work. Among those who did anticipate enlisting, more were inclined to serve in the National Guard or Reserves than in the other five services. Military service is used to prepare for civilian life, and the Reserve components apparently provide benefits that are compatible with longer-range civilian goals. Those who join the Guard or Reserves do so because of additional income, social ties, variety from civilian life, opportunities to learn new skills, promotion possibilities, and retirement benefits.

Unfortunately, initial enlistment motivations seldom become the gratifications of serving in the Guard or Reserves. Traditional economic incentives don't make good copy for Army advertising campaigns intended to encourage enlistment or re-enlistment because military pay scales are significantly behind civilian private-sector wages. Prospects don't depend as much on the news-media advertisements in making enlistment decisions as they do on friends in the Guard or Reserves, and too many of these friends are dissatisfied.

These citizen-soldiers leave because of poor training, poor leadership, interference with personal and business activities, ineffective command information programs.

Despite the negative findings of these motivation studies, there are some outstanding Guard and Reserve units that are ready and well-qualified for combat.

Too much research attention may have been given to determining what incentive packages "sell" military service the best (variable terms of enlistment, enlistment and re-enlistment bonuses, tax deductions, educational assistance). Policy choices made on the basis of this kind of research may have fostered the notion that military service is just another occupation.

The few significant studies of why reservists stay in the program indicate that retention is strongly correlated with meaningful training, respect for other soldiers and respect for organization. Never mind that economic incentives may be necessary conditions for recruiting citizens into the profession of arms; a respect for and belief in traditional military values may be sufficient conditions for making and retaining soldiers.

Future evaluation research on manpower-procurement and retention problems should focus on lessons learned from successful military organizations that hinge on traditional military values (discipline, esprit de corps, personal sacrifice, etc.).

We should not give up on the all-volunteer force until policy makers have had a chance to review the evidence on what makes the best of our military organizations successful—both active and reserve component commands.

(Lowndes F. Stephens, an Army Reserve officer and professor of journalism at the University of South Carolina, is a consultant to several Defense Department agencies.)●

WINNING WAYS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. WOLFF. Mr. Speaker, I would like to commend to my colleagues a celebration within my Sixth Congressional District that truly exemplifies America's pride in community endeavors.

This week, on Saturday, March 15, 1980, the residents of Port Washington, N.Y., will salute one of its finest traditions, the Port Washington High School Band, whose members, together with more than 60 alumni, will perform a special 50th anniversary concert.

This event will mark both a half century of Port Washington's students' proficiency and a community commitment to excellence. Over the years, the Port Washington schools have diligently emphasized the importance of musical activities—choral groups, orchestra, band, theater—as vital components of an all-around education program.

The high school band, in particular, has enjoyed a long history of success, having participated in numerous national, State, and local festivals, almost always winning top honors. Founded in 1931, the band for the past 12 years has been under the most able direction of William Fish, conductor.

The band has performed concert tours all along the eastern seaboard from Toronto, Quebec, and Montreal to Boston, Philadelphia, Baltimore, and our Nation's Capital. Locally, in the New York area, the band has performed at the World's Fair, the Polo Grounds, Jones Beach, Madison Square Garden, the Metropolitan Opera House, and at numerous parades down Manhattan's famed Fifth Avenue. The band won top honors in a performance competition held in conjunction with the town of North Hempstead's bicentennial celebration.

Mr. Speaker, it is my distinct privilege and pleasure to join in Port Washington's community tribute to these fine young musicians and to the alumni who have returned home to share in a well-deserved honor.●

SALUTE TO THE SAN GABRIEL VALLEY DAILY TRIBUNE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. ROUSSELOT. Mr. Speaker, this year the San Gabriel Valley Daily Tribune, one of the major newspapers in my district, is celebrating its silver anniversary. On Friday, March 21, the chambers of commerce and the cities of the area are joining together to honor the founders and the present owners of the San Gabriel Valley Daily Tribune for 25 years of dedication to the communities of the San Gabriel Valley. I would like to salute the Tribune, whose motto is dedication "to the enlightenment of man, the furtherance of a free society, the continuance of private enterprise, and to honest, open and limited government." It is a pleasure for me to share some of the history of this fine paper with my colleagues.

In 1946, three men in the publishing business had a vision of developing a newspaper to cover the rapidly growing San Gabriel Valley that comprises most of the 26th Congressional District. A. G. Miller, Carl P. Miller, and Corwin C. Hoffland joined together in 1946, by 1947 they incorporated and by 1955 the daily San Gabriel Valley Tribune was born.

They started by incorporating five newspapers giving semiweekly service to the valley. The five weeklies and their editors were: Covina Argus-Citizen edited by Eddie Faunce; West Covina Tribune, Leonard Kreidt; Baldwin Park Tribune (Sundays) and Bulletin, Maurice Compton; and the Valley Tribune serving West Covina and Covina on Sundays, Tom Ratcliff.

The Baldwin Park Bulletin was soon purchased from Charles Heacock. Other weeklies such as the El Monte Press and South Valley News were also added.

In March 1955 two of the weeklies were consolidated to form the San Gabriel Valley Daily Tribune. Under the editorship of Tom Ratcliff southern California's newest daily soared to a circulation of 15,000 within 1 year. Howard Seelye and Maurice Compton followed in the editor's chair. The Tribune continued to add more than 4,000 readers a year to its circulation figures. By 1960 it had a 45,000 net-paid circulation.

In 1960 the Millers and Hoffland sold the newspaper to the Brush-Moore Newspapers Inc., an Ohio newspaper firm. William David Bell became the executive editor and Bud Volzer the managing editor. Maurice Compton became editorial page editor.

By 1965 the Tribune editorial department had grown from 12 to 50 and Richard E. Tracy became one of the youngest editors in Tribune history. Circulation soon hit the 93,000 mark.

The Thompson newspaper chain bought out the Brush-Moore newspaper in 1968. F. Al Totter, who was named classified ad manager shortly before the daily newspaper was established and later business manager and vice president, became the publisher.

As circulation continued to soar, plans were drawn to make The Tribune one of the Nation's most complete and modern newspapers in the United States. A $6.2-million expansion and renovation program was launched. It was completed March 25, 1974 when the Tribune moved into one of the most modern newspaper offices at 1210 North Azusa Canyon Road, West Covina.

With this move the Tribune became one of the leaders in newspaper computer technology. The Tribune went from hot type and a small rotary press to cold type, scanner, computer composition, plastic plates, and a Goss Headliner rotary press.

The newspaper's cold type reproduction process was designed by System Development Corp. of Santa Monica, Calif. The system included two CompuScan 170's, two Hewlett-Packard computers and two Linotron 505TC's.

Stories that used to pass from human hand to human hand with possibility of error all along the way are now set by computers with an accuracy of 999 out of 1,000.

Continuing to offer its readers one of the most complete newspapers in southern California the present editors are: Fred Downing, managing editor; Bob Crowe, assistant managing editor; Maurice Compton, editorial page editor; Bob Evans, city editor; Bob Copperstone, assistant city editor; Barbara Tarshes, Living Today section editor; Bruce Denning, real estate and Express editor; Joe Smilor, entertainment editor; Wayne Monroe, sports editor; Bob Boden, news editor; and Bill Freeman, community editor.

Other department heads include: Bill Greding, production manager; Charles Rathbun, advertising director; Curt Hunt, national advertising manager, and Lou De Cesare, circulation manager.

When the fourth estate is under attack from so many fronts throughout the world, it is worthwhile to take time out to salute the employees and the management of the Tribune for providing such a good product for the residents of the San Gabriel Valley.

Mr. Speaker, I ask that my colleagues join me in paying tribute to Al Totter and his staff as they are honored on the 25th anniverary of the founding of the Tribune.●

TRIBUTE TO GEORGIA O'KEEFFE

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. LUJAN. Mr. Speaker, today I am introducing a bill to authorize the establishment of the Georgia O'Keeffe National Historic Site near Abiquiu, N. Mex. Because of Miss O'Keeffe's great generosity in offering the United States her home, we as a nation have the opportunity to acquire an invaluable cultural asset, and I would hope that all of us will express our appreciation through support for this legislation.

Now 93 years of age, Miss O'Keeffe began her career as a painter in the East. Some of her first paintings include images of urban life, conveying the mood and spirit of the city, but when she left for the West and settled in New Mexico, her choice of subjects changed. Scenes of the countryside near Abiquiu are vibrantly colored images, reflecting a great intensity of spirit. Neither totally abstract nor representational, her work blends the two art forms to provide the viewer with a passionate quality that transcends her choice of subjects.

Her home near Abiquiu reflects both her spirit and her lifestyle, possessing a high degree of structural integrity, having been built to her high standards. Surrounded by high walls and thick hedges, it has provided the spiritual solace and creative inspiration she sought in her relocation to New Mexico, and it will provide us with a penetrating insight into her perspectives and techniques.

The existing boundaries of the 3-acre complex appear to be adequate for the continuance of the site's protection. Management and operation costs for it are expected to be approximately $160,000 the first year up to about $170,000 the fifth year and each year after that.

Mr. Speaker, Miss O'Keeffe is presenting us with the chance to expand our cultural resources in accordance with the criteria established by the National Park Service for properties associated importantly with the lives of persons nationally significant in the history of the United States. Let us welcome this chance. Thank you.●

MARION'S WDIF NAMED STATION OF THE YEAR

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BROWN of Ohio. Mr. Speaker, on February 27, 1975, a new broadcast station went on the air in Marion, Ohio, which is in the Seventh Congressional District.

Today, 5 years later, WDIF radio has been named "Station of the Year" for 1979 in its format-market size category by Billboard magazine. In doing so, the station was judged tops among approximately 300 other stations of similar market size and format from across the Nation who were considered in the competition. To reach the top in a field as competitive as modern broadcasting is often a long, hard road. For a station to attain the rank in just 5 years, as has WDIF, is little short of amazing, even though the station has had other awards in its short and successful history. Within 3 years of being on the air, it had attained the designation as "Best News Operation" in the Ohio Associated Press broadcast category for radio.

WDIF's accomplishment as "Station of the Year" once again demonstrates that good planning, hard work, and dedicated people can accomplish high goals in America. I am proud to have WDIF within my district, and wish to take this opportunity to extend my congratulations to the management and staff. At this time, I insert in the RECORD a recent news article which appears in the Marion News/Life regarding WDIF's rise to the top:

THE DIFFERENCE FIVE YEARS MAKE

(By Stephanie Sferra)

Just five years ago, on Feb. 27, 1975, a new sound arrived on the scene in Marion. It was a bright, upbeat contemporary format that listeners, business people and media leaders had been waiting for to fill a media void that existed in the Marion Trade Zone.

WDIF was granted a license by the Federal Communications Commission and became

Marion's new 24-hour, full-stereo FM radio station.

Although George Scantland, owner and president of Scantland Broadcasting, had never been in the broadcast or advertising business, he recruited a staff of highly competent and experienced people from major markets such as Columbus, Cleveland, Philadelphia and Boston to develop the kind of professional programming and sales he knew would be successful in Marion.

The WDIF studios were constructed and currently are housed on the second floor of the Home Federal Building at 135 South Prospect St. The station broadcasts 24 hours daily with a 3,000 watt stereo FM signal. The signal blankets the seven county Marion Trade Zone.

WDIF's programming is aimed towards the 18-44 year-old market. The format is adult contemporary music, a mixture of Easy-Listening and Top 100 chart music, along with album cuts and oldies.

Scantland was quick to implement a policy of a strong and lasting commitment to public affairs as the cornerstone to the company's success.

Each year the station sponsors a Cancer Stereothon in the spring, hosts the Jerry Lewis Telethon in the summer, and organizes the Kids for Christmas Campaign in the winter to raise money for needy children. In the past, the station has also helped conduct special fund drives for the Easter Seals Campaign and the March of Dimes.

WDIF has also distinguished itself for excellence in news reporting. Within the first three years the station was in operation, it won six Associated Press Awards, including Ohio's Best News Operation. WDIF reporters covered both national political conventions in 1976 for listeners in Marion as well as other major Ohio cities as a "pool" service for other stations. A repeat of that coverage is planned for this year's national conventions.

In early 1978, WDIF instituted the exclusive Radar Weather Service for its listeners giving them the most accurate forecast information and constant weather monitoring system available.

Acceptance of this new radio station was immediate and wide-spread by Marion listeners and advertisers. It has grown steadily since sign-on. Within two years, WDIF achieved number one ratings in the 18-44 category across the board determined in an Arbitron ACE study. Today the station remains number one.

The continued success of WDIF was clearly indicated two week's ago when the station was named "Billboard Magazine's Station of the Year", one of the highest awards that can be achieved in the industry. The station's total performance, talented personalities, devotion to community involvement, and aggressive broadcast journalism made the difference—only five years after signing on the air.●

CITIZENS OF THE YEAR

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. STANTON. Mr. Speaker, it is a privilege to bring to the attention of my colleagues two of my constituents, John and Angie Ross, who have recently been designated "Citizens of the Year" by their hometown of Willoughby, Ohio.

The Rosses, parents of five children, have devoted the past 17 years to coaching young people in athletics. It is estimated that they have donated over 20,000 hours to coaching over 1,700 children on their own teams—both football and baseball. In addition, these remarkable people have been active in Boy Scouts and Girl Scouts.

At a time when we read and hear so much about juvenile crime, there is no more worthy endeavor than dedicating oneself to instilling in young people the values of fair play that are gained through athletics. John and Angie Ross have obviously had an enormous impact on the lives of thousands in their community and the surrounding area and deserve the accolades of their fellow citizens. I am proud to represent them in the U.S. Congress.●

AFTER SADAT, WHAT?

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. MAVROULES. Mr. Speaker, in the latest of a string of blows to Israel, the United States recently voted in favor of a United Nations resolution that called upon Israel to dismantle its settlements in occupied Arab territories and in its ancestoral city of Jerusalem.

According to the White House explanation, the vote was an error, the result of a mistake in communications between those bastions of professionalism, the State Department and our United Nation delegation. But error or no, the vote cast by the United States on March 1 was a disturbing and dismaying break with tradition.

For the first time in our long history, we have sided with those who have been long bent on destroying the State of Israel, our longtime friends and the only stable government in the Middle East.

But, as I have mentioned, this is not the only slight, if I may use so innocuous a word to describe so reprehensible a situation, that the United States has handed the people of Israel. We have only to look at our actions following the seizure of American diplomats in Teheran and Soviet invasion of neighboring Afghanistan to find other examples of our insensitive disregard not only of Israel's interests but of our own in the Persian Gulf area as well.

Paramount among these is a proposed major arms sale to Egypt, an action that demands the closest scrutiny by the U.S. Congress.

It is quite understandable that the events in Iran and Afghanistan would bring to the fore the strategic importance to the United States of the Middle East. Certainly, it is time for us to reassess the lack of U.S. military presence in this oil-rich region. But while we are about strengthening our hand there, let us not forget the lessons of the past—particularly those mistakes made in providing massive amounts of the most advanced military technology to the shah's Iran as a substitute for a strong U.S. presence in the Middle East.

It is also quite understandable that we would look to Egypt and, most especially, Anwar Sadat.

In an age when the Nobel Peace Prize has been sullied by questionable recipients, President Sadat has restored meaning to both the award and the word "peace." Breaking with an enduring tradition of animosity between Arab and Jew, jeopardizing his own bond with his Arab neighbors, no man has better sailed against the wind in the cause of peace than Anwar Sadat.

But there is a question that should haunt, freedom lovers and peace seekers everywhere. And it is, after Sadat, what then—what is in store for the Middle East and the cause of Peace?

It is well worth considering the possibility that Egypt, after Sadat, will follow Iran's lead, leaving American interests in the region as unprotected as before. An Egypt without Sadat, and armed to the teeth would also leave the people of Israel in a most precarious position and confronted with their very survival.

This, again, is in no way a criticism of Sadat's Egypt and the great strides President Sadat himself has made toward peace. To be sure, the Egypt-Israel peace treaty is a landmark in history and of critical importance to the United States as well. Sadat deserves much of the credit for this accomplishment and should be supported by the American people.

But that support should not be unqualified.

We must remind ourselves that Sadat is secure in power by virtue of his personal popularity and the strength of his secret police. We must also remember that even an Egypt with Sadat remains a rich ground for anti-American, anti-Israel factions—among which number the Nasserites, the Moslem fundamentalists, the Ba'athists, and, of course, the Communists.

During the past several days, I have heard reports on the specifics of the proposed Egyptian arms sale. It is our Government's intention to sell Egypt 250 M60 tanks, 40 F-16 jet fighters, and other advanced military hardware. This type of sophisticated technology to an inherently unstable country should give every American pause.

Even more frightening, there are reports that these sales are only the tip of the iceberg; that once Congress approves this, it will approve future sales of 40 to 80 more F-16's, hundreds more M60's, and possibly a number of F-15's, the most sophisticated jet fighter in the world.

There is no denying that Sadat needs to protect himself from Libya on his western border, and he certainly has an interest in protecting Western-oriented regimes in the Horn of Africa. But it is highly questionable whether Egypt needs such sophisticated military technology as it is now seeking to perform this mission.

Certainly, the F-5E jet fighter is much more in keeping with Egypt's legitimate defense needs than the souped-up F-15, which is an especially difficult weapons system to integrate into any country's air force, let alone a technologically backward one.

But, again, the most important consideration for restricting advanced military technology sales to Egypt is the lessons of Iran. As a nation and as the leader of the free world, we can ill afford any further weakening of our position in a region crucial to our economic well-being.

Egypt's political climate, despite Sadat, is tenuous and gives us no assurances that Sadat's successor will continue to ally himself with our interests and those of Israel. Without Sadat, can we guarantee that the sophisticated military hardware proposed for Egypt will not fall into radical, pro-Soviet hands? Could we guarantee that the F-14's of the Shah's air force would not fall into the hands of those opposed to our interests? Of course, the answer is no.

U.S. arms deals do not make for stable governments. Billions of dollars of military aid could not save the Shah. And similar billions will not insure that Egypt remains in our camp and open to Israel.

Sending advanced arms to Egypt spells danger for Israel, just as sending arms to Iran did. Just like Sadat's Egypt, the Shah's Iran was a friend of Israel, but now the ayatollah has changed that. After Sadat, will it change in Egypt?

Rearming Egypt with such modern weapons makes it more than a match for its Arab and African neighbors. But, in so doing, Egypt finally becomes a threat to Israel, the only country in the Middle East against which such arms would be required.

In 2 years, Egypt will be given back the remainder of the Sinai. It would be a great—and unforgivable—tragedy if we were to rearm Egypt only to find it take a militant stance against Israel once it has all of Sinai back.

In the final analysis, it is Israel that remains the key to our role in the Middle East.

It is Israel that remains the region's only stable government.

It is Israel that remains the region's only democracy, and one of the few remaining in the world.

And it is Israel, fortunately, that is the stronget military power in the Persian Gulf, whose interest to America is as obvious as it is undeniable.

Foremost in our minds, therefore, should be Israel's security and the realization that, no matter how grand a spokesman for peace he has been, President Sadat in no way can guarantee Egypt's future allegiance to the cause of peace after he leaves power.

As we review the Egyptian arms sale in the coming weeks, let us not forget Israel's enduring, special relationship with our Nation. And let us not jeopardize it.

Let us, Mr. Speaker, consider the balance of power in the powder keg Middle East when we debate the merits of the Egyptian arms sale.

Let us ask ourselves directly, can we afford to tip the balance of power against Israel and thus weaken not only her security but ours as well? The answer is obvious: we cannot.

President Sadat notwithstanding.●

VOTING RECORDS SHOULD BE RESEARCHED

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. MINISH. Mr. Speaker, just about every interest group known to Washington compiles voting records of Members of Congress. Generally, a handful of votes are selected by these groups, who then categorize each Representative's performance according to how he or she voted on these issues.

Someone once said that the only thing that fits into a pigeonhole is a pigeon and many of these ratings prove it. Obviously, no small sampling of issues can accurately reflect a Member's true voting record. Occasionally, just the opposite occurs when an important vote is interpreted wrongly.

This year, many reputable groups—from the chamber of commerce to the League of Women Voters—have included the October 17, 1979, vote on the Obey-Railsback amendment to S. 832 as part of their ratings process. As everyone recalls, this amendment restricted the amount of money political action committees (PAC's) can contribute to House campaigns. It reduced the amount a PAC can give a candidate from $10,000 to $6,000 in primary and general elections combined and placed an overall limit of $70,000 on the amount a candidate can get from PAC's.

Every Member of this body is aware of my strong feelings with regard to the growing and undue influence of PAC's. As a member of the House Administration Committee, I have fought to place even stronger restrictions on PAC contributions.

Long before the Obey-Railsback amendment was ever considered on the House floor, I fought in the committee to limit PAC influence. Early in 1979, I proposed amendments to place the same strictures on PAC contributions as exist for individual citizens; that is, a $2,000 limit for primary and general elections combined. When my amendment was not accepted by the committee, I promised to continue the fight on the House floor.

During the debate on S. 832, the Rules Committee made in order my amendment to restrict PAC contributions. Unfortunately, my proposal was made in order only if the Obey-Railsback amendment was defeated. Obviously, I had to oppose Obey-Railsback in order to attempt to gain a floor vote on my own, stricter proposal.

Since that time, many groups have published voting records using the Obey-Railsback amendment as a key vote. Concurrently, my vote against the amendment has mistakenly been interpreted as a vote in favor of PAC influence. The record shows nothing could be further from the truth.

I would like to take this opportunity both to make clear my position on PAC's and to urge any groups compiling voting records to do a more thorough job of research before pigeonholing Members into erroneous positions.●

ROYER COMMENDS CHAIRMAN THOMPSON

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. ROYER. Mr. Speaker, H.R. 6702 is a bill which passed on suspension yesterday morning and provides that employees of the executive branch may make legal, voluntary contributions to the campaign of an incumbent President. The bill was introduced pursuant to an agreement between President Carter and various House and Senate leaders to remove any doubt which may have existed in H.R. 5010 which was signed into law on January 8, 1980.

Currently pending before the House Administration Committee is H.R. 6345 which closes a loophole existing in H.R. 5010. Section 113 of H.R. 5010 prohibits future Members of Congress from pocketing leftover campaign contributions upon their retirement from Congress. But it also exempts current Members of Congress from the prohibition and, accordingly, House Members may, upon their retirement, use the campaign money for their own personal use after paying taxes on it. I believe this exemption for current Members of Congress should not exist and thus support the passage of H.R. 6345.

Of course, since H.R. 6702 was passed on suspension, an amendment to include the provisions of H.R. 6345 was not permitted. However, during colloquys between my colleagues, Mr. JACOBS of Indiana, Mr. BEREUTER of Nebraska, and Mr. THOMPSON of New Jersey, chairman of the House Administration Committee, it was made clear that hearings on H.R. 6345 will be scheduled in the near future. I commend the chairman for his action in this regard and hope that after the hearings, he will bring the legislation to the floor as quickly as possible.●

FOUR THINKING AMERICANS

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

• Mr. BAUMAN. Mr. Speaker, I recently had the privilege of meeting with four remarkable young men from my district who brought to me a list of issues on which they had taken a position as private citizens. These men were Robert W. Buhl, Ray H. Bazil, J. Pete Fields, and John K. Reingruber, all from southern Maryland. I was particularly impressed with the research they had done on the subjects they brought to my attention, and I would like to enter their views into the RECORD for the consideration of my colleagues in the Congress. It was very encouraging for me to visit with these young men for I am convinced that democracy is on firm ground as long as we have active participation of informed citizens such as these.

The views follow:

TOPICS OF CONCERN FOR MEETING WITH CONGRESSMAN BAUMAN, FEBRUARY 20, 1980

I. FEDERAL TAXES

A. Personal income tax

The middle income taxpayer pays a disproportionate share of this tax. An across-the-board fixed percentage tax on income would be a fairer method of taxation. This has several advantages:

1. No group enjoys a break which is not available to others;

2. Cost savings to taxpayer through reduction of Federal paperwork and bureaucracy;

3. Simplification of tax issues: Congress will not have to make painful decisions concerning allowable deductions.

B. Business income tax

Having an across-the-board fixed percentage tax on total revenue has several advantages:

1. Cost savings to industry due to the elimination of the large volume of burdensome paperwork.

2. Cost savings to taxpayer through reduction of Federal paperwork and bureaucracy.

C. Special consideration: Business tax elimination

The tax liability of business is passed on to the customer through higher prices for goods and services. Why not tax personal income *only*, eliminating the business tax? This would result in a cost savings to business, a savings which should then be passed on to the consumer.

D. Other taxes

Americans are burdened with many taxes, but the cruelest tax of all is inflation, which is fueled by Government deficit spending. We support a constitutional amendment to balance the budget. A giant step toward balancing the budget can be taken by eliminating all the "free lunches" the Government gives away in wasteful and fraudulent social programs.

II. SOCIAL ISSUES

A. Government's role

The Federal Government should provide basically four functions: 1. National Defense (including Intelligence); 2. Judicial System; 3. International Representation; and 4. Protection of Health and Safety of General Populace.

In general, it should not attempt to redistribute income through costly, wasteful, abuse-ridden programs. The losers are the middle income taxpayers, who pay for these programs, society as a whole, which has to absorb the effect of non-productive members, and, ironically the people these programs attempt to serve, who are victimized by ruination of incentive. The Government should strive more to ensure equal opportunity, not equal reward or result, holding "transfer payments" to a minimum, aiding only those who are unable to help themselves.

B. Welfare payments

Waste and fraud in the welfare system are excessive. Stories of people receiving more than one check and of people refusing to work because welfare pays as well as job wages are commonplace. The latter situation is particularly devastating since incentive and avenues for betterment are essentially destroyed. Taxpayers at all income levels are fed up paying for welfare recipients who cannot get the exact jobs they want, at the working hours they want, at the location they want, at the salary they want, and so on.

Able-bodied welfare recipients should be made to work for their welfare checks, and thus contribute to society. Multiple check abuses would be averted since recipients would be paid on the job. Furthermore, the idea of receiving something for nothing would be abolished, removing some of the stigma associated with welfare payments.

C. Food stamps

This program is much abused, and it's administrators are unable to deal with the abuses. Congratulations to Representative Symms (R-Idaho) for his introduction of the Food Stamp Spending "Cap" in 1979. Unfortunately, the resolution was rejected. Nontheless, we support those who voted yes to the "Cap," and would welcome a Congressional move to abolish the Food Stamp Program.

D. Social security

The original intent of this program was not to provide an entire retirement program for anyone. Since its origin, the program has been changed and its original objectives have been lost in the shuffle. Presently, the program cannot possibly succeed since it depends on payments from future generations. Congress needs to take a hard look at the program and redefine its objectives.

E. Special considerations

1. Why not examine the idea of forming a nationally-based corporation comprised of welfare recipients? The revenue from goods and services sold would be used to offset welfare payments. This is already done to some extent in prisons and in organizations for the blind.

2. Much of the cost of welfare programs is absorbed by an inefficient bureaucracy which is unable to deal with abuses and lacks the flexibility to respond to real problems. If a program is deemed worthy, then maybe a private accounting firm should administer it.

III. ENERGY

A. Approach

If DOE has a coherent energy plan, it is not apparent to the general public. A commitment akin to that of the early-60s Space Program, which had clearly defined objectives (both long-and short-term), is required. Maybe NASA, a proven commodity, should administer the energy effort.

B. Commitment

Commitment could be displayed in the following manner:

1. An alcohol production capacity should be created with an eye toward 100% alcohol-run motor vehicles. The U.S. is capable of producing billions of gallons a year and can up this by increasing the sugar cane crop: the sugar cane-to-alcohol conversion is the most efficient one, and Brazil has already developed a technology for the conversion. Our South American neighbor is setting the example.

2. Oil power plants should be converted to coal, dealing the best we can with the ensuing pollution problems.

3. New building construction should be required to be energy efficient, using passive solar power to the maximum.

4. Answer the question: Is enough effort being expended on basic R&D for efficient heating, air conditioning, and electrical power systems for single dwelling units?

These efforts would have a keen eye toward changes the do-it-yourselfer could institute in his own home.

C. Special considerations

1. Use of the telephone should be encouraged to transact business instead of automobile and air travel. Removal of the transportation costs as a business deduction should be considered.

2. The more energy we conserve, the higher prices we pay, keeping profits up to pay stockholders. (We can't win; we can't break even; we can't even quit the game.)

IV. DEFENSE

A. Tactical

1. Tactical weapons are not purchased in enough quantity to adequately meet the Soviet threat.

Specific problems are:

(1) Aircraft production programs have been either stretched out or cut back resulting in a near-term shortage of carrier-based fighters and an overall net reduction in fighters.

(2) A ratio of three Warsaw Pact tanks to one NATO tank is staggering and needs to be drastically reduced.

2. Our forces are not permitted to practice enough with actual hardware, reducing the maximum effect of the hardware in combat situations. For example, the TOW missile is an antitank weapon that requires familiarization with the guidance controls to put the missile on target. Actual practice with the missile is the only way to obtain familiarization. Few U.S. soldiers stationed in Europe have seen a real TOW missile and even fewer have actually fired one.

3. Retention of Air Force and Navy pilots is a problem that must be addressed immediately. The Air Force projects a shortage of 2400 pilots this year, 2500 next year, and 4000 the year after. The Navy projects a retention rate of only 28 percent this year.

4. Our ability to control the oceans has vanished. The U.S. is outnumbered six-to-one in submarines and that ratio is increasing. Our surface ships are being replaced at a pace to only maintain our present size. The conventionally-powered carrier that President Carter wants in lieu of a nuclear carrier (to save costs) has never been built before. Experience in past shipbuilding programs has shown that ships built for the first time incur huge cost overruns. We doubt very seriously that building a conventional carrier instead of a nuclear carrier will reap any cost savings, and may indeed prove to be more expensive.

5. The lack of adequate transports has recently been addressed because of the Middle East crisis. This problem must be resolved immediately.

B. Strategic

1. The ability to deliver cruise missiles to their targets is highly questionable. B-52s, 747s, L-1011s, and other large subsonic aircraft can very easily be shot down before they ever reach their launch points.

2. Regarding high energy lasers and particle beam weapons, Aviation Week has reported that political fighting over control of

these programs has impeded the development of these weapons systems. These are critical programs vital to world military balance. This claim of political fighting must be investigated and the situation resolved.

3. DOD officials claim that the U.S. has the capability to deploy space-based lasers which can intercept ballistic missiles. If this capability exists, why isn't there a crash program to get them fielded?

4. Why waste money on B-52s? They are incapable of accomplishing modern strategic warfare missions.

5. The question of increasing strategic warheads versus emphasis on ABM defense should be examined.

V. FOREIGN POLICY

A. United Nations

Is the U.N. worth having? It has been quite ineffective in dealing with international crises. If the U.N. serves any useful purpose, it is not readily apparent. A close examination of the worth of the U.N. versus the amount of money the U.S. pours into it is required.

B. Foreign aid

The use of tax for aid to countries whose leaders end up with a healthy chunk of it must stop. Additionally, we are tired of countries whose attitude is "This aid is not enough," rather than "Thank you for what you are giving to us." Certainly, aid should be denied to any whose government is not Pro-American.

C. U.S. food

1. Food is a resource that the U.S. has plenty of and the world has little of. We support "a bushel for a barrel" for those countries which "price fix" their oil.

2. Why do we feed countries that would like to see the demise of the West? No Communist country can feed itself. By refusing to feed Communist countries, the U.S. can help expose Communism as an economic failure.

VI. OTHER TOPICS

A. Government bailouts

The Government should not be in the business of saving businesses and cities from bankruptcy. The consequences of fiscal irresponsibility must be borne by the offending concerns. The taxpayer should not be required to bear these costs.

B. Farmers

The farmers in the U.S. are being treated poorly and are fighting to survive. Since they feed the nation, they certainly deserve better, if not preferential, treatment. The Department of Agriculture in cooperation with the Congress should investigate and correct this situation immediately.

C. Foreign competition

The Government should make no effort to protect inefficient businesses from foreign competiton. Foreign competiton to American industry is among the best protections the American consumer has these days.●

JIMMY HARRISON

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. SHELBY. Mr. Speaker, it is always refreshing to read an individual success story—especially when you know the successful individual. A case in point is my longtime friend and native of the Seventh Congressional District, Jimmy Harrison.

Jimmy has parlayed a family heritage in pharmacy into a small personal empire of discount drug stores. While he may have discounted prices, Jimmy has never discounted customer service—and therein is the key to his constantly expanding chain of Harco Super Drugs.

Growing up behind the soda fountain of his father's drug store in Tuscaloosa, Jimmy was a natural as the manager of his father's second store in Tuscaloosa once his pharmacy degree from Howard College was in hand. That managerial role was assumed in 1955: Today there are 39 Harco stores statewide in which Jimmy and his wife own 99.94 percent of the stock.

Early in the 1970's, Jimmy mapped out his game plan: Lease (not buy or build) stores in small town shopping centers and place pharmacists in the store management slot with attractive profit-sharing plans as production incentive. With 10 years of success behind him, Jimmy is expanding with foresight and sound business sense with plans for more office and warehouse space plus diversification into outlets for sale and rental of health care paraphernalia.

While Jimmy Harrison still holds college basketball records (most points per game and highest season scoring average), he is setting them on the entrepreneurial front as well. But the true mark of success is that Jimmy also gets high ratings as a father and community leader. A man who has learned to balance the demands of overseeing a thriving business endeavor while also tending to family and civic duties is one who deserves special commendation. Jimmy Harrison is such a person—and it is an honor to know him.●

JOHNATHAN T. BROOKS DAY

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mrs. COLLINS of Illinois. Mr. Speaker, I would like to share with my colleagues a proclamation issued by the Mayor of the District of Columbia on February 12, 1980. There is no need for me to elaborate on this subject as Mayor Barry has said it all.

The proclamation follows:

THE DISTRICT OF COLUMBIA,
February 12, 1980.

JOHNATHAN T. BROOKS DAY

A PROCLAMATION

Whereas, Johnathan T. Brooks, a man of courage, determination, goodwill, and tolerance, last year embarked upon an expedition that covered 1,146 miles by foot to highlight Black History Month; and

Whereas, the purpose of Johnathan T. Brooks expedition was to dramatize the struggle for human dignity, and to bring about an awareness of courage and determination that exists today because of those who fought to break the shackles of slavery; and

Whereas, Johnathan T. Brooks, in his dramatic journey, titled "The Underground Expedition," has rewalked the actual route of the Underground Railroad from New Orleans, Louisiana to Chicago, Illinois, and in doing so he has made an immeasurable contribution to Black History Month; and

Whereas, Johnathan T. Brooks, in his momentous expedition of 1,146 miles has demonstrated a strength of tenacious devotion to the principles of liberty, justice and freedom for all mankind:

Now, therefore, I, the Mayor of the District of Columbia, do hereby proclaim Tuesday, February 12, 1980 as "Johnathan T. Brooks Day" in the District of Columbia, and call upon all of our residents to join with me in paying tribute to Johnathan T. Brooks in recognition of his outstanding contributions of bringing about an awareness of Black History Month.

MARION BARRY, Jr.,
Mayor, District of Columbia.●

REMARKS BY REV. KEN UNGER

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. STANTON. Mr. Speaker, during the Right-to-Life-Day March in Washington on January 22, the citizens of Ohio had the privilege of hearing Rev. Ken Unger, pastor of the Plymouth Methodist Church in Ashtabula, Ohio.

His remarks made an indelible impression upon all of us. I think our colleagues and millions of Americans would like to read Reverend Unger's invocation:

A DISEASED CULTURE

(By Ken Unger)

A plague has hit 20th century America—one more devastating and far more subtle than the black plague which paralyzed 14th century Europe! If ten people in the U.S. contracted polio, our nation would be in an uproar. If five cases of smallpox broke out in Africa, the World Health Organization would move heaven and earth to isolate and snuff out the disease. When swine flu threatened America some years ago millions of dollars were spent to inoculate the masses against it, but now a far more deadly disease is pillaging our population and threatening even to undo the very fiber of our civilization and virtually no one cares.

The disease I am talking about is one which medicine cannot cure. It is one which trained physicians are unable to detect and for which our pharmacies have no prescriptions. I am talking about a spiritual malady; one which can only be healed by physicians of the soul. I am talking, of course, about apathy.

There is a cure for this disease. It is within the reach of all and can be administered by anyone. I know because I was once afflicted by this subtle disease of the spirit. I know there's a cure because I have been touched by the Master Physician and He has healed me. Today, I am no longer apathetic about abortion.

I must be honest with you. I was at one time more than apathetic about abortion. In my ignorance I actually argued in favor of abortion-on-demand. I thought it to be a humane option—a right, as it were, which no woman should be denied. I believed the mythology of the pro-abortionists that that really isn't a person in the mother's womb—that it was just a blob of cells, unable to live and unworthy of the law's protection. Those who thought otherwise seemed to me to be naive prudes and religious fanatics, unconcerned about the needs of modern people and willing to sacrifice progress on the altars of their own out-dated dogmatisms. I was more religious than righteous in those days. Not only did I not know Christ then, but I also knew nothing of the scriptures or the hard cold facts about abortion. My beliefs were wholly based on the emotional, distorted, and misleading arguments of the liberal thinkers who persuaded me that unborn children, the most innocent and helpless of all human beings, were undeserving of Christian compassion and the protection of the laws of our land. In my own selfish desire to wash my hands of any responsibility for my promiscuous lifestyle the arguments of those who favored abortion provided me with a palatable form of rationalization that helped me justify my shabby lifestyle. Things were more important to me than people then; escaping the consequences of my irresponsibility more important than morality; expediency and economic comfort and convenience more sacred even than life.

Many people ask me what caused my abrupt about-face on abortion. I can tell you very honestly it was mere exposure to the truth. A t.v. broadcast made me decide that I needed to more thoroughly investigate the facts about abortion. I studied all I could find on both sides of the argument and the more I learned the angrier I became. I realized that in one grossly ignorant and irresponsible decision our Supreme Court repealed and effectively neutralized 2,500 years of Judeo-Christian tradition concerning the sanctity of life. I learned that the only 'Christian' nation ever to make abortion a socially acceptable procedure was Nazi Germany in the late 1930's. More importantly, I discovered that every argument used to justify abortion-on-demand was founded upon myths, misrepresentations and outright lies.

You know the facts about abortion. I won't bother discussing here why none of the abortionists' arguments hold water. Let me turn our attention instead to the disease of apathy and what we can do to inoculate our fellow Americans and our civilization against its ominous consequences. To that end allow me to entertain the question of why it is that so few people desire to be healed of their apathy.

I see our society reeling from the effects of culture shock. So much has changed so fast and we've seemed to be able to do so little about it that most people have given up trying. As Billy Graham once said, "It seems as if the world is one huge psychiatric hospital in which the patients have gained control and locked up the doctors and staff."

In the midst of this malaise, a person's only recourse seems to be to protect his own piece of space from the lunatics and lie as low as possible so there are fewer chances of being swept away by the madness of it all.

In this environment where stress and conflict threaten us on every side we are all tempted to indulge our ostrich-like tendencies. Few seem to realize however, that the sand in which they've buried their head is quicksand—that it's indeed more dangerous to hide and do nothing than it is to try to restore some semblance of sanity to our situation.

What can be done? When the press gives more coverage to 50 enraged feminists than it does to 50,000 decent people taking a costly and unpopular stand in support of human life, how is it possible to get people to swallow the bitter pill that can sweeten their own soul and save our society?

The only way I know is through education—getting people the plain concrete facts and allowing them the opportunity to become as incensed as I.

But the facts are available. People aren't studying them. What can we do that can get people to stop and study and think for themselves? Once we get the horse to the water, how can we get it to drink?

Jesus said we are the salt of the earth and I once heard a radio preacher discussing that passage. He said that a farmer could have many thirsty cattle standing in the fields on a hot day and that, because cows are dumb, they could die of dehydration though standing right next to a pool of cold, clear water. However, the preacher said, the farmer is not so dumb. To protect his investment, he places a block of salt in the midst of the herd. He knows that cattle are not only dumb but also curious—curious enough to try anything once. When they get a lick of that salt they will be so thirsty they will have to take a drink of the water to live.

In the same way, God has placed us in the midst of a dying and dehydrated culture. He's placed us there to so order our lives that contact with us will make people thirsty enough to drink the living water He provided to cure their confused and sin-sick souls.

How can we ever find enough salt to go around and how can we keep it from losing its savor? I put forth to you that through the power of God the abolitionists found sufficient grace to conquer fiercer foes than we face. Through the strength and courage that He alone can give, Civil Rights' marchers over a decade ago changed the mind and will of an entire part of our culture. More recently still, Viet Nam war protestors finally got us extricated from a war which someone decided we would fight, but not to win. To do that they had to change the beliefs of an entire nation.

I extend to you the hope that if they could prevail, we, against less able foes and with the support of Almighty God are virtually predestined to succeed.

Someone has said that what is impossible for men is impossible for those who acknowledge their dependence upon God. His battles however, have never been won without martyrs. Some of us will have to sacrifice our careers and reputations. Others must risk the esteem of friends, colleagues, and voters. We must all continue to give of our dollars and our time. Some ministers and priests might even have to go to jail. All of us must continue to study, sacrifice, labor, and pray. Above all, each of us must ask God to give us the right spirit so that in love we can conquer where force and hatred would have been vanquished.

If we persist and do not lose heart, God will give us the victory. It is coming already. More and more people like myself are beginning to experience the fallout of the sexual revolution. Many are realizing that modern societies' cure for man's ills has often done more harm than the "sicknesses" they were supposed to supplant.

I anticipate a day when the entire evangelical community joins hands with their Catholic and Fundamentalist brothers to actively overthrow the evil of abortion. I foresee a day when the lay people of the great mainline denominations in our country finally discover the extent of the sinfulness that's been perpetuated in the name of Christ. As that happens I can see them raising their voices and withdrawing their wallets in protest, issuing forth a resounding "NO" to the old immorality that's masquerading as today's "higher ethical values." I pray for the day when people everywhere who care more about persons than things will come to the light. Then we can all with one voice arise and issue a mighty cry of repentance to sound across our once great nation, restoring her to her rightful position as a moral and spiritual guiding force for the nations.

Some day soon, if we don't give up, the groundswell of an informed American public will join us in Washington half a million strong, and it will no longer be possible to ignore us. Prominent Christian athletes and musicians will hear God's voice calling them to join the fray, and the din of millions of voices and votes across our broad and spacious continent will again convince our national and political will to take a stand for the good and the true—to again extend life and protection to the unborn. When that day comes, and it will, we will be well on our way to curing our great cultural disease of apathy—and just perhaps, if it happens soon enough, God may yet be able to heal our sin-sick civilization!●

UNITED STATES MUST GAMBLE ON OIL SHALE!

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. SANTINI. Mr. Speaker, during the past few years, much has been written and more has been said about this country's energy crisis. The popular impression is that we are short of energy. Mr. Speaker, I must take strong exception to that position. We are not short of energy—we are merely short of energy in the form that we are accustomed to using; that is, high-gravity, low-sulphur, sweet crude oil. We have coal, oil shale, and tar sands in almost unlimited amounts, but so far we have lacked the commitment to use those resources. In oil shale alone, it is estimated that there are up to 1 trillion barrels of recoverable shale oil. What does this mean? Saudi Arabia's estimated proven reserves of crude oil are placed at 165.7 billion barrels, the top 25 producing nations at 582.4 billion barrels, and world estimated proven reserves at 641.9 billion barrels. Therefore, we apparently have more energy stored in oil shale alone than the world has in proven petroleum reserves.

Development of this resource is not without risk; in fact, some would consider it a gamble, but it appears to be a gamble that we must take.

Mr. Speaker, I am inserting an article from the Denver Post dated February 26, 1980, that details some of the risks involved in this oil shale gamble, but it also indicates our need for energy makes the gamble worthwhile:

TAKE THE OIL SHALE RISK

Oil shale is a gamble. Plants built to extract oil from Colorado's vast deposits of oil shale could become costly failures. Environmental or technical barriers could prove insuperable. Other forms of energy might achieve better economics.

But it's a gamble that must be taken.

That was the persuasive view offered in Denver last week by officials planning to retort billions of barrels of rich shale oil in Colorado's Piceance Basin.

Representatives of Rio Blanco, Occidental and Tosco, major shale firms, briefed officials of the U.S. Environmental Protection Agency on their plans and needs in developing shale. EPA still must grant important permits to open the way for President Carter's synfuels program.

With shale-oil costs estimated at from $27 to $45 a barrel it is easy to say—as world oil prices hover around $30—that present economics are dubious. Part of the problem, however, is capital costs. Until plants actually are built their costs always will be pushed upward by inflation.

Once a large plant opens, its unit cost per barrel will reflect the capital component existing during the construction period. Wages and daily operating costs may rise, but capital costs will be fixed—giving a fair comparison to petroleum.

The oil-shale officials even said they would take their own risks if Congress would firmly decontrol petroleum prices. But the current windfall profits tax runs counter to decontrol. So the best option may be to apply federal tax credits or other props as a guarantee of the investment. If the government is going to share oil profits it should share the risks, too.

Another question emerged: Why take any risk at all? Why not wait until petroleum runs dramatically short and shale oil is needed at almost any price?

The answer is that the economy can't stand such risks. The nation still runs on hydrocarbons. Fuel alternatives must be proved conclusively; prototype plants are the only way to demonstrate whether certain processes will pay off.

We need to look no farther than Canada to see this principle in action. Back in 1967 the Great Canadian Oil Sands Project was launched in northern Alberta. Financing was led by Sun Oil, a firm representing the wealthy Pew family of Philadelphia. For 12 years the project looked like a loser, but now it is returning rich dividends.

Because the Pews took the gamble, Canada now has proven its tar sands are a feasible option to escalating world petroleum prices. Later in this decade the potential of tar sands—possibly joined by shale—may put a lid on world oil prices.

It can be argued Canada was lucky. If Arab exporters hadn't begun jacking up oil prices in 1973, the Canadian project might still look like a turkey.

Of course we'll never eliminate risk entirely. The chance of failure exists in any endeavor, but there are times when one must say: "Our need is great enough to justify the action."●

IF YOU HAVE NOT INHERITED A GOOD EQUITY, JUST FORGET IT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. ABDNOR. Mr. Speaker, while the Department of Agriculture concerns itself with becoming a giant consumer advocacy agency, the problems facing American agriculture continue. Inflation impacts harder on agriculture than on any other producing industry.

As for the next generation of farmers—well, this article from the Rapid City (S. Dak.) Journal, says it succinctly: "If you haven't inherited a good equity, just forget it."

I commend what these young South Dakota farmers have to say to the attention of my colleagues.

The article follows:

IF YOU HAVEN'T INHERITED A GOOD EQUITY, JUST FORGET IT

(By Dick Rebbeck)

Farmers and ranchers, known for their independent thought and diversity of opinion, agree on one point: There's virtually no way a young person today can buy into agriculture and make it pay.

That's assuming anyone would want to buy a farm or ranch when wheat and cattle prices are at the same levels they were 20 or 30 years ago while costs have inflated 20 to 30 percent.

"As far as I'm concerned," says Ed Thompson, "if you haven't inherited a good equity, just forget it."

Thompson is buying his Alkali Creek ranch east of Sturgis from his mother and is sharing proceeds with his sister.

Thompson's comment is typical of answers to the question: How does a young person get into farming or ranching, and stay in?

"I don't know that I'd suggest anyone going into farming now," says Doug Mailloux, Vale. His statement also represents a consensus.

High land costs and wildly inflated expenses without corresponding increases in prices combine to create the crisis in launching a new generation of farmers and ranchers, and in keeping the present generation in business.

Using silver prices as a monetary measure, Kenneth Beug, who farms wheat and feeds pigs northeast of Sturgis, figures wheat is selling for the equivalent of 15 cents a bushel and hogs for $3 a head.

At the same time, 90 percent of farm production costs have risen far more than the national inflation rate of about 13 percent, says Beug. He cites fuel costs up 30 percent in the last year, or machinery repairs up 25 to 35 percent. One part that once priced as $1 now costs $6.

But the biggest expense is interest on borrowed money, Beug says. For a young farmer or rancher trying to buy a place, that can be a killer.

The Rapid City Journal talked to several young farmers and ranchers about the uphill battles they face.

KENNETH AND JEAN BEUG

It's a rare conversation with a West River farmer that doesn't eventually touch on prospects for alcohol plants providing them a new, close-to-home grain market.

So it was with Kenneth Beug, 34, sitting at the kitchen table with his wife, Jean, talking about their wheat and sunflower operation east of Bear Butte.

They share-cropped from 1965 to 1976, when they bought the place from his mother "at the going market price."

The Farmers Home Administration financed the deal, with a contract for deed on the balance. Interest on money to make the purchase is their biggest expense item. If they could eliminate the interest payment, they might begin to see daylight, financially speaking.

They tell of the importance of diversifying to increase chances of hitting at least one market on the high side. They describe the farm as "mostly grain" with a good yield of sunflowers in addition to wheat. Their own grain goes to 150 feeder pigs. And Beug operates a commercial spraying service as a sideline.

Inevitably, talk turns to marketing and this leads to consideration of grain alcohol plants proposed at Rapid City.

"I think we'll see some alcohol plants in Rapid City," says Beug. "I'd hope they'd have a definite effect on grain price."

"Not only would alcohol plants, as a major buying force on the local market, tend to push grain prices up, but the farmers would save transportation costs, as well. Trucking grain to Minneapolis costs farmers roughly 25 percent the value of the product," Beug says. Instead of a 550-mile haul to Minneapolis, there'd be 100 or less to Rapid City.

Alcohol from the mid-sized distillation plants would be blended with gasoline to make gasohol.

Beug doesn't see small farm-sized alcohol plants as being feasible, unless it's with a very large feedlot using the protein byproduct.

Of course, he points out, talking about building distillation plants is one thing. Producing alcohol is something else, something off in the future.

In the meantime, it's a market worth trying to develop in hopes it'll give farmers one more leverage point in making interest payments and paying repair bills.

DENNIS AND KIP MATKINS

"It's getting to where it wears a person down, the way expenses keep going up," says Dennis Matkins, 34, in talking about his farming career.

With his brother, Kip, 32, and their father, Olin, Matkins is a partner in a business that involves a wheat farm near Elm Springs and a wheat-cattle operation northeast of Sturgis. Living in Rapid City, Dennis operates the Elm Springs property while Kip and Olin are on the home place on Spring Creek near Bear Butte.

"In this area, it's good to have livestock with your crops," Dennis says. "They buffer each other."

But agriculture is still risky, he says, "You don't have control of the grasshoppers, the severity of the winter, government policies. About all you can do is maintain an optimistic attitude, farm the best you know how and hope the price will be there when you sell."

The Matkins, though, aren't content to let price and the market take care of themselves.

"A person goes round and round on a tractor all summer. If he'd put just a fraction of that time into marketing, it would pay off, says Dennis.

"The best thing for a person in this area, if he wants to buffer himself, is to gain understanding of the marketing process."

Brother Kip, graduate of South Dakota State University with a bachelors in agricultural engineering and a master's degree in agricultural economics, says an operator must work at buying inputs low, selling high and raising more per acre.

But the successful farmer in the end will be the one who, knowing his cost, will devise a long-term marketing plan hitting price peaks with different crops.

The components of a marketing plan, according to the brothers, include a good relationship with a bank to provide margin money when it's needed, hedging on futures markets to build in price protection, storage to hold back crops on a down market and a selection of business periodicals.

Magazines like Fortune or Barron's contain more agricultural economy news than many farmers and ranchers may realize, they say.

Just knowing economists see a depression coming or a recession ending is worth a lot of money to a food producer.

ED THOMPSON

When Ed Thompson, 37, considers that in today's economy it'll take easily a million dollars to set up a cattle ranch, he advises would-be ranchers to forget it unless they can inherit the property.

"If it wasn't for the good will of my parents and, of course, my sister, I wouldn't be in business," he says candidly.

With his sister, Nancy Harlan of Omaha, sharing in the corporation, Thompson is "in essence" buying the ranch on Alkali Creek east of Sturgis from his widowed mother.

Thompson, unmarried, returned to the ranch in 1966 after graduating from the University of Wyoming with degrees in animal husbandry and in business.

While he says two college degrees are not licenses to success in any field, his education shows through as he describes his cow-calf operation and agriculture in general.

"Too many people don't realize it's a business," Thompson says. And from a business standpoint, prohibitive costs are going to keep out a lot of people who want in and drive out others who are farming and ranching now.

"People in agriculture don't use enough cost accounting," Thompson says. Some of them own too much expensive equipment for what they need. Some people may invest big money in a new enterprise when its market is high only to be caught short when the price inevitably falls.

"Get into one enterprise and stay with it through the peaks and valleys," he advises. The money is made on the long-run average.

But these are changing times and the averages may be running against the established farmer or rancher as well as the young person wanting to get into agricultural production.

"I can't believe how fast costs have increased the last two or three years," Thompson says.

Using a pocket calculator—you get the feeling the calculator is as familiar a tool as a lariat to this rancher—Thompson shows that a calf selling for $450 probably has $300 in operating costs charged against it. That leaves $150 net return.

But the rancher might well owe $500 per cow for various long- and short-term debts. At 10 percent interest, the calf must pay another $50, leaving only $100 for retirement, capital outlay for new equipment and the rancher's own income.

STEVE BAKER

If wheat producer Steve Baker, 28, describes himself as being in gambling rather than farming, then he has anted into the agricultural game by leasing rather than buying land.

Cropland in his neighborhood, north of Sturgis, is valued at $600 to $800 an acre. "If you were to buy land at that price and try to make it pay by farming, there's no way in hell you could do it," he says.

Setting up a partnership with his brother, Martin, 10 years ago, and getting a little bit of backing from their father, they eventually worked out some bank financing.

"But Martin and I stuck our necks out a terrible lot, and we still are. For the last seven or eight years, we've done it all on our own."

The Bakers own some real estate but "we lease most all our land," says Steve, "That's probably the only reason we're still here, and that looks very shaky."

Farmers and ranchers borrowing at high interest rates to acquire high-priced land often find interest payments, not to mention debt retirement, are their biggest expense items.

"There's no way we could have afforded to buy land now, and we couldn't 10 years ago," Steve says.

Located in "wheat country," the Bakers haven't diversified much into livestock or other crops, nor have they been able to push their summer fallow system for greater production.

Fertilizers might increase yields, but costs of the nutrients and their application about offset the gains, Baker says.

With something of a ceiling on productivity and seemingly no end in sight on production costs, Baker says "guys every day are quitting" the farms and ranches.

Steve sometimes thinks of quitting, too, particularly when someone mentions the high wages paid in the Wyoming coal fields.

"But money isn't everything," he says. "We wouldn't be here if we didn't want to."

And as long as someone will lease him the land on shares, he and Vicky will probably be there, hanging in.

DOUG MAILLOUX

At age 26 and four years into the sheep and wheat business, Doug Mailloux has given a lot of thought to what it takes for a farm-reared boy turned Ford mechanic to get back into agriculture.

His conclusion: find land at a reasonable price and "an awfully good banker."

Good bankers, Mailloux says, can be found in the commercial lending institutions. But land at a reasonable price and the debt implied in buying livestock and machinery to operate it is another matter entirely.

"This sounds like any business, but if you get too far in the red at the start there's not much chance of success," he says. And given the cost of land and machinery, operating costs and unstable crop and livestock markets, Mailloux says, "I don't know that I'd suggest anyone go into farming now."

About 1976, Doug and his brother, Stephen, formed a partnership to buy the family place in Vale on contract for deed, but soon dissolved the alliance, leaving Doug to run the place with the father, Kenneth, while buying him out.

"If it wasn't for the fathers, a lot of young people wouldn't be on the farm or ranch," Doug says.

Along with the family help, sheep made it possible for Mailloux to stake a claim in agriculture.

Sheep take more work but require less investment, he explains. Costing less to buy but returning two crops a year—wool and lambs—plus federal wool incentive payments, "sheep are more apt to pay for themselves than cattle or wheat," he says. Producing fat lambs, he can lamb early enough to be free in time to start spring farm work. And the spring lamb market is better than the fall-range lamb market.

Probably the biggest difficulty, he says, is getting money, and for that Mailloux advises young farmers to go first to a sound commercial banker.

"One of the problems I ran into (with a federal lending agency) is that it takes too much time, three to six months, to get your money and they're known for loaning you enough to get you in, then get you in too deep."

Too much debt on land, livestock and machinery will break a person.

"If I was to do it over, I'd work with a dog-goned good bank."

Mailloux says a commercial bank "has been a lot of help to me . . . they'll say yes or no right now, and if they say no, maybe you didn't need that loan in the first place."

MARK KEFFELER

For the stockman, whether established or just starting out, there's probably no better way, in Mark Keffeler's book, to overcome inflation than to use performance testing.

Keffeler, 45, raises purebred Herefords in the Alkali Creek area east of Sturgis, but seven years ago the family corporation added a commercial herd to the ranch, further diversified by wheat farming.

"I am just very, very sold on performance testing and everybody in the cattle business should use it to some extent," he says. "We're going more total performance all the time."

This entails keeping careful records of birth, weaning, and yearling weights, rates of gain and steer carcass data. From the records, breeding stock can be retained or culled based on market quality of the calves produced.

Purebred stock, of course, is carefully selected for these and other traits, but the Keffelers have applied the same system to the commercial herd.

In one extreme case, Keffeler tells of increasing weaning weights from 350-375 pounds to 500 pounds per calf.

A commercial operator, selecting for a few market-payoff traits, can make progress much faster than a purebred breeder, who has to keep more records and select for more factors, says Keffeler, president of the National Beef Improvement Federation.

Keffeler is also a conservation district supervisor, vocational-technical school advisor and animal science-agricultural economics graduate of South Dakota State University.

He speaks as a strong advocate of conservation, new range management practices and continuing education as ways to increase production and cut costs to gain on fast-rising costs.

"We're going to have to try harder to keep moisture where it falls," he says. Contour furrowing one Keffeler pasture area four years ago doubled its forage production.

"I see application of all kinds of range management techniques," he says. "We've got to look at everything."●

NASSAU COUNTY REPUBLICANS DEMAND PRESIDENT CARTER CLARIFY U.S. POLICY TOWARD ISRAEL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. LENT. Mr. Speaker, there is grave concern in Nassau County, N.Y., over the recent dismaying events involving the United Nations Security Council resolution against Israel's administration of the West Bank and Gaza areas, including Jerusalem. The U.S. vote in support of that Arab-initiated resolution, and the subsequent disavowal of that vote by President Carter, have resulted not only in great harm to U.S. relations with Israel but also in dismaying all who depend on the competence and constancy of American leaders.

Following a meeting of Nassau County Republican Party officials and officeholders, on Monday, March 10, 1980, Nassau County Republican Chairman Joseph M. Margiotta issued a statement expressing the concern of the group and urging President Carter to rectify this unfortunate situation.

Mr. Speaker, I enter the statement of Chairman Margiotta in the RECORD, in full, at this point:

"The appalling and monstrous blunder of the Carter Administration in first joining, then rejecting the United Nation's vote last week in support of an Arab-initiated resolution condemning Israel's administration of the West Bank and Gaza cannot be rectified by a lame apology of 'failure to communicate'," Nassau County Republican Party Chairman Joseph M. Margiotta said today.

He was joined in his sentiment by Congressman John W. Wydler (R-Garden City) and Norman Lent (R-East Rockaway) and Oyster Bay Town Councilman Gregory Carman and John LeBoutillier, both Republican candidates for Congress.

Margiotta said: "This clumsy attempt to explain away a shameful and dismaying act against our staunchest friend and ally in the Middle East does more harm than good."

"We call upon President Carter to take the strongest, most positive action to establish in the clearest terms the Carter Administration's policy regarding Israeli West Bank settlements."

The Republicans said: "Such action, of course, will do little to remedy the terrible damage done to the Carter Administration's credibility around the world." As the New York Times pointed out, the Administration's 'whirligig diplomacy dismayed all who depend on the competence and constancy of American leaders.' The credibility lost in such an unprecedented display of incompetence cannot be easily or swiftly regained.

"But, of far greater consequence, is the question of the Carter Administration's future policy toward Israel. Is the Administration really trying to curry favor with the Moslem nations by endangering the survival of Israel? That question deserves the quickest and most positive answer the President can provide," he said.

Concluding, the Republicans said: "With tensions in the Middle East at a new peak as a result of Russian aggression and the turmoil in Iran, we believe it imperative to demonstrate the firmest American support for Israel, America's strongest, most stable and most dependable ally in this volatile area. In the strongest possible terms, we demand that President Carter speak out now."●

CARTER'S COAL INITIATIVE MERITS SUPPORT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BIAGGI. Mr. Speaker, President Carter recently proposed a plan that would reduce the use of oil and gas in the electric utility sector by 1 million barrels per day by 1980. At a time when our national security is being seriously threatened by an overreliance on foreign oil, for which the consumer must pay exorbitant prices, I wish to express my strong support for the President's responsible action in addressing this problem.

Under the President's proposal, the Nation's utilities would be given $10 billion in Federal funds—accrued from the windfall profits tax—to convert from oil and gas to coal or other alternate energy sources.

The two-phase program is expected to save 400,000 barrels of oil per day by 1985 by requiring 50 powerplant sites, mostly in the Northeast, to make the switch. The Department of Energy would provide $3.6 billion in grant money to help with the conversion costs.

An additional $400 million in phase I money would be made available to help finance voluntary air pollution controls at existing powerplants beyond those required by current law. This action would help to ease the impact of any emission increases resulting from conversion to coal.

The second phase of the program would provide $6 billion to encourage all other oil and gas burners to make the change voluntarily. Phase II is expected to result in an additional saving of 600,000 barrels by 1990.

The logic of the proposal is simple. By focusing our attention on the electric utility industry—which consumes about 3 million barrels per day of oil and natural gas equivalent—we will be able to accelerate our national effort aimed at reducing our suicidal dependence on overpriced imported oil.

In addition, the President's proposal will significantly contribute to our Nation's anti-inflation effort. According to the President, such a conversion would benefit consumers both from lower capital requirements for utilities and from reduced fuel costs after conversions. Recognizing that rising energy costs have been largely responsible for our Nation's soaring inflation rate, the cost reductions resulting from this proposal will clearly have a substantial and positive impact on our economy.

Similar results are expected in my home State of New York, where Consolidated Edison—New York City's electric utility company—has been campaigning for years for the right to convert three of its generating units to coal. Such a conversion could reduce the utility's oil imports by 15 million barrels a year and save consumers $150 million annually, or roughly 7 percent of the average consumer's electric bill.

I am especially pleased with the responsible action Con Edison has proposed to address environmental concerns that are posed by such a conversion. Con Edison will burn 1.5 percent sulfur oil—comparable to coal in sulfur emissions—for a 1-year test period. The air quality will be closely monitored during that time to determine the effect on the environment. If the impact is negligible, Con Edison would invest in coal-burning equipment. Throughout the test period a fuel-switching capability will be maintained to enable the company to burn a lower sulfur oil when required by air quality conditions.

Con Edison's proposed conversion plan is currently being evaluated by the Environmental Protection Agency. I have been informed by Con Ed officials that a final decision by the EPA on their conversion plan is expected in mid-April.

Certainly, environmental issues must be a major concern of any coal conversion plan. Having carefully reviewed President Carter's proposal, I am most impressed by the attention he has given to acid rain and other air pollution problems.

According to the Environmental Protection Agency Air Quality Chief David Hawkins, the President's proposal recognizes the importance of balancing the need to convert from oil with the acid rain problem that could be increased by such a conversion.

In an attempt to offset sulfur emission increases resulting from conversions, the President's program would include such things as loan guarantees for coal cleaning and preparation facilities; grants for advanced sulfur dioxide removal systems, including scrubbers; a requirement that converting powerplants must meet all applicable environmental standards; and exemptions from the conversion for those plants that could not meet environmental restrictions.

Based on these comprehensive environmental safety measures incorporated in the President's proposal, I have difficulty understanding the rationale of the various environmental groups who have already launched an attack against the utility conversion plan. We must not allow overzealous environmentalists to serve as an insurmountable obstacle to our Nation's No. 1 goal—energy independence. Any further delays in our efforts to achieve this goal will only increase the threat to our national security that is posed by our overreliance of foreign energy.

Mr. Speaker, the President's energy conversion proposal represents a major initiative in our efforts to deal with two very difficult problems—inflation and foreign energy dependence. It is responsible in nature and comprehensive in scope. In the name of economic and national security, I urge that Congress give this proposal the priority attention it deserves.●

TRIBUTE TO MRS. EVELYN MORINE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in paying tribute to Mrs. Evelyn Morine of Tansboro. Mrs. Morine's friends in the New Jersey State Federation of Colored Women's Clubs will gather this Sunday to honor her for her life-long service to her community.

Mrs. Morine and her family have resided in New Jersey since 1944. Soon after settling in New Jersey, she became a guiding force in the community. She has dedicated her life to providing service to others regardless of their race, color, or creed. Mrs. Morine is the president of the Community Mothers Club but is active in a leadership capacity in other social service organizations as well. There is, however, one common element in her interests and affiliations, that is a dedication to serving the needs of the aged, handicapped, and the young.

Mrs. Evelyn Morine personifies the New Jersey State Federation of Colored Women's Club's motto "Work and serve the hour. Lift as we climb."●

ENERGY IN THE PACIFIC NORTHWEST

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. SWIFT. Mr. Speaker, years ago the American folk singer Woody Guthrie sang about one of the wonders of the Pacific Northwest: "Roll on Columbia, Roll On," Guthrie sang of the river that slices through my State and rolls on to the Pacific Ocean. As it was in Guthrie's time, the Columbia River is still a magnificent resource. It has provided a foundation for the area's growth and stability. The Federal dams along the river provide more than half the electrical power sold in the region at the wholesale level. But that bountiful supply is being rapidly strained to the limits. There will not be another Grand Coulee Dam. And for public utilities in the region—many of whom are totally reliant on the Bonneville Power Administration—the growing strain on the Federal power system is creating an ominous problem. While our region's per capita energy use is lower than the national average, our unique geography makes us more than twice as dependent on electrical power as the rest of the Nation. And any serious shortage in electrical power can hurl us into a decade of chaos, each utility madly scrambling to get whatever power it can at whatever the price.

I am introducing a bill that attempts to strike a balanced, well-thought-out approach to solving that problem. It is a totally revised version of the Pacific Northwest Electric Power Planning and Conservation Act, a bill representing 4 years of work by various interests in my region. It represents a broad agreement among those interests, and it reflects the suggestions of the region's public utilities and consumer cooperatives.

My region has come to Congress because the problems it faces require a uniquely drawn Federal solution. There are two reasons. First is the question of how to fairly allocate the Federal power to the eligible public bodies. Second, our region's problems know no State boundary. It is a problem that crosses from Washington to Oregon to Idaho to Montana. The very complexity of these jurisdictions requires a congressional solution. To that end the Senate passed a version of this bill in August 1979. There has been legitimate criticism of that bill, S. 885, and in the ensuing months we in the House have attempted to address those concerns. I am happy to say that the vast majority of those problems have been solved. In a moment, I will highlight those differences and what we have done to solve them. However, let me quickly touch on what the legislation we are proposing does.

Basically, the bill will set up a regional planning council with members from each of the four States. They will develop a 20-year plan to assure a stable, efficient energy supply in the Pacific Northwest. Within that plan will be a system for allocating the power from Federal dams and assuring that public agencies have whatever additional power they need provided in the most efficient, cost-effective manner. The allocation system will also address the growing disparity in rates paid by residential and farm customers of private utilities as compared to neighboring public utilities. To meet this allocation system, the bill lays out a set of carefully drawn procedures and priorities for acquisition of new resources. Foremost among those will be conservation, followed in order of priority by renewable resources, cogeneration and other more conventional types of generation. To these ends, the Senate and House bills are very similar. However, there are very important differences that I am confident resolve some of the legitimate concerns raised by groups within the region and around the Nation.

Foremost among these concerns was the Senate bill's treatment of traditional public power preference access to both supply and cost of power from the Federal projects. This concern was voiced by public utilities in the Pacific Northwest, represented by their umbrella agency, the Public Power Council. The PPC wanted to make sure there was adequate protection of public power access granted in the 1937 Bonneville Act. I am happy to say that traditional preference is protected in the bill I have introduced. This is thanks to the tireless efforts of the PPC in perfecting its amendment dealing with rates, allocation formulas, and sales of power from the Federal base system. The PPC's amendments, included in this bill, have won the approval of both the American Public Power Association and the National Rural Electric Cooperatives Association, two longstanding champions of public power.

Basically, what the PPC's amendments guarantee is that all sales are specifically subject to the preference and priority provisions of the original Bonneville Act. Second, the amendments assure preference customers to the entire output from Federal resources. Third, the amendments assure that investor-owned utilities may be restricted in accordance with the provisions of the original Bonneville Act to protect public power. These are significant differences from the Senate-passed bill. They are differences—along with many other changes made in this bill—that the PPC feels enforces their historic claim to the federally generated power.

In addition to the preference question, this bill makes a major departure from the Senate bill in the composition and procedures of the planning council. The first obvious change is the very structure of the council. The Senate bill had a five-member council—one member from each State and the BPA Administrator—which the Justice Department said was quite probably unconstitutional. My bill not only corrects the constitutional problem, but provides a broader base, establishing a proportional 11-member council. My bill also lays down a set of deadlines and a strict procedure for the council, making sure that decisions are timely and consistent with the plan.

Along with questions over preference access and council structure, another concern has been conservation. My bill lays down a road map that will put my region in the forefront of conservation and renewable resources. Let me digress here, and say conservation and renewables are important for my region beyond philosophical reasons. Projections indicate a serious shortfall in electrical power possibly as soon as 1983. The lead time for building large powerplants ranges from 10 to 15 years. Given that, there is no hope these plants could come on line in time to meet a shortage 3 years from now. The only resources available within that timeframe are conservation and small scale, direct application renewable resources. Beyond merely saying there should be conservation, this bill will make sure that conservation is maximized.

First, it provides a $1.25 billion fund, collected solely from the region's ratepayers, to accelerated development of conservation and consumer-owned renewable resources.

Second, it will provide technical and financial aid to utilities and local governments who might otherwise not have the expertise to develop effective conservation programs.

Third, the bill establishes billing credits and a funding mechanism to insure local utilities can and will develop such programs. In addition, the bill will establish a point man in the Bonneville Power Administration whose sole job will be to maximize conservation and renewable resources. Pulled together, these steps can save our region hundreds of megawatts—megawatts that will be the cheapest megawatts ever seen.

Finally, my bill makes clear that there is no obligation on the Federal Treasury. Our region is not asking for a Federal handout. It is asking Congress to let the people of the Pacific Northwest solve their own energy problems in a constructive manner.

In many ways, what we are now asking is very similar to the challenge that my generation's fathers and grandfathers brought before this body more than 40 years ago. We are fortunate for their vision. They saw that the Columbia River could be harnessed into a resource to irrigate our arid farm lands and provide power for our economic well-being. Congress responded then, creating the Bonneville Power Administration and setting up a structure to help the region prosper.

Mr. Speaker, today we are asking nothing less and nothing more. The challenge before us is whether we can effectively, rationally meet our region's power demands or whether—in absence of legislation—we will be thrown into a decade of chaos and what one Governor predicted would be a series of holy wars over Federal power. I am confident the bill I introduce today can avert that decade of chaos, can bring a truce before the first legal shot of that holy war, and can make the Pacific Northwest an energy model for the rest of us to follow.

Thank you.●

CHIEF ROBERT BEYEA AND CHIEF GEORGE VICCARO

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. HOLLENBECK. Mr. Speaker, recently the House Subcommittee on Science Research, which has budget jurisdiction over the Federal Emergency Management Agency (FEMA) conducted a portion of its authorization hearings.

We were honored by the presence of two firefighters from my congressional district, one a volunteer chief, the other a paid chief.

Chief Robert Beyea of Bergenfield's volunteer department and Chief George Viccaro of North Bergen presented their points of view based on their long experiences. I insert a synopsis of their remarks:

FIRE DEPARTMENT,
Borough of Bergenfield, N.J.

I would like to state that I consider it an honor and a privilege to appear before this Subcommittee here today. As was previously stated, I am a volunteer Fire Chief from New Jersey. The municipality in which I serve has a population of over 32,000 people. I have, under my supervision, 90 volunteer firemen and 4 paid drivers who work Monday thru Friday, 8 A.M.-5 P.M.

The apparatus of my department consists of 4 engines, 2 trucks and 1 rescue. During the calendar year 1979, the Bergenfield Fire Department answered a total of 440 alarms. Of these 440 alarms, 251 were answered by the entire department and 189 were responded to by one company. The total amount of volunteer man-hours in answering these alarms was 6,459 hours. Training and schooling during the year totaled 7,789 man-hours.

I have been asked to testify as to the needs of the volunteer firefighters as it relates to the Fire Prevention and Control Act. The facts that I will bring forth will be those faced by many Fire Chiefs whether volunteer or paid.

Through the Fire Prevention and Control Act, Congress has established a National Fire Academy. I feel, however, that many Fire Chiefs do not fully understand the main focus of the academy. So far, my knowledge about the academy has come from various firematic magazines. Regardless what magazine you read, there are many different answers to the exact same questions. I feel that the real training must be within a local facility where the men can train with the actual fire apparatus and equipment used by their department in their day to day operations.

My municipality and our adjoining neighbor (the boro of Dumont) are working in conjunction with one another to build a fire training center whereby we would have a facility where we could instruct our members on our own apparatus under actual fire conditions. It is impossible, for me as Chief of a department, to send several pieces of fire apparatus to a County facility which is 1 hour away (traveling by car). Not only am I loosing valuable fire protection from the boro, but I am also asking my volunteers to spend additional hours away from home and family. If the Federal Government could allocate funds for the purpose of constructing local training sites, it would greatly ease the burden on the municipalities themselves and would enable us to maintain a more efficient operation. There are many grants available for an educational study on the feasibility of establishing such sights, but yet, we can't extinguish fires with studies! We need places where we can get the practical experience. Firefighting has to be a rapid and orderly operation without endangerment to personnel. It has to be a coordinated team effort. Firefighting is not a game of chance, but one of efficiency and technology.

I'm sure if the records were checked, you would find that the volunteers spend more time in schools and seminars than our counterparts. I think there is a serious lack of input from the volunteer fire service, who are the largest provider of fire protection in the United States. Simply because a man receives a salary, he is considered a professional. I feel I am just as much a professional as he is.

The latest U.S. Fire Administration Task Force stresses that the Emergency Medical Services be provided from within the Fire Department. The Volunteer Fire Departments are today overburdened, and to push the handling of Ambulance Service is going to do nothing but force the volunteer to resign due to additional hours that must be spent in training in order to meet federal and state requirements. This does not include time spent answering these additional calls, but a paid fireman could be sent during normal working hours to receive this training. A volunteer would have to take time off from his normal occupation without pay or use vacation time to attain this training. If training is at night or on weekends, this interferes with an individuals family life which can, and has forced the dedicated members to wind up with marital troubles.

In closing, I would like to make the following recommendations:

Funds should be made available at local levels for such things as:

1. Establishment of training facilities.
2. Purchases of specialized tools and equipment.
3. Fire Prevention—literature for distribution by local departments.

Develop standards within the fire service and fund implementation of:

1. Standardization of fire hose thread.
2. Identification placards for flammability (Example: the N.F.P.A., the I.C.C., and the D.O.T. each have their own)
3. Federal building design standards without local exception.
4. Smoke and fire alarm systems.
5. Furniture standardizations.
6. Clothing standardizations.
7. Storage of flammable materials.
8. Burn treatment.

I would like to take this opportunity to thank Chairman Brown, and the Subcommittee for allowing me to appear here today.

Respectfully submitted,

ROBERT BEYEA,
Chief,
Bergenfield Fire Department.

TOWNSHIP OF NORTH BERGEN
FIRE DEPARTMENT,
North Bergen, N.J., February 28, 1980.

The Federal Emergency Management Agency has been long overdue. For too long the fire service has been the forgotten element of public protection. Having been thought of by many as only a necessary evil. There has been no direct funding for the fire service, what little funds were received have been piggybacked on appropriations to other agencies, such as law enforcement. Ironically, the truth being the fire service inevitably becomes the first line of defense in almost any situation that endangers the public, whether it be a major fire, general disaster or riot, the fire department is saddled with the responsibility of bringing it under control.

The fire service needs help, direct help, in all areas now! The local governments can no longer bear the financial burden alone! The fire service can no longer be pushed aside. The staggering statistics on loss of life and property, on arson, the fastest growing crime in America, coupled with the fact firefighting is the most hazardous occupation in the country, mandates that the fire service be given the recognition, authority and funds commensurate with other emergency services.

A good example: arson, everyone in the fire service was aware of the tremendous problems it presented for years, but until the Federal Government recognized it as such, publicized it, and made funds available for Arson detection and prevention, we in the fire service had a difficult time getting anyone in law enforcement to assist in the smallest way.

Now that there is funding, everyone including prosecutors, are jumping on the band wagon. I do not mean to imply that this sudden interest is not welcome, I just use it to demonstrate how effective Federal assistance can be.

Funds must be made available in all areas of fire service. The Federal Government must encourage the small departments to coordinate and standardize services and equipment as already recommended in Federally funded studies. This can be accomplished by funding, regional training facilities, fire prevention and detection programs, Arson Squads and facilities, equipment and consolidated communications and alarm systems.

It comes down to the reality that the above recommemdations are an absolute necessity but are economically infeasible for each department to finance, man and maintain its own facilities. Our local problems and our ability to provide quality protection and prevention comes down to money. The small departments have all they can do just providing adequate fire extinguishment. The cost of equipment has all but made special services and equipment impossible.

The governing body in North Bergen made a firm commitment to the Fire Department and has in the past several months undertaken a program to adequately man and up date equipment. They appointed 9 new fire fighters to the Department, purchased a completely new radio system and purchased 3 new fire engines. This equipment and manpower was badly needed and could only be accomplished by floating bonds and placing a heavier burden on the tax payers.

I have generalized a very serious problem which faces all the fire departments throughout the country.

I'd welcome more specific questions.

GEORGE VICCARO,
Chief.

Both men outlined the monumental problems faced by firefighters over the Nation.

Their needs are sometimes shortchanged in this era of budget consciousness, their exposure to hazards caused by arson is often ignored and the fact that they are human beings is too often taken for granted.

One can conclude, Mr. Speaker, from the gist of the testimony of these gentlemen, that the Nation owes a great debt of gratitude and support to our firefighters.●

FATHER WALTER E. SCHMIDT HONORED

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today on behalf of my colleagues from California, DON EDWARDS and PAUL MCCLOSKEY, to honor Father Walter E. Schmidt, S.J., as he marks his 50th year as a Jesuit. A testimonial dinner will be held for Father Schmidt on March 20, 1980.

Born in San Francisco in 1911, Walter Schmidt was the only child of Swiss immigrant parents. After graduating from St. Ignatius High School, he worked at the Bank of Italy and attended the University of San Francisco at night. Inspired by his Jesuit teachers, Walter decided to devote his life to the church. He joined the Society of Jesus in 1929, when he entered the Los Gatos Novitiate, and he was ordained in 1941.

Upon completion of his theological studies at the University of Santa Clara in 1942, Father Schmidt began teaching theology at the university, and the following year was named dean of men.

In the summer of 1944, Father Schmidt began a summer program for area youth "who had nothing to do and no place to go." By the end of the summer, Father Schmidt's club had several hundred members who wanted to stay together as a group. In 1947, with over 2,000 members, the club officially became known as the Santa Clara Youth Village. That same year, the building where the club met was declared a fire hazard, with $3,000 in repairs needed. Father Schmidt made the first of what was to be many trips to Hollywood to arrange a benefit. This first benefit featured Frank Sinatra, Jack Carson, Dennis Morgan, Robert Alda, Rory Calhoun, Rhonda Fleming, Ann Blyth, Buddy Baer, the Pied Pipers, and the Page-Cavanaugh trio; it netted $9,280 for the club.

Over the next 9 years, Father Schmidt nurtured a dream to build a modern facility for the youth village that would be large enough to serve the entire county. Almost every union and civic group in the area donated money, materials, or labor, and in 1956, the dream became a reality. When the village opened, the 14,000-square-foot building had a ballroom, a gameroom, a television lounge, a snackbar, and several counseling rooms. The village also offered programs in drama, boxing, and track and field.

As a result of these programs, Father Schmidt won acclaim for sharply reducing juvenile delinquency in Santa Clara County. In 1959, President Eisenhower appointed him to the President's Council on Youth Fitness. Later that year while speaking in Phoenix, Father Schmidt stressed the need for love, but cautioned that kindness does not mean overindulgence. He said: "Our society—admittedly the best on Earth—has a major fault * * *. It is the overemphasis on rights of an individual, and the underemphasis on obligations."

While active with the community's youth, Father Schmidt was pursuing a career at the University of Santa Clara, becoming vice president for university relations in 1960 and, in 1971, senior vice president in charge of development. He was instrumental in founding both the university's board of regents and the board of fellows. He has also served as a university trustee.

In 1967, under his direction, the board of fellows started the Golden Circle Theatre Party as a major fundraising event each year for the university. Some of the many stars that have appeared in these benefits over the years include Jimmy Durante, Bob Hope, Frank Sinatra, Sammy Davis, Jr., Milton Berle, Paul Anka, and Bing Crosby.

In recognition of his many achievements, Father Schmidt has won numerous awards and honors over the years. These include the city of San Jose's Distinguished Citizen of the Year, 1954; Optimist of the Year, 1954; Santa Clara Kiwanis Club's Citizen of the Year, 1958; Temple Emanu-El's First Community Service Award, 1959; Santa Clara Sports Banquet's Special Achievement Award, 1969; San Jose Mercury-News Distinguished Citizen of the Year, 1974; and Santa Clara County Conference of Christians and Jews Annual Brotherhood Award, 1974.

Mr. Speaker, I ask our colleagues in the House of Representatives to join DON EDWARDS, PAUL MCCLOSKEY, and myself in paying tribute to this truly great humanitarian, Father Walter E. Schmidt, S.J.●

NUCLEAR FUEL SAFEGUARDS NEEDED FOR INDIA, PAKISTAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. WOLFF. Mr. Speaker, I would like to call the attention of the House to an important and timely article in Monday's Washington Post by Thomas O'Toole which discusses in detail the problems caused by the inability of the United States and India to reach agreement on the use of nuclear fuel we supply to the Tarapur reactor complex under any new applications.

As of Monday, the terms of the Nuclear Nonproliferation Treaty, which set a deadline for nations wishing to buy uranium fuel from the United States, became operative for India.

Unfortunately, India did not meet the deadline for agreeing to the principal requirements of the Nuclear Nonproliferation Treaty—signing the treaty, or opening up its 21 Tarapur atomic plants to inspection.

Thus, in terms of any further applications we now face with India the same situation we have faced for some time with Pakistan—we, and the outside world, have no verifiable means of insuring that plutonium from spent nuclear fuel is not being diverted to nuclear weapons use.

I make this point because it is important that our Pakistani friends recognize that we have not been discriminating against them for the past year or so. The situation today is as we have been saying for some time—when the terms of U.S. law mandated that India be required to meet the same basic requirements we have been asking of Pakistan, then India would be asked to do so.

Now, India and Pakistan face the same requirements, and, I must say, the United States faces the same dilemma in each, for we have vital national interests in each, and the disagreement over the nuclear issue threatens the pursuit of those interests.

But I think there is no one in this Chamber who will disagree that the nuclear proliferation issue is one which should be set aside because of bilateral concerns. Nuclear proliferation is a strategic and humanitarian concern of the highest order, on which we must do all in our power to reasonably resolve.

I strongly urge that the United States, India, and Pakistan—as well as the People's Republic of China, and the U.S.S.R.—have a vested interest in solving the present dilemma in a sensible and humanitarian fashion. Last August, the Subcommittee on Asian and Pacific Affairs led a mission to Pakistan. Its report made the following findings and recommendations, which I feel are as relevant today as when they were made. I would like to

present them for the RECORD today, following the Washington Post article:

[From the Washington Post, Mar. 10, 1980]

UNITED STATES-INDIA A-TREATY CONFLICT COMES TO HEAD TODAY

(By Thomas O'Toole)

A conflict that could strain relations for months between the United States and India comes to a head today when the key provision of a law Congress passed in 1978 goes into effect.

It is the Nuclear Nonproliferation Treaty, which set today as the deadline for countries that want to buy enriched uranium fuel from the United States to do one of two things: sign the treaty prohibiting the spread of nuclear weapons or open up all atomic plants to outside inspection to make sure plutonium from spent nuclear fuel is not being diverted to nuclear weapons use.

India has done neither. The State Department has engaged in on-and-off negotiations the past two years with three Indian governments and has come away empty-handed.

"All we've really asked for from the present [Indira] Gandhi government is some kind of assurance the plutonium in the spent fuel will not be used for explosives," one State Department source said. "We have yet to get that assurance."

At stake now is the export of 21 nuclear power plants at Tarapur, India. If the five commissioners of the Nuclear Regulatory Commission were to vote today, they might vote against it.

"I would be very hard put to vote for it today," one of the five commissioners confided. "I just don't see how we can vote for a license without any formal assurances from India that they are willing to conform to the provisions of the nonproliferation act."

Time is running out on the Indian export application, which came to the NRC in October 1978. The eight tons of uranium the NRC approved for shipment to India last year has been made into fuel rods at the Indian fabrication plant at Hyderabad, which was counting on getting the next shipment this month to keep the plant open.

If India does not get the uranium in the next few months it will have to start reducing the power output of its four reactors at Tarapur to conserve uranium. Sources at the State Department say that if India reduces Tarapur's power output to 70 percent, it can keep the plants running until June 1982. If the plants keep running full tilt, they will have to shut down sometime next year.

The Tarapur export license is pending at the State department which may keep it until it hears from the Gandhi government about its spent-fuel intentions. One source at State said the Gandhi government has only to give assurances that the plutonimum in the Tarapur fuel would never be used to make explosives.

If the State Department were given assurances, the export license would go to the NRC.

If the NRC voted against the shipment, the license application would go automatically to the White House where President Carter likely would approve it. Should that happen, Congress would have 60 days to override his decision or stay silent and let the uranium go to India.

Key Senate and House leaders have mixed emotions about overruling the White House. Rep. Jonathan B. Bingham (D-N.Y.), chairman of the Foreign Affairs subcommittee on international economic policy, has said he does not want to see the fuel shipped without assurances it will not be used for weapons but might let it go if India gave assurances.

Sen. John H. Glenn Jr. (D-Ohio), chairman of the Senate Governmental Affairs subcommittee on energy, nuclear proliferation and federal services, has not made up his mind. Said one aide: "Sen. Glenn believes that if the United States waives the law in this case, it's the ultimate step backward in proliferation matters. On the other hand, he understands the politics of the whole matter."

RECOMMENDATIONS OF THE SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS, AUGUST 1979

4. NUCLEAR NONPROLIFERATION

Recommendation A.—That India and Pakistan be encouraged to initiate a process which would culminate in a formal agreement to neither produce nor test nuclear weapons, and which would be enforced by international inspection of the nuclear facilities of each nation.

Recommendation B.—That the United States and Soviet Union resume talks on the Indian Ocean as an integral part of attempting to secure agreement on arms control.

Recommendation C.—That the People's Republic of China be encouraged to reconsider its policy of not signing the Nuclear Nonproliferation Treaty in view of the key role such a step would play in reducing regional tensions and working toward world peace.

Recommendation D.—The United States must clarify its policies on helping nations with which it has cooperated in peaceful nuclear development so that there are no further misunderstandings which themselves add to the dangers of nuclear proliferation.

Recommendation E.—The United States must continue to help nations develop peaceful energy resources, including alternative energy sources. However, the United States must also continue to employ economic and other appropriate, peaceful sanctions, as legislated by Congress, to prevent the spread of nuclear weapons.

Discussion

The issue of nuclear proliferation is one of the key links in what the Delegation is characterizing as a chain of fear binding ever tighter in Asia. Its application to the region comes particularly through the traditional Pakistan-India rivalry. However, it is also directly related to the Sino-Soviet struggle, as well as to the inability of the superpowers to achieve nuclear disarmament.

Because of fears that China harbored territorial ambitions against India, and fueled by the border war of 1962, India began a massive arms buildup over the next decade, largely under the sponsorship of the U.S.S.R. In 1974, India exploded a nuclear device, although India has to date chosen not to produce or deploy nuclear weapons.

In 1965 and again in 1971, India and Pakistan met on the battlefield. The United States remained neutral in these struggles, although it was the principal supplier of arms to Pakistan, and Pakistan has made it clear it considered more support to have been warranted in view of the 1959 bilateral friendship agreement between Washington and Islamabad.

With the fall of the Desai government in India, the instability in Afghanistan and Iran, and the increasing Soviet role in Afghanistan, Pakistan now perceives itself to be under mounting pressure to provide for its self-defense independent of outside assistance.

As noted, in January, 1978, then-Prime Minister Morarji Desai told the Subcommittee on Asian and Pacific Affairs the Indian Government would never develop nuclear weapons. However, Desai added, India would not sign the Non-Proliferation Treaty on the principle that nonnuclear nations should not be asked to forswear that which the superpowers themselves could not agree to renounce.[1]

Now, the new Indian Government has announced that if Pakistan fulfills its military nuclear potential, India will have to reconsider its policy of not developing nuclear weapons. Thus, should Pakistan do what it has consistently pledged not to do—pursue a nuclear weapons capacity—the countermove by India would automatically produce nuclear confrontation, and a new level of fear and tension in the world. For the first time, two contending nuclear states would be bound by no understandings or agreements—no matter how tenuous—on the balance of power and how it was to be maintained in the face of a greatly escalated arms race potential.

Such a tragic development could only be viewed with the greatest gravity by the United States, the Soviet Union and the world community at large.

The delegation recognizes that Pakistan (as with India, and other Asian nations which have historically depended on Western technology and assistance) has a need for energy which cannot be assured by conventional resources or technology. The delegation recognizes that Pakistan and India have a legitimate claim on the West for assistance in the peaceful development of nuclear energy, as well as alternative, safe forms of energy production.

However, the United States is presently constrained not only by law, but also by its own genuine sense of uncertainty as to the best course to follow, particularly on peaceful nuclear energy. Consequently, an unhappy coincidence now makes coherent U.S. policy on nuclear energy development difficult; at the same time as many nations are achieving the sophistication necessary to consider a weapons option, and hence require the closest possible monitoring, the United States and other Western nations, because of the requirements of the law, are cutting off cooperation.

Regardless of what decision is finally reached on peaceful nuclear development, it is clear that nothing could be more inimical to U.S. interests—or to the interests of Asia or the world—than for nuclear weapons to appear on the subcontinent.

Therefore, while the delegation shares with the administration a flat rejection of military intervention to prevent nuclear proliferation in the subcontinent, the fact remains that the United States must exercise all appropriate bilateral and multilateral options, including cutoffs of economic assistance or conventional defense equipment, which might succeed in forestalling a nuclear arms race on the subcontinent.

The delegation accepts the point that India and Pakistan are being asked, in effect, to take steps which the superpowers so far have not. But as noted, through the SALT process, the test ban treaty, and through the crucible of the threat of nuclear war over such confrontations as Berlin and Cuba, the superpowers have reached some formal and informal methods of crisis resolution.

The delegation suggests that however imperfect, such a modus vivendi has not been achieved on the subcontinent. As a step toward achieving this, the delegation notes that President Zia of Pakistan and then-Prime Minister Desai once exchanged letters on the issue of each other's nuclear potential. Such a renewed exchange, particularly if it presaged steps toward a more comprehensive understanding, would greatly reduce the present uncertainty.

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[1] Prospects For Regional Stability: Asia and the Pacific. Report on a study mission to Asia and the Pacific by the Subcommittee on Asian and Pacific Affairs, Washington, D.C., U.S. Government Printing Office, 1978.

Ideally, the nations of the subcontinent should agree to negotiate a nuclear free zone for the region, with international inspection of the nuclear facilities of each nation.

In this regard, the delegation accepts the necessity of the United States and the Soviet Union resuming talks on the Indian Ocean. While in Moscow, the delegation told the Supreme Soviet it hoped the Soviet Union would join in a scheduled Chiefs of Mission conference in the fall, and added that the delegation intended to endorse resumption of Indian Ocean talks when it returned to Washington.

By linking actions of India and Pakistan with the Soviet Union and the United States, the delegation hopes to underscore its understanding of the organic process inherent in arms control, and the hope of world nuclear disarmament. For this reason, the delegation also cites the importance of China agreeing to the Nuclear Non-Proliferation Treaty as an integral step toward reduction of tensions on the subcontinent, and throughout Asia and the world.●

FINANCIAL REPORT OF THE CONGRESSIONAL STEEL CAUCUS: QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE STATEMENT FOR PERIOD ENDING DECEMBER 31, 1979

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Ms. MIKULSKI. Mr. Speaker, in accordance with Executive Committee Order No. 1, I am respectfully submitting herewith the quarterly financial report of the Congressional Steel Caucus for insertion into the RECORD. The report is as follows:

QUARTERLY REPORT—FUND BALANCE STATEMENT—U.S. HOUSE OF REPRESENTATIVES CONGRESSIONAL STEEL CAUCUS

	In dollars
Balance remaining (as of Sept. 30, 1979)	557.30
Total revenues (clerk hire and membership dues)	10,213.75
Subtotal	10,771.05
Less expenses:	
October 1979	3,689.21
November 1979	3,515.08
December 1979	3,467.70
Total expenses	10,671.99
Remainder	99.06
Plus interest deposit	13.41
Total unexpended revenues (as of Dec. 31, 1979)	112.47

QUARTERLY REPORT—STATEMENT OF EXPENSES—U.S. HOUSE OF REPRESENTATIVES CONGRESSIONAL STEEL CAUCUS

	In dollars
Salaries	33,168.54
Travel	0
Stationery	425.20
Postage	62.00
Telephone	624.28
Publications	624.75
Equipment	2,137.62
Printing	215.95
Miscellaneous	9,650.92
Total expenses as of Dec. 31, 1979	46,909.26

CONGRESSIONAL STEEL CAUCUS MEMBERS WHO HAVE PAID DUES AS OF DECEMBER 31, 1979

Joseph Addabbo, Douglas Applegate, John Ashbrook, Eugene Atkinson, Donald Bailey, Adam Benjamin, Jr., Tom Bevill, Clarence Brown, George Brown, John Buchanan, John Cavanaugh, Don Clausen, William Clay, William Clinger, E. Thomas Coleman, Lawrence Coughlin, W. C. "Dan" Daniel, Robert Davis, and John Dingell.

Robert Duncan, Robert Edgar, Allen Ertel, Dave Evans, Vic Fazio, Floyd Fithian, Daniel Flood, William Ford, L. H. Fountain, Joseph Gaydos, Robert Giaimo, Benjamin Gilman, William Goodling, Tennyson Guyer, Sam Hall, Jr., James Hanley, Elwood Hillis, and Kenneth Holland.

Richard Ichord, John Jenrette, James Jones, Tom Kindness, Ray Kogovsek, Peter Kostmayer, Raymond Lederer, Gary Lee, Jim Lloyd, Clarence Long, Thomas Luken, Stanley Lundine, Robert McClory, Joseph McDade, Robert McEwen, Gunn McKay, Marc Marks, Dan Marriott, and James Martin.

Dawson Mathis, Robert Michel, Barbara Mikulski, Clarence Miller, John Mitchell, Robert Mollohan, G. V. Montgomery, William Moorhead, Ronald Mottl, Austin Murphy, John Murphy, Morgan Murphy, John Murtha, Michael Myers, William Natcher, Bill Nichols, Richard Nolan, and Henry Nowak.

Mary Rose Oakar, James Oberstar, George O'Brien, Thomas P. O'Neill, Edward Patten, Donald Pease, Carl Perkins, Melvin Price, Carl Pursell, James Quillen, Nick Joe Rahall, Ralph Regula, Don Ritter, Robert Roe, Dan Rostenkowski, Marty Russo, Richard Schulze, John Seiberling, and Richard Shelby.

Bud Shuster, Paul Simon, John Slack, J. William Stanton, Louis Stokes, Samuel Stratton, Gene Taylor, Morris Udall, Bruce Vento, Doug Walgren, Robert Walker, Richard White, Lyle Williams, Charles Wilson, Gus Yatron, Clement Zablocki, Leo Zeferetti, Jerry Lewis, and Christopher Dodd.●

VOLUNTARY REGISTRATION

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. WEAVER. Mr. Speaker, on Thursday, February 28, I introduced, along with Congressman SEIBERLING and Congressman BROWN of California, legislation to improve the Selective Service System (H.R. 6670). This bill provides a system whereby Americans of any age or sex designated by the President will have the right to voluntarily (in peacetime) register with the Selective Service System.

In his state of the Union message, the President called for the resumption of peacetime mandatory registration. Through this registration the President hopes to prove the capability of the recently upgraded Selective Service to quickly and efficiently gather, process and compile a list of names of potentially draftable youth. He also aspires to send a strong message to the Soviets regarding the determination of the American people.

There are problems with his proposal. First, the DOD has the opinion that to be constitutionally viable, the registration must include both men and women. Congress has firmly indicated that it will not grant him the authority to register women. In fact, in recent testimony, administration representatives indicated they do not expect Congress to approve registration of women. Second, the wartime penalties for noncompliance with the Military and Selective Service Act will apply under his plan—5 years imprisonment and $10,000 fine maximum penalty. How will this penalty be applied to the estimated 10 percent of our youth who fail to register in peacetime?

In fact, the necessity of this massive peacetime registration is also in question. In a January 16 report to the President, the Director of the Selective Service held that they now have the capability to respond in an emergency. He projects that under his recently upgraded plan, Selective Service will soon have the capability to far exceed the DOD requirements with postmobilization registration.

This bill then poses an alternative to the immediate resumption of mandatory peacetime registration. It also defuses the potential problems and controversy. A voluntary registration would give the Selective Service a real life opportunity to demonstrate its data gathering capabilities in order to assure our enhanced mobilization capability. At the same time, this voluntary registration will give every American who is eligible to register the opportunity to send a strong message to the Russians: a message born of free choice rather than fear of fine or imprisonment.

Under the voluntary plan:

First. The President shall determine the appropriate age groups and all Americans in that age group will be eligible to register voluntarily.

Second. There would be no fine or imprisonment for those who do not choose to register under voluntary registration law. However, the present provisions and penalties regarding registration would again be in force at such time as the President requests from Congress a declaration of war or declares a state of national emergency and requests resumption of mandatory registration under the present statute.

Third. Selective Service shall determine the time and manner of registration in order to fully demonstrate its registration capacity.

Fourth. The plan would include women, but their participation would, of course, be voluntary as for the men.

Fifth. The only penalty provided under voluntary registration would be a civil penalty, a $100 fine for persons who knowingly provide false registration information.

Sixth. This legislation would in no way affect the other provisions of the Military Selective Service Act including the expired authority to induct.

Here are some key conclusions from the draft working document submitted to the President on January 16, 1980, by the Director of the Selective Service System. They may be found in their entirety on p. 4028 and following of the CONGRESSIONAL RECORD.

(1) That post-mobilization registration is an effective means of meeting the Defense Department's emergency mobilization timetable: "Every participatory registration option can more than meet the DOD manpower requirement. The post-mobilization option is by far the most cost effective, and least intrusive, and is the option chosen by Selective Service."

(2) That pre-mobilization registration would not substantially improve the delivery schedule of inductees in an emergency mobilization, but would be significantly more costly. According to the Document, inductions would begin on M+17, 100,000 inductions could be made by M+35, and 650,000 inductions by M+125, at a cost estimate of some $9.7 million. With peacetime registration in effect, inductions would begin on M+10, 100,000 inductions could be made by M+26, and 650,000 by M+117 (saving seven, nine, and eight days respectively over post mobilization registration) at a cost of over $25 million.

(3) That post-mobilization registration is the preferred option: "The post-mobilization option should substantially exceed Defense requirements, employs the fewest number of full time personnel, and costs the least."

(4) That, given the effectiveness of the post-mobilization plan, the resumption of registration is unnecessary: "While costs and staffing should not be the determining factor (in selecting an option) the reduced delivery time provided by the other options is redundant and unnecessary."●

KENNETH HARDING RETIRES

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. ADDABBO. Mr. Speaker, on February 29, Kenneth Harding, a fixture and one of the most respected gentlemen on Capitol Hill for over 35 years, announced his retirement as Sergeant at Arms. In the many years I've served in the House of Representatives I dare say I have never met a man who devoted so much time and energy to the work he loved very much.

In recent months this Chamber has been saddened to learn that nearly a score of Members have told us they will not be seeking reelection. Members whose advice and friendship I have come to enjoy and depend on. In the same way I am saddened by the retirement of Ken because of his friendship and help he has provided. Very often I think we take for granted many of the hard-working people on the Hill who help us perform our duties as Representatives. Without the fine work of people such as Ken Harding our jobs would be far more difficult, if not impossible.

As Sergeant at Arms Ken has had numerous responsibilities. The far most difficult and in many respects, the most important has been his role in maintaining the general security of the House buildings and Capitol, a difficult job he handled with great aplomb. The task of providing security where we work is a difficult one. The thousands of people who walk the hallways, enter the galleries, and eat in the restaurants often pose security risks to Members of Congress, as well as for the general public. It takes a special man, with unique qualities to have been able to oversee such an area of tremendous importance. It takes a man with a cool head and quick thinking abilities to have handled the demonstrations, bombs, and bomb threats, and shootings and near shootings that are a part of the environment. It was very reassuring to know that in times of danger that it was Ken Harding and his staff who were in control. He had other talents as well, managing the House bank with great efficiency, always making sure all matters relating to our travel expenses and salaries were kept in order, with the fine people under his guidance ever polite and receptive to our needs.

I do not know how Ken plans to spend his retirement. But I am sure of one thing, and that is whatever he devotes his time to, it will be with the determination and infinite energy he has shared with us the last 35 years. It will be a different place to work without him, and I wish him all the luck on a retirement well deserved.●

H.R. 3919—WINDFALL PROFIT TAX

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. ARCHER. Mr. Speaker, on Wednesday H.R. 3919, the windfall profit tax bill, will come to the House floor in the form of a conference report. At the appropriate time, I plan to offer a motion to recommit the conference report to the committee on conference with instructions relating to the independent producer or royalty owner.

A copy of that motion to recommit follows so that all Members may be aware of its contents in advance:

Mr. Archer moves to recommit the Conference Report on the bill (H.R. 3919) to the conference on the disagreeing vote of the two Houses with instructions to the Managers on the part of the House to:

(1) provide an exemption from the windfall profit tax for the first 1,000 barrels of oil produced a day by an independent producer or royalty owner, with a definition of independent producer or royalty owner as one who is not a retailer with annual sales of more than $5 million or a refiner with a daily run over 50,000 barrels during the year, and

(2) adjust all revenue targets downward to reflect alterations made in the Conference Report intended to carry out these instructions.●

NATIONAL SUPPORTED WORK DEMONSTRATION

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. ROUSSELOT. Mr. Speaker, I would like to bring to the attention of the House some extremely significant findings regarding the ability and success of welfare mothers in the work force.

The welfare legislation passed last summer by the House left out a crucial reform: Granting States the option to require able-bodied adults to accept employment as a condition of welfare eligibility.

The arguments against such a proposal were that it is not cost effective, that welfare mothers are not really capable of being trained for employment, and that few would accept employment which left them only marginally better off on wages than on the dole.

A federally funded, 5-year project entitled "The National Supported Work Demonstration" has just issued its findings which contradict the usual arguments against a welfare work requirement. This project provided four target groups—long-term welfare mothers, ex-addicts, ex-offenders, and teenage dropouts—with work experience of a year of so under conditions of gradually increasing demands, close supervision, and work association with a crew of peers.

The results were phenomenally encouraging for the group of welfare mothers. The following excerpts from the preliminary summary report speak for themselves:

THE AFDC GROUP

To be eligible for the program, a person had to be female, on AFDC for 30 of the last 36 months, and have no children under 6 years of age. She had to meet the demonstration-wide requirements of being currently unemployed and with only limited recent work experience. AFDC recipients meeting these criteria constitute about 15 percent of the total AFDC population.

The average age of AFDC participants was 34; all but 5 percent were black or Hispanic; less than one-third were high school graduates; only 3 percent were currently married; and the average number of dependents in the household were 2.2; 14 percent had never worked, and an additional 61 percent had not held a full-time job during the last two years; their earnings during the past year averaged $240 and their stay on welfare average over eight-and-a-half years.

Here are the results for this group:

1. Supported work has proved to be an effective program to enhance the employability and earnings of long-term AFDC recipients and to reduce their dependence on welfare payments. This finding emerged from the research data showing that the AFDC women who participated in the program performed significantly better than the controls in terms of increased employment, in-

creased earnings and reduced welfare dependence. The significance of these differentials has held up consistently throughout the post-program period, as reflected in interviews over 27 months.

Preliminary analysis of additional data indicates that supported work appears to be most effective for AFDC recipients with the least prior work experience.

2. Many of the AFDC group sought and obtained jobs and remained employed even though their earnings were substantially offset by loss of welfare benefits. Many female heads of household are willing to work for very small financial gains in preference to the social opprobrium of continuing on welfare and suffering the governmental interference in their lives associated with being on public assistance.

3. The cost-benefit calculation for the AFDC group reveals that, primarily because of the employment and earnings gains of participants after they leave the program and the value of the goods and services produced by them while they are in supported work, the net benefit to society is considerable. Moreover, the benefits to the taxpayer from reductions in welfare payments, the taxes paid on earnings, and the reduced use of food stamps, housing subsidies, and Medicaid exceed the cost of providing the supported work jobs.

4. The average stay in the program of AFDC participants was about 9.5 months—longer than that of any other target group. This is attributable to their reluctance to leave supported work for jobs in the labor market and to the difficulty local programs encountered in their search for suitable employers willing to hire supported work participants. Almost 25 percent of the AFDC group could not obtain or would not accept a regular job at the completion of their maximum period of employment.

5. Preliminary indications are that supported work has the greatest impact in periods of high unemployment, possibly because in such circumstances employers are less inclined to hire "risky" workers (those with little or no work experience). This gives supported work participants, with their recent and structured experience in a work program, an advantage over their control group counterparts.

The preliminary report states that the results of the supported work efforts with welfare mothers were notably more positive than with the other three target groups.

Based on its findings, the Board of the Manpower Demonstration Research Corporation recommended, among other things, that:

The Secretary of Health and Human Services should seek legislative authority to allow the diversion of welfare allowances into wages for an expanded supported work program.

It was also recommended that:

Immediate action should be taken to launch new or expanded supported work programs for AFDC mothers and former drug abusers in interested communities, and to do so in close cooperation with the CETA, WIN and drug-abuse treatment systems. Cost-benefit analyses clearly point in that direction. The new or expanded programs should be implemented in a carefully designed and phased manner, consistent with national management and information needs and capacities.

These recommendations are particularly important in light of current efforts to target existing Federal programs on those in greatest need and make them more cost effective.

As a member of the Subcommittee on Public Assistance and Unemployment Compensation, I attempted during our deliberations on legislation for fiscal 1981 to raise the possibility that we might at least consider permitting States to institute a work requirement for adults receiving AFDC. Currently States are not even permitted this authority on a pilot test basis, much less as a general policy. Despite the subcommittee's disinclination thus far to deal with this issue, I intend to pursue this proposal.

I place in the Record at this point two articles further describing the supported work demonstration:

[From the Washington Post, Feb. 28, 1980]

Five-Year Experiment Finds Welfare-Transition Jobs Effective

(By Kathy Sawyer)

Hartford, Conn., February 27.—Until about 19 months ago, Martha Davis, 31, seemed a hopeless welfare statistic. Dependent on public assistance all her adult life, she dropped out of the 11th grade, had two children, and moved from North Carolina to this northern industrial city.

Then something happened to change all that. For the past year, she has been employed as a bench mechanic at a local aircraft engine plant. She wields a handtool to clean engine parts on the midnight shift. Completely off welfare, she earns around $9 an hour.

"It's a good feeling to get up and go to work," she said. "I know you got to start at the bottom. But you got a chance to do better later on."

How many of the nation's poor have become so debilitated that they cannot be helped out of their cycle of dependency? Do they "Just want a free ride?" Or will they respond to the right kind of opportunity?

A major five-year social experiment, sponsored by four federal departments and the Ford Foundation, set out to address such questions and has produced some dramatic answers. Martha Davis represents one of them.

The Ford-federal study found, for instance, that twice as many women on welfare like Davis make the transition to self-sufficient employment if the government subsidizes transition jobs for them, instead of merely distributing welfare checks.

It also found that crime rates among drug addicts drop by about one-third under the same program.

It found as well that the public treasury saves money—about $8,150 per person—by subsidizing improved jobs for the welfare mothers instead of simply paying them welfare.

The National Supported Work Demonstration, as the $82 million study was called provided transitional work experience to 3,200 of society's least-employable people, all volunteers. It operated at locally run sites in Hartford and 14 other cities initially.

Of 1,500 welfare mothers followed for research purposes one third got off of welfare to self-supporting jobs.

For each person selected to work, another hard-to-employ jobseeker was rejected but was kept track of by researchers for comparison as a control group.

To the surprise of some experts, the most desperate, least educated welfare mothers—women receiving Aid to Families with Dependent Children (AFDC)—responded more dramatically than any of the other hard-core unemployable groups that were targets of the experiment, drug addicts and out-of-school teenagers.

Many of the women "sought and obtained jobs and remained employed even though their earnings were substantially offset by the loss of welfare benefits," the report concluded. It was released yesterday in New York City.

But the program didn't work at all with its contingent of young high school dropouts, many of whom have records of delinquency or criminality.

The complex experiment, which provided jobs for 10,000 people overall, was hailed as a rare attempt to assess scientifically the impact of a social program on peoples' lives before public policy and dollars are committed to it on a massive scale.

The welfare mothers who went through the program not only achieved a higher rate of employment, but worked more hours and earned higher wages, the study reported. By months 19 through 27 of the program, after the women had left the supported work program and many had been placed in regular jobs, about twice as many of them had left the welfare rolls as those who were not in the program.

These women had the best work attendance rates, stayed the longest average time in the subsidized program, had the highest rate of departures to a regular job (about 35 percent) and the lowest rate of firings, compared with the other workers.

The transition jobs paid about the minimum wage and taught the women to fill out forms, to show up on time and other disciplines of regular employment.

They went to work building bunk beds in a sawdusty furniture factory, recapping tires, cleaning machine parts, demolishing interiors of old buildings and shoveling trash, working on construction projects and running parks or day care centers.

Ex-drug addicts showed positive results, though much less dramatic than those of the welfare mothers. They improved their job-getting and earning ability, and also cut down significantly on drug-related and other criminal activity thus suggesting that they substitute "legitimate for illegitimate income for the purchase of drugs," the study said.

The ex-convicts category, like the high school dropouts, showed no significant long-term benefit from the program.

Because the response by school dropouts was so poor, officials said, the study calls into question the value of government programs that emphasize some type of work experience to deal with the explosive and persistent youth unemployment problem.

Such training programs have been a major element in efforts to deal with unemployment and welfare dependence and are a component of the Carter administration's new $2 billion proposal to attack youth unemployment.

"We were not committed to make the program work," said manpower specialist Eli Ginsberg, who served as chairman of the board of the independent corporation created to run the project and minimize bureaucratic infighting. "We were committed to understand where it works and where it doesn't. So in that sense the negative findings were not a failure" he said.

Most participants were black or Hispanic, less than a third had been graduated from high school, and less than a quarter were married. They had worked an average of only three to 10 weeks during the preceding 12 months and except in the welfare mothers category, the arrest rates ranged from 54 to 100 percent, with heavy drug use (heroin) among the ex-convicts as well as the ex-addicts.

Program manager William Dowdy in Hartford said the women not only had a high success rate for themselves but they had "a profound impact on the other workers."

"These ladies had some maturity, responsibility and stability before they came here, even though they were on welfare," he said. "Maybe because of the children at home. . . . They made the others cut down on profanity, fights, things like that."

The project was sponsored by the U.S. departments of Labor, Health, Education and Welfare, Justice, Housing and Urban Development, along with the Ford Foundation.

[From the National Journal, Mar. 1, 1980]

IF GIVEN THE OPPORTUNITY

(By Linda E. Demkovich)

The poor—or so proponents of welfare reform have long maintained—would rather work than live off the public dole. That thesis lies at the heart of the Carter Administration's welfare reform package, which attempts to provide jobs and training for the able-bodied poor who slip in and out—mostly out—of work.

Now, on the eve of renewed congressional debate of President Carter's welfare jobs bill, come the results of a five-year, $82.4 million national demonstration program that gives some credence to the thesis. The program created temporary jobs for four groups of the hard-core unemployed—women on welfare, former drug addicts, ex-offenders and youths who had dropped out of high school. Its "greatest success," according to a report issued on Feb. 27, was among welfare mothers, many of whom found and held jobs even though their earnings were offset "substantially" by the loss of welfare benefits.

The timing of the report is especially propitious. On March 5, the Senate Labor and Human Resources Subcommittee on Employment, Poverty and Migratory Labor will open hearings on the jobs component of Carter's plan. In the House, the Education and Labor Subcommittee on Employment Opportunities has already begun writing a bill and is expected to return to the task in a few weeks. (See NJ, 1/26/80, p. 150.)

But even if the report has no immediate impact on specifics of the legislation, it could well influence Congress's thinking on employment for the "unemployable" and redirect welfare policy further down the road.

The idea behind the "supported work" demonstration, which began in March 1975, was less to teach skills or find permanent jobs than to ease the transition into a work environment for people who weren't expected to function well in the normal job market. Participation was voluntary, and more than 10,000 people in 15 cities took part over the course of the experiment.

The work, provided by local non-profit companies, ranged from recapping tires to upholstering furniture to running day care centers. Employees were subjected to increasingly strict standards—for productivity and punctuality, for example. Those who failed were fired; those who did well were given small pay increases and productivity bonuses.

"We're not talking about teaching someone to become an airline pilot," said William Grinker, president of the Manpower Demonstration Research Corp., a non-profit organization that was set up to run the program. "For an entry-level job, employees are looking for someone who is reliable and willing to learn." Training, he said, can take a few weeks on the job.

The bulk of the funds, provided primarily by the Labor Department's Comprehensive Employment and Training Act (CETA) programs and the Ford Foundation, went to program operation. About $11 million, however, was spent to evaluate the program, assess costs and benefits for each of the groups and study the long-range implications for social policy. Accordingly, more than 6,600 volunteers—half of them in the program, the other half outside it—were monitored over a three-year period, well beyond the actual 12 to 18 months during which any of them were employed in the supported work projects.

More than any of the other three groups taking part in the program, the welfare mothers enhanced their employment opportunities and reduced their dependence on public assistance. (The former addicts also improved their employment prospects and registered a sharp drop in crime—but no reduction in drug dependency. The youths and ex-offenders were minimally affected by the program.)

About two years after entering the program, 20 percent of the women in the experimental groups were employed—a significant number, considering the fact that they had spent an average of 8½ years receiving aid to families with dependent children (AFDC) benefits before joining the program. Also after two years, more than twice as many women in the experimental group had left the AFDC rolls as those who were in the control group.

Women in the experimental group worked an average of 60.9 hours a month, compared with 45.2 for the others. Their average monthly earnings were $242.89 and their monthly welfare benefits $172.06, compared with earnings of $165.88 and welfare benefits of $224 for those in the control group.

The researchers tried to weigh the benefits of the program against its costs: the salaries paid by the federal government and the private contributors. On the benefits side of the equation, the researchers counted the goods and services produced by the participants during the program and their earnings gains after completion of the program.

For welfare mothers, the researchers estimated that benefits exceeded costs by an average of $8,150 per mother over the program's five years. And that doesn't count savings in welfare payments as well as any intangible gains that the researchers couldn't measure.

"The women may not have made more money, but they did have the psychological benefit of saying, 'I have a job.'" said Judy Gueron, executive vice president of the corporation.

What are the lessons for welfare reform? The program seems to suggest that people—even some of the most disadvantaged and disaffected—will work if they're given the opportunity. The income maintenance experiments concluded in Denver and Seattle more than a year ago also indicated that a federal income guarantee did not affect the amount of hours the poor would work. But this is the first program with a specific job model built in and with a mechanism to formally evaluate the impact. (For background on the experiments, see NJ, 12/30/78, p. 2060.)

Second, it indicates that planners have to take into account the different needs of different parts of the poor population. Supported work, if it is an answer, is an answer only for a relatively small segment of the poor.

"We're trying to find a variety of tools," said Michael C. Barth, deputy assistant secretary for income security policy at the Health, Education and Welfare Department, "and this is certainly one of them."●

SOMEBODY'S CALLING MY NAME

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. RANGEL. Wyatt Tee Walker's book "Somebody's Calling My Name," 1979, Judson Valley Press (Valley Forge, Pa.) is an up-to-date, comprehensive study of black sacred music and its relation to social change in the United States and North America.

Mr. Walker's book is the definitive statement concerning black sacred music and its correlation with the social circumstances from which it grew. He effectively traces the roots and directions of this music as well as such phenomenon as the multiple functions of spirituals and other black music. Also, Mr. Walker's investigation of the black religious experience and the importance of the black church as a social institution, is both informative and significant.

Of particular interest is Mr. Walker's analysis of the nonviolent movement in the United States and his chronological categorization of the divisions and subdivisions of black music ranging from meter music to the various types of gospel.

All in all, Mr. Walker has written a book that most certainly deserves the attention of the musical, historical, and literary communities. It is a must for every serious student of black history.●

THE MUGABE VICTORY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. MICHEL. Mr. Speaker, last week, while the eyes of the United States were on events in Afghanistan and Iran, a profoundly important political event took place in southern Africa. Robert Mugabe, avowed Marxist-Leninist, terrorist, and guerrilla leader, led his party to a solid majority victory in the Rhodesian elections. Everyone—including, perhaps, Mugabe himself—was surprised by the size of his victory.

The Prime-Minister-elect has spoken with moderation since his election and, as was the case during his campaign, there is now an absence of Marxist-Leninist rhetoric. Many see this as a device to keep white Rhodesians from fleeing the country. Whether Mugabe's new-found moderation will convince white Rhodesians that he has suddenly changed from a terrorist to a lover of democratic values remains to be seen.

My own estimate is that Mugabe has not changed. His young terrorists intimidated many voters during the election campaign and, in a short while, they will no doubt begin to pay off old debts against Africans who were loyal to the white government. While there is a slight possibility that Mugabe may develop into the kind of moderate Socialist leader his American friends say he is, I have my doubts.

At this point I wish to include in the RECORD "Mugabe's Victory and the Future of Zimbabwe," from the Wall Street Journal, March 7, 1980.

The article follows:

MUGABE'S VICTORY AND THE FUTURE OF ZIMBABWE

(By Bayard Rustin and Leonard R. Sussman)

Robert Mugabe's victory in Rhodesia is being called the first democratically elected Marxist government in Africa. It is not! That fact should generate neither relief nor disinterest among American policymakers who largely supported Mugabe.

The people, soon to be called Zimbabweans, did not knowingly choose a Marxist-Leninist leader or government. Moreover, their political "will" was expressed in a pervasive climate of fear. Intimidation was practiced not only by the two Patriotic Front parties—Mugabe's Zimbabwe African National Union (ZANU-PF) and Joshua Nkomo's Patriotic Front (PF)—but as well by the third-running United African National Council (UANC) of former Prime Minister Abel Muzorewa.

Thousands of voters and their families were directly and indirectly intimidated during the long guerrilla war, as well as during the election. Because the extended family in Africa may include several hundred persons, all may be cowed by one man's ordeal. We talked in Salisbury to such a man.

Two weeks earlier he had been released from Mugabe's torture camp in Mozambique. This 45-year-old black teacher had never been a political activist. He was randomly abducted, carried across the border and forced to dig a pit in which for two years he was kept prisoner and intermittently burned with wooden embers. The victim was returned to his family under the Lancaster House agreement in London last December between Rhodesia's rival political factions.

We asked this man about his future if Mugabe won. "It is simple," he said. "Death."

While fear pervaded the campaign, there were differences in degree and kind. The intimidation by Muzorewa's former auxiliaries, now absorbed into the security forces, was deeply resented by voters to whom we talked. Such violations of a government's function were attributed to the bishop and held against him. Clearly, Muzorewa—who might have fared better if an all-parties election had been held a year earlier—lost votes this time because he was associated with the auxiliaries, and with the British and white Rhodesian administration. He lost, too, because as prime minister for less than a year (half that time divested of power by the Lancaster House conference) he did not produce significant change.

Mugabe profited from that and the pervasive fear. Shortly before the election he said that he had stopped the war, but if not elected would begin the painful conflict anew. Fear thus served him twice over: as peacemaker and warmaker. There were, moreover, harsh memories of guerrilla brutality.

Mugabe's ZANU-PF capitalized on the traditional belief in magic as well as fear. They repeatedly claimed they could foretell the future and discover how individuals voted. One sophisticated African estimated that as many as 80% of the rural citizens, and many in the black urban townships as well, still believe in witchcraft and the ability to pierce the secrecy of the voting box. This despite the fact that voters told us they believed their vote would be secret from the official vote-counters.

If it is difficult to determine precisely the degree to which fear decided the Zimbabwe election, it is easier to assay the role of Marxism. Mugabe is, after all, a self-proclaimed Marxist-Leninist. The ZANU "political commissariat" said, January 7, 1980, that it "will put all means of production under public ownership." This, says its manifesto, may be resisted by "some African national bourgeoisie." The manifesto added, "Economic cooperation will be established and strengthened with the socialist world so as to bring capitalist U.S.A., Britain, West Germany, etc., to ultimate doom." Says the manifesto, "the people's government shall hold the land and shall be the administrator and trustee for present and future generations."

Yet Mugabe did not conduct an ideological campaign. (Some local ZANU/PF campaigners, we learned, did make orthodox Marxist-Leninist statements.) On the contrary, Mugabe's deputy told us that "socialist" leadership does not explain its basic objectives to the people, but informs them of strategies only after securing power. Mugabe spoke to the voters not of Marxism but of land reform and black rule.

Both are valid and urgent needs. For too long the best lands have been denied the African population, and they have suffered all the traditional humiliations of colonial rule. The British and white Rhodesians too late began to change the system.

It would come as a great surprise to the overwhelming number of Zimbabweans, however, that Marxism-Leninism has always produced a single-party state, the gagging of diverse viewpoints in all social institutions and the continued use of force to maintain the regime in power. Zimbabweans were not told about that.

Consequently, if Mugabe imposes a Marxist-Leninist regime, it will not be because he has secured the will of the people for such a system. He was swept into office on the pervasive fear of guerrillas—his and others—and the widespread belief that change—any change—must be tried. That is far from having a Marxist-Leninist mandate.

If Mugabe is primarily a nationalist (as his American supporters maintain) he now has the chance to drop un-African political, social and military systems. He should institute a Zimbabwean system of social and economic reform, end the climate of fear and construct a multiracial, multiparty democracy. Black rule can be as authoritarian as any colonial system. Mugabe can achieve a true "first"—that of the African nationalist who took arms, funds and advice from the Communist states in order to achieve office—and then became a democratic intellectual statesman.

British and American policy-makers now have a moral responsibility at least as great as ending colonial rule in Rhodesia. That is to assist the democratic development of Zimbabwe. The people deserve no less. Writing them off because they seem to have expressed a political "will" may momentarily be a relief to Western politicians but it would bring disaster to southern Africa. With Zambia turning to the Soviets for military and other aid, Cuban troops occupying Angola and South Africans speaking of military countermeasures rather than ending the cruel apartheid system, the future of Zimbabwe is crucial to peace and democratic development for black Africans throughout the southern zone. Far from relaxing, Americans must help Zimbabwe become a free country.●

ALASKA LAND

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. YOUNG of Alaska. Mr. Speaker, the absence of a workable energy policy has plagued the United States since the oil embargo of 1973-74. This lack of policy has created negative reverberations throughout the world. Although the administration has produced barrels and barrels of rhetoric, they have failed to create or maintain incentives that would allow private industry to produce the barrels of domestically produced energy that we so desperately need.

The recent action of the Secretary of the Interior to put a freeze on 40 million acres of land in Alaska has only exacerbated the problem in Alaska. Alaskans want to help alleviate the energy crises by sharing the wealth of resources within its bounds with fellow Americans. For some inexplicable reason, the administration has constantly ignored the pleas made by Alaskans even though the best interests of all Americans would be served by rational planning and identifying the energy resources available in Alaska.

An article that recently appeared in "The Oil Daily" identifies some of the major issues surrounding Alaska and the energy situation. I recommend it to my colleagues.

[From the Oil Daily, Mar. 4, 1980]

ALL COMMONSENSE POINTS AWAY FROM LOCKUP OF ALASKA LANDS

(By Milton Copulos, Energy Analyst, the Heritage Foundation)

One can hardly pick up a newspaper or listen to a broadcast without being reminded of the tremendous toll our dependence on imported oil is extracting from our nation's economy. From the balance of payments to the price of home heating oil, from Christmas toys to airline tickets—in every aspect of our daily lives higher energy prices are making themselves felt.

As though the economic costs were not enough, it now seems that with each passing day our heavy reliance on imported oil is taking us further and further along the path to war. As our peril increases so too does the urgency of our search for a solution. It is nothing short of incredible then, that with a stroke of his pen Interior Secretary Cecil Andrus recently foreclosed one of the most promising avenues of escape from our dilemma.

On Feb. 6, Secretary Andrus put a freeze on 40 million acres of Alaska lands under the provisions of the Federal Land Policy Management Act. In so doing he effectively barred access to vast areas of Alaska, many of which are considered among the most promising for the discovery of additional supplies of oil and natural gas. Although there is some debate over the extent of the deposits, estimates of the size of potential deposits in just one of the areas, the Arctic Wildlife Range, run as high as 14 billion barrels of oil, or nearly one and one half times as much as was found at Prudhoe Bay.

LOCKUP

What is most disturbing about this most recent action is that it is only the latest in a series of moves in Washington aimed at locking away forever the vast resource potential of Alaska. Moreover, these actions directly contradict the expressed wishes of the majority of the residents of that state, and the vital interests of our nation.

To the average American, mention of Alaska conjures up romantic visions of Sergeant Preston of the Yukon chasing claim jumpers across the frozen tundra. This idealized image of a bygone era bears little resemblance to the realities of modern Alaskan life. Like most popular misconceptions though, it carries just enough of a grain of truth to remain firmly implanted in our collective subconscious.

What is not commonly understood is that Alaska may hold the key to unlock the bonds which tie our national survival so closely to the Persian Gulf. The trouble is that the bureaucrats in Washington and their friends in Congress are about to throw that key away.

POSSIBILITIES

While at present no comprehensive accounting of Alaska's energy resources exists, some reasonably educated guesses can be made. For example, it is credibly estimated that the state has undiscovered recoverable reserves of from 59 to 100 billion barrels of oil using today's technology. This oil would be sufficient to offset all of our imports for the next 22 to 37 years at present levels. Assuming that a reasonable improvement in recovery methods takes place over time, we probably could double this estimate.

If that is the case, why aren't we developing this oil? For the same reason that we are not sure of the exact amount: Most of it lies on federally owned lands which have been closed to even basic exploration. Astounding as it may seem, to date a total of only 87 exploratory wells have been drilled in our 49th state. This compares with a total of 336,435 drilled in the lower 48 between 1947 and 1978.

Prior to the OPEC embargo, and the advent of increasing instability in the Middle East, some justification might have existed for the prohibition of oil exploration and development in our northernmost state, but under present circumstances, no such justification can possibly exist. Further, contemporary techniques for conducting initial exploration leave no lasting mark on the environment, and even the development of an oil field can take place without serious ecological effects. This contention has been borne out by both the Alaska pipeline, and the development of the oil field at Prudhoe Bay. It should be noted that a field the size of Prudhoe would take up less than 1.4 percent of the acreage contained in the Arctic Wildlife Range, and the actual drilling equipment and facilities an infinitesimal fraction of that.

A basis for comparison may be found in the fact that along its entire length, the Alaska pipeline takes up only 8.2 square miles out of the state's more than 350,000. There is also the Alcan highway, built 35 years ago, which stands as a clear demonstration that development can take place without ecological catastrophe.

Environmental protection is a goal which all responsible citizens support. Such protection, however, should not be used as an excuse for hoarding. In spite of this, there appears to be a pervasive notion in Washington that the only way to protect the environment is to put it, in effect, in a deep freeze. This elitist approach is born of the mind-set which views the undeveloped regions of our nation as a private preserve to be held in pristine condition so that a privileged few can go backpacking two weeks out of the year. The trouble is this notion is in direct conflict with the vital interests of our nation.

According to the State of Alaska, we could be receiving as much as 5 million barrels of oil a day from its fields within a reasonably short period of time, if only we allow it to be developed. This oil would equal two-thirds of our total imports, and be more than enough to eliminate our perilous dependence on the Middle East. Since this is the case, it would seem to make sense to utilize it.

Secretary Andrus, however, disagrees.●

OUR OPINIONS—AMERICA, LISTEN

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BROOMFIELD. Mr. Speaker, while the Soviet Union has remained active in the production of military weaponry, the United States—in the last 3 years—reduced shipbuilding, canceled the B-1 bomber, and delayed the MX missile program, thus weakening defense programs essential to the security of the American people and the credibility of our foreign policy. With a weakening of American military might, or at least the perception thereof, we have lost important credibility in our foreign policy, be it with our adversaries or our allies. Given these circumstances, it has been no wonder that events around the world can more quickly escalate to crisis proportions and invite Soviet opportunism. In this regard, I recommend to my colleagues the following editorial which recently appeared in the Detroit News:

OUR OPINIONS—AMERICA, LISTEN

The Committee of the Present Danger is an unusual pressure group, both because its membership is uncommonly diverse and because it has always been right.

The committee's leadership includes both distinguished old government hands and eminent representatives of business and labor. The three co-chairman are: Henry H. Fowler, partner in the New York banking firm of Goldman-Sachs; AFL-CIO president Lane Kirkland; and David Packard, board chairman of Hewlett-Packard, the computer firm.

But the individuals most closely connected with the development and expression of the committee's attitudes are: Paul Nitze, a former SALT negotiator and chairman of the advisory council for the School of Advanced International Studies at Johns Hopkins University; and Eugene Rostow, the Yale law professor who served as undersecretary of state in the Johnson administration.

In the fall of 1976, the committee warned that the Soviet Union, while mouthing platitudes about detente, was engaged in the greatest peacetime military buildup the world has ever known. The warning, because it represented a distastefully realistic view of the world and ran counter to the passionate wishfulness of many liberals, was ignored and ridiculed by the Carter administration and some members of Congress.

The committee understood the truth then and understands it now.

But a detente-struck President Carter, who has since admitted his grave misreading of Soviet intentions, unilaterally canceled the B-1 bomber and the "neutron" bomb, delayed the MX missile and the Trident submarine, reduced the size of the Navy, closed down the production line for the Minuteman III missile, and answered Moscow's every challenge with little more than a shy smile and a sermonette.

As a result, the Kremlin was encouraged to invade Afghanistan. It was the first use of Soviet troops beyond Warsaw Pact boundaries since World War II.

Imperialism is the central ethos of Soviet communism, and there is evidence enough beyond the Eastern European bloc in places like Angola, Ethiopia, North and South Yemen, Southeast Asia, and Cuba. The religious revolution in Iran was fomented by Moscow. And in the Western Hemisphere, Russia's hand can be seen in the turmoils of Nicaragua and El Salvador.

Logistically, the Soviet Union has demonstrated an ability to move massive armed forces by air (Angola, Afghanistan) and has built an all-oceans navy capable of threatening the sea lifelines of the democratic countries.

The Committee on the Present Danger likens today's situation with the mid-1930's and the prelude to World War II:

"Today, a similar process is taking place as the Soviet Union pursues a program of expansionism even more ambitious than that of Hitler, claiming the sanction of scientific socialism for designs in the ancient model of conquest and predation."

Against this, the committee adds, the United States can't afford to define its foreign policy in terms less comprehensive than the United Nations Charter, which prohibits the internaional use of force against the territorial integrity or political independence of any state—and that includes the use of surrogate brigands.

But the UN Charter notwithstanding, the USSR "will continue its program of expansionism unless and until we are able to confront it with an array of unacceptable risks." The "we" is meant to encompass America and all its allies.

The committee believes America must regain the ground so deliberately lost, by strengthening both conventional and nuclear forces, by greatly increasing available manpower, and by bolstering NATO.

Too, the United States must see to it's unhealthy and contorted economy. The first order of business is to sharply cut the double-digit inflation rate.

The committee believes that the tides are rushing the world toward general war, as they did in the 1930's; that this horrendous fact is now generally perceived by Americans; and that Americans are ready to "answer a call for action and, where necessary, sacrifice."

Remember, this is the view of an organization that has yet to be wrong.

Is anybody listening?●

SCHOOL FOOD SERVICE ASSOCIATION

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. RICHMOND. Mr. Speaker, this week 300 members of the American School Food Service Association are holding their legislative conference in

Washington. Formed in 1946, ASFSA has a membership of 70,000 dedicated professionals throughout the United States. The association believes that effective child nutrition programs make an invaluable contribution to improving the educational performance of schoolchildren. Since many of our colleagues share the goals and ideals of these food service professionals, I would like to share the comments I made before that group this morning:

COMMENTS BY HON. FRED RICHMOND

These are not the best of times, but they don't have to be the worst of times. These are times when we must ask some fundamental questions about the future of this Country, about the nature of its role in the world, and, most fundamental of all, we must define our commitments to the next generations, which will inherit our mistakes as well as our successes.

I am not here to preach to the converted. Each one of you has chosen a career—a deep vocation is perhaps a better definition of your commitment—which serves the important principle that what we do with the health and welfare of our children today in our schools establishes the habits that will define our society in the next century.

It is known as established fact that performance in school—from learning behavior to decorum in the classroom—is directly related to the eating habits of students. We also know that eating habits established early in life are carried into adulthood, where we all are well acquainted with the relationship between nutrition and health.

We also know that the least productive nations in the world are the victims of a vicious circle, in which the lack of food destroys the possibility of mobilizing people to become self-sufficient. I learned during a recent trip to India that poverty there is defined by the number of calories a person consumes: The poverty level in India is 1,700 calories a day. More than 310 million people in India live below that poverty level: We need go no further, knowing what we know about nutrition, health and productivity, to understand that under these circumstances India will never realize its full potential.

We know so many facts, but if we know so much, why are we here today, fighting against our very own Government in order to preserve the integrity of our National School Lunch Program?

Oh, to be sure, we are a nation of principle: We have the National School Lunch Act of 1946. It was passed at the end of World War II as "a measure of national security". We established that principle to ensure a healthy, strong, achieving nation.

That principle was reaffirmed by President Kennedy in 1962, when he tied the National School Lunch Act directly to his pledge to eradicate hunger in America.

Even President Nixon endorsed this principle in 1969 at the opening session of the White House Conference on Food, Nutrition and Health when he said: "Now is the time for us to put an end to hunger in America for all time."

Demonstrating and reinforcing the intimate connection between good nutrition and good health has been at the heart of American social programs for 34 years: The National School Lunch Program is the cornerstone of our commitment to forge that connection in the conscience of every American. Unfortunately, that conscience will be chipped away by cuts in Federal support of school lunches. Even by its own estimates, the Department of Agriculture admits that hundreds of thousands of children will be forced out of the program if the Federal subsidy is reduced by 5 cents. You, the professionals who work in the program daily, predict that the dropouts will number in the millions.

Five cents doesn't sound like a lot of money. Perhaps that's why the proposal is put forward in terms of a lowly nickel: A nickel is not good for anything else in our present economy, so why not take one away from the kids as well?

But let's start from a different definition: Five cents is 10 percent of the present Federal subsidy for a school lunch. Ten percent is a significant portion of a program. There are 27 million children in the School Lunch Program. Ten percent of that is 2.7 million. I'm from Brooklyn, which has a population of just a bit less than 2.7 million. When I imagine cuts in a Federal program that would eliminate anything with the size, the population and the potential productivity of Brooklyn, I become frightened of the consequences. Those of you who cannot imagine Brooklyn could substitute Atlanta, Cleveland, St. Louis or Dallas-Fort Worth, which are approximately the same size.

Why will children drop out? Marginal school districts will find the program an economic burden. In many places, the loss of relatively few participants will cause the lunch program to run at a deficit, and local school boards, already strapped for operating funds, will have no choice but to eliminate the entire program in their area.

Of course, not every school child will be forced to make up the difference. Middle-class parents who already pay will probably decide to pack lunches for their children.

As the middle-class children drop out from the program, a new form of segregation begins to emerge at lunchtime. The poor children, whose parents are not affected by the lowered subsidy, eat the school's lunch. The middle-class children do not. The children will quickly pick up the idea that the school lunch tray is a symbol of poverty.

Once that idea permeates the perceptions of our young people, we will have taken a giant step—backwards—in our struggle to make the school the training ground for equal opportunity and positive social consciousness.

The implications of this will affect every aspect of our school programs. It will have a direct impact on your work of making the school lunch program the centerpiece of nutrition education and training in the school curriculum. It will not be easy to defend nutrition education in school systems that have no meal programs.

We will also lose some measure of influence over the nutritional habits of the children. In the past few years, there have been some very positive steps taken toward creating the proper nutritional atmosphere in the lunchroom. I recently visited a school whose meal program comes under the watchful eye of Liz Cagan, head of the New York Board of Education's Bureau of School Food Services.

The children there eat balanced, low-salt, sugar-free meals. They have fresh fruit and milk. Their school lunches complement the work of a nutritionist, whose programs in the school teach the children about what is good to eat, and why, and this learning is reinforced by what they see on their trays at lunchtime.

I am aware of similar experiences in Georgia. I used that example in my testimony when I introduced a bill in Congress last month calling for incentives to provide nutritionally superior lunches in our schools. That bill, H.R. 6496, acknowledges the fact that many school systems have developed their meal and nutrition education programs to the point where they meet the highest standards through positive planning, and avoid the lowest standards by prohibiting junk food and cosmetic additives. The bill encourages the spread of this practice by offering a special subsidy of 10 cents per meal to those schools and school systems that reach these standards!

With the current trend of fiscal conservatism, this kind of program may not capture the social conscience of enough of my colleagues to ensure passage. The current mood in Congress, in fact, does not bode well for the vitality of any social program.

We can predict some of the immediate penalties. Not only will we be hindered in our efforts to support superior nutrition, but there will be inevitable pressures to let the present standards slip.

In many cases, school systems faced with a shortage of funds will allow management companies to take over their meal programs. They may be hired to rescue the lunch program, but they will remain there only as long as they show a profit. They will cut the lunchroom staff, they will do more prepackaging of standardized meals that are not aimed at the backgrounds and tastes of children in particular schools, and they will promote a la carte sales of junk food because that is where the profits are. We know from experience, time after time, that when a management company comes in to run a school meal program, its practices become another large obstacle to our main purpose.

We all know that children are very quick to pick up contradictions between what we say and what we do. If we say one thing in the classroom, and do the opposite in the lunchroom there will be no credibility to our nutrition education programs.

Of course, we have all had that experience with the Federal Government and some of its attitudes toward the school meal program. It wasn't long ago, for example, that you were encouraged to expand your programs to include as many children as possible. The implicit mandate then was to do whatever was necessary to stretch your program dollars so that every school child would be involved in the meal programs. Now the same Federal Government that encouraged you to expand the program is about to impose upon you its latest bureaucratic nightmare—the Assessment Improvement and Monitoring Systems (AIMS). This auditing system, based on a sampling of programs within large areas, aims at only one thing: To punish you for all the ingenuity you used to expand the reach of meal programs under tight budgets!!

If you buy milk at a good price, and the cartons are not all filled to the top, you will be called on the carpet. If one or two schools in your area are a bit lax, and they happen to fall into the sample, you will feel the pinch of the penalties. If your program is designed to meet the needs of your particular population, you are likely to be mandated to make corrective measures that have no relationship to your program whatsoever.

AIMS has not yet been implemented. The reason it is delayed is because many people—no doubt including many of you here today—went to the recent public hearings on AIMS and took positive actions. You told the Committee that this auditing procedure would destroy the goals of the meal programs, and you pointed out that AIMS would undo much of the work you have put into building up good, cooperative relationships between the Federal, State and local levels of program administration.

The lesson in having taken that positive action is clear. We will not protect our school meal programs by being defensive. And we will probably not accomplish very much if we *only* point out the dire effects of cutbacks.

We must use every tool at our disposal to press home the principals that these programs represent, and we must do whatever is necessary to accomplish them.

Now, let us review our strengths. One of our most important assets is the relationship between the School Lunch Program and our overall agricultural policy. Providing food for 27 million school children every day is a substantial source of support for the agricultural sector. In particular, the commodities being offered as part of the program are an important stimulus. These commodities should be utilized to the maximum extent possible.

Many States would like to cash out the commodities program. This is a mistake. By using commodities, by demonstrating the direct connection between the farm and the school lunch, we will develop important allies in our fight to preserve our national school meal programs.

Utilization of these commodities will stretch your budgets. Instead of taking a 12 cents per meal cashout, you can develop commodity processing programs to turn them into additional subsidies. Milk can be processed into cheese and flour can be made into bread, and both can be done at prices that are below the purchase price for those items when they are purchased on the open market.

You also have your own constituencies: The children and their parents. They will be directly affected by any reduction in the School Lunch Program. They are the losers in the first instance. They must be informed, and they must be mobilized to protect their interests!!

Middle-class parents must be told that a reduction in the subsidy discriminates against them and their children. Parents of the poor child must be told that this not only isolates their children, marking them as the recipient of "welfare", but also that it could endanger the entire School Lunch Program. But most importantly, your elected Representatives must be told of the damage any cutbacks would do to the School Lunch Program.

Since there is little time left before Congress makes its final spending decisions, you must act swiftly.

The Third Concurrent Budget Resolution for Fiscal 1980 and the First Resolution for Fiscal 1981 are simultaneously expected to be voted on by Congress as early as the end of April. During the next few weeks the House and Senate Budget Committees will be deciding which spending cuts will be included in these Resolutions.

If you wish to determine the course of public policy, you must be prepared to speak out. You must lobby each Member of the Budget Committees. You must visit your Representatives and Senators, not only in Washington but also back in your home state. In an age of computerized mailings, don't expect isolated letters to make a difference.

Finally expand your power base. Make alliances with educational, community and farm groups at the national and local levels. Like your Association, these groups have sophisticated networks of communication which can quickly convey their messages to Congress.

The School Lunch Program is not the only Federal nutrition program facing the cutting edge of the budget mania that is sweeping the country.

As Chairman of the House Agriculture Nutrition Subcommittee, I have legislative and oversight responsibility for the Food Stamp Program. Because of higher rates of inflation, food costs and unemployment, that program is in serious fiscal trouble. Unless Congress acts on my bill to raise the spending ceiling, over 20 million needy Americans will suffer drastic cutbacks in their food stamp allotments by June 1st. If our task were not difficult enough in these dark days, I have received word that we face an Amendment on the Floor which will not only do incalculable damage to the Food Stamp Program but will also cripple the School Lunch Program. Popularly known as the Helms Amendment, the proposal would count school lunches served to each poor child as "in kind" benefits against a family's food stamp allotment. Can you imagine the added paperwork, the extra time, the potential for confusion that such a proposal would mean for your personnel. We have charged you with the responsibility of feeding our children nutritious lunches—a responsibility which you are admirably fulfilling. Are we now to make you the accountants and bill servers of another federal program?

Although the Helms Amendment was narrowly defeated in the Senate Agriculture Committee last Friday, it will surely resurface in the House later this month when we consider S. 1309, the "Food Stamp Act of 1980."

During the next few weeks, I would hope that you and your organization would notify your individual Congressional Representatives and State Delegations of the damage such a proposal would do to the School Lunch Program. My staff and I will work very closely with you and your association, as well as your counsel, Marshall Matz, in organizing this campaign.

With your help, we shall fight to maintain the integrity of two of the most just and humane social programs in America. Without your help, we have little chance of success.

The past few years have been a time of expansion for our social programs. Much of the credit for the Government's support of the School Lunch Program is directly attributable to the commitment, dedication and efficiency you have brought to the management of this program.

The good days, however, are coming to an end. It's time to assemble our troops, marshal our supporters and meet at the front lines. I know that in the Battle of the Budget the American School Food Service Association can and will prove to be a most valuable ally. I look forward to working with you. With your support, I know we will prevail.●

FOOD PRICE INFLATION—WHO IS REALLY TO BLAME?

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. COELHO. Mr. Speaker, when the General Accounting Office released its report on food price inflation late last year, I shared its findings with the farm community in my congressional district. The Comptroller General's study was received with interest as it examined the role of each link in the production chain from farmer to consumer. Identifying the causes of food price inflation deserves greater attention from those of us in Government. Judging from the available evidence, I am happy to say that farmers such as those I have the privilege of representing from the San Joaquin Valley in California, are not the villains behind the rising cost of food.

The U.S. Department of Agriculture is now forecasting an overall rise in food prices of 8 percent. Of that, only an imperceptible 0.4 percent will be due to higher farm prices. Another 1.6 percent will be due to fish and imported foodstuffs. A whopping 6 percent, however, will be due to higher costs of marketing.

The term "marketing" includes just about everything that happens between the farm and the kitchen table. For example, plastic bags, supermarket logos, the cost of electricity to run frozen food chests, the rent, the hourly wages of the help, the wages of truckdrivers, and the cost of the truck itself are all components of marketing.

The processing and marketing, on average, now account for about 60 percent of retail product value. The average obscures wide variations. For cereals and bakery products it is 80 percent. For eggs it is only 35 percent. That is because the hen does the hardest part of packaging eggs.

The biggest component of food marketing is processing labor, and that is likely to rise at least 10 percent due to wage increases, greater employee benefits, and minimal gains in productivity. The minimum wage in most plants will rise from $2.90 to $3.10 an hour.

While U.S. food prices have been rising in recent years, disposable personal income has increased as well, giving consumers more money to spend on food and other goods and services. The rising cost of food has not reduced per capita consumption.

While the food-marketing sector can generally pass on its higher input costs to the consumer, the farmer often cannot. When farmers experience rapidly escalating farm production costs, they have no guarantee that they will receive higher prices for their product than they did before the production cost hike. As a result, between 1959 and 1977 total farm production expenses tripled. However, during the same 18-year period, realized net farm income from farming doubled.

Compared to many other countries, the U.S. consumer is very lucky in the sense that food prices here are among the world's lowest. Americans, on the average, spend less of their income on food and pay lower prices than do many foreign consumers.

The following chart will illustrate some of the disparities felt throughout the world in relation to food prices:

DISPARITIES OF FOOD PRICES

	Chuck, pound, boneless	Broilers, pound, whole	Milk, quart	Eggs
Bonn	$4.28	$1.04	$.57	$1.31
Tokyo	9.78	1.37	.91	1.09
London	2.51	.99	.55	1.47
Stockholm	3.84	1.93	.48	1.99
Buenos Aires	1.96	1.39	1.00	1.94
Washington, D.C	1.92	.60	.60	.93

In addition to lower prices, the American food buyer does not have to

work as long to earn nor pay as much to buy the same market basket of food items as some foreign food buyers.

We are very fortunate to be able to supply our Nation with 82.2 percent of its food supply. So, before placing too much blame with the farmer when food prices rise, keep in mind food pricing is determined by much more than what the farmer charges for his product.●

BUDGET RESTRAINT

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BROWN of Ohio. Mr. Speaker, I insert in the RECORD a very timely and important study by H. C. Wainwright & Co., Economics. This study entitled, "The Tax Implications of Carter's 1981 Budget—How Budgets Shed Their Austerity," shows that the Carter 1981 budget is anything but prudent and responsible, as the President asserts.

The President has told us that the fiscal year 1981 deficit will be $15.8 billion. This study shows the total fiscal deficit to be $70 billion. This is an extremely important finding, when we consider that in a few days, the President will be announcing cuts to balance the budget. These cuts won't come anywhere near $70 billion.

The Wainwright study shows the dramatic tax increase that will take place between 1980 and 1985. I ask the Members of this body to read how the President is attempting to balance the budget on the backs of the taxpayers. And even after taxes have increased over $200 billion since he came into office the President still finds that outlays exceed receipts by $70 billion. I believe that says a lot about the President's spending habits.

H. C. Wainwright & Co. is a leading voice in the economic profession. Wainwright was writing about supply side economics long before the press or many Members of Congress had become interested. Its work in setting this country's economic record straight is extremely valuable. If the executive branch had listened to Wainwright and other proponents of supply side economics rather than its own rhetoric over the past few years, this country would be in a lot less trouble than it is today.

The study follows:

H. C. WAINWRIGHT & CO.,
ECONOMICS,
Boston, Mass., February 27, 1980.

THE POLITICAL ECONOMY IN PERSPECTIVE; THE TAX IMPLICATIONS OF CARTER'S 1981 BUDGET—HOW BUDGETS SHED THEIR AUSTERITY

The White House public relations campaign to sell President Carter's Fiscal Year 1981 Budget proposal as one of restraint has met with considerable success. Senator Kennedy is now attacking it for insufficient social spending.

In actual fact, the President's Budget proposal represents an increase of 15.8 percent over his request last year, with human resources programs receiving an even greater increase—18.7 percent. Moreover, the official $16 billion deficit forecast is understated severalfold.

The Budget projects large increases in the personal income tax burden, with tax receipts growing much more rapidly than personal income. These large projected increases in the tax burden will add to the pressure for tax reduction.

THE FISCAL YEAR 1981 SPENDING FORECAST

On January 28, President Carter submitted to Congress his Budget for Fiscal Year (FY) 1981,[1] as well as budget projections through 1985. In his Budget Message, the President asserted:

"This budget for 1981 is prudent and responsible. It continues the strategy of restraint that I proposed, and the Congress accepted, for the 1980 budget."

For the most part the press has accepted the President's claim, and the myth is spreading over the land that Washington is entering a second year of fiscal austerity.

Such is not the case. The President's FY 1981 Budget proposal of $615.8 billion in outlays is an increase of 15.8 percent over his spending proposal one year ago for FY 1980. And it is $1 billion above the spending level projected last year for the 1982 Budget. One year has passed in time, but in terms of last year's Budget projections two years have passed. The 1982 Budget arrived in 1981.[2]

The FY 1980 Budget, which the President produced in January of last year, estimated the current year's spending at $531.6 billion and the upcoming 1981 fiscal year at $578 billion. But in his FY 1981 Budget (only four months into the 1980 fiscal year) Carter has already bumped his estimate for current year spending to $563.6 billion—some $32 billion above his year-ago projection and only $14 billion below what the President had originally intended to spend in fiscal year 1981.

Assertions notwithstanding, President Carter succeeded in quietly accelerating the spending schedule by twelve months. In the process, his promise to balance the offical Budget by fiscal year 1981 has been moved out to 1982 (Table 1).

TABLE 1.—HOW BUDGETS SHED THEIR AUSTERITY

[In billions of dollars]

	Estimates from fiscal year 1980 budget			Estimates from fiscal year 1981 budget		
	1980	1981	1982	1980	1981	1982
Budget outlays	531.6	578.0	614.9	563.6	615.8	686.3
Budget receipts	456.0	502.6	576.8	523.8	600.0	691.1
Surplus or deficit (−)	−29.0	−1.2	37.8	−39.8	−15.8	4.8

The President's Budget proposal for FY 1980 showed only a 7.7 percent increase over FY 1979; currently 1980 spending is running 14.2 percent above the 1979 figure. In this way, budgets shed their austerity.

Past experience suggests that political rhetoric and forecasting error preclude accurate estimation of the chances of a balanced Budget, or even rough estimates of deficits and surpluses. Projecting the Budget's effect on capital markets is even more hazardous. In January of 1979, OMB forecast a FY 1979 deficit of $37.4 billion. The actual deficit turned out to be $27.7 billion. OMB had underestimated tax receipts by $10 billion. In the same forecast OMB estimated the FY 1980 deficit at $29 billion; currently it is estimated at $40 billion. Revenues were underestimated by $21 billion and spending by $32 billion.

Congress will consider the President's Budget this spring and give an indication of its version in the first Budget resolution due May 15. Final action is due September 15 when Congress passes the second Budget resolution which supposedly sets a ceiling on outlays and a floor on revenues for the upcoming fiscal year.

THE FISCAL YEAR 1981 DEFICIT FORECAST

The official $15.8 billion deficit forecast for FY 1981 is understated even if the Budget's assumptions of 8.6 percent inflation, 7.4 percent unemployment, and a 9 percent yield on Treasury bills turn out to be correct.[3] The Defense Department is not budgeted to cover fuel cost increases that have already taken place since the fall of 1979. A supplemental appropriation will have to be made later that, according to knowledgeable sources, is expected to add $4.5 billion to the deficit, bringing it to over $20 billion.

The deficit forecast also rests on assumption that $4.5 billion in revenues will be obtained from "cash management initiatives" (essentially speeding up individual and corporate tax payments) and that an additional $9.7 billion in legislative savings will be enacted. The latter figure includes $2.7 billion in military and civilian pay reform and $1.6 billion in cuts to education, school lunch and child nutrition programs. If the cash management initiatives falter and Congress does not enact the various program cuts and pay reforms, the Budget's economic assumptions project a FY 1981 deficit of $34.5 billion.

Even this estimate of the official deficit seriously understates the true picture. Spending by a number of so-called "off-budget" agencies is excluded, as are new commitments for interest subsidies under federal credit programs. Such spending adds $36 billion, bringing the true fiscal 1981 deficit to over 70 billion.[4]

THE FISCAL YEAR 1981 REVENUE FORECAST: A TEST OF INCENTIVE ECONOMICS

According to the figures in the President's Budget for FY 1981, the Carter administration expects the personal income tax burden to grow much more rapidly than personal income (Table 2).

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[1] This fiscal year runs from October 1, 1980 through September 30, 1981.

[2] Last year in the 1980 Budget the Office of Management and Budget moved to multiyear budgeting. OMB does not claim that the outyear budget projections (beyond the fiscal year in question) are forecasts of probable economic conditions. Rather, the outyear projections show the future costs of programs based on specified assumptions about rates of inflation and unemployment. Based on the record to date, however, there is little difference in inaccuracy between the short-range economic forecast for the fiscal year and the long-range economic projections.

[3] A higher inflation figure would imply a lower projected deficit, due largely to the Treasury's assumption that tax revenues increase more than in proportion to current-dollar incomes. A higher unemployment figure would imply a higher projected deficit, due to the decline in tax revenues that accompanies a reduction in employment. Assumptions published in the Budget are for calendar year 1981.

[4] A full accounting of the financial position of the U.S. Government would include not only explicit borrowing but increases in implicit liabilities, such as unfunded social security and pension programs, which overshadow all of the items mentioned in the text. Based on the latest government estimate of $4.225 billion for the unfunded portion of social security system liabilities, at a discount rate of 6.6 percent, the accruing interest alone adds $278 billion to the FY 1981 debt increase. For a full discussion of these liabilities and their significance, see "An Analysis of the Budget Deficit," Economic Study, H. C. Wainwright & Co., Economics, October 17, 1977.

TABLE 2.—PERCENTAGE INCREASE OVER PREVIOUS YEAR

Year	Personal income	Personal income tax receipts
1980	9.7	9.6
1981	9.7	15.0
1982	12.0	16.1
1983	12.5	19.7
1984	11.7	19.5
1985	10.9	18.1

The Budget forecasts personal income in 1981 to rise by 9.7 percent (almost all of which will be due to inflation). Personal income tax receipts, however, are forecast to increase by 15 percent. Overall, taxes are forecast to rise in 1981 by $76 billion—$24 billion more than Budget outlays. With taxes growing faster than income, individual income tax receipts are projected to rise from 11.3 percent of personal income in 1980 to 14.9 percent in 1985, a hefty 32 percent increase in the average personal income tax rate. These observations indicate that the Administration is relying on "bracket creep"[5] to finance more spending and to narrow the deficit.

The Budget projections reveal an acceleration in the rates at which gains in personal income will be taxed. As Table 3 indicates, the Budget shows that the tax burden on *increases* in personal income is projected to more than double from 11.2 percent in 1980 to 23.3 percent in 1985.

TABLE 3.—INCREASES OVER PREVIOUS YEAR

[Dollars in billions]

Year	Personal income tax receipts	Personal income	Increase in taxes as a percent of increase in income
1980	$20.9	$186	11.2
1981	35.7	205	17.4
1982	44.3	277	16.0
1983	62.7	323	19.4
1984	74.3	342	21.7
1985	82.6	354	23.3

Other taxes are headed up too. The Budget assumes that the new "windfall profits" tax will bring in revenues of $20.9 billion in FY 1981, $28.4 billion in 1982 and $31.5 billion in 1983.

Social security taxes are also scheduled to rise. The taxable earnings base is scheduled to increase from $25,900 in calendar year 1980 to $29,700 in 1981, and the tax rate is scheduled to increase from 12.26 percent to 13.3 percent.

Overall, total tax receipts are projected to increase 103 percent between 1980 and 1985, a period during which GNP is projected to increase by only 75 percent. On a fiscal year basis, total tax receipts are projected to be 21.7 percent of GNP in 1981, rising to 24.2 percent of GNP in 1985—substantially exceeding in peace-time the 1944 war-time high of 22 percent.

Not only the President's rhetoric, but also his goals of reducing unemployment and inflation appear at odds with these large projected increases in taxation. The tax brake implicit in the progressive income tax system will slow economic activity as more and more people find themselves swept into higher brackets. As the tax bite on additional earnings grows, so does the disincentive to produce additional income and to save. Without savings, the investments necessary for new jobs and inflation-fighting productivity gains are foregone.

THE OUTLOOK FOR A TAX RATE REDUCTION

Tax revenues are projected to increase by an average of 15.3 percent per year from FY 1981 to 1985, producing official Budget surpluses of $24.5 billion in 1983, $81.6 billion in 1984 and $158.6 billion in 1985. Commenting on these projected surpluses, the Budget document indicates that it is unrealistic to assume that the projections mean there will be $264.7 billion available for additional spending. Rather than permitting the continuous rise in the tax burden, it is suggested in the Budget document that tax reductions are likely to be enacted that would prevent the surpluses from materializing.

Three points should be noted:

The projected surpluses may never materialize—outlays may be understated. Last year's Budget projected a $36.6 billion Budget surplus for the combined 1981-82 fiscal years. This year's Budget projected an $11 billion deficit over the same two years—a difference of $47.6 billion.

Projecting Budget surpluses on the basis of a rising tax burden encourages the Congress to think in terms of dividing the "surplus" revenues between "tax reductions" and spending increases. the result is a continuously rising tax burden, although less than projected.

The Budget is unrealistic in its assumptions that tax revenues will continue to rise faster than personal income as a result of "bracket creep" and that tax reduction automatically means a loss of revenues. The Budget neglects to consider that tax rate changes have incentive or disincentive effects that cause growth or shrinkage in the tax base.

Nevertheless, whether or not the projected surpluses materialize, the fact that they are projected calls attention to the rising tax burden and increases the pressure for an across-the-board reduction in personal income tax rates. For this reason, the Kemp-Roth bill will remain a live issue, but its supporters will have to fight hard if they hope to achieve an actual reduction in rates rather than just an offset to "bracket creep".

Another source of revenues for income tax reductions is the "windfall profits" tax. Publicly the President has said that the revenues are needed to finance synthetic fuel projects. However, these projects will be privately financed with government guaranteed loans, freeing the "windfall profits" revenues for other uses. Rep. Jim Jones (D., Okla.) and other members of the House-Senate conference on the "windfall profits" tax have succeeded in setting aside 60 percent of the revenues as a reserve against tax reductions. Of course, Congress would have to pass enabling legislation before any taxes could be cut.

The enabling legislation may be fought by big spenders, but the "set aside" has taken the sting out of their argument that tax reductions lose revenue and worsen the deficit. If Congress declines to use the "set aside" for tax cuts, the funds would revert to general revenues.

The outlook for a significant tax reduction is clouded, not by a scarcity of revenue, but by a political power struggle. Authorization committee chairmen, appropriation subcommittee chairmen, and federal bureaucrats lose customers for their largesse when the private economy offers good opportunities for income growth.[6] The power struggle is likely to remain in stalemate, with personal income tax rate reductions limited to offsetting "bracket creep." A repeat of the Kennedy tax cuts of 1964 probably requires the election of more tax cutters to Congress.

Tax cutters should gain some ground on the tax treatment of depreciation and savings, and they seem to be prevailing on the issue of the taxation of inherited property. The House and Senate have attached a provision to the "windfall profits" bill that repeals the carryover basis rule for inherited property. Prior to the Tax Reform Act of 1976, inherited property was "stepped up" to its market value at the decedent's death for tax purposes. The 1976 act changed that and required the heir to "carry over" for tax purposes the value of the property at the time the decedent acquired it. This, of course, would result in large taxes on the sale of inherited property and threaten family farms and businesses in the case where individual heirs wanted their share in cash.

The behavior of Congressional liberals toward defense spending may give an indication of the intensity of the struggle over tax cuts. If they begin favoring large increases in defense spending, it could be a sign that they feel pressured by the tax revolt, not by Soviet military might, and are spending on defense in order to use up revenues and preempt tax cuts.

In its fourth year of office, the Carter Administration still shows no signs of accommodating the tax revolt and no awareness of the mounting economic disincentives in the federal Budget. The rising tax burden is the campaign issue awaiting a Presidential candidate.●

HOWIE VANDER CLUTE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● **Mr. HOLLENBECK.** Mr. Speaker, the veterans of this country and the Veterans of Foreign Wars in particular were well represented and spoken for by Howard Vander Clute of Montvale, N.J., the VFW National Commander.

Howie was recently recognized by the Pascack Valley Chamber of Commerce as its Citizen of the Year, a well-deserved honor. New Jersey State Assemblymen John Markert and Gerald Cardinale introduced a resolution praising Commander Vander Clute. I commend it to your attention:

ASSEMBLY RESOLUTION

Whereas, Howie Vander Clute, of Montvale, Bergen County, has been named the "Pascack Valley Citizen of the Year," for 1979, by the Pascack Valley Chamber of Commerce, and has been the guest of honor at a dinner dance to commemorate this prestigious award; and,

Whereas, an active member of the Veterans of Foreign Wars since his discharge from the Army, in 1953, after service in Germany, Mr. Vander Clute is presently the National Commander in Chief of the VFW, and in that capacity is a nationally known outspoken and articulate advocate of veterans rights; and,

Whereas, prior to his election as National Commander in Chief of the VFW, Commander Vander Clute held every local, county, and State elective office in the VFW, and is a past All-American District and Department Commander, and a former member of the National Council of Administration, the General Resolutions Committee, and the National Budget and Finance Committee; and,

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[5] "Bracket creep" is a non-legislated increase in marginal tax rates brought about by inflation swelling nominal incomes and pushing taxpayers into the higher brackets of the progressive personal income tax.

[6] See Paul Craig Roberts, "Taxation in 1980," *The Political Economy in Perspective*, H. C. Wainwright & Co., Economics, January 14, 1980.

Whereas, Commander Vander Clute was appointed in 1972, by Governor Cahill, to the chairmanship of the New Jersey Veteran's Day program, and was later appointed in 1975, by Governor Byrne, to a 4-year term as chairman of the State Veteran Service Council, to which he was reappointed in 1979; and,

Whereas, it is altogether fitting and proper for this House to note the recognition accorded a distinguished citizen of New Jersey and a gentleman who has been widely known throughout his public and private life for his ability, integrity and dedication to the best interests of the veterans of the United States: Now, therefore, be it

Resolved by the General Assembly of the State of New Jersey, That this House hereby commend and congratulate Commander Howie Vander Clute, of Montvale, Bergen County, upon his receipt of the prestigious "Pascack Valley Citizen of the Year" award presented by the Pascack Valley Chamber of Commerce; and convey to Commander Vander Clute the sincere best wishes of the members of this House for his continued good health, happiness and fulfillment in all future endeavors; and, be it further

Resolved, That a duly authenticated copy of this resolution, signed by the Speaker and attested by the Clerk, be transmitted to Commander Vander Clute, with the warmest thoughts and best wishes of the members of this House.●

INCOME TAX PROTECTION FOR OUR SENIOR CITIZENS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. ROE. Mr. Speaker, as the April 15 deadline for filing income tax returns approaches, I would like to share with the senior citizens and retirees of my congressional district a most important checklist of itemized deductions for individual taxpayers which may be helpful to them in providing benefits through tax-saving measures that they may not be aware of.

This data was prepared by the Select Committee on Aging to help protect taxpayers against overpayment of their income taxes and assist them in preventing overpayment of Federal income taxes.

Several important tax relief measures became effective beginning with the 1979 tax year. The committee's summary includes a brief description of these and other itemized deductions, as follows:

INCOME TAX DEDUCTION CHECKLIST

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor). Acupuncture services. Ambulance hire. Anesthetist. Arch supports (prescribed by a doctor). Artificial limbs and teeth. Back supports (prescribed by a doctor). Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs. Chiropodist. Chiropractor. Christian Science practioner, authorized. Convalescent home (for medical treatment only). Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth). Dentures. Dermatologist. Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist. Hearing aids and batteries. Home health services. Hospital expenses. Insulin treatment. Invalid chair. Lab tests. Lipreading lessons (designed to overcome a handicap).

Neurologist. Nursing services (for medical care, including nurse's board paid by you). Occupational therapist. Ophthalmologist. Optician. Optometrist. Oral surgery. Osteopath, licensed.

Pediatrician. Physical examinations. Physical therapist. Physician. Podiatrist. Psychiatrist. Psychoanalyst. Psychologist. Psychotherapy. Radium therapy.

Sacroiliac belt (prescribed by a doctor). Seeing-eye dog and maintenance. Speech therapist. Splints. Supplementary medical insurance (Part B) under Medicare. Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (8¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines. Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs. Whirlpool baths for medical purposes. X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate. General sales. State and local income. Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 8 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

POLITICAL CAMPAIGN CONTRIBUTIONS

You may claim a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The amount of the tax credit is one-half of the political contribution, with a $50 ceiling ($100 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	$3,300
Single (age 65 or older)	4,300
Qualifying widow(er) under 65 with dependent child	5,400
Qualifying widow(er) 65 or older with dependent child	6,400
Married couple (both spouses under 65) filing jointly	5,400
Married couple (1 spouse 65 or older) filing jointly	6,400
Married couple (both spouses 65 or older) filing jointly	7,400
Married filing separately	2,700

ADDITIONAL EXEMPTION FOR AGE

Besides the regular $1,000 exemption, you are allowed an additional exemption of $1,000 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $1,000 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1980, you will be entitled to the additional $1,000 exemption because of age for your 1979 Federal income tax return.

"ZERO BRACKET AMOUNT"

The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

TAX TABLES

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

MULTIPLE SUPPORT AGREEMENTS

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them,* may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

SALE OF PERSONAL RESIDENCE

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

CREDIT FOR THE ELDERLY

You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

1. Age 65 or older, or

2. Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on form 2441.

EARNED INCOME CREDIT

If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $500. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, form 1040) of less than $10,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (line 13, Form 1040). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity for solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

STATEMENT OF PRINCIPLES BY ED CLARK

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. PAUL. Mr. Speaker, I recently read a statement of principles by Ed Clark, Libertarian candidate for President. These ideas are worth serious consideration, and I would like to call them to my colleagues' attention:

"Government is the source of most of society's problems. I think the American people realize this and want a new direction in politics: lower taxes, more personal freedom, and an end to U.S. intervention in the internal affairs of other nations."—Ed Clark

ENERGY

In the field of energy, as in every other field, that government is best which governs least. I advocate the abolition of the Department of Energy—whose annual budget is greater than the after-tax profits of all the major oil companies combined—and an immediate end to energy subsidies, price controls, and all government allocation programs. If we ended price controls and allocation programs, allowing prices to reflect real conditions of scarcity in the world today, there would be no shortages of oil and natural gas, and individuals would be free to conserve energy in ways that they—not an authoritarian government—find agreeable. For decades now, government involvement in energy has lead to a steady, progressive, worsening of our energy problems. Only a sharp move away from government domination and toward a truly free market in energy can solve our energy crisis—a crisis made in Washington.

UNEMPLOYMENT

When we stop inflation and the economic distortion it causes, we'll help solve our unemployment problem as well. Business will be able to create plenty of jobs in a stable and productive business climate. Our cruel policy of boom and bust, inflation and unemployment, must be stopped. Only a return to sound money will do it, no matter how many presidential advisors and court economists say otherwise.

The ultimate solution must be to deregulate and de-tax the economy so that businesses can expand and create jobs. Other politicians want to shift the tax burden to businesses instead of cutting taxes for everybody, as I propose. Less taxation and regulation will create new jobs.

I also advocate eliminating the minimum wage. Every increase in the minimum wage has led to a direct, visible increase in teenage unemployment. Even worse, most of the unemployment resulting from minimum wage hikes has been concentrated on minority teenagers—the people who need the jobs the most. It is not an exaggeration to say that the minimum wage is a racist law. It may not have been racist in intent, but as the black economist, Walter Williams, points out, it has been disproportionately harmful to minority youth.

INFLATION

Inflation is caused by the printing of worthless paper money by the Treasury and by the Federal Reserve Boards manipulation of money and credit through our government-cartelized banking system. Politicians, though they will never admit it, love inflation. It allows them to pay for a wide range of government programs without having to raise taxes. The new paper money will erode the earnings and savings of every productive worker in America. But the politicians don't care. They—and their favored special interest—get to spend the money before it has spread through the economy and diluted the dollar's purchasing power.

Inflation is legalized counterfeiting. We can stop it—not by blaming and scapegoating businessmen or workers and asking them to sacrifice, but by putting an end to the only fundamental cause of inflation: deficit spending and expansion of the money supply.

TAXES

During the course of this campaign I will detail a tax program which, if implemented, would amount to the greatest tax reduction in the history of this nation. The prosperity that results from allowing people to keep the money they earn—to save and to spend as they choose—is an economic fact of life, regardless of what self-serving politicians would have us believe.

CIVIL LIBERTIES

In the area of personal and political freedoms, I pledge to end government harassment of peaceful citizens and to work to end our vicious and unnecessary victimless crime laws. Americans are still being wiretapped and spied on by their government. The infringement of the fundamental rights of political dissidents and those of peaceful alternative lifestyles must be ended, once and for all.

THE DRAFT

I pledge a firm and unwavering opposition to any reimposition of the military draft or any program for national service. Conscription—for military or civilian purposes—is nothing but short-term slavery, it is completely alien to the American tradition, it is a violation of individual rights, and it is tremendously costly. I would veto any law imposing any form of draft or national service.

EDUCATION

People have lost faith in the government-run school system. And with good reason. Public education is a disgrace. You have more bureaucrats accomplishing less—at higher salaries. You have test scores going down while costs go up. And the schools are not only ineffective and wasteful, they are authoritarian, compulsory places. In many cases they breed crime and vandalism. Every parent who can afford to is deserting the public system for alternative schools. Most people are not aware that in California while Proposition 13 was passing by a 65% to 35% majority, Proposition 1, a $350 million school bond issue, was defeated by the same whopping margin. I think that expresses the voters' feelings about the public schools all across the nation.

The solution to the problem can be summed up in one word: choice. We've got to give the people the power to choose the kind of education they want. And the way to give them this choice is to eliminate forced attendance and provide tax credits for tuition costs.

Right now, people who attend alternative schools have to pay for education twice: they pay for government schools through taxes and they pay for the tuition of the alternative school. Only people with a lot of money can afford that. The rest of us are stuck with the incompetent public system. But a tax credit would make decent schools available to everyone. It would give people a choice. And it would improve the public system by subjecting it to competition.

FOREIGN AFFAIRS

Our currrent bipartisan foreign policy is such a shambles, one hardly knows where to begin. The United States supplies arms and aid to the world's worst military despots. Indeed, in this century, we have supplied arms to both sides in seventeen different wars. Carter decries human-rights violations in the Soviet Union and threatens the Russians around the world, while he embraces the dictator of the People's Republic of China.

The consequences and costs of this bankrupt foreign policy are becoming increasingly apparent, both at home and abroad. Our years of support for the despotic shah of Iran against the will of the Iranian people caused the Iranians to react violently against the United States. It is just one of many examples, from Vietnam to Nicaragua, of the failure of foreign adventurism. We must resolve now to avoid foreign crises in the future by staying out of the affairs of other countries.

I will pursue a policy of neutrality, nonintervention, free trade, and friendly relations with all countries.

CRIME

There has been an inordinate amount of hype and posturing associated with the issue of crime, but very little serious thought. Every election year, the politicians strut about like sheriffs in an old Hollywood Western trying to show how tough they are on crime, but nothing ever changes. I think that crime is a very serious matter, and requires a good deal more than public relations ploys.

The first thing we can do to control crime is to put top priority on stopping violent crime, and stop wasting time and money on vice squads, drug busts and political spying. The American Bar Association estimated that nearly 50% of the cop-on-the-beat's time is spent on victimless crimes. This squandering of our protection services on relatively harmless activities has got to stop.

In the case of drug laws, there's more involved than mere waste. Narcotics prohibition actually creates crime, just as alcohol prohibition created the gangster problem. If narcotics were legal, they would be a relatively inexpensive habit like cigarettes. Making them illegal pushes the price up so high that the only way to sustain a habit is to rob the people in your neighborhood. The prohibition of narcotics is thus responsible for a large percentage of the robbings and killings in poor neighborhoods. A study in Detroit showed that whenever police crack down on drugs, the price goes up—

leading to an increase in crime. That is why urban mayors—such as Gary, Indiana, Mayor Richard Hatcher—have called for decriminalization of drugs.

MILITARY SPENDING

The root of our foreign policy problems is the same: the United States government's attempt to be the world's policeman. We have meddled in the internal affairs of countless countries around the world in an attempt to create client states on every continent. We have 300 major and 2000 minor military bases around the globe.

I pledge a national defense adequate to *defend* the United States. We must make sure that no potential aggressor will ever doubt our preparedness to defend ourselves. But I think it's time to renounce our role as world protector—or imperial power—and pursue a policy of strategic disengagement from foreign commitments, a policy of noninterventionism. We must let other nations solve their own internal problems in their own way. We cannot and should not try to impose our ideas by force.

I believe we can reduce our military expenditures without putting our defenses in any danger. We don't need a global military force, stationed around the world to serve as a trip-wire for American involvement.●

NEW AMERICAN CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 18 residents of Maryland's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans and extending to them our wishes for a happy and prosperous life in the land we love.

They are:

Mrs. Agnes Isabelle Yolande McCoy, Mrs. Hyun Jung Han, Miss Young Ae Han, Mrs. Eugenie Gamal Francis, Mrs. Keiko Franks, Miss Chin A. Heo, Mr. Eung J. Heo, Mrs. Stravroula Lambropoulos, Mr. Johannes W. Van Der Spek, Mrs. Yu-chen Li, Mrs. Charytina Prysiazny, Mrs. Alexandra Shahan, Mrs. Nefertiti A. Labib, Mr. Atef S. Labib, Mrs. Ramamani Seshadri, Mrs. Raminder K. Bhalia, Mr. Jong S. Kang, and Mr. Indrajit R. Amin.●

ACROSS-THE-BOARD WORKFARE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. FINDLEY. Mr. Speaker, the House recently considered a welfare reform bill, but Congress has yet to reform welfare in the way that the majority of American taxpayers want.

Today I am introducing a bill to establish across-the-board workfare in the Federal programs for food stamps, public housing, and aid for dependent children. The bill would require unemployed able-bodied adults, 18 through 64, not responsible for the care of infant children to work in public service jobs for the value of their welfare benefits. State governments would operate workfare with the Federal Government paying half the administrative cost. Local and State governments would receive the benefits of the work performed by welfare recipients.

Early data from the workfare pilot projects under the food stamp program shows that savings in welfare benefit outlays would more than offset the administrative cost of workfare.

Americans are fed up with a welfare system that allows freeloaders to live off the public Treasury and does little to encourage those who can work to get jobs. Workfare, on the other hand, weeds out those who do not really need the assistance and adds incentive for those sincerely hunting for jobs. It also gives valuable on-the-job experience to help the hardcore unemployed move into the economic mainstream.

Across-the-board workfare would return the welfare system to its original purpose of helping only those who really need it. Everyone else would work for their benefits. Taxpayers would be assured that welfare is fair and just, and that would help restore general faith in their Government.

In my view, workfare promises to be the welfare reform of the 1980's.

Following are the provisions of my bill:

H.R. —

A bill to provide that each State must establish a workfare program, and require participation therein by all residents of the State who are receiving benefits or assistance under the AFDC, food stamp, and public housing programs, as a condition of the State's eligibility for Federal assistance in connection with those programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) each State, as a condition of its eligibility for Federal payments or other assistance under any of the programs specified in subsection (b)(1) (hereinafter referred to as "Federal public assistance programs"), shall establish and maintain an approved workfare program in accordance with this Act and with the Federal guidelines prescribed under section 2(b).

(b) For purposes of this Act—

(1) the term "Federal public assistance program" means—

(A) the program of aid to families with dependent children established by part A of title IV of the Social Security Act,

(B) the food stamp program established by the Food Stamp Act of 1977, and

(C) the public housing and assisted housing programs under the United States Housing Act of 1937;

(2) the term "aid under a Federal public assistance program" means money payments to individuals and families under a State plan approved under the program specified in paragraph (1)(A), allotments to households under the program specified in paragraph (1)(B), and the right of occupancy in an assisted dwelling unit on a reduced-rent or other subsidized basis under any of the programs specified in paragraph (1)(C);

(3) the term "appropriate Federal agency" means the Secretary of Health and Human Resources, the Secretary of Agriculture, and the Secretary of Housing and Urban Development, acting jointly; and

(4) the term "State", when used or applied in connection with any particular Federal public assistance program, means any of the fifty States and any other territory, possession, or political entity which (under the applicable law) constitutes a State for purposes of that program.

SEC. 2. (a) Except as otherwise specifically provided in this Act, a State workfare program shall require every individual who is a resident of the State involved, and who is applying for or receiving aid under a Federal public assistance program, to perform work in return for (and as a condition of his or her eligibility for) such aid as provided in this Act.

(b) Within 60 days after the date of the enactment of this Act the appropriate Federal agency shall promulgate guidelines, consistent with this Act, for the development, organization, operation, and administration of State workfare program. Each State shall develop its workfare program in the light of such guidelines and shall submit such program to the appropriate Federal agency for its approval as soon as possible after the guidelines are promulgated. The appropriate Federal agency shall approve any State workfare program which it finds is in compliance with this Act and consistent with such guidelines, and shall thereafter maintain continuous supervision and oversight with respect to the State's operation and administration of the program to assure the continuation of such compliance and consistency.

SEC. 3. Participation in a State workfare program shall not be required of any individual who—

(1) is under the age of 18 or over the age of 65,

(2) is disabled (as determined in accordance with the guidelines referred to in section 2(b)),

(3) is regularly employed (without regard to the workfare program) for at least 40 hours a week, or

(4) is the person primarily responsible for the care of a child less then three years old (or for the care of a child more than two but less than six years old if, as determined in accordance with such guidelines, suitable child care is not available at reasonable cost).

SEC. 4. (a) Each State workfare program must provide that if any individual who is required to participate in such program refuses to accept a bona fide offer of qualified employment or to perform qualified employment, in any month, neither such individual nor any other person in the family or household of which such individual is a member shall be eligible to receive any aid under a Federal public assistance program for that month.

(b) As used in subsection (a), the term "qualified employment" means employment of an individual by a State or political subdivision, or by a prime sponsor pursuant to the Comprehensive Employment and Training Act, for which compensation is payable at a rate equal to the rate of the Federal minimum hourly wage under the Fair Labor Standards Act. Such term does not include employment the scheduled hours of which, when added to any hours worked by the same individual on a regular or predictable part-time basis in other employment, would exceed 40 hours a week (15 hours a week in the case of an individual who is a full-time student, or a proportionately lower number of hours a week in the case of an individual who is a part-time student) or would exceed the number of hours necessary to constitute an appropriate work effort in the light of the amount of the aid which the individual and his family or household would lose by nonparticipation in the workfare program in accordance with this Act; nor does such term include any employment which has the effect of replacing or preventing the employment of an individual not participating in the workfare program.

SEC. 5. Each State workfare program shall include provision for job counseling to assure the best possible matching of employment under the program with the experience, training, and capabilities of participants, shall include provision for continuous efforts to assist participants in finding suitable employment outside the program, shall allow each participant up to eight hours a week for verified job search activities, and shall incorporate such other provisions as may be necessary or appropriate (under the guidelines prescribed under section 2(b)) to achieve the objectives of this Act.

SEC. 6. In accordance with the guidelines prescribed under section 2(b), any State which has an approved workfare program may waive (to the extent of the inconsistency) any of the requirements of the laws and regulations governing the Federal public assistance programs which are inconsistent with this Act or with such guidelines; and each of such laws and regulations shall be deemed to have been specifically amended to provide for such waivers.

SEC. 7. From sums appropriated therefor, the appropriate Federal agency shall pay to each State which has an approved workfare program, for each quarter, an amount equal to one-half of the total amount expended by the State during such quarter (as found necessary by the appropriate Federal agency) for the proper and efficient operation and administration of the program. Payments under this section may be made in advance, on the basis of estimates (with appropriate adjustments for previous underpayments or overpayments), or by way of reimbursement.

SEC. 8. If the appropriate Federal agency, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a State workfare program, finds that there is a failure by the State to comply with any of the provisions of this Act or with any of the guidelines prescribed under section 2(b), or that there is a failure by the State to enforce or implement any provision of the State workfare program which is required by this Act to be included in such program, the appropriate Federal agency shall notify such State agency that further Federal payments or other Federal assistance will not be provided to the State under any of the Federal public assistance programs (or, in the discretion of the appropriate Federal agency, that further Federal payments or other Federal assistance will be limited to particular programs or parts thereof not affected by such failure) until it is satisfied that such failure no longer exists. Until the appropriate Federal agency is so satisfied, further Federal payments or other Federal assistance shall not be provided to the State (or shall be limited to programs or parts thereof not affected by such failure).

SEC. 9. The appropriate Federal agency shall periodically report to the Congress on the operation of State workfare programs under this Act, with particular emphasis upon the extent to which such programs are reducing the need for Federal welfare assistance and are otherwise helping to achieve the objectives of this Act.

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the responsibilities of the Federal Government under this Act.

SEC. 11. This Act shall become effective on the first day of the sixth month which begins after the date of the enactment of this Act.●

SPIRIT OF HELSINKI, VIGIL 1980

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BRODHEAD. Mr. Speaker, I am pleased to join with my colleague, Congressman ANDREW MAGUIRE, in "The Spirit of Helsinki, Vigil 1980" on behalf of Soviet Jews who have been denied permission to emigrate by the Soviet Government. This is a continuation of the "Vigil for Freedom for Soviet Jewry" which I sponsored in 1978.

I am very sad to have to come before the House today to speak on behalf of Mr. and Mrs. Alexander Maryasin and their daughter Faina. I have spoken on behalf of the Maryasin family for several years now. Since 1973, they have sought permission to join their oldest daughter in Israel. Time and time again, they have been refused, without explanation.

Alexander Maryasin lost his job as an executive in the plant where he worked and his daughter was expelled from the university she was attending, apparently because they applied for permission to emigrate to Israel. The family was forced to sell its possessions merely to exist.

Out of desperation, the family went on a hunger strike to try to bring official attention to their plight. No action was ever taken by Soviet authorities. In fact, repeated letters that I have written to Ambassador Dobrynin, President Brezhnev, and OVIR (emigration) officials have gone unanswered.

While we have heard much in recent months about the tens of thousands of "refusniks" who have been given permission to emigrate and live where they choose, the Maryasin family is a reminder that there are many, many more Soviet Jews who are arbitrarily denied that opportunity, often at great personal sacrifice. This Nation cannot—must not—ignore their plea. The Helsinki accords, which the Soviet Union signed, are supposed to insure the right of people to live where they choose and to be unified with their families. It is my hope that "The Spirit of Helsinki, Vigil 1980" will inform more people about the problem and strengthen our resolve to correct it.●

FILLING A NEED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. RANGEL. Mr. Speaker, Dr. Sidney Kohn is truly a pioneer in the field of pediatric dentistry. He has been instrumental in establishing pediatric dentistry as an important field of medicine for over 40 years. His efforts have helped to focus long overdue attention on the importance of preventative dental care for children. Throughout his distinguished career, Dr. Kohn's dedication to this field has been remarkable. Without his efforts pediatric dentistry would surely not have made the significant progress it has to date.

I would like to share the noteworthy accomplishments of Dr. Kohn with my colleagues:

FILLING A NEED

(By Merry E. McCrimlisk)

Tradition has it that tooth fairies leave shiny coins beneath children's pillows. But other wizards contribute more lasting gifts to children's dental health.

Dr. Sidney I. Kohn, professor of pediatric dentistry and department chairperson at the School of Dentistry, is certainly one of the latter donors.

Dr. Kohn has been a driving force in creating the discipline of pediatric dentistry, bringing home the importance of preventive dentistry and good dental health to thousands of children, parents and practicing dentists. But it hasn't been an easy campaign.

"Fifty-one years ago, a small group of American dentists found virtually the same resistance to and the same complacency toward dentistry for children among dental and medical colleagues as it did among parents and society in general," said Dr. Kohn. "Dental school curricula and dental society programs paid the subject little heed. Without professional advice and consent, parents could not be expected to consider their children's teeth to be of importance."

But that resistance didn't stop Dr. Kohn and those who worked with him to help make the American Society of Dentistry for Children (ASDC) a strong, active and effective organization. Today, with more than 10,000 members throughout the United States, its efforts are national and even international in scope.

Dr. Kohn served as president of the ASDC in 1978 and 1979. During his tenure, he spearheaded the ASDC drive to distribute educational materials on children's dental health to 20,000 pediatricians in America. He was invited as a dental health representative to participate in a meeting on the International Year of the Child held last year at the White House. And during July he served as the United States delegate to the International Association of Dentistry for Children for that group's meeting in Budapest.

In every family with children he called for a "sweet patrol" to help bring dental decay under better control. For this Dr. Kohn received national attention. In speaking as president of the ASDC, he stated that other components of an effective anti-caries plan should include early and regular dental examinations, correction of defective teeth and topical applications of fluoride. He also recommended that people reduce the frequency of consumption of sweets, preferably limiting the intake to mealtimes, and that persons brush afterwards to clear the mouth and remove debris.

Dr. Kohn feels that a child's first visit to the dentist should be between the ages of 18-24 months. Why? Because by the age of 2, about 50 percent of American children have at least one cavity. Dr. Kohn also cautions parents not to put children to sleep with a bottle. This "nursing bottle syndrome" has all too frequently caused the destruction of the teeth of very young children.

"The raison d'etre of the ASDC is that it continues to actively promote dental care for children on an ever-higher level of sophistication and in an ever-widening circle of professional and social contacts," said Dr. Kohn.

Dr. Kohn's personal involvement with this field has been sustained over more than 40 years. "I suppose that my interest in dentistry began as a kid when I needed the services of a dental specialist," he explained. "As a student I was greatly influenced by my professor of dentistry for children, Dr. Walter McFall, and from my continued contact with him, before his death."

Dr. Kohn received a DDS degree from Emory University in Georgia, graduating with honors in 1935. He completed a two-year residency in dentistry at the Children's Hospital, University of Buffalo, New York, and completed graduate work in orthodontics at Columbia University.

During World War II, Dr. Kohn served for three and one half years as a dental officer with the Army Air Force, leaving the service with the rank of major.

He held the position of chief of service (pediatric dentistry) at the Jersey City Medical Center, Jersey City, before joining the University.

His many professional activities have included posts as president of the New Jersey Society of Dentistry for Children, founder and first president of the New Jersey Association of Pediatric Dentists, eight years as an officer or executive council member of the American Society of Dentistry for Children, a member of the advisory Board for Dental Specialties for the American Dental Association and chairperson of the section on pedodontics for the American Association of Dental Schools.

He also has served for seven years as an examiner on the American Board of Pedodontics and for six years as a test constructor on the National Board of Dental Examiners. Dr. Kohn is a Fellow of the American College of Dentists, of the American Academy of Pedodontics and of the New York Academy of Dentistry.

He has served as chairperson of the department of pediatric dentistry at the School of Dentistry since 1957. He is also a consultant to Hackensack Hospital and St. Joseph's Hospital, Paterson.

"I'm very, very proud of this school," said Dr. Kohn of the University's School of Dentistry. "We are an unusual entity in that Fairleigh Dickinson has a dental school but no medical school. The University's commitment to dental education is a long-standing one, evident since the University began.

"Here at the dental school, we stress the necessity of looking at the total child, we don't just look at the tooth," he explained. "You have to remember that there's a child attached to the tooth"

As part of the dental school curriculum, students are exposed to a preclinical laboratory course in pediatric dentistry, 34 lecture hours and at least 102 clock hours of active clinical participation in treating children.

Dr. Kohn also directs a clinic for handicapped children at the School of Dentistry. Begun 15 years ago, the clinic services children with physical handicaps such as cerebral palsy and those with varying degrees of mental retardation. Senior dental students rotate through this clinic and are required to treat at least two patients there.

"I like to call these children 'special children,' rather than 'handicapped children' because they are really ordinary children with special problems," said Dr. Kohn. "I'm looking forward to the educational and clinical expansion of the treatment of handicapped children at the School of Dentistry in support of our interest in and concern for all children.

"This expansion is being made possible through the generosity of Mr. and Mrs. Leonard Marcus, who are establishing the Richard M. Marcus Fund for Handicapped Children here at the School of Dentistry," he stated.

What changes in dentistry has Dr. Kohn witnessed over the years?

"There has been a tremendous increase in the total body of our knowledge, an increased awareness of the significance of dental health to total health, as well as tremendous advances in areas of preventive dentistry," said Dr. Kohn. "Today's dental student is required to learn much more than the student of a few decades ago."

However, there still is room for improvement. "If we could just motivate people to take advantage of all of the preventive modalities that we have at our disposal, so much more could be done to help them toward better dental health," maintained Dr. Kohn.

This outstanding professional has been recognized with numerous awards throughout his illustrious career. One recent honor was a citation given to him by the New Jersey Senate. It cited his contributions to dental health through his articles, lecture and as president of the ASDC.

Another recent award came from the New Jersey Unit of the American Society of Dentistry for Children, for the more than 40 years of service which Dr. Kohn has given to the teaching and practice of dentistry for children.

He speaks with pride of his sons: Dr. Steven, who is a practicing dermatologist; Dr. Donald, who has followed in his father's footsteps and is a pediatric dentist, having recently completed his graduate studies at the Children's Hospital of Philadelphia; and James, an alumnus of the Cornell University School of Hotel Administration.

What does Dr. Kohn say when asked why he has been motivated to accomplish so much? "I guess it's the need to keep moving! I am an enthusiast where dentistry for children is concerned. And I believe that when you take on a job, you should do it right or back off.

"But no one does anything by himself," he said. "There were certainly people along the way that cooperated and helped to open doors. I'm a firm believer in opening doors for others now."

And that's a great gift indeed from a remarkable professional who has done wonderful things for the smiles of children.●

SAUL REIDER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. WAXMAN. Mr. Speaker, any elected official has a singular appreciation of the efforts put forth by those who volunteer their energies on behalf of their mutual political beliefs. That is why I feel it to be a very special privilege to call your attention to the myriad accomplishments of Saul Reider, who was a member of my Los Angeles constituency, and a close friend for many years.

Saul left thousands behind to sorrow at his passing, but he bequeathed to his friends in the many organizations he served so well a loving memory of his personal warmth and a towering record of his achievements.

A Democratic activist for 31 years in California, Saul became active in the California Democratic Council in 1953. He was elected chairman of both the 61st Assembly District Council and the 26th Congressional District Council, and became a member of CDC's executive board and a trustee; a board member of Californians For Liberal Representation; president of the West Beverly Democratic Club; an active member of the Alta Loma Democratic Club; and a member of the American Civil Liberties Union and the NAACP. He was selected "Democrat of the Year" in 1976 by the Los Angeles County Democratic Central Committee. Saul worked actively for Mayor Bradley's elections both for Los Angeles City Council and as mayor of the city of Los Angeles. He was also active in Senator GEORGE McGOVERN's Presidential campaign, and was a delegate to the Democratic National Convention in 1972. Saul was appointed by Mayor Bradley in 1972 as a member of the Los Angeles Animal Regulation Commission, serving as its president in 1977–78.

But this recitation of some of Saul Reider's activities scarcely suffices to describe his contributions to his community and his country. He was dedicated and humorous, warm and compassionate, careful of others, and spendthrift of himself. His wife Gertrude carries on their mutual tradition of giving, and she too is a warm and dear friend.

I ask the Members to join with me on the occasion of the memorial to Saul Reider at the Convention of the California Democratic Council on March 30, 1980, to celebrate his life of dedication to the improvement of our human condition.●

"BIG BUSINESS DAY" ORGANIZERS ATTACK FREE ENTERPRISE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. McDONALD. Mr. Speaker, putting an end to "business as usual" has been the goal of Socialists, Communists, and various other forms of Marxists and Leninists since Marx and Engels published their theories more than a century ago. Now a collection of closet Marxists—and some not at all quiet about their socialism—is proposing to devote April 17 to a day of propaganda activities against America's largest businesses as the capstone of a pressure campaign to force legislation through Congress that would still further restrict, regulate, and control America's larger businesses.

At the center of the Big Business Day antifree enterprise coalition is Washington, D.C.'s, Marxist think tank, the Institute for Policy Studies

(IPS). Under the leadership of its founders, Marcus Raskin and Richard Barnet, the IPS domestic operations have focused on building coalitions of liberal, leftist, community, special interest, and officials of radical trade unions that could produce pressure on Congress for legislation leading to Government takeover of major industries, utilities, and other businesses. The coalitions built by IPS through its domestic policies project, the National Conference for Alternative State and Local Public Policies (NCASLPP), through its prodétente and disarmament work in building lobbying groups like the Coalition for a New Foreign and Military Policy (CNFMP), and through projects designed to promote Government takeovers of businesses euphemized as public ownership such as longtime IPS associate Gar Alperovitz' Consumers Against Inflation in the Necessities (COIN) have all contributed major sections to the Big Business Day grouping.

Another sector of the antifree enterprise coalition organizing Big Business Day comes from Ralph Nader and his interlocking directorate of antibusiness organizations. But Nader has worked with the IPS coalitions for quite a few years, and joint effort by Nader and the IPA apparatus in drawing thousands of antinuclear activists to Washington last May laid the groundwork for the formation of the Big Business Day project.

Before going on to examine in more detail the Big Business Day project, I would like to remind my colleagues that in its foreign affairs projects, IPS boasts it is the successor to the Institute of Pacific Relations which was found to be a mechanism for a Soviet espionage ring transmitting documents via a closely related operation, the publication Amerasia, and acting as agents of influence with Government officials, Capitol Hill figures, and academics. As one British expert on subversion noted, IPS lends credibility to themes which would be dismissed out of hand if they were seen to come directly from the Soviet Union and its KGB. IPS and its leaders have never been seen to deviate from their support of Soviet foreign policy objectives and their backing of Soviet-dominated Marxist terrorist national liberation movements. In its domestic programs, IPS is equally pernicious.

An excellent survey of the Big Business Day organization by John Rees, publisher and editor of the Information Digest, recently appeared in that newsletter. I commend the article to the attention of my colleagues:

BIG BUSINESS DAY—1980

Conceived during the summer of 1980 as a project of Americans Concerned About Corporate Power (ACACP), 1346 Connecticut Avenue, NW, Room 411, Washington, DC 20036 (202/861-0456), Big Business Day 1980 has involved a claimed coalition of 200 groups in planning activities across the U.S. on April 17, 1980, which are intended by the organizers to result in "curbing the corporate abuse of power".

Operating with a budget projected at $200,000, this ACACP project is seen as the most recent tactic in the attack on private business from the "progressive left" groups clustered around the Institute for Policy Studies (IPS), the Ralph Nader Public Interest Research Group (PIRG) networks, the left-wing of the Democatic Party, and the more militantly radical trade unions.

According to William Wynn, president of the United Food and Commercial Workers Union, the largest AFL-CIO union, "Just as the 1950s scrutinized the labor movement and the 1970s, big government, this Day will mark the 1980s as the decade to correct the abuses of businesses. We in the labor movement think it's time for a Landrum-Griffin Act for business.

The United Auto Workers (UAW) was more direct and rhetorical in its official publication Solidarity (2/1/80):

"We'll be demanding that there be an end to 'business as usual,' and that Big Business start to be held accountable to people's needs. * * * We've been under the thumb of Big Business too long. Now it's time to push it back and make it toe the line."

In a letter released on 12/12/79, and signed by the Board of Advisers—Ralph Nader; John Kenneth Galbraith; Douglas Fraser, UAW president; William Wynn, UFCW president; Coalition of American Public Employees (CAPE) executive director James Farmer; and Patsy Mink, president of Americans for Democratic Action (ADA)—the ACACP described its plans for Big Business Day in the following words:

"It will be a nationwide event involving hundreds of communities—in the tradition of Earth Day, Food Day, and Sun Day, many of whose organizers are helping develop Big Business Day. As with predecessor efforts, we hope to focus attention on and educate the public about themes often neglected by established politicians and the press. A basic theme is that our giant corporations have gross public impacts without adequate public accountability—that they govern us while we can't govern them."

According to Big Business Day (BBD) "spokesperson" Andy Buchsbaum, since the beginning of March, a salaried staff of ten, supplemented by volunteers and interns supplied by cooperating organizations, have been developing plans for BBD activities. These include: teach-ins at schools, union halls and places of worship; television, and radio debates with business people; "alternatives to big business" fairs; factory tours; meet the candidate events "at which incumbent politicians and their challengers will be interrogated about their attitude towards business;" demonstrations at "symbolic locations, like the U.S. Chamber of Commerce;" mock "trials" of "corrupt" companies; and nominations to a "Corporate Hall of Shame."

An additional activity that will commence on Big Business Day during a Washington, DC, conference will be the establishment of "shadow boards of directors" who the BBD organizers feel should control the ten "most socially bankrupt corporations in America." According to Buchsbaum, the selection of the ten target corporations will be decided on the basis of such matters as price fixing, environmental pollution, dumping, consumer product fraud, anti-union practices, and so forth.

Similarly, selection of candidates for a publication to be released on Big Business Day, The 50 Businessmen You Don't Know Who Run America, will be based on similar criteria plus such factors as interlocking directorships, political donations, past government service and candidate endorsements.

Judgmental decisions in these selections, according to the BBD, are being made by the six-member Board of Advisers; the thirteen-member Board of Directors; and the forty-six member Advisory Board. Among the most active of these in exercising influence over BBD are Ralph Nader, Robert Georgine, Mark Green, Victor Kamber, Alice Tepper-Marlin, Michael Jacobson and Jules Bernstein.

Listed as members of the Board of Directors are Mark Green, chairman, director of Ralph Nader's Public Citizen Congress Watch; Michael Jacobson, secretary-treasurer, executive-director of the Center for Science in the Public Interest; Ann Beaudry, active with IPS's (National) Conference for Alternative State and Local Public Policies (NCASLPP); Jules Bernstein, associate counsel, Laborers' International Union; Rev. David Burgess, Newark, NJ; Thom Fassett, Board of Church and Society of the United Methodist Church; Peter Harnik, former cocoordinator of Sun Day; Victor Kamber, Assistant to the President of the Building Trades and Construction Trades Department, AFL-CIO; Alice Tepper-Marlin, executive director, Council on Economic Priorities (CEP); William Olwell, International Vice-President, United Food and Commercial Workers (UFCW); Marjorie Phyfe, representative of the Non-Partisan Political League of the International Association of Machinists (IAM) and an official of the Democratic Socialist Organizing Committee (DSOC); Pat Ford-Roegner, assistant director of CAPE; and Frank Viggiano, executive director of the U.S. Students Association (USSA).

Advisory Board members include:

Gar Alperovitz, long-time IPS associate and co-director with Jeff Faux of the Exploratory Project for Economic Alternatives (EPEA).

Ira Arlook, executive director of the Ohio Public Interest Campaign (OPIC) active in the NCASLPP.

Ed Asner, actor.

George Ballis, Rural America and National Land for People.

Richard Barnet, IPS.

Julian Bond, Georgia State Representative.

Heather Booth, Midwest Academy, NCASLPP, and executive director of the Citizen/Labor Energy Coalition (CLEC).

David Brower, founder and chairman of the board of Friends of the Earth.

Cesar Chavez, president, United Farm Workers of America.

Jacob Clayman, president, National Council of Senior Citizens.

Barry Commoner, director, Center for Biology of Natural Systems and member of the Organizing Committee for the Citizens Party.

Rep. John Conyers [D-MI].

Art Danforth, Cooperative League of the U.S.A.

Rep. Ronald V. Dellums [D-CA].

Joe Fish.

Ed Garvey, National Football League Players Association.

Robert Georgine, President, Building and Construction Trades Dept., AFL-CIO.

Bishop Thomas Gumbleton, Auxiliary Bishop, Archdiocese of Detroit.

Robert Harbrant, President, Food and Beverage Trades Dept., AFL-CIO.

Michael Harrington, national chairman, Democratic Socialist Organizing Committee (DSOC).

Fred Harris, professor, University of New Mexico.

Robert Heilbroner, New School for Social Research, professor.

Hazel Henderson.

Msgr. George Higgins, U.S. Catholic Conference.

Jim Hightower, author of Eat Your Heart Out.

Irving Howe, professor, Hunter College.

William Hutton, executive-director, National Council of Senior Citizens.

Mildred Jeffrey, former national chair, National Women's Political Caucus.

Mary Gardiner Jones, former FTC Commissioner.

Frances Moore Lappe, co-director with IPS's Joe Collins of the Institute for Food and Development Policy.

Robert Lekachman, City University of New York (CUNY), professor.

Sr. Barbara Lupo, co-director, Clergy and Laity Concerned (CALC).

Joyce Miller, vice-president, Amalgamated Clothing and Textile Workers.

Kathleen O'Reilly, executive director, Consumer Federation of America.

Wade Rathke, Chief Organizer, ACORN [Association of Community Organizations for Reform Now].

Jeremy Rifkin, director, People's Business Commission (PBC).

Rep. Benjamin Rosenthal [D-NY].

Arthur Schlesinger, Jr., Albert Schweitzer Professor of Humanities, City University of New York.

Stanley Scheinbaum, American Civil Liberties Union (ACLU).

Scott Sklar, Washington director, National Center for Appropriate Technology.

Timothy Smith, executive director, Interfaith Center on Corporate Responsibility (ICCR) and activist with the American Committee on Africa.

Rabbi Marc Tanenbaum, American Jewish Committee.

Sr. Mary Luke Tobin, Thomas Merton Center.

Harold Willens, chairman, Factory Equipment Corporation.

William W. Winpisinger, president, International Association of Machinists and Aerospace Workers (IAM).

Jerry Wurf, International president, American Federation of State, County and Municipal Employees (AFSCME).

From this listing, it is apparent that a variety of "New Left" organizations are cooperating with some of the more militant trade union leaders in an attempt to bring about a revolutionary change in the U.S. commercial and industrial arena. Among the trade unions listed as supporting Big Business Day and thus the campaign are the UAW, IAM, UFW, UFCW, [formed by the recent merger of the CPUSA-influenced Amalgamated Meatcutters and Butcher Workmen], AFSCME, the Newspaper Guild, and Amalgamated Clothing and Textile Workers (ACTWU). In addition, BBD is supported by several labor-related groups such as the Coalition of Labor Union Women (CLUW), AFSCME's Coalition of American Public Employees (CAPE), the Federation of Professional Athletes, and two departments of the AFL-CIO, Food and Beverage Trades and Building and Construction Trades.

Parallel with the BBD organizing is a Capitol Hill legislative effort in support of passage of a Corporate Democracy Act in which Senator Howard M. Metzenbaum [D-OH] is playing a leadership role by way of his chairmanship of the Senate Antitrust Subcommittee that is scheduled to hold hearings prior to the April 17 BBD.

In the House of Representatives, Rep. Benjamin Rosenthal [D-NY] and Rep. Frank Thompson [D-NJ]—who recently has made the headlines in the FBI's ABSCAM bribery "sting" investigation—are slated to sponsor similar legislation, with the vehicle most likely being Thompson's Subcommittee on Labor-Management Relations.

According to Ralph Nader, the proposed Corporate Democracy Act is not regulatory because it does not create a new federal agency. Instead, he said, it aims at establishing principles of "accountability." The proposed law would apply to about 800 of the largest U.S. companies specifically those with either more than 5,000 employees or more than $250 million in sales or assets. The bill would provide free speech and "whistleblower" protection for employees, greater control by shareholders in management decisions, for an "independent" majority on the boards of directors, bar most corporate secrecy, provide for long-term advance notification to workers before a plant closing, and far stiffer criminal penalties against "corporate criminal conduct."

According to BBD, its ample financial resources started with a $15,000 "seed grant" from the Stern Foundation, followed by contributions from sponsoring organizations, individuals and sympathetic unions. The BBD national coordinator is former ACTWU organizer Michael Schippani.●

ED CARTNER ELECTED NATIONAL PRESIDENT OF RURITAN CLUB .

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. HEFNER. Mr. Speaker, I would like to bring to the attention of my colleagues in this Chamber the election of a gentleman in North Carolina's Eighth Congressional District to a national post of honor and distinction. He is Ed Cartner of Route 1, Mocksville, N.C. At the national convention of the Ruritan Club, January 24-26 in St. Louis, Mo., Mr. Cartner was elected national president of the club.

Ruritan is the largest rural civic organization in America with over 1,400 clubs across the United States. Founded in 1928 in Holland, Va., Ruritan has grown from the Tidewater area of Virginia to the foothills of the Rockies and from the Great Lakes to the Gulf of Mexico. In doing so, the club has helped enhance the life of thousands and thousands of families.

The organization's purposes are to create a greater understanding between rural and urban people of the problems of each, as well as their mutual problems, and working with those agencies which serve the community and contribute directly to its progress. It is similar to the service organization of cities, but it is designed to need the needs of rural people and rural communities. The membership of a Ruritan Club is composed of farmers, business and professional men, and other concerned citizens in the community.

Mr. Cartner, the owner and operator of Cartner's Service Center, has served as president of the Sheffield-Calahaln Ruritan Club and zone governor. He subsequently was elected district governor and national treasurer. He also has served on the national budget and finance committee.

Mr. Speaker, I ask my colleagues in this Chamber to join me in paying tribute to Mr. Cartner and wishing him every success during his tenure as national president of the Ruritan Club.●

REYE'S SYNDROME ACT

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Ms. FERRARO. Mr. Speaker, last session I introduced H.R. 6164, the Reye's Syndrome Act of 1979. As newspaper reports are filled with accounts of increased deaths from this little understood childhood killer, that legislation is all the more important.

Reye's syndrome, which often follows the flu, chicken pox, and other viral infections continues to elude the medical profession. Its causes and cures are unknown. Nonetheless, it can be successfully managed if the patient is under the care of a pediatrician, neurologist, neurosurgeon, and anesthesiologist familiar with the disease. Sadly, all too often Reye's is fatal because neither the parents not the family doctor are aware of the disease and its symptoms.

In 1977, 337 suspected cases of Reye's were reported to the Center for Disease Control. Of those cases where CDC knew the outcome, 49 percent of the patients recovered completely, 12 percent suffered residual neurological damage, and 39 percent died. The neurological damage, caused by the swelling of the brain, varies from slight IQ alterations, to serious brain dysfunctions. The problem of this little known disease was brought to my attention by constituents of mine whose daughter died from Reye's 2 years ago. They have founded a chapter of the National Reye's Syndrome Foundation and are working diligently to bring this matter to the forefront and save the lives of countless American children. I am grateful to them for enlightening me, and have introduced H.R. 6164 to continue that educational process.

My legislation would establish two diagnostic and research centers to aid in the fight against Reye's. These comprehensive centers would conduct research, train physicians, develop professional education, and public information programs. Funded at $750,000 a year, this $1.5 million commitment seems a minor one given the severity of the situation. In recognition of the fact that many physicians and private clinics are currently undertaking studies to solve the puzzle of Reye's syndrome, the bill also provides $500,000 per year for grants for research activities not associated with the two centers. The programs established under H.R. 6164 would be administered and coordinated by the Reye's Syndrome Coordination Committee within the National Institutes of Health.

Mr. Speaker, to underscore the importance of this legislation, and its relevance to current health conditions in the Nation, I am inserting copies of articles from the Washington Post and New York Times. I commend them to my colleagues and my constituents. I hope that the Members of the House will join me as cosponsors of H.R. 6164, so that we may begin the important first step of a commitment on the part of our Government to research and control Reye's syndrome.

The articles follow:

[From the New York Times, Feb. 24, 1980]

CHILDREN'S DISEASE JOLTS A SMALL TOWN IN MICHIGAN

(By Iver Peterson)

DETROIT, Feb. 23.—A little-understood sickness has taken the lives of at least seven children in the Middle West this winter, causing near-panic this week for parents in one small Michigan town.

The sickness, Reye's Syndrome, is an affliction that few doctors have ever encountered and that the Federal Center for Disease Control in Atlanta began to track only about three years ago.

It strikes children under the age of 18 who have recently had a viral infection, causing swelling in the brain that sometimes leads to brain damage in survivors, and causing damage to the liver. The fatality rate for the last three years has averaged about one in three. More than 340 children in the nation have died of the disease since 1977, although it shows signs of declining.

"We don't know why it happens, we can't tell for sure where it's going to hit—although we do know that it follows influenza type B," said Dr. Thomas Halpin, Ohio's Director for Disease Control, who has conducted the most extensive study of the sickness by a state. "The best thing is to have parents recognize the symptoms for early treatment. That's why it's important to get the word out—without panicking people, because it's still an extremely rare disease."

But not so rare in Sherwood, a tiny farming community of 400 in southwestern Michigan, where two children have died of Reye's Syndrome so far this year and a third barely escaped.

The 130-pupil Sherwood Elementary School has been closed since the middle of the week because fearful parents have kept their children at home. Furthermore, the parents have protested the scheduled reopening next week. At their meeting, the parents invited local officials and doctors from the State Health Department and the Federal Center for Disease Control.

Mary Duttlinger, whose 8-year-old son died of the disease last week, voiced the frustration of parents, saying: "One doctor says do one thing. One doctor says another thing. People don't know what to do."

"It's very difficult for anyone to have fears allayed by a situation that has frankly stumped the experts," Dr. Ronald Waldman of the Federal Center for Disease Control told the audience.

SYMPTOMS IN VICTIMS

What is known about Reye's Syndrome—the name rhymes with eyes—is that it strikes youngsters up to the age of 18, but mostly those between 5 and 11 years of age, who have recently had one of several forms of viral infection, seem to be mending but then relapse into severe vomiting, high fever, headaches, disorientation or delirium, and fainting.

"It's not normal vomiting," Betty Hooper, speaking for the Center for Disease Control, said of the initial symptoms. "It's much more violent—the kind you'd probably want to ask a doctor about anyway.

Reye's is not believed to be contagious, unlike the viral diseases that are believed to precede it. The viral diseases are, prinicpally, influenza type B, the type now making the rounds in the country, and rubella, or German measles.

The Federal disease center's figures show that this year Reye's Syndrome is concentrated in Ohio, where there have been at least 100 cases and two deaths this winter. Michigan has had 22 cases and four deaths, and Minnesota, 13 cases and one death.

The disease's season usually lasts from the end of December until late March.

New York State, which has been suffering from Type B flu with the rest of the country this winter, has reported eight cases with no deaths, Dr. Richard Rothenburg, head of the state Bureau of Disease Control, said.

Of these cases, seven were diagnosed downstate and the other upstate.

[From the Washington Post, Feb. 29, 1980]

THE FLU'S DEADLY PARTNER

(By Sandy Rovner)

Laura Mitchell is your "every day, normal 6-year-old first grader," her mother said, the youngest of five. And "when you have teen-agers," Terry Mitchell added, "you really appreciate the age 6."

They get a lot of flu in a family of five. Sighed Tom Mitchell, "Sometimes I think we have a monopoly on it."

Laura got flu in November, the second member of the family to have it.

By now they've all had it. But Laura had something else too. Something called Reye's syndrome.

They've closed schools in Michigan this week in panic. "We think," a frightened mother there wailed, "the health people know more than they're telling us . . ." There has been a cluster of Reye's victims in the Battle Creek area—25 cases, four deaths.

"It is one of the most serious new diseases and nobody really has a handle on it," said Sen. John Melcher (D-Mont.) who is sponsoring a bill to fund research on Reye's syndrome.

"You don't want to panic people," said Dr. Joel Taubin, a Washington-area physician whose 11-year-old son died of Reye's two years ago, "but too many people think it's such a rare disease. It's here. It's not rare."

There have been half a dozen cases and at least one death reported in the metropolitan Washington area this winter, only about half as many as by this time last year. Monday night a six-year-old died in Baltimore at the Johns Hopkins University Hospital. Of Reye's syndrome.

"Laura's flu ran its course," Terry Mitchell said, but "the next morning she had this violent, violent, violent vomiting . . . I remember I had read this article, so I called Georgetown-Reston and took her right over. She was almost comatose by the time we got there, with her eyes rolled back in her head. I had to shake her to get her up. They did a liver test and her enzymes were way out of whack . . . They sent us to Dr. Colon at Georgetown. She was in Level-I Reye's."

Dr. Angel R. Colon, associate professor of pediatrics at Georgetown Medical Center, has been conducting research on Reye's since 1971.

He will concede first that Reye's is a mystery illness, then tell you that "it is a disease of the mid-20th century," given a name (after Australian pathologist R. Douglas Reye, who described the symptoms) only in 1963.

The symptoms are "so overt," Dr. Colon said, that "it is difficult for me to conceive that the great French and German pathologists of the 19th century could have missed this disease" if it had been around then.

"There is just no similar description before 1950 or so."

Dr. Colon suspects that the disease is caused by an interaction of a virus and a toxin—some poison in the environment from an insecticide, perhaps, or even one occurring naturally. In this country Reye's is usually, although not always, associated with either chicken pox or the type-B flu virus, which is the one around this year. It hits as the patient appears to be recovering, mostly affecting children under 19. However, it has been identified in adults as well.

Although there are pockets of research, there is no concerted national research effort on Reye's syndrome, something Sen. Melcher hopes to change. About one flu victim in 1,000 appears susceptible, said Dr. Colon, "so when you add up the thousands of children who come down with flu and the cases of Reye's, it is not common. But it is such a devastating one when it hits."

Gregory Mark Taubin, 11 years old, was president of his sixth grade class at Potomac Elementary School in the Maryland suburbs. he was an honor student and a promising athlete. He was recovering from chicken pox.

Dr. Taubin remembers it was a Saturday and he'd gone to his downtown office to see patients and there had been a phone call from his wife. "She said 'There's something wrong with Greg. He's not acting right. He's screaming and yelling. . . '"

Greg had what Dr. Colon characterizes as "malignant Reye's." He had no chance.

In the wake of his own tragedy, Dr. Taubin has made his office in downtown Washington the headquarters for the local Reye's Syndrome Foundation, a chapter of a national grassroots organization founded in Bryan, Ohio, by the parents of a victim. Taubin has just been made a member of the board of trustees.

He is tireless in his crusade to inform, to scare up research funds, to advise, to comfort. He sends letters describing symptoms to fellow physicians and lobbies for a federal program. He warns that it can be mistaken for other things. Adolescents with Reye's may act like drug users, for example. He has distributed a poster to hospital emergency rooms urging personnel to "Consider Reye's."

The Midwest seems to have more Reye's cases than other parts of the country. In Ohio, where some 100 cases have been reported, physicians "are so tuned in," said Dr. Colon, that more cases are getting earlier treatment and the death rate there has been considerably reduced.

One thing the doctors have learned from observing Reye's victims is that its course takes it through five distinct levels, ranging from mild symptoms to deep coma. When it attacks, Dr. Colon said, "it is like a tornado in the body. It wreaks havoc. It starts in the liver, affects the kidneys, the heart, the pancreas, the body muscles and then creates brain swelling. Then suddenly the liver starts to heal and it has left in its wake this tremendous damage all over the place, the main one being the brain swelling."

The overall mortality rate of Reye's syndrome is a frightening 40 percent. But if the disease is caught early enough, that rate can be reduced to only about 10 to 15 percent. Doctors feel certain that Reye's is not contagious, although the viral diseases it follows usually are.

"At first," said Terry Mitchell, "they told us we should watch Laura for any neurological signs overnight, but then Dr. Colon said it wouldn't be fair to put that responsibility on us so we took her into the hospital. They woke her every 15 minutes to make sure she knew who she was . . . where she was, did neurological tests . . . You wonder when you see all those extraordinary precautions, but Dr. Colon sat us down and said, "About 15 percent come in like this and die. . . ."

Reye's syndrome will come on something like this: The victim appears to be getting over a bout with chicken pox, a cold, flu or gastroenteritis. Usually he will then go into relentless nausea and vomiting, accompanied, or followed, by listlessness, lack of pep, and neurological changes, including personality or behavior changes, unusual irritability, combativeness or inappropriate responses.

"The main thing," said Dr. Colon, "is to let parents know, look, if your kid has what looks like a cold and starts to vomit, has either lethargy or disorientation . . . that's the time to hightail it to a doctor, because from there on in, it can just blow out . . ."

The treatment of Reye's must be what doctors call "aggressive," with a specialized Reye's team prepared to take heroic measures as the course of the illness requires. Dr. Colon feels strongly that the illness must be treated at a hospital where doctors and nurses are trained in the specific kind of intensive care a Reye's victim usually requires.

Most important in the treatment is the use of a device implanted by a neurosurgeon to measure brain pressure. If the disease progresses to the later stages, the neurosurgeon may have to perform further surgery to relieve the pressure, ultimately the cause of death.

But even earlier as the disease ravages other organs, specialists—nephrologists, cardiologists and neurologists—must be on hand to counter the crises that can follow each other minute by minute.

Even when a patient recovers, Dr. Colon said, there is a 30 percent chance of "residual neurological change," ranging from a mild learning disability to severe retardation.

"We feel we have a debt," said computer firm executive Tom Mitchell. "I'm giving out leaflets on street corners," said Terry Mitchell, a Northern Virginia Realtor.

Laura Mitchell's illness never went beyond the early stages and she appears to have suffered no ill effects. "'You don't know how fortunate you are,' they told me," Terry Mitchell said. "I look very closely at my children now."

Laura is a perceptive child, her mother said, and didn't miss the implications of the hospital procedures and probably of conversations going on around her.

"When she first came home, she wouldn't take off the hospital bracelet," Terry Mitchell said. "She would say, 'Everybody got one . . . I survived.' "●

FIREARMS LAW REFORM ACT

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. SHELBY. Mr. Speaker, it has been brought to my attention that problems in the language of the 1968 Gun Control Act and the 1968 Omnibus Crime Control and Safe Streets Act leave innocent citizens potentially subject to unwarranted scrutiny—and sometimes arrest—at the hands of Treasury Department and Bureau of Alcohol, Tobacco and Firearms agents. Given the malleability of current law, these agents can fashion the law and its regulations to fit the situation. This is unfair and should be corrected.

Congressman HAROLD VOLKMER has taken it upon himself to address this problem in legislative form. His Gun Decontrol Act seeks to tighten up the definitional problems which have caused unnecessary citizen harassment over the years.

One of the most flagrant problems is that of defining—either by statute or regulation—engaging in the business of dealing in firearms or ammunition. As the law now reads, persons who sell a firearm on rare occasion to a friend or to a dealer for a little extra cash perhaps, but who do not regularly buy and sell firearms as a trade or hobby are statutorily exempt from Federal licensing requirements. However, in more instances than I care to relate, a person who has been caught in a single, isolated act of selling a firearm when the purchaser turns out to be an undercover BATF agent ready to make a case for prosecution of this one-time dealer. We all know of the zealousness of Federal regulators. BATF personnel are no different except that their zeal can send you to jail. Even more vexing is the way the BATF often handles these alleged crimes; with much fanfare and press coverage are the charges brought and firearms confiscated, with no prosecution to follow—leaving the citizen's reputation and record besmirched by unproven allegations.

Mr. VOLKMER'S bill, H.R. 5225, carefully defines the nature of business conduct both for firearms licensees and dealers while also covering gun collectors. In addition, the bill tightens up areas of the law dealing with inspections, seizures, interstate sales, and transportation where similarly vague language has robbed the statutes on the books of any sense of uniformity or predictability.

Certainly this bill is in keeping with the trends of the times. Private citizens and business alike are reeling under the intrusive burden of Federal regulation. In most instances, Congress has attempted to be responsive to pleas of "get the Federal Government off my back." Not only are individual freedoms at stake here, but so too are Federal costs. If we can redefine infractions of Federal firearms rules so as to insure their comprehensibility by enforcement officials and private citizens alike, the Federal Government will no longer have to pick up the tab for spurious investigations or legal self-defense against unwarranted intrusions.

In short, H.R. 5225 merits our close—and prompt—scrutiny. I recommend to my colleagues that such action be taken before the end of the 96th Congress is upon us.●

SALUTE TO DR. MILTON E. WILSON, SR.

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to salute a man who has been a beacon for the disadvantaged and a religious fortress in the Cleveland metropolitan area for many years—Dr. Milton E. Wilson, Sr. On March 29, 1980, the civic and religious friends of Dr. Wilson will honor him as he begins his retirement from the pastorate of the Liberty Hill Baptist Church in Cleveland, Ohio.

Dr. Wilson, 72 years old, has epitomized the Christian way of life. He has stressed charity and brotherhood through his religious and civic affiliations in Cleveland. He has given unselfishly of his time and talent to the community in various capacities.

Dr. Wilson's dedication to a Christian life started at an early age. He began preaching at the age of 15 and was licensed into the gospel ministry in 1922 by the Mount Calvary Baptist Church in Princetown, Ky. He was ordained by the same church in 1928.

During his religious career, he has served as the pastor of four churches—the First Baptist Church in Bracktown, Ky., the First Baptist Church in Paris, Ky., the Galilee Baptist Church in Barberton, Ohio, and the Liberty Hill Baptist Church in Cleveland, Ohio. Totaling his unfaltering work with the church, you will note that he has served with great spiritual vitality for over 54 years.

Equally as important as his notoriety for his evangelistic and religious work, he is a noted lecturer and leader in the Baptist Church and related organizations. Dr. Wilson's work in the field of religion and religious education has been so exemplary that the A.M.E. Liberian College of Monrovia, Liberia, bestowed the doctor of divinity degree on him in 1940.

Largely because of his internationally acclaimed reputation in the area of religion, Dr. Wilson has had an extraordinary impact on the Cleveland community at large and specifically the Liberty Hill Baptist Church. The church's programs and membership have grown tremendously during his pastorate. Similarly, many civic programs have flourished as a result of his involvement.

During his tenure at the Liberty Hill Baptist Church, he organized the Ministers and Deacons' Wives Group for a more effective role in the total church program. Additionally, Dr. Wilson established and expanded the missionary union from 1 group to 12 circles to serve as the vehicle to coordinate and reach all aspects of missionary work in the church and community. Through these efforts, he has touched the lives of the disadvantaged and downtrodden in the community.

In terms of the church's solvency, Dr. Wilson designed three key fundraising programs that made a great impact on the church's history. These programs insured that the Liberty Hill Baptist Church would be on firm economic as well as religious ground.

The first program was the "Loyalty Month." This was essentially an annual fundraising event that incorporated children's, youth, men and women's day into one month of religious activities. The month has always been climaxed with a special Sunday program each week beginning with children and ending with the women.

The second program was the C.O.D. and A.B.C. drives which resulted in the purchase of the present edifice in 1956 and the mortgage burning in 1958. Few churches in the Cleveland metropolitan area have accomplished this in such a short period of time.

Finally, during his tenure, he established the Liberty Hill Baptist Church Credit Union which has assets in excess of $240,000. This has been a showcase for the church as well as the community.

In addition, he was instrumental in establishing a scholarship fund which now bears his name. The fund was set up to assist worthy persons in securing the needed capital to continue their education.

In summation, Dr. Wilson is a dynamic man and a great motivator. He has been an inspiration to many people in Cleveland, in the church and around the world. Even though he is retiring from the pastorate of the Liberty Hill Baptist Church, I am confident that he will continue to be a positive catalyst in the Cleveland metropolitan area.

At this time, Mr. Speaker, I would like my colleagues to join me in saluting Dr. Milton E. Wilson, Sr.●

EIS PUBLIC MEETING

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● **Mr. GOODLING.** Mr. Speaker, recently the Department of the Army began to carry out an environmental impact statement (EIS) on its preferred alternative to move the helicopter maintenance facility of the New Cumberland Army Depot.

This EIS was mandated by the House and the Senate several months ago because of questions which have arisen over the wisdom of such a move and the effect it would have on our local economy.

The depot, which is located in my district, has been in limbo because of this issue for the last 5 years. The wear and tear this uncertainty has caused to the men and women working at the facility was evident at the EIS public hearing last week. They are frustrated and rightly so. This process has been going on for much too long. No matter what the final decision on the maintenance facility, and we are hoping the Army will see the folly of its preferred alternative, a decision must be reached in the near future.

Mr. Speaker, I ask that the statement I presented at the EIS public meeting be made part of the RECORD at this point so my House colleagues can judge for themselves the wisdom of keeping the helicopter maintenance at the New Cumberland Army Depot.

Thank you.

PUBLIC MEETING ON THE EIS

NEW CUMBERLAND, PA.—I am again eager to address the Army's preferred alternative to move the helicopter maintenance facility of the New Cumberland Army Depot.

We have been fighting this fight for the five years I have been in the Congress. During this period numerous studies, meetings, reports and counter-reports have been issued with no solid justification forecoming on the proposed realignment.

Unfortunately, the ones who really have been the victims for all this indecision are the men and women who work in this Mission and live day to day without knowing if their jobs will be eliminated the next day. Five years is an awfully long time to wait for an answer.

Now, I feel we are nearing the end of this process. We were successful in the House and the Senate in demanding that the Army conduct this Environmental Impact Statement (EIS) before they proceed with their preferred alternative. I hope the Army will not allow what has transpired to this point to unduly influence this EIS. The Army must take into account the situation as it exists today. Studies conducted even a year ago should be viewed with skepticism in light of more recent events. I will not rehash the points I have previously brought to the Army's attention, although I would like to submit for the record several contentions previously raised.

The points that must be made tonight are that changing circumstances make this proposed alternative imprudent and unjustified. Look around us. From an economic and military standpoint this move is not practical. The President has called for a 5.4 percent increase in real defense spending for fiscal year 1981. In light of recent developments in the Mid-East and Europe, Congress will insist on greater military preparedness. This may well be reflected in beefing up our aircraft and helicopter maintenance. For example, I have recently seen a Defense Department memo suggesting that New Cumberland is actively being considered for the modernization of four Thailand CH47C and CH47D model helicopters at a projected cost of $22 million. The work would be performed between 1982 and 1986. It is logical to assume that other such nation's may have similar modernization requirements in this time of military awareness. To assume, in these uncertain times that all future overhaul and modernization programs can be conducted at Boeing-Vertol (which is susceptible to labor disputes) or Corpus Christi (which is much further away from our European and Mid-East allies) is illogical and irrevocable.

For example, no one would have predicted six months ago that NCAD would be in line as the prime contractor of the Blackhawk Rotor Blade Program or the new Navy Seahawk Rotor Blade program, but it appears this may be the case. The lesson is clear; changing circumstances demand an adaptable military posture. New Cumberland Army Depot can provide the flexibility for future demands.

The second point I would like to make I am sure will be made here tonight by many others. The current economic climate of this region is very susceptible to work reductions. Realizing this, the President in his visit to Three Mile Island pledged not to allow that crisis to interrupt the economic well-being of the area. I feel he has thus far lived up to his commitment by granting SBA loans and by agreeing to take the impact of TMI into account when deciding the future of NCAD. I would hope this EIS will do the same.

I would like to make one final point. Often in situations like this a government agency can set in motion a series of circumstances which result in satisfying self-fulfilling prophecies. By aiming for this preferred alternative, the Army has caused a continual reduction in the NCAD work force. This, in turn, has allowed the Army to project that the facility can no longer handle the type of maintenance work required.

Let me state in the strongest possible terms that New Cumberland stands ready, willing and able to perform any task that is assigned. As was reported last month in the Army After Action Report for Operation Northern Leap 1979, "The overall support received at NCAD was excellent. The capabilities of the depot to provide highly skilled maintenance personnel and the availability of any/all replacement parts required cannot be overstated." Thank you.●

THE NORTHWEST REGIONAL POWER BILL AND THE NEED FOR PUBLIC PARTICIPATION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BONKER. Mr. Speaker, this week, the Subcommittee on Energy and Power of the House Interstate and Foreign Commerce Committee begins markup on what is called the Northwest regional power bill.

I support this legislation. It is vitally important that we bring a legislative solution to the problem of allocating an increasingly scarce supply of energy in the Northwest. Without the bill, power will be allocated by the courts, and we in the Puget Sound area know from our experience with salmon how unsatisfactory judicial allocation can be.

The key provision in this legislation is section 4, which provides for a regional council to make energy decisions. The House version of the bill contains a meaningful plan for public participation. I draw the attention of my colleagues to the following position paper, recently sent to my district, on why the House version of section 4 must be retained:

THE REGIONAL POWER BILL AND THE NEED FOR PUBLIC PARTICIPATION

The House of Representatives is now in the process of considering the Northwest Regional Power bill—what has been called the most important piece of legislation to affect the Northwest in the past 40 years.

Not only is it one of the most important bills Congress will consider, it is also one of the most complex.

It is vitally important that the average citizen understand what is at stake in this legislation. The decisions to be made about the bill will affect every electrical user and ratepayer for generations.

A BIT OF HISTORY

When Franklin D. Roosevelt ordered the building of the Grand Coulee and Bonneville dams in 1933, critics charged that these massive hydroelectric projects would generate more energy than the Northwest could ever use. Now, less than 50 years later, every kilowatt of power from the dams is being used, and the region is crying for more.

There are many reasons why we have entered an age of impending energy scarcity—a too-heavy reliance on foreign oil, rapid growth in the Northwest, a lack of serious commitment to conservation. In addition, the region is home for 10 plants belonging to six huge aluminum companies. These plants use one-fifth of all the region's electricity and one-third of the electricity from the Federal dam system.

One response to the shortage has been that Washington State has crossed the "thermal threshold." Today, more than three-quarters of the region's electricity still comes from the turbines at about 150 dams. But according to some scenarios, half the region's electrical energy will have to come from nuclear or coal plants by the mid-to-late 1980's.

The state's utilities are currently constructing some seven nuclear plants, which will be called upon to help boost the electrical load of the region from an average 17,000 megawatts today to more than 24,000 megawatts by 1990.

This increasing reliance on nuclear and coal will have the inevitable effect of boosting rates. In 1979, the cost of 500 kilowatts of electricity was $9.45 in Seattle—compared with $42.85 for metropolitan New York. Rates, however, are rising as the bills for the new systems come in.

The Northwest's industries, homeowners and farmers all want the low-cost electricity from Federal dams, which recently wholesaled at less than a penny a kilowatt hour. In contrast, electricity from new nuclear plants could wholesale for as much as 10 cents a kilowatt hour.

THE PREFERENCE CLAUSE

The region's access to low-cost Federal power is limited by the legislation by which the Bonneville Power Administration (BPA) was established in 1937. It contains the "preference clause"—only public power districts are entitled to all the Federal power they want.

In the past, the BPA could sell surplus electricity to non-public customers, private utilities, for example, or Direct Service Industries (DSIs). In the 1960's, for example, BPA signed 20-year contracts with the aluminum companies.

That surplus has vanished. In 1976, BPA was forced to advise the aluminum companies that it could not renew their contracts in the 1980's. It also told the public utilities that there would not even be enough energy to serve all their requirements after 1983.

In 1977, BPA still sold 30 percent of its total output to the aluminum companies, 10 percent to the private utilities, and 18 percent to California and other distant customers. All this power going to private utilities and out-of-state customers is subject to interruption. This means that those customers get it only when there is enough water in the Columbia River to run the turbines to capacity. In low-water years, such as the Northwest has experienced recently, this power is cut off.

In addition, BPA's 1976 announcement has jeopardized the aluminum maker's access to a secure source of inexpensive power. It also has posed the threat of a ratepayers revolt among the customers of private utilities. Portlanders, for instance, served by privates, pay three times as much for electricity as people across the Columbia River in Vancouver, whose public utility gets the cheaper BPA hydroelectric power.

This situation poses the threat of chaos in regional energy politics. There has been talk that thousands of rural and residential private utility customers in Oregon might ban together to form a huge new public utility district that could lay claim to BPA "preference" power under the old statute.

THE REGIONAL POWER BILL

The Regional Power Bill is an attempt to impose a rational framework within which to deal with scarcity, to construct and finance new sources of power, and to provide for effective conservation measures.

Because of the many and diverse interests affected, this has been a tough bill to put together. We are now on the third try. Past efforts have disintegrated when the apparent consensus collapsed. Now, however, there appears to be greater consensus than before on many key provisions of the bill. The Public Power Council (PPC) has adopted a series of amendments which represent a broad agreement among public and private utilities, the DSIs and BPA.

As in any such legislation, there are many trade-offs involved. The private utilities get some easing of the rate disparities between what their customers are charged and what public utility customers pay; the public utilities get greater certainty in planning for their energy needs; the aluminum companies get long-term contracts, in return for higher rates. The BPA acquires more authority for regional planning and acquisition.

But there are still aspects of the legislation unresolved. Not surprisingly, they deal with some of the most important questions that will affect our energy future.

THE REGIONAL COUNCIL/SECTION 4

From the outset, I have felt that Section 4, which establishes a regional council empowered to formulate a long-range plan for Northwest energy resource acquisition and conservation, was the most important provision in the bill.

Who serves on the council, how they are selected, whether they have an independent staff and the authority to be truly independent are at stake in this section of the legislation.

The Senate-passed bill includes a Section 4 which resembles something of a commission, made up of four members, hand-picked by the governors, who along with the BPA Administrator would develop energy programs and set energy priorities for the region. Under this scheme, the council would not be broadly based, nor would it be independent or be supported by an independent staff. Since each of the four states would have one vote, Washington would be denied a voice equal to its large population and heavy investment in energy facilities. Only half the state of Montana is represented, yet that state would have equal voting power with Washington on energy-related matters. Here are additional reasons why proportional representation is important to our state:

With nearly four million people, Washington is by far the largest state in the region. We consume more than half of the region's energy. Any council make-up should reflect the population disparities within the region.

Washington State has committed itself to the building of seven nuclear power plants. This is an impressive and burdensome investment which must be protected. Again, proportionality would insure that the state's commitment is provided adequate oversight.

Without proportional representation, the interests of Washington State's 22 Public Utility Districts cannot be adequately represented. Public power must have a strong voice in Northwest energy decisions. A proportional council would be an important step in this direction.

Last year I offered an alternative to Section 4 that would establish a council of eleven members, based on population, with an independent staff and authority to formulate the region's energy plans for the future. Since that time both the City of Seattle and the Public Power Council have come up with similar proposals, one of which will be included in the House bill.

Within a few years Northwest residents will be paying as much in utility bills as they are in property taxes, yet, unlike local city councils and school boards, there will be little opportunity for direct public input on the policies involved. If Congress is to set up a regional entity to oversee energy matters, the people must have an opportunity to participate.

I feel strongly enough about this section that my ultimate support of the bill may depend on how it is addressed.

I support the concept of Regional Energy legislation. It is needed to bring rationality to the important energy decisions that lie ahead. But I hesitate to support a bill that does not guarantee the citizens of Washington State their rightful voice in those decisions.

The composition of the council and its relationship to the BPA are key to the determination of our energy future and will impact a broad range of issues including future electric rates, conservation measures, and the type and quantity of new generating resources we will build.

It is imperative that the State of Washington not be short-changed. The decisions that council might make in the near future will be felt for the next 25 years. Such authority must be clearly and directly accountable to the people.●

REPRESENTATIVE BOB WILSON—41ST DISTRICT CALIFORNIA

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BOB WILSON. Mr. Speaker, I would like to share with my House colleagues a copy of a letter which I recently received from Mr. Edward Lifmann of Columbus, Ohio, with respect to U.S. interests in the future of Yugoslavia.

Mr. Lifmann is a patriotic American and a private citizen deeply concerned about our Nation and the world. I commend his observations to the Members of the House and include his letter as a portion of my remarks:

EDWARD LIFMANN,
Columbus, Ohio, February 12, 1980.

Re Kennan on Yugoslavia.
The NEW YORK TIMES,
229 West 43rd Street,
New York, N.Y.,
(Attention: Mr. Sheldon Binn, Political Editor).

DEAR MR. BINN: One should really disagree completely with Ambassador Kennan and James Reston. In Europe the saying is, "There is only one Yugoslav, Marshal Tito", and his constituents are Serbs, Croats, and Macedonians all in historical opposition to each other; an ideal hot bed for political infiltration Russian-style to be followed by an Afghanistan-type "invitation".

Furthermore, it is my information that the Soviets have six divisions in Southern Hungary, not too far from the Yugoslavia border, including supplies.

There are no Russian forces in Rumania and neither do the Russians need to enter Yugoslavia through Rumania, as Mr. Reston states—geography clearly settles that issue.

He is right, however, in stating that the Bulgarians would get in on the act and in this respect it is interesting to know that last year the Russians opened the world's longest ferry link between Varna (Bulgaria) and Odessa (Russia). The ferry operates twice daily and these largest ferry boats in the world can carry 150 Soviet T-62 tanks on flat cars.

The Russians do think ahead and always have a plan. One should remember, by the way, that the first world war started in Yugoslavia.

It is my information that Tito is dying and the U.S.A. would do well to have a plan to prevent the third world war from also starting in Yugoslavia and to prevent the Russians and/or Bulgarians from a direct or indirect takeover, which certainly is part of their game plan.●

BALANCING THE BUDGET

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. KEMP. Mr. Speaker, we are hearing a lot these days about the need to balance the budget and eliminate our enormous budget deficit. While I applaud the born-again fiscal restraint of many of my colleagues, I would like to interject a word of caution. To quote this morning's Wall Street Journal editorial, "deficits do matter, but it is important to remember why and how." Above all we must remember that the stagflation of this decade has completely destroyed the notion that there is some simple tradeoff between inflation and unemployment—and that the Government can manipulate each at will by playing with the budget.

If we are to restore noninflationary growth we must control Federal spending. That is why I have joined in the coalition for fiscal responsibility's call for significant budget cuts. But we must go well beyond this. We must act immediately to restore incentives for production, employment, savings, investment, and individual initiative. We must end inflation by restoring the value of our currency and making the dollar once more as good as gold. If in our effort to balance the budget we lose sight of these essential goals, the entire Nation will lose.

For this reason I commend to your attention the Wall Street Journal's incisive—and timely—editorial:

THE DEFICIT DANGER

This newspaper has warned for years that the federal budget is out of control, and was among the first to warn that heavy government borrowing slows growth by crowding out private investment. Let us warn today, as we listen to talk of "fiscal responsibility" from those who rebuffed and even ridiculed our earlier alarms, that just at this moment entirely too much attention is being paid to the budget deficit.

Deficits do of course matter, but it's important to remember why and how. In the "anti-inflation" program now being worked out by the administration and congressional leaders, talk of a balanced budget is dominated by a simple-minded equation: Deficit equals stimulus equals inflation. Only two things are wrong with this equation. Deficits do not stimulate, at least not any more. And inflation is not caused by too much production and employment.

The thinking of the administration and Congress, in short, is mired in the Phillips Curve, the notion that managing the economy consists of boosting inflation to cure unemployment and boosting unemployment to cure inflation. With the onset of stagflation and especially after the inflation-wracked 1974 recession, no one is any longer so foolish as to defend the Phillips Curve in public. But like Banquo's ghost, it continues to dominate our economic discourse. As William Miller and Ed Muskie and Stuart Eizenstat and Tip O'Neill gather to frame a solution to our economic predicament, they prescribe a further application of the same policies that caused it.

To draw the deficit in proper perspective, you start by putting government spending at the center of the picture. The government's expenditures represent its real claims on the nation's economic resources. It is only a secondary question to what extent these claims are met by taxes (government receipts) or by borrowing (the deficit). In either case the money must come from the private sector, in one instance from its income and in the other from its savings. In either case the real resources come out of income generated by productive enterprise; someone has to pay for whatever the government spends.

It is spending, moreover, that is out of control. The politicians have stacked the deck to give themselves tremendous increases in tax revenues as inflation pushes everyone up through the progressive income tax schedules. But they are so happily shoveling out money to buy votes that this is not enough. In addition to the bonanza of automatic tax increases they have been adding new taxes, expanding borrowing, and at the same time robbing the nation's defense effort. While changes in the deficit and tax schedules can have considerable effects, it is hard to imagine any permanent cure for our various problems unless the ongoing surge in spending is brought under control. Whatever the deficit, spending must be controlled in its own right.

Now, within a given spending level, the first effect of a larger deficit is to increase interest rates. To cover its deficit the government borrows in the credit markets, adding to total demand for the existing supply of savings. If the Federal Reserve is trying to hold down interest rates, it will respond by creating money in an attempt to augment the supply of funds to meet the larger loan demand. This extra money creation is most definitely inflationary, and hence higher deficits have historically led to faster inflation.

At the moment, though, the Federal Reserve at least claims to have stopped pegging its money creation to interest rates. Unquestionably it has demonstrated a willingness to tolerate interest rates that in nominal terms are historically unprecedented (though studies have shown that the real, after-tax interest rate, especially for housing, seems to be low to negative). If the Fed really can ignore interest rates and peg money creation to some independent variable, laying aside the not inconsiderable problem of which one, deficits need not be directly inflationary.

If both federal expenditures and money creation are taken as given, the price of a deficit is crowding out. The Treasury will take its slice of the savings available for loan, and some private borrowers must go without. With the higher interest rates caused by the additional demand, many of them will simply drop out of the market. And the first to drop out are borrowers from private investment in new productive capacity, which responds to rates of return and thus interest costs. So because of the deficit there will be less investment and less growth in subsequent years. This effect now seems quite evident in the West German economy, which has had high deficits and tight money, and though already bad enough here, will become worse if Mr. Volcker is left to fight alone against inflation.

Closing the deficit by raising taxes is no better, in fact probably worse. Taxes take resources from the private sector even more surely than borrowing does. And taxes are even more out of control than deficits. As a percent of GNP, taxes, unlike deficits, are at rates previously seen only in wartime.

What's worse, taxes affect not only the division of resources but incentives in the economy. High interest rates may crowd out investment in a given year; high taxes hammer rates of return not only now but in future years. With savings and investment in their current parlous state, and with little prospect of further rapid increases in labor inputs like those of the 1970s, it is hard to see where growth will come from in the 1980s under the present tax structure, let alone a still more onerous one.

Given these harsh realities, a sensible program would look something like this: Keep money creation slow to combat inflation. Launch a sustained offensive on social, that is vote-buying, spending, closing down programs like CETA and housing subsidies and reducing inflation protections for federal beneficiaries to those enjoyed by productive wage-earners. Improve defense as necessary. Start reducing taxes to improve incentives. If your faith is strong, try an across-the-board tax cut, phased in or even enacted now for future years. If your faith is weak, target tax cuts on improving savings and investment. The most bang for the buck would come from a very inexpensive individual income tax cut—applying the current 50% maximum tax to investment as well as personal service income.

Instead, the Carter "anti-inflation" program seems to be shaping up as something that will look like this: Let Mr. Volcker try to stand alone with tight money. Use mirrors to reduce spending some $4 billion now and $10 billion starting next September, after it has grown $30 billion more than expected already this year. Push social programs in the direction of federally financed programs and guaranteed loans, most recently to bail out Chrysler, which push up interest rates and crowd out productive investment just as surely as deficits do. Raise taxes a lot, some $40 billion in fiscal 1981, even before the $10 billion oil import fee now being floated as part of the "anti-inflation" program.

And as a final step, tell everyone that because the deficit has been closed and the problems remain, the old conservative solutions have been tried and no longer work.●

GOVERNOR REAGAN CHALLENGES ADMINISTRATION'S ATTACK ON ISRAEL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. KEMP. Mr. Speaker, the collapse of American foreign policy under the Carter administration is nowhere more evident than in our policy toward Israel. Israel has been our most reliable ally, and staunchest diplomatic supporter in international organizations. Israel has been of material assistance in stemming the tide of terrorism and inhibiting Soviet penetration of the Middle East. Nevertheless, no administration in modern history has been as equivocal as has the Carter administration in its support of Israel.

The most recent example of the astonishing weakness of this administration in the face of Soviet and Third World pressure is his recent decision to support an anti-Israeli resolution in the United Nations. In the words of columnist, George Will in the Washington Post, March 9, 1980:

> The administration endorses part of the new resolution that refers to "the Palestinian and other Arab territories occupied since 1967." . . . This language is a transparent attempt to insinuate that at least some part of the West Bank and Jerusalem somehow belong to some sort of preexistent Palestinian entity. . . .
>
> The resolution says that all physical demographic and institutional changes Israel has made in those Palestinian and other land violate the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War. This is worse than groundless. It is a studied vulgar taunt of Israel. . . . By endorsing this part of the Resolution the administration concurs in the sleazy UN comparison between the Nazi conquest of European nations by aggression and Israel's occupation of the West Bank in response to Jordanian aggression launched from there 1967.

Outrage among Americans compelled the President to subsequently declare that the original anti-Israeli vote cast at the administration's direction was a mistake but the damage was already done.

The President's action has demonstrated that he is willing to expose a trusted ally to a grave risk to its own security if subjected to sufficient pressure from Soviet and Third World states. In order to avoid further erosion of the credibility of the United States, it is necessary for the President to reaffirm American support for Israel in a clear and unambiguous fashion.

Ronald Reagan has maintained an unflinching support for Israel and its fundamental security objectives. In a statement last week, Governor Reagan called for a major reaffirmation of American policy toward Israel by the President to mitigate the damage done by his massively incompetent handling of the U.N. vote affair. In Reagan's words:

> I call on Jimmy Carter to reaffirm now—in clear, unequivocal language—that the United States will not endanger Israel. I call on him to stop this confusing and dangerous game of placing his own domestic political agenda above our security and that of our allies.

The text of Governor Reagan's statement follows:

STATEMENT BY GOVERNOR REAGAN

The Carter Administration's mishandling of the United Nations vote on Israeli settlements is more than a demonstration of its gross incompetence in handling our foreign affairs.

It raises fundamental questions about Mr. Carter's real attitudes and intentions toward Israel.

We are asked to take at face value the Administration's contradictory statements and actions concerning a reliable and trusted ally. We are also asked to accept its lame explanations about a so-called failure of internal communications.

This is truly a preposterous situation, and it is not just a matter of looking foolish in the eyes of the entire world. The Administration gambled with its vote in the U.N. and then found that it had seriously miscalculated. Over the weekend and even as late as Monday, Administration spokesmen were explaining that the vote accurately represented U.S. policy. But only when the outrage grew and the pressure built did Mr. Carter decide to turn tail and label the whole affair a "mistake."

Will Jimmy Carter now tell us what he truly feels about Israel? Can he make a straightforward declaration of his true intentions toward our good friend?

I have called Israel a strategic asset for the United States, and I have steadfastly called for us to support Israel as a trusted ally. Israel cannot be pressured into actions which threaten her security. When we jeopardize Israel's security by actions such as the U.N. vote, we are not only letting down an ally, but we are also impairing our own security.

I call on Jimmy Carter to reaffirm now—in clear, unequivocal language—that the United States will not endanger Israel. I call on him to stop this confusing and dangerous game of placing his own domestic political agenda above our security and that of our allies.

Leadership is an elusive quality at this White House—but just for once I think Mr. Carter owes it to us to stop playing political roulette with Israel's vital national interests.●

IN MEMORIAM: HON. LEONARD PATRICK WALSH, U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. FRENZEL. Mr. Speaker, I wish to take this opportunity to insert in the RECORD the eulogy given by my good friend and former Member of this body, Hon. George E. MacKinnon, U.S. circuit judge for the U.S. Circuit Court of Appeals for the District of Columbia, at the funeral of Judge Leonard P. Walsh.

Hon. Leonard Patrick Walsh was a graduate of the University of Minnesota who was appointed by President Eisenhower in 1953 as the chief judge of what was then the Municipal Court for the District of Columbia. In 1959, President Eisenhower appointed Judge Walsh to the U.S. District Court for the District of Columbia where he served with distinction until 1971 when he assumed senior judge status.

The eulogy given by Judge MacKinnon speaks of a long, warm, personal friendship between two prominent Americans.

I extend to Mrs. Walsh and the Walsh family my sincere condolences.

The eulogy follows:

We join here today in the house of worship of Leonard Patrick Walsh to participate in the last rites for a warm friend, a fine judge, a highly respected public servant, a devoted husband and father and a man's man of widely varied talents and accomplishments.

I speak to you today as Len's friend since college days—since our first day in 1924 as freshmen at the University of Minnesota. I speak as his college roommate, as his colleague on the bench in the United States Courts of this District and as his close personal friend and admirer for over half a century.

My lifelong friendship with Len is, in substantial part, a result of our common bond of having matured together into manhood as products of the football coaching of Doctor Spears at Minnesota. Len once said it best, "He taught me more than football." The character and quality of Doc's coaching produced a mutual esteem in his players for each other, and has remained as one of the elements that has bound us together like hoops of steel down through the years.

My friendship with Len, born in our college days, was nurtured through the next half century, by reciprocal companionship and respect in all phases of our life. Aristotle said, "A friend is a single soul in two bodies." I stand by that definition—our mutual interests were always in tandem. And having been his friend through all our adult years I can say that a true friend, like Len, is one of the greatest of all blessings. Your problems are mutual and never need be borne alone.

Leonard Patrick Walsh was born in Superior, Wisconsin in 1904. He was the son of William Patrick and Margaret Murphy Walsh. For the first 35 years the game of football was a prominent part of his life. He was an outstanding football player at the University of Minnesota and as a successful football coach at George Washington University when that University was a national football power. Some of his old teammates and players he coached long ago are here today. They were all happy last year when Len had the honor that rarely comes to a coach, of having one of his players, Tuffy Leemans, inducted into the National Football Hall of Fame.

Len was admitted to the Bar of the District of Columbia in 1933, practiced law successfully here in all courts and federal agencies for over 20 years. In 1947 he was appointed by the D.C. Committees of Congress as the first Chairman of the District of Columbia Armory Board and in 1951 was elected President of the District of Columbia Bar Association.

His appointment in 1953 by President Eisenhower as Chief Judge of the Municipal Court of the District of Columbia presented him with the problems of a much troubled Court. Len did not seek the office. Rather he was the personal selection of Deputy Attorney General William Rogers, later Attorney General and Secretary of State, who was a practicing trial lawyer in the District of Columbia and knew the personnel of the Bar. As Chief Judge Len saw the need for reform and he acted. The tact, administrative skill and diplomatic persuasion—a hallmark of the Irish—that he brought to the problems of the court, resulted a few years later in its national recognition as the model Municipal Court in the United States. Shortly thereafter in 1959 President Eisenhower appointed him to the United States District Court for the District of Columbia. As a United States Judge he carried a staggering case load on the heavily laden Court and continued to serve for years until 1971 when he was forced by failing eyesight to take on the lighter load of a Senior Judge.

A man's life is like a tapestry, made up of many strands that are interwoven to make a pattern. Neither the tapestry nor the man can be judged by a single strand. Thus, like a tapestry, with a man we must look at his whole life.

Len's widely varied experience in the practice of law made him an excellent trial judge. As a judge he interpreted the law in terms of practical human values which compelled admiration. He applied the law with strict fairness. His demeanor in Court exemplified the true judge and he excelled in the conduct of jury trials. He was the master of his courtroom where a fair trial for all contestants, citizens and government, was the rule of the day. His analytical mind, and the firm and direct manner that he drove to the core of legal problems, formed the bedrock upon which justice was fairly dispensed from his bench. His rulings were prompt and incisive. He enjoyed trying cases and would interrupt vacations to return to the trial work that he enjoyed. He was especially mindful of the role of the courts in the structure of the United States and his judicial acts could be said to have followed the ancient suggestions of Euripides, who wrote:

> Look to the things of God.
> Know you are bound to help all who are wronged.
> Bound to constrain all who destroy the law.
> What else holds state to state save this alone.
> That each one honors the great laws of right.

I need not refer to the significant cases he tried over the years. They are reflected in the Court's records and were duly reported by the news media. Len was always one of the Court's hardest working judges and he treated all cases as important, regardless of the status of the parties.

These are a few of the cold facts of his life and service but the measure of the man is told otherwise. It is reflected in his infinite capacity for warm human relationships and in the intelligence, judgment, compassion and innate humanity that was reflected throughout his judicial career. He judged without excessive solemnity, pursued high ideals without self-righteousness, and tempered his judicial acts with a humane appreciation of his fellowmen. He judged with an understanding heart. The admiration and respect by the Bar and the public for Len as a judge and a friend was the equal of any judge who served. His fairness was evident both in his judicial decisions and his relationship with the public generally. He was warm, compassionate and friendly—unselfish, honest and genuine. His friends were legion.

In travelling in Len's past by-ways in this city one is constantly aware of the high regard that many people hold for him. The constant inquiries one received as to his well being was abundant evidence of their deep affection for the man. He had the human touch. His kindness and consideration were exceptional. He understood the problems and motivations of people. He liked people and they liked him. It is more accurate to say that Len genuinely loved people—of all ages. He was especially considerate of young people and all manner of adults, including the very old. His life in this respect fulfilled the words of Jesus to his disciples following the Last Supper:

> A new commandment I give unto you,
> That ye love one another;
> As I have loved you, that ye also love one another.
> By this shall all men know that ye
> Are my disciples, if ye have love one to another.
>
> St. John 13:34, 35.

And it is fair to say that Len's warm and glowing love for his fellow man was reciprocated. He stood out as a warm-hearted sympathetic man among men. The attitude of his friends toward Len was probably best reflected by one friend of long ago who recently said to me, "If a man can love another man, I love that Len". The depth of his capacity for friendships, and the reciprocal comradeship that resulted with many, could not have been better expressed.

Len was deeply loved by his law clerks who remained attached to him throughout his lifetime and formed themselves into a continuing association with annual banquets to display their affection. With them, as with many of us, his memory will survive far into the distant future.

Through the years I saw my friend emerge into manhood and into professional life and public affairs. I have seen him confront the trials and tribulations of this life. I have seen him surmount them and move on to other problems and higher challenges—only to be confronted in the twilight of his life with failing eyesight which he manfully fought and never complained. To the last he always exhibited an equanimity of spirit.

Len will always be remembered for his deep concern for the interests and well being of his many friends, for his thoughtfulness, for his gracious manner and for his ready Irish wit which he inherited from his father. All judges, who greatly enjoyed their daily lunch with him over the past many years, will attest to these qualities.

He was also devoted to his family. On this occasion, as Len would want me to do, I point to the great help and devotion that Len received in life from Dottie, Bronia and Katharine Smith. In this area of his life he was thrice blessed and he often acknowledged his great good fortune in this respect. Almost his last words before passing were, "Bronia, you've been a wonderful wife". It was typical of Len to think of someone else even when he knew he was passing to the great beyond.

So I bid a final personal farewell to the friend of my youth—good-bye until we meet again. Len, the battle is over. Rest in Peace. You served your country well and we all remain in your constant debt for the many years of your warm-hearted friendship.●

ST. PATRICK'S DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. RODINO. Mr. Speaker, this weekend and on Monday, March 17, Americans will once again honor the spirit and memory of the patron saint of Ireland, Saint Patrick. It is an honor for me to join with my many friends of Irish descent in celebrating the faith of the Irish people and their contribution to America.

In my congressional district, thousands of New Jersey residents will honor Saint Patrick at the Newark parade on Sunday, March 16. I want to commend Joseph J. Farrell, the parade's grand marshal, Mary M. Scanlon, the deputy grand marshal, Edward Hanselmann, the parade's general chairman, and the many other men and women who have worked so hard to make the day a success.

We all know the story of Saint Patrick. Born a citizen of Rome, he was kidnaped by a band of Druids and taken as a slave, while still a youth. Legend has it that the Almighty helped Saint Patrick escape and return home. There he studied for the priesthood and, after his appointment as bishop, arrived in Ireland to convert to Christianity the Druids he had once served.

Saint Patrick encountered resistance, and his life was threatened many times because the new faith he preached challenged the status and authority of the Druid hierarchy. But he persevered against a climate of fear and distrust. Through his dedication and great faith, he made Ireland one of the strongest Christian nations on Earth.

Americans of Irish background are rightfully proud of their heritage, and especially of their patron saint. Their fellow Americans share in that pride, and we should take this opportunity to show our appreciation for the many contributions Irish-Americans have made in all facets of American life.

Yet the continuing strife in Ireland dampens the joy of many on this occasion. The United States should do everything in its power to help the people of Ireland end the violence and discord which afflict both the north and the south. It is my hope that the memory of Saint Patrick will inspire a spirit of compassion and reconciliation in the citizens of Northern Ireland, and bring justice to the oppressed Catholic minority.

Mr. Speaker, an ancient Irish prayer captures the faith and love embodied in the words of Saint Patrick and all men who seek peace in Ireland. It reads:

> May the road rise to meet you
> May the wind be ever at your back
> May the good Lord ever keep you in the hollow of His hand
> May your heart be as warm as your hearthstone
> And when you come to die may the wail of the poor be the only sorrow you'll leave behind.
> May God bless you always.●

NATIONAL LAWYERS GUILD STILL IN THE HANDS OF MOSCOW

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. McDONALD. Mr. Speaker, the National Lawyers Guild (NLG) has been the driving point of Soviet-directed legal subversion in the United States for more than 40 years. The NLG was founded in 1936 with the assistance of the Comintern by lawyers who were Communist Party, U.S.A. (CPUSA) members, who selected prearranged slates of officers and prepared drafts of position statements in closed caucuses of Communist lawyers. Liberal lawyers were recruited into the National Lawyers Guild in order to disguise its Communist control and to increase the number of lawyers and law students subject to Moscow's influence and active in causes serving Communist objectives.

Despite the existence within the present NLG of small factions of Maoist, Trotskyite, and even anarchist lawyers, the NLG remains firmly under the control of the Moscow-dominated Communist Party and allied members who look ultimately to Moscow for political direction, but prefer to do so indirectly by way of Havana and Hanoi. This has been clearly demonstrated by the recent activities of the large and influential New York chapter of the NLG.

Before examining the National Lawyers Guild's more recent activities, one should keep in mind that the Marxist-Leninists have always found lawyers to be the most useful of their recruits, despite—or perhaps because of—the fact that lawyers are officers of the courts, sworn to uphold the Constitution, and bound by the ethics of his profession to devote his ability and skill to the interests of his client, while at the same time assisting the court in keeping court proceedings orderly, impersonal, and free of issues aside from the merits of the case.

National Lawyers Guild activist Joseph Forer of Washington, D.C., long the cocounsel for the Communist Party, chided the local American Civil Liberties Union some 10 years ago when it decided to make him and his law partner, another Communist Party and NLG member, David Rein, their honorees. Forer reminded his ACLU audience again and again that "Lenin was a lawyer," and that the function of a revolutionary lawyer was principally to promote revolutionary change through manipulation of the legal process.

The organization which gave birth to the National Lawyers Guild and which eventually was superseded by the NLG was the International Labor Defense (ILD), the U.S. section of a Communist international agency called the International Class War Prisoners Aid Society. This was known both by its Russian acronym, MOPR, and in English as the International Red Aid (IRA). MOPR issued the following directive at its second international conference in Moscow in 1927:

> The proletariat must gather and organize those lawyers and learned barristers in various countries who sympathize with the liberation struggle and are prepared, together with the legal bureau of the IRA, to assist and give legal help to the victims of the class domination of the bourgeoisie * * *.
>
> To organize legal bureaus in every country where they do not yet exist and where this is possible, in particular England, the United States and Japan * * *.
>
> To strive to enlarge the number of lawyers who take part in this work by attracting more and more new cadres of lawyers and jurists who can be stimulated by their own interests and their sympathy with the revolution to gather around the IRA legal bureau.

As part of his wartime alliance with the United States and England against Nazi Germany, Josef Stalin said he would terminate the Comintern's subversive activities in non-Communist countries. Actually, Stalin merely transferred the functions of the Comintern in coordinating foreign Communist parties and international Communist front activities to the International Department of the Central Committee of the Soviet Communist Party—CPSU. Starting in 1945, as soon as the war against the Axis Powers had ended, under Stalin's direction the International Department of the CPSU Central Committee and the secret police organized a series of new international fronts to take the place of old Comintern agencies.

The replacement for MOPR/IRA was and is the International Association of Democratic Lawyers—IADL. The National Lawyers Guild sent delegates to the founding convention of the IADL in 1946 and remains the largest of its U.S. affiliates. It is noted that the IADL, with headquarters at Avenue Jupiter 49, 1190 Brussels, Belgium, and its permanent representative to the United Nations, Lennox S. Hinds, active not only with the NLG but also a leader of the other IADL U.S. affiliate, the National Conference of Black Lawyers—NCBL, took out an advertisement in the program of the NLG's New York chapter at its annual membership dinner.

The honoree at that dinner, held on Friday, February 29, 1980, at the Roosevelt Hotel in mid-Manhattan, was John J. Abt, a founding and still active NLG member, a former member of a Soviet spy ring of employees of the Roosevelt administration in the 1930's and early 1940's, and a member of the Communist Party's political committee.

John Abt joined the Legal Division of the Agricultural Adjustment Administration—AAA—of the U.S. Department of Agriculture in 1933. Abt quickly became the AAA Chief of Litigation. He then transferred to the Works Progress Administration—WPA—where he became its Assistant General Counsel.

John Abt parlayed his executive branch experience into his appointment as chief counsel of the La Follette committee in the U.S. Senate. There Abt headed investigations ostensibly of illegal antiunion activities by employers, but which were actually designed to uncover informants in Communist Party cells engaged in penetrating unions and in labor agitation.

Then Abt went back to the executive branch, this time as a Special Assistant Attorney General in charge of the Trial Section of the Antitrust Division of the Department of Justice. While one might have thought Abt would have been most useful to the Communists and the Soviets had he remained at the Justice Department, the priority at that period was penetration of the trade unions. And so in the summer of 1938, Abt left Government service to serve as general counsel of the Amalgamated Clothing Workers, a socialist-led union which the Communists were trying to take over.

Both Elizabeth Bently and Whitaker Chambers under oath identified John Abt as a member of a Soviet espionage ring of lawyers and others employed by various Government agencies during the 1930's. That ring had been founded by Harold Ware who was a son of Communist Party charter member Mother Bloor. After Ware's death in a car crash, married Ware's widow, CPUSA activist Jessica Smith, and took over leadership of the Ware spy ring.

During the 1940's, John Abt became a founding delegate and adviser to the World Federation of Trade Unions (WFTU), a Soviet-controlled international Communist front, 1946; led a CIO delegation to the Soviet Union; and became special counsel to the Henry Wallace Progressive Party from 1948 to 1954. In 1950, John Abt became general counsel to the Communist Party, U.S.A. When called to testify before the House and Senate and asked to refute the espionage charges made on oath against him, Abt used his fifth amendment privilege to avoid self-incrimination.

It is also noted that when the KGB spy known as Col. Rudolph Abel was arrested in June 1957, he twice asked to be represented by John Abt. Abt, aware of the adverse political complications for the Communist Party that would arise if the party's own counsel, himself a former Soviet spy, were to go to court as the representative of a KGB colonel, declined to represent Abel.

Curiously, when Lee Harvey Oswald, a former defector from the U.S Army to the Soviet Union, was arrested in Dallas for the murder of President Kennedy, he too asked first to be represented by John Abt.

Both the National Lawyers Guild's national office and New York chapter occupy suites in a decrepit office building just off Union Square in New York City at 853 Broadway. The bureaucratic structure of the New York NLG chapter is almost as large as that of the national office.

The NLG's national office staff at present includes Barbara Wolvovitz, Sheryl Karp, Tom Berning, Kim Malcheski, and Sofia Sequenzia. The NLG national organization currently has 22 major committees, projects, caucuses, and task forces. They include: Affirmative Action Committee; Anti-Semitism Task Force; Committee Against Government Repression and Police Crimes; Committee on Native American Struggles; Gay Rights Task Force; Grand Jury Project; Housing Task Force; Immigration Project; International Committee; Labor Committee; Law Student Organizing Committee; Legal Services Task Force; Legal Workers Caucus; Military Law Task Force; National Commission on Women's Oppression; National Labor Law Center; People's College of Law, Los Angeles; People's Energy Project; Prison Committee; Puerto Rico Legal Project; Summer Projects and the Theoretical Studies Committee.

The Theoretical Studies Committee has received recent impetus from the publication of a volume by Washington, D.C., NLG lawyer, Michael Tigar, defense attorney for Vietnamese spy David Truong. Mike Tigar's Washington, D.C. NLG partners include Lynn Bernabei, Samuel Buffone, John Privitera, and John Mage, the agent of the Castroite Sandinista regime in Nicaragua.

While Tigar has provided a new impetus for theoretical studies of the role of the revolutionary lawyer, similar NLG study groups of lawyers and law students have operated in many NLG chapters without interruption since the formation of the organization. Their purpose has been more than merely getting members' grasp of revolutionary theory up to par. Most of the lawyers recruited into the Communist Party—and more recently into service in the cause of Havana and Hanoi—have been recruited after gradual indoctrination in these discussion groups where their intellectual and emotional commitment to the revolution could be tested and evaluated by politically reliable NLG veterans.

The New York NLG chapter itself has four staff members—Dotty Shtob, Virginia Barta, Richard Hollander, and Carol White—and from its 17th floor suite operates 10 projects of its own that include Affirmative Action; Antirepression; Antisexism; Committee on Native American Struggles; Cuba Subcommittee of the International Committee; Housing; Labor Project; Law Student Organizing Committee; Mass Defense and the Puerto Rico Subcommittee of the International Committee.

The New York NLG has been making noticeable inroads in recruitment among lawyers and legal workers employed by legal services and public defender programs. New York NLG chapter president Judith Levin noted in the program for the annual dinner that the recently concluded 11-week legal services strike was supported by the NLG and "many of its members were active in organizing this difficult and successful fight."

The Association of Legal Aid Attorneys of the city of New York, an affiliate of District 65, UAW, took a full-page advertisement in the dinner program stating it "salutes John Abt and the New York City Chapter of the National Lawyers Guild." The ad was signed Craig Kaplan, president; Terry Selzer, vice president; James Bailey, secretary; Peter Kirchheimer, treasurer; Donna Lieberman, executive director; and Roz Diamond, administrator. Kaplan, Selzer, and Kirchheimer are all present members of the board of directors of the New York NLG chapter.

The NLG-founded National Organization of Legal Services Workers (NOLSW) and the Legal Services Staff association (LSSA) took a joint ad to proclaim, "We are proud to have the guild stand by our side as we fight for justice for workers and clients."

This was followed by an advertisement headed "The Attorneys and Legal Workers of District Council 37 (AFSCME), AFL-CIO Salute the National Lawyers Guild." The signers from the general counsel's office were Carlin Meyer, Linda Nelson, and Karen Smith.

The full roster of signers of these and other advertisements from publicly employed lawyers, legal workers, and law students will follow this report.

In addition to its emphasis on gaining control of the publicly funded legal aid and legal services programs, the New York National Lawyers Guild chapter has other active projects.

The Antirepression Committee has given rise to a New York area mass defense network to provide a coherent structure serving movement activists, especially those organizing demonstrations involving premeditated lawbreaking. During the anti-Vietnam agitation of the 1960's and early 1970's, the NLG provided not only observers at demonstrations to offer on the scene legal advice and interfere with police crowd control, but provided followup mass defenses of arrested rioters. Evidence from NLG internal documents entered into the hearing records showed that the National Lawyers Guild national leadership was meeting with Rennie Davis, Tom Hayden, Abbie Hoffman, and others 6 months in advance to plan mass defense for the riots they were organizing to disrupt the Democratic National Convention in Chicago in 1968. This 1980 mass defense network has developed from the New York chapter's aid to the antinuclear and disarmament activists of the Mobilization for Survival at the Shoreham and Indian Point powerplants last fall.

Following the Department of Justice's Immigration and Naturalization Service move at the direction of the President to examine the status of Iranian students, the New York NLG's Immigration Committee—and similar groups in Los Angeles and other cities with large Iranian student populations—moved to intervene. The cry, as always, was that the status checks were political harassment.

Support of the Soviet-backed national liberation movements—more accurately characterized a Communist terrorist groups—absorbs a significant amount of National Lawyers Guild time and resources at both the national and chapter level. In the words of Hal Mayerson, past president of the New York NLG chapter and as a politically reliable red diaper baby entrusted to the chairmanship of the NLG's Cuba Subcommittee, the NLG is providing "a massive commitment of time, energy, and resources to the struggle of the Puerto Rican people for liberation from American colonialism."

This, added Mayerson, is in addition to the NLG's "support of the struggles of the people of Cuba, Vietnam, Guatemala, South Africa, and Nicaragua."

Having been active in organizing "Abortion Rights Action Week" last fall, the New York National Lawyers Guild is preparing an amicus brief in support of the Brooklyn Federal district court decision in McRae against Harris. In that gravely mistaken decision, a Federal judge ruled that Congress did not have the right to specify what operations and medical procedures the taxpayers money could be used for. The result of the decision was to overturn the Hyde amendment barring Federal funding of abortions.

Finally, in cooperation with the Communications Workers Union, members of the workers rights project which works principally with militant rank and file union groups has prepared a brief for the Federal Communications Commission (FCC) in support of "communications workers rights to privacy."

Among the speakers at the NLG's dinner in honor of John Abt were New York chapter officers Judith Levin, Steve Paganuzzi, Jr., and Rick Wagner; Joseph Forer, cocounsel for the Communist Party; and Boston Municipal Court Judge Margaret Burnham. Judge Margaret Burnham is the stepdaughter of Communist Party political committee activist Hyman Lumer. Her mother, Dorothy Burnham, and father, Louis Burnham, were leaders in the 1940's and 1950's of the Communist Party's chief front for recruiting and exploiting minority groups, the Civil Rights Congress. Judge Burnham, a childhood friend of CPUSA Central Committee member Angela Davis, is active in many CPUSA fronts and causes. She was a sponsor in 1976 of the antibicentennial demonstrations in Philadelphia and in CPUSA's National Alliance Against Racist and Political Repression (NAARPR).

Among Judge Burnham's many NAARPR activities as a vice chairperson of NAARPR was leading a rally at the White House in March 1978 at which the judge read a message from an American political prisoner, George Merritt, serving a life sentence in New Jersey's prisons for stomping a police officer to death in a riot.

Attached as appendix I are several of the advertisements taken by legal

services and public defender groups in the NLG's program honoring CPUSA leader John Abt, and a listing of the NLG New York chapter as appendix II:

APPENDIX IA

The Association of Legal Aid Attorneys of the City of New York, an Affiliate of District 65, U.A.W.—Salutes John Abt and the New York City Chapter of the National Lawyers Guild

Craig Kaplan, President; Terry Selzer, Vice-President; James Bailey, Secretary; Peter Kirchheimer, Treasurer; Donna Lieberman, Executive Director; and Roz Diamond, Administrator.

APPENDIX IB

The Attorneys and Legal Workers of District Council 37 (AFSCME), AFL-CIO Salute the National Lawyers Guild—

Legal services (MELS): Norberto Jose Acevedo, Rachel A. Adams, Jeffrey Brecker, William Dalsimer, Sara Effron, Michael Fahey, Helaine Funk, Sherry A Glazer, Carol Grumbach, Donald Hall, Miriam Karp, Charlotte Levine, Joan Lobis, Karen Matsumoto, Sheila McCue, Sheila Menashe, Elissa Oberman, John Renda, Steven Rinsler, Martha Roberge, Rose-Ellen Schwartz, Franklin Siegel, Zollo Torres, Deborah Weimer, Frances Weinstock, and Maria Zavala.

General counsel's office: Carlin Meyer, Linda Nelson, and Karen Smith.

Prisoners' Legal Services of New York

"Prisons are built with stones of law"—William Blake.

For the National Lawyers Guild in its 43rd year: Peter Avenia, Marilyn Berson, Ruth Cassell, Maria Colavito, Nancy Eiffert, Jane Freidson, Mark Gombiner, Robert Gombiner, Susan Herman, Adrian Johnson, Dennis Kaufman, Laura Limuli, John Lipsitz, Alice Mann, Lewis Oliver, Nancy Osborne, Ralph Pochoda, Amanda Potterfield, Robert Selcov, Tom Terrizzi, Lanny Walters, Michael Wiseman, Robert Zeglovitch, and Linda Zernick.

APPENDIX IC

The Attorneys and Legal Workers of the Legal Aid Society

We salute the National Lawyers Guild for its continuing legal and political struggle against repression and injustice.

Manhattan: Murray Bernstein, Steve Bernstein, Brian Buchbinder, Juan Campos, Dawn Cardi, Richard Charney, Regina Darby, Roz Diamond, Casey Donovan, Nancy Ennis, Lloyd Epstein, Larry Fagenson, Karen Faraguna, Allen Farbman, Harvey Fishbein, Marlene A. Gold, Carol Goldstein, June Jacobson, Sarah Taft Jones, Craig Kaplan, Richard Klein, Donna Lieberman, Michele Maxian, Ira Mickenberg, David Miller, Ann Mudge, David J. Patterson, Gene Pudberry, Ronald Ramirez, Ramon J. Rodriquez, Jim Roth, Nina Rumbold, Sam Schmidt, Paul Scotto, Jeremy Schneider, Richard Shutran, Steve Silberblatt, Kevin Smyley, John E. H. Stackhouse, William J. Stampur, Donald Vogelman, Jerry Wacks, Thomas D. White, and John Zirnsky.

Bronx: Neal C. Allen, Glenn L. Alveranga, Ira Brown, Douglas L. Colbert, Alan Friedman, Robert Gartner, Frank Handelman, Charles Hite, Marianne Hogan, Betty Jane Jacobs, Seymour James, Roseanne Kaplan, Alicia Kaplow, Peter Kirchheimer, Dori Lewis, Marianita Lopez, Jim Martorano, Paul McAllister, Tom Nooter, Roger Olson, Darrel Paster, David Rabin, Mark D. Rosenzweig, Alice Schlesinger, Wesly Serra, Valerie Szymanski, David Valdez, Lawrence Voss, and Mark Weissberg.

Brooklyn: Faith Colangelo, Claudia Davidson, Andrew Eibel, Lou Freeman, Lee Ginsburg, Caroline Kearney, Susan Ramos, Sandy Russo, Terry Selzer, and John Weinrich.

APPENDIX ID

To the Guild—for tireless work in defending and extending civil liberties.

Attorneys, legal workers and law students of the Criminal Appeals Bureau, Juvenile Appeals Bureau, Parole Revocation Defense Unit, Prisoners' Rights Project and the Civil Division of the Legal Aid Society

John Boston, Roger Brazill, Tom Busch, Howard Comet, Clauida Conway, Bob Dean, Gary Divis, Abby Everett, Hillary Exter, Lynn Fahey, Carol Gerstl, Joe Goffman, Richard Grady, Richard Greenberg, Lissa Griffin, Miriam Hibel, Donald Hillman, Nancy Hobbs, Charlene Hyler, Steve Jaeger, Randy Kahn, Ted Katz, Bernie Kobroff, Wendy Sue Lauring, Nancy Lee, Jody Leight, Jane Levine, John Lewis, Sally Mendola, David H. Mitchell, Michael Mushlin, Helen Neuborne, Brent Olsson, Judy Preble, Gloria Quinones, Richard Rivera, Amy Rothstein, Betti J. Sachs, Steve Sandler, Marilyn Shafer, Adrian Spratt, Barry Stendig, Marsha Tanenberg, Judy Turnock, John VanDer Tuin, Phil Weinstein, Hillard Wiese, Henry Winestine, and Mel Zahler.

APPENDIX II

National Lawyers Guild, New York City Chapter—Board of Directors. 1979–1980

President: Judith Levin.

Vice-Presidents: Gordon Johnson, and William Mogulescu.

Treasurers: Steve Paganuzzi, and Larry Vogelman.

Board of Directors: John Abt, George Albro, Daniel Alterman, Mark Amsterdam, Carol Arber, Loren Baily, Steve Bernstein, Robert Boehm, Bonnie Brower, Mary Ellen Burns, Harold Cammer, Maggie Cammer, Georgina Cestero, Shelley Chernin, Julius Cohen, Rhonda Copelon, Steve Dobkin, Gene Eisner, Vicki Erenstein, Stanley Faulkner, Liz Fink, Bemard Fischman, James Fishman, David Freedman, Jane Freidson, Jackie Freidrich, Debbie Ginsburg, Amy Gladstein, Nancy Goldhill, Ira Gollobin, Danny Guenzburger, Paul Gulielmetti, Don Hall, Frank Handelman, Sam Himmelstein, Richard Hollander, Craig Kaplan, Alicia Kaplow, Mary Kaufman, Arthur Kinoy, Peter Kirchheimer, Stevye Knowles, Sharon Krebs, Michael Krinsky, Judy Lee, Bob Lefcourt, Andi Levine, Betty Levinson, Richard Levy, Bob Lewis, Joan Lobis, George Locker, Jose Lugo, Bob Markfield, Marilyne Mason, Hal Mayerson, Terry Meginniss, Susan Meltzer, Carlin Meyer, Dan Meyers, Sam Neuburger, Roger Olson, Arnie Pedowitz, Mike Perlin, Ellyn Polansky, Martin Popper, Leon Quat, Victor Rabinowitz, Debbie Rand, Jim Reif, Laurie Roberts, Alan Rosenberg, Joshua Roth, Mike Russek, Wayne Saitta, Bob Salzman, Steve Savner, Andy Scherer, Eric Schmidt, Liz Schneider, Arthur Schwartz, David Scribner, Terry Selzer, Carole Shapiro, Ralph Shapiro, Dorothy Shtob, Franklin Siegel, Loren Siegel, Martin Silberman, Arthur Soong, Lewis Steel, Paul Stein, Rhoda Stockton, Martin Stolar, Sue Susman, Valerie Szymanski, Jerry Tauber, Leonard Wacker, Rick Wagner, Jack Waterman, Denise Waxman, Debbie Weimer, Moses Weinman, Fran Weinstock, Allan Wemick, Elliott Wilk, Barbara Wolvovitz, and John Zirinsky.

Staff: Virginia Barta, Richard Hollander, Dorothy Shtob, and Carol Whyte.●

SENATE—*Wednesday, March 12, 1980*

(*Legislative day of Thursday, January 3, 1980*)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Reverend Doctor T. Garrott Benjamin, Jr., senior pastor, Second Christian Church, Indianapolis, Ind., offered the following prayer:

Eternal God, our Father, as we open up this day of decision, we also open our lives before Thee knowing that under Thy leadership all things are possible. We pray for the work of this body as a whole and for each legislator individually that they might truly apprehend their calling as servants of God and their election as servants of man. We thank Thee for the bounty of Thy providence, for gifts and goods beyond our comprehension—for minds to think and hearts to reach out. We confess our shortsightedness and shortcomings realizing that we are not perfect but we can be positive. We confess that so often we are our own worst enemy and that we cannot have victory or peace anywhere in the world until men have peace in their hearts and minds. Help us to remember that "the Earth is thine" and that our job as trustees is to give a daily account of our stewardship. O Divine Helper, help us to rise above the narrow confines of our individualistic concerns to the broader concerns of humanity. And help us to know that because Thou art our Father that makes every man our brother and with this simple understanding assist us, O Divine Architect, in building a new order where faith, hope, and love abound—where men look for character rather than color and where the Prince of Peace has a permanent seat at the conference table. These and many other blessings, we ask in the name of the King of Kings, Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 12, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader, the Senator from West Virginia, is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, today there are going to be several encomiums for our very distinguished friend and colleague MILTON YOUNG. Before we do that, the distinguished Senator from Indiana (Mr. BAYH) has asked me to yield him just a little time so that he might comment regarding the Reverend Benjamin.

THE REVEREND DR. T. GARROTT BENJAMIN, JR.

Mr. BAYH. Mr. President, I appreciate the courtesy of the majority leader.

Mr. President, I would just like to advise my colleagues that Rev. T. Garrott Benjamin, Jr., who gave the very thoughtful invocation, indeed is one of our outstanding ministers in Indianapolis.

He happens to be a good friend of mine, whom I have known for a long period of time. Few people I have ever known have practiced what they preached quite like Reverend Benjamin. He indeed believes that good words need to be implemented and not just talked about and hoped for.

With that in mind, Mr. President, I ask unanimous consent to have printed at this point in the RECORD a biographical sketch of Dr. Benjamin so that the rest of the Senate may have the opportunity to see the background of this outstanding servant of God.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

REV. DR. T. GARROTT BENJAMIN, JR.

Dr. T. Garrott Benjamin, Jr. is Senior Pastor of the 2,000 member Second Christian Church in Indianapolis, Indiana and is President-Elect of the National Convocation of the Christian Church (Disciples of Christ). A native of St. Louis, Missouri, Dr. Benjamin was raised in Cleveland, attended Tilton Preparatory School (New Hampshire) and graduated from St. Louis University with a B.S. in Sociology. He received a Master of Divinity degree from Christian Theological Seminary in Indianapolis and was ordained in Cleveland, Ohio in 1968. He received an earned Doctorate of Ministry degree from Christian Theological Seminary in 1975.

Dr. Benjamin has been involved in civil rights activities for many years. He founded the Movement Against Racism for Change, Inc., a national anti-racism consultory team, in 1974; he is the host and moderator of "Living for the City", a weekly television series on the NBC affiliate in Indianapolis; he is Vice Chairman of the Greater Indianapolis Progress Committee and is Chairman of the Board of Operation P.U.S.H.—Indianapolis affiliate. He is also a member of the Steering Committee of the National Urban Coalition, Washington, D.C.

Since Dr. Benjamin accepted the call to Second Christian Church in 1969, the congregation has grown astronomically from 400 to over 2,250 active members which is more than four times its previous active membership. In the church year 1976–77, Second Christian and Dr. Benjamin received and welcomed an all time high of 406 new members into the fold (more than half were baptisms). In 1978, the church received 334 new members into the fold. Second Christian Church is recognized as one of the nation's largest and fastest growing churches. It is the fastest growing church in the Disciples movement. Also, in this short period of time the income of the church, under his leadership, has more than quadrupled. The church employs eight fulltime staff members, which includes two fulltime trained ministers and a fulltime business manager.

Under Dr. Benjamin's leadership during the six week period from the middle of May through June 1978, the congregation raised $60,000.00 over and above their budget in a single cash offering to make the down payment on the purchase of 45 acres of land to build their multi-million dollar religious campus. Groundbreaking for the project is 1980.

Dr. Benjamin is an often sought after speaker, lecturer and preacher. He is as familiar with the rustic college classroom or chapel as he is with the inner city pulpit.

Dr. Benjamin is married to the former Beverly Jean Harris of Cleveland, Ohio and is the father of three sons.

Mr. ROBERT C. BYRD. Mr. President, I yield 3 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. I thank my good friend for yielding.

THE PRESS IGNORES TIMELY ADVICE OF PAST CHAIRMEN OF THE COUNCIL OF ECONOMIC ADVISERS

Mr. PROXMIRE. Mr. President, I want to call to the attention of all Senators the fact that Monday we had before our Senate Banking Committee the six former Chairmen of the Council of Economic Advisers, every Chairman since 1961. They included Heller, Ackley, Okum, Stein, McCracken, and Greenspan—three Republicans and three

Democrats—representing virtually every kind of economic view.

Mr. President, here was the cream of top Federal policymaking international experience and they unanimously agreed: They agreed we should not have mandatory wage and price controls. They unanimously agreed that spending must be reduced. These include Democrats, including such a leading liberal Democrat as Walter Heller.

They all agreed Federal spending must not only be reduced just one time but that it must be limited in its tendency to expand in the future.

They all agreed that the Federal Reserve must pursue a policy of reducing the growth of money and credit.

They all agreed that some method must be found to cut through the wage-price spiral and the tax based income policy is one way to do it.

They all agreed that we need to build into the economy incentives for capital formation and increases in productivity growth.

On some other critical points they did not unanimously agree, but there was a preponderance of view that we should balance the budget now for 1981, and an agreement that any tax cut we make should be accomplished by reducing spending to justify it and not increasing the deficit.

Mr. President, I comment today on this because there was not a single story that I could find in any Washington paper or New York paper. The New York Times had a picture. No story, a picture. You would think these were bathing beauties.

And this hearing was the accumulated wisdom of the leaders of our economic policy for the last 20 years.

There was a remarkable agreement on the kind of anti-inflationary policies we should follow.

There was not a story in the New York Times, there was not a story in the Washington Post, and there was not a story in the Washington Star. The TV networks missed it entirely. They neglected what to me was a big economic story, one that could not be more timely or important.

COMPARISONS BETWEEN AN ANCIENT AND MODERN VIEW OF GENOCIDE

Mr. PROXMIRE. Mr. President, since 1967 I have continuously urged the U.S. Senate to ratify the Genocide Treaty. Students of history may recall that a rhetorical precedent for this kind of speech was made more than 2,000 years ago. At that time, Cato the Elder, a Roman official, traditionally ended his speeches with this message to his colleagues: "Carthago delendum est." Carthage must be destroyed. That call to genocide has reverberated down through the ages, as a terrifying call for human destruction.

Mr. President, what I call for, and have been calling for for 11 years in the U.S. Senate every day, is exactly the opposite. What we need is not a genocide; what we need is an antigenocide treaty. Virtually every major nation in the world has already ratified this treaty. We stand out alone as not having done it. Every President since President Truman has called upon us to ratify the treaty.

Now Cato was called the father of Latin prose, and I share his interest in simple rhetoric. I admire his honesty in high office and appreciate his concern about government waste and other disturbing trends within his republic.

But I want to point out one striking difference in our views: that is on the issue of genocide.

By the time Cato reached high office, Rome had already defeated Carthage in two wars. Both wars led to what we now call a "Carthaginian peace": a treaty so severe that it means the virtual destruction of the defeated party. For example, Rome seized much of the lands of Carthage, demanded high indemnities, and sought to cripple the economy of Carthage and limit its military power.

Unfortunately, irrational fear often increases among hostile nations and peoples. This was the case between Rome and Carthage, and Cato fanned the fires of hatred. The thought of genocide had started to poison the minds of even the most virtuous Roman leaders, just as it often enters the mind of modern man.

"Carthage must be destroyed." Carthago delendum est rings down through 2,000 years. This was the ugly meaning of Cato's repeated message. And his goal was met, soon after his death. In 149 B.C., Roman troops led by Scipio the Younger surrounded Carthage and defeated its army.

Some of my colleagues may continue to believe that the instances of genocide are so recent, so few, and so minor that ratification of the Genocide Treaty is unimportant. However, the scale of the Carthaginian destruction more than 2,000 years ago should convince us differently.

At first, the Roman victors forced about 50,000 civilians to live 10 miles outside the walls of Carthage. When the Carthaginians rebelled, they were either slaughtered or enslaved. The Romans razed buildings within Carthage, and the fires lasted for 10 days. The Romans actually sowed salt into the ground to symbolize the defeat of the Carthaginians and prevent the growth of life giving crops.

That ugly Carthago delendum est should make all of us ponder the future. How should our views of genocide differ from those of Cato? How can we help to reverse tides of irrational fear that have resulted in the destruction not just of Carthage but also of many other cities, peoples, and civilizations? While Cato stirred passions of hatred and sought the death of his enemies, I urge my colleagues to place greater emphasis on the sanctity of life and principles of universal brotherhood and love. I seek the conditions and blessing of peace, not the extermination of a people. Instead of calling for the destruction of an entire empire and civilization, I plead for a treaty that would oppose such a crime and broaden its meaning. The Genocide Treaty would oppose an intent to destroy, in whole or in part, not just a national group but also ethnic, racial, and religious groups. While a Carthaginian treaty allows one nation to impose harsh, cruel terms upon another and to degrade the value of some human lives, the genocide treaty obligates nations to cherish and uphold the dignity of all humans.

Whereas the Romans utterly destroyed the homes and buildings of the Carthaginians, our ratification of the Genocide Treaty will help other nations to create, along the path of history, a symbolic temple dedicated to the preservation of mankind. Rather than cast down salt and make ground barren, I ask the Senate to sow seeds of hope and nurture the robust flower of human life.

In the 2,000 years since the voice of Cato crushed the life of Carthage, instances of human cruelty and genocide have multiplied. The scale of destruction has increased. To help reverse this development, I urge the Senate to ratify the Genocide Treaty.

THE NEED FOR BALANCE IN ECONOMIC THINKING AND THE ADVENT OF SUPPLY SIDE ECONOMICS

Mr. PROXMIRE. Mr. President, since the publication of the "General Theory of Employment, Interest and Money," by J. M. Keynes in the 1930's, economists and economic policymakers have been influenced strongly by what is now called "demand-side" economics. During the Great Depression and in periods of slack demand and recession in the postwar world, increasing demand through both private and public activities made sense.

But in periods of massive, unprecedented, peacetime inflation, it makes a lot less sense, except to the degree that we should cut expenditures, balance the budget and provide a surplus in order to lessen demand and the pressure demand places on prices.

What does make sense now is to promote savings and investment, to increase productivity, and to end artificial props, subsidies, and regulations which impede efficiency. While marginal public projects designed to put men and women to work can sometimes be justified in times of recession and depression, marginal or cost-ineffective programs, cannot be justified with inflation at 18 percent.

There must, therefore, be a shift in emphasis to meet both the times and the specific problems we face. This is hard to do. It is especially difficult to get people who have been thinking in one set of terms for most of their life to shift their perspective.

The Joint Economic Committee on the other hand under the chairmanship of Senator Bentsen has done so this year. As a result they have plowed new ground in the committee's annual report and richly deserve public credit for an appropriate shift in emphasis to meet the times.

In addition this subject has been addressed in a most lucid and intelligent manner by Leonard Silk, the distinguished writer on economic and public policy issues for the New York Times. In an article in the Times for Wednesday, March 5, 1980, Mr. Silk addresses himself to the need to shift the emphasis, appropriately, from demand to supply side economics at this time of rampaging inflation.

No one writes more lucid or clear prose about the dismal science of economics than does Leonard Silk. For those who want to understand these issues I commend Mr. Silk's article and ask unanimous consent that it be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 5, 1980]

Major Change in Theory Seen

(By Leonard Silk)

The great debate of the 1980 Presidential campaign could be about supply-side vs. demand-side economics. But if the debate is not to degenerate into mere sloganeering and polemics, it might be helpful to define the concepts.

Demand-side economics (it was never called that until supply-side economics became a buzz word) is what used to be called "the new economics" or "Keynesian economics," in honor of John Maynard Keynes, whose 1936 work, "The General Theory of Employment, Interest and Money," was the bible of the great majority of the postwar generation of American and British economists.

The heart of the Keynesian doctrine was that to rid an economy of mass unemployment, government should increase the total demand for goods and services. It could do this by increasing government spending or by cutting taxes. Conversely, to curb inflation the government should reduce total demand by restraining government spending or increasing taxes. Thus, demand-side economics was supposed to be symmetrical—stimulating demand to fight unemployment, curbing demand to fight inflation.

This doctrine worked reasonably well from the end of World War II until President Johnson unleashed inflation with his failure to pay for the Vietnam War. President Nixon exacerbated inflation with his combination of spending increases, tax cuts, easy money, price controls and dollar devaluation, packaged as the New Economic Policy. Demand-side economics sustained a serious wound in this new economic environment of stagflation.

Manipulating total demand, whether up or down, can never cure the simultaneous problems of chronic inflation, structural unemployment and low productivity.

Supply-side economics is offered as the all-purpose answer to those ills. In its current political usage, supply-side economics has become the special battle cry of former California Gov. Ronald Reagan, but a widening group of both Democrats and Republicans is also urging tax cuts, subsidies to investment and research, regulatory reform and other measures to increase supply by raising incentives and increasing the productive efforts of business and workers.

Although its champions present supply-side economics as a hot new idea, it is ancient. The Physiocrats, a group of early 18th-century French and Italian economic thinkers, put their stress on devising tax structures that would unfetter business enterprise and liberate labor to greater productive efforts.

Later in the 18th century, supply-side economics was pushed to an extreme by Jean-Baptiste Say, whose main theorem was, "Supply creates its own demand." By this Say meant that a general glut in production or a depression was impossible because in producing goods employers had to pay out enough money for labor, materials, fuel, etc., to buy back those goods. The employers' profits would also be drawn into new spending for capital goods by the chance to earn interest or additional profits. Unfortunately, however, Say's beautiful theory was killed by the ugly fact of gluts and depressions. The smooth adjustment process he assumed did not work automatically, even before the state became a big intervenor in the market.

Modern supply-siders appear to be the descendants of Say. They appear to believe that if one provides the right incentives and stimulates supply enough, this will solve virtually all problems, including inflation. Total supply will keep pace with total demand.

However, in the short run, it may be impossible to expand supply fast enough to catch up with excess demand, especially if the economy's resources are almost fully employed. But, in the long run, it is certainly true that increases in real income can come only from drawing more factors into production, greater productive efforts, and the growth of technological knowledge and skills, not from simply increasing demand.

Both demand-side and supply-side economics are inadequate, but both have their contributions to make. On the supply side, economic policy needs to worry about the improvement of the labor force, the growth of new knowledge through research and development, raising the rate of saving and investment, spurs to technological change and innovation, and, conversely, about the interference of excessive government regulations or taxation on production.

This is not to say, however, that policy can neglect demand-side matters, such as fiscal and monetary measures. These have been subject to short-run political manipulation, with grave inflationary consequences.

This election campaign may or may not produce a great debate on economic policy; in an age of television and 60-second spot commercials, the odds are against it. Nevertheless, a major change is on the way in economic theory and policy; that change will involve a deeper integration of supply-side and demand-side economics, and an integration of thinking about both the long and short run.

The change is long overdue. For this country has been losing ground to powerful industrial competitors such as Japan and West Germany as a result of its failure to save, invest and innovate as well as its failure to keep effective control of inflation, just by trying to manage total demand in a power-dominated economy.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I will yield to Senator Talmadge at this time. I have a 15-minute order. How much time have I remaining under the leader's time?

The ACTING PRESIDENT pro tempore. Four minutes remain.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may transfer my order to the control of Mr. Talmadge, and that I may then give my 4 minutes under the leader's time to Mr. Burdick.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I thank the distinguished majority leader.

S. 2409—NATIONAL ECONOMIC EMERGENCY

Mr. TALMADGE. Mr. President, the economy of the United States is near chaos. Inflation and interest rates are out of control and sky high. Productivity is rockbottom.

The United States is in a national economic emergency. We are approaching extremis, if indeed we are not already there.

The American people, their political, social, and economic well-being, are threatened as never before. The security of our Nation hangs in the balance.

It is time for the Congress—the administration—and the American people to deal with this emergency. We must act, at any cost, to turn away this threat to our Nation.

We must act decisively—boldly—and immediately.

Inflation is like a runaway monster over which we seem to have no control. Unless we want to see the U.S. economy go under, we must take control.

We have the means to do so. We have the resources to do so. What we lack is a national will.

We must build that national will. We must all—every segment of our society—be prepared to make any sacrifices that may be required to attack and turn back inflation—before it is too late.

We are faced with an economic crisis as dangerous to national security as any war. The danger signs are up. They become more ominous every day:

An 18 percent inflation.

A national debt of more than $900 billion—soon to be an incomprehensible $1 trillion—interest on that debt, $79 billion a year.

An 18 percent prime interest rate, and still rising.

Minus-zero productivity.

Individual savings down to 3 percent, the lowest in 30 years.

Small independent businesses lack sufficient working capital.

Consumer debt—more than $300 billion—more than double 10 years ago.

A trade deficit last year of more than $24 billion—$3.6 billion in January.

$80 billion a year for imported energy, driving up inflation by several points every year.

Unemployment—6.2 percent in January.

Home mortgage interest rates—15 percent on the national average.

The housing industry—new starts down 20 percent over the past 2 years in Georgia and nationwide.

Workers in Georgia and the rest of America are being laid off.

Two of the United States' biggest and most important industries—automobiles and steel—in deep trouble—out-produced and out-sold by foreign competitors.

Our dollar is weak abroad.

Farm production costs are skyrocketing. As a result, net farm income could possibly be off as much as 25 percent.

The United States, once the bastion of economic strength and the envy of the world, is now the wonder of the world. Other nations, friend and foe alike, look on in utter shock and disbelief to see if we have the resolve and the courage to beat inflation.

We can if we will. The question that confronts us at this time is, Do we have that will?

I submit, Mr. President, that we must. It is a matter of national survival.

BALANCE THE BUDGET

We must bind inflation in the chains of fiscal responsibility. We must take the chains off business and industry and help them get to work rebuilding the American economy.

The runaway inflation that we now face stems from problems that have been growing and getting worse for the past two decades—problems that for the most part were created by Government.

Conceived by do-gooders and big spenders—well-intentioned perhaps but out of touch with the realities of sound government, these problems were born at the government level.

They must be attacked at the government level. The problem and their resolutions can be clearly defined and pinpointed.

First. We must balance the budget.

Second. We must wipe off the books excessive and needless Federal regulations that cost the economy $100 to $150 billion a year and hold American productivity captive.

Third. We must launch without further delay a crash program to develop short and long range alternative sources of energy.

Fourth. We must in every way possible promote capital formation for industrial expansion and increased productivity and more jobs.

Fifth. We must, in government and in the home, switch from spending to saving.

Runaway Federal spending is the principal generator of inflation. Efforts so far to attack inflation have been colossal failures. Voluntary wage and price controls have failed. Mandatory wage and price controls have never worked for long. Tight money policies have failed.

Attempts by Congress to police its own house have likewise failed. Since the Budget Control and Impoundment Act of 1974, we have amassed deficits totalling some $240 billion.

The fact is, we have balanced the budget only once in the past 20 years—only five times in the past 30 years. Federal spending has leaped from $197 billion in 1970 to $616 billion for fiscal 1981—the national debt from $382 billion in 1970 to $939 billion.

We are now being called to account. The day of reckoning is at hand.

Late 1979 saw history made. A subcommittee of the Judiciary Committee approved a proposed constitutional amendment to mandate a balanced Federal budget. That amendment is now before the full committee. A vote is scheduled for March 18.

I fully support that measure. I am a cosponsor. In fact, it is patterned after a balanced budget amendment that I have been pushing in the Senate for more than a decade. I am encouraged that my voice is no longer alone in the wilderness.

I hope that amendment will be voted out of committee. I hope it will be adopted by the Senate. Knowing as I do that the American people are fed up with Federal waste and extravagance, I have no doubt that they are ready to ratify such an amendment.

But the immediate crisis calls for immediate action.

The uncertainties of the future and the economic perils of today make it imperative that we act now.

EMERGENCY BUDGET POWER

The linchpin of my proposals is a bill to direct and authorize the President of the United States to balance the Federal budget—to launch a frontal attack on runaway Federal spending that can, and I believe will, succeed. My proposal would narrow the issue and bring it into sharper focus, rather than futilely trying to hit inflation dead center with a scatter gun.

I propose to give the President emergency power for an 18-month period to control the budget and deal with the current economic crisis.

My bill, which I introduce today, would authorize and direct the President to rescind or withhold any funds already appropriated for fiscal 1980 or which will be appropriated for fiscal 1981 in order to achieve a balanced budget.

This would supersede any current statutory restrictions on the President's authority to withhold appropriated funds and would, in effect, give him power to revoke Congress credit card in the critical months ahead.

This would put in the President's hands a powerful and effective weapon in the war against inflation. Further, it would prevent the drive toward a balanced budget from becoming bogged down in numerous congressional committees where intense special interest lobbying could fragment and defeat the entire process.

REDUCE FEDERAL REGULATION

In addition, the regulatory stranglehold on private business and industry must be broken. We are literally being put out of business—in steel, automobiles, electronic products, and chemicals—by Federal regulations which cost the economy perhaps as much as $150 billion a year and hundreds of thousands of jobs.

Regulatory paperwork and compliance waste time and capital that ought to be devoted to research and development, increased productivity, and more employment. Some regulation to insure health and safety in the workplace and in the environment is needed.

But when Congress writes a new law to expand the scope and power of Federal regulation, it should be kept in mind, first and foremost, that regulations cost billions but produce nothing—not one nut, not one bolt, not one loaf of bread, not one automobile, not one house, and not one television set. The only jobs they provide are for Federal bureaucrats.

Regulatory reform legislation, S. 262, is now awaiting action in the Senate. It is a step in the right direction. I urge its speedy approval. And, when approved, I hope it will include the Talmadge rule that now stands in the Senate.

That rule requires that every committee file a regulatory impact statement with each piece of legislation it reports—who is to be regulated—at what cost—and to what extent?

That rule is working and I now propose to extend it to the House of Representatives and to every department and agency in the executive branch.

Further, I urge the President to call members of his Cabinet together to direct them to take action to eliminate regulations that do nothing for the country. Whenever regulations are found that do no significant good and which in fact impede the country's growth and productivity, they ought to be wiped off the books.

DEVELOP ALTERNATIVE ENERGY

Another step in the war against inflation must be the development of alternative sources of energy which we have in great abundance in the United States. We must act without further delay to free our Nation from blackmail OPEC oil prices—and eliminate this threat to national security.

My bill, the Agricultural, Forestry, and Rural Energy Act, is still hanging fire in the conference committee. Other members of my committee and I have strongly urged adoption of this bill. I do so now.

This major bill will provide needed stimulus to create a new important energy industry built around renewable resources.

My proposals for production tax credits for the development of energy from shale and biomass materials from the field and forest was made part of the windfall profit tax bill. I urge that synthetic fuel programs in these areas be put on stream as soon as possible.

Alcohol fuels, such as gasohol, which can be produced from anything that will ferment, constitutes what I believe to be our only short-term hope in removing ourselves from the burden of foreign oil.

Energy from shale, development of solar and nuclear power, and gasification and liquefaction of coal are long-term energy solutions. Nonetheless, we must begin and the sooner the better.

The longer we wait, the deeper we go into debt and the more perilous our national security becomes.

We must also intensify our legislative efforts for energy conservation. While conservation alone will not solve our energy problems, it must go hand in hand with the development of alternative energy sources.

Every American can make a contribution to eliminating our dependence on foreign oil by becoming more energy conscious and practicing conservation wherever possible.

PROMOTE PRODUCTIVITY

American productivity has plunged to a zero growth rate. It must be revised. Regulatory relief, of the right kind and the right amount, will help. But we need more than that.

Rampant inflation has turned people from saving to spending, mostly on credit and far beyond their means. That adds to the inflationary spiral. It also has given the United States the lowest rate of savings, investment, and productivity in the industrialized world.

Congress must remove tax obstacles to savings and investments. There is no incentive to save in a high inflation economy—only a spur to spend, quickly before prices go up even more, and that is how inflation feeds on itself.

The Bentsen-Talmadge-Dole amendment to the windfall profit tax bill, which was modeled after my bill, S. 1846, will give a tax break on savings and dividends, up to $200 for individuals and $400 for couples, and hopefully will stimulate capital formation.

We need more and broader initiatives such as this to turn people away from the buy-now-pay-later syndrome, and to give them incentives to save and invest their money.

We must also provide badly needed tax incentives to the business sector.

I am a cosponsor of the capital cost recovery proposal and I am hopeful that legislation for accelerated depreciation and other supply-side tax incentives will be forthcoming in the current Congress.

We must provide the American working people with new and better machinery and tools through plant modernization and expansion so that we can be more competitive in selling American products abroad. The Federal tax system must be adjusted to provide opportunities for business to grow and develop to aid our national economy in our fight against the ravages of inflation.

CONSUMER CREDIT CONTROLS

Inflation must also be attacked at the consumer level. It primarily is a disease afflicting retail products and prices.

Congress and the administration are confronted with the very difficult problem of consumer debt and what, if anything, to do about it.

Outstanding consumer debt in 1970 was $143 billion. In 1979, it was $311 billion—an increase of $36 billion over the previous year—with almost $30 billion attributed to bank credit cards. Some 63 million Americans hold bank credit cards.

Consumer debt payments are rising to more than 20 percent of disposable personal income for the first time in our history.

Ours is a nation addicted to consumer credit. Not content with simply spending what they earn, American consumers borrow what they have not yet earned and spend that too.

According to the chief economist of the conference board, the use and extent of consumer credit in the United States is virtually unknown anywhere else in the world.

He assesses the situation as an American phenomenon—reflective of inflation psychology—a major contributor to inflation itself—most certainly responsible for record low personal savings and productivity.

The President, under the Credit Control Act of 1969, has authority to impose credit controls.

Such controls, perhaps on a selective basis—for certainly the automobile and housing industries would have to be excluded—are being considered as yet another anti-inflation device.

In testimony last year on proposals to repeal the Credit Control Act, the Federal Reserve Board took the position that the law should stay on the books, but should be invoked only in an extreme emergency.

We are in an economic emergency—we may have reached the point that selective credit controls are needed and advisable.

Consumer credit controls were imposed during World War II, from 1948 to 1949, and during the Korean war.

They generally met with success, although overall results during these three periods were mixed.

They were significantly successful during the Korean war when the inflation rate was held to 3.2 percent.

I will withhold judgment on consumer credit controls until such proposals are brought before the Senate and I have had a chance to study them in detail.

In the meantime, however, I would urge consumers to exercise more restraint in buying on credit, to save more and spend less, and to keep in mind that personal bankruptcies in 1979 numbered 196,000, a 14-percent increase over 1978.

The solution to inflation will not be easy. It will not be painless. Sacrifices will be required of all.

If we can and will develop a sound fiscal policy for the United States, they will be sacrifices in the short run for economic stability and national security in the long run.

If this crisis means that we must for a time enter a period of national austerity, so be it for the good of all now, and more important, in the future.

If Government does its part, I am confident the American people will rise to the occasion.

Mr. President, I send the bill to the desk and ask that it be appropriately referred; and I ask unanimous consent that the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the provisions of the Congressional Budget and Impoundment Control Act of 1974 or any other provision of law, the President—

(1) may withhold from obligation or expenditure such amounts of budget authority provided for fiscal year 1980 as he determines necessary to reduce the amount by which the total budget outlays of the Government in such fiscal year exceed the total revenues of the Government in such fiscal year; and

(2) shall withhold from obligation or expenditure such amounts of budget authority provided for fiscal year 1981 as may be necessary to ensure that the total budget outlays of the Government in such fiscal year do not exceed the total revenues of the Government in such fiscal year.

(b) Any amounts withheld from obligation or expenditure pursuant to this section shall be credited to the general fund of the Treasury.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from North Dakota has 4 minutes, which have been yielded previously.

Mr. ROBERT C. BYRD. Mr. President, I ask that the minority leader be recognized for his regular order, first, after which Mr. BURDICK be recognized.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. I thank the majority leader.

I yield to the Senator from Kansas.

WAGE AND PRICE CONTROLS

Mr. DOLE. Mr. President, it had been my hope that we might be able to bring up today one of the resolutions submitted by the Senator from Kansas which would say, in effect, that the Senate or Congress—depending on which resolution we considered—would go on record in opposition to mandatory wage and price controls. It seemed to this Senator that the adoption of either one of these measures would send a signal to the business community and to the men and women in the work force that there was no sentiment for wage and price controls being imposed by the administration.

President Carter has said that he is opposed to mandatory controls. I have heard President Carter's economic advisers indicate strong opposition to controls. I heard Mr. Schultze on television 2 days ago say for the 99th time, "We are flatly opposed to wage and price controls."

I also suggest that it probably would do more to stabilize anticipatory price increases than anything I could think of, notwithstanding the message which might be coming from the President either tomorrow, Friday, or sometime early next week.

I understand that the majority leader has been advised that in the event an effort was made to call up either resolution, an objection would be made. It is not the intention of the Senator from Kansas to call up either resolution. I do not want to send out any signal that there is a strong objection in the Senate to consideration, and that might be the very signal that would go out—that, somehow, there is objection. I understand that it may be a procedural objection but that there also might be some who would not agree with the resolution.

I just take this brief time to thank the majority leader and the minority leader for their efforts in trying to bring the matter to the floor.

Mr. President I underscore again: I hope the business leaders and the labor leaders understand that there is no sentiment for wage and price controls in Congress and with that in mind put an end to the wave of preemptive increases being realized in various sectors of our economy.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Kansas wrote a letter to me indicating that it was his desire to call up such a resolution.

I have conferred with other Members of the Senate, and only a little while ago I stated to the distinguished Republican leader that there would be an objection to the immediate consideration of the resolution. I hope, with my colleague from Kansas, that this will not be interpreted as strong opposition, by way of any majority, to such a resolution.

Personally, I think I could support the resolution at this time. I, too, have said that we should not have wage and price controls at this time.

What many people forget is that when Mr. Nixon invoked wage and price controls, they already were in place, but we do not have the law now. Before the President could invoke them, Congress would have to pass such legislation, and that would require considerable time, even if a small minority resisted. In the meantime, prices and wages would go up in anticipation of such controls.

So far as I can see, on both sides in the Capitol as well as downtown, the position is to hold the line against wage and price controls.

I thank the distinguished Senator for taking the procedure he has indicated he will take at this point, because I think it is well advised.

Mr. BAKER. Mr. President, I join my colleague from Kansas and the distinguished majority leader in stating my support for such a statement—that is, my strong opposition to the imposition of wage and price controls.

I fully understand the procedural reasons that compel the majority leader to indicate, as he has indicated, that he would not be in a position to permit immediate consideration of this resolution at this time.

I, too, underscore that that procedure is not interpreted by me as being opposition to the essence of the resolution itself.

I thank the distinguished Senator from Kansas for bringing this to our attention today.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent to reserve 3 minutes of my remaining leader time, which I will yield a little later to the distinguished Senator from North Carolina (Mr. Helms) who is not presently in the Chamber and cannot be in the Chamber at this moment.

Following that, I would propose that I yield my special order time to the distinguished Senator from North Dakota, and my remaining leader time, if he wishes it, so that he may control the time for the statements in observation of the 35th anniversary of our colleague, Senator Young.

If the majority leader has no objection to that, I make that unanimous-consent request at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THIRTY-FIFTH ANNIVERSARY OF SENATOR YOUNG'S SERVICE IN THE SENATE

Mr. BURDICK. Mr. President, it is a pleasure for me to offer a tribute of gratitude to my distinguished colleague, the senior Senator from our great State of North Dakota on this occasion marking his 35th year of service to his State and this country as a Member of the U.S. Senate. In the last few years we have witnessed a renewed and growing awareness for the difficulties facing our agricultural community. Throughout his years of service, Senator Young has always stood among those who have worked diligently on these matters. He has always pursued his work with care and integrity. The people of North Dakota realize that and appreciate his dedication as do we who have served with him. Although from different parties, Senator Young and I have always enjoyed close cooperation on matters of concern to our State. On those issues and times when we have differed, it has always been done with respect for the sincere commitment of the other. I believe I speak for the people of North Dakota and my colleagues here when we recognize Senator Young for his contribution and for his years of hard work. On this day and all days we offer him our most sincere best wishes.

Mr. BAKER. Mr. President, the Senate and one of its most revered and beloved Members will celebrate a very special occasion tomorrow.

Milton Young, our friend and colleague from North Dakota, will observe his 35th anniversary as a Member of the Senate.

Only 10 people have served in the Senate longer than Milton Young, and he has served longer consecutively than any other Republican in history.

This is only the latest in a series of historic milestones in Milt Young's long and distinguished career:

He has served in public office continuously since 1924. Fifty-six years.

He has served with distinction at every level of government, as a member of his local school board, as a county commissioner, as a member of the North Dakota Legislature, as majority leader of the North Dakota Senate, and as a U.S. Senator since March 14, 1945.

He served as secretary of the Senate Republican Conference for 25 years, from 1946 to 1971, the longest time anyone has ever served in the Senate leadership in this century.

He is the most senior member of both the Committee on Appropriations, where he serves as ranking Republican, and the Committee on Agriculture, Nutrition and Forestry.

He is the dean of the Senate Republicans.

He has never been defeated in a political race.

That kind of longevity and political success is not achieved by accident, Mr. President. It is the product of Milt Young's extraordinary integrity, his outstanding legislative ability, and the good judgment of the people of North Dakota.

Before he came to public service, Milt Young was a farmer. He remained active in the management of his farm until his appointment to the Senate. And since coming to the Senate, he has been one of the best friends the American farmer ever had in Government.

It was Milt Young who helped get the farm price support program established.

It was Milt Young who was a principal sponsor of the Public Law 480 food-for-peace program.

It was Milt Young who sponsored the Rural Telephone Act which connected the rural areas of North Dakota, Tennessee, and many other States with the rest of the world and revolutionized rural life.

It was Milt Young who helped inaugurate the target price concept for the American farmer.

Milt Young's influence has been felt, indeed, on every major piece of farm legislation for the last three and one-half decades, and he has earned the appreciation of the farmer and consumer alike.

But his influence has not been confined to agricultural matters. As ranking Republican on the Senate Appropriations Committee, he has stood for fiscal integrity, budgetary restraint, and the careful stewardship of Federal resources.

As one of only two Members serving in the Senate since World War II, Senator Young has always recognized the need for a national defense second to none, and he has fought to insure that our military preparedness was never shortchanged.

Finally, Mr. President, Milt Young has been a significant influence on the lives and careers of a great many men and women who have come to the Senate during his long years of service here.

He has always recognized the value of political competition, but he has always placed the enduring public interest above any temporary partisan interest.

He has shown us that it is not the person who speaks loudest, but the person who makes the most sense, who gains lasting influence in the public affairs of this country.

He has set a towering example of political success which is the envy of every Republican I know, and for that matter, every Democrat.

Milton Young has been good for the Senate, good for North Dakota, good for the country he has served so long and with such distinction.

I am proud to call him my friend and to speak these words of well-deserved tribute to him today.

APPRECIATION FOR A SENATOR FROM AMERICA'S HEARTLAND

Mr. ROBERT C. BYRD. Mr. President, I join my colleagues on both sides of the aisle in congratulating our very close friend, very dear friend, Senator Milton Young, on the completion today of 35 years of service in the U.S. Senate.

As has already been stated, when he completes his present term, Senator Young will have served longer consecutively than will have any other Republican in the history of the U.S. Senate.

But Milton Young's unique record is not concluded when these precedents have been recognized. The distinguished senior Senator from North Dakota has served continuously in elective public office since 1924. He came to Washington in 1945 equipped already with an arsenal of political skills and wisdom, prairie virtue and perception, and American patriotism and pragmatism. I believe that the whole country has benefited from the 3½ decades of exceptional service that he has rendered in the Senate, and he has contributed richly and personally to the lives of all his colleagues here.

I can say that advisedly because during my 22 years in the Senate Milt Young's friendship has supported me throughout those years.

The inspiration that he has set for those of us who were younger in years perhaps and younger in length of service has helped us to go forward through the trials and to attempt to lift ourselves and be better servants of the American people.

Senator Young was born in 1897, and he is currently the only Member of either body in Congress whose lifespan rests astride both the 19th and 20th centuries. As a result, Milton Young enjoys an historical perspective that no one else in the Senate or House can claim. He has observed and participated in the great events, cataclysms, and triumphs of this century, and his influence in the Senate has reflected the special comprehension that this unique advantage has afforded him.

So today I express my appreciation to Senator Milton Young for the contribution that he has made to the Nation and to the U.S. Senate during the many years of his career on Capitol Hill.

I wish to add my word of thanks to the people of North Dakota for their sagacity in sharing with the U.S. Senate and with the country this man, this Senator, this Christian gentleman, this great American of such exceptional character and dedication.

Mr. THURMOND. Mr. President, I speak at this time to pay a brief tribute to my good friend, Senator Milton Young, upon his 35th anniversary of service in the U.S. Senate.

Since 1945, Senator Milton Young has served admirably in the Senate, and during that time he has always shown himself to be capable, dedicated, and conscientious. For the past 35 years, he has had the difficult duty of helping steer America through some rough years, but his strength and determination have enabled him to help keep the ship of state on an even keel.

Milton Young is a man who can transcend party boundaries for the higher good of his State and Nation. His political savvy has made him a man who stands his ground on all issues and never concedes victory without a fight.

It has been my privilege to work with Senator Young during the past 25 years, and I have always considered him to be a devoted friend. After coming to the Senate, I soon discovered that I could always rely on Milton Young's sound positions and prudent judgment.

On the numerous occasions I have worked with him, I have found him to be an energetic and a knowledgeable Senator. His thorough knowledge of the issues and his patience and perseverence have made it a pleasure to work with him.

I look forward to working with Milt Young until he retires, and I shall always remember with pleasure our years together in the Senate. His outstanding work in the Senate has made him a great asset to our Nation, and the people of his State and Nation must be proud of the magnificent service he has rendered here.

Mr. STAFFORD. Mr. President, will the distinguished junior Senator from North Dakota yield?

Mr. BURDICK. I yield.

Mr. STAFFORD. Mr. President, it is an honor and a privilege to participate in this tribute to my distinguished good friend and most respected colleague, Senator Milton Young.

As we say in Vermont, the shortness of this tribute should be no measure of the deep feelings I have for my neighbor, Senator Young.

One of the very nice things about serving in the U.S. Senate is the opportunity to get to know on a very familiar basis many of your colleagues. All of my colleagues are outstanding people, of course, but Milt Young holds a very special spot in the eyes of the senior Senator from Vermont.

During the 8½ years I have been in the Senate, I have been fortunate to have my offices next to those of Senator Young. Good neighbors are an important aspect of meaningful living, and I could not have asked for a better next-door neighbor than Milt Young.

He has served in the U.S. Senate for 35 years today, and has served with honor and distinction. He is the dean of Republican Senators, and currently misses being dean of the Senate by less than 3 months.

Senator Young comes from a State, North Dakota, which in many respects is similar to Vermont, so that we often find ourselves fighting for our mutual rural interests. It is always an advantage to be on the same side as Milt Young.

Most of all, I take this opportunity to pay tribute to Senator Young not for his politics, of which I approve; nor for his long service, of which I envy; but for a personal attribute which transcends politics.

Milton Young is a kind, gentle person. That is how I view the senior Senator from North Dakota. That is how I will always remember him.

As he celebrates his 35th year here in the Senate, I wish him well and I thank him for being a friend and a good neighbor.

● Mr. COCHRAN. Mr. President, I am pleased to join my colleagues today in saluting three and a half decades of service in the Senate by our good friend from North Dakota, the Honorable Milton Young.

I have enjoyed very much working with Milton Young, not only in the full Senate, but on the Agriculture Committee where he is an expert legislator. The American farmer has no better friend than Milton Young.

My impressions of Senator Young are that he is one of the most conscientious and dedicated Members of this body. He is wise. He is resourceful. And he enjoys the genuine respect and affection of all who know him.

The fact that his constituents have consistently reelected him—to six full terms—by substantial margins speaks more eloquently for Milton Young than anything we, his colleagues, can say on his behalf today.

On this 35th anniversary, I congratulate him and wish him continued happiness and success.●

Mr. DOLE. Mr. President, will the Senator from North Dakota yield?

Mr. BURDICK. I yield to the able Senator from Kansas.

TRIBUTE TO MILTON YOUNG

Mr. DOLE. Mr. President, March 12 marks the 35th year of a meritorious career in the Senate by our distinguished colleague from North Dakota, the Congress senior Republican, Milton Young.

Those of us from the Midwest probably more than any other group appreciate the work of Senator Young. Those of us who have come to the Senate from that part of the country understand the great role Senator Young has played in agriculture, which is most important not just to the Midwest but to all America.

It is difficult in 3 or 4 minutes to summarize Senator Young's accomplishments in the past 35 years. But I think the 35 years—and I am certain that the distinguished minority leader may have touched on it in his full statement—does demonstrate a lifetime commitment of this man to his country, to his State, to his constituents, and to those who helped him and those who tried to defeat him. They reflect a well-earned respect accorded him by those who know him well.

Upon completion of this term as the longest serving Senator from the upper Midwest States, only six Senators in history will have served longer. Moreover, no Republican will have served longer consecutively.

As secretary to the Senate Republican conference from 1946 to 1971, he served longer in this position of leadership in the Senate than any Senator in the 20th century.

While his diligent efforts and distinguished record may have gone unnoticed by some Americans, the fruits thereof have touched us all.

There is something about Senator YOUNG's ability to achieve a fine balance between a commitment to the reduction of the Federal budget and a keen awareness of the importance of well-funded public programs, and that ability is matched by few. It is unfortunate that we will not be able to rely upon his incisive sense of judgment as we enter the 1980's, that is, unless he decides to change his mind, and return to the body he has so diligently served for 35 years. His efforts on behalf of the American farmer, most notably his concept of target pricing, is likewise commendable. He has kept this increasingly neglected cornerstone of our economy both productive and properly rewarded for its contribution to the Nation. A healthy agriculture is a precondition for a healthy society, thus our distinguished colleague's work has been elemental to our general welfare in postwar America.

Senator YOUNG has been the champion of agriculture. I certainly think those farmers and those who deal with farmers and those who depend upon farmers, whether it is in Kansas, Illinois, or New York, owe him a debt of gratitude.

In a body where so much substantial activity is accompanied by a carnival of contention with a spotlight on discord, MILTON YOUNG deserves special credit for utilizing his influence as the longest-seated member on both the Appropriations and Agriculture Committees to accomplish so much with a minimum of disruption. During his tenure as ranking Republican on these committees his experience and leadership served as a pillar of strength to his constituents and congressional colleagues. He has a great sense of what is right for this country and the success of his legislation is a further reflection of the high degree of respect his convictions receive from both sides of the aisle.

That respect was once again demonstrated as recently as yesterday in the Agriculture Committee where Senator YOUNG led efforts to work out a land diversion program to help the American farmer.

Finally, I express my thanks to Pat and the members of Senator YOUNG's staff, some of whom are present today, who worked with my staff and other staffs to bring about effective, meaningful legislation. I express my personal gratitude to Senator YOUNG for the support and guidance he has provided me during my tenure in the Senate. The service that he has given so freely to the people of this country is indeed commendable and almost transcends words. Since I took my seat on the Agriculture Committee, his unfailing voice of reason could always be counted upon to provide direction and keep the committee on an even keel. This role carries over onto the floor of the Senate where I know my colleagues join me in feeling thankful for his 35 years of service. It is a rare man who will give so freely of himself and his presence will be sorely missed by all.

Mr. TOWER. Mr. President, I am delighted to have the opportunity to join with my other colleagues in saluting MILT YOUNG on the completion today of 35 years service in the U.S. Senate.

It occurs to me that MILT YOUNG was elected to the Senate before I was old enough to vote. It occurs to me also that he is one of only three Members on the Republican side who is senior to me in terms of service here. So I have had the privilege of working with him for a very long time.

I recall the many kindnesses that he showed me when I was a freshman Senator in this body. What a great mentor he was in areas in which he is eminently expert.

I think that the oustanding thing about MILT YOUNG in connection with his service as ranking Republican on the Appropriations Committee in his sense of national priorities. He approaches public spending on the basis of what is likely to afford the greatest good for the greatest number rather than on the basis of what might be politically popular at the moment. And then he in the Appropriations Committee has sometimes advocated or supported positions that might not be politicially popular but for those who understood the issues involved were certainly the most statesmanlike and the most constructive approach.

BOB DOLE has mentioned what he has done for American agriculture and for that I can be enormously grateful because my State of Texas is a great agricultural State. It is the foundation on which our civilization in the Southwest was built, and we owe him a great debt there.

Speaking as an American concerned with the security of the United States and the defense of her vital interests throughout the world, I add my thanks for his always having placed a high priority on maintaining the strongest defense establishment possible.

He has apparently recognized that perhaps the greatest responsibility a government has to its people is to insure their security against their adversaries from without by maintaining the strongest possible defense establishment.

There are so many things that we could thank MILT YOUNG for that he has done over the course of his splendid service and I am sure others will add to what has already been said.

But I think that probably all that would be said here today will not measure up to the aggregate of the great contributions that he has made to the formulation and implementation of public policy in the United States and little that we say will even begin to reflect adequate appreciation for this great American, this great patriot who has never lost touch with the people from whence he came.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BURDICK. I yield to my friend from Utah.

Mr. HATCH. Mr. President, I am very grateful to my friend and colleague from North Dakota.

I apologize because I have a case of laryngitis and that is a bad thing for a politician to have.

But I would not feel good if I did not come here to pay my respects to my esteemed colleague, to a man who has done so much for I think all freshman Senators but certainly he has done a great deal for me.

MILT YOUNG has served 35 years in the Senate at the end of this day, and of course he has been an example to all of us.

Every week we hear his appropriations report in our Republican Policy Committee meeting.

And all I can say is that he is sincere, he is dedicated, he knows what he is talking about and he brings us up to date quite well on matters of great importance to all of us, especially on the Republican side of this Chamber.

I know that he has been a champion of agriculture in this country and, like Senator TOWER, I add the thanks of the people in agriculture in my beloved State of Utah.

I think they all appreciate Senator YOUNG and the efforts he has put forth on their behalf, efforts that have helped agriculture all over America and not just in my State of Utah and the State of North Dakota.

When Senator YOUNG has been asked to do anything he has always done it in, I think, good regard not only to his own State but to all other States as every Senator must.

Senator YOUNG is one of my closest friends in the Senate. He has been one of the kindest people to me. He is honest. He is decent. He is honorable. He is ethical. And perhaps above all he is very kind and he has been so kind to me. He is exactly the type of a man who really exemplifies what many of us believe the Senate should be.

I just wish we had many more like him, not only here at this time but also as the Senate grows and changes through the years coming up.

Like I say, he has been helpful to a lot of us who were basically new Senators in the Senate. He has smoothed the way, just by example if nothing else, but certainly with a lot of action on his part.

One of the things I appreciate perhaps as much as anything about my good friend MILTON is that he loves his lovely wife Pat very much and he is very proud of her. I cannot imagine any woman who could be more proud of her husband than Pat is of Senator Young.

In closing, I would like to thank the people of North Dakota, as other Senators have said today, for their consideration of the needs of this country in allowing us to have Senator Young here for all the years he has been here. I believe it has been a good thing for this country and, of course, for North Dakota. I am very grateful to Senator Young and I would hope that the words that I have said will be of some help to him in knowing the high esteem in which he is held in the U.S. Senate.

Mr. BURDICK. I yield next to my neighbor from South Dakota.

Mr. PRESSLER. Mr. President, it is with particular pleasure that I rise today to note the occasion of Senator Milton Young's 35th year of service in the U.S. Senate.

Senator Young has represented my neighboring State of North Dakota for nearly all my lifetime. He was active in the Senate at a time when I was 2 years old. Before I entered grade school I was well familiar with Senator Young's name, and his career has been one of the lights upon which I have attempted to chart my course. Senator Young has always been pointed out to me as the finest example of midwestern integrity and hard-working, indomitable Dakota spirit: I am therefore extremely proud to be able to serve in the same body, and become personally acquainted, with the man who is known as Mr. Republican in my part of the country and who was one of my boyhood heroes.

Since I have come to the Congress in January 1975, Senator Young, the dean of the Senate Republicans, has always been extremely generous with his time and assistance for me and other younger Members. His friendliness and desire to help others has been a hallmark of his public service.

Senator Young's career in public service is a long and notable one. Milton Young has been in elective office continuously since 1924 and has never lost any reelection bid. He was first elected to county, township and school boards. In 1932 he was elected to the North Dakota House of Representatives, and in 1934 to the Senate where he served as president pro tempore and majority leader. Milton Young was a State senator until his appointment to the U.S. Senate on March 12, 1945. When his present term is complete he will have served longer consecutively than any other Republican in the Senate's history—only six Senators in its hisory will have served longer.

The work ethic that Senator Young learned growing up on a farm has served him well in the Senate. Rising early and staying past the time many other Senators have departed for home, Senator Young has always well represented the people of North Dakota. He has never neglected the primary interest of our part of the world, having served on the Agriculture Committee since coming to the Senate. Milton Young was a farmer before coming to Washington and, with this experience, has been primarily involved in the writing of all major farm legislation in the last several decades. He is known nationally as "Mr. Wheat."

Milton Young has also had tremendous impact on the entire Nation as the longtime senior Republican on the Appropriations Committee. These two committee assignments together with his effective personality have made him one of the most influential Members of the Senate. Long interested in the national defense, Senator Young is also ranking member of the Defense Appropriations Subcommittee. I recently came across a citation presented to Senator Young by the Reserve Officers Association which I believe well illustrates his reputation with those concerned with the Nation's defense requirements. Last year, Senator Young was presented this resolution at a black-tie dinner in Washington, attended by over 2,000 members of this organization, designating him as "The Citizen Who Has Contributed Most to National Security in These Times—1979."

Mr. President, I ask unanimous consent that a copy of the resolution be placed in the Record immediately following my remarks.

The PRESIDING OFFICER (Mr. Baucus). Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. In March of last year at the KFYR American Agricultural Day Expo in Bismarck, N. Dak., Senator Young was also presented with a citation in recognition of his contributions to agricultural research by the chairman of the Experiment Station Committee of the National Association of State Universities and Land-Grant Colleges. Mr. President, I ask unanimous consent that a copy of this resolution also be placed in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. PRESSLER. Having grown up on a small family farm myself, I know that tributes which have been placed on Senator Young by agricultural experts must please him a great deal. Perhaps the greatest tribute he has received must, however, be the fact that his three sons, Duane, Wendall, and John, have chosen to follow his original vocation. All three are currently farming on or near the home place at Berlin. They are raising families of their own and carrying on the Young name to a fifth generation.

Milton Young is a fine father and family man. His wife Pat is not only a great help and inspiration to her husband but to others of us in the Senate. Senator Young served with Senator Karl Mundt, whose seat in the Senate I now occupy, on the Appropriations Committee. Senator Mundt was working on a project for South Dakota now referred to as the Earth resources observation satellite (EROS) when he became ill. Senator Young carried on Senator Mundt's efforts on this project. In gratitude, there is a Milton R. Young Boulevard in Sioux Falls.

The people of North Dakota are very proud of Milton Young. He serves them well, but he is also a special friend of South Dakota.

Mr. President, I think it is extremely fitting that we are taking the time today to commemorate this anniversary. Senator Young's term of office represents an important continuity in our Nation's life. He took office during President Franklin Roosevelt's administration and has been in the Senate while seven other Presidents have occupied the White House. But more important has been the quality of his service. He has always been highly dedicated to his work, and his Nation and his State have thereby benefited greatly.

Exhibit 1

Reserve Officers Association of the United States—Annual Citation to the Citizen Who Has Contributed Most to National Security in These Times, 1979, the Honorable Milton R. Young

An Association Resolution with Respect to the Career of the Honorable Milton R. Young.

Whereas, for more than a third of a century in the Congress of the United States

His devotion to the highest concept of duty to country;

The courage and independence of his leadership for adequate preparedness which is necessary to National Security;

The steadfastness of his dedication to the Citizen-Defender tradition;

The clarity of his judgment to insure strength, effectiveness and high morale to the Nation's Military Forces;

Have given—

Confidence to his generation;

Inspiration to posterity, and

Safety to this Nation's institutions and ideals.

Therefore, be it resolved, that in recognition of his extraordinary service to the United States, this Association proudly recognizes Milton R. Young as the Citizen of 1979 who has contributed most to the National Security shared by every American citizen in these times.

Exhibit 2

Experiment Station Committee on Organization and Policy—Experiment Station Section, the Division of Agriculture, National Association of State Universities and Land-Grant Colleges

A RESOLUTION

Whereas, the Experiment Station Section, Division of Agriculture, National Association of State Universities and Land-Grant Colleges convened in official session at St. Louis, Missouri on November 13, 1978, and

Whereas, at this 1978 meeting of the Section there was much concern about the present status of federal funding of agricultural research through the Land-Grant College System, and

Whereas, Section members were fully cognizant that the success achieved in stabilizing formula federal funding in the fiscal 1979 Agricultural Appropriations Act and in continuing federal financing as a vital force in pushing forward an aggressive program of agricultural research in the State Agricultural Experiment Stations was due to the understanding and vigorous support provided by key members of Congress, and

Whereas, The Honorable Milton R. Young, Senator from the great state of North Dakota was one of those who stood firm in his conviction of the importance of the research of the State Agricultural Experiment Stations to the well-being of all United States' citizens and in helping reduce the pangs of hunger and starvation in the less developed countries of the world, and

Whereas, Senator Young has demonstrated a keen awareness of the value and significance of agricultural research during an exemplary career of public service in the Congress of the United States, and

Whereas, his devotion to the cause of the Land Grant Colleges and the State Agricultural Experiment Stations was amply demonstrated in the 95th Congress when he and Senator Stennis of Mississippi led the effort in the Senate Appropriations Subcommitee and in the full Committee to add a cost of living increase to the States' research and extension budgets for fiscal 1979, and

Whereas, he is a man of impeccable integrity, highly respected by both friend and adversary, and one who places the best interest of his country first in all legislative deliberations, and

Whereas, it is indeed the good fortune of the State Agricultural Experiment Stations to have a champion in the Senate of the caliber of Senator Milton R. Young, and

Whereas, Americans and people worldwide are the direct beneficiaries of the dedicated and loyal support of the Honorable Milton R. Young for the world's foremost system for the development and dissemination of scientific technology geared to the efficient production of food and fiber, now

Therefore be it resolved by the Experiment Station Section, Division of Agriculture, National Association of State Universities and Land Grant Colleges in official session convened at St. Louis, Missouri this thirteenth day of November, Nineteen Hundred and Seventy Eight, that special tribute be paid and sincere gratitude expressed to the Honorable Milton Young, United States Senator from the Great State of North Dakota, and

Be it further resolved this action be made a part of the official record of the 1978 meeting of the Experiment Station Section, Division of Agriculture, National Association of State Universities and Land Grant Colleges, and a copy be presented to Senator Young.

Noland L. Vandemark,
Chairman.

Mr. BURDICK. Mr. President, I move that the Senate stand in recess for 5 minutes.

Several Senators. Wait, wait.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I wonder if we could agree that at no later than 2:30 p.m. today the Chair recess the Senate over to Friday. Would there be any objection to that? That is with the understanding that in the meantime, until 2:30, there could continue to be statements of tribute to Mr. Young or morning business, and that Senators will have until 5 p.m. today to insert statements into the Record to introduce bills and resolutions. I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that any bills and resolutions introduced between now and the time of the close of business today be for referral only and that there be no request for immediate consideration of any of those measures.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators. The Senate will meet again on Friday at 12 noon under the order, I believe.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. The Chair, at no later than 2:30 today, will recess over until noon on Friday.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. BURDICK. Mr. President, I renew my motion for a 5-minute recess.

Mr. JAVITS. Mr. President, may we complete these speeches, the motion notwithstanding?

The PRESIDING OFFICER. The motion is for a 5-minute recess. Without objection——

Several Senators. Wait, wait.

Mr. ROBERT C. BYRD. Mr. President, if Senators want to proceed with speeches——

Mr. BURDICK. Mr. President, I will withdraw my motion. I recognize the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I am pleased and proud to join my colleagues in paying respect to my good friend Milt Young on this memorable occasion.

The fact that Senator Milton Young came to the Senate straight from a North Dakota wheat farm in the same manner I arrived here with a background of wheat farming in Oklahoma has made it possible for the two of us to have a singularly close working relationship and a personal rapport which is somewhat unique even among Members of this body. After I became a member of the Senate Agriculture Committee and learned of the vast knowledge which Milton Young possessed both of the practical side of agriculture and the governmental actions which have contributed significantly to America's farm progress and prosperity over the years, I became one of his disciples.

There have been many important and progressive changes made in farm legislation during the 11 years I have served with Senator Young in the Senate. The hand and mind of Milton Young have played prominent roles in virtually all the improvements which have been made. His role was instrumental particularly in developing and enacting the target price approach which freed American farmers to produce with maximum efficiency and which has come to be the mainstay of U.S. farm policy.

Many of the creative and incisive contributions Milton Young has made to the work of the Senate have come because of his deep understanding of and appreciation for life in rural America. His practical knowledge of farming has guided him in his efforts to help draft and enact legislation which provides economical stability to agriculture and yet at the same time preserves the incentive America's food producers must have to maintain this Nation's preeminence as food supplier to the world.

His work on the Appropriations Committee has been guided by the same set of standards. He has taken a compassionate and yet practical view of Federal programs. He has been a strong supporter of efforts to develop this Nation's natural resources, to improve its environment, to control floods, to preserve wildlife habitat, to support soil and water conservation and to develop rural resources through the great plains program.

As ranking member of the Defense Appropriations Subcommittee, Milton Young has worked actively and consistently to support a defense establishment which will guarantee the safety and security of our country. He is a strong supporter of the doctrine that national security is the greatest responsibility of a government to its citizens.

It is significant that at the time Milt Young came to the Senate, the upper Midwest was extensively represented in this body by Republican members. Over the years, one by one, those Republicans with less political acumen and with narrower political philosophy have been replaced by members of the other party. Up until the last election, only Milton Young survived. It is a great tribute to the man that over the years he has proven to be not only one of the most effective Members of this body but was one of the most durable, even though he represents a region in which Republicans are in a distinct minority.

The world of March 12, 1980, is a distinctly different place than it was when Milton Young came to the Senate 35 years ago, March 12, 1945. There are few people in this country who have had a greater role in positively shaping both national and international events of these last 3½ decades. It is regrettable that Milt has elected to leave the Senate at the close of this term. The work of the Senate will go on but the steady, informed, and enlightened guidance of Milt Young will be greatly missed by those of us who have come to look upon him as a pillar of wisdom. I join my colleagues in congratulating and paying tribute to one of the Nation's most distinguished and respected citizens on this the 35th anniversary of his membership in the U.S. Senate.

Mr. PERCY. Mr. President, I am delighted to congratulate our esteemed colleague and dear friend, Milton Young, who today celebrates 35 years of service in the U.S. Senate to the people of North Dakota and of the whole country. I would note that at the completion of his present term next January, Milt will have served longer consecutively than any other Republican in the history of the Senate.

It is with a great deal of personal admiration and affection that I recall a period of time 10 years ago, when I served for a while with him on the Senate Appropriations Committee. As a junior Member of the Senate, as well as of the committee, it was reassuring to me to be able to look to him for guidance in tackling the maze of Federal funding we dealt with on a daily basis. I appreciated all that I learned from him and consider those years a very important part of my Senate career.

Mr. President, few of us here today will have the opportunity to serve in the Senate for 35 years, but, for however long we are here, we would do well to take note of the style and grace for which our colleague, Milton Young, will be affectionately remembered.

Mr. President, I say to our distinguished colleague that 10 years ago I joined the Appropriations Committee for a period of 1 year. No freshman Senator could have had greater understanding, patience, forbearance as from my teacher and mentor, MILTON YOUNG, as he has been to so many of us. He was a tower of strength.

I wish the people of his State could realize the value he has been to all of his colleagues.

We love him. We have deep affection for him, his friendship has meant a great deal to us and will for many years to come.

I thank my colleague.

Mr. BOSCHWITZ. Mr. President, I rise to pay tribute to my colleague, Senator MILTON YOUNG.

I point out that Senator MILTON YOUNG has really associated very closely with Minnesota, that his mother comes from Minnesota, so he is not only a neighbor but also a direct descendant of Minnesota, so to speak.

He came here, Mr. President, in 1945, at a time when the contiguous State of Minnesota sent 10 Republican Senators to the U.S. Senate. Over the years, that changed, so there were not 10 Republicans. It was one Republican and nine Democrats. That one Republican was Senator MILTON YOUNG, which is quite a testimony, not only to his resilience and to his intelligence, but also to the love the people of North Dakota have for him.

Mr. President, my business is sprinkled all over a number of States, including North Dakota. So I can personally attest to what kind of consideration and admiration and veneration the people of North Dakota have for our distinguished colleague.

When I came here, Mr. President, I became personally familiar with him. He is very well known in Minnesota, as well. I had known him just peripherally. But I got to know why he was so highly regarded in North Dakota. I got to know why he is so highly regarded by his colleagues, as is evident today.

So I congratulate our colleague from North Dakota, my friend, my neighbor, with whom I often have breakfast, whose wife and he are such good friends and such cogent advisers to me.

I rise today in tribute to my friend, MILTON YOUNG.

Mr. BURDICK. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, that is quite a record for our Uncle MILTON—35 years—a very long time.

The thing that occurred to me, aside from all the encomiums we all feel about him, which have been expressed, as I sat here and thought about it was that I think it is a great object lesson for the Senate—we all hope it will happen to all of us—and for American youth to look at Senator YOUNG.

This is what 35 years in the U.S. Senate does to a man. He is entirely civil, warm, a dear friend, calm, and faces his years with great satisfaction of accomplishment and achievement. All the theories about frustrations and how we vote, and so on, absolutely come to naught in the face of such an example.

So as an old friend and longtime associate, I congratulate the Senator for setting us such a fine example.

I also congratulate him on what he has done with his life. I hope it serves as a great object lesson to all the young people of this country who ought to be aspiring to that kind of life and that kind of dedication.

Mr. BURDICK. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I think of MILTON R. YOUNG, not as a Senator of the Republican Party, and certainly he is not of the Democratic Party, but I think of him this afternoon as a Senator in the finest tradition of dedicated service, not only to his State of North Dakota, but to the people of the Republic of which we are all a part.

A long time ago I took a football team to North Dakota. There was a famous coach by the name of Finnegan. And there was another famous coach by the name of West. I shall never forget either one.

Coach Finnegan was in charge of the Aggies and Coach West was in charge of the University Gridders at Grand Forks. We played one of the games on Thanksgiving. We then moved on from the first game where Finnegan was in charge to Grand Forks, where it was snowing on Saturday night, where West was in charge.

I was just out of West Virginia with a few football players, attempting to make a good showing in the State of North Dakota.

I will never allow the RECORD to indicate whether we lost or won. I will leave that to those who want to check the athletic achievements, or lack of achievements, from the standpoint of the Scarlet Hurricane which swept from West Virginia into North Dakota, and that is a long time ago—1927.

What I am saying, after having given this background, is to indicate that the "R" in MILTON R. YOUNG—I will not try to look it up and see what it means—but it means for me a man of regal character; that is what "R" stands for in MILTON R. YOUNG. It stands for a reliable legislator within the Senate over a period of 35 years.

Then the "R" will stand always with me for respectability. MILTON YOUNG has made this Senate a better institution. We shall remember him. We wish him in all the tomorrows of his life great joy and wonderful faith.

Mr. BURDICK. I yield to the Senator from Virginia.

Mr. WARNER. Mr. President, a decade ago this month, I first met my distinguished colleague from North Dakota. I was then serving as Under Secretary of the Navy and came to see him on many occasions. He was instrumental in helping the United States retain its maritime superiority.

Mr. President, it is indeed an honor for one recently come to the Senate to rise in salute to our distinguished senior colleague, MILTON R. YOUNG of North Dakota.

Any newly seated Senator quickly learns that certain of his colleagues enjoy a special measure of respect and deference within this body. Such esteem is not given lightly, nor is it acquired by longevity of service or by age alone. Always it is earned.

In MILTON YOUNG, the Republican dean of the Senate, new Members have found an exemplar of honorable service to constituents, to party and to country—a deep well of wisdom and experience—a sage and steady friend and counselor.

When MILTON YOUNG came to the Senate 35 years ago today, Franklin Roosevelt was in the White House. The United States was at war. American Marines were nearing victory on Iwo Jima. Allied forces were preparing to cross the Rhine in the last decisive thrust into Hitler's Germany. And the present junior Senator from Virginia, 2 weeks past his 18th birthday, was serving in the U.S. Navy as a 3d class electronics technician. Many years later as Secretary of our Navy I worked with my distinguished colleague on building America's maritime power.

From his seat in the Senate, MILTON YOUNG has seen and helped to shape the history of our time. Eight Presidents have occupied the White House and 18 Congresses have filed through these historic Chambers since he first set foot upon the Senate floor. When he leaves this body at the conclusion of his present term, he will have compiled a longer consecutive record of service than any Republican in Senate history.

And when he leaves, MILTON YOUNG will go out under his own steam. His departure will be voluntary. He will retire undefeated.

It is a tribute to the quality of service he has rendered to the sturdy citizens of North Dakota that they have returned him to elective office continuously since 1924. Never in that span of nearly half a century have they refused him election to any post he sought.

Mr. President, there will be time enough later for farewells. But this is a day for celebration.

MILTON YOUNG honors this body by his presence here.

He honors our free system of responsible and representative self-government by his service.

He honors his constituents, his party, and his Nation.

It is but fitting that we should honor him.

Senator, we salute you.

Mr. BURDICK. I yield to the Senator from Indiana.

Mr. LUGAR. Mr. President, it is a privilege to say a word in tribute to my friend, Senator MILTON YOUNG, who has meant so much as a good neighbor on the fifth floor of Dirksen. We have shared the elevators together in trips back and forth to the Senate floor, in which I have had the privilege of his wisdom and experience.

In our service together on the Senate Agriculture Committee, I have come to know MILTON YOUNG has a sense of history with regard to American agriculture, with justice with regard to farmers and all the rest of the citizens of this country that they serve, and a very keen sense of what ought to occur.

It has been a privilege to follow his good judgment and counsel and advice which in the past produced excellent legislation for American agriculture, and which does so presently.

I am amazed at his stamina, his ability to move through the tedium of committee meetings, subcommittee meetings, all the nitty-gritty involved in the legislative process, to continue here long hours on the floor, even when we have sessions that extend well into the night. But it is simply testimony to his dedication to this country and the process he serves so well.

Mr. BURDICK. I yield to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I am embarking upon my second year of service in the U.S. Senate as our remarkable colleague from North Dakota completes his 35th year of service.

That indeed he has become an institution within this institution and a man who commands the respect and admiration of his colleagues.

He has been most kind to me during my time here and has shared much information with me in order to make my transition to the U.S. Senate a more pleasant one.

I must also express the kind regards and affection and admiration of my father, Milward L. Simpson, a former Senator from Wyoming who served with Senator Young in the years 1962 through 1966. They were—and are—great friends and when Milt Young finishes his tour of duty here he and his lovely wife, Pat, will be headed for the warmer climes of Sun City, Ariz. where he has a home near my parents, where he will reside in the winters. In the summers he will continue to enjoy being surrounded by his friends and former constituents in his beloved State of North Dakota.

It is indeed a remarkable man that we honor on this date. It has been my privilege to serve with him—to get to know him—and to see the sincere manner in which he has represented the people of his State and still kept the prime national interests in very clear focus. That is an admirable trait. He deeply deserves the accolades which we pay him today.

I am privileged to be able to add my voice to the chorus.

Mr. BURDICK. I yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I will be very brief. But I do not want to allow this occasion to pass without my voice joining with those of my colleagues in the Senate in a eulogy to our colleague from North Dakota, Milton Young.

I used that term "eulogy" a little earlier and one of my friends said, "But he is not dead yet; after all, a eulogy is confined to those who have recently departed."

But it is a happy occasion when we can, indeed, praise someone, and that is what a eulogy is, to praise someone while he is still here with us.

I think it is appropriate we take this 35th anniversary of his service in the Senate to pause for a moment and reflect upon his humanity to those of us who serve here.

I think it is noteworthy that it is not just the Senators who have served the longest in the Senate who have come forward to say, "Thank you, Milton."

It is all those younger in terms of service who particularly have felt the hand of friendship and support and the particular kind of warmth and graciousness that Milt Young has come to epitomize in the Senate of the United States.

When he came to the Senate, I was 20 years old, and Milt was 47. How many people, starting on a new career at the age of 47, would guess that there would be 35 years of uninterrupted service in the Senate of the United States? But knowing Milt, we should have guessed, because he has been in elective public office since 1924, without interruption and without any defeat at the hands of the electorate. That says more than any other single statistic could. Those of us who have been through elections know what that means in terms of respect, in terms of affection, in terms of real admiration of the people who know you best in North Dakota as well as in the Senate of the United States.

I am happy to join in this occasion.

Mr. BURDICK. I yield to the Senator from North Carolina.

Mr. HELMS. I thank the Senator from North Dakota.

Mr. President, the rules of the Senate do not permit any expression to anyone in the gallery. Therefore, I will not say to the dear wife of Senator Young what she already knows—that she is married to a great statesman.

Mr. President, at a time such as this, a man remembers little things. I remember the first day I served in the Senate. Senator Young will not recall this, but he extended the hand of friendship and helpfulness to me on that occasion; and seldom has a day passed when he has not been a source of great strength and comfort and help to me.

Senator, you are one of nature's noblemen. If I gain no other satisfaction from serving in the U.S. Senate, the fact that I have been able to serve with you and to know you has made it all worth while.

On this occasion, the 35th anniversary of your service in this august body, I thank you and wish you well. God bless you.

Mr. BOREN. Mr. President, as the distinguished majority leader has indicated, Milt Young is appreciated by Members on both sides of the aisle.

As a freshman Senator and a new member of the Agriculture Committee, no one has been kinder or more gracious to me than has Milton Young.

As a relatively young person in Government, I point out, in reference to remarks by Senator Pressler earlier, that I am a little more senior than he. I was already 3 years old by the time Milton Young came to the Senate.

I appreciate very much the example Senator Young sets in word and deed. He has demonstrated to all of us that a person can serve an extended period in public office and retain his integrity and his prinicples. I cannot think of a more important lesson to be given or a more important example that could be set in the times in which we live.

While Senator Young has exercised immense influence, he never has lost his humility. He remains a warm and thoughtful human being. Milt Young does not need to make a speech about the nature of public service. The kind of person he is and the kind of Senator he is speak more eloquently to me than any speech possibly could as to what public service is all about. He has set a worthy standard for the rest of us to reach toward.

I thank my colleague from North Dakota for the inspiration he has provided to me, as a new Senator, and to all Members of this body.

Mr. BURDICK. I yield to the Senator from Iowa.

Mr. JEPSEN. Mr. President, I wish to express my personal gratitude to Senator Young for his kindness, his sensitivity, and his help to me, a freshman Senator from a near neighbor State, the State of Iowa.

I also thank you Senator Young, not only for what you have been but also for what you are by way of a statesman, a Senator, and an American who, for 56 years, has served in public office and has served admirably, with respect, and has established a climate of credibility that is second to none in the Congress, and in particular the Senate.

You are a credit to the Senate and to the United States of America. I am proud to say that I served with you, and I thank God for the 2 years that we will have served together. I appreciate it.

Mr. BURDICK. Mr. President, I yield to the Senator from Minnesota.

Mr. DURENBERGER. Mr. President, it is a great honor and privilege to pay tribute to my distinguished colleague and neighbor, Milton Young. For 35 years, the senior Senator from North Dakota has been a dedicated and committed public servant. The accolades he is receiving today are fitting testimony to his outstanding and enviable record.

All Americans have benefited from Senator Young's years in these Chambers, but most notably the farmer. My distinguished colleague has been a fierce guardian of the American farmer throughout his 35 years. Perhaps no person has done more to improve the lot of the farmer than has Senator Young. His unofficial title of "Mr. Wheat" is well-deserved.

Farm interests have been the hallmark of my distinguished colleague's record and are always first in his mind. Evidence of his overwhelming concern for the farmer is abundant; one story in particular, however, tells it all.

Twelve years ago, during a reelection campaign, Senator Young was tending to his duties in Washington. At the same time, a completely unfounded rumor was making the rounds in North Dakota. According to this rumor, Eric Sevareid was considering a return to his home State and a run against the formidable Senator Young.

Unaware of this rumor, Senator Young returned to North Dakota, where he was greeted at the airport by reporters wanting to know his reaction to the Eric Sevareid story.

My distinguished colleague's first response sent an appropriate message to the people of North Dakota: "What does Eric Sevareid know about wheat?" asked Senator YOUNG.

Mr. President, my first 15 months in the U.S. Senate have been enhanced greatly by Senator YOUNG's friendship and counsel.

For myself and the people of Minnesota, I express my deep and sincere gratitude to a neighbor for a job well done.

Mr. BURDICK. Mr. President, I yield to the Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator for yielding.

Mr. President, I, too, pay tribute to the senior Senator from North Dakota. Inasmuch as I am a Senator from the youngest State in the Union, I think it is appropriate that I should pay tribute to one who always will be young.

I am reminded of the time when Emanuel Celler was in the House, and I served with him. Emanuel Celler was the oldest Member of that body at that time. He was in the well, speaking in support of a measure I had introduced, and he forgot certain facts about which I reminded him.

He said,

> Oh, yes, yes. How clearly I recall that now. You know, there are three signs of aging. The first is that you tend to forget things rather easily—and for the life of me, I don't know what the other two things are.

[Laughter.]

Mr. MATSUNAGA. Well, if those are the three factors which denote aging, I must say that the Senator from North Dakota shows no signs of aging, because he remembers things well; and he even remembers the two things that are not even worth remembering.

I believe it is little known that the Senator still plays 18 holes of golf today and beats the younger ones in going about the golf course.

It is little known, too, that he is an organizer of a karate class among Members of Congress.

He is celebrating his 35th anniversary in the Senate. As I look at the Senator from North Dakota, I wish that when I celebrate my 20th anniversary in Congress, I will look half as good as he does.

Congratulations. I hope that, even after retirement, you will continue to come to the Halls of Congress and give advice to those of us who will aspire to service as long as you have served, Senator MILTON YOUNG.

Mr. BURDICK. Mr. President, I yield to the Senator from Maryland.

Mr. MATHIAS. I thank the Senator for yielding me a few minutes to congratulate MILTON YOUNG on an important anniversary.

From my own point of view, it is more important to thank MILTON YOUNG for his cooperation, his help, his advice, his counsel, and his friendship during the many years of service we commemorate here today.

Because he has led the Appropriations Committee, we necessarily have done a lot of business together. There have been many decisions to be made, a lot of mechanical arrangements to arrange—mechanical arrangements by which the committees function smoothly.

In all these years, in all the difficult decisions that have had to be taken, MILTON YOUNG has been a thoughtful, calm, experienced hand that helped things to go as they should go, but as sometimes they do not go.

So it is to MILTON YOUNG that we owe a great debt of gratitude for his guiding hand and his experience and his knowledge, and I acknowledge that debt today.

However, in a broader sense, all Americans owe him a debt for the kind of life he has led as an example to the rest of us. For example, I am interested in farming, and he has been interested in farming. Not only has he enjoyed it, and not only has it been a profession and a vocation for him, but also, it has been an experience which he has passed on to his family.

He has inculcated in others the ideals of good husbandry and the preservation of values—not only the values of the soil but also the values of the men and women who toil to till the soil. He has kept alive that very important part of America which is represented by our great agricultural community.

And he has done this while performing duties in Washington at the very top levels of our Government, and that is an extraordinary performance. It is an extraordinary balancing act and to be able to do both of those things and to do them well I think deserves our thanks and our congratulations.

Mr. BURDICK. I yield to the Senator from Connecticut.

Mr. WEICKER. I thank my distinguished colleague.

I wish to pay my own tribute to MILTON YOUNG and to recall in particular the experience that I had with him on the Appropriations Committee as my leader and as the ranking member on that committee. The first day that I joined the Appropriations Committee MILTON YOUNG, who had spent many years on the committee, in effect gave me and the rest of my colleagues the responsibility to do a job, not holding it to himself as is the wont of many chairmen and many ranking members of various committees of the Senate, but rather seeing to it that every man on there, from the youngest to the most senior, shared in the total responsibilities of the committee's work.

I am deeply appreciative for the opportunity given to me and most particularly for the fact that it came from a very kind and a very good man.

Again, speaking as one of the younger Members of this body, I very much appreciated the wisdom which MILTON's experience over the years, shared with his colleagues, brought to each one of us in what has become a very uncivilized world, and at times an uncivilized U.S. Senate. This man is a gentleman. This man is kind. This man represents the best that resides in the hearts and minds of those who commit their lives to Government.

So I, No. 1, take the opportunity to express my thanks and my affection to MILTON and also to wish him every good thing, every good fortune in his future.

Mr. BURDICK. Mr. President, it is my distinct honor and pleasure at this time to yield to my illustrious colleague, Senator MILTON R. YOUNG.

Mr. YOUNG. Mr. President, I am deeply grateful for the many nice comments made about me here today on this my 35th anniversary as a Member of the Senate.

I feel totally inadequate to fully express my deep gratitude for all the wonderful and gracious comments that have been made about me. You have all been more than generous. I cannot help but feel that there was a bit of exaggeration in some of the comments, but I have no complaint at all.

I especially express my appreciation to the leadership for arranging this special session in recognition of my anniversary and to my colleagues in leading this hour and a half of tribute.

Mr. President, serving in the U.S. Senate has been a great privilege and an honor. I am fortunate that the people of North Dakota gave me this wonderful opportunity to serve in this body. This Senate is the most important and most powerful legislative body in the world. The legislation and policies adopted here over the years has made ours the greatest nation in the history of the world.

The friendship in the body transcends party lines. I wish I could mention all of the Members I was closely associated with. It is a truly magnificent group of people. I doubt if there is any lodge, or even any church, where there is a closer bond of friendship and respect for one another than there is here in the U.S. Senate.

I wish that the public could know the Members of the Senate as they truly are. They are very able, talented, and honorable men and women who work tremendously hard. They sacrifice much because with their very busy lives they are not able to spend as much time as they would like with their families and friends. Contrary to the thinking of the general public, most Senators even serve at a financial sacrifice. There are few Members in this body today who would not be making more money in the private sector.

These 35 years have passed so quickly. There is only one Member of the Senate left who was here when I came here. The Senator from Washington (Mr. MAGNUSON) came about 2 months ahead of me. Of the 96 Members in the Senate that were here when I first came here, only 13 are living today.

But, before I conclude, I wish to mention something about friendships on both sides of the aisle. The best and closest friend I ever had was a Democrat—the Senator from Georgia, Mr. Russell. I am sure he will go down in history as one of the all-time great Members of the Senate. On this side of the aisle there was the senior Senator Bob Taft, of Ohio. He not only was a close personal friend but was always most helpful to me.

It is hard to realize that I will be retiring soon. While I am looking forward to it, the thing I will miss the most will be the friendship and association with Members of the Senate for whom I have great love and respect.

I thank you again for this most memorable hour in my life.

Mr. ROTH. Mr. President, it is an honor to join my colleagues in saluting Milton Young of North Dakota who for 35 years has graced the Halls of the Senate.

Milton Young has served this country and his constituents with dedication and integrity. Beloved in his State, he has been consistently returned to the Senate by the people of North Dakota who know the value of a great man.

Senator Young enjoys the respect and admiration of his colleagues and recognition for a life of continuous service. I congratuate him on the occasion of his 35th anniversary in the Senate for his outstanding contribution.

● Mr. WALLOP. Mr. President, today we rise to honor an extraordinary man, Senator Milton R. Young, my distinguished colleague from North Dakota. Today marks the 35th anniversary of Senator Young's service in the U.S. Senate. When Senator Young completes this term, he will have served longer consecutively than any other Republican in Senate history. Senator Young's outstanding leadership qualities have been recognized time and again in this body. From 1946 to 1971, Senator Young served as secretary to the Senate Republican Conference, the longest period of time any Senator—Republican or Democrat—has held a leadership position in the Senate in the election in 1974, he is dean of the Senate.

These are remarkable accomplishments in any career, but more remarkable is that his career has so many accomplishments still on the horizon. On occasions such as this, we are tempted to eulogize, to recognize the end of eras. But Senator Young is far from ready to be dipped in bronze and placed in the Capitol rotunda, though he has earned his place there. He is more than an icon; he remains a dedicated, hard-working, knowledgeable, and in every way outstanding Senator. We may be grateful that Senator Milton R. Young is more than a statue, that we may still turn to him as a pillar of wisdom and strength during these troubled times.

As ranking member of the Appropriations Committee and a member of the Agriculture, Nutrition, and Forestry Committee, with longer service on these two committees than any present member, Senator Young continues to guide this great country along a steady and unwavering course in the grandest tradition of the Senate's finest Members.

I take this time to offer my own congratulations to this fine friend and famous colleague, and to commend the people of North Dakota for sending to Washington a man who has served, and continues to serve, his State and his country so well.●

● Mr. GARN. Mr. President, I join with my colleagues today in expressing my appreciation and admiration for our distinguished colleague, Senator Milton Young, and the service which he has rendered to the State of North Dakota, and to this country, during his 35 years in the Senate.

Throughout Senator Young's long career in public life he has performed according to the highest ethical standards, and he stands as an example of all that is good in public officials.

As the second-ranking Republican of the Senate Agricultural and Forestry Committee, Senator Young has consistently demonstrated his concern for the general welfare of Americans by his work in the areas of agriculture, the American economy, and rural American business. He has been a strong advocate for the American farmer, and has worked to make important changes for farm programs and price supports.

He has been very instrumental in a number of landmark farm legislation decisions, particularly in the Food and Agricultural Act of 1965, in including special provisions to the Omnibus Agricultural Act of 1970, in the Agriculture and Consumer Protection Act of 1973, and in originating and sponsoring Public Law 93-86 which provides a target price payment to farmers regardless of a crop failure.

As the ranking Republican on the Senate Appropriations Committee, Senator Young has worked diligently for responsible Government spending and the protection of the interests of the American taxpayer.

I congratulate Senator Young for his years of outstanding service in the Senate, and wish him well in his future endeavors. I hope that he will enjoy a long, happy, and healthy retirement.●

● Mr. LAXALT. Mr. President, today marks the 35th anniversary of Milton Young's arrival in the Senate. He has now served longer than any other Republican in the history of this body. Those of us who have been privileged to know him as a friend and colleague are pleased to join in this effort to pay him tribute for a distinguished career, a job well done.

Lord MacCauley once said that the secret of the greatness of the first Queen Elizabeth was a thorough understanding of both the issues she faced and the people she ruled. Milt Young is that way. On the issues, though not flashy or flamboyant, you just knew that when the chips were down and the going was rough that he would be there. But most importantly, throughout these many years he has never forgotten North Dakota or North Dakotans. Operating the way the framers intended a Senator should, he has been like a bulldog in defense of North Dakota and its interests.

As a freshman just completing my first term, it would be presumptuous of me to try to encapsulate the career of one who has been here so much longer. But speaking from personal experience, during common situs, during the Panama Canal Treaty debates, and during the fight over public financing, I want my colleagues to know just how reassuring it was to be tapped on the shoulder to turn and find Milt Young there saying, "Paul, I'm with you."

On the Appropriations Committee, as a new member, I found myself constantly turning to him, as ranking member, for advice and counsel. Having been on that committee for over 30 years and knowing every nook and cranny, he had every right to be impatient with a pesky freshman. But he was nothing of the sort. Regardless of the magnitude of the issue or the nature of the subject matter, he took the time and offered the kind of counsel that can only come with so many years of experience.

But as good as Milt has been on the national issues and as helpful as he has been on Appropriations, I think his strongest suit is still his people. He knows North Dakota and he has served it faithfully and well these many years. On the Agriculture Committee and on Appropriations he has been a Senator's Senator doggedly pursuing and protecting the interests of his State. North Dakotans have recognized just how valuable a resource they have had in Milt by returning him no less than six times since his first coming here in 1945.

Unfortunately, Milt will now be leaving us. It is difficult to imagine the U.S. Senate without Milt Young. Certainly, no one other than the President pro tempore has been here longer. But Milt has earned a little rest. He is leaving the Senate, as they used to say, full of years and honors. He has done his duty as he saw it and done it well. His colleagues, North Dakotans, and all Americans have every right to be proud of him and we all will surely miss him.●

● Mr. HUMPHREY. Mr. President, it is an honor and a privilege for me to join my colleagues in paying our respects to our good friend and dean of the Republican Senators, Milt Young.

We all wish him many years of good health and happiness after he retires from the Senate at the close of the present session.●

● Mr. ARMSTRONG. Mr. President, at a time when there are a number of distinguished Members of this body who have set records of one kind or another, few if any match the accomplishments of the man we are honoring today: the most able ranking minority member of the Senate Appropriations Committee, Senator Milton Young. To list just a few:

Republican dean of the Senate.

At the end of his term, served longer consecutively than any other Republican in U.S. Senate history.

Served in a leadership position—as secretary to the Republican Conference—longer than any Senator in the 20th century.

With 34 years of service, is the longest-serving U.S. Senator from any of the Upper Midwest States.

Received the highest percentage of vote of any Republican opposed in the 1968 election.

Upon completion of his term in January 1981, only six Senators in the history of the U.S. Senate will have served longer.

And those milestones of accomplishment, Mr. President, are simply what he achieved when he came to Washington. Those who knew him—and his record of dedicated service—in his home State of North Dakota even before that time were familiar with an equally outstanding career that preceded his membership here. Member of school, township, and county boards; service for 2 years in the North Dakota House of Representatives and for 11 years in the North Dakota State Senate; president pro tempore of the State Senate in 1941; majority floor leader in 1943—all contributing to the remarkable and historic career of this servant of the people, who has held elective public office continuously since 1924 and has never been defeated for reelection.

This is, indeed, a remarkable and perhaps unparalleled record of service—to the people who elected him and the Nation which has benefited from his insights. As ranking minority member of the Committee on Appropriations, Milt Young has remained steadfast in his philosophy of good government; although often he has been in the minority, he has had a greater effect on economic and budgetary policy than many Senators on both sides of the aisle. And during the past 35 years, he has brought a dedication to the high principles of this body that long will serve as a reminder of what we are here for.

By giving the Senate a continuity matched by few others in our history, Milt Young has shaped important principles in this body: The principles of fairplay, dedicated attention to the task at hand, mutual respect for all Members, and participation in problem-solving with patience and resolve. The senior Senator from North Dakota has served during the administrations of eight Presidents; he has been a participant in crafting solutions to the very difficult problems of the post-World War II period; he has left his mark indelibly upon this Government and this Nation.

In that endeavor, Mr. President, he has earned our respect, our affection, and our gratitude. It is, in one respect, a long way from La Moure, S. Dak.—the hometown of this most distinguished senior Senator—to the U.S. Capitol in Washington, D.C. Upon reflection, however, I think most of us will agree that Senator Milton Young in fact has shortened that distance by exemplary public service, over more than five decades, that underscores what representative self-government is all about. I am proud—and most privileged—to join my colleagues in saluting this illustrious American, Senator Milton Young, and to wish him well in his retirement.●

● Mr. DOMENICI. Mr. President, "Men fundamentally can no more get along without direction than they can without eating, drinking or sleeping," said Charles de Gaulle in 1934. Today I am pleased to join with all my many colleagues in honoring a fine gentleman who for 35 years has provided direction to the U.S. Senate.

Senator Milton Young is unquestionably a leader. For three and a half decades he has worked selflessly to provide service and leadership to his fine State and to our Nation. The very fact that he has served in this body for so long is a tribute to his ability.

At a time when America so desperately needs leaders of character and ability, it is encouraging for me to see that the U.S. Senate has a man like the very distinguished gentleman from North Dakota. He has been an inspiration to me as I am sure he is to all the Members of this institution.

Again, I am honored to join with my colleagues in paying tribute to Senator Young.●

● Mr. SCHWEIKER. Mr. President, today marks the 35th year that Milton R. Young has served in the U.S. Senate.

Senator Young is one of the most able and respected Members of this body. Down through the years Senator Young has always given intelligent and constructive leadership to the Senate and to the Nation. We, his colleagues, and the people of our country owe him a tremendous debt of gratitude.

Senator Young has served continuously in the Senate since March 12, 1945, when, as a farmer from Berlin, N. Dak., he was appointed to the Senate to fill the vacancy caused by the death of John Moses. He was then elected at a special election in June 1946 and reelected to five 6-year terms thereafter.

Upon completion of his term in January 1981 only six Senators in the history of the U.S. Senate will have served longer than Milt Young. And Milt will have served longer consecutively than any other Republican in U.S. Senate history.

Milt Young also has longer service on the Senate Appropriations and Agriculture Committees than any present member. He now serves as ranking minority member of the powerful Appropriations Committee.

Senator Young has had a most distinguished career in the U.S. Senate. He has played a vital decisionmaking role in the fields of agriculture and national defense and other important areas. As his colleague on the Appropriations Committee, I also have been most impressed with his dedication to the advancement of eye research in this Nation and am glad to note that he has been appropriately honored for this effort.

We are fortunate indeed to have a man of Milt Young's caliber in the U.S. Senate. His qualities of honesty, integrity, and effectiveness, combined with a willingness to always work hard, set a high example for all Senators to follow.

Milt is also a most delightful man to work with and has been a big help to many of us in our Senate careers. I am personally grateful that I have had the opportunity to serve with Milt for many years and to profit from his experience and knowledge.

I regret that Milt has decided not to seek reelection when his present term expires next year. His departure will be a great loss to the Senate and to the Nation. But after more than 35 years in this body he is entitled to a rest and I know he and his lovely wife, Pat, will enjoy their retirement.

On this wonderful occasion, I offer Milt Young my heartfelt congratulations and best wishes for the future.●

Mr. BAKER. Mr. President, I ask unanimous consent to have printed in the Record a statement by Mr. Stevens together with an article referred to therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Stevens

Even though illnesses in my family prevent me from delivering this statement in person, I am thankful to the minority leader for adding my words of praise to the many honoring our dear friend and colleague Senator Milton R. Young on this his 35th anniversary in the United States Senate.

Milt Young and his lovely wife, Pat, have been close friends of mine for years. I can look back fondly on the numerous times they spent with me and my wife, Ann. She always enjoyed being a part of the Senate Wives' Red Cross group and it was there that she and Pat Young became close.

Senator Young spent his early years actively engaged in the operation of his family farm near Berlin, North Dakota. In the words of one of my former Republican colleagues, Milt Young has always been a "man of the soil" and a leading authority on agriculture. There is a unique picture in one of his offices of a young North Dakota farm boy in baggy trousers, seeding grain. It is Milt Young when he was but a lad of 19. Farmers all around the country have benefited from the leadership of Senator Young in his role as a member of the Agriculture Committee.

Senator Young's biography has been detailed earlier; however, let me point out a few of the many "firsts" in the distinguished career of North Dakota's senior Senator. Milt Young has never been defeated for re-election to public office. In 1956 he was the only GOP Senate candidate to receive a bigger State majority than Eisenhower. In 1968 Senator Young received the highest percentage of the vote of any Republican Senator in the nation who was opposed. He is the longest-serving U.S. Senator from any of the upper Midwest states and upon completion of this term will have served longer consecutively than any other GOP in the history of the United States Senate. He has served longer on the Senate Appropriations Committee than any present member, Democrat or Republican, and is presently ranking on that Committee.

It is from our association on the Appropriations Committee that I have come to know, respect and admire Milt Young. Under his tutelage and legislative know-how, I learned the complicated rules of committee procedure and thanks to his kindness in guiding me in those early years I am now much more comfortable with the process.

Senator Young has done more for the people of North Dakota than they could possibly know. He is as hard a working Senator as there is in this body and I have even found it difficult, at times, to keep up with his fierce pace of activity.

Together with his role on the Agriculture Committee, the Senator as ranking member of the Appropriations Committee has represented the people of his State with the dedication and commitment matched by no one in North Dakota history.

It has been an honor and a privilege for me to serve with such a man of distinction. "Mr. Wheat," as he has been affectionately dubbed, will be missed by all of us in the Senate but he will be especially missed by the many farmers of this great nation whose lives have been so vastly improved as a result of his efforts.

As my dear friend returns to North Dakota, again as a man of the soil, I wish he and his lovely wife Pat the very best for the future.

I submit for the Record an article relating to Senator Young published in the Sunday Forum on December 30, 1979.

The article follows:

Young Moving Out of the Limelight, Into the Twilight

(By Hal Simons)

The star of North Dakota's 1980 political extravaganza will not be on center stage. For Sen. Milton Young, 1980 is a year of twilight, not limelight.

Next year will be Young's 35th in the U.S. Senate. It will also be his last. At age 82, North Dakota's senior senator and the ranking Republican in the U.S. Senate is retiring.

If Young had had his wish, retirement would have come earlier. Even before he won his toughest Senate re-election fight in 1974, Young was already beginning to consider it.

His first public revelation that he wished to retire before the end of his term in 1980 came in a surprising speech at the North Dakota Republican convention three years ago.

An emotional Young told delegates he would resign within a year or two if North Dakotans that fall elected a Republican governor, who could appoint a Republican to fill his Senate seat. If not, he would try to finish out his term, he said.

"I stated then, if they elected a Republican governor I would consider resigning and I would have," Young said in an interview this month. "It didn't happen."

Democratic Gov. Arthur Link won re-election and Young hung on. But every so often, he continued to drop hints that he was still considering early retirement.

Each hint sent politicians on both sides of the political aisle scurrying to map strategies to fill his seat. Indeed, it is Young's retirement, and the shifting it has sparked among other leading state politicians, that has made 1980 one of North Dakota's most interesting election years.

Earlier this year, Young said he "might be tempted" to retire next March 12, his 35th anniversary in the Senate. Although he still feels "that would be a hard day to pass up," Young now says he definitely plans to serve out his full term.

When Young leaves his Senate office for the last time a year from now, it will mark the end of one of the most amazing election success stories in North Dakota's history.

Young has held public office since 1924. He has been in 11 statewide elections. In the past 55 years, he has lost only one election and that time he ran as what he calls "a fill-in candidate" for higher office. He has never been defeated in a race for re-election.

In his first bid for elective office, the former La Moure farmer won a seat on the Henrietta Township board of supervisors. Two years later, he was selected to the township school board.

Young was elected to the state House of Representatives in 1932, "the year the Non-Partisan League made big gains in the Legislature." He upset the incumbent in the primary and won the general election by 37 votes.

Two years later, he was elected to the state Senate. He won the seat which had been held by William Lynch, who that year was an unsuccessful congressional candidate under the banner of the Independent Voters Association, "an anti-League group that was a combination of both Republicans and Democrats."

In 1944, he absorbed his only election defeat. That was the year Young and a handful of other legislators assembled the Republican Organizing Committee, a group which "tried to take control of the Republican Party away from the League."

As the ROC's chairman, Young agreed to run in the 1944 U.S. House race. He lost to incumbents William Lemke and Charles Robertson, two Republicans endorsed by the NPL.

"Even though I was a fill-in candidate—I campaigned less than four full days and had less than $1,000 to spend—I lost by less than half a vote a precinct," Young said.

Although Young lost, that same election helped open his door to the Senate.

In 1944, Gov. John Moses, a popular Democrat, was elected to the Senate. It was the first time the state had elected a Democrat to either branch of Congress. Winning the race to replace Moses as governor was Fred Aandahl, like Young, an ROCer.

But Moses died after less than two months in the Senate. On March 12, 1945, Aandahl appointed Young to the Senate.

Since then, Young has defeated Senate election opponents six times. His closest call came in 1974, when he squared off against former Gov. William Guy, a strong Democratic vote-getter. Young narrowly won the battle of the state's political heavies. A recount showed the margin was less than 200 votes.

Even now, Young delights in that 1974 victory. "I am the only one in the state who has defeated the two strongest Democratic candidates since John Moses—William Guy and Quentin Burdick," Young said. Burdick, who has since captured a Senate seat, was defeated by Young in 1956.

Still, Young would have preferred not to run in 1974. Even then, he was attracted to retirement. According to Young, however, he saw a challenge in charges, by Democrats and even some Republicans, that he couldn't win. He wanted to go out on top.

"I don't think I would have run the last time if they hadn't used that strategy that I couldn't be reelected," Young explained. "They thought it was one way of getting me to retire. All the years I've served in public life, especially in the Senate, I have always wanted to serve in a way that I felt I would be re-elected when I retired. I hated to retire when opponents were saying I couldn't win again."

In some quarters, Young has been dubbed "Mr. Wheat" because of his role in farm legislation in his four decades in the Senate. Apparently it is a nickname he wears with some pride. Farm legislation, he says, has been his biggest accomplishment.

"I've been the co-author of practically all the farm legislation that has passed in the time," he said. "The target prices now—I originated that concept. I was involved in setting up the soil conservation program and getting funds for the rural electric cooperatives. I was co-author of the rural telephone act and just about every piece of farm legislation since 1945."

A second major accomplishment, Young feels, has been "getting water projects for North Dakota." Although he has gained headlines as one of the staunchest supporters of the state's controversial Garrison Diversion Project, he has been active in other water projects as well.

"I was involved in resolving, through legislation, many of the problems on the construction of the Garrison Dam," Young recalled. "I specifically got amendments for several projects in North Dakota, like the Dickinson Dam, the Jamestown Dam and the Pipestem Dam (near Jamestown)."

Young also believes he has been instrumental in getting industry to come to North Dakota. He played a role in convincing firms such as Western Gear, Lockheed, Northrup and Brunswick to set up plants in North Dakota.

Presumably, his biggest disappointment would be the failure to see the Garrison project completed. Young himself, however, surprisingly does not list Garrison's failure as his biggest disappointment.

Instead, he lists his inability to escape what he sees as political flak in his last six years in office—years he had hoped to serve out free from politics. When he discusses it, his voice cracks in emotional tones.

"I'd hope to serve out my last six years as senior senator in peace," he said. "But I've been subjected to more attacks politically in the last six years than ever before."

Obviously, Young has been hurt by those attacks. His voice quavers. He does not want to elaborate. Who has attacked him? "You can guess," he replies.

Later, he mentions several magazine articles which "took after me." One revealed that Young had put pressure on a federal wildlife biologist in Jamestown to leave because he was critical of Garrison. More recently, an unfavorable article in the Washington Monthly keyed on Young's replies to constituents about his stance on abortion.

"The lack of progress on Garrison Diversion, a project that we've fought for since statehood and is now under severe attack, is probably one of my biggest disappointments," he said.

"It's run into more opposition and much more vocal opposition than ever before. If this trend keeps up, we may not realize the project that was so popular when it was first started. Unless we get more support in the future, we may not realize the dream."

Young is the ranking Republican on the powerful Senate Appropriations Committee, which controls the Senate's pursestrings. Young's senior status often means clout for North Dakota on the projects he feels are important for the state.

As Young explained, his retirement "means a loss of influence (for North Dakota) that you can only gain by seniority. On any project affecting North Dakota, you're in a stronger position if you have experience and seniority."

Because of that, the embattled Garrison project could be the state issue most affected by Young's retirement.

All three members of North Dakota's congressional delegation—Young, Andrews and Burdick—support Garrison. Perhaps more importantly, all three sit on appropriations committees, whose support for the project is critical.

Andrews is the ranking Republican on the House spending panel. But should he move to the Senate to succeed Young, Andrews almost certainly will not be assigned to the Senate Appropriations Committee.

That would leave only Burdick on an appropriations committee. "That will help some," Young said, "but with my senior position, the committee has been giving me most everything I want. The committee has given me everything I've asked for on Garrison and I think the Senate will come out strongly for Garrison this year, too."

He does not hesitate when asked what his retirement means for Garrison's future. "That depends on who takes my place—how strongly he's for it. Politically, a candidate may consider that supporting Garrison today is not proper and not worth it."

Next year, for the first time since 1924, Young won't be running for public office. He will be waiting for a seat on the sidelines.

"You do have some reluctance to leave a job you've been in for more than 30 years. But I'll be happy to retire and do some of the things I haven't been able to do, like visiting with my family and good friends and playing golf."

Young said he has received some pressure to remain in office and run again in 1980, "but I think they all realize that, because of my age, I shouldn't."

For Young, a politician waiting to retire, 1980 will be a year of a little sadness and a little relief.

● Mr. HATFIELD. Mr. President, from the earliest days of my tenure in the Senate I have admired MILTON YOUNG as a man who possessed a great capacity to be considerate to his colleagues, an ability to be a man of conscience, and a statesman held in highest esteem by his constituents.

The Members of the Senate know well Senator Young's immense capability to be of aid to his fellows in and around this Chamber. Especially, I will remember him as one particularly attuned to the needs of new Members seeking their place and style. Milton never failed to discover new ways to assure a junior Member of his importance to, and role in, this, at first, formidable institution.

Further, Milton Young has been a model to all of us in his refusal to get locked into party lines or absolutist positions from which it would be impossible to vote his best judgment on an issue. Many times he has been for us the guiding beam to enlighten our path.

And, finally, it has been my privilege to witness first hand, while on speaking engagements, the affection of Milton Young's constituents. The Jules Ormont insight comes to mind when he said:

> A great leader never sets himself above his followers except in carrying responsibility.

It has been a privilege to know and serve with Milton Young for he emulates this and many other characteristics of a great leader.●

ORDER FOR CERTAIN ACTION TO BE TAKEN

(The following occurred during tributes to Senator Young:)

Mr. ROBERT C. BYRD. Mr. President, consent has already been given to Senators to insert statements in the Record.

I ask unanimous consent that no other business intervene, that no request to call up measures or to have unanimous consent action taken on any measures be in order today, and that the Chair, upon the completion of the tributes to Mr. Young, recess the Senate over until 12 noon on Friday.

The PRESIDING OFFICER. Is there objection?

Mr. JEPSEN. Mr. President, I respectfully object. I had a 15-minute special order for today. I would like to be recognized in regard to my special order. Therefore, may I take a minute to speak under the privilege of my special order request?

Mr. ROBERT C. BYRD. So that my request may be clear, I have no objection to bills and resolutions being introduced for referral, but I would not want the Chair to entertain any request that any such measures be taken up for immediate consideration today.

Is that agreeable?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

THE PATENT LAW AMENDMENTS ACT OF 1979

Mr. MATHIAS. Mr. President, I was pleased to cosponsor S. 1679, the Patent Law Amendments Act of 1979. This bill will encourage invention and innovation at a time when the country needs both.

The integrity of the patent system is closely tied to the ability of the Patent Office to find out if the invention is in fact new and therefore patentable. This integrity is threatened by the impaired search capability of the Patent and Trademark Office (PTO). The patent examiners often do not find all the pertinent information they need to decide if the invention is patentable, in large measure because of the great increase in the number of patents and publications. By and large, the PTO is doing a good job; it eliminates about 30 percent of the applications that are filed and in many cases it limits the scope of the patents that are granted. Nevertheless, the courts have struck down a number of patents on commercially attractive inventions.

It appears that it would take years and many millions of dollars to computerize the PTO's search files. This should be our long-term goal since it would reestablish the integrity of the PTO's search capability. For the short term, however, I think we should enact S. 1679. Many people who figure prominently in our patent system, including the present and former Commissioners of Patents, expressed their enthusiastic support for this proposal.

The bill provides that any person may ask for reexamination based on a prior patent or prior art publication that can be cited in pertinent part to the PTO. The PTO will then be able to determine quickly whether a substantial new issue is raised concerning patentability of the invention covered in the issued or principal patent. The bill would thus upgrade the patent system and avoid or speed up costly and time consuming litigation before our already overburdened courts. I understand that the courts themselves would favor this expression of expert views by the PTO to help them reach the correct decision.

I believe this bill will restore the confidence in our patent system. To help us solve the complex problems that currently face us—inflation, energy shortages, unemployment, lagging capital investment, and the military and economic challenge from abroad—we have got to make sure our patent system encourages invention and innovation, particularly on the part of the individual inventor and small businessman. S. 1679 is a small but important step in this direction. I am therefore pleased to cosponsor S. 1679.

PROPAGANDA

Mr. MATHIAS. Mr. President, "propaganda" is an ugly word. It has not always been an ugly word. In fact, it has perfectly respectable roots in the verb "to propagate." But, at the hands of the three totalitarian movements of the 20th century—fascism, nazism, and communism—the word "propaganda" has taken on very ugly overtones. It has come to symbolize the big lie.

The word truth, on the other hand, is very beautiful in almost any language, except perhaps in Russian where the newspaper Pravda (truth) has drained the word of meaning.

Now, we are told that there is a campaign going on, supposedly being masterminded from the White House, to move the Voice of America away from news and truth and to push it in the direction of propaganda. Over the past several weeks, there have been hints of such a campaign in gossip columns, which most people dismissed.

It seems, however, that the situation is more serious than it first appeared to be. And I think we can all be grateful to Carl Rowan for bringing it into the open in his column in the Washington Star on March 3. No person is better qualified to speak on the subject than Mr. Rowan who, as Director of the U.S. Information Agency some years ago, was once responsible for the Voice of America. VOA is now under the U.S. International Communication Agency (USICA) which is headed by Ambassador John Reinhardt, a career foreign service information officer with a distinguished record of service to our country.

Mr. Rowan sketched enough of the outlines of this campaign to convince anyone that it should be nipped in the bud right now. As he says in his column:

> No matter who is doing the leaking, it is important for Mr. Carter to remind everyone that 'superior Soviet propaganda' is not remotely responsible for our troubles in Iran and Afghanistan. Policy decisions made by the shah and by occupants of our White House brought on the current crises.

Our national outrage over the Soviet invasion of Afghanistan and its brutalization of the Afghan people is natural and proper. But we should not express our outrage by demeaning ourselves to the level of those who have caused it. The losers in a successful effort to change VOA from the voice of truth into an instrument of propaganda would be ourselves. The Soviet Union would like nothing better than to catch us out; to be able to discredit VOA; to raise doubts about its veracity.

Mr. Rowan reminds us of something John Reinhardt said in testimony before a committee of the Congress not long ago and these words are worth considering:

> This country does not need—and should not want—a propaganda agency. We do not need to trim the truth. * * * The power of our ideas, the grandeur of our accomplishments, speak for themselves.

I believe strongly in the mission of USICA. That mission is to communicate with the rest of the world about America and to help Americans learn more about the rest of the world. It is not to lead or mislead. It is to report; to explain; to interpret—through a variety of media, in a variety of ways. But in each medium, in each way, it is the simple truth about America that we seek to communicate not some hoked up message.

Administrations come and go, but the Voice of America endures. Speaking for the American people, it should ring as clear and true as bell brass. Mr. Carter has talked over and over again of the goodness of the American people. Let him now move to keep the Voice of America—their voice—untainted so that the goodness may shine through.

My own confidence in this country is unbounded. I do not doubt for a minute that the truth will ultimately prevail.

Mr. President, I ask unanimous consent that the full text of Mr. Rowan's column, "Propaganda and Policy" be printed at this point in the Record.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

PROPAGANDA AND POLICY

(By Carl T. Rowan)

Fifteen years ago, when I was director of the U.S. Information Agency (USIA), and when we had half a million American soldiers bogged down in Vietnam, President Johnson called me out of a luncheon at the West German Embassy.

"I'm sitting here with (CIA Director) John McCone," Johnson said. "McCone says that there's real light at the end of the tunnel, and all we need to win is for you to beam in some more propaganda. Can't you personally talk to the Indians, the Thais or someone so we can get that new medium-wave transmitter out there somewhere?"

I provoked a nasty discussion by saying that "if McCone's intelligence were as reliable as our broadcasting, we'd be a lot nearer the end of the tunnel."

But I went ahead and appealed personally to Thailand's foreign minister, Thanat Khoman, and got the Thai government to reverse an earlier decision and accept a transmitter that is today a powerful "Voice of America" in Southeast Asia.

But we lost the Vietnam war. And a lot of people should have learned that broadcasts, leaflets dropped from planes and other "propaganda" cannot make up for bad political and military decisions.

But it seems people never learn. The hostage crisis in Iran and the Soviet invasion of Afghanistan have provoked silly new cries that everything would be OK if we just had more aggressive propaganda from the Voice of America and from other elements of the International Communications Agency (ICA, formerly USIA).

Through nasty leaks that seem to lead back to the staff of national security adviser Zbigniew Brzezinski, the media are being fed the line that the U.S. is in trouble in the Middle East, Africa and South Asia because the Soviets have been out-broadcasting and out-lying the Voice of America.

Vera Glaser of Knight-Ridder Newspapers quoted a "White House official" as criticizing ICA for putting too much money into exchange programs, for not having broadcast to Iran in Farsi for almost two decades prior to the fall of the shah—and criticizing the Voice of America for taking four months to get Persian broadcasts going after President Carter ordered them in December 1978.

Leaks suddenly popped up even in gossip columns trying to make ICA and its director, John Reinhardt, the villains of the Iran and Afghanistan debacles.

White House sources told me that the leaker was Paul Henze, a Brzezinski aide who formerly worked for the CIA and Radio Free Europe and is now the White House expert on foreign broadcasting.

Henze told me that he did not inspire the Vera Glaser article, and that he does not share the view that the Voice of America ought to move away from news and telling the truth to devote more time to hard propaganda.

"Once you abandon the truth you lose your credibility, and then nobody listens," Henze said.

He told me that the White House's recent concern has been to get VOA to change its language priorities, with fewer programs beamed to Southeast Asia and more to Muslim areas. Henze said the White House also wants to get more powerful transmitters targeted on Muslim areas, with Sri Lanka a possible location for such facilities.

No matter who is doing the leaking, it is important for Mr. Carter to remind everyone that "superior Soviet propaganda" is not remotely responsible for our troubles in Iran and Afghanistan. Policy decisions made by the shah, and by occupants of our White House, brought on the current crises.

Our intelligence and information activities in Iran, and our broadcasts to that country, were all inadequate because U.S. officials deferred to the wishes of the shah and embraced the illusion that Iran was so safe that such activities were unnecessary.

A former ICA officer wrote an article for the New York Times in which he deplored the fact that, as the hostage crisis developed in Iran, "We didn't manufacture a single slogan!"

Recent developments prove that it is idiotic to suggest that a few slogans would have changed the minds of the Ayatollah Khomeini, or Foreign Minister Sadegh Ghotbzadeh, or the terrorists holding the hostages.

President Carter must impress upon his aides that even in times of crisis Americans will not, in panic, embrace totalitarianism and fascism. In testimony before Congress recently, Reinhardt said: "This country does not need—should not want—a propaganda agency. We do not need to trim the truth. * * * The power of our ideas, the grandeur of our accomplishments, speak for themselves."

What Mr. Carter must make clear is whether Reinhardt or the anonymous leaker speaks for this administration.

MRS. ROBERT LOW BACON

Mr. MATHIAS. Mr. President, debate on the issues that affect the Nation is not confined to the Chambers of the Senate and the House of Representatives. It echoes daily in union halls, in corporate board rooms, in schools, and on street corners.

Debate also is alive across the dinner tables of Washington, which provide a forum of unmeasurable but significant influence. One of the people who nourished and maintained this form of rational communication was Virginia Bacon—Mrs. Robert Low Bacon.

For Mrs. Bacon the dinner table was not a place for casual acquaintances to meet for casual gossip. She presided over a dinner table that was disciplined and directed as well as fun. Her guests were carefully chosen on the basis of experience, information, and capacity to interact. Topics did not arise, they were proposed by Mrs. Bacon and were pursued by experts in the field strategically placed around the table.

Lest this positive discipline be mistaken for regimentation, the company was put to ease by the whole setting, by the Edwardian style of the table, tasteful and elegant, the bounty of food and drink, and most of all by the example of the hostess. Mrs. Bacon kept a watchful eye to see that plates and glasses were full, all the while conversing, if need be, in French with the guest on her right and in Italian with the guest on her left.

Mrs. Bacon died on February 24, 1980. Her funeral was held February 28 in St. John's Church on Lafayette Square. It was typical of Mrs. Bacon that when her friends entered the church to bid farewell they were greeted, not by a mournful dirge, but by the strings of the National Symphony playing Strauss' "Voices of Spring."

With Mrs. Bacon's death an institution was lost—an institution of value that proclaimed the doctrine that excellence was still important. At her funeral, Mrs. Bacon's character was described by Ambassador Luke Battle in thoughtful and sensitive words. In his eulogy, Ambassador Battle said:

> For Virginia the pursuit of happiness and the pursuit of excellence were the same thing. Few met her measure of spirit or staying power.

Mr. President, I ask unanimous consent that the full text of Ambassador Battle's eulogy of Mrs. Bacon be printed in the RECORD at this point, as well as the obituary of Mrs. Bacon published by the Washington Post on February 26, 1980.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Remarks of the Honorable Lucius D. Battle]

EULOGY OF MRS. ROBERT LOW BACON

Joy, obligation, commitment. These were the fundamental elements of Virginia Bacon's life. She was of her time. Of the arts, the politics, the theatre, the music of her age. Although a person of the present, she drew strength and dignity from the atmosphere and the pace of the past. Throughout her life she opened her mind to challenging ideas, whether she embraced them or not. She clung firmly to standards of behavior. But rigidity of thought was not for her. She could listen to, if not entirely accept, new concepts in the realm of politics, view paintings she could not totally comprehend, listen to music that was not to her liking. Scorn was not in her. She did not pass judgment. She had the wisdom to realize that she could be wrong and that she too might change, and that certainly the world would.

For Virginia the pursuit of happiness and the pursuit of excellence were the same thing. Few met her measure of spirit or staying power. She once told me on New Year's Day that the horse Secretariat was the most creditable performer of the preceding year. She thought he deserved "The Man of the Year" award for meeting the standards of strength, dignity, drive and grace that were to her essential.

There was within her an innate kindness. I never knew her to be rude to anyone. Determined, yes. Firm, yes. Stand by principle, yes. But nothing justified behavior less than the openness of heart and mind so much a part of her. She lived fully and up to the last participated actively and interestingly in life around her.

She made her house a setting for discussion, and now and then resolution, of some of the problems of her age. It was her hope that the house could go on providing this kind of environment for those who cope with the swift and startling events of our time. The house, which she has entrusted to posterity, could never be the same without her and her special quality of dedication. She served mankind's better directions, giving fully and totally of energy and drive that lasted throughout her life.

We shall keep faith. But an era is over.

[From the the Washington Post, Feb. 26, 1980]

MRS. ROBERT LOW BACON, HOSTESS, PATRON OF ARTS

(By Martin Weil)

Mrs. Robert Low Bacon, 88, who, like her red-brick federal-style mansion, was a Washington landmark, a link between generations and a monument to style and accomplishment, died of congestive heart failure Sunday at the Washington Hospital Center.

A transplanted New Yorker and the widow of a New York Congressman, Mrs. Bacon, who sprang from an old Virginia family, came here first in the Coolidge administration and learned to love her adopted city.

"Washington," she once said, "combines the coziness of a small town with being the center of the world."

Over the decades, during which she served as a leader in civic enterprises, brought back ideas and information from her frequent foreign travels and conducted one of the city's great salons, Mrs. Bacon helped assure that Washington provided the best of both the worlds it epitomized to her.

Preserving her mansion at 1801 F St. NW as an island of elegant amenity against the encroachments of bland glass and concrete, Mrs. Bacon filled it with memorabilia from her travels and with party guests from the many worlds that interested her—politics and government, music and education.

A member of the board of more than two-dozen charitable, educational and cultural organizations, Mrs. Bacon played chess and the piano, was a close friend of symphony conductors, and always made her home available to pianist Arthur Rubinstein and his wife when they visited the city. Rubinstein practiced on her piano.

Great as was her reputation as patron and connoisseur of music and the arts, many considered her of even greater renown as a political hostess—one of the capital's most prominent of the Republican persuasion.

For many years one of the city's institutions was the party Mrs. Bacon, a former vice president of the Women's National Republican Club, gave at the beginning of each new session of Congress in honor of the newly-elected Republicans.

An effervescent woman who valued conversation more than music and dancing at her parties, Mrs. Bacon was known for the knack of bringing the right guests together at the politically propitious moment, a skill that earned her recognition as a significant catalyst in Washington's public life.

Although the specific contributions of her salons to political and diplomatic history might, by their nature, be difficult to enumerate, her interests and abilities were recognized by appointments to many posts of responsibility on the domestic and international scene.

Mrs. Bacon, who had attended every Republican national convention for almost 50 years, was sent as a U.S. representative to the Silver Jubilee of the coronation of Emperor Haile Selassie of Ethopia and to the coronation of the King of Nepal. She headed the British War Relief in Washington during World War II. During the Eisenhower administration, she was named as part of a 21-member commission assigned to plan what eventually became the Kennedy Center for the Performing Arts.

Among the other posts, formal and informal, that she held and that demonstrated both her energy and her interests, were the chairmanship of a committee to welcome the Vienna Philharmonic on its first visit to the United States; leadership of the campaign to preserve the often threatened West Front of the Capitol; and membership on the advisory board of the National Trust For Historic Preservation.

It was to the trust that Mrs. Bacon donated an easement to her fabled property. The trust is to have responsibility, but use of the property is to be governed by another organization, set up for the purpose, and named, Bacon House.

Mrs. Bacon dedicated the house to the memory of her late husband as "an informal meeting place where statesmen and those who, like (Mr. Bacon), devote their lives to civic service can gather together and exchange views on world problems."

Mrs. Bacon was a member of the Committee of One Hundred of the Federal City. She was chairman of the Washington Chapter of the American Committee to Save Venice. She was cochairman of Washington's first Symphony Ball.

Her relief work during World War II won her decorations from the French, British and Italian governments among others.

Mrs. Bacon was descended from John Murray, the Earl of Dunmore, who was the last British colonial governor of Virginia.

As the first daughter in the Murray line since the earl's own daughter, she too was named Virginia. But Mrs. Bacon grew up in New York, where she attended a rigorous private school and was raised in a luxury that instilled in her a taste for quality that friends said she never lost. Atlantic crossings in the age of steam became a routine.

Thus apparently was born the interest in foreign policy and foreign travel that remained with her throughout her life. She indulged this interest as a hostess here, and in a long series of overseas trips on which she faithfully reported in her role as international affairs chairman of the Women's National Republican Club.

She and Robert Low Bacon, descendant of a family itself prominent in public affairs, were married in 1913. He was elected to Congress in 1922, and until his death in 1933 represented a New York district that included much of Long Island.

A Washington institution whose roots in the city's political, social and cultural life grew increasingly deep, Mrs. Bacon retained many ties with New York, even after her husband's death.

Before it, it was a tradition, that they go back to vote on election day to Long Island, where they had a home at Old Westbury.

After Rep. Bacon's death, she continued for many years to maintain that tradition. Although her gleaming Rolls Royce, with its original hood ornament exchanged for the image of a beloved dog, was a familiar sight in Washington, it bore New York license plates.

Finally, in 1972, with the city moving close to home rule, Mrs. Bacon recognized formally what had long been true in fact: she was a Washingtonian in every sense, and she would vote here.

Mrs. Bacon's survivors include two daughters, Virginia Thomas, of Woodstock, Vt., and Martha Farley, of Cornish, N.H.; six grandchildren, and four great-grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to Bacon House, 1801 F St. NW, Washington, D.C.

NEEDED: SOLIDARITY AGAINST TERRORISM

Mr. MATHIAS. Mr. President, on Sunday, March 2, in his column in the New York Times, James Reston made a very important point about "the need for common action by all major governments, regardless of ideology, to protect their diplomats and communications * * *" from terrorist attack.

It is an appropriate time to take note of the contributions made by our diplomats and their families to our national life. Too often our diplomats are sneeringly referred to as "cookie pushers" or "the striped pants boys." The reality is all too clear today and the fact is totally contrary to the fiction.

Diplomats and their families, together with the U.S. marines and other personnel, assigned to Embassies live lives of extraordinary peril. In Moscow, American diplomatic families live in an electronic cloud of Soviet short wave transmissions. In many capitals our ambassadors exist under armed guard 24 hours a day. Marines at Embassy entrances are on the front line.

It would defeat the purpose of sending embassies abroad to turn embassies into castles and for diplomats to live in a state of siege. But we can and must recognize the service rendered by all Foreign Service personnel and thank them for it. We should add a special thanks for their families.

As Mr. Reston points out, skyjacking was brought under "tolerable control" only when it became clear that most governments, including Castro's Cuba, agreed to a policy of no refuge and no ransom money.

The rumors from Bogotá that Soviet and Eastern European diplomats had prior warning of the terrorist attack on the Embassy of the Dominican Republic which they did not share with their diplomatic colleagues but which they themselves acted upon, are deeply disturbing. If these reports are true—and they are still being evaluated—then it is incumbent upon all nations to protest in the strongest terms.

But our action cannot be limited simply to protesting in this one instance. If we are to get terrorism under any kind of control, the governments of the world must leave ideology aside and make it clear that terrorism does not pay. They must form a common front on this issue and they must form it urgently because an intolerable threat looms on the horizon. It is, in Reston's words, that:

> The science of developing nuclear power is evolving faster in the world than the art of making it secure against small bands of political desperadoes.

In his column, Mr. Reston explores other aspects of this critical issue which demands attention. I ask unanimous consent that the full text of his column be printed in the RECORD at this point and I commend it to my colleagues' attention.

There being no objection, the article was orded to be printed in the RECORD, as follows:

THE DIPLOMATIC WAR

(By James Reston)

WASHINGTON, March 1.—The leftist guerrillas who invaded a party of diplomats in Bogota, Colombia, the other day captured the American Ambassador and most of the other leading foreign diplomats in that South American capital, but not quite all. The representatives of the Soviet Union and East Germany somehow found excuses to slip away just before the gunmen came in. This is regarded at the State Department as an interesting coincidence.

The incident does call attention, however, to the need for common action by all major governments, regardless of ideology, to protect their diplomats and communications from the spread of diplomatic tyranny.

Skyjacking was brought under tolerable control only when most governments, including Castro's in Cuba, made clear that there would be no refuge and no ransom money for any intruders taking over aircraft by force.

The seizure of the U.S. Embassy in Teheran would have ended long ago if the major powers had treated it as a crime against civilized communication between nations and imposed as many economic sanctions on Iran as their people would tolerate.

We don't want to ring too many alarm bells in this corner, but the threat of terror from small minorities in small countries in the atomic age may in fact be greater than of war from major nations.

As the world runs out of fossil fuels, or can't afford them, the reliance on atomic power is bound to increase in the world—look at France, Britain, Germany and Brazil—no matter how much we run around in this country yelling "no nukes."

But to make the connection: The science of developing nuclear is evolving faster in the world than the art of making it secure against small bands of political desperadoes.

Months ago they took over the American Embassy in Teheran, humiliating the United States and commanding the attention of the world. This week they took over the whole diplomatic corps in Bogotá, with those interesting exceptions mentioned above.

Tomorrow, unless the tyranny of these minorities is brought under control, a few of them may take over, not an embassy, but an atomic energy plant like Three Mile Island, and they don't even have to do that.

Let them capture a few barrels of atomic wastes and threaten to dump them in the harbors of the great cities, where they can pollute the atmosphere for generations, and hold, not ambassadors, but whole communities and even nations for ransom.

Even the most advanced nations of the world have still not come to grips with this menace. Those that have atomic weapons plead with those that don't not to spread nuclear weapons around the world, but with very little effect. And even the major atomic nations have not figured out what to do with atomic wastes or the blackmail possibilities of these wastes in the hands of desperate minorities.

The relations between nations and their embassies are still operating in accordance with the diplomatic convention of the Congress of Vienna in 1815.

Even the U.S. embassies overseas, which are supposed to be so modern, are wildly out-of-date. They have torrents of official secret documents in corridors of files which are vulnerable to any mob that comes down the street. All this could be computerized and quickly destroyed, or even kept in the United States and retrieved when necessary by satellite communications.

Washington has "modernized" its security in the embassies by providing that handsome young Marine guard at the door with a bullet-proof bubble and an automatic weapon under the counter instead of a gun on his hip, but this is still asking a boy to challenge a mob.

The whole diplomatic system needs drastic revision, not only by the United States but by the United Nations. Our embassies are outrageously overstaffed, with separate political, economic, and cultural files, and librarians to look after the files, and commissaries for the librarians and drivers for the commissaries, and so on, ad infinitium.

All this, of course, is "under study" in Washington. Even the Congress is beginning to wonder about it, but Bogota may make everybody think again. The diplomatic war is clearly out of hand and requires much more thought and action than it has had here or in the other capitals of the world.

CARE

Mr. PRESSLER. Mr. President, millions of Americans are familiar with the outstanding voluntary efforts of CARE in providing aid to helpless and malnourished people throughout the world. Thousands of Americans have contributed to that humanitarian CARE effort.

Thus, it is with pleasure that I shall ask inclusion in the RECORD of a fine article by John McNamara written for the January/February 1980 issue of Food Monitor. The article clarifies CARE's food aid activities in Haiti and provides interesting insight into the structure of the CARE operation.

I know that our distinguished Senate and House colleagues also recognize and support the activities of CARE and the many other private voluntary agencies which provide massive and unprecedented amounts of private relief aid to genuinely deserving poor people throughout the world.

Mr. President, I ask unanimous consent that the article to which I referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CARE RESPONDS

John McNamara's article, printed below, is a response to articles which appeared in the May/June issue of *Food Monitor*—"Food Aid: The Case of Haiti"—in which a development worker, development expert Tony Jackson and Chavannes Jean Baptiste, Director of CARITAS in Haiti, assessed the impact of food aid on the people and economy of Haiti. The authors criticized the food distribution programs of such agencies as the World Food Programme, CARE, Catholic Relief Service and Church World Service. They stated that:

(1. food aid, which is to go directly without charge to hungry people, is often sold in the local markets, acting as a disincentive to local production;

(2. Food for Work (an aid program in which people work on community projects and are paid in food) does not assist the poorest people, is fraught with local corruption and does not teach the basic skills it purports to;

(3. food aid agencies ignore a critical local need of small farmers who need storage for their own produce and instead are using their resources to build warehouses for imported food;

(4. food aid creates aid dependency.

(Asked Chavannes Jean-Baptiste: "Do they [rich countries] help us to take a step forward in order that we could take another step ourselves. Or is it that they will continue to teach us to use crutches indefinitely?")

MORE ON HAITI—CARE'S AID TO HAITI: FOOD THAT WORKS

(By John McNamara)

"Food Aid: The Case of Haiti" contained allegations touching on CARE's feeding program in Haiti. Specifically three issues were raised: the effectiveness of CARE's Food for Work program, the sale of food in Haitian markets, and CARE's storage and distribution network. These questions were not limited to CARE's operations but rather extended to much of the international development community in Haiti.

Over 200 different private and public aid organizations are represented in Haiti, ranging from small church groups to multinational development agencies. Although all are affected to some extent by such charges, most are content to ignore them. CARE however, owes its 33 years of worldwide relief and development experience to the generosity and understanding of millions of private donors in the United States, Canada and Europe, and therefore feels obligated to set the public record straight.

We are living in an age of skepticism born of repeated disillusionments; so much that we once thought was self-evident has now been challenged. The best of intentions have, at times, produced disastrous results. Could this be the case, too, with our natural impulse to feed the hungry? Can the distribution of food to those who do not have enough of their own be harmful? Possibly, but this certainly has not been CARE's experience.

HAITI: THE REALITIES

Haiti, one of the world's poorest nations, is a long way from self-sufficiency in food production. Severe soil erosion in recent years has reduced the arable acreage by one-third, while the population has continued to grow. Mountainsides too steep to cultivate and semi-arid plains suitable only for cactus and other desert flora account for over half of the land surface. Much precious farmland is reserved for sugar and other non-food crops vital to Haiti's balance of trade. As foreign oil prices rise, Haiti finds itself pressed to increase its exports at the inevitable expense of its domestic food production. In view of this chronic low production, it is understandable that over 70 percent of Haiti's population is malnourished. Without food aid this appalling figure would be even worse.

CARE'S RESPONSE

CARE has been working in Haiti since 1959, striving to combat the multiple problems of poverty, disease and ignorance. At present, for example, CARE is capping springs to provide clean drinking water to thousands who chronically suffer from waterborne diseases. CARE has organized rural artisans into handicrafts cooperatives and provides a marketing outlet for their wares. CARE is building and operating 65 "Head Start" type pre-school and mother-child nutrition education centers, preparing children for the school setting while offering health and nutritional surveillance. In addition to all these other activities, CARE carries on the program for which it is perhaps best known: providing food for the undernourished. Today in Haiti, CARE provides nutritional supplement to approximately a quarter of a million people a day. Of that number, 92 percent are children or mothers of child-bearing age—the most nutritionally vulnerable group.

FOOD FOR WORK: IT WORKS

Food for Work projects are a small but significant part of that total effort. Although Food for Work laborers represent only about four percent of our feeding program beneficiaries, their impact on the countryside has been considerable. By digging fish ponds they have transformed worthless salt marsh into hatcheries producing high quality protein. By cleaning rivers and draining swamps, they have brought rich bottom land back into production. By digging soil conservation canals and planting vegetative cover they have protected countless thousands of acres from erosion. They have built schools, hospitals and nutrition centers; they have cleared roads and planted trees.

The typical worker on such a project is an illiterate, subsistence farmer owning less than five acres of land. He is not usually landless since the Haitian peasant almost always has some land holding, however small. (Those without land have generally migrated to the cities.) He is eager to work on the project because, except at planting and harvest time, there is little work to be had in this rural community. He works for four hours in the morning, three to five days a week, leaving him ample time to tend his fields. The food he receives is just enough to provide his family with a meal that day. The work he does will benefit his community for considerably longer.

The good these projects provide is often enjoyed by the entire community, whether all community members worked on the project or not. Consequently, it would be unfair, if not impracticable, to seriously suggest, as some have, that those who do the work ought to do so without any remuneration of any kind. Furthermore, though it has often been contended, it has never been proven that workers will abandon their fields while employed on a Food for Work project. While such a self-defeating act could be possible in principle, it rarely if ever occurs in reality; the Haitian peasant may be untutored, but he is nobody's fool.

The more detailed charges in the report on a specific Food for Work project require an in-depth reply. CARE has already written such a detailed response which has been shared with such organization as the Mennonite Central Committee, Intertech, Oxfam America, U.S. AID and interested members of Congress. Briefly, CARE's response rejects the reports putative goals for the project: the teaching of soil conservation techniques to peasants who have no land! Small wonder the report charged that we did not succeed. We might just as profitably have taught them how to manage investment portfolios.

CARE's actual goals, to introduce food into a community that was suffering from the second straight failure of its vitally important corn crop and to check erosion on two hillsides, were both achieved. And now one can find these same soil conservation techniques on numerous small farms in that area.

CARE'S CONTROL SYSTEM

Undeniably, some small percentage of Haiti's total food aid must find its way into the marketplace. The amounts are trivial and CARE's part in it is even smaller still. CARE exercises an unprecedented control over those foods donated by the United States government under the auspices of Title II of Public Law 480. From the time the sealed vans containing these commodities are dispatched from the port to CARE's four regional warehouses to the time it is delivered by CARE trucks to feeding centers, the food is entirely under CARE's control. Even beyond this point, CARE monitors food distribution by employing not only its international field representatives, but national inspectors who range the countryside by jeep, on horse and on foot visiting and regularly inspecting every feeding center and Food For Work site. Serious irregularities are rare, since no one at a center would wish to be responsible for the inevitable consequence: the suspension of food deliveries to that center until the culpable agent is removed. Since it would be almost impossible to sell the food once it has been cooked, sales by bneficiaries at feeding centers is also not a problem.

This leaves only one "gap," then, in our food distribution control: the small amount of uncooked foods that a Food For Work laborer is given to take home to his family. (He himself is fed a cooked meal on the job site.) CARE acknowledges that individual workers may sell a portion of that food/wage to buy other staples, such as clothing, soap or fuel. Once that worker has been paid, however, CARE believes it has no legal or ethical right to dictate how the worker must use that food. The food is not a dole but rather the worker's contractual right for having performed a day's work. Furthermore, the cost of policing such small amounts of food is impossibly prohibitive, and the money is much better spent on positive development activities.

A prime source of misunderstanding is the sale of the bags and cartons in which food is packaged. While these containers sternly warn that the food they contain cannot be sold, the containers themselves can be, and are, sold by CARE on the local market. They are an important source of revenue by which CARE strives to reduce its costs to its donors. Also, by insisting that recipient institutions return the empty containers, CARE improves its control at the end-use level of distribution. There is a requirement that the markings on containers sold in this fashion be obliterated. However, this is not always completely possible—and, beyond this, there are many who will recognize the traditionally used containers as those provided by the U.S. government under Title II of Public Law 480, even though the markings have been completely obliterated.

It is very common to see these high-quality bags and cartons living a second life in markets throughout the developing world, holding anything from fragrant herbs and spices or folk medicines to locally grown food very similar to those that they originally contained. A perfectly reasonable and perfectly legal conservation of a resource, though one apt to alarm an uninformed observer.

CARE'S STORAGE FACILITIES

The Food Monitor article raised questions about the wisdom of using food agency resources to build 14 warehouses for storing Title II commodities.

Of the 14 warehouses, eight have been constructed by CARE under a tripartite agreement with AID and the government of Haiti. Four of these warehouses had at the time of this report already been turned over to the Haitian Department of Agriculture and HACHO, and were in the areas of the northwest where storage was needed and was being used for that purpose. The other four warehouses are located in Port-au-Prince, Gonaives, Port-de-Pai and CapHaitien. These warehouses were constructed at the request of the government of Haiti and approved by the National Planning Board. Let me quote from their request:

"With the increase in development activities and with the increased production of export crops, the storage problem for the safekeeping of these value food commodities has been further aggravated and accommodation of the CARE commodities in customs warehouses will no longer be possible in the future. The customs service agrees to have the commodities unloaded from the shipping containers into new warehouses, if such could be built, and makes the needed personnel available for this service."

In fact, these warehouses will ultimately be turned over to the Department of Agriculture for their sole use when we phase out our Title II feeding program in Haiti. There are no plans at present to phase out the Title II feeding program in Haiti. Says Frederick W. Devine, Deputy Executive Director of CARE, "The turnover of services to the host government is conditional upon that government's ability to provide the necessary infrastructure and materials. The conditions in Haiti don't warrant a planned phase down of any CARE program." In the case of a national emergency, the warehouses will be made available for the express use of the government of Haiti.

AN IMPOSSIBLE ALTERNATIVE

It has also been suggested that international agencies should distribute foods grown locally. There are several good reasons why we cannot do this. First of all, by anyone's measure, there just isn't enough food to go around in Haiti. If international organizations began buying up the limited food supplies, Haitian families competing for the same limited resources on their very limited incomes would be put to a severe disadvantage. Secondly, the prime beneficiaries of such a plan would be the armful of large landowners, not the majority of subsistence farmers who have virtually nothing to sell. In fact, the more unscrupulous landholders would take advantage of the uncertain land title situation in the Haitian countryside to push small farmers off their land in order to increase their own marketable production. In short, it would be an unqualified disaster.

THE CARE EXPERIENCE

CARE does not presume to know all the answers to the knotty problems of food aid as a development tool, but one-third of a century of practical experience helping the poor help themselves worldwide has taught us a great many lessons. CARE is constantly striving to make its food aid programs more effective and to that end welcomes constructive criticism and sound advice on how to further improve the lives of those CARE assists. However, misrepresentations of the Haitian situation accomplish nothing positive. Instead they serve to misinform the concerned public and hinder CARE and other responsible development agencies from pursuing their primary goals. CARE has often questioned and debated the value of its own food aid programs and time and again has concluded that these programs must continue, because until this most basic need is fulfilled—the need for food—nothing much else can be accomplished. CARE is convinced that the systems and procedures it has developed over the past 33 years are more adequate to ensure that food assistance programs work and work well.

THE PURPOSE OF THE SOVIET CUBA MISSION

Mr. THURMOND. Mr. President, our country cannot afford to become complacent regarding the situation in Cuba. Last year Mig-23 aircraft which are capable of carrying nuclear weapons showed up in Cuba. This year a Soviet manned Foxtrot-class submarine has been delivered to the Cuban Navy. This very quiet diesel-electric submarine has the capability of laying mines which could bottle up American ports. This is especially significant to our submarine bases at Charleston, S.C. and New London, Conn.

Mr. President, I ask that the following news article from the Texas Tribune, which discusses this situation, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT IS PURPOSE OF THE SOVIET CUBA MISSION?

(By Richard Harvey)

According to Foreign Report, published by London's Economist, the basic mission assigned to the Russian troops (in Cuba) is hotly disputed in Washington.

It has been suggested that they have been deployed to protect the complex of highly sophisticated electronic espionage equipment that the Russians have transferred to Cuba—possibly as early as 1974—in order to intercept radio and telephone communications in the United States. Other unconfirmed possibilities include the following:

(1) That the Soviet military force, although prepared for an independent combat role, could also function as the core and command structure of a mixed Russian-Cuban expeditionary force of up to 44,000.

(2) That the force may have been assigned to defend a stockpile of Soviet nuclear weapons, which the Russians have either already smuggled into Cuba or are planning to transfer at some future stage.

CONCERN

While there is no evidence that the Russians have decided to station strategic weapons in Cuba, in violation of the 1962 understanding with the Americans, there is much concern in Washington today about the capacities of the United States to monitor what is actually going on on the ground.

The first clue to the presence of nuclear weapons is likely to be the system of physical defense adopted by the Russians; this usually follows a standard pattern. However, if the Russians departed from routine in order to disguise (say) a missile base, it might be difficult to detect. This whole question gains immediacy from other aspects of the Soviet military buildup in Cuba.

When it was learned last year, that the Russians had transferred MiG–23 fighter-bombers to Cuba, there was speculation that they might be nuclear-armed; the American Defense Dept. finally concluded they were not. However, the MiG–23s are nuclear-capable—which means that they could be armed with nuclear weapons within about 36 hours of a decision in Moscow to change their role. This point has so far been almost entirely neglected in the Washington debate.

The delivery of a Foxtrot-class submarine to the Cuban navy is equally disturbing. This advanced diesel-electric submarine is extremely quiet and difficult to detect. It is regarded by naval experts as ideal for mine-laying.

Two of the Americans' most important submarine bases—at New London, CT, and Charleston, SC—are within comfortable striking range of the Foxtrot submarine that is now in Cienfuegos. With a relatively small number of "smart mines" it would be possible to bottle up both American ports.

While the presence of a single Foxtrot submarine in Cienfuegos may appear, at first glance, to be a relatively minor issue, the following points should also be taken into account:

SOVIETS

(1) According to American intelligence sources, there is no evidence that the Russians provided any training for Cuban naval personnel in handling Foxtrot-class submarines (or, indeed, in any aspect of submarine warfare) prior to its delivery to Cuba. It is considered all but certain that the submarine is manned by a Soviet crew and that, even if Cubans are trained in handling it, it will remain under Russian command. The Russians are most unlikely to entrust such a sensitive piece of equipment into the hands of a client state.

(2) The size of the Soviet naval training mission that was dispatched to Cuba at the same time as the Foxtrot is greater than would be required to train local personnel for one submarine. This is considered to be circumstantial evidence that more Foxtrots for Cuba are in the pipeline—making the scenario for a preemptive Soviet strike (in event of war) against American naval bases significantly more plausible.

RETIREMENT OF NATHANIEL STETSON

Mr. THURMOND. Mr. President, on February 29, 1980, Nathaniel Stetson, manager of the Savannah River Operations Office, Department of Energy, Aiken, S.C., retired after 14 years in that position.

Mr. Stetson first came to Aiken in 1952 during the initial construction of this vital defense facility. He contributed greatly in those early days and rose steadily to higher positions. In 1962 he was transferred to Washington as Deputy Director of the Production Division of the Atomic Energy Commission.

He returned to the Savannah River plant in 1966 as manager and has remained in that position during the past 14 years.

Besides his contributions to the success of the Savannah River plant over the years, Mr. Stetson has contributed his time to many community activities. His participation in programs of the Boy Scouts, the Red Cross, the Salvation Army, and public education deserve special mention.

During all this period he placed his church activities at the forefront, serving during one period as president of the Knights of Columbus Council in Aiken and as South Carolina secretary for the same organization.

Mr. President, as a member of the Senate committee which deals in nuclear defense budget items, I can state that Mr. Stetson's hard work and dedication to country have benefited our Nation in a substantial way. He has recommended many programs which have been beneficial to our national effort in nuclear weapons programs. Also, his steady hand at the Savannah River plant has taken that activity through some trying times.

Mr. President, I wish for him and his wife, Helen, much success and happiness in any undertakings they might pursue during retirement. I am especially pleased that Mr. Stetson plans to remain in Aiken, S.C., which is also my own hometown.

Mr. President, I ask that a biographical sketch on Mr. Stetson be printed in the Record at the conclusion of my remarks along with an editorial in the February 6, 1980, issue of the Aiken Standard newspaper, Aiken, S.C., and also an editorial in the January 31, 1980, issue of the Augusta Chronicle newspaper, Augusta, Ga.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Aiken (S.C.) Standard, Feb. 6, 1980]

Well Done, Nat Stetson!

For 14 years Nathaniel Stetson has presided over one of the nation's biggest Federal installations and one of its greatest national assets—the Savannah River Plant. Aiken Countians may cite with pride also the fact that SRP has a budget of some $250 million and one of the biggest payrolls in South Carolina.

Now, at age 63, Mr. Stetson is electing to retire from Federal service. Fortunately, he and his wife Helen will remain residents of our city and will continue to contribute to the cultural life of the community.

Nat Stetson was one of the bright young engineers brought into the Savannah River Operations Office during the early years of that organization—well before the start-up of nuclear operations. It was a time of world crisis—not unlike conditions today—and Russia was challenging U.S. leadership in nuclear armament. The decision was made to build the Savannah River Plant to produce materials for thermonuclear weapons. The staffing of SROO was not left to chance; it was a top priority matter, and those in charge were given free rein in choosing the best people from throughout the government and industry.

A chemical engineer then employed at the Atomic Energy Commission's Oak Ridge, Tenn., site, Mr. Stetson was tapped for a job at Savannah River. He rose rapidly in the SROO organization and in 1962 was transferred to AEC headquarters in Washington as deputy director of the Production Division.

Four years later he was back at SROO as manager.

Compared with the salad days of the atomic energy program when funding was the least of worries, his tenure as SROO manager has not been free of problems. By the mid-60s, the space program had captured America's imagination and its main financial support. Budgeting was not an easy matter.

Other problems also came to the forefront. New environmental standards made it necessary to spend substantial sums of money for facilities that had been adequate in past years. The anti-nuclear movement, which had flourished in some parts of the land for many years, spread into the Southeast, and for the first time the Savannah River Plant itself was the object of demonstrations by activists.

Meanwhile, SRP suddenly, it seemed, reached the ripe age of 25, and the matter of obsolescence reared its head—to be dealt with by more money for modernization.

Noted for his quick wit and keen sense of humor, Mr. Stetson took the problems in stride and was able to achieve solutions that worked to the betterment of the Savannah River Plant.

Mr. Stetson also found time to play an active part in community life. He has served since 1969 as a member of the Aiken County Commission on Higher Education and is now its vice chairman. He has seen the University of South Carolina Aiken Campus grow from community college status to an enrollment of more than 1,500 and a four-year degree program in a variety of subjects.

He has also served on the board of directors for the Red Cross, the Salvation Army and United Way and is now on the board of the Georgia-Carolina Boy Scout Council and the Augusta Radiation Therapy Center.

In leaving SROO, he has left that organization and the plant itself in a strong position for the considerable tasks that lie ahead. We wish Mr. Stetson great happiness in his retirement, and we salute him for an outstanding career of accomplishment.

[From the Augusta (Ga.) Chronicle, Jan. 11, 1980]

Stetson Retires

The Department of Energy's office at the Savannah River Plant will be losing a good man when Nathaniel Stetson retires next month.

Mr. Stetson has held the key position of manager of operation for the Department of Energy since January, 1966. The post is considered one of DOE's key field appointments and his successor has to be approved at the top level of the federal agency.

Mr. Stetson, who came to be known as an excellent public relations man and an articulate defender of nuclear power, first came to Aiken in 1952 as a production engineer at SRP and held several high-level production positions until being sent to Washington, D.C., in 1962 as deputy director of the Atomic Energy Commission's Production Division. After a four-year Washington stint, he returned to Aiken to his present position.

As will all whose lives he has touched in the Central Savannah River Area, we here at The Chronicle extend thanks to him for his long years of service and express wishes for many more happy ones.

An Editorial

Nathaniel Stetson was born in New Bedford, Massachusetts, on November 19, 1916. He is a graduate of New Bedford Textile Institute, majoring in Chemistry, and North Carolina State College with a Bachelor's Degree in Chemical Engineering. He took his post graduate work in Chemical Engineering at the Illinois Institute of Technology and was awarded an honorary Doctor of Science Degree from the Southeastern Massachusetts University in June 1968.

Mr. Stetson joined the Savannah River staff of the Atomic Energy Commission as a production engineer and progressed steadily to increasingly important positions. In 1955, he was named Assistant Director for

Operations and later Deputy Director in the Technical and Production Division of the Office. He was then appointed Director, Technical and Production Division, and was a member of a detail directing the Civilian Reactor Division. When the Civilian Reactor Division was established in 1961 he was named Director, a position he held until 1962 when he transferred to the Atomic Energy Commission's headquarters in Washington as Deputy Director of the Production Division. He returned to the Savannah River Operations Office as Manager in January 1966.

Beginning in 1941, Stetson worked in the research and development department of Celanese Corp. of America in Cumberland, Maryland, and then as a production engineer with the U.S. Chemical Warfare Service in Denver, Colorado. He joined the Tennessee Eastman Corporation at the Atomic Energy Commission's Oak Ridge, Tennessee installation in 1944 and helped direct the process for the separation of uranium-235. From 1947, until he became associated with the Savannah River Operations Office in 1952, he worked for the Carbide and Carbon Chemical Company at Oak Ridge, Tennessee, as a senior engineer in charge of a group in the Electromagnetic Research Division. He also helped to organize and administer a radioisotopes production program on the 86-inch cyclotron.

Stetson attends St. Mary Help of Christian Catholic Church in Aiken, South Carolina. He has served as Past Grand Knight of the Knights of Columbus Council in Aiken and as South Carolina Secretary for the same organization. He is a 3rd and 4th Degree Member.

He is a member of the American Chemical Society, the American Nuclear Society and the American Association for the Advancement of Science. He has served since 1939 as a member of the Aiken County Commission on Higher Education and is presently Vice Chairman. His name was recently included in the new edition of "Who's Who in America" and "Who's Who in Government". He is a member of the Aiken Rotary Club, serving as President during the 1972–73 year, and Aiken Businessmen's Club. He has also served as a member of Aiken County's Red Cross Board (Vice President 1971–1972), the Salvation Army Board and the United Way Board. He serves as a Member-at-Large on the Executive Board of the Georgia-Carolina Council of Boy Scouts and on the Board of the Augusta Radiation Therapy Center, Inc.

His wife is the former Helen E. Casey of Cumberland, Maryland. They have four children and resided at 4 Longwood Drive in Aiken.

FTC IMPROVEMENTS ACT OF 1979

Mr. HELMS. Mr. President, I was genuinely heartened by the Senate's resounding support of section 8 of S. 1991, the FTC Improvements Act of 1979. Section 8, as Senators will recall, prohibits the FTC from developing or promulgating any trade rule or regulation in connection with the development and utilization of standards and certification activities.

By halting one of the FTC's ongoing rulemaking proceedings, the Senate has taken a significant step in the direction of regulatory reform.

While I am pleased with the vote of the Senate on standards and certification, I am disappointed that the Senate failed to capitalize on additional opportunities to reform the FTC, and in so doing demonstrate to the American public the resolve of Congress to harness the regulatory apparatus that is out of control in America today.

I was particularly disappointed to see the Senate defeat the Schmitt-Nunn legislative veto amendment, Senator SIMPSON's amendment to drastically curtail public participation funding, and Senator McCLURE's amendment to prevent the FTC from regulating professional associations regulated by the States.

Senators should take note of an editorial that appeared in the Wall Street Journal on February 14, which accuses the Senate of "emasculating the efforts to bring the FTC under control." The editor is perceptive, and he is right.

Before the end of this session of Congress I hope to see a vote on some form of comprehensive regulatory reform package. The proposals I have seen will have to be strengthened considerably before they can be considered acceptable. I would hope the Senate will avoid further indictments, like the valid one contained in the Journal editorial, by enacting stringent measures to bring our runaway regulatory agencies under control.

I ask unanimous consent that the Wall Street Journal editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FTC ONLY-TALK SHOW

There has been a lot of talk about the need to curb excesses of government regulation, and widespread agreement that the most excessive regulator of all has been the Federal Trade Commission. The U.S. Senate has just finished emasculating the efforts to bring the FTC under control.

Complaints grew as the FTC attacked trademarks, children's TV advertising and funeral parlors. States were upset that the FTC was getting into their regulatory acts, leaping in even where HEW and the Justice Department feared to tread. Business worried about the need to tighten standards governing the disclosure of confidential information the FTC required them to supply. The FTC's new habit of issuing blanket subpoenas demanding reams of documents prior to issuing a complaint was likened to a policeman coming to your door determined to arrest you and demanding your life story in hopes of discovering an offense.

Soon the Congress, pummeled by the kind of broad, small town constituencies who get attention, was roaring, and the FTC was on the carpet. The House was tough, voting a one-house veto of FTC regulations and overriding the FTC's challenge to trademarks and investigations of agricultural cooperatives and funeral parlors. But then Senator Wendell Ford (D., Ky.) took charge and the Senate edited the bill down to a cosmetic fixup.

The legislative veto is retained in name, for example but in practice it requires both houses and signature by the President. In other words, Congress can police the FTC by passing a bill.

The Senate went through the motions of tightening disclosure without dealing with the objection, that the FTC is giving state enforcement agencies evidence they cannot legally obtain on their own. The effort to prevent the FTC from taking over state-regulated professions also failed. And the FTC can resume its fishing expeditions if it first issues a complaint.

The FTC will have to award legal fees to successful defendants against its actions, except in cases where the FTC itself rules it was justified in bringing the action. The FTC must prepare a regulatory analysis before promulgating a major regulation, but the merits of it are not subject to review by the courts.

Perhaps the most questionable aspect of the FTC's activities in recent years has been its habit of paying Washington lobbyists to stir up opportunities for FTC investigations and regulations. A spate of private bureaucracies like Americans for Democratic Action, Sierra Club, and Ralph Nader's Center for Automobile Safety now earn a living by representing "the public interest" in FTC proceedings. Senator Alan Simpson (R., Wyo.) tried to do something about the use of the taxpayers' money to fund private interest groups, but succeeded only in limiting them to $50,000 each per rulemaking.

The Ford bill now goes to conference with the House, and perhaps something can be salvaged. But if anything like the phony Senate bill emerges, the FTC will have demonstrated that all the noise about reducing government regulation is only talk.

THE SUPREME COURT AND FREEDOM OF THE PRESS

Mr. HELMS. Mr. President, there have been a good many suggestions in recent months that the U.S. Supreme Court has been waging a vendetta against the Nation's press, citing several rulings of the Court during its last term.

Freedom of the press is a precious and fundamental right in our democracy. As one who has been fairly active in the news business, I have an instinctive concern for preserving this freedom. At the same time, I have always felt that the press has an obligation to report objectively and thoroughly.

I can understand how the press might tend to view freedom of the press as a one-way street. Nevertheless, it is imperative that the Court's decisions be objectively analyzed.

Accordingly, I want to share with my colleagues an article by Mr. Frank Claybourne, Esq., entitled "Supreme Court and the Press," which appeared in the January 1980, issue of the Bench and Bar of Minnesota. Mr. Claybourne, who is president of the Minnesota State Bar Association, has written a thoughtful and eloquent analysis of a complex and emotionally-charged issue.

I ask unanimous consent that Mr. Claybourne's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORDS as follows:

U.S. SUPREME COURT AND THE PRESS

(By Frank Claybourne)

A respected and influential newspaper has labeled the United States Supreme Court's work of the last term a "virtual disaster". Other newspapers have charged that the Court is engaging in a "relentless assault on the press", and that it is "dismantling the first amendment." The editor of the Minneapolis Tribune, in a recent speech, stated, "No one here can recall a time when the courts were as hostile to the press as they have been in the past decade. The trend continues and, in some ways, is speeding up . . . [O]verall, and specifically in the Supreme Court of the United States, the atmosphere is sour, and it is going to get worse before it gets better."

The virulence and hostility of the press's current attitude toward the U.S. Supreme Court is a serious and significant development that deserves a few moments of reflection. It suggests that there may be a schism here that is something more than a healthy difference of opinion between reasonable men.

Although freedom from prior restraint is the heart and core of the press' first amendment rights, the decisions that have aroused the sharpest criticism have not involved prior restraint on press publications. For example, the reporters in *Branzburg v. Hayes*, argued that if they were compelled to reveal confidential news sources to a grand jury, their ability to gather the news would be impaired. The contention of the press was simply that reporters must be excused from duties imposed on all other citizens because those duties would impair the press' ability to gather the news. In its decision, the Court acknowledge that first amendment interests were involved in the process of news gathering, but concluded that these interests were outweighed by society's interest in the enforcement of criminal law.

Similarly, in *Zurcher v. Stanford Daily*, a student newspaper contended that its offices should not be searched pursuant to a valid search warrant, but that a subpoena should be required which would give the newspaper the opportunity to contest the search in advance. (It would also allow time for an illegal destruction of the sought information). The case did not involve any restriction on what the newspaper could publish, but rather wheher the press is entitled to special legal procedures because of its first amendment rights. Once again, the Court held that whatever first amendment interests were involved were outweighed by society's interest in law enforcement.

Both of these cases struck vehement reactions from the press that produced more heat than light. For instance the president of the American Newspaper Publishers Association stated that the *Zurcher* opinion "puts a sledgehammer in the hands of those who would batter the American people's first amendment rights."

Herbert v. Lando is another recent case that had nothing to do with prior restraint, but which the press has construed as an assault on its first amendment rights. The *Herbert* case is a descendent of the decision in *New York Times Co. v. Sullivan*. In *Sullivan* the Court had held that a public official could not recover from a media defendant for libel unless he could prove that the alleged defamatory publication was issued with "actual malice," that is, with knowledge that it was false or with reckless disregard of whether it was false or not. The theory of *Sullivan* was that if the media were to be held liable for the publication of erroneous defamatory information about a public official, the resulting inhibitions might dampen the vigor and limit the variety of public discussion that is essential to a democracy; however, if a journalist knows that he is publishing a defamatory falsehood and deliberately proceeds to do so, the first amendment will offer him no protection.

The *Herbert* case raised the question of whether a public figure plaintiff could in discovery ask a defendant journalist about his state of mind (i.e., his knowledge and intent) at the time of publishing the alleged defamatory falsehood. The contention was that a journalist's state of mind is relevant to his "subjective awareness of probable falsity" and thus to the issue of actual malice, and that a plaintiff is entitled to discovery on all relevant issues. The press argued that it could not perform its functions under the first amendment unless a special "editorial privilege" was created to shield it from such inquiries.

The Court rejected the press' argument, and the result was an outpouring of scathing criticism. The decision was labeled "judicial Agnewism" by the Washington Star and a "legal nightmare" by the Birmingham News. The Miami Herald said that the decision was an example of the Court following "its anti-press course into what can only be called an Orwellian domain." The St. Louis Post-Dispatch stated that the opinion "has the potential of totally inhibiting the press to a degree seldom seen outside a dictatorial or fascist country." The President of CBS News charged that *Herbert* denied constitutional protection to "the journalist's most precious possession—his mind, his thoughts and his editorial judgment."

Understandably, inquiry into one's state of mind may be resented as an invasion of privacy. Nevertheless, inquiry into a defendant's state of mind and his intent, is not an uncommon procedure in the law. Most crimes require that some element of the defendant's intent be established, as do intentional torts. A state of mind can also be relevant to questions of fraud, mistake and recklessness. In the area of libel, it would hardly be logical to hold that a plaintiff can recover only if he establishes intentional falsehood and at the same time prohibit him from inquiring into the defendant's intentions.

Nevertheless, the Los Angeles Times labeled the *Herbert* decision a, "George Orwellian invasion of the mind" and the Director of the Reporters Committee for Freedom of the Press put it that "The press will soon have lost the last constitutional shred of its editorial privacy and independence from the government."

In another recent case, *Gannett Co. Inc.* v. *DePasquale*, the Court held that members of the public and the press did not have a right to attend a pretrial hearing in a criminal case where the interests of the press and the public were outweighed by the defendants' right to a fair trial. The case involved only a pretrial hearing on the admissibility of allegedly involuntary confessions and certain physical evidence in a murder case. The defendants requested that the public and the press be excluded from the pretrial hearing, arguing that the buildup of adverse publicity would jeopardize their right to receive a fair trial. The District Attorney did not oppose the request. After finding on the record that an open hearing would pose a "reasonable probability of prejudice to these defendants" the trial judge ruled that the interests of the press and the public were outweighed by the defendants' right to a fair trial. The U.S. Supreme Court sustained the trial judge's ruling. The Court did not consider this a first amendment case, but, rather, an issue under the sixth amendment that gives an accused a right to a fair trial by an impartial jury.

Nevertheless, a spokesman for the New York Times stated, "It seems hard to believe that after centuries of public criminal *proceedings* in this country that the Supreme Court has held (in *Gannet*) they can be closed." (Emphasis supplied.) Aside from ignoring that the issue here was whether the defendants could receive a fair trial, this swipe at the Court employs a deceptive use of the generic term "proceedings." The pretrial "proceedings" were closed to the press and public but the trial "proceedings" were not, and in fact, a transcript of the pretrial hearing was made available to the newspaper following disposition of the case.

In a recent speech, U.S. Supreme Court Justice William J. Brennan stated:

"There exists a fundamental and necessary interdependence of the Court and press. The press needs the Court, if only for the simple reason that the Court is the ultimate guardian of the constitutional rights that support the press.

"And the Court has a concomitant need for the press, because through the press the Court receives the tacit and accumulated experience of the nation, and—because the judgments of the Court ought also to instruct and inspire—the Court needs the medium of the press to fulfill this task.

"* * * The press can and must assist the Court in mustering proper legal conclusions from the accumulated experience of the nation. But, the press can be assistance only if bitterness does not cloud its vision, nor self-righteousness is judgment."

Actually, the impositions on the press from the cases mentioned here is simply not of a magnitude to justify the virulent and acrimonious criticism and the intemperate characterizations that have resulted. None of these decisions involved any restrictions on the press' right of free speech or publication.

The first amendment is not a cloak that insulates the press from all the laws to which the rest of society is subject. The first amendment, in relevant part, simply says: "Congress shall make no law * * * abridging the freedom of speech, or of the press * * *" Moreover, "The guarantees of the first amendment are not for the benefit of the press so much as for the benefit of all of us." *Time, Inc. v. Hill*.

There may be some merit to some of the contentions made by the press, but they do not emerge from the shrill cacophony of abuse heaped on the Court. These cases deserve a more thoughtful and considered response than they have received.

EMERGENCY AGRICULTURAL CREDIT ADJUSTMENT ACT

Mr. BURDICK. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2269.

The **PRESIDING OFFICER** laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2269) entitled "An Act to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

ECONOMIC EMERGENCY LOAN PROGRAM AMENDMENTS

SECTION 1. The Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is amended by—

(1)(A) in clause (C) of section 202, striking out "unable at the time the loan application is filed to obtain sufficient credit from normal credit sources to finance actual needs at reasonable rates and terms" and inserting in lieu thereof "not able to obtain sufficient credit elsewhere"; and

(B) in the last sentence of section 202, striking out "and" and inserting immediately before the period at the end of the sentence the following: "; and the term 'able to obtain sufficient credit elsewhere' means able to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. For the purpose of determining whether an applicant under this title is not able to obtain sufficient credit elsewhere, the Secretary shall require at least one written indication of declination of credit, from a legally organized lending institution within reasonable proximity to the applicant, that specifies the reasons for the declination: *Provided*, That, for loans in excess of $300,000, the Secretary shall require at least two such written declinations: *And provided further*, That, for loans of $300,000 or less, the Secretary may waive the requirement of this sentence if the Secretary determines that it would impose an undue burden on the applicant";

(2) in section 203(a)(1), inserting before the comma at the end thereof the following: ": *Provided,* That no loan may be insured or guaranteed under this title for the purpose of refinancing outstanding indebtedness on farm or home real estate unless such real estate was purchased by the applicant at least one year prior to the date of the loan application";

(3) in section 204, adding at the end thereof a new subsection (e) as follows:

"(e) For guaranteed operating loans under this title, the Secretary may pay interest subsidies to the lenders in an amount not to exceed the difference between the interest rate being charged for insured loans and the maximum interest rate for guaranteed operating loans, as established under subsection (b) of this section.";

(4) in section 205(d)(2), inserting before the period at the end thereof the following: ": *Provided,* That for purposes of carrying out this agreement, in the case of any insured loan under this title, not later than three years after the loan is insured, and not later than at the end of every two-year period thereafter for the term of the loan, the Secretary shall review the loan; and if, based on such review, the Secretary determines that the borrower is able to obtain a loan from a source specified in this paragraph at reasonable rates and terms for loans for similar purposes and periods of time, the borrower shall, on request by the Secretary, apply for and accept such a loan pursuant to the terms of the agreement and this paragraph";

(5) at the end of section 205, adding a new subsection (e) as follows:

"(e) No loan that is for more than $300,000 may be insured under this title, unless the Secretary determines that the applicant is not able to obtain from a private or cooperative lending agency a loan guaranteed by the Secretary under this title sufficient to finance the applicant's actual needs at reasonable rates and terms taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.";

(6) in section 207(c), striking out $4,000,000,000", and inserting in lieu thereof "$6,000,000,000"; and

(7) in section 211, striking out "May 15, 1980" and inserting in lieu thereof "September 30, 1981".

FARM STORAGE FACILITY LOAN PROGRAM AMENDMENTS

SEC. 2. Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by—

(1) striking out "$50,000" both places it occurs and inserting in lieu thereof "$100,000";

(2) striking out "the size of such facility for which a loan is obtained shall be based upon the amount of space required to store the quantity of the commodity estimated to be produced by the borrower during a two-year period;"; and

(3) inserting "but not to exceed 8 per centum per annum" immediately after "based upon the rate of interest charged the Corporation by the United States Treasury".

EFFECTIVE DATE

SEC. 3. The provisions of section 1(6) and section 1(7) of this Act shall become effective upon the date of enactment of this Act. The provisions of section 2 of this Act shall become effective for any fiscal year to such extent or in such amounts as are provided in appropriation Acts. The remainder of this Act shall become effective upon promulgation by the Secretary of regulations implementing such provisions within a reasonable time after the date of enactment, but in no event shall such provisions become effective later than October 1, 1980.

Amend the title so as to read: "An Act to amend the Emergency Agricultural Credit Adjustment Act of 1978 and the Commodity Credit Corporation Charter Act to extend and increase certain agricultural loan programs, and for other purposes.".

Mr. BURDICK. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. TALMADGE, MCGOVERN, HUDDLESTON, STONE, ZORINSKY, HELMS, HAYAKAWA, and JEPSEN conferees on the part of the Senate.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination, which was referred to the Committee on Governmental Affairs.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT—PM 182

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 5(h) of the International Health Research Act of 1960 (Public Law 86-610), I transmit herewith the 13th Annual Report of the U.S.-Japan Cooperative Medical Science Program for Calendar Year 1979.

JIMMY CARTER.

THE WHITE HOUSE, *March 12, 1980.*

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following act and joint resolution:

On March 8, 1980:

S.J. Res. 43. Joint resolution to proclaim March 21, 1980, "National Energy Education Day."

On March 10, 1980:

S. 1950. An act to authorize the conveyance of lands in the city of Hot Springs, Ark.

MESSAGES FROM THE HOUSE

At 1:25 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 45. Concurrent resolution authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document; and

S. Con. Res. 56. Concurrent resolution authorizing the reprinting of the committee print entitled "Synthetic Fuels."

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 6152. An act to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; and

H.R. 6585. An act to extend the reorganization authority of the President under chapter 9 of title 5.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 95. Concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made";

H. Con. Res. 162. Concurrent resolution providing for the printing of the final report of the Indian Claims Commission as a House document;

H. Con. Res. 233. Concurrent resolution to authorize the printing as a House document an anthology of Captive Nations Week proclamations, addresses, and other relevant material;

H. Con. Res. 279. Concurrent resolution to authorize the printing of a revised edition of "Our American Government" as a House document; and

H. Con. Res. 283. Concurrent resolution authorizing the printing of "Federal Election Campaign Laws Relating to the United States House of Representatives".

The message also announced that the House insists upon its amendments to the bill (S. 1156) to amend and reauthorize the Solid Waste Disposal Act, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. FLORIO, Mr. SANTINI, Ms. MIKULSKI, Mr. BROYHILL, Mr. MADIGAN, and Mr. LEE were appointed as managers of the conference on the part of the House.

At 2:13 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2225. An act to provide that receipts from certain sales of items by the Sergeant at Arms of the Senate to Senators and committees and offices of the Senate shall be credited to the appropriation from which such items were purchased.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 285. A concurrent resolution expressing the sense of the Congress with respect to the disappearance of persons which is caused by the abduction and clandestine detention of those persons by the governments of foreign countries or by international or transnational terrorist organizations.

HOUSE BILLS AND CONCURRENT RESOLUTIONS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 6152. An act to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 6585. An act to extend the reorganization authority of the President under chapter 9 of title 5; to the Committee on Governmental Affairs.

The following concurrent resolutions were read by title and referred as indicated:

H. Con. Res. 95. Concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made"; to the Committee on Rules and Administration.

H. Con. Res. 162. Concurrent resolution providing for the printing of the final report of the Indian Claims Commission as a House document; to the Committee on Rules and Administration.

H. Con. Res. 233. Concurrent resolution to authorize the printing as a House document an anthology of Captive Nations Week proclamations, addresses, and other relevant material; to the Committee on Rules and Administration.

H. Con. Res. 279. Concurrent resolution to authorize the printing of a revised edition of "Our American Government" as a House document; to the Committee on Rules and Administration.

H. Con. Res. 283. Concurrent resolution authorizing the printing of "Federal Election Campaign Laws Relating to the United States House of Representatives"; to the Committee on Rules and Administration.

H. Con. Res. 285. Concurrent resolution expressing the sense of the Congress with respect to the disappearance of persons which is caused by the abduction and clandestine detention of those persons by the governments of foreign countries or by international or transnational terrorist organization; to the Committee on Rules and Administration.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3216. A communication from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the National School Lunch Act, and the Child Nutrition Act of 1966, to revise federal payments for paid lunches, income eligibility standards, and eligibility for the Special Milk Program; to reduce fraud and abuse by restricting the eligibility of certain service institutions to operate the Summer Food Service Program for Children; to extend the authorization for the Special Supplemental Food Program, State Administrative Expense Funds, the Nutrition Education and Training Program, and the reserve provision of Food Service Equipment Assistance; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3217. A communication from the Secretary of Defense, transmitting, pursuant to law, notice that the President had exempted certain appropriations from the provisions of subsection (c) of Section 3679 of the Revised Statutes; to the Committee on Appropriations.

EC–3218. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on the revenues estimated by the Secretary of Defense and to be deposited in the Panama Canal Commission Fund in the Treasury; to the Committee on Armed Services.

EC–3219. A communication from the President of the National Academy of Sciences, transmitting, pursuant to law, a report entitled "Study of Methods for Increasing Safety Belt Use"; to the Committee on Commerce, Science, and Transportation.

EC–3220. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems With New Responsibilities Of Self-Government in the Northern Mariana Islands"; to the Committee on Energy and Natural Resources.

EC–3221. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Experiences of Past Territories Can Assist Puerto Rico Status Deliberations"; to the Committee on Energy and Natural Resources.

EC–3222. A communication from the Administrator of the Energy Information Service, Department of Energy, transmitting, pursuant to law, a report on the organization and activities of the Energy Information Service for calendar year 1979; to the Committee on Energy and Natural Resources.

EC–3223. A communication from the Chairman of the Joint Commission on Guayule Research and Commercialization, transmitting, pursuant to law, the first annual report of the Commission on the implementation of the Native Latex Commercialization and Economic Development Act of 1978; to the Committee on Environment and Public Works.

EC–3224. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for acquisition of space by lease in Seattle, Washington; to the Committee on Environment and Public Works.

EC–3225. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for alterations at the Ogden, Utah, Internal Revenue Service Center; to the Committee on Environment and Public Works.

EC–3226. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for the acquisition, repair, and alteration of a privately-owned truck terminal warehouse facility for use as a border station and secondary truck inspection facility in Detroit, Michigan; to the Committee on Environment and Public Works.

EC–3227. A communication from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the Secretary of the Army to prepare and submit to Congress a feasibility report on the Washington, D.C. and Vicinity water resources development project; to the Committee on Environment and Public Works.

EC–3228. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for the construction of a border inspection facility at the United States-Canadian border on Interstate Highway 95 near Houlton, Maine; to the Committee on Environment and Public Works.

EC–3229. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Stronger Management of EPA's Information Resources Is Critical To Meeting Program Needs"; to the Committee on Governmental Affairs.

EC–3230. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC–3231. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC–3232. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC–3233. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC–3234. A communication from the Assistant Secretary of Health, Education, and Welfare, for Planning and Evaluation, transmitting, pursuant to law, notice of a proposed new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–3235. A communication from the Assistant Attorney General for Legislative Affairs, transmitting, pursuant to law, the annual report on the activities and operations of the Public Integrity Section of the Department of Justice for calendar year 1979; to the Committee on Governmental Affairs.

EC–3236. A communication from the Staff Director of the United States Commission on Civil Rights, transmitting a draft of proposed legislation to amend section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) to authorize appropriations for the U.S. Commission on Civil Rights, for fiscal years 1981 and 1982; to the Committee on the Judiciary.

EC–3237. A communication from the Assistant Administrator of the Agency for International Development for Legislative Affairs, transmitting, pursuant to law, the annual report of the Agency under the Freedom of Information for calendar year 1979; to the Committee on the Judiciary.

EC–3238. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, the annual report of the Bank under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3239. A communication from the President of the Inter-American Foundation, transmitting, pursuant to law, the annual report of the Foundation under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3240. A communication from the Chairman of the Federal Home Loan Bank Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3241. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3242. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to implement the "Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and Their Destruction" by prohibiting the development, production, stockpiling, transferring, acquisition, retention, and possession of biological weapons, and for other purposes; to the Committee on the Judiciary.

EC-3243. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend provisions of law concerned with health professions education; to the Committee on Labor and Human Resources.

EC-3244. A communication from the Secretary of Labor, transmitting, pursuant to law, a report stating that it is not feasible to design a valid study regarding operating taxicabs and that they are unable to submit a recommendation concerning an exemption from the provisions of section 13 of the Fair Labor Standards Act; to the Committee on Labor and Human Resources.

EC-3245. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Increased Use of Expanded Function Dental Auxiliaries Would Benefit Consumers, Dentists, and Taxpayers"; to the Committee on Labor and Human Resources.

EC-3246. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, proposed forms to implement the 1979 amendments to the Federal Election Campaign Act of 1971; to the Committee on Rules and Administration.

EC-3247. A communication from the Administrator of the United States Small Business Administration, transmitting, pursuant to law, a study on the financial problems faced by small automobile dealers; to the Select Committee on Small Business.

EC-3248. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated March 1, 1980; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor an Human Resources, the Committee on Energy and Natural Resources, the Committee on Foreign Relations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Banking, Housing, and Urban Affairs, the Committee on Governmental Affairs, the Committee on Finance, the Committee on Environment and Public Works, and the Select Committee on Indian Affairs.

EC-3249. A communication from the General Counsel of the Department of Energy, transmitting a draft of proposed legislation to amend Public Law No. 96-164 to increase the authorization for appropriations for the Department of Energy for national security programs in accordance with section 660 of the Department of Energy Organization Act, and for other purposes; by unanimous consent referred jointly to the Committee on Armed Services and the Committee on Energy and Natural Resources.

Mr. BURDICK. Mr. President, I ask unanimous consent that a communication transmitted by the General Counsel of the Department of Energy, relative to increasing the fiscal year 1980 appropriations authorization for Department of Energy for national security programs, be referred jointly to the Committees on Armed Services, and Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table, as indicated:

POM-576. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION No. 18

"Whereas, Virginia agriculture is dependent on a reliable transportation system to move farm supplies and products from and to distant locations; and

"Whereas, such transportation system need be efficient, economical, and equitable to the benefit of the Commonwealth; and

"Whereas, the Eastern Shore Rail Line is an integral part of this system, meeting all criteria of service in the public interest; and

"Whereas, Federal subsidies to the Eastern Shore Rail Line are scheduled to cease on April 1, 1981, such action to cause serious transportation problems for Virginia agriculture; now, therefore, be it

"*Resolved* by the Senate, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to continue financial support for the Eastern Shore Rail Line; and, be it

"*Resolved further*, That the Clerk of the Senate is directed to send copies of this Resolution to the Clerk of the United States Senate, the Clerk of the United States House of Representatives, and to the members of the Virginia Congressional delegation in order that they may be apprised of the sense of this Body."

POM-577. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 33

"Whereas, the rise in the costs of health care is a problem of concern to many citizens of Virginia as well as the rest of the nation; and

"Whereas, the causes of the increase in costs are many and complex, including inflation and improvements in the quality and quantity of services; and

"Whereas, another extremely important cause is the increase in demand for health services because of medicare, medicaid, and other governmental programs and insurance coverage much of which is "first dollar" coverage; and

"Whereas, the effects of "first dollar" coverage may be that the insured is unaware of and unconcerned about the costs of his medical care because he does not pay for it directly and thus there is no incentive for either the insured or his physician to contain expenditures; and

"Whereas, federal tax laws encourage purchase of this coverage because individuals can deduct a portion of premiums paid therefor and because employer payments therefor are excluded from the taxable income of the employee and the employer; and

"Whereas, if individuals paid directly for a greater portion of their hospital care through such means as deductibles or co-insurance, their increased awareness of the costs of their care would beneficially affect the rise in health care costs; but there are no existing incentives for individuals to pay directly for this care; now, therefore, be it

"*Resolved* by the Senate of Virginia, the House of Delegates concurring, That the United States Congress is hereby memorialized to enact tax incentives to purchase health insurance coverage under which individuals pay directly for more of their hospital care; and, be it

"*Resolved further*, That the Clerk of the Senate is directed to send copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the delegation of this Commonwealth to Congress in order that they may be apprised of the sense of this body."

POM-578. A joint resolution adopted by the legislature of the State of Virginia; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 40

"Whereas, over approximately the past year the price of gasoline and other petroleum products has increased at an unprecedented rate; and

"Whereas, concomitant with such price increase has been an equally unprecedented rise in the profits of companies producing petroleum products; and

"Whereas, at the request of the President of the United States the Congress is considering a tax on the 'windfall profits' of petroleum companies; and

"Whereas, a significant portion of petroleum company profits derives, ultimately, from the retail sale of gasoline as fuel for motor vehicles; and

"Whereas, it has long been the practice, not only in Virginia, but across the nation, to dedicate tax revenues derived from gasoline sales to the maintenance and construction of highways; and

"Whereas, not only in Virginia, but also across the country reduced driving by motorists and increasing costs have produced significant shortfalls in highway-dedicated revenues; now, therefore, be it

"*Resolved* by the Senate of Virginia, the House of Delegates concurring, That the Congress of the United States is hereby memorialized, in the event that it should decide to impose a tax on the 'windfall profits' of petroleum companies, to provide for the return of a significant portion of revenues derived from any such tax to the states for their use for highway and transportation purposes; and, be it

"*Resolved further*, That the Clerk of the Senate is hereby instructed to transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia delegation to the Congress of the United States in order that they may be apprised of the sense of this body."

POM-579. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Agriculture, Nutrition, and Forestry:

"SENATE JOINT RESOLUTION No. 49

"Whereas, the Farm Credit Act of 1971 authorized production credit associations and federal land bank associations to make financial related services available to borrowers, members and applicants; and

"Whereas, the General Assembly of Virginia is unclear as to the meaning and intent of this Act as it relates to the ability of production credit associations and federal land bank associations to provide insurance as a part of such financial related services; and

"Whereas, the eight farm credit institutions in Virginia have adopted a resolution not to negotiate or effect any kind of insurance in this State in certain clearly defined areas for a period of two years; and

"Whereas, the Commonwealth of Virginia has not taken a position on this matter; now, therefore, be it

"*Resolved* by the Senate, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to more clearly define the right of farm credit institutions to provide, as a financial related service to borrowers, members and applicants, insurance on collateralized property and to further define and clarify what is meant by collateralized property; and, be it

"*Resolved further*, That the Clerk of the Senate is hereby instructed to transmit copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of the United States Department of Agriculture, and the members of the Virginia congressional delegation, in order that they may be apprised of the sense of this body."

POM-580. A joint resolution adopted by Legislature of the State of Virginia; to the Committee on Governmental Affairs:

"Senate Joint Resolution No. 90

"Whereas, the federal government of the United States, by actions of both the Legislative branch and the Executive branch, requires the states to implement new programs and provide increased levels of service under existing programs; and

"Whereas, in order to implement new programs and provide increased levels of service as required by the federal government, the states must incur significant costs which must be paid for out of state revenues, existing or to be raised by the imposition of additional taxes; and

"Whereas there exists, throughout the United States, a growing resentment of the heavy burden of taxation and an active rejection of existing and proposed levels and methods of revenue raising; and

"Whereas, the public outcry against taxation makes it increasingly difficult for the states to raise the revenues necessary to finance the programs and services which the states are required to provide by the federal government; and

"Whereas, it is a matter of simple equity that a level of government which establishes programs or services in the public interest should provide the means for financing those programs and services; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That the General Assembly of Virginia respectfully memorializes the President and the Congress of the United States to undertake such actions as may be necessary to ensure that the federal government reimburses each state for all costs incurred with respect to implementing new programs or providing increased levels of service under existing programs pursuant to any law enacted by the United States Congress after January one, nineteen hundred eighty, or any executive order or regulation issued by the President of the United States after January one, nineteen hundred eighty; and, be it

"Resolved further, That the Clerk of the Senate is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each member of the Virginia delegation to the Congress of the United States."

POM-581. A resolution adopted by the Legislature of the State of Nebraska; to the Committee on the Judiciary:

"Legislative Resolution 30

"Whereas, the 95th Congress of the United States of America at its second session, in both houses, by a constitutional majority of two-thirds thereof, adopted the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"JOINT RESOLUTION

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), that the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE

"Section 1. For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, The District constituting the seat of government of the United States shall be treated as though it were a State.

"Section 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

"Section 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.

"Section 4. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislature of three-fourths of the several States within seven years from the date of its submission."

"Now, therefore, be it resolved by the members of the Eighty-Sixth Legislature of Nebraska, first session:

"1. That such proposed amendment to the Constitution of the United States be rejected.

"2. That the Clerk of the Legislature send copies of this resolution to the Administrator of the General Services Administration, the President of the United States Senate, and the Speaker of the United States House of Representatives."

POM-582. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Foreign Relations:

"House Joint Memorial No. 15

"We, your Memorialists, the House of Representatives and Senate of the State of Idaho assembled in the Second Regular Session of the Forty-fifth Idaho Legislature, do hereby respectfully represent that:

"Whereas, fifty American citizens, on various diplomatic and private business assignments in Iran, were taken hostage in an unconscionable and illegal act of aggression against the United States; and

"Whereas, the Iranian terrorists now holding hostages at the American Embassy and who are instigators of this infamous act are apparently operating at the direction and with the support of the government of Iran; and

"Whereas, this act of terrorism has been uniformly condemned by responsible governments of the world in every forum where it has been discussed and debated; and

"Whereas, the President of the United States has acted to affirm the commitment of this Nation to the citizens held hostage, and to take every responsible action in the interests of obtaining their release without compromising the integrity or vital interests of this great Nation.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that being the duly elected representatives of the citizens of the State of Idaho, we support the President in his commitment to the Americans held hostage in the Embassy in Teheran, Iran. As American citizens, we pledge ourselves to stand united against this and similar acts of terrorism whenever they may occur. We urge the President to continue with firm resolve his efforts to obtain the safe return of our fellow Americans to their homes and families.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the Honorable Jimmy Carter, to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-583. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"House Joint Memorial No. 16

"Whereas, the nuclear industry is of vital importance in an energy short nation; and

"Whereas, the nuclear industry is vital to our state and national economy; and

"Whereas, a properly managed disposal site is necessary for the continuation of our nuclear programs; and

"Whereas, it is of the utmost importance that a permanent disposal site be found for nuclear wastes; and

"Whereas, Idaho has played a vital part in our national defense; and

"Whereas, it is necessary to reduce the amount of nuclear wastes.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and Senate concurring therein, that:

"(1) The Department of Energy properly and safely manage nuclear wastes at the Idaho National Engineering Laboratory until a permanent repository is completed;

"(2) The Department of Energy proceed with the construction of the Waste Isolation Pilot Program near Carlsbad, New Mexico; and

"(3) The Slagging Pyrolysis Incinerator be constructed at the Idaho National Engineering Laboratory.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the Honorable Jimmy Carter, President of the United States, the Honorable Charles Duncan, Secretary of the Department of Energy, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-584. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on Environment and Public Works:

"House Concurrent Resolution No. 1006

"Whereas, agriculture constitutes a substantial portion of the United States economy, particularly with respect to exports and balance of trade; and

"Whereas, South Dakota and her sister states constitute a significant part of the agricultural production area of this nation; and

"Whereas, efficient transportation of agricultural goods from the farm to the marketplace is essential both to the agricultural economy and to the overall national economy; and

"Whereas, rail service to the area is rapidly being discontinued in the North Central states, thus shutting off a major means of transportation of agricultural products; and

"Whereas, rising fuel costs and other inflationary costs are making prohibitive the expense of trucking agricultural products; and

"Whereas, barge traffic and other means of water transportation are highly efficient and cost-effective, both to the producer and to the consumer of agricultural products; and

"Whereas, the Missouri River forms a major waterway running through this national area of agricultural production; and

"Whereas, the Missouri River is only open for barge traffic and other efficient river transportation of an interstate nature as far north as Sioux City, Iowa:

"Now, therefore, be it resolved, by the House of Representatives of the Fifty-fifth session of the state of South Dakota, the Senate concurring therein, that the South Dakota Legislature hereby requests that the Congress of the United States, the President of the United States, and all federal agencies dealing with national waterways or transportation in any form, give prompt, strong and expeditious attention to the assessment and development of the feasibility of the Missouri River north of Sioux City, Iowa, as a means of transportation by barge of agricultural and other products from South Dakota, North Dakota and the surrounding states."

POM-585. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Agriculture, Nutrition, and Forestry:

"A CONCURRENT RESOLUTION

"Whereas, In the year 1977, S.B. 314, introduced in the Indiana Senate to terminate the consent of the state to the United States for the purchase of national forest land in Indiana, failed to get out of committee; and

"Whereas, In the year 1978, S.B. 1, introduced in the Indiana Senate for the same purpose, was defeated on third reading by a vote of 18-28; and

"Whereas, In the year 1979, S.B. 33, introduced in the Indiana Senate for the same purpose, passed the Senate by a vote of 29-20, passed the House in an amended form, 70-26; but, did not come out of conference committee; and

"Whereas, On May 10, 1979, the Indiana Legislative Council created an interim committee to study the question of withdrawing or modifying the consent of the state for the acquisition of forest land by the United States; and

"Whereas, In 1977, there was a hearing on the question by a Senate committee, another hearing on the question by a Senate committee in 1978, and still another committee meeting on the subject by a Senate committee in 1979 and also a hearing by a House committee in 1979; and

"Whereas, The 1979 interim study committee has held four meetings at which public testimony was held, attended by 36 persons, 28 persons, 60 persons, and 325 persons, respectively (not counting committee members and staff); and

"Whereas, At the eight committee meetings, at which more than 100 persons spoke, the following complaints were voiced with such frequency that they compelled the attention of committee members:

"1. the forest service is a poor neighbor;

"2. the forest service has not adequately cooperated with adjoining landowners in building fences;

"3. the forest service has engaged in sharp, shoddy purchasing practices;

"4. the forestry management practices of the forest service are poor; and

"5. the forest service does not pay enough to counties in lieu of taxes; and

"Whereas, At the committee meetings held during 1979 those who testified critically of the forest service were careful to point out that they were not critical of the current U.S. foresters, forestry supervisors and national forest employees:

"Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives Concurring:

"Section 1. That the United States Forest Service is urged to improve its public relations and communications with the people of Indiana, particularly with its neighbors, and to review its forestry practices in Indiana.

"Section 2. The Congress is urged to increase the payments to counties in lieu of taxes from an average of 75 cents per acre to a fair and equitable level.

"Section 3. That the Secretary of the Senate is instructed to transmit copies of this resolution to the Secretary of Agriculture, to the Chief of the Forest Service, to the leadership of both houses of Congress, and to Indiana's Congressional Delegation."

POM-586. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Select Committee on Indian Affairs:

"A CONCURRENT RESOLUTION

"Whereas, The Indian impress—in example, lore and language—rests indelibly on the vast North American continent, with Indian names on 59 of the 91 States, Provinces and Districts comprising the United States of America, Dominion of Canada and the Republic of Mexico; and

"Whereas, Despite a predominance, over all, of the English language in present use, only 20 of the 91 geographical units cited above carry English names thereby witnessing in our own time the enduring acceptance by the three nations of our Indian legacy; and

"Whereas, Among 21 or more American States between the Allegheny Mountains and Rocky Mountains, Indian names are carried by 19 of the 21 States, to wit: Alabama, Arkansas, Illinois, Indiana ("Land of Indians"), Iowa, Kansas, Kentucky, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, and Wisconsin; and

"Whereas, The six Miami tribes and the six Illini tribes, speaking the same Algonquian tongue, are identified as the dominant Indian nations of the Old Northwest at the time of the arrival of French fur traders and missionaries on the upper Great Lakes, A.D. 1634-1680, more than three hundred years ago; and

"Whereas, The Miami tribes are unique among Indian nations as the occupants of the portage areas linking the Great Lakes basin to the Mississippi valley, and became allied to the French in the establishment of missions and forts along the Middle West route between Quebec and New Orleans, A.D. 1700-1755; and

"Whereas, the Miami Indians were distinguished in their allegiance to tribal chiefs, A.D. 1669-1846, among them the chiefs Tetinchoua, Ouabibichigan, Ouabicolcota, Michetonga, Chichikatia, Pacamakona, LaBabiche, and Cold Foot—to 1750; and the later chiefs Pacane (Sr.), Ciquenackqua (Turtle), Dragon Fly, Little Garter, Pacane (Jr.), Little Turtle (Turtle's Son), Peshewah (Jean Baptiste Richerville), and Topeah (Francis LaFontaine); and

"Whereas, The rivalry of France and England in the decade prior to the French and Indian war of 1756-1763 centered on holding, or gaining the allegiance of the Miami tribes on the Maumee-Wabash portage, at Ouiatanon (near Lafayette), and at Vincennes, the English objective being to seize control of the strategic Wabash route to the Mississippi River; and

"Whereas, The Miami Indians under the celebrated Chief Little Turtle led the alliance of Northwestern tribes against American encroachment north of the Ohio River, A.D. 1783-1794, demonstrating a courageous defense of their traditional homeland and way of life that is worthy of emulation by all Americans today; and

"Whereas, The Miami Indians at Greeneville, Ohio, in 1795 and by successive treaties in the next half century surrendered their ancestral lands to white occupancy, under circumstances and terms which prompted the Congress of the United States within recent years to authorize adjudication and restitution in a United States Court of Claims; and

"Whereas, The Congress of the United States, in further recognition of Indian claims to justice, enacted legislation in 1978 whereby qualified Indians not tribally affiliated may establish themselves as tribal entities under federal recognition, this procedure thereby enabling native Americans to organize the fostering and preservation of their cultural and historical heritage constructively within the national fold; and

"Whereas, the government of the United States in 1846 effected by force a removal from the upper Wabash valley to Kansas approximately 300 Miami Indians, while permitting approxmiately a like number of the Miami to remain in Indiana but without permitting the Miamis of Indiana to continue as an Indian tribe under formal federal recognition; and

"Whereas, Miami Indians continuing to reside in Indiana and their descendants have—since 1846—experienced the vagaries of federal Indian policies, whether domination and interference or virtually total abandonment in the period of treaty payments and of the restitution ordered by the United States Court of Claims not yet completed, these alleged practices or attitudes have persisted despite public outcry, including the endeavor a century ago—in 1878—of two United States Senators from Indiana, Hon. O. P. Morton and Hon. J. H. Hendricks, who sought federal permission for Miami Indians of Indiana to participate alongside Miami Indians of Kansas (formerly Indiana Miamis) in a federally sponsored resettlement of Miami Indians in northeastern Oklahoma, then known as the Indian Territory; and

"Whereas, The descendants of members of the Miami Indian tribe who had remained in Indiana in 1846 comprise currently—in 1979-1980—a majority of all those Miami Indians who are presently certified by the United States Court of Claims to share in the distribution of indemnity awards by said Court, such distribution being still in progress and not yet finalized; and

"Whereas, The nurturing and preservation of Indiana's cultural and historical heritage can be substantially assisted by an early federal recognition of the Miami Indians of Indiana—as set forth here—as a properly qualified Indian tribe, thereby setting aright the disability imposed unfairly on said Indians by federal policy more than 130 years ago:

"Therefore, be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

"Section 1. That the Congress of the United States is hereby petitioned to recognize the Miami Indians of Indiana as the properly qualified Indian tribe to share equally on a per capita basis with the members of the Miami Indian Tribe of Oklahoma, Incorporated in the receipt and utilization of services and advantages presently provided by the United States Government to the Miami Indian Tribe of Oklahoma, Incorporated.

"Section 2. The Secretary of the Senate is directed to transmit copies of this resolution to the leadership of each party in both houses of Congress and to the members of Congress representing the State of Indiana."

POM-587. A concurrent resolution adopted by the House of Representatives of the State of South Carolina; to the Committee on Foreign Relations:

"A CONCURRENT RESOLUTION

"Whereas, in recent months several international incidents and events have caused and will cause the United States great concern; and

"Whereas, in the last several months our Ambassador to Afghanistan has been murdered, the Iranian government has changed into a regime which threatens to be unfriendly with the United States and the Soviet Union is extending its sphere of influence into other parts of the world, including the Middle East and Africa; and

"Whereas, at this time of concern over the future security of the United States, the members of the General Assembly hereby request President Carter to adopt policies and positions which will be firm enough to demonstrate to allies and forces alike that the United States will remain strong enough to protect our national interests and those of our friends wherever they might be. Now, therefore,

"Be it resolved by the House of Representatives, the Senate concurring:

"That the members of the General Assembly hereby memorialize President Carter to adopt policies and positions which will be firm enough to demonstrate to allies and foes alike that the United States will remain strong enough to protect our national interests and those of our friends.

"Be it further resolved that copies of this resolution be sent to the President of the United States, to each United States Senator from South Carolina, each member of the House of Representatives of Congress from South Carolina, the Senate of the United States and the House of Representatives of the United States."

POM–588. A resolution adopted by the Senate of the State of Hawaii; ordered to lie on the table:

"SENATE RESOLUTION 146

"Whereas, Hawaii's United States Senator Spark M. Matsunaga is recognized by his colleagues in the United States Congress and by the energy community as a champion for the research and development of renewable energy resources which are so vital to Hawaii's and the nation's energy future; and

"Whereas, Senator Matsunaga, as a member of the Senate Finance Committee and the Senate Energy and Natural Resources Committee, and as Vice Chairman of the Senate Energy Research and Development Subcommittee, has assumed leadership in the passage of an impressive number of natural energy related measures, including among others, measures promoting various energy sources such as solar photovoltaics, synfuels from biomass, geothermal energy, ocean thermal energy conversion, and windpower; measures dealing with the financial aspects of energy development such as tax incentives for renewable energy as provided in the windfall Profits Tax Act; and measures dealing with the goals of alternate energy development including the creation of a renewable energy self-sufficiency program within the Department of Energy and a provision for undersea cables; and

"Whereas, Senator Matsunaga, by virtue of his national prominence and influence and his initiative and dedicated effort, has been instrumental in securing a wide assortment of natural energy projects for Hawaii, including the Wilcox Memorial Hospital solar photovoltaic facility on Kauai, the Hawaiian Electric Company's 200 kilowatt wind energy conversion system on Oahu, establishment of Ilio Point on Molokai as a national site for an experimental wind turbine project, the initiation of gasohol studies on Maui, the Hawaii Geothermal Project, the Hilo Coast Processing solar facility, Puna Sugar geothermal steam study, C. Brewer silviculture (Eucalyptus) plantation, and the ocean thermal conversion program at Ke'ahole Point; and

"Whereas, Senator Matsunaga is known as the father of ocean energy and minerals because of his leadership and primary sponsorship of the Deep Seabed Mineral Resources Act and the Ocean Thermal Energy Conversion Research, Development and Demonstration Act; and

"Whereas, Senator Matsunaga has worked closely with the Hawaii State Legislature and specifically with the Hawaii State Senate Economic Development Committee and its Chairman, Senator T. C. Yim; now, therefore,

"Be it resolved by the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, that this body, on behalf of the people of Hawaii, recognizes and commends United States Senator Spark M. Matsunaga for his outstanding national leadership in the development of natural alternative energy and his commitment to the nation's and Hawaii's energy self-sufficiency and conveys its best wishes to Senator Matsunaga for continued success in all of his endeavors; and

"Be it further resolved that certified copies of this Resolution be transmitted to United States President, Jimmy Carter, The White House, Washington, D.C.; President Pro Tempore of the Senate, Warren Magnuson, Washington, D.C.; Chairman of the Senate Energy and Natural Resources Committee, Senator Henry Jackson, Washington, D.C.; Chairman of the Senate Finance Committee, Senator Russell Long, Washington, D.C.; Energy Secretary Charles Duncan, Washington, D.C.; and Governor George Ariyoshi, State of Hawaii."

POM–589. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT RESOLUTION NO. 8

"Whereas, the Pick-Sloan Missouri River Basin Program was authorized by the Flood Control Act of 1944; and

"Whereas, four massive dams have been constructed on the Missouri River in South Dakota under the Pick-Sloan Missouri River Basin Program; and

"Whereas, these dams, the reservoirs they have created, and associated hydroelectric facilities have required the acquisition of five hundred thirty-six thousand, eight hundred seventy-five acres, as of December, 1976, in South Dakota; and

"Whereas, these acres have been inundated and otherwise removed from productive contribution to the economy of South Dakota; and

"Whereas, the storage of water behind these dams in South Dakota has contributed to the realization of an estimated one billion five hundred million dollars in flood control benefits to downstream states; and

"Whereas, the storage of water behind these dams in South Dakota has permitted the realization of nine hundred sixty-five million dollars in benefits from the generation of hydroelectric power; and

"Whereas, as much as two-thirds of this hydropower has gone to the states of Minnesota, Iowa and Nebraska; and

"Whereas, the storage of water behind these dams in South Dakota has contributed to the realization of eighty million four hundred thousand dollars in navigation benefits to downstream states; and

"Whereas, the Flood Control Act of 1944 authorized the development of five hundred seventy-five thousand acres of full water service irrigation in South Dakota and sixty-six thousand acres of supplemental irrigation water service; and

"Whereas, the development of this irrigation was authorized to offset the losses imposed upon the economy of South Dakota by the Pick-Sloan Missouri River Basin Program; and

"Whereas, Public Law 88–442 requires reauthorization of any irrigation project under the Pick-Sloan Missouri River Basin Program, despite the provisions of the Flood Control Act of 1944; and

"Whereas, the one hundred ninety thousand acre Initial Stage Oahe Unit was reauthorized in 1968; and

"Whereas, several local elections in the Oahe Conservancy Subdistrict and the Spink and West Brown Irrigation Districts involved has shown local farmers who were supposed to benefit from the project no longer favor its development or construction; and

"Whereas, the Oahe Conservancy Subdistrict Board which holds the Master Contract for Oahe, the Spink County Irrigation District Board which represents two-thirds of the one hundred ninety thousand acres of land to be irrigated by the project, and the County Commissions of Sully, Potter, Faulk, Walworth, Edmunds, Campbell, Brown, Spink, Hand, Day and Clark Counties have all called for deauthorization and deauthorization hearings; and

"Whereas, forty-six million dollars has been spent on partially completed facilities for the project, including the pump house and Pierre Canal; and

"Whereas, the United States Department of Interior is conducting a "termination study" of the project which contemplates no further construction or productive use of the federal investment; and

"Whereas, the federal commitment to South Dakota contained in the 1944 Act remains unfilled; and

"Whereas, the Initial Stage Oahe Unit authorization is the only substantial remaining statutory representation of the commitment contained in the 1944 Act; and

"Whereas, deauthorization of the Initial Stage Oahe Unit could lessen the likelihood that any substantial amount of federal assistance ever will be provided to South Dakota, pursuant to the commitment contained in the Flood Control Act of 1944; and

"Whereas, the Flood Control Act of 1944 committed to South Dakota for federally assisted irrigation development the provision of one million ninety thousand acre-feet of water and one hundred seventy thousand two hundred kilowatts of hydropower at a rate of two and one-half mills; and

"Whereas, the water committed to South Dakota for irrigation has been allowed to flow out of the state, to float barges through downstream states, to generate hydropower for consumption in other states, and to flow into the Gulf of Mexico; and

"Whereas, the hydropower committed to irrigation service in South Dakota has been marketed by the Western Area Power Administration (formerly a branch of the Bureau of Reclamation) for consumption in other states; and

"Whereas, the favorable financing for irrigation development promised to South Dakota has not been provided and may amount to as much as one billion two hundred million dollars or more, in 1980 dollars, to construct projects authorized in the 1944 Act:

"Now, therefore, be it resolved, by the Senate of the Fifty-fifth Legislature of the state of South Dakota, the House of Representatives concurring therein, That the President, the United States Department of the Interior, and the Congress be urged to reaffirm the commitment to the state of South Dakota under the Pick-Sloan Missouri River Basin Program; and

"Be it further resolved, that the state of South Dakota recognizes that fiscal realities preclude the provision of one billion two hundred million dollars in federally appropriated funds for water and economic development assistance to South Dakota at this time; and

"Be it further resolved, that it is the policy of the state of South Dakota that the federal government should to the maximum practical degree be expected to live up to its commitment to South Dakota under the Pick-Sloan Missouri River Basin Program, and that a reasonable and responsible means toward that end would be enactment of legislation to reauthorize to South Dakota the benefits contained in the Flood Control Act of 1944 according to the following principles:

"A. That all Missouri River water shall remain available for use pursuant to the water right granting authorities of the State as guaranteed in the 1944 Flood Control Act;

"B. That one hundred seventy thousand two hundred kilowatts of Missouri River Basin hydropower shall be made available for sale and delivery at the direction of the state at a rate of two and one-half mills;

"C. That the federal government appropriate annually, for twenty years, twenty-five million dollars for water development or other economic purposes within the state of South Dakota and the state shall develop a plan for the use of such funds which shall be submitted to the appropriate federal agency or agencies and assistance by those agencies must be approved by the state and any grant funds thus provided shall be written off against the Pick-Sloan Missouri River Basin Program and any repayment surplus shall accrue to a revolving fund established by the state; and

"Be it further resolved, that if these conditions are met the state of South Dakota will support deauthorization of the Initial Stage Oahe Unit; and

"Be it further resolved, that the Secretary of State be directed to furnish copies of this Resolution to the President, to the Secretary of the United States Department of the Interior, to the United States Senate, to the United States House of Representatives, and to the South Dakota congressional delegation."

POM-590. A joint resolution adopted by the Legislature of the State of South Dakota; to the Committee on the Judiciary:

"A JOINT RESOLUTION

"Whereas, the Ninety-fifth Congress of the United States of America at its second session, in both houses, by a constitutional majority of two-thirds thereof, adopted a proposition to amend the Constitution of the United States of America in the following words, to wit:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

" 'ARTICLE—

" 'SECTION 1. For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

" 'SEC. 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

" 'SEC. 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.

" 'SEC. 4. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.' ";

"Whereas, the 'Great Compromise' of the Constitutional Convention of 1787 provided that the Senate of the United States is a body of equal representation of the States for the purposes described by the author of the Federalist No. 62 which reads in part:

" 'In this spirit it may be remarked, that the equal vote allowed to each State is at once a constitutional recognition of the portion of sovereignty remaining in the individual States, and an instrument for preserving that residuary sovereignty.';" and

"Whereas, in order to protect the 'Great Compromise' and the 'residuary sovereignty' maintained by the states the framers of the Constitution of the United States provided a special clause in Article V thereof which is exempt from the normal amending process and which, in pertinent part, reads as follows:

" '. . . no state, without its consent, shall be deprived of its equal suffrage in the senate . . .';" and

"Whereas, by the language 'the district constituting the seat of government of the United States shall be treated as though it were a state' and limiting 'the exercise of the rights and powers conferred under this [proposed] article . . . as shall be provided by the Congress . . .' while Congress retains the power found in Article I, section 8, of the Constitution '. . . to exercise exclusive legislation, in all cases whatsoever, over such district . . .', the aforesaid proposed amendment neither proposes to create a state within the meaning of 'state' in the Constitution of the United States nor to provide to such nonstate the same sovereignty as is enjoyed by the several states of the United States under the said Constitution; and

"Whereas, ratification of the aforesaid proposed amendment would allow seats in the United States Senate to be allocated to representatives of a nonsovereign nonstate and the effect thereof would be to nullify the 'Great Compromise,' to impair the ability of South Dakota to protect its 'residuary sovereignty' and to deprive it of its equal suffrage in the Senate of the United States; and

"Whereas, the Congress of the United States has other alternatives for providing Congressional representation to the people of the District of Columbia, including, but not limited to, attachment of the District of Columbia to another state for that purpose or cession of control of the territory of the District of Columbia to the duly constituted government of a new state or of an existing state;

"Now, therefore, be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

"SECTION 1. That the state of South Dakota, acting by and through its Legislature, hereby solemnly invokes the power granted to each state in Article V of the Constitution of the United States to withhold its consent to being deprived of its equal suffrage in the Senate of the United States by the ratification of the aforesaid proposed amendment.

"SEC. 2. That the state of South Dakota, acting by and through its Legislature, hereby declares that the withholding by this Resolution of its consent to be deprived of its equal suffrage in the Senate of the United States is sufficient to prevent, and to hereby void, any purported further ratification of the aforesaid proposed amendment regardless of the action or inaction by any other state, or the legislature thereof, concerning the aforesaid proposed amendment.

"SEC. 3. That certified copies of this joint resolution, and the preamble hereof, be forwarded by the secretary of state of South Dakota, to the Secretary of State of the United States, to the presiding officers of both houses of the Congress of the United States, to the presiding officer of each state legislative body in the several states of the United States, and to the administrator of the United States General Service Administration."

POM-591. A joint resolution adopted by the Legislature of the State of Wisconsin; to the Committee on Commerce, Science, and Transportation:

"JOINT RESOLUTION 111

"Whereas, the national aeronautics and space administration is planning to construct a space shuttle control and satellite surveillance center; and

"Whereas, the Duluth air force base in Duluth, Minnesota, would be an excellent choice for the location of this center because of its geographic location, the availability of a skilled work force and the existence of facilities at the base; and

"Whereas, the Duluth air force base is scheduled to be phased out of existence soon and its closing will cause a loss of jobs and threatens the economy of the Duluth-Superior area; and

"Whereas, the construction of the space shuttle control and satellite surveillance center in Duluth would have a favorable economic impact on the entire upper Midwest including Wisconsin; and

"Whereas, location of the center in Duluth will provide midwesterners with a better opportunity to assist and participate in our nation's space program; now, therefore, be it

"*Resolved by the assembly*, the senate concurring, That the legislature of the state of Wisconsin urges the national aeronautics and space administration and the President and congress of the United States to consider and take action to establish a space shuttle control and satellite surveillance center in Duluth, Minnesota; and, be it further

"*Resolved*, That duly attested copies of this resolution be transmitted to the President of the United States, to each member of the congressional delegation from this state, the secretary of the senate, the chief clerk of the House of Representatives and to the national aeronautics and space administration."

POM-592. A resolution adopted by the Senate of the State of Oklahoma; to the Committee on Armed Services:

"RESOLUTION No. 82

"Whereas, in the long history of this nation, it has never been necessary to impose a military draft upon female citizens; and

"Whereas, in past conflicts of this nation, we have had many brave and loyal women volunteer to serve in the armed forces of this nation and fulfill all the military needs of this nation; and

"Whereas, if this nation ever again endures the scourge of war, the Senate is confident that women will once again volunteer for services in the armed forces; and

"Whereas, under the present international situation, and for the foreseeable future, there is no need to register or draft women.

"Now, therefore, be it resolved by the Senate of the 2d session of the 37th Oklahoma Legislature:

"SECTION 1. The Senate of the State of Oklahoma hereby memorializes the Congress of the United States, and strongly urges that no law be enacted requiring the registration or drafting of women, for the foreseeable future.

"SEC. 2. Copies of this resolution shall be dispatched to the President of the United States, the Speaker of the United States House of Representatives, the President pro tempore of the United States Senate and the Oklahoma Congressional Delegation."

POM-593. A proclamation from the State of Colorado, to the Committee on Commerce, Science, and Transportation:

"PROCLAMATION

"Whereas the dedication to self-improvement, the self-discipline, the personal motivation, and the faith in purpose required to achieve competitive athletic excellence are also the essence of the American spirit; and,

"Whereas the competitive athlete's dream of being best in competition through individual work and effort is also the motivation behind all Americans' dreams; and,

"Whereas many outstanding young Americans have sacrificed their personal educational, monetary and social pursuits for many years so they might compete as representatives of America in summer Olympic competition; and

"Whereas these American athletes now will never know which among them are the world's best;

"Therefore, be it proclaimed that Colorado proudly honors the presence of these best of our young Americans; and,

"Therefore be it resolved that Colorado urges the President of the United States and the United States Congress to create an alternate summer world athletic competition, perhaps in Colorado Springs, in the shadow of Cheyenne Mountain, where the excellence of our spirit may be tested and proven once again in international competition."

POM-594. A resolution adopted by the Municipal Assembly of Carolina, Puerto Rico, in support of the President of the United States regarding the Summer Olympics to take place in Moscow; to the Committee on Foreign Relations.

POM-595. A resolution adopted by the City Council of Alexandria, Virginia, urging income eligibility guidelines appropriate to the cost of living in various geographic areas in next year's Fuel Assistance Program; to the Committee on Finance.

POM-596. A petition from a private citizen, relating to ratification of the SALT II Treaty; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, without amendment, but with a preamble:

S.J. Res. 100. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day" (Rept. No. 96-621).

S.J. Res. 131. Joint resolution designating April 10, 1980, as "ORT Centennial Day" (Rept. No. 96-622).

H.J. Res. 414. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day."

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, without amendment:

H.R. 2782. An act for the relief of John H. R. Berg (Rept. No. 96-623).

H.R. 4013. An act for the relief of Jozef Swiderski (Rept. No. 96-624).

By Mr. BUMPERS, from the Committee on Energy and National Resources, with amendments and an amendment to the title:

H.R. 126. An act to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places (Rept. No. 96-625).

By Mr. MELCHER, from the Select Committee on Indian Affairs, with an amendment:

S. 2055. A bill to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon (Rept. No. 96-626).

S. 1998. A bill to provide for the United States to hold in trust for the Tule River Indian Tribe certain public domain lands formerly removed from the Tule River Indian Reservation (Rept. No. 96-627).

S. 1466. A bill to provide for the distribution of certain funds appropriated to pay judgments in favor of the Deleware Tribe of Indians and the absentee Delaware Tribe of Western Oklahoma in Indian Claims Commission dockets 27-A and 241, 289, and 27-B and 338, and for other purposes (Rept. No. 96-628).

By Mr. MELCHER, from the Select Committee on Indian Affairs, with amendments:

H.R. 3979. An act to repeal and amend certain laws regulating trade between Indians and certain Federal employees (Rept. No. 96-629).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

The following-named persons to be Members of the National Council on Educational Research:

Tomas A. Arciniega, of California;
Jon L. Harkness, of Wisconsin;
Harold L. Enarson, of Ohio;
Barbara S. Uehling, of Missouri; and
Bernard C. Watson, of Pennsylvania.

(The above nominations from the Committee on Labor and Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

CHANGE OF REFERRAL—S. 2102

Mr. BURDICK. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from further consideration of S. 2102, a bill to amend the Inland Waterway Act of 1978, and that the bill be referred to the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SEQUENTIAL REFERRAL—H.R. 4685

Mr. BURDICK. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from the further consideration of H.R. 4685, the Elephant Protection Act of 1979, that the bill be referred to the Committee on Environment and Public Works, and that if and when reported by that committee, the bill then be referred to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. TALMADGE:

S. 2409. A bill to provide for a balanced budget for fiscal years 1980 and 1981; to the Committee on the Budget and the Committee on Governmental Affairs, jointly; that if one committee acts to report, the other committee must act within 30 calendar days of continuous session or be automatically discharged, pursuant to order of August 4, 1977.

By Mr. CRANSTON (by request):

S. 2410. A bill to amend Public Law 95-520, to extend the deadline for reporting on hospital care and medical services furnished by the Veterans' Administration in Puerto Rico and the Virgin Islands, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WEICKER:

S. 2411. A bill to establish and maintain a competent, highly skilled, Federal work force to operate and staff nuclear powered electric generating stations, nuclear waste storage and nuclear materials transportation facilities; to the Committee on Governmental Affairs.

By Mr. DOMENICI (for himself, Mr. RANDOLPH, Mr. STAFFORD, and Mr. BAKER):

S. 2412. A bill to amend the Resource Conservation and Recovery Act to further encourage the use of recycled oil; to the Committee on Environment and Public Works.

By Mr. DOLE (for himself and Mrs. KASSEBAUM):

S. 2413. A bill to rename the Veterans' Administration Hospital in Topeka, Kansas, as the "Harry W. Colmery Veterans' Administration Hospital"; to the Committee on Veterans' Affairs.

By Mr. DURENBERGER (for himself, Mr. GARN, Mr. HATCH, and Mr. PERCY):

S. 2414. A bill to extend for four years the general revenue sharing program under the State and Local Fiscal Assistance Act of 1972; to the Committee on Finance.

By Mr. PACKWOOD:

S. 2415. A bill to amend the Internal Revenue Code of 1954 to provide for the application of the investment tax credit to property purchased by a person who is engaged in the trade or business of furniture rental or leasing to others; to the Committee on Finance.

By Mr. BENTSEN:

S. 2416. A bill to amend the act establishing the Big Thicket National Preserve in the State of Texas; to the Committee on Energy and Natural Resources.

S. 2417. A bill entitled the "Productivity Improvement Act of 1980"; to the Committee on Governmental Affairs.

S. 2418. A bill to amend the Internal Revenue Code of 1954 to increase the competitiveness of American firms operating abroad and to help increase markets for U.S. exports; to the Committee on Finance.

By Mr. PERCY (for himself, Mr. RIBICOFF, and Mr. STEVENSON):

S. 2419. A bill to protect the confidentiality of shipper's export declarations, and to standardize export data submission and disclosure requirements; to the Committee on Governmental Affairs.

By Mr. HELMS:

S.J. Res. 151. Joint resolution to establish the United States Constitution Bicentennial Commission, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE:

S. 2409. A bill to provide for a balanced budget for fiscal years 1980 and 1981; to the Committee on the Budget and the Committee on Governmental Affairs, jointly; that if one committee acts to report, the other committee must act within 30 calendar days of continuous session or be automatically discharged, pursuant to order of August 4, 1977.

(The remarks of Mr. TALMADGE when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. CRANSTON (by request):

S. 2410. A bill to amend Public Law

95-520, to extend the deadline for reporting on hospital care and medical services furnished by the Veterans' Administration in Puerto Rico and the Virgin Islands, and for other purposes; to the Committee on Veterans' Affairs.

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 2410, a bill to amend Public Law 95-520, to extend the deadline for reporting on hospital care and medical services furnished by the Veterans' Administration in Puerto Rico and the Virgin Islands, and for other purposes. I ask unanimous consent that the text of the bill and the letter of transmittal with its enclosures be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the "Veterans' Administration Programs Extension Act of 1978" (Public Law 95-520; 92 Stat. 1820) is amended by striking out "February 1, 1980" and inserting in lieu thereof "February 1, 1981".

VETERANS' ADMINISTRATION,
February 15, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To amend Public Law 95-520, to extend the deadline for reporting on hospital care and medical services furnished by the Veterans' Administration in Puerto Rico and the Virgin Islands, and for other purposes", with the request that it be introduced so that it may be considered for enactment.

On October 26, 1978, the "Veterans' Administration Programs Extension Act of 1978" (Public Law 95-520) was enacted. Section 8 of the Act requires the Veterans' Administration to conduct and submit to the Congress and the President by February 1, 1980, a report assessing the health care needs of veterans in Puerto Rico and the Virgin Islands and recommending how those needs should be addressed.

The Veterans' Administration has encountered some difficulties carrying out that study. Some administrative delays were encountered, and it was determined that an advertised contract was required, resulting in further delays. Due to the need for analysis of data collected, and the need for OMB clearance, we regret that we did not make the February 1 due date.

The February reporting date was designed to correspond with the submission of the Fiscal Year 1981 budget and to allow the Congress time to consider the expiration, on December 31, 1981, of our authority to provide medical benefits in Puerto Rico and the Virgin Islands. It is now estimated that the contracted data collection will be completed in March 1980, with a minimum of four months required for report writing and clearance. Because the Fiscal Year 1981 budget cycle will be missed, it is requested that the reporting deadline be extended to February 1, 1981.

There will be no additional expense incurred as a result of extending the reporting date.

Advice has been received from the Office of Management and Budget that there is no objection to the submission of the draft legislation.

Sincerely,

MAX CLELAND,
Administrator.

SECTION-BY-SECTION ANALYSIS OF A DRAFT BILL

A bill to amend title 38, United States Code, to extend the deadline for reporting on hospital care and medical services furnished by the Veterans' Administration in Puerto Rico and the Virgin Islands, and for other purposes

This bill would amend section 8 of the Veterans' Administration Program Extension Act of 1978 (Public Law 95-520; 92 Stat. 1820). That provision requires the VA to submit by February 1, 1980, a report to Congress on the health care needs of the veterans, and the hospital care and medical services furnished, or to be furnished, in Puerto Rico and the Virgin Islands. The draft bill would extend the reporting date for one year, until February 1, 1981.

PUBLIC LAW 95-520—OCT. 26, 1978

An act to amend title 38, United States Code, to extend certain expiring programs of the Veterans' Administration, to extend and improve the program of veterans readjustment appointments in the Federal Government, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Programs Extension Act of 1978".

* * * * *

SEC. 8. (a) Not later than February 1, [1980] *1981* the Administrator of Veterans' Affairs shall submit a report to the Congress and to the President on the furnishing by the Veterans' Administration of hospital care and medical services in the Commonwealth of Puerto Rico and in the Virgin Islands. The Administrator shall include in such report—

(1) a comprehensive assessment of the health-care needs of veterans in the Commonwealth of Puerto Rico and in the Virgin Islands;

(2) a detailed report on the hospital care and medical services furnished or to be furnished to such veterans during fiscal years 1975 through 1981, with information in such report shown with respect to the number of veterans treated or to be treated, the facilities at which such care and services are furnished or to be furnished, and the extent to which such care and services are furnished or are to be furnished for the treatment of veterans for service-connected disabilities of any degree and of veterans with service-connected disabilities rate at 50 per centum or more; and

(3) recommendations as to how the health-care needs of such veterans can best be addressed within the existing authority of the Administrator of Veterans' Affairs and what additional authority, if any, is necessary and desirable to meet such needs.

(b) In making recommendations under subsection (a)(3), the Administrator shall take into consideration—

(1) the state of the economy in the Commonwealth of Puerto Rico and in the Virgin Islands;

(2) alternative sources of health-care services that would be available to veterans in the Commonwealth of Puerto Rico and in the Virgin Islands if the health-care services furnished by the Veterans' Administration for non-service-connected disabilities were substantially reduced;

(3) the desirability of equitable distribution of Veterans' Administration health-care resources; and

(4) the higher priority established by law for the care and treatment of service-connected disabilities.

* * * * *

By Mr. WEICKER:

S. 2411. A bill to establish and maintain a competent, highly skilled, Federal work force to operate and staff nuclear powered electric generating stations, nuclear waste storage and nuclear materials transportation facilities; to the Committee on Governmental Affairs.

FEDERAL NUCLEAR OPERATIONS MANAGEMENT AND SAFETY CORPS ACT

● Mr. WEICKER. Mr. President, I am pleased to offer legislation today to address the growing national concern regarding safety of nuclear powered generating stations, disposal of nuclear waste, and safe transport of nuclear materials.

The Kemeny and the Rogovin studies of the recent and unfolding incident at Three Mile Island, as well as numerous other studies of the industrial nuclear cycle have found too little attention paid to the people charged with responsibility for safe operations and management. The bill I offer addresses this problem by calling for the creation of a specially trained work force of highly skilled and motivated professionals to staff and operate control rooms of nuclear powered electric generating stations, nuclear waste storage facilities, and nuclear material transportation operations.

Radiation in one form or another is part of our world: Every living thing is exposed to it from the moment of conception. Radiation is not unlike fire: Its characteristics make it useful and beneficial to humankind, yet when uncontrolled those same characteristics make it dangerous. Radioactivity and radiation are certainly not the panacea once thought.

The dream of beneficent use of nuclear radiation can become a nightmare caused by nuclear disaster.

What of the dream? There is improved diagnosis and treatment of illness and disease; improved manufacturing processes and industrial products; increased knowledge of our world and living organisms in it; and smokeless electric power generation. However, just as beneficent use of fire produces waste products potentially harmful to the biosphere, so do all these uses of nuclear energy and processes.

What of the nightmare? Almost daily one hears of the problems attributable to the use of nuclear energy: in the case of electric power generation, the Three Mile Island incident and its potential contamination of the air we breathe and the water we drink; in the case of nuclear waste transport, leaking containers and the possible radioactive contamination of our land and water; in the case of nuclear material storage again we hear of leaking containers with the consequence that no one State is anxious to store radioactive wastes generated by activities in another State.

Yet despite these problems, it appears that use of nuclear radiation for one purpose or another is here to stay, by personal choice in the case of medical and research purposes; in the case of existing and operating nuclear powered generating stations, by necessity, since in the United States today some 70 nuclear units account for approximately 13 percent of electric generating capacity. In my own state of Connecticut three units account for 34 percent of total generating capacity, and in 1979 over 50 percent of Connecticut's energy requirements were met by nuclear power.

Some of the problems dealing with nuclear power have been diagnosed as having to do with waste storage and disposal. Consequently a number of my colleagues here in this Chamber have suggested ways of dealing with this issue. I myself have offered an amendment to the NRC authorization bill which would place a 1-year moratorium on the dumping of radioactive wastes in the ocean. That of course will not stop other nations from doing so either by plan or accident. I want to know what effects such a procedure will have on marine life which through the fish and fish products we consume plays a significant role in our daily lives. I plan to introduce statements to clarify the Senate's sense of the research intended in the National Ocean Pollution Research and Development and Monitoring Act of 1978 (Public Law 95–273) later this session.

In addition important problems have been uncovered in the organization and function of the NRC.

As mentioned previously, industry has been found to place too heavy a reliance on technology and machines to do the work. Too little attention has been directed toward education and training of those who are responsible for operating and controlling the operation of nuclear energy and of storage of nuclear wastes. To their credit, the nuclear power utilities have recently created the Institute of Nuclear Power Operations—INPO—to address shortcomings in plant operations. But INPO's program would only train those who would train operators; INPO cannot require utilities to participate; INPO cannot require utilities to send operators to training programs run by INPO trained people. Furthermore INPO's program only addresses a portion of the issue: the powerplant operation.

Considering past history, I would not rely on an informal training program and system to protect the air I breathe and the water I drink. Accordingly, I propose that Congress establish an independent agency to be known as the Federal Nuclear Operations Management and Safety Corps to promote safety of the general public and the environment.

The purpose of the corps proposal is to assure a highly trained, skilled, and professional work force to staff and operate commercial nuclear powered electric generating stations, nuclear waste storage and materials transportation facilities. Some corps personnel would be assigned as resident inspectors in control rooms to work with trained and certified utility staff as well as to provide independent safety control of nuclear plants. Other corps staff would be assigned to direct, staff and operate transportation and storage of waste materials. In addition, the corps would inspect for compliance with applicable Federal statutes all of the above operations and facilities.

Within this agency would be created an academy (fashioned after that of the Federal Aeronautics Administration) to develop and maintain a training program of the highest standards for all personnel, Federal, corporate, or State, charged with responsibility for operations and safety at nuclear facilities. There would be a core curriculum for all academy attendees with specialization curricula focused on different functional areas, level of responsibility, and different reactor systems. The academy would also provide required courses for periodic retraining of Federal Corps and non-Federal staff to insure maintenance of skills and assimilation of advancing technologies.

As my concerns focus on the safe operation and management for the protection of people and the environment, the proposed bill is not construed to affect the authority of the NRC, DOE, or DOT to license and regulate the various cycles of the industrial nuclear cycle except in two instances. First, licensing or permit standards would be modified, in consultation with the corps administrator, to require as part of the license application and compliance that each facility have corps staff and corps academy trained personnel as determined appropriate commensurate with the type, size, and complexity of the operation or facility. Second, the corps administrator, in keeping with the principal charge for safe operations, will order and carry out changes in operational procedures under renewable 365-day emergency procedures where safety to facility personnel and the general public warrant. Thereafter he would work with the utility, department or agency, vendor, or standards groups to change procedures through normal regulatory channels.

During the first year after enactment of this act, the administrator through reports to the Congress and in consultation and coordination with appropriate elements of NRC, DOE, and DOT and affected utilities, will establish a program to implement the requirements under this act and the phasing-in of trained corps and other personnel into various licensed activities.

This proposal is designed to improve the safety of nuclear operations. I offer this bill in the hope that it will contribute to the current national debate over the future of nuclear energy. I realize other proposals have been offered; I believe the approach embodied in this bill is sufficiently different to merit serious attention. I of course welcome comments on the proposal, and will endeavor to work closely with all parties on this critical energy issue.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Nuclear Operations Management and Safety Corps Act".

PURPOSE

SEC. 2. It is the purpose of this Act to establish and maintain a highly trained, skilled Federal work force to—

(1) act as resident inspectors of all nuclear powered electric generating stations with responsibility and authority to override actions of utility control room operators in the interest of the public safety and welfare;

(2) supervise, staff, operate, control, and manage private or Federal nuclear waste storage and disposal sites;

(3) supervise, staff, and control private or nonmilitary Federal means of transporting nuclear waste;

(4) supervise, staff, and control nuclear reprocessing facilities;

(5) inspect for compliance with applicable Federal statutes all of the above operations and facilities; and

(6) train appropriate facility licensee staff.

FINDINGS

SEC. 3. The Congress finds and declares that—

(1) existing and operating nuclear powered electrical generating stations are making a significant contribution to national supplies of electricity;

(2) a reliable system adequate to provide sufficient electrical energy to meet the Nation's current and anticipated needs is an essential part of a comprehensive national energy policy and is vital to national security and public welfare;

(3) there is a concern among the citizenry, within the scientific community, and within the international community of nations with regard to the potential for present and future contamination of the natural and human environment by radioactive and toxic substances which are produced through the use of nuclear energy;

(4) training of operators and supervisors of nuclear powered electric generating stations, waste storage sites, and waste transportation systems has been inadequate and is responsible for concern regarding the safe use of nuclear energy;

(5) certification of operator training programs, inspection of various nuclear facilities, and verification of compliance with applicable Federal statutes has been inadequate and is responsible for concern regarding the safe use of nuclear energy; and

(6) for the protection, health, safety, and welfare of the general public, and in order to provide effective leadership and restoration of confidence and credibility to the Nation's ability to utilize resources available through nuclear energy, an independent executive agency should be established which will organize, train, develop and otherwise maintain a skilled, professional Federal work force to provide independent safety control of nuclear powered electric generating stations, and to direct, staff, and operate nuclear waste storage facilities, nuclear materials transportation facilities, and inspect for compliance with Federal statutes, these named facilities.

DEFINITIONS

SEC. 4. For the purposes of this Act, the term—

(1) "academy" means a federally operated facility or formal course of instruction for the training of Federal Corps employees, nominated and selected employees of private utilities or State agencies, for purposes of meeting training and competence levels required under terms of this Act;

(2) "Administrator" means the chief officer of the Federal Nuclear Operations Management and Safety Corps;

(3) "controls" means apparatus and mechanisms the manipulation of which di-

rectly affect the reactivity or power level of a reactor or which could affect the chemical, physical, metallurgical or nuclear process or characteristics of the facility in such a manner as to affect the protection of health and safety against radiation;

(4) "Corps" means personnel of the Federal Nuclear Operations and Management Safety Corps;

(5) "disposal" means the isolation of radioactive material, including long-term monitored storage which permits retrieval of the material stored;

(6) "facility" means any place or system for the production, utilization, transport, or storage of nuclear source material, fuels, or waste;

(7) "waste" means the highly radioactive wastes resulting from the nuclear process including the reprocessing of spent nuclear fuel, and includes both the liquid waste which is produced and any solid material into which such liquid waste is made and includes transuranic contaminated waste with activity level greater than 10 nannocuries per gram; or

(8) material contaminated with radioactive elements emitting alpha or beta, particles with activity level less than 10 nannocuries per gram;

(9) "nuclear powered electric generating station" means facility for the generation of commercial electric power;

(10) "operator" means any individual who manipulates a control of a facility or any individual who directs another to manipulate a control; and

(11) "resident inspector" means a Federal employee who, having satisfactorily completed an appropriate training program at the academy, is assigned by the Administrator to a licensed facility for the specific objective to assure compliance with appropriate Federal license requirements and the safe operations and management of that facility, and who has the authority to immediately close down and cease the operation of such facility when continued operation will produce events or conditions which present a potential or actual threat to public health and safety.

ESTABLISHMENT OF THE FEDERAL NUCLEAR OPERATIONS MANAGEMENT AND SAFETY CORPS

SEC. 5. (a) There is established an independent agency to be known as the Federal Nuclear Operations Management and Safety Corps (hereinafter referred to as the "Corps"). The Corps shall be headed by an Administrator aided by a Deputy Administrator, both of whom shall be appointed by the President, by and with the advice and consent of the Senate.

(b) The Administrator shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code, and the Deputy Administrator shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(c) The President shall appoint the Administrator and the Deputy Administrator from among individuals who by reason of their general background and experience are specially qualified to manage a full range of nuclear training programs, powerplant operations, and waste management programs.

(d) There shall be in the Corps, a General Counsel who shall be appointed by the Administrator, and who shall serve at the pleasure of and be removable by the Administrator. Other officers appointed pursuant to this section shall perform such functions as the Administrator shall specify.

(e) Except as otherwise expressly provided by law, the Administrator may delegate any of his functions to such officers and employees of the Corps as he may designate, and may authorize successive redelegations of such functions as he may deem necessary or appropriate.

(f) The Administrator is authorized to select, appoint, employ, and fix the compensation of such officers and employees, as are necessary to perform the functions now or hereafter vested in him and prescribe their functions.

(g) The Administrator is authorized to establish advisory boards, in accordance with the provisions of the Federal Advisory Committee Act to advise with and make recommendations to the Administration on policies, administration, training, research, rules, and other matters.

(h) It shall be the duty and responsibility of the Administrator to—

(1) establish, direct, manage, and provide for the Corps;

(2) establish an academy and to develop and maintain a training program of the highest standards for all Corps personnel (and their supervisors) charged under terms and conditions of this Act with responsibility for operations and safety at nuclear facilities, as well as those personnel of the facility licensee who perform the function of an operator to include—

(A) basic knowledge regarding—

(i) nuclear physics, chemistry, thermodynamics and engineering;

(ii) operation of nuclear fission powered electric generating stations whether present, planned, or future, including stress training through use of simulators;

(iii) health physics;

(iv) regulatory and related law; and

(v) breeder, fusion, reprocessing or other operations;

(B) a core curriculum for all academy attendees with specialization courses focused upon assignment to different functional areas (such as reactor inspector, storage area supervisor, transportation monitor, health physicist), different levels of responsibility, and different reactor systems;

(C) periodic retraining of the Corps and facility licensee staff to ensure maintenance of skills and parity with advancing technologies;

(D) hands on experience with reactors in Federal agencies or departments such as the Department of Energy and the Department of Defense; and

(E) develop a schedule of fees and a procedure for collection to cover direct costs of training personnel of facility licensee for purposes of license compliance.

(3) provide for staffing each nuclear facility described in section 2 of this Act with Corps or Corps trained staff commensurate with the type, size and complexity of the operation or facility;

(4) carry out a program of research and problem analysis pertinent to the Corps mission;

(5) provide for the rapid dissemination of information regarding operations, management, safety, efficiency, design changes, etc., among and between Corps field staff as well as the academy curricula, and to provide such information to, and consult with, design groups of vendor companies involved, architect-engineering firms, standards and licensing groups at the Nuclear Regulatory Commission or other responsible agencies such as Department of Energy and Department of Transportation.

(i) The Administration shall develop plans and formulate policy with respect to—

(1) operation and control of the fission or fusion process in nuclear powered electric generation stations by Corps resident inspectors under emergency situations when the safety of facility personnel and the general public warrant; and

2. operation and control of reprocessing facilities, waste storage and disposal sites, and transportation systems.

Such policy shall be implemented as part of the Nuclear Regulatory Commission, the Department of Energy, or the Department of Transportation, licensing procedures under terms, conditions, and considerations necessary to insure safe and efficient utilization of the processes.

(j) The Administration shall order and carry out changes in standard operational procedures under renewable 365 day emergency procedures directives where safety to facility personnel and the general public warrant, thereafter working with utility, department or agency, vendor, and standards groups to change procedures through normal regulatory channels.

(k) The Administrator, not later than March 31 of each year, shall submit a report to the Congress summarizing the activities of the Administration during the preceding calendar year. Such report shall include but not necessarily limited to—

(1) an identification and description of significant accomplishments and problems relating to the administration of programs and operations of the Administration including the academy;

(2) a description of recommendations for corrective action made by the Administration with respect to significant problems identified and described under paragraph (1); and

(3) an evaluation of progress made in implementing recommendations described in the report or, where appropriate, in previous reports.

EFFECT ON OTHER LAWS

SEC. 6. (a) Nothing in this Act shall be construed to affect the authority of the Nuclear Regulatory Commission or successor agencies, the Department of Energy, or the Department of Transportation to otherwise license and regulate the design, construction or operation of nuclear powered electric generating stations, radioactive waste storage, or materials transport, except that licensing or permit standards will be modified, in consultation with the Administrator, to require as part of the license application and compliance, each facility to have such Corps or Corps trained staff as determined under section 4(h)(3) of this Act.

(b) Nothing in this Act shall be construed to exempt the Administration from the requirements of the National Environmental Policy Act, unless specifically stated.

(c) The Administrator shall provide such environmental reports and environmental impact statements as may be required by the National Environmental Policy Act.

IMPLEMENTATION

SEC. 7. The Administrator shall develop a plan and policy for implementing the duties and responsibilities assigned to the Corps and submit such plan to Congress for approval—

(1) not later than 180 days from date of appointment, a report outlining the organization of the Corps (administrative structure, personnel requirements and number), including the academy (entrance requirements, composition of training program, curriculum site), and general timetable for implementing the program;

(2) not later than 270 days from date of appointment, a report detailing schedules for training of first class, personnel placement, and statues of major staffing accomplishments;

(3) not later than 365 days from date of appointment, and in consultation and coordination with appropriate elements of the Nuclear Regulatory Commission, the Department of Energy, the Department of Transportation and affected utilities or business, establish a program for phasing in Corps and Corps trained personnel into various licensed activities; and

(4) not later than 365 days from date of appointment, a report summarizing accom-

plishments and projections for the next budget year.

TRANSFERS

SEC. 8. There are transferred to the Corps all of the functions, related personnel, and funds of the Nuclear Regulatory Commission with regard to the training of nuclear facility personnel, inspection programs, and plant observer (resident inspectors) programs.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated to carry out the purposes of this Act such sums as may be necessary.●

By Mr. DOMENICI (for himself, Mr. RANDOLPH, Mr. STAFFORD, and Mr. BAKER):

S. 2412. A bill to amend the Resource Conservation and Recovery Act to further encourage the use of recycled oil; to the Committee on Environment and Public Works.

RECYCLING OF USED OIL

● Mr. DOMENICI. Mr. President, on behalf of myself and Senators RANDOLPH, STAFFORD, and BAKER, I am reintroducing legislation I have introduced in the last two Congresses which would promote resource recovery and enhance the quality of air, water and land resources by establishing an effective program to promote the recycling of used oil. Under the Resource Conservation and Recovery Act and the Energy Policy and Conservation Act, major advances have been made in promoting the recycling of waste oil. However, there are obstacles presently existing that have prevented this country from developing a full-scale oil recycling program.

The Environmental Protection Agency's 1975 estimates reveal that about 1.2 billion gallons (28 million barrels) of used lubricating oils are produced in this country each year. Of that amount, almost half is burned, generally without controls on emissions, while about 35 percent cannot be traced and is most likely improperly disposed of. Less than 10 percent of this amount is rerefined.

Rerefining is attractive in these times of concern for energy conservation and the environment, however, since 1965 the rerefining industry has declined from 160 companies to about 25 companies. In terms of production, the industry has gone from 300 million gallons a year to below 100 million gallons.

Past concerns regarding problems with the rerefining process have been resolved. For one, there had been a concern over the question of whether or not rerefined oil was equivalent to virgin oil. In 1975 the Department of Defense and EPA began a series of engine sequence tests. These tests have shown rerefined oil comparing favorably to virgin oil. More importantly, just recently, the Department of Army issued military specifications for procurement of rerefined oil. With the issuance of these specs, the Federal Government will be able to begin an active procurement program for the use of recycled oil in all Government vehicles.

The issue of environmental effects during production has been addressed. In the past years, major breakthroughs have been made in developing new production processes that eliminate a hazardous sludge byproduct. One such process was developed by DOE's Bartlesville Energy Resource Center.

Burning of used oil as a fuel, on the contrary, poses a serious problem of air contamination because of the additives and heavy metals present, particularly with the release of lead. Of equal concern is the fact that while rerefined oil may be reprocessed over and over again; once waste oil is burned, the resource is lost forever.

At a time when resource recovery is becoming an increasing necessity, it is time for the Federal Government to search for ways to decrease our dependence on foreign oil. The rerefining of used oils constitutes a valuable and material asset for this country that cannot be ignored. The technology presently exists to produce a product from rerefining that is equivalent to virgin oil, and it can be done in an environmentally safe way. However, certain Government regulations have caused an undue hardship on the industry which have created a Federal policy which discourages, rather than encourages the rerefining of used oil.

Specifically, under an FTC labeling requirement, all rerefined oil must bear the label "previously used." By labeling the oil as "previously used" a negative connotation is attached to the product. The FTC has chosen to not change this requirement, despite the fact that the word "recycled" would provide the public with an accurate description of the source of the oil, and yet, prevent the creation of a bias in the eyes of the consumer. Consequently, my bill would eliminate the use of the words "previously used" on the can and would require that EPA promulgate labeling regulations that adequately describe the nature of the product and also encourage the use of the rerefined product. The bill also provides that within 12 months, all virgin oil be labeled as follows:

> Don't Pollute—Conserve Resources. Return Used Oil to Collection Centers.

This label has been proposed by the American Petroleum Institute to EPA as an excellent way to try to encourage the public to do its part in the recycling effort.

My bill also encourages the State to establish a program to foster the expanded use of rerefined oil through its use in State government and through a public education program. As well, the States are encouraged to establish a program to insure that the collection, treatment, and rerefining of used oil is done in a fashion that is environmentally safe and that the waste from rerefining and reprocessing is properly disposed of. Grants totaling $25 million are provided to the States for the establishment and operation of such programs.

Mr. President, I view this bill as an extremely important piece of legislation and I hope that we might act swiftly on its passage. I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2412

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Resource Conservation and Recovery Act (Public Law 94–580) is amended by adding a new subtitle as follows:

"SUBTITLE I—RECOVERY AND REUSE OF USED OIL

CONGRESSIONAL FINDINGS

SEC. 9001. Used Oil.—The Congress finds with respect to used oil—

(a) that used oil constitutes a valuable energy and material asset for the United States;

(b) that the technology exists and has been applied to re-refine, reclaim and otherwise recycle used oil into a valuable and environmentally acceptable product;

(c) that the recycling of used oil into environmentally acceptable products has been unduly and unnecessarily hindered by a bias in favor of virgin oil;

(d) that said bias has been fostered by the regulations and policies of the United States government;

(e) that used oil containing or masking contaminants constitutes a threat to the health and welfare of the Nation; and

(f) that it is therefore in the national interest to provide a program to eliminate any unfounded bias against recycled oil, and to protect the health and welfare of the Nation against threats posed by used or waste oil which is contaminated or improperly disposed of.

DEFINITIONS

SEC. 9002. As used in this Subtitle:

(1) the term "oily waste" means a mixture of water, solvents, dirt, debris or other waste substances with oil;

(2) the term "reclaimed oil" means oil produced through the use of physical methods (short of those used in re-refining) to cleanse used oil for further use in its original or some other purpose. Cleansing methods may include settling, heating, dehydration, filtration and centrifuging and may also entail the use of oil additives.

(3) the term "recycled oil" means oil produced as a result of recycling, re-refining, reclaiming, reprocessing or other treatment of used oil so that it is suitable for reuse as oil for the original or a new purpose;

(4) the term "re-refined oil" means oil produced through the application of petroleum refining techniques to used oil to produce lubricants or other petroleum products that are substantially equivalent in quality to virgin oil intended for the same purpose. Re-refining may include a combination of distillation, acid, caustic, solvent, clay and/or hydrogen treating and other physical and/or chemical treatments including formulation with additives.

(5) the term "used oil" means oil the characteristics of which have been changed by use, storage or handling, whether or not it has thereby been rendered unsuitable for use for the purpose for which it was originally intended;

(6) the term "waste oil" is oil which through use, storage or handling has become unsuitable for its original purpose and which is uneconomical to recycle.

LABELLING REQUIREMENTS AND AUTHORITIES

SEC. 9003. (a)(1) Labelling of Recycled Oil—Authority to prescribe labelling, packaging, marketing or other requirements related to the sale or distribution of used, waste, or recycled oil shall be vested in the Administrator of the Environmental Protection Agency. Regulations promulgated prior to the date of enactment of this Subtitle by the Federal Trade Commission relating to the labelling of recycled and re-refined oil shall be void and of no effect.

(2) Within six months after the date of enactment of this subtitle, the Administrator of the Environmental Protection Agency shall promulgate regulations to—

(A) Assure that purchasers recycled or refined oil are fully and accurately apprised of the nature and quality of the product and its fitness for its intended use; and

(B) Encourage the recycling, and especially refining, of used oil; and

(C) To the extent not adequately provided for by regulations promulgated pursuant to the implementation of Public Law 94-580, assure that waste oil and used oil are collected, manifested, processed, re-refined, recycled, or otherwise treated or handled in such a way as to minimize the threat which they pose, or may pose, to public health or the environment.

(b) (1) Labelling of Virgin Oil.—Effective twelve months after the date of enactment of this subtitle, virgin oil containers shall bear the following legend, prominently displayed:

"Don't Pollute—Conserve Resources—Return Used Oil to Collection Centers."

(2) The Administrator of the Environmental Protection Agency shall review the wording of said labelling requirement from time to time and shall, as necessary, revise it to encourage the conservation and recycling of oil.

PROHIBITED ACTS

SEC. 9004. (a) (1) It shall be unlawful for any person to enter into any contract or agreement the intent of which is to discourage the use of recycled oil, if such use is consistent with the required labelling for such recycled oil.

(2) Any party injured or otherwise aggrieved by an agreement or contract in violation of paragraph (1) shall be entitled to treble the damages caused by said contract or agreement. An injured person may file suit to enforce this section in either a Federal or State court which otherwise has jurisdiction. Once filed, said suit shall be non-removable except on jurisdictional grounds.

(b) Notwithstanding any other law, no Federal or State regulation shall require labelling on re-refined oil which identifies said oil as "previously used".

COORDINATION WITH OTHER LAWS

SEC. 9005. (a) Solid Waste Disposal Act.—In the implementation of sections 5001, 5002, 5003, 5004, 6001, 6002, and 6003 the Secretary of Commerce, the Administrator of the Environmental Protection Agency, the Administrator of the General Services Administration, the Secretary of Defense, and the personnel of the Office of Procurement Policy shall accord the development of standards, markets, specifications, and regulations relating to recycled, and especially re-refined, oil the highest priority.

(b) State Programs. Each of the States is hereby encouraged to develop a plan to—

(1) institute to the maximum feasible extent the use of recycled oil in all areas of State and local government;

(2) require or encourage persons contracting with such State to use, to the maximum extent feasible, recycled oil;

(3) encourage the private use of recycled oil;

(4) establish public awareness of the uses of recycled oil;

(5) provide for the collection, manifesting, treatment, reclaiming, re-refining, reprocessing or other recycling of used oil in such a way as to assure that—

(A) the dangers to health and the environment posed by contaminated used oil or by waste oil are eliminated;

(B) the production and sale of recycled oil which fails to meet applicable specifications or which is unsuitable for its intended use is eliminated;

(C) waste oil, sludges, oily wastes or other such hazardous wastes generated by the use or recycling of oil are treated, stored, or disposed of properly.

To the extent necessary to encourage development of such programs, the Administrator may delegate the authorities under this Act to any State which has developed a program meeting the requirements of this subsection.

AUTHORIZATIONS

SEC. 9006. There is hereby authorized to be appropriated $25,000,000 for the fiscal year ending September 30, 1982, and for each of the next succeeding fiscal years, for grants to States for the purpose of establishing and implementing programs meeting the requirements of Section 9005 of this Subtitle.●

By Mr. DOLE (for himself and Mrs. KASSEBAUM):

S. 2413. A bill to rename the Veterans' Administration Hospital in Topeka, Kans., as the "Harry W. Colmery Veterans' Administration Hospital"; to the Committee on Veterans' Affairs.

● Mr. DOLE. Mr. President, my distinguished colleague from Kansas, Senator KASSEBAUM, and I are introducing legislation today that will rename the Topeka, Kans., Veterans' Administration Hospital after the late Mr. Harry W. Colmery.

HARRY W. COLMERY

Mr. President, for those who have had any interest or involvement in veterans' affairs, the name "Harry Colmery" should require no explanation. For those who did not have the good fortune of knowing Harry Colmery, I want to tell you briefly about this great American, and why we are proposing this legislation:

Harry Colmery devoted his entire life to championing the cause of the veteran. As past national commander of the American Legion, Harry provided the inspiration and leadership which have become the cornerstone of this fine veterans organization. Harry Colmery is also regarded as one of the principal drafters of the GI bill of rights and one who also spent much of his life orchestrating veteran benefit programs.

The insight and compassion which surfaced when Harry penned this important document are typical of the forces which guided his life. No matter what the undertaking, Harry pursued it with a spirit of reaching out and helping his fellow man.

Harry's activities, however, were not limited to participating in veteran issues. He was an avid supporter of the free enterprise system and demonstrated his support during his term as president and executive director of the Topeka Chamber of Commerce. He further displayed his commitment to the principles which made this country great through his active participation in the Republican Party. A member of the National Republican Policy Committee, a delegate to the 1936 National Republican Convention—at which Alf Landon was nominated—and Republican primary candidate to the U.S. Senate in 1950, are just a few of his political achievements. As a long-time member of the Presbyterian Church and a 32d degree Mason, Harry demonstrated a depth of concern for his fellow man.

On August 23, 1979, Harry W. Colmery passed away while attending the national convention of the American Legion in Houston, Tex. But the memory of Harry and all he did for both veterans and nonveterans remains. Although, I am confident Harry's achievements will be remembered in their own right, I can think of no better tribute than to immortalize his name at the Topeka Veterans' Administration Hospital.

Mr. President, I urge prompt consideration and passage of this important piece of legislation.●

By Mr. DURENBERGER (for himself, Mr. GARN, Mr. HATCH, and Mr. PERCY):

S. 2414. A bill to extend for 4 years the general revenue sharing program under the State and Local Fiscal Assistance Act of 1972; to the Committee on Finance.

EXTENSION OF REVENUE SHARING

Mr. DURENBERGER. Mr. President, I am today introducing a bill that would extend the general revenue sharing program for 4 years.

Mr. President, the general revenue sharing program is the single most important Federal contribution to preserving the Federal system. Through this program funds extracted from American taxpayers by the Federal income tax are returned annually to 39,000 general-purpose local governments and all the States. These funds enable them to continue to provide needed public services. For most States, and for many localities, general revenue sharing does not mean big bucks; it means dollars that make the marginal difference whether or not some services are provided.

In the face of inflation, revenue sharing has suffered terrible losses. I have long urged that we recognize inflation's impact on this vital program and that we annually increase funding of revenue sharing by a percentage equal to the growth in the gross national product.

As we know, revenue sharing is not indexed, even though the Federal Government finds nothing wrong with imposing a windfall inflation tax on individuals. We are seeking a reauthorization of $6.9 billion for general revenue sharing in fiscal 1981. During that same year, the Federal Government will collect at least $33 billion in undeserved tax revenues from individuals because of inflation's impact.

As long as Government continues to collect its inflation windfall, and thus makes it difficult for State and local governments to impose additional taxes to meet State and local needs, the Federal Government has an obligation to give some of these funds back with no strings attached. The Federal Government does not earn the inflation windfall and it should not be permitted to benefit from it at the expense of State and local units of government that must meet essential social service needs of people each day.

In spite of this, general revenue sharing is on the administration's "balance the budget" hit list. I adamantly oppose elimination of this program in the name of balancing the budget. This program has not been the cause of overexpenditures by the Federal Government, nor has it been the cause of inflation. Indeed, it has been the victim of inflation. The purchasing power of revenue sharing dollars has decreased by 40 percent since the program was initiated in 1972. At the current rate of inflation—an annual rate of 18 percent in the first month of 1980—the $6.9 billion of revenue sharing funds will be further eroded. We need to authorize and appropriate $9.8 billion just to equal our original commitment of $5.3 billion in 1972 to revenue sharing.

The administration and the Congress would be unwise to eliminate this program in the name of balancing the budget. This is one of the few Federal assistance programs that works. It has the lowest overhead and the simplest administrative structure of any Federal aid program. I am a firm believer in the adage, "If it works, don't fix it." The general revenue sharing program does not need repair, it needs a commitment from the administration and the Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Extension of Program.

Paragraph (3) of section 105(c) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1224(c)) is amended—

(1) by striking "and" at the end of subparagraph (C),

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon, and

(3) by adding at the end thereof the following new subparagraphs:

"(E) The entitlement period beginning October 1, 1980, and ending September 30, 1981;

"(F) The entitlement period beginning October 1, 1981, and ending September 30, 1982;

"(G) The entitlement period beginning October 1, 1982, and ending September 30, 1983; and

"(H) The entitlement period beginning October 1, 1983, and ending September 30, 1984.".

Sec. 2. Conforming Amendments.

(a) Subparagraph (C) of section 108(c)(1) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1227 (c)(1)) is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1984".

(b) Paragraph (7) of section 141(b) of such Act (31 U.S.C. 1261 (b)) is amended by striking out "and 1979" and inserting in lieu thereof "1979, 1980, 1981, 1982, and 1983".

By Mr. PACKWOOD:

S. 2415. A bill to amend the Internal Revenue Code of 1954 to provide for the application of the investment tax credit to property purchased by a person who is engaged in the trade or business of furniture rental or leasing to others; to the Committee on Finance.

FURNITURE RENTAL AND THE INVESTMENT TAX CREDIT

● Mr. PACKWOOD. Mr. President, I am introducing today a bill which will permit furniture rental businesses to use the investment tax credit just as other businesses are permitted to do so. The reason for this bill is simple: The Internal Revenue Service has announced that it will disregard a recent Federal district court decision and continue to deny to furniture rental businesses the full use of the investment tax credit.

Under present law, property used predominately to furnish lodging or in connection with the furnishing of lodging is not eligible for the investment tax credit. This is the so-called "lodging exclusion." Exceptions to this exclusion are made, however, for property used by a hotel or motel, for coin-operated machines such as washers and dryers, and for commercial facilities open to the general public which are located within a lodging facility, such as a restaurant in a hotel.

Property which is used for lodging facilities other than hotels or motels therefore does not qualify for the investment tax credit. For example, people who own apartment buildings cannot claim the investment tax credit for the property they put into the apartments.

The question this bill addresses, Mr. President, is whether the investment tax credit will be available to people in the furniture rental business when the furniture they lease goes into apartments.

Of all the rented furniture put into apartments, about 92 percent of it is leased to the tenant, not the landlord. The Internal Revenue Service has denied the investment tax credit for furniture rented by furniture rental businesses to apartment tenants. However, in September of 1978 a Federal district court ruled, in the case of *Aaron Rentals, Inc.* v. *United States* (N.D. Ga., 1978), that furniture rental businesses are permitted to use the investment tax credit for furniture rented to apartment tenants. The IRS has announced it will not follow this court decision.

I wish to emphasize, Mr. President, that the action of the IRS on this matter is unjustified. A duly constituted Federal court has ruled that furniture rental companies are eligible for the investment tax credit which Congress enacted in the Revenue Act of 1971. It is incomprehensible to me that the IRS now says it will not follow the interpretations of the Federal court. This bill would enact legislatively the court's decision.

About 8 percent of the furniture rented by furniture rental companies for use in apartments is rented to the owner of an apartment building. Neither the IRS nor the Aaron Rents case permit a furniture rental business to claim the investment tax credit in this situation.

However, to simplify compliance by the taxpayer, and enforcement by the IRS, the bill I am introducing today would apply to furniture rented to the owners of apartment buildings. This will resolve unnecessary complexity in the tax law. For example, when a furniture rental company buys an item to rent, it may not know whether it will be rented first to an apartment tenant and then to an apartment owner. This bill would leave no doubt that the purchaser of the item, the furniture rental business, could claim the investment tax credit for it.

Furniture rental businesses are small businesses. About two-thirds of them have fewer than 30 employees. Clarification of these issues will help them avoid costly litigation.

The Joint Tax Committee staff estimates that the full year impact of this bill is $2 million.

Mr. President, I hope Congress can act on this bill this year.●

By Mr. BENTSEN:

S. 2416. A bill to amend the act establishing the Big Thicket National Preserve in the State of Texas; to the Committee on Energy and Natural Resources.

● Mr. BENTSEN. Mr. President, I am today introducing legislation which will authorize a much-needed speedup in the completion of land acquisition for the Big Thicket National Preserve. This increase in the authorization ceiling is necessary in order to allow appropriation of $10 million for this function which the administration has requested in its fiscal year 1981 budget. This legislation has been introduced in the House by Congressmen Eckhardt, Wilson, Burton, Udall, and Kazen and is supported by the administration.

Mr. President, establishment of the Big Thicket National Preserve has long been a cherished goal of myself and many others who wish to preserve this beautiful and unique area for future generations. The first bill which I introduced as a U.S. Senator was to authorize the establishment of this Big Thicket National Preserve. This legislation was finally passed by Congress on October 11, 1974. Now, 5½ years later, we are within sight of our goal, completion of the Big Thicket National Preserve.

However, we are in a neck and neck race with skyrocketing land and timber prices. The original authorization ceiling of $63.8 million has already been reached and land prices are still going up. Every delay in land acquisition increases the ultimate cost of this preserve. Therefore, it is incumbent on us to complete this acquisition as soon as possible in order to hold down the cost to the taxpayer.

The administration has recognized the pressing need for completion of land acquisition at Big Thicket and his requested $10 million in the fiscal year 1981 budget for this purpose.

Insufficient land acquisition funds are not only costing the American taxpayer dearly as a result of increasing land prices during these delays. This is also causing a severe hardship to landowners in the area. Landowners who have reached agreement on the sale of their land are finding that these sales cannot be completed due to lack of funds. Similarly, landowners whose property has gone through court condemnation are finding that the Government often has no money with which to pay the judgments. They are thus forced to wait for the settlement of judgments which should have been completed quickly, and during the interim they are paid interest at a rate of only 6 percent. This is hardly an attractive proposition considering the current level of interest rates.

Mr. President, there are pressing economic reasons for speeding up the land acquisition of land for the Big Thicket National Preserve. Still, just as pressing are the original reasons for establishing this preserve. The Big Thicket is a unique and remarkably diverse ecosystem. The Big Thicket is found in southwestern Texas, northwest of the coastal cities of Beaumont and Port Arthur. At one time, the Big Thicket encompassed nearly 3.5 million acres of lush forest and streams ranging across 12 Texas counties. Today, that vast area has been reduced to just a few hundred thousand acres.

Those who have visited and studied the Big Thicket call it "the biological crossroads of North America." The Big Thicket is a unique ecological juncture of beech-white oak forest from the North, pines and magnolias from the South, and cactus and yucca from the West. They come together in a stream-laden forest that contains an incredible range of plant and animal life. This area is perhaps without parallel in our Nation. In its confines are found flood plains and sand hills, forests and savannahs, swamps and bogs, all lying in close proximity. Plants from the Appalachians, the tropics, and even the desert are all present within the Big Thicket National Preserve.

I want to preserve the natural beauty and wilderness that held many of the present residents' forefathers in awe when they first crossed the Sabine River in the early 1800's. The Big Thicket region was one of the first for Texas settlement. It is important that we save this area so that future generations can have the benefit of seeing it as their ancestors did. Just as the Thicket is a natural laboratory for flora and fauna, it is a living textbook for the challenges of nature that the first Texas settlers had to face.

Mr. President, this is a bill in which the economic interest of a tight budget and the environmental interest of protecting our natural heritage are both joined together. I urge its speedy consideration and adoption.●

By Mr. BENTSEN:

S. 2417. A bill entitled the "Productivity Improvement Act of 1980"; to the Committee on Governmental Affairs.

NATIONAL PRODUCTIVITY COUNCIL

● Mr. BENTSEN. Mr. President, we confront a disastrous national productivity situation. Since World War II, our economy has scored the worst productivity record of any major industrial nation. Year after year, decade after decade, the gain in output per worker abroad has been two, three, even four times greater than here at home.

Ten years ago, I doubt if anyone was concerned about our dismal productivity record. We came out of World War II with a modern, intact industrial base and labor force. Our workers were far more productive than foreign ones. And that lead served us well for the years that followed. Even though foreign, especially Japanese and German, productivity was growing by leaps, our head start kept economic growth high and inflation and unemployment generally low in the United States. True, real per capita income was growing much faster abroad. But that seemed due to the rapid recovery from wartime devastation and the low starting point of the European and Japanese economies.

Yet, the higher productivity growth rates abroad persisted while our growth rate continued to fall. Those few who studied the problem came away concerned that there was an underlying difficulty, that foreigners were consistently devoting more of their national wealth then we were to investment, to updating and modernizing their industrial base. They were right, and the results are all too widely known now. Struggling with virtually no productivity growth, the U.S. economy has stumbled into a pattern of stagnating growth and inflation. Low productivity has meant slow growth of the pool of goods and services available per person. There has not been a growing quantity of goods and services available to sop up rising demand. The result: Stagflation, slow growth accompanied by rising inflation—a dilemma that the Japanese and Germans have noticeably avoided.

We cannot turn this picture around quickly, although the solutions are well known. Our rate of savings for investment in new plant and equipment has fallen to one-fifth that of Japan. We are literally spending today the funds we should be saving and investing to create jobs for tomorrow. We are doing poorly in developing new technology through R. & D. programs. And we should not be afraid to look abroad at Japan and Germany for other lessons, as well.

For example, both these nations have developed an effective, forward-looking productivity program within their national governments. The programs identify productivity problem areas, highlight promising new areas for domestic growth and insure that the national government addresses private productivity issues in a unified, coordinated fashion. The United States has only haltingly sought to emulate this approach. In 1976, a National Center on Productivity and the Quality of Working Life was established. Suffering from overly ambitious objectives which far exceeded its budget and limited access to the White House and top administration officials, the NCPQWL lasted only 2 years. It was replaced by a toothless tiger, the present National Productivity Council (NPC) established within the Office of Management and Budget with a two-person staff.

Last April, I asked Elmer Staats, Comptroller General of the United States, to evaluate the wisdom of establishing a focal point for Federal efforts to stimulate productivity. Mr. Staats and the General Accounting Office were a logical choice for this task. More than any other official, Mr. Staats has consistently stressed the urgency of renewing our productivity growth. And more than any other Federal entity, he and his staff have plumbed the best minds worldwide in fashioning solutions to the question of how best to spur productivity.

The legislation I am introducing today reflects the best thinking of Mr. Staats and the GAO. It is drawn largely on material prepared by them.

Briefly, the Productivity Improvement Act of 1980 is designed to build upon the present NPC and create a strong central focus for Federal efforts to increase private sector productivity growth. The expanded NPC will not address public sector productivity, leaving that effort to the Office of Personnel Management. The expanded NPC will be permanent, with a full time chairperson and small staff: It will develop a national productivity plan, reviewing what is underway now and what can be done by the Federal Government to increase private sector productivity. It will receive counsel from an advisory board drawn from the private sector. It will serve as an advocate right within the Federal bureaucracy for tax and regulatory policies designed to promote productivity. The legislation assigns specific duties, as well, to the Department of Labor, the Department of Commerce, to other agencies, and to the Federal Mediation and Conciliation Service for raising productivity.

I want to make clear the distinction between this proposed expansion in the existing NPC and the previous NCPQWL.

The NPC will have a strong leader with access to the top offices of the administration and to congressional leaders. For that reason, the chairman is subject to Senate confirmation.

The NPB will be able to work closely and effectively with other Federal entities concerned with productivity, to lead, to speak for, and coordinate with them, the entire Federal productivity effort.

The NPC will be an extension of the Federal Government, not as an independent entity with little support from, or loyalty to, the administration's office. Its evolution from the existing National Productivity Council, the major responsibilities assigned to the Secretaries of Labor and Commerce, and its legislative mandate to develop the Federal productivity plan, all insure that the NPC will be a forceful, active entity that speaks for the entire Federal Government.

Mr. President, I ask unanimous consent that the Productivity Improvement Act of 1980 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Productivity Improvement Act of 1980".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the rate of growth of productivity in the United States has been declining in recent years and at present is less than the rate of such growth in each of the major industrial nations;

(2) the Federal Government is taking many actions which affect productivity in the private sector, but such actions are not coordinated and are, in some cases, contradictory; and

(3) there is no comprehensive national productivity plan which addresses in a cohesive manner problems relating to productivity in the private sector and which delineates possible Federal activities to improve productivity in the private sector.

(b) Therefore, it is the purpose of this Act to—

(1) improve the effectiveness of Federal policies, programs, and activities related to productivity in the private sector; and

(2) eliminate unnecessary barriers and obstacles created by the Federal Government to the improvement of productivity in the private sector.

NATIONAL PRODUCTIVITY COUNCIL

SEC. 3. (a) There is established the National Productivity Council (hereinafter referred to as the "Council"). The Council shall be composed of—

(1) a Chairperson, who shall be appointed by the President by and with the advice and consent of the Senate;

(2) the Secretary of Commerce;

(3) the Secretary of Labor;

(4) the Secretary of the Treasury;

(5) the Director of the Office of Management and Budget;

(6) the Chairman of the Council of Economic Advisers;

(7) the Chairman of the Council on Wage and Price Stability;

(8) the Special Representative for Trade Negotiations;

(9) the Director of the Office of Science and Technology Policy;

(10) the Director of the Federal Mediation and Conciliation Service;

(11) the Administrator of the Small Business Administration; and

(12) the heads of such other Federal agencies as the President may designate.

(b) The Council shall—

(1) develop and annually revise a comprehensive national productivity plan which—

(A) identifies and describes the relationship and effect of Federal policies, programs and activities on productivity in the private sector;

(B) delineates the responsibilities of Federal agencies which carry out such policies, programs and activities;

(C) identifies unnecessary obstacles to productivity in the private sector which are created by the Federal Government;

(D) recommends alternative Federal policies, programs, activities, and governmental structures to facilitate the improvement of productivity in the private sector;

(E) analyzes the Budget of the United States in order to ascertain the areas in which Federal financial assistance is being provided to improve productivity in the private sector;

(F) annually assesses Federal activities to improve productivity in the private sector, including an identification of duplicative activities, successful activities, unsuccessful activities, and areas in which additional activities are necessary; and

(G) establishes priorities for short-term and long-term objectives to improve productivity in the private sector and proposes recommendations for specific projects and programs to retain such objectives;

(2) bring together representatives of business, labor, academic institutions, and government to identify possible Federal activities to improve productivity in the private sector and to obtain the support and participation of the private sector in creating and implementing the national productivity plan developed pursuant to clause (1);

(3) conduct studies to assist in the refinement and annual revisions of the national productivity plan developed pursuant to clause (1);

(4) perform economic analyses of the short-term and long-term impact on productivity of such Federal statutes and regulations as the Council may select;

(5) provide guidance and direction to Federal agencies concerning the implementation of the national productivity plan developed pursuant to clause (1);

(6) make recommendations to the President, the Congress, and Federal agencies concerning legislation, regulations, policies, and activities to improve productivity in the private sector;

(7) act as the primary source of information in the Federal Government concerning efforts to improve productivity in the private sector by—

(A) receiving and disseminating information relating to Federal efforts to improve productivity in the private sector;

(B) promoting the activities of national, regional, and local productivity centers, serving as a liaison between such centers and Federal agencies, and establishing mechanisms to permit the consideration by Federal agencies of recommendations made by such centers concerning Federal activities to improve productivity in the private sector;

(C) providing assistance to such centers concerning the implementation of Federal policies, regulations, programs, and activities to improve productivity in the private sector;

(D) representing the United States with foreign productivity centers and the monitoring of activities in other countries to improve productivity in the private sector; and

(E) monitoring the status of policies, programs, regulations, and activities of the Federal Government which affect productivity in the private sector;

(8) report annually to the President and the Congress concerning the implementation and revisions of the national productivity plan developed pursuant to clause (1); and

(9) delineate the functions of Federal agencies relating to the improvement of productivity in the private sector.

(c) The Chairman shall be responsible for carrying out the duties of the Council.

(d) The Secretary of Commerce and the Secretary of Labor shall serve as the Vice Chairmen of the Council. There shall be an Executive Committee of the Council, which shall consist of the Chairman and the Vice Chairmen of the Council.

(e) The Chairman of the Council is authorized—

(1) to appoint and fix the compensation of such employees as may be necessary to carry out the provisions of this Act;

(2) to procure temporary and intermittent services in accordance with section 3109 of title 5, United States Code, at rates not to exceed the daily rate payable for GS-18 under section 5332 of such title;

(3) without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, with any public agency or with any person, and make payments (in advance, by transfer, or otherwise) and grants to any public agency or private organization;

(4) to organize and conduct, directly or by grant, contract, or other arrangement, conferences, meetings, seminars or other forums for the purpose of—

(A) presenting and disseminating relevant information concerning productivity in the private sector; and

(B) obtaining information and opinions from sources outside the Federal Government concerning the improvement of productivity in the private sector.

(f) Upon request of the Chairman, the head of a Federal agency is authorized to detail any employee of the agency to the Council on a reimbursable basis.

(g) The Secretary of Commerce, the Secretary of Labor, and the Director of the Federal Mediation and Conciliation Service shall provide such assistance and support to the Council as may be necessary in order to carry out its functions under this Act.

NATIONAL PRODUCTIVITY COUNCIL ADVISORY BOARD

SEC. 4. There is established a National Productivity Advisory Board, which shall be composed of up to ten members appointed by the Chairman upon such terms and conditions as may be prescribed by the Council. The Chairman shall appoint such members from among individuals with experience in business, labor, and academics. The Advisory Panel shall advise the Council concerning appropriate activities for the improvement of productivity in the private sector.

PRODUCTIVITY IMPROVEMENT FUNCTIONS OF THE DEPARTMENT OF COMMERCE

SEC. 5. With the guidance of the Council, the Secretary of Commerce shall—

(1) carry out studies concerning productivity problems in particular industries;

(2) conduct workshops and other activities for business and industry to increase awareness of the importance of productivity growth;

(3) develop studies concerning activities to improve productivity in the private sector that may be carried out jointly by the Federal Government and the private sector, such as joint efforts to increase technological innovation;

(4) operate a clearinghouse to provide information concerning various aspects of productivity; and

(5) make such recommendations to the Council as the Secretary determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

PRODUCTIVITY FUNCTIONS OF THE DEPARTMENT OF LABOR

SEC. 6. Under the guidance of the Council, the Secretary of Labor shall—

(1) annually conduct an assessment of issues relating to the improvement of productivity in the private sector, including issues such as the need for programs for the training and retraining of workers displaced by technological change, the degree to which advanced technology is being utilized in specific industries, and significant demographic changes;

(2) identify new or improved methods to measure productivity and thereby improve productivity analysis;

(3) conduct workshops and other activities for labor to increase awareness of the importance of growth in productivity;

(4) develop studies concerning activities to improve productivity in the private sector which may be carried out jointly between the Federal Government and labor;

(5) provide information to the Secretary of Commerce for use in the productivity clearinghouse operated under clause (4) of section 5; and

(6) makes such recommendations to the Council as the Secretary determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

PRODUCTIVITY FUNCTIONS OF THE FEDERAL MEDIATION AND CONCILIATION SERVICE

SEC. 7. Under the guidance of the Council, the Director of the Federal Mediation and Conciliation Service shall—

(1) provide guidance and encouragement for the establishment of cooperative advisory committees composed of representatives of labor and management to make recommendations concerning the revision of production techniques in order to improve productivity, and provide successful examples of such committees to persons seeking to establish such committees;

(2) be available and responsive to requests of representatives of labor, management, and community action groups seeking advice from counsel;

(3) identify and recommend experts and consultants, including national, regional, and local productivity centers, who are available to provide assistance in the resolution of labor, management, or community problems;

(4) provide information to the Secretary of Commerce for use in the productivity clearinghouse established pursuant to clause (4) of section 5;

(5) provide information to the Secretary of Labor for use in conducting the assessment required by clause (1) of section 6; and

(6) make such recommendations to the Council as the Director determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. To carry out the provisions of this Act, there are authorized to be appropriated $3,000,000 for fiscal year 1981 and each succeeding fiscal year. Funds appropriated for any fiscal year pursuant to this section shall remain available until expended.●

By Mr. BENTSEN:

S. 2418. A bill to amend the Internal Revenue Code of 1954 to increase the competitiveness of American firms operating abroad and to help increase markets for U.S. exports; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, in January I led a delegation from the Joint Economic Committee on a visit to East Asia for the purpose of studying U.S. competitiveness in the burgeoning markets of that region. While in East Asia we held 9 days of hearings with members of the American business community. We looked for ways in which the ongoing adversary relationship between government, business, and labor which is unique to this country and cripples our ability to compete effectively in the international marketplace could be replaced with the sort of economic partnership that characterizes the export effort of our major competitors.

High on any list of self-imposed disincentives to U.S. exports, Mr. President, is the manner in which this country taxes its businessmen abroad. In our rush to generate additional tax revenue we have saddled our commercial representatives abroad with a competitive disadvantage that is frequently impossible to overcome.

The United States is the only major trading nation to tax the income of its businessmen overseas—to tax their schooling and housing allowances as income—to tax incentive bonuses and cost-of living allowances. As a result of this policy we are literally driving our people from the market at precisely the time an effective U.S. commercial presence abroad is most urgently required. We have created a situation in which American business is forced to rely increasingly on third country nationals to market U.S. products in a highly competitive trade environment.

In one of our hearings in East Asia we were advised that, the way our tax law is currently written and administered, it costs an American firm approximately $100,000 a year to station an executive with a $32,000 salary in East Asia. The same firm could hire a third country national, pay him the same base salary, and the cost would be only $65,000 per year because his salary and allowances are generally exempt from taxation.

We have created a situation in which an American company must accept a competitive disadvantage if it decides to station American personnel abroad. I would add that the trend toward hiring third country nationals to represent our commercial interests also has an inevitable, negative impact on our trade performance. A third country national will take care of basic orders from the American firm he represents, but when it comes to purchasing complimentary products required for the job or contract, he will look to products from his country or origin, products with which he is familiar. The net result is that we lose billions of dollars of additional trade orders when we rely increasingly on third country nationals to market American goods.

With a balance-of-trade deficit that has totaled over $60 billion during the past 2 years it has become apparent that this country can no longer accept or afford the sort of tax policy that makes it prohibitively expensive to station American business representatives in vital foreign markets. There can no longer be any question that sections 911 and 913 of our Tax Code must be changed to reflect the realities of world trade and the logic of export competitiveness.

Accordingly, Mr. President, I am introducing legislation today to simplify and liberalize sections 911 and 913 of the Internal Revenue Code in an effort to insure that Americans working overseas receive tax treatment generally no less favorable than that accorded to our competitors.

Under the terms of this legislation, taxpayers working overseas for an American firm would be entitled to an off-the-top income tax exclusion of $60,000 for income earned abroad. By way of comparison it is interesting to note that nations such as Japan and West Germany provide a complete tax exemption for most income earned by their citizens working in another country.

A taxpayer would qualify for this exclusion if he or she is present 11 out of 12 months in a foreign country.

My legislation would repeal the complicated cost-of-living differential, schooling deduction, home leave travel deduction, and hardship area deduction provisions of section 913.

A separate housing deduction is provided since the cost of housing in many parts of the world can exceed the salary paid to an American businessman. The manager of a U.S. facility in Saudi Arabia, for example, pays $70,000 per year in rent, and rents in Nigeria go as high as $84,000 per year. Under the terms of my proposal housing expenses in excess of $5,000 would be deductible from income. In addition, the provisions of present law relating to individuals housed abroad in camps would be simplified.

Finally, the bill waives the 11-month residency requirement if the Secretary of the Treasury determines that American taxpayers have been required to leave a foreign country because of civil unrest, disturbances, or other adverse conditions which preclude the normal conduct of business. The waiver applies to Americans forced to leave their jobs after September 1, 1978.

Mr. President, given the increasing importance of international trade as an element in domestic prosperity, the intense competition for world markets, and our diminishing competitiveness in vital areas such as east Asia, I think the Senate has an obligation to take a close and careful look at self-imposed disincentives to U.S. exports such as sections 911 and 913.

In the months to come I intend to make U.S. export competitiveness a legislative priority. I would welcome cosponsorship of these proposals which, if passed by the Congress, would go far toward breaking down the counterproductive adversary relationship between business, Government, and labor that delights our competitors and diminishes the ability of American business and industry to prevail in the battle for export opportunities.●

By Mr. PERCY (for himself, Mr. RIBICOFF, and Mr. STEVENSON):

S. 2419. A bill to protect the confidentiality of shipper's export declarations, and to standardize export data submission and disclosure requirements; to the Committee on Governmental Affairs.

SHIPPER'S EXPORT DECLARATIONS

● Mr. PERCY. Mr. President, in December Senator RIBICOFF and I introduced a bill, S. 2164, designed to spur debate on the need to protect the confidentiality of certain data listed on shipper's export declarations (SED's), while keeping other nonsensitive export information available to the public.

The Governmental Affairs Committee's important work on regulatory reform forced the postponement of hearings on the SED issue. But during this interval informal meetings on and off Capitol Hill took place with representatives of the exporting community, the trade press and the administration to hammer out a compromise agreement on the submission and disclosure of export data. Today I am introducing with Senator RIBICOFF legislation based on this agreement. I wish to commend Chairman GARCIA of the House Subcommittee on the Census for taking the initiative in late January to get these informal meetings underway, and who I understand will be introducing similar legislation in the House of Representatives.

Essentially this bill continues the current exemption for SED's from public disclosure under the Freedom of Information Act. It also requires that certain items of information such as the shipper's name, the general character of the cargo and the gross weight, be placed on a ship's outward foreign manifest or attached to bills of lading, and be available for public disclosure.

The approach proposed in this bill addresses several of the concerns raised in our discussions of the export data confidentiality issue over the past few months.

First, the bill addresses the concerns of the Census Bureau which relies on the accuracy of the SED information submitted in confidence by exporters for its compilation of our international trade statistics. Unlike other census documents, SED's have a dual purpose of serving as a statistical document and for use by the Commerce Department's Office of Export Administration. Maintaining the confidential status of SED's would continue this efficient method of collecting trade statistics while avoiding placing an additional paperwork burden on exporters in submitting required information on a separtate form to OEA.

Second, the bill addresses the concerns of Treasury and the Customs Service who need a statutory basis to bolster procedures for release of information which has been made publicly available for well over a hundred years.

Third, the principles of the Freedom of Information Act are supported through insuring disclosure and widespread dissemination to the public of nonconfidential export data held by the Government. This compromise bill simply recognizes current systems for collecting and releasing information on export transactions as practiced by the Census Bureau and the Customs Service while emphasizing the FOIA intent of getting needed nonsensitive information to the public. In this regard the trade press often performs a valuable service of sorting and publishing trade information found useful for port authorities, steamship companies, insurance brokers and others serving the export community.

Finally, the concerns of the business community who submit sensitive proprietary information to the Government are met through insuring the confidential treatment of SED's by the Census Bureau and the Commerce Department. In addition, while Customs may continue to release certain nonsensitive trade information, individual exporters are provided safeguards from competitive harm.

We intend to reschedule hearings by the Governmental Affairs Committee as soon as possible on this compromise bill. Prompt action is essential in order to dispel any further confusion about export data submission and disclosure requirements.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 of title 13, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) Shipper's export declarations (or any successor document), wherever located, shall be exempt from public disclosure unless the Secretary determines that such exemption would be contrary to the national interest.".

Sec. 2. Section 4199 of the Revised Statutes (46 U.S.C. 93) is amended to read as follows:

"Sec. 4199. (a) Copies of bills of lading or equivalent commercial documents relating to all cargo encompassed by the manifest required under this chapter shall be attached to such manifest and delivered to the appropriate officer of the United States Customs Service at the time such manifest is delivered.

"(b) The following information shall be included on such manifest, or on attached copies of bills of lading or equivalent commercial documents:

"(1) Name and address of shipper.

"(2) Description of the cargo.

"(3) Number of packages and gross weight.

"(4) Name of vessel or carrier.

"(5) Port of exit.

"(6) Port of destination.

"(c) Except as provided in subsection (d), the following information contained on such manifest, or on attached copies of bills of lading or equivalent commercial documents, shall be available for public disclosure:

"(1) Name and address of shipper, unless the shipper has made a biennial certification claiming confidential treatment pursuant to procedures adopted by the Secretary of the Treasury.

"(2) General character of the cargo.

"(3) Number of packages and gross weight.

"(4) Name of vessel or carrier.

"(5) Port of exit.

"(6) Port of destination.

"(7) Country of destination.

"(d) The information listed in subsection (c) shall not be available for public disclosure if—

"(1) the Secretary of the Treasury makes an affirmative finding on a shipment-by-shipment basis that disclosure of such information is likely to pose a threat of personal injury or property damage; or

"(2) the information is exempt under the provisions of section 552 (b) (1) of title 5 of the United States Code.

"(e) The Secretary of the Treasury, in order to allow for the timely dissemination and publication of the information listed in subsection (c), is authorized to establish procedures to provide access to manifests, or attached bills of lading or equivalent commercial documents, which shall include provision for the adequate protection against public disclosure of information not available for disclosure from such manifests, or attached bills of lading or equivalent commercial documents.".

Sec. 3. Nothing in this Act shall be construed as authorizing the withholding of information from Congress.

Sec. 4. (a) Except as provided in subsection (b), this Act, and the amendments made by this Act, shall become effective on the latter of July 1, 1980, or the date of enactment of this Act.

(b) The amendment made by section 2 shall become effective on the date which is forty-five days after the date of enactment of this Act.●

● Mr. RIBICOFF. Mr. President, I am pleased to join with Senator Percy in cosponsoring this legislation.

At the end of last session, Senator Percy and I introduced S. 2164 and the Commerce Department's bill, S. 2165. It was our hope that introduction of those bills would stimulate debate about the issue of access to trade information contained in documents collected for the Census Bureau. We believed that a bill could be fashioned that would accommodate all of the interests concerned—business, the press, agencies, and the general public.

The bill we are introducing today is a result of discussions between and among representatives of all the interested parties. I believe it strikes a fair balance. And I look forward to working with my Senate and House colleagues to assure expedited action on this measure.●

By Mr. HELMS:

S.J. Res. 151. A joint resolution to establish the United States Constitution Bicentennial Commission, and for other purposes; to the Committee on the Judiciary.

THE 200TH BIRTHDAY OF THE U.S. CONSTITUTION

Mr. HELMS. Mr. President, I am today offering a joint resolution to establish a commission to make plans for the 200th anniversary celebration of the birth of our Constitution. I do this in response to the leadership and encouragement of a great group of Americans, the Veterans of Foreign Wars of North Carolina. These dedicated citizens have been tremendously inspiring and helpful to me and I commend them for their patriotism. Those who have sacrificed for this country understand the true meaning of the Constitution.

Mr. President, on Monday, September 17, 1787, the U.S. Constitution was signed at the Constitutional Convention in Philadelphia. It reflected the inspiring message of the Declaration of Independence that our universal natural rights, and the right of the people to govern themselves, are of divine origin.

The Declaration and the Constitution represent a unity of purpose. The Declaration prepared the way for self-government and the ultimate achievement of the American Revolution—a constitutional system of limited government. The Constitution in turn transformed the Declaration of Independence from an abstract philosophy, justifying rebellion, into the creation of a Nation. The Declaration enunciated principles; but it was the Constitution which made those principles a living reality and the Supreme Law of the Land. Without the Declaration, the Constitution would lack much of its moral authority; without the Constitution, the Declaration of Independence would be mere words.

The Preamble of our Constitution set high-level, yet reasonable, goals for all future generations. While a strong Union was needed, the Constitution wisely provided that all authority would be restrained from an abuse of power by the techniques of limiting, separating, and balancing.

Moreover, those great men—Washington, Hamilton, Madison, Franklin, and the many others who hammered out the Constitution—were not unmindful of the inevitability of change. So, they provided a method for adapting the Constitution to our changing Nation through the amendment procedure without changing the fundamental principles of America.

Mr. President, as the 200th anniversary of the signing of this immortal document approaches, we should turn our attention to the precedent set by our Constitution and to the blueprint it has provided for the building of our Nation's Government.

It is, indeed, imperative that we examine our Constitution in such a manner for, I fear, we have strayed from this blueprint. My dear and distinguished friend, the Honorable I. Beverly Lake, a former member of the faculty of the Wake Forest University Law School, retired justice of the N.C. Supreme Court, and now a member of the faculty at the Campbell University Law School, has expressed this very concern in a lecture I recently shared with my colleagues here on the floor of the Senate. Because it is so relevant, I want to quote from it again. Dr. Lake begins with an excerpt from George Washington's farewell address to the American people:

> If in the opinion of the people the distribution of modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way by which the Constitution designates. But let there be no change by usurpation; for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed.

Similarly, Mr. Justice Black, with whose views I am less often in agreement, had this to say in dissenting in Harper against Board of Elections, which held unconstitutional Virginia's requirement of payment of a poll tax as a condition upon the right to vote:

> When a political theory embodied in our Constitution becomes outdated, a majority of the nine members of this Court are not only without constitutional power, but are far less qualified to choose a new constitutional political theory than the people of this country proceeding in the manner provided by Article V.

The sociological jurisprudence which has dominated the decisions of the Supreme Court of the United States for the past 40 years, has ignored the warning of George Washington and has created a governmental superstructure which is oppressive and already virtually beyond the control of the American people. It has flooded us with bad sociology and worse jurisprudence until today the statement, "The Constitution is what the judges say it is," is perilously close to the truth.

My friend, Mr. Justice Lake, concluded by saying, 'The only hope of eventual improvement lies in the long, slow process of electing Presidents and Senators who, themselves, have an awareness of the need for selection of judges who have a love for, and an understanding of, our Constitution, together with some awareness of their own limitations, both in authority and in wisdom."

Therefore, Mr. President, it is for three reasons that I introduce this joint resolution to establish a commission whose purpose will be to plan for the celebration of our Constitutional Bicentennial. First, we should honor the remarkable men who presented this Nation with so magnificent a document. Second, such an auspicious occasion will provide an opportunity to promote understanding and study of the document itself by the people of this Nation. And, third, it is time to heed the warning of Mr. Justice Lake and so many other jurists who urge a return to the great principles of our Constitution.

Mr. President, it is with the encouragement and help of the N.C. Veterans Council of the Veterans of Foreign Wars that I offer this joint resolution to plan for our Constitutional Bicentennial, which I hope will be both a celebration of our past and the beginning of a new era of maintenance and promotion of the solid principles our forefathers included in our Constitution.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 151

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Constitution Bicentennial Observance Act".

SEC. 2. (a) As this Nation approaches the bicentennial of the formulation and ratification of the United States Constitution and the historic events preceding and associated with the United States Constitution which are of such major significance in the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights and which have also had so profound an influence throughout the world, it is appropriate and desirable to provide for the observation and commemoration of this anniversary and these events through local, State, National, and international activities planned, encouraged, developed, and coordinated by a national commission representative of appropriate public and private authorities and organizations.

(b) There is hereby established a commission to be known as the United States Constitution Bicentennial Commission (hereinafter referred to as the "Commission") to plan, encourage, develop, and coordinate the commemoration of the United States Constitution bicentennial.

(c) The Commission shall be composed of the following members:

(1) Four Members of the Senate appointed by the President of the Senate.

(2) Four Members of the House of Representatives appointed by the Speaker of the House of Representatives.

(3) The Secretary of State, the Attorney General, the Librarian of Congress, the Secretary of the Smithsonian Institution, the Archivist of the United States, and the Chairman of the Federal Council on the Arts and the Humanities, all of whom shall be ex officio members of the Commission.

(4) Four members of the Federal judiciary to be appointed by the Chief Justice of the United States.

(5) Twenty-five members who are not otherwise employees or officers of the United States appointed by the President, no more than thirteen of whom may be indentified with any one political party. Such members shall be so chosen as to be broadly representative of the Nation's people, and one member shall be designated as the Chairman by the President.

(d) Vacancies shall be filled in the same manner in which the original appointments were made.

SEC. 3. (a) It shall be the duty of the Commission to prepare an overall program for commemorating the bicentennial of the United States Constitution, and to plan, encourage, develop, and coordinate observances and activities commemorating the historic events that preceded, and are associated with, the United States Constitution. The program for commemorating the bicentennial of the United States Constitution shall be celebrated over a three year period, each year being devoted to the relationship between, and the historical development, of the three branches of government, and the formation and establishment of the United States Constitution.

(b) In preparing its plans and program, the Commission shall give due consideration to any related plans and programs developed by State and local governments, and private groups, and it may designate special committees with representatives from such bodies to plan, develop, and coordinate specific activities.

(c) In all planning, the Commission shall give special emphasis to the ideas associated with the Constitution which have been so important in the development of the United States, in world affairs, and in mankind's quest for freedom.

(d) Not later than two years after the date of the approval of this joint resolution, the Commission shall submit to the President a comprehensive report incorporating its specific recommendations for the commemoration of the bicentennial and related events. This report may recommend activities such as, but not limited to, the following—

(1) the production, publication, and distribution of books, pamphlets, films, and other educational materials focusing on the history, culture, and political thought of the period of the United States Constitution;

(2) bibliographical and documentary projects and publications;

(3) conferences, convocations, and lectures, seminars, and other programs;

(4) the development of libraries, museums, historic sites, and exhibits, including mobile exhibits;

(5) ceremonies and celebrations commemorating specific events;

(6) programs and activities focusing on the national and international significance of the United States Constitution, and its implications for present and future generations; and

(7) the issuance of commemorative coins, medals, certificates of recognition, and stamps.

(e) The report of the Commission shall include recommendations for the allocation of financial and administrative responsibility among the public and private authorities and organizations recommended for participation by the Commission. The report shall also include proposals for such legislative enactments and administrative actions as the Commission considers necessary to carry out its recommendations. The President shall transmit the Commission's report to the Congress together with such comments and recommendations for legislation and such report of administrative actions taken by him as he deems appropriate.

SEC. 4. (a) In fulfilling its responsibilities, the Commission is authorized and directed to consult, cooperate with, and seek advice and assistance from, appropriate Federal departments and agencies, State and local public bodies, learned societies, and historical, patriotic, philanthropic, civic, professional, and related organizations. Such Federal departments and agencies shall cooperate with the Commission in planning, encouraging, developing, and coordinating appropriate commemorate activities.

(b) The Secretary of the Interior shall undertake a study of appropriate actions which might be taken to further preserve and develop historic sites related to the formulation and ratification of the United States Constitution, at such time and in such manner as will insure that fitting observances and exhibits may be held at appropriate sites during the bicentennial celebration. The Secretary shall submit the results of his study to the Commission, together with his recommendations, affording the Commission an opportunity to review his study, and to incorporate such of its findings and recommendations as the Commission may deem appropriate in the report required by section 3(d).

(c) The Chairman of the Federal Council on the Arts and the Humanities, the Chairman of the National Endowment for the Arts, and the Chairman of the National Endowment for the Humanities shall cooperate with the Commission, especially in the encouragement and coordination of scholarly works and presentations focusing on the history, culture, and political thought of the period surrounding the formulation and ratification of the United States Constitution.

(d) The Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States shall cooperate with the Commission in the development and display of exhibits and collections, and in the development and preparation of bibliographies, catalogs, and other materials relevant to the period surrounding the formulation and ratification of the United States Constitution.

(e) Each of the officers listed in subsections (c) and (d) of this section shall submit recommendations to the Commission in sufficient time to afford the Commission an opportunity to review them, and to incorporate such of the recommendations as the Commission may deem appropriate in the report required by section 3(d).

SEC. 5. (a) The Commission is authorized to accept donations of money, property, or personal services.

(b) All books, manuscripts, miscellaneous printed matter, memorabilia, relics, and other materials relating to the period surrounding the creation and ratification of the United States Constitution donated to the Commission may be deposited for preservation in National, State, or local libraries or museums or may be otherwise disposed of by the Commission in consultation with the Librarian of Congress, the Secretary of the Smithsonian Institution, the Archivist of the United States, and the Administrator of General Services.

SEC. 6. (a) The members of the Commission shall receive no compensation for their services. Members from the legislative and executive branches shall be allowed necessary travel expenses as authorized under law for official travel. Members appointed by the President under section 2(b)(5) shall be allowed necessary travel expenses as authorized by section 5703 of title 5, United States Code.

(b)(1) The Chairman, with the advice of the Commission, shall appoint a Director who will be compensated at level IV of the Executive Schedule established under section 5315 of title 5, United States Code, and three Deputy Directors who will be compensated at level V of the Executive Schedule established under section 5316 of such title. Such officers shall serve at the pleasure of the Chairman.

(2) The Commission shall have power to appoint and fix the compensation of such additional personnel as it deems advisable and to appoint such advisory committees as it deems necessary.

(3) The Commission shall delegate such powers and duties to the Director as may be necessary for the efficient operation and management of the Commission.

(c) The Commission may procure services as authorized by section 3109 of title 5, United States Code.

(d) The Commission, to the extent necessary, may procure supplies, services, and property; make contracts; expend in furtherance of this Act funds appropriated, donated, or received in pursuance of contracts hereunder; and exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this Act.

(e) Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the Department of the Interior, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Secretary of the Interior, except that the regulations of the Department of the Interior for the collection of indebtedness of personnel resulting from erroneous payments (under the authority of section 5514(b) of title 5, United States Code) shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Secretary for the administrative control of funds under the authority of section 3679(g) of the Revised Statutes (31 U.S.C. 665(g)) shall apply to appropriations of the Commission.

(f) Any property acquired by the Commission remaining upon its termination may be used by the Secretary of the Interior for purposes of the National Park Service, or may be disposed of as excess or surplus property.

(g) Any person who, except as authorized under rules and regulations issued by the Commission, knowingly manufactures, reproduces, or uses any logos, symbols, or marks originated under authority of and certified by the Commission for use in connection with the commemoration of the United States Constitution Bicentennial, or any facsimile thereof, or in such a manner as suggests any such logos, symbols, or marks, shall be fined not more than $250, or imprisoned not more than six months, or both. This section shall only apply in the case of such logos, symbols, and marks for which the Commission has published in the Federal Register a notification of certification.

Sec. 7. (a) There are hereby authorized to be appropriated $4,000,000 to carry out the purposes of this Joint Resolution through 1987.

(b) An annual report of the activities of the Commission, including an accounting of funds received and expended, shall be furnished by the Commission to the Congress. A final report shall be made to the Congress no later than April 31, 1988, upon which date the Commission shall terminate.

SEC. 8. In carrying out the purposes of this Joint Resolution, the Commission is authorized to provide for—

(1) the preparation, distribution, dissemination, exhibition, and sale of historical, commemorative, and informational materials and objects which will contribute to public awareness of, and interest in, the bicentennial;

(2) competitions, commissions, and awards for historical, scholarly, artistic, literary, musical, and other works, programs, and projects relating to the bicentennial; and

(3) a bicentennial calendar or register of programs and projects, and in other ways provide a central clearinghouse for information and coordination regarding dates, events, places, documents, artifacts, and personalities of bicentennial historical and commemorative significance.

SEC. 9. The Commission is authorized to carry out a program of grants-in-aid in furtherance of the purposes of this Joint Resolution. The Commission shall, subject to such regulations as it may prescribe—

(1) make grants for not more than 50 percent of the total cost of a program or project, to nonprofit entities, including States and their political subdivisions, territories, the District of Columbia, and the Commonwealth of Puerto Rico, to assist in the development and support of bicentennial programs and projects; and

(2) make grants of money or property in any case in which—

(A) the money or property is donated, bequeathed, or devised to the Commission for a bicentennial program or project; and

(B) the Commission accepts such money or property for purposes of assisting a specified nonprofit entity, including States and their political subdivisions, territories, the District of Columbia, and the Commonwealth of Puerto Rico.

The Commission shall, in addition to the grant of the donated, bequeathed, or devised money or property, grant an amount of money not to exceed the value of the donation, bequest, or devise, if the recipient agrees to match the combined value of the grant for such bicentennial program or project.

SEC. 10. Appropriations or other funds available to any Government department or agency for purposes related to or in furtherance of the bicentennial commemoration may be transferred to the Commission. Similarly the Commission may transfer appropriations or other funds to any Government department or agency for such purposes.

ADDITIONAL COSPONSORS

S. 414

At the request of Mr. DOLE, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 414, a bill to amend title 35 of the United States Code; to establish a uniform Federal patent procedure for small businesses and nonprofit organizations; to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance; and for other related purposes.

S. 1328

At the request of Mr. HATFIELD, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 1328, a bill to amend the Federal Water Pollution Control Act to provide an additional allotment of funds to certain States; and for other purposes.

S. 1843

At the request of Mr. CRANSTON, the Senator from Washington (Mr. MAGNUSON), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of S. 1843, a bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and provide immediate shelter and other assistance for victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

S. 1867

At the request of Mr. DURENBERGER, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 1867, a bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicle on Government business.

S. 2070

At the request of Mr. Roth, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 2070, a bill to restore voluntary prayer in our public schools.

S. 2090

At the request of Mr. Roth, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 2090, a bill to amend the Congressional Budget Act of 1974 to limit the levels of total budget outlays contained in certain concurrent resolutions on the budget.

S. 2112

At the request of Mr. Thurmond, the Senator from New Mexico (Mr. Domenici), and the Senator from Idaho (Mr. Church) were added as cosponsors of S. 2112, a bill to amend the Surface Mining Control and Reclamation Act of 1977 relating to maps and plans of lands to be mined.

S. 2153

At the request of Mr. Schweiker, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 2153, a bill to amend the Occupational Safety and Health Act of 1970 to concentrate enforcement activities on hazardous workplaces and encourage self-initiative in improving occupational safety and health, and for other purposes.

S. 2186

At the request of Mr. Javits, the Senator from Illinois (Mr. Percy) was added as a cosponsor of S. 2186, a bill to provide for the Overseas Private Investment Corporation to mobilize and facilitate investment in developing countries in order to increase trade with, and contribute to the development of, such countries.

S. 2235

At the request of Mr. Helms, the Senator from Arizona (Mr. Goldwater), the Senator from Iowa (Mr. Jepsen), the Senator from New Hampshire (Mr. Humphrey), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of S. 2235, a bill to authorize the Secretary of the Army to convey to the Michigan Job Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Mich.

S. 2247

At the request of Mr. McClure, the Senator from Delaware (Mr. Roth) was added as a cosponsor of S. 2247, a bill entitled "Small and Rural Laboratory Protection Act."

S. 2249

At the request of Mr. Talmadge, the Senator from Alabama (Mr. Stewart) was added as a cosponsor of S. 2249, a bill to increase the minimum level of price support on quota peanuts for the 1980 and 1981 crops.

S. 2286

At the request of Mr. Schweiker, the Senator from Washington (Mr. Jackson), the Senator from Pennsylvania (Mr. Heinz), and the Senator from Washington (Mr. Magnuson) were added as cosponsors of S. 2286, a bill to amend the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and Opportunities Industrialization Centers, and other community based organizations of demonstrated effectiveness, to carry out programs to improve the educational employment opportunity for youths.

S. 2325

At the request of Mr. Helms, the Senator from Arizona (Mr. Goldwater), the Senator from Iowa (Mr. Jepsen), the Senator from New Hampshire (Mr. Humphrey), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsor's of S. 2325, a bill to amend the Federal Election Campaign Act with respect to contributions and expenditures by national banks, corporations, and labor organizations.

SENATE JOINT RESOLUTION 121

At the request of Mr. Roth, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of Senate Joint Resolution 121, a joint resolution calling for a constitutional amendment allowing voluntary prayer in public schools.

SENATE JOINT RESOLUTION 150

At the request of Mr. Mathias, the Senator from Missouri (Mr. Danforth), the Senator from Maine (Mr. Cohen), and the Senator from Indiana (Mr. Bayh) were added as cosponsors of Senate Joint Resolution 150, a joint resolution to authorize and request the President to designate the week of September 21–27, 1980, as "National Cystic Fibrosis Week."

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. Leahy, the Senator from Idaho (Mr. McClure), the Senator from Minnesota (Mr. Durenberger), the Senator from New Hampshire (Mr. Humphrey), the Senator from Michigan (Mr. Levin), and the Senator from New Hampshire (Mr. Durkin) were added as cosponsors of Senate Concurrent Resolution 80, a concurrent resolution to proclaim February as "National Snowmobiling Month."

SENATE RESOLUTION 373

At the request of Mr. Pressler, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of Senate Resolution 373, a resolution relating to a total embargo on U.S. export sales to the Soviet Union.

SENATE RESOLUTION 380

At the request of Mr. Roth, the Senator from Vermont (Mr. Stafford) was added as a cosponsor of Senate Resolution 380, a resolution expressing the sense of the Senate that the first concurrent resolution on the budget for fiscal year 1981 reported by the Committee on the Budget shall limit total budget outlays to 21 percent of the gross national product.

AMENDMENT NO. 1660

At the request of Mr. Domenici, the Senator from California (Mr. Hayakawa) was added as a cosponsor of amendment No. 1660 intended to be proposed to S. 703, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

SENATE RESOLUTION 383—SUBMISSION OF A RESOLUTION ENCOURAGING OLDER AMERICANS TO PARTICIPATE IN THE TAKING OF THE 1980 DECENNIAL CENSUS

Mr. JEPSEN (for himself, Mr. Pressler, Mr. Lugar, Mr. Moynihan, Mr. Johnston, Mr. Pryor, Mr. McClure, Mr. Thurmond, Mr. Domenici, Mr. Warner, Mr. Simpson, Mr. Javits, and Mr. Durenberger) submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. Res. 383

Whereas 1980 is a very important year for all Americans, because it is the year of the Decennial Census;

Whereas there are approximately 275,000 field positions which need to be filled with the Bureau of the Census;

Whereas it has been documented that older Americans are competent, dependable, and loyal;

Whereas older Americans have not been accurately represented in past census taking, and as such they have a great stake in assuring that their numbers are accurately represented in the 1980 census; and

Whereas a large portion of older Americans are not in the work force full-time, thus making them more likely to be available for intermittent employment as census workers: Now, therefore, be it

Resolved, That it is the sense of the Senate that all members of Congress request their States, the citizens of their Congressional Districts, and the Bureau of the Census to encourage older Americans to participate as census workers in the taking of the 1980 Decennial Census.

Mr. JEPSEN. Mr. President, on behalf of myself and Senators Pressler, Lugar, McClure, Pryor, Johnston, Thurmond, Moynihan, Domenici, Warner, Simpson, Javits, and Durenberger, I send to the desk a resolution and ask that it lie on the desk until the close of business in order that Senators who wish to join as cosponsors may have a chance to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, the purpose of this resolution is to place the Senate on record in support of encouraging older Americans to participate in the taking of the 1980 Decennial Census.

The resolution provides:

> That it is the sense of the Senate that all members of Congress request their states, the citizens of their Congressional Districts, and the Bureau of the Census to encourage Older Americans to participate as census workers in the taking of the 1980 Decennial Census.

Mr. President, this is not a work order, or an employment act for older Americans. On the contrary, the sole purpose of this resolution is to try to take every possible step to facilitate an accurate count of older Americans in the 1980 census.

It has been brought to my attention by the National Council on Aging (NCOA) that in the past census, older Americans have not been accurately counted. Their numbers have been under-reported, thus making their class and station as older Americans underrepresented.

The NCOA's concern that older Americans be properly counted in the 1980 census is based on a study entitled "How the Elderly Poor Got Lost." This study was part of a broader effort entitled "Project Find."

In 1967, the National Council on Aging was commissioned by the White House through the former office of economic opportunity to study the lives of the elderly poor, to discover their greatest needs, and to investigate resources available to meet the needs of older Americans.

The acronym for FIND represents the Friendless, Isolated, Needy, or Disabled, because all too often the elderly are left friendless, isolated, in need and many times in disabled conditions, it is necessary to "Find" these elderly poor. According to the finding of the "Project" report:

> Some elderly were truly lost. They lived on mountain or prairie roads which led nowhere at a time when public transport, except the school bus, had long given way to the private automobile, suitable only for those who could manage to maintain a car in operable condition and keep a driver's license * * *
>
> Others were lost in cities even to the census taker. Persons residing in "hotels" are presumed to be transient and they are not included even in the Nation's decennial counting of its citizens.

The project goes on to state that the elderly in many of these places are "not so much lost as invisible, because nobody wanted to look." Unfortunately, too many of us are willing to abandon older Americans, to leave them alone, we make them ashamed of their age, and thus, invisible by our benign neglect.

Mr. President, if I had to choose one item or fact which most influenced my efforts here today—to encourage older Americans to participate as census workers in the 1980 census—it would be based on the conclusions and recommendations of "Project Find" and its report on "How the Elderly Got Lost."

Mr. President, there has been much criticism of the census. Many people believe that the questions are too long, highly technical and personal. Some scholars have suggested that we take a periodic sample census, because the decennial census has outlived its usefulness as a result of the population of the country being too large and unmanageable to conduct an effective census count.

In response to this criticism, my personal belief is that the benefits outweigh the shortcomings. This is particularly true regarding the necessity of having an accurate count of older Americans, and the disadvantaged generally.

Mr. President, as a freshman Senator, I voted on many legislative proposals affecting older Americans. This Congress has been made keenly aware of the need to balance the Federal budget. As a response to this need, many of the agencies and programs designed to address various national concerns have been asked to reduce their budget authorities. One of the problems in restructuring these national programs in order to reduce the budget deficit, is that no one agrees on the number of people who will be affected.

For example, we have passed legislation reducing the level of newly constructed subsidized housing units, expanding the weatherization program, and initiating a low-income emergency fuel assistance effort as a result of the recent and dramatic increase in fuel costs. This Congress has lifted the cap on the food stamp program after being persuaded that there were a great number of eligible people who had not taken advantage of the program, but who, are in need of a nutritionally balanced diet. This Congress and administration is on record in support of some sort of national health or catastrophic insurance program, and cost containment effort.

The crucial question in all of these programs is: What is the level of need? How much do we cut or expand a particular program? One of the best ways to measure the level of need, is to identify the various segments of the population we are trying to serve.

Mr. President, the census allows us to measure the amount of need at the State and local level. It provides essential data regarding the Nation's growth, and population distribution. It tells us the number of households, their incomes, and ages of the residents. If we are to respond in an intelligent, informal manner as to the Nation's needs, an accurate count as to who we are, where we reside, and how old we are is essential.

Mr. President, this is the real and direct reason why it is necessary that we encourage older Americans to participate in the census as census workers. They more than any other group can best locate, understand, and speak with older Americans.

An accurate count of older Americans in the 1980 census is particularly critical in lieu of the fact that this Nation has been experiencing a significant decline in the population growth since 1970.

The importance of this fact is that in roughly 25 to 30 years from now older Americans will double their numbers within the Nation's population. The first wave of the post-World War II "baby boom" will either be approaching retirement age or will have at least peaked as far as their economic potential by today's standards.

The question then arises as to how we, as a Nation, will respond to the aging of America. Second, what role will this new majority play in the continued economic growth and productivity of the Nation?

One conclusion that can be drawn is that because of the significant decrease in the population growth, the number of active participants in the labor market is expected to be greatly diminished.

I assume, and hope that by the turn of the century, we will be fully productive once again, and, therefore, the need for an active productive labor force will be vitally needed for our national interest. Therefore, I believe we must begin now to plan for this new wave of older Americans.

The first step we must take is to get an accurate count of older Americans clear down to the smallest city block or remote rural area.

Mr. President, I strongly believe that we should be developing an "Older Americans Act of 1980" to legislatively eliminate any disincentives for older Americans who want to continue their role as productive and active workers.

An accurate count in the 1980, and 1990 census can be of great value to the Nation as we plan for the future. We cannot afford to wait until it is too late. Our role and place in the world as producers will be greatly threatened if we do not meet the challenges of change.

Finally, the taking of the census is mandated by the Constitution. The U.S. Government has the duty to carry it out. Each citizen is obligated to do their part by completing the census questionnaire as requested. It is very important for every taxpayer to know that according to the Bureau of the Census, for every 1 percent of the population which does not cooperate with the request to mail back the completed questionnaire, the taxpayer will pay $2 million in follow-up costs.

Participation by the elderly in the census is not going to be an easy task. It will be demanding of personal time and effort. The role of a census worker will involve a great deal of communication, walking and often climbing stairs in unfamiliar places and uncomfortable surroundings.

There are, however, many rewards, the first of which is helping to fulfill a national priority to make an enumeration of the population, and to provide the basis for fair apportionment of seats in the House of Representatives among the States.

As I noted earlier, older Americans have been undercounted and as such, underrepresented. This Nation has spent the last 26 years generating national programs and agendas for civil rights, preschool children, child care, housing, equal job opportunities and other antipoverty programs. I believe we must continue to develop national agenda for older Americans.

I urge Congress, the citizens of this Nation, and Government where necessary, to encourage older Americans to participate in the taking of the 1980 census. I further urge that we begin to utilize and fully develop this Nation's more precious and valued untapped resource, "older Americans." I am truly convinced that unless we do so now, we will be ill prepared to respond to the future needs and challenges ahead of us.

Mr. President, I send to the desk a publication by the Bureau of the Census, entitled "An overview of the 1980 Census" and a factsheet on the number of census positions which need to be filled in each State, which is also prepared by the Bureau of Census.

I ask unanimous consent that this material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Bureau of Census

(Breakdown of workers by State)

Alabama	3,800
Alaska	700
Arizona	4,000
Arkansas	2,300
California	28,800
Colorado	3,100
Connecticut	4,300
Delaware	1,500
Florida	10,800
Georgia	5,600
Hawaii	1,100
Idaho	1,400
Illinois	15,000
Indiana	5,600
Iowa	3,100
Kansas	3,000
Kentucky	3,300
Louisiana	4,500
Maine	1,500
Maryland	4,300
Massachusetts	7,000
Michigan	11,000
Minnesota	5,100
Mississippi	2,400
Missouri	5,800
Montana	1,300
Nebraska	2,600
Nevada	770
New Hampshire	1,000
New Jersey	8,600
New Mexico	550
New York	24,000
North Carolina	5,700
North Dakota	1,100
Ohio	13,000
Oklahoma	4,600
Oregon	3,100
Pennsylvania	14,900
Rhode Island	1,300
South Carolina	3,000
South Dakota	1,300
Tennessee	4,300
Texas	14,300
Utah	1,300
Vermont	500
Virginia	6,000
Washington	4,200
West Virginia	2,000
Wisconsin	5,600
Wyoming	850
Total	264,870

AN OVERVIEW OF THE 1980 CENSUS

For most Americans, the 1980 census will be simple enough.

A questionnaire will arrive in the mail on March 28. The recipient will simply answer the questions, which will not take long, and then either mail back the form on April 1 or hold it for a census taker to pick up, depending on the instructions.

What may not be apparent to millions of Americans, as they answer the census in the privacy and convenience of their homes, is the fact that they are making personal contributions to an undertaking so vast, so complex, that the 1980 census qualifies as one of the largest peacetime efforts ever mounted in this country.

By the time the last American is counted sometimes during the summer, the Bureau of the Census will have reached an estimated 222 million U.S. residents and 86 million housing units, and gathered more than three billion answers.

The 222 million residents, a nine percent population increase since 1970, include some people who do not speak English, people with various political opinions, the rich and the destitute, the educated and the illiterate, members of all the earth's races. The census must also assess their housing—single-family homes, houseboats, condominums, shacks, "abandoned" buildings, migrant worker camps, jails, school dormitories, at sea, and overseas. The census is expected to count 25 percent more housing units in 1980 than in 1970.

At the same time, never in the history of the census, which has been taken every 10 years since 1790, have census findings played as important a role in American life as they do today. Besides the Constitutional mandate to provide a basis for reapportioning seats in the House of Representatives, the census measures how well the Nation is doing, from the block level to the entire country. Its findings are used in the private and public sectors to decide how billions of dollars will be spent annually.

Planning for the 1980 census, which has gone on since the early seventies, reflects this heightened need for the most complete count ever taken, especially of minorities.

In 90 percent of the Nation's households, people will be asked to take their own census, in effect, by answering the questionnaires and mailing them back in postages free envelopes. Census takers will obtain the information from households that fail to mail back completed questionnaires as requested.

The remaining 10 percent, which will receive instructions to hold the completed questionnaires until census takers pick them up, are mostly in sparsely settled areas in the Western half of the Nation. In some cases, the census takers will ask additional questions.

Census questions seek basic information about people—age, sex, occupation, and the like—and about subjects such as housing, personal transportation, and energy use. Most people will be asked to answer a basic census questionnaire, which has 19 questions. About one of five households, chosen randomly, will be asked to answer a longer version with 46 additional questions.

Federal law requires everyone to answer the census; it also protects the confidentiality of personal information. The only people who can see an individual's replies are census employees, who are sworn to secrecy under threat of a $5,000 fine and five-year prison term.

In the 50-year history of the modern census confidentiality law, not once has the bureau or one of its employees been formally charged with releasing census information about any individual. Landmark court rulings through this century have continually upheld the Bureau's refusal to release such information, even to the Secretary of State, the Attorney General, or to corporations involved in litigation.

Moreover, the Bureau designs its procedures to avoid situations that could lead to a breach of the confidentiality law. Names, addresses, and telephone numbers are never allowed to enter any computer. Social Security numbers are not requested by the census.

The 1980 census tabulations will yield a comprehensive statistical picture of the Nation, and of every State, county, and community. This data about social and economic characteristics will be used time and again in ways that benefit all strata of society, though the Census Bureau merely provides the data, and never applies it.

Being counted is crucial to full political representation as well. Census figures, besides their role in reapportioning the House of Representatives, are also used by most States to redistrict their legislatures and to adjust boundaries in municipal election areas.

American business firms, from local stores to multinational corporations, rely on census statistics when selecting new sites, evaluating product lines, and for other purposes that ultimately affect the state of the Nation's economy.

Concern is often voiced about why particular questions are included in the census. For example, one question asks about plumbing facilities. Why? Because, for several decades, plumbing facilities have been an important indicator of housing quality. The adequacy of plumbing facilities is a key factor in determining which communities receive Federal housing assistance funds.

Almost every question in the 1980 census is needed for legislative purposes and often provides valuable data for industry, local government, and others. All census questions survived years of scrutiny and have been reviewed by Congress.

As the importance of census information has increased, so has pressure to assure that every U.S. resident is counted. An unprecedented effort will be made by the Census Bureau to obtain the fullest possible count, especially in areas with significant minority populations.

For several years, advisory committees composed of Black, Hispanic and Asian-American leaders have worked with the Census Bureau to devise ways for improving the count of minorities. Similar meetings have been held with Native American leaders. A number of innovative methods will be used during the 1980 census to obtain the best possible count, such as double-checking households reported vacant and placing census takers in all night movies, taverns, and on street corners in major urban areas to find the uncounted.

There has also been an unprecedented effort by the Bureau to prepare a complete list of mailing addresses, to assure that every household receives a questionnaire on March 28. It is estimated that $2 million will be shaved from the cost of the census for every one percent of the Nation's households that promptly mails back fully answered questionnaires.

By law, the Bureau must provide the President with the population totals for all the States by January 1, 1981, for purposes of Congressional reapportionment. A new law also requires that the population of counties, cities, and other political subdivisions be provided to each State no later than April 1, 1981, for redrawing district lines.

● Mr. PRESSLER. Mr. President, as a cosponsor of Senator JEPSEN's resolution which would recommend that older Americans become involved in the 1980 census as census workers, I am pleased to rise in support of the resolution.

Elderly census workers could fill many of the 275,000 positions because senior citizens are typically hard working, dedicated individuals and many are not employed full time in the work force.

I have seen the fine work that many of our senior citizen centers in South Dakota do. They encourage the elderly to use their energy productively. When I meet with senior citizens from South Dakota, I am constantly reminded of the extraordinary determination, talent and knowledge that many of them possess.

The Green Thumb program, the retired senior volunteer program and the Foster Grandparent program and others also utilize the skills and talents of many of this Nation's senior citizens. Unfortunately, however, not all senior citizens are able to meet the guidelines of these programs.

I am always pleased when I see a new way that we can utilize the energy and experience of the Nation's senior citizens. Everyone would benefit if the

Nation's older citizens were involved in the census as workers.

Mr. President, I urge my colleagues to give positive consideration to this resolution. The 1980 Decennial Census is an excellent opportunity to involve older Americans in the work force.●

● Mr. PRYOR. Mr. President, I am proud to be a cosponsor of the sense of the Senate resolution requesting that all Members of Congress request their States, the citizens of their congressional districts, and the Bureau of the Census to encourage older Americans to participate as census workers in the taking of the 1980 decennial census.

I am a strong advocate of using one of our country's most valuable resources—the skills and talents of the older American. And I believe one appropriate way to utilize the talents of our elderly is by encouraging their participation in the taking of the census.

It seems that we in government are always trying to eliminate waste. We are critical of wasted energy, wasteful spending, and wasted natural resources. Yet, there are people over 65 who have been shelved through pure and simple age discrimination, while they are still capable of making significant contributions to the productivity of the Nation.

The continuing waste of these talents is indefensible. We are taking the people with the most experience and with highly developed skills and expertise and telling them they are no longer useful because of the numbers of birthdays they have had. We are saying to them that they should go home and live on their pensions and social security. Therefore, we are being deprived of vast amounts of talent and experience and we spend Federal dollars to support people who are capable of and, just as importantly, want to support themselves. We have come to a period where our population is getting older as more people live longer and the birth rates are decreasing. This "graying" of Americans will have significant effects on our economy and on our culture and lifestyle as a whole.

As the work force of senior citizens becomes larger, we should look for other ways to use their assets by developing counseling and training programs, adjusting personnel policies, recruiting them into community service organizations and by restructuring their benefits.

As we enter the decade of the 1980's, the utilization of the untapped resources of our senior citizens should be a prime goal. If we accept the premise that history is our greatest teacher, then the aged in our society are the most qualified tutors in the world.

That is why, Mr. President, I enthusiastically support this resolution. According to the National Census Bureau there are approximately 275,000 positions to be filled. I believe the elderly could play a useful role in assisting the taking of the 1980 decennial census.

I urge my colleagues to support this resolution.●

● Mr. DOMENICI. Mr. President, I am pleased to join as cosponsor to the Senate resolution being offered by the distinguished Senator from Iowa (Mr. JEPSEN), to request that the Bureau of the Census and all the Members of Congress encourage older Americans in the country to participate as census workers in the taking of the 1980 Decennial Census.

As the ranking minority member on the Senate Special Committee on Aging, I feel that it is most important that the senior citizens of this country are properly counted. Older Americans can contribute to an accurate count as well as obtain much needed income supplementation through employment as census workers. Retired older Americans are not actively working full time which makes them an available resource for the Census Bureau. Also, I agree with my colleague, Mr. JEPSEN, that older Americans more than any other age group—can best locate, understand and speak with older Americans.

There is no doubt, Mr. President, but that the census provides us with valuable data by which we determine service priorities for our citizens. We in Congress know how rapidly our older population is growing and what that is going to mean to us in providing services for this population in this decade.

An accurate count of our older American population will be very important to the Senate Special Committee on Aging as it determines priorities for the elderly population and makes recommendations to the Congress.

I believe that older Americans as census workers can add a reliable dimension to the cadre of personnel employed by the Census Bureau to assure access to older households, and assure a more accurate count of this segment of the population.

Therefore, it is my hope that the Senate will support this resolution in order to inspire older Americans to seek these employment opportunities and to encourage the Census Bureau to hire them.●

NOTICES OF HEARINGS

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Friday, March 14, 1980, at 9:30 a.m., in room 4232, Dirksen Senate Office Building, on the nomination of Ms. Betsy Levin of North Carolina to be general counsel of the Department of Education.

Persons wishing to testify or submit statements, please contact Dr. Franklin M. Zweig of the committee staff, 4230 Dirksen Building.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committe on Governmental Affairs will hold a hearing on the nomination of Karen H. Williams, of the District of Columbia, to be Administrator for Federal Procurement Policy on Friday, March 14, 1980, at 9:30 a.m. in room 3302 of the Dirksen Senate Office Building.●

SUBCOMMITTEE ON RURAL DEVELOPMENT

● Mr. LEAHY. Mr. President, I wish to announce that from 9:30 a.m. to noon on March 25, in room 1224 of the Dirksen Senate Office Building, the Rural Development Subcommittee of the Senate Committee on Agriculture, Nutrition, and Forestry will hold an oversight hearing on the President's recently announced Small Community and Rural Development Policy.

The hearing will focus primarily on those aspects of the policy involving rural housing and rural energy. The subcommittee will hear from witnesses representing the various departments and agencies of the Federal Government responsible for the housing and energy aspects of the Small Community and Rural Development Policy. Testimony from the public and interested organizations may be submitted for the hearing record.

Any inquiries on the hearing should be directed to Ken Pierce of my staff.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public field hearing before the Select Committee on Indian Affairs.

The hearing is scheduled for April 14, 1980, beginning at 9 a.m. in the new gymnasium of the Institute for American Indian Arts, Santa Fe, N. Mex. Testimony is invited regarding S. 2166, a bill to promote the development of Native American culture and art.

For further information regarding the hearing you may wish to contact Max Richtman of the committee staff on extension 224-2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MANPOWER AND PERSONNEL AND SUBCOMMITTEE ON RESEARCH AND DEVELOPMENT

Mr. BURDICK. Mr. President, I ask unanimous consent that the East Asian and Personnel Subcommittee and the Research and Development Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate today, March 12, 1980, to hold hearings on S. 2294, the fiscal year 1981 Department of Defense military authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. BURDICK. Mr. President, I ask unanimous consent that the Manpower and Pacific Affairs Subcommittee of the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 2 p.m. to hear administration officials on the People's

Republic of China threat to Taiwan and proposed arm sales to Taiwan.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PRESIDENT CARTER'S SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY

● Mr. LEAHY. Mr. President, on December 20 of the past year, after 2 years of careful preparation, the Carter administration issued its small community and rural development policy. Not since the enactment of the Rural Development Act of 1972 has the rural segment of our country received such high level and positive attention. This time however, the range of issues addressed have been broadened, the analysis and application of solutions is more complete, and the unity of purpose across Government agencies and departments more profound.

President Carter developed this policy with a diligence and fortitude that springs from his deep personal commitment to the people of rural America and a firm desire to reshape the Government to respond to their needs. I believe a special measure of appreciation is due to the President for his initiative in this important and long ignored area. Most notably, Mr. President, Jack Watson, Secretary to the Cabinet and Special Assistance to the President for Intergovernmental Affairs, should be recognized for his leadership in formulating the administration's policy for small communities and rural areas. It was Jack Watson's diligence and pragmatic understanding of our Government that made this policy a reality and laid the foundation for the Federal Government to address rural problems in a most comprehensive manner. Without Jack Watson, aided by a most capable White House staff including Berry Crawford, Larry Gilson, Lynn Daft, Cheryl Marcus, and Ann Todd, the administration's small community and rural development policy would be only a hope.

The administration is to be congratulated by every rural American and all Members of Congress. All Senators, regardless of what State we represent, have a rural constituency whose lives will be improved thanks to the President's policy for small communities and rural areas.

Mr. President, the administration's small community and rural development policy is a major accomplishment, a first of its kind. Its very existence represents a long awaited acceptance of the fact that the Federal Government needs to pay more careful attention to the needs of the 60 million Americans who live in rural America. It is a policy which outlines a Federal commitment to action specifically tailored to address rural concerns. Perhaps most encouraging of all, it is a policy which offers rural solutions to rural problems and does not throw money at these problems in the willy-nilly fashion of increasing budgets to mask national dilemmas. Rural Americans and the very real problems they face have long deserved this level of recognition.

As chairman of the Rural Development Subcommittee I am especially pleased by the announcement and goals of this policy. The subcommittee has pushed hard for the adoption of such a policy. We worked closely with an administration we found to be keenly aware of and committed to meeting rural needs. The President has joined with Congress and taken a leadership role in alerting the Federal bureaucracy to our concerns for the people living in smaller cities and rural areas.

Mr. President, this is not to imply that the policy will solve all rural problems. It was never meant to be such a panacea. However, it is a strong base and a tool of vital importance and precedent to every rural advocate.

The formulation and announcement of the administration's small community and rural development policy does not mean that the Federal Government is interested in preempting the decisions of rural America's local governments and people. Such a policy is not desirable and would be doomed from the start. Local understanding, autonomy, and perspectives are preserved and encouraged in the policy. In fact, a major tenet of the policy is that of flexibility to allow levels of government to tailor the policy initiatives to the unique needs and resources of their specific area.

The President's policy includes a viable and ongoing process for local, regional, and State contributions. It recognizes the importance of locally generated solutions.

Rural advocates have long hoped for a policy of this kind. In the past, rural America has been without unity, without strength, and ultimately, without political power vis-a-vis the Federal Government. The small community and rural development policy is capable of altering that situation. Individual and collective efforts of rural people can now be directed toward the accomplishment of specific policy goals and solutions with a realistic expectation of success.

Mr. President, the administration's policy is very broad in scope covering transportation, housing, health, jobs, communications, education, water and sewer, legal aid, energy capacity building, and economic development. Because of its breadth, a careful monitoring of its implementation will be necessary. Through a mutual commitment, Congress and the White House can make the policy work.

I can assure you that the rural development subcommittee will continue to monitor and work with the White House to insure that the policy is effective. I do not take the announcement of the rural policy lightly. I intend to hold the agencies and departments that are responsible for its implementation accountable to this commitment.

Mr. President, the small community and rural development policy is compatible in scope and direction with the work of the Subcommittee on Rural Development. As chairman of that Subcommittee for the past 2 years, I have directed it to perform ongoing oversight review of the effectiveness of Federal programs deriving rural areas. Oftentimes, there are Federal programs in place, but they have not been tailored to the rural needs. I believe that, in many cases, fine-tuning of what we already have can go a long way in making Federal assistance available and consistent with the rural situation.

That is why I have held oversight hearings recently on rural housing, health, transportation, research, and weatherization. Oversight hearings may not make headlines, but I am convinced they are an important congressional responsibility which can lead to a more effective and efficient Government.

I am pleased to note that the Carter administration has adopted a similar position as the foundation of its policy. It is not an agenda of costly new programs. There are some new initiatives, but essentially, its emphasis is on improving the accessibility of current Federal programs for rural people. Refining application procedures, changing program focus, reducing paperwork, providing technical assistance, and encouraging local solution, are its major themes. This is exactly what rural America needs at this time.

The policy also recognizes the need for better coordination and cooperation of Federal agencies, not just in the development of new rural strategies, but in the delivery of existing Federal services, too. There is no single agency with exclusive responsibility for the administration of Federal rural activities. The Rural Development Act of 1972 recognized this shortcoming and mandated coordination and cooperation. This national rural policy can assist in making this happen. The recommended procedures are consistent with the Rural Development Policy and Coordination Act which the Senate recently passed.

With limited resources, it is critical that the Federal bureaucracy be designed to maximize the exchange of data, support services, and organizational structures. Contradictory program objectives have to be eliminated. Without direction from the White House, this is impossible. The small community and rural development policy can provide that direction.

This national rural policy is an expression of commitment to a very specific segment of our society. Through the Rural Development Subcommittee, I intend to keep the Federal Government true to this commitment. The subcommittee has a very real stake in the successful implementation of this policy. My colleagues, we all have a stake in this policy. Its success depends on our involvement.

I, therefore, wish to announce that the Senate Subcommittee on Rural Development will be conducting periodic oversight hearings on this policy. The first of these hearings will be on March 25. I hope that this policy will be read closely and that any comments and reactions will be shared with the subcommittee.

Mr. President, to achieve a wide dissemination, understanding and appreciation of President Carter's policy for small communities and rural areas, I am submitting a summary of the policy for inclusion in the Record immediately following my remarks. The complete text of the policy is available from the White House or through my office.

This is a good, strong and viable policy. I hope that all of my colleagues will review it carefully and dedicate themselves to working to achieve its very significant goals.

The policy statement follows:

Policy Statement

OUR RURAL HERITAGE

Rural and small town America is an integral part of the nation's economic and social fabric. Rural America provides our nation's food, fiber, and wood and accounts for most of our domestic mineral and energy supply. It plays an increasingly important role in the nation's manufacturing, trade, and service economy. Earnings from rural exports make a vital contribution to our nation's trade balance. Most important, our national character draws strength from the rural values of hard work, self-reliance, and a sense of community. Rural America is rich and diverse in history, culture, and natural beauty. It is "home" for generations of Americans and where increasing numbers of Americans prefer to recreate and make their future home.

This nation was mostly rural for its first 150 years. Americans were heavily dependent for their livelihood—often for their very existence—on what they could themselves produce from the land. At the turn of this century six of every ten Americans still lived in rural places. The changes since then have been dramatic.

The mechanization of agriculture, improvements in transportation and communication, the process of industrialization, and overall economic growth have greatly altered the economic and social organization of America. For our last fifty years we have been mainly a nation of city and suburban dwellers. During this time, most of the old cliches about rural and urban lost their meaning.

As we enter our third century, the living patterns and preferences of Americans are shifting again. These shifts between urban and rural are occurring in the context of an extraordinary diversity within rural America itself. This diversity is mirrored in the variety of our rural areas—areas that take such divergent forms as a New England coastal fishing village, a Midwest farm community, a mining town in Appalachia, a ranching area in the Rocky Mountains, a settlement of tenant farmers in the Mississippi Delta, a pueblo in the Southwest, a Southern town in transition to becoming a metropolitan center, and a small Western town experiencing "boom growth" from energy developemnt.

THE CHANGING FACE OF RURAL AMERICA

For decades the population of urban areas grew while large numbers of people left the farms and small towns. Since 1970 this migration trend has reversed. The annual growth rate of rural areas has averaged 1.3 percent since 1970, exceeding the rate of growth in urban areas by over 40 percent.

Rural employment, previously declining and historically tied to the land, is now growing and diversifying. Not only are new jobs being created at a faster rate in rural than in urban areas but the composition of rural work itself is changing. Although agriculture is still the dominant influence in many rural economies, overall, employment in manufacturing, trade, and professional services now exceeds direct agricultural employment. Agriculture itself has changed enormously. It has become a highly sophisticated, often specialized, component of a larger food and fiber system that includes suppliers on one end of the production chain and processors and marketers on the other.

This growth in rural population, the accompanying expansion in rural employment, and the increasing diversity of rural economies result from a number of factors—a strong preference for rural and small town living, the movement of retirees to rural areas, longer-distance job commuting, reduced outmovement from farms, and expanded mining, manufacturing, and service activities in rural areas.

Although the dramatic turnaround in population trends and the growth in job opportunities are the predominant influences in rural America in the 1970's, it is important to note that not all rural areas or rural people have shared in this growth. Approximately 500 counties in parts of the Great Plains, the Corn Belt, and the Mississippi Delta continue to lose population as many have been doing for 20 or 30 years. Most of these counties are heavily agricultural and have experienced an exodus of workers from agriculture that has exceeded non-farm job creation.

Of course, even in areas benefiting from economic growth and diversification, the benefits are not always well distributed. Great numbers of rural and small town residents suffer from problems that afflict the poor wherever they live. Problems resulting from the isolation of being poor or old in rural America can have a particularly virulent effect on both body and spirit.

SPECIAL RURAL NEEDS

Even though rural America is growing, too many rural residents have failed to benefit from that growth. Too many remain, in the words of President Lyndon Johnson's Rural Poverty Commission, "the people left behind." Notwithstanding the progress that has been made, a disproportionate share of the nation's poor still live in rural areas—about 40 percent of the total. Virtually all of the nation's persistently poor counties are rural. The toll, whether measured in terms of economic efficiency or human dignity, is too high.

A disproportionately large number of the rural poor are Blacks, Hispanics, and Native Americans. Approximately 27 percent of rural Hispanic people and 38 percent of rural Blacks live on incomes below the poverty level (compared to 11 percent for rural Whites). About 40 percent of all Native Americans were living below the poverty level in 1970. Women in both the rural and the urban work force do not share equitably in the economic rewards of their labor. In 1977, the average annual income of women working full-time in rural areas was only 54 percent of the income of rural men. Also, households headed by females made up almost 35 percent of all non-metropolitan households living in poverty.

There are other indications that rural America is not fully sharing in the benefits of our nation's growth and development. Rural areas have 58 percent fewer physicians, 38 percent fewer dentists, and 29 percent fewer nurses, on a per capita basis. Yet, rural Americans suffer from a higher incidence of chronic disease and lose more days from work due to illness or incapacity than their urban counterparts.

Three times the proportion of rural housing units lack complete plumbing as urban units. Over 2 million rural Americans do not have running water in their homes; over 4 million have inadequate sewage disposal systems or none at all; and many rely on sources of drinking water that fail to meet safe drinking water standards.

Less than one percent of rural Americans who work away from home utilize public transportation to get to work—a statistic that dramatically reveals how dependent rural Americans are on the family car. Yet over 57 percent of the rural poor, and 45 percent of the rural elderly do not own an automobile, contributing even further to their isolation and immobility, not only from jobs, but from vital social services as well.

These problems and others of comparable severity are further compounded by the limited capacity and resources of local governments to respond. Whether small community needs are those associated with growth or with decline, they pose special problems for local governments. About one quarter of all rural people live in or near towns of less than 2,500; three quarters live in or near towns of less than 20,000. Given their small population bases, most small rural governments are limited in the array of public services they can provide. Large-scale urban-oriented technologies are often not economically feasible when applied to small towns and rural areas. And while the range of public services offered by rural governments is more limited, the per unit cost of providing these services is usually higher.

Many small towns, remote from Washington and from their state capitols, lack the "grantmanship" that is so often required to compete successfully for limited Federal and state assistance. This difficulty is compounded by the fact that many federal programs have been formulated with big cities in mind. As a result, such programs frequently contain eligibility and other criteria that hinder access by small communities. Even when assistance is available, the lack of fiscal resources makes it difficult for many small communities to match federal grants and to repay loans.

Even those small communities now experiencing economic growth are finding that along with the blessings, growth brings a new set of problems. Many communities are unprepared for the economic and social adjustments that become necessary. Changing demographic and economic patterns may not only exacerbate chronic and deep-seated problems but they often create new ones.

Some of the problems are already apparent. As a result of rapidly escalating property values and taxes, too many rural families on low and fixed incomes are in danger of losing their land and homes. As a result of the growth in residential, commercial and industrial land use, prime agricultural land is being lost and fragile ecosystems are being impaired. The influx of new residents—especially when it escalates to "boom growth"—makes it difficult for local governments to provide essential public services in a timely way.

WHY A RURAL POLICY

My Administration is adopting a Small Community and Rural Development Policy because:

Rural America's human and natural resources are a mainstay of the nation's economy and contribute very significantly to the American way of life. A conscious and sustained effort is needed to ensure the wise use and continued productivity of these resources.

Many rural areas are in the midst of significant economic and demographic change—change that is creating new demands, new problems, as well as new opportunities. A forward-looking policy is needed to manage the effects of such changes—to enable individuals and communities to solve their problems and to capitalize on their opportunities.

Rural people and communities have proportionately greater unmet basic human needs than do other parts of the nation. We must seek to assure that, to the maximum extent our resources allow, we address these needs and redress inequities.

The entire nation, including our cities and suburbs, is served best when good jobs, livable incomes, decent housing, a healthy environment, dependable energy supplies, and other basic needs are met in small communities and rural areas and when neither urban nor rural residents have to move in search of a better life.

Confused and often contradictory policy goals and implementation responsibilities have frustrated past efforts to address rural needs both within the federal government and between the federal government and state and local governments and community-based organizations. We need clear policy direction and a framework for integrating current federal efforts and reviewing future policy initiatives in order to evaluate the impact of actions we take and resources we commit.

Frequently, past rural programs have been developed in Washington, D.C. on the basis of inadequate and out-of-date information. We need to improve our rural data base. We also need to assure that diverse rural perspectives are available to federal policy makers and program managers. This continuous source of input is particularly important now when rural America is in transition.

POLICY GOALS AND PRINCIPLES

The Administration's Small Community and Rural Development Policy is designed to recognize the great diversity of rural needs and circumstances. Rather than attempting to impose a single grand strategy on a diverse rural America, the policy I am announcing sets forth goals and principles, organizational and procedural arrangements to help ensure their implementation, and a set of new initiatives to fill gaps and deficiencies in existing federal programs. The basic intent is to provide a policy process within which the federal government, in cooperation with state and local governments and the private sector, can provide the greatest degree of support for local efforts to solve problems and improve the quality of rural life.

In partnership with the Congress, state and local governments, and private sector leadership, my Administration is committed to work toward:

Meeting the basic human needs of rural Americans;

Providing opportunities for rural people to be fully and productively employed and providing a favorable climate for business and economic development;

Addressing the rural problems of distance and size; and

Promoting the responsible use and stewardship of rural America's natural resources and environment while preserving the quality of rural life.

In support of these goals, I am directing my Secretaries and Heads of Departments and Agencies to adhere, to the maximum feasible extent, to the following principles, in the administration of federal programs. Specifically, federal administrators are directed to:

Manage their programs in ways that recognize local priorities and facilitate local decision-making in rural America;

Make federal investments in ways that complement state-local development plans and priorities;

Use federal assistance to help leverage private sector investments in rural community and economic development projects and programs;

Give high priority to the targeting of federal assistance to disadvantaged persons and distressed communities in rural areas;

Make federal programs more accessible to rural jurisdictions and community-based organizations, better adapted to rural circumstances and needs, better coordinated, and more streamlined in their administration; and

Make special efforts to provide local citizens and their leaders with the assistance needed for effective community decision making and development efforts.

IMPLEMENTATION

A statement of policy goals and principles is not enough. These goals and principles will only begin to have impact on the needs of rural Americans as they are reflected in changes in the way government acts—changes in programs, in delivery systems, in accessibility, and sometimes even in attitude. Thus, I am taking two important steps to help ensure that this policy is fully and effectively implemented.

First, I am proposing a rural development action agenda—a set of specific action steps which the Administration will pursue to address priority rural needs. This action agenda—outlined in detail in Part Two—builds upon and expands the White House Rural Development Initiatives of the last two years and is based on advice received from extensive consultations with the Congress, the states, local officials, and rural leaders across the country. Although it is an ambitious agenda, one that is broad in scope and meticulous in detail, it is also unfinished. Many more actions and reforms are needed and will be taken in the future.

Second, I am directing a number of organizational and procedural changes as part of a strategy to develop the institutional capacity needed to solve problems on an ongoing basis and assure the effective, sustained implementation of the policy principles identified here. Such an institutional structure must extend beyond the boundaries of the federal government to state and local governments, rural interest groups, local leaders, and innovators. It must provide a basis for the collaborative implementation of programs and initiatives which have been jointly developed. With these requirements in mind, I am:

Asking Congress to create the position of Under Secretary of Agriculture for Small Community and Rural Development. This new position will help carry out Secretarial and Administration policy and assist the Secretary to fulfill his government-wide mandate under the Rural Development Act of 1972.

Placing renewed emphasis on the Working Group on Small Community and Rural Development and directing this group to play an aggressive and effective role in monitoring and assisting the implementation of this policy pursuant to Section 603 of the Rural Development Act of 1972. Toward this end:

The Working Group will be co-chaired by the Under Secretary for Small Community and Rural Development (USDA) and my Assistant for Intergovernmental Affairs and Secretary to the Cabinet;

Both the Under Secretary for Rural Development (USDA) and my Assistant for Intergovernmental Affairs will be staffed specifically for this purpose;

The Working Group will be composed of principal Federal program managers, and such others as may be named by the co-chairpersons:

Executive Associate Director (Budget), Office of Management and Budget;

Associate Director (Rural and Agriculture), Domestic Policy Staff;

Assistant Secretary for Budget and Programs, Department of Transportation;

Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development;

Assistant Secretary for Housing, Department of Housing and Urban Development;

Deputy Under Secretary, Department of Health and Human Services;

Assistant Secretary for Employment and Training, Department of Labor;

Assistant Secretary for Economic Development, Department of Commerce;

Assistant Secretary for Land and Water Resources, Department of Interior;

Assistant Secretary for Rural Development, Department of Agriculture;

Assistant Secretary for Capital Investment and Debt Management, Department of Treasury;

Deputy Under Secretary, Department of Energy;

Appropriate Representative of the Department of Education;

Associate Director of ACTION;

Deputy Director, Community Services Administration;

Deputy Administrator, Environmental Protection Agency;

Executive Assistant/Director of Administration, General Services Administration; and

Deputy Administrator, Small Business Administration.

Directing the Secretary of Agriculture to appoint an Advisory Council to monitor implementation results and to advise him (and through him the Working Group) on needed federal actions. The Council will be composed of public officials named by major public interest groups, representatives of community-based organizations and other private interest groups, representatives of the business and financial community, and others to be selected by the Secretary.

Inviting the nation's Governors to establish State Rural Development Councils as a mechanism for ensuring effective coordination in joint federal-state efforts to implement state and local rural development priorities. The Federal Regional Councils will be directed to establish a rural development task force to assist state implementation efforts, and the Secretaries and Heads of Agencies will direct federal field personnel to participate on the state Rural Development Councils if a governor so desires.

Directing the Working Group, acting through the Secretary of Agriculture and based on advice of the Advisory Council, to annually review existing and proposed policies, programs, and budget levels to determine their adequacy in meeting rural needs and embodying the policy principles articulated here. A report, based on this review, should be submitted to OMB at an appropriate time in the budget cycle and to other Secretaries and Heads of Agencies as appropriate. The Secretary of Agriculture is further directed to submit a report to me each year that documents the implementation steps pursuant to this policy and that satisfies the reporting requirements of the Rural Development Act of 1972.

Directing the Secretaries of Housing and Urban Development, Health and Human Services, Education, Commerce, Energy, Labor, Transportation, and Interior, and the Administrators of the Environmental Protection Agency, the Community Services Administration, and the Small Business Administration to review relevant departmental or agency policies and programs in terms of their adequacy in embodying the policy principles and to designate a senior official to be responsible for monitoring implementation of this policy within the agency, serving as a rural advocate within the agency, and acting as a point of contact for small community and rural leaders seeking information or assistance.

A cornerstone of my Administration's Small Community and Rural Development Policy is the coordination of federal, state, and local efforts to serve rural people and enhance their prospects for the future. To help accomplish this important aim, federal officials must be constantly exposed to a range of rural experiences and information and brought into contact with those people who represent rural viewpoints and are working to meet rural concerns. The emphasis on ongoing, institutionalized follow-up and non-federal involvement is intended to provide an environment conducive to the development and execution of policies and programs which are sensitive to rural needs and circumstances.●

SOVIET ATROCITIES IN AFGHANISTAN

● Mr. DOLE. Mr. President, as the CIA continues its investigation of Soviet activities in Afghanistan, it becomes increasingly apparent that Soviet aggression has assumed characteristics that are unmatched by even the most callous violators of international law. While reports of mass slaughters that date back before the Soviet invasion into Afghanistan become confirmed, such as the Kerala massacre I spoke of last Thursday, far greater atrocities are being committed and the news is slowly beginning to trickle through to the West.

CHEMICAL WARFARE—A REALITY

Nerve gas that renders deaths more horrible than we can imagine is being used by the Soviets in their attempt to suppress further Afghan resistance—a tactic to which even Hitler refused to resort. At least one gas, soman, has been identified by intelligence experts. The Defense Intelligence Agency, through interception of Soviet communications, has indicated that the Russians may also be waging germ warfare in their confrontations with the Afghan tribesmen. This abhorrent action is virtually unprecedented.

Mr. President, the ferocity with which the Soviets have approached this endeavor is frightening. If this is a reflection of a new Soviet military mood, the world has much to fear. The CIA has reported that the Soviets see these chemical weapons as "instruments of mass destruction to be used along with nuclear weapons," and there have been mock military maneuvers in the Warsaw Pact countries that include simulated chemical attacks against NATO forces, indicative of the superb integration of these weapons within the Soviet military arsenal. Intelligence officials report that the Soviets have even gone so far as to use real gas in their training exercises even though accidents have left many of their recruits dead.

For 4 years, the United States has engaged in chemical disarmament negotiations with the Soviet Union. While the United States has complied with the spirit of these negotiations by reducing chemical arsenals, the Soviets have continued to build theirs up. It seems that a logical and rational approach to the reduction of chemical arsenals has not worked, and the United States must begin to formulate a new strategy. The options seem limited and fraught with danger.

DEFENSE IS KEY

We could take the case to the U.S. Committee on Disarmament in Geneva and call for an investigation. Soviet action is philosophically in violation of the Geneva protocol of 1925, and would undoubtedly receive worldwide condemnation. While largely symbolic, our unwillingness to overlook this inhuman action by bringing it to the attention of the world will force a judgment to be made. And it is the hope of the Senator from Kansas that such a judgment would temper future relations between the Soviet Union and the rest of the world community, forcing the Russians to reconsider their use of NBC warfare (nuclear, biological, and chemical).

But in realistic terms this demands little from the Soviets and it is unlikely that the Soviet mindset regarding the use of chemicals and germ warfare would be quickly or radically changed. Perhaps now is the time to fight fire with fire by resuming our own research and training as an insurance policy against Soviet first-strike possibilities.

Mr. President, as appalling as it may seem, U.S. forces are currently incapable of employing counterweapons or defending our country against chemical tactics. The Soviet choice to employ their arsenals in an aggressive manner against the Afghan insurgents is no doubt a reflection of their willingness to use these arsenals whenever and wherever they deem appropriate. Those that are reluctant to consider possible defensive measures should take a moment to imagine the effect that soman gas would have on our men, women, and children, should canisters burst over major cities throughout the United States. If Soviet action in Afghanistan is a fair representation of "peacetime" offensives, the Senator from Kansas shudders to think of "wartime" strategies waiting to be employed.

The Soviets have made every attempt to deny the use of chemicals in their confrontation with the Afghan insurgents. Their denial is insulting to the world community while TMS-65 decontamination trucks continue to travel the streets of Kabul. The State Department has stated that Soviet action is "a flagrant violation of the basic norms of international behavior." But rhetoric has done nothing to combat the atrocities that have been and will continue to be committed by the Soviets throughout the world. Without a strong defense against the Soviets latest weapon, we will continue to risk the danger of the use of chemicals against our own servicemen abroad.

The Senator from Kansas strongly urges the President and the State Department to press the U.N. Committee on Disarmament for a full investigation on the use of nerve gas by the Soviets. Our civilization cannot afford to have this atrocity swept under the rug. The Soviet invasion of Afghanistan has earned worldwide condemnation. But apart from strategic considerations and even the right of the Afghani peoples to choose their own government and live in peace, this violation threatens every human being on this planet in a far more insidious way than even the Hiroshima bomb. The world community must be made fully aware of the facts. Future relations with the Soviet Union by every concerned nation should be predicated on the outcome of a U.N. investigation. It is impossible to contemplate "business as usual" with a regime capable of such monstrosities.●

WEALTH OF NATIONS IN CRISIS

● Mr. BOREN. Mr. President, as a member of the Senate Agriculture Committee, I was particularly struck by the insight of a book which I recently read which focuses upon the fundamental principles of sound international agricultural policy. The book, "Wealth of Nations in Crisis" by Ronald C. Nairn, is filled with statements which wisely apply not only to agriculture but to economic policy across the board.

Adam Smith defined the creators of what he called the wealth of nations. Nairn has clearly identified the inhibitors or enemies of wealth of nations. Why is there poverty in midst of so much potential plenty? The burning question in Nairn's new book is how do we optimize human economic activity? The focus is agriculture. The scope is international.

Nairn correctly sees quite clearly that it is the individual human being who creates the wealth of nations. Governments do not create wealth, they consume it. The basic problem with agriculture is that government no longer serves the people. It has become too often the master of the people. Today there is a concept that the role of government is to regulate and punish. The great need is to remove the inhibitors to creation of the wealth of nations. It is time to reestablish the economic liberties which insure individual incentives to increase productivity.

Nairn singles out six enemies of economic prosperity—the apostles of no-growth theories, international instability and international tensions, ideology, politics, bureaucracy, and culture.

The first inhibitor is the no-growth philosophy. Those who espouse it are well meaning, but many of their actions are based upon total ignorance of the real world. They include the coercive utopians who feel that nature is supreme to man. They support a state of mind which results in the no-growth syndrome. While all of us desire to protect the environment against needless and wanton exploitation, we must not adopt policies which condemn billions to perpetual poverty.

The second inhibitor identified by Nairn is internal instability and international tension. The Mekong River basin in Asia and the Mississippi River basin have similar potential. However, the riparian states along the Mekong have fought each other for centuries. The Mekong River has no bridges or dams. Its potential is totally undeveloped because of international and internal instabilities. Yet is has all the potential productivity of the Mississippi basin. The same syndrome exists all over Africa, South America, and South Asia.

The third inhibitor is ideology. In the United States, about 2 million farmers make daily decisions over relatively small areas of land which they own. They are on intimate terms with their own land. In the U.S.S.R., farmers are state employees. Decisions about the land are centralized. In the United States 1 farmer feeds 57 people and in the U.S.S.R. 1 farmer feeds 7 people.

An American consumer spends 17 percent of his income for food and a Soviet consumer spends 54 percent. The United States devotes 5 percent of national investment to agriculture and the U.S.S.R. 25 percent. Yet, mocking ideology, 3.9 percent of the Soviet land is privately owned and it produces 40 percent of the national agricultural product. The obvious lesson cannot be heeded because to expand private Soviet holding would tear the ideology apart. Ideology takes precedence over production.

The fourth inhibitor is politics. When the Indian Government decided several years ago to provide cheap food for "industrialization" they decided to peg farm prices at 50 percent of world prices. The Indian farmer, unable to make a fair return on his investment made a wise decision and went back to subsistence agriculture. Currently, more than 50 Third World nations impose a wide gamut of inhibitors on their farmers, ranging from price controls to manipulation of exchange rates against farm products. In this way, they deaden incentives to produce and kill economic liberties. The result is stagnant productivity.

The fifth inhibitor is bureaucracy. In the Third World, bureaucracies are city based. They are not capable of fulfilling a sponsorship role of agriculture which they attempt. Beyond that, the characteristic, massive bureaucratic confusion impedes productivity. In response, people sometimes circumvent regulations by being forced into black markets, smuggling, bribery, and extortion—often with the bureaucrats at the center of it all.

The sixth inhibitor is culture. Cultural symbols can be binding elements of society. When we let status or prestige symbols override practical economic considerations, then culture becomes an inhibitor rather than a progenitor.

The doomsdayers claim that man and our planet have let us down. This book is a strong rebuttal to all the false prophets who for many years have disregarded the economic real world—the harshness of nature, the need for individual economic liberties, the power of individual incentives, and importance of a free market system. It is an important balance to a library of misconceptions.

The main point of the book is the need to dethrone politics. It echoes the theme and the phrase used earlier in the work of Nobel Laureate Professor Von Hayek. Government once served the people. Today all too often the role of government is to regulate and punish. It is time to reestablish a government which will serve the people. We need a government which will release human productivity through individual incentives, economic liberties, fewer government controls and the free market system.

"Wealth of Nations in Crisis" is a positive book. In the coming decade we will face a difficult period. We must give our people the confidence and vision to deal with the coming crisis. This book is a contribution to that goal.●

VIETNAM VETERANS WAR MEMORIAL

● Mr. HAYAKAWA. Mr. President, it is my understanding that the Subcommittee on Parks, Recreation and Renewable Resources will be considering Senate Joint Resolution 119 this week. This resolution would allow the Vietnam Veterans War Memorial Fund, Inc., to erect a memorial in the District of Columbia in honor and recognition of the men and women who served in the Vietnam war.

Senate Joint Resolution 119, of which I am a cosponsor, would set aside a 2-acre section of Constitution Gardens for this memorial. The funds to build the monument are being raised through private donations. Except for the land authorized for this purpose, neither the Federal Government or the District of Columbia will incur any expenses for the erection of the memorial.

I wholeheartedly support the efforts of the Vietnam Veterans War Memorial Fund, Inc., to build this memorial as a proper tribute to the men and women who gave so much in the Vietnam conflict. It is high time that all Americans finally recognize this painful chapter in our history and the extreme sacrifice that was made in the face of adversity.

I hope, therefore, that the subcommittee will give Senate Joint Resolution 119 favorable consideration.●

JAY SILVERHEELS

● Mr. BURDICK. Mr. President, I ask my colleagues to join me in paying tribute to Jay Silverheels, the famous American actor who died on Wednesday, March 5. Best known for his portrayal of Tonto on the "Lone Ranger" television series, Mr. Silverheels also appeared in several movies. He was a Mohawk Indian who, through his own acting and his assistance to other Indian actors, was instrumental in changing the image of the Indian people in our movies and television shows.

I ask that an article appearing recently in the Washington Post detailing the life of Jay Silverheels, be printed in the Record.

The article follows:

Jay Silverheels, 62, Dies; Tonto in "Lone Ranger"

Woodland Hills, Calif.—Jay Silverheels, 62, who costarred in the long-running "Lone Ranger" television series as the faithful Indian Tonto, died Wednesday at the Motion Picture and Television Country House.

A spokesman at the home said he died of complications from pneumonia. He had been hospitalized there since Jan. 25, suffering from the effects of a stroke he suffered 5½ years ago.

Mr. Silverheels, a full-blooded Mohawk, was born on the Six Nations Indian Reservation in Ontario, Canada, and moved to the United States with his family in the 1930s.

He said the Canadian government insisted on calling him Harold J. Smith when he immigrated to the United States, and years later he legally changed his name back to the original.

The athletic actor, who was once a Golden Gloves boxer and an amateur wrestling champion in Buffalo, N.Y., was a member of a touring lacrosse club in 1938, when he was spotted on a trip to Hollywood by comedian Joe E. Brown, who persuaded him to try acting and guided his early movie career.

Mr. Silverheels, starred as the Indian chief Geronimo in three 1950s movies: "Broken Arrow," "Battle at Apache Pass" and "Walk the Proud Land."

But he was best known for his portrayal of Tonto in all 221 episodes of ABC television's "Lone Ranger" series, a spin-off from the radio serial of the same title created in 1938 by Fran Striker, and the comic strip created in 1935.

The ABC series, which costarred Clayton Moore as the masked hero, ran for nine years from 1949 to 1957, was rerun on CBS and NBC through 1961 and is still being widely syndicated.

Mr. Silverheels' movie credits included roles in "Key Largo," "True Grit," "The Man Who Loved Cat Dancing" and "The Will Rogers Story." He also appeared in more than a dozen Western films—"Fury at Furnace Creek," "Red Mountain," "Drums Across the River" and "Santee" in 1973.

Last August, Mr. Silverheels became the first Indian to have his star set in Hollywoods Walk of Fame along Hollywood Boulevard.

He founded the Indian Actors Workshop in Hollywood in the late 1960s to help get Indian people on the screen and to try to change the image of the Indian people, a friend said.

His commitment to his people included clauses in his own acting contracts.

"He created the atmosphere for us to get into the industry," an actress, Lois Red Elk, said. "Before that, Indian people had to play props, extras, background. There just weren't any Indian people with speaking parts."

Mr. Silverheels is survived by his wife Mari, and four children, Marilyn, Pamela, Karen and Jay Anthony.●

THE IRANIAN CRISIS: A CALL FOR SANCTIONS

● Mr. DOLE. Mr. President, yesterday the crisis created by the kidnapping of the American diplomatic personnel in Iran entered a new and most critical phase. After 128 days of captivity the diplomatic agreement to free the hostages—supposedly worked out by the administration and the Iranian authorities, under the guiding hand of the Secretary-General of the United Nations, Mr. Kurt Waldheim—was finally abandoned, unhonored and unacknowledged by the Moslem holy man, Khomeini.

The tremendous restraint and patience of the American people must now be laid aside. Our inaction has not precipitated the deaths of our people in Tehran, but neither has it done anything for them. We have tried talking to Iran and it has failed. We have refrained from using force—because of its probable impracticality and danger to the hostages, but also out of our desire to peacefully settle our differences with a sovereign state—and this has gained us nothing. One avenue remains to us.

SQUEEZE IRAN

Our only weapons are sanctions, and we should impose them now. We should use sanctions as they have never been used before. Evidently not much pressure has been brought to bear on the authorities in Iran. We must squeeze them, squeeze them as hard as we can, and bring the pressure of all-out economic denial on this criminal among nations.

Mr. President, I urge Mr. Carter to impose the economic sanctions he lifted when it first appeared the election of a new president in Iran might bring about a diplomatic solution. Whatever his efforts, Bani-Sadr has failed. The Iranians have complained bitterly about the freeze on their assets and credit. Economic pressures can have an effect. Let us now do everything within our power, short of military force, to bring some sense of crime and punishment, if not justice, to the Iranians.

It is the belief of the Senator from Kansas that this is our only hope of ending the captivity of the hostages and achieving their safe release. Groveling before the terrorists who have committed this heinous crime against international law, even if we were of a mind to do it, will not bring the hostages home. These people are different from us; their culture is not the same as ours: Obviously their respect for either law or honor is dim. And they despise any semblance of weakness. Our caution and patience, rightly or wrongly, it does not matter, is perceived as weakness and guilt. For the sake of our hostaged people and our future ability to deal with similar situations, we must now act as strongly and as forcefully as we can.

ALL NATIONS MUST JOIN US

The Soviet Union is currently engaged in its own criminal enterprise, using nerve gas on Afghan freedom fighters and massacring whole villages of civilians in rebellious provinces of Afghanistan. They are guaranteed to veto effective action by the United Nations to support sanctions against Iran. Nevertheless this crime by terrorists in Tehran, accompliced by the Ayatollah Khomeini, the Government of Iran and by now, after their massive, anti-American rallies, the Iranian people themselves, is a crime against all civilized values. All the nations of the world owe it to themselves to join America in economic sanctions and a complete boycott.

The Senator from Kansas calls upon the President, backed firmly by the Congress, to request unified action by all our allies to this effect. Through leadership and coordination, a massive economic wall can be erected around Iran, perhaps at last to drive home to the Iranians the terrible consequences of their crime. If some nations on the periphery of civilization, blinded by piratical hopes of profit on the misfortune of others or dominated by Communist, anti-American bias, attempt to circumvent the boycott, then the United States ought to be prepared to make our economic wall real with our naval ships and aircraft.

The time has come when, in all honor and reason, we must act—for the good of the hostages, and the good of the Nation. Four months is too long.●

COUNTING AMERICAN INDIAN AND ALASKAN NATIVES IN THE CENSUS

● Mr. MELCHER. Mr. President, I want to draw the attention of the public to the method of the Bureau of the Census in enumerating American Indians and Alaskan Natives in this year's census. Particularly, American Indians and Alaskan Natives should be aware of the Census Bureau efforts to make certain they are counted and properly enumerated. I am providing for the RECORD a letter from the Bureau and pertinent data.

The letter and data are as follows:

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., February 15, 1980.

Hon JOHN MELCHER,
Chairman, Select Committee on Indian Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of January 23 concerning the enumeration of American Indians in the 1980 census.

One of the Census Bureau's major objectives is to obtain an accurate count of the entire American Indian population in the 1980 census. Every household in the United States will either receive a census questionnaire in the mail or will be visited by a census taker. The American Indian population will be identified from a question on race (copy enclosed). The question is based on self-identification and is included on the regular short and long census questionnaires. The category "American Indian" is included on a list containing a number of different races; individuals reporting American Indian will be asked to give their specific tribe. Our studies to date have shown that the self-identification approach results in a more accurate identification of American Indians.

The 1980 census will include a number of innovations designed to ensure as complete a count as possible throughout the country, including urban and rural areas. Some specific innovations designed to achieve this goal are:

A. Local assistance centers—These centers, which will be located in urban areas, will be staffed with census personnel who will be available to assist respondents who have difficulty in filling out their questionnaires. Local organizations will be asked to recommend sites for the centers, which will be located in places where people of the community usually visit.

B. Use of local sources for recruitment and publicity—Local American Indian groups will be asked to recommend persons for employment in the 1980 census. Applicants will be required to take a selection aid test. The Bureau is preparing publicity materials for the American Indian community, such as brochures and posters, for display in places where they usually visit.

C. Greater use and more intensive training of indigenous enumerators—The Bureau will make every effort to hire census takers who live in the general areas where they will be working.

In addition, the Census Bureau realizes that the cooperation and assistance of the American Indian community is essential to obtain an accurate count for 1980. We have taken a number of steps to achieve this goal. For example:

A. Regional meetings with Indian organizations, tribal groups, etc. to discuss ways and means of improving the 1980 census. To date, the Bureau has 12 regional meetings and one national meeting. The Bureau is planning two meetings in March with the American Indian community to review our final plans for 1980 and to reemphasize the importance of their assistance and cooperation for the upcoming census.

B. Community services—The Bureau has instituted an extensive Community Services Program to inform local American Indian and other minority communities about the 1980 census (including information on the confidentiality of census information) and to obtain their cooperation and assistance in 1980. Approximately 200 community services specialists have been hired to work out of the Bureau's 12 regional offices.

C. Communication with national and regional organizations and tribal groups concerning various aspects of the 1980 census program. For example, the code lists which will be used for identifying and classifying American Indian tribes and languages in the census were sent to tribes for their review and comments.

The Bureau has received comments from a number of Tribal, Federal, and State officials indicating that the information from the regular census questionnaire would not adequately reflect the unique conditions present on many American Indian reservations. Based on these recommendations, a supplementary questionnaire was developed for American Indians living on reservations. For the 1980 census, our final plans are to use the supplementary questionnaire (in addition to the regular census form) on all Federal and State reservations and the historic areas of Oklahoma (excluding urbanized areas). The questionnaire will be administered in those households in the specified areas that receive the short census form and have at least one American Indian, Eskimo, or Aleut member.

For your information, we are sending materials on publicity efforts and plans for coverage improvement in the 1980 census, namely, "1980 Census Promotional Plan," "Plans for Coverage Improvement in the 1980 Census," and "1980 Census Program For American Indians and Alaska Natives."

We appreciate your interest in the 1980 census. If we can be of further assistance to you, please let us know.

Sincerely,

VINCENT P. BARABBA,
Director, Bureau of the Census.

Enclosures.

1980 CENSUS PROGRAMS FOR AMERICAN INDIANS AND ALASKA NATIVES

November 1979.

INTRODUCTION

One of the Census Bureau's major objectives in the 1980 census is to obtain an accurate count of the American Indian, Eskimo, and Aleut populations. To achieve this goal, the Bureau has developed a program to meet the needs of all segments of the American Indian and Alaska Native community. The following provides information on procedures and publication plans for American Indians, Eskimos, and Aleuts from the 1980 census.

REGULAR CENSUS PROGRAM

In the 1980 census, data will be collected by a mail-out/mail-back system to cover areas containing over 90 percent of the total population of the country. Households will receive their questionnaires in the mail, and people will be asked to answer all questions and mail back the form on or about April 1. The remaining households in sparsely settled areas—parts of Alaska, sections of the Rocky Mountain and Southwestern States, and elsewhere—will receive census questionnaires in the mail, and will be asked to answer them, but census takers will pick up the forms.

Long and short versions of the questionnaire will be used. Basic data such as housing, relationship, age, sex, and race will be asked of everyone. Questions about education, fertility, language spoken in the home, labor force, income, and more will be included only on the long version, and will be asked on a sample basis.

American Indians, Eskimos, and Aleuts, regardless of where they live, will be identified from a question on race (copy attached) based on self-identification (each person will be asked to report the race with which he or she most closely identifies). The race question will be included on both the short and long census forms. The categories "American Indian," "Eskimo," and "Aleut" will be included on a list of a number of different races, and those reporting "American Indian" will be asked to name their specific tribe. Bureau studies have shown that self-identification results in more accurate identification of American Indians.

PUBLICATION PROGRAM

To meet the basic data needs of the community, we will be substantially expanding the 1980 census publication program for American Indians, Eskimos, and Aleuts. In the volume I reports, counts will be published for the United States, States, standard metropolitan statistical areas (SMSA's), urban places, counties, Alaska Native villages, and reservations.

Also social and economic characteristics such as education, fertility, labor force, and income will be shown for States, Alaska Native villages, reservations, and selected SMSA's, urban places, and counties. In addition, we will publish a separate report in our volume II series providing more detailed data on the American Indian, Eskimo, and Aleut populations for various geographic areas and American Indian tribes.

TOWARD A COMPLETE COUNT

The 1980 census will include a number of innovations designed to assure as complete a count as possible. Here is a brief description of some of the procedures designed to improve the count in 1980:

Local assistance centers.—These centers, which will be in urban areas, will be staffed with census personnel to assist people who have difficulty in filling out their questionnaires. The centers will be located in places where people of the community usually visit; local organizations will be asked to recommend sites for the centers.

Use of local sources for recruitment and publicity.—Local American Indian and Alaska Native groups will be asked to recommend persons for employment in the various phases of the 1980 census operations.

Greater use and more extensive training of indigenous enumerators.—The Bureau will make every effort to hire people who live in the general area where they will be working.

Smaller number of housing units per enumeration district on reservations.—The reduction of housing assigned to each census taker will give each worker more time to complete his or her work.

Use of conventional method (direct interview) of enumeration on most reservations.—Because of the unique problems associated with the enumeration of Indian reservations, the door-to-door interview will be used on most reservations.

Aerial photography.—This will help to accurately identify roads and housing units on selected reservations.

In addition, the Census Bureau realizes that the cooperation and assistance of the American Indian and Alaska Native community is essential to obtain an accurate count for 1980. Some steps taken to seek their participation are:

Regional meetings.—Twelve meetings with American Indian and Alaska Native organizations to discuss ways and means of improving the 1980 census. Meetings have also been held with representatives from national American Indian and Alaska Native organizations.

Community Services.—The Bureau has instituted an extensive Community Services Program designed to inform local American Indians, Alaska Natives, and other groups of the importance of the 1980 census and to obtain their cooperation and assistance in 1980.

Written communication.—The Bureau has been contacting national and regional organizations and tribal groups on various aspects of the 1980 census programs. For example, information on publication plans, the supplementary questionnaire program, and tribal and language code lists were sent to national and regional organizations.

SUPPLEMENTARY QUESTIONNAIRE PROGRAM

The Bureau of the Census received comments from a number of Tribal, Federal and State officials indicating that information from the 1980 census regular questionnaire would not adequately reflect the unique living conditions present on many American Indian reservations. Tribes, Federal agencies, and others have indicated that the supplementary information will be most helpful for policy and program planning to meet the needs of the American Indian, Eskimo, and Aleut populations. Also, the information may be used by Federal agencies for the distribution of funds under Federal programs. In response to these comments, the Bureau developed a supplementary questionnaire for American Indians which was used in the 1980 census dress rehearsal program.

In April 1978, the Bureau tested the Supplementary Questionnaire for American Indians on the Ute Mountain and Southern Ute Reservations in LaPlata and Montezuma Counties in Colorado. The supplementary questionnaire was tested for both content and feasibility of procedures. The test results, along with recommendations from the American Indian and Alaska Native communities, were considered carefully in finalizing the questionnaire for the 1980 census.

In the 1980 census, the supplementary questionnaire will be administered on all Federal and State reservations and the historic areas of Oklahoma (excluding urbanized areas). The questionnaire will be used in those households in the specified areas that receive the regular short census form and have at least one American Indian, Eskimo, or Aleut member. Information will be collected at the time of the regular census using primarily the conventional method of enumeration, i.e., direct interview by a census taker. A variation of this procedure will be used for the historic areas of Oklahoma. Also, the Bureau will make every effort to hire census takers who live in the general areas where they will be working.

Our current plans are to publish the supplementary data on housing, tribal affiliation and enrollment, migration, health, labor force, receipt of benefits, etc., in a report in our Volume II series.

CONTENT OF THE REGULAR CENSUS QUESTIONNAIRE

100 percent items

Population:
Household relationship.
Sex.
Race.
Age.
Marital status.
Spanish/Hispanic origin.
Housing:
Number of units at address.
Complete plumbing facilities.
Number of rooms.
Tenure (whether the unit is owned or rented).
Condominium identification.
Value of home (for owner-occupied units and condominiums).
Rent (for renter-occupied units).
Vacant for rent, for sale, etc.; and period of vacancy.

Sample items

Population:
School enrollment.
Educational attainment.
State or foreign country of birth.
Citizenship and year of immigration.
Current language and English proficiency.
Ancestry.
Year moved into this house.
Place of residence five years ago.
Activity five years ago.
Veteran status and period of service.
Presence of disability or handicap.
Children ever born.
Marital history.
Employment status last week.
Hours worked last week.
Place of work.
Travel time to work.
Means of transportation to work.
Persons in carpool.
Year last worked.
Industry.
Occupation.
Class of worker.
Work in 1979 and weeks looking for work in 1979.
Amount of income by source and total income in 1979.
Housing:
Type of unit.
Stories in building and presence of an elevator.
Year built.
Year moved into this house.
Acreage and crop sales.
Source of water.
Sewage disposal.
Heating equipment.
Fuels used for house heating, water heating, and cooking.
Costs of utilities and fuels.
Complete kitchen facilities.
Number of bedrooms.
Number of bathrooms.
Basement.
Telephone.
Air conditioning.
Number of automobiles.
Number of light trucks and vans.
Homeowner shelter costs for mortgage, real estate taxes, and hazard insurance.

CONTENT FOR THE 1980 CENSUS SUPPLEMENTARY QUESTIONNAIRE FOR AMERICAN INDIANS (RESERVATIONS AND HISTORIC AREAS OF OKLAHOMA)

Population:
Tribal affiliation.
Tribal enrollment.
School enrollment.
Educational attainment.
Year moved to reservation.
Place of residence one year ago.
Health services received.
Time traveled to health care facility.
Method of payment for health care.
Work last year (1979).
Reasons for not working a full year in 1979.
Number of weeks spent looking for work.
Year last worked.
Industry.
Craft or occupation.
Class of worker.
Benefits received.
Total income.
Housing:
Source of water.
Public sewer connection.
Source of heat.
Year structure built.
Complete kitchen facilities.
Telephone.
Electrical lighting.
Material used for floors.
Material for outside wall.●

THE 1980 NRTA-AARP LEGISLATIVE PRIORITIES

● Mr. **DOMENICI**. Mr. President, the National Retired Teachers Association and the American Association of Retired Persons provide responsible and effective leadership for 12.6 million older Americans.

Over the years the associations have had legislative programs designed to improve the quality of life for the elderly.

The Legislative Council for both associations meets each year to develop policy proposals on a wide range of issues of direct concern to the Nation's elderly.

This year the Legislative Council gave top priority to reducing inflation and the need to revitalize our economy.

In addition, the council focused on other important issues, including health care, energy, income-maintenance programs, Government regulation, tax policy, and others.

The staff of the associations recently summarized the major legislative priorities for NRTA-AARP.

It is a comprehensive list which should be of interest to Members of the Senate.

Mr. President, I submit a summary of the 1980 NRTA-AARP legislative priorities for the RECORD.

The summary follows:

THE 1980 NRTA-AARP LEGISLATIVE PRIORITIES

ECONOMY FOREMOST CONCERN

Efforts to fight inflation and revitalize the economy ranked first among the priorities for action set by the NRTA-AARP National Legislative Council at its recent annual meeting. In a resolution adopted by the Council and subsequently endorsed by each Association's Board of Directors, inflation was cited as "the chief and transcendent concern of the volunteer leaders, the membership and the elderly in general". Supporting an overall goal of a reduced rate of inflation were objectives to restructure and secure the financing of the social security program, control hospital and other health care costs, and expand home health care services. Economic issues were felt to dominate every policy area of concern to the aging.

ECONOMIC POLICY

The likelihood of a recession during the first or second quarter of this year has severe implications for older Americans and the programs on which they depend. Decreased commercial activity and lower levels of employment translate to reduced tax revenue and higher expenses for unemployment insurance and welfare.

In such an atmosphere, efforts to expand benefits for the elderly will face significant resistance; more likely are Congressional proposals to cut back benefit programs already in place.

Even more serious in its consequences for older persons is the probability of continuing double-digit inflation. Lacking the "market power" of other groups which can protect themselves against rising prices, older Americans find their economic resources shrinking and their standard of living deteriorating. They are largely without wage income, and much of their income is in forms which are unprotected against inflation. Moreover, inflation rates are highest for the necessities—food, housing, fuel and medical care—which demand the bulk of the elderly's resources.

Inflation also discourages savings and encourages debt. Interest rates are raised, which in turn raises prices perpetuating the inflationary spiral. At the same time, government continues to subsidize lower rates of interest for certain borrowers, at the expense of small savers (some 50% of whom are elderly) as well as the public at large.

The Legislative Council has called for both short and long term remedies to these problems. The short term goal is to reduce inflation to the 3-5 percent range within three years. A seven-point plan was outlined to achieve this goal: (a) fiscal policy which would bring the federal budget into balance over the business cycle; (b) monetary policy which would reduce the rate of expansion of credit and the money supply until it approximates the rate of expansion of real Gross National Product; (c) selective wage/price controls for the President in the sectors where inflation is most prevalent; (d) regulatory reform; i.e., government regulation of economic sectors where competition is either weak or non-existent, and deregulation where industry currently benefits from protectionist policies at the expense of the consumer and taxpayers generally; (e) restraint of government price push, cost push, and tax push actions of all kinds; (f) restraint of rising regulatory-induced housing costs; and (g) a rationing program to conserve energy, either through a price mechanism (such as the addition of taxes) or administrative action.

Long-term policies to reduce inflation must promote significant increases in the rate of savings and investment in the economy in order to increase productivity. Also helpful in achieving this goal would be changes in income support structures to reward increased work effort on the part of the elderly.

INCOME POLICY

Income support structures—particularly social security and the Supplemental Security Income program (SSI)—must change to accommodate the harsh economic realities of the eighties. Inflation and declining elderly labor force participation are making it more and more difficult for older Americans to achieve and maintain an adequate standard of living. These trends are also fostering a higher degree of dependence on government programs—a dependence which will become financially insupportable if demographic and economic projections hold true.

A top priority for Council members is development of a national pension program which would gradually become universal and would more directly relate benefits to payroll tax contributions than does the present Social Security program. This transition would be accompanied by the strengthening of SSI as the main instrument for guaranteeing a minimum floor of income.

Also considered essential is the temporary, countercyclical infusion of general revenues into social security to ensure its financial viability during periods of economic flux. Public confidence in the social security system must be restored.

A national older worker employment strategy endorsed by the Council includes removal of work disincentives, such as the social security earnings limitation, and creation of work incentives, such as employment programs for the elderly and increased benefits for workers who delay retirement beyond age 65. More employment opportunities for the elderly would not only help protect them from inflation but would also provide additional tax revenues to support the government programs on which they rely.

TAX POLICY

Tax policies preferred by the Council would similarly attempt to protect some of the elderly's income from inflation while at the same time helping to reduce the rate of inflation. Proposed savings incentives, such as those embodied in Senator Lloyd Bentsen's (D-Tex.) interest income exemption amendment to the Windfall Profits Tax, would combine these objectives, while the proposed Value Added Tax (VAT) would appear to be counterproductive in terms of fighting inflation and would most certainly have adverse effects on the elderly.

HEALTH CARE POLICY

Again, in the area of health care, cost containment is the dominant theme. With the failure during the 1st session of the 96th Congress of hospital cost containment legislation, new strategies must be developed to attack this major contributor to inflation. Since Medicare was created in 1965, health spending has increased at an average of 12.2 percent per year while the economy as a whole has grown at an annual rate of 9 percent.

This growth may be attributed in part to the expansion of the number of elderly needing health services. Much more significant factors, however, have been expansion of the 3rd-party payment system and government subsidy of both the demand and supply sides of medical care.

Unfortunately, increases in medical costs have not been matched by adequacy or affordability of care for the elderly. The emphasis of our present system on acute care services and facilities has often resulted in inappropriate and costly institutionalization of older Americans. A major effort must be made to restrain excessive costs and shift the focus of health care spending to models of care which promote and maintain health and which enable older persons to remain independent as long as possible.

The ultimate goal of the Associations is the establishment of a comprehensive national health insurance program which would include effective cost controls and a long-term-care component.

ENERGY POLICY

Surpassing the health care sector in its impact on inflation is energy. Since the 1973 Arab embargo on oil to the United States, the cost per barrel of OPEC oil has risen from $1.77 to a minimum of $24.00 as of the end of 1979, with unofficial "spot market" prices reaching as high as $40.00 a barrel. Recent events in the Middle East raise the spectre of not just increasing prices but possible renewed interruptions in supply. Meanwhile, decontrol of domestic oil is proceeding according to plan in the recognition that this nation's dependence on foreign sources must be reduced and domestic energy sources expanded.

Given the critical need of the elderly for access to affordable fuel, as well as their particular vulnerability to inflation, the Legislative Council is quite concerned about policies governing development, conservation, and distribution of energy resources. Chief among their concerns is continued financing of energy assistance for low-income elderly. The Windfall Profits Tax is seen as one important means of providing these essential funds.

GOVERNMENT REGULATION

In considering policy alternatives, the Legislative Council took note of the prevailing anti-regulatory mood of Congress. Council members stressed the importance of distinguishing between "good" and "bad" government regulation. Good regulation, according to the Associations, promotes competition and price restraint, encourages fair and equitable business practices, and protects citizens against fraud and deceit. Based on this standard, the Associations have supported regulation of the funeral trade industry, which presently lacks built-in protections for the consumer and incentives to reduce cost inflation. As the same time, we have advocated deregulation of the trucking industry, with the goal of promoting competition and thereby lowering costs.

STATE GUIDELINES

The Legislative Council reviewed and approved broad objective for state-level advocacy activities. Joint state legislative committees will take these objectives into consideration in selecting their own priority issues.

In the area of public finance, tax reform was recommended. Inflationary pressures are driving up costs for programs and services, while demand for them is increasing. With less aid coming from higher levels of government, states and localities are returning to traditional revenue-raising devices—property and sales taxes—to make ends meet. These regressive taxes have a more severe impact on older citizens than do progressive income taxes. The Council therefore encourages either a decreased reliance on regressive tax systems by states or appropriate tax relief for the elderly.

Council members also discussed ways to promote improvement in state and local public employment retirement systems. Of particular concern are gaps in some of these systems, such as the lack of automatic cost-of-living adjustments to protect benefits against inflation. State and local governments are to be urged to correct inequities and shortcomings in their retirement systems and to strengthen them financially.

Other state action called for by the Council includes supplementing the basic federal payment under Supplemental Security Income (SSI), and expanding job training and employment opportunities for older persons. In the health sector, there is a need for state legislative involvement in Medicaid, long-term care, pharmaceuticals, and cost controls. Consumer issues such as escalating utility rates and crime against the elderly are also areas needing state-level attention in the year ahead.●

PARISH OF THE MOST HOLY REDEEMER IN DETROIT

● Mr. LEVIN. Mr. President, March 18, 1980, marks the 100th anniversary of the establishment of the Parish of the Most Holy Redeemer in Detroit.

Mr. President, in 1880, Bishop Casper Borgess requested the Redemptorist Fathers to come to the diocese of Detroit to begin a parish at Springwells. The boundaries of the new parish were the Michigan Central Railroad on the north, the Detroit River on the south, 25th Street on the east, and the Rouge River on the west.

The Redemptorist Fathers accepted the invitation and Rev. Aegedius Smulders, CSSR, was sent to establish this parish. He had a name that was synonymous with sanctity, prudence, and indefatigable zeal, having worked 30 years earlier founding many missions and parishes in the Monroe and Detroit area.

Springwells, beyond the city limits of Detroit, was undeveloped land, farms, and a few settlements. The first mass was said on March 18, 1880, at Patrick Ratigan's General Store and Saloon on Jefferson across from Fort Wayne. Sunday mass was offered at Holy Cross Chapel on Dix Road, 3 miles west of the city limits.

A 4-acre site at Dix Road (Vernor Highway) and Lovers Lane (Junction Avenue) was cleared by parishioners and a small frame church built by July 1, 1881. The school was built and opened for classes September 11, 1882, and was staffed by four Sisters, Servants of the Immaculate Heart of Mary, from Monroe.

Families settled around the church. Homes were built, streets named, and the community rapidly grew.

A large gothic sandstone church at the corner of Vernor and Junction replaced the frame church in 1896. The community continued to flourish with the church at the center of its strength. Springwells was annexed to Detroit in the early 1900's.

When the present basilica-like church was built in 1925, Holy Redeemer was the largest English-speaking congregation in Michigan. From the early hard-working immigrant families, who made up Holy Redeemer Parish, came leaders of the city of Detroit. The parish has made an extraordinary contribution to Detroit and to the State of Michigan—100 years of leadership and community commitment.

I also ask that the following tribute and resolution from the Detroit City Council honoring the 100th anniversary of the Parish of the Holy Redeemer in Detroit be printed in the RECORD.

The material follows:

DETROIT CITY COUNCIL RESOLUTION

> "1. Whereas the Parish of the Most Holy Redeemer was established by the Redemptorist Fathers under the leadership of the Reverend Aegidias Smulders CSSR, 100 years ago in the year 1880;
>
> "2. Whereas the Parish of the Most Holy Redeemer has provided for the spiritual and educational growth of thousands of Detroit citizens;
>
> "3. Whereas the Parish of the Holy Redeemer has developed many leaders in the professional and business world for Detroit and Michigan;
>
> "4. Whereas the Parish of the Most Holy Redeemer has provided the environment for people of more than 28 ethnic cultures to live harmoniously together;
>
> "5. Whereas the Parish of the Most Holy Redeemer has been a cohesive force in the development and stabilization of neighborhoods of Southwest Detroit.
>
> "Be it resolved that the City of Detroit honor the long and fruitful service of this parish by proclamation." ●

DID CARTER CAVE IN ON U.N. VOTE?

● Mr. DOLE. Mr. President, President Carter's disavowal of his decision to censure Israel in the United Nations' vote is typical of the ineptitude that marks his administration's foreign policy. It is quite possible that a mistake of this magnitude could be made, since our foreign policy goals flip-flop from day to day with the passing whims of a vacillating Chief Executive, responding to the latest Gallup polls. Why should our foreign officers in the U.N. or the State Department know what the latest policy is? Certainly our allies have no clue or know what to expect next from the United States.

But there is a persistent rumor that this "mistake" was not really an error of communication, but one of judgment. In fact, there was no misunderstanding between Mr. Carter and Mr. Vance. Apparently the President, misjudging the seriousness and implications of the U.N. vote, made the wrong decision, slapping down our longtime, faithful ally, Israel—the only true democracy in the Middle East. When Israel's friends in this country and around the globe began to react to this reversal of our tradition and rational policy, Mr. Carter began to have second thoughts.

TYPICAL POLICY: CAVING IN

With an eye to the polls and the coming primaries where the Jewish vote will be considerable, Jimmy Carter had Vice President Mondale and the special mediator for the Mideast, Mr. Sol Linowitz, meet with Israeli Ambassador Evron on Monday morning. At this meeting, the President's men learned that the unconscionable U.N. vote had an entirely predictable result on Israeli opinion, provoking an atmosphere of uncertainty and unreliability that would kill any hope of successfully concluding the Palestinian autonomy agreement. The Mid-East peace agreement that Carter successfully initiated was predicated on the eventful solution of this difficult, complex, and emotional issue.

The President's unprecedented decision to go along with the U.N. censure of Israel threatened to disrupt, if not destroy, the very peace process he had helped create. Desperately seeking to salvage his reputation and that of the United States, and his single achievement meriting a place in history, the President apparently decided to back off: claiming on Monday night that the vote was due to a failure to communicate. In doing so, he angered the Arab countries he had sought to appease, wrecked American diplomatic credibility, and confirmed our worst conceptions of a weak, directionless foreign policy.

All too obviously, this is business as usual with this administration's conduct of foreign affairs.●

SALT II

● Mr. GARN. Mr. President, the recent leak by high administration officials of the purported conclusions of the latest NIE on Soviet strategic forces—justified by the leakers on the grounds that this was acceptable practice because it supported allegedly SALT II—raises new issues of concern. There appears to be a clear pattern by the Carter administration of juggling the projections of Soviet strategic capability depending on the requirements to sell SALT II. The force projections released by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff in January and February 1980 are dramatically different from those that were released in July 1979 during the SALT selling efforts.

During the SALT II debate of 1979 I noted that:

> During the SALT II hearings the Carter administration has consistently refused to release accurate projections of the strategic balance during the 1980's.

I also wrote that:

> On a number of occasions the Carter administration has attempted to argue that the MX, with less than half the payload of the Soviet SS–18, will be the equal of the SS–18 and its follow-on missiles in both hard-and soft-target kill potential—a near-impossibility.

These observations were correct and their truth can be verified by comparing Secretary Brown's July 11, 1979 estimates of the military balance in the 1980's and his comparison of the MX with the SS–18 with the comparable portions of his 1980 statement of the Congress on U.S. military posture.

I call my colleague's attention to an article by Justin Galen, in the March 1980 issue of Armed Forces Journal. It sums up very well the inconsistencies in the administration's force projections.

We may or may not have a debate on SALT II this year. If we do it is essential for the Senate to look into the obvious disparities in intelligence projections of the Soviet strategic threat. I ask that the article be printed in the RECORD.

The article follows:

[Comparing Harold Brown's Last Four Bean Counts on the Strategic Balance]

THE CREDIBILITY GAP OF THE 1980'S REPLACES THE MISSILE GAP OF THE 1960'S

(By Justin Galen)

It is interesting to speculate as to what would have happened if, at the beginning of World War II, Neville Chamberlain had been able to deal with the British public's growing posture by using the Machiavellian tool of systems analysis.

WITH PROPER NET ASSESSMENT, CHAMBERLAIN WOULD HAVE OUTLASTED THE WAR

Like President Carter, Chamberlain had based his administration on a fundamental miscalculation of the nature and intentions of the greatest threat to his nation. Like SALT II, Munich had failed to bring peace in our time. Like the United States, Britain let its military superiority fade without responding to the changes taking place in the world. Like the United States in Africa and the Persian Gulf, Britain saw a combination of proxy armies, arms transfers, and direct intervention turn Austria, Spain, Ethiopia, and Czechoslovakia to the Nazi side. Like the United States, Britain faced the consequences of years of lower defense spending, and the inevitable deterioration of its Alliances that grows from a foreign perception of weakness.

On 7 May 1940, the public reaction to these trends forced Chamberlain to give way to Churchill. Yet, public reaction may well have been the result of the inadequate defense analysis techniques of the time. With the proper defense minister and the proper "facts," Chamberlain might have been able to demonstrate that Britain both retained its military superiority, and had never suffered any serious politico-military setbacks.

After all, Britain and France combined actually did have numerical and qualitative superiority in tanks and aircraft, and a massive superiority in conventional naval power. The proper use of operations research would also have demonstrated that Germany's untried mix of mono-wing fighters and limited payload bombers would be inferior to the older British combat aircraft, proven in Iraq and the Empire. If Britain's reliable horses had been counted against the unreliable tank, Britain alone would have had massive superiority in mobile forces. Further, Britain had a largely professional army composed of free men with all the resulting superiority in the ability to innovate and lead over the rigid unthinking Nazi Officer Corps.

As for the loss of a few allies, well no nation can police the world, and even the best of the allies Britain had lost were nothing more than unstable Eastern and Southern Europeans. By all rights, Neville Chamberlain should have been able to so reassure his voters—using the right net assessment—that he could have remained Prime Minister until the end of the war in 1941.

HAROLD BROWN MAKES US SAFE THROUGH SYSTEMS ANALYSIS

Fortunately for President Carter, he does have the aid of such modern systems analysis techniques. It may be true that Harold Brown is not Machiavellian, and that Brown seems to imitate neither the Lion or the Fox. None the less, Harold Brown is at least Menckenesque: he can do an excellent job of supporting the President by acting upon Mencken's principle that "No one ever went broke underestimating the intelligence of the American people."

Take, for example, Secretary Brown's latest strategic balance. (Oh yes, there is another one.) In three short years in office—and in spite of the continuing growth of Soviet strategic forces and Soviet expenditures on strategic forces (which Brown states are 3.3 times larger than U.S. expenditures for all strategic forces and 1.5 times larger for intercontinental offensive forces). Harold Brown has been able to restore the strategic balance in favor of the U.S. for the entire next decade—simply through the use of systems analysis. In fact, there it is, Harold Brown's version of "peace in our time." Just look at the curves the Secretary has thrown us in his Fiscal Year 1981 Annual Report. We not only are back on top; we never were even threatened.

"MR. SECRETARY, DO YOU KNOW WHAT THE STRATEGIC BALANCE IS?" "NO, BUT HUM A FEW BARS AND I'LL FAKE IT"

There is, of course, the problem of where all those nasty old curves came from. These were the curves that worried such excitable and uninformed people as Paul Nitze. Senator Nunn (D-Ga.), Senator Jackson (D-Wa.), and the rest of that bunch of Republicans, Chiefs of Staff, and carping media critics. But, after all, Secretary Brown is the Secretary of Defense, and if we didn't trust his latest systems analysis, we might actually have to do something. If the Secretary doesn't deign to explain how he gets his numbers or why they keep changing, well fine! At worst, the U.S. is a lot further away from the Soviet Union than Britain was from Germany, the U.S. doesn't have the same rigid commitment to defend its Allies that Britain had to defend the Empire, and there are a lot more sovereign nations in the world today and the U.S. can afford to lose a lot more to the Russians.

TEN FASCINATING WAYS TO IMPROVE THE STRATEGIC BALANCE WITHOUT ACTUALLY HAVING TO DO ANYTHING ABOUT IT

But, in remembrance of things past, it seems worth speculating on some of the reasons Harold Brown has been able to make so much out of so little, and why his balances have so miraculously eliminated the missile gap:

First, of course, you freeze the Soviet threat. Oh yes, you let it get a little better, but you do not allow it to make any major changes or to respond to your force improvements. But you do freeze it at its current trends for 10 years in spite of the contradictory trends he's told us about in years past.

Second, you give yourself credit for all the force improvements your critics forced down your throat over the last three years, and then you count them in such a way that they all arrive perfectly on time with optimal effectiveness and reliability. Granted we have not achieved that level of efficiency in some years, but what the hell.

Third, you hopelessly muddle everything up in your summary comparison. You total bombers, ICBMs, and SLBMs; you total all missile warheads and bombs; you fail to define the target profiles and mix you are using in your analysis; you ignore present C^3I limitations; and you ignore your actual readiness and base your analysis on the goal. Every little bit helps.

Fourth, you avoid defining the scale and numbers used to measure advantage. This means you can always claim that the graph made you do it.

Fifth, you keep changing the basic force measure, and you avoid focusing on any near term inferiority. If "relative force size" make you look so bad that the result doesn't wow them in Iowa or New Hampshire, try "warhead" numbers without explaining they include bombs. If that gets you into problems because you still look bad in FY82, then try ratios of advantage or disadvantage. The odds, after all, are with you: Some mix of data and method of the balance has got to look good, and in the interim you can dazzle them with footwork.

Sixth, you muck around with EMT or equivalent megatonnage. EMT isn't a bad measure, by itself, but it can disguise a lot if you lump all of the Triad together and if you ignore the target mix after your exchange scenario, and if you bury the trends illustrated in testimony now gone by.

Seventh, you play around with your MIRVing estimate for the threat and you assume perfect compliance with the spirit of the unsigned SALT II agreement. You also assume some major changes in our SSBN and bomber readiness with no Soviet reaction, and you let only the US have ICBM mobility.

Eighth, you redefine your alert rates. This doubles your force, and of course, you assume that as the defender you have ample warning, that your enemy (who can instantly detect the change in your posture) then launches anyway, and that he doesn't simply wait until your alert runs down the size of your force through rapid wear and tear.

Ninth, you don't try to explain all those niggling details about the differences in force mix, and the CIA's grim analysis of relative defense expenditures.

Tenth, you never, ever, define a term in your testimony or. Annual Report, explain your measures of the balance or explain why they change so much from statement to statement. That way, even if someone catches you out on your total inconsistency, they really can't prove anything.

Well, come to think of it, maybe there is a bit of the old Machiavellian "fox" in Harold Brown. And, there is more good news than that. Imagine how good we look once the Secretary gets done with his analysis of the balance US and Soviet in power projection capabilities to solve our problems in the Persian Gulf.

Our hostages can hardly wait.●

CEQ: "WATER PROBLEMS ARE A PARAMOUNT ISSUE FOR THE NATION AS WE ENTER THE EIGHTIES"

● Mr. DOMENICI. Mr. President, the President's Council on Environmental Quality recently issued its annual report to Congress. It is a thoughtful, though grim, evaluation of a variety of issues, a study to which we must give the most careful consideration.

Much of the focus of that report involves the Council's conclusion that a crisis of vast dimension is emerging in the use and availability of our Nation's water supply. Gus Speth, chairman of the CEQ, expressed it this way at a press conference this week:

> From a variety of perspectives, the Nation's water and the resources associated with it are in trouble. Water problems are a paramount issue for the Nation as we enter the 1980's.

That is exactly what I have been saying for some time. The current water resources effort is foundering, with Federal investment declining steadily in real dollars. No real thought is given to evaluating the priority needs of the Nation, the river basins, and the States. This is also what my friend, the Senator from New York (Mr. MOYNIHAN), has been saying for some time.

It is for these reasons that we developed S. 1241, and subsequently amendment 1660 to S. 703. These are proposals that seek to augment significantly our national water resources program, and to create a system for evaluating and meeting more effectively the priority water needs and problems of the United States.

While I disagree with some of the specific suggestions that have been made by

Mr. Speth and the administration, we nonetheless share a recognition of the need to revamp the current water resources program, to end the bickering over specific projects, and to work together to meet the priority needs. Only then can we have the confidence that we may be able to head off the developing crisis in water.

For these reasons, Mr. President, I submit portions of the CEQ release describing its annual report for printing at this point in the RECORD.

EXCERPTS FROM CEQ STATEMENT

Water supply problems in some western states from both ground and surface sources have reached troublesome proportions. If present trends continue, there may not be enough water to satisfy the needs of industrial, agricultural and residential users.

"Just as we can no longer assume that cheap energy will always be available to us at the flip of a switch," Speth said, "we cannot expect an endless supply of cheap, clean water at the twist of a faucet."

"While water quality and supplies are only one of a number of difficult environmental issues before us—others include the loss of farmland to urban sprawl, widespread soil erosion, carbon dioxide buildup in the atmosphere and the impoverishment of our global natural resources—the nation's water problems illustrate the need for prompt action on Administration initiatives to conserve water resources, reform federal water resources development programs, and protect ground and surface waters from inactive hazadous waste sites." . . .

WATER RESOURCE PROBLEMS

Ground water supply problems, especially in some parts of the western United States, are also discussed in the report. Water tables continue to decline over a large area of the Texas High Plains and in parts of Arizona and California, the report says, and severe water shortages are occurring in the lower Colorado River basin.

"In some parts of the country," Speth said, "we are using water faster than nature can replace it. Agriculture, industry and residential developments are already competing for limited water supplies. This is why the President's water policy places such emphasis on water conservation. It is also why it is so wrong for Congress to continue funding pork-barrel projects without regard for their impact on local and regional water supplies."

Other pressures on the nation's water resources, caused primarily by population shifts and industrial and residential development, are documented throughout the report. Some of the most severe problems are occurring along the coasts and in wetlands and floodplains which are particularly sensitive to pollution from industrial and human activities. . . .

"Unwise development in floodplains and wetlands—sometimes encouraged by misguided or uncoordinated government policies—has resulted in the loss of lives, extensive property damage totalling more than $3 billion a year, and a decline in the agricultural and marine productivity of these areas," Speth said.●

ORDER FOR RECESS UNTIL FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon on Friday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS UNTIL 5 P.M. TODAY AND 5 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until 5 p.m. today and from 9 a.m. until 5 p.m. tomorrow to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President and upon the recommendation of the majority and minority leaders, pursuant to the provisions of 22 U.S.C. 276, as amended by Public Law 95–45, appoints the following Senators to attend the Interparliamentary Union Conference, to be held in Oslo, Norway, April 7–12, 1980: the Senator from North Dakota (Mr. BURDICK), chairman, in lieu of the Senator from Nevada (Mr. CANNON); the Senator from Pennsylvania (Mr. SCHWEIKER); the Senator from Oklahoma (Mr. BELLMON); the Senator from Utah (Mr. HATCH); the Senator from Wyoming (Mr. WALLOP); and the Senator from South Dakota (Mr. PRESSLER).

RECESS UNTIL NOON, FRIDAY, MARCH 14, 1980

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 12 noon Friday next.

At 2:49 p.m., the Senate recessed until Friday, March 14, 1980, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 12, 1980:

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

William Courtleigh Gardner, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for the term of years prescribed by Public Law 91–358, as amended, vice Alfred Burka, retired.

HOUSE OF REPRESENTATIVES—*Wednesday, March 12, 1980*

The House met at 1 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Create in me a clean heart, O God, and put a new and right spirit within me. Cast me not away from Thy presence, and take not thy holy spirit from me.—Psalms 51: 10, 11.

O Lord, incline Your ear to our prayer and hear our supplications. In all times of worry or crisis You have bestowed Your grace and favor upon Your people. We look to You O Lord, as our guardian and guide and as our protector along life's way. When the pressures of life overwhelm, grant us release, when the burdens and responsibilities are intense, give us patience, and ever allow us to know Your glory and experience Your love, this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 6, 1980:

H.R. 6374. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ambassador Kenneth Taylor.

On March 11, 1980:

H.R. 891. An act for the relief of Barbara Laws Smith;

H.R. 1559. An act for the relief of Nelia Ruiz Hedlund; and

H.J. Res. 434. Joint resolution to authorize and request the President to issue a proclamation designating April 6 through 12, 1980, "National Medic Alert Week."

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 4996. An act to restore to the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah, and with respect to the Cedar City Band of Paiute Indians of Utah to restore or confirm, the Federal trust relationship and to restore to members of such bands those Federal services and benefits furnished to American Indian tribes by reason of such trust relationship, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1454. An act to amend the Act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2018. An act to transfer unexpended balances of funds appropriated for salaries of Senate committee employees, and for other purposes.

DRAFT 18-YEAR-OLD DOCTORS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, it is difficult today to figure out what the administration's personnel practices toward the Pentagon really are. I am very sorry the President vetoed the military doctors' bill. Nothing is more important to the uniformed personnel of this country than signaling that we really care enough about them to pay for good military care. This signal has been shot down.

Registering 18-year-olds is not going to provide us with doctors for our people in uniform, yet that appears to be the President's sole personnel proposal.

This was really not a fiscally sound move, and a very foolish one.

More confusing signals come from the personnel actions of the Pentagon who penalized the young woman Marine for moonlighting by appearing in Playboy magazine. At the same time the Defense Department, with taxpayers' money sent out the February 1980 SAM about women in combat, with a devastating cover and article. The picture on the front is in many colors, very objectionable to women, and taxpayers' money was used to purchase copyrights from Marvel Comics to print it.

What does this say to women in uniform? They cannot pose off hours but during work hours taxpayers' money can force upon them very objectionable stereotypes of women. Awful.

ALL-VOLUNTEER FORCE DOES NOT COME UP TO STANDARDS

(Mr. CAVANAUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAVANAUGH. Mr. Speaker, on Monday, I spent the day at Fort Jackson, S.C., and on Tuesday I spent the day at Fort Bragg, N.C., with the purpose of observing the status of our military forces and particularly trying to determine why young Americans are now serving in the military and whether or not we are attracting adequate and qualified personnel.

During that time, I had the opportunity to speak to three general officers, several dozen lower ranking officers, several dozen noncommissioned officers, and hundreds of enlisted personnel.

Of all those I visited with only the three general officers felt that the All-Volunteer Force is now attracting adequately qualified personnel to serve the military manpower needs of the Nation.

Without exception, the lower ranking officers, the NCO's, and enlisted personnel felt that the quality of people who we are now attracting into our military forces is not of an adequate level to meet our defense needs.

I think that each Member of the Congress would be well served to spend some time personally observing the current status of our forces and the quality and number of personnel who we are currently attracting. It is clearly inadequate.

□ 1310

UNITED STATES LEFT WITH WORST OF ALL POSSIBLE WORLDS

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, as U.N. Ambassador Donald McHenry has stated, the Carter administration's handling of the U.N. resolution on Israeli settlements and its subsequent repudiation of its vote has left the United States with the worst of all possible worlds. U.S. foreign policy has again flip-flopped, alienating Israel, the Arab world, and allies around the globe. It is tragic when NATO members are so concerned about the constancy of U.S. conduct of foreign policy that they openly express dismay.

The behavior of the Carter administration in this episode as in the case of the neutron bomb, the Soviet brigade in Cuba, and the imposition of economic sanctions against Iran demonstrates that, under our current leadership, the United States is vacillating, unpredictable, and even unprincipled. This will harm the U.S. ability to pursue its international objectives.

We are now facing a situation in which the prospects for peace in the Middle East are today much dimmer than they were 2 weeks ago. President Carter has destroyed his credibility and influence in the Middle East. He has the contempt of all parties. The Israeli response to the U.S. vote—the seizure of 1,000 acres of land on the northern outskirts of Jerusalem—will heighten tensions between Israelis and Palestinians and may convince its Arab neighbors that Israel does not want peace.

The Middle East time bomb sputters anew, thanks to White House bungling. This imbroglio must rank as one of the most devastating in the history of U.S. diplomacy.

WHAT IS HAPPENING TO OUR COUNTRY?

(Mrs. FENWICK asked and was given permission to address the House for 1

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I do not often rise to speak in a partisan spirit, but I think it is time to speak to this House and as far as my voice may reach to the people of the country.

What is happening to our country and under what current conditions? How did we arrive at the place we are today? I do not think there is a Member of this House on either side of the aisle that does not know there is an uneasy feeling in the country. People are desperate; desperate businessmen in Minneapolis; desperate businessmen in Newark, N.J.; desperate. They feel that the whole fabric is crumbling. They have no confidence that the people in authority know what they are doing or know where they want to go, whether it is foreign affairs or economics.

The condition of inflation in this country is absolutely out of control. One man wrote me:

> For the first time in my life I had to take my savings to live on and I am now down to $2,450. That is all I have left.

We have had in this House uninterrupted Democratic control and, it is true, you have voted money and money as though money came from great piles of autumn leaves that could be picked up and scattered broadside over this whole country.

We have got to stop it. If we do not pay some attention to what people are saying, we will not be here, and perhaps it would not be important if we were not.

PENTAGON REPORT SHOWS MENTAL SCORES OF RECRUITS INFLATED

(Mr. HOPKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOPKINS. Mr. Speaker, at a time when America's capacity to counter Soviet military strength is in doubt, one of the Pentagon's most recent reports is particularly alarming.

According to Pentagon officials, mental scores of recruits in the lower ability levels apparently have been inflated for years because of technical errors and cheating on the military aptitude test. Their best estimate is that up to 28 percent of all recruits accepted in recent years have been in the lower mental category, instead of the 6-percent rate previously reported.

Mr. Speaker, as military weapons systems grow ever more complex, it is shocking to learn that in some instances it is harder to cheat on a drivers license test than on an enlistment exam.

Let me assure my colleagues that the newest member of the House Armed Services Committee intends to look closely at these alarming reports.

DRIVING SMALL BUSINESS OUT OF BUSINESS

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I would like to share with my colleagues the plight of my constituent Dave Clark of Clark Construction in Concordville, Pa., and I quote:

> I've worked hard * * * raised a good family * * * I've done everything by the book. But this time, I've had it. I'm tired of being in an industry that is selected to be the scapegoat for inflation every five years.

Apparently, the administration has neglected to inform Mr. Clark, and his fellow citizens, that they are rewriting "The Book."

This afternoon, Mr. Clark is going to have to lay off an employee who has worked with him for 4 years. Mr. Clark has had his own construction business since 1965, but he cannot afford it any more. A few months ago, he paid about $1,000 a month in interest on his construction loans. This month, his interest bill is more than $1,500.

From our lofty perspective, we often say that high interest rates create a severe strain on small businessmen's cash flows. This time, in the real world, the cash flow has stopped completely.

If it is the administration's intent to have the Federal Reserve force small business out of business, I cannot think of a better way.

Mr. Speaker, the small business community is the backbone of our Nation's economy. Can we afford to kill it?

PROPOSED SHIFT OF OAKLAND RAIDERS TO LOS ANGELES

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, National Football League owners better make up their minds to start gang tackling Al Davis, the fast-stepping general manager of the Oakland Raiders, if they want to continue to enjoy the loyalty and support of professional football fans.

Despite the fact the NFL has refused the Raiders permission to move to Los Angeles, Davis has said he will make the move anyway. If he is permitted to make good on his threat, the same fate could be instore for loyal fans in 27 other cities where there are NFL franchises.

I think there will be substantial sympathy in this body for complaints arising from the proposed move from Oakland where fans have faithfully supported the Raiders. The fans in Oakland are as loyal as any in the league. In each of the last 10 years, the Oakland team has sold more than 50,000 season tickets. If the NFL wants to avoid legislation, it is essential that it exercise responsible self-regulation about the movement of team locations.

I regard myself as a typical pro football fan. As a part-time resident of Washington, I like the Washington Redskins, but, as a Congressman from the Chicago area, I am a dedicated Chicago Bears fan.

I know Bears fans would look upon the transfer of the team in much the same way they might react if the historic water tower were to be moved out of Chicago. The same thing would happen if the Redskins attempted to move.

If the NFL acts forcefully to bring Davis under control, it will have the backing of American sports fans and Congress.

LACK OF LANGUAGE TRAINING IN OUR SCHOOLS

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIMON. Mr. Speaker, in behalf of my colleagues, the gentlewoman from New Jersey (Mrs. FENWICK) and the gentleman from California (Mr. PANETTA), the three of us having served on the President's Commission on Foreign Languages and International Studies, I am introducing a resolution simply urging the colleges and universities and schools of this Nation to provide greater emphasis in this field.

We live, believe it or not, in the only nation on the face of the Earth where you can go all the way through grade school, high school, college, and get a Ph. D. and never have a year of a foreign language.

We have State universities with no foreign languages. We have one-fifth of our high schools with no foreign languages. Fewer than 1 percent of our elementary schools and fewer than one-fifth of our community colleges teach foreign languages.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. SIMON. I would be happy to yield to my colleague, the gentleman from Texas.

Mr. DE LA GARZA. Mr. Speaker, I want to commend the gentleman and associate myself with his remarks and join him in his efforts.

Mr. SIMON. Mr. Speaker, I thank my distinguished colleague.

It is most important for the security of this country, for the economics of this country, and for the culture of this country that we move ahead in this area and I hope many of my colleagues will wish to cosponsor this resolution.

UNIFORMED SERVICES HEALTH PROFESSIONALS SPECIAL PAY ACT OF 1980—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President on the bill (H.R. 5235) to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services.

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent that the message, together with the accompanying bill, be referred to the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. BAUMAN. Mr. Speaker, reserving

the right to object, I wonder if the gentleman could tell us whether the minority has been consulted on the matter.

Mr. NICHOLS. Mr. Speaker, if the gentleman will yield, the minority has been consulted on this. We had a conference this morning. I believe they are in accord with this.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, will a motion for a call of the House be entertained by the chair?

The SPEAKER. If it is made.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 136]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1330

The SPEAKER. On this rollcall, 366 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES ON WINDFALL PROFIT TAX

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 604 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 604

Resolved, That upon the adoption of this resolution it shall be in order to consider the resolution (H. Res. 602) expressing the sense of the House of Representatives that the net revenues from the windfall profit tax should be primarily directed toward solving our Nation's energy problem, in the House. Debate on said resolution shall continue not to exceed one hour, equally divided and controlled by the proponent of the resolution and the ranking minority member of the Committee on Ways and Means, and the previous question shall be considered as ordered on said resolution to its final adoption or rejection without intervening motion.

The SPEAKER pro tempore (Mr. MCHUGH). The Chair recognizes the gentleman from Missouri (Mr. BOLLING) for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, I take the well on the rule on this resolution to explain not only this rule but also the resolution that will follow it, and then the rule that will come later on the windfall profit tax conference report. I do so because although the connection is not on its surface clear, there is a connection between the resolution that this rule makes in order and the whole matter of the conference report on the windfall profits.

☐ 1340

I think the Members, even those who were not particularly interested in this subject may be interested in knowing the process that will be followed in the event that the various resolutions are adopted.

It really does not matter to me whether Members are informed. I would just like them to have the opportunity, and I know that they cannot have the opportunity unless they can hear.

This resolution is unusual. It makes in order a resolution that does nothing except send a message. It is a resolution offered by the gentleman from Virginia (Mr. FISHER) and the gentleman from Missouri (Mr. GEPHARDT), both of whom serve on the Committee on Ways and Means. They were not members of the conference on the windfall profit tax.

The conference on the windfall profit tax contains some hortatory language, language without legal effect, I am informed, which says, in effect, that the Congress should spend 60 percent of the proceeds of the windfall profit tax by sending it to the general fund and later, perhaps, if the Congress enacts it into law, on tax decreases.

Twenty-five percent of those proceeds are to go, after legislation is enacted, to the people who could least afford the increase in oil prices, the poor, and 15 percent to a variety of purposes which will, presumably, do something about the problems of energy.

The gentleman from Virginia (Mr. FISHER) and the gentleman from Missouri (Mr. GEPHARDT) and a number of other Members felt that those hopeful suggestions, not having the force of law, sent the wrong message. They felt it was important, since the House had not had an opportunity to debate and act on the division of the proceeds of the windfall profit tax, that the Members at least have an hour's debate on that subject and have an alternative to express their preference. So, they put in a resolution that provides for another distribution of the proceeds, again having no force of law, again just sending a message. It provides for 50 percent of the proceeds to go to energy purposes, 25 percent—just as in the other proposition in the conference report—to go to the poor, and 25 percent to go to the general fund, I presume perhaps for tax decreases over time.

Now, Mr. Speaker, please understand the windfall profit tax and the whole question of oil deregulation is the biggest economic legislation, as far as I know, of all time, not only in the United States but anywhere. I cannot think of anything that is going to be involved with a trillion dollars, which some people say is the cost of deregulation over 10 years, or a tax take somewhere between half a trillion and $600 billion. That is what we are talking about.

Mr. Speaker, even a sense of the House resolution or the sense of the Congress language contained in the conference report, has significance.

Such language means that when the legislative committees begin to function, there will be a certain division as to which committees get to originate the distribution of these funds. So, it is not just a signal. It is a message not only to the American people but also to the committees of Congress. To a certain degree it has that importance.

Mr. Speaker, I do not want to be less than frank with the Members. One of the reasons the Committee on Rules made the unusual decision to allow consideration of the Fisher-Gephardt resolution was that it wanted to advantage the possibility of the passage of the windfall tax without its going back to conference. The reason for that is very simple. There are a lot of people who feel that for all kinds of different reasons there will be a major attempt, if this conference report fails and goes back to conference, to see to it that there is no windfall profit tax bill.

Mr. Speaker, I am not even going to say who the people are who will oppose it inside or outside of Congress. I will leave it to the imagination of the Members. A variety of people might well oppose the conference, any windfall profit tax if it got back into conference again. They had an extraordinarily difficult time getting it out of conference to begin with.

Mr. Speaker, we therefore provided this resolution which I think I have explained and it makes it possible for the Fisher-Gephardt resolution to be considered.

Under the Fisher-Gephardt resolution the time of 1 hour will be controlled by the proponents, the gentleman from Virginia (Mr. FISHER) and the ranking minority member of the Committee on Ways and Means, the gentleman from New York (Mr. CONABLE). That was not the way it was originally written but that is what the minority of the Rules Committee thought and in that we acquiesce.

Mr. Speaker, I reserve the balance of my time.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a rule making in order House Resolution 602, a resolution supposedly expressing the sense of the House of Representatives that the net revenues from the windfall profit tax should be directed primarily toward solving our Nation's energy problem. This resolution is made in order to be considered in the House. There is to be 1 hour of debate which is to be equally divided and controlled by the proponent of the resolution and the ranking minority member of the Committee on Ways and Means. The previous question is to be considered as ordered without any intervening motion.

What all of this means is that should this rule pass, the so-called Fisher-Gephardt proposal for earmarking revenues obtained under the windfall profit tax will be in order. The proponent offering the resolution will control 30 minutes and can yield for purposes of debate only. Likewise, the ranking minority member of the Ways and Means Committee will control 30 minutes and may yield only for debate purposes. This is because the previous question is to be considered as having been ordered and because we will be in the House and not in the Committee of the Whole.

House Resolution 602 is designed to alter the percentages that are presently in the conference report that earmark revenues raised by the tax as follows: 60 percent for income tax reductions, 25 percent for low-income assistance, and 15 percent for energy and transportation programs. The so-called Fisher-Gephardt resolution provides that 50 percent of the revenues will go for energy research and development, 25 percent for low-income assistance, and 25 percent to the General Treasury.

Mr. Speaker, this resolution precedes the consideration of the conference report. As long as I have been here, I have never seen this type of procedure where we attempt to amend the language of the conference report before we even take up such conference report. To say the least, the procedure is completely unorthodox. By doing this, the Congress will be sending out more conflicting signals than the White House. If a Member chose to, he could vote for the earmarking resolution and turn right around on the same afternoon and vote against the windfall profit tax conference report. Realizing this, an attempt was made yesterday in the Committee on Rules to make in order the resolution as a part and parcel of the consideration of the conference report itself. Needless to say, this attempt failed. I suppose it made too much sense to do it this way.

If this is not enough, the whole idea of trying to earmark revenues in advance is totally meaningless. Congress can legislate in any way it wants to later to authorize the spending of this money. So, what I am saying is, the Fisher-Gephardt proposal is effectively without substance and should be defeated. Not only that, it should not even be considered under this procedure. Accordingly, I urge the defeat of this rule.

□ 1350

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I have come to exactly the same conclusion as the gentleman in the well. It seems to me that we are almost dealing with a mirage here. If it has any substance I am certainly against it because I do not like the idea of trying to rearrange a carefully worked out disposition of the proceeds of the windfall profit tax in this way or in any other way. But, if it does not have any substance I am against it also.

It is, in a sense, a precedent which is confusing, which does not serve any useful purpose as far as I can see, and which has to be one of the most fruitless exercises we could possibly undertake. I think somebody must be trying to kid somebody about the intent of this Congress.

In this resolution, we are not going to have any impact on the Senate, obviously. It is not part of the conference report, and I do not think we ought to legislate with our tongue in our cheek in this way. It reflects on the credibility of our institution. It reflects on the credibility of Government generally. I think the thing to do is to reject out of hand the rule and to move on to more serious matters.

Mr. LOTT. Mr. Speaker, I certainly agree with the gentleman's comments. I might recall the statement of the gentleman from Florida (Mr. GIBBONS) when we were considering this resolution and the whole issue yesterday in the Rules Committee. He said that we would have the luxury, for all intents and purposes, of sending two completely separate signals to the American people. We say in this resolution that we are doing one thing, and in the conference report another; and in fact we are doing neither.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Colorado.

Mr. KRAMER. Mr. Speaker, could the gentleman tell me, if we were to pass the Fisher-Gephardt proposal, and then we were to pass the conference report maybe an hour or two later, what would be the effect of what we have done?

Mr. LOTT. On the resolution, it would have no effect, really. It is just an expression of the sense of the Congress, not binding in any way. The conference report, if it had any impact as far as the allocation of where the funds would go, certainly would take precedence over a meaningless resolution.

Mr. KRAMER. Would we have succeeded in being able to speak out of both sides of our mouth at the same time?

Mr. LOTT. I think it is clearly going to look that way to the American people, and I think also to the media.

Mr. KRAMER. Or perhaps speak out of three sides of our mouth at the same time, because, as I understand the gentleman, neither one of these is binding. It is an exercise in futility.

Mr. LOTT. That is my understanding, and that was the expert testimony we had before the committee yesterday.

Mr. KRAMER. Except to show the American people that we have no energy policy and no consistent tax policy. Would the gentleman agree with that statement?

Mr. LOTT. I certainly would.

Mr. KRAMER. I thank the gentleman for yielding.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Speaker, just a few words about the rule on this resolution. The point has been made that this would have no effect. Well, it would be advisory. It recommends how to use the immense amount of money that would be collected by this tax over a 10-year period. It simply recommends, but that is all the conference report does as well. On that score, there is no difference. They are the same.

Of course, the contention is that the recommended breakdown of uses is different, and the resolution recommends that first priority in the use of the funds should be given to energy—energy research and development, production, energy conservation, transit, which is a way of conserving energy, and so forth. That would be the first priority, and that, after all, is what gives rise to the tax in the first place, energy problems.

It does seem to me passing strange that we would come out of this long exercise not specifying even in an advisory, recommending kind of language, that highest priority be given to dealing with the energy shortage, energy prices, energy dependence on uncertain sources of imports, and so forth. It does seem very strange that we would go through long turmoil—agony, almost—to produce a bill, and then at the end of it recommend not that energy be given the principal attention, but that tax reduction be given the principal attention. Incidentally—not so incidentally, really—this is hardly the time to be telling the American people and even the world that the highest priority in an energy bill is an inflationary, potentially very inflationary, tax reduction.

As for the point that there are two signals being sent out, I would like to say that the resolution, right at the head, where the introductory sentences are, says that notwithstanding—underline "notwithstanding"—notwithstanding the recommendations as to use of tax revenues contained in the conference report, the distribution of uses recommended in our resolution is the one that expresses the will of the House—notwithstanding. So that, although either one of these is only advisory, as I pointed out, the language in the resolution clearly says that, notwithstanding what the conference report says, this is the way the House wants to do it.

Now, as the chairman of the Rules Committee pointed out, the House has never had a chance to consider this matter at any time. The Senate spent weeks, even months, raking the subject over of how some of the money that would come in from this tax would be used. It does seem to Mr. GEPHARDT and to me and to the many other Members who want to have a vote on this that the House ought to have at least the one hour to consider this matter. Let me remind my colleagues that this is the biggest revenue-producing bill that has come down this pike for many, many years. It is a big issue. It is $227 billion at the minimum over the next 10 years, and probably lots more.

Those Members who may be worried about using some of the tax revenues that will result from the decontrol of oil prices for tax reduction or for deficit reduction, let me remind them that in addition to the windfall profits tax there will be a major increase in revenue on the regular corporate income tax exceeding even the amount that will come from the windfall profits, and that money is available for such uses as the Congress determines.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. BOLLING. Mr. Speaker, I yield 5 additional minutes to the gentleman from Virginia.

Mr. FISHER. So that it is not as though there will not be a considerable source of funds resulting from decontrol of oil prices that would be available for tax reduction, for deficit reduction, and perhaps for other purposes. We are talking now only about the windfall profit part of it; in a sense, the first $227 billion to result from the windfall profits tax. So, I think that it is terribly important that the House have a chance to look at this important matter, have a little debate on it, and then express its will. It is only advisory, only recommending anyway, just as the conference report is. But, that is terribly important on a matter of this consequence or this magnitude, that we send out, as the chairman of the Rules Committee has said, a message, a signal all over the country and the world that we did not start on this energy program of decontrol and windfall profit tax only to end up not even indicating that we are going to do very much for energy itself—energy conservation, new sources of energy production.

☐ 1400

So, Mr. Speaker, this in short is the basis for it. I do hope that my colleagues will vote for the rule. I hope they will certainly vote for the rule and allow us to have our 1 hour of discussion on a truly major issue.

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. FISHER. Mr. Speaker, I think I agreed to yield first to my colleagues across the aisle, so I yield to the gentleman from Colorado.

Mr. KRAMER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I share the gentleman's frustrations. I think in essence what the gentleman is saying about this matter is that we are about to pass one of the largest tax increases in American history, supposedly on the assumption that we are now moving forward on a strong energy policy, when in effect this bill does almost nothing to produce self sufficiency for the American public in energy.

I would like to pose an inquiry to the gentleman. I know he is interested in sending this message, and I sympathize with him, but if I were to vote yes on this resolution and if then I were to vote yes again on a contradictory set of percentages in the conference report a short time later, what would be the position of the House? Would we not be trying to take two contradictory positions and then, if in fact that is the case, are we sending a message of any significance, or are we sending the same kind of muddled message on energy that we have been sending the American people for the last 3 years?

Mr. FISHER. Mr. Speaker, I think the message would be very clear. First, if the gentleman votes for the Fisher-Gephardt resolution and then goes on and votes for the conference report, as I hope he will, he would be sending loudest of all the message that we are going to put in place a windfall tax so that people who see the prices go up, partly because of decontrol, will have some assurance that not all of that is going to go to the companies but some of it will be taken in the windfall profit tax. That is the major message that will go out.

Mr. GEPHARDT. Mr. Speaker, would we not be sending the same message if we just adopted the conference report?

Mr. FISHER. Mr. Speaker, if I could first continue on the gentleman's other point, as I indicated a few minutes ago, if the Fisher-Gephardt resolution is adopted, the advisory language or the recommendation about the use of the funds contained in the resolution, I would think, would take precedence as an expression of view because of the word, "notwithstanding," that I emphasized earlier.

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from California.

Mr. STARK. Mr. Speaker, as I am sure the gentleman realizes, he and his colleague, the gentleman from Missouri (Mr. BOLLING), are asking us to consider whether or not we should spend $115 billion over the next 10 years on a variety of programs.

Could the gentleman outline for us some of the programs and some of the approximate amounts that he would have us spend these dollars for, seeing that the President has not asked for any and that we know of no recommendation by any of the standing committees of the House asking for any of these funds?

Mr. FISHER. Mr. Speaker, I would be glad to do that.

First, I want to remind my colleague and others that the original proposal from the President or from the administration asked that 80 percent of the windfall tax money go to energy.

Mr. STARK. Mr. Speaker, would the gentleman yield at that point?

Mr. FISHER. Mr. Speaker, if I could, I will just finish that thought.

And at that time the estimated revenue or the revenue proposed was much greater.

Mr. STARK. It was $40 billion at that time.

The SPEAKER pro tempore. The time of the gentleman from Virginia (Mr. FISHER) has expired.

Mr. LOTT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding this time to me.

Mr. Speaker, I just want to correct one point, because the gentleman from Virginia (Mr. FISHER) and I both serve on the Ways and Means Committee, and we should be accurate in language used to describe H.R. 3919, the conference report that will soon be considered.

This is not a windfall profit tax; it is an excise tax by definition, and it will be ultimately, many of us feel, be a tax on the consumer passed on by producers. So the gentleman did not mean to leave the impression that this is just a tax on windfall profits or something, did he? It is an excise tax. It is similar to a sales tax, and it will ultimately be paid by the consumer.

The gentleman knows that, does he not?

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Why, of course, I yield to the gentleman from Virginia.

Mr. FISHER. Mr. Speaker, I thank my colleague, my esteemed fellow committee member, for yielding.

Of course, this is an excise tax.

Mr. ROUSSELOT. I appreciate the gentleman's recognizing that fact. Our colleagues should know this huge tax is very similar to a national sales tax.

Mr. FISHER. More carefully defined, it is a severence excise tax, yes. The tax is now so widely called a windfall tax that it is hard not to use the term. It is not, however, a sales tax. It would be paid by oil companies on the difference between the oil market price and the base price. Gasoline at the pump, for example would not go up in price because of this tax.

Mr. ROUSSELOT. That is a misnomer, is it not?

Mr. FISHER. It is in a way a misnomer to relate it directly to "profits."

Mr. ROUSSELOT. It is a real misnomer. We should be calling this huge tax an excise tax or a national sales tax.

Mr. FISHER. The tax will not fall in the first instance on the consumer. It will fall on the refiner, more specifically.

Mr. ROUSSELOT. No, but ultimately it certainly will.

Mr. FISHER. Perhaps ultimately.

Mr. LOTT. Mr. Speaker, I yield 8 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, let me say to my colleagues, "I'll bet you all thought you were coming here today to vote on a windfall profit tax, didn't you? Did any of you realize you would first be forced to vote on a meaningless resolution, that is, a sense of Congress resolution with no force of law, before you would be permitted to vote on the windfall tax conference report?"

I am sure the Members did not realize that, because such a situation is virtually unprecedented in our recent parliamentary annals; we are asked to vote on a sense of Congress resolution and then immediately annul that sense of Congress resolution with a conference report that takes just the opposite position. The Congress is often charged with being two-faced and going in both directions at once, but, this, today, is an example of hypocrisy that is almost unequaled.

The House ought to consider this, because this is quite a precedent to set. If this precedent holds, you will now endorse spending all this new tax money for energy first, and then about an hour and a half later you will vote for spending the same money for tax cuts. In both cases they are only sense of Congress votes and essentially meaningless, but the House will be on record both ways, going in two different directions on the very same day concerning a very important and serious matter.

Think of the precedent this will set. If, God forbid, America is faced with a decision that war has to be declared, all Congress would have to do is first consider a sense of Congress resolution that we not go to war for those who oppose war, and then Congress would pass another resolution sending us to war.

How about the balanced budget? That is a great idea. Under this new procedure the Members who do not want to balance the budget but want to spend money for programs would first have a sense of Congress resolution that we not balance the budget, and then we would vote later in the day in favor of balancing the budget.

How about defense increases? The possibilities are enormous with this precedent. Walt Disney Studios could not have possibly come up with a more intricate and brilliant scheme to cover all exigencies as well as entertain the people.

I do not know precisely why this novel procedure is being followed except that there is a feeling on the majority side of the aisle that we must consider a sense of Congress resolution for those who want to spend the money for energy so they can vote first, and then later we will really do what we want to do, approve the use of the revenue for tax cuts.

Mr. Speaker, as Members of Congress we get many reports and we do not always read all the reports that are made available to us from the GPO at great expense, but I will ask my colleagues to please get their conference reports out now and follow me on this. This is not very difficult to follow.

I will ask my colleagues to get their conference reports and turn to page 29 and look at section 102(b). There the Members will see what the Committee on Ways and Means and the conferees have recommended that we spend this tax money for sometime in the future. The recommendation is 60 percent for income tax reductions, 25 percent for low-income assistance, and 15 percent—only 15 percent—for energy and transportation programs. Remember, this tax was supposed to be a solution of our energy problem.

Now I will ask the Members to take the resolution, which is House Resolution 602, the Fisher-Gephardt resolution, and hold it up alongside the conference report and read it. It says, "notwithstanding"—and the gentleman from Virginia (Mr. FISHER) was quite correct in that, because notwithstanding, Mr. Speaker, the resolution says here, the money should be spent 50 percent for energy, 25 percent for low-income assistance, 25 percent for anything else Congress can think of.

Those percentages are very simple—60–25–15 and 50–25–25. But they are totally inconsistent. They are totally at variance with precedent, and if we vote for the rule now pending, we are saying, "Yes, that is the kind of legislator I am. That is the kind of parliamentary procedure I love. I love to be two-faced on the very same day. After all we are only talking about is a simple little old tax increase that is the biggest single tax increase in history."

□ 1410

You are only talking about $227 billion in taxes, which is only one-fourth of the national debt. The amount could be even more. You remember the national debt? Perhaps we could vote a sense of Congress resolution that we not have a national debt before we increase the national debt.

I commend the majority of the Committee on Rules. I am sorry they did not allow me to have my motion adopted yesterday. I wanted to do a terrible political thing. I wanted to let this House vote for the Fisher-Gephardt matter in a motion to recommit the conference report so that they would have had a choice, that they could have changed the conference report terms, and Fisher-Gephardt if the majority wanted it, could have been passed.

I am not sure that I agree with Fisher-Gephardt, but I agree that this rule is a travesty that ought to be defeated, and the best way you can do it is to vote down this pending resolution. And then we will offer a motion to recommit with your language in it.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

Then the gentleman means that Resolution No. 602 now before us is in conflict with the conference report itself?

Mr. BAUMAN. I tried to convey that idea.

Mr. ROUSSELOT. I thought the gentleman got it across very well, but some of my colleagues were talking over on the Democratic side of the Chamber and I wanted to be sure that they heard it.

Mr. BAUMAN. They were probably dumbstruck—they were mumbling to each other—at my revelations.

Mr. ROUSSELOT. Dumbstruck? I hope they were dumbstruck enough to vote against the resolution.

Mr. BAUMAN. That is not a personal description of anyone.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, as a Member who is not a part of the Committee on Rules——

Mr. BAUMAN. There is virtue in that, too, I would tell the gentleman.

Mr. LEVITAS (continuing). The logic of the gentleman from Maryland is persuasive. But perhaps the gentleman could share with other Members why it is that the Committee on Rules did not permit the Fisher-Gephardt resolution to be offered as a substitute for that portion of the conference report so that we could have an up-or-down vote.

Mr. BAUMAN. I have to accede to the

gentleman from Missouri (Mr. BOLLING), who said that they were afraid that a motion to recommit would pass, and if it passed, the bill would go back to conference; and if it went to conference, it would never come back. So that was his explanation.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to my good friend from California. I hope that characterization will not hurt him.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Mr. Speaker, at least one thing that we know is that this conference report does comply with the 4 hours printing requirement of the Burton rule.

Mr. BAUMAN. Yes. Perhaps the gentleman could propose some new Burton rules, in the light of this procedure we have before us today.

Mr. JOHN L. BURTON. I would be happy to work with my man on the Committee on Rules and take that up.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Colorado.

Mr. KRAMER. I thank the gentleman for yielding.

Mr. Speaker, I want to make sure that I understand the points of the gentleman.

Mr. BAUMAN. I thought I was very explicit.

Mr. KRAMER. They are a little difficult to ascertain, but I want to make sure I have it just right.

Now, I learned in law school—and it has been a while since I have been in law school——

Mr. BAUMAN. You are a lawyer, are you?

Mr. KRAMER (continuing). But I learned in law school that if you pass something and then you pass something after that that is different from the first thing you passed, that the second thing ought to repeal the first thing.

Mr. BAUMAN. Most of the judicial interpretations that I have seen hold that the latest enactment of a legislative body is the one that is followed by the courts.

Mr. KRAMER. That would be the case here if we do what the gentleman are proposing; would that be correct?

Mr. BAUMAN. I think the gentleman is correct. If we vote for the pending resolution and the Fisher-Gephardt resolution it makes in order, and an hour and a half from now, let us say it is 2:15, at 3:30 or 3:45 we vote for the contradictory conference report, it wipes out the Fisher-Gephardt resolution as a sense of Congress and replaces it with a new sense of Congress embodied, as I pointed out, in section 102 of the conference report.

So really it is an exercise in complete futility and meaninglessness to vote for this or even consider this matter first.

Mr. KRAMER. I have one additional question I would like to ask the gentleman. Is it not also true that even if we succeeded in wiping out the first by the second, that the second is really worthless also? So really we probably have not done as much harm as we might think at first blush.

Mr. BAUMAN. Between two equally meaningless propositions, the latest worthless proposition apparently is the one that prevails.

Mr. KRAMER. I thank the gentleman.

Mr. LOTT. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I usually vote yea on approval of rules, but frankly, if we approve this rule and then approve the Fisher motion and then approve the windfall profit tax conference report, we are going to look silly. The best way out of this silly position is to kill the rule right now.

Let us talk about what is happening today. Unfortunately, this is probably the biggest economic event anybody in this House will ever vote on. The economic event I am talking about is deregulation. We are not talking about $227 billion. We are talking about $577 billion in additional revenues to the Federal Government over a period of 10 years. It is going to so change the operation of the energy industry and of the tax structure of this Government that we ought to be paying serious consideration to that and not serious consideration to this frivolous Fisher motion. It does not make any sense to adopt Fisher and then to vote for the windfall profit tax.

Why was the 60-percent figure put in the conference report? A year ago, when this House voted on this windfall profit tax, it was going to raise $40 billion. Oil was then selling for $13 a barrel. Oil is now selling for better than $30 a barrel, and the amount of money in this whole thing has skyrocketed to astronomical proportions.

Also the energy proposals that have been made by this Congress in this windfall profit tax bill, in the tax credits extended over a 10-year period, there are about $15 to $18 billion worth of tax credits for energy. In addition to that, there is at least $36 billion worth of energy outlays available under the formula that is in this bill. There are no proposals in this Congress that will spend anywhere near that much money. The problem is that some Members have confused budget authority with outlays. When we talk about the windfall profit tax bill, we are talking about money that is going to be outlays. The energy bills that are all in conference and all of the bills that have been proposed are mainly budget authority bills. They are bills to guarantee loans, they are bills to give purchase authority. They are not outlays of cash and perhaps never will be outlays of cash. And why the frivolous Fisher motion wants to throw $115 billion out there when we do not even have a program to spend it.

So what we ought to do is quit wasting the time of the House, get down to the serious debate on the windfall profit tax. We can do that by defeating this motion right now and get on with the important business of this country.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Speaker, let me just say to the gentleman that I respect his point of view. But as I understand the language in the conference report—and I have read it several times—it is advisory in nature. That is a little bit unusual. So how does a Member like myself, who wants a windfall profit tax but does not believe that the relative allocation which is suggested in the conference report is proper, how do I otherwise protest that allocation where I want to vote for the tax, but I do not agree with the sense of the conference as to the allocation?

Mr. GIBBONS. When bills are presented to the Congress later on—this is just the first of a series of bills—then the gentleman ought to use his independent judgment and his one vote to vote the way he feels. But we do not have any proposals to spend $115 billion.

Vote "no."

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I think my colleague, the gentleman from Florida, has given the Members an eloquent reason to oppose the motion.

I would like to speak to the Members a little bit today about opposing the rule, in that it is a precedent-setting rule, and I am not sure that any of us want to establish this precedent for future bills.

We have here, first of all, an affront to the chairman of the Committee on Ways and Means and its ranking minority, along with the members of the conferees. This gentleman in the well, may not really feel that the windfall profit tax conference is everything I would have wanted in some areas and more than I would have wanted in some other areas, but I am convinced that it was the best compromise that Members on both sides of the aisle and in both spectrums of both sides of the aisle could agree on. It comes as close to what the administration asked for and I think it is what the American public demands.

□ 1420

Then at the 11th hour, when a motion to instruct was ruled out of order because it is beyond the scope of the conference, to allow Members who did not attend the conference, who never contacted the conferees during the course of a 2½-month open conference, to come in and, in effect, criticize the work without any hearings, without any discussions as to how the money should be spent, to me, is a principle that I am not sure that we want to establish. I can think of a lot of conferences that are going to come up, the Armed Services Conference, for instance, where I might like to offer a resolution to ban nuclear weapons without a hearing.

This resolution has no force and effect. It is beyond the scope of the conference and would continue to be out of order, and it would direct us in fact at some point to do things that the Committee on Ways and Means does not have the authority to do. The resolution might well be referred to the Committee on Interstate and Foreign Commerce. It might well be referred to the Committee on Science and Technology. If there is a new energy committee, it might well be referred to it. It certainly is beyond the scope of the Committee on Ways and Means.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Virginia.

Mr. FISHER. I thank the gentleman for yielding.

The gentleman in the well has said that we come on at the last minute with this resolution. I want to remind the gentleman in the well that we spoke in this vein last May when the committee was considering——

Mr. STARK. If I may reclaim my time, that was at a point when the committee was going to raise $40 billion and half would have been $20 billion, and there is that $20 billion in the conference report.

Mr. FISHER. If the gentleman would continue to yield, then in January, 11 members of the Committee on Ways and Means addressed a letter to the chairman and other Members, including the gentleman in the well, pretty much outlining exactly what is in our resolution. Democratic members of the committee had meetings on the subject even in the chairman's office, and we have sent out three or four "Dear Colleague" letters over the last couple of weeks. This is hardly something that is sprung on the Members at the last possible moment.

Mr. STARK. If I may reclaim my time, I appreciate the gentleman's comments. There have been no numbers offered. We considered in some detail all of the firm offers that were in the Senate bill only, and it seems to me that there are standing committees of the House of deal with this subject. This gentleman would support many of them, but I cannot support a wild card to spend $115 billion with no tags on it. That to me is the ultimate of irresponsibility.

Our bill, the conference committee bill, says that there is money available for tax cuts, and if it is not used it goes back to the Treasury to reduce the deficit. That is all we had jurisdiction to do.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. STARK. I yield to the gentleman from New York.

Mr. OTTINGER. I do not see why the gentleman from Virginia's motion creates any more of a wild card than what the conference committee did. It set aside 15 percent without specifying what the programs were.

Mr. STARK. If I may reclaim my time and outline to the gentleman from New York, we set aside approximately 15 percent, cutting back from much more than what the Senate asked, giving $30 million to Greyhound for buses with no requirement that they be more efficient. We are giving all kinds of tax credits for solar and geothermal. We have got a host of goodies in that bill for conservation and energy sources.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, I want first of all, to try to dispel the notion that this is a consumer tax. Consumers are going to be paying an awful lot of money for energy whether we continue price controls or not and whether we impose a windfall profit tax or not.

When Nixon imposed price controls on domestic oil, the idea was to protect consumers from high energy costs. We all know now these controls did not protect consumers. The world price of oil was being determined by OPEC and we saw prices quadruple in 1973. Now the world price has even outpaced OPEC and we have seen the price double over the past year. Over the decade the world price of oil has risen from $1.80 a barrel to $29.62 in February of this year. Our bill for imported oil has grown from just under $3 billion in 1970 to over $60 billion in 1979, and the American consumer has paid this bill.

Last Spring, President Carter decided to decontrol oil prices gradually and to impose a windfall profits tax. What was the first purpose of that tax? It was to relieve the pressure on the poor and the worker against the cost of energy, which was going to go up even further. We will never see the days of cheap energy again.

As the gentleman from Florida (Mr. GIBBONS) pointed out when this bill went through the House, the revenue gain was going to be between $40 and $50 billion. Now it is going to be $227 billion. Every time that figure goes up, the price of energy goes up even faster.

The conferees on this bill suggest that if we are going to keep faith with the American people, we have to give them some relief—some hope of maintaining their present living standards. The revenue from the windfall profit tax provides a way to do this. If the oil companies are going to make a lot more money, they are going to have to pay more of it for the cost of government, and if the working men and women and very poor men and women of this Nation are going to have to pay a lot more for their energy, they ought to have to pay a little bit less toward the cost of government. That is all the conferees are suggesting.

This hocus-pocus about spending all this money to develop energy sources does not make sense. Almost the same amount that was requested for energy expenditures in the first place has been set aside by the conferees for this purpose. There will certainly be adequate funds for all the energy projects that deserve to be funded. When the cost of energy escalates, the pressure on the working people of this Nation escalates twice as fast. We have to help them and the way to do it is to recycle this revenue back to them as quickly as possible through the tax system. To say we are going to use all that money for projects to develop new sources of energy or to build a streetcar from Washington to St. Louis does not make very much sense. To do these things would take money that should be returned to the people.

I urge my colleagues to vote down the rule.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Virginia.

Mr. FISHER. Under the Fisher-Gephardt resolution, only 50 percent of the $227 billion sort of initially takes on the windfall profit tax.

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Speaker, it should be pointed out again that the administration only asked this Congress for a total of $35 billion for new energy programs and for mass transit, $16 billion for transportation and $19 billion for new energy programs. That is precisely what the formula of the windfall profit tax conference report gives, $35 billion.

If we spend more money than that by adopting this resolution, which does not have any force or effect, we are sending a conflicting signal, but we are also sending out a signal that can only be interpreted as wasteful or a lack of understanding of what is needed. This is what Congress has done too many times in the past, is just thrown money at a problem. That is what we are about to do again with this kind of signal of this resolution.

The conference report tells the American people that the administration cannot spend any more money than $35 billion. It has not asked for any more than $35 billion. This resolution tells the American people, never mind, we want to spend even more. We are going to throw some more money at it.

In doing that, we are just going to waste money. In doing that, we are going to throw money away.

I think the American people are giving us a signal right now that is not what they want. We are even preparing to bring about a severe cut in this next year's budget, to bring spending in line. Yet, we are going off on a tangent with this kind of resolution at this particular time encouraging more Government wasteful spending.

Even in synthetic fuels, even in the Energy Security Corporation, the administration has never intended that the funding of these two items come from the windfall profit tax revenues.

The general fund is going to be used for that. The Energy Security Corporation hopes to be able to do its business, through loans and purchase guarantees, not outright expenditures from the Treasury.

I think supporters of this resolution are operating from a misconception here. There is a misconception that this tax is an energy measure and that all of the money from this tax is to be used for energy measures. That is not it at all.

The purpose behind this tax is basically a political decision that excessive profits have been made, that those profits should not be allowed in the hands of those who made them and that those profits shall be redistributed.

What better way to redistribute them than in tax cuts to the American people who are paying those energy costs and in tax cuts for the productive sector of our economy to make us once again efficient and competitive to solve long-term inflation and to regain a positive balance of trade.

☐ 1430

If we want to help the economy, if we want to help the country, then go along with the conference report's distribution of the tax revenues and put the money where it is needed; do not just throw it at a problem with increased Government spending.

Mr. Speaker, this resolution is unnecessary. The rule ought to be defeated to spare the House the time of dealing with it.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Speaker, I, like others, came here today thinking that we were going to be able to vote on an excise tax to penalize somebody in our economy that was somehow doing something wrong and should be penalized, in order that we could take the fruits of that penalty, the excise tax revenue, and somehow make the poor rich or make the poor somewhat well in the field of energy.

Now, it seems, as was suggested by the gentleman from Maryland, that that is not what we are doing here at all. We are saying, first of all, that to make a profit in the energy business is somehow a sin, that energy producing must be penalized and the money from that penalty must be used in a scheme to redistribute wealth in our society. We were prepared to vote on that, but now we are coming to the conclusion that we have a prior item of business to take up and that is a resolution saying that we are going to penalize the energy producing segment of our economy and with the money we are going to produce energy.

Now, it just seems to me that the best people available to produce energy in our economy are the people who are experienced in the production of energy; but, the backroom talk in the Committee on Ways and Means that we hear somehow says no, the proceeds from this sin tax that is going to be collected by the United States is going to go to help the poor and the amount has to be that much, because that is how much of the poor we are going to help.

Now comes the gentleman from Virginia and puts us in a terrible bind. The gentleman says that we ought to use the sin tax on energy producers to somehow produce some more energy, which is going to be a very tough tightrope to walk of course, but nevertheless, that is what the gentleman suggests that we do; so it would be utterly fatuous to go home and tell our people that we are going to penalize energy production for the sake of producing energy.

Mr. BOLLING. Mr. Speaker, I understand that the gentleman from Mississippi has only one additional speaker. I have two, so I will yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, I want to begin by expressing my profound respect for the members of the conference committee from the House who I think did an outstanding job of dealing with a very difficult subject and coming forth with a conference report of which we can be proud and for which I intend to vote. It was a very difficult process with the Senate and they performed in the best tradition of this House to come forth with a very important conference report.

Mr. Speaker, let us understand, however, what we are talking about here today. In this bill we have the opportunity to make two basic decisions. First is a decision to raise money by a tax, and second, a decision on how to spend that money. Through the Fisher-Gephardt resolution, we are trying to make it clear today that we have made the decision, if we accept the conference report, to raise that money by a certain tax, but we have put off to another day the decision as to how that money should be spent.

There is advisory language in the conference report, but it is advisory only. All we want to make clear today and all we want to tell the American people today is that by passing this conference report we have decided to raise this tax, but we have not decided how it will be spent.

Now, why is that important? It is important to send accurate messages to the American people on what we are doing. I think if we pass this resolution we create an accurate portrayal of what we are doing—that is, not deciding how to spend the windfall money.

Second, we are going to argue over the next 10 years about how this money should be spent and whenever a bill comes up to spend it, we are going to get up and use the language of the conference report to buttress arguments that we make for tax cuts or spending for energy. Let us just make it clear that we have a difference of opinion today about what we should do over the next 10 years.

All I want to have happen today is for the Members of the House to at least have the opportunity to have had an hour of debate and to have had the opportunity to vote on a resolution to express the sense of the House on this date in March 1980, as to what a majority of the Members would like to advise as to what should happen to this money in the future.

Mr. Speaker, let me end on one other point. I think in the next 10 years we are going to spend an amount equal to 60 percent of this money on tax cuts and an amount equal to 50 percent of this money on energy. If you look at the numbers, if this money is all going to general revenue, that is what is going to happen. If you pass an $8 billion tax cut this year, that will eat up an amount equal to 60 percent of this money by 10 years from now; so I think we ought to be accurate with what we tell the American people and we can do that by voting for this rule and for the Fisher-Gephardt resolution.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, I thank the gentleman for yielding. I agree with the gentleman and congratulate him and the gentleman from Virginia (Mr. FISHER) for their resolution. I hope the Members will support the rule.

I think it is important to recognize that this is not a frivolous resolution. If there is anything frivolous of what we have seen today, it is a tax credit for residential geothermal heat, as contained in the conference report.

I shall expand on the value of the Fisher-Gephardt resolution if the rule is adopted.

The SPEAKER pro tempore. The time of the gentleman from Missouri (Mr. GEPHARDT) has expired.

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, this is a muddled and ridiculous procedure, compounding confusion. I think the best way to deal with it is to defeat the rule and not to bring it up or to debate it further.

I would like now briefly to deal with the substance in the hope that we will not get the chance to discuss the substance further.

There is the issue, of course, of what disposition is to be made of the proceeds of the windfall profit tax. Evidently there is disagreement about that; however, as between the Senate and the House conferees, there was agreement. That agreement was that since it is vastly uncertain how much sums of money are going to be raised by the windfall profit tax, the safest thing to do with the bulk of the proceeds is to put it back into the private economy, to serve as a resource to be available to those who are going to have to deal with the very troublesome problems of energy and everything else that afflicts this country over the foreseeable future.

To, in effect, earmark this money for a Government program of energy would not be in the best interests of this country. It would clearly result in a substantial growth of Government, something that I do not believe the American people want to see financed out of the windfall profit tax, and ultimately it would result in, I am afraid, a good deal of confusion about where the responsibility for the generation of energy ultimately lies.

The price of oil is going up very substantially. The price of oil in rising creates economic feasibilty for alternative types of energy which should be provided by the private sector if it is to be effectively provided, rather than through the Government, the same lovely people who have given us such wonderful postal service and such efficient programs about which we lament here in the well so often.

Granted, the conference report is not binding on future Congresses. We can change the disposition of the proceeds of the highway trust fund, too, if we wish in future Congresses; but this Congress should not send out conflicting signals and we certainly should not urge that the proceeds of a tax which is going to raise $227.3 billion, give or take $100 billion, should be specifically earmarked for an indeterminate expansion of the Government.

Mr. Speaker, I hope we will vote down the rule. I hope this will be the end of this particular exercise, that we will go on to the serious business of deciding the disposition of the windfall profit tax measure itself.

☐ 1440

Mr. LOTT. Mr. Speaker, I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield myself the remaining 2 minutes.

Mr. Speaker, I would think that the debate itself has demonstrated the need for another hour's debate on this subject. I have never heard so many different points of view raised, some of which I thought made some sense and some did not.

But the fact of the matter is that the House is asked to act on a conference report that pretends to allocate a very substantial amount of money in a certain way that it has never had an opportunity to debate. A conference report does not provide a lot of time, and I think what the gentleman from Missouri (Mr. GEPHARDT) has said is very, very useful. I think it would be a good idea for the House to send a clear signal that all it is doing is passing a windfall profits tax, and sometime down the line by law it will make up its mind how that money is going to be spent.

It seems to me the debate proves the importance of having this process. Let me assure everybody it sets no precedent. There is no precedent involved in this. This is just a resolution out of the Rules Committee making in order another resolution, and that resolution does not have any force and effect, and it seems to me it is a very useful debate and a very good idea to get the shape of things.

I want to conclude by saying that it never occurred to me that this would be designated as some kind of an insult to the chairman of the Ways and Means Committee and the ranking minority member or the members. This was a process that was sought by members of the Ways and Means Committee. I know they would never want to insult their members, themselves, or their chairman.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. **BOLLING**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 209, nays 197, answered "present" 2, not voting 24, as follows:

[Roll No. 137]

YEAS—209

Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brooks
Brown, Calif.
Burlison
Byron
Carr
Cavanaugh
Coelho
Conte
Conyers
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Emery
Ertel
Evans, Ga.
Evans, Ind.
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Glickman
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Hopkins
Howard
Hubbard
Huckaby
Hughes
Ichord
Jeffords
Jenkins
Jones, N.C.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Rahall
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Roth
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Snowe
Solarz
Solomon
Spellman
St Germain
Stack
Steed
Stratton
Studds
Swift
Synar
Thompson
Udall
Vento
Volkmer
Walgren
Weaver
Weiss
White
Whitley
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zeferetti
Staggers
Stangeland
Stanton
Stark
Stenholm
Stokes
Stump
Symms
Tauke
Taylor
Thomas
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Walker
Wampler
Watkins
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Zablocki

NAYS—197

Abdnor
Akaka
Annunzio
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, Phillip
Butler
Campbell
Carney
Carter
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Diggs
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Fary
Fascell
Findley
Forsythe
Fountain
Frenzel
Giaimo
Gibbons
Gingrich
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Hawkins
Hillis
Hinson
Holt
Horton
Hutto
Ireland
Jacobs
Jeffries
Johnson, Calif.
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Petri
Pickle
Porter
Price
Pritchard
Quayle
Quillen
Railsback
Rangel
Regula
Rhodes
Ritter
Roberts
Robinson
Rostenkowski
Rousselot
Roybal
Royer
Rudd
Runnels
Satterfield
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence

ANSWERED "PRESENT"—2

Burton, John
Gonzalez

NOT VOTING—24

Anderson, Ill.
Andrews, N.C.
Biaggi
Boggs
Cheney
Collins, Ill.
Crane, Philip
Davis, S.C.
Foley
Harsha
Hyde
Jenrette
Johnson, Colo.
Jones, Tenn.
Murphy, Ill.
Myers, Pa.
Pursell
Ratchford
Stewart
Stockman
Traxler
Waxman
Wilson, Bob
Wilson, C. H.

□ 1500

The Clerk announced the following pairs:

On this vote:

Mr. Myers of Pennsylvania for, with Mr. Hyde against.

Mr. Ratchford for, with Mr. Cheney against.

Mr. Waxman for, with Mr. Bob Wilson against.

Mrs. Boggs for, with Mr. Philip M. Crane against.

Mr. Johnson of Colorado for, with Mr. Jones of Tennessee against.

Until further notice:

Mr. Biaggi with Mr. Anderson of Illinois.

Mr. Traxler with Mr. Harsha.

Mr. Charles H. Wilson of California with Mr. Pursell.

Mrs. Collins of Illinois with Mr. Stockman.

Mr. Jenrette with Mr. Andrews of North Carolina.

Mr. Foley with Mr. Murphy of Illinois.

Mr. Davis of South Carolina with Mr. Stewart.

Mr. **GIAIMO** and Mr. **CHAPPELL** changed their votes from "yea" to "nay."

Messrs. **MURPHY** of Pennsylvania, **GARCIA**, and **PERKINS** changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. **FISHER**. Mr. Speaker, pursuant to the rule, I call up House Resolution 602 expressing the sense of the House of Representatives that the net revenues from the windfall profit tax should be primarily directed toward solving our Nation's energy problem, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 602

Resolved, That notwithstanding the advisory language with respect to the allocation of the net revenues from the windfall profit tax in section 102 of the conference agreement on H.R. 3919:

(A) As a matter of policy:

(i) 50 percent of the net revenues from the windfall profit tax shall be made available for energy research, development, production, and conservation, and for transit programs, and

(ii) 25 percent of the net revenues from the windfall profit tax shall be made available for energy assistance to lower income individuals, and

(iii) 25 percent of the net revenues from the windfall profit tax shall be available for any purpose.

(B) The actions which H.R. 3919 directs the President and the Secretary of the Treasury to take with respect to the allocation of the net revenues from the windfall profit tax shall be consistent with the percentages set forth in section (A) of this resolution.

Mr. FISHER (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 604, the gentleman from Virginia (Mr. FISHER) will be recognized for 30 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Speaker, I yield myself such time as I may consume.

PARLIAMENTARY INQUIRY

Mr. OTTINGER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. OTTINGER. Can the Chair tell us how the time is divided?

The SPEAKER pro tempore. The time is divided equally between the gentleman from Virginia (Mr. FISHER) and the gentleman from New York (Mr. CONABLE).

Mr. FISHER. Mr. Speaker, I would like to speak briefly to describe the House resolution that the gentleman from Missouri (Mr. GEPHARDT) and I are offering and to make several points in favor of that resolution.

If the resolution is agreed to, it would express the will of this House as to the way in which the enormous revenues that will result from the windfall profit tax should be used. It is not binding.

Mr. Speaker, the way in which the conference report indicates the use of the revenue is not binding either. However, that is an important matter, even so. It is a large sum of money, estimated to be $227 billion over a 10-year period. Undoubtedly, that will accrue in less than 10 years and the way the conference report is written, no doubt it will be more than that, so it is a significant item of revenue.

Mr. Speaker, the importance of sending out some advice from this House as to how, in general, the money should be used can hardly be overestimated. The biggest slug of new revenue to come down the pike in many, many years.

The conference report recommends one way of using this money. The resolution we are now considering recommends a different way. This resolution in no way affects the windfall profit tax, the main item in the conference report; the revenue from a windfall profit tax on the oil companies, that will make a lot more money as a result of decontrol of domestic oil prices. No one is attacking that in any way. The resolution would merely send out a different signal, a different message as to how this enormous sum of money ought to be used in the future.

Mr. Speaker, legislation will have to be developed and brought along before we will know precisely how the Congress wishes to use the money.

Our resolution says, as a piece of advice, as an expression of the will on the part of this House, 50 percent of the windfall tax revenue ought to be used for energy. Conservation, production, new sources, research, development, transit and energy related matters of that kind, 50 percent.

Mr. Speaker, 25 percent is the same as in the conference report and would go in energy payments to low-income people to help them meet the very high bills they have to pay for their fuel.

The remaining 25 percent would go into the general fund to be available for other purposes, I hope reducing the deficit.

The conference report, Mr. Speaker, recommends that 60 percent of the $227 billion go for individual and business income tax reduction; 25 percent—the same as our resolution—for energy payments to low income people, and just 15 percent for energy.

This whole thing started out because we decided to decontrol domestic energy prices, oil prices. I supported that and a majority of the House supported it and it is underway.

Now, Mr. Speaker, it makes sense to many, many people in this country, if it does not result in just an enormous profit to the oil companies. Hence, we would have a windfall profit tax, or, more accurately, an oil excise tax to bring in through Government a large portion of the windfall gains. However, there will also be a large portion remaining with the companies. That is the way it stands.

Mr. Speaker, the difference between the resolution and the conference report is very clear. Even though I remind you, again, this is only advisory. This states what we want to do as time goes on.

The conference would use 60 percent of it to reduce taxes. A very inflationary message to send out to the American people. Our resolution would give primary emphasis to energy, conservation of energy, using new energy sources, producing more energy, developing it, and all the rest.

We think that is the right priority, that we simply must be telling the people of the country and the world at large that we are going to give highest priority to energy. That is what gave rise to the whole thing in the beginning and I find in talking to my constituents, if I say, "Yes, I voted in favor of decontrolling the domestic oil prices," and they grumble some at that, many of them, but I say, "I also favor windfall profit tax, so that the companies will not gobble all that in."

□ 1510

Then they say, "But, what are you going to do with that tax money?"

I say that the only action that they accept and understand and will applaud is that a large part of the resulting revenue will be used for energy in various ways. That is a story that people can understand. They cannot understand telling the American people in the conference language that over half of it is going to be used to reduce their taxes.

I want to remind the Members that in addition to the windfall tax on profits, there will be increase in the regular corporate income tax as a result of the decontrol and the greater profits, at least equal to the windfall tax revenue. This amount of money may be $250 billion or more during the next decade, and is available for tax reduction, for deficit reduction, and for other purposes. It is not as though tax reduction would be starved by this resolution.

So, the two main points I want to make for the Members are these; they are very simple, they are understandable and terribly important. Our resolution would send the message out that we want more energy and less inflation than the message that goes out from the conference committee report would deliver.

I have just two or three other things to say. One is that if only 15 percent of the windfall tax revenue goes for energy, that is $34 billion. That is quite a sum of money, but by no means enough to whip this energy problem, to bring on the domestic supplies new and old, and to reduce our dangerous dependence on foreign imports from very shaky parts of the world. Already, there are pieces of legislation moving forward and others proposed, that could very wisely use this sum of money and lots more before we are finished.

Some people have argued that the heavy energy orientation in our resolution, which after all is only 50 percent, is more than would be needed. I claim that in order to get the American economy, the private sector dealing with energy, into synthetics and deeply into solar energy and new sources, it is going to take a lot more incentive on the part of the Government. Most of it, I trust, will come by way of credits and incentives of that kind, but some of it will require price guarantees, loan guarantees, and other devices.

In order to make this leap forward into this new energy world of much more domestic production, it is going to take a considerable effort on the part of this Government, on the part of the energy industries, and everybody else. It is not going to come easily, and I think we ought to be saying to people that in finishing this great windfall tax bill, we are going to think in terms of half of the money being devoted to the energy problem itself, and not for any other purpose. So, that is the gist of this resolution, and I hope that the debate can go on now and be sharp and a good one.

I finish on this note: That this House not yet even has had a chance to debate the issue. It was never brought to the House. We passed a windfall profits tax way last May with no debate on this issue because our bill then had nothing on the subject of how the proceeds might be used. The Senate went into that deeply. The conference went into it deeply, and all in the world we want to have here is 1 hour of consideration of a vastly important subject, of how we think we ought to use this enormous new source of money. I say we ought to use it in a way that tells everybody that energy is the priority, and inflation is something we do not want to see this money go for.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. FISHER. I will yield briefly to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I am interested in one aspect of the gentleman's resolution, particularly that which says, "other." The 25 percent this would allow for any other purpose, the gentleman said he would like for it to go toward the reduction of the national deficit.

As it stands now, "others" could mean that we could also spend it instead of applying it toward the deficit. As one of the conferees, at one time I offered language that would attempt to mandate the conferees to use some of our revenues to reduce the deficit, but we were not successful in that motion. The other body stubbornly refused to allow it. Can the gentleman tell me how we can make that language stronger or——

Mr. FISHER. If the gentleman has a question, I would like to have it. Otherwise, I will reclaim my time.

Mr. PICKLE. Yes. I ask the gentleman, how are we going to make that third section "others" stronger so that we know that it is for reduction of debt and deficit spending? How can the gentleman lock it up to be certain? I would like to see some stronger language. I would hope the intent is clear that we would not spend the money, but rather apply it to the deficit.

Mr. FISHER. Nothing can be locked up either by this resolution or the conference report. It, as I said, is advisory; it recommends, and that is that.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. FISHER. Now, I would like to yield to the gentleman from Missouri (Mr. GEPHARDT).

The SPEAKER pro tempore. Is the gentleman from Virginia yielding a certain amount of time to the gentleman from Missouri?

Mr. FISHER. The minority has 30 minutes.

Mr. MARTIN. I was going to ask the gentleman a question.

Mr. GEPHARDT. I yield to the gentleman.

Mr. MARTIN. I thank the gentleman from Missouri for yielding.

Mr. OTTINGER. Mr. Speaker, a point of order.

The gentleman from Virginia has the time.

The SPEAKER pro tempore. May the Chair have the attention of the gentleman from Virginia? The Chair would like to inquire as to how much time the gentleman has allocated to the gentleman from Missouri.

Mr. FISHER. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, I would simply like to reiterate what I said before about this resolution. We are trying here to emphasize a very important point; that is, that in the conference a decision was made on a tax and how much tax to raise, but a decision was not made on how the money that is raised by the tax should be spent. We are trying to underline that decision by passing a sense of the House resolution which differs somewhat from the advice that is in the conference. This advice is not entirely inconsistent with the advice that is contained in the conference.

I said when we debated the rule that in my mind in the next 10 years we will spend an amount equal to 50 percent of this money on energy projects, and we will spend an amount equal to 60 percent of this money on tax cuts because the bulk of this money goes into general revenue, and as all the Members know, we can use general revenue in any way in which we decide to use it. We will make those decisions in the next 10 years, not today.

But, the signal that goes forward today to the American people should be an accurate one, and to make it accurate we should say what we are doing. In order to say that, we need to pass this resolution.

Let me just say one other thing. There has been some debate about the President's program for energy. CBO says that they project, with plans that have already been expressed by the President and the administration, that over the next 10 years: We will spend between $70 and $90 billion on conservation and research and development; that we will spend between $40 and $50 billion on the strategic petroleum reserves; that we will spend between $20 and $88 billion on synthetic fuels. I am talking about outlays, and not just authority. We will spend between $16 and $30 billion on transportation, and I would say we could spend more. That comes to between $150 and $258 billion over the next 10 years that we will spend on energy programs. This spending for energy will exceed an amount equal to 50 percent of windfall tax revenues.

□ 1320

Mr. CONABLE. Mr. Speaker, I yield 5 minutes at the outset to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I rise in opposition to the Fisher resolution.

I would like to dissect exactly what the differences are between the conference report and the Fisher resolution. First of all, in both the conference report and the Fisher resolution 25 percent of the funds are targeted for low-income assistance, and I think rightly so.

The issue is whether or not the lion's share of these revenues will be spent by the bureaucracy at the Department of Energy or whether the bulk of these revenues will be set aside for the primary purpose of getting general tax relief and investment incentives over the next 10 years.

Mr. Speaker, if the conference report or the decisions made by the conferees had shortchanged the whole effort to develop energy over the next 10 years, I would say that there is some merit to the Fisher resolution. But the fact of the matter is that the conference report has not shortchanged the effort to produce more energy from alternative sources or to conserve energy. The $37 billion that is set aside for energy development and conservation meets virtually every outlay recommended by the administration for energy conservation and development, and this includes everything from mass transit to tax credits to the Energy Security Corporation loan guarantees.

So we have not shortchanged the development and conservation of energy over the next 10 years, but by the Fisher resolution we are saying that we want to turn over an additional $78 billion to the bureaucracy at the Department of Energy. They can tell us how to spend or somehow find a way to spend the money on "energy development and conservation."

Mr. Speaker, many of the Members have expressed to me an interest in giving some tax relief in fiscal year 1981. They have expressed to me an interest in at least a tax bill composed of two parts: First, a tax credit or some sort of relief against the social security tax increases that will go into effect in 1981; and second, some kind of tax incentives for investment in the private sector of this economy, preferably in the form of rapid, accelerated depreciation.

If we adopt the conference report, we will have set aside $13.2 billion, for that combination of tax relief. If we adopt the Fisher resolution, we will have said that the public is deserving of only $5.4 billion in tax relief, and that will not even give relief against half of the social security tax increases that go into effect in 1981.

I think the gentleman from Missouri (Mr. GEPHARDT) is correct. What we are dealing with today is sending signals to the American people. The signal that I want my constituents to receive is that I voted to send $78 billion back to them, to the people who are paying the taxes to begin with, in the form of tax relief while at the same time providing enough of the revenues for energy development and conservation. I am not supporting an effort to send $78 billion in additional money to be spent by the Department of Energy.

Mr. Speaker, I urge that the Fisher resolution be defeated.

Mr. CONABLE. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MOORE.)

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Speaker, I rise in strong support of the resolution offered by the gentleman from Virginia (Mr. FISHER).

Our Nation has been, and continues to be, in the midst of a very serious energy crisis. The gasoline lines may be gone for the time being, but everyone here knows that they can return at any time. In fact, with our continued heavy reliance on imported oil, and the danger of cutbacks in production or turmoil overseas, it is very possible that we will see the return of the gas lines and other disruptions before the summer is over.

The program we have pursued so far is to decontrol oil prices as a means of discouraging waste and stimulating new exploration and development. At the same time, higher oil prices will make other forms of energy economically feasible.

Part and parcel of this approach was to have been a windfall profit tax, to prevent unconscionably high profits in the oil industry as a consequence of decontrol, and to provide a large source of new revenues to accelerate energy conservation and the development of new energy resources.

Now that we are on the threshold of final consideration of the windfall profit tax, however, it appears that the original concept has been lost. Instead of funding an ambitious effort for energy independence, it is now proposed that the lion's share of windfall revenues—some 60 percent—be earmarked for income tax cuts.

Only a scant 15 percent of the revenues—$34 billion spread over an 11 year period—remain to finance a broad range of energy related programs, such as mass transit, railroad improvements, conservation, and development of alternative energy forms.

That is not going to be enough—not if we are serious about substantially reducing our reliance on foreign oil during the coming decade. Moreover, this approach runs contrary to the understanding of the American people that higher oil prices coupled with a windfall tax would make possible the funding of ambitious new energy programs.

A tax cut approved during an election year may be politically popular, because it promises to offset the impact of our unacceptably high inflation rate. Yet, it is an empty promise, because in the long run it will most likely increase inflationary pressure while doing nothing about our much more serious underlying energy problems, which are among the major causes of inflation.

The resolution offered by the gentleman from Virginia expressed the sense of this body that 50 percent of the windfall revenues should be devoted toward energy related purposes, such as research and development, production, conservation, and transit. An additional 25 percent would go into the general treasury for purposes of reducing our deficit, or funding tax reforms such as special savings and dividend exclusions. The remaining 25 percent, as was approved by the conferees, would be allocated to those low-income families who are unable to cope with skyrocketing energy costs.

The Fisher resolution can provide the framework for the Apollo-type program the American people want, and expect from us, to help bring about our energy independence. Let us not underestimate their determination, and their willingness to make sacrifices, to achieve that goal.

If they are willing to bite the bullet, we must show at least the same amount of courage.

Just as importantly, adoption of the Fisher resolution would preserve the prerogative of this body to work its will on both the issue of a tax cut, and the relative disposition of revenues from one of the largest new taxes in recent memory. As my colleagues know, neither the House or the Senate have yet had an opportunity to independently consider how these moneys should be spent.

When I go home to my district every weekend, the one question I am asked more than any other is, "What is Congress doing about energy?" I am sure that everyone of my colleagues is asked that same question.

Today we have an opportunity to answer that question by earmarking a substantial portion of the windfall tax revenues for energy-related purposes. Let us not waste that opportunity by frittering away those limited revenues on a tax cut that will do nothing to solve our energy problems.

I urge your strong support of the Fisher resolution.

Mr. MOORE. Mr. Speaker, what we are talking about doing here is sending out conflicting signals. One signal is the conference report that recommends spending 15 percent of the tax revenues or $35 billion on mass transit and energy development, which is all the money the administration has asked for during that time period for these purposes.

I point out again that the Members should not be confused; the synthetic fuels program was never intended by the administration to be funded by the windfall profit tax bill. The Energy Security Corporation was never intended to be funded by the windfall profit tax bill. They are not; they will be funded elsewhere.

The resolution we are about to vote on in a few minutes increases that 15 to 50 percent and that $35 billion to over $113 billion. That sounds great. We can go back home and tell our constituents that we voted to solve the energy problem by throwing some more money at it. Never mind the fact that nobody asked for the money, never mind the fact that we are not sure we can wisely spend the money, and never mind the fact that we could get the money elsewhere if it had to be spent; we are just going to throw some more money at the problem.

I think the choice we are looking at here is the point the gentleman from Oklahoma (Mr. JONES) touched on just before he finished his remarks. The choice is, do we want to put 15 percent of the money asked for and that can be spent where it ought to be and take 60 percent of it and put it back in the hands of the American people and the small businessmen who need that money to stand the rigors of the increased cost of energy, or do we want to spend the money on Government programs, perhaps waste it and put it in the hands of the Department of Energy? Is that where we want the money to go?

The choice seems to me to be putting 60 percent in the hands of the people or putting 35 additional percent of the revenues in the hands of the Department of Energy or the Government planners or spenders. I do not think that is the signal the American people are sending us right now with the problem of inflation. I do not think that is what they are asking us to do.

They are telling us to cut back on Government spending and to solve the energy crisis. That is precisely the balance struck in the conference report; that is not the balance struck in this resolution.

What people have to realize is that part of the problem of inflation is not just energy. Part of the problem with inflation is outmoded plants and equipment which the "10-5-3" rapid depreciation tax cut would address to help businessmen become more efficient, to help them to be able to expand production, and to help make the end product cost less.

Part of the problem of inflation is also the hard-hit small businessmen and the people in this country who are paying the high cost of their energy bill. That is what is addressed in the windfall profit tax conference report.

The choice, then, is to take the money from the oil companies who supposedly made too much money—and that is a political decision—and to redistribute those funds to the people or to redistribute them by putting them in the hands of the Government. Are we going to redistribute those profits by putting them in the hands of the people, the taxpayers, who badly need them to be able to withstand inflation and the high cost of energy or give it to the Government for more spending programs?

Mr. FISHER. Mr. Speaker, I yield 2 minutes to the gentleman from Hawaii (Mr. HEFTEL).

Mr. HEFTEL. Mr. Speaker, the history of energy legislation from this body has not been a proud history. In the 1950's we utilized domestic oil instead of buying foreign oil at $2 a barrel because we put quotas and tariffs on that foreign oil. In 1973, in the face of the Mideast oil embargo, we had an opportunity to take action. We totally failed.

On July 16 of last year, President Carter told us and told the American people:

> I am going to commit $140 billion to free us from the bondage of foreign oil. I am going to do it from a windfall profits tax.

That is what we should be doing in this body today. We should not be figuring out how to distribute the money for anything but energy, because without energy we do not have an economy. Without energy we have an inflation that we cannot control. This is a tremendous opportunity for this body to take action, which has not occurred in almost 30 years.

Mr. Speaker, I hope this resolution will pass, and that we will be able to speak proudly about what we did on this day.

Mr. CONABLE. Mr. Speaker, I yield 3 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I rise in support of the resolution, and in doing that, in some sense, I am also just following the comments of previous speakers.

I also remember back to the time when I was not exactly in favor of decontrol. But over our objections the House was sold on decontrol on the basis that although we knew we would suck billions of dollars out of our consumers' pocketbooks, the House felt apparently it should raise the price of home heating fuel and raise the price of gasoline for the purpose of solving the energy crisis.

That money would be taken and put to use. The President came before us and gave us three purposes for which we were going to use this money. One, he said, was to take care of the people who are hard hit, the low-income people, and help them pay their bills. That is fine. Both propositions do that.

Then the President went on to say that another area is mass transit, that we have got to build more mass transit. Well, there is a tiny bit in the conference report for that purpose.

Then the President said the rest of it, though, was going to be used to solve the energy crisis, that is, the billions of dollars it will take to build synfuel plants, and the billions of dollars it will take in residential tax credits in order to help our people face this crisis and use it for conservation, and the billions it will take in tax expenditures or other help to enhance the use of alternative energy sources.

But then what are we given?

☐ 1530

What does the conference report provide, what do we have? Just a piddling amount used for the energy crisis, 8 percent. The bulk of it is going for other things. Christmas presents. We all like to give Christmas presents, especially at election time. In a sense, when you realize the regressive nature of the proposition of windfall profit tax and decontrol, we are going to need a lot of Christmas presents, you are right. When the full impact of what we are doing hits the public you are going to need every gimmick you can find. But we do not know where these presents are going to go, or what they are going to be. I believe the best Christmas present we could give to the American public is to solve the energy crisis, get us out from under the yokes of the Soviets. And let us put this Nation in the position where it can be independent and strong and solid again. We cannot do it unless we dedicate the resources of this country to that proposition, and the only way we can do it is by sending a signal today, like the gentleman from Virginia (Mr. FISHER) wants us to do, to let the American people know that we are serious, we do have an energy crisis, and we are going to solve it.

The SPEAKER pro tempore. The gentleman from Virginia (Mr. FISHER) has 14 minutes remaining, and the gentleman from New York (Mr. CONABLE) has 20 minutes remaining.

Mr. CONABLE. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, the conferees are always faced with a very difficult problem. If we had come back to this Congress and had spent all of the $227 billion that this tax would raise, we would hear every other Member of the Congress say, "Why did the few conferees on the Committee on Ways and Means take all this right, duty and responsibility upon themselves?"

There are no plans before this Congress that would spend any more money than the Committee on Ways and Means and the conferees set aside. There is no possibility in developing this year any plans that will spend more money than the conferees have set aside for energy. So it is ridiculous to tie up this money on programs that do not even exist and ideas that have not even been dreamed of yet.

This is a very serious matter. It is probably the most serious thing we will face in this Congress. Not this resolution, because I have said that this resolution is silly and is going to make us look silly if we adopt it. We are talking about the whole process of deregulation. Deregulation is a huge economic event. It involves the setting aside in the public coffers of the United States not $227 billion but $577 billion, $227 billion in windfall profits and $350 billion in additional Federal income taxes paid by energy producers in this country. That is the event we are about to witness.

The Committee on Ways and Means and the conferees thought it would be best not to mortgage the future, not to try to spend all of this money at one sitting. I have never had an opportunity to spend that much. But we exercised a great deal of restraint. We said, "We will spend what has been asked for and what is needed; and what anybody has any plans for, we will set all that aside and then we will put the rest of it back into seed corn and back into the well so that it will be available there when we have plans for it."

All of the Members would have been incensed had the conferees come back here and spent all of this money. We put it in the best place. If we do not reduce taxes, this goes to reduce the budget deficit. Or if we do not choose to do either one of those, we can spend it on energy or we can spend it on Hottentots or anything else that the majority of this Congress wants to do and the President concurs in. But we thought that having this much money, $550 billion in additional revenues over the next 10 years over and above what inflation will do, over and above what the regular tax system will do, that we would be mighty presumptuous if we came back here and spent all of that money.

I think that the decision that the conferees made—and it came after a long and careful study as to what to do with this money—was the best thing, put it aside, put it back in the people's pockets, at least 60 percent of it, so it will be there when we have good, hard programs to spend the money on. And in that meantime, we can trust their good old American intelligence to do the best thing with it, to help them meet their cost of living, to help them save and create capital so that we can build more productivity in this country.

I think most Members do not realize that in 17 years the revenues of this Government have increased from $100 billion a year—I hope the Members will listen to me—have increased from $100 billion a year, and this country operated pretty well at that time, to $600 billion a year; and now each year the revenues are projected to increase by $100 billion a year. Just the amount of money it took to run this whole country for a whole year a few years ago, that is how much the increase is going to be.

This is a terrible drag upon the whole economic system of our country. And unless we recognize that as a drag on this system and vote to allow that money that we cannot wisely spend to go back into the pockets of the people who are producing in this country, the people who are working in this country, the businesses which are working in this country, then we are doomed to failure and we will bury ourselves.

Mr. FISHER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. FOWLER).

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. FOWLER. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I rise in support of the Fisher resolution. I favor decontrol of oil but coupled with a reasonable windfall profit tax, provided a major portion of it is used to produce new energy and alternative energy to make us independent of OPEC.

The windfall profit tax is not a consumer tax because the consumer will pay the price of decontrolled oil on the market. The windfall profit tax will tax the producer a portion of his windfall resulting from the increased price after decontrol, which increase is not a result of any new risk or investment. The windfall tax cannot be passed on to the consumer.

While I also favor a plowback deduction from the windfall profit tax, I believe the use of the proceeds from this tax must be directed to new energy production and energy related activities. This will provide the breakthrough that will let our Nation become energy independent and self-sufficient. It is a major feature of our energy policy.

Mr. FOWLER. Mr. Speaker, when this excise tax was devised by the President, we told the American people that this was not going to be just any old revenue bill, it was also going to be an energy bill. And now we end up with a conference report that says only 15 percent of these revenues will be used for energy and transportation, 60 percent for a tax cut.

I do not know a democratically elected body in this world that would find trouble mustering up the courage for a tax cut at any time when it is needed for our economy or for our Nation. But what we seem to have trouble doing around here is finding a way to mold an effective energy policy that will in some way mitigate the economic difficulties that we are having because we do not have an energy policy.

The gentleman from Florida and others were just before us saying that $115 billion for energy conservation and development is too much. I could not disagree more. If anything, it is not enough, when you consider what impact our lack of an energy strategy has on our reliance on foreign oil, on the inflation rate, on our balance in trade, and yes, on our national defense.

Is there any Member of this body, analysing our problems in the Persian Gulf, who does not know that these serious problems are, in large part, because of our dependence and the dependence of our allies on the petroleum products of that region?

We cannot solve our economic problems, we cannot solve our defense problems unless we have an effective energy policy. And how are we going to do it unless we spend some money for solar and conservation banks, mass transportation programs, coal conversion, the strategic petroleum reserve, nuclear fusion research, biomass fuel programs and low- and middle-income fuel assistance? That is where this money ought to go. That is the answer to the question that continues to be asked: "What are we going to do with the money?"

And $30 billion or $40 billion over a 10 year period is woefully inadequate to even begin to address these problems.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

□ 1540

I confess that I am confused about what is happening here. I think the American people may ultimataly be a little confused also.

I have looked over the list of the people who voted for taking up this provision, and I find among them some of our most pristine conservatives who apparently think that putting another $70 billion into the Department of Energy would be a good thing to do. I am sure they are advocating budget cuts at the same time.

I find among the list some of the people who have been advocating most strongly tax cuts of one sort or another, whether it be the marital penalty or you-name-it, and yet here was a chance for them to send out the signal that a massive revenue bill could be diverted in part back into the pockets of the people, and they voted against it.

The whole procedure involves sending out two signals to the American people, not one. I assume that a majority of this body eventually is going to vote for the windfall profits tax, which will involve a whole different percentage distribution of the proceeds of the tax than the resolution we are now debating.

My friends, it is my feeling that one of the reasons Government is low in credibility is because we try to be all things to all people, not afflicted by consistency, that hobgoblin of little minds.

We are not even afflicted by enough consistency so that public can understand what we are doing at one time or another. Certainly this whole procedure is nothing but a confusion.

Well, somehow we should have some philosophical explanation of what we are doing here. How can a conservative, anybody who calls himself a conservative—and there are many people in this body who are not—call himself that and still decide that the way to solve our energy problem is to have the Government do it all.

Yet that is what this proposal is, to put another $70 billion, more or less—nobody knows how much—but clearly a large proportion of probably burgeoning revenue from the tax back into a Government solution of the energy problem.

My friends, I do not think that is the way to do things. We do not know how much money we are going to get, but we know, whatever it is, it will come from the American people, and it has ultimately got to go back to them, either through tax cuts or through more Government programs. If given a choice, which do you think they would choose? Energy is the issue here. To the extent that there is any energy policy involved in the windfall profits tax, it is to the extent that the windfall profit ax is necessary to backstop deregulation, because deregulation will get the private sector, the great problem-solving sector of our economy, on the side of creating alternative energy sources.

We will not get the job done by having the Department of Energy build more bureaus, inhabit more buildings, propound more regulations and confuse more people.

The best answer is to vote down the resolution. I hope it will happen.

I do not understand the decision to take it up, but be that as it may, it is still not too late to correct.

A vote for this measure is a commitment against tax cuts. A vote against this measure is an expression of confidence in the private sector. It is an expression of confidence in deregulation. It is an expression of confidence in the American people and their right to commit their own resources to do their own thing.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. SOLOMON. I just want to tell the gentleman I think he might be a little premature in his criticism of us pristine conservatives who may have voted for the rule. I would like to tell the gentleman why I voted for the rule.

Mr. CONABLE. I would like to know a good reason.

Mr. SOLOMON. I will tell the gentleman exactly why a lot of us did, some conservatives and some liberals. I will tell the gentleman where I stand on this issue. I am definitely undecided. I do not know what to do. A lot of people are the same way. I wanted a chance to have it aired on the floor.

I will pose a question to the gentleman which he could answer after I make another statement, if he would.

The gentleman is saying that some of us may be voting for tax increases.

Mr. CONABLE. I did not call the gentleman's name. I do not know what his motives are, nor do I question them.

Mr. SOLOMON. I just wondered how the gentleman in the well is going to vote on the windfall profit tax. That is not a tax cut. That is a tax increase on the American people. The reason I am concerned is this: When I look at the 60 percent tax cut, and I have done some fast calculations with some of my colleagues here, and if I am correct, there are about 220 million people in this country. Allocating 60 percent of the windfall profits to tax cuts comes to $136 billion over 10 or 11 years, and by dividing 220 million people into $136 billion over 10 years, it comes out per capita to about $600 per person in America over 10 years. That amounts to a tax cut of about $60 a year or two tanks of gas.

Mr. CONABLE. Is the gentleman's point there is not enough tax cut in here? Is that what the gentleman is saying?

Mr. SOLOMON. Absolutely.

Mr. CONABLE. So instead of a small tax cut the gentleman would rather have a large increase in Government?

Mr. SOLOMON. Let me say to the gentleman in the well the reason I am confused. If I thought that the money set aside to produce energy was going to produce energy and not be wasted in the Department of Energy, then I would consider voting for the Fisher resolution, because that would be better than a $60 tax cut, but we have no assurances that it will. I guess we could gamble on the Department of Energy spending the money wisely in an effort to produce more energy and therefore I will probably vote yes on both the Fisher amendment and the windfall profit tax.

Mr. CONABLE. I thank the gentleman for his illuminating explanation. I respect his concerns. He will have a chance to debate the windfall profit tax later.

Mr. FISHER. I yield such time as he may consume to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I oppose the resolution, though I am not altogether happy about the manner in which the conference report lists specified uses for amounts in the special account in the Treasury. It seems to be a mistake to create an anticipatory application to tax funds. The conference report assigns use for income tax reductions, 60 percent, low-income assistance, 25 percent, and energy and transportation programs, 15 percent. However, as the gentleman from Florida (Mr. GIBBONS) explained, these can only have an advisory effect because the actual authorization and appropriation of such funds would have to be done later. The Fisher-Gephardt resolution would instruct an allocation of 50 percent of revenues raised by the windfall profits tax to energy conservation and production, 25 percent for low-income energy assistance, and 25 percent for general uses. Again, these provisions would be merely advisory; indeed, they are framed as a sense of the House resolution.

It is impossible for us now to determine the merits of placing 50 percent of the revenues in energy conservation and production when we do not now know what proposals would be made for the use of these vast funds. The 25 percent for low-income energy assistance is the same in both proposals. In my opinion, in the face of soaring inflation, it should be higher. "General use," to which 25 percent of the tax receipts would be allocated, is extremely indefinite. Perhaps it could include plowbacks to the oil companies. The proposal is no more binding nor definite than that in the conference report.

What tips the balance for me is this: This resolution is offered at a time when vast amounts of money are proposed to be spent for programs for energy development which I believe to be, in their present form, extremely unsound.

Last night the conferees on S. 932, the synfuels bill, agreed that $20 billion should be expended for price supports, purchase guarantees, loans, and loan guarantees to the producers of synthetic fuels. In the face of an average price of $27.50 for oil in the world market, stripper oil at $33, and oil not infrequently sold at around $40 in the spot market, it does not seem to me prudent to apply $20 billion for these purposes. Such price levels should create market conditions in which synfuels could come on without Government subsidy.

Furthermore, if such a synfuel program is put into effect, the twin legislation contained in S. 1308, the "fast track" legislation, would probably pass. This would give to an Energy Mobilization Board an enormous power in selecting who should get the benefits of fast tracking and thus of synfuel subsidy. The Energy Mobilization Board could choose one corporation and reject another without judicial review of the decision under the proposal we are now considering in the "fast track" conference. Again, we would drastically interfere with market forces purporting to supplant them with governmental decisions not subject to judicial due process.

There is also in the offing a proposal that would select some 50 specified utilities and give them grants to convert from oil to coal. The total amount to be expended is $10 billion.

In this entire skein of legislation there is as little attention to the environmental effect as there is to the economic. We are hurtling pellmell toward enormously important economic and governmental policy decisions without giving serious attention to either the process or the consequences.

Therefore, I am not at this time willing to tilt the intended use of the tax from 15 percent for energy and transportation programs to 50 percent. It would be, in my opinion, prudent to leave the conference report as it is until we have some more carefully defined and well-thought-out programs for energy production and energy conservation than we have at this time.

It is for these reasons that I feel compelled to vote "no" on the resolution.

Mr. FISHER. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. McCormack).

Mr. McCORMACK. Mr. Speaker, I rise in support of the Fisher-Gephardt resolution. I would like to point out that 50 percent of the revenue that we are discussing would be about $114 billion over an estimated 10-year period, or about $11.4 billion a year. This definitely is not too large a sum of money for funding our energy research, development, demonstration, and production programs. It is certainly not frivolous to get serious about funding these programs realistically.

For this year, fiscal year 1980, we are spending $4½ billion to $5 billion in our mainline energy R. & D. programs, in fission, fusion, fossil fuels, geothermal energy, electricity storage, basic research, solar energy, conservation, environmental protection, electric vehicles. This does not include the various application programs in solar, wind and geothermal energy, in ocean thermal gradients, in transportation systems, in synthetic fuel programs, in conservation applications or the alcohol production, in the conversion of municipal wastes such as garbage to energy.

There is no question that these programs should be funded at about $7 billion in fiscal year 1981, and progressively more immediately thereafter.

Now why is the Fisher-Gephardt resolution important?

Today, the administration is trying to balance the fiscal 1981 budget by cutting our energy research, development, and demonstration programs. The effect would be to destroy our chances of significant energy production during the balance of this century.

The gentleman from New York (Mr. Ottinger) and I agree that the DOE budget proposals for fiscal 1981 are about a billion dollars short as of today. The administration is saying that we do not have money for adequate energy programs.

What kind of a message does this send to our friends overseas? What kind of a message does it send to OPEC, to say we do not have a billion dollars to rectify our own energy production programs, so instead we will buy $90 billion worth of OPEC oil this year?

What kind of a message does it send to Russia or to Wall Street for the administration to say that we should not even try to solve our energy programs?

I think we should be supporting the Fisher-Gephardt amendment, and send a positive message to the entire world—that we are serious about producing energy from domestic sources, and reducing our vulnerability to OPEC.

Mr. CONABLE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, as a member of this committee that participated in bringing this bad legislation to the floor, I would like to say that I rise in opposition to this particular resolution, because it creates substantial confusion for everybody.

Now all of these so-called signals or messages that we say we are sending out, all I ask the Members to do is, as my colleague from Maryland has stated, read this resolution. Compare the language in the Fisher resolution to what it says in the conference report on page 29, section 102, and then tell me how anybody covered by this law is going to have the slightest idea of what the Congress will do to implement this legislation?

This contains such divergent and confusing direction that I cannot even believe it was offered.

□ 1550

Mr. MOFFETT. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Yes, I will be glad to yield to my colleague, the gentleman from Connecticut.

Mr. MOFFETT. Mr. Speaker, I have to disagree with the gentleman on the Fisher amendment because I think that this entire bill is part of a larger gimmickry that we all ought to be aware of.

Mr. ROUSSELOT. The whole bill is gimmickry?

Mr. MOFFETT. The entire bill and the conference report.

Mr. ROUSSELOT. Does the gentleman mean this bill is gimmickry that we have here today?

Mr. MOFFETT. This is with all due respect to the conferees.

Mr. ROUSSELOT. Oh, I cannot believe that; the conferees labored so long.

Mr. MOFFETT. Would the gentleman allow me to continue?

Mr. ROUSSELOT. Yes; I will be glad to.

Mr. MOFFETT. I know the gentleman is in a state of shock, but if the gentleman could yield to me further, I would appreciate it.

Mr. ROUSSELOT. I would be glad to yield.

Mr. MOFFETT. I think Fisher-Gephardt is worth voting for, because the whole thing is gimmickry and this is at least something that says that we are in touch with a futurist oriented energy policy.

Mr. ROUSSELOT. Except for the taxpayers have to pay for it.

Mr. MOFFETT. This is something that we are in touch with a futurist oriented energy policy and at least we can cast a vote in that direction, because we will be there sooner or later and we will have to do this kind of thing.

Mr. ROUSSELOT. Is the gentleman telling us that we should vote against final passage?

Mr. MOFFETT. Perhaps the gentleman agrees with this, that this whole bill is a perfect example of why we are out of favor with the American people.

Mr. ROUSSELOT. I agree with that.

Mr. MOFFETT. The gentleman may disagree with this part of my statement.

Mr. ROUSSELOT. No; I agree with what the gentleman just said. This legislation is an excellent example of why Congress is out of favor with the American public.

Mr. MOFFETT. What I am about to say, first we decontrol oil and we disagree on the merits of that. I am entirely, passionately against decontrol.

We are now headed for $1.50 gasoline, probably $2 gasoline. This bill will not do one thing for consumers with regard to those kinds of prices.

Mr. ROUSSELOT. Except give them some extra tax to pay and those oil companies all pass it on to the consumers.

Mr. MOFFETT. It will not do one thing to lower their bills. It would probably not produce another drop of oil unless Fisher is adopted. It will certainly, it might even, in fact, really produce less oil, if you really look at it carefully.

Mr. ROUSSELOT. Does the gentleman mean this bill is going to produce less oil?

Terrible. I cannot believe that any of my colleagues would impose that on us.

Mr. MOFFETT. Mr. Speaker, will the gentleman yield further?

Mr. ROUSSELOT. Yes.

Mr. MOFFETT. I know this is hard on the gentleman.

The fact of the matter is, and we can hear it when we talk to Members on the floor, we have got to vote for this because we have to do something bad to the companies. We have got to vote for this because we could not explain a "no" vote.

Mr. Speaker, I urge my colleagues to

vote "no." You can still be for reimposing controls or decontrol, but this bill is irrelevant to that.

Mr. ROUSSELOT. It is irrelevant? I am glad we got that straightened out.

Mr. FISHER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Speaker, I am delighted to have this 120 seconds to give my energy message.

The fact is there are some things pertaining to energy we can agree on. There is a crisis. The crisis revolves around the fact that we import 7 to 8 million barrels of oil a day. It costs us $1.7 billion a week to do it.

Frankly, I have been holding hearings in my district and listening to my constituents and they desperately need some help. The Fisher proposal deals with that sort of help. It does not do it directly, but it is the only vehicle that we have that can conceivably help those people.

On Long Island where we pay the highest home heating oil prices in the Nation, somebody held up their oil bill to me the other day and said, "Congressman, I want to insulate my home."

"Congressman, I want to buy a solar energy unit, but I cannot afford to do that."

What I think we need to do is to provide a bold program, the Canadians provided $1.4 billion for 20 million people to help weatherize and insulate their homes. We should provide $14 billion to help weatherize and insulate people's homes in the United States through credits, through insulation. That is the way to reduce energy dependence. If we ignore the Fisher approach, we will be left with nothing. The only message that we will have for them is, "Go to the marketplace. Yet higher prices will dictate your behavior."

I am telling you, there will be a revolution before too long, unless we address their pressing needs.

Let me deal with the specifics of the windfall tax.

Without decontrol, the oil companies are making enough money off of your constituents and mine to gold plate their national shrines in Detroit—GM and Ford.

But with decontrol, we have guaranteed them the highest profits in the history of capitalism. How can we go home—any of us—without passing a bill which will help us direct some of this incredible windfall into areas which will get us off the hook as a nation? Why are we having such a difficult time here helping our people with their most frequent and daily problem?

A few more years on the gasoline habit, and we will have but two choices—eliminate all but emergency driving, or commit troops to a war over Middle East oil.

Needless to say, neither is acceptable and both can be avoided by action now.

This windfall profit tax will help us to clean ourselves from the breast of the oil companies by giving us the money we need to build more mass transportation and develop hydro, coal, gas, solar and wind energy now, in the least inflationary way.

By leaving the money in the pockets of the oil companies, we can assure ourselves that they will be in a good position to set the Nation adrift and move to one of their foreign headquarters if OPEC should go off the dollar standard. Meanwhile, we will not be significantly less dependent on imported oil, we will have depleted a great deal more of our domestic reserves, and the then truly multinational oil companies will own most of the alternative technologies.

With a windfall profit tax, we may not be able to stop these trends, but we can slow them down by requiring that 50 percent of the windfall from decontrol be directed to constructive programs.

I have spoken regularly over the past few weeks on the subject with my constituents and was surprised to learn through a written poll, that people believe the oil companies—even more than Congress, if you can believe that—are responsible for the energy situation. Anytime someone scores lower than Congress, we all know how fed up the people must be.

I have heard many Members stand up for the oil companies, and it really irritates me that they always seem to forget to mention that the oil companies are still going to get 50 percent of the $1 trillion. That ought to make them feel a little better, especially when you take note of the fact that last year, the average beleaguered oil company had a 54-percent better profit than the year before.

This is an average of $1.6 billion per company more than last year, and last year's profits were not that bad either, if you will remember.

With all of this wealth, and with the price of gasoline at an all time high, some Members still have the gall to stand here and tell us that there is need for more incentives to go out and find oil. When have incentives been greater for any industry to research and produce anything?

Last week, while many of my constituents were paying a record $1.44 per gallon for gasoline, they were amused to learn that the Department of Energy's latest "econometric simulation" had revealed that the price of gasoline may hit $1.50 by the end of the year. Get us the real figure, they nearly yelled at me this past weekend. Will it not be more like $2 or more they asked?

They are right, and we all know it. Already price-related lines are beginning to form in California and Florida. Just ask yourself while you are voting on this conference report what you are going to say to them later this summer when they want to know what you have done to throttle the power of the oil companies. This vote will become very important to you unless you have struck oil in your district and have signed the lease over to your constituents.

These are not ordinary times. This tax is not the burden it would be on other industries. It is a must, and given the prospect of repeated national emergencies if other shortages occur, it is fair enough. If I had my way, it would be 80 percent of the windfall. We need it that badly.

Mr. CONABLE. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. BAUMAN).

MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I send a privileged motion to the desk and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

> Mr. Bauman moves that further consideration of the resolution (H. Res. 602) be postponed until the next legislative day.

The SPEAKER pro tempore. The Chair would point out that under the rule, the previous question is considered as ordered.

Mr. BAUMAN. This motion is made prior to the operation of the previous question, Mr. Speaker. I made the motion under rule XVI, clause 4, which allows a motion to postpone to a day certain.

Mr. Speaker, may I be heard on my motion? I believe I am entitled to an hour.

The SPEAKER pro tempore. The Chair will read the resolution which makes the resolution in order and it reads at the conclusion thereof:

> And the previous question shall be considered as ordered on said resolution to its final adoption or rejection without intervening motion.

The gentleman is making an intervening motion.

Mr. BAUMAN. Mr. Speaker, the gentleman is not making an intervening motion. We have not concluded consideration on debate. The gentleman from New York yielded to me and I have offered a privileged motion under rule XVI, clause 4, which allows such a motion to be offered when a matter is under consideration. The previous question cannot possibly take effect until debate ends.

The SPEAKER pro tempore. Under this rule, all yielding is for debate only, the Chair will advise the gentleman.

Mr. BAUMAN. No such reservation has been made by anyone in yielding and the record will indicate that.

The gentleman is offering a privileged motion and it is in order at this point.

Would the Chair indulge me on that to be heard?

The SPEAKER pro tempore. The Chair will advise the gentleman of the order of motions in rule XVI:

> When a question is under debate, no motion shall be received but to adjourn, to lay on the table, for the previous question (which motions shall be decided without debate), to postpone to a day certain, to refer, or to amend.

The previous question is preferential, and already has been ordered by House Resolution 604. It has been ordered and is now in effect.

Mr. BAUMAN. The Chair just read the House rule that supports my motion. It makes my motion in order.

I am pleased the Chair has supported my motion. May I add that the rule making this resolution in order does not preclude my motion because the previous question is not considered as ordered until all debate has concluded and it has not.

POINT OF ORDER

Mr. BOLLING. Mr. Speaker, can I be heard on a point of order?

Mr. BAUMAN. No point of order has been made.

The SPEAKER pro tempore. The gentleman makes a point of order?

Mr. BOLLING. Mr. Speaker, I make a point of order that the gentleman is not in order because the gentleman's motion is out of order, as described by the Chair in the reading.

The previous question precedes in precedence the motion that the gentleman made.

The SPEAKER pro tempore. Does the gentleman from Maryland wish to be heard on the point of order?

Mr. BAUMAN. Yes, I do wish to be heard on the point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman is recognized for that purpose.

Mr. BAUMAN. Mr. Speaker, the motion to postpone is delineated in rule XVI, clause 4. The motions to adjourn, lay on the table, for the previous question, postpone to a day certain, refer, amend and postpone indefinitely take precedence in the order named.

The previous question has not been ordered in this case, nor has it been moved. If it had been ordered, debate could not continue. Therefore, my motion to postpone to a day certain, that is, the next legislative day, is now in order and I have laid it before the House in proper fashion.

Pursuant to the provisions of rule XI, clause 4(b) the motion to postpone is not available, I realize, during the consideration of a special order reported by the Committee on Rules, but the rule states:

> And pending the consideration thereof, the Speaker may entertain one motion that the House adjourn; but after the result is announced, the Speaker shall not entertain any other dilatory motion until the report shall have been fully disposed of.

As indicated by rule XVI, the motions to postpone are two in number and distinct; one is to postpone to a day certain, which is the motion that I have made, and the other is to postpone indefinitely. This motion applies to the whole proposition before us as the precedents have indicated.

☐ 1600

I am asking, therefore, that under the House rule this motion be entertained.

Toward that end I cite the following precedents:

Hinds Precedents, volume 4, section 4765. There is a case of a bill which was under consideration in the Committee of the Whole and there it was ruled that the bill could not be laid aside except to be reported to the House. In the present case we, of course, are not in the Committee of the Whole, but the motion is still in order in the House.

I would cite further Cannon's Precedents, volume 8, section 2372 wherein it was ruled that the motion to rise and report with the recommendation that consideration be postponed to a date certain is in order in the Committee of the Whole and is preferential. In that case debate on the motion to postpone until a day certain was confined and, as this motion, would have to be to the advisability of postponement, and it does not allow discussion of the merits of the issue.

I would further cite as precedent Cannon's Precedents, volume 8, section 2615, wherein again the right to offer a motion to postpone to a day certain is even given precedence over a motion to amend, and again the holding that it must be confined to a debate on whether or not postponement should be restricted.

In all these instances the Chair held that the motion was debatable on the narrow limits, and that they were, in fact, in order under the circumstances. I submit nothing in House Resolution 604 prevents, prior to the operation of the previous question and the end of debate a motion to postpone to a day certain, and that is the motion that I have offered.

Mr. BOLLING. Mr. Speaker, I would like to be heard on the matter.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. BOLLING. House Resolution 604 provided for the consideration and debate only of the Fisher matter. It, in effect, outlined what could and could not be done. There were no amendments made in order, no motions were made in order. The previous question was made in order as the final act following the debate.

I, therefore, submit that in the absence of any positive provision that there be motions in order or amendments in order that the present motion of the gentleman from Maryland (Mr. BAUMAN) is not in order and I insist on my point of order.

Mr. BAUMAN. Mr. Speaker, may I be heard further?

The SPEAKER pro tempore. The gentleman may be heard.

Mr. BAUMAN. Mr. Speaker, I must say that I am mildly surprised that the distinguished chairman of the Rules Committee would make such an argument because, quite frankly, the motion to postpone indefinitely, as a whole host of other parliamentary motions, are always in order unless they are specifically ruled out in the specific rule governing the matter before the House.

In this particular resolution it is quite true that no amendments are made in order, no 5-minute rule debate is allowed. But there is absolutely no prohibition against the operation of clause 4 of rule XVI which allows a motion to postpone to a day certain prior to the end of debate, and this rule to which the chairman of the Rules Committee refers in no way negates or circumscribes the right of a Member to offer appropriate motions. If the Rules Committee had wished to say that, they would have said so in the rule, and it does not appear in the rule. So we fall back on the general rules and precedents of the House, and they indicate that any Member may offer this as a privileged motion. It is a blatant contradiction in terms to say that a provision in a rule permitting the previous question to be considered as ordered is operative prior to the end of debate since no debate would then be in order. The gentleman from Missouri has just admitted the previous question is the final act at the end of debate.

The SPEAKER pro tempore. The Chair is prepared to rule. The Chair determines that the specific language of House Resolution 604, which reads "* * * and the previous question shall be considered as ordered on said resolution to its final adoption or rejection without intervening motion" renders the ordering of the previous question applicable from the inception of consideration of the resolution. Only specific debate time and control is made in order. The rule does not by its terms only order the previous question at the end of debate. Thus the gentleman's motion is out of order and the point of order appropriate. Therefore, the Chair sustains the point of order.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Could the Chair explain why he has so ruled?

The SPEAKER pro tempore. The Chair has already explained why by the terms of the resolution itself. Does the gentleman wish to use his time for debate purposes?

Mr. BAUMAN. I have probably used more than my time, but do I still have 1 minute remaining?

The SPEAKER pro tempore. The gentleman does.

The gentleman is recognized for 1 minute.

Mr. BAUMAN. Mr. Speaker, we have just listened to almost an hour of debate on a resolution, the outcome of which will not in any way affect the outcome of a later vote on this conference report. It appeared to me that it would be the best part of logic to postpone final determination on this resolution until we deal with the conference report, so that we would know what form the conference report took, whether a motion to recommit might succeed, whether other terms of the conference report might be varied.

Instead, by the ruling of the Chair, which I emphatically disagree with and I believe the precedents disagree with as well, we are forced to vote today, now, before we will decide the fate of the conference report. I would hope that since we are left with no alternative that we would defeat the resolution before us.

Mr. FISHER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I rise in support of the Fisher-Gephardt resolution which will put the House on record as favoring 50 percent of the windfall profit tax revenues to go for energy conservation and production.

I will further support the passage of the conference bill as the best windfall profit tax we can get at this time, even though I feel strongly that it is gossly inadequate.

The oil industry stands to profit from our deregulation action, which I vigorously opposed, to the extent of a trillion dollars over the next 10 years. The windfall profit tax reported out of conference takes only $227 billion of that, leaving the oil companies with profits totally unrelated to supply and demand, derived primarily from already discovered oil, of over three-quarters of a trillion dollars. This seems unconscionable.

The oil industry untaxed windfall benefits seem particularly outrageous when you consider that the President and many Members of Congress are pressing for balancing the 1981 budget by cutting the heart out of programs that are essential for the strength and future of America. A billion dollars is being proposed to be cut from an already inadequate energy budget at a time when we anticipate having to pay almost $100 billion for imported oil, and our dependence on imported oil is our gravest national security threat.

Cuts will be proposed in urban development to help revive our decaying cities; in job development programs to train and hire the unemployed; programs to train and educate our children; housing programs desperatedy needed to shelter our population and to combat the huge housing inflation attributable to our severe housing shortages. To sap the basic strength of our Nation while letting the oil companies with their gigantic record profits walk off with three-quarters of the windfall from decontrol seems simply sinful.

We should balance the budget, but affirmatively, while meeting the needs of America, by taking from the oil company windfall at least three-quarters of the profit, which after all would leave the companies with a cool $250 billion for the additional exploration for which they say they need the revenues—and as to that, we should permit them to keep it only to the extent they invest it in exploration and not in unrelated ventures.

What we have before us, however, is a conference recommendation for a tax of just one-fourth of the windfall profit proceeds, and a guidance from the conference that only 15 percent of the proceeds should be available for energy and mass transportation assistance. These priorities seem nonsensical in view of the critical position of energy with respect to our economy and national security.

The conference committee defends its priorities on the basis that programs do not exist to spend more than 15 percent on energy and mass transportation. This is inaccurate and misleading. To acquire the energy efficiency to permit us to become safely independent of oil imports will require the investment of billions of dollars, either directly or through tax incentives, in modernizing our industrial plants; taking inefficient cars off the road and building the capability to produce quality, efficient automobiles; insulating all our houses, stores and factories and financing solar hot water systems for all, solar heating and cooling where economically efficient; building a strategic oil storage reserve sufficient to give us reasonable security against very likely instability among our Middle East suppliers; creating an alcohol fuels capability similar to that built by Brazil, which will have all its cars completely off gasoline by 1990, growing fuel crops on millions of acres of land and building hundreds of distilleries to achieve it; developing a synthetic fuels capability and accelerating the development of other renewable fuels, nuclear fusion, hydrogen from solar, energy from peat, coal and wood gasification and liquification, wind power, solar repowering, OTEC and the many other technologies that can help us be energy independent in the future. Each of these efforts will require substantial Federal investments if we are to see them come to rapid fruition. Most are ready for demonstration now. It is the greatest failure of the Carter administration that we have no energy policy that brings these technologies on line in an orderly way so as to assure our short, medium and long term energy self-sufficiency.

The idea that we cannot spend or give tax incentives effectively to absorb 50 percent of the conference committee windfall profit tax revenues for energy conservation and production is just plain ludicrous. The Fisher-Gephardt resolution is vital to achieve these goals and should be strongly supported.

Furthermore, if this country is ever to solve its critical energy problems, we must develop mass transportation systems to their fullest capacity. Efficient mass transit not only lessens our dependence on imported oil, but also stimulates economic development, revitalizes our decaying cities, and improves the environmental quality of our Nation's urban and rural areas.

I represent Westchester County, N.Y., which is located in the New York metropolitan area. We have urban mass transportation systems already in place. In fact, the commuter rail lines in Westchester carry roughly 50 million persons per year, a number which has grown about 6 percent annually for each of the last 3 years. At the same time commuters in my district are escaping their cars and riding buses and trains, the mass transit facilities are deteriorating and massive infusion of funds are needed for maintenance and modernization. Our problems are not unlike those in many areas of the country.

It costs money to move the country away from a personal transportation system to a public one. The Federal Government must take the lead in this area by using the revenue from the windfall profit tax to expand and develop appropriate mass transportation systems in all communities in this country. What the conferees have recommended today—the allocation of only 15 percent of the windfall profit tax revenue for energy and transportation combined—is wholly inadequate. Through the authorization and appropriations process, Congress ultimately makes the final decision on how the windfall profit tax revenues are to be spent. If Congress agrees with the allocations recommended by the conference committee and adopts the meager sums suggested for transportation and energy, we will be adopting a shortsighted and harmful policy—the kind of policy which the American people have endured for too long and which has brought about the serious energy and economic problems which confront the country today.

I urge support of the Fisher-Gephardt amendment, support of the conference committee tax, and, as the first order of future business, the recapture of at least one-half the remainder of oil company windfall profit from oil decontrol to invest in the future of America—in energy independence and increased economic productivity. This is a formula for America's future, the existing situation is a formula for our demise.

Mr. CONABLE. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois, the distinguished minority whip (Mr. MICHEL.)

Mr. MICHEL. Mr. Speaker, I must confess that I am very disturbed at the rollcall vote of 209 to 197 to adopt the rule to consider this particular resolution. Since the margin of victory came on my side, I would direct most of my remarks to my own side.

In the first place, I can rationalize that vote, because normally we on our side, want to have a free debate, aerate the issues completely. A vote for the rule does not necessarily, I hope, lock our Members into a position of being in support of this particular resolution. I would like to prefer that the vote for the rule was simply to have one more good hour of discussion on a very timely subject.

Why are we here in the first place? Because 4 or 5 years ago, we on my side proposed to decontrol the price of oil and decided that we had to do that with a windfall profit tax. Ultimately the majority party, and their President, came around to our conclusion that the only way to get more oil is to decontrol. The price of decontrol had to be recognized on both sides. From a political point of view we had to have some form of windfall profit tax.

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On our side we took the position that we would have a windfall profit tax with a plowback feature so that we could have some increased production. That was the name of the game, but obviously that was not acceptable to the Democratic side. I do not know that I can make the arguments any better than the gentleman from New York (Mr. CONABLE) who best expressed the alternatives of whether or not we want the Government approach to this problem or private enterprise. If my party had had our way, the plowback feature would have done it through the private sector.

I look at the alternatives here, 60 percent of the revenues used for tax reduction or 50 percent going toward energy production or conservation. We have got all kinds of options if we take the route of tax reduction. Somebody over on the majority side—I am not sure who it was—suggested that we have got to do this and do that to encourage the private sector. I think this was expressed by the gentleman from New York (Mr. DOWNEY), if I remember correctly. How would this be done? By tax incentives. That is a tax reduction, and we have got the latitude with what the conference agreement to have the flexibility to debate each proposal after another within the context of that 60 percent. I think that is the route we ought to take. I just cannot imagine that we would have Members on our side who would subscribe to a Government approach for more production as distinguished from the private-enterprise approach suggested by the gentleman from New York (Mr. CONABLE).

I think the gentleman from Maryland (Mr. BAUMAN) has made a good point in that he would just as soon defer this resolution until after we had had an opportunity to vote on the conference report itself. We are really putting the cart before the horse. The conference agreement ought to be considered first, and I would certainly urge the Members to vote against this resolution.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding. I think it ought to be understood that this $277 billion tax is going to be paid by the consumers.

Mr. MICHEL. There is no question about it.

Mr. MOORE. On top of that, the consumers are going to pay an increased cost of energy by virtue of decontrol. The point is on top of the increased tax, they are going to pay an increased price. They are going to pay both. In light of that, do they want the Government to spend more money for them or do they want a tax cut?

Mr. MICHEL. The gentleman makes a very good point, and he has very simply summed up what I have been saying. We now have the opportunity for one more hour of discussion, and I hope that our Members will have been persuaded to vote this resolution down.

Mr. FISHER. I yield such time as he may consume to the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Speaker, we will soon be voting on whether to accept the windfall profit bill as approved by the conferees. It would be wonderful to shout "Hurrah. Such a splendid piece of work." Unfortunately I cannot. It appears that conferees have forgotten the original intent of the exercise. Perhaps it would be helpful to pause for a moment and briefly review the history of this legislation.

We all recall the President's announcement early in 1979 that he would use authority granted to him by Congress in 1973 to end price controls on domestic crude oil. He argued that price controls were stifling energy exploration and development; and he added that by phasing decontrol, we would avoid the inflationary consequences of his decision. Of course, with a wide price disparity between domestically controlled and world market oil, it was anticipated that the oil companies would reap massive windfall profits. Since there was no assurance that these profits would go toward increased energy development, the President sought a windfall profit tax as a means of redirecting some of this money to a massive Federal program to reduce our dependence upon foreign oil.

At first blush this sounded like a reasonable proposal; but regrettably, the rhetoric was not matched by reality. When the President released his long-awaited windfall profits recommendation, what had been touted as a 50-percent tax rate on windfall profits in reality was an 8.1-percent tax rate, recouping only $7 billion out of the expected $86.2 billion estimated cost of decontrol. In an analysis of the President's proposal which I placed in the CONGRESSIONAL RECORD on May 9, 1979, I outlined several criticisms of the President's decontrol windfall profits proposal. I noted that there was no assurance that the bulk of the money generated from decontrol would be used for energy exploration. I observed that the inflationary impact would far outweigh the benefits of decontrol, detailed the disparity between the 50-percent tax rate being touted by the administration and the actual tax rate of 8.1 percent, and I noted that the Federal tax structure was arranged in such a way that in all probability billions of these profits extorted out of the American consumer would end up being used to improve oil properties in the OPEC nations. I concluded that decontrol was not desirable; but should it be necessary, an effective rate of 85 percent should apply with strict controls to assure that all money generated from decontrol be used to find and develop new energy recourse here at home.

While the President did not recommend specific legislation for disbursement of the windfall profit tax, he stated that the bulk of the money generated would be used for increased mass transit, stepped up energy research and development, aid to the poor and hard pressed, and other incentives to promote effective energy conservation. Acting on this assumption, the House did a very credible job of enacting legislation that matched the administration's rhetoric, not its original figures. While some of us favored a much higher rate, the bill as finally passed by the House contained an effective tax rate of 50 percent.

The measure was then sent to the Senate where the oil companies and their friends on the Senate Finance Committee proceeded to have a field day. The result was a bona fide piece of special interest legislation which directed the bulk of the windfall profits to remain with the oil companies. The only credible action by the Senate in approving this bill was to apportion funds for specifically targeted energy projects, including some $26 billion in individual and business energy conservation tax credits.

While both Houses were working their will on this legislation, events in the world were underscoring the need for a strong windfall profit tax and an effective national energy program. Once again OPEC boosted prices across the board, and the seizure of the American Embassy in Iran led to a suspension of oil shipments from that country. Domestically, the oil companies reaped the most enormous profits in their history; and heating oil shot up to 95 cents a gallon, thus necessitating an emergency home assistance fuel program. Finally, the rate of inflation, led primarily by increases in domestic oil, not foreign oil, prices left the Nation reeling; and it became perfectly clear that the administration's earlier projections of the cost of decontrol were sheer imagination. Estimates now put the windfall profits figures at anywhere from $450 billion to $1 trillion. It became very clear that an effective use of the windfall profits tax could be a critical factor in the continued success of our economy and promote a strong national program to conserve, produce and eliminate wasteful consumption of energy. The problem is nobody told the conferees.

The final result of the conference is a windfall tax of $227 billion, some $50 billion less than the House version. More importantly the conferees abandoned the principle of using this money solely to fight the energy battle, and instead they opted to treat the bulk of it as if it were general revenue. While not binding, 60 percent of the money will be targeted for tax reduction, 25 percent will go to those people strapped by sky high prices on heating oil which directly resulted from decontrol. Only 15 percent will be used in the fight against OPEC, primarily through tax incentives and increased aid to mass transit.

The sole purpose of the windfall profits exercise was to assure that the billions taken out of the hides of the American consumer were used to restore stability to energy prices, develop new energy sources and eliminate the wasteful use of energy. The net result is what can only be described as a revenue measure which can be used either to balance artifically the budget or to fuel inflation through general tax cuts. This Nation needs an energy policy, not new sources of revenue. Our greatest hope lies in energy conservation and production, not in election year exercises to balance the budget or present the taxpayers with a sop that will fuel the inflation they battle from the supermarket to the gas pump. The American people are very serious about seeing this Government move off dead center on energy. They are willing to pay a price, but it would be a cruel hoax to wrap this bill as reported in gossamer and sequins and attempt to sell it to the American people as a victory in the fight for an energy independent America. On July 11, I outlined in this Chamber a program to fight OPEC. Much contained in that message is still relevant today and sadly most of the reasonable suggestions and strategies outlined are not even being considered as part of a national energy policy. My first words on the energy shortage and the need for an effective national energy policy were presented to this body in 1969, and my voice has grown weary from the endless repetitions of this sentiment since that time. Either we deliver this time, or I fear that the trust and cooperation our Government so desperately needs from our citizens in this effort may slip through our fingers.

Mr. FISHER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. FERRARO).

Ms. FERRARO. Mr. Speaker, I am pleased that the House has been given this opportunity to debate the merits of the various proposed uses of the revenues from the windfall profit tax.

As we discuss this resolution, it is important that we remind ourselves how we got to where we are. The chain of events leading to the bill we have before us today began in June 1979, with the decontrol of domestic oil prices. In announcing his decision to decontrol domestic oil prices, President Carter also announced the need for a windfall profit tax that would serve two key purposes—

to prevent the oil companies from reaping huge unearned profits, and to provide revenues for new programs to help the American people cope with the effects of decontrol. So the conference report on H.R. 3919 is not an isolated piece of legislation that we can judge without reference to a broader picture.

I was a vigorous opponent of decontrol. But while decontrol is a serious problem for my constituents, I have been telling them that perhaps there is a silver lining. If higher prices force conservation, thereby lessening our dependence on imported oil, and if the revenues from the windfall profit tax are used to help find alternatives, maybe decontrol can be a net plus. The search for alternatives to high-priced imported oil is particularly important to my people in New York's Ninth District because the Northeast uses more imported oil than any other region.

As originally designed, the windfall profit tax revenues were going to be targeted on three basic areas—development of synthetics, encouragement of conservation, including increased funding of mass transit, and Federal fuel assistance to low-income Americans. These are all important initiatives, and the overriding logic was that we would be using revenues from the tax on energy for energy-related purposes.

But the conference report as it now stands unravels that logic. By recommending that 60 percent of the revenues be used for general tax cuts, we are abandoning our responsibility to use these revenues in ways that will help average Americans, the people who are being clobbered by dollar-a-gallon heating oil and $1.40-a-gallon gasoline. My people ask me to do something about inflation. Even a first-year economics student will tell you that a tax cut will only add to inflation.

One of the points in this debate that I specifically want to address is the question of expanded Federal funding for mass transit. The case is being made that if we spend more than $15 billion on transit during the coming decade we will be building transit systems that use more energy than they save. The facts argue differently.

According to the American Public Transit Association, our Nation's needs in the area of buses and bus facilities alone in the 1980's, adjusted for inflation, will be $24 billion. There is a desperate need for new buses everywhere—in New York, California, Florida—everywhere. Furthermore, a comprehensive program for the modernization and rehabilitation of existing rapid rail transit systems to continue the contribution that these systems make to our national energy conservation effort will cost $15 to $18 billion over the next 10 years.

And if anybody doubts the validity of that contribution, let me quote some truly stunning statistics on per capita energy consumption in New York City, where 40 percent of the Nation's passenger miles on transit are logged each year.

According to Department of Transportation figures, New York State has the lowest per capita energy consumption figures in the Nation, using approximately 28.4 gallons of gasoline per person per month. New York City's rate is less than half that, around 12.5 gallons per person per month, and is easily the lowest of any city in the country. The simple fact is that if the transportation sector nationally were as energy-efficient as New York City's, we could almost eliminate our need for imported oil.

Expanded mass transit and development of synthetics are two of the most important ways for the United States to achieve energy independence. By approving the Fisher-Gephardt resolution, we can take an important step toward that goal.

Mr. FISHER. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. Anderson).

Mr. ANDERSON of California. Mr. Speaker, I rise in support of House Resolution 602, a resolution I have cosponsored that goes beyond the language contained in the crude oil windfall profit bill in assuring that the United States will achieve energy independence.

We have an obligation to the American people to pass this resolution. It is the completion of a bargain that was made when it was decided to decontrol the price of domestic oil. At that time, it was believed that we would then impose a heavy tax on new oil company profits that result from the higher prices they will receive for oil that had already been discovered. This was needed because oil decontrol was designed to provide an incentive for the companies to discover new sources of oil—with the belief that they should not also get these higher profits for oil from wells that was already being pumped.

But finally, the ultimate purpose of decontrol was not just a windfall profits tax on the oil companies, but a windfall profit tax on these companies that would produce revenues that could be channeled into the research of alternate energy sources, and the increased funding of mass transit projects that will free people from gas-guzzling automobiles.

My great concern is that the windfall profit tax conference report will not provide sufficient funds to make our country independent from the Arab oil producers for the energy that we need. It targets only 15 percent of the total revenues for use in energy and transit programs. And, to be sure, 15 percent of the $227 billion that will be raised in this tax on the oil companies amounts to the not insignificant sum of $34 billion by 1990. But that figure should be put into perspective. The Washington, D.C., subway that is being built will cost (not accounting for future inflation) a total of about $7.5 billion.

House Resolution 602, which I am urging our colleagues to support, would express the sense of the House that 50 percent, not 15 percent, of windfall revenues should go toward energy and transit programs that will make this Nation energy-independent. That would be a total of about $123 billion, an increase of $89 billion over the amount anticipated in the conference report.

Mr. Speaker, if we are to be sincere in our efforts at achieving energy-independence, this is a step that must be taken. If we want to really turn around our balance-of-trade deficit, this is an effort that must be taken. If we want to help grab hold of inflation, we must do this today. If we do not want to be dictated to in our conduct of foreign affairs we need to increase the amount of windfall revenues devoted to energy and transit.

Our economy and our relations with other nations is now being adversely affected by the energy crisis. We are dependent on other nations for the power needed to run this country, but it is not inextricable dependence. We can reverse the situation. But it will take a firm commitment. It is a commitment we started to make with oil decontrol, and it is a commitment that must be renewed today by passage of House Resolution 602.

Mr. FISHER. Mr. Speaker, I yield 1½ minutes to the gentleman from New Hampshire (Mr. D'Amours).

Mr. D'AMOURS. Mr. Speaker, I rise in support of the Fisher-Gephardt resolution, and I would urge that all Members who do want to express their desire to do something to free ourselves from OPEC dependence by promoting alternative energy sources, conservation, and the like, support this resolution. But let us not kid ourselves. Let us do it with open eyes. We are not accomplishing much, if anything, by support of this resolution, and there is some confusion on the floor because of statements that have been made by the gentleman from Missouri (Mr. Bolling) saying that this conference report amounted to hortatory spending in the category limits expressed, which means, I think, precatory, which is intended to convey the idea it really does not do very much.

The gentleman from Virginia, Mr. Fisher, has said that this resolution is no less binding than the conference report. That is not so. The conference report, if adopted, is law. This is only a sense-of-the-House resolution. It is not binding at all. The conference report at page 30 has language saying that the President shall as quickly as possible submit legislation to carry out these spending category limits. If he does—and it says he shall on a yearly basis—the chances are we are going to enact that legislation, so I would submit that it is a little more hortatory and more than precatory—what we are going to be doing in this conference report—but that still we should pass this resolution because it is about the only chance we are going to have to go on record saying that we do support conservation and alternative energy development. Who knows, maybe at some future date it will be nice to have a written record of that.

Mr. FISHER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Lundine).

Mr. LUNDINE. Mr. Speaker, I join my colleagues on the floor today in support of this resolution pertaining to the windfall profit tax bill to put the House on record in favor of spending the bulk of the $227.7 billion in revenues that will be generated by the windfall profit tax on energy-related programs. Specifically, this resolution calls for the establishment of a special Treasury account of 50 percent of the windfall tax proceeds to be used for energy research, development, production, conservation, and transit; 25 percent for payments to low-income persons to assist with payment of energy bills; and the remaining 25 percent would be allocated to general revenue and could be used to reduce the Federal deficit or to finance specified tax cuts such as a small savers income tax exclusion or a rollback in social security payroll taxes.

The decision by the House and Senate conferees to support allocation of up to 60 percent of the $227.7 billion collected from the windfall profit tax to unspecified tax cuts, in my opinion, will handicap our efforts to implement a comprehensive national energy and anti-inflation policy throughout the 1980's. Instead, by placing the largest percentage of the revenues from the tax into general revenue, we will in effect be removing incentive for energy production and conservation to support nonenergy Federal programs and tax cuts to corporations and individuals. In the meantime, promising opportunities for energy development and conservation are likely to go begging because of lack of available financing.

Furthermore, at the end of the 10-year windfall profit tax, if the conference-committee path is followed, after we have become dependent on the revenue as an instrument of overall fiscal policy, we will be presented with no choice but imposition of a substantial tax increase or a severe cutback in ongoing programs. It is unwise to delude ourselves into believing that the revenue from this tax can enable us to accomplish a balanced Federal budget, preserve everyone's favorite Federal program, and still provide from time to time tax cuts to the American people.

Over the next decade, our efforts in the energy area must be far reaching and coordinated if we are going to break our addiction to OPEC oil. The revenues from the windfall profit tax can provide the necessary financing mechanisms to insure that we have aggressive research and development efforts into alternate energy sources and widespread, effective utilization of conservation and other readily available energy sources.

As one example of need, just recently my colleagues, Mr. OTTINGER and Mr. MCCORMACK on the House Science and Technology Committee, have identified in the proposed fiscal year 1981 energy research budget for the Department of Energy some critical areas that demand increase funding this year. Critical areas of concern in this context include conservation, solar, and fusion research and development. In addition, we have a great need in the promising area of biomass energy development for financing to move implementation of known technology on its way, and we have pending before the Congress legislation to spur the development of synthetic fuels, wind energy, and establish a solar and conservation bank.

This list of possibilities in the energy area goes on and on. I believe we can eliminate our dependence on OPEC oil, but we cannot do it if we continue to utilize the incremental budgetary approach. Our commitment must be broader, and the revenue from the windfall profit tax offers us the best available opportunity to establish the kind of priority attention our energy problem deserves.

We cannot talk about our energy problem without considering the ramifications our action will have on the dangerous uncontrolled inflation plaguing our Nation today. Rising energy prices were a key contributing factor that fueled inflation upward during 1979. Energy costs added about 3 percent to the overall inflation rate last year. Our vulnerability in the energy area makes coordination of a comprehensive anti-inflation policy extremely difficult if it is not accompanied by an aggressive energy program that can begin to help insulate us from the continuous shock waves coming at us from OPEC actions.

I supported the windfall profit tax bill when it passed the House because I believe strongly that it is a central component in our overall energy strategy. We need the revenue from this tax to provide the vehicle to help us reorient our economy to alternate energy sources and to maximize the use of existing energy sources.

The House passed this bill with the expectations that the revenues raised by it would be primarily devoted to an energy program. The American people have a right to expect that these revenues will be devoted to our energy future, not treated as some kind of windfall to the Federal Government.

The path the conferees on this bill have embarked upon will weaken considerably our ability to implement an effective energy program over the next decade. The House, unlike the Senate, has never had the opportunity promised us when we passed the windfall profit tax bill to debate and take a position on disposition of the revenues from the tax.

Tax cuts may very well have merit even in this unprecedented inflationary environment. But, that is a separate issue. It should not confuse this crucial energy debate; it should be decided in its own time, on its own merits.

I urge my colleagues now to consider carefully the ramifications of the ill-advised plan being set forth by the conferees on this bill, and to join in this effort to send a message that it is appropriate and vitally necessary that these revenues be allocated to help secure a promising energy future for this country.

• Mr. DRINAN. Mr. Speaker, I rise in strong support of House Resolution 602, the resolution of the gentleman from Virginia (Mr. FISHER), which would declare the sense of the House that the bulk of the revenue from the Crude Oil Windfall Profit Tax Act should be used to encourage domestic energy conservation and production.

I remain strongly opposed to the President's decision to decontrol the price of domestic crude oil, Mr. Speaker. Yet I recognize that the issue today is how the hundreds of billions of dollars in unearned revenues, which would otherwise accrue to the oil companies as a result of decontrol, can best be used to benefit the Nation as a whole.

The conference agreement establishes a tax on unearned profits which is expected to raise $227.7 billion by 1990, about 23 percent of the more than $1 trillion which the oil companies will earn as a result of decontrol in the next decade. While I would prefer the establishment of a much stronger tax, along the lines of the 85-percent tax I cosponsored with the gentleman from Massachusetts (Mr. SHANNON), I intend to support the conference report because I think that this is the best tax obtainable from this Congress and because I think a windfall profits tax should be enacted without delay.

I am disappointed that the conferees did not include tax credits for the installation of woodstoves or for middle-income users of home heating oil, but the conference report does contain a number of energy incentives which are worthy of support. Among these, of course, are the increase in the tax credit for the installation of solar and wind technologies and the provisions which provide substantial benefits to encourage the development of small-scale hydroelectric facilities, a very promising source of energy, particularly in New England.

Unfortunately, the conferees voted to allocate only 15 percent of the revenues of this tax to fund worthy energy programs such as these. House Resolution 602, which I am proud to cosponsor, would express the sense of the House that 50 percent of the revenues generated by the windfall profits tax should be allocated for energy conservation and production programs, 25 percent for a permanent program of assistance for the low-income energy consumers who will be most severely affected by the increased cost of energy as a result of decontrol, and 25 percent for general use. This resolution would supersede the conference agreement guidelines which allocated 60 percent for personal and business tax reductions, 25 percent for low-income assistance, and 15 percent for energy development.

Adoption of the Fisher resolution would clearly demonstrate that the House supports a much more aggressive energy development program than that envisioned by the tax conferees. There is no doubt that these vast sums could be well used—President Carter originally proposed that 85 percent of the tax revenues be used for energy programs, and recent congressional analyses indicate that the administration has already submitted energy proposals whose total cost could reach $140 to $260 billion, including $70 to $90 billion for conservation programs and $16 to $30 billion for mass transportation projects.

Decontrol will vastly increase the cost of energy for all Americans. This policy can only be justified if the tremendous profits generated by decontrol are recycled to increase our Nation's energy independence. The best way to reduce our Nation's crippling dependence on foreign sources of petroleum would be to invest the profits of decontrol in programs which will directly encourage energy conservation in all sectors of our society and which will spur the development of all of our domestic energy sources.

Mr. Speaker, I urge the adoption of House Resolution 602 and the subsequent approval of the windfall profits tax conference report.●

☐ 1620

Mr. FISHER. I do urge my colleagues to vote for this resolution. It does not set aside the windfall profit tax at all. It simply advises that we use more of that $227 billion for energy and less for general tax reduction. If we want more energy and less inflation to come out of this bill we are considering, then do vote for this resolution.

Mr. Speaker, I yield back the balance of my time.

I move the previous question.

POINT OF ORDER

Mr. BAUMAN. A point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BAUMAN. The motion for the previous question is not in order. Under the rule, it is considered as ordered.

The SPEAKER pro tempore. The gentleman is correct.

Pursuant to House Resolution 604, the previous question is ordered.

The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONABLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 201, nays 215, answered "present" 1, not voting 15, as follows:

[Roll No. 138]

YEAS—201

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brinkley
Brooks
Brown, Calif.
Burlison
Byron
Carr
Cavanaugh
Chisholm
Coleman
Conte
Conyers
D'Amours
Daschle
Dellums
Derrick
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Edgar
Emery
Erdahl
Ertel
Evans, Ga.
Evans, Ind.
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Gaydos
Gephardt
Gilman
Ginn
Glickman
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hanley
Harkin
Hawkins
Heckler
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Ichord
Jeffords
Jenkins
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kildee
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Levitas
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McHugh
McKinney
Maguire
Markey
Marlenee
Mathis
Matsui
Mattox
Mavroules
Mikulski
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Pa.
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Petri
Peyser
Preyer
Rahall
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Skelton
Snowe
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Steed
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Vento
Volkmer
Walgren
Weaver
Weiss
White
Whitley
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—215

Abdnor
Annunzio
Archer
Ashbrook
Ashley
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bowen
Brademas
Breaux
Brodhead
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, Phillip
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Tex.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Dornan
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Evans, Del.
Fary
Fascell
Findley
Flippo
Foley
Forsythe
Fountain
Frenzel
Frost
Garcia
Giaimo
Gibbons
Gingrich
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hance
Hansen
Harris
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Leland
Lent
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
McEwen
McKay
Madigan
Marks
Marriott
Martin
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nichols
O'Brien
Pashayan
Paul
Pepper
Pickle
Porter
Price
Pritchard
Quayle
Quillen
Railsback
Rangel
Regula
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stangeland
Stanton
Stark
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Thompson
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Walker
Wampler
Watkins
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Burton, John

NOT VOTING—15

Anderson, Ill.
Collins, Ill.
Crane, Philip
Davis, S.C.
Erlenborn
Harsha
Jenrette
Johnson, Colo.
Jones, Tenn.
Murphy, Ill.
Myers, Pa.
Pursell
Ratchford
Stewart
Waxman

☐ 1630

The Clerk announced the following pairs:

On this vote:

Mr. Ratchford for, with Mr. Jones of Tennessee against.

Mr. Waxman for, with Mr. Philip M. Crane against.

Until further notice:

Mr. Myers of Pennsylvania with Mr. Pursell.

Mr. Jenrette with Mr. Harsha.

Mrs. Collins of Illinois with Mr. Erlenborn.

Mr. Stewart with Mr. Anderson of Illinois.

Mr. Davis of South Carolina with Mr. Murphy of Illinois.

Messrs. DE LA GARZA, MADIGAN, GRISHAM, PRICE, LUJAN, and BROWN of Ohio changed their votes from "yea" to "nay."

Mr. BALDUS, Mr. GUDGER, and Mrs. BOUQUARD changed their votes from "nay" to "yea."

So the resolution was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1640

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time in order to comment about the program for the remainder of this week and to make a unanimous-consent request.

We will have only one more vote this evening. We will vote on the rule.

Mr. Speaker, I will yield to the gentleman from Missouri (Mr. BOLLING), the chairman of the Committee on Rules. Maybe the gentleman and I have a different view of the situation, but let me be sure.

Mr. BOLLING. No, Mr. Speaker. It is just that there might be a second vote on the rule, on the previous question, although I do not know that.

Mr. WRIGHT. Mr. Speaker, one might hope not, but the gentleman is eminently correct, of course. Under the rules, there might be a second vote on the rule.

We will adopt the rule this evening and then go over until tomorrow for the vote on the conference committee report.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I have heard some discussion of the possibility of trying to extend debate on the conference report itself because of the importance of the subject matter. Is there any such plan on the part of the leadership?

Mr. WRIGHT. Mr. Speaker, I am not aware of any such plan, but I wanted to offer this thought: that in view of the dinner and other festivities that are being held this evening, we will rise after adopting the rule. Tomorrow we will come in and adopt or act upon the conference committee report, and that will be the business for tomorrow. There will not be any business on Friday.

Therefore, Mr. Speaker, I think it might be to the liking of most of the Members if we were to come in early tomorrow so that we might finish early tomorrow.

HOUR OF MEETING ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to reconvene at 10 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman reserve the right to object?

Mr. DANIELSON. No, Mr. Speaker. I will ask the gentleman to yield to me later.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would just like to ask the majority leader this:

There was some mention made in the Committee on Rules this afternoon about the possibility of an emergency meeting in order to consider the FTC appropriation. Does the majority leader have any information on that?

Mr. WRIGHT. I am sorry, Mr. Speaker, but I am not aware of that. I do not have any information on the matter.

Mr. BAUMAN. That is not scheduled this evening, as far as the gentleman knows?

Mr. WRIGHT. It is not at this moment. I have no knowledge about it.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DANIELSON. Mr. Speaker, will the majority leader yield?

Mr. WRIGHT. I yield to my friend, the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I would like to make this inquiry of the distinguished majority leader:

There is a bill known as S. 2222 which has to do with extending the statute of limitations on Indian claims which will expire on April 1, 1980. This just came out with a rule, and if possible, I would like to have it heard tomorrow.

Mr. WRIGHT. Mr. Speaker, I do not know whether the rule would permit its being heard tomorrow. I would suppose the gentleman from California (Mr. DANIELSON) might want to clear that matter with the gentleman from Washington (Mr. FOLEY).

Mr. DANIELSON. Mr. Speaker, I would like to clear it with some Member of the majority. The fact of the matter is that I know it could not have come to the attention of the majority leader earlier.

Mr. WRIGHT. The gentleman is correct.

Mr. DANIELSON. Anyway, Mr. Speaker, we did have some hope that it could come up tomorrow.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman very much.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 2222, EXTENDING TIME FOR INDIAN CLAIMS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–822) on the resolution (H. Res. 606) providing for consideration of the Senate bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 549, TO ESTABLISH A STANDING COMMITTEE

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–823) on the resolution (H. Res. 607) providing for consideration of the resolution (H. Res. 549) amending the Rules of the House of Representatives to establish a standing Committee on Energy, which was referred to the House Calendar and ordered to be printed.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 3919, CRUDE OIL WINDFALL PROFIT TAX ACT OF 1980

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 605 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 605

Resolved, That upon the adoption of this resolution it shall be in order to consider, clause 2 of rule XXVIII and section 303(a)(2) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, the conference report on the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil, said conference report shall be considered as having been read when called up for consideration, and all points of order against said conference report for failure to comply with the provisions of clause 3 and clause 4, rule XXVIII, are hereby waived.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

☐ 1650

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, this has nothing to do with the rule, but for those members of the Committee on Rules who are on the floor of the House, I would like to repeat what I said earlier in the Committee on Rules. It is still possible that the Committee on Rules will tomorrow have an emergency meeting on the FTC. But that does not contradict in any way what the majority leader said about the House floor. As far as I know, no attempt will be made to bring it up this week.

Mr. Speaker, I know the Members are tired and it is late. This rule does make in order the conference report on the windfall profit tax. It contains a great many waivers necessary because of the difficulty in achieving agreement, waivers that have to do with the Budget Act, that have to do with scope, that have to do with nongermane Senate amendments, it waives the 3-day layover rule, and I think that is it. There are a great many waivers, all absolutely essential. Otherwise, it is a perfectly normal conference report consideration and, therefore, I reserve the balance of my time.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule makes in order consideration of the conference report to accompany H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1980. Clause 2 of rule XXVIII, the 3-day layover rule, is waived against consideration of the conference report. Section 303(a)(2) of the Congressional Budget Act, which prohibits an increase or decrease in revenues to become effective during a fiscal year before the adoption of the first concurrent resolution on the budget for such year, is waived. The conference report is to be considered as having been read when called up. Clause 3 of rule XXVIII limits the contents of the conference report to the scope of the differences between the two Houses and clause 4 of rule XXVIII prohibits nongermane Senate amendments in conference agreements. Both of these rules are waived against the consideration of the conference report.

The windfall profit tax is an excise tax on domestically produced crude oil. Different percentages of tax are applied against three different tiers of oil. The entire tax will phase out over a 33-month period beginning after December 31, 1987, or when cumulative revenues raised by the tax reach $227.3 billion, whichever is later. The tax will start for production after February 29, 1980, and is expected to raise $227.7 billion between 1980 and 1990.

The conference report also includes provisions for residential energy tax credits, business energy tax incentives, low-income energy assistance to the tune of $3.115 billion in fiscal year 1981 for block grants, a provision earmarking the proceeds of the tax, repeal of the carryover basis provision, an interest exclusion, and a provision dealing with oil import quotas.

Yesterday in the Rules Committee, when we were considering this rule, an attempt was made to provide in the rule for an opportunity to offer a motion to recommit the report to the conference committee with instructions to include plowback provision language. This would have allowed energy producers to avoid the windfall profit tax to the extent they reinvested their profits in methods to produce additional crude oil. The attempt narrowly failed by one vote. I might add that this was a nonpartisan vote tally. Obviously, I think a motion to recommit with a plowback provision instruction should be made in order.

Besides not allowing a motion to recommit with a plowback instruction, let me tell you what else the rule does not contain. In the Rules Committee an effort was made to allow for a motion to recommit with instructions to the conference committee to permit an exemption for 1,000-barrel-per-day independent producers and royalty owners. This effort also failed by an identical one-vote margin which was also nonpartisan.

Finally, as I have mentioned previously on the other resolution an attempt was made to provide for the inclusion of the Fisher-Gephardt language as a matter to be considered at the same time as the conference report. Needless to say, this failed and resulted in the mess we have had before us today.

Mr. Speaker, this conference report is not complete. It is incomplete because it does not provide a plowback provision. If we want to encourage energy production in a realistic manner, plowback is a necessity. Faced with the situation as it exists in this rule, it is imperative that we defeat the previous question. Once the previous question is defeated, a substitute rule identical in all respects to the rule before us with one exception can then be offered. The exception would be language allowing for the consideration of a motion to recommit containing a plowback instruction to the conference committee. I urge the Members of the House to evaluate the rule as proposed and in doing so I know they will come to the conclusion, as I have, that it is incomplete. Accordingly I encourage a defeat of the previous question.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding and I think the gentleman makes a good argument. I wonder if the gentleman would include in that to make in order a motion to recommit for purposes of tacking on the Fisher-Gephardt language.

Mr. LOTT. We tried that in the Committee on Rules.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I would like to yield to the gentleman from Maryland because I know he feels very strongly that maybe that is what we should have done and that it should be a part of the effort to defeat the previous question.

Mr. HUGHES. If the gentleman will yield, we have an opportunity to do that now, in all fairness.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield, I agree with the gentleman from New Jersey. In fact, I have encouraged our leaders to make that part of our motion. But the chance was yesterday when your Rules Committee, controlled by your Democrats, with your Democrat chairman, voted down the party line to deny you and all of your colleagues the right to vote on the Fisher-Gephardt issue. Now, your own party better hold a caucus and allow a little democracy in your ranks because your Rules Committee is sticking it to you royally.

Mr. LOTT. I yield to the gentleman from New Jersey.

Mr. HUGHES. The gentleman knows that it was not along party lines. I was there. As a matter of fact, I do know that some members of the Committee on Rules, Democratic members, did not vote, as a matter of fact, with a majority of the members.

Mr. LOTT. That is correct.

Mr. HUGHES. But in all fairness, if my colleague from Maryland feels as strongly as he does about it and offered the motion yesterday, I would think he would join with us today in drafting a rule if, in fact, we defeat the previous question to make in order the kind of a rule that would give those of us in the Congress who do not agree with the sense of the conference report to recommit with instructions to put in the Fisher-Gephardt language.

Mr. LOTT. Mr. Speaker, I appreciate the gentleman's attitude. I would like to reclaim my time to ask a question. Is the gentleman saying now that he would then support the effort to defeat the previous question and would make every effort to get his colleagues on his side of the aisle to vote with us against the previous question?

Mr. HUGHES. It sounds very interesting. It is something I think we can talk about. I think it has great prospects at this point.

Mr. LOTT. I think we are running out of time, but we would certainly like to have that opportunity to talk to the gentleman.

At this point I would like to yield 4 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I urge my colleagues to vote against the previous question. I would like to ask my colleague, the gentleman from Mississippi: If we are successful in voting down the previous question, which I am sure, after that last colloquy, commonsense will prevail and we will be able to do that, could the gentleman tell us what kind of a rule he would offer? Can he give us an idea?

Mr. LOTT. We have a copy of it right here. It would be the identical rule, except it would allow for the motion to recommit with instructions to include plowback language to be considered.

Mr. ROUSSELOT. Could the gentleman describe for the Members who are wavering as to whether to vote for or against the previous question what the plowback provision would mean, so that they would know the situation that would exist under your substitute rule?

Mr. LOTT. Not being a member of the committee, I do not know all of the details; but I do know it would allow the basic opportunity with the plowback for this tax to be exempted if you put it back into the ground. Here is exactly what it would do. It would allow the credit of up to 75 percent against the windfall profit tax for expenditures for oil and gas development and production.

I might say that the sponsor of this motion will be speaking momentarily and will go into some of the details. But it would allow a credit of up to 75 percent against the windfall profit tax for expenditures for oil and gas development and production.

Mr. ROUSSELOT. That is development and production.

Mr. LOTT. Which goes to the heart of what we were talking about earlier.

□ 1700

Mr. ROUSSELOT. So the gentleman's rule would allow a vote on whether we want this revenue to be directed.

Mr. LOTT. That is correct.

Mr. ROUSSELOT. That is for development, production, and that is what this issue is supposed to be all about. That is what the President claimed he wanted.

It would also address the issue that was debated before, just previously, for those people who want this revenue to be used for production, such as our colleague from Washington, who spoke so eloquently on the subject. This would require that the revenue be used for such a purpose.

I understand then that there are other provisions in the motion that would be allowed which were really intended in the first place when the President originally sent this message up here. Is that not correct?

Mr. LOTT. That is my understanding, that is correct.

Mr. ROUSSELOT. I appreciate my colleague, a member of the Rules Committee, offering this resolution.

I hope my colleagues will be encouraged, those who want production, who want it to be utilized for development, will vote down the previous question to allow us a chance to have a vote on the issue.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Washington.

Mr. McCORMACK. I appreciate the point the gentleman is making, but it is slightly misleading.

Mr. ROUSSELOT. I do not want to mislead anybody. The committee has already done that.

Mr. McCORMACK. I know the gentleman does not, but I think it would be good if we clarified one point: The plowback provisions that are being discussed in this potential motion to recommit.

Mr. ROUSSELOT. Yes, and by the way, they were offered in committee, so it is not a new concept; and it would give the full House the opportunity to really debate that subject.

Mr. McCORMACK. If the gentleman will grant me time, these provisions are for the oil companies and gas companies——

Mr. ROUSSELOT. The people who produce it.

Mr. McCORMACK [continuing]. To produce petroleum or gas.

Mr. ROUSSELOT. Independents and everybody would be included.

Mr. McCORMACK. This is not the same activity.

Mr. ROUSSELOT. These same people have been out here picketing. They would have the benefit.

Mr. McCORMACK. I appreciate the gentleman's point. I only ask he give me time to clarify this one point.

Mr. ROUSSELOT. That will be fine.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. Rousselot) has expired.

Mr. BOLLING. Mr. Speaker, I will be glad to yield 2 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. That is certainly gracious of the gentleman from Missouri (Mr. Bolling).

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Washington.

Mr. McCORMACK. I am not debating with the gentleman at all at this time the merits of the plowback provisions, but I think we should understand that it is definitely not the same thing we were talking about in the Fisher amendment.

Mr. ROUSSELOT. I knew that.

Mr. McCORMACK. The gentleman suggested it was in his statement a moment ago. Just so we understand that it is not the same thing, both may have merit in their own right. Both may be debated on their own, but I do not think we should allow any confusion to creep in to suggest the plowback provision is the same as the funding of research, development and demonstration.

Mr. ROUSSELOT. I said it was similar to the debate that occurred on the Fisher amendment as to devoting a portion of the revenue for promotion of development and production, et cetera. The same argument that the gentleman from Washington made on the previous resolution clearly relates to the plowback provision. That is to direct the revenue to be utilized for production and for the discovery of new sources. This is the purpose of the plowback provision. The arguments for the Fisher amendment would be very similar in support of the plowback provision, which my colleague from Mississippi will make possible if we vote down the previous question.

Mr. McCORMACK. As long as we understand that they are similar, but they are really separate and parallel.

Mr. ROUSSELOT. I hope the gentleman will see fit to vote down the previous question, because then we can have another strong debate on the issue of production and making sure that the revenue will be used for that purpose. I appreciate the gentleman's helping me clarify that.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Conable), the ranking minority member of the Committee on Ways and Means.

Mr. CONABLE. Mr. Speaker, I would like to tell the Members, if I may, what we hope will happen on this rule. It is generally a good rule. I personally hope that I will be able to vote for the bill ultimately, but I think the rule could be improved, and fortunately, our friend, the distinguished minority leader, is willing to offer a motion to recommit with a plowback, which I believe would improve this measure a great deal. The plowback has been discussed before. I must acknowledge that many people in this Chamber seem to consider it a Republican conspiracy of some sort. But, in fact, it is the way to turn this measure and the increased profits the oil companies will have as a result of deregulation into increased exploration and development so that the American people can get additional fossil fuel, additional oil, for an improved energy policy. I want to go over the provisions of the plowback that will be offered if the previous question is voted down and the minority leader is recognized for the purpose of proposing an alternate rule.

The plowback proposal would allow a credit of up to 75 percent against the windfall profit tax for expenditures for oil and gas development and provision.

Taxpayers would not begin to earn the credit until after expending more for domestic oil and gas production than they had expended on an average over the prior 3 years. For every dollar of expenditure over historic levels, the taxpayers would get 70 cents of tax credit against the windfall profit tax.

The plowback would reduce the $227.7 billion tax burden on the oil industry by $80 billion or $90 billion over the life of the tax.

Now some of my colleagues may say why would such a thing be to the advantage of the country? Let me explain to the Members that there is nothing in this windfall profit tax bill which assures that the additional profits the oil companies will make as a result of deregulation will be reinvested in the production of more oil and gas.

□ 1710

That is what the American people want. This level, this plowback, can be used to insure that the increased profitability of the oil companies will not be used to open more retail sales outlets, to buy and merge with other companies, like the Reliance Electric or Montgomery Ward Co. I have nothing against oil companies trying to protect their stockholders from an eroding energy profitability as production declines over the coming years, but if we are asking the American people to pay more for domestic oil, we ought to say to the American people at the same time. "We promise you the additional profits the oil companies make will be rededicated to getting you more domestic oil and gas so that you will not be dependent increasingly on foreign sources."

This is the way to do it. It is the way to achieve it, through the rule, if my colleagues will vote down the previous question. The distinguished minority leader, who will have more to say on this subject, will then offer the alternate rule which will make the plowback provision acceptable.

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. Yes, I yield.

Mr. RITTER. Mr. Speaker, is this plowback provision dedicated only to the exploration and digging of holes for oil and gas?

Mr. CONABLE. Expeditures for oil and gas development and production.

Mr. RITTER. Does the gentleman not think that investment in other forms of energy, such as the development of coal and the development of other technologies might be a part of the language?

Mr. CONABLE. I say to my friend, while that is a desirable thing to achieve, it also is somewhat controversial, because it results in the oil and gas companies getting control of alternative sources as well.

The purpose of this measure is simply to get more exploration and development. I think that is what we are looking for.

Mr. RITTER. Is it only limited to oil and gas, or are there other investment possibilities?

Mr. CONABLE. May I say, there is nothing to prevent oil and gas companies from going into that business as I understand it now; however, they will not be able to do it by off-setting their windfall profit tax to this extent. It seems to me that was our purpose.

Mr. RITTER. There may be some fault there.

The SPEAKER pro tempore. The time of the gentleman from New York (Mr. Conable) has expired.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Speaker, I urge that an opportunity be given to the House of Representatives to vote on a plowback provision in the windfall profit tax bill. While the oil companies, large, medium and small should be subject to a windfall profit tax, we should bear in mind that decontrol is a means toward producing more energy.

A plowback provision could serve effectively as an incentive to oil producers to do what we all recognize as the main need in this country—the development of more energy sources. A properly constituted plowback provision, in essence, will create incentives for exploration and development of various new kinds of energy. This exploration would be better left to the private sector than to the Federal Government. We must be very wary of transferring the responsibility for developing new energy sources to the Government, since the Government is incapable of undertaking such a task. Without a plowback provision, we are merely increasing the revenue for an ever expanding Federal Government and not moving forward in our goal of energy independence. In addition, the profits retained by the oil companies under the conference report, which are enormous even after accounting for this excise tax, are available for them to do with as they wish which includes investment in areas completely unrelated to energy. Examples include the Mobile Oil purchase of Montgomery Ward and the effort by Exxon to purchase the Reliance Electric Co. as well as assorted forays into circuses and hotels—areas not subject to Government control and regulation.

Mr. Speaker, the oil companies, both large and small, are not a threat to our private enterprise system, even though many erroneously perceive them with suspicion and distrust. In a staff study prepared by the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary, it was determined that even with substantial investments by oil companies in coal, uranium, oil shale or other types of energy programs, the chances of a reduction in competition are very remote.

Let me quote just a few paragraphs from that revealing and objective report:

COAL

First. Oil companies do not presently own a large enough portion of national coal production to distort the workings of the coal market.

Second. The oil company share would have to increase greatly before there would be a threat to competition.

Third. Even if the share of production by oil companies collectively were to increase dramatically, anticompetitive potential would only be great if a few oil companies accounted for most of this market share.

Fourth. Holdings of reserves are more appropriate than production figures for measuring anticompetitive potential.

Fifth. While oil companies own a substantial portion of all privately held reserves, approximately half of total U.S. reserves are held by Governments, Indian nations, et cetera.

Sixth. Careful disposition of these uncontrolled reserves can insure a competitive framework for the coal industry.

Seventh. Based upon presently available data, there is no reason to ban absolutely oil companies from activity in the coal industry.

OIL SHALE

First. The vast portion of U.S. oil shale is possessed by the Federal Government in an uncommitted form.

Second. The disposition of these reserves will determine the competitive form of the shale industry.

Third. There is no reason at this time to ban absolutely oil companies from participation in the oil shale industry.

Mr. Speaker, if we are serious about developing alternative sources of energy and are determined to encourage the private sector to undertake this task in a way which can result in energy independence—then it seems to me we must look to those who have the most know-how, the greatest expertise, and the maximum potential for achieving this goal.

We can and should produce the energy we need from domestic sources and it is truly unbelievable that we would deny ourselves this capability because of what appears to be political hostility to the producers and distributors of oil and gasoline.

It has never been our policy in the past to deny productivity or to impose upon ourselves a lower standard of living because of opposition to someone else making a profit. Indeed, the single most vital element in our successful economic system is the profit motive which encourages entrepreneurs, innovators and persons at all levels of the economic ladder to be motivated by economic considerations. We should encourage incentives and initiatives which hold the promise of increased earnings resulting in substantial profits and expanded opportunities for executive, administrative and various other skilled and unskilled jobs.

Mr. Speaker, to deny to the House of Representatives the opportunity to vote specifically on this subject is to deny to this body and to the American people the opportunity to give expression to other fundamental elements in our economic system.

I hope that the rule in the debate on the windfall profit tax will make possible the exercise of our full legislative role in considering and voting upon this issue.

Mr. Speaker, to address a related section of this bill, I would like to commend the conferees for their agreement to extend through 1992 the excise tax exemption for the production of gasohol. This provision will provide an enormous boost to our Nation's prospects toward developing alcohol fuels from our abundant renewable resources such as grain and timber. Alcohol fuels represent, with the proper application of technology and production incentives, another step toward eventual energy independence from foreign petroleum sources.

Mr. LOTT. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I rise to oppose this conference report because I oppose the very nature of the bill itself. This legislation has been called the "windfall profit tax" bill. It would be more accurate to rename this bill the "Windfall for Bureaucrats Act" or the "Energy Shortage Assurance Bill." No matter how many amendments this Chamber may add during its final consideration of this legislation the basic concept of the bill is still a giant statement of "no confidence" for private enterprise and a firm mandate for the status quo in the energy bureaucracy. The American public that wonders how it will make ends meet and when the gas lines will form again should not be put through the indignity of having a $227.7 billion windfall taken out of their purchases of fuel just to go into the hands of the very bureaucrats who got us in this fix in the first place.

The conference report that is before us offers a package of tax credits for energy development. While this sounds like a positive move it is just more of the same type of bureaucratic paper shuffling that has limited energy development in America. The evidence is already before us. The summary of the conference report is 43 pages long, the actual report is 180 pages long. This is just the beginning. Once the IRS and the Department of Energy are finished with their implementation of this bill's provisions the regulations and forms will probably fill this Chamber. Who will pay for the processing of the forms? Who will foot the bill for the extra bureaucrats to write forms and to review forms? It will be the same people who will end up paying this windfall for bureaucrats tax: the American consumer.

What about the energy tax credits in the bill? They offer a smorgasbord of opportunities for grantsmanship. The energy pie is divided up, not in relation to market conditions or the state of the art in the various energy fields, but by the political clout those client groups have on Capitol Hill. Who is to say that the current division of the pie will remain constant throughout the next 10 years of this act's authority? If we have a breakthrough in shale oil, will the formulas respond? If ocean thermal technology proves a blind alley, will the tax credit be abolished? If past tax credit legislation is any guide, we can expect an annual raid on these funds from various interest groups as they mobilize their forces.

In observing this possibility I am not meaning to criticize those who would compete for the Federal tax breaks. I only wish to point out that if the resources for investment are transferred from the marketplace to the Government bureaucracy, the competition for those resources also shifts. The only difference is that instead of the consumer making the choices it will be the unelected bureaucrats or the Congress. I think most consumers would rather have the power of purchase in their own pocketbooks.

THE WRONG VICTIM

Why is there a windfall profit tax? According to the administration the evil oil companies are unfairly capitalizing on oil decontrol and need to be taught a lesson. Are they capitalizing on decontrol? The newest figures on crude oil show a peaking of well head prices. The February edition of Well Watch stated that the sustained rise in crude prices would level off. The first crude oil price bulletin for 1980 affirmed that report by showing sweet crude from the gulf States that was being offered at $36 a barrel in December had risen to only $37 a barrel and had remained at that price for the past 2 months. Oil Daily reports that this price may fall to remain competitive with crude being delivered from Nigeria and North Africa. The market is therefore working to adjust prices.

If oil prices are moving into line with foreign competition and are, in fact leveling off, why are there such high profits for domestic oil companies? This "high profits" or "obscene profits" argument is the cornerstone of Mr. Carter's move to have a windfall tax. How obscene are the oil profits? In 1979 Mobil Oil Co.'s rate of return on shareholder equity was 20.8 percent, a very healthy increase. Yet Hilton Hotels realized a 31.6-percent return in 1979, while the Washington Post scratched out a "meager" 27.9 percent. Television also did well in 1979. ABC brought in 24.6 percent on equity and MGM, that produces the shows which many times criticize big oil and other big businesses, made a 31 percent return last year. Oil company profit rates may be very high, but when translated into actual money available it is well within the range of other business sectors.

Why, then, are the oil companies being singled out for this tax? The main reason is the fact that most consumers continue to view the oil companies as the cause of high energy costs. It is the local filling station that we all pay ever increasing amounts of money to for gasoline. It is the sign of the oil supplier that hangs over these stations, therefore the wrath of consumers identifies the companies as the culprits. What the consumer does not see are the mountains of regulations that flow out of Washington, D.C. and must be dealt with by the drillers, the refineries, the tank storage firms, the trucking firms, and the dealers. Every person who must be hired to do the accounting or the forms processing adds to the cost at the pump. Every day wasted in complying to guidelines or in meeting shipping or processing requirements can drive up the cost at the pump.

Additional equipment that is thought to be necessary by OSHA or the EPA must be purchased and the cost is passed onto the final price at the pump. These hidden costs are not the fault of the oil companies, but aid in making the oil companies look like the culprit when they are really the fall guy for big government. The windfall bill is a way for the bureaucrats to get themselves off the hook and receive a windfall of new money all the while the oil companies take the wrath of the public. It is quite a set-up and it looks like Mr. Carter is going to get away with it.

Is big government the sole cause for energy increases then? Of course not. Inflation has impacted on the costs of equipment needed in production. It takes energy to produce energy so as energy costs go up so does the costs of production. As oil reserves are drawn off the oil is deeper in the ground, more piping needs to be used, deeper wells need to be drilled. As reserves get drawn down in a given area, the pressure in the wells that brings the oil to the surface is diffused, resulting in the need for new wells to be drilled in order to pump water or air into the reserves to retain the pressure.

These costs can be staggering. The average onshore rig can cost $185,419, the average offshore well can cost $1,689,328. The numbers of rigs has gone from 1,028 in 1976 in the United States to over 2,621 active rigs as of the Hughes Rig Report on March 3, 1980. The newer generation of exploratory wells can cost even more. One new deepwater offshore drilling platform installed by Exxon weighs 43,000 tons and will cost close to $500 million after 5 years of development. On land the Sante Fe Drilling Co. sunk the deepest well in Texas, 29,622 feet. In Oklahoma wells have gone as deep as 31,441 feet. This costs more than the average well and in turn drives up the average costs.

What can be done about these increased costs? The last thing that should be done is eliminate the means by which oil companies, and those smaller operators who develop oilfields as well, can obtain the necessary capital to invest in production. If you deprive the private sector of the funds to meet the costs of production, you simply will not have production. The result would be more, not less, dependence on foreign oil. Symbolically this bill gives everyone a chance to vent their frustrations regarding the current energy bind we are in, but it is the wrong method directed at the wrong people.

THE WRONG APPROACH

What has happened with higher domestic prices under decontrol? The decontrol of oil has allowed domestic production to receive the benefits of foreign price hikes. This has meant that domestic producers can use the funds spent by American consumers instead of allowing the money to go to OPEC. Old oilfields that were too expensive to develop now have new life. In the Sand Hills near Midland, Tex., a field that has been active since 1931 nearly died when production declined to 850 barrels per day when the per barrel price was $3. Now the prices have driven production up to 2,200 barrels a day and has extended the life of the field to past the year 2000. Why did this happen? It is no secret. When a field starts to go dry you need to spend extra money to redevelop the wells. If there is no money available for redevelopment the field is abandoned. If the price of oil goes up and there is capital available there is both the incentive and the means for investment. The result is more oil, more jobs, and the promise of adequate domestic supplies in the future. This is the benefit of decontrol, the very benefit being hampered by this bill today.

What of our addiction to oil? Will not the windfall profit tax help shift resources to develop those energy resources that will help us "kick" the petroleum habit? The only way we will "kick" conventional fuel consumption is if alternative fuels become competitive. The front-end costs of development of many alternative fuels are currently prohibitive. Yet, if pump prices rise these other fuels become more alluring. We have already seen how gasahol has come into vogue as gasoline prices crested over the $1 a gallon level. This will happen to other fuels as well, but only if the market works. Unless we want to saddle the taxpayer with propping up alternative energy sources forever, we need to let the alternatives compete freely and build their own markets. Tax credits or other subsidies may result in an unreal allocation of resources for investment from which we may never recover.

The figures are already beginning to surface as to how the future energy market will form. Marvin Murphy in "Technolgy Watch" on December 14, 1979 discussed how price increases for gasoline can stimulate the alternatives for gasoline. At $2.50 per million cubic feet (mcf) gas from Devonian shale can be produced at upward to 7 trillion cubic feet (tcf) by the year 2000. If the price went to $5/mcf the production would skyrocket to 20 tcf. These figures are echoed in energy found in coal seams and geopressured brine. If the private sector is allowed to invest its profits, and if the price of energy is allowed to rise in light of demands and supplies, the transition to increased domestic production of conventional energy and then to alternative energy sources can be accomplished over the balance of the century. This is adequate time if we allow the private, and not the bureaucratic sector, to allocate resources.

The bill we have before us today has not addressed these issues. It is an attempt by the Carter administration to provide a windfall for bureaucrats, while masquerading as a decisive action against big oil. The last thing this Nation needs is more Carter symbolism and less money for private investment. At a time of close to 20-percent inflation and nearly 20-percent interest rates private investment in energy will be severely constrained, if not obliterated outright. Only by allowing the financial resources provided by decontrol to impact upon the market and to be plowed back into development can this Nation develop itself out of the energy bind. If we pass this conference report we are passing the buck to the bureaucrats and will take a giant step in cutting off the few escape routes we have from our energy crisis. This Congress should go on record for energy development, not bureaucracy development. We should all join in voting down this report and let the market, and the energy flow.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. HANCE).

Mr. HANCE. Mr. Speaker, I rise in support of the rule.

I would also like to rise in support of the motion to recommit that will be made tomorrow morning by the gentleman from Texas (Mr. ARCHER). The gentleman's motion to recommit will contain language in the bill I introduced earlier which had over 180 sponsors and called for an exemption of independent oil operators from the windfall profit tax.

A lot of people would ask, "Well, why should they be exempt?"

If we look at the history of the oil and gas industry, the independent oil operators over the last 20 years have consistently drilled between 75 and 90 percent of the wells that were drilled in the United States.

Also, if we look at the 10 largest oilfields in the United States that are producing today, 7 of those 10 were discovered by independent oil operators; so I think it is very important that we give support to the gentleman from Texas (Mr. ARCHER) tomorrow on his motion to recommit.

I would also point out that the independent oil operators are not involved in any other phase of the business. They are not involved in pipelines, service stations, or any type of refinery business.

I would urge a yes vote on the rule and also a positive vote on the motion to recommit to be offered by the gentleman from Texas (Mr. ARCHER).

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I rise in support of the effort to defeat the previous question on this rule so that we can adopt a rule that my colleague from Mississippi intends to offer. That rule will clearly and unmistakably make in order a motion to recommit the conference report on H.R. 3919 to the conference with instructions that the House conferees insist on a sound plowback provision.

If the rule we are now considering is not defeated, then a motion to recommit the conference report with instructions on a plowback provision could be subject to a point of order on grounds it exceeds the scope of the conference. I believe an arguable case can be made that such a motion to recommit is within the scope of the conference. However, there is not unanimity on the issue. Therefore, we must have a rule that waives a point of order against such a motion.

The motion to recommit would instruct the managers on the part of the House to insist on a plowback of the windfall profit tax of 75 percent for qualified energy expenditures. The case for such a provision is grounded in history.

As early as 1974, my party took a public position favoring decontrol of oil prices, a windfall profit tax, and a plowback of the tax for expenditures made by those liable for the tax in the exploration and development of additional sources of energy.

Our main concern then—and now—was that decontrol be used as a means of insuring more energy—and not simply as a means for acquiring additional revenue to finance an expanding Federal Government. As recently as last year, when the House considered H.R. 3919, my good friend from New York (Mr. CONABLE) offered a similar motion to recommit.

Since then, it has become apparent that H.R. 3919 is not designed primarily to produce more energy, but rather to produce more revenue. We think this is wrong and that the House should have the opportunity to vote on this issue again.

The circumstances are different now than when the House last considered a plowback. Oil is now at $35 a barrel, inflation caused by our dependence on oil imports is raging at 20 percent; and yet many believe that this conference report will not produce very much new energy.

We believe America must produce its way out of dependence on foreign energy—and can, if the proper incentives are provided. The plowback is the proper incentive. The House should have a vote on it. That is why I urge that the previous question on the rule now before us be defeated—so we can go on to adopt a rule that will enable this body to fashion a real energy producing bill.

PROPOSED PLOWBACK

The plowback proposal would allow a credit of up to 75 percent against the windfall profit tax for expenditures for oil and gas development and production.

Taxpayers would not begin to earn the credit until after expending more for domestic oil and gas production than they had expended on the average over the prior 3 years.

For every dollar of expenditures over historic levels, the taxpayers would get 75 cents of tax credit against windfall profit tax.

The plowback would reduce the $227.7 billion tax burden on the oil industry by $80 or $90 billion over the life of the tax.

Mr. Speaker, I have asked permission to revise and extend, and I ask that the motion to recommit be brought up and that the previous question be voted down.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I rise in opposition to the conference report on the so-called windfall profit tax legislation.

The House and Senate have been for months debating the most appropriate level and method of taxing the profits which will accrue to the oil companies as a result of the phased decontrol of domestic oil prices.

But the arguments over what amount of tax should be assessed and the most effective formula for the tax—on old oil/new oil, on independent producers versus major oil companies, and so forth—are largely superfluous. What many of my colleagues seem to overlook is that the very concept of the administration's windfall profit tax on oil producers is fundamentally flawed.

Indeed, the designation "windfall profit tax" is itself a misnomer because the tax is really an excise tax whose ill effects, as always, will ultimately be borne by the consumer.

The administration's rhetorical crusade against the Nation's oil companies has obscured the economic facts of life surrounding oil production and oil prices.

If this Congress and this administration really desire to increase the availability of dependable, domestic energy supplies for our citizens in the coming years, it should be noted that this bill will contribute to accomplishing precisely the opposite effect.

Additionally, I would predict, Mr. Speaker, that the liberal majority in Congress will attempt to use the massive tax revenues, $227 billion, which will flow to the Federal Government as a result of this legislation, to finance more of the same old social programs which have failed so miserably in the past. This bill will really be a windfall for the big spenders in the Congress and in the administration who will seek to squander these revenues on disproven social programs.

This scenario is quite possible despite the advisory recommendation of the conference that revenues be allocated for income tax reduction (60 percent), energy assistance to lower income households (25 percent), and for energy and transportation programs (15 percent).

While I wholeheartedly support tax reduction, quite frankly, I believe that this tax reduction will prove illusory, as the liberals controlling Congress will advocate ever more expansive spending programs instead of real tax relief for American citizens.

However, if the majority insists on this bill, I feel that the remaining 40 percent of the revenues should at least be divided differently from that proposed in this legislation.

I would recommend, if Congress is determined to adopt this legislation, that Congress consider allocating part of these revenues for increased defense spending which is so vitally needed for this country.

Particularly in the next 3 or 4 years, I would like to see approximately one-third of the non-tax-cut revenues applied through the general fund toward our defense needs.

One-third of the balance should be allocated toward reducing the national debt, the increasing size of which is a major cause of the outrageously high inflation we have been experiencing.

An additional one-third should be returned to the oil producers through a plowback incentive program for the increased production of oil.

I hope that in these ways most of the taxes assessed by this bill will eventually be returned to the American people through a reduction in taxes and a reduction in the inflation rate. The money allocated for defense and for increasing oil production will be well invested to protect our vital security and energy interests.

For years, many of us here in Congress and many in the business community have been urging that decontrol of oil prices was essential to promoting conservation and encouraging the development of additional domestic supplies of oil and other forms of energy. While the Congress and President waited, however, our Nation's dependence on foreign oil steadily increased to a present level of roughly 44 percent.

Despite controls on domestic oil—to some extent because of them—OPEC prices have escalated dramatically, resulting in the increasingly higher prices paid at the pump by all Americans. Thus, the American people have been confused by a situation in which, although price controls exist at the domestic wellhead, the selling price per gallon at the pump has been rising steadily to new highs as have heating oil and other petroleum-based products. Consequently, public opinion, fostered by anti-oil-company rhetoric from the administration and congressional liberals, has not eagerly embraced the concept of removing the price controls which have so obviously thwarted increased domestic production.

Proponents of decontrol acknowledged that the removal of price controls at the wellhead would result in increased prices, and presumably profits. However, these profits would attract increased oil drilling and production, and thereby benefit a nation weary of unstable supplies of petroleum products. Furthermore, decontrolled oil prices would lead to greater development and use of alternative fuels. Such expanded production would ultimately stabilize the upward spiraling prices.

Finally, in April 1979 President Carter reluctantly agreed to remove the price controls in a phased process which will culminate in total decontrol by October 1981.

The snail-like pace of decontrol continues to inhibit the oil industry's economic incentives to expedite new exploration and development.

Then, in a devastating blow to the whole objective of decontrol—increased production—the President announced support for a windfall profit tax on the earnings which the companies would obtain from decontrol.

Apparently ignoring economic logic, the President submitted his bill purportedly to tax heavily oil company profits, but actually taxing the domestic production of petroleum itself.

This concept is fatally flawed because it violates the fundamental fact that if the Government taxes an activity there will be less of that activity—in this case domestic oil production.

If the desired objective of the Carter administration's energy policy is increased oil production for U.S. consumption, nothing could be more counterproductive than this proposal concocted by the administration and thus far supported by both Houses of Congress.

Profits generated by decontrol, or for that matter by regular everyday business operations, are not some sinister component of free enterprise. They are the essential foundation for capital investment, without which our economy would stagnate. A business, including an oil company, that takes a loss does not have the capital to expand and develop its full potential. By the same token, small profits allow for only moderate investment.

It is generally agreed that a massive investment is needed to dramatically increase U.S. oil production in the years ahead. Obviously the oil which is easiest to find and pump has already been discovered and is being or has been pumped. It will be more expensive and require more advanced technology and equipment to recover additional sources of petroleum here.

The only sound way that companies will have to finance such investment is through their profits. The lower the profits, the lower the rate of investment and ultimately the less oil produced.

Indeed, the conference decision to eliminate the 1,000 barrel per day exemption adopted by the Senate is a devastating blow to production by independent producers.

All of the administration's ranting against big oil companies should not obscure the fact that smaller independent oil producers—who find the lion's share (75 percent) of new fields of oil—will be seriously harmed by this tax.

Additionally, because independents have traditionally plowed back production revenues into additional exploration and development, every dollar of tax will reduce resources available for drilling by $1. This tax on domestic oil production will serve only to further penalize U.S. production and encourage foreign imports.

Thus the administration's glowing support for this windfall profit tax will have the net effect of reducing the very increased production that it has said it wants to achieve. Not all of the increased production will be lost, of course. But at a time when we desperately need to sharply increase U.S. oil production, any substantial reduction—such as will result from this bill—should be viewed with alarm.

Almost all parties agree that increased production will be retarded by this so-called windfall profit tax.

For instance, the domestic production level of 8.5 million barrels daily is a declining figure and will continue to dwindle as existing supplies are depleted unless incentives are adopted to encourage high-risk drilling.

The administration's windfall profit tax is a built-in disincentive for the exploration and development of new sources of oil which almost totally offsets the incentives provided by oil decontrol.

The following chart, taken from CBO calculations, indicates the estimated future levels of production in the United States:

ESTIMATED U.S. PRODUCTION

[Millions of barrels per day]

	Continued controls	House bill	Senate Finance Committee bill	No windfall profits tax
Production:				
Total, 1985	7.530	7.890	8.155	8.345
Total, 1990	6.750	7.075	7.625	7.915

Source: Congressional Budget Office.

The following chart, extrapolated from these CBO calculations, illustrates the lost production associated with the windfall profit tax as initially passed by the House and by the Senate Finance Committee.

INCREASED PRODUCTION AS A RESULT OF DECONTROL (WITH AND WITHOUT TAX)

[Thousands of barrels per day]

	Decontrol with no windfall profits tax	Senate Finance Committee bill	Loss under Senate committee bill relative to no windfall profit tax	House bill	Loss under House bill relative to no windfall profits tax
1985	815,000	625,000	190,000	360,000	455,000
1990	1,165,000	875,000	290,000	325,000	840,000

Source: Congressional Budget Office.

The lost production resulting from the conference report will thus be between 190,000 and 455,000 barrels per day in 1985 and 290,000 and 840,000 barrels per day in 1990.

Additionally, it should be noted that many experts consider these estimates to be conservative. The American Petroleum Institute, for instance, estimates much greater production gains from decontrol without a windfall profit tax and similarly larger lost production if a tax is imposed.

The ultimate irony is that, as usual, if our country continues to suffer shortages in the years ahead, Government officials will continue to blame the oil companies for the problems that the Government itself has induced.

The Government's complicity in the crisis will have been conveniently camouflaged. The Federal Government will have drained billions of dollars from the control of the private sector. The American consumer, in all likelihood, will still be experiencing shortages and uncertainty. And the Government will still be blaming the oil companies.

This is a disastrous scenario. The windfall profits tax is a hoax which will only prolong our Nation's dependence on foreign oil and continue to stifle the full deployment of our resources here at home. It is ill conceived, unjustifiably punitive, and wholly inconsistent with our national interest.

I urge the defeat of the bill.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I rise in strong support of the effort to defeat the previous question.

It was mentioned a while ago about the necessity of a plowback provision and investment. I want to remind this body that in my State we have spent $14 billion in one small field.

I think it is time that this body grabbed the bull by the horns, instead of spreading the bull. Let the people know that we are really serious about the producing of not only fossil fuels in all forms, such as gas and oil, but coal and shale.

The action of this conference report will again confuse and disillusion the public. I predict that we will be back here if we adopt the conference report as reported next year again tackling the energy problem. Since 1973 we have not acted in a responsible manner in solving the energy crisis that faces this Nation. There is nothing in the windfall profit report that will give us the energy this Nation so badly needs.

I think it is time again for us to recognize the tremendous expenditures that are necessary for the oil industry to bring the fossil fuels to the market, especially from distances as far away as Alaska.

As we all know, our oil and gas is approximately 8,000 miles away, but we have the equivalent of 700,000 barrels of oil a day in the ground now in gas and we are unable to finance that line because of the threat of windfall profit tax legislation.

Mr. Speaker, I urge strong defeat of the previous question.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Speaker, I hope we will defeat the previous question on this rule so that we can have the opportunity to vote for an energy package that will help us to become self-sufficient in this country. Fifty percent of our petroleum today comes from foreign sources. We are not doing anything in the energy program that we are speaking out on to the American people to help that percentage come down. We are subjecting ourselves to the influence of the Soviets and others to hold us in a stranglehold if they cut off and threaten that supply in future years.

What are we doing about it? We are having a $227 billion tax passed that is going to produce a negligible amount, if any, of new energy. One small example is the way oil shale is treated in this bill.

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Supposedly we are getting an incentive at a $3 a barrel credit. Yet when this bill is actually enacted and the conference report becomes law, we have already exceeded the threshold for oil shale so, in fact, there will be no credit because the market price has risen above the price allowed for oil shale credits in the bill.

What else are we doing? We are coupling this bill and creating an Energy Mobilization Board, a board that is another bureaucracy to control bureaucracies we cannot already control.

Third and last, if we are successful in the President's wild expectations of creating a synthetic energy corporation which can provide 500,000 barrels of fuel a day by the late 1980's, we will have succeeded in fulfilling 5 percent of our imports only in this energy security corporation. In other words, only 5 percent of the amount that we are presently importing will be saved through synthetic production in the late 1980's.

This is not an energy program that is going to pull this country out of the morass we are in. We need a positive energy program. Give us the opportunity to provide one by defeating the previous question.

Mr. BOLLING. Mr. Speaker, I yield 7 minutes to the distinguished gentleman from New Hampshire (Mr. D'AMOURS).

Mr. D'AMOURS. Mr. Speaker, I thank the chairman of the Rules Committee for yielding me this time.

Mr. Speaker, I rise in opposition to the rule on the windfall profit tax, but I intend to vote for the previous question and against the motion to recommit. I think we are at a point where we ought to send this rule back to the Rules Committee and not have it rewritten on the floor of the House by defeating the previous question and having the windfall profit tax, in effect, eliminated by voting for the motion to recommit, because that is the effect of voting for the motion to recommit with instructions.

Mr. Speaker, I am against this rule because I cannot vote for a so-called, purported energy bill that closes the door, as this did, as the conference did, to residential conservation tax credits.

Now, the conference committee—and our House Ways and Means Committee, we all know, is constitutionally, philosophically opposed to tax credits—but they did give $8 billion worth of tax credits to the business sector to promote conservation. I am asking, and I asked then, and I appeared before the Rules Committee yesterday to ask that they give $8 billion worth of tax credits for the residential sector. Now we are not talking, as the tendency seems to be here, about abstract conservation efforts.

Do my colleagues think we ought to encourage landlords to insulate their apartment buildings? If we do, we cannot vote for this rule because this rule and this conference report says no, we are not going to do that. Do my colleagues think we ought to encourage people in this country to save oil by replacing old, inefficient, outmoded oil and gas burners with more effiecient devices, maybe coal-burning devices, or wood-burning furnaces? If my colleagues do, they cannot vote for this rule because the conferees said no, and they consciously chose not to fund those initiatives.

If my colleagues believe in passive solar as a viable way of decreasing our OPEC dependence, they cannot vote for this rule because the conferees said no, they chose not to fund these efforts.

There is a way, and there is a rule that could be reported that would allow us to add residential tax credits to this conference report without returning the bill to conference. I suggested it yesterday and was advised during my testimony by the chairman of the Rules Committee, whose candor and honesty I very much admire, that it would work, that it would be a workable thing. There is a way of bringing a rule that would avoid sending this package back to conference, but which would allow us to add meaningful energy conservation initiatives. I think it is legitimate perhaps to fear that if we send this conference report back we may never see it again. I rather doubt that would happen, but perhaps it would, and that is the fear. But we do not have to. There is a rule that could be passed that would include the residential tax credits, the $8 billion residential tax credits along with the $8 billion that we gave to the business sector without going back to the conference committee. It would go directly from here to the other body. The other body would vote for these conservation credits because they already have by an overwhelming majority of 74 to 24. This is nothing new to them. They are going to vote for it.

I would submit to my colleagues they dent, and then I submit we would have an energy bill that would provide not only $8 billion in tax credits for the business sector, but also tax credits for the residential sector to accomplish these very desirable objectives that I have just outlined.

Now, the Fisher amendment was approved by the Rules Committee yesterday. Why? It was an unusual procedure, but they approved it because there was a basic deficiency in this conference report, and they sought to address that deficiency by this extraordinary procedure, the Fisher resolution.

I would submit to my colleagues they could address it very specifically rather than abstractly as the Fisher resolution tried to by the procedure I have suggested. The Rules Committee gave us a package to correct the problem with this conference report.

We just voted against their suggestion, their corrective steps. Well, by gosh, I think we ought to send it back to them and say, "Well, that did not work, members of the Rules Committee; you had better come back with something else."

All of the reasons that the Fisher and Gephardt supporters advanced, and I voted for making this bill a workable effort to decrease our dependence on OPEC oil, all of those reasons still obtain, and all of those arguments are still present. If they were persuasive to those people who supported Fisher and Gephardt before, they are equally as persuasive now. I think the only solution is to send this matter back to the Rules Committee so they can give us a rule that the chairman of the Rules Committee admits would work, avoids going back to conference and risking the entire package, and gives us $8 billion of residential tax credits that the other body has already approved. In that way we really make a meaningful effort to free ourselves from OPEC dependence.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. D'AMOURS. I yield to the gentleman from New Jersey.

Mr. HUGHES. Do I understand the gentleman's argument to be that the Rules Committee could so craft the rule that it would make in order an effort to put residential tax credits into the windfall profit tax bill because the conference report did take up the issue of residential tax credits? Is that the gentleman's argument?

Mr. D'AMOURS. That is correct. The conference took it up and the other body voted for these credits, so we are pretty sure we could get them to go along with it, and it could be expedited within a few days.

Mr. HUGHES. So the gentleman suggests that would eliminate the necessity of sending it back to conference with the fear perhaps that we would lose the entire windfall profit tax bill back in the conference committee?

Mr. D'AMOURS. Exactly.

Mr. HUGHES. I want to congratulate the gentleman. I think he makes a very good argument. I heard his presentation before the Rules Committee yesterday, and it was eloquent and I commend him for his statement.

Mr. D'AMOURS. I thank the gentleman.

Mr. LOTT. Mr. Speaker, I yield the remainder of my time to the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, the need to make the change in the conference report provided for in my motion is best described in terms of its impact on domestic oil production.

The revenues generated by the exemption would result in an estimated additional 41,250 wells being drilled over the life of this bill. That converts to about 4.2 billion additional barrels of proven crude oil reserves, based on historical trends and current projections. That in turn would amount to added production of an estimated 950,000 barrels of oil a day by 1990.

We are talking about increasing production by an amount which would account for more than 5 percent of our present total consumption of domestic and imported oil.

That is a significant increase in production at a very low cost—especially when you consider that independents have historically spent the equivalent of 105 percent of their gross wellhead revenues from oil and gas on efforts to find and produce those fuels. We know that this exemption will result in even greater expenditures for additional exploration and production by these small producers.

The independent producers we are talking about are highly competitive, aggressive small businessmen. They drill an estimated 89 percent of all wildcat wells, find 75 percent of all new oil and gas fields, and account for over 53 percent of oil and gas reserves discovered. In accomplishing that, they are responsible for just 45 percent of total expenditures for exploration and development, according to Bureau of Census figures.

This is a proven record which is deserving of the strongest possible encouragement by the Congress.

It is important to note that the instructions in this motion to recommit essentially reflect the text of a bill sponsored by Congressmen HANCE and LOEFFLER which at last count had over 180 cosponsors in the House. This is the one opportunity we will have to carry out the intent of that heavily supported measure.

Even more than that this motion is an opportunity to put something positive back into what is a very negative piece of legislation. It would provide an incentive for increased energy development where strong disincentives exist now.

Those who have heard me speak on this subject before know how strongly I oppose the concept of this sort of tax in the first place. I know that I am in a minority in holding that belief.

I also know that if something is not done to make even some slight improvement in the tax that we will have forever lost energy production which would benefit the people in every region of this Nation.

I strongly urge the support of every Member for this motion to recommit with instructions. It is our last possible chance to provide a stimulus for additional energy production to meet our country's needs.

● Mr. SHUMWAY. Mr. Speaker, I have always opposed the legislation once again before us today and, indeed, oppose the entire concept of a windfall profit tax. In fact, as has been pointed out by a number of our colleagues, this massive tax bill really has nothing to do with profits as such; it simply imposes an excise tax on production at the wellhead. The tax applies whether operations are profitable or not.

H.R. 3919, then, is nothing more than a revenue measure. As such, it will raise at least $227 billion, and probably a great deal more, for the Federal Government before it is eventually phased out. This much is certain. What is uncertain is just how this legislation can be expected to contribute to the enhancement of domestic crude oil production—the essential objective of the President's decision to decontrol domestic oil. I do not propose to go into great detail at this time; the facts in this regard were thoroughly articulated during our initial debate last June, and should be well understood by all Members. I would just briefly reiterate the basic point: A tax on crude oil production, no matter how small or how large, will inevitably result in a relative reduction in production.

While I am, therefore, constrained to oppose the conference report, I would like to make clear that it does contain several provisions which I strongly favor. Among these are the repeal of the carryover-basis provisions enacted by the Tax Reform Act of 1976, and the small saver interest income tax exclusion. I have joined in sponsoring legislation to mandate both these changes in current law, and am pleased that they enjoy such widespread support. It is unfortunate, however, that such appropriate and necessary provisions have been attached to such poor legislation.

The presence of carryover-basis repeal and the small-saver exclusion almost makes me want to support the conference report—but I cannot. H.R. 3919 is just too contrary to the kind of efforts necessary if we really want to resolve our energy problems for me to do so. I must therefore urge my colleagues to join me in voting no.●

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 232, nays 180, answered "present" 1, not voting 19, as follows:

[Roll No. 139]

YEAS—232

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jeffords
Jenkins
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Rahall
Rangel
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Weaver
Weiss
Whitley
Wilson, Bob
Wilson, Tex.
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—180

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
AuCoin
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hyde
Ichord
Jacobs
Jeffries
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
O'Brien
Pashayan
Paul
Petri
Pickle
Porter
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wirth
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Burton, John

NOT VOTING—19

Anderson, Ill.
Collins, Ill.
Crane, Philip
Davis, S.C.
Drinan
Gray
Harsha
Jenrette
Johnson, Colo.
Jones, Tenn.
Murphy, Ill.
Myers, Pa.
Pursell
Ratchford
Stewart
Stokes
Vander Jagt
Waxman
Wilson, C. H.

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The Clerk announced the following pairs:

On this vote:

Mr. Myers of Pennsylvania for, with Mr. Jones of Tennessee against.

Mr. Drinan for, with Mr. Philip M. Crane against.

Mr. Stokes for, with Mr. Vander Jagt against.

Until further notice:

Mr. Davis of South Carolina with Mr. Anderson of Illinois.

Mr. Jenrette with Mr. Harsha.

Mr. Stewart with Mr. Johnson of Colorado.

Mr. Charles H. Wilson of California with Mr. Pursell.

Mrs. Collins of Illinois with Mr. Waxman.

Mr. Ratchford with Mr. Gray.

Messrs. STUMP, LATTA, EVANS of Georgia, BROYHILL, and BROWN of Ohio changed their votes from "yea" to "nay."

Mr. LONG of Maryland changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 252, nays 154, answered "present" 1, not voting 25, as follows:

[Roll No. 140]

YEAS—252

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burlison
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Conte
Conyers
Corman
Cotter
Danielson
Davis, Mich.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Emery
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Grassley
Green
Grisham
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jenkins
Jones, N.C.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Rangel
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Sawyer
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
St Germain
Stack
Staggers
Stangeland
Stark
Steed
Stratton
Studds
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—154

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Bowen
Broomfield
Brown, Ohio
Buchanan
Burgener
Butler
Campbell
Carney
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gingrich
Goldwater
Gradison
Gramm
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Hightower
Hinson
Holt
Howard
Hughes
Hyde
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lundine
Lungren
McClory
McDonald
McEwen
Madigan
Markey
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Moore
Moorhead, Calif.
Myers, Ind.
Pashayan
Paul
Petri
Porter
Quayle
Quillen
Regula
Rhodes
Roberts
Robinson
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Spence
Stanton
Stenholm
Stockman
Stump
Symms
Synar
Taylor
Thomas
Trible
Walker
Watkins
White
Whitehurst
Whittaker
Wilson, Bob
Winn
Wirth
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Burton, John

NOT VOTING—25

Anderson, Ill.
Bevill
Bonker
Clausen
Collins, Ill.
Crane, Philip
Davis, S.C.
Drinan
Gray
Harsha
Jenrette
Johnson, Colo.
Jones, Tenn.
Murphy, Ill.
Myers, Pa.
Pursell
Railsback
Ratchford
Spellman
Stewart
Stokes
Swift
Vander Jagt
Waxman
Wilson, C. H.

☐ 1800

The Clerk announced the following pairs:

On this vote:

Mr. Johnson of Colorado for, with Mr. Philip M. Crane against.

Mr. Myers of Pennsylvania for, with Mr. Vander Jagt against.

Mr. Waxman for, with Mr. Jones of Tennessee against.

Until further notice:

Mr. Bevill with Mr. Anderson of Illinois.

Mr. Drinan with Mr. Railsback.

Mr. Ratchford with Mr. Pursell.

Mr. Stokes with Mr. Stewart.

Mr. Charles H. Wilson of California with Mr. Clausen.

Mrs. Spellman with Mr. Bonker.

Mr. Jenrette with Mr. Swift.

Mrs. Collins of Illinois with Mr. Davis of South Carolina.

Mr. Gray with Mr. Murphy of Illinois.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

INTRODUCTION OF RESOLUTION AUTHORIZING INVESTIGATION BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BENNETT. Mr. Speaker, I have today introduced a resolution which authorizes and directs the Committee on Standards of Official Conduct to carry out a full investigation of alleged improper conduct by Members, officers, or employees of the House of Representatives who may have been involved in recent investigations by the Federal Bureau of Investigation. The resolution would also establish special procedures which may be used by the committee in conducting the investigation. The resolution is supported by all members of the committee.

In introducing this resolution, I would like to make several very important points.

First, even though the committee has authority under the rules of the House to conduct investigations of this kind, it is essential that the House act at the earliest possible time to provide evidence of its support of the committee in this matter and to provide the specific procedural tools necessary to an effective and efficient investigation.

Second, as I and others attempted to make clear during the debate on the resolution of inquiry submitted by Mr. PEYSER, the defects in that resolution were ones of breadth and timing.

The committee intends to move in an orderly but urgent manner to obtain all the information needed to fulfill the constitutional duty delegated to us by the House to investigate the very serious charges that have been leveled against some of our Members. The committee's special counsel has been negotiating with the Justice Department, and we are hopeful that an accommodation can be reached which recognizes both our constitutional responsibilities and those of the executive branch.

I urge speedy consideration and unanimous passage of this resolution to illustrate to the American people the conscientiousness and integrity of the House of Representatives. With your support, the Committee on Standards of Official Conduct will act energetically on your behalf in pursuing this investigation.

Mr. Speaker, I include the text of the resolution at this point in the RECORD, as follows:

H. RES. 608

Whereas rule XLIII of the Rules of the House of Representatives sets forth the Code of Official Conduct for Members, officers, and employees of the House of Representatives and, among other things, prohibits the acceptance of gifts, directly or indirectly, from foreign nationals or their agents or from any person having a direct interest in legislation before the Congress or the acceptance of compensation from any source for the exertion of improper influence, and provides that all such Members, officers, and employees shall conduct themselves at all times in a manner which shall reflect creditably on the House of Representatives; and

Whereas Federal law prohibits the receipt of anything of value by any Member of Congress to influence his performance of his official duties or to reward or compensate him, other than as provided for by law, for the performance of those duties (18 U.S.C. 201, 203); prohibits the receipt of unauthorized fees relating to naturalization or citizenship (18 U.S.C. 1422); and prohibits conspiracy to commit any offense against the United States (18 U.S.C. 371); and

Whereas information has come to the attention of the House of Representatives alleging that certain Members of the House of Representatives have improperly accepted or agreed to accept money from undercover Federal agents and others in the course of an investigation initiated and/or conducted by the Federal Bureau of Investigation; and

Whereas clause 4(e)(1) of rule X of the Rules of the House of Representatives entrusts the Committee on Standards of Official Conduct with the authority (1) to recommend to the House of Representatives from time to time such administrative actions as it may deem appropriate to establish or enforce standards of official conduct for Members, officers, and employees of the House of Representatives, (2) to investigate any alleged violation, by a Member, officer, or employee of the House of Representatives, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities and, after notice and hearing, to recommend to the House of Representatives, by resolution or otherwise, such action as the committee may deem appropriate in the circumstances, and (3) to report to the appropriate Federal or State authorities, with the approval of the House of Representatives, any substantial evidence of a violation by a Member, Officer, or employee of the House of Representatives of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation: Now, therefore, be it

Resolved, That the Committee on Standards of Official Conduct be and it is hereby authorized and directed to conduct a full and complete inquiry and investigation of alleged improper conduct which has been the subject of recent investigations (commonly referred to as ABSCAM) by the Department of Justice, including the Federal Bureau of Investigation, to determine whether Members, officers, or employees of the House of Representatives have violated the Code of Official Conduct or any law, rule, regulation or other applicable standard of conduct. The scope of the inquiry and investigation may be expanded by the committee to extend to any matters relevant to discharging its responsibilities pursuant to this resolution or the Rules of the House of Representatives.

SEC. 2. The committee may report to the House of Representatives any findings, conclusions, and recommendations it deems proper with respect to the adequacy of the present Code of Official Conduct or the Federal laws, rules, regulations, and other standards of conduct applicable to the conduct of Members of the House of Representatives in the performance of their duties and the discharge of their responsibilities.

SEC. 3. The committee, after appropriate notice and hearing, shall report to the House of Representatives its recommendations as to such disciplinary action, if any, that the committee deems appropriate by the House of Representatives and may provide such other reports of the results of its inquiry and investigation as the committee deems appropriate.

SEC. 4. (a) For the purpose of conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to request or compel—

(1) by subpena or otherwise—

(A) the attendance and testimony of any person—

(i) at a hearing; or

(ii) at the taking of a deposition by one or more members of the committee; and

(B) the production of things of any kind, including, but not limited to, books, records, correspondence, logs, journals, memoranda, papers, documents, writings, graphs, charts, photographs, reproductions, recordings, tapes (including audiotapes and videotapes), transcripts, printouts, data compilations from which information can be obtained (translated, if necessary, into reasonably usable form), and other tangible objects; and

(2) by interrogatory, the furnishing under oath of such information as it deems necessary to such inquiry or investigation.

(b) A subpena for the taking of a deposition or the production of things may be returnable at such places and times as the committee may direct.

(c) The authority conferred on the committee by subsections (a) and (b) of this section may be exercised—

(1) by the chairman and the ranking minority member acting jointly, or, if either declines to or is unable to act, by the other acting alone, except that in the event either so declines or is unable to act, either shall have the right to refer to the committee for decision the question whether such authority shall be so exercised, and the committee shall be convened as soon as practicable to render that decision; or

(2) by the committee acting as a whole.

(d) Subpenas and interrogatories authorized under this section may be issued over the signature of the chairman, or ranking minority member, or any member designated by either of them. A subpena may be served by any person designated by either of them and may be served either within or without the United States on any national or resident of the United States or any other person subject to the jurisdiction of the United States.

(e) In connection with any inquiry or investigation pursuant to this resolution, the committee may request the Secretary of State to transmit a letter rogatory or request to a foreign tribunal, officer, or agency.

(f) Any member of the committee or any other person authorized by law to administer oaths may administer oaths pursuant to this resolution.

(g) All testimony taken by deposition or things produced by deposition or otherwise, or information furnished by interrogatory pursuant to this section, other than at a hearing, shall be deemed to have been taken, produced, or furnished in executive session.

SEC. 5. For the purpose of conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to sit and act, without regard to clause 2(m) of rule XI of the Rules of the House of Representatives, at such times and places within or without the United States, whether the House is meeting, has recessed, or has adjourned, and to hold such hearings, as it deems necessary.

SEC. 6. The committee is authorized to coordinate its investigation with the Department of Justice and to enter into any agreements with that Department which the committee determines to be essential for the prompt and orderly performance of its duties: *Provided*, That such agreements shall not be inconsistent with applicable law or with any Rule of the House of Representatives unless otherwise provided herein for the purpose of this investigation. Without regard to clause 2(e)(2) of rule XI of the Rules of the House of Representatives, the committee may restrict access to information received from the Department of Justice to such members of the committee or other persons as the committee may designate

SEC. 7. The committee is authorized to seek to participate and to participate, by special counsel appointed by the committee, on behalf of the committee and the House of Representatives in any judicial proceeding concerning or relating in any way to any inquiry or investigation conducted pursuant to this resolution, including proceedings to enforce a subpena.

SEC. 8. The authority conferred by this resolution is in addition to, and not in lieu of, the authority conferred upon the committee by the Rules of the House of Representatives. In conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to adopt special rules of procedure as may be appropriate.

SEC. 9. Any funds made available to the committee after the adoption of this resolution may be expended for the purpose of carrying out the inquiry and investigation authorized and directed by this resolution.

THE 13TH ANNUAL REPORT OF UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM FOR CALENDAR YEAR 1979—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce.

(For message, see proceedings of the Senate of today, Wednesday, March 12, 1980.)

TENNESSEE MEDICAL ASSOCIATION

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, the Tennessee Medical Association is presently celebrating the 150th anniversary of its founding. I want to congratulate the officers, board of trustees and members on their many years of service to the people of the State of Tennessee.

Some 16 years before the founding of the American Medical Association, 47 physicians met in Nashville for the purpose of organizing the Medical Society of Tennessee in an effort to disseminate medical knowledge and preserve the quality of health care throughout the State.

Dr. James Roane of Nashville was elected the first president. He was succeeded in 1834 by Dr. Felix Robertson, a former mayor of Nashville from 1827 to 1828. Dr. Robertson was the first white male born in Nashville and the son of Gen. James Robertson, founder of Nashville.

In 1877 the society initiated legislation in the Tennessee General Assembly establishing the State Board of Health, later reorganized as the State Department of Public Health. Further, in 1889, the society was successful in obtaining legislation which formed a State Board of Medical Examiners.

At the annual meeting in Memphis in 1902, the Medical Society of the State of Tennessee was reborn as the Tennessee State Medical Association. A new constitution and bylaws provided that the State organization would be composed of county medical societies, each holding a charter from the association, and that members of the association would be members of the county societies.

As the membership of the association grew through the years, so did the workload of the elected secretary. It was not until 1927, however, that an amendment to the bylaws authorized the employment of a secretary. The duties of a secretary were defined so as to vest in him the conduct of much of the business of the association, subject to the will of the board of trustees. Dr. H. H. Shoulders, who was later to become president of the American Medical Association, was employed as the first secretary and served for 19 years in that position. It was not until 1950 that a layman was employed as a full-time executive secretary.

The association was instrumental in securing legislation establishing the indigent hospitalization program in 1953 and the medical assistance for the aged program in 1961.

During the annual meeting of 1963 in Knoxville, the constitution was amended by the house of delegates to again rename the association the Tennessee Medical Association.

From the original 151 charter members, the association has grown to 5,000 members in 48 county medical societies in the State. Tennessee has produced seven presidents of the American Medical Association and an eighth became president after moving to another State. The most recent Tennessean serving as president of the AMA was Tom Nesbitt, M.D., a Nashville urologist, in 1978.

Mr. Speaker, I extend congratulations to the officers and board of trustees of the Tennessee Medical Association:

OFFICERS

James W. Hays, M.D., President, Nashville.

George W. Holcomb, Jr., M.D., Secretary-Treasury, Nashville.

George A. Zirkle, Jr., M.D., President-Elect, Knoxville.

L. Hadley Williams, Executive Director, Nashville.

BOARD OF TRUSTEES

William O. Miller, M.D., Chairman, Knoxville.

Robert E. Clendenin, Jr., M.D., Vice-Chairman, Union City.

Charles E. Allen, M.D., Johnson City.

James C. Bradshaw, Jr., M.D., Lebanon.

James H. Donnell, M.D., Alamo.

John B. Dorian, M.D., Memphis.

Allen S. Edmonson, M.D., Memphis.

Charles E. Jabbour, M.D., Memphis.

Gilbert A. Rannick, M.D., Johnson City.

Don J. Russell, M.D., Chattanooga.

Clarence C. Woodcock, Jr., M.D., Nashville.

GREAT MILESTONE IN QUEST FOR ENERGY INDEPENDENCE HAS BEEN REACHED

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, a great milestone in America's quest for energy independence was reached last night.

As chairman of the House and Senate conferees on the omnibus energy bill, S. 932, I am happy to report that we have reached agreement on title I of the bill.

This title will launch a major national priority effort to develop a viable synthetic fuels industry in the United States.

It will channel billions of dollars worth of private capital and some public funds into the commercial production of substitute fuels for petroleum made from our vast deposits of coal, oil shale, and other feedstocks.

It will create hundreds of thousands of new jobs in many different regions of the United States. These jobs will be for Americans and the dollars they earn will stay at home instead of flowing overseas, a situation which currently is feeding the fires of inflation.

The House and Senate conferees have agreed to a very effective merger of the House bill, H.R. 3930, which was passed overwhelmingly last June and a Senate bill to establish an independent Synthetic Fuels Corporation. The House bill, utilizing the provisions of the Defense Production Act and the Department of Defense, working in consultation with the Department of Energy, as the agents, will constitute the "fast-start" thrust of this gigantic national effort.

This means there will be absolutely no time lost in developing synthetic fuels while the new Synthetic Fuels Corporation is getting fully organized to do business. When the Corporation is fully operational, it will take over the DPA program which then goes into a standby readiness state to be reactivated in the event the President finds a national energy supply crisis is occurring or likely to occur.

The initial synthetic fuels production will be tailored to meet national defense needs. The conferees have further agreed on the House majority leader's proposal to establish a national production goal of 500,000 barrels-a-day crude oil equivalent by 1987 and a 2 million barrel-a-day crude oil equivalent goal by 1992.

The conferees will now move rapidly to complete other titles of the bill, which include major new efforts in energy conservation, and the development of alcohol fuels, solar energy, wind, geothermal and other renewable resources.

I want the House to know that the agreement on the synthetic fuels title was reached with the fullest and most dedicated cooperation of Members from both parties in a truly great bipartisan effort. I think this House can be proud that we initiated this momentous action last June and that the President and the Senate have wholeheartedly joined in our energy initiative.

MAJOR ANSWER—INCREASE U.S. PRODUCTION

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, as chairman of the Appropriations Committee, I am convinced there must be a move now in meeting our economic and financial problems. Present conditions dictate this. Further, though there are many things we must do, two stand out as being absolutely necessary, if we are to prevent a breakdown.

First. We must stop increasing the interest rates, now at approximately 18 percent.

Second. We must review and at least suspend nonessential restrictions, Federal and State, in all cases where we prohibit the undesirable as against the downright dangerous, where there is substantial evidence of danger to human health.

On the first, all students of the problem of inflation are familiar with the relatively uncomplicated theory that inflation is caused by too much money chasing too few goods. There is some merit to such a description, but despite the fact that the Appropriations Committee has kept appropriations bills below the Presidential budget recommendations 36 years out of the last 37, our national debt is around $900,000,000,000, on which we have to pay the higher interest, and our national obligations are in excess of $10,000,000,000,000. All this is hanging over our financial heads; 58 percent of our laws have built in indexing to add inflation to offset inflation. These laws, providing for "entitlement," make this squeeze on money unworkable and dangerous.

My experience convinces me that if we worked to keep interest rates reasonable, and the Environmental Protection Agency, and its counterparts in the 50 States had limited themselves—the law permitting—to those things dangerous to human health—instead of going all out to eradicate the merely undesirable, we would today be using coal, would have developed our own oil and other sources of power and would not be dependent upon the OPEC countries and thus less involved in a dangerous world.

While we all agree that we must move toward a balanced budget, it is my view that the major problem is to increase productivity, production and income. To do that, we must eliminate many regulations, restrictions, and other actions which we wrap around ourselves, and which slow industry down. We should also restrict imports of that which we produce, at least to the point of striking favorable trade balance with the country of origin.

Balance means that—income-outgo—and this balance must be at a high level so as to support a sound economy. The best we can hope for is to level off. To do that we must restore economic growth by increasing production of American goods.

□ 1810

THE IIRA—A TOUGH NEW ACT TO CUT HIGH INFLATION AND INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN. Mr. Speaker, we must put an immediate stop to high interest and inflation rates and I am today introducing legislation to do just that—H.R. 6788, the Interest and Inflation Reduction Act (IIRA).

As a senior member of the House Banking Committee, I am most disturbed at the anguished cries of American citizens being hit with 18 percent salvos of inflation and interest rates from the terrible twin barrels of an economic shotgun which is ripping the Nation's economy.

I have for weeks conducted an intense investigation into actions of the administration, the Congress and the Federal Reserve System which affect inflation and interest rates and find fatal flaws which must be dealt with quickly and effectively.

Double-digit inflation is increasing substantially the needs of small businesses and family farmers for capital funds, and at the same time, scandalously high interest rates are making such inflation-caused capital acquisition prohibitively expensive. The result is a breakdown in the productive ability of a very large part of the American economy, creating severe unemployment and destroying the buying power of consumers.

Having listened to testimony for years in the Banking Committee, I am convinced that the Federal Government is a major cause of our financial difficulties. Big spending, high taxes and overregulation have increasingly sapped our productivity, but now big borrowing to cover huge deficits is crippling private enterprise by depriving commercial and consumer borrowers of critically needed credit funds and putting pressure on the Federal Reserve to accommodate Treasury borrowing by artificially creating more money and drastically boosting interest rates.

In the current fiscal year, the President's budget shows the total requirements for borrowing, subject to the debt limit, to be $59½ billion. This not only exceeds the budget deficit, but will go even higher if the so-called windfall profit tax does not generate the expected $5 billion in U.S. Treasury revenues.

The response of the Carter administration and its supporters in Congress to this, is to use mirrors, as the Wall Street Journal said yesterday, to cut a few billion dollars this year, and a few more next year to gain a balanced budget. Such an Alice in Wonderland balancing of the budget will not provide the relief needed because off-budget borrowing for agency subsidies to the economy is slated to rise to $18 billion, and probably will go much higher as Government deceptively tries to squeeze front-end expenditures in the back door of off-budget financing. Thus, under the Carter program, the tremendous pressures of bloated U.S. Treasury demands wallowing in the credit markets is going to continue, even if the budget manages to get into balance.

High interest rates are going to continue as long as this enormous demand pressure on credit markets is allowed to persist, and inflation will continue as long as the Federal Reserve continues to mop up after the Treasury, creating funny money for the Treasury to spend and permitting private borrowers to go begging or broke or both.

It is essential to immediately end this devastating Federal drain on the Nation's money market which is drying up our private economy.

Because previous attempts to balance the budget have been little more than hand-waving exercises, I am today introducing a new approach designed to immediately relieve much of the Treasury's pressure on credit markets and thus free the hand of the Federal Reserve to pursue its anti-inflationary monetary restriction policy without the necessity of provoking high interest rates.

My bill, the Interest and Inflation Reduction Act (IIRA), goes directly to the heart of the credit problem by, first, rescinding the authority of the President to propose new borrowing in his budget; secondly, the IIRA ends the authority of the Congress under the Budget Act to consider new borrowing; thirdly, the IIRA freezes the public debt at the present temporary limit; finally, the IIRA prohibits the Federal Reserve from conducting operations for the purpose of accommodating Treasury borrowing such as ballooning the money supply and jacking up interest rates. The IIRA does not impair the validity of presently issued debt, and does not require a paydown of the public debt, nor does it hamper money and debt management by the Treasury during the fiscal year. But the IIRA does prevent any addition to the present swollen debt of the Government.

If the Interest and Inflation Reduction Act is promptly passed, it will provide relief from high interest rates in the foreseeable future, and the psychological boost it can give to the markets, which even now see the hand-waving for what it is, can be expected immediately. Most importantly, the IIRA offers substantial practical quick relief, not only for the Nation's small businesses and farmers, but for private individuals, especially those trying to hang on to a job or buy a home. The IIRA provides desperately needed help for middle America and all America is invited to join in obtaining early and favorable consideration.

WINDFALL PROFIT TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maine (Mrs. SNOWE) is recognized for 10 minutes.

● Mrs. SNOWE. Mr. Speaker, my distinguished colleagues, I rise today as a cosponsor and in support of the Fisher-Gephardt resolution which would redirect the allocation of revenues in the windfall profits tax conference report. By providing that 50 percent of the revenues be made available for the promotion of energy conservation and alternative energy development, 25 percent for low-income assistance, and 25 percent for general tax purposes, I believe this measure will adequately address a major flaw of the windfall profits conference report. It is the least we can do to indicate to the American people that we are serious about facing our long-term energy problems. Not to do so would be an insult to an American public confronted with increasing energy prices and no apparent effort by Congress to alleviate the situation.

Mr. Speaker, I want to make it clear that I support the principle of the windfall profit tax conference report; that is, the imposition of a tax on the windfall revenues realized by the oil companies as a result of decontrol. Furthermore, I heartily endorse both the inclusion of a tax break for small savers and the repeal of the carryover basis provisions. Nevertheless while the nonenergy related provisions are attractive, and I support the main objective of this measure, I have strong reservations about the revenue allocation guidelines. I am disturbed about the percentage figures for low-income fuel assistance and for alternative energy production and conservation.

However, before I discuss the merits of this allocation formula, I would like to address the two tax-saving measures which would benefit the American people.

I am very pleased to see that the House-Senate conferees have agreed to give small savers a $2 billion a year tax break in 1981 and 1982. As you know, the provision in question would exempt up to $200 in interest and dividends income for single persons and $400 for couples. Although I supported a more extensive version of this proposal, I am satisfied that this provision will provide a much-needed tax break for small savers while not providing a windfall for the wealthy.

The conferees included another provision to relieve the already overburdened taxpayer, repeal of the carryover basis regulations. The fair market value of inherited property at the decedent's date of death would be used in assessing taxes. In my opinion, it is unfair, as well as unwieldy, to charge the inheritor for value of inherited property which accrued while it was owned by the decedent.

I mention these two issues because I believe they will be very beneficial not only to the Maine taxpayer, but to the American taxpayer at large. I well understand the difficulties of living on a fixed income and I will seize each and every opportunity which presents itself as a possible way to reasonably reduce Federal taxes. I commend my colleagues for their attention to these issues and their selection of a legislative vehicle which will insure prompt implementation of these tax measures.

While I find these tax measures appealing, I have some strong concerns about the major thrust of this legislation, namely fuel assistance and alternative energy promotion and conservation. Given the potentially critical energy situation, a phased oil decontrol program was inevitable. In the Northeast, we have always paid a premium for our energy and I believe all Americans should share the burden of higher prices equally. No party should realize unjustified profits at the expense of the consuming public.

It is estimated that the oil companies' revenues will increase by $1 trillion over the next decade—total revenues of the 25 largest oil companies over the past decade were about $1.5 trillion—whereas the total GNP at the end of 1979 was $2.4 trillion. When this legislation was originally considered on the House floor, I supported the Ways and Means Committee's version which provided for a 70-percent tax. When this measure was not accepted, I supported a substitute measure calling for a 60-percent tax. Imposing a tax on the huge and sudden revenues which will flow to the oil industry, one of the most profitable industries in America, is certainly justified. As stated in the conference report, this tax formula is expected to raise $277 billion by 1990 or 23 percent of the additional income of the oil companies.

My original intent in supporting this tax measure was based upon the assumption that it would function as a precautionary measure to insure that these funds were not channeled into various nonenergy related measures. It appears that I was wrong. The conferees' formula for revenue distribution—60 percent for income tax reduction, 25 percent for low-income assistance, and 15 percent for alternative energy development and conservation—does not reflect that assumption. In fact, the proposed distribution is highly contrary to the approach which both I and many of my colleagues have promoted.

Not only is the amount designated for conservation and alternative energy development negligible, a mere 15 percent, but the amount allocated for low-income energy assistance is two-thirds more, or 25 percent. I have already supported and will continue to support assistance for heating needs directed toward the avoidance of life-threatening situations. However, I cannot fathom how a permanent welfare-type program, to assist with all heating needs including air-conditioning, can be labeled a productive use of the windfall profit tax proceeds. We have lost the original intent of this legislation. We will never be able to lessen our dependence on petroleum products without more emphasis on conservation and alternative energy development. To underwrite energy cost increases without addressing the root causes of these increases only demonstrates a myopic, ill-considered approach to a long-term resolution of our energy problems. We are not talking about tomorrow, not next year, we are talking about the next decade. A vital transitional period in our national energy usage.

Those of us who have the task of justifying our support of a windfall profit tax, have found it to be that much tougher as a result of the conferees' impact on this bill.

Prior to a conference on the windfall profit tax legislation, I introduced legislation providing that at least one-third of the revenues from the tax be allocated for grants to the States for locally developed programs for mass transit, conservation, and alternative energy usage and development. In New England alone, alternative energy sources could supply 25 percent of the region's needs by the year 2000. I was hopeful that my proposal would have been incorporated in the deliberations of the conferees. Another option I took was supporting my colleague's, Mr. D'AMOURS, motion to instruct the conferees to reconsider their position on several residential energy and business energy tax credits. Many of the rejected tax credits are of critical importance to the New England region. For example, a much debated issue was a wood energy tax credit. In my view, it is one tax credit which will help those most severely hurt by the energy crisis—lower and middle income families. Unfortunately, the conferees have decided to sidestep the whole issue.

Language in the conference report simply retains Secretary Miller's discretionary authority to include items he deems eligible for residential energy credits. While I have contacted Mr. Miller about my support for the inclusion of this provision, I regret that had favorable action been taken by Congress on this proposal, it would have given a direct impetus to his deliberations.

Consequently, I have cosponsored the Fisher-Gephardt resolution which would channel a significant portion of the windfall profit tax revenues into energy research, development, conservation, and mass transit. A vote in favor of this resolution is a signal to the American public that Congress is serious about addressing our Nation's long-term energy problems. This is our last chance. I call upon my colleagues who are advocates of a strong windfall profit tax and yet who are chagrined at the proposed use of these revenues, to join with me in support of this measure.●

PENDING FEC REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 15 minutes.

Mr. FRENZEL. Mr. Speaker, I would like to take this opportunity to discuss with the chairman of the Communications Subcommittee regulations proposed by the Federal Election Commission regarding the funding and sponsorship of nonpartisan candidate debates.

These regulations were transmitted to the Congress on December 20, 1979. If neither House disapproves them within 30 legislative days after their transmittal, the Commission may finally prescribe them.

I must confess that my worst fears were confirmed by the FEC's recent threat of litigation against the Nashua Telegraph for its sponsorship of a candidate debate. This episode frightens me. Once these regulations are in place, the FEC may intervene in the legitimate functions of the news media.

The eleventh hour is upon us. Today is the 29th legislative day. We are in the midst of a Presidential campaign and the proposed regulations will go into effect next week if they are not disapproved today or tomorrow. Because a congressional veto appears to be unlikely, I would like to know the Communications Subcommittee's chairman's understanding of these regulations.

Mr. VAN DEERLIN. Mr. Speaker, I thank the gentleman from Minnesota (Mr. FRENZEL), a highly distinguished member of the Committee on House Administration, for initiating this discussion.

Mr. Speaker, I share the gentleman's concerns. I should first note for the record, however, that I have no objections to those provisions of the proposed regulations which would permit nonprofit, nonpartisan organizations, such as the League of Women Voters, to accept funds donated by corporations and labor organizations in order to offer candidate debates.

An FEC policy statement of August 1976 generated a regulatory controversy that has chilled—if not frozen—the sponsorship and funding of political debates. During the last 4 years there have been several attempts to clarify the situation. Sponsors have brought suit against the FEC, congressional committees have passed amendments, and the FEC itself has issued a regulation. None of these efforts has worked.

There is no question that the controversy has discouraged political debate. The new regulations, insofar as they resolve the controversy, should correct this regrettable situation.

I believe, however, that both Mr. Frenzel and I are concerned about those select provisions of the pending regulations, sections 110.13(a)(2) and 114.4(e)(2), which "grant" news organizations the already well recognized privilege of sponsoring debates. More to the point, these provisions then qualify this privilege by requiring that the debates include at least two candidates, and that they be nonpartisan in that they do not promote or advance one candidate over another.

The FEC's failure to define this nonpartisan requirement created enormous uncertainty and widespread fear that the Commission had put itself in a position to second-guess the news judgment of professional news organizations regarding which candidates should participate in specific debates.

More explicitly, it was feared that the FEC had appropriated for itself the authority to determine which candidates the public would hear—or whether the public would hear any candidates at all.

It seems to me that its action in the Nashua Telegraph case justifies that fear, and underscores the uncertainty which surrounds the Commission's likely interpretation of the term "nonpartisan." In my view, the Commission ventured too far too quickly. If the FEC continues to be involved in these areas, it will effectively squelch the enthusiasm of news organizations for sponsoring debates.

Mr. FRENZEL. Is not the FEC attempting to pioneer in territory already explored by the Congress and the Federal Communications Commission with the 1934 Communications Act?

Mr. VAN DEERLIN. That is true—at least with regard to broadcasters. The 1934 Communications Act provides more than adequate safeguards against the abuses which these regulations strive to prevent.

Under the Communications Act, broadcasters have always been able to sponsor debates. However, the act contains several safeguards to prevent broadcasters from promoting one candidate over another. These safeguards include the so-called equal time provision of section 315, the reasonable access provision of section 312(a)(7), and the fairness doctrine, as well as general public trustee obligations to inform the public.

However, news industry concern that interpretations of FEC regulations would be more restrictive than interpretations of FCC regulations was intensified by the Election Commission's action in the Nashua Telegraph case. Consequently, the broadcast industry fears that the latitude available to it under section 315 and section 312(a)(7) will be restricted if the industry must comply simultaneously with the FEC regulations. For example, in fulfilling its "reasonable access" obligations under section 312(a)(7), public broadcasting stations can only provide free time; they cannot sell time. Their concern, then, is that the FEC, given the Nashua Telegraph incident, might consider free time given to a candidate to be an unlawful contribution—although required by law and FCC regulations.

In permitting these regulations to become effective, they are intended to have no effect on present communication policy as expressed in sections 312 and 315. The FEC has been informed of this through a March 10 letter to FEC Chairman Tiernan from House Administration Committee Chairman Frank Thompson. This correspondence, which I will submit for the record, states, and I quote, "Under no circumstances would a broadcaster in fulfilling his obligation to provide reasonable access to candidates for public office be considered to have made an illegal contribution."

The print media, of course, are largely unregulated. This is as it should be. The press must operate under professional standards that foster accuracy and objectivity. If the print media fail to meet these standards, they risk losing professional stature—and profits. In short, the press has some powerful incentives to act responsibly. Regulation is not necessary.

Mr. FRENZEL. As you know, the FEC's mission is to protect the integrity of the electoral process. I am sure that Congress did not intend this to include the regulation of the free flow of information to the electorate, especially if such regulation threatens the first amendment rights of news organizations.

Throughout this controversy, however, the FEC has maintained that without the proposed regulations, section 441(b) of the Federal Election Campaigns Act prohibits all corporations—including news organizations—from making expenditures to stage candidate debates. The FEC has proclaimed that its proposed regulations balance several competing rights. The Commission argues that the regulations balance the right of candidates to fair and impartial treatment by the staging organization, the right of the public to access to the views of the candidates, and the need for a flexible standard to avoid locking debates into a particular format.

Do you believe, Chairman Van Deerlin, that our failure to veto these regulations will concede statutory authority to the FEC to fully involve itself in this area?

Mr. VAN DEERLIN. Absolutely not. I recognize that last year the Senate believed it necessary to veto the FEC's regulations. However, the intended ramifications of this approval have been made abundantly clear to the FEC. I refer once more to Chairman Thompson's March 10 letter in which he admonishes FEC Chairman Tiernan to "be reluctant in enforcing these regulations to substitute its judgment of the propriety of a particular debate for the on-the-spot judgment of the sponsor. Before the Commission should choose to take any action, it should be clear on the face of a complaint that the sponsoring of a debate involves something other than the good faith editorial judgment of the sponsor. The mere fact that a debate does not include the full field of eligible candidates should not in itself be reason to believe that the debate falls outside these regulations."

In other words, the commissioners have been warned that they should not substitute their discretion for the news judgment of professional journalists. Should the Commission fail to heed these instructions, the Congress shall then be called upon to impose statutory restraint.

I offer Chairman Thompson's letter at this point in the Record:

☐ 1830

Committee on House Administration,
Washington, D.C., March 10, 1980.

Hon. Robert O. Tiernan,
Chairman, Federal Election Commission, Washington, D.C.

Dear Chairman Tiernan: The Commission's proposed regulations on candidate debates are a welcomed approach to a difficult issue. The Commission is to be commended for the thoughtful manner in which it has disposed of the difficult task of balancing the various interests involved in this area. The public should benefit substantially from the increase in candidate debates that should follow from these regulations.

However, we share with a number of our colleagues a deep concern that unless the implementation of these regulations is handled with a deft touch those benefits may be lost. We believe the Commission must proceed with caution in this area so as not to have a chilling effect on the very activity that it seeks to promote.

We understand in approving these regulations that the regulations will have no effect on present communication policy as expressed in sections 312 and 315 of the Communication Act. Under no circumstances would a broadcaster in fulfilling his obligation to provide reasonable access to candidates for public office be considered to have made an illegal contribution. Similarly, a broadcaster's coverage of a candidate which is not a "use" under section 315 of the Communication Act would under no circumstances be considered a contribution by the broadcaster.

The Commission should be reluctant in enforcing these regulations to substitute its judgment of the propriety of a particular debate for the on-the-spot judgment of the sponsor. Before the Commission should choose to take any action, it should be clear on the face of a complaint that the sponsoring of a debate involves something other than the good faith editorial judgment of the sponsor. The mere fact that a debate does not include the full field of eligible candidates should not in itself be reason to believe that the debate falls outside these regulations. The Commission should process complaints in this area as in all areas under the procedures provided for by the statute and Commission regulations.

With kind regards,

Cordially,

Frank Thompson, Jr.

HELPING THE SOVIETS HELP THEMSELVES TO AMERICAN TECHNOLOGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashbrook) is recognized for 30 minutes.

● Mr. ASHBROOK. Mr. Speaker, I want to call my colleagues' attention to one of the most incredible documents I have encountered in recent months. This document, which surfaced from the bowels of the bureaucracy of the Commerce Department, outlines better than any other one document the methods by which American technology flows to the warlords of the Kremlin. What is even more incredible about this document is the fact that it existed in the bureaucracy as early as 1978. This means that at the time administration officials were testifying before congressional committees that there was no illegal diversion of American technology taking place, there was, in fact, hard evidence of just such activities occurring. This evidence was sitting right on the desks of the very people who were saying there was no evidence.

This is a very harsh charge. I do not make it lightly. The document plainly lays out 16 cases of illegal transfers of technology from U.S. corporations to third parties who then sold advanced technology to the Soviet Union. Had this Congress had this document, and its supporting documents, before it last year, the Export Administration Act amendment bill may have been substantially modified. By covering this document up, and by not stating the truth before committees of this House or in official communications to its Members the Commerce Department was able to avoid congressional changes to basic legislation. Such lack of candor on the part of two Secretaries of Commerce and a number of Department heads points to grave abridgments in the public trust and in the relationship between Congress and the Executive. These abridgments are of far greater weight than the acts of illegal technology transfer.

The coverup of vital information that has direct bearing on congressional consideration of such legislation as the Export Administration amendments, the SALT II treaty, the Defense budget, and the Commerce Department budget shows the outrageous contempt high officials in this administration have for the system of checks and balances. This contempt goes to the foundations of our system. Now I know what Mr. Carter meant when he stood in this Chamber and declared he wanted a new foundation. The imperial Presidency many of us thought was over has reasserted itself along with an imperial bureaucracy.

For the benefit of my colleagues I will enter the full text of this document into the RECORD minus the names of the corporations involved. Section 7(c) of the Export Administration Act prevents full disclosure. However, the material I am submitting could have been entered into the RECORD when it was requested time and time again last spring, and last summer when this body demanded this information, but was told no such information existed. What my colleagues will find in this document is computers, computer parts, advanced electronic devices, and even lasers going to the major importation organizations of the U.S.S.R. or its satellites. These importation organizations, like Mashpriborintorg, Vnez Technica, Technopromimport, and others, service not only the plants at Kama River and Zil, but the entire defense industry of that nation. Plants that build ICBM's, and their launchers, laboratories that develop the new chemical warfare devices, and the plants that are turning out the next generation of superweapons that the American public has yet to hear of. There is much at stake when you realize that the Soviets are still 5 years behind America in most technological areas and need our technology to close that gap.

This document involves two tragedies. The illegal diversion of technology only serves as a tool for the Soviet Union and its satellites to expand their capability to disrupt the free world. Those in and out of Government who opt for short-term profits in light of the impact of technology transfers either refuse to confront reality or exercise gross irresponsibility. The covering up of valuable information such as that contained in this document represents an act of great dishonor to our Nation's best interests and to the spirit of cooperation that must exist within government. I hope my colleagues and the American public take note of these issues and act to remove those involved from Government service:

The following is a compilation of data reflecting the types of U.S. technology illegally transshipped via third countries to Eastern European destinations during the period from approximately 1974 to date, and the methods used to accomplish the diversion:

I

1. Case Number: 23(77)-3.
2. Types of Commodities Involved:

Manufacturer:

Commodities and current export control commodity number (ECCN):

Model 475 oscilloscopes, ECCN 1584A.

Model 3S2 and 3T2 plug-in units, 1584A.

The following equipment, by model numbers, is suspected of also having been diverted:

Model 7904, ECCN 1501A.
Model 7A19, ECCN 1501A.
Model 7D14, ECCN 1501A.
Model 7A21N, ECCN 1501A.
Model 7A26, ECCN 1501A.
Model 7844, ECCN 1501A.
Model 7623A, ECCN 1501A.
Model 7D15, ECCN 1501A.
Model 7A14, ECCN 1501A.
Model 7A13, ECCN 1501A.
Model 485, ECCN 1501A.
Model 7A16A, ECCN 1501A.
Model 155-0059-00, ECCN 1564A.
Model 155-0025-00, ECCN 1564A.
Model 155-0068-00, ECCN 1564A.
Model 155-0644-00, ECCN 1541A.
Model S1, ECCN 1510A.
Model 7A24, ECCN 1510A.

3. Third Countries Involved: Austria.
4. Approximate Date of Diversion: 1974 through 1975.
5. Consignee: Mashpriborintorg, U.S.S.R.
6. Method Used to Accomplish Diversion: The Austrian affiliate of the U.S. exporter imported the equipment and together with another Austrian firm transshipped the commodities to the U.S.S.R.

II

1. Case Number: 22(77)-4.
2. Types of Commodities Involved:

Manufacturer:

Commodity and current ECCN:

Model MD-104M LSI Test System.

Manufacturer:

Commodity and current ECCN:

Model 8085 and model DD2408 environmental naked handlers, ECCN 1355A.

Model 8071C superchargers, ECCN 1355A.

Model 8195-3 multi-pack environmental handlers, ECCN 1355A.

Model 9725 bin sort, ECCN 1355A.

Manufacturer:

Commodity and Current ECCN:

Series SP 1B high speed wafer probers, ECCN 1355A.

Manufacturer:

Commodity and current ECCN: Model 1400 AX laser scribers, ECCN 1355A.

3. Third Countries Involved: Republic of South Africa.
4. Approximate Date of Diversion: October 1976 through March 1977.
5. Consignee: U.S.S.R. (suspected).
6. Method Used to Accomplish Diversion: The export was licensed for end use in South Africa. The consignee in South Africa misrepresented the intended end use of the equipment and with the help of a West German national is believed to have reexported the equipment to the U.S.S.R.

III

1. Case Number: 21-1(78)-10.
2. Types of Commodities Involved:

Manufacturer:

Commodity and current ECCN: Epitaxial reactors, ECCN 1355A.

3. Third Countries Involved: Federal Republic of Germany and Switzerland.
4. Approximate Date of Diversion: 1972 through 1978.
5. Consignee: Germany Democratic Republic.
6. Method Used to Accomplish Diversion: The initial consignee in England resold the commodities to a West German firm. The latter sold the equipment to a Swiss party suspected of having accomplished the diversion.

IV

1. Case Number: 22(79)-1.
2. Types of Commodities Involved:

Manufacturer:

Commodities and current ECCN:

Model 1-14010-1 display terminal, ECCN 1565A.

Model 1-062-4071-1 plot—10/tcs, ECCN 1565A.

Model 1-62-530-02 plot—10, ECCN 1565A.
Model 4006-1, ECCN 1565A.
Model 611-2 monitor, ECCN 1565A.
Model 154-0624-10, ECCN 1565A.
Model R7704, ECCN 1584A.
Model 7A19, ECCN 1584A.
Model 7A24, ECCN 1584A.
Model 1401A-1-3, ECCN 1533A.

Model 491 option 25 spectrum analyzer, ECCN 1533A.

Manufacturer:

Commodity and current ECCN:

Model 115171, ECCN 1529A.
Model 11521A, ECCN 1529A.
Model 11520A, ECCN 1529A.
Model 11519A, ECCN 1529A.
Model 8660A signal generator, ECCN 1529A.

3. Third Countries Involved: Federal Republic of Germany and Switzerland.
4. Approximate Date of Diversion: 1972 through 1978.
5. Consignee: U.S.S.R.
6. Method Used to Accomplish Diversion: The U.S. firm is believed to have acted in concert with a West German national by furnishing the controlled commodities domestically knowing the intended illegal disposition.

V

1. Case Number: 28(74)-1.
2. Types of Commodities Involved:

Manufacturer:

Commodities and current ECCN:

Model R1100 head assemblies, ECCN 1565A.

Model R1100 head sub-assemblies, ECCN 1565A.

Model R1100 data test heads, ECCN 1565A.

Model R2200 head assemblies, ECCN 1565A.

Model R2200 test heads, ECCN 1565A.

3. Third Country Involved: The United Kingdom.

4. Approximate Date of Diversion: June 1972 through March 1974.

5. Consignee: Isotimpex, Bulgaria.

6. Method Used to Accomplish Diversion: The U.S. firm did not obtain the requisite validated licenses for shipments to Bulgaria through its United Kingdom subsidiary. Many exports were hand carried to the United Kingdom and Bulgaria. One delivery was made to the Bulgarian Embassy in London.

VI

1. Case Number: 23(76)–10.

2. Types of Commodities Involved:

Manufacturer:

Commodity and Current ECCN: Model 1645 computers with peripherals, ECCN 1565A.

3. Third Country Involved: The United Kingdom.

4. Approximate Date of Diversion: 1975 through 1976.

5. Consignee: Telefongyar Enterprise, Budapest, Hungary, and Vnez Technica, Moscow, U.S.S.R.

6. Method Used to Accomplish Diversion: The equipment was exported under a U.S. firm's distribution license to its subsidiary in the U.K. The subsidiary sold the equipment to another U.K. firm which incorporated the U.S. equipment into its equipment and reexported it to Hungary after receiving the appropriate U.K. export authorization. The U.K. firm was under the impression that the U.S. firm's subsidiary was to obtain the reexport authorization from the U.S. The U.S. firm also exported the equipment under its distribution license to its subsidiary which exported the equipment to the Soviet Union under demonstration license for exhibition there. Another U.K. firm purchased the equipment from the subsidiary at the exhibition, reexhibited the equipment in the U.S.S.R. and sold it to the U.S.S.R.

VII

1. Case Number: 24(75)–2.

Types of Commodities Involved:

Manufacturer:

Commodity and current ECCN: PH wafer alignment systems, ECCN 1355A.

3. Third Countries Involved: Canada and Switzerland.

4. Approximate Date of Diversion: May through June 1975.

5. Consignee: Technopromimport, U.S.S.R.

6. Method Used to Accomplish Diversion: The equipment was shipped to dummy firms in Canada and reexported to Switzerland. (NB. no validated license is required for such exports for end use in Canada).

VIII

1. Case Number: 26(75)–1.

2. Types of Commodities Involved:

Manufacturer:

Commodities and Current ECCN:

Diffusion furnace, ECCN 1355A.

Scavenger system, ECCN 1355A.

Water cooling system, ECCN 1355A.

Excess temperature system, ECCN 1355A.

Step down transformer, ECCN 1355A.

Storage tubes and support, ECCN 1355A.

Laminar flow load station, ECCN 1355A.

Cut-outs, ECCN 1355A.

Gas manifolds, ECCN 1355A.

Receptacles, ECCN 1355A.

Set of wiring, ECCN 1355A.

Source cabins, ECCN 1355A.

Photo resist spinner, ECCN 1355A.

Photo resist dispenser, ECCN 1355A.

Spin spray developer, ECCN 1355A.

Vacuum chuck, ECCN 1355A.

Guarded probe, ECCN 1355A.

Tip replacement jig, ECCN 1355A.

CV prober, ECCN 1355A.

Three point probe station, ECCN 1355A.

3. Third Country Involved: Malaysia.

4. Appropriate Date of Diversion: 1974 through 1975.

5. Consignee: Poland.

6. Method Used to Accomplish Diversion: In December 1974 and January 1975 a U.S. firm exported the equipment to Malaysia without the required validated license. The consignee in Malaysia reexported the equipment to Poland without the requisite U.S. authorization.

IX

1. Case Number: 23(79)–1.

2. Types of Commodities Involved:

Manufacturer:

Commodities and current ECCN:

Model B062113 sampling head, ECCN 1584A.

Model 60 plug in unit, ECCN 1529A.

Model 151–1005–00, ECCN 1545A.

Model 151–1021–00, ECCN 1545A.

Model 152–0368/1023 semiconductors, ECCN 1564A.

Model 7A13 plug in unit, ECCN 1584A.

Model 156–0001–00 Microcket dgtl. ECCN 1564A.

Model 156–0016–00 Microcket dgtl. ECCN 1564A.

Model 7D15 plug in unit, ECCN 1529A.

Model B000000 automated test, ECCN 1529A.

Model 154–0662–10 electronic tube, ECCN 1555A.

Model B 0532532/58 plug in unit, ECCN 1529A.

Model 7A26 plug in unit, ECCN 1584A.

Model 672–0208–00 circuit assembly, ECCN 1564A.

Model B06–3458/B06–32673 plug in units, ECCN 1529A.

Model B269–674 oscilloscope, ECCN 1584A.

Model B06385/BO–33091 plug in unit, ECCN 1529A.

Model B270660 oscilloscope, ECCN 1584A.

3. Third Countries Involved: Federal Republic of Germany, and it is suspected, Austria.

4. Approximate Date of Diversion: 1978 through 1979.

5. Consignee: Elektronorgtechnika, Moscow, U.S.S.R.

6. Method Used to Accomplish Diversion: It is alleged that a U.S. firm exported the equipment to firms in West Germany and Austria and used those companies to divert the equipment to the U.S.S.R.

X

1. Case Number: 21–1(78)–12.

2. Types of Commodities Involved:

Manufacturer:

Commodities and current ECCN: Streamer cable, ECCN 1510A magnetic recorder incorporated in a digital field system, DFS 4, ECCN 1572.

3. Third Country Involved: Norway.

4. Approximate Date of Diversion: 1974.

5. Consignee: Przedisiebiorstwo Geofizyki Gornietwa Naftowego, Poland, and the U.S.S.R.

6. Method Used to Accomplish Diversion: In October 1974 a U.S. firm exported the equipment without the requisite license by placing it on a Polish vessel under charter to a Norweigan company. The equipment was transported to Poland and installed on a Norwegian vessel. The latter vessel, reportedly, was subsequently sold to the U.S.S.R.

XI

1. Case Number: 24(75)–1.

2. Type of Commodities Involved:

Manufacturer:

Commodities and Current ECCN:

Model IC–4s 4 track automatic spinner, ECCN 1355A.

Model IC–4D 4 track automatic spinner, ECCN 1355A.

Model C–1R/4–4 track infrared oven, ECCN 1355A.

Model C–4WS 4 track automatic wafer scrubber, ECCN 1355A.

Model CC–1 wafer cartridge unloader, ECCN 1355A.

Model CC–2 wafer cartridge loader, ECCN 1355A.

3. Third Countries Involved: Canada and Switzerland.

4. Approximate Date of Diversion: May 1975.

5. Consignee: Technopromimport, U.S.S.R.

6. Method Used to Accomplish Diversion: The equipment was exported to dummy firms in Canada and from there reexported to Switzerland.

XII

1. Case Number: 27(78)–1.

2. Types of Commodities Involved:

Manufacturer:

Commodities and Current ECCN: Technical data relating to integrated circuits, Models 8080A, 2316, and 2716, ECCN 1565A.

3. Third Country Involved: Austria.

4. Approximate Date of Diversion: 1976 through 1978.

5. Consignee: Poland, U.S.S.R., German Democratic Republic and People's Republic of China (suspected).

6. Method Used to Accomplish Diversion: Data hand-carried to Austria without requisite license and diverted from there.

XIII

1. Case Number: 23(78)–2.

2. Types of Commodities Involved:

Manufacturer:

Commodities and Current ECCN: Precision laser mirrors, models ILCW 141 and 161, ECCN 1522A.

3. Third Countries Involved: Federal Republic of Germany and Switzerland.

4. Approximate Date of Diversion: July 1976 and February 1977.

5. Consignee: U.S.S.R. (Probably the Lebdev Institute or Physics Institute in Moscow).

6. Method Used to Accomplish Diversion: The commodities and values were misdeclared, exported to West Germany and Switzerland without the requisite licenses, and diverted from there.

XIV

1. Case Number: 23(75)–4.

2. Types of Commodities Involved:

Manufacturer:

Commodities and Current ECCN: Model 578 beam lead bonders, ECCN 1355A.

Manufacturer:

Commodities and Current ECCN: Model 500 laser, ECCN 1355A.

Manufacturer:

Commodities and Current ECCN:

Model 1975 photo repeater, ECCN 1355A.

Models 2600 and 3000 pattern generators, ECCN 1355A.

Models 6605 and 3095 photoresist coaters, ECCN 1355A.

Models 9300 pattern compiler, ECCN 1355A.

Photo plates, ECCN 1355A.

Manufacturer:

Commodities and Current ECCN: S–50 Graphic display, ECCN 1565A.

3. Third Countries Involved: Federal Republic of Germany and Switzerland.

4. Approximate Date of Diversion: May 1974 to June 1975.

5. Consignee: U.S.S.R.

6. Method Used to Accomplish Diversion: The equipment was exported under validated license to the subsidiary of a U.S. firm in West Germany. It was diverted from there, via Switzerland, to the U.S.S.R.

XV

1. Case Number: 23(77)-1.

2. Types of Commodities Involved:

Manufacturer:

Commodities and Current ECCN: Model 500 galium arsenide phosphide reactor, ECCN 1355A.

Manufacturer:

Commodities and Current ECCN: Model 1034X prober, ECCN 1355A.

3. Third Countries Involved: France.

4. Approximate Date of Diversion: 1975.

5. Consignee: U.S.S.R.

6. Method Used to Accomplish Diversion: Commodities exported to France under validated license. The French consignee resold the equipment to another French firm which diverted it.

XVI

1. Case Number: 24(77)-1.

2. Types of Commodities Involved:

Manufacturer:

Commodities and Current ECCN: Model 78 Spartan test system and related parts, ECCN 1355A.

Manufacturer:

(Final page of document missing.)

MEXICAN OIL POLLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, last year I spoke on repeated occasions with respect to a very terrible thing that happened to the most beautiful coastline open beach area in the United States, and that was the Padre Island beachlines in the State of Texas. I pointed out that we had this invasion of the escaping Mexican oil, these terrible blobs of light brown tar that just cluttered up the beaches and practically destroyed, at least for a period of time, the enjoyment and the use of those beachlines.

Things did happen of a very serious and detrimental nature, despite the resistance and the refusal to concede any State responsibility on the part of the Governor of Texas, who has and continues to and did have a serious conflict of interest in the matter, for it was his oil company and its rig which occasioned the disaster down in the Bay of Campeche in Mexico.

I reported to the House the arrogance and the willful attitude of the President of Mexico, who said there was absolutely no recognition of responsibility on the part of the Mexican Government.

I also pointed out that under the Mexican system, really the oil monopoly which is in theory owned by the Government, really controls the Government. It is the most powerful agency in the Republic of Mexico, and that the President of that monopoly, known as Pemex, Petroleum Mexicanus, had violated the Mexican constitution and the law when he entered into up to then a secret contract with the oil company of the Governor of Texas.

I was the one that brought out that the Governor of Texas had received $150 million worth of loan guarantees from the Department of Commerce, which enabled him to buy the six rigs, one of which is the one that blew up over there and continues to.

Now, at that time, in the summer and particularly in the month of August, I visited the area affected. What happened by way of permanent result is that the redfish, for instance, breeding areas were destroyed. Our stocking or restocking capability has been inadequate to even attempt to restore anywhere near the condition of the redfish.

Now, redfish is not red snapper. Redfish is a very special delicacy and a peculiar breed and has been identified with the gulf area. That is still a problem.

The business impact was very adverse, and so it shames me to report to the House we have learned nothing. Just this week I found out that the U.S. Government is cutting off the oceanographic people and the oceanographic studies and control mechanisms as far as they were and just cut off the funds at a time when they are desperately needed in order to learn and profit from the experience. The leading oceanographer is very bitter and reports that just at the time they needed the study continuation and their handling of the situation, because Texas is still not out of the shadow of a reinvasion of Mexican oil. The escape of oil down in the Bay of Campeche has not been fully capped. It is still releasing. The currents are still carrying thousands of tons of this horrible material and with the currents and the eddies and the flow of the gulf and the ocean, it is expected that in a few weeks it is possible that there will be again this cyclic current that will provide the currents that will bring to the Texas shores once again this horrible menace.

So what we are facing now is one big zero, zilch, to learn from experience how to control this. Remember, this is the first oil spill of its kind. We read headlines about oil spills with tankers crashing and blowing up or spilling different times. There has been no real treaty agreement between the nations to try to approve some method that could give us a handle on how to handle these catastrophic matters, both from the standpoint of prevention, as well as from the standpoint of remuneration and compensation for destruction.

Now, the Small Business Committee was approached at the time. I was very generously provided by the chairman of the Small Business Committee of the House, who happens to be present today, the distinguished and Honorable Representative, the gentleman from Iowa (Mr. NEAL SMITH). I represented that committee in the congressional hearings we had at Corpus Christi last summer. At that time our stated objective was to find how we could make available the resources in disaster situations of the Small Business Administration.

I again am sorry to report that not one penny, not one cent, has been made available to any businessman, large or small, on the Texas coastline who was impacted adversely as the result of the invasion of oil to this day, plus the fact that the only things that we were able to do are now actually nonexistent as of this week.

So I am again making a request of the Small Business Administration and the President to intervene and make sure that the funds are continued, so that the only men who scientifically are studying how to control the flow, how to anticipate the danger that is imminent in a few weeks, will be back on the job.

AMERICAN LEGION CELEBRATES 61ST ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on March 15, the members of the American Legion celebrate the 61st anniversary of the founding of their fine organization. It was on this date in 1919 when delegates from the 1st American Expeditionary Force met in Paris, France, and acknowledge that their responsibility to each other and to their country's citizens did not end with the signing of a treaty of peace. At that time, they pledged:

> To promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom and democracy, and to consecrate and sanctify our comradeship by our devotion to mutual helpfulness.

The dedication of Legionnaires to these ideals has never wavered, and an update of Ameriacn Legion activities last year follows:

In addition to their concern for the welfare of veterans, the 2.7 million Legionnaires and nearly 1 million auxiliary members are deeply commited to a number of programs which benefit the Nation as a whole.

Every year some 30,000 young men and women participate in Boys State and Girls State activities nationwide. Delegates from the State-level conventions participate in Boys Nation and Girls Nation activities held annually in the Nation's capital.

More than half of all current major league baseball players—about 500—participated in the American Legion baseball program. Last year American Legion posts across the country sponsored more than 4,000 teams.

The American Legion is a prime sponsor of the Special Olympics program. Last year the Legion provided volunteers to help organize and carry out Special Olympics events at every level, and contributed $780,000 to fund those activities.

Every year the Legion sponsors a National Oratorical Contest, in the course of which successful contestants advance from the local and State to the national level. In 1979 the national organization granted oratorical contestants $44,000 in scholarship awards, a figure which was more than matched at the local and State levels.

Last year the American Legion Child Welfare Foundation, a corporation separate from the American Legion, dispersed $55,000 in grants to nonprofit organizations for activities ranging from the placement of foster children and drug abuse prevention to juvenile delinquency programs.

The American Legion is a member organization of the American Blood Commission and actively supports the national blood donor program.

The Legion also conducts an extensive national energy program, participates in national "get out the vote" campaigns, cooperates with the FBI and local police jurisdictions in a national crime resistance program, and is very active in promoting career education in the Nation's high schools.

Mr. Speaker, I am proud to join with American Legionnaires in my own 11th District of Illinois, which I am honored to represent, the city of Chicago, and all over this Nation as they commemorate their anniversary, and I extend to all of them my best wishes for success as they continue to build on their splendid record of excellence and achievement in service to America.●

SUBCOMMITTEE ON CRIME TO HOLD FOURTH HEARING ON H.R. 4973, CORPORATE CRIMINAL LIABILITY FOR KNOWING COVERUP OF HAZARDOUS PRODUCTS AND BUSINESS PRACTICES

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, on Friday, March 14, 1980, at 9:30 a.m. in room 2226, Rayburn House Office Building, the Subcommittee on Crime of the House Committee on the Judiciary will hold its fourth in a series of hearings which began last November on H.R. 4973. This bill, sponsored by the Honorable GEORGE MILLER of California, and now cosponsored by 55 colleagues of both parties in the House, creates corporate criminal liability for knowing coverups of serious dangers associated with products or business practices.

The witnesses at the hearing will include Dr. Lorin E. Kerr, director of the Department of Occupational Health, United Mine Workers of America; David Sweeney, director of the Legislative and Political Department, International Brotherhood of Teamsters; and George Taylor, director of the Department of Occupational Safety and Health, AFL–CIO.

All interested persons or organizations wishing to submit testimony for the record of the hearings on H.R. 4973 or desiring further information should address their communications to the Subcommittee on Crime, Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515. Telephone: (202) 225–1695.●

THE PLIGHT OF ANATOLY SHCHARANSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

● Mr. HANLEY. Mr. Speaker, I stand before this great body of freedom and note that during these troubled times it is often difficult to remember the plight of an individual. Anatoly Shcharansky, the symbol of the human rights struggle in the world, observes an anniversary this coming weekend.

Thirty-six months ago Anatoly was torn from his Moscow apartment and thrown into a Soviet prison. For 16 months he was not able to see counsel or even to know the charges against him. Finally being brought before the kangaroo court, Anatoly Shcharansky, a computer scientist by occupation, was allowed to see his family.

During his infamous trial, I came before this great body and uttered the following:

> In the face of tyranny, it is easier to bow to it than to stand to it. Yet if freedom is to be found, tyranny must be challenged. It would have been easier for Anatoly not to seek his basic right to emigrate to Israel and be reunited with his wife. It would have been easier for Anatoly Shcharansky not to have joined the Helsinki Watch Group, which was set up to monitor the Soviet Union's compliance with the Helsinki Accords. But Anatoly did not bow to tyranny. He stood to it.

It is inconceivable that Anatoly has been forced to waste 3 years of his life in a Soviet prison. Today, while Anatoly is suffering failing health and going blind, we should not let the world lose sight of his plight. Anatoly, may your words be our prayer and demand, "this year in Jerusalem."●

HORACE R. KORNEGAY ADDRESSES TOBACCO ASSOCIATES' ANNUAL MEETING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. ANDREWS) is recognized for 5 minutes.

● Mr. ANDREWS of North Carolina. Mr. Speaker, earlier today in Raleigh, North Carolina's capital city, our distinguished former colleague, Hon. Horace R. Kornegay, president of the Tobacco Institute, made the principal address at the 33d annual meeting of Tobacco Associates.

Tobacco Associates is an organization of flue-cured tobacco producers in Florida, Georgia, Alabama, South Carolina, North Carolina, and Virginia, and its purpose is to promote the export of this important crop to overseas markets.

I am pleased to insert excerpts of Mr. Kornegay's timely address at this point in the RECORD:

EXCERPTS

Since we are almost at the end of the first quarter of 1980, it is too late to wish you a happy new year. It is not too late, however, to wish you a happy new decade. For 1980 marks the beginning of what I truly believe will be a new decade of vigor, vitality, and, yes, even victory for the tobacco community nationally and worldwide.

I look forward to the next 10 years with confidence . . . confidence in and confidence for tobacco.

There are tides in the affairs of man. They ebb and flow, like the Atlantic tides washing the coasts of the five great flue-cured tobacco states—North Carolina, Virginia, South Caroline, Georgia and Florida. And like the ocean current, I see a rising tide for tobacco, a surge that will lift all boats.

Why am I confident? Let me assure you it is not out of blind optimism, mystical faith or unwillingness to face facts. I know, as well as you do that last year was no record breaker. I know as well as you do that:

Gross sales for the flue-cured season were down about 21 percent.

Flue-cured exports were down in poundage and in dollars.

Cool days and wet weather were up during the early part of the growing season and as a result, production was severely reduced.

I am also aware that our leading leaf customer in 1978, the United Kingdom, reduced its take by more than half, and that Europe took a quarter less.

On the other hand, I see a few plusses:

The 1979 flue-cured average price reached $140 a hundred weight, up about 4 percent over the year before.

Devaluation of the U.S. dollar against major strong currencies of the world continues to be a considerable advantage for American flue-cured exports.

The Multi-national Trade Negotiations (MTN) package, which was overwhelmingly approved by Congress, contains significant benefits for U.S. tobacco.

Despite the temporary ebb tide of 1979, however, the upshot of my admittedly unexpert view, is that flue-cured tobacco economy is fundamentally sound, basically strong and potentially on the upswing.

My confidence stems from the ever-growing worldwide popularity of "American blended" cigarettes. Japan may have Sony, Germany may have Volkswagen, but the U.S. has cigarettes. And, never forget, that "American blended" means "American tobacco." In terms of tobacco, we are number one, and that is the tide that I see spiraling higher and higher.

That is the major factor that leads economists to project a doubling of worldwide cigarettee use by the year 2000. Right now, world cigarettee production has reached the level of about 4.3 trillion units. That is a huge number, even in these days of astronomical statistics. A mathematician calculated that at an average length of 80 mm, 4.3 trillion cigarettes, if placed end to end, would reach to the moon and back to the earth more than 440 times!

It makes you think, doesn't it, about the significance and importance of tobacco to the millions of people who grow it, manufacture it, sell it—and to the billions of people who derive pleasure from smoking it.

Join me in choosing to look at some positives. Many factors influence the future growth of the tobacco market. Among them are economic variables such as prices, taxes, disposable income, population growth, inflation, GNP, and so on. I am no economic expert and will leave their discussion to others. There is one factor, however, which I do know something about. It may be a major influence on the shape of things to come. I refer, of course, to anti-smoking pressure.

Conventional wisdom has it that escalating anti-smoking activities are beginning to be reflected in a leveling off of per capita consumption. That may be, but that figure is not the significant measure. A closer analysis reveals that notwithstanding the mounting anti-smoking barrage, the number of smokers is on the uptrend. According to government figures, there were nearly 49 million smokers in 1972, rising to over 52 million in 1978—an increase of about 7 percent. And most significant, during this period consumption per smoker also rose 1 percent.

Apparently, the anti-smoking message is getting through to the media, but is being rejected by the American smoking public. It also seems to be without great influence in Congress. Not one of the 20-odd anti-smoking bills has moved beyond the introduction stage. Even the tobacco support program, the favorite whipping boy of anti-smoking Congressmen, has lost its appeal.

There is calm in the Congress and the Federal bureaucracy regarding price supports. Let me read you the present statement of HEW on this subject:

"Both the Surgeon General and the Director of the Office on Smoking and Health, have gone on record as saying that the support program does not affect cigarette consumption."

"The tobacco price support program keeps the price of tobacco stable—if the program were withdrawn, tobacco prices would fall and also the price of cigarettes would fall—this might encourage more young people to buy cigarettes."

I think you will agree it is in marked contrast with their former demands for the elimination of the support program.

But let us not be lulled into a false sense of security. If HEW has cooled off, the voice of organized medicine, the American Medical Association, has heated up. The AMA, whose members now collect government funds for Medicare and Medicaid, is now among the loudest critic of what it calls the "inconsistency" of government "subsidies" to tobacco growers.

Worse yet, this foe of Federal regulation, is urging it's members to join the anti-smoking cause and lobby for government regulation of smoking in public places and places of employment. Some of their people would like to turn a doctor's office into an anti-smoker's campaign headquarters.

It saddens me to see those who oppose government regulation of health and medical care seduced into the ranks of those who want to prohibit an individual's freedom to smoke in restaurants, taverns, office buildings, and other public places.

In the decade ahead, you will have ample opportunity to stand up and shout for what you believe. There is no profit in standing by and suffering in silence. Here are a few other areas of interest to our opponents.

Tobacco will continue to be attacked at the state and local levels, as places of recreation, transportation, and occupation become zones of repression. In Congress, we can expect new and ingenious legislation to harass this industry and its consumers. Our opponents will attempt to drag smoking into controversies such as air pollution, occupational disease, fire safety, life insurance, workers' compensation, and oral contraceptives. They will try to involve tobacco in an "environment versus lifestyle" controversy, a much wider war which will include many other agricultural interests in America as targets, and therefore, potential allies. The growers' problem of today will become the dairy farmers' and cattlemens' problem of tomorrow. You will not be the solitary victim—I can assure you.

The new attacks, however, have an odor of desperation about them. Fundamentally incredible, they grow out of the frustration that stems from 20 years of failure to prove the case against tobacco and 20 years of failure to propagandize people into quitting.

After all the anti-smokers labors, the question of what causes cancer is still a question. The indictment of tobacco is still based almost entirely on the manipulation of figures to reach conclusions which are not supported by all of the data. And some of our opponents are very good at playing this game—recalling Disraeli's observation that there are "lies, damned lies, and statistics."

Again, choosing to look for positives, let me point out one good thing has come out of the smoking and health controversy. As a result of our constant call for objective scientific research, the controversy has generated considerable investigations into other causes of cancer. And now prestigious scientific research laboratories are identifying environmental, occupational, and chemical factors as possible causes. The simplistic charge that smoking is the major cause no longer holds sway in the scientific community or among the public either.

The simplistic case against tobacco as the single most important cause—which, of course, never was true—is now no longer credible. Each day's newspaper and each night's network news brings out new scientific findings pointing toward a new culprit.

This turn of events did not happen by chance. I believe it is the result of our 20-year dedication to objective scientific research—and equally important to our massive resistance against unfair, untruthful, unsubstantial attacks.

Yes, we may have seemed stubborn, unyielding, hardbitten holdouts. But so be it. You can't compromise with objective reality. You can't broker scientific research findings. You can't make a deal with gaps in knowledge and pretend that someone is in the possession of truth when, in fact, he only has a loose grip on the unknown.

I would hope that we can—all of us—transport this attitude into the 80's. If we do, I am confident that when you invite me back to speak to you 10 years from today, my text will be all hosannas and hallelujahs.

Let us never forget that we tobacco people are a proud people—with much to be proud about. I would like to read you a passage from a book, Mules and Memories, it was written by Pamela Barefoot who grew up in a tobacco patch in North Carolina.

"There are as many kinds of tobacco farmers as there are tobacco! The mountain people of Kentucky grow it in backyard patches and the Carolina flatlanders cultivate dozen-acre spreads. Tobacco is grown by the Cajuns of Louisiana and the Crackers of Florida. It is grown by rich folk and poor, by black and white, by farmers who own the land and farmers who are tenants, by those who have switched to mechanized farming and those who stick with the hand-labor methods of generations.

"Despite the variety of tobacco farmers, they share certain things in common, including a belief in hard work, and a commitment to family, community, and rural life. Most important of all, they are convinced that tobacco is as crucial to their economic well-being as it was for the settlers of Jamestown in the early 1600's."

As we advance into the 80's, let us resolve here and now, to take pride in our past and be confident in our future.●

MARGINS IN FUTURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Smith) is recognized for 5 minutes.

Mr. SMITH of Iowa. Mr. Speaker, there are reports that as part of the anti-inflation package being developed, the administration is considering a provision to raise margins to 50 percent of a futures contracts value from current levels, which are less than 10 percent on grain. Such a rumor causes me a great deal of concern and indicates that the proponents of this proposal may not understand how the futures markets operate. Margins in futures are not the equivalent of margins in the stock market. No funds are loaned in futures markets to make up the difference between the margin and the full value of a commodity as is the case in the stock market. Margins in futures are in essence, surety bonds.

If such a move were made by the administration, as far as grain and most other important commodities are concerned, it would be inflationary rather than deflationary. The cost of hedging in futures markets is already disturbingly higher than last year because of the high interest rates that hedgers have to pay to carry inventories and positions. An increase in margin requirements to 50 percent would further increase the cost of hedging. This would result in increased production costs for processors and increased marketing costs for elevators and others who handle the basic commodities of this country. Hedging in futures markets is a legitimate economic way to decrease production and marketing costs. Those who find it too expensive to hedge must increase their markup to protect against price fluctuations.

In addition, such a move would adversely impact on the liquidity of futures markets and thus make it more difficult for hedgers to place their hedges. The net impact of such a drop in liquidity would be to decrease the efficiency in the pricing process. There may be some few contracts where this would not be a great concern but I do not believe grain contracts suffer from over liquidity.

Finally, I would point out that the prices, at least for major agricultural commodities have been falling recently. I am puzzled by this rumored move with respect to futures markets. Any such move should not be made without a thorough understanding of these markets and the impacts thereon and I believe those who understand the impact would reject this proposal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Ratchford (at the request of Mr. Wright), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Kramer) to revise and extend their remarks and include extraneous material:)

Mr. Whittaker, for 1 hour, on April 17.

Mr. Hansen, for 5 minutes, today.

Mrs. Snowe, for 10 minutes, today.

Mr. Frenzel, for 15 minutes, today.

Mr. Ashbrook, for 30 minutes, today.

(The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Alexander, for 5 minutes, today.

Mr. Van Deerlin, for 15 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

Mr. Chappell, for 5 minutes, today.

Mr. Hanley, for 5 minutes, today.

Mr. Andrews of North Carolina, for 5 minutes, today.

Mr. Smith of Iowa, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Shumway, immediate prior to the vote on House Resolution 605, today.

(The following Members (at the request of Mr. Kramer) and to include extraneous matter:)

Mr. Evans of the Virgin Islands.
Mr. Ritter.
Mr. Railsback.
Mr. McKinney.
Mr. Findley.
Mr. Collins of Texas in two instances.
Mr. Martin.
Mr. Dornan.
Mrs. Snowe in two instances.
Mr. Roth.
Mrs. Holt.
Mr. Snyder.
Mr. Courter.
Mr. Symms.
Mr. Campbell in two instances.
Mr. Kemp.
Mr. Abdnor.
Mr. Porter.
Mr. Gilman.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Dixon.
Mr. Yatron.
Mr. Conyers.
Mr. Kastenmeier.
Mr. Mazzoli in two instances.
Mr. Mavroules.
Mr. Dodd in two instances.
Mr. Gaydos in two instances.
Mr. Wyatt in two instances.
Mr. Florio.
Mr. Hamilton.
Mr. Drinan.
Mr. St Germain.
Mr. Clay.
Mr. Won Pat.
Mr. Bolling.
Mr. Chappell.
Mr. Jones of Oklahoma.
Mr. Bonker in two instances.
Mr. Patterson.
Mr. Fary.
Mrs. Chisholm.
Mr. Hawkins.
Mr. Dellums.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2018. An act to transfer unexpended balances of funds appropriated for salaries of Senate committee employees, and for other purposes; to the Committee on Appropriations.

□ 1840

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 42 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, March 13, 1980, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXVI, executive communications were taken from the Speaker's table and referred as follows:

3762. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the national direct student loan, college work-study, and supplemental educational opportunity grant programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3763. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 80-12, finding that the sale of defense articles and services to the Government of Somalia will strengthen the security of the United States and promote world peace, pursuant to section 3(a)(1) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3764. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the establishment of the Minority Resources Center within the Office of Small and Disadvantaged Business Utilization, pursuant to section 123 of Public Law 96-53; to the Committee on Foreign Affairs.

3765. A letter from the Director of ACTION, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3766. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3767. A letter from the General Counsel, Civil Aeronautics Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3768. A letter from the Governor, Farm Credit Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3769. A letter from the Executive Secretary, Board of Regents of the Uniformed Services University of the Health Sciences, transmitting a report on the activities of the Board of Regents under the Government in the Sunshine Act during the year ended March 6, 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3770. A letter from the Assistant Secretary of Energy for Resource Applications, transmitting the 1979 annual report of the Bonneville Power Administration, pursuant to section 3(a) of Public Law 89-448, as amended; to the Committee on Interior and Insular Affairs.

3771. A letter from the Chairman, National Park Foundation, transmitting the 1979 annual report of the Foundation, pursuant to section 10 of Public Law 90-209; to the Committee on Interior and Insular Affairs.

3772. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of December 1979, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

3773. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of December 1979, on the number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

3774. A letter from the Administrator of General Services, transmitting a prospectus proposing the acquisition of leased space in which to consolidate the Department of Housing and Urban Development in San Francisco, Calif., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3775. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Menlo Park, Calif., Building No. 1, U.S. Geological Survey, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3776. A letter from the Administrator of General Services, transmitting a report on a building project survey for Ashland, Ky., requested by a resolution of the House Committee on Public Works and Transportation; to the Committee on Public Works and Transportation.

3777. A letter from the Secretary of Health, Education, and Welfare, transmitting the 13th report on the Indochinese refugee assistance program, covering fiscal year 1979, pursuant to section 4(b) of Public Law 94-23, as amended; jointly, to the Committees on Foreign Affairs and the Judiciary.

3778. A letter from the Comptroller General of the United States, transmitting a report on the management and use of quantitative methodology in the analysis of public policy issues and defense decisions (PAD-80-21, Mar. 12, 1980); jointly, to the Committee on Government Operations and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on Immigration Service Regional Offices Reflect Mismanagement

(Rept. No. 96-821). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEILENSON: Committee on Rules. House Resolution 606. Resolution providing for the consideration of S. 2222, a bill to extend time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status (Rept. No. 96-822). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 607. Resolution providing for the consideration of House Resolution 549, amending the Rules of the House of Representatives to establish a standing Committee on Energy (Rept. No. 96-823). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HANSEN:

H.R. 6788. A bill to reduce interest and inflation, and for other purposes; jointly, to the Committees on Government Operations, Rules, Ways and Means, and Banking, Finance and Urban Affairs.

By Mr. BEARD of Rhode Island:

H.R. 6789. A bill to amend title II of the Social Security Act to discontinue the payment of student benefits to children beyond the high school level; to the Committee on Ways and Means.

By Mr. FASCELL (for himself, Mrs. Schroeder, Mr. Buchanan, and Mr. Leach of Iowa):

H.R. 6790. A bill to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes; jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

By Mr. BONKER:

H.R. 6791. A bill to amend title 39, United States Code, relating to the mailing of certain voting materials free of postage; to the Committee on Post Office and Civil Service.

By Mr. BROOKS:

H.R. 6792. A bill to provide for contribution of damages attributable to an agreement by two or more persons to fix, maintain, or stabilize prices under section 4, 4A, or 4C of the Clayton Act, and for other purposes; to the Committee on the Judiciary.

By Mr. CARNEY:

H.R. 6793. A bill to amend the Internal Revenue Code of 1954 to partially exclude interest earned in savings institutions from the gross income of certain taxpayers; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 6794. A bill to provide that each State must establish a workfare program, and require participation therein by all residents of the State who are receiving benefits or assistance under the AFDC, food stamp, and public housing programs, as a condition of the State's eligibility for Federal assistance in connection with those programs; jointly, to the Committees on Education and Labor, Ways and Means, Agriculture, and Banking, Finance and Urban Affairs.

By Mr. GARCIA:

H.R. 6795. A bill to establish within the Department of Housing and Urban Development a Special Assistant to the Secretary for Hispanic Programs; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HAWKINS (for himself, Mr. Perkins, and Mr. Jeffords):

H.R. 6796. A bill to amend and extend title VII of the Comprehensive Employment and Training Act; to the Committee on Education and Labor.

By Mr. MATHIS:

H.R. 6797. A bill to amend title 18, United States Code, to prohibit certain practices in administering and using polygraph examinations for purposes of hiring, demoting, promoting, disciplining, and dismissing employees; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 6798. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to offset the marriage penalty under the income tax rates; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Ms. Oakar, and Mr. Roe):

H.R. 6799. A bill to provide for the issuance of a commemorative postage stamp in honor of older Americans in recognition of the 1981 White House Conference on Aging and the World Assembly on Aging to take place in 1982; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS (by request):

H.R. 6800. A bill to amend provisions of law concerned with health professions education; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H.R. 6801. A bill to extend the provisions of the General Exchange Act, as amended, to certain lands in order that they may become parts of the Umatilla and Wallowa National Forests, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WAXMAN (for himself, Mr. Preyer, Mr. Maguire, Mr. Leland, and Mr. Carter):

H.R. 6802. A bill to amend the Public Health Service Act to revise and extend the programs for the National Health Service Corps and to revise and extend the programs of assistance under titles VII and VIII of such act for the education of health professions personnel, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. WHITTEN:

H.J. Res. 510. Joint resolution making further continuing appropriations for the Federal Trade Commission for the fiscal year 1980, and for other purposes; to the Committee on Appropriations.

By Mr. ANDERSON of California (for himself, Mr. Daniel B. Crane, Mr. Duncan of Oregon, Mr. Fary, Mr. Mathis, Mr. Goldwater, Mr. Rudd, Mr. Rhodes, and Mr. Hammerschmidt):

H.J. Res. 511. Joint resolution to designate the week commencing with the third Monday in February of 1981 as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H. Con. Res. 300. Concurrent resolution to provide for the designation of a week as "National Recreation and Parks Week"; to the Committee on Post Office and Civil Service.

By Mr. SIMON (for himself, Mrs. Fenwick, Mr. Panetta, and Mr. de la Garza):

H. Con. Res. 301. Concurrent resolution expressing the sense of the Congress that there is a need to strengthen course offerings and requirements in foreign language studies and international studies in the Nation's schools, colleges, and universities; to the Committee on Education and Labor.

By Mr. BENNETT (for himself, Mr. Spence, Mr. Hamilton, Mr. Hollenbeck, Mr. Preyer, Mr. Livingston, Mr. Slack, Mr. Thomas, Mr. Fowler, Mr. Sensenbrenner, Mr. Stokes, and Mr. Cheney):

H. Res. 608. Resolution authorizing an investigation and inquiry by the Committee on Standards of Official Conduct; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

374. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Virginia, relative to Federal funding of federally mandated vehicle emissions inspections and maintenance programs, which was referred to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, Mr. Gudger presented a bill (H.R. 6803), for the relief of the estate of Col. Leslie A. Skinner, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

[*Omitted from the Record of March 11, 1980*]

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6617: Mr. Kogovsek, Mr. Fish, Mr. Lungren, Mr. Whitehurst, Mr. Forsythe, Mr. Benjamin, Mr. Roe, Mr. Porter, Mr. Bonior of Michigan, Mr. Grisham, Mr. Howard, Mr. Charles Wilson of Texas, Mr. Conyers, Mr. Hughes, Mr. Buchanan, and Mr. Pritchard.

H.R. 6675: Mr. Forsythe, Mr. Conyers, Mr. Bingham, and Mr. Ottinger.

[*Submitted March 12, 1980*]

H.R. 768: Mr. Quillen.

H.R. 809: Mr. Bowen and Mr. Patten.

H.R. 1297: Mr. Harris, Mr. Grisham, and Mr. Ambro.

H.R. 1603: Mr. Long of Louisiana, Mr. McDonald, and Mr. Dickinson.

H.R. 2400: Mr. Beard of Rhode Island and Mr. Maguire.

H.R. 4646: Mr. Mattox and Mr. Aspin.

H.R. 4973: Mr. Corrada, Mr. Ford of Tennessee, Mr. Fazio, Mr. Hawkins, Mr. Hollenbeck, Mr. Kildee, Mr. Mineta, Mr. Oberstar, Mr. Panetta, Mr. Pease, Mr. Roe, Mr. Roybal, Mr. Richmond, and Mr. Seiberling.

H.R. 5022: Mr. Yatron, Mr. Whitley, and Mr. Ottinger.

H.R. 5464: Mr. Shannon.

H.R. 5569: Mr. Conyers.

H.R. 5987: Mr. Tauke, Mr. Whitten, and Mr. Wyatt.

H.R. 6034: Mr. Corman, Mr. Dellums, Mr. Downey, Mr. Fazio, Mr. Kastenmeier, Mr. McCloskey, and Mr. Ottinger.

H.R. 6066: Mr. Gilman.

H.R. 6070: Mr. Dan Daniel.

H.R. 6184: Mr. Lagomarsino and Mr. Gingrich.

H.R. 6303: Mr. Green and Mr. Ottinger.

H.R. 6382: Mr. Rose, Mr. English, Mr. Fithian, Mr. Skelton, Mr. Coleman, Mr. Nolan, Mr. Baldus, Mr. Sebelius, Mr. Hagedorn, Mr. Marlenee, and Mr. Harkin.

H.R. 6410: Mr. Quillen, Mr. Long of Maryland, Mr. Lehman, Mr. Whitehurst, Mr. Fascell, Mr. Bevill, Mr. Hinson, Mr. Stump, Mr. Hughes, Mr. Glickman, Mr. Clinger, Mr. Pepper, Mr. LaFalce, Mr. Evans of Georgia, Mr. Charles Wilson of Texas, Mr. Patten, Mr. Dan Daniel, Mr. Hansen, Mr. Cavanaugh, Mr. Gephardt, Mr. Albosta, Mr. Edwards of

Oklahoma, Mr. MICA, Mr. AKAKA, Mr. COELHO, Mr. YATRON, Mr. HAMILTON, Mr. DICKS, Mr. VENTO, Mr. MONTGOMERY, Mr. SMITH of Iowa, Mr. NEAL, Mr. OBERSTAR, Mr. MINETA, Mr. HANCE, Mr. DOWNEY, Mr. BEDELL, Mr. FAZIO, Mr. RINALDO, Mr. CORMAN, Mr. PANETTA, Mr. FITHIAN, Mr. ROSE, and Mr. GREEN.

H.R. 6422: Mr. HANSEN, Mr. BETHUNE, Mr. ERDAHL, Mr. LIVINGSTON, Mr. BUTLER, and Ms. FERRARO.

H.R. 6551: Mr. CONYERS.

H.J. Res. 452: Mr. BROOMFIELD.

H.J. Res. 505: Mr. EVANS of Georgia and Mr. SOLOMON.

H. Con. Res. 222: Mr. BROWN of Ohio and Mr. BEDELL.

H. Con. Res. 223: Mr. BEDELL.

H. Con. Res. 290: Mr. JONES of North Carolina, Mr. DOUGHERTY, Mr. PATTEN, Mr. QUAYLE, Mr. LENT, Mr. APPLEGATE, Mr. TAYLOR, Mr. DAVIS of Michigan, Mr. VANDER JAGT, Mr. ICHORD, Mr. CHENEY, Mr. HUGHES, Mr. LELAND, Mr. MAVROULES, Mr. ROBERTS, Mr. MCDONALD, and Mr. MILLER of California.

H. Con. Res. 295: Mr. PRICE, Mr. EVANS of the Virgin Islands, and Mr. WYATT.

H. Res. 602: Mr. LUNDINE, Mr. FISH, Mr. HUGHES, Mr. HANLEY, Mr. NEAL, Mr. DOWNEY, Mrs. FENWICK, Mr. EDGAR, Mr. LAFALCE, Mr. JEFFORDS, Mr. BEDELL, Mr. WHITLEY, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ANTHONY, Mr. OTTINGER, Mr. HALL of Ohio, Ms. FERRARO, Mr. RAHALL, Mr. MCKINNEY, Mr. HEFTEL, Mr. YOUNG of Missouri, Mrs. SCHROEDER, Mr. GREEN, Mr. HOWARD, Mr. DRINAN, Mr. LEHMAN, Mr. ANDERSON of California, Mr. LONG of Maryland, and Mr. ERTEL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

299. The SPEAKER presented a petition of the City Council, Woonsocket, R.I., relative to urging a freeze on the cost of home heating fuel, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

READY TO FIGHT, BUT UNWILLING TO PREPARE

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. SNYDER. Mr. Speaker, recent developments around the world have forced us to inspect our general level of readiness to meet and withstand a national emergency, and during this process some serious questions and doubts have been raised about the capability of our merchant marine to augment and fill our military sealift demands.

These questions and doubts prompted a hearing before the Merchant Marine and Fisheries Committee last week, on this very subject—defense sealift capability. And I would like to share with my colleagues, the testimony of a gentleman who appeared before that hearing, Mr. W. James Amoss, Jr., the president of Lykes Bros. Steamship Co., Inc., as he addressed the reason those questions and doubts exist—"because we forget."

His testimony follows:

DEFENSE SEALIFT CAPABILITY

My name is W. James Amoss, Jr. I am the president of Lykes Bros. Steamship Co., Inc. of New Orleans, Louisiana, a wholly owned subsidiary of the LTV Corporation of Dallas. Lykes Bros. Steamship Co. is an American-Flag Company operating 44 U.S.-Built and U.S. citizen manned vessels in cargo liner services on eight essential trade routes under operating differential subsidy contracts with the maritime administration. The Lykes services, while concentrated on Gulf of Mexico and West Coast ports, provide shipping opportunities to U.S. exporters and importers from all coasts of our country including our fourth seacoast, the Great Lakes.

The grave concern which now exists about our defense sealift capability has prompted this hearing. These concerns center around our merchant fleets capability to serve as naval auxiliaries in time of national emergency. Quite properly, the citizen will ask why don't we have a merchant marine that readily meets our vital defense needs? And the answer Mr. Chairman is so simple . . . we forget. The crisis passes, we muddle through and we forget.

Yesterday here in this room I heard the testimony of an economist who said that we should stop supporting our shipbuilding industry and our merchant marine with subsidy and let those industries die away since the cheaper foreign yards and foreign-flag vessels will serve our needs in a more cost effective way. Let's just look at the hole card of that argument. We should of course use the most cost effective foreign-flag carriers to serve our needs and that, it turns out, would be the ships of the Soviet Union. Statistics show that their ships serve all of our coasts in great numbers and experience shows how rapidly they can expand to meet our needs. However if we go looking for Soviet ships to carry our vital defense cargoes we now find that they are no longer serving our ports, but the statistics aren't wrong, simply out of date by a few months and as wildly out of tune with reality as is this well worn theory.

Clearly this is not an issue in which economic philosophers may slowly grind their perceptions of priorities against a set of ideal conditions. We have deficiencies, we have newly defined areas of national interest, and we have a better vision of the true nature of our future relationship with the Soviet Union. I should like to add here that the military sealift command of the Department of the Navy has shown a keen appreciation of these problems, and has consistently sought to create an awareness within the Defense Department of the need for a strong, multi-purpose sealift capability to support defense requirements throughout the world. Fortunately, the outlook is not as dismal as many believe. Our merchant marine while small is still a remarkably capable national asset of great utility to our defense needs.

While our U.S. Merchant Fleet is largely composed of container ships within the remaining segment we have a number of the most efficient vessels suitable for multi-mission military service. These vessels are employed in commercial service and short of national emergency could not be totally withdrawn without ruinous effect on the owning companies.

Some, however, could be made available on short notice with an acceptable commercial loss and this committee's concerns should encompass those vessels and their military utility equally with the SL-7 vessels.

Within our company we have two very extraordinary types of vessels with first line military capability.

THE SEABEE BARGE CARRIERS

Our Seabee class barge carriers have been termed the most versatile ships in the world, not by our public relations people but by the military traffic management and transportation service in a study entitled an analysis of simulated deployment of the U.S. Army airmobile division, dated May 1974. That study states, "Independent comparative analysis (comparing Break-bulk, Container, Roro, Lash, and Seabee ships) conducted by both the military traffic management and terminal service and the U.S. Army mobility equipment command in 1971 concluded that the Seabee barge ship system represents the most versatile multi-mission capability to satisfy military requirements for sealift of military material during a contingency."

The Seabee vessels can carry thirty-eight 1,000-ton barges lifted from the water by a stern elevator two at a time and positioned in the ship on three horizontal decks over six hundred feet in clear length. The ship itself can be used interchangeably for roll-on/roll-off cargo on its three decks and provide fly-on/fly-off operations for a complete load of helicopters using the elevator to bring helicopters up to a 200-foot long by 100-foot wide clear area for take off or landing.

SCRAM

SCRAM is an acronym we have developed to describe a complete floating base unit that can be incorporated in standard Seabee barges. SCRAM means Seabee Combat Redeployable Advance-base Modules.

The Seabee barge units are 97.5 feet long and 35 feet wide; their hold with hatch covers removed is 84 feet long, 30 feet 3 inches wide, and 14 feet 7 inches high. Within this space a variety of special modules may be placed providing living quarters, power generation, fuel storage, refrigerated storage both chill and frozen, desalination plants, communications centers, antiaircraft and missile firing installations, hospitals, machine shops, and heavy repair facilities, even crude petroleum refining units. SCRAM units can be quickly deployed and redeployed wherever there is suitable water line geography. Best of all we can reuse and reposition SCRAM units to meet our changing needs. Just a little reflection on our changing strategic relationships will demonstrate the immense value of this feature.

S.O.S.

As we contemplate our military needs, it is apparent that Seabee with its immense elevator and internal transport system is uniquely fitted to rapidly deploy the components of vessel and port systems needed for roll-on/roll-off vessels and to unload equipment and containers from other ship types and deliver them ashore.

In this mode the Seabee and appropriate equipment, that is, pier segments, flat deck lighters, tugs and floating harbor control centers become a catalyst for all shipping operations which we call S.O.S. or Serving Other Systems. We firmly believe Seabee can expand the military utility of all the vessel types in our merchant marine.

Finally, the Seabee system offers the option to preload in its barges the equipment needed for rapid deployment to overseas areas and maintain this expensive sensitive cargo in a dehumidified preserved state.

In discussions with defense planners we have offered to make one Seabee and appropriate barges available on short notice. We are also prepared to engineer and construct the systems described in my preceding testimony.

ROLL-ON/ROLL-OFF

Lykes operates three roll-on/roll-off (Ro Ro) vessels in its fleet of 44 ships. These vessels known as the Maine class were built by the Bath Iron Works Shipyard in Bath, Maine, and delivered in 1976 and 1977. Because Ro Ro vessels can easily load and discharge vehicles including the heaviest tanks and general cargo such as crated machinery, palletized cargo and containers in all sizes, this type of versatile ship is considered a necessity for our fast deployment forces.

The possibility of making a Lykes-owned roll-on/roll-off vessel available to our military forces on short notice has been raised in discussion with the Department of Defense and Lykes has confirmed that it is prepared to meet such a need.

Our design and engineering staffs have investigated the feasibility of rapidly installing dehumidifying equipment on board the Maine class RO ROs and have evolved a plan to meet this requirement on short notice at a cost of approximately $200,000 per vessel.

THE MERCHANT MARINE AND THE NATION

Those who deplore the present state of our merchant marine should very carefully

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

examine the attention paid to its development in the postwar years. The view that our military sea transport requirements were adequately backed up by foreign flag vessels has long been prevalent in some quarters. As you and your colleagues on this committee know, our merchant marine is in a precarious state having been reduced by bankruptcies and threatened by the unbridled competition invited by our open port policy.

Merchant marine policy on a national level develops slowly, if at all, because there is the tendency to make budget tradeoffs with more impact on the political side. This has been true because our logistic needs are only visible when they are wanting.

It is perhaps fortunate that a great debate has generated this year around maritime policy and the need for new policy to meet the challenge of competition with foreign flag fleets that are not only supported with subsidy but are owned in fact by the governments of socialist nations and increasingly by democratic nations that are our close allies. We must not put a patch on the programs of the past. Interim repairs to worn policy will not carry a foundation for capital formulation and the management commitments needed to restore our merchant marine to the military asset and peacetime business supported institution it should be. We in the maritime industry look with hope to the Congress and the administration to pass and sign revitalizing maritime legislation in the very near future.

I would like to recall to you today the very appropriate and eloquent words my colleague and Lyke's senior vice president Hans Blocklin delivered last May at Memorial Day ceremonies on the Capitol steps honoring the American seamen who have died at sea serving with our American merchant marine. "We seem to be a nation that either forgets or ignores our tragic sacrifices of the past—inevitably, as has been often said, we are bound to repeat them. As a nation with strong and avowed ideological convictions and policies, we seem ready to fight, but unwilling to prepare. In reflecting upon past events in our Nation's history, there comes to mind the same, recurring theme: our great Nation caught again unprepared, needing desperately the time to rebuild—and its defenders struggling against heartbreaking odds—outnumbered, outgunned, paying with their lives for that desperately needed time."

That must not happen again.●

TRIBUTE TO THE LATE JOSEPH SANDONE, SR.

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in paying tribute to the late Joseph Sandone, Sr., of Westmont. Joe Sandone passed away last July but his work serves as testimony of a life spent serving the citizens of Camden County.

This Saturday a new dispensary of the Camden County Hospital at Lakeland will be dedicated in Joe Sandone's memory. As a member of the Board of Chosen Freeholders of Camden County from 1950 to 1964, Joe was in charge of supervising the evolution of the hospital into a modern health care facility. As chairman of the hospital, a post he held from 1956 until 1969, he shepherded its growth with a firm hand.

The overriding concern in Joe Sandone's life was providing quality health care to the citizens of Camden County. He was a member of the New Jersey Association and Camden County Mental Health Association. He was the recipient of the man of the year award from the Social Welfare Association of Camden County. His hard work was recognized by his fellow freeholders when they named him the year's outstanding freeholder.

On the occasion of the dedication of this new facility, I would like to assure Joe Sandone's wife, Kathryn, and his four children that his life serves as a model to those who are helping their community become a better place in which to live and work.●

ENERGY CONSUMER: ARE YOU USING YOUR BENEFITS?

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. McKINNEY. Mr. Speaker, U.S. political and economic independence has already been severely compromised by our reliance on foreign oil. To avoid a further erosion of this country's well-being will require aggressive and persistent efforts to conserve energy and maximize the use of alternate fuels. On this sheet is a list and description of tax credits, grants, and loan programs available to the energy consumer in Connecticut. The information provided includes the name and phone number of a contact person for each program. Hold on to this sheet and make use of its contents. I believe that the benefits described herein can be of real assistance in freeing us from our addiction to other people's oil:

I. ENERGY TAX CREDITS

Energy tax credits are available for both the homeowner and businessman with restrictions on qualifying equipment as well as the life and amount of credit available.

For the homeowner

Taxpayers can presently take a 30 percent credit on the first $2,000 and 20 percent of the next $8,000 spent on renewable energy sources which include solar, geothermal, or wind powered equipment. The maximum credit would be $2,200 (soon to be increased to 40 percent of the first $10,000 for a maximum credit of $4,000). Individuals can also take a credit for energy conservation costs of 15 percent on the first $2,000 spent on items to save energy, for a maximum credit of $300. Qualifying equipment includes insulation, caulking and weather stripping, modified flue openings, storm doors and windows, automatic furnace ignition systems, and clock thermostats. The credit is retroactive to cover systems installed after January 1, 1979, and is available through 1985.

If you have further questions contact Carolyn Hammond of the state Internal Revenue Service at (203)-244-3473 or your local IRS office.

For businesses

Credits are available to businesses for solar equipment of all types installed between October 1, 1978, and January 1, 1983, on both new and existing buildings. Under present law, for solar systems designed to generate electricity, provide hot water, or heat or cool a building, a business can receive a 10 percent investment credit. (Soon to be increased to 15 percent for solar, wind and geothermal equipment) For solar systems designed to produce industrial process heat or hot water or for equipment to use, process, or store biomass materials, a business can receive the existing 10 percent investment tax credit, plus an additional 10 percent energy credit for a total of 20 percent. This credit is refundable.

If you have further questions about this credit contact Carolyn Hammond of the state Internal Revenue Service at (203) 244-3473 or your local IRS office.

Tax exemption in Connecticut

A Connecticut state program exempts newly installed solar energy heating or cooling systems from property taxes for the first fifteen assessment years. There are qualifications pertaining to the dates of installation.

Connecticut permits any municipality to exempt solar energy heating or cooling systems from property taxes. This exemption represents the difference between the assessed valuation of the real property with the solar system and with a conventional heating or cooling system. It will apply to any building or addition constructed on or after October 1, 1976 and before October 1, 1991 and will apply only to the first fifteen assessment years. The exemption applies to both businesses and individual homeowners.

If you want further information about this program, contact your local tax assessor.

II. LOANS

Loan programs are available to homeowners for the purpose of installing solar equipment and making energy conservation improvements on homes. Certain restrictions, guidelines and upper limits exist on the amount of the loan received.

Home improvement loans

Homeowners may qualify for government-guaranteed loans to install solar heating, cooling and hot water units under the Federal Housing Administration's Insured Home Improvement Loan Program. A maximum of $15,000 is available for up to fifteen years, at an interest rate of 12 percent. (Interest rates are subject to change)

To qualify, an individual must own or have a long term lease on the property, have satisfactory credit rating and be able to pay back the loan over its term. Before approving the loan, the FHA must be satisfied that the solar system to be installed has proven to be reliable. Field offices have been issued guidelines for evaluating the acceptability of the proposed system.

FHA's willingness to guarantee loans for solar equipment may vary regionally. Applicants should contact local HUD/FHA offices or any approved FHA lender.

For more information on loan activity, please contact Stanley Pohutsky of the Federal Housing Administration at (202) 755-6880 or your local FHA or Housing and Urban Development office.

Veterans' loans

The Veterans' Administration direct and guaranteed home loan program can be used to finance a variety of conservation improvements, including insulation, caulking, weather stripping, storm windows and doors and furnace modifications. Solar energy systems are also covered under this loan pro-

gram. The current interest rate charged is 10% for up to thirty years, with a maximum direct loan of $33,000. Solar equipment must meet the HUD/FHA standards.

For more information on this particular program contact R. C. Coon of the Veterans' Administration at (202) 389-2332.

III. GRANTS

Grants are available for businesses, individuals, as well as hospitals and schools. The scope of the grants vary and the specifications differ with each program.

Appropriate technology grants

Congress has authorized the U.S. Department of Energy to implement an appropriate technology financial support program. The purpose is to encourage the development and demonstration of, and the sharing of information with respect to, energy related systems and supporting technologies promoting energy conservation and use of nonconventional energy resources.

Three types of energy related projects are eligible for grants under this program:

Idea development

The development of an idea or an investigative finding in the areas of new concepts or utilization of old procedures or systems applications. ($10,000 limit)

Product/system development

The practical application of investigative findings and theories of a scientific nature toward the production of, or improvement in, useful products to meet the specific performance requirements but exclusive of manufacturing and production engineering. ($50,000 limit)

Demonstration

The testing of a system or technique under operational conditions to show that commercial application is technically, economically and environmentally feasible. ($50,000 limit)

All individuals, non-profit organizations and institutions, state and local agencies, small business and Indian tribes are eligible. Applications should be sent to the DOE region I office.

For more information on this type of grant contact Robert Chase of the regional Department of Energy at (617) 223-0504.

School or hospital grants

Energy conservation renovation grants to public and private non-profit schools and hospitals are authorized under the National Energy Conservation Policy Act. When fully funded, the program would pay up to 50% of the cost of each energy conservation project (or 90% in severe hardship cases), with state or private sources paying the remainder. Energy conservation projects may include solar heating and cooling, water heating and electric generating systems.

More information is available on these grants through Michael Willingham of the Department of Energy at (202) 376-4149.

Low-income weatherization program

This program would provide grants for low income individuals, particularly the elderly and handicapped. There is an income limit based on the OMB poverty guidelines, with an exception for those receiving federal, state, or local cash assistance payments. The Department of Energy gives a grant to the state which proceeds to give it to the local organization, in most cases a Community Action Group, to disperse the funds. In general, local volunteers or CETA workers do the work, as presently, labor costs are not covered. The maximum grant per dwelling is $800. Equipment qualifying includes insulation and weather stripping, modified flue openings, storm windows and doors, automatic furnace ignition systems, clock thermostats, and furnace modifications.

For more information on the weatherization grants, contact Jane Kosut of the regional Department of Energy office at (617) 223-3106.

This compilation of federal and state energy benefits is by no means comprehensive. Nor does it reflect all of the initiatives presently underway to further increase the financial incentives for conservation and alternate fuel use. House and Senate conferees (of which I am one) on the omnibus energy bill, S. 932, have begun final formulation of additional programs to subsidize the cost of installing conservation and alternate energy applications for the home and small business. Long-term, low-interest loans should be available in the near future to help finance solar hot water and heating and cooling systems, as well as the installation of conservation measures. Increased weatherization funding and federal incentives for the development of gasohol, biomass fuels and synthetic oil and gas are all part of Congress' efforts to reduce our crippling reliance on foreign oil. Still, much more remains to be done by all of us.●

THE TIME FOR ODD-EVEN RATIONING

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. MAZZOLI. Mr. Speaker, the picture looks bright for gasoline supplies in the months ahead. Supplies are building up and Americans are lowering gasoline consumption.

This is precisely the time for President Carter to reimpose the odd-even system of gasoline rationing on a national basis.

The imposition of odd-even in the "good times" will minimize the confusion, panic, and chaos of the "bad times"—which inevitably will return.

And, it will inculcate in every driving American a conservation mentality which is critical to our Nation's future efforts to control its energy appetites.●

DANGERS OF NUCLEAR POWER

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. CLAY. Mr. Speaker, many of our leaders are considering nuclear power as a potential solution to our energy problems. This consideration is being extended despite the real and dangerous threat nuclear energy poses to normal, healthy human life. I think we are well aware of the more recent disasters which have occurred because of our efforts to utilize nuclear power resources. However, I think we might be less familiar with the history of disaster and failure which has characterized the nuclear power industry. Our Government's policies toward nuclear power have consistently jeopardized the lives of thousands of innocent citizens.

Today, I would like to join in the effort to help raise our awareness of the critical dangers of nuclear power. I encourage my colleagues to review the following excerpts taken from "A Survey of Accidents in the Atomic Energy Industry," by Leo Goodman.

1947-48 ATOMIC ACCIDENT—ORNL GRAPHITE REACTOR, OAK RIDGE, TENN.

The failure rate of these elements was approximately one per month. Although this rate was not excessive enough to curtail operation, it did require constant vigilance to prevent damage to the reactor. The causes of failure were probably several, but the end result was always the same—bursting of the aluminum jacket allowing the rapid formation of uranium oxide which was carried away to some degree by the air stream causing contamination of the air exhaust system with fission products. The more serious result of failure is the possible sealing off of the channel by the swelling element jacket as the oxide volume increases. When the air flow ceases, other elements in the channel fail due to high temperature. This has occurred twice, once in 1947 and again in 1948. The first instance involved 13 elements and the second 5 elements.

1948 ATOMIC ACCIDENT—TEN CASES OF BERYLLIUM ILLNESS IN NEIGHBORHOOD OF PLANT

An unfortunate development in the beryllium industry was the discovery of illness in and around plants where beryllium materials were refined and processed. The first reports of occupational illness, which appeared as early as 1936, did not receive wide attention in the United States or were, in some instances, discredited. However, the cases grew in number and were carefully documented. In the early 1940's the seriousness of the hazard was recognized, although agreement was not yet complete as to the cause of the occupational disease. During this period nonoccupational cases also came to light.

There is evidence that an unusually small concentration of beryllium in air can produce illness among residents in the neighborhood of a beryllium plant.

In 1948 an intensive epidemiological study was conducted in the neighborhood of an extraction plant where nonoccupational illness had appeared. Ten cases were recorded, all within a radius of three-quarters of a mile from the plant. Reconstruction of neighborhood exposures in effect during the period when the illnesses were thought to have developed indicated that concentrations at the three-quarter-mile radius may have averaged as low as 0.1 $\mu g/m^3$.

Maximum concentrations most frequently occur at distances of from 5 to 30 stack heights. In a location clear of neighbors to a distance beyond this span, the restriction on the plant effluent necessary to keep nonoccupational exposures within the prescribed limit would be less stringent. However, regardless of the existing physical situation, ultimate control of nonoccupational exposure reduces to a proper selection of source strength and elevation. If the plant is to operate continuously, these must be designed so that the monthly average ground level concentration at any inhabited location does not exceed 0.01 $\mu g/m3$ under any foreseeable climatic conditions.

In the neighborhood of an AEC plant handling beryllium compounds, the average concentration at the breathing zone level should not exceed 0.01 $\mu g/m3$.●

TRUMAN WILCOX

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. BONKER. Mr. Speaker, Washington State takes pride in the fact that within her borders, in the small town of Winlock, is found this Nation's egg capital. Now the State can proudly claim to another distinction—one of its citizens has been named "Eggman of the Year."

The person who has this honor is Truman Wilcox, recently chosen to receive the Maurice Stein Man of the Year Award. Truman Wilcox's contribution to the egg industry spans close to five decades. He became a partner in his father's poultry business in 1933 when the operation consisted of 4,000 layers and one hired hand. Truman continued the tradition of family involvement in the business when in 1961 son Jim became manager of the dairy division and 3 years later another son, Barry, assumed responsibility for the egg division. Today, under the knowledgeable supervision of Truman and his sons, the Wilcox family farms 1,500 acres and has 1,000 Holstein dairy cattle. Those 4,000 layers in 1933 today number 800,000.

In addition to building the family business, Truman has found time to serve as president of the Northwest Egg Producers Co-op Association and on the boards of, among others, the United Egg Producers, the American Egg Board, the Pacific Egg & Poultry Association, the Western Farmers Association, and the Washington State Grange. Not limiting his involvement to professional organizations, he has served for 20 years on the local school board, been a lifetime member of the Methodist Church, and provided expertise on numerous government boards, and commissions. I count it a privilege to number Truman Wilcox among the constituents I serve.●

RHODE ISLAND WINNER OF THE V.F.W.'S VOICE OF DEMOCRACY ESSAY CONTEST

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. ST GERMAIN. Mr. Speaker, at a time when America faces tremendous challenges, it is reassuring to hear the voice of a young person which is filled with optimism and determination. John Pellizzari, Rhode Island's winner of the Veterans of Foreign Wars Voice of Democracy contest has expressed just such optimism in his essay, in which he defines his role in the future of America.

Mr. Pellizzari tells of how he looks forward to a great country which secures personal liberty, human dignity, and happiness.

I would like to share the words of this young Rhode Islander, who I am proud to say hails from my home of Woonsocket, with you at this time.

The article follows:

MY ROLE IN AMERICA'S FUTURE

(By John Frank Pellizzari)

Let the word go forth from this time and place to friend and foe alike, that a new generation of Americans, born in this century, tempered by ill-fate, disciplined by a hard and bitter peace, proud of our ancient heritage, and unwilling to witness or permit the undoing of those human rights to which this nation has always been committed, duly oblige our efforts to the cause of temporal salvation.

I look forward to a most promising future for America, a future in which our country will match its military strength with our moral restraint, its dominance, with diplomacy, its power with our purpose. I look forward to an America which will protect the beauty of our natural environment, an America which will reward achievement in the arts as we reward achievement in business or statecraft and I look forward to a world which will be safe not only for democracy and diversity, but also for personal distinction.

The primary duty of our organized society is to enlarge the lives and increase the standards of living of all the people. Our purpose is to build in this nation a human society and not an economic system. My role is to meet this country's needs and, unless I mistake its temper, the country demands bold, persistent experimentation. The test of our progress will not be whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

There is but one path, each and every American can follow in upholding and defending the moral righteousness of our laws. Our role is to secure personal liberty for it is the paramount essential to human dignity and human happiness.

The United States of America is a country of equal opportunity and freedom. A union so extensive continued and determined with men and women of capable mind and talent. Built up by those round the world in the hope of making her the nation with distinguishable beauty and unending justice. Our responsibility shall remain to shelter a people indissolubly webbed to liberty and order, jealously forbidding any distinction of burden or of privilege, conserving property, maintaining morality, resting forever upon the broad basis of American patriotism and care.

The future rests in our hands. There can be no doubt that there are extraordinary possibilities in ordinary people. There is a reason for America's success, derived from its people, written in its history, and projected into its future.

I work towards my country's perfection because I believe in a single all-embracing motif which runs throughout American cultural, economic, social, scientific, religious, and individual life. In order to move forward and accomplish those ideals that lie in the hearts of men, my role shall be to make known those benefits, and privileges my country can offer to its people and to organize the viewpoints of the multitude into a clear concise plan so that by the very governmental processes of which this fine land is governed action may result.

As citizens of the United States of America we must defend the cause to which the people trust; the principles of "True Democracy" which are enduring because they are right, and invincible for they are just.●

CAFFEINE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. MARTIN. Mr. Speaker, the recent announcement of scientific tests by the Harvard School of Public Health refuting the thesis that saccharin is the cause of cancer in humans is yet another exhibit pointing up the fact that obsolete laws regarding food additives need to be reappraised and updated.

These tests determined that findings regarding the carcinogenic effect of saccharin on rats are of questionable value where humans are concerned. There are many measurable risks out there; saccharin is not one of them. Thus, it seems that the American consuming public was once again unnecessarily alarmed concerning the safety of a specific food because of a precipitate judgment by responsible government agencies, as well as the clamor of those trying to create a chemophobia across the land.

Saccharin and nitrites are cases in point that illustrate the deficiencies of food safety actions. On the basis of limited scientific data, the Food and Drug Administration initiated actions against these substances amid a tremendous media furor that shed more heat than light on the complex scientific questions involved.

But even as the great saccharin scare of the 1970's dissipates, we now seem to be on the verge of a similar furor regarding the use of caffeine. Caffeine, as we know, is a natural constituent in coffee, tea, and chocolate; foods that are consumed daily by the public. It is also an ingredient used in some soft drinks and in other nonbeverage foods.

It now appears that highly limited scientific research has turned up birth defects in laboratory rats consuming inordinate amounts of caffeine over a period of time—the equivalent of 40 cups of coffee per day, at one time—wholly unrealistic as far as its results might apply to humans.

It should be pointed out that no direct relationship between reproductive problems in humans and the consumption of caffeine has been reported in any test. The few scientific studies that provides any data in this either show no such relationship whatever or are inconclusive. Moreover, there are numerous scientific questions regarding the applicability of overdosed rat studies to humans in the case of caffeine, as indeed there were in the case of saccharin.

Mr. Speaker, what I fear is that on the basis of a few highly speculative rat studies, we may witness yet another unwarranted public panic regarding yet another food substance—and this in an area of public concern, that of human reproduction—which strikes home with an impact greater than what we have witnessed in the case of other recent food safety panics.

If past experience is any guide, my concern is that tens of millions of consumers are going to be put through a needless torment of fear and doubt regarding their use of caffeine, as a result of overreactive judgments and statements not only by public officials but by those outside Government who are inclined to feed the fires of public panic with the fuel of irresponsible rhetoric.

To maintain perspective in this area of food safety, it should be emphasized that caffeine has been judged to be safe as an effective stimulant when consumed in amounts comparable to those existing in a cup of coffee.

Yet, there are inconsistencies in the existing regulations governing this subject.

Under one set of Government regulations, the Food and Drug Administration permits the unrestricted availability and use of products containing caffeine as an inherent natural element.

On the other hand, under another set of FDA requirements governing foods, the Government is considering possible restrictions against the use of caffeine though still the same natural substance, based on the inconclusive rat studies I have mentioned.

Mr. Speaker, the public policy and scientific issues presented by caffeine-containing products are, as I have said, similar to those recently raised concerning saccharin and nitrite, areas in which there has been a great deal of official and scientific backing and filling after precipitate alarmist actions and statements that arose from limited rat studies.

In those cases, however, it should be pointed out that the Delaney clause, with its automatic ban provision, applied. No such automatic ban provision is applicable in the case of the questions raised involving caffeine use, so that we are even more free to consider alternative courses of action to protect the consuming public against potential risk.

To be sure, when questions of health and safety are concerned, I am among those who believe that, in case of reasonable doubt based on adequate scientific data, if we are to err, let it be on the side of caution. But as we have seen in the past, there is nothing to be gained and much to be lost in seizing on fragmentary and inconclusive massive dose animal studies alone to impose simplistic bans and restrictions on specified foods.

The issues posed by caffeine remind us that there are inconsistencies and contradictions in our existing food laws and regulations, based on their having been developed over the years on a piecemeal basis. It seems to me that the time is long past due to reexamine these laws in order to bring about a more reasoned approach to evaluate and control relatively small risks. Such reform has been advocated convincingly by the National Academy of Sciences.

Certainly, that kind of reasoned, deliberate approach is preferable to another cycle of public panic over a food substance, later found to have been based on partial, inconclusive research. The real danger here is that the repetition of such needless alarms will, in time, cause the public to turn a deaf ear to genuine hazards to health that may be shown to exist in other areas. There are, after all, some real wolves out there.

It is time, in short, that we put an end to the simplistic Chicken Little approach to meeting the complex problems involved in maintaining food safety.

I would hope that recent experience along that line will spare the American consuming public a needless caffeine scare, based on yet another speculative rat study. And I would urge the FDA to recognize that the current question concerning caffeine offers an opportunity for a reevaluation of our food laws, toward the end that they be both consistent and comprehensible to the American consuming public they are meant to serve.●

NATIONAL RECREATION AND PARKS WEEK

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. GONZALEZ. Mr. Speaker, I am introducing a resolution in the House today that would provide for the designation of June 1 through 7, 1980, as "National Recreation and Parks Week."

Similar activity last year was quite successful in my congressional district and I feel such observation again this year would be very beneficial to all Americans. It will not only lead to improved recreation and park systems, but will stimulate public awareness of the opportunities available through recreation.

I cannot stress enough the importance of keeping physically fit and I believe our National and State parks have encouraged this through their use. Passage of this resolution will also acknowledge the social and environmental benefits they provide to the well-being of the public and the quality of life.

I welcome any Member that would like to join me in this effort to designate this week in June as "National Recreation and Parks Week."●

RELIGIOUS OPPRESSION CONTINUES IN CZECHOSLOVAKIA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. RITTER. Mr. Speaker, the Soviet invasion of Afghanistan is only the most recent in an infamous series of attempts to subjugate peoples outside the borders of the Soviet Union. The captive peoples of Eastern Europe have experienced for many long years what the people of Afghanistan are now experiencing—the horror of armed Soviet military intervention and occupation.

Even as we turn our attention to the Soviet threat to the Persian Gulf, we should not for a moment forget what the Soviets and Soviet-supported Communist regimes are continuing to do toward destroying religious, political, and cultural freedom for the captive nations of Eastern Europe.

Recently, one of my constituents, who is active in the ethnic community of the Lehigh Valley, brought to my attention several articles in the February issues of Jednota, the official organ of the First Catholic Slovak Union of the United States and Canada. I believe one article in particular, outlining the continuing religious repression of the Slovak people, is well worth reading.

As I stated in the CONGRESSIONAL RECORD of August 1, 1979, this kind of Communist oppression of religious life is a symbol of how desperately the Communist powers want to impose their will once and for all on the Slovak people.

Faced with the spiritual strength of Pope John Paul II, the love of freedom of the captive Slovak and other peoples behind the Iron Curtain, and the increased vigilance of the United States and other free peoples, the Communists will fail in their attempt to impose their will.

The article from Jednota follows:

RELIGIOUS RESTRICTIONS CONTINUE TO BE MORE INTENSIFIED IN CZECHOSLOVAKIA

(By Nancy Frazier)

ROME, N.C.—The Czechoslovakian government continues to violate religious freedom and "has intensified its action" against Catholics in the past three years, according to a report from the Jesuits' generalate in Rome.

Much of the two-and-a-half-page report concerned the case of Jesuit Father Oskar Formanek, arrested in November 1978 on charges of anti-government activities.

The priest's trial was to begin Jan. 10, 1980, in Presov, Slovakia, but it was postponed until Feb. 14.

The report also contained an overview of the religious rights situation in the country where 133 Jesuit priests and 50 brothers work.

Although the communist government was a signer of the Helsinki human rights accords, the report said, "all means possible continue to be used to hinder, to repress, to reduce even more the fundamental liberties of Catholics in the country."

A source at the Jesuit generalate said leaders of the Society of Jesus have known about the religious repression for some time, but hesitated previously to release the information for fear of harming Jesuits and other Catholics.

Most likely as targets of government action are popular or dedicated priests, the Jesuit report said.

If priests exercise "a little zeal in the exercise of their pastoral duties" they can "find themselves from one day to the next transferred to a work place in some remote location, in some secondary parish," it said.

Priests cannot celebrate Mass outside their own parish without government permission, cannot visit parishioners freely and cannot lead theological discussion groups, the report added.

Violation of government rules results in revocation of the priest's "state license to exercise his ministry," the report said, and priests punished in this way often end up working as gardeners or porters.

Lay Catholics have not been free from government repression, the report said. It estimated that about 400 have been interrogated by the police.

"Often during these interrogations the suspects are accused of being in contact with clandestine bishops, with priests working without authorization and with the Vatican," it said.

Arrested along with Father Formanek on Nov. 16, 1978 were Salesian Father Jan Timko; Father Ignac Yurus, a diocesan priest; Maria Kozarova, a Catholic lay woman; and Oliver Oravec, a physician who later "managed to leave his homeland for Italy," the report said.

Religious books, cassettes, records and other religious material was seized from the homes of those arrested, and 130 people were interrogated in connection with the arrests, the Jesuits said.

"Father Formanek was interrogated 12 times, requiring, at the end, to be treated for grave shock," the report said. He was later hospitalized for treatment of bronchial-pneumonia, diabetes and high blood pressure.

According to the Jesuits, he is charged with "having spoken to several faithful on the religious situation in the country, condemning communistic atheism as a sin of hate against God and against religion; having loaned religious books; being in contact with religious centers of "western imperialism.'"

The report said the priest's only contact with the West in recent years was a request to Canadian Jesuits for some religious books.●

CARL ALBERT HONORS TOM STEED

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, it is an honor and privilege to execute the duties I am about to perform. Many of my colleagues joined me some days ago when we paid tribute to TOM STEED, who is retiring at the end of this session.

One man who was unable to be here to honor TOM STEED, but who knows him as well and has worked with him almost as long as anyone, is the Honorable Carl Albert. Through 15 consecutive terms of office, Carl Albert served Oklahoma, working his way to the very top of the leadership ladder. Mr. Albert served with great distinction as Speaker of the House for 6 years.

For 14 of the 15 terms that Speaker Albert was in the House, TOM STEED was there with him. Together they provided leadership for Oklahoma and the country. In 1976, Carl Albert left the House for the retirement he richly deserved. TOM STEED is now returning to thankful constituents in Oklahoma, as Mr. Albert did.

Mr. Albert has written me telling of his admiration for his long-time colleague and good friend. It is an honor for me to insert Speaker Albert's letter at this point:

McALESTER, OKLA.,
February 26, 1980.

Hon. JAMES R. JONES,
U.S. House of Representatives,
Washington, D.C.

DEAR JIM: It is my understanding that you will soon take a special order to give members of the House the opportunity to discuss the long and outstanding service of the Honorable Tom Steed. I commend you for doing this.

Tom has served in the House of Representatives for sixteen consecutive terms; the longest tenure for any Oklahoman in the history not only of the House but of the Congress. Those years and his service have given him a place of esteem in the hearts of his colleagues and of his constituents seldom equalled. Tom's contribution to his state and nation have been among the most remarkable of all time. His fingerprints are on a great array of major legislative accomplishments. His committee work has been as distinguished as it has been broad.

When Tom first came to Congress he was on the Committee on Education and Labor. On that committee he helped pioneer the impact legislation which has done so much for areas over the years that have been affected by defense, and other federal government operations.

Tom next moved to the Committee on Public Works where he served with great distinction during the inauguration of perhaps the greatest highway construction program up to that time in history, the interstate highway program. He has lived and served to see the culmination of this effort. He was also a leader in the development of Oklahoma's tremendous watershed program both upstream and on major rivers.

Tom next went to the Committee on Appropriations where for several years he has been one of the senior members. During most of that time, he has been chairman of the Committee on the Treasury, Postal Service and General Government. His work on that committee has been memorable.

During all of my years in the leadership of the House, Tom was always one of the first committee chairmen ready to call up his bill. He always came to the Floor prepared. On every occasion he handled his bill in prompt but thorough and masterly fashion. I doubt that any manager of any bill over the years has had fewer amendments to the legislation which he presented to the House than Tom Steed.

Through his committee work, Tom had the closest contact with the President, the Treasury Department, the Office of OMB, the Postal Service and other federal figures and offices of the Government. They all relied upon him for their funds. Tom did this work in the national interest and always above partisan considerations.

As for me, I can honestly say that no one has contributed more to my career in the House than my good friend Tom Steed. In every campaign for Leader and Speaker, he was always my manager; he was always the one to present my name to the caucus. I shall be eternally grateful to him. I treasure my friendship with Tom Steed over the years. I will be on the front porch when he and Hazel come back to Oklahoma awaiting to welcome them home. We love Tom Steed in Oklahoma, and Tom Steed has earned our love and our gratitude as well. We wish for him a long and very happy retirement. He has earned it as all his colleagues and former colleagues know.

Sincerely,

CARL ALBERT.●

VIRGIN ISLANDS SUPPORTS SUMMER OLYMPIC GAME BOYCOTT

HON. MELVIN H. EVANS

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. EVANS of the Virgin Islands. Mr. Speaker, I am pleased to inform you that on February 5, 1980, the Legislature of the U.S. Virgin Islands passed a resolution supporting President Carter's action to remove or boycott the 1980 summer Olympics from Moscow. The resolution reads as follows:

[Resolution No. 997—Bill No. 13-0425]

THIRTEENTH LEGISLATURE OF THE VIRGIN ISLANDS OF THE UNITED STATES

To indicate the support of the Legislature of the Virgin Islands for the President of the United States in his actions concerning the holding of summer Olympics in Moscow

Whereas President Carter has called for the removal of the Summer Olympics from Moscow or for a "boycott" of the Olympics should the Soviet Union fail to remove its troops from Afghanistan; and

Whereas the Legislature of the Virgin Islands regards the President's actions as appropriate and just: Now, therefore, be it

Resolved by the Legislature of the Virgin Islands:

Section 1. The Legislature hereby indicates its wholehearted support for the President of the United States in his actions concerning the holding of the Summer Olympics in Moscow.

Section 2. Copies of this Resolution shall be forwarded to the President of the United States, the Virgin Islands Delegate to Congress, the United States Olympic Committee and the Virgin Island Olympic Committee.

Thus passed by the Legislature of the Virgin Islands on February 5, 1980.

Witness our Hands and the Seal of the Legislature of the Virgin Islands this 5th Day of February, A.D., 1980.

ELMO D. ROEBUCK,
President.

CLEONE CREQUE HODGE,
Legislature Secretary.●

VLADIMIR SLEPAK—PRISONER OF CONSCIENCE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. ANDERSON of California. Mr. Speaker, I would like to call attention to the plight of Vladimir and Maria Slepak. Since June 1978, the Slepaks have been languishing in a small Soviet town near the Chinese border, victims of "internal exile."

Vladimir Slepak is the son of a prominent Bolshevik, and as a youth was a member of the Komsomol Communist Youth League. In spite of those years, he learned about Judaism and the ideals of freedom—freedom of thought, action, and deed.

Realizing that this concept of freedom was not compatible with life in the Soviet Union, Vladimir knew that he and his family had to emigrate. And he found that leaving the Soviet Union is not easy; it is virtually impossible.

In April 1969, Vladimir resigned his position as a radio engineer at the Television Institute in Moscow with the intention of applying for a visa in the future. Contact with "state secrets" at the Television Institute made it almost certain that his application would be rejected for at least 5 years. When he applied a year later, the application was indeed denied.

Following this, Vladimir underwent harassment, several arrests, and detention at the hands of the Soviet police. Opportunities for employment of any kind disappeared. Even his father, with whom Vladimir had had a falling out over Soviet policies, worked against him, using his position to influence the OVIR—visa refusal board—to deny Vladimir's request for a visa.

In 1976, Vladimir Slepak joined Nobel Peace Prize winner, Andrei Sakharov, in his efforts to monitor Soviet compliance of the Helsinki Accords. Vladimir and Maria underwent a divorce so as to allow Maria a chance to seek emigration under the family reunification provisions of the Helsinki Accords. Maria's mother had been allowed to leave the Soviet Union in 1972 and Maria applied for a visa to join her but was refused.

The KGB agents assigned to their house never allowed Vladimir and Maria to live in peace. Another setback came when their youngest son, Leonid, was ordered to be drafted into the Soviet Army. Leonid went into hiding, and drifted between Armenia and Moscow for several years. Had Leonid complied with the draft order, his own emigration would have been postponed for several more years. The reason? Exposure to "state secrets." Leonid's older brother, Aleksandr, married to an American woman, was allowed to leave a while earlier. Finally, in May 1979, Leonid, his wife, Olga, and their young son, Yevgeny, were allowed to leave the U.S.S.R. Interestingly enough, this came about shortly after a congressional delegation visited Moscow.

But, Mr. Speaker, Vladimir and Maria Slepak are still in the Soviet Union, somewhere in the broad expanse of the Chita region, in southeastern Russia. Their crime? Unfurling a banner proclaiming their desire to join their son in Israel. The charge? "Malicious hooliganism." A very broad charge that can conveniently accommodate any number of "crimes."

It had been almost 2 years since both were tried and convicted. Maria's sentence of 3 years' internal exile was dismissed due to an attack of pancreatitis which left her hospitalized. Still, they are both together now in exile. Vladimir labored for some time as a boilerman in a government garage, pumping water by hand. At last report, Vladimir's temporary position as an electrical technician has ended, and he is again without work. His health has deteriorated so considerably that chronic pneumonia has caused him to be hospitalized several times. Yet his sentence does not expire until June 1983.

None of the complex knowledge that Vladimir acquired as a radio and electronics engineer has been put to constructive use; furthermore, Maria has no outlet with which to practice her medical skills. And the most recent news of the Slepak family is of the death of Maria's mother in Israel last month. Although she did not live to see the entire family reunited, it must have been a great comfort having her grandchildren and infant great-grandson with her in Israel.

As the Jewish holiday of Passover nears, let us all hope that "next year in Jerusalem," the Slepak family will be able to celebrate together. How can such a desire be considered a crime?●

GUN CONTROL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. DRINAN. Mr. Speaker, a very striking editorial appeared in the January 31, 1980, edition of the Sacramento Herald, the official newspaper of the Catholic diocese of Sacramento.

This editorial points out that during the Vietnam war, more Americans were killed by handguns in the United States than by combat in Indochina.

This editorial also reminds us that the U.S. Catholic Conference, the voice of the American Catholic bishops, has for years been calling for effective gun control legislation.

The editorial openly endorses the Kennedy-Rodino bill designed to regulate handguns.

The editorial follows:

GUN CONTROL

There are more weekly killings in the homes and streets of a large American city like New York or Chicago than in the entire war-torn province of Northern Ireland.

During the Vietnam war, more Americans were killed by handguns in the U.S. than by combat in Indochina.

Yet Congress continues to do nothing about the one area where an easy remedy is possible—the availability of handguns. Conservative estimates put the number of handguns owned by citizens at 50 million, and that number increases by 2 million per year.

Last year, handguns were the weapons used in almost half the murders committed in the nation.

Identical bills have been introduced in both houses of Congress by the chairman of the judiciary committees—Sen. Edward Kennedy and Rep. Peter Rodino—to do something about this abuse of Saturday Night Specials. It is time for legislators to stand up to the gun lobby and pass this bill.

The Kennedy-Rodino bill does not deny citizens the right to bear firearms as the gun lobby would like us to think. Those who possess handguns already would not have to turn them in, and individuals who want to buy handguns could still buy them.

What the bill mandates is a waiting period before the completion of sales of handguns in the future to eliminate the abuse of giving guns to people who should not have them. Dealers would have to maintain records of who has bought each gun and sales would be barred to persons who have criminal records or have a history of mental illness or drug addiction.

The bill would also eliminate an abuse in existing legislation whereby dealers who are forbidden to import guns can import the parts and assemble the gun themselves.

The U.S. Catholic Conference and official voices of other churches have for years been calling for effective gun control legislation. This bill would, we believe, go a long way in meeting this urgent need for the common good.●

COMMENTARY BY BRUCE HERSCHENSOHN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. DORNAN. Mr. Speaker, the unending crisis in Iran, and the corresponding crisis of leadership exhibited by our administration, were recently the subjects of news analyses by KABC-TV's brilliant commentator, Bruce Herschensohn. Mr. Herschensohn is a former White House aide and the author of "The Gods of Antenna," an examination of media's coverage of Watergate. His comments are both heartfelt and illuminating, and I commend them to my colleagues:

BRUCE HERSCHENSOHN COMMENTARY, FEBRUARY 11, 1980

Headlights are on again, candles are to be lit again, and this time it's because it's day number one-hundred. Unbelievable. What is equally unbelievable is that the United Nations, with our sanction, is negotiating for the hostages' release. That's the word that's being used in Washington. "Compromising" is out, "negotiating" is in. The U.S. is out, the U.N. is in. But what's the difference between the two if we approve of the U.N. negotiations, and what is there to negotiate?

At the outset of this crisis, our President said that the hostages must be released "without pre-conditions." That's an exact quote. "Without pre-conditions." Further, he said there would be no payment of any blackmail. Now a dozen or more rumors of pre-conditions are floating around, including one that the hostages might be transferred to a neutral nation until a U.N. tribunal on the alleged crimes of the Shah is concluded. It's only one rumor among many, and the rumors change day by day, but all of them sound, at best, like good news followed by bad news.

First, the United Nations organization does not have the authority anywhere in its charter to hold a tribunal. Second, who could be tried after the Shah? Marcos? King Khalid? Begin? Sadat? Carter? What's to prevent that after the precedent has been set? Third, though it's assumed that the Shah is to be tried in absentia, how are those conflicting signals from Panama on the Shah's status to be read? Panama's president Royo said on January the twenty-second that Iran has sixty days to send them documents to initiate procedures for the Shah's extradition, but he's not under arrest. What does that mean? Who at the State Department is following this one? Fourth, and most important, for a deal to be made gives a signal to the world that American-hostage-taking pays off. It gives the sure-knowledge to other mobs, guerrillas, and terrorists everywhere that the way to insure a victory is to seize American diplomats. They're better than dollars for trading.

It isn't "restraint" that we've used. That word is nonsense. Once again, the word is "postponement" that we've used . . . We've been postponing one risk for a bigger risk, for which we're laying the foundation.

Do you know of any situation, even in every-day life, when backing-down hasn't, in fact, been the beginning of a process . . . rather than the ending of a crisis? There are no exceptions to that rule. Diplomacy should have been given no more than a week with the severest unspecified warning given if the Americans weren't returned within that timeframe.

If, through the United Nations, we now agree after "day one-hundred", to any of the Iranian demands, then it will be "day number one" again. Not for some fifty Americans, but for two-hundred-and-twenty-two million Americans . . . and the most that we can expect is for those in other nations to light candles and to turn their headlights on . . . for all of us.

BRUCE HERSCHENSOHN COMMENTARY, FEBRUARY 18, 1980

I have to say that I don't care if Bani-Sadr says that we have to confess or if he says that we don't have to confess, or if he says that we have to apologize, or if he says that we don't have to apologize. Since when do we tremble, anxiously awaiting what other nations tell us what we have to do? We should be telling that whole miserable government there to go straight to the devil and tell them what they have to do, or we'll take immediate punitive action against them.

The whole idea of a tribunal was never worthy of a great nation's consideration . . . and this is a pretty miserable presidential election when, with so many candidates taking issue with President Carter over every policy imaginable, not one candidate, to my knowledge, has been critical of his agreement for holding such an international commission. Since he announced it last Wednesday, everyone from Senator Kennedy on one side to Governor Reagan on the other has gone along with it, hoping the Iranians will buy it. Iranians! Do the Americans buy it?

In a nation that debates every issue from the Diamond Lane to whether or not Governor Reagan dyes his hair, there's virtual silence on the weakest, most immoral ransom payment in our national life. The only public argument advanced so far has been Senator Kennedy's argument that he thought of the idea first, with President Carter saying no, he thought of it first. But just to think, that this U.N. tribunal, for which the United Nations organizations charter does not provide, will set the precedent for rewarding those who take Americans hostage. No punishment. Just reward.

Iran is still a member in good standing of the U.N. they haven't even been condemned in the U.N. for taking hostages. That vote last month did not condemn them. And, if by any chance, the idea has been generated that the United States has been unilaterally punishing them . . . not true. Nothing. Last November the 13th, President Carter said that all Iranian students here illegally would be deported. Very strong. So far twelve of them, that's all, twelve of them have been, but seven-thousand five-hundred and ninety-two Iranians have been admitted to the United States since then, including one-thousand two-hundred and twelve students. And do you remember last December the fifth when President Carter said he was going to tighten the screws every day? It didn't happen. For his screw-tightening program, on December the 13th, he gave Iran five days for 226 of their diplomats to leave the U.S. Over three-quarters of them are still here and we don't even know where over one-hundred of them are.

Iran's punishment, pure and simple, was that we didn't light our national Christmas tree on the ellipse in Washington. That's it. Their punishment has been nothing. Instead, we negotiate on just how rich their reward will be. And so hostage-taking will spread. Guaranteed. And it's not because of the action of Iran that's insuring such a fate for innocent victims of the future. . .

It's because of the weak reaction of the United States, while too many here, quietly accept it.●

ATHALIE R. CLARKE—A WOMAN FOR ALL SEASONS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. PATTERSON. Mr. Speaker, the Western Regional Conference of the American Jewish Committee has selected Mrs. Athalie R. Clarke to be honored with the 1980 Human Relations Award. For the past 18 years, this award has been presented to outstanding community leaders who have contributed through their philanthropy and personal dedication to humanitarian causes and the preservation of our democratic ideals. Mrs. Clarke is an excellent example of this type of community leadership. Her personal drive and individual stamina are readily apparent in the broad range of activities to which she has personally committed herself. Whether it be through service on public policy boards, in civic affairs or in political activity, she has consistently received recognition for the concern, commitment, and common sense she first demonstrated in the management of farm operations.

Her life has been one with many significant transitions, and it is clear from her life history shared with us, that she has consistently risen to the challenges, drawn from her personal strength and inner courage to move on in pursuit of her goals. Mrs. Clarke is truly a woman for all seasons, but more importantly for us, she has taken the experiences of each of those seasons and woven them into a tapestry which has enabled many others to benefit from her experience and insight.

Mr. Speaker, I ask my colleagues to join with me in commending the American Jewish Committee for their choice of Mrs. Clarke for the Human Relations Award and in congratulating and thanking Mrs. Clarke for the many and valued contributions she has made to us.●

THE STRATEGIC IMPORTANCE OF ISRAEL TO THE UNITED STATES

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. COURTER. Mr. Speaker, I introduce into the RECORD an article which I commend to all my colleagues concerned with our defense posture and Israel's value to us.

Despite the temporary disagreements between us and Israel, and we have had disagreements with many of our allies on various issues, the fact remains that Israel is the strongest, most reliable, and most democratic nation in that region of the world.

Thank you, Mr. Speaker.

The article follows:

[From the Courier-Post, Feb. 24, 1980]

MIDEAST BASE: USS "ISRAEL"

(By Stephen D. Bryen)

As President Carter declared a new foreign policy in his State of the Union address, the nuclear powered aircraft carrier *Nimitz* was making its way through the dark waters of the Indian Ocean.

This was the third United States aircraft carrier—and the first nuclear carrier—to go on station in the Indian Ocean. The powerful vessel was accompanied by two nuclear-powered guided missile cruisers. Altogether, to add muscle to the President's new posture towards the Persian Gulf and the Soviet Union, 23 American warships were committed to a new task.

Moving our fleet to the Persian Gulf was not undertaken without serious consideration of the risks. To move a total of 23 ships depleted our naval strength both in the Pacific and Mediterranean.

In the Pacific the one active carrier had already been reassigned to the Arabian Sea. This severely reduced our tactical air power and sent shivers through the leaders of Korea, Thailand and Japan. After all, the Pacific balance of power has been shifting since summer, when the Soviets for the first time posted an aircraft carrier off Japan. But America, taxed by the Russian intervention in Afghanistan, had to employ its so-called "swing strategy."

Under that strategy, lacking sufficient fighting ships and aircraft carriers, you "swing them" from the Pacific to the Atlantic. This time, we swung them to the Indian Ocean. It did not cheer our allies in the Pacific. They stood by, worried by Vietnam's massing of troops on the Cambodian-Thailand border.

The warnings of the State Department, only a few days before, had a hollow ring. What could the U.S. do about it?

What happened in the Pacific is also happening in the Mediterranean, where the naval balance of power has been deteriorating for some time. The Russians have been gaining.

The Sixth Fleet, the U.S. Mediterranean presence, has two vital missions:

Guarding the southern flank of NATO, a recently troubled alliance made nervous by the illness of Yugoslavia's President Tito. For years the Soviets have wanted a base in Yugoslavia, and for years the Yugoslavs have held the Russians short. Now the situation may change.

Providing the essential anchor of our Mideast foreign policy.

Reducing the Sixth Fleet would give pause to the nations that rely on America's strength. President Carter's decision to do just that—by pulling out one of our two aircraft carriers and its missile cruisers—must be seen as a calculated risk.

We have reduced our air power in the Mediterranean by half.

Most of the best analysis in this country are acutely aware of the role air power plays in complementing modern naval strength. It's more than the buildup of Soviet naval forces in the Mediterranean. What alarms the experts is increasing Soviet naval sophistication and by the ability the Russians have gained to used airpower to cover their burgeoning fleet.

The string of bases the Russians have been building—on the Horn of Africa and in South Yemen—is intended in part to give high, immediate credibility to the Soviet flotilla in the Mediterranean.

To hedge their bets, the Soviets are also deploying the supersonic Backfire bomber to protect their fleet. The Backfires are based in Odessa. Their intercontinental range includes all the Middle East, Africa and the Persian Gulf.

Our fleet commanders have been quite worried about this formidable Soviet air power. Our fleet, worldwide, is short of tactical aircraft. In the last year unofficial reports say that as many as 110 of our tactical, sea-based, combat aircraft have crashed in training exercises, while we are replacing them at a rate of about half of the casualties.

The redevelopment has left the U.S. at a disadvantage in the Mediterranean, and the Soviets know it.

That is dangerous—since disequilibrium might tempt the Soviet high command to take even greater risks than Afghanistan.

We cannot sit aside and allow these risks to maturate, and we do not have to. Sufficient airpower is available to us to replace our lost aircraft carrier in the Meditarranean and maintain the balance of forces in the Middle East.

That air arm is Israel's. Her air force is almost totally American equipped. She can help by providing cover—jointly with U.S. Navy fliers—for the Sixth Fleet in its non-NATO rôle.

But we cannot ask Israel to do this "in a pinch" should the need arise. We cannot first of all because Israel must have additional equipment so she can communicate in a secure way with our fleet command and control facilities. Only secure, computer-generated communications will deter the Russians.

And we cannot do this in a pinch, because improvisation is very costly. In 1973 Israel lost almost 100 aircraft improvising against Russian surface to air missiles. She will not do that again.

What we have to do is to make available to Israel the communications gear and begin joint flight exercises. There is already a precedent. Egypt recently carried out a joint exercise with the U.S. in using the advanced AWACS—early warning—aircraft.

Israel can be a substitute aircraft carrier—one that cannot be sunk. Because she has been the target of Soviet adventurism for more than 20 years, her pilots and support staff are highly motivated and know their adversary well.

Some critics in and out of government will say that such a suggestion is strategically correct but politically imprudent. After all, the Arab states will be offended. Can we afford that?

For many years now our government has held off closing a tighter security relationship with Israel for precisely this reason.

But the situation on the ground and on the seas has changed in dramatic ways. Now it is the Soviets, not we, who are in the catbird seat.

To prevent the Russians from pushing too hard, we have to set up a hard wall against them. The Kremlin knows where the cracks are and no doubt is anxious to challenge us. Our goal should be to force them to think twice—and more—about setting us up in the Persian Gulf and then hitting us in the Mediterranean.

War can only be averted by keeping the balance of power taut. We can do that, cheaply and effectively, by enlisting Israel in projecting her air power above our fleet in the Mediterranean.●

ABSENTEE BALLOT SIMPLIFICATION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. BONKER. Mr. Speaker, few threats to our political system are as grave, or as subtle, as the sharp decline of voter participation. As the issues become more complex and divisive, and political campaigns more intense and costly, the number of people who actually go to the polls declines. Today the United States, the oldest and most tried of all Western democracies, has the worst record of voter activity in the world.

Thomas Jefferson once said, "That government is strongest in which every man feels himself a part." If there is truth in Jefferson's statement, then our political system is weakening.

Voter alienation has reached the point where less than half of the voting-age population exercises its right to decide the course of our Nation. While voting fosters further political participation and a sense of involvement in the decisionmaking process, nonvoting breeds further separation between citizen and State.

There is no single, clearcut solution to the lack of voter participation in this country. Sociologists point to various intangibles contributing to this problem, including a feeling of political impotence in the face of huge public and private institutions, cynicism, apathy, and greater mobility. These are factors that cannot be easily legislated away.

But there are some clear, solid steps we can take to improve the situation. One of the most effective is removing the obstacles that keep people from voting. I am introducing legislation today that I believe will substantially reduce the barriers to people who would vote absentee.

The number of people in the United States who can vote only by absentee ballot is on the rise. As the population becomes older, a higher proportion will find it difficult or impossible to get to the polls on election day. While many of these people suffer from a lack of mobility, the mobile nature of modern society prevents many others from voting in the usual manner. Travelers, those temporarily transferred out of town on business, students, military personnel, and others find that the absentee ballot is the only way to vote. And yet most of these potential voters—millions of eligible citizens—do not make use of the absentee ballot. Why?

Because it is a tremendous nuisance to vote absentee. It takes a highly motivated or sophisticated person to undertake the complicated task of requesting, filling out, and returning an absentee ballot. As a former county election official in Washington State, I can say without a doubt that the complexity, cost, and inconvenience of the process keeps many people from voting.

My proposal is designed to minimize these obstacles, making the absentee ballot process a simple and comprehendible matter for the average voter.

This legislation, like an earlier bill I introduced, H.R. 4759, and several similar measures which will be the subject of hearings before the Postal Operations and Services Subcommittee tomorrow, would reduce the cost of mailing the absentee ballot request and the ballot itself by providing free postage. This is an important and helpful step.

However, the most significant feature of this proposal is that it gets at the problems underlying the absentee ballot process: the confusion and inconvenience that surround the process. The proposal would provide for a standard postcard, available to the public upon request at all post offices and participating government buildings. In addition, a list of voter agencies, similar or identical to the voting assistance guide now published for the Department of Defense, and the requirements they have for requesting an absentee ballot would be available at no cost and with little inconvenience. For example a voter from Potlatch, Wash., temporarily in Peoria, Ill., need only to go to the nearest post office, look up his voter agency's address and requirements, print the information on the free postcard, and drop the card in a mailbox. All mailing of absentee ballot material would be postage free.

Mr. Speaker, this simplification of the absentee ballot process removes the biggest barrier to voting absentee and could result in the participation of millions of voters who otherwise would not vote. The bill respects the varying requirements of State and local jurisdictions and provides this service at very little cost. I believe it is an important investment in the future of our democracy.●

AFRICA AND MINERALS: AMERICA'S STRATEGIC AND CRITICAL NEEDS—AMERICA'S NEW PERSPECTIVE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. SYMMS. Mr. Speaker, over the years, the State Department has led America down the primrose path in our dealings with Africa. America has forsaken our strategic and long-term interests for those which might be labeled simply humanitarian.

One of the critical issues of which America's State Department-run African policy has lost track and thus frustrated is that regarding minerals. What the administration neglected to tell the country when it embarked on its present Africa policy was that without the minerals we import from southern Africa—without the chrome, the platinum, the cobalt, the manganese—America and her friends cannot survive.

Fortunately, America now has a Mines and Mining Subcommittee in the House of Representatives that understands these facts and is willing and able, under the excellent leadership of Congressman JAMES D. SANTINI, to spread the word. During January 1980, the Mines and Mining Subcommittee visited southern Africa to examine the nature and scope of America's dependence on that part of the world and will shortly issue a report setting forth its findings.

Recently the Washington Star gave all of us a preview of the report of the subcommittee in an article entitled, "Ideology and Economics Appear in Sharp Conflict on Minerals From Africa." That article highlights in an excellent fashion the importance of Africa as a source for America's strategic and critical minerals, and I highly recommend it to my colleagues.

The article follows:

IDEOLOGY AND ECONOMICS APPEAR IN SHARP CONFLICT ON MINERALS FROM AFRICA

(By Robert Parker)

JOHANNESBURG.—American policy-makers face a sharp conflict between ideology and national economic interest in dealing with South Africa.

While legislation and administration policy put pressure on South Africa to reform its discriminatory racial policies the United States became increasingly dependent on South Africa for its most vital strategic materials.

In many cases, the alternative source of supply for these materials is the Soviet Union. A perception is growing that in this dilemma, South Africa is a more reliable source, and that the United States needs South Africa at least as much as South Africa needs the United States.

Rep. James Santini, D-Nev., chairman of the House subcommittee on mines and mining, recently headed a delegation to study strategic mineral resources in southern Africa. Said Santini: "In the policymaking process, there is no voice representative of minerals or the materials-dependency issue. You have three agencies concerned about the environment. You have a Department of State concerned primarily about problems of human rights and goodwill across the globe. It's been an ad hoc, one-issue kind of decision-making."

In what the South Africans call the Andrew Young Doctrine, although most of its points predate and all survive Young's tenure as U.N. ambassador, the United States denies exports of materials likely to be used by South Africa's military or police forces, and denies Export-Import Bank loans to support any sales to South Africa. The practical effect of these measures is not great.

South Africa can produce most of the weapons it needs; others it can buy from friendly European sources. For a nation brimming with wealth from high-priced gold, Export-Import Bank loans are not a major consideration. The principal effect of this provision is to deny American firms a competitive advantage.

The major critical minerals imported from South Africa are chrome, manganese and the platinum metals. Commenting on the importance of chrome imports, Santini said: "I had testimony in my mining committee that the industry of the Western World could be brought to its knees with six months' curtailment of imports of chrome."

South Africa and Rhodesia are the principal suppliers of chrome, which is an essential component of the high-performance steels used in jet aircraft, surgical instruments and most armaments.

Other significant suppliers are the Philippines, where ore supplies are rapidly depleting, Turkey, and the Soviet Union. South Africa has 75 percent of the world's known chrome ore, and is rapidly expanding production.

It is an adage in the steel business that without manganese, steel-making is impossible, and that without South Africa, the United States is out of manganese. The United States imports 34 percent of its ferromanganese from South Africa. That nation and the Soviet Union control 90 percent of the world's known resources of manganese, with South Africa as much the larger source.

Platinum is the vital element in U.S. automobile exhaust converters, and it is also an essential catalyst in oil refining and many chemical applications. Again, South Africa is the world's major supplier of platinum, providing 50 percent of U.S. imports, followed by the Soviet Union's 22 percent. South African sources estimate their platinum reserves as 75 percent of the world's total.

The West's dependence on southern Africa comes clearer when it is seen that South Africa alone is the world's major source for the steel alloy vanadium; for titanium, prized for its strength and light weight for aircraft and spacecraft; for gem and industrial diamonds; for lithium, needed for light-weight batteries; and for uranium, on which Western Europe still depends for energy. Zaire and Zambia produce most of the world's cobalt, and South Africa is beginning to produce a little.

While U.S. economic pressures are relatively ineffective weapons for social change, South Africa's prime minister P. W. Botha warns against any tightening of the screws, hinting that South Africa could invoke its own sanctions. Other South Africans downplay the prospect of economic retaliation. Mines Minister F. W. DeKlerk emphasizes the importance of a united Western front against the kind of Marxist incursions that took over Angola and Mozambique. Said DeKlerk in Capetown last week: "Should Russia directly or indirectly gain control of southern Africa, they will have the Western World over a barrel."

Dennis Etheredge, an Anglo-American Corporation executive now heading the South Africa Chamber of Mines, said: "I think it would be very silly of us to use our strategic minerals as a weapon against the West. The reputation that we have is as a reliable supplier who meets his contracts. This is very important to us."

Other forms of pressure, however, may help to speed social reform in South Africa. Said Etheredge: "I certainly accept and understand that a country like ours needs continuing pressure on it to change." Added a government official: "A certain amount of outside pressure isn't going to hurt us."●

MARGUERITE YOURCENAR

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mrs. SNOWE. Mr. Speaker, it is with a great deal of pride that I draw my colleagues' attention to the achievements of the French writer Marguerite Yourcenar, my constituent from Northeast Harbor on Mount Desert Island. Miss Yourcenar was elected on March 6 to the French Academy, the royal institution designed to maintain the purity of the French language.

Election to the academy is one of the highest honors a writer can receive, and Miss Yourcenar is the first woman to earn this recognition since the institution was founded by Cardinal Richelieu in 1635.

Miss Yourcenar's election is described in the following New York Times wire service article, which appeared in the Bangor Daily News, and I recommend this story to all of you.

The article follows:

[From the Bangor Daily News, Mar. 7, 1980]

FIRST WOMAN, A MAINE RESIDENT, NAMED TO FRENCH ACADEMY

PARIS.—Novelist Marguerite Yourcenar was elected Thursday as the first woman member of the French Academy since it was founded by Cardinal Richelieu in 1635.

It was a double defeat for chauvinists, or a defeat for double chauvinists, since in addition to being a woman, Madame Yourcenar has been a U.S. citizen for over a quarter of a century. She lives on Mount Desert Island in Maine and said recently that she intends to stay there and to keep her American passport, although last summer her French nationality was restored through the special efforts of Alain Peyrefitte, an academician who is France's minister of justice.

The election was preceded by an even more intense and secretive campaign of intrigue, persuasion and argument than normal for the sharply contested right to succeed to one of the Academy's 40 seats.

Members, called "the immortals," are elected for life. The vote is by secret ballot, but Peyrefitte was known to be among Madame Yourcenar's supporters, with the implicit encouragement of President Valery Giscard d'Estaing.

But, unlike most aspirants, the 76-year-old writer refused to take part in the campaign, agreeing only to write to the Academy's "perpetual secretary" that if elected, she would be very grateful for the honor because it would be a "serious insult" and "extremely impolite" to refuse.

Her admission was a particular triumph for Jean d'Ormesson, a 55-year-old editor and writer, who proposed her candidacy and argued energetically that the time had come to welcome a woman to the august institution. Nobody challenged Madame Yourcenar's professional and artistic qualifications. She has written a number of distinguished historical works, of which the best known is "Memoirs of Hadrian" about second-century Rome, and is considered a first-rate classicist. She has also translated ancient Greek poetry.

But the arguments against her were vehement. Jean Guition, an 80-year-old academician who is also a writer and classicist but little known outside of French literary circles, reflected them in his comments after the election.

"A woman, as a woman, simply has no place in the Academy," be said, adding that "of course, I have a great deal of admiration for her work. But it is like putting a dove in the rabbit hutch. Adding one inhabitant like that makes the place over-populated.

"The Academy has survived over 300 years without women," he said, "and it could survive another 300 without them."

The election took place privately in the Academy's second-floor "workroom," around the immense table where members meet occasionally on their perennial task of revising the French dictionary.

The academicians, most of them very elderly, were dressed in dark business suits and most of them had a rosette or a ribbon in the lapel signifying other high French honors. When it comes time for Madame Yourcenar to make her maiden speech at the formal entry ceremony, traditionally held on the ground floor under the great glass dome of the institute of France beside the Seine, they will wear their famous green frock suits, elaborately embroidered in gold.

Madame Yourcenar has said that she would not put anyone to the trouble of designing a feminine uniform for the Academy since she had no intention of wearing any kind of uniform.

She told a French reporter recently from her home in Maine that she probably wouldn't know if she won or lost until a couple of weeks after the election, since she would be in Central America visiting Mayan ruins and doing research on Mayan civilization.

Thirty-six members of the Academy were present Thursday for the 20-12 vote, with four abstaining. The required majority is 19 votes.

Those opposed to Madame Yourcenar's election backed the candidacy of Jean Dorst, the 55-year-old director of the Museum of Natural History of Paris. The seat to which she was elected was last held by the late Roger Caillois, a little-known writer and expert on Latin American literature.

Another seat, that of the late Joseph Kessel, was also filled Thursday with the election of Michel Droit, 56-year-old journalist and author who once interviewed the late President de Gaulle on TV. He won with 19 votes against 13 for Robert Mallet.

But all the electoral attention was focused on the feminist issue symbolized by Madame Yourcenar. It was recalled that Richelieu never saw fit to include Mademoiselle de Scudery, nor in the 19th and 20th centuries were such luminaries as Madame de Stael, George Sand or Colette even considered.●

MRS. NELLIE LEWIS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. CLAY. Mr. Speaker, recently the St. Louis Sentinel carried a tribute to one of St. Louis' outstanding black women, Mrs. Nellie Lewis, on the occasion of her invitation to meet with the President of the United States. Mrs. Lewis has spent 84 years inspiring and encouraging others to achieve greater fulfillment. I would like to share her enlivening story with my colleagues in the U.S. Congress.

The article follows:

MRS. NELLIE LEWIS, HDC RESEARCHER 84 YEARS YOUNG

In 1917 Nellie Parks was given a college degree that read: "Nellie G. Parks is certified to teach coloured children in coloured schools in Louisville, Kentucky."

Sixty-two years later she was speaking before the National Council on Citizen Participation at the Sheraton Hotel in St. Louis, at the Region VII meeting and told the delegates "The criticism I have for programs who plan activities for senior citizens is—they forget that senior citizens have the same desires that their junior citizens have. I like steak, I like good clothes, I like to hear good music, etc. But I get angry about the plans social workers make for those in their golden years.

For instance, why take a group of senior citizens to Shaw's Gardens for a Planting Class, when maybe they would enjoy an afternoon disco? Why plan an ice cream and cake party, when they would be more comfortable at a wine and cheese dip?

Recently, I found out that the Universities are giving courses in their psychology department on how to die. "That is utterly ridiculous. I want to know more about living," she said.

She encouraged more people to take an active part in the citizen participation programs so they can be involved in the planning process. She encouraged the planners to involve more senior citizen advisors and to listen to them.

The fantastic Mrs. Lewis is an inspiration to her fellow workers. She encouraged them to "come to work on time, get an education and learn to work within the system."

Mrs. Lewis has had serious bouts with cancer, having undergone 8 surgeries. She feels that she has overcome cancer, but only because she went to the doctor regularly for checkups. When co-workers and well meaning family and friends encourage her to retire, her reply is "Retire and do what?"

Mrs. Barbara Huff, her boss tells you "Mrs. Lewis is an inspiration to me and to many others. How can you turn over in the morning because it is too cold or too wet, knowing that Mrs. Lewis will be there?"

With this in mind, she prides herself in getting the tickets and other plans together annually for the Human Development's Annual Awards Dinner. She reads several publications and newspapers daily, keeping the agency informed of relevant activities.

Many remember her when she marched in the Jefferson Bank Demonstrations in the sixties, but in Ohio her peers remember her when she walked the picket lines in front of the Kroger Stores protesting the No Black Employee Policy they had in 1932.

It was then she had her two daughters, Flodelle Mandeville, now a supervisor for the State of Missouri Welfare Department, and her other daughter Blanche Hamilton, of the Sentinel Newspaper staff with her.

They recall their father saying "Your mother is going to get me fired if she doesn't stop her militancy." Mrs. Lewis remembers this very well, and reflecting says, "Foster dropped dead in City Hall working on his job nine years later."

When Carl Johnson, national director of the National Citizen Participation Council heard her speak, he announced to the delegates, "I want you to be a witness, we are going to send for Mrs. Lewis to come to our national meeting in January in Washington and though Jimmy Carter has his Miss Lillian, I want the world to know that NCPC has Mrs. Nellie Lewis. I want her to have the honor of introducing the President of the United States to our delegates, and God willing we will all be there to hear her."

Mrs. Lewis was not overwhelmed by the invitation, but just a little bit pleased, and she replied, "I'll have to check with Mr. Harold Antoine. (the boss at HDC) and see if it's alright." Those who know her well, know better than to criticize her friends and never criticize Harold Antoine, Bill Douthit, or Bill Clay, as she will tell you, "Black men need all the encouragement they can get, never be a vehicle to ridicule a Black leader."

God willing, we will write another story when Mrs. Nellie Lewis goes to Washington to see the President. The Sentinel salutes Mrs. Nellie Lewis.●

COKE—THE FLAW IN OUR MILITARY ARMOR

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. GAYDOS. Mr. Speaker, mounting international tensions have forced the United States to review its military capabilities in the event of an outbreak of hostilities. Most of the attention, naturally, has been focused on the machinery of war: planes, tanks, missiles, and guns. But, there is a flaw in our country's military armor which, I believe, is being overlooked: Our Nation's ability to produce coke.

All of us know a war cannot be fought without steel. But, I wonder if all of us know you cannot make steel without coke. I wonder if all of us realize our country's coke-making facilities are in a sad state of decline, that we cannot make enough coke to meet our peacetime need for steel; that we have been forced to import coke from abroad. I wonder if it is realized that dependence upon foreign coke will increase in the next few years if an anticipated worldwide demand for steel materializes.

Ironically, coke is a byproduct of coal and the United States is coal rich. It has the largest reserves of good metallurgical coal in the world. The question then arises: If we now import coke to meet our peacetime needs for steel how then can we expect to produce enough coke, enough steel, to fight a war?

Mr. Speaker, a newspaper article, which I will insert into the RECORD, reports on our coke-producing problem. It points out a combination of reasons for this sad situation: Federal environmental regulations, the age of existing coke batteries, the lack of capital in the industry to replace them, and the enormous costs involved. The article, I feel, brings to mind the now famous observation of Pogo: "Gentlemen, we have met the enemy and he is us!"

The article follows:

[From the Pittsburgh Press, Mar. 2, 1980]

GROWING COKE SHORTAGE MAY BE U.S. "ACHILLES HEEL"

(By William H. Wylie)

There's a flaw in this country's defense posture that may have been overlooked.

It doesn't involve missiles, supersonic bombers, a shortage of tanks in Europe or the absence of a military draft.

But it could have a greater impact on the United States's ability to defend itself in a total war than any of these military deficiencies.

America's weakness is its declining cokemaking capacity, incredible as that may seem for a nation with vast coal reserves.

The problem is that steel cannot be made without coke, and steel has more to do with winning wars than anything else.

But U.S. steelmakers do not have enough coking capacity to supply their needs and could not operate long at full throttle on domestic coke alone. In 1978 the nation fell short by 8 million tons, most of which had to be supplied from abroad, mainly West Germany.

This shortfall worsened last year and most major domestic mills continued to rely on foreign coke to fill part of their ironmaking needs.

"Isn't it ironic that in coal-rich U.S.A.—the country with the largest reserves of good metallurgical coal in the world—we are forced to import coke?" declared Lawrence R. Smith, manager of production for Koppers Co.'s engineering and construction group. Koppers is a major coke plant builder.

Two leading steel executives agree with Smith's observation, acknowledging that a cutoff of foreign coke would cripple domestic mills.

David M. Roderick, chairman of U.S. Steel Corp., and Lewis W. Foy, chairman of Bethlehem Steel Corp., conceded that wide-open operation of their plants could not continue for long.

It is felt that in an all-out war foreign coke would not be available, a fair assumption in view of the large Soviet submarine fleet. Once domestic coke inventories were reduced, plants would have to cut back production.

In 1978 the steel industry was coming off two lean years and had extra coke on hand. Nearly 3 million tons from inventories helped fill the gap along with 5.7 million tons from abroad.

But the coke hangup is getting worse, not better. Smith sees the shortfall growing to between 10 million and 12 million tons by 1985 as more coke batteries are forced to close and not enough new ones open.

Defense weakness isn't the only worry over the coke shortage. The 8-million-ton shortage already costs the coal industry 8 million tons of annual coal production, according to Smith.

The loss of jobs totals 6,000 in the mines and 3,400 at coke plants, he continued.

Also lost are some variable by-products from coke production, including 65 million gallons of tar, 28.5 million gallons of light oil and 84 billion cubic feet of coke oven gas, Smith said.

Cokemaking is a dirty business. Emissions can be captured before they pollute the atmosphere, but the equipment is expensive. Many American plants are so old it wouldn't be worth cleaning them up.

Making the picture even darker is the poor financial state of the steel industry. Producers are caught between slim profits and the high cost of building coke batteries. But there's more to the dilemma than that, according to Smith.

The average coke plant is next door to a steel mill, which means it is in a highly industrialized area. That creates a problem with the Environmental Protection Agency, which holds a tight rein over construction in heavy-industry zones. In other words, it isn't easy to get a permit to build a coke plant.

This is unfortunate because 35 percent of the coke plants in the U.S. are more than 25 years old and another 20 percent are in the 20-25 year category, according to Smith. The life expectancy of a coke oven is 25 years.

"Between December, 1975, and July, 1979, 32 batteries of ovens, representing 14.7 percent of maximum annual capacity, were taken out of service permanently," Smith observed.

"The combination of regulations coupled with aging of existing batteries will further reduce the output from existing facilities," he added.

On top of that, coke plant costs have been soaring. A million-ton battery that cost $85 million in 1969 went for approximately $186 million in 1978, Smith said.

"We see no decline in this trend line for the next few years," he added. That's bad news for steel companies who aren't able to meet their capital spending needs now.

Does a steel firm have to own and operate its source of coke? The Koppers executive doesn't think so. Why not build a cokemaking complex that would supply several steel companies?

Smith said, "Diversified companies having current relationships with the steel industry could finance, build and run large central coke plants with good economies of scale and acceptable environmental safeguards."

These coke centers could be located in steelmaking regions like Pittsburgh, Youngstown and Chicago, Smith said.

Something also has to be done about environmental, health and safety regulations, he feels.

"A philosophy of acceptable risk and mutual understanding is the only way out, at this time, until new methods and research as well as new influxes of capital give us the tools to find a practical way out of our environmental dilemma," he explained.●

TIME TO PRIME THE GASOHOL PUMP

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. FINDLEY. Mr. Speaker, it is time to prime the gasohol pump if we as a nation are really serious about reducing our dependence on foreign oil.

As a pump-priming effort, I am proposing legislation that would offer a crash program of low-cost credit for the construction of ethanol production facilities, from large-scale commercial plants to farm-size stills.

Simply put, I propose that production loans at 5 percent interest be made available over a 2-year application period to provide the incentive needed to greatly expand the Nation's ethanol production capacity. I have asked for comments on my proposal from the four Federal agencies currently providing financial assistance for the production of alcohol fuels—the Department of Energy, the Economic Development Administration, the Department of Agriculture's Farmers Home Administration, and the Small Business Administration.

This pump-priming initiative should provide adequate incentive for gasohol production in the magnitude needed to reduce our dependence on foreign energy. I realize the budget implications of my proposal but investing in our energy security is a close parallel and no less important than investing in our national defense. Certainly, the more home grown energy we produce the less likely we are to be caught up in conflicts in the oil-rich but strife-torn Middle East.

We have the technology for converting corn and other grain and wood materials into ethanol for alcohol fuels—the main hurdle is the cost of money to get this program into high gear. That is the problem area that my proposal would focus on.●

NAVAL CONSTRUCTION UNIT HELPS GUAM

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. WON PAT. Mr. Speaker, it is with great pleasure that I note for the RECORD the many wonderful accomplishments on Guam of the Navy's Mobile Construction Battalion 4 (NMCB-4). In the great tradition of all naval Seabee units, this particular battalion has gone far beyond its mandate by working closely with local civilian leaders to make the community a better place in which to live and work.

The fine work done by Battalion 4 was brought to my attention by my old friend, Mr. Frank Portusach, commissioner of Agana Heights, Guam. Mr. Portusach and his fellow residents deeply appreciate the public service spirit of Battalion 4 and want all Americans to know how these fine young people have worked often on their own time on local projects.

This is particularly important in Guam and in the trust territory. Our people are poor; they cannot afford to pay for the kind of public projects that have been done by Battalion 4, Yet, the need is certainly there for the work to be done. It is a fitting tribute to this outstanding unit and their leader, Comdr. G. S. Robinson, that they have worked so hard for the benefit of the people of Guam.

I take pride in having this opportunity to salute the personnel in Battalion 4 at this time. I place in the RECORD a brief statement by Battalion 4 about their efforts in Guam and a listing of their many public service efforts there:

U.S. NAVAL MOBILE CONSTRUCTION BATTALION FOUR CIVIC ACTION MEMORANDUM

U.S. Naval Mobile Construction Battalion Four (NMCB-4), the "does more" battalion, started another deployment to Guam and many other sites in the Pacific and Indian Oceans. After our arrival in Guam in September, we received the coveted "Best of Type" award for the Pacific Fleet Construction Battalions for fiscal year 1979. NMCB-4 is very fortunate to have an excellent deployment site such as Guam with many good construction projects assigned. The "Best in the West" is also the Alert battalion for the Pacific area, which means we have to be ready to move quickly in case of national crisis or emergencies such as typhoons anywhere in the Pacific and Indian Oceans.

During our stay here in Guam, our home away from home, the officers and men of NMCB-4 have learned to love and appreciate the hospitality and genuine friendliness of the Guamanian people. One of our main ways to say "thank you" is through our Civic Action work. Volunteers share their off-duty time and talents by working on approved community and Navy related projects. NMCB-4 has not adopted any one village or community because we have the ability to adopt them all. Through our Civic Action work, we can pour concrete; build walls; clear recreation fields or brush; haul away storm debris; clear and grade roads; host programs for Special Education Children; and be involved in many local village fiestas. This work is very gratifying and rewarding to the men who work with the Guamanian people. There is great satisfaction when we see that our military construction training can be used to make improvements. Another incentive, besides the sense of well-being in helping others, is that through Civic Action we can provide additional on-the-job training for our men. Under the supervision of seasoned Chiefs and senior Petty Officers, the men learn to improve skills on graders, bulldozers, front-end loaders, flatbed trucks, pouring concrete, building recreation equipment and facilities, painting libraries, and you name it. NMCB-4 has that "can do spirit" which has brought us solid friendship and a sense of kinship with the wonderful people of Guam.

One of our very special relationships, which all "Seabee" construction battalions have had here on Guam, has been the long-time relationship with the Brodie Memorial Special Education School, and even more recently with Ulloa Elementary School. Brodie Memorial was named after Seabee Chief Clifford Brodie. Both schools have a total of over 250 special education and handicapped children who have won the hearts of the entire battalion through their love and sincere appreciation for even the little things done for them. NMCB-4 was touched by these special children at a recent Camp Covington Christmas program in which many "gifts" were exchanged, especially the gift of friendship and love.

Civic Action projects have been a very viable and worthwhile use of our time and training while here on Guam. The officers and men of NMCB-4 have stayed busy, have received additional and valuable training in construction, and have received that gift of friendship that will last for years to come.●

TRUMAN DOCTRINE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. YATRON. Mr. Speaker, I wish to call to my colleagues' attention an article which appeared in several newspapers across the country as well as in Europe. The article is entitled, "How the Truman Doctrine Was Born 34 Years Ago."

The article was written by Achilles N. Sakellarides, who is a former Inspector of Foreign Economic and Military Assistance Programs Worldwide of the Department of State; and recently was a U.S. delegate to the United Nations Conference on Human Rights in Geneva.

The text of the article is as follows:

HOW THE TRUMAN DOCTRINE WAS BORN 34 YEARS AGO

The opening scene of the remarkable motion picture of the great Nile River shows some dew drops on the leaves of a forest in darkest Africa. The implication was that these dew drops were forming the initial moisture in the fountain source of the fabulous river.

Some thoughts expressed in the summer of 1946 about the conditions and needs of war-devastated and prostrate Greece, I would like to believe, were partially conducive to arousing the interest and deep concern of some U.S. officials in the rehabilitation of the war-torn gallant Greek ally of the West.

Greece, as the entire world knows, paid dearly for its fight for world freedom. A vengeful Hitler who resented Mussolini's humiliation at the hands of the Greek army and the explosion of the myth of Axis invincibility, decided to punish Greece in the worst possible way. He later realized that, because of the Greek resistance, his aggressive plans against Russia were thrown off schedule. The loss of three months of good-weather fighting and the advent of the severe Russian winter were bound to seal his doom. He, therefore, punished Greece by inflicting on her the worst starvation ever experienced by any nation.

THE FOUNTAIN SOURCES OF THE TRUMAN DOCTRINE

Upon my return to Washington in June, 1946, following the conclusion of the work of the International Mission to observe the Greek Elections, I participated in several debriefing sessions at the White House and the Department of State. These initial discussions about the needs of Greece may have been the dew drops of the River Nile analogy—the fountain source of the Truman Doctrine.

One of the examples referred to during these discussions was the case of a formerly wealthy Greek industrialist, George Constantinides, whose seedless raisins processing plant in Crete was completely destroyed by war bombings, and was left economically destitute.

Before the war, he had 50 outlet branches throughout Europe. The processing and packaging of his fine product was so good that fellow industrialists from California once visited his plant to learn his remarkable techniques. In peacetime he employed some 600 workers.

The suggestion was made that a loan of $200,000 to this man would make possible the reopening of his plant. Multiplying this one case by about 20,000, gave a clear picture of post-war Greece and showed the magnitude of economic assistance needed to put the country again on its feet.

A quick multiplication of figures indicated that at least 400 million dollars would be needed to solve the problem—a rather huge sum in those years. "It might take a couple of years to adequately prepare U.S. public opinion to favor such a tremendous outlay of funds," one of the participants, President Truman's Assistant David Lloyd, remarked.

THE GRAVE COMMUNIST THREAT

Meanwhile, the powerful syndrome of pressing international developments appeared on the scene and somehow provided the "deus ex machina"—the solution of the problem. As affairs in Greece went from bad to worse through the fall and winter of 1946, Greece sent out frantic appeals for credits and loans.

About this time, Yugoslavia, Bulgaria and Albania were assisting the Greek Communist Party (KKE) guerrillas in Northern Greece in their attempt to bring Greece into the Communist orbit.

Greece appeared to be on the horns of a horrible dilemma: Either to yield to Communist demands and become a "People's Republic," or engage in an internecine war which would lead to the total destruction of the already devastated country.

The KKE was not openly connected with the guerrilla bands and claimed that some 10,000 men had taken to the hills of Greece forming a "Democratic Army" which would fight the "Monarcho-Fascist" government of Greece. It was evident that the guerrillas were getting arms from Yugoslavia and Albania. They often withdrew to these countries to reform their ranks and make forays into Greece.

RE-EVALUATION OF U.S. POLICY

In the fall of 1946, concern over the bad internal conditions in Greece led to a reevaluation of U.S. policy toward that country. James Byrnes, the Secretary of State, declared that Greece and Turkey, as friends of the West, needed assistance in the face of the openly menacing attitude of the Soviet Union.

It may be recalled that earlier, at the Paris Peace Conference, Byrnes had agreed with the British Government that Greece must be militarily assisted by Great Britain, while the United States would provide economic assistance to the ailing country. In mid-September, 1946, the Federal Reserve Bank of New York, reflecting Byrnes' views granted Greece a $10.8 credit.

ENTER LOY W. HENDERSON

At this time, Loy Henderson, the brilliant Director of the State Department's Office of Near Eastern and African Affairs, addressed a memorandum to the Secretary of State pointing out that Greece and Turkey formed obstacles to Soviet domination of the Eastern Mediterranean—an area of vital economic and strategic importance.

Henderson stressed the strategic importance of Greece to U.S. security. Greece, he wrote, was the only country in the Balkans which had not fallen under Soviet domination. Were Greece allowed to come under Soviet hegemony, Soviet pressure on Turkey would become irresistible. Greece, he said, would become an important stepping-stone for further Soviet expansion.

He recommended that the U.S. Export-Import Bank grant economic assistance to Greece, and the immediate dispatch to Greece of an American Economic Mission.

Henderson's memorandum was approved by Secretary Byrnes.

THE BRITISH RELINQUISH RESPONSIBILITY

In mid-October of 1946, the Greek Government requested more arms to increase the strength of its army. The British Government, however, refused to comply, stating that it could not undertake the obligation to support a larger Greek army. On the other hand, the United States sent to Greece eight American army officers to join the staff of the U.S. Military attache in Athens.

Meanwhile, in an effort to bolster the morale of the Greek people, President Truman, in a letter to King George of Greece, said that the United States was prepared to grant substantial aid and supplies to enable the country to fight for its independence and territorial integrity.

Thus, by the end of October, 1946, the United States had decided to give economic and military assistance to Greece, going beyond mere moral support and naval show-the-flag visits.

FEVERISH ACTIVITY IN THE STATE DEPARTMENT

On February 21, 1947, a telephone rang in the newly-appointed Secretary of State George Marshall's office. The British Ambassador wanted to see the Secretary immediately. He had a most serious matter to discuss and two formal messages to deliver from his Government.

He was told that the Secretary had gone off to the Bicentennial of Princeton University to receive an honorary degree, but it was suggested that the papers should be sent over so that appropriate staff action could be started. Within minutes the two British memoranda were delivered to Loy Henderson.

The notes stated that the British Government, after March 31, 1947, would no longer be able to carry the burden of economic and military support to the Greek and Turkish Governments. It was estimated that the foreign currency needs of Greece for the remainder of 1947 would be about $250 million and that more would be needed in 1948 and after. Smaller sums would be needed for Turkey.

SECRETARY ACHESON'S ACTION

With the British notes in hand, Henderson, hurried through the corridors of "Old State" to the office of John D. Hickerson, then Acting Director of the Office of European Affairs. Then both men, after a brief consultation, went to see Under Secretary of State Dean Acheson.

A decision was quickly reached in Acheson's office that the Under Secretary would inform the President and Secretary Marshall. The problem was described by Acheson as the most major decision with which we have been faced since the war. Henderson was asked to prepare a memorandum of analysis with recommendations for the Secretary.

Then, on Sunday morning, Feb. 23, Loy Henderson called on Acheson at his home, enjoyed one of the famous Acheson martinis, and delivered his report and recommendations.

Acheson's call to the President was laconically reported in Truman's memoirs: ". . . Acheson telephoned me immediately about the contents of the notes, and I asked him to go to work on a study of the situation with which we were faced."

Officers who have served under Loy Henderson recall the intensity of activity in his office that night. By midnight, a first draft was finished. The final draft was cleared with the Secretaries of War, Navy and State. That same Wednesday afternoon, February 26, 1947, Secretary Marshall delivered personally to the President a memorandum recommending the action which indeed rightly became known as the Truman Doctrine.

NEW GROUND BROKEN IN FOREIGN AFFAIRS

According to this doctrine, "the national integrity and survival of Greece and Turkey are of importance to the security of the United States and all freedom-loving people. . . ."

It is the purpose of the Truman Doctrine to "support free people who are resisting attempted subjugation by armed minorities or by outside pressures." This was a historic departure from earlier American policies of peacetime isolation. It certainly broke new ground in foreign affairs. And so, not unlike the mighty Nile, the Truman Doctrine continues its tortuous flow through the variable landscape of world history.●

NATIONAL SECRETARIES WEEK

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. ROTH. Mr. Speaker, the week of April 20-26, 1980, has been designated as National Secretaries Week. It is very appropriate that we take a moment and recognize the tremendous contribution that secretaries make to our society. Clearly, without the dedication and efficiency demonstrated repeatedly by secretaries all over this country, the work of the Congress and the Nation would come to a standstill. Secretaries qualify as the "unsung heroes" of the marketplace. They are usually the first to catch the blame if something goes wrong and the last to receive credit or praise if things go right.

I, for one, take my hat off to the fine work of secretaries nationwide and believe that their performance merits not only a special week, but also, a special day. That is why I am asking my colleagues to join with me in the following proclamation to designate April 23, 1980, as Secretaries Day:

PROCLAMATION—SECRETARIES DAY APRIL 23, 1980

Whereas, in recognition of the secretary, the week of April 20-26, 1980, has been designated as Secretaries Week; and

Whereas, in keeping with the finest tradition of their profession, secretaries are accepting vital responsibilities and are performing important roles in commerce, industry, government, education, and the professions; and

Whereas, the efforts of these professionals and their many contributions to the nation's progress are significant; and

Whereas, to recognize the secretaries now doing their jobs diligently and to encourage others to enter this worthy career, it is essential that rightful acknowledgment be given their talents;

Now, Therefore, I Toby Roth, Representative of the 8th Congressional District of Wisconsin, join in asking that all business and industry join in giving due recognition to this group, paying special attention to Wednesday, April 23, 1980, as Secretaries Day.●

IMPROVEMENTS IN NATIONAL DEFENSE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. HAMILTON. Mr. Speaker, I insert my Washington Report for Wednesday, March 12, 1980, into the CONGRESSIONAL RECORD:

IMPROVEMENTS IN NATIONAL DEFENSE

The consensus in the country and the Congress is that this nation must remain the strongest in the world.

To maintain our position of pre-eminent strength, the President and the Congress have concluded that the defense budget must be substantially increased over the next several years. Under the President's proposals, total defense spending will move up four-tenths of a percent this year, and then will grow at rates of 4.2 percent to 4.8 percent between 1981 and 1984. If these figures appear large to us, we should keep in mind that our defense effort has fallen from 8.6 percent of the gross national product (GNP) in 1962 to 5 percent today, and that the projected increases will be accommodated without taking much more than 5 percent of the GNP.

Two basic reasons underlie greater defense spending. One is the enormous expansion in the defense effort of the Soviet Union, an expansion that has been underway for at least 20 years. The Soviet defense budget was 50 percent larger than our own last year, measured by what it would cost to pay for Soviet military programs in our economy. The Soviet Union currently commits between 11 percent and 14 percent of its GNP to the military sector. The second reason is potentially dangerous political turbulence in the Caribbean, Southeast Asia, and Iran. As a result of these and other similar circumstances around the world, our armed forces could be faced with an unprecedented number of demands in the years ahead. We are ready to respond to Soviet aggression and local political turmoil in three different ways:

Strategic forces.—Our strategic forces provide the foundation upon which our security rests, and they are composed of three distinct elements: intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles, and long-range bombers. In recent years the Soviet strategic forces have improved in quality and grown in number, and today they are approximately equal to our own in power. The principal strategic problem we must solve is the vulnerability of our ICBMs. This vulnerability lies behind the President's proposal for a mobile missile system, the M-X, to protect our ICBMs from a pre-emptive Soviet strike.

Theater nuclear forces.—With the deployment of the SS-20 mobile missile and the Backfire bomber, the Soviet Union has sharply upgraded its nuclear forces in the European theater. To counter the threat posed by these weapons, the United States is developing two land-based, intermediate-range mobile missiles: the Pershing II and the ground-launched cruise missile (GLCM). They will ultimately be deployed in Great Britain and on the European continent.

Conventional forces.—For a decade or so we have defined the adequacy of our conventional forces terms of the ability to fight one major and one minor war simultaneously in conjunction with our allies. We depend on our allies to man the forward defense lines, but we are prepared to supply reinforcements in the form of tactical aircraft, naval units for control of vital sea lanes, and reserve troops. The Soviet buildup has also caused problems for our conventional forces. Without reducing their military presence in Eastern Europe, the Soviets have tripled their forces in the Far East and have gone on to develop an impressive naval capability. Soviet conventional forces have been modernized and have reached a fairly high state of combat readiness on both their fronts. They can hit NATO with little advance preparation or warning, and they are shoring up both the Vietnamese and the North Koreans.

Our response to the Soviet defense effort has been significant. We have updated our strategic triad, and our future strategic forces will include the Trident submarine and a variety of cruise missiles in addition to the M-X mobile missile. A major initiative of ours to increase the size and better the quality of our presence in Europe, beyond the deployment of the Pershing II and the GLCM, is a part of a long-term defense program for NATO. We are now beginning to concentrate harder than ever on our conventional forces. Among other things, we may: augment our naval power in the Middle East and the Indian Ocean; establish a special task force for the Caribbean; build 97 new ships by 1985 to aid in control of the sea lanes; improve our tactical air forces by adding 1,700 new planes in the next five years; and create a rapid deployment force (complete with pre-positioned ships and a fleet of cargo planes) for emergency action in distant regions.

These steps, if carried out effectively, will enable us to secure our unquestioned military superiority among nations.●

TRIBUTE TO LEN H. SMALL

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. RAILSBACK. Mr. Speaker, recently I received the very sad news that a very prominent Illinoisan, Len Small, was killed in an automobile accident on March 10, 1980. Len was a very civic-minded man. He worked diligently for the betterment of his profession and his community. In order that we may remember his life at the time of his passing, I would like to share with my colleagues some of Len's achievements.

Grandson of former Illinois Gov. Len Small, Len began his career as a lawyer. He was graduated from the University of Illinois Law School in 1937, and he served as an assistant State attorney general in 1940. After 18 years of law practice, Len retired from that profession, and he began his career in publishing in 1955 when he joined the Daily Journal of Kankakee as associate editor. He became coeditor and publisher in 1957, and served in that capacity until 1967, when he became president of Small Newspapers. The newspapers in this group include the Kankakee Journal, the Moline Dispatch, the Ottawa Times, the Streator Journal, all of Illinois, the LaPorte Herald Tribune of Indiana, and the Herald-Argus and the Rochester Post Bulletin of Minnesota.

Len Small was vice chairman of the American Newspaper Publishers Association. He had served on the ANPA board since 1971, and he was to have been nominated chairman at the organization's annual convention on April 23 in Honolulu. He was also a former president of the Inland Press Association, a member of the advisory board of United Press International, and of the Illinois Press Association.

Besides his work in publishing. Len took an active role in civic and business affairs. He served two terms as president of the Kankakee Area Chamber of Commerce, and played a big role in the building of Heritage House, a home of the aging. In my hometown of Moline, he actively contributed to the redevelopment of the downtown area, while he spearheaded growth and innovation at the Dispatch, the town's newspaper. This incomplete account of Len Small's life exemplifies the type of man he was, and helps to explain why he will be so sorely missed by his friends and associates. He will be remembered as an innovative and successful businessman, a man of integrity and vision, and a man who loved his country. In this way he will continue to live in the minds of those who knew him, and serve as an example to all of us.●

SIX STEPS TO DEAL WITH INFLATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues a letter I have sent to President Carter detailing six steps which should be taken immediately to deal with inflation.

They are, as follows: Immediate imposition of an odd-even gas allocating plan; ending of all controls on oil, gasoline, and natural gas; imposition of credit controls; balancing the Federal budget; submission by the President of a list of recession requests to offset supplemental appropriations for entitlement programs which could raise this year's deficit to $44 billion; and passage of a series of supply side tax incentives to encourage investment in the productive capacity necessary to rebuild America's economy. I am not a Johnny-come-lately to any of these positions.

Last June, I called for mandatory odd-even gas rationing to hold down gasoline consumption and I have renewed that call many times.

I have voted for decontrol several times in the House. While painful, I would rather see Americans struggle to deal with high prices than to see us continue to mortgage our national wealth to OPEC and possibly see American bloodshed in the Middle East.

On credit controls: I have supported the Federal Reserve's attempt to fight inflation which has been, to reduce the money supply by increasing interest rates. This policy has now run its logical course, and interest rates are now painfully high. Other types of credit controls would allow rates to decline while preventing an explosion of dollars from swamping our economy caused by a wave of inflationary spending by consumers, and speculative financial manipulation by business.

On reducing the deficit: I was one of only 45 Democrats in the House to stand up last November and vote to order House committees that exceeded their budget guidelines to cut back the programs that they had authorized. I am willing to continue to hold the line on these items.

On tax cuts: I sponsored—early last fall—the so-called "10/5/3" depreciation bill.

We have some difficult—politically painful—choices ahead. But, the American people look to their elected representatives for leadership. They are willing to make sacrifices if public officials make a proper case as to the need for serious solutions to the difficult problems facing our Nation. That is our task: Educate as to the need; and respond with valid, workable solutions.

I believe my six-point plan is a proper response.●

RESTRICTION ON WEEKEND RECREATIONAL BOATING

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mrs. HOLT. Mr. Speaker, I want to alert the Members of this House to a new Department of Energy proposal which threatens the recreational boating industry and related marine trades in this country. This proposal would adversely affect a $5.7 billion industry and the jobs of some 660,000 people nationwide if it is allowed to become final.

The recreational watercraft restriction proposal appeared in the Federal Register on February 7, and was tucked away near the end of the standby Federal emergency energy conservation plan. This proposal singles out recreational boating from all other recreational activities. If the proposal goes into effect, pleasure boating would be restricted on either 1 or 2 days every weekend in the event of an energy emergency. No other form of recreation is pinpointed for similar restrictions.

I feel very strongly that the boating public is just as patriotic as any other segment of the American public and that the more than 58 million pleasure boat owners would respond positively in a crisis, voluntarily limiting or ceasing their use of motor fuel in a national emergency. I have personally contacted the appropriate Department of Energy officials twice, strongly protesting this discriminatory proposal and suggesting that it be dropped. I do not believe it was the intent of Congress when we passed Public Law 96-102 to give the bureaucrats a mandate to single out and curtail one form of recreation over all others.

Of course, we must conserve fuel but we must all share that responsibility, as I am sure we all will, should an emergency arise.

There is no need for this proposed regulation and I would urge that all of you take a look at the national economic impact if this proposal is allowed to stand. Even the threat of such a regulation has already affected boat sales in my district and I have received scores of letters from businessmen, secretaries, mechanics, and others in the marine trades who fear for their jobs. We just don't need the additional unemployment that will occur if this ill-conceived proposal stands.●

RESOLUTION OF THE LITHUANIAN AMERICAN COUNCIL OF BOSTON

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. MOAKLEY. Mr. Speaker, recently the House of Representatives commemorated Lithuanian Independence Day. Support for the brave people of Lithuania still remains strong among Lithuanian communities here in America. The Lithuanian American Council of Boston has passed a resolution calling for the return of independence to Lithuania, and I would like to share this call for freedom with my colleagues.

The resolution follows:

Amerikos Lietuviu Tarybos Bostono Skyrius Lithuanian American Council, of Boston

RESOLUTION

We, the Lithuanian Americans of Boston, Massachusetts assembled this Seventeenth Day of February, 1980, at the S. Boston Lithuanian Citizens' Association Auditorium, to commemorate the Restoration of Lithuania's Independence, do hereby state as follows:

That this year, 1980, marks the 729th anniversary of the foundation of the Kingdom of Lithuania and the 62nd anniversary of the Re-establishment of the Lithuanian State as an Independent Republic on February Sixteenth, 1918;

That Lithuania was recognized as a free and independent nation by the entire free world, she was a member of the League of Nations; however, she was by force and fraud occupied and illegally annexed by the Soviet Union disregarding the Peace Treaty of 1920 in which Moscow had guaranteed Lithuania's Independence forever and disregarding the Non-Aggression Pact of 1926 with the Soviet Union;

That the Soviet Union is an imperialistic, aggressive colonial empire, subjugating each year new countries; Lithuania was one of its first victims. The colonies of western countries have regained their independence, even underdeveloped nations of Africa and Asia, while Lithuania is still exposed to the most brutal Russian colonial oppression and exploitation;

That the Soviet invaders, even though using tortures in jails, concentration camps, psychiatric wards are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their rights to self-determination.

Now, therefore, be it resolved,

That we are grateful to the U.S. House of Representatives and to the U.S. Senate for adopting Concurrent Resolution 54, which recommends to the President of the United States to raise at the Madrid conference the right of the Baltic States for self-determination, to use all available information agencies to bring the attention of all nations to the plight of the Lithuanian nation under Moscow's subjugation, to use every effort to gain the support of other nations for the realization of the independence of the Baltic States.

That we are grateful to President Carter for his struggle for Human Rights, which should include the right of nations to live free and independent lives; we ask President Carter to use U.S. Information Agencies to support the right of the Baltic States for independence, and to encourage our allies to also support the aims of freedom of Lithuania, Latvia and Estonia;

That we urge the United States of America and other nations of the free world to use diplomatic and other possible pressures that the Soviet Union withdraw its military forces, secret police apparatus, foreign administration, and release from jails, concentration camps and psychiatric wards people who struggle for human rights and for liberty;

That the U.S. delegation to the Madrid conference also include a member of Eastern European descent and that the signatories of the Helsinki agreement would condemn the colonial regime in the Baltic States, supporting the aims of this nation for independence;

That we express our most sincere gratitude to the United States administration and the Congress for non-recognition of the incorporation of Lithuania into the Soviet Union and we request them to use every opportunity in international forums and in direct negotiations with the Soviet Union to strongly support the Lithuanian aims for independence.

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the U.S. Congressmen and Senators from our State, to Congressman Dante B. Fascell, Chairman of the Helsinki Committee in Washington, and to the news media.

Ms. Falisa M. Grendal,
Secretary.
Alexander J. Chaplik,
President.●

THE FOOD AND DRUG ADMINISTRATION—WHEN IT COMES TO REGULATION, LET THE BUYER BEWARE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. SYMMS. Mr. Speaker, I wish to submit to the Congressional Record another one of Robert Bleiberg's excellent editorials from Barron's Business and Financial Weekly. This editorial commentary on the Food and Drug Administration appeared in the March 10, 1980, edition. Mr. Bleiberg reveals that many of the regulations handed down by FDA are based on political considerations rather than safety factors. Two excellent examples of this are the ban on cyclamates and the proposed ban on the use of saccharin. After a great deal of research and testing, it has been proven that neither of these sugar substitutes are cancer-causing agents. However, the FDA will not approve the usage of cyclamates or drop its efforts to ban saccharin for reasons that FDA Commissioner Jere E. Goyan admits are part politics. I urge my colleagues to review Mr. Bleiberg's editorial, as I think we all need to consider the detriment to the consumer of these types of FDA policies. The article follows:

"Sweet and Low: In Drug Regulation, Evidently, Anything Goes"

Some people think only a crazy person would leave the city by the Bay for the city on the Potomac. Others might think only a crazy person would agree to run the Food and Drug Administration (FDA). But Jere E. Goyan . . . dean of the Pharmacy School at the University of California (San Francisco) . . . did both, and so far nobody has questioned his sanity. Thus, in a recent issue of the authoritative National Journal, began a revealing Question and Answer session with the man who now runs FDA. From the give-and-take emerges a portrait of a man who should be very much at home in his new surroundings. To illustrate:

Q. When undertaking a risk-benefit analysis, how much importance do you give to economics?

A. I personally don't think that economics should enter into whether we should be banning something.

Or, Q. What about political considerations? Would you make a decision on an issue such as banning caffeine when used as a food additive with an eye on the calendar and the November election?

A. In a sense, all policy is in part politics. If we had very clear food laws and science were absolute . . . we could easily make decisions, because we could just set up a computer and feed in the information and out would come the answer. But we have commissioners of the FDA only because you need someone to think their way through this and come up with reasoned answers. With fine, if unconscious, irony the interview is captioned: "New FDA Commissioner an Advocate of the Consumer's Right to Know."

Commissioner Goyan has now been put to the test, with results that are far from positive. Last week three prestigious scientific organizations, notably Harvard University's School of Public Health, the American

Health Foundation and the National Cancer Institute, simultaneously released findings on the possible relationship between the use of the artificial sweetener, saccharin, and the incidence of cancer of the bladder. After clinical studies on upwards of 4,000 human patients (not the rat pack so beloved by FDA's medicine men), all three research teams concluded that the linkage was nil.

"The evidence," so one scientist who directed the Cancer Institute research wrote in the New England Journal of Medicine, "is that very little, if any, current bladder cancer is due to the consumption of artificial sweeteners at the doses and in the manner in which [they] were commonly consumed in the past." FDA, which several years ago sought to ban saccharin as a cancer-producing agent (carcinogen) and was only balked by a public outcry and prompt remedial action by Congress, maintained a grim silence. Pressed by Barron's for comment, a spokesman said that despite the latest evidence, it hadn't changed its mind.

Or take the case of cyclamate, the far more versatile sweetener produced by Abbott Laboratories, which FDA, with great fanfare, barred from the market more than a decade ago. Several years later, when scientific bodies all over the world had concluded that cyclamate is safe, Abbott asked FDA to rescind its ban. Ever since, the agency, by every trick in the bureaucratic book, has put off making a decision and repeatedly stalled, to the point where the company last September sought relief in U.S. District Court. In a precedent-shattering and courageous move by the regulated against its regulator, Abbott Laboratories petitioned the court to take jurisdiction over the cyclamate proceeding; enjoin FDA from further administrative action; and, on the basis of the existing record and further evidence, to overrule the agency and approve the sale of cyclamate. To FDA's dismay, the court recently ruled that Abbott might proceed with what lawyers call discovery.

Armed with subpoena power, Abbott has proceeded to discover compelling evidence of a sweeping abuse of both the regulatory process and the scientific method, as well as a massive attempt at a cover-up. For years Abbott has made the uncontroverted claim that an FDA Commissioner, at a meeting with corporate executives, had conceded the safety of cyclamate; his sole concern, he went on to say. was purely political. The company has now put into the record affidavits to this effect, as well as a sworn statement from another ex-head of FDA that reinforces the point. Equally shocking, it has succeeded in forcing the agency to disgorge internal memoranda and other documents which prove that throughout the long-drawn-out proceedings, qualified FDA staffers without demur agreed that cyclamate was safe; the higher-ups merely saw no point in allowing it back on the market. Thus, while the rest of the world has freely and safely enjoyed the use of the marvelous sweetener, with all the blessings it bestows on the calorie-conscious, overweight and diabetic, the U.S. has been systematically and arbitrarily deprived. The consumer's right to know? What about his or her right to choose?

At FDA, despite the anti-regulation thrust that's made such headway elsewhere, freedom of choice remains under relentless assault. In 1977, as noted, after a dubious experiment (involving the force-feeding of rats vast quantities) found traces of tumors in a handful of offspring, the agency abruptly announced plans to impose a ban on saccharin. The decision touched off a storm of protest from tens of thousands of diabetics and their doctors; it even moved Congress to legislate a delay (which the House has now voted to extend.) Queried by the National Journal (before last week's findings) on what happens next, Commissioner Goyan spoke of a proposed effort to educate people in the twenties and teens on the alleged risks. As to caffeine: "There is some evidence indicating that caffeine is a teratogen [a substance that causes abnormalities] and we're very concerned about that. Two years from now I might feel that science was at a point where we absolutely had to act. As to sodium nitrite, which is added to such smoked meats as bacon and ham to help preserve them, the agency is still awaiting the report of a group that is reviewing the data. Sooner or later, however, if the past is any guide, it is likely to hand down a decree that will help to make the world safe for botulism.

Cyclamate, and those who produce and consume it, have suffered worst. On the first count, Abbott Laboratories estimates that over the years, the ban has cost it upwards of $42 million, back in 1969-70, processors and canners were hit with losses exceeding $100 million, which Congress, despite the best efforts of a few lawmakers, never saw fit to repay. Most pernicious of all, an exciting and fast-growing industry, diet food and drinks, suffered a body blow. Thanks to saccharin, diet soft drinks have regained their market share and more, but other low-calorie formulations have never recovered. Back in 1969, a group of not-so-jolly fat men, charging violation of their Constitutional rights, brought a class action in federal court against FDA and the Department of Health, Education and Welfare. Claiming to represent millions "who enjoy the free and unrestricted consumption of non-caloric soft drinks, foods and nonprescription medicines which contain cyclamate," they testified that consumption of the food additive is vital to their physical well-being. Consumers lost that battle, but, thanks to the persistence and courage of Abbott Laboratories (which has just received an accolade from Fortune magazine), they have a fighting chance to win the war.

High time. As Abbott points out, it has vainly sought a decision from FDA since 1973; "the cyclamate petition is now under consideration by its fifth Commissioner (two are acting) . . .," conduct which it elsewhere condemns as a "procedure whereby an administrative agency, through outrageous inaction and adoption of extra-legal considerations, frustrates the mandate of Congress and deprives a corporate citizen of its Constitutional and statutory rights." Hence it is seeking the sweeping relief cited above. While the court has yet to rule on all the issues, certain points, to a layman at any rate, are clear. As part of its strategy of delay, FDA repeatedly has turned the application over (remanded) for further scrutiny to hearing examiners. Time and again, in turn, the latter, in total disregard of the agency's own regulations, have sought to impose on the company an impossible standard of safety. FDA hasn't the slightest evidence that cyclamate is unsafe, which is all that the statute requires. On the contrary—as Abbott, with the help of the court, has now "discovered"—FDA technical personnel time and again have found cyclamate safe, even while their higher-ups refused to sanction its production and sale.

Why? In what the District Court called a "surprising assertion," FDA sought to defend its position by invoking public opinion, a yardstick which the court found wholly irrelevant to its Congressional mandate. Commissioner Goyan has been franker; "all policy is part politics," a statement that the record in the case conclusively proves. Here is part of an affidavit filed by Dr. Charles C. Edwards, who headed the FDA from 1969 to 1973 and subsequently served in HEW: "From my experience as Commissioner and as the Assistant Secretary to whom the Commissioner reported, I was aware that factors other than science influence decisions made by the Food and Drug Administration. Such factors in my judgment have played a role in the failure of FDA to approve cyclamate." When it comes to regulation, let the buyer beware.

ROBERT M. BLEIBERG.●

KEN HARDING

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BOLLING. Mr. Speaker, Ken Harding and I have been friends for more than 30 years. He is one of the first people I met when I arrived in Washington after the 1948 election. He has been a good friend and a valuable public servant in each of the roles he has had over those many years. I know he will continue to be both in the years ahead no matter what either he or I are doing. I will miss seeing him in the House of Representatives on a regular basis.●

THE IMPORTANCE OF RADIO FREE EUROPE, RADIO LIBERTY, AND THE VOICE OF AMERICA

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. FARY. Mr. Speaker, a Polish language newspaper published in Chicago, the Dziennik Zwiazkowy, printed an article in the February 29-March 1 weekend edition concerning Radio Free Europe, Radio Liberty, and the Voice of America. I want to share this article with you because it reiterates the views of some of my neighbors, many of whom have written to me that their relatives in Poland consider the radios among the most effective ways of maintaining contact with captive peoples behind the Iron Curtain. Although it has always been important to let the captive peoples know that democracy is strong and thriving, we should be especially aware of this need now that yet another nation has been taken over by a Communist regime.

In view of recent developments, I have become a cosponsor of a concurrent resolution which expresses the sense of the Congress with respect to the United States making full use of its potential to improve the effectiveness of the Voice of America, Radio Free Europe, and Radio Liberty. The following article helps to explain the importance of this resolution:

PRE-ELECTION PLEDGES AND POST-ELECTION REALITY

During his election campaign of 1976 Jimmy Carter issued the following statement on Radio Free Europe and Radio Liberty:

"If detente with the Soviet Union and the countries of Eastern Europe is to have real meaning, we must work towards a freer flow of information and ideas. The most valuable instruments this nation has for this purpose are our international radio stations—Voice of America, the official radio voice of the U.S. Government abroad, Radio Free Europe (RFE) and Radio Liberty (RL), which substitute for a free press in those countries.

These stations have for many years been a vital part of the lives of over half the adult populations of Poland, Czechoslovakia, Rumania, Hungary, and Bulgaria and one-fourth the adult population of the Soviet Union. For these people, radio broadcasts from abroad are the primary source of uncensored information.

The Voice of America, with superb technical facilities and a capacity to broadcast an audible signal to all of Eastern Europe and the Soviet Union, has been entangled in a web of political restrictions imposed by the Department of State, which seriously limits its effectiveness. At the same time, for nearly a decade, our foreign policy leadership in Washington has ignored repeated warnings that the broadcast strength of Radio Free Europe and Radio Liberty is growing progessively weaker owing to jamming and inadequate transmitter power.

Three years ago, a Presidential Study Commission chaired by Milton Eisenhower concluded that major facility modernization of the two stations should be undertaken on an urgent basis. The President and the authorizing committees of Congress concurred. And yet, the budget request for the period through September, 1977 is now before the Congress and still no funding is being sought by the Administration for the essential transmitters.

I believe that this failure to act from the inability of the present Administration to appreciate the importance of an open foreign policy and a free flow of information and ideas through mass communication. There are also signs of a more insidious problem—a preference by our Secretary of State to deal privately with the Soviets, while they have launched a massive diplomatic attack on the radios, demanding that they be shut down and attempting to prevent RFE and RL commentators from covering the Olympic Games. As I said in Chicago, ". . . having the benefits of the Helsinki Accords without the requirement of living up to the human rights provisions which form an integral part of it, is not an acceptable formula for detente.

In the final analysis, the radios are more than mere transmitters of information. They are the symbol of the U.S. commitment to peaceful change in Eastern Europe and a sign of continued U.S. engagement in Europe's future. If we remove the uncertainties that have arisen around our commitment to the radios, the peoples of the Soviet Union and Eastern Europe—Poles, Czechs, Slovaks, Hungarians, Russians, Ukranians and others—will transcend what Alexander Solzhenitsyn has called the "muffled zone". And the American people can once again take pride in the fact that their foreign policy is an accurate reflection of their character and moral heritage."

How these solemn pledges look from perspective of more than three years of Carter's administration?

The process of gradual dismantling of RFE/RL initiated by Ford-Kissinger has been continuing. In consecutive shockwaves of mass reduction the Radio lost 38% of its personnel.

An inadequate program of new transmitters was sent to the U.S. Congress. The entire area east of Ural remains out of their effective range (Board for International Broadcasting Annual Report 1980).

Every year funds requested by RFE/RL were cut down, first by the Administration and later by the Congress. Annual allocations, higher on paper, never compensated fully inflationary costs increases and dollar devaluation. Both Radios are being nickeled and dimed to death by penny-pinching economics.

In constant search of saving measures RFE/RL have been subjected to permanent reorganizations. Disruptive relocations and dispersal of remaining staff in Munich recommended to Congress by BIB may deal a final blow to these strategic instruments. Lack of stability has seriously undermined morale of the staff.

At the same time the Soviet Union:

Has increased its broadcasting in 68 languages to 2,000 hours per week.

Has been jamming RFE/RL at the expense of $300 million.

Has concentrated a barrage of inflammatory and mendacious anti-American propaganda on Iran, Turkey, Arab countries and other critical areas.

The U.S. is facing the greatest threat of its security and well-being since 1945. The strategic role of the radios should be reappraised and dramatically upgraded on our list of strategic priorities. Our great resources and technology should be fully exploited in a crush program aimed at increasing the impact of shortwave radios to its maximum. These instruments represent our only means to erode the Soviet System and its commitment to expansion and aggression.●

KENNETH HARDING

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. CHAPPELL. Mr. Speaker, I rise today to pay deeply deserved tribute to a gentleman who has become as much a part of the institution of the House of Representatives as any of the thousands of Members who have served during the past 30 years. I refer, of course, to a dear friend and exemplary public servant, Kenneth Harding. To the regret of every Member, staff assistant, and visitor who has been helped by Ken over the years, he has decided to retire as Sergeant at Arms of the House; we will all miss him very much.

I am particularly proud to be able to call Ken a personal friend, as well as professional associate. Surely he has been invaluable to me—and my staff—in that latter capacity. His calm, capable hands have been able to cope with the many vexing problems that have arisen. More than just competence, Ken brought something else to his job, that enhanced the results of his work—eternally cheerful manner. Faced with any level of crisis, from a last-minute call for a parking space in front of the Capitol, to matters that could have indeed developed into something quite serious—Ken dealt with the situation cooly, and with a steady smile and pleasant attitude that made the person asking him for help know that everything would be all right. Ken exuded a confidence in himself and his staff that was remarkably contagious. Knowing that Ken could solve all the problems you could bring him made you think that they weren't really problems at all. His successor has an unenviable job, for Ken has set some lofty standards.

We will all miss him—including, I know, his own staff. Let me join with my colleagues in wishing him a wonderful, fulfilling, and well-deserved retirement.●

RESIGNATION OF SERGEANT AT ARMS KENNETH HARDING

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. BOLAND. Mr. Speaker, the resignation of Ken Harding has deprived the House of Representatives of the services of one of its most loyal and dedicated employees. For over 30 years Ken has served the Members of this House in a number of important positions; as assistant to the chairman and executive director of the Democratic National Congressional Committee, as Assistant Sergeant at Arms, and as Sergeant at Arms. During these years Ken has performed a number of important functions that are absolutely essential to the smooth operation of the House. The manner in which he discharged the duties and responsibilities attendant to each of the positions he has held, especially the office of Sergeant at Arms, has reflected a great deal of credit on both himself and this House. Even though his allegiance has always been to the Democratic Party, the respect with which he is held by the Members of this body transcends party lines. That is perhaps the greatest tribute to his character, his personality, and the way in which he has done his job.

My regret at Ken's resignation is tempered by the knowledge that he is looking forward to channeling his energy and skill on new interests. I am sure that he will be as successful in those pursuits as he has been in his efforts on our behalf. I know I join with all my colleagues in wishing Ken and his family all the best in the years to come.●

INFLATION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. PORTER. Mr. Speaker, inflation stood at 4.8 percent when Mr. Carter took the oath of office as President in January 1977. Today, inflation is running at an annualized rate of nearly 20 percent, a fourfold increase in just 3 years.

Now, with national elections looming next November, it appears that Mr. Carter is about to panic. For the past 3 years, instead of taking those steps necessary to control Federal spending, cut excessive Government regulation, and encourage productivity and real economic growth, Mr. Carter has chosen instead cosmetic palliatives. He has fiddled with voluntary wage and price controls to absolutely no effect and, most recently, has given his tacit approval to the Federal Reserve's putting upon the American people oppressively high interest rates.

Now with demagogs whose votes have been a prime ingredient in the economic mess that besets us calling for Government control of the economy as the only solution—a step that has never worked and never will work—the Carter administration finds itself in a political box. Mr. Carter feels he must do something, something immediate, something with impact, something dramatic.

But Mr. Speaker, that is exactly the time when past errors are compounded, when steps are taken that will only be regretted later, when politics takes the place of considered policy. Let us hope the President can put politics aside. Let us hope he understands that it took a long time to arrive where we are and there is no quick-fix solution. Let us hope he will propose beginning the painful processes that should have begun 3 years ago that will be necessary to undo the damage of his own vacillation and ineptitude.

Those processes were very clearly articulated in a recent editorial in the Chicago Tribune that is reprinted here:

A REPLY TO THE WHITE HOUSE

Dear Messrs. Kahn and Miller: It's good to know the administration is going to resist the escalating clamor for mandatory controls. They have never achieved their purpose. To the extent that they do anything, it is to distort the economy, create strains that will ultimately burst out of control, and delude politicians into thinking that inflation has been tamed and that they are freed from their obligation to deal with its basic causes.

Voluntary controls are at least more consistent with a free economy. But their greater merit is that they are even less likely to work than mandatory controls. Come to think of it, many of us aren't even sure what the guidelines are. They started at 5½ per cent for prices and 7 per cent for wages, as we recall, but they worked so poorly that the price guideline has been raised to 7 [or is it 9?] per cent, and the wage guideline has become so vague that your telegram doesn't even say it remains in effect.

In short, there's a good deal more incentive to go after the real causes of inflation than there would be if the government had imposed mandatory controls and then tried to fuzz up the figures so as to suggest that they were working.

So we welcome your invitation for recommendations. Since both of you have spoken eloquently about the ultimate futility of controls and about the severe and painful measures that will have to be taken to stop inflation, we're not sure we can tell you much that you haven't already told us. But your message obviously hasn't got through to enough of your colleagues in the administration and in Congress. Maybe your words will help you persuade them. So here are some thoughts, divided into suitable categories:

First and foremost, cut down the federal deficit, or at least don't borrow more than you can get from non-inflationary sources such as individuals. When the federal government borrows from the banking system, the banks simply create new credits out of thin air, which amounts to printing new money.

In looking for places to cut spending, quit mumbling about "uncontrollable expenditures." There are no programs that can't be controlled, with the help of Congress, with the possible exception of interest on the debt. Interest rates won't subside until the prospects for inflation do.

Quit pretending that the government is helping consumers by giving them tax breaks or sweetening the subsidies they get through Social Security, welfare, minimum wage laws. This not only aggravates the deficit, but pushes up demand for a stagnant or even declining supply of goods. There is no surer way to push prices up.

Concentrate instead on increasing industrial productivity, which has slipped to a level that is disgraceful for a country that once led the world in industrial efficiency. Reduce taxes that discourage saving and investment. Encourage the states to do the same [Illinois' unemployment insurance requirements are oppressive]. Stop allowing government money to be used to subsidize strikes through food stamps, welfare, and the like.

Do away with the laws, regulations, and subsidies that protect inefficiency at the expense of the consumer and taxpayer. Cut protectionist trade restrictions to a bare minimum. Abandon those forms of regulation that in effect allow industries to fix their own prices and prevent competition, in violation of the spirit of the antitrust laws [you're making progress in the Senate with respect to trucking]. Phase out subsidies for sugar, tobacco, shipping, and so on. Repeal the Davis-Bacon law, which forces government contractors to pay excessive wages.

Do what the government can to reverse the trend toward indexation [cost-of-living adjustments], which, by seeming to immunize more and more people from the effects of inflation, merely perpetuates and aggravates it and ends up helping nobody and bankrupting those whose income is not indexed.

Quit looking for scapegoats and alibis. Higher prices for oil—or anything else—cannot cause inflation unless the money supply rises to absorb the increased prices—and the money supply is very largely dependent on the actions of Congress, the Federal Reserve Board, and Mr. Miller's Treasury Department.

To sum it up, quit acting like the girl who can't say no. There's a difference, though: When the government can't say no, it's the taxpayer and consumer who do the regretting.

The longer you do too little, the more pervasive will be the inflationary psychology that makes your job more difficult. This psychology can no longer be cured by placebos. Those who gambled on more inflation have proved right too long. It may sound callous, but the inflationary psychology is likely to continue until the squeals of pain are unmistakable.

We'll do our part, and urge our readers to do theirs, by not seeking or supporting programs that conflict with what we've said. And next week we'll try to elect some congressmen from Illinois who have the guts to say no when it's the right answer.●

DOMESTIC VIOLENCE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. SIMON. Mr. Speaker, late last year the House of Representatives with strong support passed H.R. 2977, the Domestic Violence Prevention and Services Act. The bill would provide Federal support for State and local activities to prevent domestic violence and assist the victims of domestic violence, and coordinate Federal programs pertaining to domestic violence.

Witnesses at hearings held before the Subcommittee on Select Education, which I have the honor to chair, testified to the alarming incidence of family violence. We found, too, that the abuse of spouses is, in fact, often related to the abuse of children and violence done to elderly parents. I would like, therefore, to place in the RECORD and draw to the attention of my colleagues a recent article in Parade magazine entitled "Parent Abuse—A New Plague." It points to the growing number and serious nature of parental battering in this country. Indeed, a study conducted at Cleveland's Chronic Illness Center found that 1 out of every 10 elderly persons living with a family member had been the victim of abuse.

Mr. Speaker, services to the victims of violent behavior occurring in families, like those authorized by H.R. 2977, can be coordinated and resources encouraged to insure that those who are abused in their homes—wives, husbands, parents, and children—will be helped. Witnesses at our hearings repeatedly said that the lack of sufficient funding is the major obstacle to the establishment and maintenance of programs to help the abused. Without adequate funds appropriated by Congress for the services authorized by H.R. 2977, the victims of family violence will still be ignored.

The article follows:

PARENT ABUSE—A NEW PLAGUE

(By Lewis Koch and Joanne Koch)

"Parent abuse," a new term in the lexicon of family violence, may become the hidden crime of the 1980s. Abused parents are elderly people who live with and depend upon their adult children and who are psychologically or physically mistreated by them. The public is virtually unaware of the battered aged, yet there may be a million or more elderly parents suffering abuse at the hands of their own children.

Suzanne K. Steinmetz, associate professor of Individual and Family Studies at the University of Delaware and author of several books on family violence, finds that the battered parent problem—first labeled in England as "granny bashing" and "gramslamming"— is growing here in numbers and ferocity.

"In the U.S.," notes Steinmetz, "the care of 22 million people over 65 is left to chance." When overburdened and unprepared adult children take on the care of their parents, many of them become abusers:

In Chicago, a 19-year-old woman confessed to torturing her 81-year-old father and chaining him to a toilet for seven days. She also hit him with a hammer when he was asleep: "I worked him over real good with it. Then after I made him weak enough, I chained his legs together. After that I left him and rested. I watched TV for a while."

In Delaware, Mrs. A., 78, has a 37-year-old retarded daughter who is the mother of a 13-year-old daughter. The grandchild physically abuses the grandmother.

In Chicago, a 69-year-old father was charged with involuntary manslaughter after his son died during a scuffle with him. "I just knew I couldn't stand for him to beat on me," the elderly man said. Chicago homicide investigator Victor Tosello said cases involving a grown child beating up on parents "happens all the time. It's not at all unusual for these kids to beat up on their elderly, who are at a disadvantage. Parents are terrified of their children."

Professor Steinmetz cites many incidents of benign neglect—tying elderly kin to beds or chairs while housekeeping or shopping is finished, giving them excessive doses of medication or alcohol to make them more manageable. But after examining a recent survey on family violence, she reports that much of the documented abuse is openly violent—parents battered with fists and objects to "make them mind," to force them to change provisions in their wills, or to sign other papers. She says nursing homes have even complained that they can't prevent family members from abusing parents during visiting hours.

In one of the few parent-abuse studies available—this one conducted by Elizabeth E. Lau and Jordan I. Kosberg at the Chronic Illness Center of Cleveland's county hospital system—one out of every 10 elderly persons living with a member of the family had been subjected to abuse.

Lau and Kosberg believe the rate of actual abuse is even higher. Dependent parents are often incapable of reporting abuse—afraid to be evicted or ashamed to admit that they have suffered at the hands of their own children. Many become resigned to their fate.

Of the cases actually reported, they found four types of abuses to be most prevalent:

Physical abuse, which included direct beating and the withholding of personal care, food, medicine and necessary supervision.

Psychological abuse, including verbal assaults and threats provoking fear.

Material abuse or theft of money or personal property.

Violation of rights—forcing a parent out of his or her own dwelling, usually into a nursing home.

Three-fourths of the cases in the Cleveland study involved physical abuse; almost half included psychological abuse; and in almost every case, there was a violation of rights. While every state has laws against child abuse, Lau and Kosberg point out that many states still have no laws specifically for the protection of the abused elderly. If they do go to court, Lau and Kosberg say, "they have less rights than the average criminal."

The victims of family violence—battered parents, battered children and battered wives—have common disadvantages, notes family sociologist Diane Levande of Michigan State University: "Victims are smaller. They have less physical strength and feel helpless in relation to the aggressors. Victims are dependent on their aggressors for financial, physical and emotional support and care. Victims are seen by the society as less important in status of productivity." This is particularly true of the abused elderly. As Suzanne Steinmetz has written: "The aged are at the end of their economically productive life, which is the basis on which our culture values individuals and provides them with deference, status, respect and rewards."

Maggie Kuhn—founder of the Gray Panthers, a senior citizens' rights organization—hopes the aged will be able to maintain a valued position in our society while their caretakers begin to receive more support. "We get calls all the time from people who are at the end of the line. They say, 'Help me. My mother's home. She's had a stroke. We can't leave her alone.' They feel guilt, rage, frustration, the enormous fatigue of caring for a person through the night and then having to get up to go to work the next morning. That can make people very angry, very frustrated—even violent."

Maggie Kuhn remembers feeling rage mingled with compassion and pity when caring for her own mother, who died at the age of 92. She claims the thing that helped her with those last trying years was the friendship she had established with her mother when Maggie was in her late 20s and early 30s. It was easier to move from this base of friendship and equality gradually into her role of caretaker. Kuhn believes people in their middle years need to be educated to prepare for the role-reversal that inevitably comes when aging parents require care.

If middle-aged children have a chance to prepare for their parents' growing dependency, and if the process is a gradual one, they are less likely to be overwhelmed by the caretaker role. This was one of the findings of social worker Amy Horowitz, who studied New York families that were caring for an elderly parent. In her report at an annual meeting of the Gerontological Society, Horowitz noted that support from other family members and a history of reciprocal loving concern between child and parent reduced the possibility for conflict. Seeds of rage and retribution can be planted, Horowitz found, when care is given "in spite of, not because of, the past relationship."

Even if the relationship has been reasonably good in the past, assuming the care of an elderly parent is fraught with stress. The woman—and in most cases it's a woman who assumes this burden—must play the dual role of daughter and wife. Many wives, said the Horowitz study, attempted to protect their husbands from involvement rather than sharing the burden. This was true even when the woman was the daughter-in-law.

A woman may have many motives for assuming the care of a parent: Love, a sense of obligation, an inability to face the guilt of consigning the parent to a nursing home, the need for additional income, or at least a financial need to avoid the cost of good nursing care. Even when children assume this responsibility out of love, witnessing the aging of one's own parent is painful.

The best of parent-child relationships can deteriorate as the burden of caring persists. Yet there are virtually no support systems for the caretakers, no useful roles for those who require care so that they will continue to feel like persons. According to Kuhn, less than 4 percent of the outpatient mental health centers around the country are reaching anyone over 60.

As life expectancy increases and the U.S. population shifts, more and more Americans will find themselves confronted with an aging parent who requires care. Between 65 and 72, only one person in 50 needs long-term care. But at age 73 and over, the chances rise to one in 15. In 1978 under 5 percent of the elderly population were living in nursing homes. Horowitz and others who work with the elderly say that bigger and better nursing homes are not the answer. Help will come, Horowitz predicts, from "developing ways to support a family caring system which is struggling to survive."

With the cost of living rising and more women working, the problem of parent care and parent abuse is not likely to diminish. A nationwide alert to the presence of battered parents could lead to a network of "hotlines" and community-support systems like those that have been set up to combat child abuse and spouse assault.

Meanwhile, people nearing middle age might follow Maggie Kuhn's advice and prepare for the almost inevitable role-reversal: "When the parent becomes the child, the child must become the parent."●

KEN HARDING

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, it is a pleasure to take this opportunity to thank Ken Harding for his years of service to the House of Representatives and the Democratic Party.

I first came to know Ken Harding when I worked on the staff of another Oklahoma Congressman, Ed Edmondson. Later, during my years on President Johnson's staff, Ken Harding continued to serve the Democrats and the House of Representatives well, and we always looked on him as one of our party's most valuable assets.

Ken was very helpful to me in my first race for Congress in 1970, and again 2 years later when I was first elected to my seat. He has continued to provide outstanding contributions, not only to his party, but to the House of Representatives as a whole during his tenure as Sergeant at Arms.

We know we are losing a good man in Ken Harding. But as sorry as we are to lose his expertise, we send him off with every good wish for whatever the future may hold for him.●

THE OPEC REVOLUTION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. CONYERS. Mr. Speaker, public anxiety about energy reflects not only its soaring price and uncertain supply. It also mirrors public concern over the lack of control over this fundamental resource. Not surprisingly, citizens are totally confused about American dependence on OPEC oil, the enormous increase in oil prices, the market power wielded by the multinational oil companies, and the role of the Federal Government in implementing energy policy.

A recent article entitled, "The OPEC Revolution," written by Frank Collins, energy consultant to the Oil, Chemical, and Atomic Workers International Union, furnishes more clarity to these questions than any other single piece that I have seen. It traces the historical development of the OPEC cartel, its connections with the oil companies, and the conditions that have led the United States to its present energy crisis. It offers sensible solutions, including the importance of a Federal oil import agency and a public oil and gas corporation to develop resources on Federal lands.

I urge my colleagues to read the following article from the February 1980, issue of The Progressive:

THE OPEC REVOLUTION

(By Frank Collins)

At Ras Tanura, the port of Saudi Arabia, Arabian Light Marker crude oil now sells at an officially set price of $24.00 per forty-two gallon barrel. According to a recent report in Petroleum Intelligence Weekly, it costs only twenty-nine cents per barrel, or less than one cent per gallon, to produce the oil and put it aboard a tanker. This represents a margin of more than eighty-to-one between cost and price, excluding Saudi royalties and taxes.

Oil companies and economists like to talk about "the artificially low prices" of oil before 1974, when it sold for $3.01. In more realistic terms, it is the current price of oil that is artificial, sustained not by actual costs of production, but solely by the power of the OPEC cartel. The cartel price for oil is, of course, thoroughly congenial to oil producers everywhere. It is the foundation on which their immense profits are based.

The 1973 seizure of oil pricing power by the OPEC countries was a world revolution in power relationships—a revolution with which the rest of the world is still trying to cope. Still in question, however, is whether the OPEC cartel has the long-term ability to sustain the present pricing system of oil. While this ability is now almost universally taken for granted, it is by no means certain that OPEC power can permanently be maintained.

The early history of world oil was one of oil gluts and price wars. Only by means of corporate monopolies, cartel agreements, and governmental actions has excessive oil production been restrained, making it possible to institute scarcity prices and generate high profits.

On a world scale, crude oil has been abundant and cheap to produce. Because of its abundance and low production cost, a free marketplace in world oil would have reduced its selling price to a fraction of the monopoly prices which prevailed between 1928 and 1974, to say nothing of the extortionate prices in effect since 1973. Before 1928, world oil pricing was highly competitive and marked by periodic price wars.

The free marketplace in oil was killed in 1928 by the Achnacarry Agreement, which allocated markets and eliminated price cutting. The initial parties were British Petroleum, Shell, and Exxon (then Standard Oil of New Jersey), but it was later extended to the other members of the Seven Sisters—Mobil, Texaco, California Standard, and Gulf. According to Exxon, the Achnacarry Agreement was terminated in 1939. However, evidence presented to the U.S. Senate Subcommittee on Multinational Corporations in 1974 indicates that the Seven Sisters continued cooperating to control oil pricing through a central secretariat.

The Organization of Petroleum Exporting Countries (OPEC) was formed in 1960—an event so obscure at the time that it was relegated to a brief note in the back financial pages of the newpapers. Disunited and powerless, OPEC was seen as little more than a futile gesture of defiance by the oil producers.

Finally united after thirteen years, the OPEC cartel seized control of the pricing of world oil in October 1973. Against the backdrop of the Arab-Israeli war, the representatives of OPEC walked out of pending negotiations with the multinational oil companies and proceeded to dictate not only their "take" of profits, but the pricing of oil in world commerce.

Within a few months, OPEC more than tripled the price of crude oil—from $3.01 per barrel in October 1973 to $10.95 in January 1974. This huge price increase was made possible by the selective oil embargo mounted by the Arab members of OPEC, though the embargo was brief and only partially successful.

Though it now seems incredible, the multinational oil companies were concerned in 1973 that the market could not absorb even the $1-per-barrel increase of the oil producing countries' "take" demanded by OPEC. That increase would have raised the posted price of oil to $5. It has now been revealed that OPEC was prepared at the time to settle for an increase of as little as forty or forty-five cents.

Contrary to the original fears of the multinationals, however, the OPEC price increases have proved to be enormously profitable to the multinational oil companies as well as to oil producers around the world. While 60 per cent of the oil production in Saudi Arabia has been nationalized, with the companies receiving only token payments for their production services, the profits on the remaining oil still owned by the companies have skyrocketed—and so have profits on their wholly owned oil in other countries. Furthermore, the OPEC price increases have exerted an almost irresistible upward pressure on the controlled prices of U.S. domestic crude oil.

The phased decontrol of crude oil prices launched last June by the Carter Administration will boost domestic crude prices from the present average of about $12 per barrel to the world cartel price, now more than $27, by October 1981. If Congress does not reverse the Administration's action, decontrol will cost consumers more than $50 billion a year, assuming no further OPEC price increases. Oil company profits will more than double. The book value of known U.S. oil reserves will increase from the present $303.5 billion to $800 billion—a $500 billion gift to the oil producers.

The international oil companies and other oil producers have learned to love OPEC. One looks in vain for public statements by any oil company deploring OPEC price increases. It would be naive to suppose that the multinationals offer the slightest resistance to OPEC price rises which do so much to raise profits.

Shortages, real or contrived, are among the factors helpful to the maintenance of a cartel. The shut-down of Iranian oil production during the turmoil of the revolution strengthened the OPEC cartel considerably. But contrary to repeated assertions by the Carter Administration, the Iranian shortfall did *not* cause a net shortage in world oil supplies: The Iranian shortfall was made up by increased production elsewhere, particularly in Saudi Arabia. Oil production in the non-Communist world actually increased during the first half of 1979.

The Iranian revolution merely caused a temporary dislocation of supplies early in 1979, rather than a shortfall. The dislocation—and the resultant propaganda about a major shortage—had two important results:

First, it emboldened OPEC to raise the official price of oil three times in 1979—increases which totaled more than 50 per cent. OPEC prices, in spite of some nominal increases between 1974 and 1979, had declined slightly in real terms, since they were quoted in terms of the declining U.S. dollar.

The 1979 rounds of oil price increases have revealed considerable disunity among the OPEC countries. Each country now has its own official oil price, ranging from $24 to $30, plus additional surcharges. As might be expected, the multinational oil companies are not using these price differences as a bargaining tool to drive down prices. Instead, as reported in The Wall Street Journal last July 24, the companies have been selling the lower-priced Saudi Arabian oil as if it had been priced at the higher OPEC levels. They have pocketed the difference.

Disunity within OPEC provides an opportunity for genuine hard bargaining in the international oil marketplace. It is an opportunity that should be grasped immediately. Any curtailment of oil demand resulting from the world recession now setting in will further enhance the possibilities of consumer gains from bona fide oil bargaining. But the opportunity will obviously not be seized so long as the multinational oil companies monopolize trade with the OPEC cartel.

The Conyers-Rosenthal-Rose bill now pending in the U.S. House of Representatives, and a companion bill in the Senate, would create a public corporation structured like TVA to buy all of the oil to be imported into the United States. Unlike the oil multinationals, a Federal oil buying corporation would direct its efforts to buying oil for the lowest possible price.

The creation of such a public corporation could not, in itself, guarantee that prices would be driven down substantially by free-market bargaining. However, the spread of official oil prices among the OPEC countries indicates that the cartel now lacks one of the essentials of a monopoly—the ability to maintain a single price for commodities of equal characteristics and quality. As a minimum, the Federal corporation should be able to buy Saudi government-owned oil at the official price of $24 and then sell it to U.S. consumers without the huge mark-ups now being taken by the four U.S. partners in Aramco, the Arabian-American Oil Co.

The second important effect of the dislocation of crude oil supplies by the Iranian revolution was to provide the pretext for the U.S. gasoline shortages of the first half of 1979 and the accompanying jack-up of gasoline prices.

Contrary to repeated assertions by the U.S. Department of Energy, there were no general shortfalls in imported oil supplies for U.S. refineries to process in the spring of 1979. DOE's own data, summarized in the accompanying tables, refute the claim that the gasoline shortage occurred because of the "shortfall in oil imports due to the Iranian crisis."

The data show that oil imports for the first half of 1979 were 8 per cent above imports for the same period of 1978. Just how an 8 per cent increase could be converted into an "Iranian shortfall" has never been made clear. The 8 per cent increase does not include the oil imports that were diverted into the Strategic Petroleum Reserve

(SPR). The purpose of SPR, ironically, is to prevent crude oil shortfalls.

Nor was there any really significant decline in reported crude oil stocks at the beginning of 1979. True, working stocks had been drawn down by the industry so that they were 7.5 per cent below the swollen record stocks at the beginning of 1978—but they were still 10.2 per cent higher than stocks at the beginning of 1977. This was more than enough to take care of the two-year increase in demand. With SPR stocks taken into consideration, total U.S. crude stocks at the beginning of 1979 were at an all-time high—9.7 per cent above those of a year earlier.

The figures show that it was not a shortfall in crude oil stocks but a concerted slowdown in the utilization of refinery capacity that led to the gasoline lines. U.S. refineries were operating in excess of 90 per cent capacity in the fall of 1978, but refinery utilization was reduced to 85 per cent of capacity in the first half of 1979.

The mix of products—gasoline, kerosene, heating oil, etc.—turned out by a typical refinery has some degree of flexibility, but is limited by the characteristics of the crude oil being processed and the technology of the refinery. The slowdown of 5 percentage points was sufficient to cause not only the shortfall in gasoline deliveries but also a threatened shortage of heating oil.

The role of the Department of Energy in the gasoline shortages of 1979 is still unclear. Industry spokesmen have accused the Department of intensifying the shortages by muddling and ineptness. The Department undoubtedly had statutory authority under Sections 14 and 15 of the Emergency Petroleum Allocation Act of 1974 to require the refineries to produce adequate supplies of gasoline, but no emergency rule was issued. An emergency rule was issued by DOE in the case of heating oil, but it was not invoked. In short, DOE stood by during the gasoline shortages and did little more than issue statements defending the oil companies' refinery slowdowns.

The connection between contrived shortages at gasoline pumps and retail price increases far in excess of OPEC price rises has been only too painfully obvious to motorists. The average retail price of gasoline, including taxes, has been raised from about seventy cents per gallon in January 1979 to more than $1 at the end of the year. The 1979 OPEC price rises, as large as they have been, would have justified a gasoline price rise of only twelve to fifteen cents.

The murky future of world energy hinges, with respect to crude oil, on whether the OPEC can hold on to its effective control of oil supplies or loses control because of disunity, possible further political upheavals, or the discovery of large oil resources outside the OPEC bloc—in Mexico, for example.

One major question, of course, is the ultimate size of recoverable world oil resources. Predictions cover the full range of possibilities. The Central Intelligence Agency has been consistently gloomy, maintaining that shortfalls in world oil supplies due to resource depletion will occur in the early 1980s. On the other hand, the U.S. Energy Information Agency projects that world supplies will be adequate until the 1990s. Most oil geologists are agreed on an estimate of roughly two trillion barrels for the world's "ultimately recoverable" oil resources. The dispute arises largely from differing estimates of the rate of discovery of new oil.

The amount of oil "ultimately recoverable" depends upon assumptions as to the portion of the oil in place that can actually be produced—about 30 percent when conventional methods of recovery are used. Improved recovery techniques, however, could greatly increase the amount of recoverable oil. Authoritative oil journals have reported that the quantity of oil still recoverable from known U.S. reserves by improved techniques would match all the oil that has been produced so far. Some experts estimate that world oil resources may be four times greater than is commonly assumed—enough to meet demand well into the coming century.

Despite CIA pessimism, there seems to be little possibility of oil "running out" over the next few years. New production shortfalls appear unlikely, barring major political turmoil in the Middle East. As recently as the summer of 1978, the multinationals were complaining about an excess of nine million barrels of oil per day not produced because it could not be sold; to avoid a glut, purchases of OPEC oil by the multinationals had to be cut back by 10 percent in order to balance off increasing production of non-OPEC oil in Alaska, the North Sea, and Mexico.

The recession we are now entering is expected to reduce oil demand and create a new surplus of deliverable crude. In the 1974-1975 recession, oil demand in the non-Communist world dropped by 6 percent, adding to the world's surplus of deliverable oil by three million barrels a day.

Such projections of surplus deliverable oil seem a far cry from the 1979 "shortages," which allowed traders on the world's "spot market" to sell oil at $10 or even more above the highest OPEC official prices. The dislocation of supplies caused by the Iranian turmoil produced spot shortages to some refiners even though there were no overall shortfalls, and these shortages were met by purchases at high prices in the spot market.

The spot market is all that remains of a free marketplace in world oil. It deals in the small quantities of available oil not already under contract. It can be highly volatile, reflecting transient conditions. When the distribution of oil supplies again becomes stable, the spot market will settle down to its normal condition—a safety valve for trading small amounts of oil at reduced prices.

As we look beyond the current Iranian uncertainties to the future prospects of our energy situation, we must recognize that the U.S. "energy crisis" is almost completely an oil crisis. Oil provides 47 percent of America's energy needs, and almost half of that oil is imported. The United States is virtually independent of the rest of the world for its other non-renewable energy supplies—natural gas, coal, and uranium. The supplies of these other fuels are important to the extent that they can be substituted for imported oil.

One problem the United States faces is that at least half of its demand for oil can not be supplied by other conventional fuels. Transportation, in particular, requires liquid fuels, and can not easily be switched to fuels that are in better domestic supply. For the short term, at least, the United States must continue to import oil at the present high levels.

This fact places the U.S. economy in a perilous position. So long as the power of the OPEC cartels survives, oil consumers can expect a continuing series of arbitrary and irreversible price increases to be instituted whenever a political upset takes place in an OPEC country that supplies a significant quantity of oil or when a a general regional crisis threatens to cut off supplies.

The demand for oil is relatively "in-elastic"—that is, there is little decrease in demand when the price is raised. The fourfold increase on OPEC oil prices between 1973 and 1978 produced little decrease in demand, though it may have held down the rate of increase. OPEC prices could finally rise to a "monopoly limit"—the price at which large numbers of people could no longer afford to buy oil products. The demand then could sink to the point where total revenues to OPEC would start declining in spite of higher unit prices. This is known as the "point of diminishing returns," or "all that the traffic will bear."

OPEC prices are now nine times what they were in October 1973. The location of the point of diminishing returns is an open question. The final monopoly price could be twenty or thirty times higher, or perhaps an even more astronomical figure.

The worst of all possible circumstances would be a simultaneous shutdown by two or more of the largest OPEC oil exporters, such as has occurred in Iran. Potentially volatile countries—Saudi Arabia, Nigeria, Algeria, and Libya—supply one-half of all the oil imported into the United States. Saudi Arabia alone supplies 18 per cent of U.S. imports. The total production of Saudi Arabia is now 9.5 million barrels per day, an amount greater than the total excess production capacity for 1978 in the non-Communist world. An oil supply breakdown involving two or more of these oil giants would create economic chaos throughout the world.

The OPEC revolution confronts the United States with two major policy questions: The first is how to deal with emergency situations in the present—the dangers of oil supply cut-offs—and the new OPEC price increases. The second is how to provide for an orderly transition from exhaustible fuels to stable and renewable energy sources. Both of these problems demand that the first priority of U.S. energy policy be to reduce our dangerous dependence on oil imports.

That has been the goal of U.S. energy policy under three Administrations, beginning with the grandiose Nixon plan for "Energy Independence." Six years later, the United States is worse off than it was at the time of the Arab oil embargo. Oil imports have risen from about one-third to almost one-half of total U.S. oil consumption. Domestic oil production has been dropping at a rate of about 2 per cent a year, while the demand for oil products continues to grow.

There is a note of desperation as the Carter Administration moves from its original National Energy Plan, with its emphasis on conservation, to the Camp David proposals for the investment of tens of billions of dollars of consumers' money in commercial synthetic fuel plants. Decontrol of domestic crude oil prices, long advocated by the oil companies, has become a cornerstone of Administration policy. The windfall taxes on the unearned profits from crude oil decontrol have been eroded by Congress. The self-serving political positions of Exxon, Mobil, and Shell are fast becoming the official policy of the United States.

The position of the oil companies is that the energy crisis can be resolved simply by allowing market forces to operate. With curious inconsistency, the companies then call for liberal infusions of taxpayers' money for the research, development, and commercialization of alternative energy sources. The companies want to be unimpeded in their quest for more profits but want taxpayers and their customers to finance unprofitable operations.

The oil companies' invocation of free market forces is rather hypocritical in an oil world that has been shaped by the Standard Oil Trust and the Achnacarry Agreement. Commerce in world oil has long been in the hands of a few multinational giants, and now the pricing and supply of crude oil are controlled by the OPEC cartel. Decontrol of crude oil in the United States will not change the world oil situation or relieve the U.S. oil crisis.

Unless the decontrol of crude oil is stopped by Congress, it will, in effect, put OPEC in direct control of the pricing of domestic oil. Any oil conservation resulting from still higher oil prices will be achieved by depriving poor and average-income Americans, while leaving the affluent untouched. The mounting profits of the oil companies will provide them with further opportunities to expand their economic base—acquiring such billion-dollar entities as Montgomery Ward and Reliance Electric instead of drilling oil wells.

A new energy policy must begin with an accurate national inventory of all U.S. reserves and potential resources of natural gas, crude oil, heavy crudes, and tar sands. This information is urgently needed if the public is to participate in intelligent policymaking. Otherwise, energy policy will continue to be formulated in the dark, on the basis of the fragmentary and possibly biased information furnished solely by the companies and withheld by the Energy Information Administration from public scrutiny.

There are economic incentives for underreporting of both oil and gas reserves. State property taxes are often based on the size of mineral reserves, so that under-reporting can reduce taxes. In the case of natural gas, the price per cubic foot allowed by regulatory agencies is generally lower for large deposits, since the costs of exploration and development are spread over the total recoverable volume. Company reports of proven oil and gas reserves must be made subject to spot checks of geophysical data in order to establish credibility.

The companies regard the details of reserves and potential resources as "proprietary information." There is a basic conflict between urgent national needs for information and the companies' fear that divulging the information might interfere with their ultimate goal—maximizing profits. It is essential that this conflict be resolved in favor of the public.

In the absence of a public and credible inventory of U.S. oil reserves and potential resources, including estimated costs of recovery, proposals to develop alternative fuel sources can be extremely risky. The emergence into the marketplace of oil not previously reported could easily turn costly alternative fuel plants into instant white elephants.

Furthermore, oil is a national resource which should be developed for the maximum benefit of the American people. The Government's existing leasing policy for oil on public lands effectively transfers public property into private ownership, including proprietary rights regarding resource information. But there is an alternative to the leasing procedure.

As long ago as 1938, the city of Long Beach, California, refused to lease out the oil deposits in its harbor. Instead, it called in the oil companies as contractors to develop and produce the oil. The city retains ownership of the oil, to the profit of the taxpayers of Long Beach and the state of California. The oil companies receive a management fee—now 4 per cent of the profits less bonuses paid in bidding on contracts. This compares with a company take of from 80 to 87.5 per cent on the sales price of oil under leases.

The Long Beach plan is not unique. It is the established system in a number of countries—including Saudi Arabia—where oil resources have been partly or completely nationalized and the companies remain as contractors, not owners. The political difference is that the Long Beach Oil Properties Department is here, and it has been operated successfully for many years as an American institution. Long Beach points the way for the handling of new oil and gas exploration, development, and production on Federal lands for the benefit of U.S. taxpayers.

These are merely the first steps of an oil policy that would serve the interests of the people instead of providing a vehicle for ever greater corporate profits. There are, of course, many other measures that could constitute a people's energy plan—one based on conservation through improved technology rather than rationing through price, and one providing for the acceleration of the inevitable transition to renewable and environmentally benign energy sources.

Any national energy plan must recognize, however, that U.S. energy problems are only part of an energy crisis on a world scale. A purely national solution may not contribute much to these countries that are even more dependent on imported oil than we are because they have few or no oil resources of their own. Above all, we must recognize that the energy crisis is only one aspect of a sociopolitical-environmental crisis now encompassing the globe. Solution of the energy problem—including the schism between the oil producing and the oil consuming nations—is but one step toward creating a livable world.•

CARTER BUDGET WEAK ON MILITARY SECURITY

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

• Mr. CAMPBELL. Mr. Speaker, at a press conference in Columbia, S.C., last week, Republican Presidential candidate Ronald Reagan pointed out some frightening implications of President Carter's budget proposals. While giving lipservice to a strengthened military, the numbers in the Carter budget do not reflect such a commitment. I commend Governor Reagan's statement to the attention of my colleagues:

STATEMENT OF RONALD REAGAN

COLUMBIA, S.C.—Republican Presidential candidate Ronald Reagan today charged the Carter administration with budgetary confusion that will have serious and adverse consequences for our military security.

Speaking at a press conference in Columbia, S.C., Reagan also charged that President Carter lacks the capability and credibility to fulfill our commitments.

The full text of Governor Reagan's statement follows:

The current confusion in the Carter Administration's budgetary process will have serious and adverse consequences for our military security. The impact on our military personnel situation is especially alarming.

At a time when he is making bold pronouncements about our vital interests, Mr. Carter knows that he lacks both the capability and credibility to fulfill such commitments in the near term. The long term implications are even more ominous.

The Chief of Naval Operations, Admiral Thomas B. Hayward, has said that "we are trying to meet the requirements of a three-ocean navy with a one and one half ocean navy." Yet we are failing to procure the ships and the aircraft which will be needed for the 1980's. The Navy needs 180 fighters and attack aircraft just to stay even, yet last year only 39 were requested, and this year's budget request is for only 72.

The Army needs new weapons to discharge its heavy responsibilities in the 1980's as well, as does the Air Force.

But it is in the area of personnel retention that the real crunch is being felt. Even if we can provide the tools for our valiant fighting men and women to do the job, unless we reverse the present policies we may not have the people to use them.

The average military family has lost 14 percent in purchasing power over the past seven years, and for some grades of personnel this figure has been as much as 25 percent. According to some estimates, as many as 80 percent of enlisted families hold two jobs.

The result is that in some categories we are retaining only 30 percent of the critical skills we need to maintain our military security. This must be reversed, and now.

It is time for the Carter administration to deal fairly with our men and women of the Armed Forces and their families, and to recognize and reward them for their service to the nation.

If elected, I would make it a priority of my administration to reduce the present burden on, and assure that additional sacrifices and hardship will not be exacted from, our military families.•

HAWKINS INTRODUCES EXTENSION OF PRIVATE SECTOR EMPLOYMENT PROGRAMS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

• Mr. HAWKINS. Mr. Speaker, today, joined by Chairman CARL PERKINS and Congressman JIM JEFFORDS, I am introducing legislation to revise and reauthorize the private sector initiative under title VII of the Comprehensive Employment and Training Act. Programs implemented under this title represent an effort to redirect our important investment in employment and training toward the private sector. Business and industry, along with labor and education interests, have formulated private industry councils at the local level to plan and operate programs to improve the employability of persons at a disadvantage in the labor market.

Since this program was authorized in October 1978, 448—95 percent—of the 470 prime sponsors have established private industry councils and approximately one-third of the prime sponsors are now involved in title VII programmatic activity.

While initial implementation of this program has been cautious, primarily due to uncertainty at the outset on the availability of funds, early indications of the effectiveness of forging a strong relationship between business and Government in the delivery of employment and training services are promising.

The amendments we are proposing accomplish three purposes: one, extend the private sector initiative program for 4 years through fiscal year 1984; two, encourage coordinated efforts between the private industry programs and economic development activities; and three, allow title VII funds to be used for upgrading and training activities such as those provided under title II-C of CETA.

The private sector programs initiated under the title VII authorization in 1978 are just beginning to become operational. We believe, and the administration concurs, that the institutional arrangements which title VII envisions should be encouraged with a minimum of alteration in the statutory mandate. It is imperative that the business community views this program as a commitment by the Congress and the administration to foster closer collaboration between the private sector and the Government to improve the employability of individuals at a disadvantage in the labor market. We, therefore, are proposing to extend title VII essentially as it was enacted for 4 more years. This long-term commitment should provide the assurance of continuity which the business community and prime sponsors need to forge the close collaboration which title VII seeks.

At present, approximately one-third of the title VII plans call for specific activities in the area of coordination with economic development activities. We feel that this is a direction which should be strongly encouraged to provide more effective utilization of limited public funds and to assure placement of CETA-eligible individuals in publicly assisted private sector employment. Such activities may include projects funded through the Economic Development Administration in the Department of Commerce, urban development action grants under the Department of Housing and Urban Development, programs under the Department of Transportation, community economic development activities under the Community Services Administration, and other federally funded economic development programs as well as State and locally funded projects. The sponsors of these amendments support the administration's employment initiative to foster interagency cooperation among Federal programs that generate employment. We believe that the private sector initiatives program under title VII is ideally suited to accomplish this objective, and, therfore, we are proposing that 10 percent of the funds available be utilized for incentive bonuses to prime sponsors who engage in efforts to promote coordination with economic development activities. We are also promoting the participation of economic development councils in the planning of title VII activities.

Title VII would also be amended to allow prime sponsors to use title VII funds for upgrading and retraining activities such as those authorized under title II-C of CETA. As many workers function at less than their full skill potential, such retraining and upgrading would allow these workers to become more productive and also provide an incentive to employers to hire disadvantaged workers in entry level positions vacated by upgraded employees. We believe that this provision may also provide a constructive alternative to layoffs during a recession.

It is our intention to move expeditiously on the reauthorization of the private sector initiative program which expires at the end of this fiscal year. We urge our colleagues to support these amendments and the reauthorization of the title VII programs.●

DR. PETER GUTMANN ON WHY WE ARE "GOING UNDER" WITH THE UNDERGROUND ECONOMY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. KEMP. Mr. Speaker, anyone who doubts the need for dramatic across-the-board tax rate reduction should read the latest statistics on the growing underground economy. The central economic problem in this country today is the combination, the collision, of inflation on the progressive Federal tax system, which results in an overwhelming and ever-increasing tax burden on the American people. Taxflation is destroying the incentive to work, produce, save, and invest; without immediate tax rate reductions the problem will only get worse.

The growing underground economy is proof that people respond to incentives. The American people are not dishonest, but neither are they stupid. When operating in the open economy incurs a stiff tax penalty, alternative economic activity becomes increasingly attractive. The growing underground economy is, in reality, simply a result of people's rightful desire to receive a fair reward for their efforts without the Government taxing it away.

Recent estimates place the size of the underground or "subterranean" economy at nearly 14 percent of the legal national output, or close to $250 billion. As Prof. Peter Gutmann's testimony before the Joint Economic Committee last November 15 vividly demonstrated, the widespread tax evasion seen today is really the result of intolerably high tax rates. The symptoms are all too obvious when home repairmen insist on being paid in cash, or the brokers' listings openly boast that a tavern earns more than the books show.

Resolving this growing problem requires a solution aimed at its cause—excessively high tax rates. An across-the-board tax rate reduction would restore the incentive to operate in the more efficient, open economy. Professor Gutmann rightly warns that without immediate action, "more and more of the economy will go underground." Mr. Speaker, it is clear that a dramatic across-the-board tax rate reduction is the only way to halt this increasing and dangerous trend, and more importantly it is the only way to generate strong, noninflationary economic growth.

Now is not the time to delay. Now is the time to act.

Excerpts from Professor Gutmann's testimony follow:

SUBTERRANEAN ECONOMY

Some two years ago, in late 1977, I published an estimate of the size of the U.S. subterranean economy in the Financial Analysts Journal. This estimate, about $176 billion GNP in 1976, or a little more than 10 per cent of the legal gross national product, was the first overall size estimate made of the subterranean economy—the sum total of those economic activities which are carried out without the required intercession of the tax collector. The subterranean economy includes income derived from skimming of cash, goods or services from a business, working for payment in unreported cash in a business, self-employment with unreported cash receipts, skimming of expense accounts, operation of a business entirely in unreported cash, theft of money, goods or services from a business, barter, etc.

Obviously—except amongst economists—there has been tremendous interest. And well there might be. The subterranean economy is one of the profound phenomena of our times. With the growth of taxation and regulations, more and more people have simply been walking away from the system, dealing in cash, not paying taxes on income.

What then is the true size of the subterranean economy compared with the actually measured legal economy? Once the necessary adjustments are made in the IRS estimates or in my own estimates, the true size of the U.S. subterranean economy is approximately 13 to 14 per cent of the U.S. legal economy.

I believe that a few years from now, after a good deal more work has been done, the size of the subterranean economy will be found much closer to 15 per cent than 10 per cent of the U.S. legal economy. Intelligent debate will not center on how much less than 10 per cent, but on how much greater than 10 per cent the size of the subterranean economy is, relative to the legal and measured economy . . .

Do we need auditors in the tax collection process? Yes, of course we do.. Do we need more? More auditors will certainly increase tax collections—up to a point. Moreover, the Service believes that, currently, an additional dollar spent on staff will result in more than an additional dollar collected in tax revenues. If that is the proper cost/benefit concept, than we need more auditors. But, is it the proper concept?

A substantial enforcement effort here undoubtedly will increase the degree of political opposition to the tax enforcement system by the many millions of small businessmen. The public is already more than unhappy with a tax system so structured that government is the clearest beneficiary of the inflation which drives everybody into higher tax brackets without any increase in real income. The current tax revolt, the adoption of widened propositions 13's (such as the just passed proposition 4 in California), and the general tax malaise will undoubtedly be spurred on by more rigid tax collection practices. . . .

I now want to turn to some of the implications of the subterranean economy.

1. Unemployment rate. The government, in calculating the official unemployment rate, assumes that the subterranean economy does not exist. Thus, we now have a strange situation: the IRS believes the sub-

terranean economy to be somewhat under 10 per cent of the legal national output, the General Accounting Office thinks it is several percentage points higher than that, while the Bureau of Labor Statistics in effect assumes that it is 0 per cent.

The official unemployment rate is overstated, since some of those counted as unemployed are actually working in the subterranean economy, off the books, paid in cash. The overstatement due to this factor is a little under 0.4 percentage points. Hence, the official 6.0 per cent seasonally adjusted unemployment rate for October, 1979 should be reduced to about 5.6 per cent due to the subterranean factor alone—and should be reduced to an even lesser figure, once several additional factors are considered. This latter figure, the real unemployment rate, is about 4.5 per cent for October 1979.

2. U.S. labor force. The U.S. labor force is larger than the official statistics indicate, by some 4 to 5 million workers, amounting to a little less than 4 to 5 per cent of the U.S. legal labor force. This understatement in the official statistics derives from the exclusion from the labor force of the vast majority of those whose income is drawn exclusively from the subterranean economy.

3. Subterranean labor force. The subterranean labor force is composed of two groups—first, those who work exclusively in the subterranean economy, either on a full time or part time basis, and, second, those who receive subterranean untaxed income in addition to their legal, taxed income.

The first group, those who derive all their income from the subterranean economy, numbers approximately 4 to 5 million. The second group, who derive only part of their income from the subterranean economy, numbers into the many, many millions. Allan Voss of the General Accounting Office thinks that both groups together total 15 to 20 million. Probably, about a fifth of all those who now work in the United States are involved, in one way or another, with the subterranean economy.

4. Small business. The subterranean economy is very important for the health and prosperity of small business. Small business is prominent in those areas of the economy where cash receipts are a substantial portion of total receipts. Small business effectively receives a subsidy, not as a matter of law, but as a matter of practice, through the substantial amount of cash income which escapes the tax collector. As noted earlier, according to the IRS study team report, around two-fifths of the legal source income from self employment which is supposed to be reported on tax returns is actually not reported. This effective subsidy allows less efficient small business to compete with more efficient large business.

5. Poverty. There is less poverty in the U.S. than appears in government statistics, since these official statistics do not take into account the subterranean income of low income households.

6. Economic models. Consumption ratios and savings ratios, consumption functions and savings functions—component parts of econometric models of the economy—often lead to biased results. This is so because a portion of income receipts, from which consumption and savings are made, is subterranean income, which is not included in making the calculations.

7. Economic predictions. Economists, making predictions and delivering advice to policymakers, depend upon the statistics they peruse and analyze. Unbeknownst to economists, these statistics are often biased reflections of reality. Hence, the predictions based on them are biased, and the policy advise poor. Policies often do not have the results anticipated by policymakers who base their anticipations on the predictions of economists. As a result, confidence in economists and their work diminishes, confidence in policymakers diminishes, and confidence in government diminishes.

8. Standard of living. The U.S. income per capita is understated by about 10 per cent very conservatively estimated, and some 13 to 14 per cent more realistically estimated, due to the existence of subterranean income, which does not enter the statistics.

9. Subterranean capital gains. Subterranean income leads both to subterranean savings and expenditure. The transfer of the savings derived from subterranean income, out of currency which is depreciating rapidly as a result of inflation, fuels the price rises of many of those asset markets—such as coins, stamps, paintings, prints, antiques, etc.—which are not monitored very closely by the Internal Revenue Service. Rising asset values, in turn, allow achievement of subterranean capital gains.

10. Productivity. Productivity is greater than official statistics indicate, since these official government statistics do not include subterranean income. This is particularly important in those economic sectors where subterranean income from skimming, off the books employment for cash, and theft is relatively significant. Business sectors which handle a great deal of currency, such as retailing and services, are important examples.

11. Productivity growth. The forces which create the subterranean economy in turn create a set of perverse incentives which affect real national productivity growth adversely. The subterranean economy draws resources into those areas which offer substantial opportunities for untaxed income, mainly economic sectors where cash receipts are significant. Many of these sectors—e.g. retailing and services—are sectors which have had below average productivity growth historically (although, as previously noted, their actual productivity level is higher than official statistics indicate). Hence, insofar as resources shift from higher productivity fully taxed sectors to lower productivity, partially subterranean and untaxed sectors, national productivity growth suffers.

12. Growth in national output. The growth rate of U.S. national output is somewhat greater than official statistics indicate, since the official statistics do not take into account the growth rate in subterranean output which is greater than that of legal output.

What caused the growth of the subterranean economy? The subterranean economy is the creature of high taxes, government regulations, changing morality, decline in confidence in government, and selective obedience of the law. It has expanded hand in hand with growth in size, complexity, function and impact of government.

The causes of the subterranean economy are multifold. (1) High taxes create obvious incentives to get off the books income. (2) Government rules and regulations create incentives to avoid them by dealing in cash. (3) The classical illegal activities must deal in cash since they are illegal per se. (4) Inflation redistributes income from income earners to government as taxpayers are pushed into higher tax brackets; squeezed taxpayers in turn try to push part of the cost of inflation onto the government by getting off the books income. (5) "The new morality", which has grown by degrees over many years, has reduced the opprobrium which formerly attached to tax evasion. (6) The unpopular Vietnam war caused opposition to taxes for the financing of the war, opposition which then persisted and spread. (7) The Federal Government fails to deliver much in the way of services to the great majority of taxpayers. (8) In the past two decades, the Federal tax and expenditure system has become a large income redistribution scheme, which means that a dollar collected in taxes from one person will be paid out to another person. (9) The increase in the size of government leaves a lesser share of national output for direct consumption by income earners. (10) Government is perceived as wasteful and inefficient by the general public, making inadequate use of their hard earned tax dollars. (11) The tax system is immensely complex, requiring inordinate taxpayer time, paperwork and expense.

We have to look at the objectives of the tax system. The trouble with the present system is that it erects grave barriers to economic and social mobility, both upward and downward, as explained in my article, "Tax System: Bar to Social Mobility" (Wall Street Journal, Dec. 15, 1976). It is too hard to get rich and too easy to stay rich. As a result, people will try to avoid the barriers to social mobility set up by the tax system by resorting to subterranean income.

It would be wise to face the issues posed by the subterranean economy. If we fail to do so, more and more of the economy will go underground.●

ATOMIC ACCIDENTS—1949

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. DELLUMS. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I am today introducing the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

JUNE 4, 1949 URANIUM SCRAP FIRE, LOS ALAMOS, N. MEX.[1]

DESCRIPTION OF OPERATION

"There were 51 drums stored outdoors and away from any building because of the pyrophoric characteristics of the turnings. Each drum contained about 500 pounds of normal uranium in the form of 3-pound discs, each 3½ inches in diameter and 1½ inches thick.

DETAILS OF INCIDENT

"The fire was discovered and reported by inspectors who noticed a small amount of smoke, and one barrel was found to be on fire with a canvas tarpaulin covering the cans burning slowly. The fire department responded and the fire was attacked with a fine water spray. Thirty-one drums were removed from danger area before the intensity of the fire made it impracticable to move the others.

"After the removal of the drums had been carried out, each of the remaining ones were attacked individually with solid streams of water. With the use of pike poles and wrecking bars, the burning mass in each barrel was agitated, while the water was played on it. The extinguishment was finally accomplished after about 20 minutes' work on each of nine barrels.

REMARKS

"It was recognized that the hazard of fire presented a storage problem with respect to briquettes and accordingly the drums were stored out of doors and away from any building. Each drum was capped with a loose fitting lid to allow the escape of hydrogen gas generated by the reaction of any moisture present with the uranium metal. Submergence of the turnings under water or oil would reduce the fire risk, although such procedures must depend on the recovery requirements.

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[1] Excerpt from "United States Atomic Energy Commission Report," Aug. 1956 TID-5360—Page 41 "A Summary of Accidents and Incidents Involving Radiation in Atomic Energy Activities," by Daniel F. Hayes.

"In fighting the fire, the firemen wore mechanical filter respirators in addition to their regular firefighting clothing; in accordance with standard procedure they worked from upwind. At the conclusion of the incident, careful monitoring found contamination only on the pike poles and wrecking bars; these were readily decontaminated and returned to service."

DECEMBER 1949 HYPO-CRITICALITY, LOS ALAMOS, N. MEX.

The reactor was being remodeled for higher power operation. As part of the required alterations, two new control rods had been placed in the system in addition to the three existing control rods.

The employee who had built the rod control mechanism wanted to test the comparative fall times of these new rods. He opened the enclosure on top of the reactor and manually lifted the rods, neglecting the possibility that this would affect the reactivity of the reactor because of its higher power arrangement. Heretofore, the three existing rods were sufficient for safety.

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There were no injuries. The employee doing the work received 2.5 rem of gamma radiation according to his film badge. There was no damage done to the reactor and no lose of active material.[1]

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The water boiler is a 12 in. (30.5 cm) diameter stainless steel sphere containing 13.6 liters of a water solution of uranyl nitrate reflected by graphite. At the time of the excursion the reactor was being remodeled for operation at higher power. Two new control rods had been placed in the system in addition to the three existing control rods.

Normally the rods are raised remotely from the control room when the control panel is activated by a key switch. In this case the panel was shut off and the employee who had built the new control rod mechanisms decided to test the drop times of the new rods. He opened the enclosure at the top of the reactor, and manually lifted the rods—

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• • • The excursion was not detected immediately as all the instrumentation was turned off except one direct-reading thermometer which showed a temperature rise of 25°C (45°F) equivalent to a yield of 3-4 x 10^{16} fissions. The strong negative temperature coefficient of -0.034 percent Δk/°C (-0.019 percent Δk/°F) probably limited the transient before the rods were put back. The operator received 2.5 r of gamma radiation.[2]●

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[1] Excerpt from "Operational Accidents and Radiation Exposure Experience, Within the United States Atomic Energy Commission, 1943-1964," page 31

[2] Excerpt from "Proceedings of the First U.N. International Conference on Peaceful Uses of Atomic Energy, Geneva, 1955, Volume 2, page 372.

V.F.W. VOICE OF DEMOCRACY WINNER

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● **Mr. CAMPBELL.** Mr. Speaker, apathy among our Nation's youth is something that disturbs all of us. That is why this year's V.F.W. Voice of Democracy essay contest theme, "My Role in America's Future," is particularly appropriate. The essays of State winners which have been inserted periodically in the RECORD have been consistently inspiring in what they say about the positive and patriotic attitudes of these young people.

I am proud that the winning contestant in South Carolina, Miss Maria Joy Conley, is a resident of my congressional district. Maria, who attends Bob Jones Academy in Greenville, S.C., is an all-American girl, active in student government and interested in sports, reading, and music. Her winning entry, an innovative essay comparing America to apple pie, proves that she is a thoughtful, positive person as well.

I congratulate the V.F.W. for its selection; Maria's parents, Jim and Lorna Conley for raising such a fine daughter; and also my community for being fortunate enough to boast of such a solid citizen.

Maria's essay follows and I commend it to the attention of my colleagues:

MY ROLE IN AMERICA'S FUTURE

(By Maria Joy Conley)

America is like apple pie. Now let me tell you what I mean by that. Just think about apple pie. The first thing you do when you pull one out of the oven is to see how nice it looks. But what's so good about an apple pie that looks good if it's no good on the inside? The ingredients that make up that pie will enhance its richness and determine its satisfying qualities. In a similar way, the things that made America great are what have kept her rich and satisfying to Her people. Those things weren't easy as pie to obtain, either.

Our forefathers made America great by looking to God for the wisdom and strength it took to start a nation from a handful of sea-weary pilgrims. If I am to have a part in guiding America's future the right way, I must maintain—even if it's only in my own life—that sense and desire of trusting in God.

The most important part of making that pie taste good is our knowing what to add to it. America's future depends enormously on what ideas and philosophies go into Her right now. The world is full of social and political philosophies that can ruin America, but in my corner of the world, I have the power to control that. It's not enough just to vote for public officials; I need to know what kind of democracy those officials believe in, what issues they think are most important, what changes they want for America, and how they plan to make those changes. I can't properly evaluate those men by their public appeal or by their "charisma" on TV; I have to find out what they stand for. I have to try to determine whether or not they'll stand up under political pressures or in a national crisis. Then, it is my responsibility to voice my opinions to others; whether it be to my big brother or to the United States' President.

In spite of doing all these things, suppose I don't maintain a positive attitude about America and don't take genuine pride in Her. Oh, we hear so much about Her problems! But just because America isn't perfect doesn't mean I shouldn't stand up and sing the National Anthem or recite the Pledge of Allegiance or do my best in anything that would make Her better. America is mine and I'm proud of Her! Of all the responsibilities to my country that I could ever conjure up, this pride is most important. You ask me, "Why?" Because without pride in America, I have less motivation to do my best in school, so that I can better serve Her in the future with the knowledge I receive. I have less conscience to keep me from littering Her streets and countryside. When I think of the future, I realize that without pride in America, I'll have less incentive to drag myself out of bed every morning to get to work on time, in order to help Her economy flourish. I won't take the time to train my children to appreciate Her. I may turn down an opportunity to serve Her, just because it involves hard work. Without pride in America, I may not even care what Her future is. Suppose no one cares about that apple pie we're making. It may overcook and burn. Who cares? It'll still *be* there. Yes, but it may end up having to be thrown away.

But suppose you bake your apple just right—everything planned and proportioned to the ounce. Just seeing it come out of the oven and knowing that it's going to be good makes you smile. Suppose you cut yourself a big slice and take that first mouth-watering bite. You know, it wouldn't taste half so good if you hadn't spent time making it yourself.

America's future will be something I enjoy only if I roll up my sleeves and get to work now. Her past is something in which to take pride; our forefathers worked hard to make sure of that. But you can't rely on your mom to help you make a pie when she's not even at home, and our forefathers are not here any longer. America's future is up to me. It's as simple as apple pie.●

THE YEAR OF IRELAND—1980

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● **Mr. GILMAN.** Mr. Speaker, as we near mid-March, we will soon be commemorating St. Patrick's Day, a day which is full of significance for millions of Irish Americans. While St. Patrick's Day is traditionally one of happiness and celebration, there will be many Irish Americans whose celebrations will be muted because their homeland has been blighted by hostility and strife for the past several years.

For the Irish in the north of Ireland, there is no reason to celebrate and for some, no real reason to believe that events will take a turn for the best. These people have learned to live with a scarred landscape, armed patrols, and the sound of bombs. They have learned that children are born, not to enjoy life, but to escape its horrors. Some do escape, but others bear the burdens and scars of prejudice, fear, and hatred. For such an environment there is no reason to celebrate.

Mr. Speaker, while Americans are generally aware of the continuing war in Northern Ireland, it is unlikely that most Americans understand the underlying reasons for these hostilities. Many of us have been led to believe that the strife in Northern Ireland is a religious issue, with Catholics and Protestants fighting for dominance in that part of Ireland. Indeed, this is not the case—the struggle in Ireland is fundamentally a political struggle, with ramifications throughout every aspect of life in Northern Ireland.

As a member of the Ad Hoc Committee on Irish Affairs, I have come to recognize the critical nature of this situation. It demands our careful attention and more deliberation. But I have also learned that our own State Department and administration are less than amenable to looking objectively at this problem and addressing the serious human rights violations which continue to keep the Irish people in a state of fear and anxiety. The double standard which distinguishes the U.S. human rights stance on other nations from its position on Ireland is appalling. This is further evidenced in our State Department's recent publication on the status of human rights—in which Great Britain is totally exonerated from any wrongdoing in Ireland.

This double standard is indicative of the deep-seated reluctance to address the Irish question. It has been 8 years since the U.S. Congress has sponsored any formal hearings on the issue of Northern Ireland. It is apparent that despite the fact that there are areas in the world where human rights—the American dimension in human rights—are openly discussed and debated, Northern Ireland is an area to which a hands-off policy has been applied.

The blatant violations of human rights have been documented time and time again by the Ad Hoc Committee, by the Irish National Caucus, by the Ancient Order of Hibernians, by the clergy in Ireland (Father Denis Faul, Father Raymond Murray, and Cardinal O'Faich). And yet, our State Department is reluctant to come to grips with these appalling facts and dismisses these sordid accounts as unimportant and oftentimes untrue. But there are undeniable abuses of human rights which continue to go unnoticed by our State Department and by the administration.

One such violation of rights occured recently when interested Americans attempted, in the spirit of good will, to send Christmas cards to the prisoners in Ireland. I had written to the British Ambassador requesting permission for the delivery of Christmas mail to the prisoners who were being interred in Northern Ireland. The Ambassador responded affirmatively assuring us that mail delivery was a right in Great Britain. Yet the many returned Christmas cards were marked "undeliverable" and "return to sender" despite the fact most of these cards had been addressed to specific prisoners at specific addresses. The British Government violated international accords which state that mail delivery is a right of all citizens, and has continued to oppress the people who are accused of political crimes. Even the Iranian Embassy personnel assisted in the delivery of cards to our American hostages, even though those cards and letters were addressed to the group simply as "Hostages." I find inconsistency in British policy difficult to comprehend since there is extensive evidence to support their claim that they do indeed protect the rights of their citizens—except those in Northern Ireland.

It is also evident that the British believe that the issue of Northern Ireland is one which, while difficult and complex, does not deserve their full attention. This has been obvious throughout the entire span of the recent London talks on Northern Ireland. The Thatcher government, while seemingly eager to address the future of Ireland, has been hesitant to invite any real discussion about North Ireland's future, past or present. Invitations were not sent to anyone who might have a real input into a discussion on future political considerations for Ireland, and no solicitation of views were entertained. Indeed, an agenda had been established before the conference began with a strict warning that the future of Ireland would be discussed according to certain rules and that topics such as human rights were off limits. To my mind, such an approach to peace doomed the conference to abysmal failure before it began.

It is easy to dismiss the Irish issue as a religious war, or as a feud which is beyond resolution. For some, the bloodbath which is Ireland has become a fact of life. And yet, it cannot and must not remain a fact of life for that nation. We have a clear responsibility to our friends in Ireland who have asked for our help.

The struggle in Ireland has become, above all, an economic war. It is a self-perpetuating, violent economic struggle which affects both Catholics and Protestants. The economic struggle bodes a future of poverty that most Catholics who remain in the North will face: as unskilled laborers, as employees who will remain on the bottom rung of the employment ladder, as the first of the unemployed. Protestants, on the other hand, continue to advance into management level positions with hopeful futures. The tightly woven network of favoritism continues to oppress the Catholic minority, and there is even some indication that American firms might be contributing to the pattern.

When an American firm decides to locate in Northern Ireland, the British Government assists these firms in deciding where to locate, and offers subsidies to these firms in direct proportion to the hardship nature of the location. A hardship or depressed location would be one which was predominantly Catholic. Location in this area would be accompanied by the highest subsidy offered. And in the opposite end of the spectrum, location in a highly desirable Protestant section would bring a subsidy not quite as high as location in the Catholic area. While this at first glance seems equitable, there is another, more subtle side to the whole issue. The highest subsidy is only an incidental consideration—there is little or no housing in Catholic areas, which is of prime concern to American industrialists choosing to locate in that area and little, if any, transportation. In short, there is little incentive to locate there. An American firm is also confronted with an unskilled labor force, an undereducated population and little chance to advance economically. Accordingly, an American firm will usually opt for the lesser subsidy—which is only 10-percent less than the largest offered—and will accept a location which is safe—one which has good transportation, adequate housing, and an upwardly mobile population. And hence, the discriminatory cycle is perpetuated—even if unknowingly.

Catholic unemployment is a major problem in the north of Ireland. Recent statistics issued by the Fair Employment Agency of Northern Ireland indicate that the unemployment rate for Catholics is 2½-times the unemployment rate for Protestants. And remarkably few, if any, American firms are located in the counties with the highest unemployment rates for Catholics.

The most recent report of the FEA indicates that unless the problem is addressed quickly there will be little hope for improvement. Robert Cooper, Chairman of the FEA, states:

> The general findings are that Protestants will continue to predominate in the non-manual occupational levels, with Roman Catholics found proportionately more at the manual level. * * * If present mobility patterns are maintained it is likely that occupational disparities between Roman Catholics and Protestants will persist and possibly widen. * * *

I have written to the American firms located in Northern Ireland and have requested information on purged job discrimination. As a member of the ad hoc committee, I have a deep concern in the well-being of the Catholic minority in Northern Ireland. I am hopeful that our firms will respond positively on the question of nondiscrimination and I am hopeful that should there be any discrimination in our corporations such consciousness raising efforts will erase the negative effects.

It is time for American leadership by our administration and by our State Department in this important issue—important not only to the Americans of Irish descent but also important to the millions of Americans who seek peace and justice in the world community. The President has been lax in his response to the plea for prioritizing this issue, and despite his occasional mention of the Irish question, there has been nothing substantive to indicate that our Nation intends to respond to requests for assistance.

At this point in the RECORD, I would like to include a letter which was recently sent to President Carter by Robert Bateman, national historian for the Ancient Order of Hibernians, requesting the President to speak out against the violations of human rights in Northern Ireland. The text of the letter follows:

DECEMBER 31, 1979.

Mr. JIMMY CARTER,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: As the official spokesperson for the Ancient Order of Hibernians in matters pertaining to Northern Ireland, the Irish National Caucus and the Ad Hoc Congressional Committee for Irish Affairs, I would like to address to you some matters which are of vital concern to the Irish-American community.

First, please let me convey my personal thanks to you and that of the Ancient Order of Hibernians and the Irish National Caucus for your reaffirming to Mrs. Thatcher the current policy of the United States against selling arms to the Royal Ulster Constabulary. I might add that the Ancient Order of Hibernians, Irish National Caucus and Irish-American community at large will, in 1980, intensify our efforts to work for a permanent, total ban on the sale of any and all arms from the United States to the Royal Ulster Constabulary, and we will be looking to our elected representatives for support towards this end.

I would also like to point out that while we hail and support your leadership and efforts in the area of human rights around the world, we hope and look for you to honor your promise of October 27, 1976 to leaders of the Ancient Order of Hibernians and Irish National Caucus regarding Ireland.

You have stated, magnificently, on a number of occasions that * * * "Human rights is the soul of American foreign policy." In spite of this Presidential pronouncement, U.S. foreign policy continues to give the appearance of ignoring the ongoing violation of human rights by the British government in Northern Ireland.

While all Americans and most freedom-loving people around the world share with you a common concern over the physical and mental well-being of the 53 American hostages held in Iran, not many people within the Administration or U.S. State Department seem concerned that hundreds of Irishmen and Irishwomen remain political prisoners in Northern Ireland in conditions which persons of any moral character and humanity would denounce as barbaric at worse or inhuman at best.

It is reprehensible that British governmental authorities in England and Northern Ireland continue to abuse and torment these men and women by denying them even the mere basic human rights. It is even more reprehensible that while these violations continue, the government which claims "Human rights as the soul of its foreign policy" continues to remain silent.

We know that Congressman Mario Biaggi, Chairman of the Ad Hoc Congressional Committee for Irish Affairs, has discussed with and written to you of our concern in this particular matter. However, we cannot stress strongly enough to you that we seek only to have your Administration adhere to its proclaimed platform on human rights for Ireland as you have done throughout other parts of the world.

Mr. President, failing this, not only will the Administration be betraying its own stated moral principles, but, it may very well lose the respect, confidence and support of the Irish-American community.

In remarks delivered to the United Nations on Saint Patrick's Day 1977, you stated * * * "The search for peace and justice also means respect for human dignity." All the signatories of the U.N. Charter pledged themselves to observe and to respect basic human rights. Thus, no member of the United Nations can claim that mistreatment of its citizens is solely its own business. Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation occurs in any part of the world. * * * "Ours is a commitment and not just a political posture."

Mr. President, the continuing, consistent pattern of gross violations of internationally recognized human rights on the part of Great Britain against the political prisoners in Northern Ireland, including documented cases of torture, cruel, inhuman and degrading treatment should certainly be cause for the Administration to take some form of action stronger than mere "quiet diplomacy."

Within the next two to three months, the U.S. State Department's annual report on human rights will be issued. It will be interesting to see if the State Department will once again fail to report honestly and/or factually the atrocious performance of the British in Northern Ireland.

In a vain attempt to justify their actions, some British government officials have stated that some of these procedures are necessary in their attempt to combat terrorism. To this, I would like to quote what Pope John Paul II said in his speech in Ireland. * * * "The moral law, guardian of human rights, protector of the dignity of man, cannot be set aside by a person or group, or by the state itself, for any cause, not even for security or in the interest of law and order."

We in the Ancient Order of Hibernians and Irish National Caucus plan to make 1980 "the year of Ireland." It is the mission of the Hibernian and Caucus leadership to channel their efforts in a way that will gain greater activity and awareness to human rights, justice and peace in Ireland in a non-violent manner.

Trusting in your statements on human rights that yours is in fact a "commitment and not just a political posture" the Irish-American community anxiously awaits a statement from you on Ireland with a strong emphasis on human rights.

With sincere, best wishes, I am

Sincerely,

ROBERT J. BATEMAN,
National Historian and A.O.H. Liaison to the Irish National Caucus and Ad Hoc Congressional Committee for Irish Affairs.

Mr. Speaker, in conclusion I wish to state that the need for a comprehensive peace in Northern Ireland is becoming more critical. More and more individuals are speaking out in favor of a just peace. The Prime Minister of Ireland, Mr. Charles Haughey, in his Presidential address to the 49th Fianna Fail Ard-Fheis on February 16, 1980 stated that:

> We look forward to some new free and open arrangement in which Irishmen and women, on their own will, without a British presence but with active British goodwill, will manage the affairs of the whole of Ireland in a constructive partnership with the European community.
>
> This Government sees Northern Ireland as the major national issue and its peaceful solution as our first political priority.

It is time that we join together and work toward a peaceful solution to the Irish problem. Before it is too late—over 2,000 have died, 3,000 are imprisoned—we can not ignore this matter any longer.

Let us make 1980 the "Year of Ireland."●

GRASSROOTS HEARING ON THE FAMILY FARM ANTITRUST ACT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. KASTENMEIER. Mr. Speaker, I am pleased to announce that Congressman AL BALDUS and I will hold an informal grassroots hearing on the Family Farm Antitrust Act—H.R. 1045—in Sauk City, Wis., on April 7. Congressman BALDUS and I will seek testimony from farm leaders, State government officials, and academic researchers on the problems posed by nonfarm corporations in American agriculture.

We will also seek specific suggestions for improving H.R. 1045, and will introduce revised legislation soon after the hearing has been held.

At this time, I would like to share with my colleagues a summary of H.R. 1045 and some background information on the issues surrounding this proposal.

PROVISIONS

The Family Farm Antitrust Act seeks to prevent large, nonfarm investors from gaining control of American agriculture. Under H.R. 1045 any person or corporation with nonfarming business assets in excess of $3 million would be prohibited from engaging in farm production.

Upon passage of this legislation, such investors would have 5 years in which to divest themselves of their agricultural holdings. The Farmers Home Administration would be authorized to acquire those holdings at fair market values if no other suitable buyers can be found.

Certain kinds of organizations would be exempt from H.R. 1045. These include agricultural cooperatives and charitable, research, and educational institutions.

Any farm interest held by a creditor, beneficiary or interstate successor must be divested within 2 years of the time it is acquired.

CONCENTRATION IN U.S. AGRICULTURE

American farms are becoming fewer in number and larger in size. In the late 1930's there were approximately 6.8 million farms. By 1978, there were only 2.7 million farms, and the decline continues.

This trend has been accompanied by a growing concentration in food production. The largest 50,000 farms received 23 percent of all farm receipts in 1960. By 1977, the largest 50,000 farms, which constituted 2 percent of U.S. producers, received 36 percent of all receipts.

There is very heavy concentration in certain commodities. A recent General Accounting Office study reported that: In 1970, 100 percent of sugar beets, 92 percent of broilers, 88 percent of processed vegetables and 47 percent of citrus fruits were produced either on land owned by agribusiness corporations or under corporate contract. One corporation controls 70 percent of the date industry.

Many economic forces are changing our agricultural system, and H.R. 1045 will not, by itself, reverse the decline in farm numbers or the growth in farm size. It does, however, eliminate the threat posed by large nonfarm corporations to small family farmers.

CORPORATE FARMERS

Who are these large nonfarm investors? The following are a few examples taken from the 1976 Directory of Major U.S. Corporations Involved in Agribusiness, which is published by the Agribusiness Accountability Project in San Francisco, Calif.—A. V. Krebs, publisher:

As of 1973, Bankamerica Corp. owned 1,462 acres of agricultural land and held another 100,000 acres in trust.

Boeing Co. leases 100,000 acres for pastureland, alfalfa, wheat, corn and potatoes.

Gulf & Western Industries, Inc., produces sugar, beef cattle, citrus fruit and vegetables.

Dow Chemical Co. owns 17,000 acres of farmland in Arizona and California.

Burlington Northern, Inc., owns 15 million acres used for grazing and cultivation.

Between 1970 and 1973, Goodyear Tire & Rubber Co. received more than $549,000 in farm subsidy payments from the U.S. Government.

The list goes on. Obviously, these giant conglomerates have tremendous advantages over family farmers. Often a large company which goes into agricultural production also produces fertilizer, farm machinery, animal feed, seed, and other farm inputs which they can supply to their farms at very low costs. They also have control of the food marketing channels once the crops are harvested. The mere fact that they command vast financial resources allows them to purchase large tracts of prime farmland at top dollar. This contributes to the rise in land prices where corporate farming is prominent, making it more difficult for small producers to purchase land.

Large scale corporate farming can have profound effects on our rural communities, transforming them into company towns made up of employees rather than independent landowners. The companies provide farm supplies and services, so independent small businesses are no longer needed. Even social and political life in these communities deteriorates.

In his classic work, "As You Sow; Three Studies in the Social Consequences of Agribusiness," University of California anthropologist Walter Goldschmidt compared two California farming communities, Dinuba and Arvin, which were similar in most respects except one: Dinuba was characterized by small, owner-operated farms while Arvin was dominated by the DiGirogio Corp. and other large scale operations. Goldschmidt examined the income levels of the residents, public facilities and services available, and civic involvement in the two communities. "By every measure that I could devise," he concluded, "the quality of life in Dinuba was superior to that of Arvin."

EFFICIENCY

Many sectors of the American economy, such as automobiles, steel, and oil, have become concentrated in a few large companies. Traditionally this trend has been justified on the grounds that firms become more efficient as they become larger and can take advantage of economies of scale.

This argument may or may not apply to other industries, but it clearly does not apply to agriculture. The Economic Research Service of the U.S. Department of Agriculture has found that a fully mechanized one-family farm, producing maximum acreage, is large enough to capture economies of size related to unit costs of production. Once a farm has achieved this optimum size, additional expansion will not lower production costs per unit.

Far from being less efficient than their corporate neighbors, family farms have given our food production system a resiliency and productivity which is lost when farms become divisions of large companies. Unlike large firms, families which have been working the land for generations do not view that land as just another investment to be exploited. On the contrary, they have a large stake in maintaining the soil's productivity for their children and grandchildren. They view farming as a way of life, and will tolerate low incomes or losses which would be unthinkable to most business people. Their dedication has made America the most efficient food producer in the world.

We have seen the results of corporate concentration in our other industries, whether it be low productivity in automobiles and steel or outrageous profits in oil. We cannot afford a similar fate for our most basic product—food.

Mr. Speaker, I am confident that our hearing will provide evidence of widespread support for Federal restrictions on farming by large nonfarm corporation. Certainly the hearings held during the past year by the Senate Subcommittee on Antitrust, Monopoly and Business rights on similar legislation by Senator Birch Bayh have helped demonstrate the need for such legislation. I hope the Congress will give this proposal serious consideration.●

SOCIAL SECURITY BENEFITS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. HUGHES. Mr. Speaker, after World War II had ended, a good many people who were prisoners in German concentration camps came to the United States, became citizens, and lived productive lives in their local communities. Many were adults when they entered the United States and are now at the age where they would like to collect their social security benefits but are precluded from doing so because they misstated their ages on visa applications. It was common practice for inmates of concentration camps to understate their ages since the Nazis routinely executed those over 30. The ages that the holocaust survivors established for themselves in the camps became a part of their lives in the displaced persons camps and later on when they left Europe for the United States and other parts of the world.

Instead of trying to correct their records these individuals keep on working and therefore forfeit the social security and other benefits they would otherwise be entitled to. Many would like to amend their immigration records but they are afraid of repercussions. They still fear deportation or loss of citizenship and for many the risk is too great so they quietly wait.

I have introduced legislation to remedy this unfortunate situation by permitting procedures for administrative correction of immigration records. The person need only apply to the Attorney General for the issuance of a corrected certificate of naturalization bearing the correct birth date. If the Attorney General determines that a corrected certificate of naturalization is in order, this document would constitute prima facie evidence of a citizen's birth date and could be used for the administration of any U.S. law. Twenty-eight of my colleagues have joined with me in cosponsoring this bill.

Last June, Moment magazine published an article describing one woman's plight as she attempted to obtain her social security benefits. Fortunately, her story had a happy ending. She was lucky enough to meet one of my constituents, David Kotok, a dedicated and persistent individual, who championed her cause before the Social Security Administration. By assembling documentation from recognized experts on the holocaust, he helped convince the administrative law judge that holocaust survivors were often compelled to lie about their ages in concentration camps to survive.

I include the text of that article in the Record, for it helps to demonstrate that there is a need for legislation of this kind. The text of the article follows:

Justice for One—A Report

This is a story about fear, and about fighting city hall and winning. It is a story with a moral, and with consequences for many thousands of post-holocaust immigrants who live in the United States and who are caught in the same trap that Bessie M. was caught in—until she met David Kotok.

David Kotok was born in 1943 in Vineland, New Jersey. And Bessie M. was born in Lodz, Poland, in 1910. That is what the Social Security Administration has finally decided, after five years of hearings, decisions, appeals. If it hadn't been for David Kotok, Bessie M.'s date of birth would still be officially listed as 1918, and she would not yet be entitled to social security benefits.

Bessie M. is not her real name; she doesn't want her real name used here. She is still afraid, even though the final decision was in her favor. She has been afraid for a very long time, since at least the day she lied about her age to save her life. That was in 1943, the year Kotok was born, when she was placed in a concentration camp near Riga. "The Nazis," she wrote in one of her petitions to the Social Security Administration, "had a rule that any woman over the age of 30 years they sent to the gas chamber—so in order to stay alive I said I was born in 5/2/18 and thus made myself not eligible for the gas chambers."

The first document in Bessie's bulging file is dated May 1951. It is her declaration of intention to become a citizen of the United States, and it lists her date of birth as 5/2/18, her age as 33. The photograph shows a chunky woman who could be 33—or 48. It's hard to know with people who live through what she did.

Bessie's story is familiar: One of nine children, of whom only she and two sisters survived the Nazis; ghettos, trains, camps. In the ghetto, one room for ten people; on the trains, four days with neither food nor water; in the camps, heavy labor. And in the camps, one day, a selection: the old and the very young, to death; the hearty, to life. That was the spring of 1944, and Bessie was 34 years old, too old to survive without lying. So she squeezed herself into a group of younger women, and tried to look like one of them and lied.

It is a story that Bessie tells very, very quietly, with frequent pauses where she has remembered something special and either cannot or does not want to let go of the memory. There is only one part of the story where her eyes sparkle, where she becomes animated and adds her own embellishments without encouragement. That is the story of May 3, 1945, the day that four British tanks appeared in Neustadt and the English soldiers announced freedom and distributed cheese, the day that Bessie knew that she would live, after all.

It was in a Joint Distribution Committee soup kitchen that she met her husband-to-be a few months later, her husband who had lost his wife and three children in a ghetto uprising, who had survived four years in the forests of Poland, whom she married in 1946. A year later, a daughter was born to them, and after three years in DP camps, they made their way to the United States, to take up again the threads of life.

In the meantime, David Kotok was growing up in Vineland. He was seven when Bessie and her husband and daughter came to America, and by the time Bessie's husband retired, in 1963, he was 20, about to be graduated from the University of Pennsylvania with a degree in economics, about to enter the US Army for a three year stint, most of it stationed in Stuttgart. Kotok didn't spend much time thinking about being Jewish; he was't alienated, but neither was he ambitious. Until 1967, the year he happened to visit Dachau, the year of the Six Day War as well. Something was fired by those two experiences, something which his friend back in Vineland must have sensed a few years later when he approached David to become involved in Jewish communal life. In the UJA/YLC, in the local federation, in AIPAC and ADL.

And David did, with gusto. And there he might have stayed, Judaism as a string of initials and a series of conferences. Except that he is a reader, and he began to build a library of Jewish texts and to read them, slowly filling in the considerable gaps that his up-to bar mitzva education had left. Except that he and his wife, Sharon, began to produce children—Rachel, then Sarah, then Mitchell—and had to start thinking about what to do for them. Except that two years ago, a local dentist called him and asked him to meet Bessie M.

Which he did, not knowing yet the purpose of the meeting, surely not its layers of consequence. "She was a meek woman," David recalls, "and you almost had the sense that she was so used to being a victim that the role suited her." With considerable reluctance, Bessie told David how she had tried to explain her plight to the Social Security Administration and how, after being denied benefits by SSA, she had given up, not knowing that she had any recourse. Her first effort had been in 1972; she tried again in 1974 and 1975, this time using the appeals procedure of the SSA. In the 1974-75 round, the bureaucracy invested considerable effort. Witnesses to Bessie's age were interviewed in Florida and in Israel. Inquiries were dispatched to the governments of Poland and the USSR. Affidavits were submitted and duly logged.

But rules are rules, and the rules of the Social Security Administration with regard to DOB (date of birth) are explicit: "The issue to be resolved is not what —— believe to be her correct date of birth, but that which is established based on the evidence of the highest probative value. . . . Where an individual is required to submit evidence of date of birth, he shall submit a public record of birth or church record of birth or baptism established or recorded before his fifth birthday, if available. . . . The highest probative value will be accorded to a public record of birth or a church record of birth established before age five. Where such record is not available, and other documents are submitted as evidence of age, in determining their probative value, consideration will be given when such documents were established or recorded and the circumstances attending their establishment or recordation. Among the documents which may be submitted are: school record, census record, marriage record, employment record. . . ."

But Bessie M. had no such records. The records she did have all showed her date of birth as 5/2/18, the date she had "invented" in the concentration camp. Her affidavits were from two sisters and an uncle. "Little merit can be accorded them," says the Reconsideration Determination dated 4/8/75. The only document to which "substantial probative value attaches," the decision continues, is the "Declaration of Intention recorded May 24, 1951, given under oath that her date of birth was May 2, 1918."

It is hard to fault the SSA or the Chief of its Reconsideration Branch, who signed the decision. If a person swears he is x years old, and then, at a later time, a time when advantage will be gained by asserting that the first statement was incorrect, seeks to establish a new age, it seems entirely reasonable to insist upon convincing supporting documentation. In Bessie's case, there was no such documentation. So, the decision concludes, "the statutory presumption that her date of birth is May 2, 1918, has not been overcome. Our initial determination is therefore affirmed."

And that was the situation when David and Bessie met. Bessie's husband was 77 years old, Bessie herself was now 68. David's friend, the dentist, had asked David to meet Bessie because he thought that the matter called for political intervention, and he knew that David had a close relationship with his Congressman.

Which David did, and which David used. David Kotok is very much a UJA Young Leadership Cabinet person, and one of the things that being on the Cabinet does is to instill a sense of power, a sense that things can get done, that there is a network of contacts and connections "out there" that can be utilized in time of need. Cabinet people are made to feel that they are at the center of things, and even if that sometimes leads to an unrealistic touch of arrogance, there are times when it is a very handy perspective. It permits the Cabinet people to dare where others might not.

David's task appeared simple. He reviewed the Reconsideration Determination and the applicable regulations, and he saw immediately that the only way in which a new appeal could be introduced would be if new information were developed. The finding had alleged that "No attempt that she tried to determine whether or not public records still exist for her in her native Poland, has been documented." But Kotok knew that this was not so; such an attempt had, in fact, been made, but no answer had been received. So Kotok asked his Congressman to raise the matter with the State Department, and to see whether they might not persuade the Polish and Soviet governments to respond to Bessie's request for information.

In due course, both governments replied, and so did the State Department. No records had been found; so said the governments. As to the State Department, it advised Bessie that she buy a book on tracing one's genealogy, and see whether it might not offer some useful advice on how to find a credible record of her date of birth.

Buy a book on genealogy? That was the best the Government of the United States of America could do for this hapless woman? Kotok saw red, and at that point, what had been for him an errand became for him a cause. Thenceforward—even when Bessie herself was ready to concede defeat—David tenaciously pursued every avenue of recourse. He would not let go.

It wasn't easy, nor was it only the rules and regulations and sometime insensitivities of governmental bureauracy that made it difficult. It was also Bessie herself. Bessie who was afraid, Bessie the survivor whose only child had been senselessly murdered 25 years after the Holocaust, just as she was finishing her graduate studies, Bessie who had long since forgotten how to trust. Slowly, painfully, David started her talking. He pored over book after book, preparing for each conversation with Bessie so thoroughly that he was able to refresh her memory, to remind her of names and places she herself had forgotten, to persuade her, finally, that he was on her side, that she could trust him. And so it was that a request for reconsideration was filed again on March 21, 1978. There wasn't much to go on yet, no more than there had been in 1974-75. Little wonder, then, that the April 14 determination by the SSA concluded, "We feel that claimant's explanation of age difference is plausible and reasonable. We do not feel, however, that relative's affidavit . . . is sufficient to satisfy requirements and warrant establishment of 5/2/10 DOB."

In the weeks that followed, new affidavits were collected—from an uncle in Miami, from a childhood next-door neighbor now living in Israel, bits and pieces that did not add much weight to Bessie's file. Accordingly, the local SSA office noted, on May 4, 1978, "We . . . have no choice but to deny her claim for age," and the regional office, on June 12, formally notified Bessie that "The evidence you submitted with this claim does not change the prior determination."

But it was this last notification that opened the door for a renewed appeal. The first step was still another request for reconsideration. Such a request was filed, and the determination was issued on September 12, 1978. The Chief of the regional Reconsideration Branch reviewed the applicable regulations once again, and once again found that there was not enough persuasive evidence to work from. Indeed, a certain pique sneaks through the bureaucratic jargon; the Chief seems annoyed, convinced that Bessie is disrupting the "orderly process" that has been established by filing and refiling without substantial cause. New evidence is required, and it must be material, not merely repetitious.

It was this determination which gave Kotok the opening he sought, for by now he had studied and restudied the SSA procedures, and what he wanted was a hearing before an Administrative Law Judge. Such a hearing must be requested within sixty days of the decision that is challenged; if it is to succeed, it must persuade the judge that the finding was in error.

Bessie herself was reluctant, for it would be best for her to appear before the judge, and her image was of a courtroom, a jury, television cameras and reporters. On the sixtieth day after the finding, she finally agreed to the request for a hearing. And, in due course, Bessie, her husband, and David Kotok presented themselves before the judge.

The judge had read the file, and he sensed Bessie's fear and sought to allay it. Gently, he spoke to her of the system; with kindness, he put her at ease. He explained that the cumulative weight of the evidence had to be persuasive. It was a help to Bessie's case that she had sought records from Poland and the USSR. As he was later to write, "Claimant produced a document reflecting a search by the Soviet authorities that no record of claimant's birth could be found. The very presentation of this document . . . tends in the mind of the Administrative Law Judge to establish that the claimant credibly believed that she was in fact born on the earlier date."

So, too, the latest affidavit from Bessie's uncle was helpful, for "it states enough details to strongly suggest the credibility of the statement."

But these bits and pieces, though helpful, were inadequate. Bessie's claim, in the final analysis, rested on the credibility of her assertion that she had lied to the Germans, and the credibility of that assertion depended on proving that such lying—"prevarication," in legalese—was common practice among concentration camp inmates.

This was what Kotok had hoped for. By now, his own study of the Holocaust was sufficiently impressive for the judge to accept him as an expert witness; further, the judge was willing to provide a thirty day extension in order for Kotok to prepare evidence specifically on the matter of prevarication.

It was during those thirty days that Kotok mobilized his "network," and it was also during those thirty days that he stumbled onto the single most upsetting aspect of the entire case.

The network worked perfectly. Kotok knew some people to call—a couple of former Young Leadership Cabinet members who could be viewed as experts on the Holocaust, a couple of lecturers who had addressed the Cabinet and were recognized experts. These led to others, and each offered to help by submitting a supporting letter on the issue of "prevarication." The dossier which ultimately was placed before the judge included letters from Lucy Dawidowicz, author of "The War Against the Jews," from Michael Berenbaum, Director of the President's Commission on the Holocaust; from half a dozen others, including several survivors. One after another, each argued authoritatively that it was common practice for the old to make themselves seem young, for the young to make themselves seem old.

It was these letters that finally persuaded the judge. "Critical to my decision in favor of the claimant is a remarkably detailed authoritative assembly of new and material proof proffered by Mr. Kotok from outstanding world authorities on the Holocaust . . . These letters all attest and authenticate an established concentration camp practice of changing one's birthdate to a later date to avoid the chamber."

The letters, and Kotok as well. For the judge writes, "I find claimant's testimony credible that she, in order to save her life in the concentration camp, decreased her age by stating that she was born in 1918 rather than 1910. If she had not done so she would have been over age 30 and would have been gassed to death. Claimant newly produced an expert on the Holocaust, a Mr. David R. Kotok. His testimony at the hearing established the enormity of the pressure on Jewish concentration camp inmates. I infer from his scholarly testimony that it would have been most human and reasonable for claimant to have prevaricated about her birthdate to save her life."

The decision reached Bessie and David on the last day of Pesach, 1979. That is the day on which the Haftorah reading, from Isaiah, includes the lines, "With righteousness shall he judge the poor, and decide with equity for the meek of the land."

The story might have ended then and there. But along the way to gathering the expert evidence, Kotok learned two things he had not known. First, he learned that there were tens of thousands of people in this country—American citizens—whose stories paralleled Bessie's. This was no isolated episode, Bessie not a singular victim. And second, he learned that just as Bessie's story was not unique, neither was her fear. Again and again, Kotok encountered survivors—some well-known, well-established, others like Bessie—who had themselves lied about their age, whose detailed recollections could easily have been entered into evidence, but who refused to come forward. A haunted gathering.

That is why Kotok today is working with his Congressman, who sits on both the Judiciary and Aging Committees, to develop legislation that will once and for all repair the circumstances of these poor people. He knows that it will not repair the fear; he knows that from Bessie, who is still afraid. But it can, at least, lighten the burden. And, in time, perhaps even soothe the fear a bit.

For do we not read, in the same portion of Isaiah, these words: "I will give thanks unto Thee, O Lord, for though Thou wast angry with me, Thine anger is turned away, and Thou comfortest me."●

NEW YORK CITY SPELLING BEE

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● **Mrs. CHISHOLM.** Mr. Speaker, recently Felicia Barbaro, Christine Quinones, and Jessica Maybar from Brooklyn, N.Y., the 12th Congressional District, participated in the annual New York City spelling bee sponsored by the Daily News.

Over the years these spelling bees have become part of a city tradition and each school looks forward to having their students qualify for the competition. Much hard work, drilling, and practice goes into the preparations for spelling bees.

The spelling bees today are much like those held in the one-room schoolhouse with students competing in rounds until a word is misspelled and the student is eliminated from the competition.

These three youngsters—one from parochial school and the other two from public school—are a fine example of what youngsters can do if they are challenged, motivated, and encouraged to excel. I personally believe that if the attitudes of many of our educators and school officials was one of encouragement and fostering discipline and stimulating hard work, there would be fewer complaints of declining achievement among schoolchildren and the demise of the American educational system.

I am extremely pleased about the honor that these competitions bring to students, parents, schools, and communities and I would like to join the many people wishing Jessica, Christine, and Felicia the best and congratulating them for their fine accomplishments.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 13, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 14

8:00 a.m.

Armed Services

Research and Development Subcommittee

To continue closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony on the Army antitank weapon, electronic warfare, and battlefield integration.

224 Russell Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agriculture Credit and Rural Electrification Subcommittee

To resume hearings on S. 1465, proposed Farm Credit Act Amendments of 1979.

324 Russell Building

Governmental Affairs

To hold hearings on the nomination of Karen H. Williams, of the District of Columbia, to be Administrator for Federal Procurement Policy.

3302 Dirksen Building

Labor and Human Resources

To hold hearings on the nomination of Betsy Levin, of North Carolina, to be General Counsel, Department of Education.

4232 Dirksen Building

10:00 a.m.

Appropriations

Energy and Water Development Subcommittee

To resume closed hearings on proposed budget estimates for fiscal year 1981 for the Department of Energy, receiving testimony on national security programs.

1223 Dirksen Building

Banking, Housing, and Urban Affairs

To resume hearings on S. 2352, extending the authority of the Council on Wage and Price Stability through fiscal year 1981, and authorizing funds for fiscal years 1980 and 1981, for activities thereof; to be followed by oversight hearings, in conjunction with the aforementioned bill, on the administration's anti-inflation programs, and on recent proposals for mandatory wage and price controls.

5302 Dirksen Building

Environment and Public Works

Environmental Pollution and Resource Protection Subcommittees

To resume joint markup of S. 1480, to provide for the adequate and safe treatment of hazardous substances released into the environment.

4200 Dirksen Building

Select on Intelligence

Budget Authorizations Subcommittee

To resume closed hearings on proposed budget estimates for intelligence activities of the U.S.

S-407, Capitol

10:30 a.m.

*Foreign Relations

To continue hearings on proposed authorizations for fiscal year 1981 for foreign assistance programs.

4221 Dirksen Building

MARCH 17

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

9:30 a.m.

*Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on S. 864, 1499, 1663, 1744, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.

5302 Dirksen Building

Joint Economic

Energy Subcommittee

To hold hearings to examine the Administration's efforts to promote alcohol fuel production in rural America.

5110 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 2322, authorizing funds for fiscal year 1981 for certain maritime programs of the Department of Commerce.

235 Dirksen Building

Foreign Relations

To continue hearings on S. 2271, authorizing an increase in the U.S. quota in the International Monetary Fund.

4221 Dirksen Building

Select on Indian Affairs

To hold hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C. Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

457 Russell Building

1:00 p.m.

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

MARCH 18

9:30 a.m.

*Banking, Housing, and Urban Affairs

International Finance Subcommittee

To continue hearings on S. 864, 1499, 1663, 1744, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.

5302 Dirksen Building

Labor and Human Resources

To hold oversight hearings on the implementation of the Occupational Safety and Health program.

4232 Dirksen Building

Select on Small Business

To hold hearings on S. 1860, proposed Small Business Innovation Act.

424 Russell Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development.

1114 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for alternative fuels program of the Department of Energy.

1223 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

Room to be announced

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold oversight hearings on the implementation of the Outer Continental Shelf 5-year offshore oil and gas leasing program.

3110 Dirksen Building

Finance

Private Pension Plans and Employee Fringe Benefits Subcommittee

To hold hearings on S. 1076, proposed Multiemployer Pension Plan Amendments Act.

2221 Dirksen Building

*Select on Indian Affairs

To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

1224 Dirksen Building

10:30 a.m.

Judiciary

Business meeting, to consider S.J. Res. 126, proposing a constitutional amendment to promote fiscal responsibility, and other pending calendar business.

2228 Dirksen Building

1:30 p.m.

Energy and Natural Resources

To hold hearings on Title III, and amendments thereto, concerning geothermal leasing and development in the proximity of national parks and monuments, to S. 1388, proposed Omnibus Geothermal Energy Commercialization Act.

3110 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

2:30 p.m.

Finance

Health Subcommittee

To hold hearings on S. 1968, proposed Health Incentives Reform Act.

2221 Dirksen Building

*Veterans' Affairs

Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

412 Russell Building

3:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction programs for the DOD, focusing on family housing programs.

1224 Dirksen Building

MARCH 19

9:00 a.m.

*Armed Services

General Procurement Subcommittee

To resume hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement of the DOD, focusing on Navy and Marine Corps procurement programs with the exception of the subjects of tactical air and air defense.

212 Russell Building

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To resume hearings on S. 2004, 2015, and 2296, bills authorizing funds for urban mass transportation programs.

5302 Dirksen Building

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

Judiciary

Jurisprudence and Governmental Relations Subcommittee

To hold hearings on S. 2387, proposed State Justice Institute Act.

5110 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.

1224 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Select on Indian Affairs

To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

457 Russell Building

10:15 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on S. 1652, to provide consumers with nutrition and ingredient information on food labels, and to remove the burdens on the food industry in providing such information.

4232 Dirksen Building

2:30 p.m.

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To continue hearings on S. 2004, 2015, and 2296, bills authorizing funds for urban mass transportation programs.

5302 Dirksen Building

Finance

Health Subcommittee

To continue hearings on S. 1968, proposed Health Incentives Reform Act.

2221 Dirksen Building.

MARCH 20

8:30 a.m.

Energy and Natural Resources

To resume closed hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

S-407, Capitol

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To hold oversight hearings on the scope of the general revenue sharing program.

3302 Dirksen Building

*Judiciary

To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development, and for the Peace Corps.

1114 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To hold oversight hearings on the scope of rental, multifamily, and public housing.

5302 Dirksen Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To resume oversight hearings on the implementation of the Outer Continental Shelf 5-year offshore oil and gas leasing program.

3110 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1318 Dirksen Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee

3110 Dirksen Building

MARCH 21

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

9:30 a.m.

Judiciary

To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

Labor and Human Resources

To resume oversight hearings on the implementation of the Occupational Safety and Health program.

4232 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency, and for the Council on Environmental Quality.

1318 Dirksen Building

MARCH 24

9:30 a.m.

Environment and Public Works

Nuclear Regulation Subcommittee

To hold hearings on S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on the U.S. embargo of grain and technology exports to the Soviet Union.

5302 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on the implementation of rail safety laws by the Federal Railroad Administration, focusing on the area of hazardous materials regulation.

235 Russell Building

Energy and Natural Resources

To hold oversight hearings on the activities of the Department of Energy.

3110 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Census, general administration, and economic and statistical analysis, Department of Commerce.

S-146, Capitol

MARCH 25

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

S-128, Capitol

Environment and Public Works

Nuclear Regulation Subcommittee

To continue hearings on S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.

4200 Dirksen Building

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume oversight hearings on the scope of the general revenue sharing program.

3302 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on proposed authorizations for the National Science Foundation.

4232 Dirksen Building

*Veterans' Affairs

Business meeting, to consider S. 1188, to revise the vocational rehabilitation program administered by the Veterans' Administration.

412 Russell Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development; the international narcotics control program of the Department of State; and for the Inter-American Foundation.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.

1223 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Development Administration, and Regional Planning Commission, Department of Commerce.

S-146, Capitol

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold joint hearings with the Energy and Natural Resources' Subcommittee on Energy Resources and Materials Production on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer Continental Shelf) from environmental degradation due to oil and gas well drilling activities.

235 Russell Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer Continental Shelf) from environmental degradation due to oil and gas well drilling activities.

235 Russell Building

Energy and Natural Resources

*Parks, Recreation, and Renewable Resources Subcommittee

To receive testimony from Administration officials on the following land conveyance and other measures affecting the Forest Service and the Bureau of Land Management: S. 1506, 2261, 1923, 1972, 1985, 1997, 2209, 1910, 1715, 2307, H.R. 1762, 3928, 1967, and 920.

3110 Dirksen Building

Labor and Human Resources

Education Arts, and Humanities Subcommittee

Business meeting, to resume consideration of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.

357 Russell Building

2:00 p.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Cost Accounting Standards Board, and the General Accounting Office.

S-128, Capitol

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MARCH 26

9:00 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

Business meeting, to markup S. 1843 and H.R. 2977, proposed Domestic Violence Prevention and Services Act; and proposed legislation to establish Commissions on National Youth Service and Volunteerism.

4232 Dirksen Building

9:30 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology.

1223 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Industry and Trade Administration, Minority Business Development Agency, and the U.S. Travel Service, Department of Commerce.

S-146, Capitol

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subommittee

To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.

5302 Dirksen Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

3110 Dirksen Building

Rules and Administration

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the Federal Election Commission.

301 Russell Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Oceanic and Atmospheric Administration, Department of Commerce.

S-146, Capitol

MARCH 27

9:30 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

S-128, Capitol

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1981 from AMVETS, Paralyzed Veterans, Blinded Veterans, WWI Veterans, and Military Orders of the Purple Heart.

1202 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Smithsonian Institution.

1223 Dirksen Building

*Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Patent and Trademark Office, and science and technical research, Department of Commerce.

S-146, Capitol

Energy and Natural Resources

To hold hearings on S. 1784, to improve the electric generating efficiency of joint Federal-civilian pooling practices in Alaska.

3110 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1318 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Telecommunications and Information Administration, and the Maritime Administration, Department of Commerce.

S-146, Capitol

MARCH 28

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

9:30 a.m.

Labor and Human Resources

To resume oversight hearings on the implementation of the occupational safety and health program.

4232 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation, and for the Office of Science and Technology Policy.

1318 Dirksen Building

MARCH 31

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

10:00 a.m.

*Banking, Housing, and Urban Affairs

International Finance Subcommittee

To hold hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.

5302 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 1151, proposed Rail Restructuring Assistance Act.

235 Russell Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Chrysler loan guarantee program.

S-146, Capitol

APRIL 1

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.

1224 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Commerce.

S-146, Capitol

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.

5302 Dirksen Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

3110 Dirksen Building

APRIL 2

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 1393, authorizing funds for fiscal years 1981 and 1982 for programs under the National Earthquake Hazard Reduction Act.

235 Russell Building

*Veterans' Affairs

To hold hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration's health-care facilities.

412 Russell Building

10:00 a.m.

*Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Commission on Air Quality, the American Battle Monuments Commission, and U.S. Army cemeterial expenses.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs, and the Urban Development Action Grant of the Department of Housing and Urban Development.

5302 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Labor and Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on S. 2385, proposed Youth Act.

4232 Dirksen Building

2:00 p.m.

*Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1318 Dirksen Building

APRIL 3

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

S-128, Capitol

Judiciary

To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.

1224 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for ocean pollution research and monitoring programs.

235 Russell Building

Energy and Natural Resources

To hold hearings on the climatic effects of carbon dioxide buildup in the atmosphere.

3110 Dirksen Building

Labor and Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To continue hearings on S. 2385, proposed Youth Act.
4232 Dirksen Building

APRIL 15

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.
4232 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Inspector for Alaska pipeline, and the Energy Information Administration, of the Department of Energy.
1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs

*International Finance Subcommittee

To hold hearings on S. 2097, propose Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.
5302 Dirksen Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Energy Regulatory Commission and for the Office of Hearings and Appeals.
6226 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

APRIL 16

9:00 a.m.

*Veterans' Affairs

To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.
412 Russell Building

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.
4232 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 1424, proposed International Health Act.
6226 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Gallery of Art, and the Commission of Fine Arts.
1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.
5302 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
357 Russell Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 17

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.
4232 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the development of children who benefit from adoption by facilitating their placement in adoptive homes.
457 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Forest Service, Department of Agriculture.
1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1114 Dirksen Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Regulatory Administration, and the Energy Information Administration.
5110 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee.

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
S-146, Capitol

APRIL 18

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Emergency Management Agency.
1318 Dirksen Building

Energy and Natural Resources

To hold hearings on a report entitled "Energy in Transition: 1985-2010" of the Committee on Nuclear and Alternative Energy Systems (CONAES) of the National Academy of Sciences.
3110 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

APRIL 21

10:00 a.m.

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

APRIL 22

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Regulatory Administration, Department of Energy.
1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury, and on the U.S. Postal Service.
1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

APRIL 23

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 24

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1114 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 25

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

APRIL 28

9:30 a.m.

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

APRIL 29

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, U.S. Tax Court, and President's Commission on Pension Policy.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

APRIL 30

9:30 a.m.

*Veterans' Affairs

Business meeting, to consider proposed legislation on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.

412 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Elections Commission, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped, and the Administrative Conference of the U.S.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 1

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.

1114 Dirksen Building

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold hearings on issues Congress might consider which would affect youth in the coming decade.

6226 Dirksen Building

MAY 2

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

MAY 6

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Constriction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 7

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.

1224 Dirksen Building

MAY 13

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.
1224 Dirksen Building

MAY 14

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

MAY 29

9:30 a.m.
*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

CANCELLATIONS

MARCH 14

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

10:00 a.m.
*Labor and Human Resources
Education, Arts, and the Humanities Subcommittee
Business meeting, to resume markup of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.
1052 Dirksen Building

MARCH 18

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.
5302 Dirksen Building

MARCH 19

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.
235 Russell Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.
235 Russell Building

MARCH 25

10:00 a.m
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimate for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 26

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

MARCH 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for the Department of Transportation.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

11:30 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 28

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building